

valora

Business Year 2009



Presentation, Zurich, March 31, 2010

Agenda



1. Welcome address	Rolando Benedick
---------------------------	-------------------------

2. Valora's performance in 2009	Thomas Vollmoeller
---------------------------------	--------------------

3. Income statement and balance sheet	Lorenzo Trezzini
---------------------------------------	------------------

4. „Valora 4 Success“ status report	Thomas Vollmoeller
-------------------------------------	--------------------

5. Valora Retail – success stories	Kaspar Niklaus
------------------------------------	----------------

6. 2009 summary, Board AGM recommendations	Rolando Benedick
--	------------------

7. Q&A session	
----------------	--

Valora in 2009 – the year in retrospect



Value you can trust in difficult as in good times!

Highlights

- Strategy consistently implemented despite global economic downturn, goals achieved
- Sound finances of the company
- Positive trend clearly visible at Valora Retail
- Trade produces very good results
- Decline at Media/Services division halted in H2 2009
- New product ranges successfully introduced, increase in client frequency
- New formats tested and cleared for roll out
- Improved employment terms for sales staff
- New Media head named, executive management back at full strength

Bottom line

- Valora met its targets in 2009 and is very well positioned for 2010

Agenda



1. Welcome address	Rolando Benedick
--------------------	------------------

2. Valora's performance in 2009	Thomas Vollmoeller
--	---------------------------

3. Income statement and balance sheet	Lorenzo Trezzini
---------------------------------------	------------------

4. „Valora 4 Success“ status report	Thomas Vollmoeller
-------------------------------------	--------------------

5. Valora Retail – success stories	Kaspar Niklaus
------------------------------------	----------------

6. 2009 summary, Board AGM recommendations	Rolando Benedick
--	------------------

7. Q&A session	
----------------	--

Overview of 2009



Good results – and an even better outlook

1

2009 was ok.-

- Sales rose 1.6 percent on adjusted basis
- Adjusted operating income up 30 percent, inside target range
- Valora's profitability rose

2

„Valora 4 Success“ project achieves key milestones

- Logistics relocation completed
- avec. and P&B pilots successfully completed, roll out in progress
- First product range extensions made

3

Positive outlook

- Significantly higher profits expected for 2010

Net revenues and EBIT in 2009

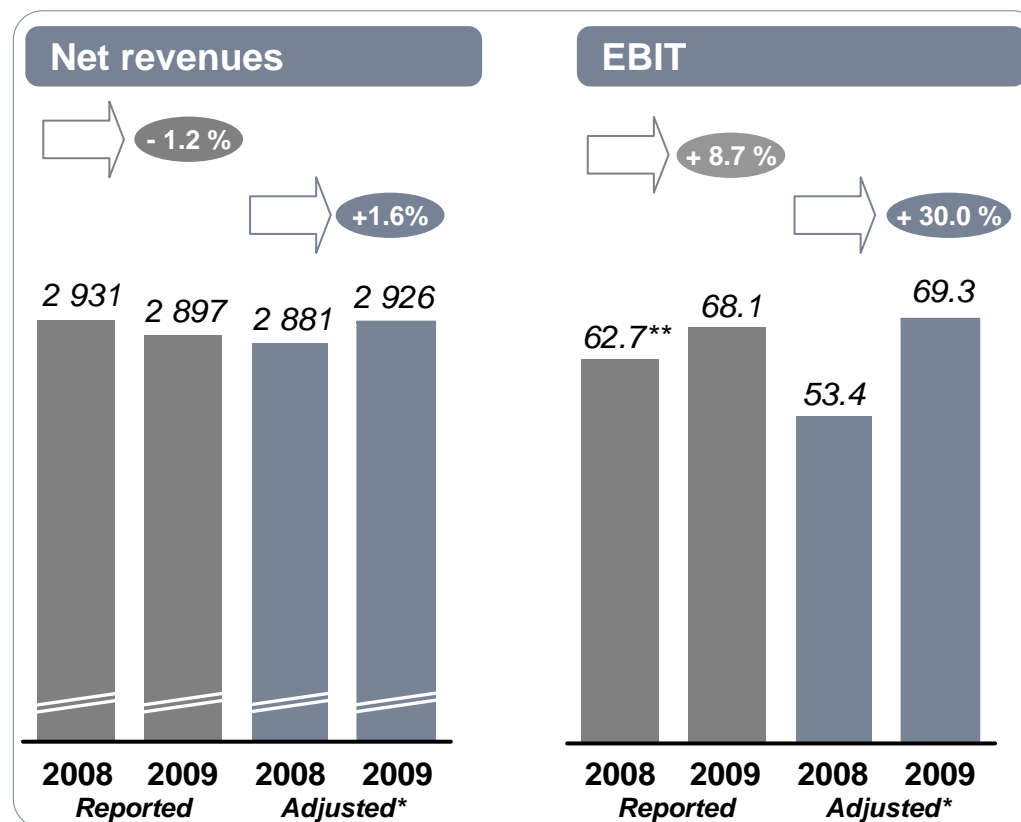


Net revenues: positive adjusted trend | EBIT: guidance achieved on adjusted basis

in CHF million

Good performance despite...

- ⊗ Economic crisis
- ⊗ Non-recurrence of picture card revenues
- ⊗ Press product downturn
- ⊗ Logistics duplications
- ⊗ Turnaround situation



* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

** Reported EBIT 2008: adjusted for restructuring costs

Key financial data for 2009



Good results support confident outlook

in CHF million

△ vs 2008

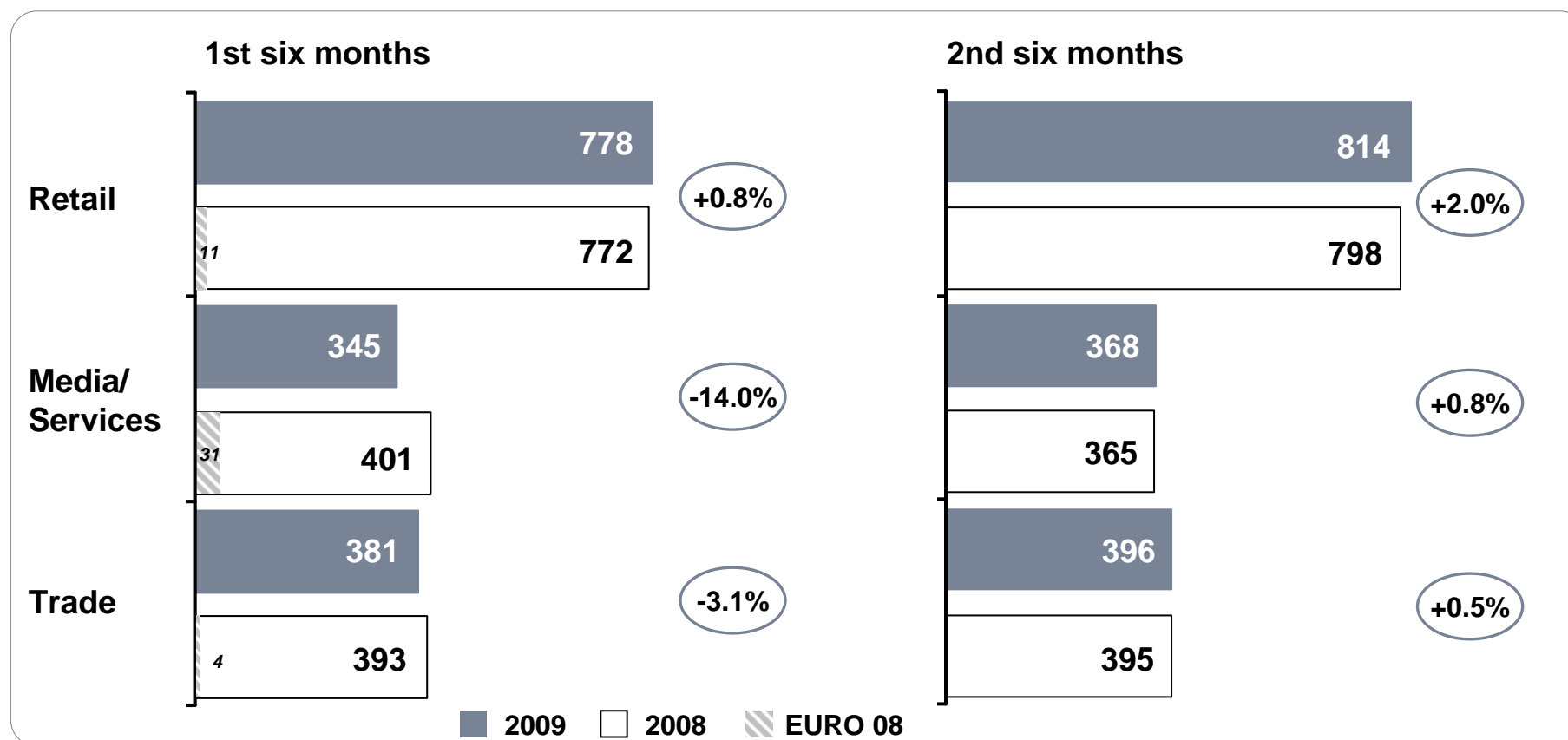
Net revenues	2 897.0		- 1.2%
<i>Net revenues, adjusted*</i>	2 926.4		+ 1.6%
EBIT	68.1		+ 81.1%
<i>EBIT, adjusted*</i>	69.3		+ 30.0%
EBIT margin	2.4%		+1.1pP
Net income	54.9		+ 39.4%
Equity cover	41.3%		- 1.2pP
Net liquidity	15.8		CHF +9.8

* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

Net revenues – trajectory per division 2008 and 2009

Growth in all divisions in 2nd six months

in CHF million

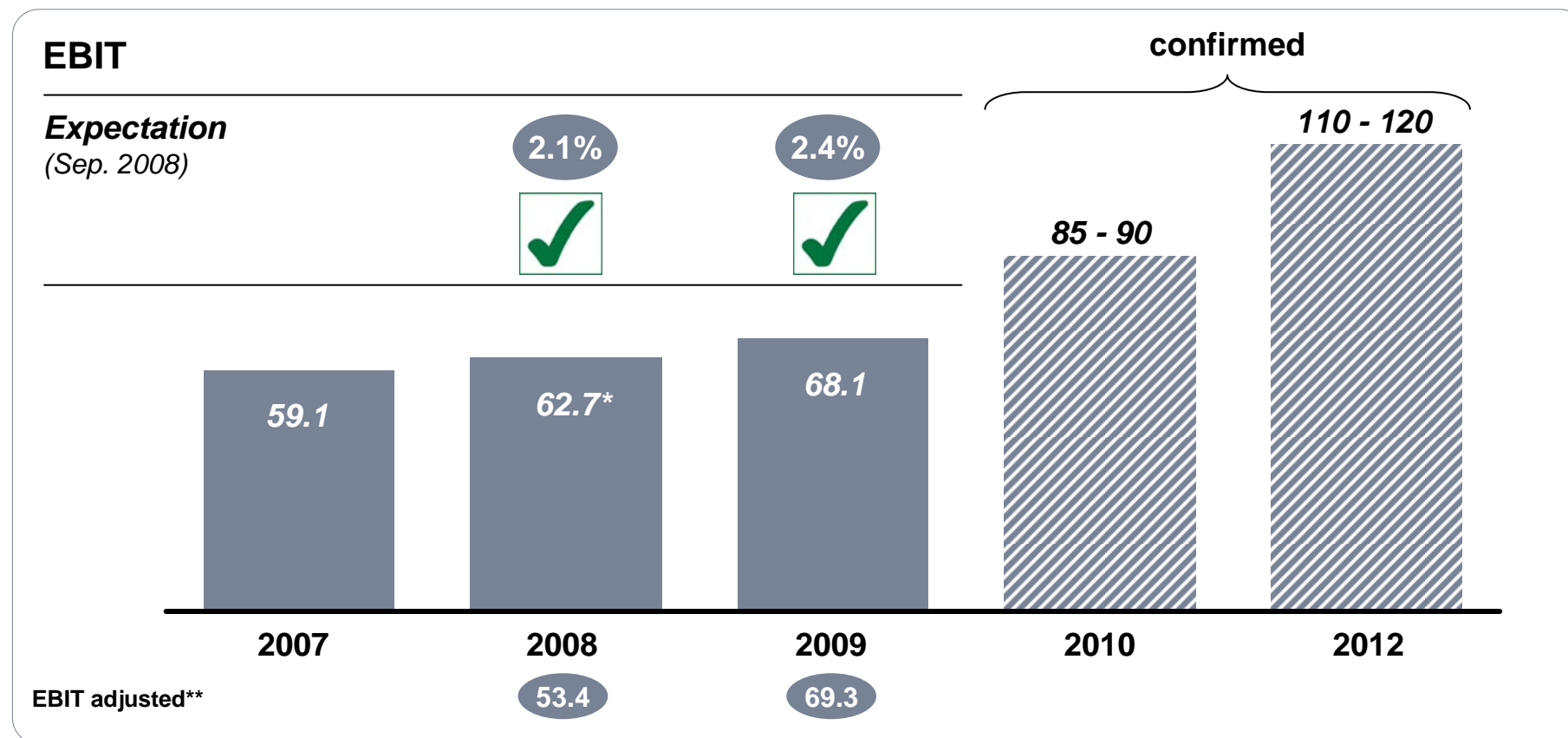


EBIT performance from 2007 to 2012



2009 expectations met, 2010/2012 objectives confirmed

in CHF million



* adjusted for restructuring costs

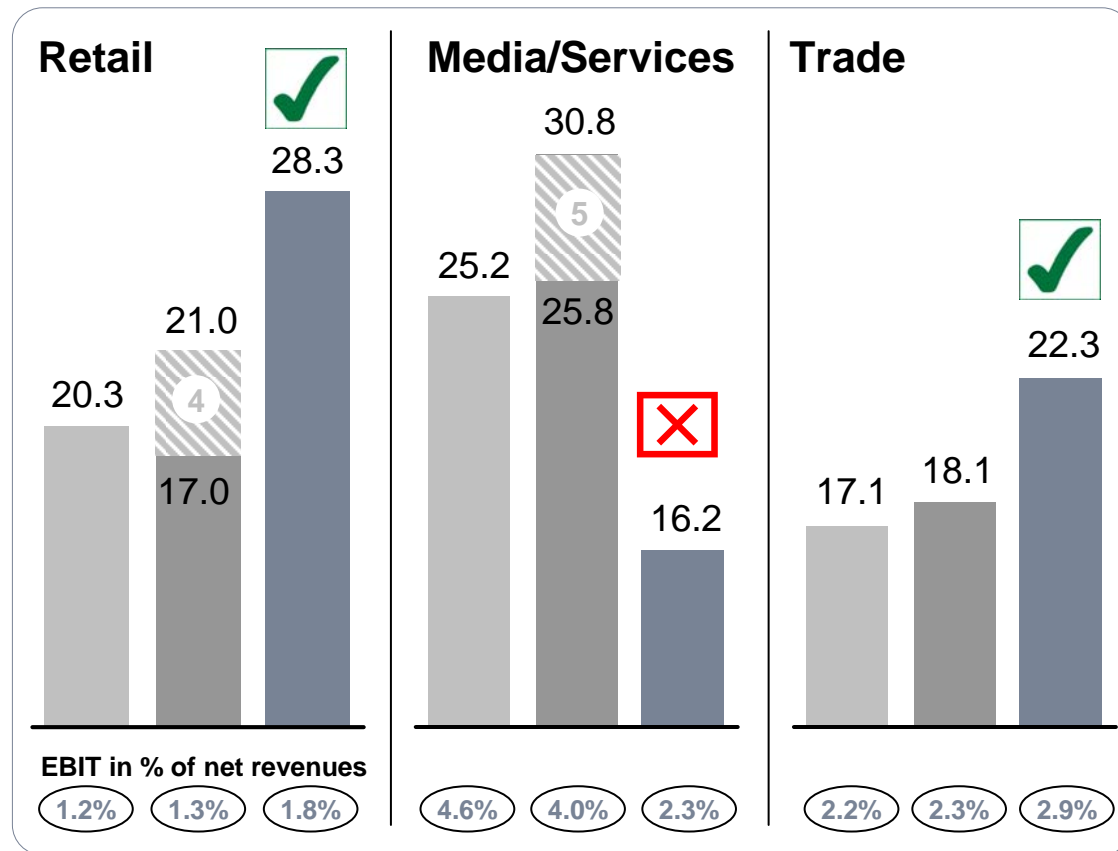
** 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

EBIT performance by division 2007 - 2009



Retail and Trade generate good results

in CHF million

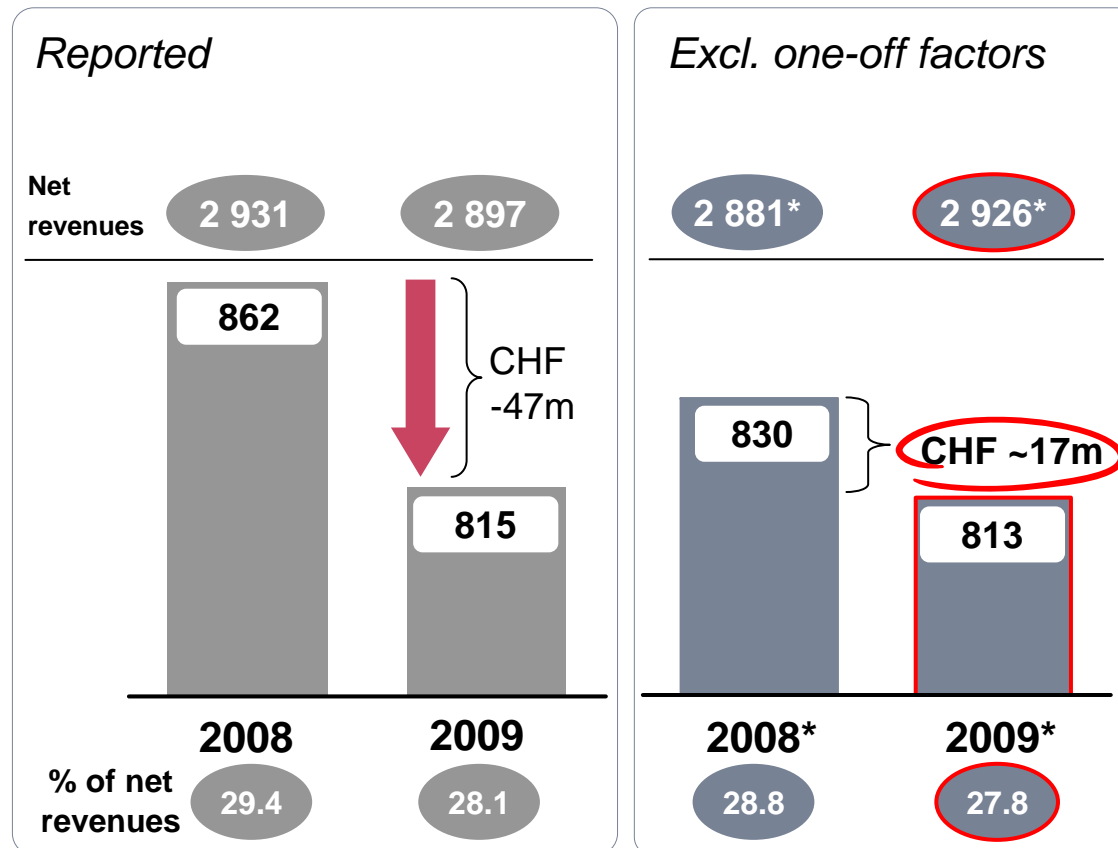


* All 2008 figures exclude restructuring costs

Costs in 2008 vs 2009

Costs cut by a net CHF 17 million, exceeding expectations

in CHF million



Key statements

- CHF 10 m cost reduction target were exceeded by far
- Rigorous, tight cost management in all areas
- Adjusting for one-off factors (currencies and acquisitions) costs in percent of net revenues were cut by 1.0 percentage point in 2009

* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
 2009: adjusted for currency fluctuations and acquisitions

Agenda



1. Welcome address	Rolando Benedick
--------------------	------------------

2. Valora's performance in 2009	Thomas Vollmoeller
---------------------------------	--------------------

3. Income statement and balance sheet	Lorenzo Trezzini
--	-------------------------

4. „Valora 4 Success“ status report	Thomas Vollmoeller
-------------------------------------	--------------------

5. Valora Retail – success stories	Kaspar Niklaus
------------------------------------	----------------

6. 2009 summary, Board AGM recommendations	Rolando Benedick
--	------------------

7. Q&A session	
----------------	--

Valora Group's 2009 operating results



Strong improvement on adjusted basis

in CHF million	2009	2008	Delta
Net revenues	2 897.0	2 931.1	-1.2%
<i>Net revenues, adjusted*</i>	2 926.4	2 880.8	+1.6%
Gross profit	867.6	892.7	-2.8%
Gross profit margin	29.9%	30.5%	-0.6pP
Operating costs	-815.5	-862.4	-5.4%
Operating costs in % of net revenues	28.1%	29.4%	-1.3pP
Other revenues, net	16.0	7.3	+117.9%
EBIT	68.1	37.6	+81.1%
<i>EBIT, adjusted*</i>	69.3	53.4	+30.0%
EBIT margin	2.4%	1.3%	+1.1pP
<i>EBIT margin, adjusted*</i>	2.4%	1.9%	+0.5pP

Key statements

- Adjusted net revenues up 1.6%
- Downturn at Valora Media/Services and changes in product mix depressed gross profit
- Disciplined cost management significantly cut operating costs
- Higher other revenues were sufficient to offset one-off costs (in Luxembourg)
- Adjusted EBIT rose CHF 16 million, or 30%
- 2.4% EBIT margin well up on 2008 figure (0.5 percentage points higher)

* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

Valora Retail – focus on 2009



Turnaround achieved, profitability significantly increased

in CHF million	2009	2008	Delta
Net revenues	1 592.1	1 569.5	+1.4%
<i>Net revenues, adjusted*</i>	<i>1 564.5</i>	<i>1 554.7</i>	<i>+0.6%</i>
Gross profit	554.7	552.1	+0.5%
Gross profit margin	34.8%	35.2%	-0.4pP
Operating costs	-526.4	-544.1	-3.3%
EBIT	28.3	8.0	255.1%
<i>EBIT, adjusted*</i>	<i>27.6</i>	<i>16.7</i>	<i>+65.4%</i>
EBIT margin	1.8%	0.5%	+1.3pP
<i>EBIT margin, adjusted*</i>	<i>1.8%</i>	<i>1.1%</i>	<i>+0.7pP</i>

Key statements

- Improvement in net revenues thanks to new product ranges, enhanced and new outlets and Retail Germany
- Slightly lower gross profit margin (down 0.4 percentage points) due to change in product mix (tobacco sales increased)
- Efficiency gains and strict cost discipline made for noticeably lower operating costs
- EBIT margin significantly improved

* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

Valora Media/Services – focus on 2009



Turnaround in 2nd half of 2009

in CHF million	2009	2008	Delta
Net revenues	712.9	766.0	-6.9%
<i>Net revenues, adjusted*</i>	723.9	734.6	-1.5%
Gross profit	146.8	168.4	-12.8%
Gross profit margin	20.6%	22.0%	-1.4pP
Operating costs	-130.6	-137.9	-5.3%
EBIT	16.2	30.5	-46.8%
<i>EBIT, adjusted*</i>	17.0	25.8	-34.3%
EBIT margin	2.3%	4.0%	-1.7pP
<i>EBIT margin, adjusted*</i>	2.3%	3.5%	-1.2pP

Key statements

- Downturn in net revenues reversed in H2
- Product range reconfiguration and sales promotions also made for turnaround in press sales
- Lower gross margin primarily attributable to press category and lower scrap paper revenues
- Significantly lower staff costs in all three national markets
- Adjusted EBIT (-34.3%) mainly due to weak press results in all national markets
- Performance achieved in H2 prompts positive outlook for 2010

* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

Valora Trade – focus on 2009



Strong performance in a demanding year

in CHF million	2009	2008	Delta
Net revenues	777.6	788.0	-1.3%
<i>Net revenues, adjusted*</i>	825.4	784.0	+5.3%
Gross profit	155.4	157.8	-1.5%
Gross profit margin	20.0%	20.0%	0.0pP
Operating costs	-133.1	-139.8	-4.8%
EBIT	22.3	18.0	+24.0%
<i>EBIT, adjusted*</i>	23.6	18.1	+30.1%
EBIT margin	2.9%	2.3%	+0.6pP
<i>EBIT margin, adjusted*</i>	2.9%	2.3%	+0.6pP

Key statements

- **Strong adjusted sales growth (+10.1%) in Nordic markets thanks to new principals (Wasa-Barilla, Estrella, etc.)**
- **Gross profit margins constant**
- **Higher sales in local currencies were achieved with a lower percentage increase in operating costs thanks to efficiency improvements**
- **All national markets contributed to improved adjusted EBIT (+30.1%)**
- **EBIT margin of 2.9% is 0.6 percentage points up on 2008**

* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

Net income in 2009

Clear improvement in net profit



in CHF million	2009	2008	Delta
EBIT	68.1	37.6	+81.1%
<i>EBIT, adjusted*</i>	69.3	53.4	+30.0%
Result from financing operations, net	-5.3	-7.6	-30.3%
Share of result from associates and JVs	0.6	1.1	-47.0%
Earnings before taxes	63.4	31.2	+103.7%
Income taxes	-10.4	-6.5	-60.5%
Net income from continuing operations	53.0	24.7	+115.0%
Net income from discontinued operations	1.9	14.7	-87.3%
Net Group profit	54.9	39.4	+39.4%
Effective tax rate	16.4%	20.8%	-4.4pP

Key statements

- Improved financing outcome mainly due to currency losses on Group lending in 2008
- Significant improvement in net income (CHF +15.5 million, +39.4%) over 2008 thanks to better adjusted EBIT
- Net income in 2008 weighed down by restructuring costs, but benefited from Own Brands sale
- Lower effective tax rate due to higher profits in countries with lower tax rates

* 2008: adjusted for restructuring costs, EURO 08 and acquisitions
2009: adjusted for currency fluctuations and acquisitions

Key balance sheet data



No net debt, optimized capital ratios

in CHF million	2009	2008	Delta
Cash and cash equivalents	161.6	158.4	+2.0%
Shareholders' equity	453.7	450.4	+0.7%
Equity cover	41.3%	42.5%	-1.2pP
Net liquidity	15.8	6.0	+163.3%
Net working capital (NWC)	109.3	129.7	-15.7%
NWC in % net revenues	3.8%	4.4%	-0.7pP

Key statements

- **Sound balance sheet structure**
- **Despite share buyback programme (CHF 25 million) and dividend payment (CHF 25 million), equity was slightly increased**
- **Equity cover of 41.3% remains strong**
- **Net debt reduced in H2 2009 and net liquidity increased**
- **Improved receivables and payables management made for significant reduction in NWC**

Agenda



1. Welcome address	Rolando Benedick
--------------------	------------------

2. Valora's performance in 2009	Thomas Vollmoeller
---------------------------------	--------------------

3. Income statement and balance sheet	Lorenzo Trezzini
---------------------------------------	------------------

4. „Valora 4 Success“ status report	Thomas Vollmoeller
--	---------------------------

5. Valora Retail – success stories	Kaspar Niklaus
------------------------------------	----------------

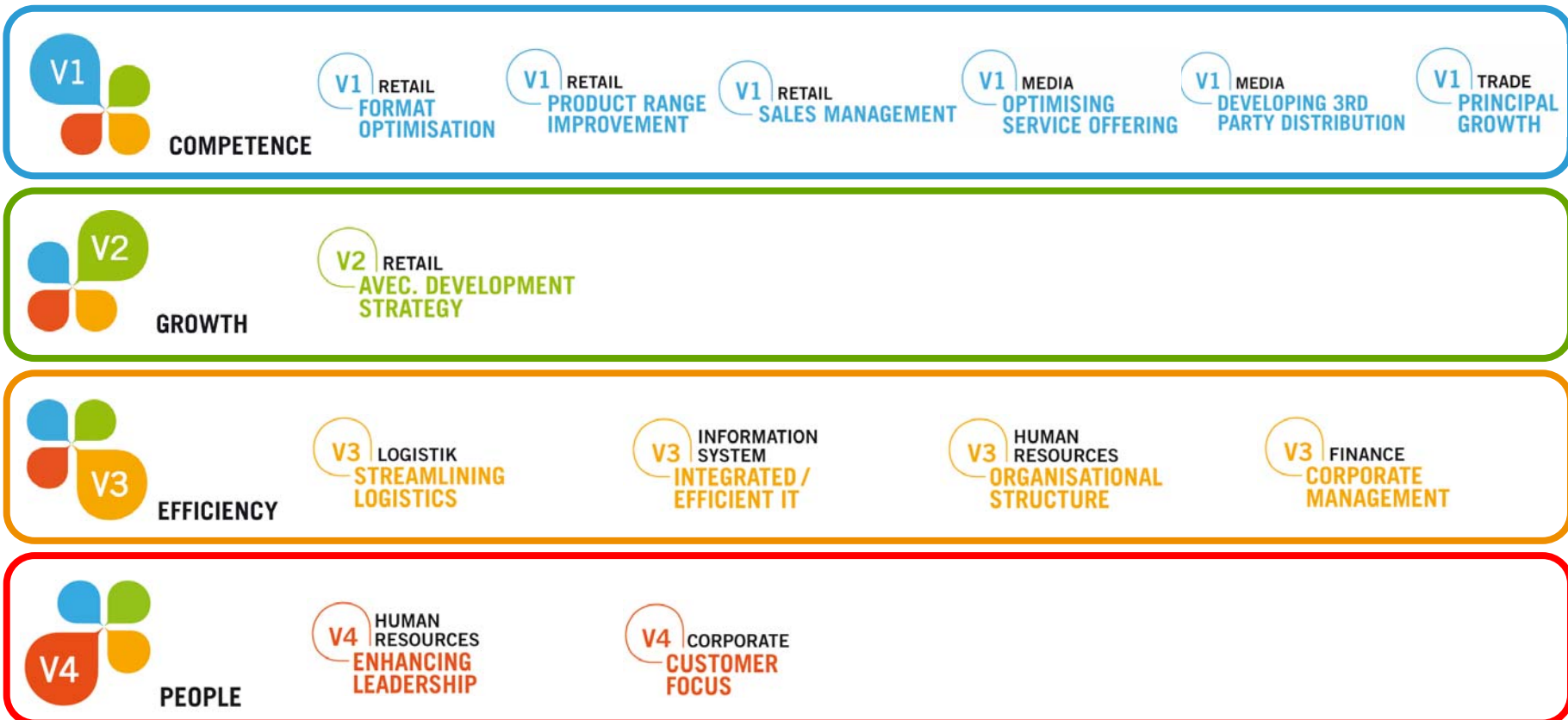
6. 2009 summary, Board AGM recommendations	Rolando Benedick
--	------------------

7. Q&A session	
----------------	--

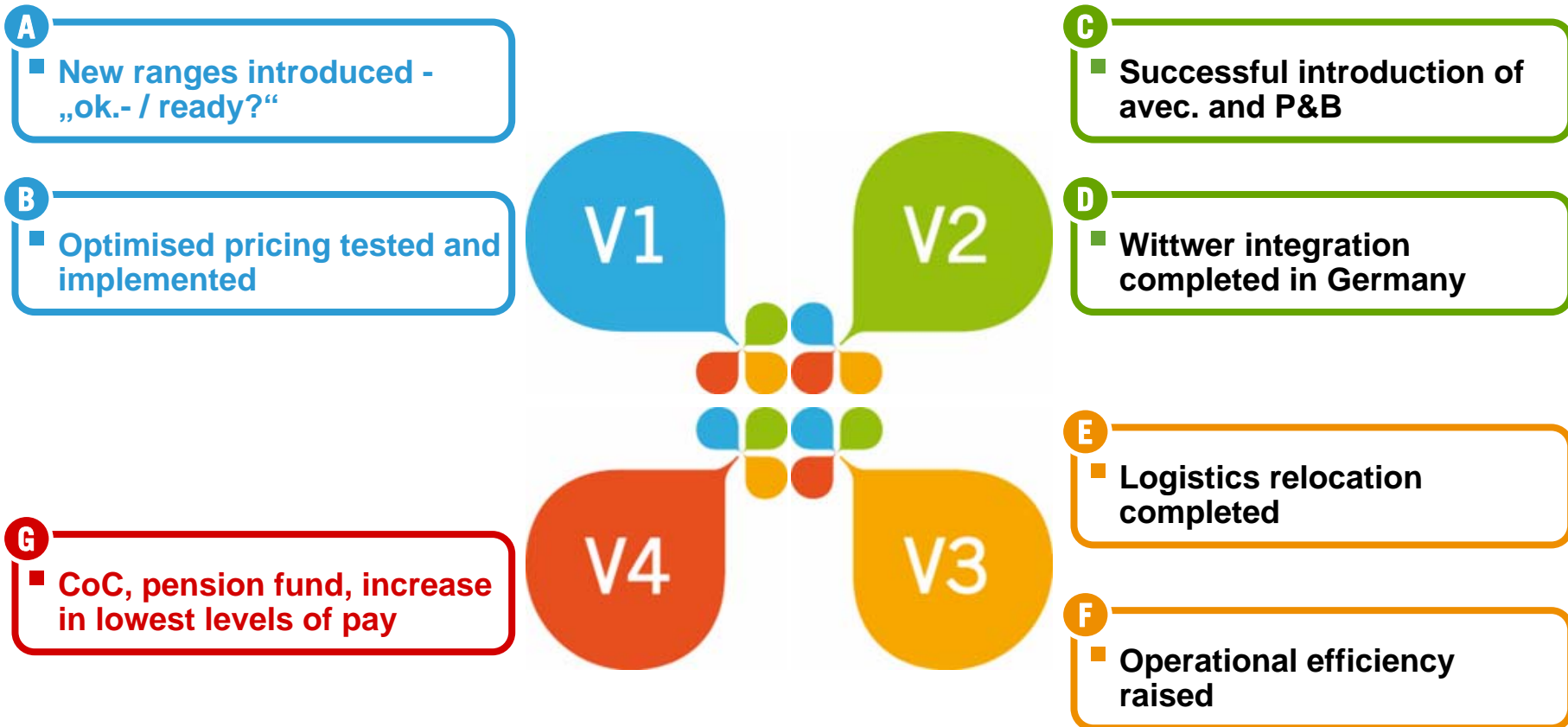
Overview of core strategic initiatives



Four pillars supporting a promising future



Major achievements in „Valora 4 Success“, some examples





Strategic core initiative V1, competence



Success achieved by „ok.-“ with potential from „ready?“



ok.-

- Some 20 products now at kiosks
- A good 100 products in avec. range
- Product placements in all categories

ready?

- New services successfully tested
- Roll out to 300 – 400 outlets in 2010
- Three „preferred partner“ defined



Valora Holding AG

M::Code::Bezeichnung ::::::::::::::::::::Betrag

ok.- products

Effect on 2010 EBIT **CHF 2 – 3 m**

Services

Effect on 2010 EBIT **CHF 0 – 1 m**

TOTAL

CHF 2 – 4 m

Herzlichen Dank für Ihre Aufmerksamkeit!

www.valora.com



Strategic core initiative V1, competence

Wide acceptance of optimised pricing structures



Optimised pricing

- Based on market perspective
- Various price categories defined
- Clustering implemented
- Minor declines in turnover more than offset by improved margins
- No adverse customer reactions
- Adjustment to other European and worldwide standards



Valora Holding AG

M::Code::Bezeichnung ::::::::::::::::::::Betrag

Optimised pricing

Effect on 2010 EBIT **CHF > 1 m**

TOTAL

CHF > 1.0 m

Herzlichen Dank für Ihre Aufmerksamkeit!

www.valora.com



Strategic core initiative V2, growth

Roll-out of avec. and P&B in 2010



avec.

- Pilot tests successful
- Roll out started, network now ~60 avec. PoS (add. ca. 50 convenience stores)
- 2010 objective \geq 100 avec. sites
- All outlets $>$ 4% EBIT margin



P&B

- 4 successful outlet openings
- Roll out under way for 2010
- Network $>$ 10 PoS in 2010
- New sites generated +20% y-o-y sales growth, with good or very good profitability to date



Valora Holding AG

M::Code::Bezeichnung ::::::::::::::::::::Betrag

avec. network

Effect on 2010 EBIT CHF 1 - 2 m

P&B network

Effect on 2010 EBIT CHF ~ 1 m

TOTAL

CHF 2 - 3 m

Herzlichen Dank für Ihre Aufmerksamkeit!
www.valora.com



Strategic core initiative V3, efficiency

Logistics relocation successfully completed



Logistics

- Transformation and migration of logistics function completed without adverse effects
- WAMAS implemented according to plan
- Switch to decentralised picking, packing and sorting completed according to plan
- New savings identified from further streamlining measures (CHF > 2 million)



Valora Holding AG

M::Code::Bezeichnung ::::::::::::::::::::Betrag

3 logistics sub-projects	
Effect on 2010 EBIT	CHF 11 m

TOTAL	CHF 11 m
--------------	-----------------

Herzlichen Dank für Ihre Aufmerksamkeit!
www.valora.com



Strategic core initiative V4, People

Initial fundamental measures implemented



Leadership and staff

- Principles of Leadership and Code of Conduct introduced
- Improved conditions for sales staff
 - Lowest pay levels raised
 - Pension benefits adjusted
 - Longer maternity leave
- New incentives approach fosters longer-term management commitment



Valora Holding AG

M::Code::Bezeichnung ::::::::::::::::::::Betrag

Quantitative measures

Effect on 2010 EBIT **CHF > 0 m**

Qualitative measures

Management **n.a. (positiv)**

TOTAL

CHF > 0 m

Herzlichen Dank für Ihre Aufmerksamkeit!

www.valora.com

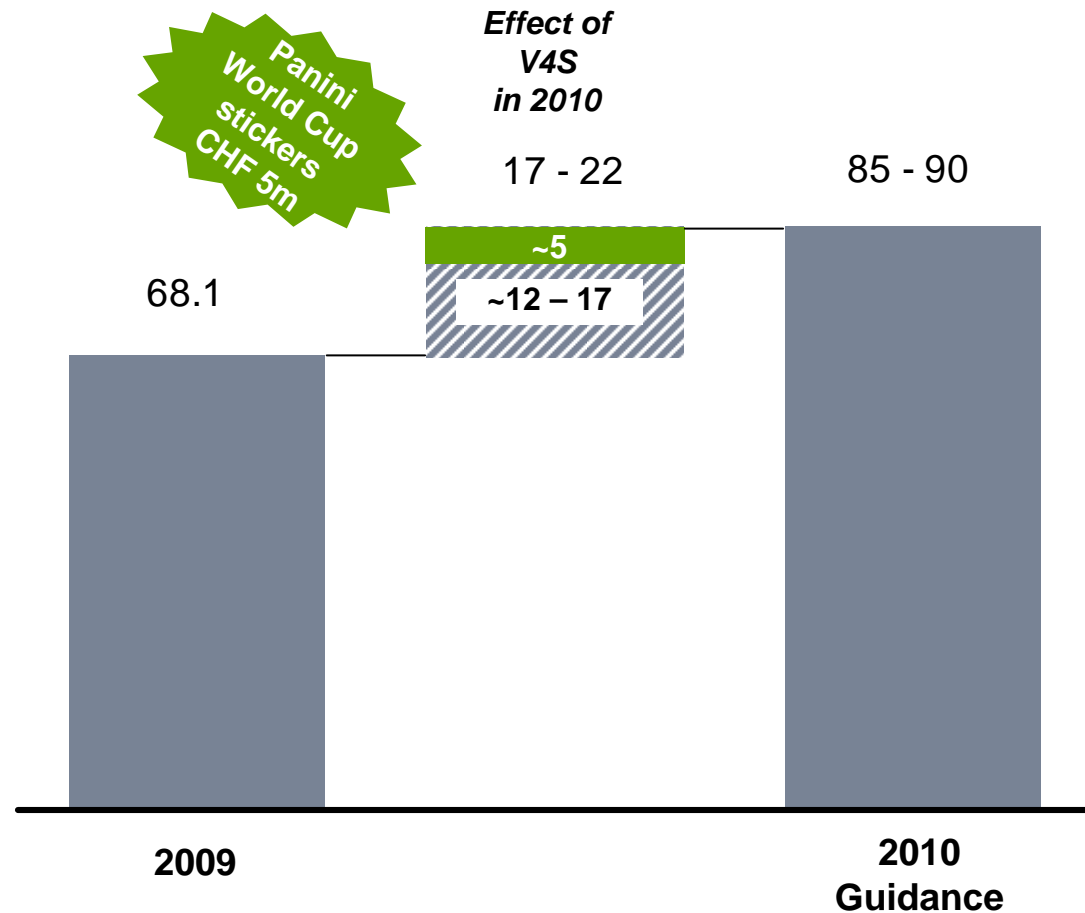
Strategic measures – overview and interplay



„Valora 4 Success“ strategy programme will enable Valora to reach its objective

 Valora Holding AG			
M	Code	Bezeichnung	Betrag
A		Product ranges	CHF 2-4 m
B		Optimised pricing	CHF 1 m
C		avec. and P&B	CHF 2-3 m
D		Integration in Germany	CHF 0-1 m
E		Logistics relocation	CHF 11 m
F		Operational efficiency	CHF 1-2 m
G		Promoting staff development	CHF > 0 m
/.		Discount (e.g. lower other revenues)	CHF 5 m
TOTAL		CHF ~12 – 17 m	

Herzlichen Dank für Ihre Aufmerksamkeit!
www.valora.com



Valora 4 Success – current status



Well under way, with further major steps to be taken in 2010

Initiatives	Status	To do's
<p>V1 COMPETENCE</p>		<ul style="list-style-type: none"> Implementation of new Media/Services strategy (pull instead of push) Further optimised pricing initiatives Services rolled out at k kiosk
<p>V2 GROWTH</p>		<ul style="list-style-type: none"> Acceleration of avec. roll out Conversion of convenience stores to avec. format Possible add-on acquisitions (tbd)
<p>V3 EFFICIENCY</p>		<ul style="list-style-type: none"> Further optimisation of purchasing (retail and non-retail items) Completion of IT platform implementation (esp. at Retail) Reduction in administrative costs (esp. Switzerland/Luxembourg)
<p>V4 PEOPLE</p>		<ul style="list-style-type: none"> Improved market research Implementation of new approaches from customer focus project More intensive staff training

Agenda



1. Welcome address	Rolando Benedick
--------------------	------------------

2. Valora's performance in 2009	Thomas Vollmoeller
---------------------------------	--------------------

3. Income statement and balance sheet	Lorenzo Trezzini
---------------------------------------	------------------

4. „Valora 4 Success“ status report	Thomas Vollmoeller
-------------------------------------	--------------------

5. Valora Retail – success stories	Kaspar Niklaus
---	-----------------------

6. 2009 summary, Board AGM recommendations	Rolando Benedick
--	------------------

7. Q&A session	
----------------	--

1

Strategic core initiative V1, competence

The ok.- success story



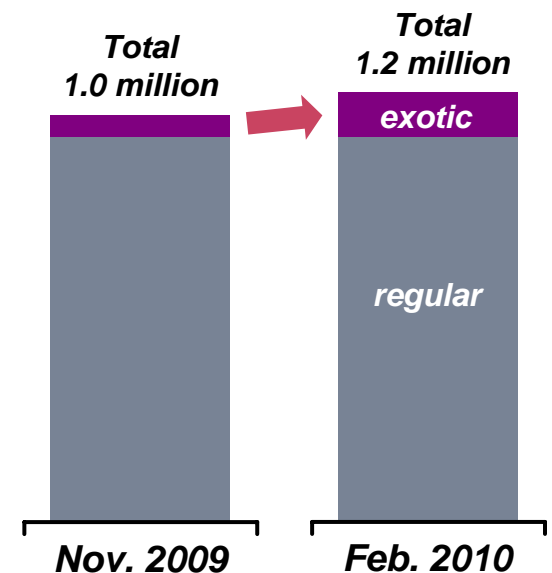
Objectives

- Extend range with keenly priced new line
- Improve customer frequency and loyalty
- Entry level brand to position channel better
- Secure attention of young target groups

Result

- 100 articles at avec., ~20 at kiosk
- Marked improvement in sales volumes
- Higher market share in many categories
- More purchases by young customers

Ø Monthly sales volumes (e.g. ok.- energy drink)



2

Strategic core initiative V1, competence

The product range success story



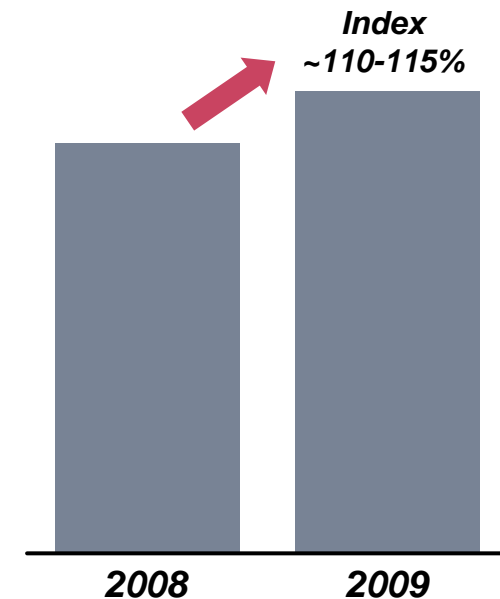
Objectives

- Increase sales at the counter
- Modularised, uniform product ranges
- Further develop outlets to service hubs
- Modernise communication profile

Result

- Seasonal modules raised flexibility
- Product range modules for each outlet type
- Strong interest from service providers in accessing kiosk distribution network

Counter sales at pilot sites



3

Strategic core initiative V2, growth

The new formats' introduction (avec. and P&B) success story



Objectives

- Secure a share of the growing convenience store market in Switzerland
- Professionalise franchising
- Gain new customer groups



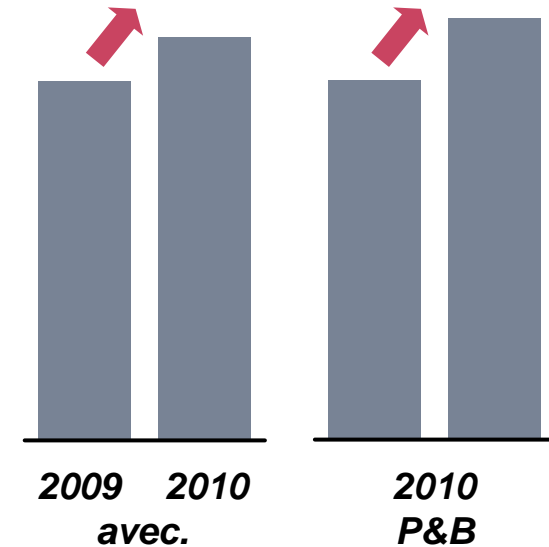
Result

- New formats developed and launched
- Franchising system successfully launched
- Valora now more attractive to convenience store customers and retail landlords

Turnover indices

Index vs prev. yr
~110-115%

Index vs budget
~115-120%



4

Strategic core initiative V2, growth

Integration of Retail Germany's acquisition – the success story



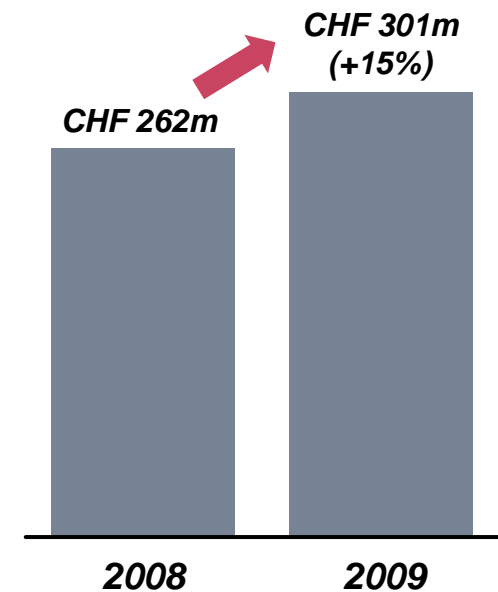
Objectives

- Growth through acquisitions
- Efficient integration
- Extend leadership of German travel retail market

Result

- Wittwer acquired and integrated
- Smooth acquisition and migration process
- Share of growing footfall at German railway stations secured

Sales trend (Germany)



5 Strategic core initiative V3, efficiency

The raised operational efficiency success story



Objectives

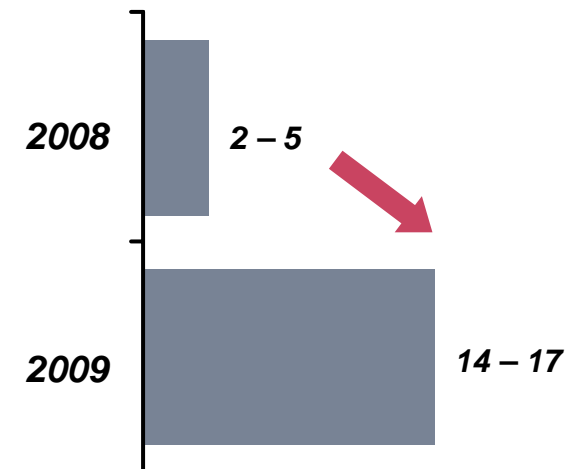
- Shorter, more direct chain of command
- Lower staff costs
- Test alternative operating models

Result

- Increased direct reports streamlines regional sales management structure
- Simplified rosters for all outlets
- „Active selling“ training initiated
- Agency model developed and implemented

Direct reports

(PoS per regional sales manager)



6

Strategic core initiative V4, people

The customer and market intelligence success story



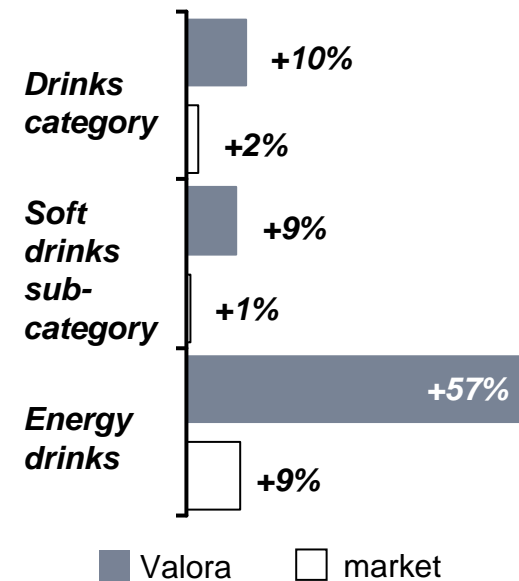
Objectives

- Increase market research activities
- Systematic analysis of mkt/customer data
- Use data to develop customer / competitiveness action plans, to add value

Result

- Monthly Nielsen performance tracking
- Price monitoring and mystery shopping now in place
- Insights gained from customer / staff polls

Nielsen Monitoring (e.g. volumes 2009)



Agenda



1. Welcome address	Rolando Benedick
--------------------	------------------

2. Valora's performance in 2009	Thomas Vollmoeller
---------------------------------	--------------------

3. Income statement and balance sheet	Lorenzo Trezzini
---------------------------------------	------------------

4. „Valora 4 Success“ status report	Thomas Vollmoeller
-------------------------------------	--------------------

5. Valora Retail – success stories	Kaspar Niklaus
------------------------------------	----------------

6. 2009 summary, Board AGM recommendations	Rolando Benedick
---	-------------------------

7. Q&A session	
----------------	--

Summary

- 1 Valora has achieved all the goals it set itself for 2009
- 2 The „Valora 4 Success“ strategy was well-chosen and pursued consistently, stated objectives for 2010/2012 confirmed
- 3 Medium and long-term strategy to be developed, key points to be published this autumn

AGM recommendations

- 1 5% limit on single shareholder voting rights to be abolished
- 2 Dividend increase to CHF 10.- per share
- 3 Consultative vote on remuneration report 2009

Agenda



1. Welcome address	Rolando Benedick
--------------------	------------------

2. Valora's performance in 2009	Thomas Vollmoeller
---------------------------------	--------------------

3. Income statement and balance sheet	Lorenzo Trezzini
---------------------------------------	------------------

4. „Valora 4 Success“ status report	Thomas Vollmoeller
-------------------------------------	--------------------

5. Valora Retail – success stories	Kaspar Niklaus
------------------------------------	----------------

6. 2009 summary, Board AGM recommendations	Rolando Benedick
--	------------------

7. Q&A session	
---------------------------	--

DISCLAIMER



NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO THE UNITED STATES

THIS DOCUMENT IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND SHOULD NOT BE DISTRIBUTED TO U.S. PERSONS OR PUBLICATIONS WITH A GENERAL CIRCULATION IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES. IN ADDITION, THE SECURITIES OF VALORA HOLDING AG HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS ABSENT REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES LAWS

This document contains specific forward-looking statements, e.g. statements including terms like “believe”, “expect” or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of Valora and those explicitly presumed in these statements. Against the background of these uncertainties readers should not rely on forward-looking statements. Valora assumes no responsibility to update forward-looking statements or adapt them to future events or developments

.....

Contact details

Corporate calendar

.....



Contact details

Mladen Tomic
Head of Corporate Investor Relations

Tel. +41 58 789 12 20
E-mail: mladen.tomic@valora.com

Stefania Misteli
Head of Corporate Communications

Tel. +41 58 789 12 01
E-mail: stefania.misteli@valora.com

Corporate calendar

2010 Ordinary General Meeting

April 22, 2010

Publication of 2010 first-half results

August 26, 2010

Please visit our website for more information regarding **VALORA**
www.valora.com

valora