presse

Valora Holding AG
Hofackerstrasse 40
4132 Muttenz
Switzerland

Phone +41 61 467 20 20
Fax +41 61 467 29 08

info@valora.com
www.valora.com

valora

Muttenz, March 26, 2013

Media release - Medienmitteilung - Communiqué de presse

Valora's successful acquisitions strengthen the Group's market position and enhance its retail expertise – Board recommends raising dividend to CHF 12.50 per share

- **Valora Group increases external sales by 13% in local-currency and achieves operating profit in line with expectations**
- **Valora Retail significantly expands its operations in Germany, acquires new format in attractive immediate-consumption market and is optimising its outlet network**
- **Valora Services initiates sustainable repositioning of its business**
- **Valora Trade focusing on high-margin niche markets and increased cost efficiency**
- **Board to recommend that 2013 General Meeting raises dividend to CHF 12.50 per share and elects Ernst Peter Ditsch as a new Board member**

Valora Group increases external sales by 13% in local-currency and achieves operating profit in line with expectations

In the face of challenging market conditions, Valora increased its external sales by CHF 358 million, or +12.1%, in 2012, to reach CHF 3 320 million. In local-currency, external sales were 13% higher than in 2011. This positive development is principally attributable to the two acquisitions Valora carried out during 2012 - Convenience Concept and Ditsch/Brezelkönig - which enabled the Group to complete its Valora 4 Growth strategy ahead of schedule. Reported net revenues for 2012 were CHF 2 848 million, a +1.1% increase on 2011. Both the Retail and Trade divisions expanded their sales during 2012. This growth offset the effects of the continuing contraction of the entire press market, as evidenced by the -9.9% year-on-year decline in press sales in Switzerland. Convenience Concept, consolidated since April 1, 2012, and Ditsch/Brezelkönig, consolidated since October 1, 2012, made their first contributions to Group results.

Valora achieved a +3.6% increase in its EBITDA, raising it to CHF 121.2 million. Reported Group operating profit, or EBIT, came in at CHF 65.8 million, in line with earlier guidance. This includes the book-value gain on the disposal of Valora Services Austria and the book-value loss on the sale of the Muttenz facility. The Group's EBIT margin, at 2.3%, was slightly lower than in 2011. Balance-sheet debt at December 31, 2012 resulted in a leverage ratio (net debt/EBITDA) of 2.4x. Net profit for 2012 was CHF 45.7 million, CHF 11.6 million less than a year earlier. One of the reasons for this decline was the increased interest expense resulting from the larger debt burden assumed to finance the two major acquisitions Valora made in 2012. Equity cover was increased during the second six months of 2012, with shareholders' equity representing 35.9% of year-end total assets, and remains within the Group's strategic target range.

Valora Retail significantly expands its operations in Germany and is optimising its outlet network

Valora Retail increased its external sales by +21.5%, or CHF 379 million, during 2012, to reach CHF 2 139 million - thus surpassing the CHF 2 billion mark for the first time. The division's 2012 operating profit (EBIT) was CHF 25.3 million, which includes a one-off charge of CHF 14.2 million for the book-value loss on the sale of the Muttenz facility. This equates to an EBIT margin of 1.5%. After adjusting for the one-off effect of the Muttenz sale, Valora Retail generated EBIT of CHF 39.5 million (CHF 41.8 million in 2011), so that its EBIT margin declined from 2.6% in 2011 to 2.4% in 2012. Thanks to the acquisition of Convenience Concept, whose more than 1 200 outlets make it the largest integrated kiosk network in German-speaking Europe, Valora Retail Germany increased its net revenues by +17.5%. Having established a market presence in Austria during 2012, Valora Retail now operates a network of more than 3 000 POS in four national markets and holds a leading position in small-outlet retail in Europe's German-speaking region.

The Retail division's key priority is optimising its outlet network in Switzerland and Germany, with a particular focus on reconfiguring the range of products on offer and enhancing shop layouts.
In Switzerland, Valora Retail made substantial progress in extending its agency business model. More than 300 kiosks, some 30% of the Swiss kiosk network, were operating as agent-managed outlets by year-end 2012, a proportion which Valora intends to increase further in the years ahead in Switzerland.

Ditsch/Brezelkönig acquisition provides Valora Retail with a new format in the attractive immediate-consumption market
In 4th quarter of 2012, the period in which its results were first consolidated with those of the overall Group, Valora's newly acquired Ditsch/Brezelkönig unit generated net revenues of CHF 50 million. Operating profit for the same period was CHF 7 million, resulting in an EBIT margin of 14.2%.
With its 230 outlets in Germany and Switzerland, Ditsch/Brezelkönig has a highly successful retail network and a powerful, fully integrated business model ideally suited to the attractive immediate-consumption market.

Valora Services initiates sustainable repositioning of its business
Valora Services generated reported net revenues of CHF 465 million in 2012, compared to CHF 600 million a year earlier. This lower figure reflects the division's sale of its Valora Services Austria unit in the second half of 2012, the general weakness of the press market and the reduced scale of its tobacco and food wholesaling activities for third-party customers in Switzerland. EBIT for 2012 was CHF 12 million, which equates to an operating-profit margin of 2.6%. Given the continuing decline of the overall press market, specific opportunities for the division to enter into a strategic partnership, a joint venture or a co-operation agreement are now being evaluated in detail.

Valora Trade focusing on high-margin niche markets and increased cost efficiency
In an intensely competitive market environment, Valora's Trade division succeeded in raising its net revenues by 6.4% in 2012, to reach CHF 792.5 million. In local-currency, this amounted to an increase of 6.9%, with all the division's country units expanding their revenues from 2011 levels. Persistent parallel imports and shopping tourism, coupled with the greater prominence retailers are according their private-label brands, increased the downward pressure on prices. The division's operating profit of CHF 8 million in 2012 equates to an EBIT margin of 1.0%. Valora Trade is shifting the focus of its principal portfolio – particularly in the food, food-service and confectionery categories – and will in future devote more resources to smaller and medium-sized principals operating in higher-margin niche markets. Cost-cutting measures are also being implemented.

Board to recommend that 2013 General Meeting raise dividend to CHF 12.50 per share and elect Ernst Peter Ditsch as a new Board member
At the General Meeting of shareholders to be held on April 18, 2013, the Board of Directors will recommend that the dividend be raised to CHF 12.50 per share (CHF 11.50 in 2011). This will include a withholding-tax exempt distribution from reserves from capital contributions amounting to CHF 5.85 per share. The planned dividend payment date is April 25, 2013. The Board will further recommend to the General Meeting that new authorised share capital of 250 000 shares be approved for the period until April 18, 2015. In so doing, the Board intends to replace the current authorised share capital of 204 401 shares (following the Ditsch/Brezelkönig acquisition) which will expire on April 15, 2013. This renewed authorised share capital will enable the Group to act on investment and acquisition opportunities more rapidly or to optimise its capital structure. The election to the Board of Ernst Peter Ditsch, now Valora's largest shareholder, will also be recommended. After four decades of professional activity, and having successfully developed his family business, Ernst Peter Ditsch has sold the company to the Valora Group and is now standing for election to the Board of Directors with the intention of continuing to foster the company's further development at a strategic level. All the other Board members are standing for re-election.

The 2013 General Meeting will again provide shareholders with an opportunity to participate in a consultative vote on Valora's remuneration report.

Outlook: Valora to concentrate on strengthening its core areas of expertise and profitably expanding its businesses

The worldwide economic climate has been extremely difficult for some years now, notably in Europe generally and in Switzerland as well. Conditions can be expected to remain challenging. In those circumstances, Valora will continue to focus on strengthening its core areas of expertise, with the objective of significantly reducing the Group's exposure to economic volatility. In 2012, the Convenience Concept and Ditsch/Brezelkönig acquisitions enabled Valora to create a sound platform for profitable expansion and for further strengthening the Group's retail expertise. The priority now is to integrate these newly acquired companies, so that they can achieve their full potential within the Valora Group and their synergies with existing Valora retail formats can be fully exploited. Valora Services, having divested recently of two business units, will reposition its activities. Given the continuing decline of the overall press market, specific options for strategic partnerships will be evaluated in detail. The encouraging growth Valora Services has achieved by developing its range of logistics services is extremely promising and offers further potential for expansion. Valora Trade will in future put greater emphasis – alongside its activities in the attractive cosmetics sector – on high-margin niche markets. The division has also initiated a number of cost-cutting measures in order to achieve a substantial increase in its profitability.

Valora plans to issue a perpetual callable hybrid bond, whose proceeds will be used to partially replace the financing for its recent acquisitions currently being provided by drawing on its syndicated loan facility. Assuming market conditions are favourable, this transaction, which forms part of the Group's long-term financing strategy, will be executed in the next few weeks. A banking syndicate is already in place to underwrite the bonds.

In 2013, Valora expects to generate an operating profit (EBIT) of some CHF 75 million, or between CHF 80 million and CHF 85 million including positive one-off effects. Projected EBIT for 2015 is approximately CHF 100 million. In the words of Roland Benedick, Valora's Board Chairman and CEO, „We want to exploit and develop the potential we now have. Our first priority is to consolidate our profitability with a view to raising it further in the medium term".

Valora Group key financial metrics

Income statement in CHF million	**2012**	**2011**	△
External sales	**3,320.2**	2,961.9	+12.1%
Net revenues	**2,847.9**	2,817.9	1.1%
Gross profit	**940.3**	876.4	7.3%
Gross-profit margin	*33.0%*	31.1%	*1.9%P*
Operating costs	**-889.7**	-813.9	+9.3%
EBITDA	**121.2**	117.0	+3.6%
EBITDA-Margin	**4.3%**	4.2%	+0.1%P
Operating profit (EBIT)	**65.8**	70.5	-6.7%
EBIT margin	*2.3%*	2.5%	*-0.2%P*
Group net profit	**45.7**	57.4	-20.2%

Liquidy and balance-sheet data in CHF million	**31.12.2012**	31.12.2011	△
Cash and cash equivalents	147.2	109.6	+34.3%
Shareholders' equity	575.3	462.3	+24.4%
Equity cover (shareholders' equity in % of total assets)	*35.9%*	*41.9%*	*-6.0%P*
Net debt	361.6	31.9	+329.7

Valora divisions, key metrics

Key metrics	**Retail**			**Ditsch/BK**			**Services**			**Trade**		
in CHF million	**2012**	**2011**	△	**2012**	**2011**	△	**2012**	**2011**	△	**2012**	**2011**	△
External sales[1]	**2,139.5**	**1,760.8**	**+21.5%**									
Net revenues[1]	**1,663.4**	**1,613.2**	**+3.1%**	**50.1**	**n.a.**	**n.a.**	**465.0**	**599.7**	**-22.5%**	**792.5**	**744.5**	**+6.4%**
Gross profit	**606.0**	**570.5**	**+6.2%**	**38.4**	**n.a.**	**n.a.**	**103.4**	**122.7**	**-15.7%**	**178.8**	**172.2**	**+3.8%**
Gross-profit margin	**36.4%**	**35.4%**	**+1.1%P**	**76.6%**	**n.a.**	**n.a.**	**22.2%**	**20.5%**	**+1.8%P**	**22.6%**	**23.1%**	**0.6%P**
Operating costs (net)	**-580.7**	**-528.7**	**+9.8%**	**-31.3**	**n.a.**	**n.a.**	**-91.4**	**-102.7**	**-11.0%**	**-170.7**	**-155.9**	**+9.5%**
EBITDA	**70.1***	**66.4**	**+5.6%**	**10.6**	**n.a.**	**n.a.**	**15.4**	**24.5**	**-36.9%**	**11.4**	**19.6**	**-41.5%**
EBITDA margin	**4.2%***	**4.1%**	**+0.1%P**	**21.1%**	**n.a.**	**n.a.**	**3.3%**	**4.1%**	**-0.8%P**	**1.4%**	**2.6%**	**-1.2%P**
Operating profit (EBIT)	**25.3**	**41.8**	**-39.4%**	**7.1**	**n.a.**	**n.a.**	**12.0**	**20.0**	**-40.0%**	**8.1**	**16.3**	**-50.4%**
*EBIT margin, adjusted**	*39.5*	*41.8*	*-5.4%*									

* adjusted for book loss on sale of Muttenz facility | [1] before inter-company eliminations

All related documents are available on www.valora.com / newsroom:

Press release / 2012 results presentation
www.valora.com/newsroom

2012 Annual Report
www.valora.com/annualreport

For further information on the above, please contact:

Media Relations:
Stefania Misteli
Phone: +41 61 467 36 31
E-mail: stefania.misteli@valora.com

Investor Relations:
Mladen Tomic
Phone: +41 61 467 36 50
E-mail: mladen.tomic@valora.com

Valora Telephone Conference – Analysts' and Media Conference 2013
Tuesday, March 26, 2013 | 15:00 CET

Michael Mueller, CFO, will provide information about the Group's 2012 results 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 10 to 15 minutes before the hour):

+41 (0) 58 310 50 00 (Europe)
+44 (0) 203 059 58 62 (UK)
+1 (1) 866 291 41 66 (USA - toll-free)

The playback will be available one hour after the conference on the following homepage: http://www.valora.com/de/investor/documents/multimedia/index.php

Disclaimer