VALORA FINANCIAL REPORT 2014

REVIEW OF GROUP RESULTS

In 2014, the Valora Group increased its net revenues by +2.3%, to CHF 1932.6 million. Operating profit was CHF 30.5 million, compared to CHF 59.1 million in 2013. After adjusting for one-off factors, the operating profit achieved of CHF 50.7 million in 2014 was CHF +8.9 million higher than in the previous year, principally thanks to higher operating profits at Retail Switzerland/Austria (CHF +6.3 million) and Ditsch/Brezelkönig (CHF +4.9 million), while operating profit at Retail Germany/Luxembourg was lower than in 2013. Reported EBITDA for 2014 came in at CHF 109.3 million, compared to CHF 114.7 million a year earlier. After adjusting for one-off factors, EBITDA improved by CHF +14.4 million between 2013 and 2014. The profit on the sale of Valora Services and the results, including fair-value adjustments, generated by the Valora Trade division, now classified as held for sale, totalled CHF –9.1 million and are reported as results from discontinued operations. Group net profit for 2014 was CHF 6.3 million, compared to CHF 54.1 million in 2013. Cash flow from operations amounted to CHF 91.9 million, CHF +2.1 million ahead of the 2013 figure. Shareholders' equity at year-end 2014 accounted for 44.0% of total assets. The sale of the Services division and the classification of the Trade division as a disposal group has enabled Valora to make further progress in focusing on its core business. The Group's acquisition of Naville, the leading small-outlet retailer in French-speaking Switzerland (which was consolidated with effect from March 1, 2015), has strengthened Valora's market position and opened up new opportunities for expansion. Given projected special costs and assuming €/CHF parity, Valora expects to generate an operating profit of CHF 45–50 million from its continuing operations in 2015.

A NET REVENUES

Net revenues (NR) from continuing operations in CHF million	**2014**	**2014 share in %**	2013 [1]	2013 share in %	Change
Retail Switzerland/Austria	1 232.5	63.8%	1 225.6	64.8%	0.6%
Retail Germany/Luxembourg	479.6	24.8%	466.5	24.7%	2.8%
Valora Retail	1 712.1	88.6%	1 692.1	89.5%	1.2%
Ditsch/Brezelkönig	220.5	11.4%	197.6	10.5%	11.5%
Other	0.0	0.0%	0.1	0.0%	n.a.
Total Group	**1 932.6**	**100.0%**	**1 889.8**	**100.0%**	**2.3%**
Switzerland	1 272.3	65.8%	1 261.5	66.8%	0.9%
Elsewhere	660.3	34.2%	628.3	33.2%	5.1%

[1] Adjusted following the sale of the Services division and the classification of the Trade division as a disposal group

The Valora Group achieved pleasing growth in net revenues, which advanced +2.3% to CHF 1932.6 million. Revenues in all business areas increased, with particularly impressive performance by Ditsch/Brezelkönig, which expanded its net revenues by 11.5%.

At Group level, net revenues advanced CHF +42.8 million to CHF 1932.6 million. The Retail division increased its net revenues by CHF +20.0 million, of which CHF +6.9 million was achieved by the Swiss and Austrian units despite the continuing decline in press sales, which were down CHF –10.9 million, or –7.1%, on their 2013 levels. This growth is mainly due to increased sales of tobacco, non-food items and services. In aggregate, the net revenues generated by non-press categories rose CHF +15.6 million in 2014, of which CHF +5.2 million was attributable to sales of Panini collectible picture cards for the football World Cup. Franchise fees were CHF +2.2 million up on 2013, largely reflecting the greater number of franchisees. Food sales at k kiosk increased, despite the closure of 44 outlets, while at Spettacolo they were adversely affected by individual closures.

Retail Germany / Luxembourg increased its net revenues by CHF + 13.1 million in 2014, with particularly strong sales growth in tobacco, food and non-food lines. The contraction of the overall press market reduced net revenues from press sales by CHF – 9.8 million in these two markets. Sales of Panini World Cup picture cards contributed CHF 2.3 million to net revenues at Retail Germany / Luxembourg in 2014.

Ditsch/Brezelkönig expanded its net revenues by CHF + 22.8 million in 2014, an increase of + 11.5 %. Sales at retail outlets, which account for 70 % of the division's total net revenues, rose + 3.3 %. While 13 new outlets were opened in Germany and 7 in Switzerland, 5 less profitable branches were closed in Germany and 3 were closed in Switzerland. The division's wholesaling / business-to-business operation did particularly well, with net revenues up + 29.0 %.

B GROSS PROFIT

Gross profit from continuing operations in CHF million	**2014**	**2014 share in %**	**2014 % of NR**	2013 [1]	2013 share in %	2013 % of NR	Change
Retail Switzerland / Austria	446.3	56.9 %	36.2 %	448.4	57.9 %	36.6 %	– 0.5 %
Retail Germany / Luxembourg	174.3	22.2 %	36.3 %	176.5	22.8 %	37.8 %	– 1.3 %
Valora Retail	620.6	79.1 %	36.2 %	624.9	80.7 %	36.9 %	– 0.7 %
Ditsch/Brezelkönig	164.0	20.9 %	74.4 %	149.5	19.3 %	75.6 %	9.7 %
Other	0.0	0.0 %	n.a.	0.1	0.0 %	n.a.	n.a.
Total Group	**784.6**	**100.0 %**	**40.6 %**	**774.5**	**100.0 %**	**41.0 %**	**1.3 %**

[1] Adjusted following the sale of the Services division and the classification of the Trade division as a disposal group

Valora expanded its gross profit by CHF + 10.1 million in 2014, despite a net CHF – 6.5 million change in one-off factors. After adjusting for one-off factors, the Retail division increased its gross profit by CHF + 2.2 million, while gross profits at Ditsch/Brezelkönig advanced CHF + 14.5 million.

The Valora Group's gross profit for 2014 amounted to CHF 784.6 million, versus CHF 774.5 in 2013.

Due to one-off factors, Valora Retail's 2014 gross profit was CHF – 4.4 million lower than in 2013. At Retail Switzerland / Austria, the one-off factors impacting gross profit were increased sales of World Cup picture cards (CHF + 1.8 million) and the lower press margins resulting from the implementation of the retail margin model with Valora's former Services division (approx. CHF – 7.0 million). On an adjusted basis, gross profit at Retail Switzerland / Austria was up CHF + 3.1 million, despite the CHF – 2.1 million impact of reduced press sales in a declining overall press market and the fact that the network was reduced by 34 outlets. This improved gross-profit performance was mainly driven by increased franchise revenues and higher sales of services and tobacco. Promotion revenues from tobacco were significantly enhanced thanks to the network's comprehensive roll out of digital signage, which allows advertising space to be sold on LCD displays at the outlets.

Gross profit at Retail Germany / Luxembourg includes a contribution from World Cup picture card sales of CHF + 1.0 million and charges of CHF – 2.3 million resulting from the harmonisation of inventory valuation at certain outlets. Adjusting for these factors, gross profit was essentially in line with its 2013 levels. As a result, Retail Germany was able to offset nearly all the CHF – 6.0 million impact on gross profit from market-related declines in press sales with increased revenue in other categories.

Ditsch/Brezelkönig increased its gross profit by CHF + 14.5 million in 2014, a year-on-year rise of + 9.7 %. Gross profits at Brezelkönig in Switzerland were up + 7.5 %, while at Ditsch in Germany they advanced + 10.6 %. Sales growth at both the retail and B2B businesses contributed to this performance.

C OPERATING COSTS, NET

Net operating costs from continuing operations in CHF million	2014	2014 share in %	2014 % of NR	2013 [1]	2013 share in %	2013 % of NR	Change
Retail Switzerland / Austria	– 429.3	56.9 %	– 34.8 %	– 424.6	59.4 %	– 34.6 %	1.1 %
Retail Germany / Luxembourg	– 181.3	24.1 %	– 37.8 %	– 162.3	22.6 %	– 34.8 %	11.7 %
Valora Retail	– 610.6	81.0 %	– 35.7 %	– 586.9	82.0 %	– 34.7 %	4.0 %
Ditsch/Brezelkönig	– 132.8	17.6 %	– 60.3 %	– 123.2	17.2 %	– 62.3 %	7.8 %
Other	– 10.7	1.4 %	n.a.	– 5.3	0.8 %	n.a.	102.9
Total Group	**– 754.1**	**100.0 %**	**– 39.0 %**	**– 715.4**	**100.0 %**	**– 37.9 %**	5.4 %

[1] Adjusted following the sale of the Services division and the classification of the Trade division as a disposal group

Due to one-off factors totalling CHF – 31.0 million in both years and the higher levels of capacity utilisation at Ditsch/Brezelkönig resulting from increased sales, the Group's net operating costs were CHF – 38.7 million above their 2013 levels. After adjusting for one-off factors, the operating-cost ratio improved by + 0.3 percentage points.

Valora's net operating costs for 2014 were CHF – 754.1 million, compared to CHF – 715.4 million in 2013. At Retail Switzerland, net operating costs were up CHF – 4.7 million on the year, though it should be noted that this includes a one-off reduction in personnel costs in 2013 of CHF – 8.0 million resulting from the adjustment of pension-fund annuity conversion rates. After adjusting for this one-off effect, 2014 net operating costs at Retail Switzerland were CHF + 3.3 million lower than in 2013. This improvement principally reflects reduced spending on advertising and the lower personnel costs resulting from improved shift planning and the optimisation of the outlet network.

Net operating costs at Retail Germany / Luxembourg amounted to CHF – 181.3 million in 2014, CHF – 19.0 million higher than a year earlier. This increase is largely attributable to impairment charges on intangible assets (CHF – 16.7 million), individual impairment charges on fixed assets and accounts receivable (CHF – 7.2 million) and the reappraisal of contingent considerations (CHF + 7.1 million). After adjusting for these factors, net operating costs at Retail Germany / Luxembourg were CHF – 2.2 million higher than in 2013, largely due to the higher average number of Valora-operated outlets and increased charges for communications, IT and depreciation. Operating costs as a proportion of net revenues showed a + 0.3 percentage-point improvement on their 2013 levels.

When compared to the revenue growth the division achieved, net operating costs at Ditsch/Brezelkönig showed a comparatively modest increase of CHF –9.6 million. As a result, operating costs as a proportion of net revenues showed a +2.1 percentage-point improvement in 2014. The increased level of operating costs mainly reflects the expansion of the outlet network and higher expenditure on staff, freight and depreciation due to the division's increased output and logistics volumes as well as an increased number of outlets.

Net operating costs in the Other category were CHF –5.4 million higher in 2014 than a year earlier. CHF –2.3 million of this increase reflects the one-off effect of the reduction in the pension-fund annuity conversion rate in 2013, while CHF –2.7 million is due to costs associated with the Naville acquisition and a further CHF –1.2 million represents development costs for the new financial-services business area. After adjusting for these factors, net operating costs in this category were CHF +0.8 million lower than in 2013.

D OPERATING PROFIT (EBIT)

Operating profit from continuing operations in CHF million	**2014**	**2014 share in %**	**2014 % of NR**	2013 [1]	2013 share in %	2013 % of NR	Change
Retail Switzerland / Austria	17.0	55.7 %	1.4 %	23.8	40.3 %	1.9 %	– 28.8 %
Retail Germany / Luxembourg	– 7.0	– 23.0 %	– 1.5 %	14.2	24.0 %	3.0 %	– 149.3 %
Valora Retail	10.0	32.7 %	0.6 %	38.0	64.3 %	2.2 %	– 73.8 %
Ditsch/Brezelkönig	31.2	102.3 %	14.1 %	26.3	44.5 %	13.3 %	18.6 %
Other	– 10.7	– 35.0 %	n.a.	– 5.2	– 8.8 %	n.a.	105.0 %
Total Group	**30.5**	**100.0 %**	**1.6 %**	**59.1**	**100.0 %**	**3.1 %**	**– 48.5 %**

[1] Adjusted following the sale of the Services division and the classification of the Trade division as a disposal group

Valora's operating profit at the EBIT level came in at CHF 30.5 million in 2014 versus CHF 59.1 million a year earlier. After adjusting for one-off factors, Group EBIT increased by CHF +8.9 million, to CHF 50.7 million, raising the adjusted EBIT margin by +0.4 percentage points.

Retail Switzerland / Austria generated EBIT of CHF 17.0 million, CHF –6.9 million lower than in 2013. This decline includes one-off effects resulting from implementation of the retail margin model (approx. CHF –7.0 million), the IAS19 impact of adjusting the annuity conversion ratio (CHF –8.0 million) and sales of World Cup picture cards (CHF +1.8 million). After adjusting for these factors, the 2014 EBIT generated by these two units was CHF +6.3 million higher than in 2013. This positive performance is attributable in equal measure to increased gross profits and to cost savings. As a result, Retail Switzerland / Austria was able to raise its adjusted EBIT margin by +0.5 percentage points in 2014.

Taking all one-off factors into account, Retail Germany / Luxembourg's EBIT for 2014 was CHF –7.0 million. Stripping out the effects of impairment charges on intangible assets (CHF –16.7 million), harmonisation of inventory valuations at certain outlets (CHF –2.3 million), the revaluation of both fixed assets and accounts receivable (CHF –7.2 million) and contingent considerations (CHF +7.1 million) as well as revenues from the sale of World Cup picture cards (CHF +1.0 million), these two units generated an adjusted EBIT of CHF 11.1 million in 2014, compared to CHF 14.2 million in 2013. This decline essentially reflects the effect of the contracting press market.

Ditsch/Brezelkönig increased its EBIT by CHF +4.9 million to CHF 31.2 million in 2014, a rise of +18.6 %. This pleasing performance is attributable to the remarkable expansion the division achieved in its business-to-business sales and to growth in its retail volumes, the latter being constrained by a series of public-transport strikes in Germany. Thanks to efficient cost management, Ditsch/Brezelkönig was able to improve its EBIT margin by 0.8 percentage points in 2014.

2014 EBIT classified under Other was CHF –5.5 million lower than in 2013. This decline includes CHF –2.3 million from the one-off reduction in 2013 of staff costs resulting from the adjustment of the annuity conversion rate, CHF –2.7 million of costs for the Naville acquisition and CHF –1.2 million in development costs for the new financial-services business area. Adjusting for these factors, EBIT for this segment was CHF +0.8 million ahead of its 2013 level.

E RESULT FROM DISCONTINUED OPERATIONS

Fair-value recognition of the Trade division, which is classified as held for sale, and the profit realised on the sale of Valora Services made for a result from discontinued operations of CHF –9.1 million in 2014, compared to CHF 24.9 million in 2013.

The result from discontinued operations encompasses the Trade division and the former Services division. In 2013, this result had also included earnings of CHF 5.0 million from provisions released following the expiration of guarantees issued in connection with the Fotolabo and Own Brands sales. Under IFRS rules, classification of Valora Trade as a disposal group requires that the business be recognised at fair value. This is reflected in the division's 2014 result of CHF –46.6 million (which includes CHF –52.4 million in impairment charges and extraordinary costs), compared to CHF +8.5 million in 2013. The 2014 result generated by the former Services division, which was sold as of July 31, 2014, amounted to CHF 37.4 million. This includes a profit of CHF 32.4 million realised on the sale. In 2013, Valora Services had achieved a result of CHF 11.4 million. In aggregate, the Group result from discontinued operations amounted to CHF –9.1 million in 2014, compared to CHF 24.9 million in 2013.

F FINANCIAL RESULT AND TAXES

Lower interest costs enabled Valora to improve the net result from its financing operations by CHF +3.9 million in 2014. Consolidated tax expense was CHF +10.9 million lower than in 2013.

Valora's net financing result from continuing operations came in at CHF –17.1 million in 2014, a CHF +3.9 million improvement on its 2013 performance. This essentially reflects the Group's successful refinancing of the Ditsch/Brezelkönig acquisition, which helped to optimise its net interest costs. The results attributable to currency translation and other financing operations were less favourable than in 2013, however.

In 2014, the Valora Group generated consolidated tax revenues of CHF +2.1 million, comprising CHF –4.4 million in current income taxes and CHF 6.5 million in deferred tax income.

The Group's net profit for 2014 amounted to CHF 6.3 million, compared to CHF 54.1 million a year earlier.

G LIQUIDITY, CASH FLOW AND KEY FINANCIAL DATA

Key financial data in CHF million	2014	2013
EBITDA [1]	**109.3**	**114.7**
Cash flow from operations [1]	91.9	89.9
Free cash flow before purchase / sale of subsidiaries [1]	**34.0**	**51.2**
Shareholders' equity	630.6	730.3
Total equity in % of total assets	**44.0 %**	**44.8 %**
Group net profit	6.3	54.1
Net debt [1] [2] [3]	253.6	285.9
Net working capital [1] [2]	49.2	56.2
Earnings per share in CHF [1]	**3.13**	**7.69**

[1] from continuing operations
[2] The financial report shows the 2013 balance sheet according to IFRS including discontinued operations, while the 2014 balance sheet relates to continuing operations.
[3] Net debt including discontinued operations was CHF 181.9 million for 2014 and CHF 219.2 million for 2013.

Cash flow from operations reached CHF 91.9 million in 2014, a CHF +2.1 million increase on 2013. Equity cover at December 31, 2014 was 44.0 %, –0.8 percentage points lower than a year earlier. Thanks to the proceeds generated from the sale of the former Services division, consolidated net debt diminished to CHF 253.6 million. At the General Meeting of shareholders on April 22, 2015, the Board of Directors will recommend that the dividend be maintained at CHF 12.50 per share.

In 2014, the Valora Group increased its operating cash flow by +2.3 %, to CHF 91.9 million. While reported earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to CHF 109.3 million, compared to CHF 114.7 million in 2013, cash flow did benefit from a reduction in net working capital.

Cash flow from investing activities was CHF –57.9 million in 2014, compared to CHF –38.7 million the previous year. This increased outflow largely reflects the significant number of investments made in late 2013 whose payments did not impact liquidity until 2014 (CHF –11.9 million). As a result, free cash flow for 2014 was CHF 34.0 million, down from CHF 51.2 million in 2013. In addition, the proceeds from the sale of the Services division amounted to CHF 52.4 million.

The Group's equity cover at December 31, 2014 was 44.0 %, compared to 44.8 % at December 31, 2013. Over the same period, consolidated net debt diminished from CHF 285.9 million to CHF 253.6 million (see table above). This CHF –32.2 million improvement is principally due to the proceeds generated by the sale of the Services division.

H RETURN ON CAPITAL EMPLOYED

ROCE from continuing operations	**2014**	2013	Percentage-point change
in %			
Retail Switzerland / Austria	8.1 %	13.6 %	– 5.5 %
Retail Germany / Luxembourg	– 3.8 %	7.5 %	– 11.3 %
Valora Retail	2.5 %	10.4 %	– 7.9 %
Ditsch/Brezelkönig	7.6 %	6.3 %	1.3 %
Other [1]	n.a.	n.a.	n.a.
Total Group	**3.3 %**	**6.6 %**	**– 3.3 %**

[1] Other includes the portion of EBIT represented by Group costs and the portion of invested capital represented by cash and cash equivalents held in continuing operations.

After adjusting for one-off factors, the return on capital employed achieved from continuing operations improved by +0.8 percentage points in 2014.

Return on capital employed (ROCE) is the ratio of EBIT to average invested capital. At Group level, reported ROCE from continuing operations amounted to 3.3 % in 2014. This decline compared to the reported figure for 2013 largely reflects the lower reported EBIT generated in 2014. After adjusting for all the one-off factors mentioned in section D above, all business areas other than Retail Germany / Luxembourg increased their ROCE, raising adjusted Group ROCE from continuing operations by +0.8 percentage points to 5.5 % in 2014.

I OUTLOOK

Valora maintains its previous positive outlook for Retail Switzerland and Ditsch/Brezelkönig, whose strategic initiatives to increase profitability and expand revenues are progressing as planned. Although profitability at Retail Germany will be lower than previously expected, this unit will nevertheless make a contribution to Group operating profit in the double-digit million franc range.

In 2015, Valora expects to achieve an overall operating profit of CHF 45 – 50 million from its continuing operations, after taking projected one-off expenditure into account and assuming € / CHF exchange-rate parity. The impact of the € / CHF parity assumption will be to reduce operating profit by some CHF 10 million. These projections include a contribution from the recently acquired Naville, which has been consolidated in the Group’s accounts since March 1, 2015. The projected one-off expenditure mentioned above amounts to some CHF 7 million. This comprises development costs for the new financial-services business area and expenditure relating to the Naville acquisition.

In 2016, the Valora Group expects to generate an operating profit of CHF 65 – 70 million.

CONSOLIDATED INCOME STATEMENT

January 1 to December 31, in CHF 000 (except per-share amounts)	Note	2014	%	2013 [1]	%
Net revenues	8	**1 932 571**	**100.0**	**1 889 791**	**100.0**
Cost of goods and materials		– 1 148 000	– 59.4	– 1 115 319	– 59.0
Personnel expenses	9	– 277 411	– 14.3	– 273 600	– 14.5
Other operating expenses	10	– 407 872	– 21.1	– 389 822	– 20.7
Depreciation and impairments	20, 21, 22	– 78 834	– 4.1	– 55 603	– 2.9
Other income	11	15 986	0.8	5 480	0.3
Other expenses	11	– 5 987	– 0.3	– 1 843	– 0.1
Operating profit (EBIT)	8	**30 453**	**1.6**	**59 084**	**3.1**
Financial expenses	12	– 17 581	– 0.9	– 23 119	– 1.2
Financial income	13	464	0.0	2 101	0.1
Earnings before taxes		**13 336**	**0.7**	**38 066**	**2.0**
Income taxes	14	2 074	0.1	– 8 825	– 0.4
Net profit from continuing operations		**15 410**	**0.8**	**29 241**	**1.6**
Net profit from discontinued operations	7	– 9 110	– 0.5	24 897	1.3
Net Group profit		**6 300**	**0.3**	**54 138**	**2.9**
Attributable to shareholders of Valora Holding AG		2 269	0.1	50 605	2.7
Attributable to providers of hybrid capital		4 800	0.2	3 200	0.2
Attributable to providers of Valora Holding AG equity		**7 069**	**0.3**	**53 805**	**2.9**
Attributable to non-controlling interests		**– 769**	**0.0**	**333**	**0.0**
Earnings per share					
from continuing operations, diluted and undiluted (in CHF)	15	3.13		7.69	
from discontinued operations, diluted and undiluted (in CHF)	7	– 2.46		7.25	
from continuing and discontinued operations, diluted and undiluted (in CHF)	15	**0.67**		**14.94**	

[1] Revised, see Note 7

The accompanying notes from page 93 to page 150 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to December 31, in CHF 000	**Note**	**2014**	2013 Revised
Net Group profit		**6 300**	**54 138**
Actuarial (losses)/gains before income taxes	30	– 25 504	23 599
Income taxes	30	5 159	– 4 751
Positions not subject to reclassification affecting the income statement		**– 20 345**	**18 848**
Cash flow hedge		– 2 123	4 113
Currency translation adjustments		– 27 470	818
Valuation gains on financial investments available for sale before income taxes		8	0
Income taxes		– 2	0
Positions whose reclassification potentially affects the income statement		**– 29 587**	**4 931**
Other Comprehensive income		**– 49 932**	**23 779**
Total comprehensive income		**– 43 632**	**77 917**
Attributable to shareholders of Valora Holding AG		– 47 631	74 670
Attributable to providers of hybrid capital		4 800	3 200
Attributable to providers of Valora Holding AG equity		**– 42 831**	**77 870**
Attributable to non-controlling interests		**– 801**	**47**

The total comprehensive income attributable to shareholders of Valora Holding AG comprises the following elements:

Attributable to shareholders Valora Holding AG from continuing operations	– 38 020	47 875
Attributable to shareholders of Valora Holding AG from discontinued operations	– 9 611	26 795
Attributable to shareholders of Valora Holding AG	**– 47 631**	**74 670**

The accompanying notes from page 93 to page 150 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

ASSETS

in CHF 000	Note	31.12.2014	%	31.12.2013	%
Current assets					
Cash and cash equivalents	16	129 047		174 973	
Derivative financial assets	33	883		246	
Trade accounts receivable	17	33 738		153 486	
Inventories	18	142 376		219 461	
Current income tax receivables		8		537	
Other current receivables	19	52 375		86 144	
Current assets		**358 427**	**25.0%**	**634 847**	**38.9%**
Assets held for sale	7	303 682		0	
Total current assets		**662 109**	**46.2%**	**634 847**	**38.9%**
Non-current assets					
Property, plant and equipment	20	224 262		236 174	
Goodwill, software and other intangible assets	22	471 755		648 073	
Investment property	21	3 580		3 647	
Investment in associates and joint ventures	25	50		5 099	
Financial assets	24	18 075		20 093	
Pension asset	30	30 099		56 425	
Deferred income tax assets	14	24 336		26 541	
Total non-current assets		**772 157**	**53.8%**	**996 052**	**61.1%**
Total assets		**1 434 266**	**100.0%**	**1 630 899**	**100.0%**

LIABILITIES AND EQUITY

in CHF 000	Note	31.12.2014	%	31.12.2013	%
Current liabilities					
Short-term financial debt	26	1 413		1 278	
Derivative financial liabilities	33	4 065		292	
Trade accounts payable	27	126 832		268 940	
Current income tax liabilities		8 978		16 837	
Other current liabilities	28	71 218		155 031	
Current liabilities		**212 506**	**14.8 %**	**442 378**	**27.1 %**
Liabilities held for sale	7	172 809		0	
Total current liabilities		**385 315**	**26.8 %**	**442 378**	**27.1 %**
Non-current liabilities					
Other non-current liabilities	26	384 430		396 538	
Long-term accrued pension cost	30	1 135		12 978	
Long-term provisions	29	398		406	
Deferred income tax liabilities	14	32 387		48 333	
Total non-current liabilities		**418 350**	**29.2 %**	**458 255**	**28.1 %**
Total liabilities		**803 665**	**56.0 %**	**900 633**	**55.2 %**
Equity					
Share capital	37	3 436		3 436	
Treasury stock		– 15 701		– 8 015	
Hybrid capital		119 098		119 098	
Mark-to-market, financial instruments		– 9 339		– 7 222	
Retained earnings		599 272		660 530	
Cumulative translation adjustments		– 67 176		– 39 738	
Equity of Valora Holding AG		**629 590**	**43.9 %**	**728 089**	**44.6 %**
Non-controlling interests		1 011		2 177	
Total equity		**630 601**	**44.0 %**	**730 266**	**44.8 %**
Total liabilities and equity		**1 434 266**	**100.0 %**	**1 630 899**	**100.0 %**

The accompanying notes from page 93 to page 150 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

January 1 to December 31, in CHF 000	Note	2014	2013 Revised
Operating profit (EBIT)		**30 453**	**59 084**
Elimination of non-cash transactions in operating profit (EBIT)			
Depreciation and impairments on property, plant, equipment and investment properties	20, 21	44 808	37 310
Amortisation of intangible assets	22	34 026	18 293
Losses / (gains) on sales of fixed assets, net	11	2 919	– 48
Share-based remuneration	31	575	652
Increase / (decrease) in pension liability		1 839	– 6 382
Other non-cash transactions		– 4 970	2 459
Increase in other non-current liabilities		183	602
Changes in net working capital, net of acquisitions and disposals of business units			
Decrease in trade accounts receivable		1 308	3 884
Decrease in inventories		1 448	3 643
Decrease in other current assets		21 296	15 039
Decrease in trade accounts payable		– 4 345	– 6 086
Decrease in other liabilities		– 20 492	– 20 561
Net cash provided by operating activities		**109 048**	**107 889**
Interest paid		– 13 303	– 16 220
Income taxes paid		– 4 667	– 3 371
Interest received		813	1 554
Dividends received		30	17
Total net cash provided by operating activities from continuing operations		**91 921**	**89 869**
Total net cash provided by operating activities from discontinued operations		15 629	39 397
Total net cash provided by operating activities		**107 550**	**129 266**
Cash flow from investing activities			
Investment in property, plant and equipment	20	– 52 901	– 38 543
Investment grants received	20	0	2 067
Proceeds from sale of property, plant and equipment	20	687	2 037
Proceeds from sale of investment property	21	0	1 942
Acquisition of subsidiaries, net of cash acquired	6	– 839	– 11 779
Disposal of subsidiaries, net of cash sold	7	52 385	7 005
Change in equity by associates		0	– 50
(Purchases) / sales of financial investments		– 258	1 755
Purchases of other intangible assets	22	– 5 855	– 6 223
Proceeds from sale of other intangible assets	22	196	12
Net cash used in investing activities from continuing operations		**– 6 585**	**– 41 777**
Net cash used in investing activities from discontinued operations		– 3 199	– 6 276
Net cash used in investing activities		**– 9 784**	**– 48 053**

January 1 to December 31, in CHF 000	Note	2014	2013 Revised
Cash flow from financing activities			
Payment of short-term financial liabilities, net		– 7 338	– 22 606
Increase of long-term financial liabilities	26	115	183 886
Payment of long-term financial liabilities	26	– 4 829	– 291 343
Issuance of hybrid capital	37	0	119 098
Treasury stock purchased		– 11 370	– 947
Treasury stock sold		3 439	4 197
Distributions to providers of hybrid capital		– 4 800	– 2 400
Dividends paid to Valora Holding AG shareholders		– 42 633	– 42 307
Net cash used in financing activities from continuing operations		**– 67 416**	**– 52 422**
Net cash provided by financing activities from discontinued operations		1 681	1 282
Net cash used in financing activities		**– 65 735**	**– 51 140**
Net increase in cash and cash equivalents		**32 031**	**30 073**
Translation adjustments on cash and cash equivalents		– 5 900	– 2 253
Cash and cash equivalents at beginning of year		174 973	147 153
Cash and cash equivalents at year end from continuing operations	16	129 047	
Cash and cash equivalents at year end from discontinued operations	7	72 057	
Cash and cash equivalents at year end		**201 104**	**174 973**

The accompanying notes from page 93 to page 150 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, 2012	**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
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**
Net Group profit					7 069		7 069	– 769	6 300
Other comprehensive income				– 2 117	– 20 345	– 27 438	– 49 900	– 32	– 49 932
Total comprehensive income				– 2 117	– 13 276	– 27 438	– 42 831	– 801	– 43 632
Share-based payments					575		575		575
Dividend paid to shareholders					– 42 633		– 42 633	– 365	– 42 998
Increase in treasury stock		– 11 370					– 11 370		– 11 370
Decrease in treasury stock		3 684			– 1 124		2 560		2 560
Distributions to providers of hybrid capital					– 4 800		– 4 800		– 4 800
Balance at December 31, 2014	**3 436**	**– 15 701**	**119 098**	**– 9 339**	**599 272**	**– 67 176**	**629 590**	**1 011**	**630 601**

The accompanying notes from page 93 to page 150 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 2014 financial year were approved by the Board of Directors on March 23, 2015. These consolidated financial statements are subject to approval by the General Meeting of Shareholders to be held on April 22, 2015.

2 ACCOUNTING POLICIES

Basis of financial statement presentation. In preparing its consolidated financial statements Valora generally applies the at 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, income and expenses, 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 not 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 carrying amount 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. On May 7, 2014, Valora signed an agreement for the sale of its Services division with Thomas Kirschner, the majority shareholder in PVG, the leading German press wholesaler, whose registered offices are in Frankfurt am Main. Full details of the transaction are set out in Note 7.

No changes in consolidation scope occurred during 2013.

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. The adoption of the changes to International Financial Reporting Standards (IFRS) and interpretations thereof first required for the 2014 accounts did not materially affect the Valora Group's financial statements.

Future implementation of International Financial Reporting Standards (IFRS) and Interpretations thereof. These 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 2015 or thereafter, and they are currently being analysed. With effect from January 1, 2015, the Annual Improvements 2010–12 Cycle and 2011–13 Cycle (annual modification process) will become applicable, as will IAS 19 (revised) Employee Benefits. In addition, IFRS 15 Revenue from Contracts with Customers will become applicable from January 1, 2017, while IFRS 9 Financial Instruments will become applicable from January 1, 2018.

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 2014	**Rate at December 31, 2014**	Average rate for 2013	Rate at December 31, 2013
Euro, 1 EUR	1.215	1.203	1.231	1.227
Swedish krona, 100 SEK	13.36	12.74	14.23	13.87
Danish krone, 100 DKK	16.29	16.15	16.50	16.45
Norwegian krone, 100 NOK	14.54	13.34	15.79	14.71

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. 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 carrying amount or fair value minus costs of disposal, if their carrying amount 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 expenses 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 carrying amounts might be too high. If the carrying amount 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 carrying amount 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, non-current 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 with indefinite useful life. Intangible assets with indefinite useful life are not subject to scheduled amortisation charges. They are subject 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 carrying amounts might be too high. If the current carrying amount 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 carrying amount 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 carrying amount 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 carrying amount of the cash-generating unit exceeds this fair value, an impairment to goodwill will be recorded. Impairments on the carrying amount won't be reversed.

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 purposes 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 (IFRIC 14) 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 carrying amounts 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 non-current assets is always re-assessed whenever changes in circumstances indicate that their current carrying amount 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 362.6 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

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 carrying amount of the net assets attributable to these shares was CHF 2.9 million. The amount booked to retained earnings was CHF –0.9 million.

Ditsch/Brezelkönig acquisition. Determination of the definitive purchase price resulted in an adjustment to the net assets reported in the consolidated balance sheet at December 31, 2013. This led to an increase of CHF 13.7 million in the purchase price payable, of which CHF 1.1 million remain outstanding at December 31, 2014.

7 DISCONTINUED OPERATIONS

Transactions completed in 2014.

Valora Services. On May 7, 2014, Valora signed an agreement for the sale of its Services division with Thomas Kirschner, the majority shareholder of PVG, the leading German press wholesaler, whose registered offices are in Frankfurt am Main. Under the agreement, Thomas Kirschner acquired Valora's press wholesaling business in Switzerland and Luxembourg and its third-party logistics business in Switzerland. The transaction, which required approval by Switzerland's Competition Commission, was completed on July 31, 2014.

In the income statement, the results generated by this business area are reported as net profit from discontinued operations. The currency-translation differences previously included in total other comprehensive income have been booked to the income statement.

Valora Trade. Based on the strategic analysis of the Trade division carried out by Valora, this business area has been classified as held for sale and it is reported in the income statement under discontinued operations. This reclassification resulted in an impairment charge of CHF 30947 thousand being recorded in the 2014 financial statements.

Transactions completed in 2013.

Sale of Services Austria. The sale, in its entirety, of Valora Services Austria GmbH, whose registered offices are in Anif (Austria), was completed as of October 17, 2012. The sale-price consideration outstanding as of December 2012, amounting to CHF 7005 thousand, was paid by the purchaser in full during the course of 2013.

Income statement for discontinued operations 2014

January 1 to December 31, in CHF 000	2014 Trade	2014 Services (01.01.–31.07.)	2014 Warenlogistik	2014 Total
Net revenues	616 556	82 976	0	699 532
Expenses [1]	– 635 525	– 77 652	– 747	– 713 924
Other income	109	74	764	947
Operating profit (EBIT)	**– 18 860**	**5 398**	**17**	**– 13 445**
Financial result	752	303	– 2	1 053
Share of result from associates and joint ventures	497	0	0	497
Earnings before taxes	**– 17 611**	**5 701**	**15**	**– 11 895**
Income taxes	2 007	– 673	– 3	1 331
Net (loss)/profit from operating activities	**– 15 604**	**5 028**	**12**	**– 10 564**
Book-value gain from disposal	0	32 401	0	32 401
Impairment from fair-value valuation minus selling costs	– 30 947	0	0	– 30 947
Net (loss)/profit from discontinued operations	**– 46 551**	**37 429**	**12**	**– 9 110**
Attributable to shareholders of Valora Holding AG	– 45 782	37 429	12	– 8 341
Attributable to non-controlling interests	– 769	0	0	– 769

[1] This comprises one-off impairment charges to goodwill and intangible assets amounting to CHF 17 259 thousand (see note 22). Had these not occurred, EBIT would have been CHF – 1601 thousand.

Income statement for discontinued operations 2013

January 1 to December 31, in CHF 000	2013 Trade	2013 Services incl. Warenlogistik [1]	2013 Fotolabo and Own Brands	2013 Total
Net revenues	794 533	174 665	0	969 198
Expenses	– 787 680	– 165 998	0	– 953 678
Other income	200	2 188	5 000	7 388
Operating profit (EBIT)	**7 053**	**10 855**	**5 000**	**22 908**
Financial result	181	760	0	941
Share of result from associates and joint ventures	533	0	0	533
Earnings before taxes	**7 767**	**11 615**	**5 000**	**24 382**
Income taxes	751	– 236	0	515
Net profit from discontinued operations	**8 518**	**11 379**	**5 000**	**24 897**
Attributable to shareholders of Valora Holding AG	8 185	11 379	5 000	24 564
Attributable to non-controlling interests	333	0	0	333

[1] Warenlogistik AG was founded on January 1, 2014, prior to which it had been part of the Services division. For 2013, the Warenlogistik business activities have therefore been reported with those of the Services division.

In 2013, the release of provisions established in connection with Valora's sales of Fotolabo and Own Brands resulted in an additional CHF 5.0 million in net profit from discontinued operations.

Disposal in net assets (Valora Services)

in CHF 000	31.07.2014
Cash and cash equivalents	16 455
Other current assets	38 200
Intangible assets	47 331
Other non-current assets	5 211
Total assets	**107 197**
Trade accounts payable	19 045
Other current liabilities	36 672
Other long term liabilities	310
Total liabilities	**56 027**
Total net assets	**51 170**

Book-value gain from disposal (Valora Services)

in CHF 000	2014
Net revenues	72 785
Disposal of net assets	– 51 170
Recycling of cumulative translations adjustments	14 731
Gross profit from sale	**36 346**
Selling costs	– 3 945
Net profit from sale	**32 401**

Cash and cash equivalents generated (Valora Services)

in CHF 000	2014
Cash and cash equivalents received	68 840
Cash and cash equivalents sold	– 16 455
Net cash and cash equivalents	**52 385**

Net assets held in disposal group at 31.12.2014

in CHF 000	Trade	Warenlogistik	Total
Cash and cash equivalents	70 042	2 015	72 057
Other current assets	175 418	546	175 964
Goodwill, software and other intangible assets	39 845	187	40 032
Other non-current assets	12 017	3 612	15 629
Total assets in disposal group	**297 322**	**6 360**	**303 682**
Accounts payable	110 056	1 652	111 708
Other current liabilities	45 150	632	45 782
Other non-current liabilities	12 011	100	12 111
Deferred income tax liabilities	3 208	0	3 208
Total liabilities in disposal group	**170 425**	**2 384**	**172 809**
Net assets from disposal group	**126 897**	**3 976**	**130 873**

Cumulative other comprehensive income, after tax, attributable to the disposal group amounted to CHF – 21 574 thousand at December 31, 2014.

8 SEGMENT REPORTING

Following the sale of the Valora Services and the reclassification of Valora Trade as a disposal group, the results of both divisions have been reported under discontinued operations (see Note 7).

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.

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.

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

2014

in CHF 000	Valora Retail	Ditsch/ Brezelkönig	Other	Intersegment elimination	Total Group continuing operations
Net revenues					
Total	**1 712 127**	**220 444**	**0**	**0**	**1 932 571**
From third parties	1 712 127	220 444	0	0	1 932 571
Operating profit (EBIT)					
Total	**9 952**	**31 164**	**– 10 663**	**0**	**30 453**
Depreciation and impairment charges	64 638	14 119	77	0	78 834
Additions to long-term assets					
Total	**45 523**	**10 644**	**851**	**0**	**57 018**
Segment assets					
Total	**649 252**	**464 979**	**527 710**	**– 511 357**	**1 130 584**
Investment in associates and joint ventures	50	0	0	0	50
Segment liabilities					
Total	**524 515**	**191 009**	**426 689**	**– 511 357**	**630 856**

Net revenues from third parties comprise CHF 1615 million for goods sold, CHF 110 million for services provided and CHF 208 million for sales of goods produced by Valora itself. The depreciation and impairment charges include impairments of CHF 23 197 thousand for Valora Retail.

2013, Revised [1]

in CHF 000	Valora Retail	Ditsch/ Brezelkönig	Other	Discontinued operations	Intersegment elimination	Total Group
Net revenues						
Total	**1 692 089**	**197 642**	**60**	**0**	**0**	**1 889 791**
From third parties	1 692 089	197 642	60	0	0	1 889 791
Operating profit (EBIT)						
Total	**38 007**	**26 279**	**– 5 202**	**0**	**0**	**59 084**
Depreciation and impairment charges	42 756	12 740	107	0	0	55 603
Additions to long-term assets						
Total	**42 369**	**9 316**	**0**	**4 571**	**0**	**56 256**
Segment assets						
Total	**744 737**	**461 991**	**514 976**	**502 907**	**– 593 712**	**1 630 899**
Investment in associates and joint ventures	50	0	0	5 049	0	5 099
Segment liabilities						
Total	**629 335**	**53 262**	**544 526**	**267 222**	**– 593 712**	**900 633**

[1] The figures for net revenues and EBIT relate to continuing operations only.

Net revenues from third parties comprise CHF 1606 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.

Segment data by region

2014

in CHF 000	Switzerland	Germany	Other Europe	Total Group
Net revenues from third parties	1 272 281	553 437	106 853	1 932 571
Long-term assets	307 493	386 929	5 175	699 597

2013
Revised

in CHF 000	Switzerland	Germany	Other Europe	Total Group
Net revenues from third parties	1 261 461	520 697	107 633	1 889 791
Long-term assets	318 660	429 983	139 251	887 894

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	**2014**	2013 Revised
Salaries and wages	225 811	236 616
Social security expenses	38 644	30 424
Share-based payments	514	718
Other personnel expenses	12 442	5 842
Total personnel expenses	**277 411**	**273 600**
Number of employees (full-time equivalent basis) at December 31	4 435	4 613

Social security payments include CHF 413 thousand (CHF 637 thousand in 2013) 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	**2014**	2013 Revised
Rent	162 939	163 572
Real-estate expenses	7 205	7 131
Ancillary rental expenses	25 391	26 521
Agency fees	97 490	89 261
Insurance	1 412	1 203
Communications and IT	23 897	23 491
Advertising and sales	10 942	14 086
Shipping and freight	20 947	18 096
General administration	25 242	19 764
Capital and other taxes	913	1 073
Other operating leases	2 334	2 871
Other operating expenses	29 160	22 753
Total other operating expenses	**407 872**	**389 822**

11 OTHER INCOME AND OTHER EXPENSES

in CHF 000	**2014**	2013 Revised
Rental income	1 289	2 509
Gains from disposal of non-current assets	945	1 515
Other income	13 752	1 456
Total other income	**15 986**	**5 480**

Other income includes service income of CHF 2980 thousand which was generated after the sale of the Services division for the ongoing provision of various administrative functions. In addition, contingent considerations amounting to CHF 7640 thousand relating to the acquisition of Convenience Concepts and Delvita Salty Snacks were released to the income statement in 2014.

in CHF 000	**2014**	2013 Revised
Losses from disposal of non-current assets	– 3 879	– 1 164
Other expenses	– 2 108	– 679
Total other expenses	**– 5 987**	**– 1 843**

12 FINANCIAL EXPENSE

in CHF 000	**2014**	2013 Revised
Cost of bank loans and liabilities	8 636	15 577
Interest on bonds issued	6 779	6 779
Interest on finance leases	159	77
Interest-expense effect of provisions (see note 29)	0	– 481
Currency translation losses, net	2 007	1 167
Total financial expense	**17 581**	**23 119**

13 FINANCIAL INCOME

in CHF 000	**2014**	2013 Revised
Interest earned on cash, cash equivalents, loans and receivables	148	121
Interest income from finance leases	274	296
Write-down reversals, net	0	1 235
Net gains from derivative financial instruments	12	432
Dividend income from financial investments available for sale	30	17
Total financial income	**464**	**2 101**

14 INCOME TAXES

Income tax expenses were as follows:

in CHF 000	**2014**	2013 Revised
Expenses on current income taxes	4 454	5 169
(Income)/expenses from deferred income taxes	– 6 528	3 656
Total income tax	**– 2 074**	**8 825**

No current tax benefits were directly allocated to equity in 2014 and 2013.

The differences between reported Group income tax expenses and the expected tax expenses of the individual Group companies based on their applicable tax rates can be reconciled as follows:

in CHF 000	**2014**	2013 Revised
Profit before income taxes	13 336	38 066
Expected average Group tax rate	13.6 %	25.0 %
Income taxes at expected Group tax rate	**1 807**	**9 524**
Expenses not recognised for tax purposes / non-taxable revenues	– 2 546	3 091
Utilisation of previously unrecognised tax loss carry forwards	– 534	– 5 181
Effects on current income taxes for prior periods	57	– 150
Increase of allowances on deferred tax assets	1 172	591
Release of previous allowances against deferred income tax assets	– 3 419	– 1 205
Changes in tax rates	16	0
Other effects	1 373	2 155
Total reported income taxes	**– 2 074**	**8 825**
Effective tax rate	– 15.5 %	23.2 %

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 lower for 2014 than 2013, because Group companies in jurisdictions with higher tax rates accounted for a smaller proportion of total Group pre-tax profit in 2014 than in 2013.

Changes to deferred income taxes were as follows:

Changes to deferred tax assets and liabilities

in CHF 000	**Deferred tax assets**	**Deferred tax liabilities**	**Net assets (+) / Net liabilities (–)**
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**
Deferred taxes recorded in the income statement	– 4 384	10 912	6 528
Deferred taxes recorded in other comprehensive income	4 563	0	4 563
Change in scope of consolidation	0	1 571	1 571
Reclassification to disposal group	– 2 077	3 989	1 912
Currency translation differences	– 307	– 526	– 833
Balance at December 31, 2014	**24 336**	**– 32 387**	**– 8 051**

The deferred taxes recorded in other comprehensive income relate to continuing operations.

Unlike the figures shown for 2014, the deferred tax amount of CHF 2639 thousand recorded in the income statement includes tax expenses from continuing operations of CHF 3656 thousand and tax revenue of CHF 1017 thousand from discontinued operations.

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

Deferred tax assets by source of difference	**2014**	2013
in CHF 000		
Current assets	401	1 169
Property, plant and equipment	471	489
Goodwill, software and other intangible assets	7 383	9 801
Liabilities and provisions	1 721	4 053
Tax loss carry forwards	14 360	15 603
Total	**24 336**	**31 115**
Deferred tax liabilities by source of difference		
Current assets	– 160	– 1 863
Property, plant and equipment	– 4 987	– 6 292
Goodwill, software and other intangible assets	– 20 053	– 29 535
Pension asset	– 6 739	– 11 285
Liabilities and provisions	– 448	– 3 932
Total	**– 32 387**	**– 52 907**
Reported in the balance sheet		
Deferred income tax assets	24 336	26 541
Deferred income tax liabilities	– 32 387	– 48 333
Total deferred income tax liabilities, net	**– 8 051**	**– 21 792**

Tax loss carry forwards amounted to CHF 177.6 million in 2014, without disposal group (CHF 195.7 million in 2013 including disposal group). In 2014, deferred tax assets in the amount of CHF 40.8 million of the tax loss carry forwards of CHF 132.8 million were not recognized, since it was unlikely that there will be realised. In 2013, CHF 42.8 million of the CHF 146.2 million tax loss carry forwards 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 202.4 million without disposal group (CHF 247.4 million in 2013 including disposal group) 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	**2014**	2013 Revised
Net profit from continuing operations	15 410	29 241
Coupon attributable to perpetual hybrid bond holders	– 4 800	– 3 200
Net profit from continuing operations attributable to Valora Holding AG shareholders	10 610	26 041
(Net loss)/profit from discontinued operations	– 8 341	24 564
Net profit from continuing and discontinued operations attributable to Valora Holding AG shareholders	**2 269**	**50 605**
Average number of shares outstanding	3 388 061	3 387 163
Earnings per share from continuing operations (in CHF)	3.13	7.69
Earnings per share from continuing and discontinued operations (in CHF)	**0.67**	**14.94**

There were no dilutive effects in 2014 or 2013.

16 CASH AND CASH EQUIVALENTS

in CHF 000	**2014**	2013
Petty cash and bank sight deposits	129 047	174 737
Bank term deposits and money market investments < 3 months	0	236
Total cash and cash equivalents	**129 047**	**174 973**
thereof restricted cash	3 341	4 219

17 TRADE ACCOUNTS RECEIVABLE

in CHF 000	**2014**	2013
Trade accounts receivable, gross	40 843	158 719
Allowance for bad and doubtful debts	– 7 105	– 5 233
Total trade accounts receivable, net	**33 738**	**153 486**

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

in CHF 000	2014	2013
Position at January 1	**5 233**	**4 330**
Change in scope of consolidation	– 172	0
Increase in allowance charged to income statement	2 708	3 104
Release of allowances charged to income statement	– 240	– 707
Reclass to disposal group	– 261	0
Allowances used	– 128	– 1 502
Currency translation differences	– 35	8
Position at December 31	**7 105**	**5 233**

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

in CHF 000	2014	2013
Up to 10 days overdue	2 125	13 110
More than 10 days, but less than one month overdue	1 087	10 087
More than one month, but less than two months overdue	1 430	2 629
More than two months, but less than four months overdue	114	1 258
More than four months overdue	198	1 771

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

in CHF 000	2014	2013
CHF	22 341	57 325
DKK	0	24 959
EUR	11 397	37 084
NOK	0	11 996
SEK	0	22 093
Others	0	29
Total trade accounts receivable, net	**33 738**	**153 486**

18 INVENTORIES

in CHF 000	2014	2013
Merchandise	136 257	214 552
Finished and semi-finished goods	3 210	2 711
Other inventories	2 909	2 198
Total inventories	**142 376**	**219 461**

In 2014, write-downs of CHF 6.2 million were charged to cost of goods (CHF 7.4 million in 2013).

19 OTHER CURRENT RECEIVABLES

in CHF 000	2014	2013
Value-added tax and other taxes	2 924	3 405
Prepaid expenses and accrued income	16 867	36 856
Short-term receivables from finance leases	621	620
Miscellaneous receivables	31 963	45 263
Total other current receivables	**52 375**	**86 144**

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, 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**
Change in scope of consolidation [1]	0	0	– 13 522	– 1 991	– 15 513
Additions	258	153	39 073	9 862	49 346
Disposals	0	0	– 51 026	– 14	– 51 040
Transfers	0	764	11 853	– 12 617	0
Transfers to disposal group [1]	– 18	– 105	– 17 598	– 1	– 17 722
Translation adjustments	– 53	– 286	– 2 641	– 37	– 3 017
Balance at December 31, 2014	**7 292**	**31 398**	**416 146**	**6 751**	**461 587**
Accumulated depreciation / impairments					
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
Translation adjustments	0	– 1	– 545	0	– 546
Balance at December 31, 2013	**0**	**– 3 474**	**– 259 885**	**0**	**– 263 359**
Change in scope of consolidation [1]	0	0	9 650	0	9 650
Additions	0	– 1 547	– 36 994	0	– 38 541
Impairment	0	– 257	– 5 943	0	– 6 200
Disposals	0	0	47 944	0	47 944
Transfers to disposal group [1]	0	21	12 255	0	12 276
Translation adjustments	0	22	883	0	905
Balance at December 31, 2014	**0**	**– 5 235**	**– 232 090**	**0**	**– 237 325**
Net carrying amount					
at December 31, 2013	7 105	27 398	190 122	11 549	236 174
at December 31, 2014	**7 292**	**26 163**	**184 056**	**6 751**	**224 262**

[1] The values shown in the lines Change in scope of consolidation and Transfer to disposal group are those applicable at January 1, 2014. Accordingly, all the other changes shown for 2014 in the table above relate to continuing operations.

Property, plant and equipment includes machinery and equipment held on finance leases whose book value amount to CHF 1.6 million (CHF 3.0 million in 2013). The impairments recorded against machinery and equipment predominantly relate to outlet infrastructure.

The depreciation and impairment charges of CHF 39 677 thousand for 2013 comprise CHF 37 217 thousand from continuing operations and CHF 2460 thousand from discontinued operations.

Fire insurance values of property, plant and equipment in CHF 000	**2014**	2013
Property (including investment property)	69 877	70 004
Plant and equipment	384 800	447 262
Total	**454 677**	**517 266**

21 INVESTMENT PROPERTY

The acquisition costs and carrying amounts for the investment property portfolio were as follows:

Investment property in CHF 000	**2014**	2013
At cost		
Balance at January 1	**4 156**	**9 940**
Additions	0	0
Disposals	0	– 5 895
Translation adjustments	0	111
Balance at December 31	**4 156**	**4 156**
Cumulative depreciation		
Balance at January 1	**– 509**	**– 4 295**
Additions	– 67	– 93
Disposals	0	3 953
Translation adjustments	0	– 74
Balance at December 31	**– 576**	**– 509**
Total net carrying amount	**3 580**	**3 647**

The estimated fair value of the investment properties is based on revenue-value calculations (see note 35) and amounts to CHF 3.8 million (CHF 3.9 million in 2013). The rental income from the investment properties was CHF 0.3 million (CHF 0.6 million in 2013) and the associated maintenance and operational costs were CHF 0.1 million (CHF 0.4 million in 2013).

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, 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**
Change in scope of consolidation [2]	– 43 342	0	– 12 346	– 140	– 55 828
Additions	0	0	4 926	2 745	7 671
Disposals	0	0	– 6 685	– 551	– 7 236
Transfer to disposal group [2]	– 68 304	0	– 45 228	– 2 710	– 116 242
Transfers	0	0	450	– 450	0
Translation adjustments	– 4 643	– 500	– 1 535	– 6	– 6 684
Balance at December 31, 2014	**362 554**	**48 657**	**153 162**	**8 889**	**573 262**
Accumulated amortisation / impairments					
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
Translation adjustments	0	0	– 163	0	– 163
Balance at December 31, 2013	**0**	**0**	**– 103 508**	**0**	**– 103 508**
Change in scope of consolidation [2]	0	0	7 515	0	7 515
Additions	0	0	– 16 268	0	– 16 268
Impairment	0	0	– 17 758	0	– 17 758
Disposals	0	0	6 489	0	6 489
Transfers to disposal group [1, 2]	0	0	21 505	0	21 505
Translation adjustments	0	0	518	0	518
Balance at December 31, 2014	**0**	**0**	**– 101 507**	**0**	**– 101 507**
Net carrying amount					
at December 31, 2013	478 843	49 157	110 072	10 001	648 073
at December 31, 2014	**362 554**	**48 657**	**51 655**	**8 889**	**471 755**

[1] The CHF 17 259 thousand of impairment charges to goodwill and intangible assets shown in the 2014 half-year report have been included under discontinued operations at December 31, 2014.
[2] The values shown in the lines Change in scope of consolidation and Transfers to disposal group are those applicable at January 1, 2014. Accordingly, all other changes shown for 2014 in the table above relate to continuing operations.

CHF 16 662 thousand of the impairment charges for 2014 relate to capitalised supply rights to Valora Retail.

The intangible assets include software operated under a finance leasing contract with a carrying amount of CHF 1.5 million (none in 2013).
The depreciation and impairment charges of CHF 24 517 thousand for 2013 comprise CHF 18 293 thousand from continuing operations and CHF 6224 thousand from discontinued operations.

Intangible assets with indefinite useful life. The intangible assets with indefinite useful life are the Ditsch brand (CHF 24.7 million) and the Brezelkönig brand (CHF 23.9 million). Valora's brand rights were verified as part of the goodwill impairment tests for the cash generating units Ditsch and Brezelkönig. These are based on the revenues projected in the relevant three-year business plans. Thereafter an annual revenue growth of 1.0 % (1.5 % in 2013) has been assumed. The pre-tax discount rates applied are 6.7 % for Ditsch and 5.5 % for Brezelkönig (7.3 % and 5.8 %, respectively, in 2013).

Software and intangible assets with finite useful life. Software and intangible assets with finite useful life include CHF 12.2 million (CHF 27.4 million in 2013) for software and CHF 39.4 million (CHF 82.7 million in 2013) for intangible assets with finite useful life, of which CHF 29.5 million (CHF 34.2 million in 2013) relate to relationships of Ditsch/Brezelkönig with their customers.

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	2014	2013
Valora Trade Nordics Denmark	Trade	2001	–	14 028
Valora Trade Nordics Sweden	Trade	2001	–	2 294
Scandinavian Cosmetics	Trade	2011	–	29 217
EMH Norway	Trade	2010	–	9 362
Valora Trade Austria	Trade	1995	–	9 312
Valora Trade Germany	Trade	1997/2011	–	4 091
Valora Services Luxembourg (MPK)	Services	2000	–	43 342
Valora Retail Switzerland	Retail	2002	12 774	12 774
Valora Retail Germany	Retail	2008–2012	97 417	99 392
Valora Retail Austria (Schmelzer-Bettenhausen)	Retail	2012	1 321	1 348
Ditsch Germany and Brezelkönig Switzerland	Ditsch/Brezelkönig	2012	251 042	253 683
Total carrying amount at December 31			**362 554**	**478 843**

The goodwill positions for the Trade division were reclassified to disposal group in 2014. The goodwill position for Valora Services Luxembourg was derecognised when the Services division was sold.

For the purposes of the impairment test, the goodwill positions of Konrad Wittwer GmbH, Valora Retail Kiosk GmbH and Convenience Concept GmbH were all assigned to the Valora Retail Germany cash-generating unit, since these companies are economically inseparable from each other and operate under a uniform management structure.

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 carrying amount.

An impairment adjustment will be made only if the carrying amount 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 Retail Switzerland. For the three years covered by the business plan, revenues are expected to remain stable and margins are expected to increase slightly.

Valora Retail Germany. For the three years covered by the business plan, revenues and margins are both expected to remain stable.

Valora Retail Austria (Schmelzer-Bettenhausen). Revenues over the three-year planning period are expected to grow at an average of around 14% annually and margins are expected to increase slightly.

Ditsch/Brezelkönig. Revenue growth over the three-year planning period is expected to average a good 8% 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 1.0% (1.5% in 2013). 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:

	Currency	2014	2013
Valora Retail Switzerland	CHF	5.9%	6.1%
Valora Retail Germany	EUR	6.7%	7.5%
Valora Retail Austria (Schmelzer-Bettenhausen)	EUR	6.9%	7.7%
Ditsch Germany and Brezelkönig Switzerland	EUR	6.7%	7.0%

No impairment charges relating to continuing operations were recorded in either 2014 or 2013.

Sensitivities. The impairment test carried out on the goodwill position for Valora Retail Austria showed that its value in use exceeds the carrying amount of the net assets concerned by CHF 1.0 million. Were all other assumptions to remain unchanged, a 0.9 percentage-point increase in the discount rate would result in the carrying amount being exactly matched by the value in use. If revenues were to stagnate to their 2013 levels (i.e. in the event of zero revenue growth), and all other assumptions remain unchanged, an impairment charge of CHF 1.2 million would be required. In the combined event of the discount rate increasing by 1.5 percentage points and revenues showing zero growth, the goodwill position would become fully impaired.

For all other cash-generating units, the impairment tests for 2014 and 2013 showed that even in the event of a possible increase in the discount rate by 1.5 percentage points and sales growth rates being zero, all values in use would exceed the relevant carrying amounts.

23 RECEIVABLES FROM RENTAL LEASES AND LEASING AGREEMENTS

Receivables from rental leases in CHF 000	**2014**	2013 Revised
Rental payments received during period	22 163	15 229
Future rental receivables		
Within one year	16 696	17 381
Within 1 – 2 years	14 026	13 901
Within 2 – 3 years	11 131	11 523
Within 3 – 4 years	7 773	8 169
Within 4 – 5 years	5 101	5 462
After more than 5 years	8 255	7 249
Total future receivables from current rental leases	**62 982**	**63 685**

Receivables from other operating leases in CHF 000	**2014**	2013 Revised
Payments received during period	4 204	3 356
Future rental receivables		
Within one year	3 149	3 002
Within 1 – 2 years	2 307	2 652
Within 2 – 3 years	1 866	2 310
Within 3 – 4 years	1 383	2 055
Within 4 – 5 years	917	1 143
After more than 5 years	1 150	1 134
Total future receivables from other operating leases	**10 772**	**12 296**

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

Receivables from finance leases in CHF 000	2014	2013 Revised
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	2 048	2 691
Total future receivables from finance leases	**5 263**	**5 906**
Less future interest charges	– 1 213	– 1 487
Total future receivables from finance leases (present value)	**4 050**	**4 419**
Less current portion (see note 19)	– 621	– 620
Non-current receivables from finance leases (see note 24)	**3 429**	**3 799**

Present value of minimum future finance lease revenues in CHF 000	2014	2013
Within one year	621	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	1 309	1 679
Total present value of future minimum finance lease revenues	**4 050**	**4 419**

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

24 FINANCIAL ASSETS

in CHF 000	2014	2013
Loans	740	123
Receivables from finance leases	3 429	3 799
Other long-term receivables	13 239	15 366
Financial assets available for sale	667	805
Total financial assets	**18 075**	**20 093**

Note 23 provides further information on receivables from finance leases.

The financial assets available for sale include CHF 638 thousand (CHF 644 thousand in 2013) 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 eight 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

The 45 % stake in the associate company Borup Kemi Holding A/S, Denmark (held by Valora Trade), was reclassified to the disposal group in 2014 (see Note 7). Its carrying amount in 2013 amounted to CHF 5049 thousand. Investments in joint ventures comprise Valora's 50 % stake in Emere AG. The carrying amount of these shares amounts to CHF 50 thousand (CHF 50 thousand in 2013). 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	**2014**	2013
Current bank debt	37	248
Current portion of finance lease obligations	1 376	1 030
Total short-term financial debt	**1 413**	**1 278**

Other non-current liabilities in CHF 000	**2014**	2013
Bank loans	– 896	– 1 657
Bonded-loan	179 832	183 375
Bonds	199 816	199 758
Long-term finance lease obligations	1 836	1 663
Other long-term liabilities	3 842	13 399
Total other non-current liabilities	**384 430**	**396 538**

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

The CHF 200 million syndicated loan facility is not currently being utilised. The change in the carrying amount of the bonded-loan essentially reflects an exchange-rate gain of CHF 3660 thousand.

The other long-term liabilities consist of financial debt amounting to CHF 673 thousand (CHF 9792 thousand in 2013) and other liabilities of CHF 3169 thousand (CHF 3607 thousand in 2013).

Bonds in CHF 000	Nominal value	2014 Carrying amount	2013 Carrying amount
2.50 % bond 2012 – 2018	200 000	199 816	199 758

Maturities at year end are as follows in CHF 000	2014	2013
Within one year	1 413	1 278
Within 1 – 2 years	346	8 876
Within 2 – 3 years	291	– 27
Within 3 – 4 years	199 648	– 392
Within 4 – 5 years	180 303	199 852
After more than 5 years	673	184 622
Total financial debt	**382 674**	**394 209**
Current portion of long-term financial debt	– 1 413	– 1 278
Total long-term financial debt	**381 261**	**392 931**

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 4.0 % (vs 2.5% and 4.4 % in 2013). The weighted average interest rate on Valora's financial debt was 3.6 % (3.9% in 2013). The currency composition of the Group's long-term financial debt is as follows:

in CHF 000	2014	2013
CHF	201 386	200 086
DKK	0	590
EUR	179 875	192 255
Total long-term financial debt	**381 261**	**392 931**
Other long-term liabilities	3 169	3 607
Total other non-current liabilities	**384 430**	**396 538**

27 TRADE ACCOUNTS PAYABLE

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

in CHF 000	**2014**	2013
CHF	91 189	140 912
DKK	0	26 769
EUR	35 594	73 224
NOK	0	5 825
SEK	0	20 335
Other	49	1 875
Total trade accounts payable	**126 832**	**268 940**

28 OTHER CURRENT LIABILITIES

in CHF 000	**2014**	2013
Value-added tax and other taxes	1 345	12 822
Social security contributions payable	1 939	2 481
Accruals for overtime, unused vacation and variable elements of remuneration	7 577	17 226
Pension cost payable	2 046	2 540
Accrued expenses	28 400	73 171
Other current liabilities	29 911	46 791
Total other current liabilities	**71 218**	**155 031**

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 non-current assets and intangible assets.

29 PROVISIONS

Litigation: Provisions for pending litigation amounted to CHF 398 thousand at December 31, 2014 (CHF 406 thousand in 2013).

Guarantees. The final expiration of guarantees issued in connection with the Fotolabo and Own Brands sales resulted in a release of provisions in the amount of CHF 5 million in 2013.

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 6.70% (6.80% in 2013). 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 and Austria are also covered by a number of smaller pension plans.

The most recent actuarial assessment of these schemes was conducted as of December 31, 2014. 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	**2014**	2013
Present value of benefit obligation at January 1	560 836	580 440
Current service cost to employer	13 099	13 758
Contributions by plan participants	6 626	7 066
Interest cost	11 534	10 288
Plan curtailments, settlements and modifications	– 5 963	– 19 128
Change in scope of consolidation	– 29 941	0
Benefits paid	– 6 041	– 33 178
Transfers to disposal group	– 53 880	0
Actuarial loss on benefit obligation	56 039	1 737
Exchange rate gains	– 972	– 147
Present value of benefit obligation at December 31	**551 337**	**560 836**
Plan assets at fair value at January 1	604 283	592 385
Interest income	12 190	10 229
Employer contributions	9 401	10 040
Contributions by plan participants	6 626	7 066
Plan curtailments, settlements and modifications	– 5 305	– 7 264
Change in scope of consolidation	– 26 746	0
Benefits paid	– 5 509	– 32 774
Transfers to disposal group	– 44 352	0
Actuarial gain on plan assets	30 483	25 336
Exchange rate gains / (losses)	0	0
Other plan costs	– 770	– 735
Plan assets at fair value at December 31	**580 301**	**604 283**

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 8.6 million to its funded plans in 2015.

The surplus on fund-based plans decreased by CHF 26.0 million (2013: increase of CHF 31.7 million). This essentially reflects the reduction of the discount rate.

Balance sheet data	**2014**	2013
in CHF 000		
Present value of funded benefit obligations	– 550 937	– 548 954
Plan assets at fair value	580 301	604 283
Surplus on fund-based plans	**29 364**	**55 329**
Present value of unfunded pension liabilities	– 400	– 11 882
Total net pension position	**28 964**	**43 447**
of which capitalised as net pension asset	30 099	56 425
of which capitalised as long-term accrued pension cost	– 1 135	– 12 978

The long-term pension-fund liabilities relate to unfunded benefit obligations of CHF 0.4 million (CHF 11.9 million in 2013). Long-term pension-fund liabilities on funded plans amounted to CHF 0.7 million (CHF 1.1 million in 2013). The weighted average maturity of the present value of the pension plan's liabilities is 14.5 years (11.7 years in 2013).

The net pension asset evolved as follows:

	2014	2013
in CHF 000		
January 1	43 447	11 945
Transfers to disposal group	9 528	0
Change in scope of consolidation	3 195	0
Net pension expense	– 12 555	– 2 688
Employer contributions	9 933	10 444
Actuarial (losses)/gains	– 25 556	23 599
Currency gains	972	147
December 31	**28 964**	**43 447**

Income statement	**2014**	2013
in CHF 000		
Current service cost to employer	– 13 099	– 13 758
Interest cost	– 11 534	– 10 288
Plan curtailments, settlements and modifications	658	11 864
Interest income	12 190	10 229
Other pension costs	– 770	– 735
Net pension cost for period	**– 12 555**	**– 2 688**

The actuarial net pension expense for 2013 comprises CHF 1556 thousand from continuing operations and CHF 1132 thousand from discontinued operations.

Actuarial gains / losses in CHF 000	**2014**	2013
Changes to demographic assumptions	0	– 24 683
Changes to financial assumptions	– 66 297	16 402
Experience-based adjustment to pension obligations	10 258	6 544
Income generated by plan assets (excluding interest income based on discount rate)	30 483	25 336
Actuarial (losses) / gains	**– 25 556**	**23 599**

Actuarial gains / losses recorded in other comprehensive income in CHF 000	**2014**	2013
January 1	– 51 217	– 70 065
Actuarial (losses) / gains	– 25 504	23 599
Deferred taxes	5 159	– 4 751
December 31	**– 71 562**	**– 51 217**

Key actuarial assumptions	**2014**	2013
Discount rate (Switzerland only)	1.00 %	2.00 %
Expected rate of increase in future salary levels (Switzerland only)	1.00 %	1.00 %

The calculations for Switzerland were based on the BVG 2010 (generation table).

Sensitivity analysis	Increase in assumed rate	Decrease in assumed rate
Discount rate (+ / – 0.25 %)	– 17 566	18 582
Salary progression (+ / – 0.50 %)	1 814	– 1 714

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	**2014**	2013
Cash and cash equivalents	6.80 %	6.30 %
Fixed income	32.50 %	31.80 %
Equity	27.20 %	27.60 %
Real estate	31.20 %	32.20 %
Other	2.30 %	2.10 %
Total	**100.00 %**	**100.00 %**

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

The amount of the effective net return from plan assets was CHF 41.9 million (CHF 34.8 million in 2013). The effective total return generated in 2014 was 6.9 % (5.9% in 2013). 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. The Board of Directors has decided not to continue the current Long Term Plan (LTP) applicable to members of the Board and Group Executive Management. For Board members, the LTP was terminated at the 2014 General Meeting and replaced by a new remuneration model.

In the case of Group Executive Management, the Board has decided to phase out the current LTP by October 31, 2015. Any awards still outstanding under the plan will be terminated ahead of schedule for all participants on October 31, 2015.

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.

Under the new remuneration regulations for the Board of Directors, 20 % of the overall remuneration paid to individual Board members is in the form of blocked registered shares. Where appropriate, the Board may decide to increase or decrease the proportion of overall remuneration Board members receive as blocked shares. The shares are subject to a general lock-up period of three years. The date on which the lock-up period begins is not affected by any transfer of shares which may subsequently occur at the General Meeting which marks the beginning of the term of office for which the remuneration is awarded. During the lock-up period, the shares remain in a Valora custody account. During this time, Board members are not permitted to sell, pledge or otherwise transfer their shares. Once the lock-up period has ended, Board members have free access to their shares.

In 2014, an allocation amounting to 20 % of overall remuneration was granted to all members of the Board of Directors in the quarter following the General Meeting.

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 2014, it amounted to CHF 0.1 million (CHF 0.3 million in 2013).

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	**2014**	2013 Revised
Expenses related to Valora Group share-based plans for employees and management (equity settled)	575	652
Expenses related to Valora Group share-based plans for employees and management (cash settled)	– 61	66
Total share-based plan expenses charged to income	**514**	**718**

32 CONTINGENT LIABILITIES, COMMITMENTS FROM LEASING AND OTHER CONTRACTS

Contingent liabilities in CHF 000	**2014**	2013 Revised
Other contingent liabilities	8 000	5 980
Total contingent liabilities	**8 000**	**5 980**

Future commitments from operating leases and other contracts in CHF 000	**2014**	2013 Revised
Long-term rental commitments	639 925	571 295
Other operating lease commitments	2 892	3 615
Future commitments from other contracts	74 336	88 066
Total commitments	**717 153**	**662 976**

Long-term rental commitments in CHF 000	**2014**	2013 Revised
Minimum rental expense in period	132 920	128 631
Conditional rental expense in period	30 019	34 941
Total rental expense in period	**162 939**	**163 572**
Leases maturing		
Within one year	126 954	118 563
Within 1 – 2 years	117 105	105 311
Within 2 – 3 years	102 623	90 895
Within 3 – 4 years	91 789	80 406
Within 4 – 5 years	77 461	69 862
After more than 5 years	123 993	106 258
Total long-term rental commitments	**639 925**	**571 295**

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 in CHF 000	**2014**	2013 Revised
Total expenses for other operating leases in period	2 334	2 871
Leases maturing		
Within one year	1 363	1 974
Within 1 – 2 years	919	1 157
Within 2 – 3 years	533	412
Within 3 – 4 years	77	72
Within 4 – 5 years	0	0
After more than 5 years	0	0
Total future commitments from other operating leases	**2 892**	**3 615**

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

Other contracts in CHF 000	**2014**	2013 Revised
Leases maturing		
Within one year	30 189	24 181
Within 1 – 2 years	12 121	13 436
Within 2 – 3 years	11 834	13 117
Within 3 – 4 years	11 618	12 822
Within 4 – 5 years	8 574	12 607
After more than 5 years	0	11 903
Total future commitments from other contracts	**74 336**	**88 066**

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

Finance lease commitments in CHF 000	**2014**	2013 Revised
Total payments (interest and amortisation) during reporting period	1 621	1 137
Leases maturing		
Within one year	1 449	1 070
Within 1 – 2 years	1 177	952
Within 2 – 3 years	698	660
Within 3 – 4 years	0	188
Within 4 – 5 years	0	0
After more than 5 years	0	0
Total finance lease commitments	**3 324**	**2 870**
Less future interest charges	– 112	– 177
Total finance lease obligation (present value)	**3 212**	**2 693**
Less current portion of finance lease obligation (see note 26)	– 1 376	– 1 030
Long-term finance lease obligation (see note 26)	**1 836**	**1 663**

Present value of future minimum payments under finance leases in CHF 000	**2014**	2013 Revised
Within one year	1 376	1 030
Within 1–2 years	1 145	897
Within 2–3 years	691	601
Within 3–4 years	0	165
Within 4–5 years	0	0
After more than 5 years	0	0
Total present value of future minimum finance lease payments	**3 212**	**2 693**

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

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 at balance sheet date 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) 2014**	**Impact on 2014 pre-tax earnings**	**Impact on 2014 other comprehensive income**	Hypothetical change (in percent) 2013	Impact on 2013 pre-tax earnings	Impact on 2013 other comprehensive income
CHF / DKK	+/– 2.0 %	+/– 292	+/– 0	+/– 4.5 %	+/– 795	+/– 0
CHF / EUR	+/– 2.0 %	+/– 261	+/– 3 789	+/– 4.4 %	+/– 879	+/– 9 919
CHF / NOK	+/– 8.0 %	+/– 1 054	+/– 0	+/– 9.6 %	+/– 1 268	+/– 0
CHF / SEK	+/– 6.6 %	+/– 4 997	+/– 0	+/– 8.1 %	+/– 1 429	+/– 5 267
DKK / NOK	+/– 7.5 %	+/– 0	+/– 0	+/– 8.4 %	+/– 68	+/– 0
EUR / SEK	+/– 6.2 %	+/– 0	+/– 0	+/– 7.2 %	+/– 201	+/– 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 issued and the bonded-loan (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) 2014**	**Impact on 2014 pre-tax earnings**	Hypothetical change (in basis points) 2013	Impact on 2013 pre-tax earnings
CHF	+/– 5	+/– 26	+/– 10	+/– 32
DKK	+/– 5	+/– 0	+/– 25	+/– 47
EUR	+/– 3	+/– 15	+/– 22	+/– 135
NOK	+/– 19	+/– 0	+/– 20	+/– 15
SEK	+/– 7	+/– 0	+/– 51	+/– 112

The table for 2014 does not include data for the interest rate swap position established to hedge the interest-rate risk on the bonded-loan (see Tools for hedging and risk management). Assuming a hypothetical change to the swap rate of the same maturity of +/– 78 basis points, the change in the value of this hedge, at December 31, 2014, would have impacted other comprehensive income by +/– CHF 2.8 million.

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.

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 (with the exception of the disposal group). Interest amounts payable on floating rate instruments have been determined based on the most recent fixing in the 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, 2014					
Short-term financial liabilities	150	37	1 282	0	0
Derivative financial liabilities	34	8	4 023	0	0
Trade accounts payable	34 210	91 976	646	0	0
Other short-term financial liabilities (financial instruments portion)	8 577	16 791	24 292	0	0
Long-term financial liabilities	0	5 020	5 300	414 475	673
Total	**42 971**	**113 832**	**35 543**	**414 475**	**673**
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**

In order 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 2014 and year end 2013, 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 228 million on the Group's financial assets (CHF 420 million in 2013) is equal to the carrying amount 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	**2014**	2013
AAA and / or state guarantee (AAA states)	2 014	1 898
AA	670	65 469
A	81 051	74 653
BBB	19 370	0
No Rating	755	2 412
Total sight deposits and fixed maturity deposits maturing in < 3 months placed with banks [1]	**103 860**	**144 432**

[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, 2014 was CHF 4.0 million (CHF – 0.1 million in 2013), which off-sets the negative replacement value of the bonded-loan, 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.

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. This position was closed on February 1, 2012, with a negative replacement value of CHF 10.4 million. In 2014, CHF 1.7 million was reclassified from equity to financing expense (CHF 1.7 million in 2013). 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, 2013 and 2014 or through standard pricing model valuations using market data.

Derivative financial instruments in CHF 000	**2014 Contract value**	2013 Contract value	**2014 Replacement value**	2013 Replacement value
Currency instruments				
Forward contracts/ Derivative financial assets	14 009	11 719	883	246
Forward contracts/ Derivative financial liabilities	106 847	2 186	60	27
Interest instruments				
Interest rate swap/ Derivative financial liabilities	86 616	88 373	4 005	130
Total derivative financial assets	**14 009**	**11 719**	**883**	**246**
Total derivative financial liabilities	**193 463**	**90 559**	**4 065**	**157**

Notional contract values of derivative financial instruments by maturity band in CHF 000	**2014**	2013
Within one year	120 856	13 905
Within 1–2 years	0	0
Within 2–3 years	0	0
Within 3–4 years	0	0
Within 4–5 years	86 616	0
After more than 5 years	0	88 373
Total notional value of derivative financial instruments	**207 472**	**102 278**

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	**2014**	2013
Equity attributable to Valora Holding AG	629 590	728 089
Equity attributable to non-controlling interests	1 011	2 177
Total equity	**630 601**	**730 266**
Equity ratio	**44.0 %**	**44.8 %**

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).

34 FINANCIAL INSTRUMENTS

Carrying amounts, fair values and valuation categories in CHF 000	Valuation category	**Carrying amount 2014**	Carrying amount 2013	**Fair Value 2014**	Fair Value 2013
Assets					
Cash and cash equivalents	LaR	129 047	174 973	129 047	174 973
Derivative financial assets (hierarchy level 2)	FAHfT	883	246	883	246
Trade accounts receivable	LaR	33 738	153 486	33 738	153 486
Other short-term receivables (financial instruments portion)	LaR	46 275	71 541	46 275	71 541
Long-term interest-bearing investments	LaR	4 169	3 922	4 169	3 922
Other long-term receivables	LaR	13 239	15 366	13 239	15 366
Financial assets available for sale valued at cost	AfS	638	644	n/a	n/a
Financial assets available for sale at fair value (hierarchy level 1)	AfS	29	161	29	161
Liabilities					
Short-term financial liabilities	FLAC	1 413	1 278	1 413	1 278
Derivative financial liabilities (hierarchy level 2)	FLHfT	4 065	157	4 065	157
Trade accounts payable	FLAC	126 832	268 940	126 832	268 940
Other financial liabilities (financial instruments portion)	FLAC	49 660	109 086	49 660	109 086
Short-term financial liabilities (hierarchy level 3)	FLtPL	0	550	0	550
Long-term financial liabilities	FLAC	381 261	385 761	390 045	393 503
Long-term financial liabilities (hierarchy level 3)	FLtPL	0	7 170	0	7 170
Classified by category					
Loans and receivables	LaR	226 468	419 288	226 468	419 288
Financial assets held for trading	FAHfT	883	246	883	246
Financial assets available for sale	AfS	667	805	n/a	n/a
Financial liabilities at amortised cost	FLAC	559 166	765 065	567 950	772 807
Financial liabilities held for trading	FLHfT	4 065	157	4 065	157
Financial liabilities at fair value	FLtPL	0	7 720	0	7 720

The carrying amounts 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 tables below show the fair value of assets and liabilities by hierarchy level:

2014 in CHF 000	Level 1	Level 2	Level 3	Total
Valued at fair value				
Assets				
Derivative financial assets	0	883	0	883
Financial assets available for sale	29	0	0	29
Assets from disposal group	0	0	303 682	303 682
Liabilities				
Derivative financial liabilities	0	4 065	0	4 065
Liabilities from disposal group	0	0	172 809	172 809
Disclosed at fair value				
Assets				
Investment property	0	0	3 767	3 767
Liabilities				
Bonds	208 600	0	0	208 600

2013 in CHF 000	Level 1	Level 2	Level 3	Total
Valued at fair value				
Assets				
Derivative financial assets	0	246	0	246
Financial assets available for sale	161	0	0	161
Liabilities				
Derivative financial liabilities	0	157	0	157
Contingent consideration	0	0	7 720	7 720
Disclosed at fair value				
Assets				
Investment property	0	0	3 862	3 862
Liabilities				
Bonds	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 and 2014.

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	**2014**	2013
Balance on January 1	**7 720**	**7 298**
Changes to fair value allocated to financing expense	0	303
Net present value adjustment recorded under other income	– 7 640	0
Currency translation adjustments	– 80	119
Balance on December 31	**0**	**7 720**

Contingent consideration arrangements. The contingent consideration arrangements reported as per January 1, concerning hierarchy level 3 relate to Valora's acquisitions of Convenience Concept and Delvita / Salty Snacks.

Based on a reassessment of the underlying parameters relating to projected revenues and discount rate, the liability relating to the Convenience Concept acquisition was fully extinguished during 2014.

Similarly, the fair value of the contingent consideration relating to the Delvita and Salty Snacks acquisition, which was based on projected payments by Valora which would fall due in the event of specific milestones being reached, was also reassessed and fully extinguished during 2014.

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	**2014**	2013
Goods sold to		
Other related parties	3 462	3 596
Services to		
Associates	1 663	277
Other related parties	168	149
Total goods and services sold	**5 293**	**4 022**

Goods and services purchased from related parties in CHF 000	**2014**	2013
Goods purchased from		
Other related parties	3 354	4 023
Services purchased from		
Associates	1 427	0
Other related parties	493	220
Total goods and services purchased	**5 274**	**4 243**

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	2014	2013
Salaries and other short-term benefits [1]	5 469	4 890
Post-employment benefits	324	249
Long-term plan and share-based payments	1 916	376
Total Management and Board remuneration [2]	**7 709**	**5 515**

[1] Includes vehicle costs reimbursed by the employer and consultancy fees paid to a Board member.
[2] No remuneration was paid to former members of Group Executive Management in 2014 (2013: CHF 414 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 663c of the Swiss Code of Obligations and VegüV), can be found in the financial statements of Valora Holding AG and the Remuneration Report.

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	2014	2013
Receivables from associates	655	0
Receivables from other related parties	303	221
Total receivables	**958**	**221**

Liabilities towards related parties in CHF 000	2014	2013
Receivables from associates	2	0
Liabilities towards related parties	2 204	211
Total liabilities	**2 206**	**211**

Contingent liabilities and guarantees. Other than the guarantee issued in connection with the LTP share plan there are no guarantees or contingent liabilities towards related parties.

37 EQUITY

Shares outstanding in number of shares	2014	2013
Total registered shares	**3 435 599**	**3 435 599**
of which treasury stock		
Position at January 1	34 014	51 702
Increases in treasury stock	43 409	4 687
Decreases in treasury stock	– 15 554	– 22 375
Total treasury stock at December 31	**61 869**	**34 014**
Total shares outstanding (after deduction of treasury stock) at December 31	**3 373 730**	**3 401 585**
Average number of shares outstanding (after deduction of treasury stock)	**3 388 061**	**3 387 163**

A dividend of CHF 12.50 per share was paid in 2014 relating to the year 2013 (CHF 12.50 per share was paid in 2013 relating to the year 2012). 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, 2014.

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 250000 shares of CHF 1.00 nominal value each at any time until April 18, 2015.

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, minus CHF 902 thousand in transaction costs, qualify as equity. The proceeds have been used for refinancing purposes.

The portion of the coupon to holders of the hybrid bond which was not recognised on the balance sheet at December 31, 2014 amounts to CHF 0.8 million (CHF 0.8 million in 2013).

38 SUBSEQUENT EVENTS

These consolidated financial statements were approved by the Board of Directors of Valora Holding AG on March 23, 2015. The Board of Directors recommends that the Ordinary General Meeting of Shareholders to be held on April 22, 2015 approve these financial statements.

On January 15, 2015, the Swiss National Bank (SNB) announced that it was discontinuing its exchange-rate floor of 1.20 Swiss francs per euro. This resulted in a significant fall in Swiss share prices and a marked appreciation of the Swiss franc. The effects of exchange rate fluctuations are reported in Note 33 Risk Management and Derivative Financial Instruments, which shows the impact on pre-tax earnings of changes in specific exchange rates.

On February 27, 2015, Valora acquired the leading small-outlet retailer in French-speaking Switzerland, Naville (LS Distribution Suisse), whose registered offices are in Geneva, from Lagardère Services and Tamedia Publications Romandes. The purchase price amounted to CHF 90 million plus adjustments for net financial liabilities and net current assets. Naville has a retail network of more than 175 outlets and also operates one of the principal logistics platforms in French-speaking Switzerland.

39 SIGNIFICANT SUBSIDIARIES OF THE VALORA GROUP

	Currency	Nominal capital in million	Share-holding in %	Corporate	Valora Retail	Ditsch / Brezelkönig	Discontinued operation
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				•
Almond Retail Services AG, Zurich	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			•	
Prisma Backwaren GmbH, Oranienbaum-Wörlitz	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		•		

	Currency	Nominal capital in million	Share-holding in %	Corporate	Valora Retail	Ditsch/ Brezelkönig	Discontinued operation
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, St. Pölten	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 accompanying consolidated financial statements of Valora Holding AG, which comprise the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes (pages 86 to 150), for the year ended 31 December 2014.

Board of Directors' responsibility. The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation 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 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 2014 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (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 Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of 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)	Daniel Maiwald Licensed audit expert

Basle, 23 March 2015

INCOME STATEMENT

January 1 to December 31, in CHF 000	**2014**	2013
Income		
Dividend income	50 148	40 100
Adjustment to impairment charge on investments	0	14 000
Interest income	3 997	694
Foreign exchange gains	4 032	2 571
Income from securities	17	1 644
Total income	**58 194**	**59 009**
Expense		
Interest expense	– 20 372	– 18 060
Foreign exchange losses	– 320	– 3 255
Losses on securities	– 1 573	– 59
General administration expense	– 4 804	– 4 135
Total expense	**– 27 069**	**– 25 509**
Net profit for the year	**31 125**	**33 500**

BALANCE SHEET BEFORE APPROPRIATION OF AVAILABLE EARNINGS

ASSETS

at December 31, in CHF 000		2014	2013
Current assets			
Cash and cash equivalents		1 860	141
Securities		13 813	7 774
Prepayments	from third parties	131	179
Short-term receivables	from third parties	165	175
	from Group companies	1 654	1 975
Total current assets		**17 623**	**10 244**
Non-current assets			
Investments		890 555	1 028 699
Loans and receivables from Group companies		154 577	15 383
Discounts and capitalised issuance cost on bond/syndicated loan		2 327	3 427
Total non-current assets		**1 047 459**	**1 047 509**
Total assets		**1 065 082**	**1 057 753**

LIABILITIES AND EQUITY

at December 31, in CHF 000		2014	2013
Liabilities			
Current liabilities	towards third parties	296	468
	towards Group companies	121 618	99 547
Accrued expenses	towards third parties	7 136	6 536
Bond payable		320 000	320 000
Bonded-loan		180 450	184 110
Provisions		64 000	64 000
Total liabilities		**693 500**	**674 661**
Equity			
Share capital		3 436	3 436
General legal reserves		687	687
Reserve for treasury stock		15 701	8 015
Capital contribution		56 867	99 502
Unrestricted reserves		189 594	197 280
Profit available for distribution	Profit carried forward	74 172	40 672
	Net profit for the year	31 125	33 500
Total equity		**371 582**	**383 092**
Total liabilities and equity		**1 065 082**	**1 057 753**

NOTES TO THE FINANCIAL STATEMENTS OF VALORA HOLDING AG

A BASIS OF PRESENTATION

Valora Holding AG's annual accounts are drawn up in accordance with the provisions of Swiss company law (Swiss Code of Obligations). In accordance with the transitional arrangements provided for in the new Swiss financial-reporting legislation, these annual accounts have not been prepared according to the new requirements on financial-statement presentation and financial reporting in the Swiss Code of Obligations which came into force on January 1, 2013, but according to the previous requirements.

B NOTES

1 CONTINGENT LIABILITIES. At December 31, 2014 the Group's contingent liabilities in favour of subsidiaries – consisting of sureties, subordination, keep-well agreements, guarantees and other contingencies – totalled CHF 226.4 million (CHF 271.2 million in 2013). At December 31, 2014, the Group had no contingent liabilities in favour of third parties (CHF 1.0 million in 2013).

2 BOND OUTSTANDING

in CHF 000	Coupon	Maturity	31.12.2014	31.12.2013
Bond 2012–2018	2.50%	02.03.2018	200 000	200 000
Perpetual hybrid bond issue	4.00%	30.10.2018[1]	120 000	120 000

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

3 TREASURY STOCK HELD BY THE COMPANY AND ITS SUBSIDIARIES

in CHF 000	2014 Number of shares	2014 Net book value	2013 Number of shares	2013 Net book value
Opening balance (at January 1)	**34 014**	**7 756**	**51 702**	**9 570**
Sales	– 15 554	– 3 758	– 22 375	– 4 404
Purchases	43 409	11 370	4 687	947
Value adjustments	–	– 1 573	–	1 643
Closing balance (at December 31)	**61 869**	**13 795**	**34 014**	**7 756**

In addition, during 2014, Valora Holding AG purchased a total of 43 409 shares at an average price of CHF 261.93 and sold a total of 15 554 shares at an average price of CHF 241.64.

At December 31, 2014, treasury shares held by Valora Holding AG represented 1.8 % of the company's issued share capital (1.0 % at year-end 2013).

4 NET RELEASE OF HIDDEN RESERVES. No hidden reserves were released in 2014 (CHF 14.0 million in 2013).

5 SHAREHOLDINGS

Shareholdings. At December 31, 2014 und 2013, individual members of the Board and Group Executive Management (including persons associated with them) held the following numbers of shares of Valora Holding AG:

	2014 Number of shares	**2014** Share of total voting rights in %	**2014** of which subject to a lock-up period	2013 Number of shares	2013 Share of total voting rights in %	2013 of which subject to a lock-up period
Board of Directors						
Rolando Benedick Chairman	16 325	0.48	537: 06.05.2017	29 772	0.87	7 063: 31.10.2015
Markus Fiechter Vice-Chairman	3 724	0.11	224: 06.05.2017	9 578	0.28	2 511: 31.10.2015
Bernhard Heusler Board member	162	0.00	162: 06.05.2017	3 422	0.10	1 726: 31.10.2015
Franz Julen Chairman of Nomination and Compensation Committee	628	0.02	178: 06.05.2017	4 183	0.12	1 883: 31.10.2015
Ernst Peter Ditsch Board member (since April 2013)	635 599	18.50	none	635 599	18.50	none
Conrad Löffel[1)] Chairman of Audit Committee (until 7 May 2014)	0	0.00	none	0	0.00	none
Cornelia Ritz Bossicard Chairwoman of Audit Committee (since 7 May 2014)	178	0.00	178: 06.05.2017	0	0.00	none
Total Board of Directors	**656 616**	**19.11**		**682 554**	**19.87**	

[1)] The Long Term Plan for Conrad Löffel is option-based.

	2014 **Number of shares**	**2014** **Share of total voting rights in %**	**2014** **of which subject to a lock-up period**	2013 Number of shares	2013 Share of total voting rights in %	2013 of which subject to a lock-up period
Group Executive Management						
Michael Mueller[1)] CEO	24 000	0.70	18 000: 31.10.2015	24 000	0.70	18 000: 31.10.2015
Tobias Knechtle CFO (since 1st March 2014)	8 000	0.23	8 000: 31.10.2015	0	0.00	none
Andreas Berger Head, Valora Retail division	12 145	0.35	6 072: 31.10.2015	12 145	0.35	6 072: 30.04.2015
Thomas Eisele Head Ditsch/Brezelkönig division	2 301	0.07	1 123: 31.10.2015	0	0.00	none
Alex Minder Head, Valora Trade division	11 618	0.34	4 795: 31.10.2015	11 618	0.34	709: 02.04.2014 4 795: 31.10.2015
Aleander Theobald Head, Valora Services division (until 31 August 2014)	0	0.00	none	12 315	0.36	8 657: 31.10.2015
Total Group Executive Management	**58 064**	**1.69**		**60 078**	**1.75**	
Total shares held by Board and GEM	**714 680**	**20.80**		**742 632**	**21.62**	

1) In addition, Michael Mueller holds a further 575 000 OTC call options (not written by Valora). The exercise price of these options is CHF 200, with 100 options exercising into 1 Valora registered share. The options expire on December 19, 2014 and they are subject to an extraordinary lock-up period (i.e. cannot be sold) until April 30, 2014.

Loans and advances At December 31, 2014 und 2013 there were no loans or advances outstanding to members of the Board or of Group Executive Management or to persons associated with them.

6 MAJOR SHAREHOLDERS. The Ordinary General Meeting of shareholders held in 2010 removed the statutory restriction (in German: “Vinkulierung”) which prevented any shareholder from having voting rights recognised in respect of more than 5% of the share capital issued. At December 31, 2014 this 5% threshold was equivalent to 171 780 shares.

As of December 31, 2014, Ernst Peter Ditsch held 635 599 registered shares, which represents 18.50% of the company’s issued share capital (18.50% in 2013).

As of December 31, 2014, Ethenea Independent Investors SA, Munsbach, Luxembourg held 172 200 registered shares, which represents 5.0% of the company’s issued share capital (0.0% in 2013).

As of December 31, 2014, Credit Suisse Funds AG, Zurich held 130 647 registered shares, which represents 3.8% of the company’s issued share capital (5.10% in 2013).

7 SIGNIFICANT SUBSIDIARIES OF VALORA HOLDING AG

	31.12.2014 Holding in %	31.12.2013 Holding in %
Switzerland		
Valora International AG, Muttenz	100.0	100.0
Valora Management AG, Muttenz	100.0	100.0
Almond Retail Services AG, Zurich	100.0	–
Brezelkönig AG, Emmen	100.0	100.0
Alimarca AG, Muttenz	100.0	100.0
Germany		
Valora Holding Germany GmbH, Hamburg	5.1	5.1
United Kingdom		
Valora Holding Finance Ltd, Guernsey	100.0	100.0

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

9 APPROVED AND CONDITIONAL SHARE CAPITAL. The Annual General Meeting held on 11 May, 2000 approved the creation of additional conditional share capital of a nominal of CHF 84 000. At December 31, 2014, none of these shares had been issued.

At their Ordinary General Meeting on April 18, 2013, Valora shareholders granted the Board of Directors authority to increase the company's share capital, at any time until April 18, 2015, by up to CHF 250 000 through the issue of up to 250 000 fully paid up new shares of CHF 1.00 nominal each.

10 RISK ASSESSMENT. Each year, the Valora Group carries out a risk assessment during October and December with the Board of Directors and Group Executive Management. The objective is to make the main risks to which Valora is exposed more transparent, to improve the quality of risk dialogue, and to define practical steps for addressing the key risks which Valora faces. The process begins with a series of structured interviews with individual members of Group Executive Management. A Group Executive Management workshop is then held which discusses the results, identifies the main risks, analyses and evaluates them, and plans appropriate action. The workshop results are then discussed with the Board of Directors and a set of planned measures is decided upon.

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

Proposal for the appropriation of earnings available for distribution

in CHF 000	**2014**	2013
Net profit for the year	**31 125**	**33 500**
+ Profit carried forward	74 172	40 672
Earnings available for distribution	**105 297**	**74 172**
The Board of Directors proposes		
Balance to be carried forward	**105 297**	**74 172**
Proposed disbursement from capital contribution		
Capital contribution (before disbursement)[1)]	56 867	99 502
Distribution (following prior reclassification as free reserves)	– 42 945	– 42 945
Capital contribution (after distribution)	**13 922**	**56 557**
Dividend distribution (in CHF)		
Disbursement from free reserves (exempt from withholding tax)	12.50	12.50
Net dividend per share (in CHF)	**12.50**	**12.50**

1) For the 24 767 shares held by the company itself at the distribution date no dividend was paid, thus increasing the capital contribution carried forward by CHF 310 thousand.

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

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the accompanying financial statements of Valora Holding AG, Muttenz, which comprise the income statement, balance sheet, and notes (pages 153 to 159), for the year ended 31 December 2014.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the financial statements for the year ended 31 December 2014 comply with Swiss law and the company's articles of incorporation.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

Ernst & Young AG

Martin Gröli Licensed audit expert (Auditor in charge)	Daniel Maiwald Licensed audit expert

Basle, 23 March 2015

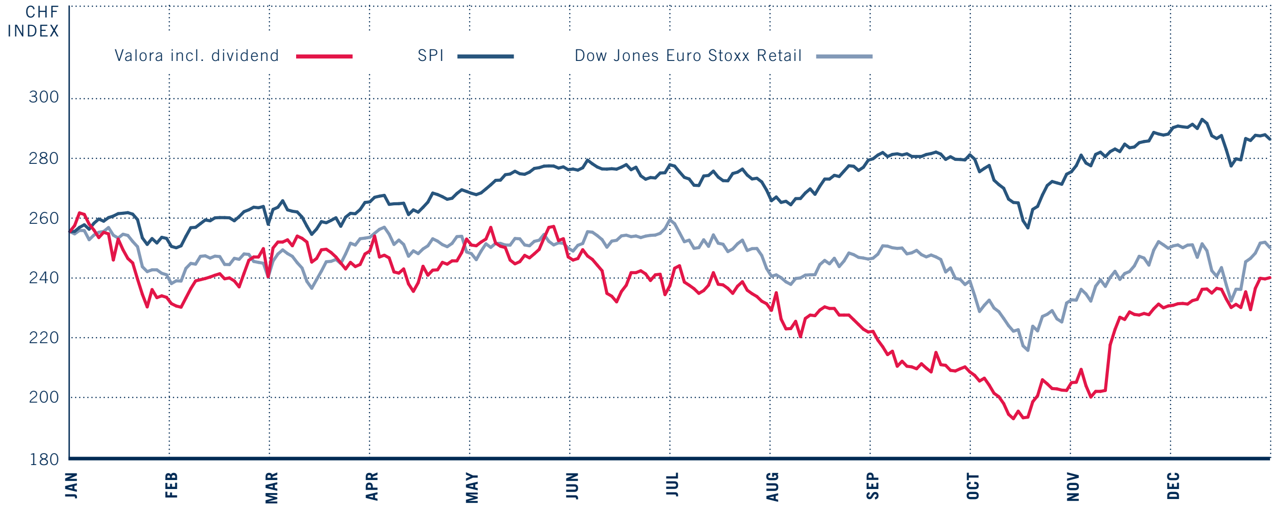
VALORA SHARES

1 SHARE PRICE TRENDS

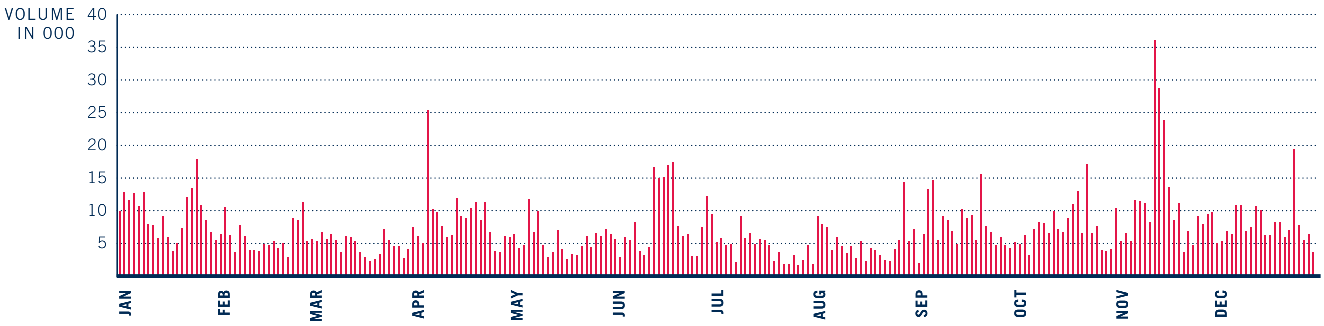
Overall Swiss equity-market performance. The Swiss equity market started the year on a positive note. Following a modest downturn in late January / early February 2014, the Swiss Performance Index (SPI) achieved steady gains for several months. General market corrections occurred in mid-August and during October, with the economic climate in Europe and, in particular, the economic performance of specific EU member states contributing to investor uncertainty. By year end, the broad-based SPI benchmark was 13.0 % up on its level at the beginning of 2014, while the Swiss Market Index (SMI) had advanced 9.5 % on the year.

Valora share performance. Valora shares got off to a good start and had already reached their 2014 peak of CHF 261.75 by January 7, 2014. Following a period of poor performance in subsequent weeks, the share price recovered ahead of publication of the 2013 results. After the CHF 12.50 dividend was paid in early 2014, Valora shares then underperformed their market benchmarks, eventually reaching a 2014 low of CHF 182.10 on October 13, 2014. In early November, Valora's announcement of its acquisition of Lagardère Distribution Services (Naville) boosted demand for its shares, enabling them to recover by more than 18 % in the remaining months of 2014, thus significantly reducing their underperformance compared to their benchmarks. On December 30, 2014, Valora shares closed the year at CHF 228.40, –8.2 % down on the year.

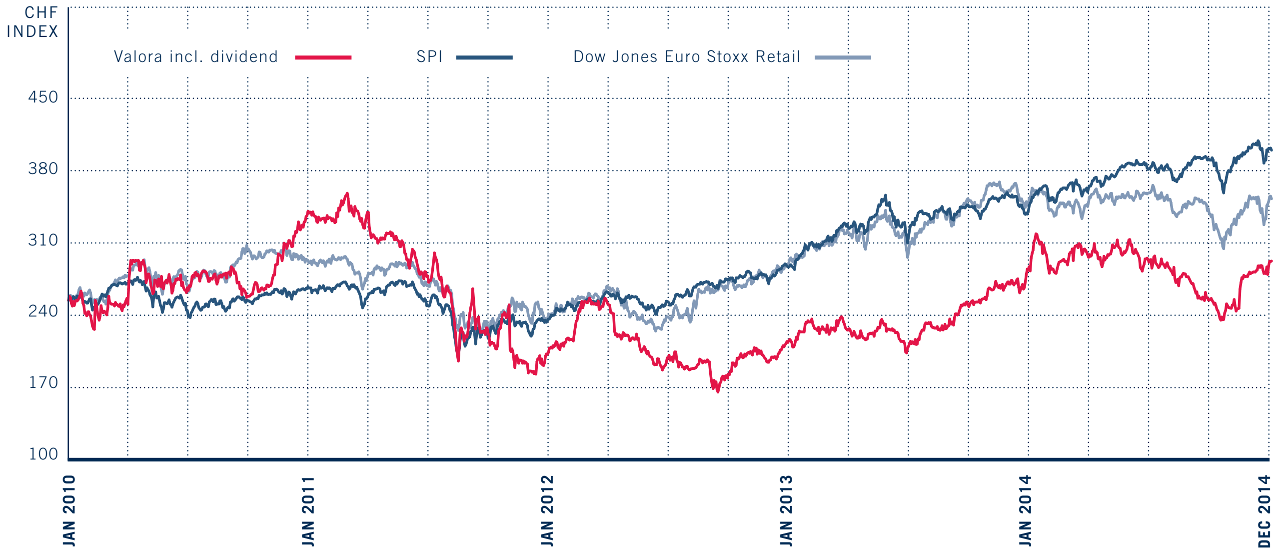
VALORA SHARE PERFORMANCE TREND 2014



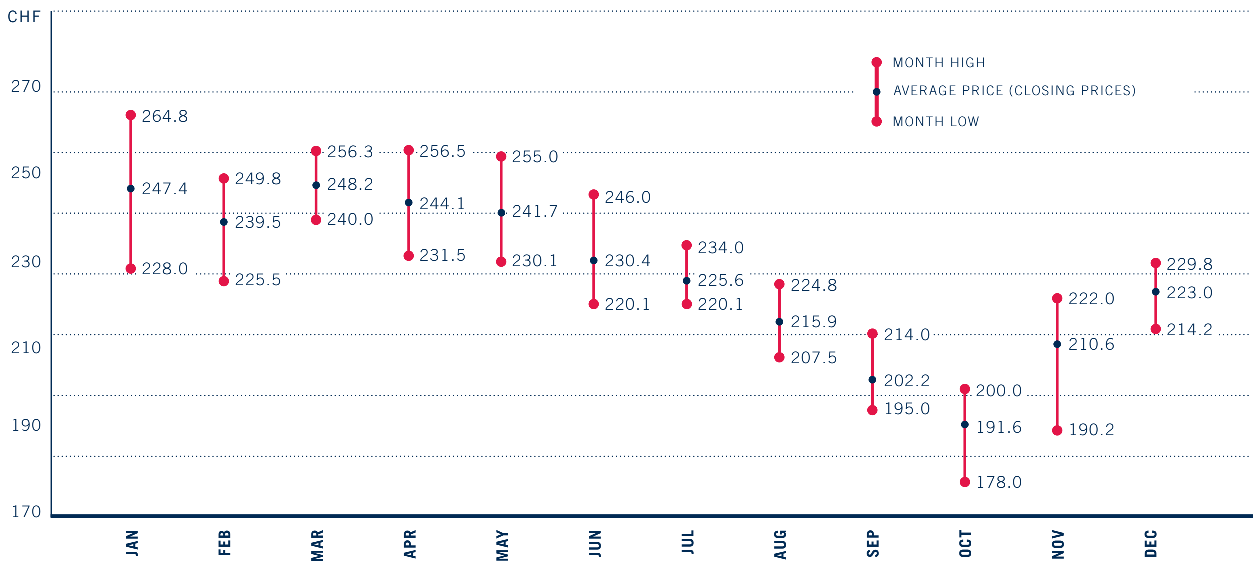
VALORA SHARE VOLUME 2014



VALORA SHARE PERFORMANCE TREND 2010–2014



MONTH HIGHS/LOWS IN 2014



2 SHAREHOLDER RETURNS

		2014	2013	2012	2011	2010
Share price						
Year-end	CHF	228.40	248.70	185.10	196.50	326.25
Distributions to shareholders						
Dividends	CHF	[1] 12.50	12.50	12.50	11.50	11.50
Dividend yield	%	5.5	5.0	6.8	5.9	3.5
Annual returns						
excluding dividends	%	– 8.2	34.4	– 5.8	– 39.8	[2] 27.9
including dividends	%	– 3.1	41.1	0.6	– 36.2	[2] 32.5
Average returns		**2014 1 year**	2013 – 2014 2 years	2012 – 2014 3 years	2011 – 2014 4 years	[2] 2010 – 2014 5 years
excluding dividends	%	– 8.2	11.1	5.1	– 8.5	– 2.2
including dividends	%	– 3.1	17.5	11.2	– 4.2	2.8

[1] Proposed
[2] Based on price 2009: CHF 255.00

3 KEY SHARE DATA

		2014	2013 Revised	2012	2011	2010
Operating profit (EBIT) per share [1] [2]	CHF	8.99	17.44	19.45	25.48	29.56
Free cash flow per share [1] [2] [3]	CHF	10.05	15.10	14.50	18.64	14.82
Earnings per share [1] [2]	CHF	3.13	7.69	13.09	20.24	22.35
Equity per share [1]	CHF	186.12	215.60	198.29	167.04	173.82
P/E Ratio [1] [2]	31.12	72.93	32.35	14.1	9.7	14.6

[1] Based on average number of shares outstanding
[2] Continuing operations
[3] Free cash flow: net cash provided by operating activities less net cash used in ordinary investing activities

4 SHAREHOLDER DATA AND CAPITAL STRUCTURE

		31.12.2014	31.12.2013
Registered shareholder data			
Composition	Significant shareholders > 5%	23.5% of shares	28.7% of shares
	10 largest shareholders	39.4% of shares	40.4% of shares
	100 largest shareholders	53.3% of shares	56.4% of shares
Origin	Switzerland	59.8% of shares	61.1% of shares
	Elsewhere	40.2% of shares	38.9% of shares

Valora Holding AG's share capital of CHF 3.4 million comprises 3.4 million registered shares with a nominal value of CHF 1.00 each.

Conditional capital amounting to a maximum of CHF 84000, comprising 84000 registered shares of CHF 1.00 nominal value each, was approved by the Ordinary General Meeting of shareholders of May 11, 2000. These shares can be used at any time by the Board of Directors to cover existing or future management profit-sharing plans. Existing shareholders have no subscription rights for such shares. No time limit applies. None of this conditional capital had been issued by December 31, 2014.

At their Ordinary General Meeting held on April 15, 2011, the shareholders of Valora Holding AG approved the creation of additional authorised capital, at any time until April 15, 2013, of up CHF 840000 consisting of up to 840000 registered shares with a nominal value of CHF 1.00 each. On November 6, 2012, 635599 of these authorised shares, each with a nominal value of CHF 1.00, were issued in order to enable Valora to complete its acquisition of the Ditsch/Brezelkönig group of companies (see Note 6 to the Group's financial statements). The remainder of this authorised share capital was not used.

At their Ordinary General Meeting held on April 18, 2013, the shareholders of Valora Holding AG approved the creation of additional authorised capital, at any time until April 18, 2015, of up CHF 250000 consisting of up to 250000 registered shares with a nominal value of CHF 1.00 each, partial issues of this total amount being explicitly permitted. The Board of Directors has full discretion to determine the amount of share capital to be issued, the form of payment required for subscription, the date of issue, the conditions governing the exercise of subscription rights and the commencement of dividend entitlement. The Board of Directors is authorised to restrict or prohibit trading in the subscription rights to these shares. The detailed regulations governing these shares are set out in Article 3b of the company's Articles of Incorporation.

Swiss and non-Swiss shareholders are registered on the same terms in the Share Register. The company has distributed dividends to its shareholders without interruption since 1920.

5 SHARE CAPITAL

		2014	2013	2012	2011	2010
Total registered shares [1]	Shares	3 435 599	3 435 599	3 435 599	2 800 000	2 800 000
Treasury shares [1]	Shares	61 869	34 014	51 702	19 920	46 630
Number of shares outstanding [1]	Shares	3 373 730	3 401 585	3 383 897	2 780 080	2 753 370
Market capitalisation [1] [2]	CHF million	771	846	626	546	898
Average number of shares outstanding	Shares	3 388 061	3 387 163	2 913 674	2 767 795	2 750 735
Number of registered shareholders [1]		7 889	7 546	7 745	6 964	6 586

[1] At 31.12.
[2] Based on number of shares outstanding at 31.12.

6 TAX VALUES

	Securities no.	**At 31.12.2014**	At 31.12.2013	At 31.12.2012	At 31.12.2011	At 31.12.2010
Registered shares of CHF 1.00	208 897	228.40	248.70	185.10	196.50	326.25
2.875% bond 2005–2012	2 189 351	–	–	–	100.76%	102.25%
2.5% bond 2012–2018	14 903 902	104.30%	103.75%	104.65%	–	–
4.0% perpetual hybrid bond	21 128 255	104.55%	101.05%	–	–	–

FIVE-YEAR SUMMARY

		2014	2013 Revised	2012	2011	2010
Net revenues [1]	**CHF million**	**1 932.6**	**1 889.8**	**2 847.9**	**2 817.9**	**2 877.7**
Change	%	+ 2.3	– 33.6	+ 1.1	– 2.1	– 0.7
EBITDA [1]	**CHF million**	**109.3**	**114.7**	**112.1**	**117.0**	**125.4**
Change	%	– 4.7	+ 2.3	– 4.2	– 6.6	+ 14.1
in % of net revenues	%	5.7	6.1	3.9	4.2	4.4
Operating profit (EBIT) [1]	**CHF million**	**30.5**	**59.1**	**56.7**	**70.5**	**81.3**
in % of net revenues	%	1.6	3.1	2.0	2.5	2.8
Net profit [1]	**CHF million**	**15.4**	**29.2**	**38.5**	**57.0**	**61.7**
Change	%	– 47.3	– 24.0	– 32.6	– 7.5	+ 16.3
in % of net revenues	%	0.8	1.5	1.4	2.0	2.1
in % of equity	%	2.4	4.0	6.7	12.3	12.9
Net cash provided by (used in) [1]						
Operating activities	CHF million	91.9	89.9	54.5	97.0	78.7
Ordinary investment activities	CHF million	– 57.9	– 38.7	– 12.3	– 45.4	– 38.0
Free cash flow (used in)	**CHF million**	**34.0**	**51.2**	**42.2**	**51.6**	**40.7**
Company acquisitions (and long-term financial investments)	CHF million	51.3	– 3.1	– 288.0	– 40.1	– 32.2
Financing activities	CHF million	– 67.4	– 52.4	282.5	– 31.1	– 32.3
Earnings per share [1]	**CHF**	**3.13**	**7.69**	**13.09**	**20.24**	**22.35**
Change	%	– 59.3	– 41.3	– 35.3	– 9.4	+ 18.0
Free cash flow per share [1]	**CHF**	**10.05**	**15.10**	**14.50**	**18.64**	**14.82**
Change	%	– 33.4	+ 4.1	– 22.2	+ 25.8	– 27.1
Cash and cash equivalents [1]	**CHF million**	**129.0**	**107.8**	**147.2**	**109.6**	**130.5**
Equity	**CHF million**	**630.6**	**730.3**	**577.8**	**462.3**	**478.1**
Equity ratio	%	44.0	44.8	35.9	41.9	43.6
Number of employees at December 31	**FTE**	**4 435**	**4 613**	**5 962**	**5 801**	**6 455**
Change	%	– 3.9	– 22.6	+ 2.8	– 10.1	– 1.0
Net revenues per employee [1]	**CHF 000**	**436**	**410**	**478**	**486**	**446**
Change	%	+ 6.3	– 14.2	– 1.7	+ 9.0	+ 0.4
Number of outlets operated by Valora		**1 647**	**1 690**	**1 606**	**1 364**	**1 390**
Net revenues per outlet [2]	CHF 000	1 173	1 118	1 208	1 183	1 156
Number of franchise outlets [3]		**459**	**404**	**999**	**166**	**191**

All totals and percentages are based on unrounded figures from the consolidated financial statements
[1] From continuing operations, in 2010–2012 incl. the divisions Valora Services and Trade
[2] Valora Retail and Ditsch/Brezelkönig (as of 2013)
[3] In the 2013 annual report, the franchisee figures for Retail Germany also included partner outlets.