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**Media release - Medienmitteilung - Communiqué de presse**

**Valora launches strategy programme targeting sales growth of 3 - 5% p.a. and an EBIT margin of 3 - 4% by 2012**

- **„Valora 4 Success“ strategy programme comprises 4 core initiatives:**
  - **Expanding core skills**
  - **Growth**
  - **Boosting efficiency and enhancing quality**
  - **Strengthening Valora's corporate culture**
- **Potential cost savings of CHF 30 mm p.a. – to be fully effective by late 2011**
- **Restructuring measures will result in provisions of CHF 25 million against 2008 income**
- **Changes in Group Executive Management**
- **2008 guidance confirmed**
- **Dividend policy unchanged**

**Strategy programme to accelerate growth and enhance profitability**

Valora already announced its intention of taking steps to accelerate growth and enhance profitability when reporting its 2008 interim results. The firm is now launching a comprehensive strategy programme under the „Valora 4 Success“ banner. The principal focus will be on increasing sales and net income at Valora Retail and on raising efficiency levels in logistics and IT. The programme plans to make a substantial and lasting improvement to the Group's operating results (EBIT) by 2012 and to sharpen Valora's competitive edge. Management re-affirms its objective of achieving an EBIT margin of 3 – 4% in 2012. The programme is expected to generate initial positive effects from 2009.

**„Valora 4 Success“ already being implemented**

Valora is already hard at work implementing specific measures from the strategy programme.

*Strengthening the Retail division*

By expanding and strengthening the firm's core expertise in its kiosk business, and concertedly exploiting the convenience store sector's profit potential, Valora aims to give a lasting boost to the sales of its Retail division and to improve the EBIT margin it generates.

For the kiosk business, the key elements of the programme are beefing up the kiosk retail brand, attaining operational excellence and achieving a sustainable increase in the turnover generated by each rented outlet. Transformation of existing Valora outlets, additional new locations, expansion and co-operations will enable the avec. brand to raise the Group's profile further in the convenience store sector. Consumers already benefit from the avec. concept every day, with its emphasis on fresh, high-quality food products and branded non-food items.

By the end of 2009, Valora intends to extend its network of avec. shops from the present 35 to some 100 outlets.

Valora expects these measures to enable its Retail division to achieve annual sales growth of above 5% and to improve its gross margins by about 1 percentage point compared to current levels.

#### *Enhancing efficiency and effectiveness*

Targeted initiatives will be carried out in logistics, IT and the back office which will raise efficiency levels within the Valora Group. The plans notably include adoption of a centralised and uniform IT structure, a new location, new systems and process re-engineering for Valora's logistics and a reorganisation and harmonisation of processes in the back office (Finance, HR and other areas). By 2012, these measures will enable Valora to cut its annual costs by some CHF 30 million compared to current levels.

#### **Financial implications**

##### *One-off costs in 2008 – bottom line improvements from 2009*

Implementation of the „Valora 4 Success“ programme will require one-off restructuring provisions totalling CHF 25 million. This entire amount will be charged to the 2008 income statement.

The Valora Group's net income should already begin to see a sustainable improvement from 2009. The objective is to achieve an EBIT margin of 3 – 4% by 2012, with annual sales growth of 3 - 5%.

#### **Dividend policy**

The Board maintains its existing dividend policy and will recommend to the General Meeting on April 29, 2009 that a dividend of CHF 9 per share be paid out in respect of 2008.

#### **Re-location of jobs to Egerkingen**

Starting in December 2008, Valora will move its logistic operations from Muttenz to Egerkingen product group by product group, with completion scheduled for late 2009. Valora will either assign those affected to new tasks in Egerkingen or will seek suitable alternative solutions for them.

#### **Changes in Group Executive Management**

Valora Holding AG's Board of Directors and Markus Voegeli, Valora CFO, have mutually agreed to part company with effect from September 30, 2008. This decision was prompted by diverging opinions regarding Valora's strategy and future development of its core activities. The Board is most grateful to Markus Voegeli for the energetic commitment he has shown to Valora during his four years as Chief Financial Officer and wishes him every success for the future.

Thomas Vollmoeller, CEO, will assume the duties of Group CFO on an interim basis. The Board has initiated a search for a suitable replacement.

### **Outlook for 2008**

Valora re-affirms its earlier guidance on full-year 2008 results, subject to the restructuring provisions mentioned above. Valora aims to achieve year-on-year sales growth of 3 – 5% and EBIT in the region of CHF 62 – 64 million. On an adjusted basis, with respect to the one-off expenditure arising from the strategy programme, overall Group profitability for 2008 will be considerably higher than in 2007.

„The „Valora 4 Success“ programme aims to make Valora successful. Our objectives are to achieve steady growth, make our Retail division more competitive, sustainably improve our net earnings and satisfy the expectations of our customers, partners, shareholders and employees”, as CEO Thomas Vollmoeller sums it up.

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Valora's Media and Analysts' Day will take place in Muttenz today. The presentation can be downloaded from [www.valora.com](http://www.valora.com).

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