CONSOLIDATED INCOME STATEMENT

January 1 to December 31, in CHF 000 (except per-share amounts)	Note	2013	%	2012 Restated	%
Net revenues	8	**2 858 989**	**100.0**	**2 847 910**	**100.0**
Cost of goods and materials		– 1 820 799	– 63.7	– 1 907 566	– 67.0
Personnel expense	9	– 379 610	– 13.3	– 394 640	– 13.9
Other operating expenses	10	– 523 283	– 18.3	– 448 677	– 15.8
Depreciation and impairments	20, 21, 22	– 64 287	– 2.2	– 55 450	– 1.9
Other revenues	11	7 867	0.3	30 165	1.1
Other expenses	11	– 1 885	– 0.1	– 15 079	– 0.5
Operating profit (EBIT)	8	**76 992**	**2.7**	**56 663**	**2.0**
Financial expense	12	– 22 851	– 0.8	– 14 426	– 0.5
Financial income	13	2 774	0.1	1 802	0.1
Share of result from associates and joint ventures	25	533	0.0	469	0.0
Earnings before taxes		**57 448**	**2.0**	**44 508**	**1.6**
Income taxes	14	– 8 310	– 0.3	– 6 054	– 0.2
Net profit from continuing operations		**49 138**	**1.7**	**38 454**	**1.4**
Net profit from discontinued operations	7	5 000	0.2	0	0.0
Net Group profit		**54 138**	**1.9**	**38 454**	**1.4**
Attributable to shareholders of Valora Holding AG		50 605	1.8	38 153	1.4
Attributable to providers of hybrid capital		3 200	0.1	–	–
Attributable to providers of Valora Holding AG equity		**53 805**	**1.9**	**38 153**	**1.4**
Attributable to non-controlling interests		**333**	**0.0**	**301**	**0.0**
Earnings per share					
from continuing operations, diluted and undiluted (in CHF)	15	13.46		13.09	
from discontinued operations, diluted and undiluted (in CHF)	7	1.48		0	
from continued and discontinued operations, diluted and undiluted (in CHF)	15	**14.94**		**13.09**	

The accompanying notes from page 53 to page 112 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to December 31, in CHF 000	**Note**	**2013**	2012 Restated
Net Group profit		**54 138**	**38 454**
Actuarial gains / (losses) before income taxes	30	23 599	9 374
Income taxes	30	– 4 751	– 1 874
Positions not subject to reclassification affecting the income statement		**18 848**	**7 500**
Cash flow hedge		4 113	– 2 499
Currency translation adjustments		818	1 001
Valuation gains / (losses) on financial investments available for sale before income taxes		0	– 64
Income taxes		0	16
Positions whose reclassification potentially affects the income statement		**4 931**	**– 1 546**
Total other comprehensive income		**23 779**	**5 954**
Total comprehensive income		**77 917**	**44 408**
Attributable to shareholders of Valora Holding AG		74 670	44 002
Attributable to providers of hybrid capital		3 200	–
Attributable to providers of Valora Holding AG equity		**77 870**	**44 002**
Attributable to non-controlling interests		**47**	**406**

The accompanying notes from page 53 to page 112 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

ASSETS

in CHF 000	Note	31.12.2013	%	31.12.2012 Restated	%	01.01.2012 Restated	%
Current assets							
Cash and cash equivalents	16	174 973		147 153		109 562	
Derivative financial assets	33	246		7		166	
Trade accounts receivable	17	153 486		169 292		174 042	
Inventories	18	219 461		233 136		236 299	
Current income tax receivables		537		914		4 453	
Other current receivables	19	86 144		86 476		66 597	
Total current assets		**634 847**	**38.9 %**	**636 978**	**39.6 %**	**591 119**	**53.4 %**
Non-current assets							
Property, plant and equipment	20	236 174		228 935		219 302	
Goodwill, software and other intangible assets	22	648 073		660 064		232 788	
Investment property	21	3 647		5 645		5 752	
Investment in associates and joint ventures	25	5 099		4 554		4 291	
Financial assets	24	20 093		22 647		8 881	
Net pension asset	30	56 425		24 303		16 523	
Deferred income tax assets	14	26 541		26 884		27 570	
Total non-current assets		**996 052**	**61.1 %**	**973 032**	**60.4 %**	**515 107**	**46.6 %**
Total assets		**1 630 899**	**100.0 %**	**1 610 010**	**100.0 %**	**1 106 226**	**100.0 %**

LIABILITIES AND EQUITY

in CHF 000	Note	31.12.2013	%	31.12.2012 Restated	%	01.01.2012 Restated	%
Current liabilities							
Short-term financial debt	26	1 278		16 187		141 869	
Derivative financial liabilities	33	292		2 820		9 056	
Trade accounts payable	27	268 940		266 145		293 056	
Current income tax liabilities		16 837		36 597		12 565	
Other current liabilities	28	155 031		154 213		144 846	
Current provisions	29	0		5 481		0	
Total current liabilities		**442 378**	**27.1 %**	**481 443**	**29.9 %**	**601 392**	**54.4 %**
Non-current liabilities							
Other non-current liabilities	26	396 538		495 521		3 644	
Long-term accrued pension cost	30	12 978		12 358		15 026	
Long-term provisions	29	406		400		6 121	
Deferred income tax liabilities	14	48 333		42 534		15 226	
Total non-current liabilities		**458 255**	**28.1 %**	**550 813**	**34.2 %**	**40 017**	**3.6 %**
Total liabilities		**900 633**	**55.2 %**	**1 032 256**	**64.1 %**	**641 409**	**58.0 %**
Equity							
Share capital	37	3 436		3 436		2 800	
Treasury stock		– 8 015		– 12 350		– 5 185	
Hybrid capital		119 098		–		–	
Mark-to-market, financial instruments		– 7 222		– 11 335		– 8 788	
Retained earnings		660 530		633 781		513 070	
Cumulative translation adjustments		– 39 738		– 40 842		– 41 738	
Equity of Valora Holding AG		**728 089**	**44.6 %**	**572 690**	**35.6 %**	**460 159**	**41.6 %**
Non-controlling interests		2 177		5 064		4 658	
Total equity		**730 266**	**44.8 %**	**577 754**	**35.9 %**	**464 817**	**42.0 %**
Total liabilities and equity		**1 630 899**	**100.0 %**	**1 610 010**	**100.0 %**	**1 106 226**	**100.0 %**

The accompanying notes from page 53 to page 112 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

January 1 to December 31, in CHF 000	**Note**	**2013**	2012 Restated
Operating profit (EBIT)		**76 992**	**56 663**
Elimination of non-cash transactions in operating profit (EBIT)			
Depreciation and impairments on property, plant, equipment and investment properties	20, 21	39 770	33 283
Amortisation of intangible assets	22	24 517	22 167
(Gains) / losses on sales of fixed assets, net	11	– 20	12 255
Book-value gain on sale of subsidiaries, net	6	0	– 22 900
Share-based remuneration	31	489	642
(Decrease) / increase in accrued pension cost		– 7 755	1 531
Increase / (decrease) in other non-current liabilities		3 116	– 630
Changes in net working capital, net of acquisitions and disposals of business units			
Decrease in trade accounts receivable		15 286	6 010
Decrease in inventories		13 656	6 436
Decrease in other current assets		4 756	633
Increase / (decrease) in trade accounts payable		2 865	– 14 490
Provisions assigned	29	0	– 753
Decrease in other liabilities		– 25 272	– 26 132
Net cash provided by operating activities		**148 400**	**74 715**
Interest paid		– 16 458	– 19 139
Income taxes paid		– 4 616	– 2 332
Interest received		1 884	1 085
Dividends received		56	194
Total net cash provided by operating activities		**129 266**	**54 523**

January 1 to December 31, in CHF 000	**Note**	**2013**	2012 Restated
Cash flow from investing activities			
Investment in property, plant and equipment	20	– 40 282	– 50 530
Investment grants received	20	2 067	12
Proceeds from sale of property, plant and equipment	20	2 043	59 828
Investment property purchases	21	0	– 36
Proceeds from sale of investment property	21	1 942	17
Acquisition of subsidiaries, net of cash acquired	6	– 11 779	– 318 614
Disposal of subsidiaries, net of cash sold	6	7 005	28 335
Change in equity by associates		61	0
Sale of joint venture		0	934
Sales of financial investments		400	1 277
Purchases of other intangible assets	22	– 9 548	– 21 702
Proceeds from sale of other intangible assets	22	38	137
Net cash used in investing activities		**– 48 053**	**– 300 342**
Cash flow from financing activities			
Payment of short-term financial liabilities		– 17 501	– 17 271
Increase of long-term financial liabilities	26	183 883	283 035
Payment of long-term financial liabilities	26	– 291 343	0
Issuance of bonds		0	199 652
Redemption of bonds		0	– 140 000
Acquisition of non-controlling interests		– 3 820	0
Issuance of hybrid capital	37	119 098	–
Treasury stock purchased		– 947	– 20 744
Treasury stock sold		4 197	11 634
Distributions to providers of hybrid capital		– 2 400	–
Dividends paid to Valora Holding AG shareholders		– 42 307	– 31 888
Expenses arising from Valora Holding AG share-capital increase		0	– 1 949
Net (expenses)/revenues from financing activities		**– 51 140**	**282 469**
Net increase in cash and cash equivalents		**30 073**	**36 650**
Translation adjustments on cash and cash equivalents		– 2 253	941
Cash and cash equivalents at beginning of year		147 153	109 562
Cash and cash equivalents at year end	16	**174 973**	**147 153**

The accompanying notes from page 53 to page 112 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity

	Equity of Valora Holding AG								
in CHF 000	**Share capital**	**Treasury stock**	**Hybrid capital**	**Mark-to-market, financial instruments**	**Retained earnings**	**Cumulative translation adjustments**	**Total equity of Valora Holding AG**	**Non-controlling interests**	**Total equity**
Balance at December 31, 2011	**2 800**	**– 5 185**	**–**	**– 8 788**	**510 585**	**– 41 738**	**457 674**	**4 658**	**462 332**
Restatement IAS 19					2 485		2 485		2 485
Balance at January 1, 2012	**2 800**	**– 5 185**	**–**	**– 8 788**	**513 070**	**– 41 738**	**460 159**	**4 658**	**464 817**
Net Group profit[1]					38 153		38 153	301	38 454
Total other comprehensive income[1]				– 2 547	7 500	896	5 849	105	5 954
Total comprehensive income[1]				– 2 547	45 653	896	44 002	406	44 408
Share-based payments					203		203		203
Dividend paid					– 31 888		– 31 888		– 31 888
Increase in treasury stock		– 20 744					– 20 744		– 20 744
Decrease in treasury stock		13 579			– 1 457		12 122		12 122
Share-capital increase	636				108 200		108 836		108 836
Balance at December 31, 2012[1]	**3 436**	**– 12 350**	**–**	**– 11 335**	**633 781**	**– 40 842**	**572 690**	**5 064**	**577 754**
Net Group profit					53 805		53 805	333	54 138
Total other comprehensive income				4 113	18 848	1 104	24 065	– 286	23 779
Total comprehensive income				4 113	72 653	1 104	77 870	47	77 917
Share-based payments					567		567		567
Dividend paid to shareholders					– 42 307		– 42 307		– 42 307
Increase in treasury stock		– 947					– 947		– 947
Decrease in treasury stock		5 282			– 878		4 404		4 404
Issuance of hybrid capital			119 098				119 098		119 098
Distributions to providers of hybrid capital					– 2 400		– 2 400		– 2 400
Acquisition of non-controlling interests					– 886		– 886	– 2 934	– 3 820
Balance at December 31, 2013	**3 436**	**– 8 015**	**119 098**	**– 7 222**	**660 530**	**– 39 738**	**728 089**	**2 177**	**730 266**

[1] restated

The accompanying notes from page 53 to page 112 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 INFORMATION REGARDING THE GROUP

Valora is a trading group operating on a Europe-wide scale. Valora Holding AG, the firm's parent company, is incorporated in Muttenz, Switzerland and its shares are listed on SIX Swiss Exchange. Valora's consolidated financial statements for the 2013 financial year were approved by the Board of Directors on March 31, 2014. These consolidated financial statements are subject to approval by the General Meeting of Shareholders to be held on May 7, 2014.

2 ACCOUNTING POLICIES

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

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

Key accounting principles.

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

Consolidated companies. Group companies controlled by Valora Holding AG are fully consolidated. In determining whether such control exists, the contractual provisions governing Valora's interest in such companies are considered as are Valora's other rights. Group companies acquired are consolidated from the day Valora assumes control over them and deconsolidated from the day Valora ceases to exercise such control.

Consolidation method. All intra-Group assets, liabilities, revenues and expenditures, and all unrealised gains or losses in intra-Group transactions, are fully eliminated. Whenever companies are acquired, all identifiable assets, liabilities and contingent liabilities of the acquired entity are valued at the fair value prevailing at the time of the acquisition, and the difference between the purchase price paid and the fair value of the company's net assets at the time of the acquisition is recognised as goodwill. Non-controlling interests are defined as that part of the equity of a subsidiary which are is directly or indirectly attributable to the shareholders of Valora Holding AG. These non-controlling interests are disclosed separately in the consolidated income statement, consolidated statement of comprehensive income and the balance sheet. In the Group balance sheet, non-controlling interests are shown in the equity section, but are reported separately from the equity attributable to shareholders of Valora Holding AG. Acquisitions of non-controlling interests are treated as equity transactions, with the difference between the purchase price paid and the book value of the net assets acquired being allocated to the equity attributable to the shareholders of Valora Holding AG.

Non-consolidated participations (associated companies and joint ventures). Associated companies and joint ventures are treated according to the equity method. Associated companies are companies over which Valora exerts significant influence, but does not control. Significant influence is assumed to be exerted on companies in which Valora holds between 20% and 50% of the voting shares. Joint ventures are based on joint arrangements between the parties concerned, each of which has rights to the net assets of the joint-venture entity. Joint operations, conversely, confer direct rights and obligations to the assets and liabilities of the arrangement, who recognise these in their financial statements in the specified proportion of the parties' ownership interest. Participations treated under the equity method are recorded on the balance sheet at purchase cost and reported under "Investment in associates and joint ventures". In the reporting periods following acquisition, the value of this item is adjusted to reflect Valora's share of the changes in the equity of the associated companies and joint ventures. Any valuation gains or losses not affecting the net income of associated companies and joint ventures are credited or debited directly to Valora's other comprehensive income. Dividends received by Valora reduce the value of its investment.

Scope of consolidation. Note 39 provides an overview of the Valora Group's significant subsidiaries.

Changes in consolidation scope. No changes in consolidation scope occurred during 2013. As of January 1, 2012, the Valora Group acquired 78% of Karl Schmelzer-J.Bettenhausen GmbH & Co. KG and of its limited-liability partner, both with registered offices in Vienna, Austria. As of April 2, 2012, the Valora Group acquired 100% of Convenience Concept GmbH with registered offices in Ratingen, Germany. As of October 10, 2012, the Valora Group acquired 100% of Brezelbäckerei Ditsch GmbH, Prisma Backwaren GmbH and Brezelkönig GmbH & Co. KG, all three with registered offices in Mainz, Germany. As of October 17, 2012, the operations of Valora Services Austria GmbH, whose registered offices are in Anif, Austria were sold in their entirety.

Additional information on these transactions is presented in note 6 below.

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

3 CHANGES TO ACCOUNTING POLICIES

Implementation of new International Financial Reporting Standards (IFRS) and interpretations thereof. Adoption of the following changes to International Financial Reporting Standards (IFRS) and interpretations thereof was first required for the Group's 2013 accounts:

IAS 1 (revised) "Presentation of Financial Statements"
Those components of other comprehensive income which, under certain circumstances, are reclassified in such a way as to impact future income statements are reported separately from those which are not so reclassified. This change has no financial effect on the results shown here, since it relates solely to the presentation of other comprehensive income.

IAS 19 (revised) "Employee Benefits"
The effects of this change on the Valora Group's financial statements are set out in the explanatory table relating to the restatement (note 3).

IFRS 7 (revised) "Financial Instruments: Disclosures"
Financial assets and liabilities may be offset against each other only to the extent that enforceable netting rights exist as of the relevant balance sheet date and that the assets and liabilities can be netted against each other. This change has no effect on the financial statements of the Valora Group.

IFRS 10 "Consolidated Financial Statements"
This new standard replaces IAS 27 and SIC 12. In this context, the new standard redefines the concept of control. Under the new definition, control is deemed to exist when an entity can exert power over an investee, when the entity is exposed to variable returns from its investment and when it has the ability to affect the level of those returns through its power over the investee. This new standard does not affect any of the entities in the Valora Group's consolidation scope.

IFRS 11 "Joint Arrangements"
This new standard replaces IAS 31 and parts of IAS 28. The distinction as to whether a participation constitutes a joint operation or a joint venture determines the consolidation method. The option of applying pro-rata consolidation is no longer permitted and joint ventures must now be reported under the equity method. This new standard does not affect the financial statements of the Valora Group.

IFRS 12 "Disclosure of Interests in Other Entities"
The new requirements applicable under IFRS 12 affect extended disclosure requirements only (see note 25 and 39).

IFRS 13 "Fair Value Measurement"
The definition of «fair value» has been harmonised and is now defined as the price that would be realised in an orderly transaction between market participants at the measurement date for the sale of an asset or the transfer of a liability (see note 35).

Changes to IAS 36 "Impairment of Assets"
Because Valora has elected to apply these changes in 2013, and thus ahead of their required implementation date, it is not required to disclose the recoverable amount of cash-generating units as part of its goodwill testing.

Future implementation of International Financial Reporting Standards (IFRS) and interpretations thereof. These consolidated financial statements have not yet adopted the following new standards or modifications to existing standards and their interpretation, all of which the Valora Group will be required to apply in its accounts for 2014 or thereafter:

The following new standards and future changes to existing IFRS standards are currently being analysed: With effect from January 1, 2015, the Annual Improvements 2010–12 Cycle and 2011–13 Cycle (annual modification process) and IFRS 9 (revised) «Financial Instruments» will become applicable. It is not currently anticipated that these changes will have any material effect on the Group's financial statements.

Restatement of Group financial statements. A new version of IAS 19 "Employee Benefits" was published in June 2011. The revised standard must be applied to all reporting periods commencing on or after January 1, 2013. The new standard no longer permits actuarial gains and losses on defined-benefit employee schemes to be reported under the corridor method. The Valora Group does not avail itself of this method, reporting such gains and losses under total other comprehensive income instead. Since the approach that the revised standard requires in this matter is already used by the Valora Group, these changes do not have any effect on its consolidated accounts. The revised standard also requires that the current method of basing expected returns from plan assets on an expected net return be replaced by a method which applies the discount rate used to calculate the net present value of defined-benefit plans' projected benefit obligation. There is also a requirement that past service costs are immediately recognised in the income statement at the time they occur and the distribution of risks between employee and employer changes.

The revised standard has been applied retroactively as of January 1, 2012. This results in an increase in the net pension asset amounting to CHF 3106 thousand. The opening balance for retained earnings has been raised accordingly, subject to an adjustment of CHF – 621 thousand for deferred income tax liabilities.

The tables below show the effect of this restatement:

Consolidated Balance Sheet at 01.01.2012

in CHF 000	01.01.2012 before restatement	Change	01.01.2012 Restated
Net pension asset	13 417	3 106	16 523
Deferred income tax liabilities	14 605	621	15 226
Retained earnings	510 585	2 485	513 070

Consolidated Balance Sheet at 31.12.2012

in CHF 000	31.12.2012 before restatement	Change	31.12.2012 Restated
Net pension asset	21 255	3 048	24 303
Deferred income tax liabilities[1]	51 231	610	51 841
Retained earnings	631 343	2 438	633 781

Consolidated Income Statement January 1 to December 31, 2012

in CHF 000	01.01.–31.12.2012 before restatement	Change	01.01.–31.12.2012 Restated
Personnel expense	– 385 528	– 9 112	– 394 640
Operating profit (EBIT)	65 775	– 9 112	56 663
Income taxes	– 7 876	1 822	– 6 054
Net Group profit	45 744	– 7 290	38 454
Earnings per share, diluted and undiluted (in CHF)	15.60	– 2.51	13.09

Consolidated Statement of Comprehensive Income January 1 to December 31, 2012

in CHF 000	01.01.–31.12.2012 before restatement	Change	01.01.–31.12.2012 Restated
Net Group profit	45 744	– 7 290	38 454
Actuarial gains / (losses) before income tax	320	9 054	9 374
Income taxes	– 63	– 1 811	– 1 874
Total other comprehensive income	– 1 289	7 243	5 954
Total comprehensive income	44 455	– 47	44 408

[1] Before adjustment to Ditsch/Brezelkönig purchase price

4 GENERAL ACCOUNTING POLICIES

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

Upon consolidation, the assets and liabilities of subsidiaries whose operating currency is not the Swiss franc are converted into Swiss francs at the exchange rate prevailing on the balance sheet date. Income statement, cash flow statement and other movement items are converted into Swiss francs at average exchange rates for the period, provided such presentation sufficiently approximates the figures which would result from the application of transaction date rates. If not, movement items are converted at effective transaction rates. Exchange rate gains and losses arising from the translation of annual financial statements of non-Swiss-franc subsidiaries are booked to other comprehensive income and reported separately as currency translation adjustments.

Exchange rates applied to key foreign currencies

	Average rate for 2013	**Rate at December 31, 2013**	Average rate for 2012	Rate at December 31, 2012
Euro, 1 EUR	1.231	1.227	1.205	1.208
Swedish krona, 100 SEK	14.23	13.87	13.86	14.07
Danish krone, 100 DKK	16.50	16.45	16.19	16.19
Norwegian krone, 100 NOK	15.79	14.71	16.12	16.45

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

Equity-based remuneration. The Valora Group pays some of the remuneration it grants in the form of Valora shares. The expense from this recorded in the income statement is calculated by multiplying the number of shares granted by the market price prevailing on the grant date (minus any amount payable by the recipients). The expense arising from schemes which will definitely be paid out in shares (equity settled schemes) is accrued against equity. The expense from schemes where payment in shares is not certain is accrued as a liability. If the conditions for the allocation of shares extend over several years, the relevant expenses are accrued in appropriate proportions to the years concerned, based on the degree to which the targets are expected to be achieved. The current value of all cash-settled equity-based remuneration arrangements is revaluated at every balance-sheet date until disbursement occurs.

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

Income tax. Income tax is calculated based on the tax laws of each applicable sovereign jurisdiction and is charged to the income statement for the accounting period in which the net income in question arose. The applicable effective tax rates are applied to net income.

Deferred taxes which arise as a result of timing differences between the values of assets and liabilities reported on the balance sheet and their applicable tax values are shown as deferred tax assets or deferred tax liabilities. Deferred tax assets are recognised when there is a probability that sufficient taxable income will be available to offset against them. Deferred income taxes are calculated based on the rates of tax which are expected to apply in the tax period in which the deferred tax asset or liability concerned will be realised or settled. Deferred tax liabilities on temporary differences are generally recorded. Deferred tax assets are recognised only when there is a probability that there will be sufficient taxable income available to offset against them. Taxes receivable are offset against taxes payable if they relate to the same taxable entity and there is an enforceable legal basis for them to be offset against each other. Changes to deferred tax liabilities or assets are reported as tax expense or income in the income statement. This does not apply to deferred taxes relating to positions which are either shown under other comprehensive income or are accrued directly to equity.

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

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

Earnings per share. Earnings per share are calculated by dividing the net profit from continuing operations attributable to shareholders of Valora Holding AG by the average number of shares of the Valora Holding AG parent company outstanding. Diluted earnings per share take account of the dilutive effects of potential changes to the number of outstanding shares and adjust earnings per share accordingly.

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

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

Inventory. Inventory items are carried at the lower of either their purchase or manufacturing cost or their net realisable value. For Valora's Retail division, inventory is valued at average purchase cost, based on a moving average method. The Valora Services and Valora Trade divisions use the first-in, first-out method (FiFo). Ditsch/Brezelkönig values both its finished and unfinished products at their production cost, while all other inventory items are valued at average purchase cost based on a moving average method. Slow-moving or obsolete inventory items are valued according to standard business practices, with the items in question being partially or wholly written off.

Non-current assets held for sale. Non-current assets are classified as held for sale and valued at the lower of book value or fair value minus costs of disposal, if their book value is expected to be realised principally from their sale rather than from their continued operational use. The assets in question must be immediately saleable and there must be a high probability that their sale will occur. If entire business units are held for sale, all their assets and all their directly attributable liabilities are recorded in the balance sheet separately as assets or liabilities held in disposal groups.

Property, plant and equipment. Property plant and equipment is recorded at cost minus accumulated depreciation. Subsequent expenditure for renovation is capitalised only if the costs can be reliably determined and an economic benefit results from them. If these conditions are met, the renovation costs so capitalised are depreciated over the economically useful life of the property. All other renovation and maintenance costs are expensed directly to the income statement. Capitalised extensions and installations in rented premises are depreciated over their estimated economically useful life or the remaining term of the rental lease, if this is shorter. The interest costs relating to facilities which have been under construction for longer periods of time are capitalised.

Depreciation is charged according to the linear method, based on the estimated economically useful life of the item concerned:

	Years
Land for operational use	no depreciation
Buildings and building components, operational	15–40
Machinery, equipment, fixtures and fittings	6–10
Vehicles	5
IT hardware	3–5

Investment property. Investment property is recorded at purchase or construction cost minus accumulated depreciation. The fair values reported in these notes are based on current estimates of their income-generating capacity. Subsequent expenditure for renovation is capitalised only if the costs can be reliably determined and an economic benefit results from them. If these conditions are met, the renovation costs so capitalised are depreciated over their useful economic life. All other renovation and maintenance costs are expensed directly to the income statement.

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

	Years
Land	no depreciation
Buildings	20–60

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

Government grants. Government grants are recognised at their fair value provided the Group meets the requisite conditions for receiving them. Grants which do not relate to investments are recognised in the income statement under Other income in the period in which the expense to which the grant relates was incurred. Investment grants are recognised as reductions in the purchase or production cost of the asset concerned and result in a corresponding reduction of the scheduled depreciation charges applied to it in subsequent periods.

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

Similarly, fixed assets leased to third parties under agreements transferring substantially all the benefits and risks of ownership to the lessee are classified not as property, plant and equipment but as financial assets, recorded at the present value of the future leasing payments receivable. Expense and income arising from operating leases is recognised in the income statement in a linear fashion over the life of the leases.

Intangible assets, excluding goodwill. Intangible assets are classified into one of the following three categories: software, intangible assets with finite useful life or intangible assets with indefinite useful life. All intangible assets, excluding goodwill, are carried at historical purchase or production costs minus accumulated depreciation. Depreciation is applied using the straight line method over the estimated economically useful life of the intangible asset concerned.

Software. The purchase or production costs of software are recognised on the balance sheet if Valora expects to derive future economic benefit from the software concerned.

Intangible assets of indefinite useful life. Intangible assets with indefinite useful life are not subject to scheduled amortisation charges. They are subjected to an impairment test at least once a year, with impairment charges being recorded against them as required.

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

	Years
Software	3–5
Intangible assets with finite useful life	3–20
Intangible assets with indefinite useful life	no amortisation

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

Goodwill. Goodwill is the amount paid by the Group when acquiring a company which exceeds the fair value of that company's net assets at the time of purchase. Goodwill is recognised on the balance sheet in accordance with IFRS 3, and is attributed to the appropriate cash generating unit (CGU). The CGU is then subjected to an impairment test, which is carried out at least once a year, and more frequently should there be evidence suggesting possible impairment. This involves comparing the book value of the CGU to which the goodwill was assigned with the CGU's current realisable value. This realisable value is defined as the higher of the fair value of the CGU minus costs of disposal and its value in use. Fair value minus costs of disposal is the price which would be received from the sale of an asset in an orderly transaction between market participants at the measurement date or which would be payable when a liability is transferred. If the book value of the cash-generating unit exceeds this fair value, an impairment to goodwill will be recorded. No increases in the carrying value of goodwill are permitted.

Financial assets. Financial assets are classified according to one of the following categories:
- at fair value through profit or loss
- loans and receivables
- held to maturity
- available for sale

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

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

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

Financial assets available for sale. This category covers non-controlling interests (i.e. shareholdings of less than 20 %) and financial assets not assigned to any other category. Financial assets available for sale are classified as non-current assets unless they are intended to be sold within 12 months.

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

Interest-bearing debt. Interest-bearing liabilities are valued at their amortised cost, any differences between such cost and the amounts repayable at maturity being recognised as financial expense over the lifetime of the liability according to the effective interest method.

Provisions. Provisions are recorded when, as a result of a past event, a liability has arisen whose amount can be reliably estimated and for whose settlement an outflow of cash is probable. Provisions are recorded at the net present value, as of the balance-sheet date, of the estimated future cash outflow.

Liabilities from employee pension schemes. Valora pays employer contributions to various pension schemes established according to local legislation. For defined benefit schemes, the present value of the benefit obligation is determined by an annual actuarial assessment under the projected unit credit method. These assessments take account of the contribution years accumulated by employees at the assessment date as well as the expected evolution of their future remuneration. The pension cost to the employer and the net interest cost or net interest income relating to the net pension liability or net pension asset will be recognised in the income statement in the period in which it occurs. Actuarial gains and losses and the effect of any ceiling applied to the net pension fund assets are accumulated under other comprehensive income.

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

Accounting for derivative financial instruments and hedging transactions. Positions in derivative financial instruments are recorded at their value when established and adjusted thereafter to reflect changes in fair value. Recognition methods for gains or losses depend on whether the instrument was used to hedge an identifiable risk and whether the conditions for hedge accounting are met. The objective of recognising a transaction as a hedge is to ensure that changes in the value of the item being hedged and those in the hedging instrument cancel each other out during the time the hedge is in place. If a derivative financial instrument is not designated as a hedge or if it does not meet hedge accounting criteria, gains and losses arising from changes in its fair value are recognised in the income statement. To qualify for hedge accounting treatment, a hedging transaction must meet a number of strict criteria relating to transaction documentation, probability, hedge effectiveness and valuation reliability. When engaging in a hedging transaction, the Group documents the relationship between the hedging instrument and the hedged item and the purpose and strategy of the hedge. This process also requires that all derivatives used for hedging purposes be linked to specific assets or liabilities, or to firm commitments and expected future transactions. Both when a hedge is set up and during its life the Group documents the extent to which changes in the fair value of the derivative financial instrument offset changes in the value of the item it hedges.

When the contract governing it is concluded, any derivative financial instrument which qualifies as a hedging transaction will be classified either as a) hedging the fair value of a specific asset or liability (a fair value hedge), b) hedging future cash flows arising from an expected future transaction or a firm commitment (a cash flow hedge), or c) hedging a net investment in a foreign subsidiary.

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

If the requirements for hedge accounting treatment are no longer met, any gains and losses accumulated under other comprehensive income will remain in equity until the underlying transaction for which the hedge was established has occurred. If the underlying transaction is no longer expected to occur, these accumulated gains and losses will immediately be passed to the income statement.

5 MANAGEMENT'S ESTIMATIONS, ASSUMPTIONS AND EXERCISE OF DISCRETION

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

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

Property, plant and equipment. The useful life of property, plant and equipment is determined based on experience and the current technical characteristics of the assets concerned. The actual useful life of a specific asset may deviate from that initially determined due to changes in technology and market conditions. In the event of such a deviation, the remaining useful life of the asset concerned is adjusted. The value of fixed assets is always re-assessed whenever changes in circumstances indicate that their current book value may exceed their fair value. Fair value is determined on the basis of estimates and management's assumptions about the economic utility of the assets concerned. Values subsequently realised can deviate from these estimates (see note 20).

Goodwill and brand rights. The consolidated balance sheet carries goodwill from continuing operations at CHF 478.8 million (see note 22). This goodwill is subjected to an impairment whenever there are indications that its realisable value may have diminished and in any event at least once annually.

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

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

Deferred income tax assets. Under IFRS rules, that portion of any tax loss carry forwards which can be expected to result in future tax savings should be recognised as a deferred tax asset (see note 14). The amount of tax savings which are then actually achieved will depend on the level of income generated before the tax loss carry forwards expire. This means that future net income may be impacted by impairments on deferred tax assets if the profits the Group generates during the relevant period are below initial expectations. Conversely, additional net income may be recognised if the profits the Group generates exceed expectations and previously unrecognised tax loss carry forwards can be drawn on.

Provisions. Provisions are established for liabilities whose amount and / or due date cannot be determined with certainty and a future disbursement in respect of the matter in question is probable. A further prerequisite for the creation of such provisions is that the amount of the potential loss can be reliably estimated. In assessing whether a provision is appropriate and what its amount should be, the best available estimates and assumptions are made with regard to the situation as of the balance sheet date. Since new evidence and unfolding events can have a significant effect on subsequent outcomes, earlier estimates and assumptions may be revised in the light of later evidence and events, if their effect on these estimates and assumptions is substantial (see note 29).

6 ACQUISITIONS AND DISPOSALS OF BUSINESS UNITS, ACQUISITION OF NON-CONTROLLING INTERESTS

Transactions completed in 2013.

Acquisition of a non-controlling interest in EMH. On December 30, 2013, the Valora Group purchased the remaining 20 % of the voting shares in Engelschiøn Marwell Hauge AS, Oslo, Norway (EMH). The cash payment made to the owner of this non-controlling interest amounted to CHF 3.8 million. The book value of the net assets attributable to these shares was CHF 2.9 million. The amount booked to retained earnings was CHF –0.9 million.

Transactions completed in 2012.

Sale of Services Austria. The operations of Valora Services Austria GmbH, whose registered offices are in Anif, Austria, were sold in their entirety as of October 17, 2012. The book value gain realised on this transaction is recognised under Other income. The sale price of CHF 7005 thousand for Valora Services Austria GmbH which was outstanding on December 31, 2012 has been paid in full by the purchaser.

Net assets sold, net sale price, net cash generated

in CHF 000	Book values
Current assets	20 923
Non-current assets	20 857
Current liabilities	– 22 105
Non-current liabilities	– 5 743
= Net assets sold	**13 932**
Gain on sale of subsidiary	22 900
Reclassification of currency-translation differences	– 1 381
Reclassification of valuation gains on financial assets available for sale	– 64
= Net sale price	**35 387**
Outstanding net sale price	– 7 005
Cash and cash equivalents sold	– 47
= Net cash from sales of subsidiaries	**28 335**

Acquisitions

Net assets purchased, purchase price, net cash used

in CHF 000	Ditsch/Brezelkönig fair value	Convenience Concept fair value	Schmelzer-Bettenhausen fair value
Current assets	46 149	13 714	1 163
Intangible assets	87 585	23 624	108
Other non-current assets	78 374	15 039	856
Current liabilities	– 57 242	– 27 291	– 1 289
Deferred income tax liabilities	– 23 232	– 7 848	– 6
Other non-current liabilities	– 1 082	0	– 341
= Net assets acquired	**130 552**	**17 238**	**491**
Previously held interest	0	0	– 108
Goodwill from acquisition	251 550	72 459	1 332
= Purchase price	**382 102**	**89 697**	**1 715**
Outstanding consideration	– 1 909	– 6 737	0
Consideration paid by cancellation of offsetting items	– 20 472	0	0
Consideration paid through issuance of new shares	– 110 785	0	0
= Consideration paid in cash and cash equivalents	248 936	82 960	1 715
Cash and cash equivalents acquired	– 3 119	– 17	– 82
= Cash used in acquisition of subsidiaries	**245 817**	**82 943**	**1 633**

Acquisition of Ditsch/Brezelkönig. As of October 10, 2012, the Valora Group acquired 100% of Brezelbäckerei Ditsch GmbH, Prisma Backwaren GmbH and Brezelkönig GmbH & Co. KG, all three having their registered offices in Mainz, Germany. Brezelkönig GmbH & Co. KG operates in Switzerland, while Brezelbäckerei Ditsch GmbH and Prisma Backwaren GmbH operate in Germany. These companies produce bakery products which they distribute through retail and wholesale channels. The companies' 230 outlets in Germany and Switzerland operate on an agency basis. These acquisitions have enabled Valora to enter the rapidly growing market for food and beverages destined for immediate consumption. Given the nature of its business and its organisational structure, separate internal reporting and monitoring arrangements have been established for Ditsch/Brezelkönig, which constitutes a separate reporting segment in its own right.

The capitalised goodwill of CHF 251.6 million represents the portions of the purchase price which were not recognisable. These relate to the benefits to Valora of the growth and synergy potential arising from this acquisition. Valora expects a proportion of this goodwill to be tax-deductible.

The purchase-price consideration for these acquisitions amounted to CHF 382.1 million, of which CHF 248.9 million was paid in cash, CHF 110.8 million was paid through the issuance of new Valora shares and CHF 20.5 million was paid by receivable offset. CHF 1.9 million remained outstanding as of December 31, 2013.

The net assets recorded in the Group financial statements for the year to December 31, 2012 were based on a preliminary fair-value assessment, since not all the information necessary for a definitive evaluation was available at that time. When the final purchase price was determined, the 2012 figures were adjusted. This resulted in a CHF 13.7 million increase in the purchase price, a CHF 7.0 million increase in the goodwill position and a CHF 6.7 million increase in net assets.

Following its acquisition by Valora, Ditsch/Brezelkönig contributed CHF 50.1 million to Group 2012 net revenues and CHF 4.7 million to Group 2012 net income. Had the acquisition been made on January 1, 2012, the contribution to Group 2012 net revenues would have been CHF 185.4 million and the net income contribution CHF 19.7 million.

Acquisition of Convenience Concept. As of April 2, 2012, the Valora Group acquired 100 % of Convenience Concept GmbH, a German company with registered offices in Ratingen. The company operates a number of retail concepts through its network of more than 1200 outlets, all of which are managed by independent business partners or franchisees. This acquisition has enabled Valora to strengthen its position in small-outlet retail at heavily frequented sites throughout Germany. The results generated by Convenience Concept are included in Valora's segment reporting for its Retail division.

The capitalised goodwill of CHF 72.5 million represents the portions of the purchase price which were not recognisable, relating to the benefits to Valora of the growth and synergy potential arising from this acquisition. These relate to synergies arising from the acquisition and to the strengthening of Valora's position towards wholesale suppliers. Valora does not expect the capitalised goodwill to be tax-deductible.

The purchase-price consideration amounted to CHF 89.7 million, of which CHF 83.0 million was paid on the acquisition date and CHF 6.7 million was recorded as a liability as of that date. The purchase agreement includes a contingent consideration arrangement under which a further consideration will become payable in 2015 provided an agreed sales metric has been reached. The undiscounted value of the payment potentially falling due in 2015 is either CHF 7.4 million, if the agreed sales metric is reached, or zero, if it is not. Since there is every probability that the agreed metric will be reached, the net present value of the contingent consideration, amounting to CHF 7.2 million at December 31, 2013, has been recognised as a liability.

Current assets comprised accounts receivable with a market value of CHF 13.7 million. The gross amount of all accounts receivable is CHF 15.0 million, to which impairments of CHF 1.3 million were applied at the time of the acquisition.

Following its acquisition by Valora, Convenience Concept GmbH contributed CHF 38.2 million to Group 2012 net revenues and CHF 3.0 million to Group 2012 net income. Had the acquisition been made on January 1, 2012, the contribution to Group 2012 net revenues would have been CHF 50.7 million and the net income contribution CHF 4.0 million.

Acquisition of Schmelzer-Bettenhausen. As of January 1, 2012, the Valora Group acquired 78 % of both Karl Schmelzer-J.Bettenhausen GmbH & Co. KG and its limited-liability partner, both having their registered offices in Vienna, Austria. Including the 22 % stake it already held at the time, Valora thus acquired all the shares in these companies as of January 1, 2012.

The company operates a total of 10 bookshops at Austrian railway stations and at Vienna airport. Schmelzer-Bettenhausen has been renamed Valora Retail Austria and its results are included in Valora's segment reporting for its Retail division.

The capitalised goodwill of CHF 1.3 million represents the portions of the purchase price which were not recognisable, relating to the benefits to Valora of establishing an Austrian retail market presence to its opportunities for future expansion in that market and to anticipated synergies with its P&B retail format. Valora does not expect the capitalised goodwill to be tax-deductible.

The purchase price amounted to CHF 1.7 million, which has been paid in full.

The fair value of the stake Valora held in Schmelzer-Bettenhausen at the time of the acquisition was carried at CHF 0.1 million. The gain arising from the revaluation of this position was CHF 0.1 million. This was reported in the income statement under share of result from associates and joint ventures.

The company's current assets comprise receivables with a market value of CHF 0.2 million. No impairments have been recorded against these and their full contractual value was expected to be realisable.

Following its acquisition by Valora, Schmelzer-Bettenhausen contributed CHF 16.5 million to Group 2012 net revenues. It made a negative contribution of CHF –0.8 million to the Group's 2012 net income.

Transaction costs. The total transaction costs attributable to these acquisitions amounted to CHF 5.4 million, of which CHF 3.8 million relate to Ditsch/Brezelkönigand CHF 1.5 million to Convenience Concept. These costs, CHF 1.7 million of which were incurred in 2011, are included in the income statement under “Other operating expenses”.

7 DISCONTINUED OPERATIONS

The net profit from discontinued operations reported for 2013, amounting to CHF 5.0 million, represents the release of provisions established in connection with Valora’s sales of Fotolabo and Own Brands (see note 29) following the expiration of the guarantees to which those provisions relate. No such releases were made to the income statement in 2012.

Earnings per share from discontinued operations amounted to CHF 1.48 in 2013 (CHF 0.00 in 2012). There were no dilutive effects in 2013 and 2012.

8 SEGMENT REPORTING

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

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

Ditsch/Brezelkönig: Ditsch/Brezelkönig produces lye-bread and other bakery products in Germany and Switzerland. These are distributed both to its Ditsch/Brezelkönig outlets and to the wholesale sector. Ditsch/Brezelkönig was established as a new reporting segment in the Group's accounts as of October 10, 2012 (see note 6).

Valora Services: Valora Services distributes press products to Valora-operated outlets and third-party retailers in Switzerland and Luxembourg. It is a market leader in both traditional physical press distribution and in other services. In Switzerland, Valora Services also distributes food and non-food articles.

Valora Trade: Valora Trade deploys a range of customer-specific distribution and marketing solutions to supply branded fast-moving consumer goods and cosmetics to the organised retail sector and to independent retailers in seven European national markets.

Other: The Group support functions in the areas of Finance, Human Resources, Business Development, Legal Services and Communications are reported under "Other". The assets attributable to this segment principally represent loans to Group companies, cash and cash equivalents, and short-term receivables. The liabilities attributable to this segment essentially relate to the financing instruments listed in note 26.

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

Segment data by division

2013

in CHF 000	Valora Retail	Ditsch/ Brezelkönig	Valora Services	Valora Trade	Other	Intersegment elimination	Total Group
Net revenues							
Total	**1 694 493**	**197 642**	**294 745**	**798 182**	**60**	**– 126 133**	**2 858 989**
From third parties	1 692 089	197 642	174 665	794 533	60	0	2 858 989
From other divisions	2 404	0	120 080	3 649	0	– 126 133	0
Operating profit (EBIT)							
Total	**38 050**	**26 279**	**10 812**	**7 148**	**– 5 297**	**0**	**76 992**
Depreciation and impairment charges	42 755	12 740	4 503	4 182	107	0	64 287
Additions to long-term assets							
Total	**42 369**	**9 316**	**1 819**	**2 752**	**0**	**0**	**56 256**
Segment assets							
Total	**744 737**	**461 991**	**125 932**	**376 975**	**514 976**	**– 593 712**	**1 630 899**
Investment in associates and joint ventures	50	0	0	5 049	0	0	5 099
Segment liabilities							
Total	**629 335**	**53 262**	**60 633**	**206 589**	**544 526**	**– 593 712**	**900 633**

Net revenues from third parties comprise CHF 2575 million for goods sold, CHF 102 million for services provided and CHF 182 million for sales of goods produced by Valora itself. The depreciation and impairment charges include impairments of CHF 1390 thousand for Valora Retail and impairments of CHF 72 thousand for Valora Services.

2012
Restated

in CHF 000	Valora Retail	Ditsch/ Brezelkönig	Valora Services	Valora Trade	Other	Intersegment elimination	Total Group
Net revenues							
Total	**1 663 633**	**50 085**	**478 325**	**792 537**	**6**	**– 136 676**	**2 847 910**
From third parties	1 661 210	50 085	348 589	788 020	6	0	2 847 910
From other divisions	2 423	0	129 736	4 517	0	– 136 676	0
Operating profit (EBIT)							
Total	[1] **19 055**	**7 135**	**11 732**	**7 482**	**11 259**	**0**	**56 663**
Depreciation and impairment charges	41 916	3 441	6 592	3 332	169	0	55 450
Additions to long-term assets							
Total	**55 093**	**3 674**	**3 990**	**5 895**	**88**	**0**	**68 740**
Segment assets							
Total	**684 345**	**460 206**	**177 509**	**376 736**	**423 739**	**– 512 525**	**1 610 010**
Investment in associates and joint ventures	0	0	0	4 554	0	0	4 554
Segment liabilities							
Total	**595 697**	**79 919**	**93 028**	**212 967**	**563 170**	**– 512 525**	**1 032 256**

[1] The Retail division’s operating profit includes the CHF 14.2 million loss incurred on the sale of the Muttenz facility.

Net revenues from third parties comprise CHF 2712 million for goods sold, CHF 95 million for services provided and CHF 41 million for sales of goods produced by Valora itself. The depreciation and impairment charges include impairments of CHF 1059 thousand for Valora Retail and impairments of CHF 83 thousand for Valora Services.

As a result of internal organisational changes, the composition of the reportable segments was modified with effect from January 1, 2013. The segment reporting information for 2012 has also been modified to reflect these changes. The adjustments are the result of the reassignment of the logistics business in Switzerland from Other to Valora Services. These adjustments have led to Valora Retail’s net revenues from third parties increasing by CHF +258 thousand, while Valora Services’ net revenues from third parties have increased by CHF +13 348 thousand and the net revenues from third parties recorded for Other have decreased by CHF –13 606 thousand.

The revisions to the IAS 19 accounting standard resulted in modifications being made to the segment information reported for 2012. As a result of these changes, the operating profit for Valora Retail decreased by CHF –6290 thousand, while that for Valora Services and Valora Trade decreased by CHF –247 thousand and CHF –624 thousand respectively and that for Other decreased by CHF –1951 thousand.

Segment data by region

2013

in CHF 000	Switzerland	Germany	Other Europe	Total Group
Net revenues from third parties	1 581 103	542 333	735 553	2 858 989
Long-term assets	318 660	429 983	139 251	887 894

2012
Restated

in CHF 000	Switzerland	Germany	Other Europe	Total Group
Net revenues from third parties	1 646 079	412 693	789 138	2 847 910
Long-term assets	321 776	428 471	144 397	894 644

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

9 PERSONNEL EXPENSES

in CHF 000	2013	2012 Restated
Salaries and wages	319 723	321 580
Social security expenses	46 614	57 525
Share-based payments	971	642
Other personnel expenses	12 302	14 893
Total personnel expenses	**379 610**	**394 640**
Number of employees (full-time equivalent basis) at December 31	5 750	5 962

Social security payments include CHF 4753 thousand (CHF 4233 thousand in 2012) in respect of defined contribution pension plans. Other personnel expenses essentially comprise remuneration for temporary staff paid to employment agencies, staff training costs and personnel recruitment costs. The reduction in the number of employees is essentially attributable to the expansion of the agency network.

10 OTHER OPERATING EXPENSES

in CHF 000	2013	2012
Rent	177 229	152 291
Real-estate expenses	7 508	8 057
Ancillary rental expenses	28 704	25 371
Insurance	2 012	1 874
Communications and IT	28 870	28 625
Advertising and sales	71 502	69 429
Shipping and dispatch	57 709	61 737
General administration	29 199	30 478
Capital and other taxes	1 076	987
Agency fees	89 260	51 575
Operating leases	5 511	5 420
Other operating expenses	24 703	12 833
Total other operating expenses	**523 283**	**448 677**

11 OTHER REVENUES AND OTHER EXPENSES

in CHF 000	2013	2012
Rental income	3 375	3 114
Gains from disposal of non-current assets	1 525	2 392
Gain on sale of subsidiary (see note 6)	0	22 900
Other revenues	2 967	1 759
Total other revenues	**7 867**	**30 165**

The gains from disposal of non-current assets in 2012 and 2013 principally relate to property sales.

in CHF 000	2013	2012
Losses from disposal of non-current assets	– 1 202	– 14 647
Other expenses	– 683	– 432
Total other expenses	**– 1 885**	**– 15 079**

The losses from disposal of non-current assets in 2012 principally relate to the sale of the Muttenz facility.

12 FINANCIAL EXPENSE

in CHF 000	2013	2012
Cost of bank loans and liabilities	15 709	6 106
Interest on bonds issued	6 779	7 958
Interest on finance leases	77	89
Interest-expense effect of provisions (see note 29)	– 481	113
Net losses from derivative financial instruments	0	160
Currency translation losses, net	767	0
Total financial expense	**22 851**	**14 426**

13 FINANCIAL INCOME

in CHF 000	2013	2012
Interest earned on cash, cash equivalents, loans and receivables	331	695
Interest income from finance leases	296	318
Write-down reversals, net	1 235	598
Net gains from derivative financial instruments	856	0
Dividend income from financial investments available for sale	56	85
Currency translation gains, net	0	106
Total financial income	**2 774**	**1 802**

14 INCOME TAXES

Income tax expense was as follows:

in CHF 000	2013	2012 Restated
Expense on current income taxes	5 671	9 854
Expense/(income) from deferred income taxes	2 639	– 3 800
Total income tax	**8 310**	**6 054**

No current tax benefits were directly allocated to equity in 2013 (CHF 198 thousand in 2012). The differences between reported Group income tax expense and the expected tax expenses of the individual Group companies based on their applicable tax rates can be reconciled as follows:

in CHF 000	2013	2012 Restated
Profit before income taxes	57 448	44 508
Expected average Group tax rate	18.80 %	16.81 %
Income taxes at expected Group tax rate	**10 798**	**7 484**
Expenses not recognised for tax purposes / non-taxable revenues	3 008	2 637
Utilisation of previously unrecognised loss carry forwards	– 5 594	– 2 067
Out-of-period effects on current income taxes	24	– 706
Impairments recognised against deferred income tax assets	1 189	7 763
Release of previous impairments against deferred income tax assets	– 1 964	– 8 001
Changes in tax rates	– 167	– 344
Other effects	1 016	– 712
Total reported income taxes	**8 310**	**6 054**
Effective tax rate	14.5 %	13.6 %

Expected average Group tax rates take account of the tax rates applying to individual entities on a weighted basis. The projected average Group tax rate is higher for 2013 than 2012, because Group companies in jurisdictions with higher tax rates accounted for a larger proportion of total Group pre-tax profit in 2013 than in 2012.

Changes to deferred income taxes were as follows:

Changes to deferred tax assets and liabilities

Restated in CHF 000	Deferred tax assets	Deferred tax liabilities	Net assets (+)/ Net liabilities (–)
Balance at December 31, 2011	**27 570**	**– 14 605**	**12 965**
Restatement of IAS 19	0	– 621	– 621
Balance at January 1, 2012	**27 570**	**– 15 226**	**12 344**
Deferred taxes recorded in the income statement	– 698	4 498	3 800
Deferred taxes recorded in other comprehensive income	13	– 1 871	– 1 858
Additions to consolidation scope	0	– 31 044	– 31 044
Removals from consolidation scope	0	1 303	1 303
Currency translation differences	– 1	– 194	– 195
Balance at December 31, 2012	**26 884**	**– 42 534**	**– 15 650**
Deferred taxes recorded in the income statement	– 617	– 2 022	– 2 639
Deferred taxes recorded in other comprehensive income	24	– 4 775	– 4 751
Currency translation differences	250	998	1 248
Balance at December 31, 2013	**26 541**	**– 48 333**	**– 21 792**

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

Deferred tax assets by source of difference in CHF 000	**2013**	2012 Restated
Current assets	1 169	486
Property, plant and equipment	489	768
Goodwill, software and other intangible assets	9 801	10 253
Liabilities and provisions	4 053	1 423
Tax loss carry forwards	15 603	15 458
Total	**31 115**	**28 388**
Deferred tax liabilities by source of difference		
Current assets	– 1 863	– 340
Property, plant and equipment	– 6 292	– 10 826
Goodwill, software and other intangible assets	– 29 535	– 26 894
Net pension asset	– 11 285	– 4 796
Other non-current assets	0	– 1 165
Liabilities and provisions	– 3 932	– 17
Total	**– 52 907**	**– 44 038**
Reported in the balance sheet		
Deferred income tax assets	26 541	26 884
Deferred income tax liabilities	– 48 333	– 42 534
Total deferred income tax liabilities, net	**– 21 792**	**– 15 650**

Tax loss carry forwards amounted to CHF 195.7 million in 2013 (CHF 209.2 million in 2012). In 2013, CHF 42.8 million of the CHF 146.2 million available was not recognised as a deferred tax asset, since it is unlikely that this will be realised. In 2012, CHF 48.1 million of the CHF 160.7 million available was not recognised as a deferred tax asset for the same reason. These tax loss carry forwards either cannot expire or have expiration dates more than 5 years in the future.

There are temporary differences amounting to CHF 247.4 million (CHF 261.0 million in 2012) for which no deferred tax assets were capitalised.

15 EARNINGS PER SHARE

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

in CHF 000	2013	2012 Restated
Net profit from continuing operations	49 138	38 454
Net profit attributable to non-controlling interests	– 333	– 301
Coupon attributable to perpetual hybrid bond holders	– 3 200	0
Net profit from continuing operations attributable to Valora Holding AG shareholders	45 605	38 153
Net profit from discontinued operations	5 000	0
Net profit from continuing and discontinued operations attributable to Valora Holding AG shareholders	**50 605**	**38 153**
Average number of shares outstanding	3 387 163	2 913 674
Earnings per share from continuing operations (in CHF)	13.46	13.09
Earnings per share from continued and discontinued operations (in CHF)	**14.94**	**13.09**

There were no dilutive effects in 2013 or 2012.

16 CASH AND CASH EQUIVALENTS

in CHF 000	2013	2012
Petty cash and bank sight deposits	174 737	146 745
Bank term deposits and money market investments < 3 months	236	408
Total cash and cash equivalents	**174 973**	**147 153**
of which pledged	4 219	6 341

17 TRADE ACCOUNTS RECEIVABLE

in CHF 000	2013	2012
Trade accounts receivable, gross	158 719	173 622
Allowance for bad and doubtful debts	– 5 233	– 4 330
Total trade accounts receivable, net	**153 486**	**169 292**

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

in CHF 000	**2013**	2012
Position at January 1	**4 330**	**3 769**
Removal from consolidation scope	0	– 33
Allowance creation charged to income	3 104	2 543
Allowances released to income	– 707	– 386
Allowances utilised	– 1 502	– 1 570
Currency translation differences	8	7
Position at December 31	**5 233**	**4 330**

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

in CHF 000	**2013**	2012
Up to 10 days overdue	13 110	6 247
More than 10 days, but less than one month overdue	10 087	15 107
More than one month, but less than two months overdue	2 629	1 434
More than two months, but less than four months overdue	1 258	538
More than four months overdue	1 771	253

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

in CHF 000	**2013**	2012
CHF	57 325	67 397
DKK	24 959	30 225
EUR	37 084	36 340
NOK	11 996	10 573
SEK	22 093	24 748
Others	29	9
Total trade accounts receivable, net	**153 486**	**169 292**

18 INVENTORIES

in CHF 000	2013	2012
Merchandise	214 552	228 644
Finished and semi-finished goods	2 711	2 594
Other inventories	2 198	1 898
Total inventories	**219 461**	**233 136**

In 2013, write-downs of CHF 7.4 million were charged to cost of goods (CHF 6.0 million in 2012).

19 OTHER CURRENT RECEIVABLES

in CHF 000	2013	2012
Value-added tax, withholding tax and other taxes recoverable	3 405	4 350
Prepaid expenses and accrued income	36 856	20 977
Short-term receivables from finance leases	620	620
Miscellaneous receivables	45 263	60 529
Total other current receivables	**86 144**	**86 476**

The miscellaneous receivables above principally comprise cost reimbursement receivables and payments receivable from social security agencies and insurers. Additional information relating to short-term receivables from finance leases can be found in note 23.

20 PROPERTY, PLANT AND EQUIPMENT

in CHF 000	Land	Buildings	Machinery and equipment	Projects in progress	Total
At cost					
Balance at December 31, 2011	**16 218**	**139 445**	**361 134**	**16 578**	**533 375**
Consolidation scope additions	6 427	15 351	64 223	7 972	93 973
Consolidation scope removals	– 5 996	– 8 378	– 7 868	0	– 22 242
Additions	0	8 687	39 302	1 405	49 394
Disposals	– 9 676	– 131 451	– 32 544	0	– 173 671
Transfers	0	6 659	15 187	– 21 829	17
Translation adjustments	– 31	– 85	– 201	– 22	– 339
Balance at December 31, 2012	**6 942**	**30 228**	**439 233**	**4 104**	**480 507**
Additions	124	396	37 351	9 323	47 194
Disposals	0	0	– 30 132	– 320	– 30 452
Transfers	0	24	1 555	– 1 579	0
Translation adjustments	39	224	2 000	21	2 284
Balance at December 31, 2013	**7 105**	**30 872**	**450 007**	**11 549**	**499 533**
Accumulated depreciation / impairments					
Balance at December 31, 2011	**0**	**– 59 381**	**– 254 692**	**0**	**– 314 073**
Consolidation scope removals	0	5 330	6 103	0	11 433
Additions	0	– 2 546	– 29 662	0	– 32 208
Impairment	0	0	– 959	0	– 959
Disposals	0	54 771	29 293	0	84 064
Transfers	0	0	0	0	0
Translation adjustments	0	36	135	0	171
Balance at December 31, 2012	**0**	**– 1 790**	**– 249 782**	**0**	**– 251 572**
Additions	0	– 1 683	– 36 539	0	– 38 222
Impairment	0	0	– 1 455	0	– 1 455
Disposals	0	0	28 436	0	28 436
Transfers	0	0	0	0	0
Translation adjustments	0	– 1	– 545	0	– 546
Balance at December 31, 2013	**0**	**– 3 474**	**– 259 885**	**0**	**– 263 359**
Net book value					
at December 31, 2012	6 942	28 438	189 451	4 104	228 935
at December 31, 2013	**7 105**	**27 398**	**190 122**	**11 549**	**236 174**

Property, plant and equipment includes machinery and equipment held on finance leases whose book value amounts to CHF 3.0 million (CHF 2.8 million in 2012). The impairments recorded against machinery and equipment predominantly relate to outlet infrastructure.

Fire insurance values of property, plant and equipment in CHF 000	**2013**	2012
Property (including investment property)	70 004	78 362
Plant and equipment	447 262	456 329
Total	**517 266**	**534 691**

21 INVESTMENT PROPERTY

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

Investment property in CHF 000	**2013**	2012
At cost		
Balance at January 1	**9 940**	**10 146**
Additions	0	36
Disposals	– 5 895	– 213
Translation adjustments	111	– 29
Balance at December 31	**4 156**	**9 940**
Cumulative depreciation		
Balance at January 1	**– 4 295**	**– 4 394**
Additions	– 93	– 116
Disposals	3 953	196
Translation adjustments	– 74	19
Balance at December 31	**– 509**	**– 4 295**
Total net book value	**3 647**	**5 645**

The estimated fair value of the investment properties is based on revenue-value calculations (see note 35) and amounts to CHF 3.9 million (CHF 6.5 million in 2012). The rental income from the investment properties was CHF 0.6 million (CHF 1.2 million in 2012) and the associated maintenance and operational costs were CHF 0.4 million (CHF 0.4 million in 2012).

22 GOODWILL, SOFTWARE AND OTHER INTANGIBLE ASSETS

in CHF 000	Goodwill from acquisitions	Intangible assets with indefinite useful life	Software and intangible assets with finite useful life	Projects in progress	Total
At cost					
Balance at December 31, 2011	**153 635**	**0**	**146 463**	**11 768**	**311 866**
Consolidation scope additions	325 341	48 753	62 562	2	436 658
Consolidation scope removals	– 3 831	0	– 22 716	0	– 26 547
Additions	0	0	14 382	4 928	19 310
Disposals	0	0	– 2 040	0	– 2 040
Transfers	0	0	5 336	– 5 353	– 17
Translation adjustments	1 466	0	402	– 28	1 840
Balance at December 31, 2012	**476 611**	**48 753**	**204 389**	**11 317**	**741 070**
Additions	0	0	5 281	3 781	9 062
Disposals	0	0	– 2 223	0	– 2 223
Transfers	0	0	5 139	– 5 139	0
Translation adjustments	2 232	404	994	42	3 672
Balance at December 31, 2013	**478 843**	**49 157**	**213 580**	**10 001**	**751 581**
Accumulated amortisation / impairments					
Balance at December 31, 2011	**0**	**0**	**– 79 078**	**0**	**– 79 078**
Consolidation scope removals	0	0	18 227	0	18 227
Additions	0	0	– 21 984	0	– 21 984
Impairment	0	0	– 183	0	– 183
Disposals	0	0	1 904	0	1 904
Transfers	0	0	0	0	0
Translation adjustments	0	0	108	0	108
Balance at December 31, 2012	**0**	**0**	**– 81 006**	**0**	**– 81 006**
Additions	0	0	– 24 510	0	– 24 510
Impairment	0	0	– 7	0	– 7
Disposals	0	0	2 178	0	2 178
Transfers	0	0	0	0	0
Translation adjustments	0	0	– 163	0	– 163
Balance at December 31, 2013	**0**	**0**	**– 103 508**	**0**	**– 103 508**
Book value					
at December 31, 2012	476 611	48 753	123 383	11 317	660 064
at December 31, 2013	**478 843**	**49 157**	**110 072**	**10 001**	**648 073**

Intangible assets with indefinite useful life. The intangible assets with indefinite useful life are the Ditsch brand (CHF 25.2 million) and the Brezelkönig brand (CHF 23.9 million). Valora's brand rights were verified as part of the goodwill impairment tests.

Software and intangible assets with finite useful life. Software and intangible assets with finite useful life include CHF 27.4 million (CHF 34.5 million in 2012) for software and CHF 82.7 million (CHF 88.9 million in 2012) for intangible assets with finite useful life, of which CHF 18.7 million (CHF 20.0 million in 2012) relate to supply contracts held by Convenience Concept and CHF 34.2 million (CHF 38.1 million in 2012) relate to relationships of Ditsch/Brezelkönig with their customers (see note 6).

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

in CHF 000	Segment	Year acquired	2013	2012 restated
Valora Trade Nordics Denmark	Trade	2001	14 028	14 028
Valora Trade Nordics Sweden	Trade	2001	2 294	2 294
Scandinavian Cosmetics	Trade	2011	29 217	29 647
EMH Norway	Trade	2010	9 362	10 470
Valora Trade Austria	Trade	1995	9 312	9 312
Valora Trade Germany	Trade	1997 / 2011	4 091	4 069
Valora Services Luxembourg (MPK)	Services	2000	43 342	43 342
Valora Retail Switzerland	Retail	2002	12 774	12 774
Valora Retail Kiosk Germany	Retail	2008 / 2010	18 146	17 855
Konrad Wittwer Germany	Retail	2009	7 385	7 267
Convenience Concept Germany	Retail	2012	73 861	72 676
Valora Retail Austria (Schmelzer-Bettenhausen)	Retail	2012	1 348	1 326
Ditsch Germany and Brezelkönig Switzerland	Ditsch/Brezelk.	2012	253 683	251 551
Total book value at December 31			**478 843**	**476 611**

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

These projected future cash flows are taken from the business plans of the companies concerned for the next three years based on management projections. The following key assumptions are applied:

Valora Trade Nordics, Scandinavian Cosmetics, EMH Norway. Average sales variance for the next three planning years is expected to be between – 10 % and slightly more than 3 % and margins are expected to remain constant or improve slightly.

Valora Trade Austria. Average sales growth for the next three planning years is expected to be slightly more than 5 % and margins are expected to improve.

Valora Trade Germany. Average sales growth for the next three planning years is expected to be slightly more than 3% and margins are expected to improve.

Valora Services Luxembourg (MPK). Sales are expected to remain stable over the next three planning years and margins are expected to narrow slightly.

Valora Retail Switzerland. Sales and margins are expected to remain stable over the next three planning years.

Valora Retail Kiosk Germany. Average sales growth for the next three planning years is expected to be just under 14 % and margins are expected to improve.

Konrad Wittwer. Sales and margins are expected to decline slightly over the next three planning years.

Convenience Concept. Average sales growth for the next three planning years is expected to be around 10% and margins are expected to improve slightly.

Valora Retail Austria (Schmelzer-Bettenhausen). Average sales growth for the next three planning years is expected to be slightly more than 2 % and margins are expected to improve.

Ditsch/Brezelkönig. Average sales growth for the next three planning years is expected to be just under 7 % and margins are expected to remain stable.

Cash flows after this three-year period are modelled by using a residual value based on projections for the third planning year and assume zero growth thereafter, except in the case of Ditsch/Brezelkönig, whose subsequent growth rates are assumed to be 1.5 %. The discount rates applied are based on data observed in Swiss financial markets which is then adjusted to reflect currency and country-specific risks. The discount rates used (pre tax) are as follows:

in CHF 000	Currency	2013	2012
Valora Trade Nordics Denmark	DKK	7.7 %	8.1 %
Valora Trade Nordics Sweden	SEK	7.1 %	7.3 %
Scandinavian Cosmetics	SEK	8.2 %	8.1 %
EMH Norway	NOK	8.5 %	9.0 %
Valora Trade Austria	EUR	7.8 %	8.3 %
Valora Trade Germany	EUR	7.4 %	7.7 %
Valora Services Luxembourg (MPK)	EUR	8.7 %	8.6 %
Valora Retail Switzerland	CHF	6.1 %	6.4 %
Valora Retail Kiosk Germany	EUR	7.5 %	7.8 %
Konrad Wittwer Germany	EUR	7.4 %	7.5 %
Convenience Concept Germany	EUR	7.5 %	7.8 %
Valora Retail Austria (Schmelzer-Bettenhausen)	EUR	7.7 %	8.4 %
Ditsch Germany and Brezelkönig Switzerland	EUR / CHF	7.0 %	8.4 %

No impairments to goodwill were charged to the income statements for 2013 or 2012.

Sensitivities. In the case of the cash-generating units listed below, possible changes to the key assumptions underlying these calculations (increases in the discount rate applied and sales growth rates of zero) could result in the book value of the units concerned exceeding their value in use.

The impairment tests carried out on the goodwill positions showed that the value in use of these cash-generating units exceeds their book value. However, in the event of the discount rate increasing by the number of percentage points shown in the "WACC threshold" column below, the book value of the cash-generating unit concerned would, were all other assumptions to remain unchanged, result in the book value being exactly matched by the value in use. The 2013 and 2012 impairment tests carried out for all the other cash-generating units showed that even in the event of a possible increase in the discount rate by 1.5 percentage points, all book values of all the units concerned would remain below their relevant value in use.

In the event of the discount rate increasing by 1.5 percentage points and sales growth rates being zero, impairment requirements equal to the amounts shown in the "Combined" column below would arise.

	Value in use > book value in CHF million	**WACC threshold**	**Combined** in CHF million
Valora Trade Nordics Denmark	10.1	1.2 %	n.a.
Valora Trade Austria	1.0	0.3 %	– 5.9
Valora Services Luxembourg (MPK)	4.2	0.4 %	– 9.2
Valora Retail Austria (Schmelzer-Bettenhausen)	0.7	0.8 %	– 0.9

23 RECEIVABLES FROM RENTAL LEASES AND LEASING AGREEMENTS

Receivables from rental leases in CHF 000	**2013**	2012
Rental payments received during period	15 436	18 853
Future rental receivables		
Within one year	17 493	15 488
Within 1 – 2 years	13 901	13 475
Within 2 – 3 years	11 523	11 174
Within 3 – 4 years	8 169	9 091
Within 4 – 5 years	5 462	6 296
After more than 5 years	7 249	8 750
Total future receivables from current rental leases	**63 797**	**64 274**

Receivables from other operating leases in CHF 000	**2013**	2012
Payments received during period	3 356	3 666
Future rental receivables		
Within one year	3 002	3 293
Within 1 – 2 years	2 652	2 945
Within 2 – 3 years	2 310	2 602
Within 3 – 4 years	2 055	2 266
Within 4 – 5 years	1 143	2 016
After more than 5 years	1 134	2 232
Total future receivables from other operating leases	**12 296**	**15 354**

Other operating leases concern retail shop equipment rented to franchisees in Germany.

Receivables from finance leases in CHF 000	**2013**	2012
Payments received during period	642	642
Maturity of receivables		
Within one year	643	643
Within 1 – 2 years	643	643
Within 2 – 3 years	643	643
Within 3 – 4 years	643	643
Within 4 – 5 years	643	643
After more than 5 years	2 691	3 332
Total future receivables from finance leases	**5 906**	**6 547**
Less future interest charges	– 1 487	– 1 783
Total future receivables from finance leases (present value)	**4 419**	**4 764**
Less current portion (see note 19)	– 620	– 620
Non-current receivables from finance leases (see note 24)	**3 799**	**4 144**

Present value of minimum future finance lease revenues in CHF 000	**2013**	2012
Within one year	620	620
Within 1 – 2 years	582	582
Within 2 – 3 years	546	546
Within 3 – 4 years	512	512
Within 4 – 5 years	480	480
After more than 5 years	1 679	2 024
Total present value of future minimum finance lease revenues	**4 419**	**4 764**

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

24 FINANCIAL ASSETS

in CHF 000	2013	2012
Loans	123	149
Receivables from finance leases	3 799	4 144
Other long-term receivables	15 366	17 525
Financial assets available for sale	805	829
Total financial assets	**20 093**	**22 647**

Note 23 provides further information on receivables from finance leases.

The financial assets available for sale include CHF 644 thousand (CHF 649 thousand in 2012) of unlisted securities for which there is no active market and about which insufficient information is available to form the basis for a valuation. These items are therefore carried at cost minus an impairment for enduring loss in value.

Other long-term receivables relate to the outstanding balance of the purchase price due to Valora from its sale of the Muttenz facility in 2012. These have been offset against the amounts payable by Valora over the next nine years to 2022 under the usufruct agreement which grants Valora occupancy of the facility during that period. That agreement is secured by a lien on the property.

25 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Investments in associates comprise Valora's 45 % stake in Borup Kemi Holding A/S, Denmark (held by Valora Trade). The book value of this investment amounts to CHF 5049 thousand (CHF 4554 thousand in 2012) and the profit from continuing operations amounts to CHF 533 thousand (CHF 413 thousand in 2012). The other comprehensive income amounts to CHF +73 thousand (CHF –38 thousand in 2012), so that the total comprehensive income amounts to CHF +606 thousand (CHF +375 thousand in 2012). In 2012, a profit of CHF 56 thousand was also reported arising from the revaluation of the shares in Schmelzer-Bettenhausen GmbH & Co. KG which Valora already owned at the time it purchased the remaining shares in the company.

Investments in joint ventures comprise Valora's 50 % stake in Emere AG. The book value of these shares amounts to CHF 50 thousand (zero in 2012). There is no impact on the income statement or the statement of comprehensive income.

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

Short-term financial debt in CHF 000	**2013**	2012
Current bank debt	248	15 340
Current portion of finance lease obligations	1 030	847
Total short-term financial debt	**1 278**	**16 187**

Other non-current liabilities in CHF 000	**2013**	2012
Bank loans	– 1 657	283 069
Bonded-loan issue	183 375	–
Bonds	199 758	199 700
Long-term finance lease obligations	1 663	1 906
Other long-term liabilities	13 399	10 846
Total other non-current liabilities	**396 538**	**495 521**

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

Bank loans relate to the new syndicated loan facility taken out by Valora Holding AG in September 2012, which comprised a CHF 100 million tranche and a EUR 250 million tranche. The subsequent issue of CHF 120 million of perpetual subordinated hybrid bond in April 2013 and the EUR 150 million bonded-loan placement on October 30, 2013 enabled Valora to effect an early redemption of EUR tranche of the syndicated loan. The transaction costs relating to the redeemed tranche of the syndicated loan have been charged to 2013 financial expense. The remaining CHF 100 million tranche of the syndicated loan facility currently remains untapped. The remaining transaction costs associated with the syndicated loan will be amortised over its remaining 4-year life. Under the syndicated loan agreement, the Valora Group has covenanted to maintain its equity ratio and indebtedness within certain parameters during the life of the facility.

The transaction costs relating to the bonded-loan issue will be amortised over its 5½ year life.

The other long-term liabilities consist of financial debt amounting to CHF 9792 thousand (CHF 7897 thousand in 2012) and other liabilities of CHF 3607 thousand (CHF 2949 thousand in 2012).

Bonds in CHF 000	**Nominal value**	**2013 Book value**	2012 Book value
2.50% bond 2012–2018	200 000	199 758	199 700

The effective interest rate on the 2.5% bond is 3.4%.

Maturities at year end are as follows	**2013**	2012
in CHF 000		
Within one year	1 278	16 187
Within 1 – 2 years	8 876	31 744
Within 2 – 3 years	– 27	24 301
Within 3 – 4 years	– 392	24 036
Within 4 – 5 years	199 852	211 964
After more than 5 years	184 622	200 527
Total financial debt	**394 209**	**508 759**
Current portion of long-term financial debt	– 1 278	– 16 187
Total long-term financial debt	**392 931**	**492 572**

The negative values in 2013 shown for some of the maturity bands are attributable to the effect of the capitalised transaction costs of the syndicated loan facility.

The interest rates paid ranged between 2.5 % and 4.4 % (vs 2.6% and 4.4 % in 2012). The weighted average interest rate on Valora's financial debt was 3.9 % (3.7% in 2012). The currency composition of the Group's long-term financial debt is as follows:

	2013	2012
in CHF 000		
CHF	200 086	201 624
DKK	590	581
EUR	192 255	290 367
Total long-term financial debt	**392 931**	**492 572**
Other long-term liabilities	3 607	2 949
Total other non-current liabilities	**396 538**	**495 521**

27 TRADE ACCOUNTS PAYABLE

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

	2013	2012
in CHF 000		
CHF	140 912	152 118
DKK	26 769	22 092
EUR	73 224	60 519
NOK	5 825	6 019
SEK	20 335	24 856
Other	1 875	541
Total trade accounts payable	**268 940**	**266 145**

28 OTHER CURRENT LIABILITIES

in CHF 000	2013	2012
Value-added tax and other taxes owed	12 822	13 390
Social security contributions payable	2 481	1 539
Accruals for overtime, unused vacation and variable elements of remuneration	17 226	15 444
Pension cost payable	2 540	2 858
Accrued expenses	73 171	63 926
Other current liabilities	46 791	57 056
Total other current liabilities	**155 031**	**154 213**

Accrued expenses essentially comprise press-expense accruals and interest expense accruals. Other current liabilities principally relate to liabilities for rental and rental-related costs and liabilities arising from investments in fixed assets and intangible assets.

29 PROVISIONS

in CHF 000	Guarantees	Litigation	Total
Balance at December 31, 2011	**5 368**	**753**	**6 121**
Consolidation scope additions	0	400	400
Created	0	0	0
Utilised	0	– 753	– 753
Amounts released to income	0	0	0
Interest effect	113	0	113
Currency translation differences	0	0	0
Balance at December 31, 2012	**5 481**	**400**	**5 881**
Consolidation scope additions	0	0	0
Created	0	0	0
Utilised	0	0	0
Amounts released to income	– 5 000	0	– 5 000
Interest effect	– 481	0	– 481
Currency translation differences	0	6	6
Balance at December 31, 2013	**0**	**406**	**406**
Current provisions	0	0	0
Long-term provisions	0	406	406
Total provisions	**0**	**406**	**406**

Guarantees. The changes occurring in 2013 relate to the final expiration of the guarantees issued by Valora in connection with its sales of its Fotolabo and its Own Brands businesses. Since these guarantees finally expired in 2013, it was possible to release the entirety of these provisions, amounting to CHF 5.5 million, to the income statement.

Litigation. Changes in 2012: the CHF 0.8 million provision established in 2011 for a litigation case in Switzerland was fully utilised in 2012. The change in consolidation scope relates to a litigation case in Germany.

30 RETIREMENT BENEFIT LIABILITIES

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

The majority of Valora employees in Switzerland are covered by Valora's independent pension fund against the risks associated with old age, death and disability. The regular contributions paid into this fund by the employer include age-based risk premiums of 1.0 – 3.0 % of insured salary and savings contributions of 4.0 – 11.0 % of insured salary. These amounts are credited to the individual employee's retirement savings. The benefits payable by the Valora pension fund are governed by its rules and regulations, with certain minimum benefits being required by law. The regular retirement age is 65 for men and 64 for women. On or after their 58th birthday, Valora employees are entitled to take early retirement. For those electing to do this, the annuity rate applied to their accumulated retirement savings is reduced to reflect the anticipated increase in the period during which they will draw a pension. The amount of the pension paid to each retired employee is based on the annuity rate applied to his or her individual accumulated retirement savings. For male employees retiring at 65 and female employees retiring at 64, this annuity rate is currently set at 6.80 %. Between now and 2020 this annuity rate will be reduced by 0.10 % per annum, to reach 6.20 % in 2020. An employee's accumulated retirement savings comprise the savings contributions made by the employer and the employee and the interest payments made in respect thereof. The interest rate is fixed by the supervisory board of the Valora pension fund each year. The Valora pension fund has the legal status of a foundation. Management of the foundation is the responsibility of a supervisory board comprising equal numbers of representatives of both the employer and the employees. The duties of the supervisory board are laid down by the Swiss Federal Law on Occupational Old-age, Survivors' and Invalidity Insurance and the rules and regulations of the Valora pension fund. Temporary shortfalls in the pension fund's assets versus its projected obligations are permitted under Swiss Federal law. In order to restore any such shortfall within a reasonable period of time, the supervisory board is required to put recovery measures into effect. In the event of a significant shortfall, additional contributions by the employer and the employees could be required under Swiss Federal law.

The day-to-day business of the pension fund is carried out by the management unit under the supervision of the supervisory board. The management unit provides the supervisory board with periodic reports on the course of business. All actuarial risks associated with pension fund are borne by the foundation. These risks comprise both demographic elements (particularly relating to changes in life expectancy) and financial elements (particularly relating to changes in the discount rate, salary progression and the returns generated by the plan assets). The supervisory board reviews these risks on a regular basis. To that end, an actuarial assessment is carried out once a year in accordance with the requirements of the relevant Swiss Federal law. This assessment is not carried out according to the projected-unit-credit method. The supervisory board is responsible for the asset position of the fund. Where necessary, the supervisory board revises the investment strategy, particularly in the event of significant changes in market conditions or the age structure of the plan participants. The investment strategy takes account of the foundation's risk-bearing capacity and its benefit obligations under the plan. The investment strategy is formulated as an asset structure which the foundation aims to achieve over the long term. The objective is to achieve congruence between the plan's assets and its projected obligations over the medium and long term.

Other employees in Switzerland, Germany, Austria, Norway and Sweden are also covered by a number of smaller pension plans.

The most recent actuarial assessment of these schemes was conducted as of December 31, 2013.

The assumptions used were based on the economic circumstances prevailing in the countries in which the plans operate. The plans' assets are invested according to the guidelines laid down by local legislation. Valora pays its contributions in accordance with the various plans' rules.

Plan liabilities and assets in CHF 000	**2013**	2012 Restated
Present value of benefit obligation at January 1	580 440	592 066
Current service cost to employer	13 758	15 075
Contributions by plan participants	7 066	7 887
Interest cost	10 288	13 262
Plan curtailments, settlements and modifications	– 19 128	– 22 414
Benefits paid	– 33 178	– 48 803
Business combinations	0	2 687
Consolidation scope removals	0	– 3 879
Actuarial loss on benefit obligation	1 737	24 251
Exchange rate (gains)/losses	– 147	308
Present value of benefit obligation at December 31	**560 836**	**580 440**
Plan assets at fair value at January 1	592 385	593 563
Interest income	10 229	13 046
Employer contributions	10 040	11 335
Contributions by plan participants	7 066	7 887
Plan curtailments, settlements and modifications	– 7 264	– 19 551
Benefits paid	– 32 774	– 48 270
Business combinations	0	1 735
Actuarial gain on plan assets	25 336	33 625
Exchange rate gains/(losses)	0	0
Other plan costs	– 735	– 985
Plan assets at fair value at December 31	**604 283**	**592 385**

In 2013, changes to demographic-evolution assumptions resulted in an actuarial loss on the plan's projected obligations. The actuarial gain on plan assets resulted from investment returns which were higher than anticipated.

The Group expects to make employer's contributions of CHF 9.5 million to its funded plans in 2014.

The surplus on fund-based plans increased by CHF 31.7 million (2012: increase of CHF 10.2 million). This essentially reflects returns on pension-fund assets which exceeded expectations.

Balance sheet data in CHF 000	**2013**	2012 Restated
Present value of funded benefit obligations	– 548 954	– 568 781
Plan assets at fair value	604 283	592 385
Surplus on fund-based plans	**55 329**	**23 604**
Present value of unfunded pension liabilities	– 11 882	– 11 659
Total net pension position	**43 447**	**11 945**
of which capitalised as net pension asset	56 425	24 303
of which capitalised as long-term accrued pension cost	– 12 978	– 12 358

The long-term pension-fund liabilities relate to unfunded benefit obligations of CHF 11.9 million (CHF 11.7 million in 2012). Long-term pension-fund liabilities on funded plans amounted to CHF 1.1 million (CHF 0.7 million in 2012). The weighted average maturity of the present value of the pension plan's liabilities is 11.7 years.

The net pension asset evolved as follows:

in CHF 000	**2013**	2012 Restated
January 1	11 945	– 1 609
Changes in consolidation scope	0	6 031
Net pension expense	– 2 688	– 13 413
Employer contributions	10 444	11 870
Actuarial gains	23 599	9 374
Currency gains/(losses)	147	– 308
December 31	**43 447**	**11 945**

Income statement

in CHF 000	**2013**	2012 Restated
Current service cost to employer	– 13 758	– 15 075
Interest cost	– 10 288	– 13 262
Plan curtailments, settlements and modifications	11 864	2 863
Interest income	10 229	13 046
Past service cost recognised in period	0	0
Other pension costs	– 735	– 985
Net pension cost for period	**– 2 688**	**– 13 413**

Actuarial gains / losses

in CHF 000	**2013**	2012 Restated
Changes to demographic assumptions	– 24 683	0
Changes to financial assumptions	16 402	– 28 517
Experience-based adjustment to pension obligations	6 544	4 266
Income generated by plan assets (excluding interest income based on discount rate)	25 336	33 625
Actuarial gains / (losses)	**23 599**	**9 374**

Actuarial gains / losses recorded in other comprehensive income in CHF 000	2013	2012 Restated
January 1	– 70 065	– 77 565
Actuarial gains / (losses)	23 599	9 374
Deferred taxes	– 4 751	– 1 874
December 31	**– 51 217**	**– 70 065**

Key actuarial assumptions	2013	2012
Discount rate	2.00 %	1.75 %
Expected rate of increase in future salary levels	1.00 %	1.00 %

The calculations for Switzerland were based on the BVG 2010 mortality table.

Sensitivity analysis	Increase in assumed rate	Decrease in assumed rate
Discount rate (+/– 0.25 %)	– 15 131	16 023
Salary progression (+/– 0.50 %)	1 930	– 1 852

The sensitivity analysis examines the changes which would occur if the actuarial assumptions were changed by a quarter of one percentage point and a half of one percentage point. Only one assumption is changed in each analysis, with the others remaining unchanged.

Asset allocation	2013	2012
Cash and cash equivalents	6.30 %	6.70 %
Fixed income	31.80 %	30.30 %
Equity	27.60 %	25.90 %
Real estate	32.20 %	32.70 %
Other	2.10 %	4.40 %
Total	**100.00 %**	**100.00 %**

With the exception of the real-estate holdings, all assets are exchange-listed.

The amount of the effective net return from plan assets was CHF 34.8 million (CHF 45.7 million in 2012). The effective total return generated in 2013 was 5.9 % (7.7 % in 2012). The pension plans hold no securities issued by Valora Holding AG and do not let any significant portion of their real estate to the Valora Group.

31 SHARE-BASED PAYMENTS

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

LTP share-based programme for the Board of Directors and Group Executive Management. Since January 2009, the overall remuneration paid to the Board of Directors and Group Executive Management has included a share-based, long-term oriented remuneration plan, the Long Term Plan or LTP. This plan forms an integral part of the overall remuneration of the Board of Directors and Group Executive Management.

The purpose of the LTP is to enable its participants to buy a fixed number of shares, which is determined for each individual participant by the Nomination and Compensation Committee. Under the plan, each participant may purchase two tranches of shares, each tranche having a lock-up period which begins and ends on a different date. The duration of the lock-up period ranges from 24 to 45 months.

The purchase price for the shares in the plan is the average closing price recorded on SIX Swiss Exchange over the 20 trading days preceding the commencement of the LTP. Each participant finances his or her own purchase of shares through a bank loan guaranteed by Valora. The shares are pledged as collateral to the bank providing the loan.

On the last day of each lock-up period, Valora will offer to buy back the shares in the relevant tranche from the plan participants at that day's SIX Swiss Exchange closing price. Participants wishing to avail themselves of this offer must advise Valora on the last day of the lock-up period how many of their shares they wish to sell back in this way. Once the lock-up period is over, participants have free access to any shares they elect not to sell. Should the price at which Valora buys back the shares tendered to it by the plan participants on the last day of the lock-up period (i.e. the closing price on that day) be lower than the purchase price fixed at the start of the LTP period, Valora undertakes to the lending bank and the plan participants that it will reimburse any difference between these prices, and that it will reimburse the plan participants for any tax disadvantage arising. Valora's share price guarantee to the bank will expire no later than the final day of the second lock-up period. The financing costs incurred by Valora are limited to the interest it pays on the loans. In the event of a plan participant's employment being terminated by Valora before the end of either the first or the second lock-up period, the participant is required to sell a pro rata portion of the shares back to Valora at the original purchase price and the bank loan must be repaid in full. Should a plan participant resign from Valora, all the shares in any tranche whose lock-up period has not expired must be sold back to Valora at the original purchase price, and the participant has no pro rata entitlement to any shares in the plan. For Board members, stepping down from the Board or not standing for re-election to the Board is regarded as tantamount to resignation.

The Board of Directors has granted cash-exercised options instead of shares[1)] to Conrad Löffel. Otherwise, his participation is subject to all the other terms and conditions of the plan. The total costs of the LTP programme for 2013 amounted to CHF 376 thousand (CHF 953 thousand in 2012).

[1)] The exercise price of the options was CHF 199.85 for the second tranche of the 2011 LTP and CHF 301.75 for the first tranche of the 2011 LTP, which is the average trading price of the shares during the twenty trading days prior to the commencement of the LTP. The market price at the time the options were awarded was CHF 219.20 for the second tranche of the 2011 LTP and CHF 291.00 for the first tranche of the 2011 LTP. The fair value of the options determined using the Black Scholes model was based on the following key parameters:

Plan	2nd Tranche LTP	1st 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

The book value of the liability arising from the cash exercise options was CHF 135 thousand at 31.12.2013 (31.12.2012: CHF 76 thousand).

ISPP share programme for specific executive-level employees. In 2012, a new voluntary individual equity settled programme was established under which certain executive-level employees (other than members of Group Executive Management) can receive a portion of their total remuneration in the form of Valora shares. On April 1, 2012 shares were allocated under this International Share Participation Programme (ISPP). They were either subject to a first vesting period until March 31, 2014 (for the first retention period) or a second vesting period until March 31, 2016 (for the second retention period), after which ownership is transferred to the plan participants. The personnel expenses relating to the ISPP are recognised over the length of the vesting periods. In 2013, it amounted to CHF 0.5 million (CHF 0.3 million in 2012).

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

Personnel costs for share-based remuneration plans in CHF 000	**2013**	2012
Expenses related to Valora Group share-based plans for employees and management (equity settled)	905	569
Expenses related to Valora Group share-based plans for employees and management (cash settled)	66	73
Total share-based plan expenses charged to income	**971**	**642**

32 CONTINGENT LIABILITIES, COMMITMENTS FROM LEASING AND OTHER CONTRACTS

Contingent liabilities in CHF 000	**2013**	2012
Sureties	143	162
Other contingent liabilities	5 980	12 668
Total contingent liabilities	**6 123**	**12 830**

Future commitments from operating leases and other contracts in CHF 000	**2013**	2012
Long-term rental commitments	607 905	525 536
Other operating lease commitments	6 468	8 416
Future commitments from other contracts	88 066	82 506
Total commitments	**702 439**	**616 458**

Long-term rental commitments	**2013**	2012
in CHF 000		
Minimum rental expense in period	139 385	115 631
Conditional rental expense in period	37 843	36 660
Total rental expense in period	**177 228**	**152 291**
Leases maturing		
Within one year	130 224	122 217
Within 1–2 years	113 469	107 606
Within 2–3 years	95 512	84 737
Within 3–4 years	83 582	70 468
Within 4–5 years	72 490	55 807
After more than 5 years	112 628	84 701
Total long-term rental commitments	**607 905**	**525 536**

The majority of the long-term rental agreements serve to secure kiosk sites for the long term. Some of the rents under these agreements are linked to turnover.

Other operating leases	**2013**	2012
in CHF 000		
Total expenses for other operating leases in period	5 511	5 420
Leases maturing		
Within one year	3 599	4 239
Within 1–2 years	2 023	2 754
Within 2–3 years	734	1 192
Within 3–4 years	104	219
Within 4–5 years	8	12
After more than 5 years	0	0
Total future commitments from other operating leases	**6 468**	**8 416**

The other future operating lease commitments principally relate to leased vehicles.

Other contracts	**2013**	2012
in CHF 000		
Total expenditure on other contracts during reporting period	14 249	13 793
Leases maturing		
Within one year	24 181	12 945
Within 1 – 2 years	13 436	12 330
Within 2 – 3 years	13 117	11 992
Within 3 – 4 years	12 822	11 677
Within 4 – 5 years	12 607	11 390
After more than 5 years	11 903	22 172
Total future commitments from other contracts	**88 066**	**82 506**

The Group's future commitments from other contracts mostly relate to IT outsourcing agreements.

Finance lease commitments	**2013**	2012
in CHF 000		
Total payments (interest and amortisation) during reporting period	1 137	667
Leases maturing		
Within one year	1 070	959
Within 1 – 2 years	952	852
Within 2 – 3 years	660	729
Within 3 – 4 years	188	437
Within 4 – 5 years	0	0
After more than 5 years	0	0
Total finance lease commitments	**2 870**	**2 977**
Less future interest charges	– 177	– 224
Total finance lease obligation (present value)	**2 693**	**2 753**
Less current portion of finance lease obligation (see note 26)	– 1 030	– 847
Long-term finance lease obligation (see note 26)	**1 663**	**1 906**

Present value of future minimum payments under finance leases	**2013**	2012
in CHF 000		
Within one year	1 030	847
Within 1 – 2 years	897	783
Within 2 – 3 years	601	694
Within 3 – 4 years	165	429
Within 4 – 5 years	0	0
After more than 5 years	0	0
Total present value of future minimum finance lease payments	**2 693**	**2 753**

The finance leasing obligations relate both to leased retail shop equipment and computer hardware.

33 RISK MANAGEMENT AND DERIVATIVE FINANCIAL INSTRUMENTS

The international scale of its business operations and its financing structure both expose the Valora Group to a variety of financial risks. These not only include market risks such as foreign exchange and interest rate risk, but also encompass liquidity and credit risks. Valora's financial risk management activities aim to limit these risks. Valora's fundamental financial policies are promulgated by Group Executive Management and overseen by the Board of Directors. Responsibility for implementing Group financial policy and for financial risk management lies with the central Corporate Treasury.

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

Exchange rate risks. Transaction risks represent the risk that the value of transactions completed in foreign currencies will fluctuate as a result of changes in the exchange rate. For Valora, transaction risks arise as a result of its purchasing goods and services from suppliers abroad and on intra-Group transactions. Most Group companies transact the majority of their business in their local currency. In order to limit transaction risk, currency derivatives are used from time to time. Currency translation risks, on the other hand, arise when the balance sheets of subsidiaries outside Switzerland are converted into Swiss francs for consolidation.

The table below shows the main effects on pre-tax earnings and other comprehensive income which would result from hypothetical changes in key exchange rates.

FX rate sensitivity in CHF 000	**Hypothetical change (in percent) 2013**	**Impact on 2013 pre-tax earnings**	**Impact on 2013 other comprehensive income**	Hypothetical change (in percent) 2012	Impact on 2012 pre-tax earnings	Impact on 2012 other comprehensive income
CHF/DKK	+/– 4.5 %	+/– 795	+/– 0	+/– 1.7 %	+/– 328	+/– 0
CHF/EUR	+/– 4.4 %	+/– 879	+/– 9 919	+/– 1.7 %	+/– 505	+/– 1 690
CHF/NOK	+/– 9.6 %	+/– 1 268	+/– 0	+/– 5.8 %	+/– 339	+/– 767
CHF/SEK	+/– 8.1 %	+/– 1 429	+/– 5 267	+/– 7.0 %	+/– 896	+/– 4 566
DKK/NOK	+/– 8.4 %	+/– 68	+/– 0	+/– 5.9 %	+/– 244	+/– 0
EUR/SEK	+/– 7.2 %	+/– 201	+/– 0	+/– 6.8 %	+/– 15	+/– 0

Net investments in subsidiaries outside Switzerland are also analysed periodically and the risks are assessed in the light of the volatility of the currencies concerned. These analyses show that the currency translation risk is modest compared to available equity. Translation risks are not hedged.

Interest rate risks. Cash and cash equivalents are the Group's principal interest-bearing assets. Since the interest rates applicable to these assets are floating, the interest earnings derived from them are directly affected by market interest rates. Under normal circumstances, the Group's principal interest rate risk relates to the interest paid on its financial liabilities. Floating-rate financial liabilities expose the Group to cash-flow-relevant interest-rate risks. Financial liabilities with fixed interest rates, on the other hand, expose the Group to the risk of shifts in the current market value of its liabilities. In order to achieve the target mix between fixed and floating interest rate exposure, interest rate hedging transactions are entered into where necessary. Interest-bearing liabilities essentially comprise the bond issue, the bonded-loan issue and the syndicated loan facility (see note 26).

In the sensitivity analysis of the interest rate risk, impacts arise only on positions with variable interest rates. The table below shows the principal changes in pre-tax earnings which would result from hypothetical shifts in the level of interest rates in the main currencies in which Valora operates.

Interest rate sensitivity

in CHF 000	**Hypothetical change (in basis points) 2013**	**Impact on 2013 pre-tax earnings**	Hypothetical change (in basis points) 2012	Impact on 2012 pre-tax earnings
CHF	+/– 10	+/– 32	+/– 3	+/– 6
DKK	+/– 25	+/– 47	+/– 3	+/– 1
EUR	+/– 22	+/– 135	+/– 10	+/– 60
NOK	+/– 20	+/– 15	+/– 9	+/– 8
SEK	+/– 51	+/– 112	+/– 4	+/– 5

The table for 2013 does not include data for the interest rate swap position established to hedge the interest-rate risk on the bonded-loan issue (see Tools for hedging and risk management). Assuming a hypothetical change to the swap rate of the same maturity of +/– 193 basis points, the change in the value of this hedge, at December 31, 2013, would have impacted other comprehensive income by +/– CHF 9.3 million.

In the table above, the 2012 column does not include data for the interest-rate-swap position established to hedge the interest-rate risk on the syndicated-loan facility (see Tools for hedging and risk management). Assuming a hypothetical change in the 5-year swap rate of +/–167 basis points, the change in the value of this hedge, at December 31, 2012, would have impacted other comprehensive income by +/– CHF 17.2 million.

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

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

in CHF 000	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 to 5 years	more than 5 years
At December 31, 2013					
Short-term financial liabilities	532	1	765	0	0
Derivative financial liabilities	1	10	146	0	0
Trade accounts payable	232 466	35 442	1 032	0	0
Other short-term financial liabilities (financial instruments portion)	78 561	21 941	9 132	0	0
Long-term financial liabilities	0	5 020	5 408	254 216	186 957
Total	**311 560**	**62 414**	**16 483**	**254 216**	**186 957**
At December 31, 2012					
Short-term financial liabilities	407	2 768	13 471	0	0
Derivative financial liabilities	54	90	2 599	0	0
Trade accounts payable	239 767	26 354	24	0	0
Other short-term financial liabilities (financial instruments portion)	72 034	9 445	27 804	0	0
Long-term financial liabilities	95	7 231	6 836	346 398	205 479
Total	**312 357**	**45 888**	**50 734**	**346 398**	**205 479**

To enable it to manage its liquidity in an optimal way, the Valora Group has various credit facilities in place, both at fixed and floating rates of interests, which have not been fully drawn down.

Credit risks. Credit risks arise when a contractual partner is not in a position to meet its obligations as agreed. Valora constantly reviews its accounts receivable and manages them so as to avoid the formation of significant credit or concentration risks. At year end 2013 and year end 2012, the Valora Group had no accounts receivable from individual customers which accounted for more than 7 % of its total accounts receivable.

The Valora Group conducts its financial transactions with a selected number of first-class financial institutions. Specific situations may require subsidiaries to transact business with other banks. The establishment and discontinuation of banking relationships is subject to approval by the Group's corporate treasury, which regularly reviews all banking relationships on the basis of external ratings and sets exposure limits for all counterparties. The maximum default risk of CHF 420 million on the Group's financial assets (CHF 413 million in 2012) is equal to the book value of these instruments (see note 34).

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

Sight deposits and fixed maturity deposits maturing in < 3 months placed with banks

in CHF 000	**2013**	2012
AAA and / or state guarantee (AAA states)	1 898	10 069
AA	65 469	42 647
A	74 653	56 776
No Rating	2 412	2 185
Total sight deposits and fixed maturity deposits maturing in < 3 months placed with banks [1]	**144 432**	**111 677**

[1] The remainder of the cash and cash equivalents position shown in the balance sheet relates to cash (including cash in transit).

Tools for hedging and risk management. The Valora Group uses FX forward contracts to mitigate its foreign exchange risk. Interest-rate swaps are also used to hedge interest rate risks. Exposure arising from existing asset and liability items, as well as those arising from future commitments, is centrally managed.

In order to hedge the interest payments on its bonded-loan, which has a nominal value of EUR 72 million, Valora entered into an interest-rate swap on October 30, 2013 which qualifies as a cash flow hedge. The fair value of the swap on December 31, 2013 was CHF 0.1 million, which offsets the negative replacement value of the bonded-loan issue, was allocated to other comprehensive income. The cash flows hedged by the swap will occur in the years from 2013 to 2019, during which time they will have an income statement impact.

Hedging for the interest payments on the syndicated loan facility was carried out by means of two interest-rate swaps on October 31, 2012. As of December 31, 2012, the negative replacement value of these swaps amounted to CFH 2.5 million and had been recognised under other comprehensive income. When the syndicated loan facility was redeemed, the interest-rate swap which had been established as a cash flow hedge against it was unwound, and its replacement value of CHF 1.4 million was reclassified in 2013 from other comprehensive income to financing expense.

In order to hedge 50 % of the interest expense on the bonds issued on February 1, 2012 (see note 26) Valora entered into a forward-starting interest-rate swap in the first half of 2011. This swap has been designated as a cash flow hedge for the interest payments on the bond issue. This position was closed on February 1, 2012, with a negative replacement value of CHF 10.4 million. CHF 1.4 million of the change in the negative replacement value of this position in 2012 was recognised in other comprehensive income and CHF 0.2 million was allocated to financing expense. In 2013, CHF 1.7 million was reclassified from equity to financing expense (CHF 1.4 million in 2012). The cash flows hedged by this swap will occur in the years from 2012 to 2018, during which time they will have an income statement impact.

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

Contract values or underlying nominal amounts show the volume of the underlying transactions at the balance sheet dates. They do not contain any information about the market risk these positions involve. The replacement value of these positions has been determined by valuations provided by the counterparty, market prices at December 31, 2012 and 2013 or through standard pricing model valuations using market data.

Derivative financial instruments in CHF 000	**2013 Contract value**	2012 Contract value	**2013 Replacement value**	2012 Replacement value
Currency instruments				
Forward contracts/ Derivative financial assets	11 719	4 239	246	7
Forward contracts/ Derivative financial liabilities	2 186	13 051	27	201
Interest instruments				
Interest rate swap/ Derivative financial liabilities	88 373	301 925	130	2 542
Total derivative financial assets	**11 719**	**4 239**	**246**	**7**
Total derivative financial liabilities	**90 559**	**314 976**	**157**	**2 743**

Notional contract values of derivative financial instruments by maturity band in CHF 000	**2013**	2012
Within one year	13 905	29 971
Within 1–2 years	0	25 362
Within 2–3 years	0	25 362
Within 3–4 years	0	25 362
Within 4–5 years	0	213 158
After more than 5 years	88 373	0
Total notional value of derivative financial instruments	**102 278**	**319 215**

Capital management. The overarching objective of the Valora Group's capital management is to achieve a strong credit rating and a good level of equity cover. Achieving those goals helps to support the Group's business activities and to maximise its value to its shareholders.

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

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

in CHF 000	**2013**	2012 Restated
Equity attributable to Valora Holding AG	728 089	572 690
Equity attributable to non-controlling interests	2 177	5 064
Total equity	**730 266**	**577 754**
Equity cover	**44.8 %**	**35.9 %**

The Valora Group is not subject to any regulatory capital requirements of the type prevalent in the financial services industry. The Group's required minimum equity cover is stipulated in the financial covenants governing its bank lending agreements (see note 26).

Risk assessment stipulated by Swiss Code of Obligations. Between October and December 2013, the Valora Group's Board of Directors and Group Executive Management carried out a risk assessment. In 2012, they carried out this work in October and November. The objective of these assessments 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 results of these assessments were reviewed at meetings with the Board of Directors and sets of planned measures were decided upon. Additional information regarding the risk assessment process and the risks identified can be found in section 3.6.1 of the corporate governance report.

34 FINANCIAL INSTRUMENTS

Book values, fair values and valuation categories in CHF 000	Valuation category	**Book value 2013**	Book value 2012	**Fair Value 2013**	Fair Value 2012
Assets					
Cash and cash equivalents	LaR	174 973	147 153	174 973	147 153
Derivative financial assets (hierarchy level 2)	FAHfT	246	7	246	7
Trade accounts receivable	LaR	153 486	169 292	153 486	169 292
Other short-term receivables (financial instruments portion)	LaR	71 541	73 486	71 541	73 486
Long-term interest-bearing investments	LaR	3 922	4 293	3 922	4 293
Other long-term receivables	LaR	15 366	17 525	15 366	17 525
Financial assets available for sale valued at cost	AfS	644	649	n/a	n/a
Financial assets available for sale at fair value (hierarchy level 1)	AfS	161	180	161	180
Liabilities					
Short-term financial liabilities	FLAC	1 278	16 187	1 278	16 187
Derivative financial liabilities (hierarchy level 2)	FLHfT	157	2 743	157	2 743
Trade accounts payable	FLAC	268 940	266 145	268 940	266 145
Other financial liabilities (financial instruments portion)	FLAC	109 086	108 741	109 086	108 741
Short-term financial liabilities (hierarchy level 3)	FLtPL	550	541	550	541
Long-term financial liabilities	FLAC	385 761	485 815	393 503	495 415
Long-term financial liabilities (hierarchy level 3)	FLtPL	7 170	6 757	7 170	6 757
Classified by category					
Loans and receivables	LaR	419 288	411 749	419 288	411 749
Financial assets held for trading	FAHfT	246	7	246	7
Financial assets available for sale	AfS	805	829	n/a	n/a
Financial liabilities at amortised cost	FLAC	765 065	876 888	772 807	886 488
Financial liabilities held for trading	FLHfT	157	2 743	157	2 743
Financial liabilities at fair value	FLtPL	7 720	7 298	7 720	7 298

The book values of all short-term financial instruments represent reasonable approximations of their fair value. Any discounting effects are immaterial. The fair value of the bond issue is equal to its nominal value multiplied by its market price on the balance sheet date. Details of the valuations applied to derivative financial instruments and financial assets available for sale are contained in notes 4, 24 and 33. The fair values of the other long-term interest-bearing financial instruments were determined by discounting their expected future cash flows using market interest rates.

35 FAIR VALUES

Hierarchy levels applied to fair values. All the fair values shown below are allocated to one of the following three hierarchy levels:

- Level 1: Prices are based on quotes in active markets for identical assets and liabilities;
- Level 2: Fair values are calculated on the basis of observable market parameters. For these purposes either quoted prices in non-active markets or unquoted prices are used. These fair values can also be derived indirectly from other prices;
- Level 3: Fair values are calculated on the basis of non-observable parameters and are thus based on estimates.

The table below shows the fair value of assets and liabilities by hierarchy level at December 31, 2013:

in CHF 000	Level 1	Level 2	Level 3	Total
Assets valued at fair value				
Derivative financial assets	0	246	0	246
Financial assets available for sale	161	0	0	161
Total	**161**	**246**	**0**	**407**
Assets disclosed at fair value				
Investment property	0	0	3 862	3 862
Total	**0**	**0**	**3 862**	**3 862**

in CHF 000	Level 1	Level 2	Level 3	Total
Liabilities valued at fair value				
Derivative financial liabilities	0	157	0	157
Contingent consideration	0	0	7 720	7 720
Total	**0**	**157**	**7 720**	**7 877**
Liabilities disclosed at fair value				
Bonds	207 500	0	0	207 500
Total	**207 500**	**0**	**0**	**207 500**

The fair values reported at hierarchy level 2 are calculated using valuation models based on observable market parameters such as interest rates, yield curves and foreign-exchange rates on the valuation date.

No assets or liabilities were transferred between hierarchy levels 1 and 2 in 2013.

Hierarchy level 3 fair values. The table below shows the changes which occurred between the opening and closing balances for fair values at hierarchy level 3:

in CHF 000	2013
Balance on January 1	**7 298**
Changes to fair value allocated to financing expense	303
Currency translation adjustments	119
Balance on December 31	**7 720**

Contingent consideration arrangements. The contingent consideration arrangements reported at hierarchy level 3 relate to Valora's acquisitions of Convenience Concept and Delvita / Salty Snacks.

The fair value of the contingent consideration relating to the Convenience Concept acquisition is determined by the present value of the projected cash outflow. The key non-observable parameters involved are projected sales revenues and the discount rate. Depending on the projected sales revenues, the cash outflow will be either zero or CHF 7.4 million. Since Valora believes that there is every probability that the relevant sales metric will be reached, the net present value of this contingent consideration, amounting to CHF 7.2 million at December 31, 2013, has been recognised as a liability (see note 6).

The fair value of the contingent consideration relating to the Delvita / Salty Snacks acquisition is determined by the projected undiscounted cash outflow. Depending on whether certain specific performance-related milestones are reached, the cash outflow will be either zero or CHF 0.5 million. Since Valora believes that there is every probability that these milestones will be reached, the full amount of the contingent consideration has been recognised as a liability.

36 TRANSACTIONS AND BALANCES OUTSTANDING WITH RELATED PARTIES

The consolidated financial statements encompass Valora Holding AG as the ultimate parent company along with all subsidiaries it directly or indirectly controls, as set out in note 39.

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

Goods and services sold to related parties in CHF 000	**2013**	2012
Goods sold to		
Other related parties	3 596	1 082
Services to		
Associates	277	272
Other related parties	149	161
Total goods and services sold	**4 022**	**1 515**

Goods and services purchased from related parties in CHF 000	**2013**	2012
Goods purchased from		
Other related parties	4 023	2 590
Services purchased from		
Other related parties	220	677
Total goods and services purchased	**4 243**	**3 267**

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

Management and Board remuneration in CHF 000	**2013**	2012
Salaries and other short-term benefits [1]	4 890	4 251
Post-employment benefits	249	299
Share-based payments	376	953
Total Management and Board remuneration [2]	**5 515**	**5 503**

[1] Includes vehicle costs reimbursed by the employer and consultancy fees paid to two Board members.
[2] Remuneration totalling CHF 414 thousand was paid to a former member of Group Executive Management in 2013 (2012: CHF 37 thousand).

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

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

Receivables from related parties in CHF 000	**2013**	2012
Receivables from other related parties	221	323
Total receivables	**221**	**323**

Liabilities towards related parties in CHF 000	**2013**	2012
Liabilities towards related parties	211	5 387
Total liabilities	**211**	**5 387**

Contingent liabilities and guarantees. Apart from the guarantee issued in connection with the LTP share purchase programme, which is described in note 31, the Valora Group has entered into no other guarantees or contingent liabilities towards related parties or companies.

37 EQUITY

Shares outstanding in number of shares	**2013**	2012
Total registered shares	3 435 599	3 435 599
of which treasury stock		
Position at January 1	51 702	19 920
Additions to treasury stock	4 687	90 397
Decreases in treasury stock	– 22 375	– 58 615
Total treasury stock at December 31	**34 014**	**51 702**
Total shares outstanding (after deduction of treasury stock) at December 31	**3 401 585**	**3 383 897**
Average number of shares outstanding (after deduction of treasury stock)	**3 387 163**	**2 913 674**

A dividend of CHF 12.50 per share was paid in 2013 relating to the year 2012 (CHF 11.50 per share was paid in 2012 relating to the year 2011). Dividend distributions are based on net income for the year and earnings carried forward by the Valora Holding AG parent company.

The company's issued share capital comprises 3435599 shares of CHF 1.00 nominal value each. A conditional share capital of 84000 shares exists which the Board of Directors may use for existing or future management share plans. None of these shares had been issued at December 31, 2013.

At their Ordinary General Meeting held on April 18, 2013, Valora Holding AG shareholders granted the Board of Directors authority to raise up to CHF 250000 of additional share capital through the issue of up to 250 000 shares of CHF 1.00 nominal value each at any time until April 18, 2015.

At their Ordinary General Meeting held on April 15, 2011, Valora Holding AG shareholders granted the Board of Directors authority to raise up to CHF 840000 of additional share capital through the issue of up to 840000 shares of CHF 1.00 nominal value each at any time until April 15, 2013. On November 6, 2012, 635599 shares of this authorised share capital were issued in order to complete the Ditsch/Brezelkönig acquisition (see note 6). The remainder of this authorised share capital was not utilised.

The transaction costs relating to the share-capital increase carried out in 2012, which were charged to equity, amount to CHF 1.9 million.

On April 9, 2013, Valora Holding AG issued CHF 120 million of perpetual, subordinated hybrid bonds. The first date at which the issuer may call these bonds for redemption is October 30, 2018. Until October 30, 2018, the annual coupon will be 4%. For subsequent five-year periods, the coupon will be determined on the basis of the mid-market rate for 5-year interest-rate swaps, plus a 500 basis-point spread, plus the original credit margin. The issuer's obligation to pay coupons on the bonds essentially depends on the dividend resolutions passed by the Ordinary General Meeting of Shareholders. The proceeds of the bond issue, minus CHF 902 thousand in transaction costs, qualify as equity. The proceeds have been used for refinancing purposes, i.e. for the partial redemption of the syndicated-loan facility.

The portion of the coupon to holders of the hybrid bond which was not recognised on the balance sheet at December 31, 2013 amounts to CHF 0.8 million.

38 SUBSEQUENT EVENTS

These consolidated financial statements were approved by the Board of Directors of Valora Holding AG on March 31, 2014. The Board of Directors recommends that the Ordinary General Meeting of Shareholders to be held on May 7, 2014 approve these financial statements.

39 SIGNIFICANT SUBSIDIARIES OF THE VALORA GROUP

	Currency	Nominal capital in million	Share-holding in %	Corporate	Valora Retail	Ditsch/ Brezelkönig	Valora Services	Valora Trade
Switzerland								
Valora Management AG, Muttenz	CHF	0.5	100.0	•				
Valora International AG, Muttenz	CHF	20.0	100.0	•	•			
Valora Schweiz AG, Muttenz	CHF	5.2	100.0	•	•		•	•
Brezelkönig AG, Emmen	CHF	1.0	100.0			•		
Alimarca AG, Muttenz	CHF	0.1	100.0			•		
Valora Warenlogistik AG, Muttenz	CHF	0.1	100.0				•	
Valora Mediaservices AG, Muttenz	CHF	0.1	100.0				•	
Germany								
Valora Holding Germany GmbH, Hamburg	EUR	0.4	100.0	•				
Stilke Buch & Zeitschriftenhandels GmbH, Hamburg	EUR	3.8	100.0		•			
BHG Bahnhofs-Handels-Vertriebs GmbH, Hamburg	EUR	0.5	100.0		•			
Delvita GmbH, Mülheim a.d. Ruhr	EUR	0.1	100.0					•
Valora Retail Services GmbH, Hamburg	EUR	0.1	100.0		•			
Konrad Wittwer GmbH Bahnhofsbuchhandlungen, Hamburg	EUR	0.3	100.0		•			
Valora Retail Kiosk GmbH, Hamburg	EUR	0.1	100.0	•	•			
Valora Trade Germany GmbH, Mülheim a.d. Ruhr	EUR	0.2	68.0					•
Convenience Concept GmbH, Hamburg	EUR	0.1	100.0		•			
Brezelbäckerei Ditsch GmbH, Mainz	EUR	0.1	100.0			•		
Luxembourg								
Valora Europe Holding S.A., Luxembourg	EUR	0.1	100.0	•				
Valora Luxembourg S.à r.l., Luxembourg	EUR	7.0	100.0		•		•	
MPK Luxembourg S.à r.l., Luxembourg	EUR	1.5	100.0		•			

	Currency	Nominal capital in million	Share-holding in %	Corporate	Valora Retail	Ditsch/ Brezelkönig	Valora Services	Valora Trade
United Kingdom								
Valora Holding Finance Ltd., Guernsey	CHF	821.4	100.0	•				
Austria								
Valora Holding Austria AG, Neunkirchen	EUR	1.1	100.0	•				
Valora Trade Austria GmbH + Co. KG, Neunkirchen	EUR	3.6	100.0					•
Plagemann Lebensmittelhandels GmbH + Co. KG, Neunkirchen	EUR	0.1	100.0					•
Valora Retail Austria GmbH + Co. KG, Vienna	EUR	0.1	100.0		•			
Sweden								
Valora Holding Sweden AB, Stockholm	SEK	0.5	100.0	•				
Valora Trade Sweden AB, Stockholm	SEK	12.0	100.0					•
Scandinavian Cosmetics AB, Malmö	SEK	0.5	100.0					•
Norway								
Valora Holding Norway AS, Røyken	NOK	12.0	100.0	•				
Valora Trade Norway AS, Røyken	NOK	5.9	100.0					•
Engelschiøn Marwell Hauge AS, Oslo	NOK	2.7	100.0					•
Denmark								
Valora Trade Denmark A / S, Herlev	DKK	43.0	100.0					•
Valora Trade Denmark Beverages A / S, Herlev	DKK	2.0	75.0					•
Finland								
Oy Valora Trade Finland AB, Helsinki	EUR	0.1	100.0					•

The non-controlling interests in the Valora Group are immaterial.

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

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of Valora Holding AG, which comprise the income statement, comprehensive income statement, balance sheet, cash flow statement, statement of changes in equity and notes (pages 46 to 112), for the year ended 31 December 2013.

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

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

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

Opinion. In our opinion, the consolidated financial statements for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight 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 consolidated financial statements according to the instructions of the Board of Directors.

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

Ernst & Young AG

Martin Gröli Licensed audit expert (Auditor in charge)	Stefanie Walter Licensed audit expert

Zurich, 31 March 2014