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Media release – Medienmitteilung – Communiqué de presse

Valora's 2016 results confirm the strong performance of all its business areas.

- **2016 results demonstrate significant progress towards medium-term objectives**
 - o **Gross profit up +2.9% to CHF 870 million on external sales of CHF 2.6 bn**
 - o **EBIT expands +31.1% to CHF 72.3 million, raising EBIT margin +0.8 percentage points to 3.4%**
 - o **CHF 72.6 million in free cash flow and +2.1 percentage-point rise in ROCE to 8.2%**
- **Strategy of focusing on core business now fully implemented**
- **EBIT of CHF 79 million (+/- CHF 3 million) projected for 2017, 4% EBIT margin confirmed as medium-term goal**
- **Board recommendations to AGM**
 - o **Dividend of CHF 12.50 per share for 2016**
 - o **Franz Julen to be elected as new Board Chairman, Michael Kliger as new Board member**

Valora's 2016 results confirm the strong performance of all its business areas

With EBIT above its previously announced guidance, at CHF 72.3 million, and a good overall performance, Valora can look back on 2016 as a positive year. Consolidated EBIT was +31.1% ahead of its 2015 level, enabling the Valora Group to raise its EBIT margin by +0.8 percentage points to 3.4%. These enhanced results are principally attributable to greater organisational efficiency and synergy effects at Retail Switzerland/Austria and the operational performance at Retail Germany/Luxembourg. They have also enabled Valora to make significant progress towards achieving its medium-term objectives. Consolidated net revenues rose +0.8% to CHF 2,095.0 million, while external sales increased +0.9% to 2,574 million. Group net profit amounted to CHF 63.4 million, compared to CHF -28.8 million in 2015, when results were adversely impacted by the goodwill-impairment charges arising from the sale of the former Trade division. Earnings per share for 2016 were CHF 17.55, which represents a +38% year-on-year increase from continuing operations. Equity cover, at 45.5% of total assets, was strengthened, and the net debt ratio, at 1.6x EBITDA, also improved. Reflecting the positive performance of all its operational businesses, the Group's ROCE rose 2.1 percentage points, to reach 8.2%, thus fulfilling the projection of 2016 ROCE in excess of 8% made in 2015. Free cash flow of CHF 72.6 million completes the picture of what has been a positive year for Valora.

Operational advances at all business units

At Retail Switzerland/Austria, the organisational efficiencies achieved in 2015 and the synergies resulting from the integration of Naville Retail enabled the unit to post strong 2016 earnings growth in a market which remains challenging. Revenues from the record lottery jackpot which accumulated in Switzerland during November and December 2016 lent additional momentum to the business. Retail Germany/Luxembourg continued to grow. Having now largely streamlined its distribution network and operating models, and with its operational processes further enhanced, this unit has created a sound basis for further success in 2017.

Food Service grew through expansion, particularly at its Brezelkönig format in Switzerland and maintained its excellent floor space productivity. The division also improved its gross-profit

margin, especially in its B2B operations. Thanks to the investments made in its format, logistics and operations, Brezelkönig International is well placed to implement its franchise concept in 2017.

Innovation and growth projected for the years ahead

Having sold Naville Distribution in August 2016 and the Naville building in Geneva in February 2017, Valora is now fully focused on its core business. The Group has begun 2017 with plenty of expansion and innovation initiatives in the pipeline. Through its purchase of Pretzel Baron, a young and aspiring pretzel producer in the US state of Ohio, Valora has paved the way for further international expansion of its core business and the enhancement of its position as one of the leading producers in the pretzel market. Furthermore, by replacing one of its production lines in Germany, Ditsch is also set to increase its output capacity.

In 2017, the Valora Group expects to generate an operating profit of CHF 79 million (+/- CHF 3 million at prevailing exchange rates). Valora maintains its objective of achieving gross-profit growth of between +1 and +3% each year. A gross-profit margin of 42% and an EBIT margin for 4% are projected for 2018 at the earliest.

In the words of Michael Mueller, Valora's CEO, „In 2016, we achieved all the objectives we had set ourselves. As a focused convenience-player, Valora intends to achieve further growth in its core business. By expanding in both our existing markets and new international ones with our successful formats and new concepts, by making the most of digital opportunities and by growing our B2B business at Ditsch, we will achieve our medium-term goals of 1 - 3% gross-profit growth and an EBIT margin of 4%.“

Rolando Benedick to step down as Chairman at Annual General Meeting, Franz Julen recommended as his successor

At the Annual General Meeting to be held on March 30, 2017, the Board of Directors will recommend an unchanged dividend of CHF 12.50 per share. This will be fully financed by the net profit generated in 2016. If the shareholders approve this recommendation, the expected dividend payment date will be April 5, 2017.

As previously announced, Rolando Benedick will not be standing for re-election to Valora's Board of Directors, thus relinquishing his office as Board Chairman. At the Annual General Meeting on March 30, 2017, the Board of Directors of Valora Holding AG will recommend that he be succeeded by Franz Julen as the new Board Chairman.

As Rolando Benedick comments, „I am leaving with both a tear and a smile. Those who know me will be aware of the energy and commitment I have invested in Valora. That explains the tear. However, I know that Valora is now a focused, robust retail company with an excellent management team and that it is ideally positioned to achieve continued growth. I have equal confidence in my designated successor, Franz Julen, who knows Valora very well and whose substantial international retail expertise is ideally suited to our company's growth strategy.“

Franz Julen has been a member of the Valora Board since 2007. For 19 years, he worked for INTERSPORT International Corp. GmbH (IIC), where he was appointed CEO in May 2000. He retired from that position in late 2016. Under his successful leadership, the world's leading and largest sports retailer, whose current network now encompasses 6,000 affiliated stores, has more than doubled its retail sales to € 11.4 billion and quadrupled its geographic presence to 65 countries on all five continents. Since the autumn of 2016, Franz Julen has also been a member of the Advisory Board of the ALDI SÜD group of companies, advising the company's owners on economic and strategic matters. He is also a member of the Board of Directors of Zermatter Bergbahnen AG. The Board is convinced that Franz Julen's international retail and franchising expertise, extensive network of professional contacts and leadership qualities make him the ideal new Chairman of Valora's Board of Directors.

Election of Michael Kliger as an additional Board member

To fill the vacancy created by Rolando Benedick's departure, the Board of Directors recommends that Michael Kliger, 50, be elected to join its ranks as a new member. Since 2015, Michael Kliger has been President and CEO of mytheresa.com, one of the world's leading online retailer of ladies luxury fashion with its flagship store in Munich. Previously, he was responsible for the European business of the e-commerce service provider GSI Commerce, before being appointed Vice President, Europe and APAC at eBay enterprise. Thanks to a broad range of professional activities, which include managing Real Holding AG as Chief Operating Officer and being a partner at both McKinsey and Accenture, he has acquired substantial expertise in digitalisation and the retail industry.

Michael Kliger holds an MBA in Marketing, Finance and Organisational Science from Northwestern University – Kellogg School of Management, USA and a degree in Business Administration from the Technical University Berlin.

He is 50 years old, a German citizen and lives in Munich.

<i>Valora Group</i>	2016		2015		Change	
	in CHF million	share in %	in CHF million	share in %		in local currency
External sales	2'573.6	122.8%	2'550.2	121.7%	+0.9%	+0.1%
Net revenues	2'095.0	100.0%	2'077.4	100.0%	+0.8%	+0.2%
Gross profit	869.7	41.5%	845.3	40.7%	+2.9%	+2.2%
- Operating costs, net	-797.4	-38.1%	-790.2	-38.0%	+0.9%	+0.3%
Operating profit (EBIT)	72.3	3.4%	55.1	2.7%	+31.1%	+29.7%
EBITDA	127.6	6.1%	117.6	5.7%	+8.5%	+7.6%

All documents are available for download from our **Newsroom** on www.valora.com/newsroom

Media release

<http://www.valora.com/newsroom>

2016 results presentation

http://www.valora.com/media/investors/documents/en/presentations/2016/2016_valora_gb_presentation_en.pdf

2016 annual report online

<http://www.valora.com/annualreport>

For further information, please contact:

Investor Relations:

E-mail: annette.martin@valora.com

Phone: +41 61 467 21 23

Media Relations:

E-mail: media@valora.com

Phone: +41 61 467 36 31

**Valora Audio Webcast – Analysts’ and Media Conference
Financial Results 2016
Tuesday, February 28, 2017 | 09:00 CET**

Link to Audio Webcast:

<http://78449.choruscall.com/dataconf/productusers/valora/mediaframe/18351/indexl.html>

Rolando Benedick, Chairman, Michael Mueller, CEO and Tobias Knechtle, CFO will provide information about the Valora’s 2016 annual results the conference.

To participate in the conference over the telephone, please 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) 631 570 56 13 (US - toll-free)

The recorded audio webcast will be available one hour after the conference on the following homepage: www.valora.com/en/investors/documents/multimedia/index.php

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About Valora:

Valora runs a retail network of approx. 2 500 convenience and food-service outlets at heavily frequented sites in Switzerland, Germany, Austria Luxembourg and France. Beside the well-positioned formats and the well-known brands as k kiosk, Brezelkönig, Ditsch, P&B, avec, Caffè Spettacolo and ok.-. Valora is also a world leader in pretzel production, operating a highly integrated bakery-products value chain. Valora generates external sales in excess of CHF 2.5 billion. For more information on Valora, please visit www.valora.com