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Valora to buy highly profitable Ditsch/Brezelkönig group of companies – unique opportunity for strategically significant acquisition – strong anchor shareholder secured for Valora

- **Acquisition of Ditsch/Brezelkönig gives Valora additional retail format with leading position in German and Swiss markets**
- **Focused product range and extension of Valora's outlet portfolio ideally complement the Group's retail formats in Germany and Switzerland**
- **Current owner's assumption of anchor shareholder role ensures long-term commitment to Valora – seat on Valora Board planned**
- **Focus on „Valora for a fast moving world“ approach, enhancing the Group's retail profile and sustainably increasing the profitability of the network of more than 3,000 outlets it now operates in four countries**

Acquisition of Ditsch/Brezelkönig gives Valora additional retail format with leading position in German and Swiss markets

Through its acquisition of Ditsch Brezelbäckerei GmbH and Brezelkönig GmbH & Co KG, Valora has gained an additional small-outlet-retail format with a network of 230 sites in Germany and Switzerland. This company, which has been family-owned and family-managed for three generations, generates annual sales of some CHF 190 million, on which it earns a highly profitable EBIT margin of more than 14 percent and an EBITDA margin of some 20 percent. For Valora, the firm's integrated business model - based on the production and distribution of lye-bread bakery products and an outstanding network of outlets operated by agent-managers – provides an ideal opportunity to enter into the attractive and rapidly expanding immediate-consumption food product market. The nationwide coverage arising from the firm's 195 Ditsch outlets in Germany and the strong brand recognition achieved by its 35 Brezelkönig sites in Switzerland provide significant scope for further expansion. Both parties have agreed that the purchase price will remain confidential (7-9x EBITDA multiple).

Valora's Board commissioned a recognised, independent firm of auditors to evaluate the terms of the transaction, which this firm has assessed as being fair and appropriate.

A portion of the consideration, amounting to some CHF 100 million, will be paid in Valora shares. To that end, Valora will issue 635,000 new shares of authorised share capital to the vendor, Peter Ditsch. Once the transaction is complete, this will result in Peter Ditsch becoming the anchor shareholder in Valora, with 18.5% of the company's outstanding shares. Valora will finance the remainder of the purchase price by drawing on a new CHF 450 million syndicated loan facility, which will replace its current CHF 300 million arrangement. The divestments Valora has already announced - the Handelshaus building in Muttenz and Valora Services Austria – will provide the Group with additional financial headroom. Completion of the transaction requires approval by the Bundeskartellamt, Germany's independent competition authority, which is expected during the fourth quarter of 2012.

Focused product range and extension of Valora's outlet portfolio ideally complement the Group's retail formats in Germany and Switzerland

The newly acquired outlets provide an ideal extension to Valora's existing retail network. Many of the sites are located at public transport hubs which generate substantial sales

volumes. Specialisation in a limited number of product groups – Ditsch is noted for its specialist lye-bread baking expertise – the firm’s highly automated processes and the ease with which the products can be handled at the individual outlets all contribute to ensuring that a high level of floorspace productivity is achieved and that the products they sell are both very fresh and of high quality. The new format ideally complements the concepts Valora is already deploying and will create numerous synergies and opportunities for raising efficiency levels.

The new firm’s product-range know how and the high quality of its products will also help Valora’s existing outlets to raise the proportion of their total sales they generate from food. In future, all possible approaches to enhancing Valora’s existing outlet portfolio will be examined, and the Group will establish additional sites as well. Ditsch is also a popular supplier of individual-sized frozen baked goods to the food retail and wholesale sectors. The firm’s focused specialisation on lye-bread products and its efficient production processes are very appealing both to Valora’s own Retail division and third party specialist retailers, thus paving the way for further international expansion. The fact that it operates its own production facilities also enables the firm to be extremely flexible, both in reacting to changing consumer preferences and in developing new, exclusive products.

Current owner’s assumption of anchor shareholder role ensures long-term commitment to Valora – seat on Valora Board planned

Integration of the newly acquired company into Valora’s existing operations will not require any major modifications. Ditsch/Brezelkönig will become part of Valora’s Retail division, but will operate with its current lean and efficient organisational structure as a business unit in its own right, reporting directly to the Group CEO. The entire management team will remain with the firm, thus ensuring that know how is maintained and that there is a smooth transition from its current status as a family-owned company to that of a business unit within an exchange-listed group. Overall management responsibility for the Ditsch/Brezelkönig business will be assumed by Thomas Eisele, who has hitherto worked as Valora’s Head of Corporate Business Development and has many years of M&A and management experience, as well as significant retail expertise. Once the transaction is completed, Peter Ditsch, the current owner and Managing Partner of Ditsch Brezelbäckerei GmbH, will switch from operational to strategic leadership duties and will also become a significant anchor shareholder in Valora. This move on Peter Ditsch’s part underscores his intention of making a long-term commitment to the Valora Group. At the Annual General Meeting of shareholders in April 2013, Valora’s Board of Directors will recommend that Peter Ditsch be elected to join its ranks as an additional Board member.

Klaus Stahl, the current Managing Director of Brezelkönig Switzerland, of which he is also a co-owner, will assume new, overarching responsibilities in business development.

Focus on „Valora for a fast moving world“ approach, enhancing the Group’s retail profile and sustainably increasing the profitability of the network of more than 3,000 outlets it now operates in four countries

This latest acquisition, which extends the list of purchases the Group has carried out over the last 24 months, completes the implementation of the successful Valora 4 Growth strategy. The firm will now concentrate on a „Valora for a fast moving world“ approach, whose primary focus is on sustainably raising its profitability. Since the beginning of this year, Valora’s Board has, with the help of UBS as a financial advisor, carried out a detailed evaluation of this transaction. Based on that analysis, the Board is convinced that this strategically significant step has enabled the Group to achieve a major milestone in its development. The Ditsch/Brezelkönig acquisition also provides Valora with an excellent opportunity further to raise its retail profile through a network which now comprises more than 3,000 outlets in four countries.

Options for repositioning Valora’s Services division so as to reduce dependence on the press market will be evaluated. Valora Trade will continue to operate as a European distributor of fast-moving consumer goods and intends to sharpen its focus on categories with above-average growth rates.

In its current financial year, Valora expects to generate operating earnings of some CHF 65-70 million. The Group intends to maintain its shareholder-friendly dividend policy, with a pay-out ratio in line those in recent years.

Summing up the transaction, Rolando Benedick, Valora's Board Chairman and CEO said, „The purchase of Ditsch/Brezelkönig is an ideal modular match for our existing outlet formats and meets all our requirements for a successful future.“

We are pleased to invite you to attend today's press conference on the Ditsch/Brezelkönig acquisition. This will take place at our Muttenz headquarters:

Date/time: 25.9.12, 11.30 drinks / conference commences at 12.30
Venue: Hofackerstrasse 40, 4132 Muttenz
Speakers: Rolando Benedick, Peter Ditsch, Thomas Eisele, Lorenzo Trezzini

A presentation containing further details of the transaction is available for download on www.valora.com
http://www.valora.com/en/media/newsinformation/news_00474.php

Ditsch/Brezelkönig key metrics, expected 2012

	Germany	Switzerland	Total
Sales (in CHF million)	140	50	190
of which sold through firm's own retail channels	56%	95%	65%
of which sold to 3rd party retailers	44%	5%	35%
Outlets	195	35	230
Staff	510	85	595
Production facilities	2	1	3

Overview of Valora Retail's outlet network

	Switzerland	Germany	Luxembourg	Austria	Total
kiosk	918	107	70		1,095
P&B	25	175		10	210
tabacon		72			72
avec.	105				105
CC (various formats)		1,274			1,274
Caffè Spettacolo	39				39
Ditsch		195			195
Brezelkönig	35				35
Total	1,122	1,823	70	10	3,025

Peter Ditsch, born 1956, German citizen, Managing Partner

Current activities:

Managing Partner, Brezelbäckerei Ditsch GmbH (since 1985);

Founding Partner and Managing Director, Ditsch Ltd (UK);

Member of the Board of Trustees of the Stiftung Tumorforschung Kopf-Hals (in English, „Head and Neck Tumour Research Foundation“) (since 1993), Treasurer and Supervisory Board member since 2001;

Member of the Plenary Session of the German Chambers of Commerce and Industry (since 2004);

Supervisory Board member, Mainzer Volksbank eG (2005).

Thomas Eisele, born 1974, Swiss citizen, master's degree in Political Science from the University of Basel

Previous activities: Assistant Executive Chairman, Valora Holding; Assistant Executive Chairman, Projects, Manor Group; CFO/COO itheca Group; management consultant with MCS.

Current position at Valora: Head of Business Development / M&A since 2008.

<p>Valora Telephone Conference – Analysts' and Media Conference on Ditsch GmbH acquisition Tuesday, September 25, 2012 16:00 CET (English)</p>

Rolando Benedick, CEO and Chairman of Valora Holding AG, Thomas Eisele, Managing Director Ditsch / Brezelkönig, and Lorenzo Trezzini, CFO, will provide information about the transaction during a telephone conference.

To participate in the conference: please call the following number (please call 10 to 15 minutes before the stated starting time):

+41 (0) 91 610 56 00 (Europe)

+44 (0) 203 059 58 62 (UK)

+1 (1) 866 291 41 66 (USA - toll-free)

Valora

- Valora is an independent consumer-goods trading company operating on a Europe-wide scale (www.valora.com).
- Valora runs three separate business divisions, all operating in high-volume consumer goods markets. The Group's activities are focused on those European markets where modern, mobile lifestyles have become widespread.

Retail division

Market leader in small-outlet and micro-outlet convenience retail, operating a range of standardised formats at heavily frequented locations.

Services division

Market leader in the distribution of press products to the Group's own outlets and third party retail. The division also runs a press and retail goods wholesaling business.

Trade division

Exclusive distributor of branded food and non-food consumer goods to the retail sector.

- Valora's Retail division comprises more than 3,000 kiosks, convenience stores and gastronomy outlets (see outlet overview).
- Valora Retail is Switzerland's leading small-outlet and micro-outlet retailer. The division operates the following standardised-format brands: k kiosk, avec., Press & Books, Caffè Spettacolo.
- With its P&B stores, Valora Retail Germany is the leading bookseller at German railway stations and airports. The firm also operates a network of specialist tobacco and press outlets, mostly located in shopping centres and department stores.

- **Ditsch GmbH:** The company, which has been family-owned and family-run for three generations, has been producing traditional lye-bread baked goods for over 90 years and is a specialist maker of frozen dough products. For more than 10 years, Ditsch has also produced ready-baked frozen speciality products. Today, the company employs some 500 staff. The firm's main production site and administrative headquarters are in Mainz, with a further production facility in Oranienbaum. With 195 outlets at heavily frequented sites, principally located at public transport hubs and in shopping centres, Ditsch has a comprehensive market presence across Germany and is known nationwide. As the market leader in lye-bread products, the company is also a trusted and established supplier to third-party retailers.
www.ditsch.de.
- **Brezelkönig:** In May 1996, this Swiss lye-bread specialist baker commenced production in the heart of Central Switzerland. In January 2000, Brezelkönig was acquired by Peter Ditsch. Brezelkönig GmbH & Co KG remains an autonomous company with its own corporate identity. In Switzerland, the company sells its popular take-away products, ranging from savoury pretzels to lye-bread baguette sandwiches with high-quality fillings, at 35 outlets located at busy, heavily frequented sites.
www.brezelkoenig.ch

Please address any further questions to:

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