

A message from the Chairman



Dear shareholders,

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

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

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

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

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

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

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

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

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

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

*Yours sincerely,
Rolando Benedick*