Half-year report 2008

Key figures

		30.06.2008 [1]	30.06.2007 [1]	30.06.2006 [1]
Net revenues	**CHF million**	**1 468.5**	**1 378.1**	**1 382.7**
Change	%	+ 6.6	– 0.3	n/a
Operating profit	**CHF million**	**28.6**	**12.2**	**33.2**
Change	%	+ 134.2	– 63.2	n/a
in % of net revenues		2.0	0.9	2.4
Net profit	**CHF million**	**21.1**	**8.4**	**22.3**
Change	%	+ 151.1	– 62.3	n/a
in % of net revenues		1.4	0.6	1.6
in % of equity		3.5	1.5	4.3
Net cash provided by (used in)				
operating activities	CHF million	51.7	35.9	– 10.7
investing activities	CHF million	21.6	– 26.3	2.4
Free cash flow	**CHF million**	**73.3**	**9.6**	**8.3**
financing activities	CHF million	– 17.1	– 42.0	– 46.9
Earnings per share	**CHF**	**6.50**	**2.50**	**6.84**
Change	%	+ 160.0	– 63.5	n/a
Free cash flow per share	**CHF**	**23.07**	**3.01**	**– 2.61**
Change	%	+ 666.4	n/a	n/a
Points of sale		**1 408**	**1 409**	**1 429**
Net sales per point of sale [2]	CHF 000	614	574	573
		30.06.2008	31.12.2007	31.12.2006
Cash and cash equivalents	**CHF million**	**207.8**	**153.4**	**222.1**
Interest-bearing liabilities	**CHF million**	**216.3**	**199.4**	**282.7**
Total equity	**CHF million**	**598.5**	**610.6**	**560.9**
Balance sheet total	**CHF million**	**1 300.6**	**1 334.9**	**1 324.8**
Share price	**CHF**	**272.00**	**274.75**	**334.75**
Market capitalisation	**CHF million**	**864**	**877**	**1 069**
Average number of employees	**FTE**	**6 406**	**6 495**	**6 707**
Change	%	– 1.4	– 3.2	n/a

All percentages and totals are based on actual (i.e. unrounded) Group figures

[1] from continuing operations

[2] Sales of Valora's Retail division only

Group performance

The Valora Group achieved satisfactory results during the first six months of 2008, boosting net sales by some CHF 90 million, or 6.6%, compared with the same period of 2007, while more than doubling operating income to CHF 28.6 million, versus CHF 12.2 million a year earlier. Sales growth was driven principally by the Media division‘s additional business with newly acquired publishers, by the Retail division‘s expanding activities in Germany and by the sale and distribution of articles related to the Euro 2008 soccer championships. Valora also succeeded in cutting its cost/income ratio by around 1 percentage point. Group net earnings rose CHF 11.9 million to CHF 26.6 million.

Free cash flow for the period was raised to CHF 73 million, while consolidated net debt was reduced to CHF 9 million at June 30, 2008. Shareholders‘ equity now represents more than 45% of total assets.

Valora Group

All divisions increased their revenues on the same period of 2007. The sale and distribution of Euro 2008 articles boosted turnover at the Retail division by CHF 16 million and CHF 26 million for Valora Media. Although Euro 2008 promotion campaigns added CHF 4 million to Valora Trade’s first-half sales, some of this increase came at the expense of lower sales of conventional products. Despite an appreciation of the Swiss franc against the main other currencies in which it does business and a generally challenging market environment, the Trade division managed to hold net revenues steady. The fastest rate of sales growth was achieved by Valora Media, whose turnover rose 12.3%, with the Retail division gaining 6.8% and Trade edging up 0.6%. Overall, Group sales rose CHF 90 million, or 6.6%, with the increases evenly balanced between Valora’s Swiss and international activities. Having recently signed up a number of new principals, Valora Trade also has promising prospects for the second six months of 2008 and a clear resumption of the upward trend in its turnover can be expected.

Net revenues					
in CHF million	**1.01. - 30.06.2008**		1.01. - 30.06.2007		Change
Valora Retail	864.0	58.8%	809.1	58.7%	6.8%
Valora Media	304.3	20.7%	270.9	19.7%	12.3%

Valora Trade	393.4	26.8%	391.2	28.4%	0.6%
Other	7.2	0.5%	7.2	0.5%	
Intersegment elimination	– 100.5		– 100.3		
Group total	**1 468.5**	**100.0%**	**1 378.1**	**100.0%**	**6.6%**
Switzerland	880.5	60.0%	829.5	60.2%	6.2%
Elsewhere	588.0	40.0%	548.6	39.8%	7.2%

Despite increased payroll costs, expanding operations and higher turnover-linked rental expense, the Group succeeded in shaving more than 1 percentage point off its cost/income ratio, thus demonstrating that the efficiency improvement measures which were initiated in late 2007 and have been intensified during 2008 are gaining traction.

Overall, the Group managed to maintain its gross margins at first-half 2007 levels, despite some erosion at Valora Retail. Much of this achievement was due to the Trade division's success in focusing on higher-margin product lines and in continuously improving its portfolio of businesses.

in CHF million	**1.01. - 30.06.2008**		1.01. - 30.06.2007	
Net revenues	**1 468.5**	**100.0%**	**1 378.1**	**100.0%**
Gross profit	**443.5**	**30.2%**	**418.9**	**30.4%**
- Operating costs, net	– 414.9	– 28.2%	– 406.7	– 29.5%
Operating profit	**28.6**	**2.0%**	**12.2**	**0.9%**

Higher sales and strict cost management discipline helped to raise operating results by CHF 16.4 million, thus improving Valora's operating margin from 0.9% in the first six months of 2007 to 2.0% in the same period of 2008. Roughly CHF 9 million of the CHF 28.6 million operating profit generated is attributable to Euro 2008 related sales.

The successful divestiture of the Own Brands units - executed in adverse market conditions - generated a book profit of CHF 8 million after transaction costs and before provisions for guarantees granted.

Valora Retail

in CHF million	**1.01. - 30.06.2008**		1.01. - 30.06.2007	
Net revenues	**864.0**	**100.0%**	**809.1**	**100.0%**
Gross profit	**273.6**	**31.7%**	**260.5**	**32.2%**
- Operating costs, net	– 267.9	– 31.0%	– 266.6	– 32.9%
Operating profit	**5.7**	**0.7%**	**– 6.1**	**n/a**

The Retail division raised its turnover by some CHF 55 million to CHF 864 million compared to the first six months of 2007. With 16.5%, the greatest increase in sales was achieved by the division's wholesaling arm, largely thanks to the distribution Euro 2008 items, both to Valora outlets and to shops operated by a number of large retail chains. Convenience store sales were up 7.4%, as 8 avec. units, undergoing transformation during 2007, came on stream. Expanding operations boosted turnover at Kiosk Germany by 6.7%, while gastronomy revenue advanced 6.3%. The largest sales increase in absolute terms was notched up by Kiosk Switzerland, which stepped up its revenues by more than CHF 20 million. Kiosk Switzerland, like its counterpart in Luxembourg, was thus able to post revenue growth of some 5%.

Among its various product categories, Kiosk Switzerland derived most of its sales growth from tobacco items. The majority of the growth in food sales was achieved in wholesaling and convenience stores. Increased revenues from promotion campaigns enabled the division's service revenues to hold their own. Sales and distribution of Euro 2008 related products added nearly CHF 4 million to operating earnings.

In the months to come, management's key priorities will be to continue expanding and strengthening the avec. brand's position in the convenience store market and to achieve a sustained enhancement of the kiosk business's performance. To achieve these ends, Valora intends to dissolve its existing Cevanova convenience store joint venture with Migros and is also implementing various measures to boost profitability, particularly at its Swiss kiosks.

Valora Media

in CHF million	1.01. - 30.06.2008		1.01. - 30.06.2007	
Net revenues	**304.3**	**100.0%**	**270.9**	**100.0%**
Gross profit	**85.0**	**27.9%**	**75.6**	**27.9%**
- Operating costs, net	– 66.3	– 21.8%	– 63.1	– 23.3%
Operating profit	**18.7**	**6.1%**	**12.5**	**4.6%**

Valora Media's first-half 2008 sales rose CHF 33.4 million, or 12.3%, above those in the same period of 2007. Some CHF 26 million of this increase came from the distribution of Euro 2008 articles in Austria, Luxembourg and the Ticino, the rest being largely the result of higher press wholesale volumes. While the overall press market contracted, Valora Media managed to increase its press sales by CHF 4.7 million. In Austria, the division benefited from fresh distribution business conducted with two new publishers signed up during the period, Egmont/Ehapa and Marquard Media. The division's higher turnover is also reflected in the clear improvement in its operating income, which rose CHF 6.2 million to CHF 18.7 million. Just under CHF 5 million of this is attributable to the division's success in distributing Euro 2008 items.

This marked growth in sales and earnings cannot be expected to recur in the second half of 2008, as revenues from soccer-related items will not be repeated. By expanding its subscription business and through other initiatives Valora Media's management is establishing alternative sources of future growth.

Valora Trade

in CHF million	1.01. - 30.06.2008		1.01. - 30.06.2007	
Net revenues	**393.4**	**100.0%**	**391.2**	**100.0%**
Gross profit	**77.7**	**19.8%**	**75.7**	**19.3%**
- Operating costs, net	– 70.7	– 18.0%	– 67.5	– 17.2%
Operating profit	**7.0**	**1.8%**	**8.2**	**2.1%**

Valora Trade experienced an increasingly demanding market environment in the six months to June 30, 2008. Large increases in raw material prices exerted notable pressure on prices and margins, a factor exacerbated by a rising Swiss franc. Against such a backcloth, it is all the more remarkable that the division managed to increase its turnover by a further 0.6% to CHF 393.4 million and - by focusing on more profitable product lines - to raise its gross margin by another half percentage point to 19.8%.

During first-half 2008, Valora Trade responded to the worsening trading conditions by signing up new principals, introducing new products and intensifying its development of new categories. Thanks to these initiatives, the outlook for turnover and operating income in the second half of this year and on into 2009 is favourable. Recent price increases should also have a positive impact. The initiatives taken during the period did, however, mean that costs rose above 2007 levels, so that operating income for the period declined to CHF 7 million.

Corporate

Valora's Corporate division, comprising the Group's Swiss logistics operations, Corporate Information Services and Group support functions such as finance, HR and corporate communication, maintained its net revenues from logistics services to third party customers at CHF 7.2 million, in line with those generated in first-half 2007.

Process enhancements made during 2007 enabled logistics operations to cut costs per individual pick markedly, both for press products and other goods. Management plans further improvements in this area. The main task for Corporate Information Services has been the development of a modern electronic retail platform and an integrated inventory management system for Kiosk Switzerland. In addtion, both the Media division and Group Finance successfully migrated to the new SAP environment during the first half of 2008.

Valora's policy is that net corporate function costs - i.e. direct costs minus logistics revenues from third-party customers - are charged to the divisions on the basis of services used.

Net financial income, taxes and liquidity

In spite of adverse exchange rate movements, net financial income came in at a modest minus CHF 2.6 million. Taxes amounted to 21.7% of pre-tax income, in line with expectations. Good operating performance and overall net inflows of funds from the sale of its production companies enabled Valora to cut net debt to a very modest CHF 9 million. Financing for the share buy-back programme now under way is assured.

Valora Value Added

Valora Value Added in CHF million	2008	2007
Net Operating Profit after Taxes (NOPAT)	23.7	9.6
Average invested capital	781.9	807.6
WACC	7.0%	7.0%
Capital costs	27.4	28.3
Valora Value Added	**– 3.6**	**– 18.7**

The substantial progress which Valora made towards achieving a positive economic value added outcome is reflected in the marked improvement in this metric shown above.

Outlook

The Group’s new management is conducting an in-depth analysis of Valora’s businesses. Initial conclusions from this have enabled it to define a number of core initiatives to enhance performance further. Key focus areas are:

- developing and strengthening key competencies, especially at k kiosk
- harnessing the development potential of the convenience store sector and accelerating the growth of its avec. units
- achieving greater efficiency by enhancing the profitability and quality of all business areas
- fostering a stronger corporate culture by concentrating activities on fewer sites
- promoting entrepreneurship by introducing a share-based incentive scheme for man agement

Strategic objectives, core initiatives and plans for their implementation are currently being developed. The results of these will be presented in detail at an investors’ and media day to be held on September 24, 2008.

Valora confirms its objectives, announced in the spring of 2008, of achieving annual revenue growth of 3 – 5% and annual EBIT growth of 10 – 15%.

Valora Holding AG

Rolando Benedick
Chairman of the Board of Directors

Thomas Vollmoeller
Chief Executive Officer

Consolidated income statement

January 1 to June 30, in CHF 000 (except per-share amounts)	**2008** unaudited	**%**	2007 unaudited	%
Net revenues	**1 468 475**	**100.0**	**1 378 074**	**100.0**
Cost of goods	– 1 024 935	– 69.8	– 959 133	– 69.6
Gross profit	**443 540**	**30.2**	**418 941**	**30.4**
Personnel expense	– 232 965	– 15.9	– 229 362	– 16.6
Other operating expenses	– 166 137	– 11.3	– 158 560	– 11.5
Depreciation and amortisation of operating assets	– 21 081	– 1.4	– 20 796	– 1.5
Other income, net	5 282	0.4	2 007	0.1
Operating profit	**28 639**	**2.0**	**12 230**	**0.9**
Financial expense	– 4 921	– 0.3	– 5 685	– 0.4
Financial income	2 336	0.1	4 490	0.3
Share of result from associates and joint ventures	952	0.0	682	0.0
Earnings before taxes	**27 006**	**1.8**	**11 717**	**0.8**
Income taxes	– 5 871	– 0.4	– 3 300	– 0.2
Net profit from continuing operations	**21 135**	**1.4**	**8 417**	**0.6**
Net profit from discontinued operations	5 453	0.4	3 471	0.3
Net Group profit	**26 588**	**1.8**	**11 888**	**0.9**
Attributable to shareholders of Valora Holding AG	26 120	1.8	11 479	0.9
Attributable to minority interests	468	0.0	409	0.0
Average number of shares outstanding	3 177 086		3 200 666	
Earnings per share				
from continuing operations, diluted and undiluted (in CHF)	6.50		2.50	

Consolidated balance sheet

in CHF 000 Assets	30.06.2008 unaudited	%	31.12.2007 [1]	%
Current assets				
Cash and cash equivalents	207 806		153 426	
Derivative assets	27		286	
Trade accounts receivable	178 564		164 499	
Inventories	230 758		246 995	
Current income tax receivable	193		75	
Other short-term receivables	160 402		43 802	
Current assets	**777 750**	**59.8**	**609 083**	**45.6**
Assets held in disposal groups	0		178 053	
Total current assets	**777 750**	**59.8**	**787 136**	**59.0**
Non-current assets				
Property, plant and equipment	229 593		237 977	
Goodwill, software and other intangible assets	137 505		134 515	
Investment property	15 048		15 316	
Investment in associates and joint ventures	15 285		14 635	
Long-term financial assets	8 486		26 349	
Net pension asset	82 920		82 920	
Deferred income tax assets	34 008		36 041	
Total non-current assets	**522 845**	**40.2**	**547 753**	**41.0**
Total assets	**1 300 595**	**100.0**	**1 334 889**	**100.0**

Liabilities and equity				
Current liabilities				
Short-term financial debt	691		1 708	
Trade accounts payable	272 651		281 854	
Current income tax liabilities	11 564		9 696	
Other current liabilities	152 722		120 304	
Current provisions	3 150		250	
Current liabilities	**440 778**	**33.9**	**413 812**	**31.0**
Liabilities from disposal groups	0		69 963	
Total current liabilities	**440 778**	**33.9**	**483 775**	**36.3**
Non-current liabilities				
Long-term financial debt	215 620		197 740	
Long-term accrued pension cost	9 927		10 012	
Long-term provisions	12 245		8 812	
Deferred income tax liabilities	23 522		23 934	
Total non-current liabilities	**261 314**	**20.1**	**240 498**	**18.0**
Total liabilities	**702 092**	**54.0**	**724 273**	**54.3**
Equity				
Total equity	**598 503**	**46.0**	**610 616**	**45.7**
Total liabilities and equity	**1 300 595**	**100.0**	**1 334 889**	**100.0**

[1] Restatement due to IFRIC 14

Consolidated cash flow statement (condensed)

January 1 to June 30, in CHF 000	**2008** unaudited	2007 unaudited
Operating profit from continuing operations	28 639	12 230
Elimination of non-cash transactions	22 655	21 817
Cash flow before changes in net working capital	**51 294**	**34 047**
Changes in net working capital	1 464	6 060
Interest paid/received and taxes paid	– 1 034	– 4 193
Net cash provided by operating activities from continuing operations	**51 724**	**35 914**
Net cash provided by operating activities from discontinued operations	4 917	3 937
Net cash provided by operating activities	**56 641**	**39 851**
Net cash provided by (used in) investing activities from continuing operations	**21 560**	**– 26 274**
Net cash used in investing activities from discontinued operations	– 17 598	– 6 629
Net cash provided by (used in) investing activities	**3 962**	**– 32 903**
Net cash used in financing activities from continuing operations	**– 17 143**	**– 42 012**
Net cash provided by financing activities from discontinued operations	1 046	7 175
Net cash used in financing activities	**– 16 097**	**– 34 837**
Net increase (decrease) in cash and cash equivalents from continuing operations	**56 141**	**– 32 372**
Net (decrease) increase in cash and cash equivalents from discontinued operations	– 11 635	4 483
Net increase (decrease) in cash and cash equivalents	**44 506**	**– 27 889**
Translation adjustments on cash and cash equivalents	– 3 195	2 042
Cash and cash equivalents at beginning of period from continuing operations	153 426	218 643
Cash and cash equivalents at beginning of period from discontinued operations	13 069	3 457
Cash and cash equivalents at beginning of period	166 495	222 100
Cash and cash equivalents at end of period from continuing operations	**207 806**	**194 402**
Cash and cash equivalents at end of period from discontinued operations	0	1 851
Cash and cash equivalents at end of period	**207 806**	**196 253**

Consolidated statement of changes in equity

in CHF 000	Equity of Valora Holding AG shareholders Share capital	Other reserves	Retained earnings	Cumulative translation adjustments	Total equity of majority sharehold-ers	Minority interest	Total equity unaudited
Balance at December 31, 2006	**3 300**	**– 25 653**	**568 764**	**11 522**	**557 933**	**2 923**	**560 856**
Restatement IAS 19, pension asset			28 085		28 085		**28 085**
Deferred income tax on restatement			– 5 617		– 5 617		**– 5 617**
Balance at January 1, 2007	**3 300**	**– 25 653**	**591 232**	**11 522**	**580 401**	**2 923**	**583 324**
Fair value gain on cash flow hedges		1 279			1 279		**1 279**
Release of tax assets on share-based payments		– 52			– 52		**– 52**
Translation adjustments				3 774	3 774	95	**3 869**
Income (expense) recognised directly in equity		**1 227**		**3 774**	**5 001**	**95**	**5 096**
Net profit for first half of 2007			11 479		11 479	409	**11 888**
Total profit (loss) reported		**1 227**	**11 479**	**3 774**	**16 480**	**504**	**16 984**
Share-based payments		– 875			– 875		**– 875**
Dividend paid on 2006 result			– 28 808		– 28 808	– 506	**– 29 314**
Decrease in treasury stock [1]		5 159			5 159		**5 159**
Balance at June 30, 2007	**3 300**	**– 20 142**	**573 903**	**15 296**	**572 357**	**2 921**	**575 278**
Fair value loss on available-for-sale financial assets		– 50			– 50		**– 50**
Fair value loss on cash flow hedges		– 559			– 559		**– 559**
Release of tax assets on share-based payments		– 40			– 40		**– 40**
Translation adjustments				– 1 057	– 1 057	– 3	**– 1 060**
Expense recognised directly in equity		**– 649**		**– 1 057**	**– 1 706**	**– 3**	**– 1 709**
Net profit for second half of 2007			40 093		40 093	506	**40 599**
Total profit (loss) reported		**– 649**	**40 093**	**– 1 057**	**38 387**	**503**	**38 890**
Share-based payments		521			521		**521**
Treasury stock purchased		– 6 556			– 6 556		**– 6 556**
Decrease in treasury stock		2 483			2 483		**2 483**
Balance at December 31, 2007	**3 300**	**– 24 343**	**613 996**	**14 239**	**607 192**	**3 424**	**610 616**
Fair value loss on cash flow hedges		– 130			– 130		**– 130**
Release of tax assets on share-based payments		– 4			– 4		**– 4**
Translation adjustments				– 5 879	– 5 879	– 103	**– 5 982**
Expense recognised directly in equity		**– 134**		**– 5 879**	**– 6 013**	**– 103**	**– 6 116**
Net profit for first half of 2008			26 120		26 120	468	**26 588**
Total profit (loss) reported		**– 134**	**26 120**	**– 5 879**	**20 107**	**365**	**20 472**
Share-based payments		– 470			– 470		**– 470**
Dividend paid on 2007 result			– 28 606		– 28 606	– 580	**– 29 186**
Treasury stock purchased		– 5 631			– 5 631		**– 5 631**
Decrease in treasury stock [1]		2 702			2 702		**2 702**
Balance at June 30, 2008	**3 300**	**– 27 876**	**611 510**	**8 360**	**595 294**	**3 209**	**598 503**

[1] 2008: shares allocated to employees, 2007: shares allocated to employees and Board members plus shares sold in market

Segment reporting

in CHF 000	Valora Retail	Valora Media	Valora Trade	Others	Intersegment elimination	Total Group unaudited
Net revenues 1.01. - 30.06.2008						
From third parties	862 682	208 795	389 777	7 221	0	1 468 475
From other divisions	1 365	95 497	3 658	0	– 100 520	0
Total	**864 047**	**304 292**	**393 435**	**7 221**	**– 100 520**	**1 468 475**
Net revenues 1.01. - 30.06.2007						
From third parties	808 807	174 372	387 733	7 162	0	1 378 074
From other divisions	267	96 522	3 471	0	– 100 260	0
Total	**809 074**	**270 894**	**391 204**	**7 162**	**– 100 260**	**1 378 074**
Change (%)	+ 6.8	+ 12.3	+ 0.6			+ 6.6
Operating profit 01.01. - 30.06.2008						
Operating profit	**5 657**	**18 686**	**6 965**	**– 2 669**		**28 639**
Operating profit 01.01. - 30.06.2007						
Operating profit	– 6 081	12 481	8 154	– 2 324		12 230
Operating profit in % of net revenues						
1.01. - 30.06.2008	**0.7**	**6.1**	**1.8**			**2.0**
1.01. - 30.06.2007	n/a	4.6	2.1			0.9

Notes to the consolidated financial statements

1 Significant accounting policies

This report contains the interim financial statements of Valora Holding AG and its subsidiaries for the first six months of 2008. With the exception of the changes to International Financial Reporting Standards (IFRS) and their interpretation detailed below, this report was compiled on the basis of the same accounting principles as those used for the 2007 annual financial statements. This interim report is an update to the consolidated annual accounts for 2007 and should be viewed in conjunction with that document. This report has been prepared in accordance with the requirements of the Swiss Stock Exchange (SWX) in line with International Financial Reporting Standards (IFRS) standard IAS 34. All figures other than those contained in the balance sheet as at December 31, 2007 are unaudited.

Adoption of new accounting standards. Changes to International Financial Reporting Standards and their interpretation which became effective from January 1, 2008 have been applied retroactively as of January 1, 2007. The 2007 figures have been adjusted to reflect these new requirements. The effects of these adjustments are as follows:

IFRIC 14. Adoption of IFRIC 14 resulted in the net pension fund asset at January 1, 2007 increasing by CHF 28.1 million to CHF 82.9 million. This adjustment increases deferred taxes by CHF 5.6 million at January 1, 2007 and raises retained earnings on the net pension asset at that date by CHF 22.5 million. At December 31, 2007, the net pension asset rose by a further CHF 261 thousand and deferred taxes increased by an additional CHF 53 thousand. In aggregate, these adjustments raise 2007 Group net income by CHF 208 thousand.

2 Discontinued operations

During the first half of 2008, the Group successfully completed the sale of its Trade division’s Own Brand operations, which had been reported under discontinued operations. Roland Murten AG, Kägi Söhne AG and Cansimag France SA were sold as a package, with the sale being backdated to February 29, 2008. The sale of Gillebagaren AB was backdated to April 30, 2008 while that of Sørlandschips AS was backdated to May 31, 2008. The results of the units sold, including net book gains from their sale, are reported as net income from discontinued operations for the periods until economic control over them was transferred to their new owners on the dates just stated.

Income statement for discontinued operations

in CHF 000	**1.01. - 30.06.2008** unaudited	1.01. - 30.06.2007 unaudited
Net revenues	42 018	83 496
Gross profit	**22 954**	**49 513**
Operating expenses	– 18 248	– 45 072
Other income, net	2 797	56
Operating profit	**7 503**	**4 497**
Financial result	– 334	– 712

Profit before taxes	**7 169**	**3 785**
Income taxes	– 330	– 314
Profit from discontinued operations	**6 839**	**3 471**
Accumulated exchange rate differences	– 1 386	0
Net profit from discontinued operations	**5 453**	**3 471**

Net assets of discontinued operations

in CHF 000	**30.06.2008** unaudited	31.12.2007
Cash and cash equivalents	0	13 069
Trade accounts receivable	0	21 537
Inventories	0	10 896
Other current assets	0	8 059
Property, plant and equipment	0	99 548
Goodwill	0	20 639
Other fixed assets	0	4 305
Trade accounts payable	0	– 13 125
Other current liabilities	0	– 19 250
Long-term financial liabilities	0	– 29 081
Other long-term liabilities	0	– 8 507
Net assets	**0**	**108 090**

3 Provisions

in CHF 000	Guarantees	Litigation	Restructuring	**Total** unaudited
Balance at January 1, 2007	**15 576**	**4 228**	**5 070**	**24 874**
Utilised	– 5 092	– 124	– 1 533	– 6 749
Fair value adjustment	122	103	0	225
Translation adjustments	0	3	0	3
Balance at June 30, 2007	**10 606**	**4 210**	**3 537**	**18 353**
Utilised	0	0	– 273	– 273
Amounts released to income	– 5 978	0	– 3 264	– 9 242
Fair value adjustments	122	102	0	224
Balance at December 31, 2007	**4 750**	**4 312**	**0**	**9 062**
Recognised	6 230	0	0	6 230
Fair value adjustments	0	103	0	103
Balance at June 30, 2008	**10 980**	**4 415**	**0**	**15 395**
Current provisions	3 150	0	0	3 150
Long-term provisions	7 830	4 415	0	12 245
Total provisions	**10 980**	**4 415**	**0**	**15 395**

Berne, August 21, 2008

The next ordinary general meeting of shareholders of Valora Holding AG will take place on Wednesday, April 29, 2009.

This half-year report is published in German and English. The original version is in German.

Valora Management AG
Corporate Communications

Hofackerstrasse 40
4132 Muttenz, Switzerland
Stefania Misteli
Phone +41 58 789 12 01
Fax +41 58 789 11 12
stefania.misteli@valora.com

Valora Management AG
Corporate Investor Relations

Hofackerstrasse 40
4132 Muttenz, Switzerland
Mladen Tomic
Phone +41 58 789 12 20
Fax +41 58 789 11 12
mladen.tomic@valora.com

Valora Holding AG

Belpstrasse 37
3007 Berne, Switzerland
Phone +41 58 789 11 11
Fax +41 58 789 11 12
www.valora.com
info@valora.com