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Valora successfully back on track – restructuring completed.

Valora, the internationally active Swiss trading group, achieved a marked improvement in net income for 2006, reporting CHF 65.8 million of earnings for the year, after a loss of CHF 56.3 million in 2005. Remedial measures taken in the core business are bearing their first fruit. An EBIT of CHF 82.0 million made for an operating margin of 2.9%, in line with Group targets. Return on invested capital more than doubled, from around 4% in 2005 to 10.6% in 2006. The Board of Directors will propose to the General Meeting that a dividend of CHF 9 per share be distributed.
Having reviewed its strategy, Valora is clearly focusing on growth in its trading businesses. It has therefore decided to sell Valora Trade's Own Brands production units.

Despite the lower turnover resulting from disposals and outlet closures, the Group succeeded in generating slightly higher net sales of CHF 2 863 in 2006, after CHF 2 846 in 2005, an increase of 0.6%. Aggregate gross margin was enhanced by CHF 12 million, from 33.1% to 33.3% of net sales, while overall costs were cut by CHF 24 million or 2.6%. The achievement of a 2.9% operating margin was a further milestone for the Group. The refinancing projects completed in 2006 and favourable foreign exchange effects made for a positive result on the financial side. The proceeds derived from the sale of Valora Imaging met expectations. These factors combined to produce Group net income of CHF 65.8 million – or some CHF 21 (20.58) per share – after the loss of CHF 56.3 million recorded in 2005. The free cash flow of CHF 81.7 million was fully utilised to pay down net debt. With shareholders' equity now accounting for 42.3% of total assets, Valora is well able to shoulder risk and is favourably positioned to meet the strategic challenges the years ahead will bring.

„The fact that we achieved our financial goals in 2006 is the encouraging result of the consistent focus strategy we have pursued and the comprehensive restructuring steps we have taken. We are now demonstrably back on track. Many measures have been implemented and major projects have been initiated", as Peter Wüst, CEO of Valora puts it, "We are now making the most of these sound foundations to generate sustainably profitable growth."

Divisions

Valora Retail – network streamlining and growth. The streamlining of the outlet network initiated in 2005 and the reduction in administrative staffing levels carried out that same year made for CHF 30 million in cost savings in 2006. Net of the effect of outlet closures, the slide in turnover was halted and outlet productivity was raised slightly in all product categories bar press and services. Measures implemented at Kiosk Switzerland to steer the product range composition towards higher-margin categories also achieved first positive results. The roll-out of integrated modern till systems to all outlets is progressing well. The profitability drive in convenience wholesale cut operating losses there significantly. With 16 new sales outlets opened in 2006 and a further improvement in profitability, Valora Retail Germany has embarked on a growth trajectory. The wider introduction of attractive product ranges and outlet formats in Switzerland and additional outlet space in Germany should enable the division to continue pursuing growth vigorously.

Valora Press & Books – higher sales in a demanding environment. In the face of a declining overall market, the division was able to hold net sales steady on the year at CHF 560.2 million. The units in Austria and Luxembourg achieved modest increases in turnover, partly thanks to their success in distributing new products. Sales at the Swiss unit, which bore the brunt of the market decline because of the high proportion of its sales accounted for by daily newspapers, slipped by 3%. Thanks to disciplined cost management, the division was able to raise its operating margin to a pleasing 5%. Publishers' confidence was won back, and relationships with these key partners have now noticeably improved.

Valora Trade – innovations and new principals spur growth
Both its business areas, distribution and Own Brands, contributed equally to the growth in sales for this division, which rose CHF 56.5 million to CHF 862.2 million. Most of the distribution growth came from new principals signed up in the Nordic region, which demonstrates the potential of the new platform. Product innovations and the exploitation of new distribution channels helped to foster growth at Own Brands.

Strategy for sustainably profitable growth: „doing good work better"

Valora sees itself as an economically robust, clearly positioned, independent trading company with an unmistakable identity, operating on a Europe-wide scale.
To strengthen this competitive profile further and to ensure it is well prepared for the challenges of the next few years (declining markets and market consolidation), the Valora Group has defined a clear strategy.
With the focusing and restructuring phases completed, the Group's attention is now centred on the growth phase. The Group will pursue a two-pronged strategy: organic growth including appropriate acquisitions, and the assumption of an active role in the anticipated consolidation in Europe. A crucial prerequisite remains the sustained stabilisation of the retail business in Switzerland.

Becoming more focused
The Valora Group's concentration on its trading activities prompted the decision to dispose of the Own Brands business unit. This move was also motivated by the conviction that the companies involved, with their successful brands, can enjoy wider opportunities for future development in an environment other than that provided by a group oriented strictly towards trading.

Becoming better
For Valora's **retail business** organic growth essentially means generating growth from the existing outlets and optimising them. This is being achieved by bringing product ranges right up to date and by deploying new concepts and modules. Product range optimisation is focusing principally on articles for immediate consumption, and on food, non-food and services. Outlet expansion is also planned. In Switzerland this will be targeted on the Caffè Spettacolo and avec. concepts, while the plans for Germany involve opening more station bookstores and acquiring outlets in city-center locations. Expansion of existing formats into new markets is also envisaged.

Growth in **press wholesaling** involves concentrating on and expanding distribution activities in new markets and developing new forms of distribution. The increasing volumes of media content distributed through digital channels demand new business models, and these should open up profitable opportunities for growth for Valora, too. For that reason, the division will in future be called Valora Media.

For **Valora Trade** growth will be focused on the extension of regional marketing platforms. Existing country activities will be strengthened, service offerings will be further enhanced and new compatible product categories will be acquired. Marketing platforms also make Valora Trade an increasingly attractive partner for potential principals. The aim is to offer more of the various product categories on a supra-national basis in future and to tailor efficient service packages. The division's expansion into new distribution channels, markets and regions in Europe will foster further growth.

Valora is exploiting additional growth potential by constantly reviewing new, innovative concepts and strategic business opportunities in areas which have adequate affinity to small outlet retail, press wholesaling and the distribution of branded products in the fast moving consumer goods sector.

Better today – bigger tomorrow
The Group strategy aims to deliver consolidated sales of CHF 4 billion by 2012, through organic and external growth. Implementation of this strategy will be coupled with strict adherence to the principles of value-based management. A key goal here will be the sustained enhancement of economic value added. The Group will therefore strive to maintain the return on invested capital above Valora's capital costs, thus sustainably generating added value for shareholders and other stakeholders. An important prerequisite for reaching this goal is further stabilisation of the kiosk business in Switzerland.

Board Changes

The term of office of Mr. Peter Küpfer comes to an end at this year's General Meeting. Peter Küpfer has declined to stand for re-election. The Board of Directors proposes that Mr. Franz Julen, the CEO of INTERSPORT International Corporation and Dr. Paul-Bernhard Kallen, member of the management board of the Hubert Burda Media Group, be elected to join its ranks for three year terms of office.
The excellent professional expertise and many years of experience in retail, press and publishing which the proposed new Board members possess would complement the skills and experience of the existing Board very well.
The Board of Directors will propose to the General Meeting that a dividend of CHF 9 per share be distributed.

Outlook

The focusing and restructuring phases are now largely completed. Having reviewed its strategy, Valora is positioning itself clearly in the market and has decided to sell the Valora Trade Division's Own Brands unit. With some CHF 3 billion in sales and an operating margin of 2.9%, the Group has reached an ambitious milestone. Given the current necessary focus on ongoing IT infrastructure projects, the sale of the Own Brands unit, and the preparatory work for further growth, we anticipate that operating margins in 2007 will remain at around the 3% level.

Information on 28.03.2007:	Questions regarding this press communiqué can be answered only during the media and analysts' conferences on 28 March

The 2006 Annual Report and the presentation to the media and analysts' conferences are available on www.valora.com

Valora Telephone Conference – Full Year Results 2006
Wednesday, 28 March 2007 17:00 CET

Peter Wüst, CEO of Valora Holding AG, and Markus Voegeli, CFO, will provide information about the 2006 Valora annual report during a telephone conference. The Dial-In Conference Call will be held in **English.**

To participate in the **conference**: call the following number (please call 5 to 10 minutes before the hour):

Dial-In numbers:	**+41 (0)91 610 56 00**	(Europe and ROW)
	+1 (1)866 291 41 66	(USA Toll Free)
	+44 (0)20 7107 0611	(UK)

A **playback** (audio web cast) of the conference is available on the www.valora.com website one hour after the conference finished.