



valora,
a customer
company

Valora makes life easier for its customers, by offering them a wide range of daily shopping and refreshment options, which is always close to hand, even when they are out and about.

Valora has a clear focus on the convenience and immediate-consumption retail sectors. It also has an attractive outlet network.

Thanks to their modular conception, its retail formats can be deployed with great flexibility. Valora outlets generate significant footfall and add genuine value to the locations in which they operate.

Valora's network of prime, heavily frequented outlet sites, its popular range of private-label products and its unique position as a tobacco, press and books retailer provide a good basis for growth. For people on the move, be they commuters, tourists or travellers, early birds or night owls, Valora is the obvious destination for practical food and beverage options, with fresh take-away products always on sale.

Valora provides its digitally adept customers with a range of new services to make their lives easier. Additional online offerings not only attract new customers, they also strengthen Valora's relationships with its existing customer base.

In addition, the company's strong brands, successful operating models and systematic control over its entire food-product value chain not only represent a competitive advantage for Valora but also provide it with significant potential for national and international expansion.

OUTLET NETWORK

	FORMAT	OUTLETS	
	k kiosk	1 134	KIOSK & CONVENIENCE
	cigo & sub-formats / partners	450	
	P & B	209	
	Nավille	178	
	avec.	128	
	SSDB / U-Store	151	
	Ditsch	213	FOOD SERVICE
	Brezelkönig	45	
	Brezelkönig International	5	
	Spettacolo	36	
	TOTAL	2 549	

OUTLET NETWORK BY COUNTRY AND OPERATING MODEL

	FORMAT	VALORA-OPERATED	AGENCY	FRANCHISE*	TOTAL	
GERMANY		cigo & sub-formats / Partner	54	396	450	
		Ditsch		213	213	
		P & B	165		165	
		k kiosk	98		160	258
		SSDB / U-Store	63		88	151
		TOTAL	380	213	644	1 237
SWITZERLAND		k kiosk	329	482		811
		Nավille	9	169		178
		avec.	61		67	128
		Brezelkönig	3	42		45
		P & B	15	19		34
		Spettacolo	36			36
	TOTAL	453	712	67	1 232	
LUXEMBOURG		k kiosk		65		65
		TOTAL		65		65
AUSTRIA		P & B	10			10
		Brezelkönig International	3			3
		TOTAL	13			13
FRANCE		Brezelkönig International	2			2
		TOTAL	2			2
TOTAL		848	990	711	2 549	

*including 240 independent partners at Retail Germany



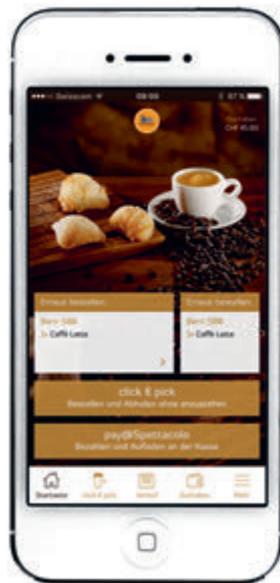
*Coffee that is only
a click away*



Spettacolo



*Latte macchiato
nocciola, click!
Cornetto marmellata,
click! At Spettacolo,
customers can now
begin their coffee
experience on their
smartphones. Valora
has developed an
app which allows
them to pre-order
and pay for their
favourite coffee and
other treats online,
and specify the precise
time they will collect
their order in any
one of Spettacolo's
36 outlets.*



At 6.25 in the morning, Felicitas Suter leaves her flat in Basel. At 6.33 she catches the tram, which drops her at the station at 6.54. At 7.00 she is sitting in the train to Zurich, holding a hot, fresh coffee with cream in her hand. How on earth did she manage that, with only 6 minutes to spare, at the peak of the rush hour? Thanks to Spettacolo! The whole thing took 20 seconds. She went in, straight past the queue, grabbed her coffee and left.

Over a quarter of a million commuters travel by train in Switzerland, nearly all of them at the same time. That means full trains, full stations and full Spettacolo coffee bars. Even though, like all Valora Group brands, the largest Swiss coffee-bar chain specialises in operating at heavily frequented locations, peak rush-hour times are still a challenge. No matter how pressed for time its commuter customers may be, they still want quality. They expect their coffee to be made from expertly roasted beans, preferably organic and fair trade, and freshly ground to order. They also expect to be offered options such as soya milk and high-quality syrup.

The question of how customers can be served top-quality coffee in as short a time as possible is one to which Felicitas Suter has devoted a lot of thought. She is the Business Development Manager at the Valora Lab, which is based in Zurich and employs a technology and trend scout in Silicon Valley. The Valora Lab evaluates future shopping trends and develops technology solutions to make them reality. Never before have customer needs been more closely linked to technology than today. Because today's customers are al-

Spettacolo



ways online via their smartphones, an ever-increasing portion of retailers' dealings with their customers are now taking place in the digital arena. For centuries, retailers' relationships with their customers were focused on the physical sales outlet. Since the digital revolution, that relationship has become continuous, in both space and time. To be close to your customer nowadays, you have to extend your offering into the limitless realms of the digital world.

In March 2015, the Valora Lab began developing an app which would bridge the gap between the digital world and the 36 Spettacolo outlets. Developing a pre-ordering function seemed an obvious choice, as this would disconnect the link between the purchasing process and the point of sale, both in terms of time and space. After all, most rail commuters surf the internet on their way to the station anyway. On November 8, 2015, only seven months later, Valora was able to present its new Spettacolo app with its click&pick function to the public. Ever since, in only a few clicks on their smartphones, customers on the move can place a precisely scheduled order not only for their favourite coffee, but for other beverages, bakery products and combo offerings too. Orders are automatically charged to customers' credit balances, so all they have to do is turn up at the click&pick counter at the specified time. And that is not the only payment innovation at Spettacolo. Thanks to Bluetooth beacons installed at each Spettacolo outlet, customers can also use their phones to pay for the ordinary purchases at the coffee bar, since mobile payment is another megatrend this new app supports. And as if all that did not

make the app appealing enough, every time they top up their credit balance, customers receive an additional bonus credit on the amount they have paid in.

The popularity of this new app is hardly surprising, as it is the first of its kind in Switzerland. It is now being actively used by the customers who have downloaded in its first four months of operation. For Valora, this is more than just a success in its own right, it is also an incentive to develop further offerings and applications. The app has an open-architecture design, so that it can be used and developed for many other Valora Group formats. The Spettacolo app is just one milestone on Valora's digital journey. The internet has opened up many different growth opportunities, and Valora intends to make the most of them. Being able to capitalise on opportunities and develop new ideas for winning additional customers and strengthening existing customer relationships is critical to success in this market. A further benefit of extending and linking different sales channels is that it generates interesting data on consumers' spending patterns, which can be classified and interpreted. This provides Valora with an opportunity of enhancing the profile of its own products and services, making them more personalised and developing loyalty programmes to strengthen its ties to its customer base.

And Felicitas Suter? She is already on her way back from the Valora Lab to Basel. What has she ordered on her Spettacolo app this time? Nothing. She has switched off her phone and is reading. ●

VALORA LAB, AN INCUBATOR FOR INNOVATIVE DIGITAL IDEAS

As a modern retailer, Valora is determined to make the most of new technologies and innovative services. The Valora Lab is an integral part of the Group's innovation strategy. Established in 2015, it is tasked with rapidly identifying new digital trends, so that it can build on these to develop value-added products and services for Valora's customers. In addition to the Spettacolo app, the Valora Lab has also developed bob money, its first innovative user-friendly online financial product, which was soon followed by a second product, ok.– cash.

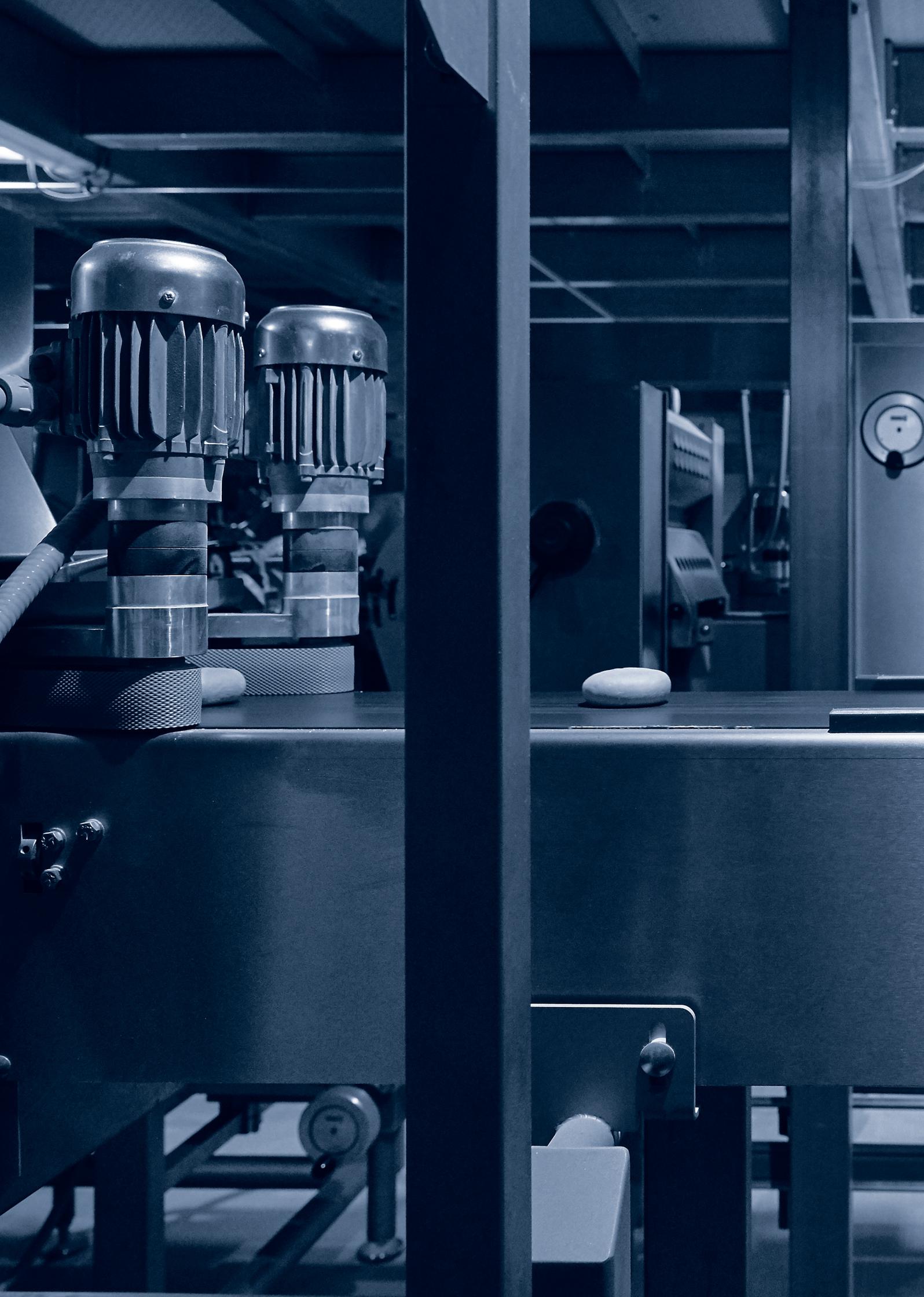
The Valora Lab has recently retained a representative in San Francisco, the worldwide hub for innovation and entrepreneurship. Given its proximity to Silicon Valley, San Francisco is home to a host of talented software engineers engaged in developing technologies and products that are relevant to Valora. That is why, over the last few years, major US retailers such as Walmart, Target, Amazon and Westfield have all established labs in the city. San Francisco also benefits from a huge influx of companies launching new technologies and products which will play a significant part in shaping our future purchasing patterns. The offices of Valora's representative are located in the Bespoke Co-Working Space, a well-known retail hub. This provides Valora with excellent access to other retailers and startups, as well as enabling it to take part in relevant industry events and to test prototypes where they are being developed.



DITSCH PRODUCTION PLANTS

Ditsch now operates two production plants in Germany and one in Switzerland. Their staff of over 500 produce more than 500 million lye-bread items each year. Only a small proportion these are served, freshly baked, to customers at the company's own outlets. The lion's is shipped to markets across the globe, from the US to Japan, from Norway to South Africa. The excellent quality of these products is appreciated by wholesalers and their customers the world over, giving Ditsch a truly international following.

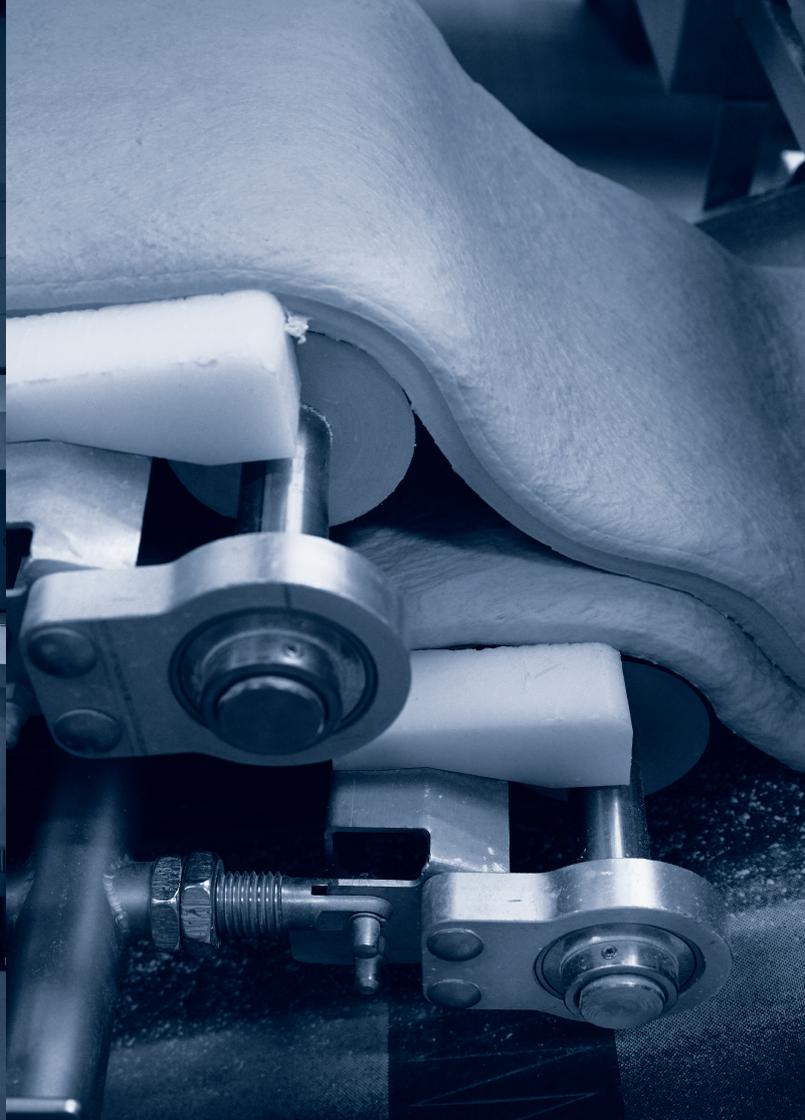














Ditsch

*The irresistible
aroma of success*



Not many people can just walk past. The aroma from those fresh Ditsch and Brezelkönig pretzels is just too enticing. By combining a traditional emphasis on quality with innovative baking techniques, the company has established itself as the leading pretzel baker in Germany and Switzerland.

For nearly 100 years now, the aroma of Ditsch's freshly baked pretzels has cast its spell on anyone who gets close enough to them. It is thus no surprise that from their birthplace in the historic centre of Mainz, they have gone on

to conquer entire national markets. In Germany and Switzerland, these pretzels are now sale in practically every railway station, pedestrian precinct and shopping centre, though perhaps under a different name. In Switzerland, Ditsch is known as Brezelkönig. And, when you get to the head of the queue, you will really be spoilt for choice. Nowadays, the classical pretzel is complemented by a whole range of other lye-bread products – sticks, croissants, sandwiches, hoops and – an irresistible, if somewhat incongruous option – pizza wraps.

The irresistible aroma

The magical attraction of the pretzels' aroma is no accident, but a deliberately chosen attribute of the Ditsch brand. Rather than baking the pretzels at a plant and delivering them stone cold to the sales stands, back in the 1980s Ditsch decided to turn the process on its head. Back then, it was the first pretzel bakery to equip all its outlets with their own baking ovens. Ever since, the pretzels have been baked in front of the customers and served to them warm, crispy and fragrant straight from the oven. This not only made a lasting impression on Ditsch's customers, it also secured the company's long-term success. The on-site ovens rapidly boosted the family-owned company's sales, first regionally and soon nationwide. More pretzels were needed, a lot more.



Pretzels at record speed

Ditsch proved equal to the task, thanks to a second major coup – in its production processes. By then, no one was twisting their pretzels by hand any more. That task was left to machines. A conventional machine could produce 900 pretzels an hour. Ditsch needed more, so they designed their own exclusive new machine, with nearly double that output. In just a few seconds, the mighty new robots can turn out a perfectly formed pretzel. Today, the Ditsch plants in Mainz and Oranienbaum produce well over 500 million items every year.

The fully automated production lines at the Ditsch plants operate around the clock. Under constant expert supervision, and in strictly controlled hygienic conditions, each item goes through a series of processes – dough preparation, twisting and shaping, cooling and lye application – before the final freezing and packing stages. Sophisticated pipelines criss-cross the plants, delivering the key ingredients – flour, water, oil and yeast. And the human element? That is represented by the production supervisor. He is kept on his toes, constantly patrolling the various production stages (sometimes on two levels, each with 200 square metres of floorspace), checking the warning lights, making sure there are always sufficient supplies of ingredients such as salt, removing pretzels that have gone astray or got caught in

the machinery and, above all, ensuring that the quantities of flour, the key ingredient, are always correctly calibrated, right down to the last gramme.

Every flour is different

The Oranienbaum and Mainz plants process dozens of tonnes of flour every day. As experienced bakers, Ditsch know that no two flours are the same. The quality and processing characteristics of wheat vary by growing region and rainfall density. Once a silo is empty, new flour is used for production. For the supervisor, this means recalibrating the dough composition. Every few minutes, he checks the consistency, moistness and composition of the dough shapes, always ready to intervene if anything is not quite right. Very high or very low outside temperatures are a particular challenge, as they can upset the constant 21 degree temperature maintained in the plants. This may result in condensation, making the dough sticky. If the air is too dry, the dough becomes brittle. By acting swiftly, the supervisor can avoid having to halt production.

Highly qualified staff with plenty of expertise and a passion for top product quality, coupled with state-of-the-art technology and automation. That is the recipe on which Ditsch's exquisite products and its business success both depend. They are also critical to the company's ongoing expansion into

new markets. In 2000, Ditsch acquired Switzerland's Brezelkönig, which it has systematically expanded. In 2012, Peter Ditsch sold his parents' business to the Valora Group. With 263 outlets and a staff of more than 500, what was once a small family business in Mainz is now a company operating on an international scale. The latest chapter in its history has just been written, with Ditsch pretzels now on sale in Austria and France – attention, la baguette! ●

DITSCH/BREZELKÖNIG NETWORKS

From a small-scale family business back in 1985, Ditsch has gone on to build a network of some 250 outlets. Every day, some 120000 customers (not only in Ditsch's German home market, but in Switzerland as well) enjoy the company's fresh pretzels, lye-bread sticks, sandwiches, hot dogs and pizza wraps. The networks are expanding apace. Recent new openings in Vienna and Paris will be followed by outlets in other large cities. Brezelkönig is making its mark on the world.



INNOCENT MANGO SMOOTHIE
300 ml
CHF 4.75

INNOCENT UNSER GEMISSE
300 ml
CHF 4.75

INNOCENT BROMBEERE, ERDBEERE & J-HANNISBEERE
300 ml
CHF 4.75

INNOCENT ORANGE, KAROTTE & MANGO
300 ml
CHF 4.75

INNOCENT ERDBEERE BANANE
300 ml
CHF 3.75

INNOCENT PERFECTLY PINK
300 ml
CHF 4.75

CAPRI-SUNNE 3.3DL MULTIFRUCHT
300 ml
CHF 2.75



OK! - ORANGENSAPFT 33 CL.P
300 ml
CHF 1.50

GRANINI FRUCHTCKOCKTAIL 3
300 ml
CHF 2.95



avec.



*avec. —
enjoyment
to take away*

Simple enjoyment – a range of fresh choices for a contemporary, fast-paced, health-conscious lifestyle. How, why and where people do their shopping is increasingly difficult to categorise. While the major weekly shop still has its place, more and more people also shop several times a week, if not daily. For today’s urban, mobile consumers buying what you need for the day on your way to work or picking up a ready-made dinner on your way home is commonplace. avec. not only offers a range of fresh choices suited to its customers’ contemporary, fast-paced and health-conscious lifestyles, it also provides spontaneous moments of enjoyment throughout the day. Customers also know that avec. always provides top quality, no matter when they shop or how little time they have.

With its wide choice of take-away options, including coffee to go, home-made sandwiches, hot and cold snacks and a plentiful bakery range, not to mention salads, fruit and dairy products, avec. offers a broad selection of fresh produce to suit many different tastes. In a word, convenience. ●



CONVENIENCE AT VALORA

In Switzerland, Valora operates 128 avec. shops at railway and petrol stations. avec. is well established in the franchising market, offering its partners a system with good future prospects. More than 67 avec. outlets in Switzerland are now operated by franchisees.

Valora has two convenience formats in Germany, ServiceStore DB and U-Store. The network of 151 outlets is constantly being modernised and expanded, with new store layouts and a wider range of fresh produce.



Naville



Naville has been part of the Valora Group since spring 2015.

The Naville acquisition underscores Valora’s strategic focus on small-outlet retail. It has also enabled Valora to create a unique network of outlets at heavily frequented locations right across Switzerland.

The Naville outlets are operated by established local agents with an excellent understanding of the specific needs of the customers in their region. As agency partners, they enjoy the benefits of an attractive location, a well-known brand and a proven range of products and services. The Valora agency model provides new entrepreneurs with a unique opportunity of running their own business with a strong partner at their side. ●

PROVEN AGENCY MODEL

The Naville outlet network is run by 169 agency partners. Their agency contracts are based on a tried and tested business model which has been operating successfully since 2005. In Switzerland, a total of 712 agency partners now manage kiosk, P&B, Naville and Brezelkönig outlets. In Luxembourg all 65 kiosk and in Germany 213 Ditsch branches are operated on an agency basis.





*Contemporary retail
concept offers
customers a wealth
of reading –
and fresh coffee.*

In February 2015, Valora opened its new-look P&B Christoffel flagship store in Bern.

Increasing numbers of customers are looking for a pleasant and relaxing shopping experience which showcases a contemporary and constantly evolving product range. The shop's broad and appealing selection of book and press titles is constantly being enhanced by an appealing range of contemporary items. Thanks to its regular display changes, new P&B store is able to present the latest products from a number of fashionable brands.

The new store is the ideal place for customers to relax and be inspired by exciting new ideas, thus ensuring that they always have something new to come and see. ●