

# 2016

**valora**  
HALF-YEAR  
REPORT



## GROUP PERFORMANCE

In the first six months of 2016, the Valora Group increased its EBIT to CHF 30.4 million, a +47.2% advance on the same period of 2015. The Group's EBIT margin amounted to 2.9%, a +0.8 percentage-point improvement on first-half 2015. Net revenues advanced +4.8% (+3.7% in local currency), to reach CHF 1 037.8 million. Consolidated net profit came in at CHF 17.8 million compared to CHF -26.3 million in the first six months of 2015, which were adversely impacted by impairment charges on discontinued operations. As these results demonstrate, the Valora Group is now once again well placed to meet both its projected results for 2016 as a whole and the medium-term objectives it has set itself.

Retail Switzerland/Austria achieved pleasing rates of growth, principally thanks to organisational streamlining and the synergies realised from the merger of its operations with those of Naville, despite a market environment which remains challenging. The performance of Retail Germany/Luxembourg confirms the growth trajectory on which this unit had already embarked in 2015.

The Food Service division performed well, both at existing outlets and with new units opened as part of the Ditsch/Brezelkönig expansion. Besides expanding its international network with an additional outlet in the Austrian city of Graz, Brezelkönig has now nearly completed development of an international franchising concept which it plans to roll out in 2017. The Spettacolo format has now been assigned to Food Service Switzerland (for both 2015 and 2016). In the 2015 annual report its results were included in the Retail Switzerland/Austria accounts.

Free cash flow rose CHF +2.3 million to CHF 17.6 million, an increase which largely reflects the +21.1% growth in EBITDA to CHF 57.8 million. This positive overall performance also helped to raise return on capital employed (ROCE) by +1.1 percentage points to 7.2%.

The signing, on June 23, 2016, of the agreement to sell Naville Distribution to Thomas Kirschner, the owner of the 7Days Group, also means that, during the first six months of 2016, Valora has now successfully completed its strategy of focusing solely on its core business.

## A NET REVENUES

<i>Net revenues (NR)</i>	2016	2016 share in %	2015	2015 share in %	Change	
in CHF million						in local currency
Retail Switzerland/Austria	645.6	62.2%	640.0	64.6%	+0.9%	+0.8%
Retail Germany/Luxembourg	238.1	22.9%	212.5	21.5%	+12.0%	+8.1%
Naville Distribution	48.5	4.7%	33.8	3.4%	+43.2%	+43.2%
Elimination of intrasegment revenues	-19.2	-1.9%	-11.4	-1.2%	n.a.	n.a.
Valora Retail	912.9	88.0%	874.9	88.3%	+4.3%	+3.4%
Food Service	124.3	12.0%	115.4	11.7%	+7.7%	+5.3%
Other	0.6	0.1%	0.0	0.0%	n.a.	n.a.
<b>Total Group</b>	<b>1 037.8</b>	<b>100.0%</b>	<b>990.3</b>	<b>100.0%</b>	<b>+4.8%</b>	<b>+3.7%</b>
Switzerland	714.4	68.8%	697.0	70.4%	+2.5%	+2.5%
Elsewhere	323.4	31.2%	293.3	29.6%	+10.2%	+6.4%

Group net revenues in first-half 2016 grew by +4.8% compared to the same period of 2015. This improvement was essentially driven by the positive performance of Retail Germany/Luxembourg and higher Food Service sales, both on a same-store basis and from new outlets. Naville, whose first-half 2015 results were consolidated from March of last year, also contributed to this positive outcome.

Retail Switzerland/Austria generated first-half 2016 net revenues of CHF 645.6 million, +0.9% up on the first six months of 2015. This increase is principally due to the contribution from Naville Retail, whose results during the first six months of 2015 were consolidated from March. Net revenues from the existing business declined due to the closure of a net 25 outlets since June 2015 (primarily kiosks in peripheral locations). Same-store net revenues declined by -3.0%, largely as a result of the ongoing challenges presented by the Swiss market.

Net revenues at Retail Germany/Luxembourg expanded by +12.0%, to reach CHF 238.1 million, an increase of +8.1% in local-currency terms. This impressive result partly reflects a greater proportion of Valora-operated stores and partly the strong, +4.7% growth in same-store sales. In product-category terms, net revenue growth notably benefited from higher tobacco sales (up +16.8% in local currency). The ongoing expansion of the food offering, including a greater range of ok.- private-label products, also had a significant positive impact, with same-store sales advancing +12.7%.

Naville Distribution generated net revenues of CHF 48.5 million in the first six months of 2016. Compared to first-half 2015, when its results were consolidated with effect from March, this represents an increase of +43.2%. The net revenues reported for Naville Distribution include sales within the Retail division.

The Food Service division achieved net revenue growth of +7.7%, or +5.3% in local-currency terms. All business areas made a positive contribution to this outcome. Same-store net revenues rose +2.0% at Ditsch in Germany and +0.9% at the Swiss formats. Expansion also played its part, most notably at Brezelkönig Switzerland, which has opened 9 new outlets (for a net increase of +8 units) since June 2015. Despite streamlining its portfolio, Ditsch's business-to-business (B2B) operations managed to exceed their strong first-half 2015 performance, increasing net revenues by a further +2.3%.

**B GROSS PROFIT**

<i>Gross profit</i>	2016	2016 share in %	2016 % of NR	2015	2015 share in %	2015 % of NR	Change	
in CHF million							in local currency	
Retail Switzerland/ Austria	230.8	53.8%	35.8%	225.0	56.2%	35.1%	+2.6%	+2.6%
Retail Germany/ Luxembourg	83.2	19.4%	35.0%	74.0	18.5%	34.8%	+12.4%	+8.5%
Naville Distribution	17.9	4.2%	36.8%	12.8	3.2%	37.9%	+39.1%	+39.1%
Valora Retail	331.9	77.3%	36.4%	311.8	77.9%	35.6%	+6.4%	+5.5%
Food Service	96.7	22.5%	77.8%	88.3	22.1%	76.5%	+9.5%	+7.2%
Other	0.6	0.1%	n.a.	-	0.0%	n.a.	n.a.	n.a.
<b>Total Group</b>	<b>429.1</b>	<b>100.0%</b>	<b>41.4%</b>	<b>400.1</b>	<b>100.0%</b>	<b>40.4%</b>	<b>+7.3%</b>	<b>+6.0%</b>

Valora generated a gross profit of CHF 429.1 million in the first six months of 2016. This represents a +7.3% improvement on the same period of 2015 and a +0.9 percentage-point increase in gross-profit margin, to 41.4%.

Retail Switzerland/Austria raised its gross profit by CHF +2.6%, to CHF 230.8 million. In addition to the improved revenue performance detailed above, this also reflects a +0.6 percentage-point improvement in gross-profit margins due to increased promotion revenues and improved purchasing terms.

Gross profit at Retail Germany/Luxembourg advanced +12.4%, or +8.5% in local currency, to reach CHF 83.2 million. While this is principally attributable to higher sales volumes, the unit also raised its gross-profit margin slightly by +0.2 percentage points, to 35.0%.

Naville Distribution's first-half 2016 gross profit amounted to CHF 17.9 million, compared to CHF 12.8 million in the same period of 2015. This +39.1% increase essentially relates to gross profit generated in January and February 2016, since, in the 2015 accounts, Naville was consolidated with effect from March.

The Food Service division increased its gross profit by +9.5%, to CHF 96.7 million. In addition to the net revenue growth cited above, this performance also reflects a +1.3 percentage-point improvement in gross-profit margin, itself largely the result of the customer portfolio optimisation carried out in the B2B operation.

**C OPERATING, COSTS, NET**

<i>Net operating costs</i>	2016	2016 share in %	2016 % of NR	2015	2015 share in %	2015 % of NR	Change	
in CHF million							in local currency	
Retail Switzerland/ Austria	-217.2	54.5%	-33.6%	-216.0	56.9%	-33.7%	+0.5%	+0.5%
Retail Germany/ Luxembourg	-76.2	19.1%	-32.0%	-71.2	18.8%	-33.5%	+7.0%	+3.4%
Naville Distribution	-15.0	3.8%	-30.9%	-10.0	2.6%	-29.7%	+49.2%	+49.2%
Valora Retail	-308.4	77.3%	-33.8%	-297.2	78.3%	-34.0%	+3.7%	+2.8%
Food Service	-85.0	21.3%	-68.4%	-77.0	20.3%	-66.7%	+10.4%	+8.0%
Other	-5.4	1.4%	n.a.	-5.3	1.4%	n.a.	+3.3%	+3.3%
<b>Total Group</b>	<b>-398.8</b>	<b>100.0%</b>	<b>-38.4%</b>	<b>-379.5</b>	<b>100.0%</b>	<b>-38.3%</b>	<b>+5.1%</b>	<b>+3.9%</b>

The Group's net operating costs in the first six months of 2016 were +5.1% up on their level a year earlier, reflecting two additional months for Naville in 2016 as well as higher production volumes and increased expansion activities in the Food Service division. Operating costs as a percentage of net revenues remained stable at -38.4%.

Net operating costs at Retail Switzerland/Austria remained in line with their first-half 2015 levels (+0.5%) at CHF -217.2 million. Savings achieved from synergy effects, reorganisation initiatives and the lower number of stores compensated for higher costs at Naville Retail for January and February (amounting to -9.2 million; in 2015 this unit was consolidated with effect from March) and higher intra-Group charges following the sale of the Trade division (CHF -2.7 million). The anticipated savings from synergy effects have thus been fully realised.

Retail Germany/Luxembourg incurred net operating costs of CHF -76.2 million. This +7.0% increase on the figure for first-half 2015 is partly due to exchange-rate fluctuations (in local currency the increase was +3.4%). Another factor is the greater number of Valora-operated outlets. Expressed as a percentage of net revenues, first-half net operating costs fell by +1.5 percentage points.

Net operating costs for Naville Distribution amounted to CHF -15.0 million. This +49.2% increase on first half 2015 reflects the fact that this unit was consolidated with effect from March 2015.

Food Service incurred net operating costs of CHF -85.0 million in first-half 2016 compared to CHF -77.0 million a year earlier, an increase of +8.0% in local currency terms which is attributable to higher production volumes and expansion initiatives, both in existing markets and internationally.

**D OPERATING PROFIT (EBIT)**

<i>Operating profit (EBIT)</i>	2016	2016 share in %	2016 % of NR	2015	2015 share in %	2015 % of NR	Change	
in CHF million							in local currency	
Retail Switzerland/Austria	13.6	44.9%	2.1%	9.0	43.5%	1.4%	+52.0%	+52.3%
Retail Germany/Luxembourg	7.0	22.9%	2.9%	2.8	13.6%	1.3%	+147.5%	+134.4%
Naville Distribution	2.9	9.5%	5.9%	2.8	13.6%	8.3%	+2.8%	+2.8%
Valora Retail	23.5	77.3%	2.6%	14.6	70.7%	1.7%	+61.0%	+59.4%
Food Service	11.7	38.6%	9.4%	11.3	54.7%	9.8%	+3.7%	+1.5%
Other	-4.8	-15.9%	n.a.	-5.2	-25.4%	n.a.	-8.0%	-8.0%
<b>Total Group</b>	<b>30.4</b>	<b>100.0%</b>	<b>2.9%</b>	<b>20.6</b>	<b>100.0%</b>	<b>2.1%</b>	<b>+47.2%</b>	<b>+44.4%</b>

Group EBIT expanded by CHF +9.7 million, or +47.2%, compared to the same period of 2015, whose results were impacted by one-off factors. This significant improvement essentially reflects synergies and reorganisation initiatives at Retail Switzerland/Austria and the continuing positive performance achieved by Retail Germany/Luxembourg.

Retail Switzerland/Austria generated first-half 2016 EBIT of CHF 13.6 million, CHF +4.7 million, or +52.0%, up on the same period of 2015. This strong advance, which was achieved despite higher intra-Group charges following the disposal of the Trade division, is largely due to synergies, reorganisation initiatives and increased revenues from promotions. The results generated by Naville Retail in the first two months of 2016 also had a positive effect, since in first-half 2015 this unit was first consolidated with effect from March. In aggregate, these various factors led to a +0.7% improvement in the EBIT margin, to 2.1%.

Retail Germany/Luxembourg increased its EBIT by CHF +4.2 million, or +147.5%, in the first six months of 2016, principally thanks to strong sales growth. The first-half 2015 result was also adversely affected by press inventory charges. The EBIT margin generated by this unit in first-half 2016 was 2.9%, +1.6 percentage points up on its performance in the same period of 2015.

Naville Distribution contributed CHF 2.9 million to Valora's first-half 2016 EBIT, compared to CHF 2.8 million in the first six months of 2015. While this unit's first-half 2015 results were not consolidated until March, they did include a one-off revenue item.

The Food Service division generated EBIT of CHF 11.7 million, +3.7% up on its performance in the same period of 2015. Inclusion of the Spettacolo format in this unit's accounts resulted in a first-half EBIT margin of 9.4%. The improved EBIT performance reflects both increased sales and a better gross-profit margin.

## E FINANCIAL RESULT, TAXES AND NET PROFIT

**The Valora Group's first-half 2016 net profit of CHF 17.8 million is CHF +44.0 million higher than that achieved in the same period of 2015. This increase reflects both the higher net profits generated from continuing operations (CHF +8.9 million) in first half 2016 and the impact of impairment charges on discontinued operations in the prior period.**

Valora's net financing result for the first six months of 2016 came in at CHF -9.7 million, an improvement of CHF +0.8 million on the same period of 2015. These lower financing costs are largely due to the higher level of currency losses incurred in first half 2015, which was adversely impacted by the Swiss National Bank's decision to abandon its floor exchange rate for the euro against the Swiss franc. Conversely, first-half 2016 saw special costs relating to the termination of a 72 million euro interest rate swap as part of Valora's sustainable financing initiative.

In the first six months of 2016, Valora incurred a consolidated tax expense of CHF -3.1 million (CHF -1.4 million in first-half 2015).

The result from discontinued operations amounted to CHF 0.2 million in the first six months of 2016 compared to CHF -34.9 million in the same period of 2015, which included the results, including impairment charges, of the former Trade division, amounting to CHF -33.1 million.

In aggregate, the Valora Group generated a net profit of CHF 17.8 million in the first six months of 2016, versus CHF -26.3 million in the same period of 2015.



## F LIQUIDITY, CASH FLOW AND KEY FINANCIAL DATA

**Thanks to higher EBITDA and lower operational investment spending, Valora increased its free cash flow by +14.9% compared to first-half 2015. At 41.0% of total assets and 2.2x EBITDA respectively, the Group's shareholders' equity and debt ratio both remain at sound levels.**

Free cash flow rose by CHF +2.3 million, or +14.9%, to reach CHF 17.6 million. Earnings before interest, tax, depreciation and amortisation (EBITDA) expanded by CHF +10.1 million, to CHF 57.8 million. Given its low starting point at year end 2015, the change in net working capital had the effect of reducing free cash flow. This was partly offset by lower operational investment spending.

Shareholders' equity as a percentage of total assets was 41.0% at 30.6.2016 compared to 41.5% at 31.12.2015.

Net debt at 30.6.2016 amounts to CHF –286.4 million, which represents an increase of CHF –35.4 million on its level at 31.12.2015 (CHF –251.1 million) following payment of the 2015 dividend. At 2.2x EBITDA, the debt ratio remains in line with its level at year end 2015 (2.1x EBITDA).

**G RETURN ON CAPITAL EMPLOYED**

<i>ROCE</i> <sup>1)</sup>	30.06.2016	31.12.2015	Percentage-point change
in %			
Retail Switzerland/Austria	13.9%	11.7%	+2.2%
Retail Germany/Luxembourg	10.8%	7.7%	+3.1%
Naville Distribution	10.9%	11.2%	-0.3%
Valora Retail	12.6%	10.3%	+2.4%
Food Service	6.7%	6.6%	+0.1%
<b>Total Group</b> <sup>2)</sup>	<b>7.2%</b>	<b>6.1%</b>	<b>+1.1%</b>

<sup>1)</sup> Capital employed is the average measured over the preceding 13 months. EBIT is the aggregate operating profit for the preceding twelve months.

<sup>2)</sup> Consolidated EBIT includes Corporate costs and consolidated capital employed includes cash and cash equivalents relating to continuing operations.

**Valora's return on capital employed (ROCE) in first-half 2016 amounted to 7.2%, +1.1 percentage points up on its level at year end 2015. This improved performance mainly reflects the higher EBIT generated by Retail Switzerland/Austria and Retail Germany/Luxembourg.**

ROCE, Valora's key internal profitability metric, measures the ratio of EBIT generated over the preceding 12 months against average invested capital. The Valora Group's ROCE at 30.06.2016 was 7.2%, +1.1 percentage points higher than at the end of 2015. This improvement is principally due to the higher EBIT generated by the Group, most notably at Retail Switzerland/Austria and Retail Germany/Luxembourg, which increased their ROCE by +2.2 percentage points and +3.1 percentage points respectively.

Valora Holding AG



**Rolando Benedick**  
 Chairman of the Board of Directors



**Michael Mueller**  
 CEO



## KEY FINANCIAL DATA

		30.06.2016	30.06.2015	Change
<b>External sales</b> <sup>1)</sup>	CHF million	<b>1 278.1</b>	<b>1 224.6</b>	+4.4 %
<b>Net revenues</b> <sup>1)</sup>	CHF million	<b>1 037.8</b>	<b>990.3</b>	+4.8 %
<b>EBITDA</b> <sup>1)</sup>	CHF million	<b>57.8</b>	<b>47.7</b>	+21.1 %
in % of net revenues		5.6	4.8	
<b>Operating profit (EBIT)</b> <sup>1)</sup>	CHF million	<b>30.4</b>	<b>20.6</b>	+47.2 %
in % of net revenues		2.9	2.1	
<b>Net profit Group</b> <sup>1)</sup>	CHF million	<b>17.6</b>	<b>8.7</b>	+102.6 %
in % of net revenues		1.7	0.9	
in % of equity <sup>2)</sup>		7.2	3.1	
<b>Net cash provided by (used in)</b> <sup>1)</sup>				
Operating activities	CHF million	31.7	38.4	-17.3 %
Ordinary investment activities	CHF million	-14.1	-23.1	-38.5 %
<b>Free cash flow</b> <sup>1)</sup>	CHF million	<b>17.6</b>	<b>15.3</b>	+14.9 %
<b>Earnings per share</b> <sup>1)</sup>	CHF	<b>4.57</b>	<b>1.87</b>	+144.7 %
<b>Number of outlets operated by Valora</b>		<b>1 862</b>	<b>1 835</b>	+1.5 %
of which agencies		1 013	913	+11.0 %
<b>Number of franchise outlets</b>		<b>656</b>	<b>742</b>	-11.6 %
		<b>30.06.2016</b>	<b>31.12.2015</b>	
<b>Share price</b>	CHF	<b>271.00</b>	<b>209.00</b>	+29.7 %
<b>Market capitalisation</b>	CHF million	<b>906.0</b>	<b>693.8</b>	+30.6 %
<b>Cash and cash equivalents</b>	CHF million	<b>84.0</b>	<b>117.0</b>	-28.2 %
<b>Interest-bearing debt</b>	CHF million	<b>370.4</b>	<b>368.1</b>	+0.6 %
<b>Equity</b>	CHF million	<b>476.9</b>	<b>506.0</b>	-5.8 %
<b>Total liabilities and equity</b>	CHF million	<b>1 162.3</b>	<b>1 220.2</b>	-4.7 %
<b>Number of employees</b> <sup>1)</sup>	FTE	<b>4 216</b>	<b>4 349</b>	-3.1 %

All totals and percentages are based on unrounded figures from the consolidated financial statements.

<sup>1)</sup> From continuing operations

<sup>2)</sup> Net profit in % of period-related equity

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## CONSOLIDATED INCOME STATEMENT

	2016	%	2015	%
<b>January 1 to June 30, in CHF 000 (except per-share amounts)</b>				
<b>Net revenues</b>	<b>1 037 784</b>	<b>100.0%</b>	<b>990 292</b>	<b>100.0%</b>
Cost of goods and materials	-608 639	-58.6%	-590 176	-59.6%
Personnel expenses	-133 277	-12.8%	-138 741	-14.0%
Other operating expenses	-240 594	-23.2%	-216 202	-21.8%
Depreciation, amortisation and impairments	-27 408	-2.6%	-27 089	-2.7%
Other income	3 644	0.4%	3 154	0.3%
Other expenses	-1 128	-0.1%	-593	-0.1%
<b>Operating profit (EBIT)</b>	<b>30 383</b>	<b>2.9%</b>	<b>20 645</b>	<b>2.1%</b>
Financial expenses	-10 347	-1.0%	-11 320	-1.1%
Financial income	686	0.1%	815	0.1%
<b>Earnings before taxes</b>	<b>20 723</b>	<b>2.0%</b>	<b>10 140</b>	<b>1.1%</b>
Income taxes	-3 110	-0.3%	-1 447	-0.2%
<b>Net profit from continuing operations</b>	<b>17 613</b>	<b>1.7%</b>	<b>8 693</b>	<b>0.9%</b>
Net profit/(loss) from discontinued operations	176	0.0%	-34 946	-3.6%
<b>Net profit/(loss)</b>	<b>17 789</b>	<b>1.7%</b>	<b>-26 253</b>	<b>-2.7%</b>
Attributable to shareholders of Valora Holding AG	15 389	1.5%	-28 532	-2.9%
Attributable to providers of hybrid capital	2 400	0.2%	2 400	0.2%
<b>Attributable to providers of Valora Holding AG equity</b>	<b>17 789</b>	<b>1.7%</b>	<b>-26 132</b>	<b>-2.7%</b>
<b>Attributable to non-controlling interests</b>	<b>0</b>	<b>0.0%</b>	<b>-121</b>	<b>-0.0%</b>
<i>Earnings / (loss) per share</i>				
from continuing operations, basic and diluted (in CHF)	4.57		1.87	
from discontinued operations, basic and diluted (in CHF)	0.05		-10.34	
<b>from continuing and discontinued operations, basic and diluted (in CHF)</b>	<b>4.62</b>		<b>-8.47</b>	

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2016	2015
<i>January 1 to June 30, in CHF 000</i>		
<b>Net profit/(loss)</b>	<b>17 789</b>	<b>-26 253</b>
Actuarial losses before income taxes	-11 174	-20 041
Income taxes	1 727	3 990
<b>Positions not subject to reclassification affecting the income statement</b>	<b>-9 447</b>	<b>-16 051</b>
Cash flow hedge	4 245	1 761
Currency translation adjustments	-1 805	-50 776
<b>Positions whose reclassification potentially affects the income statement</b>	<b>2 440</b>	<b>-49 015</b>
<b>Other comprehensive income</b>	<b>-7 007</b>	<b>-65 066</b>
<b>Total comprehensive income</b>	<b>10 782</b>	<b>-91 319</b>
Attributable to shareholders of Valora Holding AG	8 382	-93 470
Attributable to providers of hybrid capital	2 400	2 400
<b>Attributable to providers of Valora Holding AG equity</b>	<b>10 782</b>	<b>-91 070</b>
Attributable to non-controlling interests	0	-249

## CONSOLIDATED BALANCE SHEET

### ASSETS

	30.06.2016	%	31.12.2015	%
in CHF 000				
<i>Current assets</i>				
Cash and cash equivalents	83 969		116 308	
Derivative financial assets	0		61	
Trade accounts receivable	55 420		56 278	
Inventories	145 329		147 772	
Current income tax receivables	1 859		1 718	
Other current receivables	61 053		48 420	
<b>Current assets</b>	<b>347 631</b>	<b>29.9%</b>	<b>370 557</b>	<b>30.4%</b>
Assets held for sale (disposal group)	0	0.0%	5 655	0.4%
<b>Total current assets</b>	<b>347 631</b>	<b>29.9%</b>	<b>376 212</b>	<b>30.8%</b>
<i>Non-current assets</i>				
Property, plant and equipment	220 470		233 373	
Goodwill, software and other intangible assets	511 011		513 172	
Investment property	0		622	
Investment in associates and joint ventures	50		50	
Financial assets	43 063		42 259	
Pension asset	0		13 633	
Deferred income tax assets	40 058		40 855	
<b>Total non-current assets</b>	<b>814 652</b>	<b>70.1%</b>	<b>843 964</b>	<b>69.2%</b>
<b>Total assets</b>	<b>1 162 283</b>	<b>100.0%</b>	<b>1 220 176</b>	<b>100.0%</b>



**LIABILITIES AND EQUITY**

	30.06.2016	%	31.12.2015	%
in CHF 000				
<i>Current liabilities</i>				
Short-term financial debt	4 465		1 651	
Derivative financial liabilities	48		3 394	
Trade accounts payable	128 723		143 962	
Current income tax liabilities	10 743		10 532	
Other current liabilities	112 850		116 189	
<b>Current liabilities</b>	<b>256 830</b>	<b>22.1%</b>	<b>275 728</b>	<b>22.6%</b>
Liabilities held for sale (disposal group)	0	0.0%	5 603	0.4%
<b>Total current liabilities</b>	<b>256 830</b>	<b>22.1%</b>	<b>281 331</b>	<b>23.0%</b>
<i>Non-current liabilities</i>				
Other non-current liabilities	368 454		368 992	
Pension liabilities	17 562		18 288	
Long-term provisions	11 412		11 412	
Deferred income tax liabilities	31 135		34 138	
<b>Total non-current liabilities</b>	<b>428 563</b>	<b>36.9%</b>	<b>432 830</b>	<b>35.5%</b>
<b>Total liabilities</b>	<b>685 393</b>	<b>59.0%</b>	<b>714 161</b>	<b>58.5%</b>
<i>Equity</i>				
Share capital	3 436		3 436	
Treasury stock	-21 332		-26 849	
Hybrid capital	119 098		119 098	
Fair value changes on financial instruments	-2 838		-7 083	
Retained earnings	466 690		503 745	
Cumulative translation adjustments	-88 164		-86 359	
<b>Equity of Valora Holding AG</b>	<b>476 890</b>	<b>41.0%</b>	<b>505 988</b>	<b>41.5%</b>
Non-controlling interests	0		27	
<b>Total equity</b>	<b>476 890</b>	<b>41.0%</b>	<b>506 015</b>	<b>41.5%</b>
<b>Total liabilities and equity</b>	<b>1 162 283</b>	<b>100.0%</b>	<b>1 220 176</b>	<b>100.0%</b>

## CONSOLIDATED CASH FLOW STATEMENT (Condensed)

	2016	2015
<i>January 1 to June 30, in CHF 000</i>		
<b>Operating profit (EBIT)</b>	<b>30 383</b>	<b>20 645</b>
Elimination of non-cash transactions	31 613	30 248
<b>Cash flow before changes in net working capital</b>	<b>61 996</b>	<b>50 893</b>
Changes in net working capital	-16 881	-224
<b>Net cash provided by operating activities</b>	<b>45 115</b>	<b>50 669</b>
Interest and taxes paid	-13 368	-12 304
<b>Total net cash provided by operating activities from continuing operations</b>	<b>31 747</b>	<b>38 365</b>
Total net cash used in operating activities from discontinued operations	-446	-20 300
<b>Total net cash provided by operating activities</b>	<b>31 301</b>	<b>18 065</b>
Acquisition of subsidiaries, net of cash acquired	0	-86 020
Proceeds from subsidiaries, net of cash disposed	-7 672	3 926
Investment in property, plant, equipment and intangible assets	-15 644	-23 948
Proceeds from sales of property, plant, equipment and intangible assets	1 456	864
(Purchases)/sales of financial investments	-1 838	45
<b>Net cash used in investing activities from continuing operations</b>	<b>-23 699</b>	<b>-105 133</b>
Net cash used in investing activities from discontinued operations	0	-353
<b>Net cash used in investing activities</b>	<b>-23 699</b>	<b>-105 486</b>
(Decrease)/increase in financial liabilities	-3 119	53 651
Treasury stock purchased/sold	3 658	-4 441
Dividends paid	-41 636	-42 184
<b>Net cash (used in)/provided by financing activities from continuing operations</b>	<b>-41 097</b>	<b>7 026</b>
Net cash provided by/(used in) financing activities from discontinued operations	446	-9 570
<b>Net cash used in financing activities</b>	<b>-40 651</b>	<b>-2 544</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-33 049</b>	<b>-89 965</b>
Exchange differences on cash and cash equivalents	34	-10 166
Cash and cash equivalents at January 1	116 985	201 104
<b>Cash and cash equivalents at June 30 per balance sheet</b>	<b>83 969</b>	<b>67 063</b>
Cash and cash equivalents at June 30 included in disposal group	0	33 910
<b>Cash and cash equivalents at June 30</b>	<b>83 969</b>	<b>100 973</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*Equity*

	<i>Equity of Valora Holding AG</i>								
	Share capital	Treasury stock	Hybrid capital	Fair value changes on financial instruments	Retained earnings	Cumulative translation adjustments	Total equity of Valora Holding AG	Non-controlling interests	Total equity
in CHF 000									
<b>Balance at December 31, 2014</b>	<b>3 436</b>	<b>-15 701</b>	<b>119 098</b>	<b>-9 339</b>	<b>599 272</b>	<b>-67 176</b>	<b>629 590</b>	<b>1 011</b>	<b>630 601</b>
Net loss					-26 132		-26 132	-121	-26 253
Other comprehensive income				1 761	-16 051	-50 648	-64 938	-128	-65 066
<b>Total comprehensive income</b>				<b>1 761</b>	<b>-42 183</b>	<b>-50 648</b>	<b>-91 070</b>	<b>-249</b>	<b>-91 319</b>
Share-based remuneration					203		203		203
Dividend paid to shareholders					-42 184		-42 184	-477	-42 661
Purchase of treasury stock		-10 313					-10 313		-10 313
Sale of treasury stock		7 253			-1 360		5 893		5 893
Distributions to providers of hybrid capital					-3 200		-3 200		-3 200
<b>Balance at June 30, 2015</b>	<b>3 436</b>	<b>-18 761</b>	<b>119 098</b>	<b>-7 578</b>	<b>510 548</b>	<b>-117 824</b>	<b>488 919</b>	<b>285</b>	<b>489 204</b>
<b>Balance at December 31, 2015</b>	<b>3 436</b>	<b>-26 849</b>	<b>119 098</b>	<b>-7 083</b>	<b>503 745</b>	<b>-86 359</b>	<b>505 988</b>	<b>27</b>	<b>506 015</b>
Net profit					17 789		17 789		17 789
Other comprehensive income				4 245	-9 447	-1 805	-7 007	0	-7 007
<b>Total comprehensive income</b>				<b>4 245</b>	<b>8 342</b>	<b>-1 805</b>	<b>10 782</b>	<b>0</b>	<b>10 782</b>
Share-based remuneration					1 032		1 032		1 032
Dividend paid to shareholders					-41 636		-41 636		-41 636
Purchase of treasury stock		-5 862					-5 862		-5 862
Sale of treasury stock		11 379			-1 593		9 786		9 786
Distributions to providers of hybrid capital					-3 200		-3 200		-3 200
Disposal of non-controlling interests								-27	-27
<b>Balance at June 30, 2016</b>	<b>3 436</b>	<b>-21 332</b>	<b>119 098</b>	<b>-2 838</b>	<b>466 690</b>	<b>-88 164</b>	<b>476 890</b>	<b>0</b>	<b>476 890</b>

## NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

### 1 INFORMATION REGARDING THE GROUP

Valora is an international operating Swiss trading group. Valora's parent company, Valora Holding AG, is listed on SIX Swiss Exchange. Valora operates in two business segments. These are Valora Retail (small-outlet retail at heavily frequented sites) and Food Service (production and distribution of lye-bread bakery products, sale of food articles).

### 2 SIGNIFICANT ACCOUNTING POLICIES

These half-year financial statements comprise the consolidated financial statements of Valora Holding AG and its subsidiaries for the first six months of 2016. The statements are based on the set of uniformly prepared individual financial statements of the Valora Group companies. With the exception of the changes to International Financial Reporting Standards (IFRS) and their interpretation detailed in Note 3 below, these statements have been prepared according to the same accounting policies and valuation principles as those used for the Group's 2015 annual report. The reporting currency is the Swiss franc (CHF). These half-year financial statements have been compiled in accordance with SIX Swiss Exchange requirements in line with International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". These statements do not include all the information contained in the consolidated annual report for 2015 and should therefore be read in conjunction with that document.

*Changes in consolidation scope.* On December 31, 2015, Valora completed the sale of its Trade division to the Aurelius Group. The purchase agreement encompassed all Valora Trade companies in Switzerland, Austria, Denmark, Sweden, Norway and Finland. The sale of Trade Germany was completed in January 2016. Further details of this transaction are set out in Note 6.

*Consolidation period.* These half-year financial statements cover the period from January 1 to June 30.

### 3 CHANGES TO ACCOUNTING POLICIES

*Implementation of new International Financial Reporting Standards (IFRS).* With effect from January 1, 2016, the Annual Improvements 2012–14 Cycle (annual modification process) became applicable. None of these changes had a material impact on the financial statements of the Valora Group.

#### 4 GENERAL ACCOUNTING POLICIES

*Conversion of foreign currencies.* Transactions in foreign currencies are converted into Swiss francs at the exchange rate applicable on the transaction date. At the balance sheet date, amounts receivable and payable in foreign currencies are converted into Swiss francs at the exchange rate applicable on that date, and any exchange rate differences so arising are booked to the income statement.

Upon consolidation, the assets and liabilities of subsidiaries whose reporting currency is not the Swiss franc are converted into Swiss francs at the exchange rate prevailing on the balance sheet date. Income statement, cash flow statement and other movement items are converted into Swiss francs at average exchange rates for the period, provided such presentation sufficiently approximates the figures which would result from the application of transaction date rates. If not, movement items are converted at effective transaction rates. Exchange rate gains and losses arising from the translation of half-year financial statements of non-Swiss-franc subsidiaries are booked to other comprehensive income and reported separately as currency-translation adjustments.

##### *Exchange rates applied to key foreign currencies*

	Average rate for 6 months to 30.06.2016	Rate at 30.06.2016	Average rate for 6 months to 30.06.2015	Rate at 30.06.2015	Rate at 31.12.2015
Euro, 1 EUR	1.096	1.084	1.058	1.042	1.084

*Rounding.* Due to rounding approximations, this report may contain minor discrepancies between totals and percentages and their component elements.

## 5 ACQUISITIONS OF BUSINESS UNITS

### *Transactions in 2015.*

**Acquisition Naville.** On February 27, 2015, Valora acquired 100% of the shares of Naville (LS Distribution Suisse SA), the leading small-outlet retailer in French-speaking Switzerland, from Lagardère Services and Tamedia Publications Romandes. Naville, whose registered offices are in Geneva, operates a network of more than 175 outlets. It also has one of the most important logistics platforms in French-speaking Switzerland. Naville was integrated into the Retail division.

### *Net assets purchased, purchase price, net cash used*

	Naville Fair Value
in CHF 000	
Current assets	69 297
Non-current assets	38 913
Deferred income tax assets	4 820
Current liabilities	-52 071
Deferred income tax liabilities	-7 758
Other non-current liabilities	-19 838
<b>= Net assets acquired</b>	<b>33 363</b>
Goodwill from acquisition	78 518
<b>= Purchase price</b>	<b>111 881</b>
Cash and cash equivalents acquired	-25 861
<b>= Cash used in acquisition of subsidiaries</b>	<b>86 020</b>

The goodwill of CHF 78.5 million reflects the synergies the acquisition is expected to generate. Goodwill is not tax deductible.

Current assets include accounts receivable valued at CHF 15.8 million. No allowance has been recorded against this position and the entire contractually agreed amount is expected to be recoverable.

From the time of its acquisition by Valora till June 30, 2015, Naville contributed CHF 96.1 million to Group net revenues and CHF 5.7 million to Group net profit. If the acquisition had taken place on January 1, 2015, Naville's net-revenue contribution would have been CHF 143.8 million and its contribution to Group net profits would have been CHF 6.7 million.

## 6 DISCONTINUED OPERATIONS

### *Transactions in the first six months of 2016.*

*Valora Trade Germany.* On December 31, 2015, Valora completed the sale of its Trade division to the Aurelius Group. The purchase agreement encompassed all Valora Trade companies in Switzerland, Austria, Germany, Denmark, Sweden, Norway and Finland. The sale of Trade Germany was completed during January 2016.

### *Disposal of net assets of Trade Germany*

	31.01.2016
in CHF 000	
Cash and cash equivalents	677
Other current assets	4 865
Other non-current assets	113
<b>Total assets</b>	<b>5 655</b>
Trade accounts payable	1 157
Other current liabilities	4 445
<b>Total liabilities</b>	<b>5 602</b>
<b>Total net assets</b>	<b>53</b>

### *Profit from disposal of Trade Germany*

	2016
in CHF 000	
Consideration received	52
Disposal of net assets	-53
Derecognition of non-controlling interests	27
Recycling of cumulative translation adjustment	1 896
<b>Profit from disposal</b>	<b>1 922</b>

### *Cash and cash equivalents generated from disposal of Valora Trade Germany*

	2016
in CHF 000	
Cash and cash equivalents received	52
Cash and cash equivalents disposed	-677
<b>Net cash outflow from disposal</b>	<b>-625</b>

*Result from discontinued operations 2016*

	2016
January 1 to June 30, in CHF 000	
Expenses	- 1 836
Other income	90
<b>Operating profit (EBIT)</b>	<b>- 1 746</b>
<b>Net loss from operating activities</b>	<b>- 1 746</b>
Profit from disposal	1 922
<b>Net profit from discontinued operations</b>	<b>176</b>
Attributable to shareholders of Valora Holding AG	176

The expenses shown above essentially relate to Trade division disposal costs and other contractual obligations relating to this sale incurred during the first six months of 2016.

*Transactions in 2015.*

**Valora Warenlogistik AG.** Valora sold its Valora Warenlogistik AG (goods logistic unit) to 7Days Media Services GmbH on May 30, 2015. The two companies signed a number of contracts in connection with this transaction. These govern the transfer of warehousing and transport services for Valora Retail to 7Days Media Services GmbH and the sale of the operational infrastructure on which those services are based.

*Disposal of net assets of Valora Warenlogistik AG*

	30.05.2015
in CHF 000	
Cash and cash equivalents	2 003
Other current assets	2 784
Intangible assets	144
Other non-current assets	3 301
<b>Total assets</b>	<b>8 232</b>
Trade accounts payable	1 212
Other current liabilities	796
Other non-current liabilities	100
<b>Total liabilities</b>	<b>2 108</b>
<b>Total net assets</b>	<b>6 124</b>



*Loss from disposal of Valora Warenlogistik AG*

	2015
in CHF 000	
Consideration received	6 166
Disposal of net assets	-6 124
Transaction costs	-237
<b>Loss from disposal</b>	<b>-195</b>

*Cash and cash equivalents generated from disposal of Valora Warenlogistik AG*

	2015
in CHF 000	
Cash and cash equivalents received	5 929
Cash and cash equivalents disposed	-2 003
<b>Net cash inflow from disposal</b>	<b>3 926</b>

*Result from discontinued operations 2015*

	2015 Trade	2015 Warenlogistik (01.01.- 30.05.)	2015 Total
January 1 to June 30, in CHF 000			
Net revenues	223 334	0	223 334
Expenses	-227 024	-542	-227 566
Other income	119	378	497
<b>Operating profit (EBIT)</b>	<b>-3 571</b>	<b>-164</b>	<b>-3 735</b>
Financial result	-706	-43	-749
Share of result from associates and joint ventures	468	0	468
<b>Earnings before taxes</b>	<b>-3 809</b>	<b>-207</b>	<b>-4 016</b>
Income taxes	2 390	0	2 390
<b>Net loss from operating activities</b>	<b>-1 419</b>	<b>-207</b>	<b>-1 626</b>
Loss from disposal	0	-195	-195
Loss on remeasurement to fair value less transaction costs	-33 125	0	-33 125
<b>Net loss from discontinued operations</b>	<b>-34 544</b>	<b>-402</b>	<b>-34 946</b>
Attributable to shareholders of Valora Holding AG	-34 423	-402	-34 825
Attributable to non-controlling interests	-121	0	-121

## 7 SUMMARY SEGMENT REPORTING

### Segment data by division

	Valora Retail <sup>2)</sup>	Food Service <sup>2)</sup>	Others	Intersegment elimination	Total Group continuing operations
in CHF 000					
<i>Segment information for the six months to 30.06.2016</i>					
<i>Net revenues</i>					
<b>Total</b>	<b>912 897</b>	<b>124 274</b>	<b>614</b>	<b>0</b>	<b>1 037 784</b>
From third parties	912 897	124 274	614	0	1 037 784
<i>Operating profit (EBIT)</i>					
<b>Total</b>	<b>23 484</b>	<b>11 717</b>	<b>-4 817</b>	<b>0</b>	<b>30 383</b>
Operating profit (EBIT) in % of net revenues	2.6	9.4			2.9
<i>Segment assets</i>					
<b>Total</b>	<b>761 505</b>	<b>441 710</b>	<b>428 230</b>	<b>-469 163</b>	<b>1 162 283</b>
<i>Segment liabilities</i>					
<b>Total</b>	<b>493 475</b>	<b>192 922</b>	<b>468 160</b>	<b>-469 163</b>	<b>685 393</b>
<i>Segment information for the six months to 30.06.2015, revised <sup>2)</sup></i>					
<i>Net revenues</i>					
<b>Total</b>	<b>874 870</b>	<b>115 422</b>	<b>0</b>	<b>0</b>	<b>990 292</b>
From third parties	874 870	115 422	0	0	990 292
<i>Operating profit (EBIT)</i>					
<b>Total</b>	<b>14 588</b>	<b>11 294</b>	<b>-5 237</b>	<b>0</b>	<b>20 645</b>
Operating profit (EBIT) in % of net revenues	1.7	9.8			2.1
<i>Segment assets <sup>1)</sup></i>					
<b>Total</b>	<b>763 876</b>	<b>443 971</b>	<b>393 804</b>	<b>-477 360</b>	<b>1 124 291</b>
<i>Segment liabilities <sup>1)</sup></i>					
<b>Total</b>	<b>561 628</b>	<b>185 983</b>	<b>433 229</b>	<b>-477 360</b>	<b>703 480</b>

<sup>1)</sup> not including assets and liabilities held in disposal groups

<sup>2)</sup> Food Service includes now Ditsch/Brezelkönig and Caffè Spettacolo. As part of the adjustments to the Group's segment structure and the assignment of food activities to one dedicated segment, Caffè Spettacolo was reassigned from the Retail to the Food Service segment.

## 8 SEASONAL EFFECTS

Past experience has shown that some 40–45% of EBIT is usually generated in the first half of the year, with the remaining 55–60% being generated in the second six months. While costs are fairly evenly distributed across both halves of the year, Retail and Food Service generate greater turnover in the second half of the year, with the result that this is a more profitable period than the first six months.

## 9 FINANCIAL INSTRUMENTS AND FAIR VALUES

The carrying amount of the financial assets and liabilities governed by IFRS 7 and IFRS 13 are generally stated at fair value. The only exception to this practice relates to long-term financial liabilities.

	Carrying amount	Fair value	Carrying amount	Fair value
	30.06.2016	30.06.2016	31.12.2015	31.12.2015
in CHF 000				
Long-term financial liabilities	365 941	373 148	366 408	371 834

The market value relates to the closing price of Valora's bond issue (Swiss securities code: 14903902, ISIN: CH0149039023) on SIX Swiss Exchange at the relevant balance-sheet dates.

*Hierarchy levels applied to fair values.* All the fair values shown below are allocated to one of the following three hierarchy levels:

- Level 1: Prices are based on quotes in active markets for identical assets and liabilities;
- Level 2: Fair values are calculated on the basis of observable market parameters. For these purposes either quoted prices in non-active markets or unquoted prices are used. These fair values can also be derived indirectly from other prices;
- Level 3: Fair values are calculated on the basis of non-observable parameters and are thus based on estimates.

The tables below show the fair value of assets and liabilities by hierarchy level:

*30.06.2016*

	Level 1	Level 2	Level 3	Total
in CHF 000				
<i>Measured at fair value</i>				
<b>Assets</b>				
Contingent consideration	0	0	16 295	16 295
<b>Liabilities</b>				
Derivative financial liabilities	0	48	0	48

*31.12.2015*

	Level 1	Level 2	Level 3	Total
in CHF 000				
<i>Measured at fair value</i>				
<b>Assets</b>				
Derivative financial assets	0	61	0	61
Contingent consideration	0	0	16 295	16 295
<b>Liabilities</b>				
Derivative financial liabilities	0	3 394	0	3 394

#### **10 DIVIDENDS PAID**

On April 20, 2016 a dividend of CHF 12.50 per registered share was paid in respect of 2015 (CHF 12.50 per registered share for the previous year).

#### **11 SUBSEQUENT EVENTS**

On June 23, 2016, Valora signed an agreement for the sale of Naville's distribution and logistics business to the Frankfurt-based 7Days Group, the leading media services firm in German-speaking Europe. The sale was expected to be completed during the second half of the year.

This half-year report was approved by the Board of Directors of Valora Holding AG on July 28, 2016.

MuttENZ, July 29, 2016

The next Ordinary General Meeting of shareholders of Valora Holding AG will be held on Thursday, March 30, 2017.

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

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The Valora logo consists of a stylized lowercase 'v' followed by the word 'alora' in a sans-serif font. The 'v' is formed by two overlapping shapes: a dark red one on the left and a lighter red one on the right, creating a sense of depth and movement.

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