

valora

Group
presentation
2010/2011

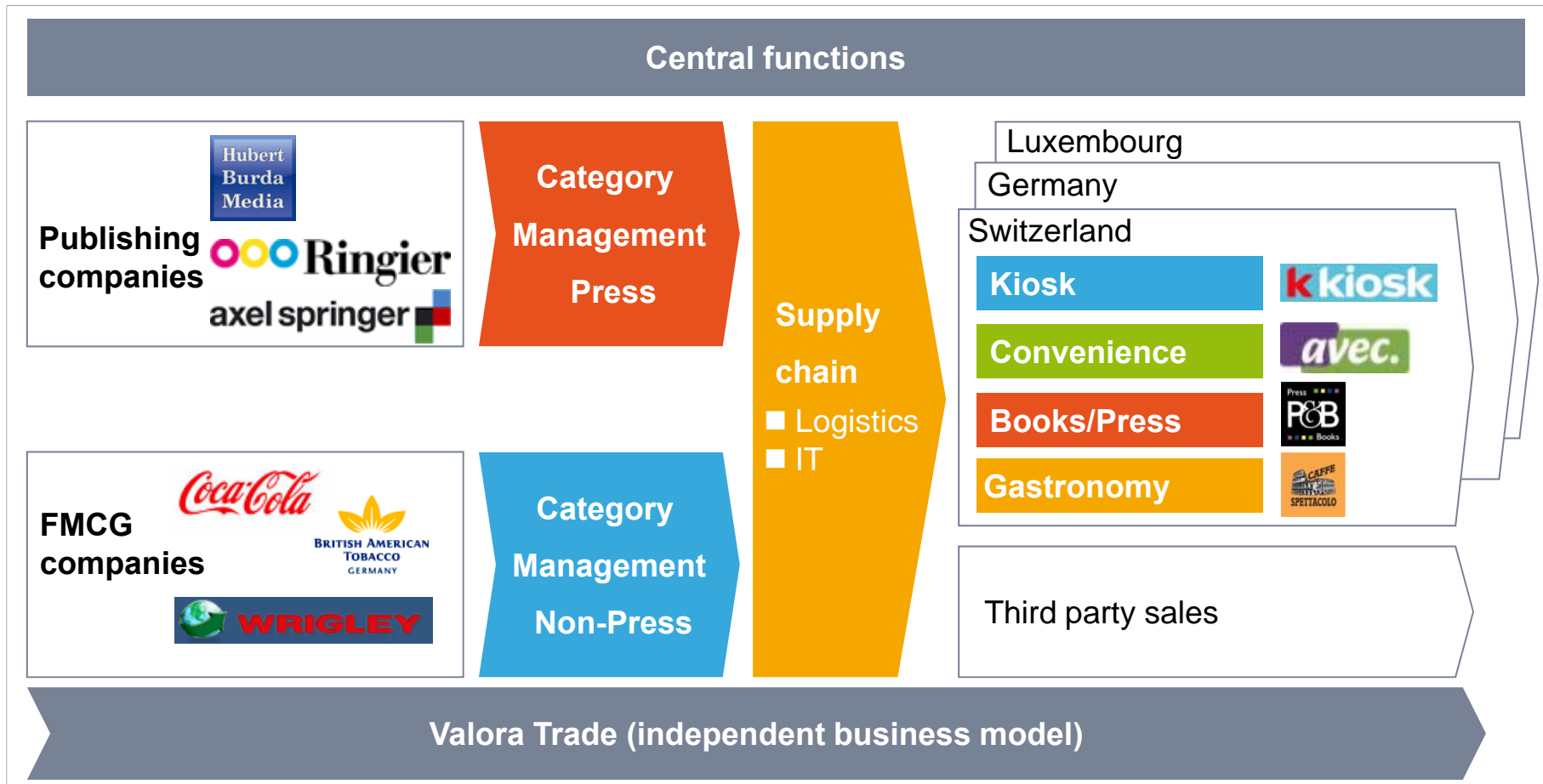


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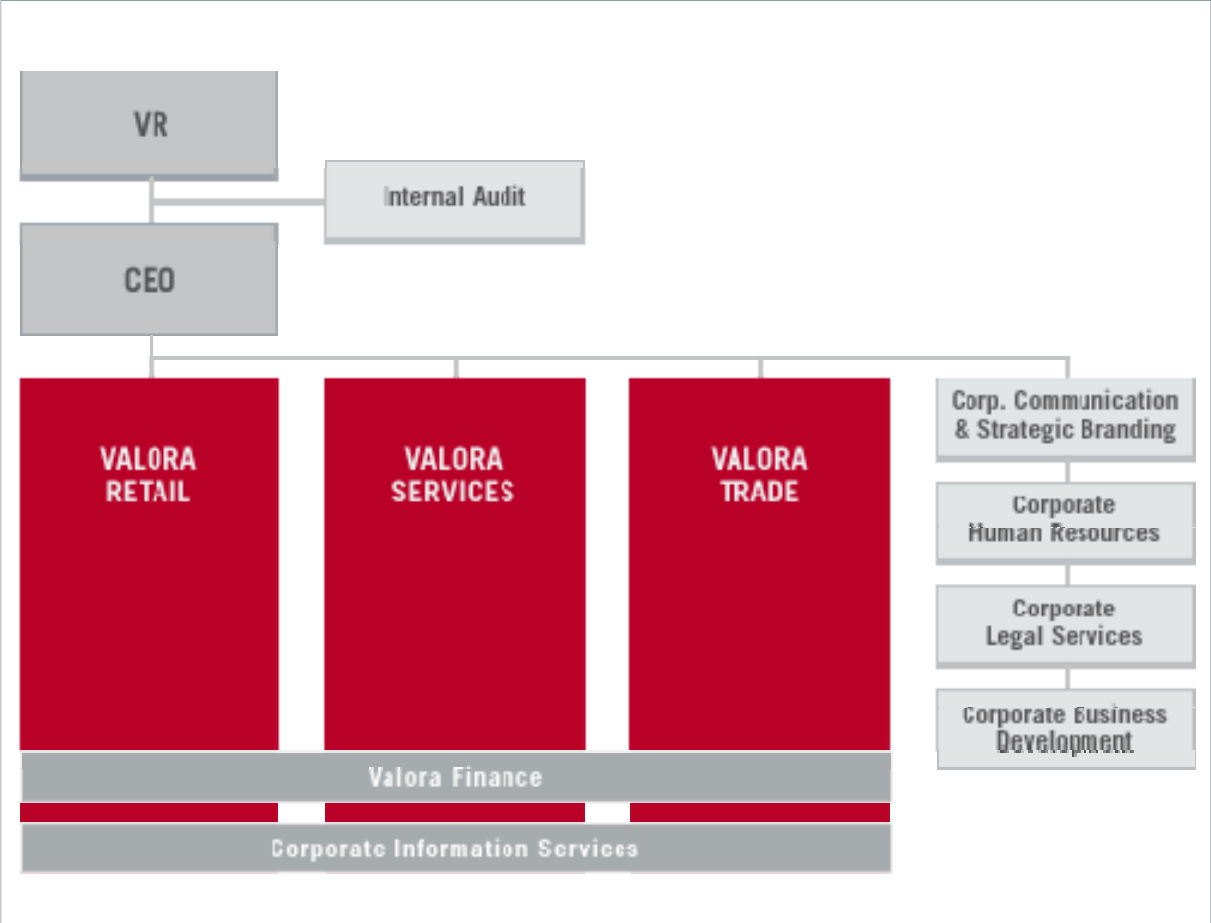
***will develop into one of Europe's
leading trading companies...***

- ... with its ideally positioned Retail/Services and Trade business areas...*
- ... which are continuously generating organic and acquisition-led growth...*
- ... are sustainably profitable...*
- ... and benefit from satisfied stakeholders and highly motivated staff.*

Valora business model



Valora corporate structure



Comments

- Governing board and management replaced in 2008
- Clear partition of Divisions
- Efficient management and structure
- Corporate structure in Finance and IT

Valora today: strong and focused



Retail: the experts in small-outlet retail

- Four clearly defined formats
- 1 600 outlets, of which 600 in travel-related locations
- Present in three national markets (Switzerland, Germany, Luxembourg)

Services: a professional service provider in press and consumer products

- State-of-the-art processes
- Over 15 000 customers
- Present in three national markets (Switzerland, Austria, Luxembourg)

Trade: Europe's largest and most professional branded goods distributor

- Strong position in food, non-food, confectionery, beverages, and cosmetics
- 250 principals
- Present in 8 national markets (Switzerland, Germany, Austria, Denmark, Norway, Sweden, Finland, Czech Republic)

Key performance metrics for 2010



3 percent operating profit margin now within reach

in CHF million

△ vs 2009

External sales (incl. franchisee sales)	2 946.5		+ 0.3%
Net revenues	2 877.7		- 0.7%
<i>Adjusted net revenues*</i>	2 884.7		- 0.2%
EBIT	81.3		+ 19.3%
<i>Adjusted EBIT*</i>	77.4		+ 12.9%
EBIT margin	2.8%		+ 0.4pP
Net income	63.6		+ 15.9%

* adjusted for picture cards, acquisitions and currency fluctuations

Valora Group in 2010



EBIT margin of 3% within reach

in CHF million	2010	2009	Delta
External sales	2 946.5	2 937.9	+0.3%
Net revenues	2 877.7	2 897.0	-0.7%
<i>Adjusted net revenues*</i>	<i>2 884.7</i>	<i>2 891.0</i>	<i>-0.2%</i>
Operating profit	875.2	867.6	+0.9%
<i>Operating profit margin</i>	<i>30.4%</i>	<i>29.9%</i>	<i>+0.5pP</i>
Operating costs	-802.6	-815.5	-1.6%
<i>Operating costs in % of net revenues</i>	<i>27.9%</i>	<i>28.1%</i>	<i>-0.2pP</i>
Other income	8.7	16.0	-45.4%
EBIT	81.3	68.1	+19.3%
<i>Adjusted EBIT*</i>	<i>77.4</i>	<i>68.6</i>	<i>+12.9%</i>
EBIT margin	2.8%	2.4%	+0.4pP
<i>Adjusted EBIT margin*</i>	<i>2.7%</i>	<i>2.4%</i>	<i>+0.3pP</i>

Key messages

- External sales growth attributable to higher franchisee sales
- Adjusted net revenues stable year-on-year
- Higher operating profit thanks to growth in high-margin food category
- Strict cost discipline and logistics efficiency gains reduced operating costs
- Lower net revenues were expected, given lower real estate revenues
- Operating profit improved by nearly 20%
- EBIT margin of 2.8% is on target

* 2010: adjusted for picture cards, currency fluctuations and acquisitions

Valora Retail

Key figures



Market leader in small/micro-space retail shops, in high footfall locations, with standardised formats.



- 3 countries
- 1 600 sales outlets
- up to 1.2 Million customers daily

in CHF million	2010	2009	Delta
Net revenues	1 606.5	1 592.1	+0.9%
<i>Adjusted net revenues*</i>	1 622.2	1 586.1	+2.3%
Operating profit	562.4	554.7	+1.4%
<i>Operating profit margin</i>	35.0%	34.8%	+0.2pP
Operating costs, net	-522.6	-526.4	-0.7%
EBIT	39.8	28.3	+40.3%
<i>Ajusted EBIT*</i>	38.6	28.8	+34.2%
EBIT margin	2.5%	1.8%	+0.7pP
<i>Adjusted EBIT margin*</i>	2.4%	1.8%	+0.6pP

* 2010: adjusted for picture cards, currency fluctuations and acquisitions


Valora Retail

The formats

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k kiosk
„Treat yourself“

The place for that daily indulgence




avec.
„C'est la vie“

The most refreshing convenience retailer




Press **P&B** Books
„Thought for the journey“

For a wealth of enjoyable reading



CAFFE SPETTACOLO
„Il vero espresso“

Typical Italian coffee bar flair



Outlet profile k kiosk



Outlet profile avec.



Outlet profile P&B



Outlet profile Caffè Spettacolo



Valora Services



Key figures

Market leader in distribution of press products to own retail outlets and third party customers in Switzerland, Austria and Luxembourg. Additionally in Switzerland distribution of Food and Non-food articles to third party customers.



- 3 countries
- 15 000 customers
- over 6 000 press titles

in CHF million	2010	2009	Delta
Net revenues	718.4	712.9	+0.8%
<i>Adjusted net revenues*</i>	708.5	712.9	-0.6%
Operating profit	148.2	146.8	+1.0%
<i>Operating profit margin</i>	20.6%	20.6%	0.0pP
Operating costs, net	-117.9	-130.6	-9.7%
EBIT	30.3	16.2	+86.4%
<i>Adjusted EBIT*</i>	27.6	16.2	+69.7%
EBIT margin	4.2%	2.3%	+1.9pP
<i>Adjusted EBIT margin*</i>	3.9%	2.3%	+1.6pP

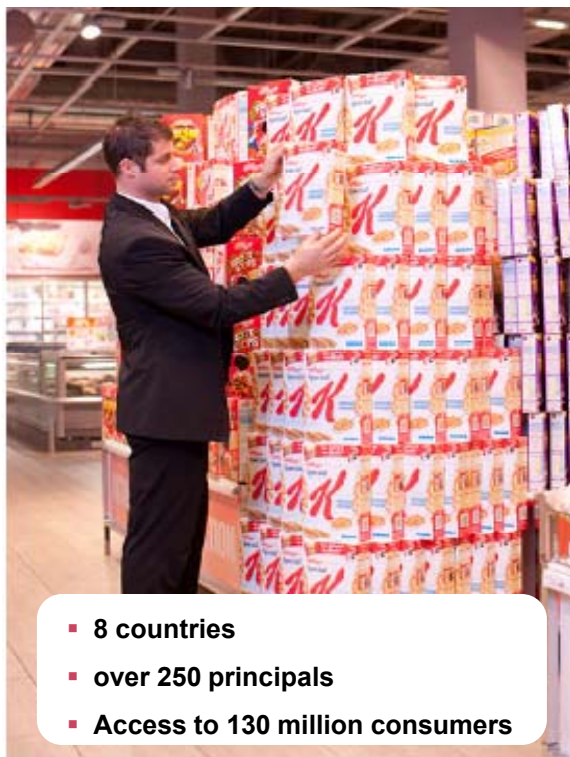
* 2010: adjusted for picture cards, currency fluctuations and acquisitions

Valora Trade

Key figures



Valora Trade is a leading distributor and marketer offering a comprehensive range of services and delivering more than 300 strong national and international brands to 130 million European consumers.



- 8 countries
- over 250 principals
- Access to 130 million consumers

in CHF million	2010	2009	Delta
Net revenues	721.8	777.6	-7.2%
<i>Adjusted net revenues*</i>	725.8	777.6	-6.7%
Operating profit	154.7	155.4	-0.4%
<i>Operating profit margin</i>	21.5%	20.0%	+1.5pP
Operating costs, net	-137.0	-133.1	+2.9%
EBIT	17.7	22.3	-20.5%
<i>Adjusted EBIT*</i>	17.5	22.3	-21.5%
EBIT margin	2.5%	2.9%	-0.4pP
<i>Adjusted EBIT margin*</i>	2.4%	2.9%	-0.5pP

* 2010: adjusted for currency fluctuations and acquisitions

“Valora 4 Growth“ strategy with high ambitions for expansion 

Valora 4 Growth growth strategy



Target: to double Group’s operating profits (EBIT) by 2015



Organic margin growth

Improvement by 0.2 percentage points each year



Organic sales growth

2 percent per year through expansion of current activities



Acquisition-led growth at Retail/Services

Expansion as European micro retailer with a total of 5 to 6 formats















Acquisition-led growth at Trade

Expanding the largest pan-European distributor

“Valora 4 Growth“ – key initiatives by division and focus area








Initiative	Retail	Services	Trade
 Organic margin growth			
 Organic revenue growth			
 Acquisition-led growth at Retail/Services			
 Acquisition-led growth at Trade			

* extended option: Netherlands

Key levers
<ul style="list-style-type: none"> ■ Enhance profitability at kiosk Switzerland ■ Improve cost base at Services
<ul style="list-style-type: none"> ■ Extend product ranges at Retail/Services ■ Organically expand outlet network ■ Strengthen Trade’s principal base
<ul style="list-style-type: none"> ■ Expand kiosk Germany* ■ Acquire/roll out new (travel-related) formats
<ul style="list-style-type: none"> ■ New categories in existing markets ■ Acquire leading distributors in new markets

“Valora 4 Growth” – planned improvement



2015E target (in CHF million)	Additional revenues	Additional EBIT
 Organic margin growth	n.a.	~ 15
 Organic revenue growth	~ 300	~ 20*
 Acquisition-led growth at Retail/Services	~ 900	~ 30
 Acquisition-led growth at Trade	~ 600	~ 20
 Total CAGR	Σ ~ 1 800 ~ 10%	Σ ~ 85 ~ 15%

In addition: Further opportunistic growth options within the core markets will be verified when appearing.

* interaction with „G1 – Organic margin growth“

Outlook 2011

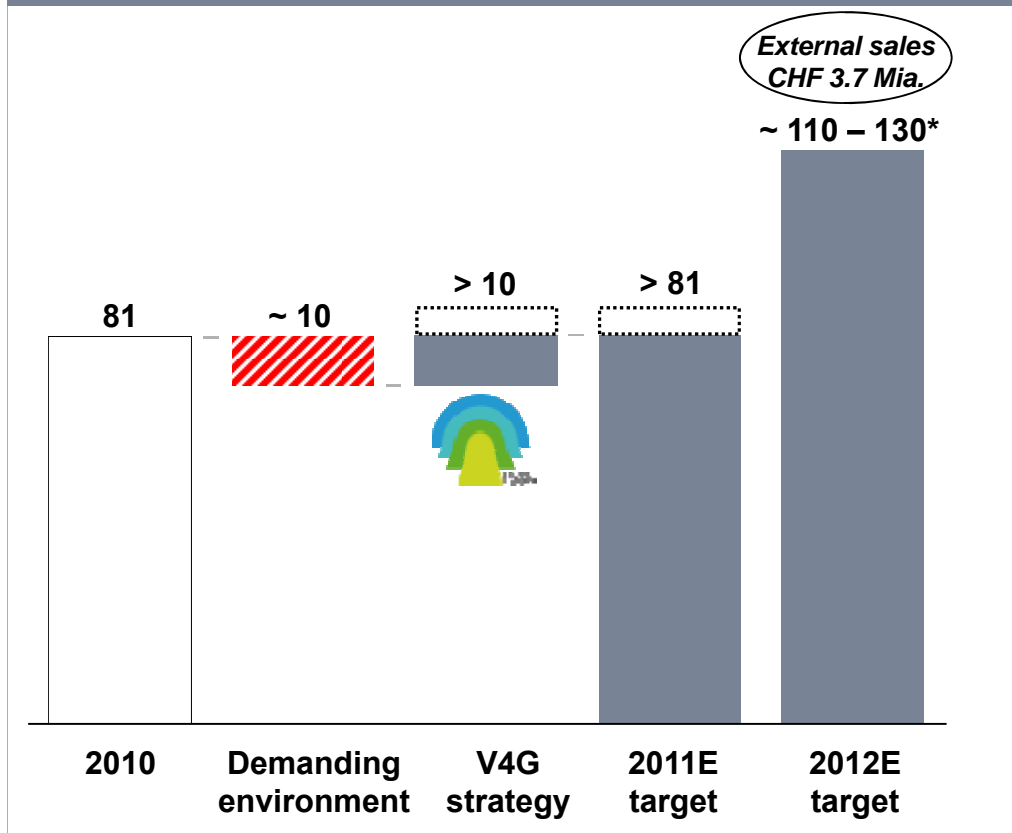


Further increases in profitability despite demanding environment

Expectations/market conditions in 2011

- 1** Demanding environment, due to
 - Weaker press market
 - Weak EUR/CHF relation
 - Political hazards
 - No football championship (EBIT CHF - 6 Mio.)
- 2** Further improvement at Retail, Trade to rebound
- 3** Services to maintain profitability
- 4** 1 – 2 acquisitions
 

Projected operating profit (EBIT)



* in CHF million at 2010 exchange rates

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