valora

Half-year report 2009

Key figures

		30.06.2009 [1]	30.06.2008 [1]	30.06.2007 [1]
Net revenues	**CHF million**	**1 414.6**	**1 468.5**	**1 378.1**
Change	%	– 3.7	+ 6.6	– 0.3
Operating profit	**CHF million**	**23.0**	**28.6**	**12.2**
Change	%	– 19.6	+ 134.2	– 63.2
in % of net revenues		1.6	2.0	0.9
Net profit	**CHF million**	**18.1**	**21.1**	**8.4**
Change	%	– 14.6	+ 151.1	– 62.3
in % of net revenues		1.3	1.4	0.6
in % of equity		3.8	3.6	1.5
Net cash provided by (used in)				
operating activities	**CHF million**	24.7	51.7	35.9
investing activities	**CHF million**	– 32.3	21.6	– 26.3
Free cash flow	**CHF million**	**– 7.6**	**73.3**	**9.6**
financing activities	**CHF million**	– 6.2	– 17.1	– 42.0
Earnings per share	**CHF**	**6.41**	**6.50**	**2.50**
Change	%	– 1.4	+ 160.0	– 63.5
Free cash flow per share	**CHF**	**– 2.77**	**23.07**	**3.01**
Change	%	n/a	+ 666.4	n/a
Number of outlets operated by Valora		**1 413**	**1 408**	**1 409**
Net sales per outlet [2]	CHF 000	551	614	574
Number of franchise outlets		**21**	–	–
		30.06.2009	31.12.2008	31.12.2007
Cash and cash equivalents	**CHF million**	**146.5**	**158.4**	**153.4**
Interest-bearing liabilities	**CHF million**	**184.1**	**152.5**	**199.4**
Total equity	**CHF million**	**479.2**	**493.9**	**599.3**
Balance sheet total	**CHF million**	**1 104.1**	**1 096.0**	**1 324.5**
Share price	**CHF**	**196.40**	**154.0**	**274.75**
Market capitalisation	**CHF million**	**539**	**433**	**877**
Average number of employees	**FTE**	**6 571**	**6 523**	**6 495**
Change	%	+ 0.7	+ 0.4	– 3.2

All totals and percentages are based on unrounded figures from the consolidated financial statements

[1] From continuing operations

[2] Net sales of Valora Retail only

Group performance

During the first six months of 2009, the Valora Group maintained steady levels of profitability as initial successes were achieved by the strategy programme announced in the autumn of 2008. In demanding market conditions, Valora raised its revenues from continuing operations by 1.4%. Because of the special effects arising from sales of EURO 08 articles in the first six months of 2008, acquisitions and exchange rate fluctuations, Group net revenues for the first six months of 2009 totalled CHF 1 414.6 million, a 3.7% decline on the same period of 2008. As expected, these special factors resulted in operating earnings declining by CHF 5.6 million, to CHF 23.0 million. After adjusting for these effects, Valora's operating earnings for the first six months of 2009 were up CHF 3.9 million on those for the same period of 2008, an increase of 20%. In line with expectations, non-recurrence in first-half 2009 of the EURO 08 effect and of the net profits arising from discontinued operations meant that Group net income for the period came in at CHF 18.1 million for the first six months of 2009, versus CHF 26.6 million a year earlier.

This improvement in operating earnings is principally due to the consistently convincing cost discipline exercised by Valora Retail and by the results generated by Valora Trade, where adjusted net sales rose 6.5%. Valora Media, conversely, was confronted with an accelerating decline in the press product market and recorded first half sales down 4.6% on 2008 levels, after adjustment for the factors cited above.

With net debt of CHF 37.6 million and shareholders' equity accounting for more than 43% of total assets, the Valora Group maintains an extremely sound balance sheet structure.

Valora Group

Net revenues in CHF million	**1.01. - 30.06.2009**		1.01. - 30.06.2008		Change
Valora Retail	778.1	55.0%	771.7	52.6%	0.8%
Valora Media	345.1	24.4%	401.1	27.3%	– 14.0%
Valora Trade	381.2	26.9%	393.5	26.8%	– 3.1%
Other	5.4	0.4%	7.2	0.5%	– 25.0%
Intersegment elimination	– 95 .2	– 6.7%	– 105.0	– 7.2%	
Group total	**1 414.6**	**100.0%**	**1 468.5**	**100.0%**	**– 3.7%**
Switzerland	853.8	60.4%	880.5	60.0%	– 3.0%
Elsewhere	560.8	39.6%	588.0	40.0%	– 4.6%

The Valora Group's turnover for the first six months of 2009 totalled CHF 1 414.6 million, compared to CHF 1 468.5 million in the same period of 2008. After adjusting for the special effects of sales and distribution of EURO 08 merchandise, acquisitions and currency fluctuations, Group net sales advanced CHF 20.2 million, or 1.4%. The net effect of these factors - currency fluctuations (CHF -52.0 million), the EURO 08 effect (CHF -46.4 million) and acquisitions (CHF +24.3 million) - was to shave CHF 74.1 million from Group net sales.

The 6.5% advance in adjusted net sales which Valora Trade generated in the face of difficult market conditions made the largest contribution towards the Group's increase in adjusted net revenues. Valora Retail also managed to raise its adjusted net sales by 0.6%, an achievement which was further enhanced by the CHF 24.3 million (or +3.2%) of new net sales generated by newly acquired business units in Germany and Switzerland. The only division to record falling adjusted net revenues was Valora Media, where the further decline in press market activity cut adjusted net sales by 4.6%.

in CHF million	1.01. - 30.06.2009		1.01. - 30.06.2008	
Net revenues	**1 414.6**	**100.0%**	**1 468.5**	**100.0%**
Gross profit	**428.3**	**30.3%**	**443.5**	**30.2%**
– Operating costs, net	– 405.3	– 28.7%	– 414.9	– 28.2%
Operating profit	**23.0**	**1.6%**	**28.6**	**2.0%**

Group operating profit totalled CHF 23.0 million. Adjusted for EURO 08, acquisitions and currency effects, this equates to an increase in operating profit of CHF 3.9 million, or 20% on the first six months of 2008. The first benefits of the «Valora 4 Success» strategy programme can be seen in these 2009 interim results, as the Group's comprehensive cost controls raised its adjusted operating profit margin from 1.4% to 1.6%.

This positive trend in operating results was essentially driven by Valora Retail and Valora Trade. Mainly as a result of its strict cost discipline, the Retail division managed to raise its operating profit margin to 1.3%, a significant improvement in profitability. Valora Trade meanwhile succeeded in acquiring many new principals in the Nordic countries, thus boosting its operating profit by some CHF 0.3 million. The only division registering a marked fall in operating profit compared to the first six months of 2008 was Valora Media, which suffered from a decline in its overall market and from lower margin levels.

Valora Retail

in CHF million	1.01. - 30.06.2009		1.01. - 30.06.2008	
Net revenues	**778.1**	**100.0%**	**771.7**	**100.0%**
Gross profit	**274.0**	**35.2%**	**270.0**	**35.0%**
– Operating costs, net	– 263.9	– 33.9%	– 265.9	– 34.5%
Operating profit	**10.1**	**1.3%**	**4.1**	**0.5%**

Despite very challenging markets, Valora Retail raised its net revenues by CHF 6.4 million or 0.8%, to CHF 778.1 million. The most notable advance was achieved by Retail Germany, where new acquisitions and organic growth boosted sales by CHF 20.2 million. Convenience stores and Tamoil shops (+3.5%) did well, helped by the integration of the avec. shops acquired in 2008 and the opening of new outlets. While Kiosk Switzerland (-0.4%) and Retail Luxembourg (-1.7%) essentially maintained their net sales, after adjustment for EURO 08 and currency fluctuations, at first-half 2008 levels, net gastronomy revenues fell 7.0%, principally as a result of outlet closures.

After adjusting for the effects of EURO 08, acquisitions and currency fluctuations, Valora Retail's aggregate sales rose 0.6% on their first-half 2008 levels, led by increases in sales of food (+4.3%) and tobacco products (+3.8%). The main damper on sales came from press products, whose turnover fell 5.3% in response to the decline in the overall press products market.

Higher net sales and the 0.2 percentage point increase in margins, mainly arising from increased service revenues, boosted the division's gross profit by CHF 4.0 million versus the same period of 2008.

Despite higher wages and an expansion of the outlet network, Valora Retail managed to cut the proportion of its revenues accounted for by costs by 0.6 percentage points. Improvements to the division's sales organisation and the professionalisation of shift rota planning enabled considerable cost savings to be achieved. Use of the newly implemented closed loop inventory management system also helped to improve goods throughput efficiency and streamline operating processes at sales outlets.

With operating profits of CHF 10.1 million, Valora Retail improved on its first-half 2008 results by an impressive CHF 6.0 million. After adjusting for special factors, the division raised its operating profit by CHF 9.6 million.

Valora Media

iin CHF million	**1.01. - 30.06.2009**		1.01. - 30.06.2008	
Net revenues	**345.1**	**100.0%**	**401.1**	**100.0%**
Gross profit	**72.2**	**20.9%**	**88.6**	**22.1%**
– Operating costs, net	– 65.1	– 18.8%	– 67.8	– 16.9%
Operating profit	**7.1**	**2.1%**	**20.8**	**5.2%**

At constant exchange rates, the Valora Media division's net revenues declined by CHF 49.1 million compared to the same period of 2008. This decline is principally due to the non-recurrence of revenues from the distribution of EURO 08 merchandise (CHF 32.4 million). While press revenues fell by 5.6% at constant exchange rates, in line with the overall market, distribution revenues from third parties in Switzerland (excluding Valora Retail wholesale revenues) rose by CHF 4.0 million, mainly thanks to higher tobacco product sales. The lower gross profit margin (-1.2 percentage points) is mainly the result of non-recurring EURO 08 revenues, lower turnover from sales of old paper and the higher proportion of total sales accounted for by lower-margin products (e.g. tobacco).

Operating costs showed a positive trend, coming in CHF 2.7 million lower than in first-half 2008, a 4% reduction. This silver lining is mainly due to savings in personnel, mailing and freight costs. This cut in operating costs was not, however, sufficient to compensate fully for the negative impact on operating profit stemming from declining press sales and lower margins. In the first six months of 2009, Valora Media generated operating profits of CHF 7.1 million. After adjusting for EURO 08 and currency fluctuation effects, this is some CHF 8.3 million lower than the result achieved in the same period of 2008.

Valora Trade

in CHF million	1.01. - 30.06.2009		1.01. - 30.06.2008	
Net revenues	**381.2**	**100.0%**	**393.5**	**100.0%**
Gross profit	**76.7**	**20.1%**	**77.7**	**19.8%**
– Operating costs, net	– 69.3	– 18.2%	– 70.6	– 18.0%
Operating profit	**7.4**	**1.9%**	**7.1**	**1.8%**

During the first six months of 2009, Valora Trade's net revenues - adjusted for currency fluctuations and EURO 08 effects - were up an encouraging CHF 25.2 million on first-half 2008 levels, an increase of 6.5%. In the face of adverse markets and continually worsening consumer confidence, Trade Finland and Trade Norway were notably successful in boosting their local currency revenues, with Trade Denmark also raising its local currency net sales. While the rising sales in Finland and Norway were mainly driven by the successful acquisition of new principals such as Estrella, McNeil, Perfetti van Melle and Wrigley, sales at Trade Sweden declined 10% in local currency terms, following contract terminations by individual principals. Elsewhere in Europe, revenues generated at Trade Switzerland, Trade Germany and Trade Austria were slightly below first-half 2008 levels. This was partly due to principal defections (e.g. Roland Murten AG) following the sale of the Own Brands operations which were not fully compensated for by new principal acquisitions elsewhere, and partly the result of downward pressure exerted on branded goods sales by the increase in retailers' own label sales which has accompanied the worsening of the economic situation.

In these demanding market conditions, it is gratifying that Valora Trade managed to raise its gross profit margin by 0.3 percentage points from first-half 2008 levels, increasing its gross profits by CHF 6.0 in local currency terms. Local currency operating costs, conversely, rose CHF 5.5 million, mainly due to the marked expansion of operations in Finland and Norway. The division's overall operating profit totalled CHF 7.4 million, a 4.7% increase on the same period of 2008. In local currency terms, operating profits were up CHF 1.0 million, a 14.3% improvement.

Corporate

The Corporate area, encompassing the logistics organisation for Switzerland, Corporate Information Services and Group support functions such as Finance, Human Resources, Legal Services and Communications, saw a decline in its net revenues, which are essentially derived from logistics services, of CHF 1.8 million to CHF 5.4 million. The various improvements in efficiency and effectiveness resulting from implementation of the strategy programme enabled the Corporate area to cut its direct costs by an impressive CHF 3.3 million.

Valora's policy is to charge the Corporate area's direct costs, minus logistics revenues generated from third party customers, to the individual divisions on the basis of the services provided to them.

Financial result and taxes

The Group's net financial results improved by CHF 1.2 million to CHF -1.4 million. At CHF 1.9 million, net interest expense was kept roughly in line with the CHF 1.5 million recorded in the first six months of 2008. This pleasing result, achieved as it was in the face of very low interest earnings from deposits, was mainly due to a reduction in the amount of the Group's outstanding syndicated loan. Net currency gains of CHF 0.5 (versus a net currency loss of CHF 1.1 million in the same period of 2008) reflect generally more stable exchange rates and a slight appreciation of the euro.

At 17.3 % of pre-tax net income, the aggregate tax rate came in 4.4 percentage points lower than in the first six months of 2008. This is because companies with low income tax rates generated a higher proportion of the Group's aggregate pre-tax earnings than in the same period of 2008.

Liquidity, cash flow and key financial data

At CHF 24.7 million, operating cash flow from continuing operations is below the CHF 51.7 million generated in the same period of 2008. This is principally due to changes in net working capital. After deducting total cash used for investment of CHF -32.3 million, mostly attributable to the expansion strategy at the Retail division, net free cash flow came in at CHF -7.6 million.

With net debt of CHF 37.6 million at June 30, 2009 (after CHF -6.0 million as of December 31, 2008), the Valora Group maintains a comfortable liquidity position.

Shareholders' equity at June 30, 2009 amounted to 43.4% of total assets. The modest 1.7 % decline since the end of 2008 is due to the cost of the shares repurchased as part of the share buyback programme.

Valora Value Added

During 2008, the Valora Group introduced Valora Value Added (VVA), a metric based on the classical definition of economic value added. In order to make operational performance more comparable between periods, VVA is now adjusted to remove tax effects. VVA thus now represents operating results minus their associated capital costs. The figures for first-half 2008 have been adjusted accordingly.

Valora Value Added in CHF million	**2009**	2008
Operating profit	23.0	28.6
Average invested capital	710.3	781.9
WACC	7.0%	7.0%
Capital costs	24.9	27.4
Valora Value Added	**– 1.9**	**1.2**

Adjusted for the EURO 08 effect, VVA improved from CHF -7.8 million in the first six months of 2008 to CHF -1.9 million this time.

Outlook

The «Valora 4 Success» strategy programme is now being implemented and is producing encouraging results. A number of important sub-projects are nearing completion.

In the second half of this year, changes at the kiosk outlets, including new service offerings and product ranges, such as Valora's successful new «ok.-» own-label line of attractively priced products, and a more professional approach to price management, will be lent further emphasis. These measures should enable us to make up for the decline in press revenues.

We will also continue to enlarge our network of «avec.» convenience stores, and will have more than 50 avec. shops up and running by the end of September. Provided sufficient numbers of suitable sites are available, Valora aims to be operating some 100 avec. shops in Switzerland in the next 6 to 9 months. This growth strategy will be complemented by the launch of additional avec. shops in Germany.

The transformation of Valora's logistics function is the element of the strategy programme which has advanced the furthest. This project, which is scheduled for completion by the end of this year, has identified CHF 11 million of recurring annual cost savings from 2010 onwards.

We maintain our objective of achieving an operating profit margin of 3% to 4% by 2012.

Valora Holding AG

Rolando Benedick
Chairman of the Board of Directors

Thomas Vollmoeller
CEO

Valora 2009 half-year report

Consolidated income statement

January 1 to June 30, in CHF 000 (except per share amounts)	**2009** unaudited	**%**	2008 unaudited	%
Net revenues	**1 414 609**	**100.0**	**1 468 475**	**100.0**
Cost of goods	– 986 264	– 69.7	– 1 024 935	– 69.8
Gross profit	**428 345**	**30.3**	**443 540**	**30.2**
Personnel expense	– 225 213	– 15.9	– 232 965	– 15.9
Other operating expenses	– 162 818	– 11.5	– 166 137	– 11.3
Depreciation and amortisation of operating assets	– 20 841	– 1.5	– 21 081	– 1.4
Other income, net	3 547	0.2	5 282	0.4
Operating profit	**23 020**	**1.6**	**28 639**	**2.0**
Financial expense	– 2 480	– 0.2	– 4 921	– 0.3
Financial income	1 111	0.1	2 336	0.1
Share of result from associates and joint ventures	187	0.0	952	0.0
Earnings before taxes	**21 838**	**1.5**	**27 006**	**1.8**
Income taxes	– 3 781	– 0.2	– 5 871	– 0.4
Net profit from continuing operations	**18 057**	**1.3**	**21 135**	**1.4**
Net profit from discontinued operations	0	0.0	5 453	0.4
Net Group profit	**18 057**	**1.3**	**26 588**	**1.8**
Attributable to shareholders of Valora Holding AG	17 664	1.3	26 120	1.8
Attributable to minority interests	393	0.0	468	0.0
Average number of shares outstanding	2 754 239		3 177 086	
Earnings per share				
from continuing operations, diluted and undiluted (in CHF)	6.41		6.50	

Consolidated statement of comprehensive income

January 1 to June 30, in CHF 000	**2009** unaudited	2008 unaudited
Net Group profit	**18 057**	**26 588**
Fair value gains/losses on financial investments held for sale	**6**	**0**
Fair value loss on cash flow hedges	**0**	**– 130**
Taxes on share-based payments	**0**	**– 4**
Currency translation adjustments	**4 427**	**– 5 989**
Total other comprehensive income	**4 433**	**– 6 123**
Total comprehensive income	**22 490**	**20 465**
attributable to shareholders of Valora Holding AG	22 010	20 107
attributable to minorities	480	358

Consolidated balance sheet

in CHF 000 Assets	30.06.2009 unaudited	%	31.12.2008 unaudited	%
Current assets				
Cash and cash equivalents	146 522		158 436	
Derivative assets	372		712	
Trade accounts receivable	163 116		153 728	
Inventories	220 494		228 977	
Current income tax receivable	1 366		796	
Other short-term receivables	56 247		47 118	
Current assets	**588 117**	**53.3**	**589 767**	**53.8**
Assets held for sale	7 534		0	
Total current assets	**595 651**	**53.9**	**589 767**	**53.8**
Non-current assets				
Property, plant and equipment	211 097		219 124	
Goodwill, software and other intangible assets	154 591		138 412	
Investment property	9 247		14 662	
Investments in associates and joint ventures	4 943		4 931	
Non-current financial assets	8 369		8 458	
Net pension asset	86 195		83 997	
Deferred income tax assets	34 016		36 677	
Total non-current assets	**508 458**	**46.1**	**506 261**	**46.2**
Total assets	**1 104 109**	**100.0**	**1 096 028**	**100.0**

in CHF 000 Liabilities and equity	30.06.2009 unaudited	%	31.12.2008 unaudited	%
Current liabilities				
Short-term financial liabilities	682		1 447	
Derivative liabilities	743		617	
Trade accounts payable	251 355		252 988	
Current income tax liabilities	6 798		8 834	
Other current liabilities	128 922		134 522	
Current provisions	5 777		7 652	
Total non-current liabilities	**394 277**	**35.7**	**406 060**	**37.0**
Non-current liabilities				
Non-current financial liabilities	183 444		151 022	
Non-current accrued pension cost	9 038		8 335	
Non-current provisions	12 977		12 770	
Deferred income tax liabilities	25 166		23 952	
Total non-current liabilities	**230 625**	**20.9**	**196 079**	**17.9**
Total liabilities	**624 902**	**56.6**	**602 139**	**54.9**
Equity				
Share capital	3 300		3 300	
Additional paid-in capital	– 5 225		118	
Treasury stock	– 114 884		– 108 180	
Valuation reserves	– 40		– 46	
Retained earnings	606 066		613 107	
Cumulative translation adjustments	–13 395		– 17 735	
Equity of Valora Holding AG shareholders	**475 822**		**490 564**	
Minority interest in shareholders' equity	3 385		3 325	
Total equity	**479 207**	**43.4**	**493 889**	**45.1**
Total liabilities and equity	**1 104 109**	**100.0**	**1 096 028**	**100.0**

Consolidated cash flow statement (condensed)

January 1 to June 30, in CHF 000	**2009** unaudited	2008 unaudited
Operating profit from continuing operations	23 020	28 639
Elimination of non-cash transactions	21 867	22 655
Cash flow before changes in net working capital	**44 887**	**51 294**
Changes in net working capital	– 16 957	1 464
Interest and taxes paid/received	– 3 242	– 1 034
Net cash provided by operating activities from continuing operations	**24 688**	**51 724**
Net cash provided by operating activities from discontinued operations	0	4 917
Net cash provided by operating activities	**24 688**	**56 641**
Net cash (used in) provided by investing activities from continuing operations	**– 32 295**	**21 560**
Net cash used in investing activities from discontinued operations	0	– 17 598
Net cash (used in) provided by investing activities	**– 32 295**	**3 962**
Net cash used in financing activities from continuing operations	**– 6 186**	**– 17 143**
Net cash provided by financing activities from discontinued operations	0	1 046
Net cash used in financing activities	**– 6 186**	**– 16 097**
Net (decrease) increase in cash and cash equivalents from continuing operations	**– 13 793**	**56 141**
Net (decrease) in cash and cash equivalents from discontinued operations	0	– 11 635
Net (decrease) increase in cash and cash equivalents	**– 13 793**	**44 506**
Translation adjustments on cash and cash equivalents	1 879	– 3 195
Cash and cash equivalents at beginning of period from continuing operations	158 436	153 426
Cash and cash equivalents at beginning of period from discontinued operations	0	13 069
Cash and cash equivalents at beginning of period	158 436	166 495
Cash and cash equivalents at end of period from continuing operations	**146 522**	**207 806**
Cash and cash equivalents at end of period from discontinued operations	0	0
Cash and cash equivalents at end of period	**146 522**	**207 806**

Consolidated statement of changes in shareholders' equity

in CHF 000	Equity of Valora Holding AG shareholders Share capital	Treasury stock	Additional paid-in capital	Valuation reserves	Retained earnings	Cumulative translation adjustments	Total equity of majority share-holders	Minority interest	Total equity unaudited
Balance at January 1, 2008	**3 300**	**– 28 481**	**3 986**	**152**	**602 651**	**14 239**	**595 847**	**3 424**	**599 271**
Comprehensive income			– 4	– 130	26 120	– 5 879	20 107	358	**20 465**
Share-based payments			– 470				– 470		**– 470**
Dividend paid on 2007 result					– 28 606		– 28 606	– 573	**– 29 179**
Treasury stock purchased		– 5 631					– 5 631		**– 5 631**
Decrease in treasury stock		2 702					2 702		**2 702**
Balance at June 30, 2008	**3 300**	**– 31 410**	**3 512**	**22**	**600 165**	**8 360**	**583 949**	**3 209**	**587 158**
Comprehensive income				– 68	12 942	– 26 095	– 13 221	116	**– 13 105**
Share-based payments			– 1 423				– 1 423		**– 1 423**
Treasury stock purchased		– 79 030					– 79 030		**– 79 030**
Decrease in treasury stock		2 260	– 1 971				289		**289**
Balance at December 31, 2008	**3 300**	**– 108 180**	**118**	**– 46**	**613 107**	**– 17 735**	**490 564**	**3 325**	**493 889**
Comprehensive income				6	17 664	4 340	22 010	480	**22 490**
Share-based payments			– 190				– 190		**– 190**
Dividend paid on 2008 result					– 24 705		– 24 705	– 420	**– 25 125**
Treasury stock purchased		– 24 696					– 24 696		**– 24 696**
Decrease in treasury stock		17 992	– 5 153				12 839		**12 839**
Balance at June 30, 2009	**3 300**	**– 114 884**	**– 5 225**	**– 40**	**606 066**	**– 13 395**	**475 822**	**3 385**	**479 207**

Summary segment reporting

in CHF 000	Valora Retail	Valora Media	Valora Trade	Others	Intersegment elimination	Total Group (unaudited)
Segment information for the six months to 30.06.2009						
Net revenues from third parties	777 333	254 411	377 449	5 416		1 414 609
Net revenues from other divisions	740	90 664	3 749		– 95 153	
Total net revenues	**778 073**	**345 075**	**381 198**	**5 416**	**– 95 153**	**1 414 609**
Operating profit	10 143	7 136	7 410	– 1 669		23 020
Operating profit in % of net revenues	1.3	2.1	1.9			1.6
Segment information for the six months to 30.06.2008						
Net revenues from third parties	770 353	301 124	389 777	7 221		1 468 475
Net revenues from other divisions	1 354	99 998	3 658		– 105 010	
Total net revenues	**771 707**	**401 122**	**393 435**	**7 221**	**– 105 010**	**1 468 475**
Operating profit	4 052	20 834	7 077	– 3 324		28 639
Operating profit in % of net revenues	0.5	5.2	1.8			2.0
Change in net revenues (%)	0.8	– 14.0	– 3.1			– 3.7

Organisational changes within the Valora Group resulted in a change in the composition of the reporting segments with effect from early 2009. In the table above, the segment results for the first six months of 2008 have been adjusted accordingly. These changes mainly stem from the transfer of part of the Group's wholesale activities from Valora Retail to Valora Media and from a number of bookshops being transferred from Valora Media to Valora Retail. As a result, Valora Retail's net revenues from third parties fell by CHF 92.3 million, while for Valora Media, this same metric increased by CHF 92.3 million. The changes to operating profit were as follows: Valora Retail CHF -1.6 million, Valora Media CHF +2.1 million, Valora Trade CHF +0.1 million and Others CHF -0.6 million.

Notes to the half-year financial statements

1 Information regarding the Valora Group

Valora is a Swiss trading company whose parent company, Valora Holding AG, is listed on the Swiss Stock Exchange. These half-year financial statements were approved by the Board of Directors on August 25, 2009.

2 Significant accounting policies

These half-year financial statements comprise the consolidated financial statements of Valora Holding AG and its subsidiaries for the first six months of 2009. The statements are based on the set of uniformly prepared individual financial statements of the Valora Group companies. With the exception of the changes to International Financial Reporting Standards (IFRS) and their interpretation detailed in Note 3 below, these statements have been prepared according to the same accounting policies and valuation principles as those used for the Group's 2008 annual report. The reporting currency is the Swiss franc (CHF).

These half-year financial statements have been compiled in accordance with Swiss Stock Exchange (SIX) requirements in line with International Accounting Standard 34 (IAS 34) «interim financial reporting». These statements do not contain all the information contained in the consolidated annual report for 2008 and should therefore be read in conjunction with that document. All figures other than those contained in the balance sheet as at December 31, 2008 are unaudited.

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

Consolidated companies. Group companies which Valora Holding AG directly or indirectly controls are fully consolidated. In determining whether such control exists, any potential voting rights arising from shares which could currently be acquired through exercise or conversion are also taken into account. Group companies acquired are consolidated from the day Valora assumes control over them and deconsolidated from the day Valora ceases to exercise such control.

Consolidation method. All intra-Group assets, liabilities, revenues and expenditures, and all unrealised gains or losses on intra-Group transactions are fully eliminated. The shareholders' equity of consolidated Group companies matches and offsets the book value of the parent company's participation in them at the time these companies are acquired or established. Once initial consolidation has taken place, profit or loss attributable to each accounting period is passed to the subsidiaries' retained earnings. Minority interests are defined as that part of subsidiaries' net profit and net equity which is not attributable to the Valora Group. These minority interests are disclosed separately in the consolidated income statement and balance sheet. In the Group balance sheet, minority interests are shown in the shareholders' equity section, but are reported separately from the equity attributable to shareholders of Valora Holding AG. Valora's purchases of minority interests are treated according to the purchase method, with the difference between the purchase price paid and the book value of net assets acquired being recognised as goodwill.

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 rights. Joint ventures are defined as joint undertakings which are managed with one partner under a contractual agreement. Participations treated under the equity method are recorded on the balance sheet at purchase cost and reported under «Investments in associates and joint ventures». In the reporting periods following consolidation, the value of this item is adjusted to reflect Valora's share of the changes in shareholders' equity of the associated companies and joint ventures. Any valuation gains or losses impacting the equity of associated companies and joint ventures are also credited or debited directly to Valora's equity. Dividends received by Valora reduce the value of its investments.

Changes in consolidation scope. As of January 1, 2009, the Valora Group purchased 100% of Konrad Wittwer GmbH railway station bookstores, a German company whose registered offices are in Stuttgart. Note 5 provides detailed information regarding this acquisition.

Consolidation period. These half-year financial statements cover the period from January 1 to June 30.

3 Changes to accounting policies

Implementation of new financial reporting standards. Implementation of International Financial Reporting Standards and their interpretation which came into force on January 1, 2009 has been carried out retro-actively with effect from January 1, 2008, and all 2008 figures have thus been adjusted accordingly. The effects of these adjustments are as follows:

IFRS 8 «Operating segments» (applicable from January 1, 2009):
IFRS 8 replaces the earlier IAS 14 «segment reporting» standard. The new standard requires segment definition to follow the management approach. Application of IFRS 8 has not resulted in any significant changes, because the segments defined previously under IAS 14 were already largely in line with IFRS 8 requirements. Segments are identified on the basis of both the type of distribution method used and the nature of the products concerned. The various segments thus identified cover a variety of outlet formats and geographical areas.

Information regarding the reporting segments

Valora Retail. Valora Retail operates small-area retail concepts in heavily frequented locations in Switzerland, Germany and Luxembourg. The division acts as a comprehensive marketing and distribution system for press products, tobacco and consumer goods for daily use as well as impulse purchases. Valora Retail operates the k kiosk, avec., P&B and Caffè Spettacolo formats.

Valora Media. Valora Media is a specialised wholesaler of press and book products linking publishers to retail. The division supplies press, book, food, non-food and tobacco products both to its own retail outlets and third party customers in Switzerland, Austria and Luxembourg.

Valora Trade. Valora Trade is an exclusive distributor of food and non-food branded goods to the retail sector.

Others. This segment comprises the Group support functions - Finance, Human Resources, Business Development, Legal Services and Communication - plus IT and the central logistics function for Valora Retail Switzerland and Valora Media Switzerland. Its turnover represents the value of the logistics services it provides.

As a result of changes to Valora's internal organisation, the composition of the reporting segments changed in the first half of 2009. These changes principally affect the Retail and Media segments. The figures for 2008 have been modified to reflect the new organisational structure.

IAS 1 (revised) «Presentation of Financial Statements» (applicable from January 1, 2009):

While this revised standard specifies new designations for individual components of financial statements, adoption of these is not mandatory. Valora does not apply the new designations.

IAS 1 also requires that all equity transactions with shareholders and minorities be presented in a statement of comprehensive income. All equity transactions must either be shown in a single comprehensive income statement or in two separate statements. Valora has elected to publish two separate statements (an income statement and a statement of comprehensive income).

Neither the changes in IAS 23 («Borrowing costs»), IAS 32 («Financial instruments: disclosure and presentation») and IFRS 2 («Share-based payment»), nor the interpretation promulgated in IFRIC 15 («Agreements for the construction of real estate») have any effect on these interim financial statements. The effects of the IFRIC 13 interpretation («Customer loyalty programmes») are not material.

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 financial statements of non-Swiss-franc subsidiaries are booked directly to consolidated shareholders' equity and reported separately as accumulated currency translation adjustments.

Exchange rates applied for key foreign currencies

	Average rate for 6 months to 30.06.2009	Rate at 30.06.2009	Average rate for 6 months to 30.06.2008	Rate at 31.12.2008
Euro, 1 EUR	1.506	1.526	1.606	1.487
Swedish krona, 100 SEK	13.86	14.11	17.12	13.72
Danish krone, 100 DKK	20.21	20.49	21.53	19.97

Net revenues and revenue recognition. Net revenues include all proceeds from the sale of goods and services, 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 sale 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.

5 Business units acquired

As of January 1, 2009, Valora acquired a 100% stake in Konrad Wittwer GmbH railway station bookstores, a German company with registered offices in Stuttgart. The company owns a total of 19 railway station bookstores, of which 16 are in Baden-Württemberg and 3 are in Saxony.

Balance sheet data for companies first consolidated in 2009

in CHF 000	Fair value	Book value recorded in the acquired company's books
Current assets	3 583	2 601
Fixed assets	521	521
Current liabilities	– 1 422	– 1 422
Non-current liabilities	– 544	– 227
= Net assets acquired / shareholders' equity	**2 138**	**1 473**
Goodwill	9 061	
= Purchase price	**11 199**	
Purchase price paid in cash	11 066	
Direct acquisition-related costs	133	
Cash and cash equivalents acquired	– 792	
Cumulative currency translation adjustments	126	
= Cash flow from acquisition of subsidiaries	**10 533**	

The goodwill detailed above results from the portions of the purchase price which were not separately recognisable for developing and strengthening Valora's leading position in the German railway station bookstore market, for establishing a market presence in Baden-Württemberg, for the improvement in its purchasing terms resulting from higher sales volumes and from the enhancement to Valora's marketing stance vis-à-vis publishers. Since their acquisition by Valora, Konrad Wittwer GmbH railway station bookstores have generated turnover of CHF 14 895k and net earnings of CHF 435k.

6 Discontinued operations

The Valora Group had no discontinued operations during the period under review. The disposal of all discontinued operations was fully completed during 2008.

Income statement for discontinued operations

in CHF 000	**1.01. - 30.06.2009** unaudited	1.01. - 30.06.2008 unaudited
Net revenues	0	42 018
Gross profit	**0**	**22 954**
Operating expenses	0	– 18 248
Other income, net	0	2 797
Operating profit	**0**	**7 503**
Net financial income	0	– 334
Earnings before taxes	**0**	**7 169**
Income taxes	0	– 330
Net profit from discontinued operations	**0**	**6 839**
Derecognition of cumulative translation adjustments	0	– 1 386
Net profit from discontinued operations	**0**	**5 453**

7 Non-current assets held for sale

With effect from June 1, 2009, three facilities meet the classification criteria set out in IFRS 5 and are recorded as non-current assets held for sale. They have been valued at the lower of carrying amount or fair value less costs to sell.

8 Seasonal effects

Valora’s business activities are not subject to any significant seasonal or cyclical effects.

9 Dividends paid

On May 8, 2009 a dividend of CHF 9 per registered share was paid in respect of 2008 (unchanged on the previous year).

10 Subsequent events

On April 29, 2009, the Ordinary General Meeting of shareholders of Valora Holding AG passed a resolution to reduce the company’s outstanding share capital through the cancellation of 500 000 registered shares. These shares, which had been repurchased through the company’s share buyback programme, were cancelled on July 9, 2009. As a result, Valora Holding AG’s share capital now amounts to CHF 2 800 000, comprising 2 800 000 registered shares with a nominal value of CHF 1 each.

Muttenz, August 25, 2009

The next Ordinary General Meeting of shareholders of Valora Holding AG will be held on Thursday, April 22, 2010.

This half-year report is published in German and English. The original version is in German.

Valora Management AG
Corporate Communications

Hofackerstrasse 40
4132 Muttenz, Switzerland
Stefania Misteli
Phone +41 58 789 12 01
Fax +41 58 789 12 12
stefania.misteli@valora.com

Valora Management AG
Corporate Investor Relations

Hofackerstrasse 40
4132 Muttenz, Switzerland
Mladen Tomic
Phone +41 58 789 12 20
Fax +41 58 789 12 12
mladen.tomic@valora.com

Valora Holding AG

Hofackerstrasse 40
4132 Muttenz, Schweiz
Phone +41 58 789 11 11
Fax +41 58 789 11 12
www.valora.com
info@valora.com