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Press Release

Valora Group reports positive results and significant increase in cash flow

- Valora Group recorded higher external sales of CHF 3,403.4 million (+2.5%) and net sales of CHF 2,859.0 million (+0.4%) in financial year 2013
- Operating profit increased by 36% to CHF 77.0 million and net profit rose by more than 40% to CHF 54.1 million
- Free cash flow doubled to CHF 85.5 million
- Proposed dividend of CHF 12.50 per share fully paid from capital contribution reserves

The Valora Group initiated key measures in 2013 which allowed it to focus even more strongly on its core business and sustainably increase long-term profitability. It boosted its share of business in food and services in Swiss Retail and thus reduced its reliance on the press market. The integration of Convenience Concept and the modernisation of retail in Germany were driven forward and the planned growth in Retail and Trade of Ditsch/Brezelkönig was realised.

The Group increased year-over-year external sales to CHF 3,403.4 million (+2.5%). This growth was mainly attributable to Ditsch/Brezelkönig and Convenience Concept. Net revenues were CHF 2,859.0 million, which is +0.4% higher than previous year. Valora realized earnings before interest, taxes, depreciation and amortisation (EBITDA) of CHF 141.3 million in 2013, which was CHF +29.2 million higher than the year before. Operating earnings before interest and taxes (EBIT) were at CHF 77.0 million (previous year: CHF 56.7million), which is in line within the previously announced expectations. This increase in operating profit of about 36% includes positive effects of CHF 7.8 million as a result of IAS 19 as well as negative non-recurrent charges of CHF -4.7 million. The published operating margin increased to 2.7%.

Increase in free cash flow

The operating cash flow could be increased by CHF +74.7 million to CHF 129.3 million. This is attributable to the cash increase in operating profits. Furthermore net working capital was reduced significantly, and investments were realised in the lower range of planning. At CHF 85.5 million, the Group's free cash flow doubled compared to the year before (CHF 42.2 million).

Net profit rose to CHF 54.1 million and was CHF +15.7 million (+40.8%) higher than the previous year. This includes profits of CHF 5 million from discontinued operations.

Successful refinancing and strengthening of the balance sheet

Net debt as of 31 December 2013 was reduced by about 40%. The leverage ratio (net debt/EBITDA) was 1.6x (previous year: 2.4x). In accordance with the long-term financing strategy, which among other things provides for liquidity security and optimisation of debt capital costs, the CHF 400 million acquisition of Ditsch/Brezelkönig was partially refinanced via a CHF 120 million 4% hybrid bond issue and a EUR 150 million bonded-loan placement last year.

Last year's results and an IFRS compliant allocation of the hybrid bond's proceeds to equity strengthened the Group's equity ratio by +8.9 percentage points. It is now at nearly 45%.

Valora Retail – Measurements in Switzerland show initial successes, challenges to the integration in Germany

Valora Retail increased external sales by +4.8% to CHF 2,242.9 million. Net revenues rose by 1.9% over the previous year to CHF 1,694.5 million. Valora Retail reaped the first fruits of the modernisation of its kiosk network in the Swiss retail business. Negative one-time effects were incurred as a result of the somewhat limited pace of integration of Convenience Concept in Germany. The operating results (EBIT) of the division were CHF 38.1 million (2012: CHF 19.1 million) in 2013. The operating result margin was 2.2%.

Ditsch/Brezelkönig retail growth in line with expectations

Ditsch/Brezelkönig's earnings were fully consolidated in the Valora Group results for the first time. Ditsch/Brezelkönig had net revenue of CHF 197.6 million, while achieving retail growth of +3% on the same floor space. Its EBITDA of CHF 39 million corresponds to a margin of 19.7%. The operating profit of Ditsch/Brezelkönig is CHF 26.3 million and met the high expectations for profitability. The operating profit margin is 13.3%, with the margin in the fourth quarter of 2013 well above the previous year's quarter. The integration can be seen as very successful.

Valora Services – Stabilisation of profitability and advanced negotiations

In fiscal year 2013, the division had net revenues of CHF 294.7 million compared to CHF 478.3 million in 2012 (a decrease of CHF -183.6 million). The difference is down to the continued decline in the press market and the missing sales from the two divested areas Services Austria (CHF -93.0 million) and Sales & Services Switzerland (CHF -79.3 million). Net revenues in the press area fell by CHF -13.6 million. However, the press decline was less pronounced than it had been in previous years. Revenues in Switzerland declined by -6.0% and in Luxembourg by -1.9% in the local currency.

With CHF 10.8 million in operating profits, the division had an EBIT margin of 3.7% (+1.2 percentage points). The improvement is largely the result of the sale of low-margin areas as well as the success of its third-party business – with revenue from logistics services rising by +30%.

Valora Trade – Cost reduction and sharply optimized capital commitment as a result of portfolio adjustment

The Valora Trade division increased net revenues over the previous year by CHF 5.6 million to CHF 798.2 million (+0.7%). This enabled the division to maintain its market position in the distribution of fast-moving consumer goods and cosmetics in a market environment that remains competitive. The operating result of CHF 7.1 million corresponds to an EBIT margin of 0.9%, on the same level as previous year. The measures introduced to increase profitability will be continued in 2014. This includes additional cost measures and the reduction of the capital allocation as well as the strategic review of all business fields within the division.

Outlook – Clear focus on the expansion of small-outlet retail with a large proportion of food in high-traffic locations

The Valora Group ended the 2013 financial year with a result that allows for a confident look ahead. Following the positive results in the Swiss retail business, the kiosk network will continue to be remodeled in 2014. Profitability will be improved with innovative services and new high-margin product ranges. The attractive network of locations in high-traffic locations will also open new opportunities, for example, in connection with online offerings.

In Germany, the remodeling and new opening of kiosk and convenience stores, as well as the portfolio adjustment, will be driven forward more intensively. There are growth opportunities for Ditsch/Brezelkönig in the immediate consumption market and in retail. The vertically integrated business model has in this respect proven to be an additional strength for expanding its leading position in the market.

Valora Trade systematically pursues profitability-boosting initiatives and in this way addresses ongoing competitive pressures.

The handover of control and the carve-out of the Services area is expected to be completed in 2014. The negotiations for ceding control of the area are well advanced – concrete results are expected in H1 2014.

The Group is focused on the efficient, sustainable allocation of capital in the core business, which is also intended to optimise future free cash flow.

Valora expects a rise in operating results (EBIT) of approximately 3-7% to CHF 75-78 million for 2014. This growth will stem mainly from margin increases at Retail Switzerland and growth of Ditsch/Brezelkönig. Non-recurring effects – the optimization of the location portfolio at Retail Switzerland, additional measures taken by Trade in connection with portfolio adjustment, and – compared to 2013 – negative effects from IAS 19 – will lead to published operating results of between CHF 66 and 70 million, as they will have a negative impact on the published results. Valora expects a published EBIT contribution of CHF 100-105 million for 2016, whereby the location portfolio optimization at Retail Germany, the growth at Ditsch/Brezelkönig and the completion of the current store remodeling at Retail Switzerland are expected to make a substantial contribution to the improvement of the result. Also, it is planned to optimize costs by simplifying processes, particularly in the IT area. With continued intensive investments into the transformation of stores in Switzerland and Germany, a free cash flow of CHF 60 million per year in average for the years 2014 to 2016.

Dividends of CHF 12.50 per share – Cornelia Ritz Bossicard proposed for election to the Board of Directors – amendment of the articles of association

At the Annual General Meeting on 7 May 2014, the Board of Directors will propose a dividend of CHF 12.50 per share with dividend rights. The distribution of the dividends will be charged against capital reserves, as a result of which there will be no deduction of withholding tax. The dividend will be paid on 14 May 2014.

At the coming Annual General Meeting, Conrad Löffel will not stand for the Board of Directors again after six years of highly regarded service. Cornelia Ritz Bossicard is recommended for election to the Board and as successor to Conrad Löffel. She worked for PricewaterhouseCoopers AG in Lausanne, San Jose (USA) and Zurich for 18 years, including a period as Audit Director.

All other members of the Board of Directors have declared their candidacy for what have been annual reelections for several years. Furthermore, the Board of Directors recommends the election of Rolando Benedick as Chairman of the Board of Directors as well as the individual election of the members of the Compensation Committee. The amendment to the articles of association in line with the Ordinance against excessive remuneration at listed companies ("VegüV") will be presented to the Annual General Meeting for approval.

Valora Group key financial metrics

Income statement	2013	2012*
in CHF million		
External sales	3 403.4	3 320.2
Net revenues	2 859.0	2 847.9
Gross profit	1038.2	940.3
<i>Gross-profit margin</i>	<i>36.3%</i>	<i>33.0</i>
Operating costs, net	-961.2	-883.6
EBITDA	141.3	112.1
Operating profit (EBIT)	77.0	56.7
EBIT margin	2.7%	2.0%
Group net profit	54.1	38.5

Equidity, balance sheet	31.12.2013	31.12.2012*
in CHF million		
Cash and cash equivalents	175.0	147.2
Shareholder's equity	730.3	577.8
<i>Equity cover</i>	<i>44.8%</i>	<i>35.9%</i>
Net debt	219.2	361.6

Key metrics for Valora divisions

Metric	Retail			Ditsch/ Brezelkönig			Services			Trade		
in CHF million	2013	2012*	Δ	2013	Q4 2012	Δ	2013	2012*	Δ	2013	2012*	Δ
External sales	2 242.9	2139.7	+4.8%									
Net revenues	1 694.5	1663.6	+1.9%	197.6	50.1	n.a.	294.7	478.3	-38.4%	798.2	792.5	+0.7%
Gross profit	624.9	606.3	+3.1%	149.5	38.4	n.a.	85.6	116.9	-26.8%	178.2	178.8	-0.3%
Operating costs, net	-586.8	-587.2	-0.1%	-123.2	-31.3	n.a.	-74.8	-105.2	-28.9%	-171.1	-171.3	-0.2%
Operating profit (EBIT)	38.1	19.1	+99.7%	26.3	7.1	n.a.	10.8	11.7	-7.8%	7.1	7.5	-4.5%
EBIT margin	2.2%	1.1%	+1.1pP	13.3%	14.2%	n.a.	3.7%	2.5%	+1.2pP	0.9%	0.9%	-0.0pP

* Restated

All documents can be found in the newsroom at www.valora.com/newsroom

Press release / presentation of the 2013 annual results

www.valora.com/newsroom

http://www.valora.com/media/documents/english/presentations/2013/valora_gb2013_en_presentation.pdf

2013 Annual Report

www.valora.com/annualreport

http://www.valora.com/media/documents/english/reports/2013/valora_gb2013_en_gesamt.pdf

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Valora Telephone Conference – Analysts' and Media Conference 2014
Thursday, April 3, 2014 | 15:00 CET

Michael Mueller, CEO and Tobias Knechtle, CFO will provide information about the Results 2013 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/en/investor/documents/multimedia/index.php>

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