

valora

Berenberg Bank European Conference 2009 Presentation



London, November 6, 2009

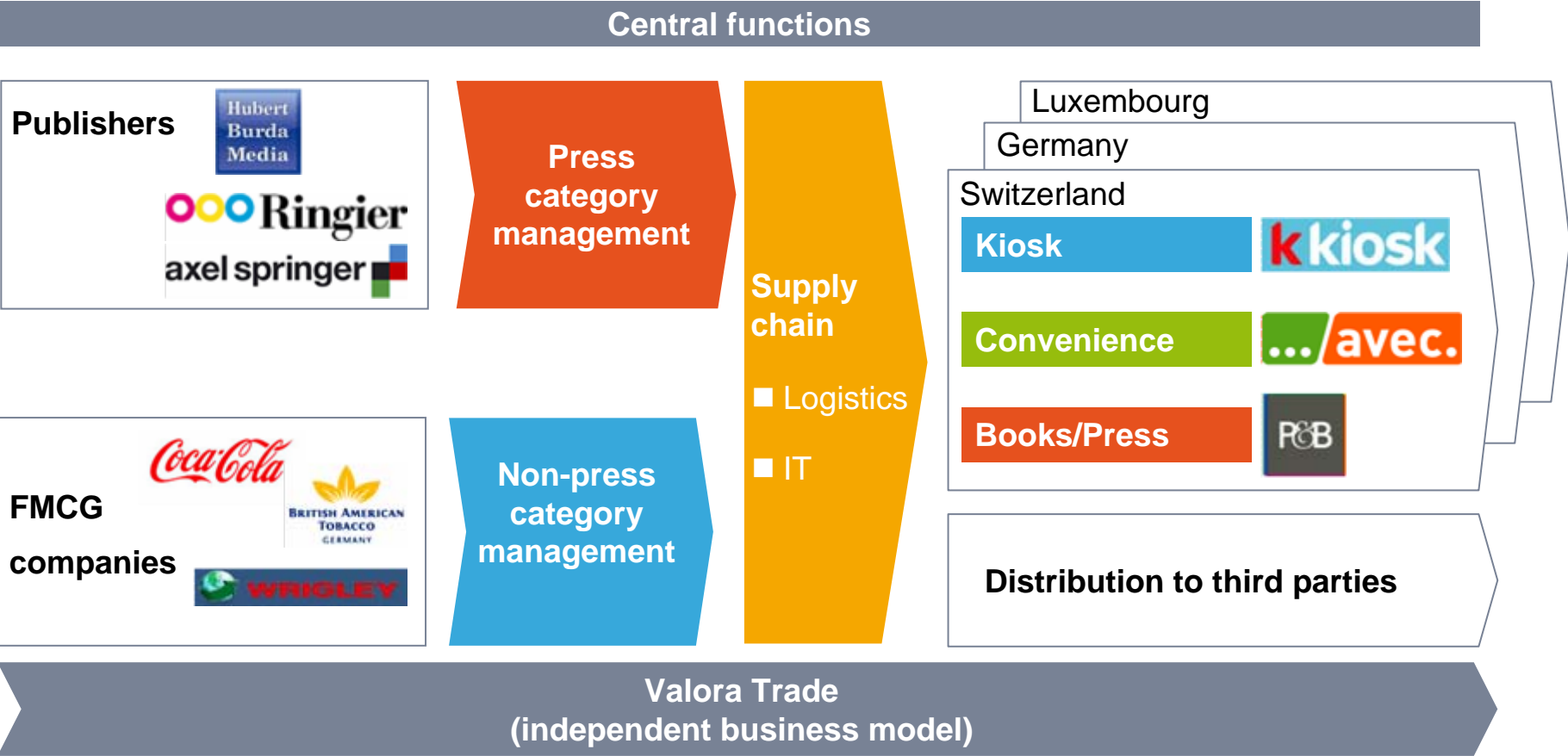
1. Overview Valora's business portfolio

2. Valora 4 Success Strategy

3. Outlook

4. Questions & Answers

Business model – Valora is (primarily) a retail trading company



Valora Retail – fundamentally well positioned



■ Valora has a strong market position

- Small and very small outlet formats
- Excellent locations
- CH: ~ 60% of the kiosk market*
- DE: ~ 30% of the travel bookstore market**
- LU: ~ 50% of the kiosk market***

■ Positive market trends

- Growth in public transport passenger volumes
- Micro retailing
- Shopping and consumer behaviour



* CHF 1.7 bn market

** CHF 0.6 bn market

*** CHF 0.2 bn market

Valora Media – in good competitive position



■ Valora enjoys a strong market position

- Strong press distribution
- High market shares in CH, LU and AT

■ Market trends are mixed

- Newspapers declining marginally (free sheets, internet)
- Magazines/books stable, increasing in some market segments until 2008 (HY 2009 adverse trend)



Valora Trade – clear leadership in Europe



■ Market position

- FMCG distribution and marketing
- Present in 7 countries
- European market leader
- Well-positioned after "Own Brands" spin off

■ Major market trends

- Concentration in European food retail
- FMCG firms exerting pressure on costs (trend towards outsourced distribution)



1st Half-Year 2009



A positive performance despite demanding conditions

External factors

- ⊗ Financial crisis
- ⊗ Declining press market (now also affecting magazines)
- ⊗ Exchange rate volatility
- ⊗ ...



- ✓ Adjusted growth steady
- ✓ Adjusted margins improving
- ✓ Cost/income ratio improved
- ✓ Strategy being successfully implemented
- ✓ Convincing outlook

Internal factors

- ➔ Management changes
- ➔ Numerous projects
- ➔ Inadequate IT landscape
- ➔ ...










Overview 1st Half-Year 2009



Key metrics

in CHF million

△ vs 2008

Adjusted net revenues	CHF 1 442.3		+ 1.4%
Net revenues (including EURO 08, currency, acquisition effects)	CHF 1 414.6		- 3.7%
Adjusted EBIT	CHF 23.6		+ 20.0%
EBIT (including EURO 08, currency, acquisition effects)	CHF 23.0		- 19.6%
Adjusted EBIT margin	1.6%		+0.2pP
EBIT margin (including EURO 08, currency, acquisition effects)	1.6%		- 0.4pP
Net income (from continuing operations)	CHF 18.1		- 14.6%
Equity cover	43.4%		- 1.7pP
Net debt	CHF 37.6		-43.6

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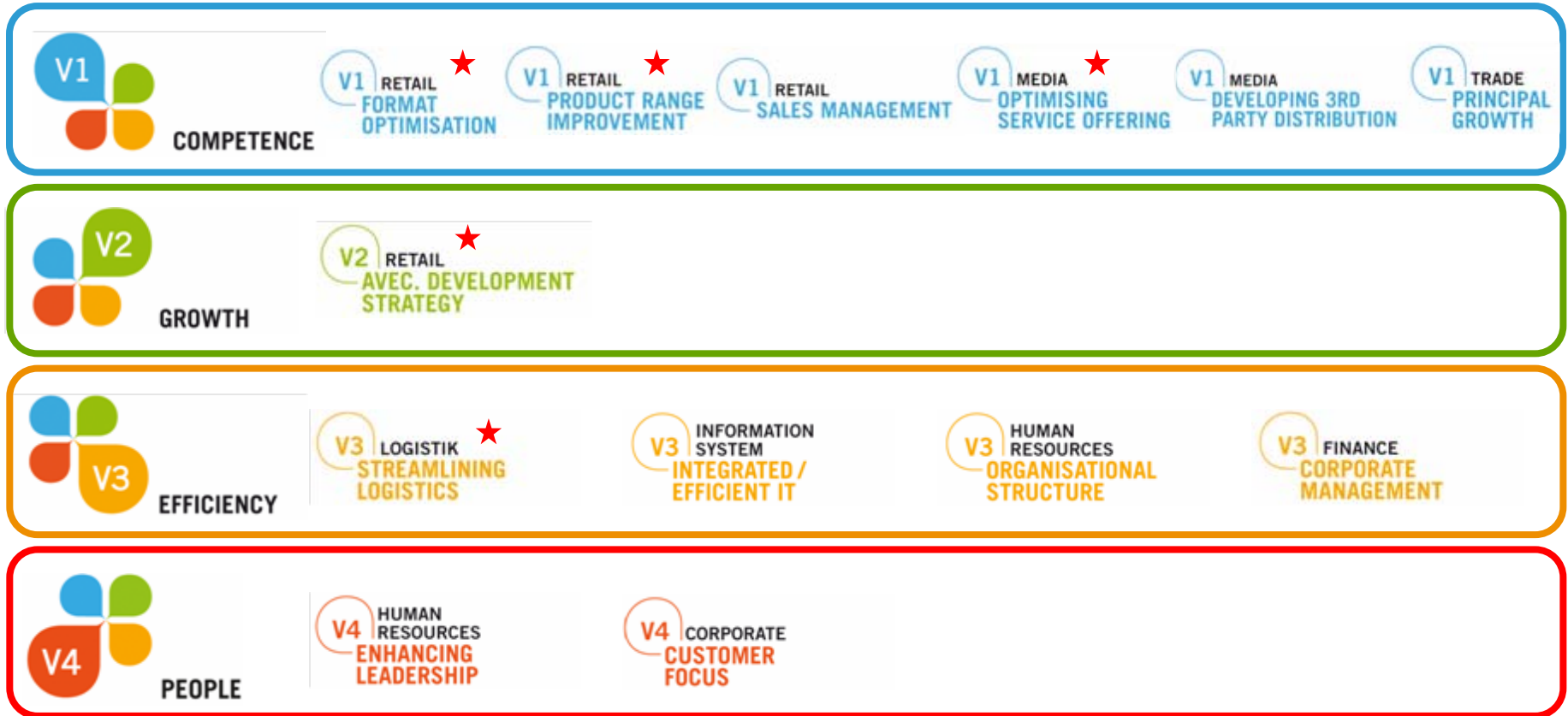
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Core strategic initiatives, an overview

Thirteen core initiatives identified, projects defined for each



★ focus areas

2009 strategic initiatives in focus

Status of the major core initiatives currently under way

Initiatives

Main objectives

 V1 COMPETENCE V1 RETAIL FORMAT OPTIMISATION V1 RETAIL PRODUCT RANGE IMPROVEMENT	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	<ul style="list-style-type: none">Introduce new product rangesEnhance floorspace utilisationSharpen contours of the 4 formatsContinue store layout development
 V1 COMPETENCE V1 MEDIA OPTIMISING SERVICE OFFERING	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<ul style="list-style-type: none">Achieve turnaround in press salesMake press offering more attractiveExpand services to third parties
 V2 GROWTH V2 RETAIL AVEC. DEVELOPMENT STRATEGY	<input type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/>	<ul style="list-style-type: none">Establish 100-outlet networkReconfigure product rangeEnhance store layout
 V3 EFFICIENCY V3 LOGISTIK STREAMLINING LOGISTICS	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<ul style="list-style-type: none">Move logisticsNew IT infrastructureOptimise press pick, sort & pack routines

Strategic core initiatives

V1 Retail competence



GOALS

- Establish four clearly defined and distinct outlet formats
- Enhance floorspace utilisation

Examples of initiatives to date:

- P&B outlets opened in Bern and Basel
- avec. pilot sites: Kloten and Richterswil, Gelsenkirchen (Germany) and 3 Tamoil filling stations
- First excess floorspace allocated to 3rd party users (20 outlets)
- Long-term lease signed with SBB (Swiss railways)
- Proliferation of „k kiosk“ brand now halted, with isolated exceptions



Strategic core initiatives

V1 Retail competence

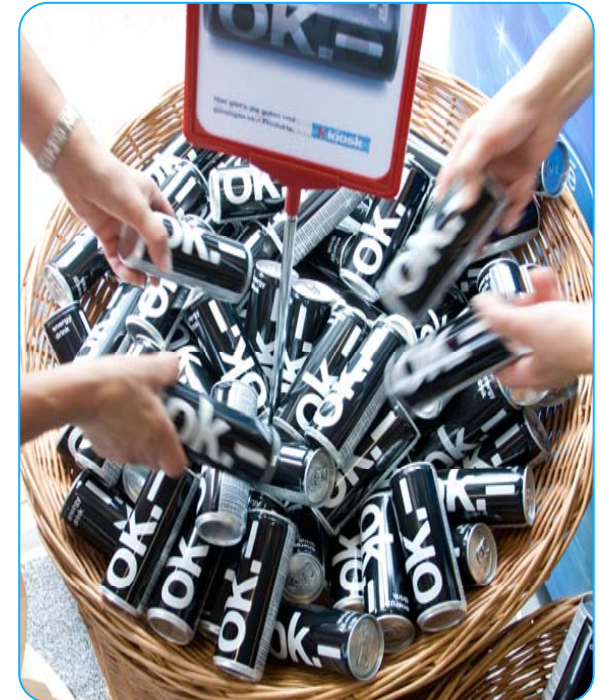


GOALS

- Optimise product range
- Enhance product presentation
- Continue store layout development

Examples of initiatives to date:

- Launch of competitively priced „ok.-“ line (8 – 10 products)
- Testing location-specific price models since early July 2009, initial results positive
- New, professionalised store layout concept in place since April 2009 (with initial positive results now noticeable)
- Portfolio of service offerings defined and ready for testing



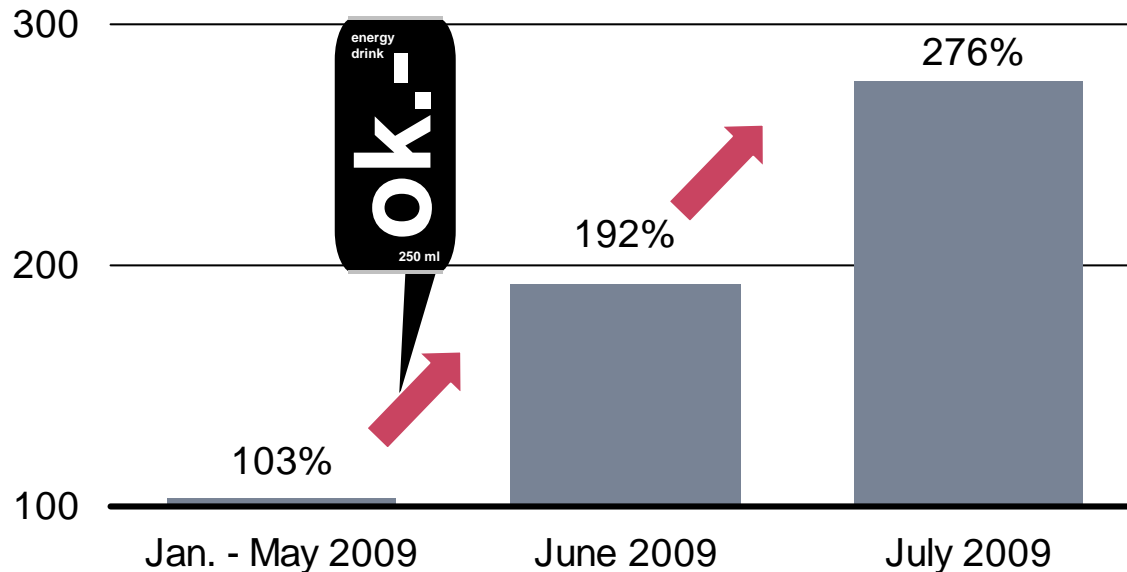
Strategic core initiatives

V1 Retail competence – energy drinks index



Example: develop low price product line

Energy drinks sales volume index in % of 2008 levels



Key statements

- Energy drink sales up by roughly 100% since „ok.“ product launch
- Clear increase in gross margin
- More products in pipeline for weeks and months ahead (goal for kiosk: 20 products)
- Potential for additional products identified

k kiosk service offerings

V1 Retail competence



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V1 RETAIL
PRODUCT RANGE
IMPROVEMENT

GOALS

- Raise customer frequency
- Create customer loyalty
- Generate additional revenues



...for...

...powered by...

Kick off

⇒ September 2009

Pilot

⇒ 55 outlets in German-speaking Switzerland

1 Travel experience

Partner



2 Security service

Partner



3 Telecom service

Partner



Strategic core initiatives

V1 Media competence



GOALS

- Achieve turnaround in press sales
- Make press offering more attractive
- Expand services to third parties

Examples of initiatives to date:

- Enhanced presentation of top 50 press titles at kiosk
- Various joint promotions with publishers (e. g. „Blick Seller“ books)
- Wider range of services to third parties in preparation

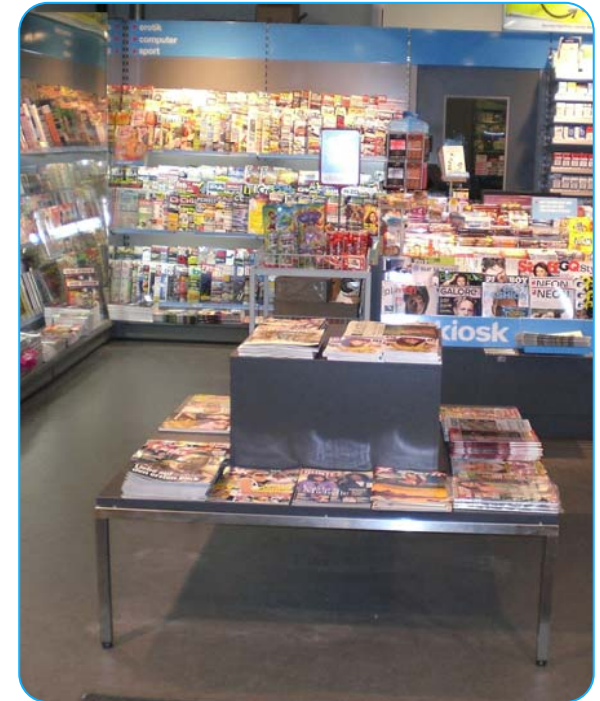
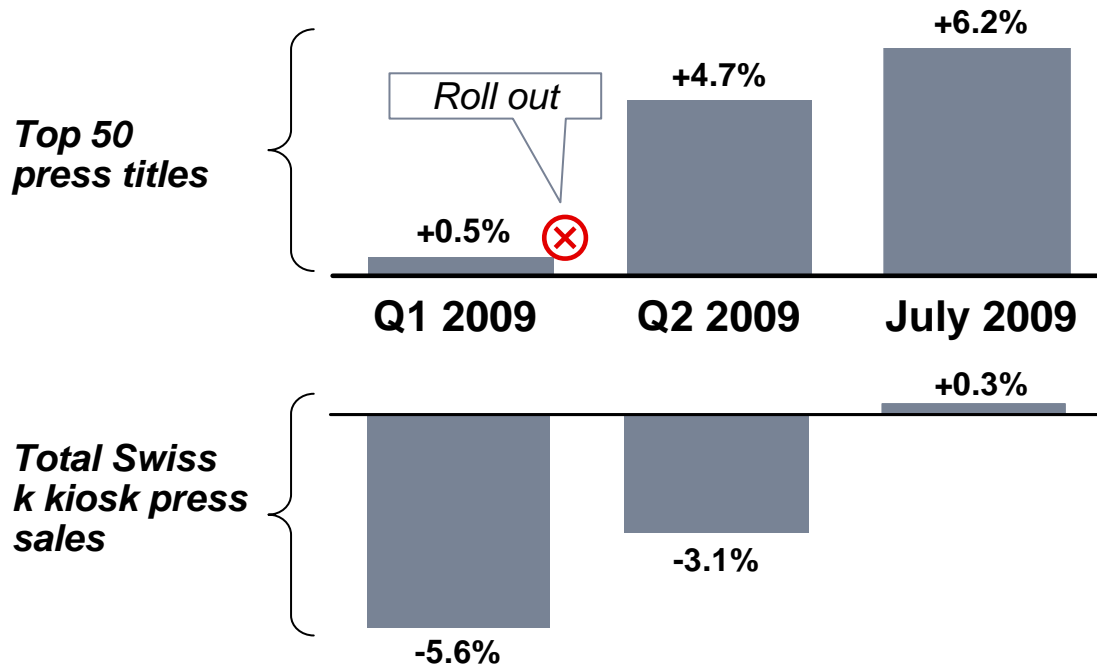


V1 Media competence – first signs of a turnaround



Example: New top 50 press presentation

kiosk press sales index in % of 2008 levels



Strategic core initiatives

V2 Growth



GOALS

- Establish 100-outlet network
- Reconfigure product range
- Enhance store layout

Examples of initiatives to date:

- New concept tested, with new CI/CD, layout and product range at 2 outlets (Kloten and Richterswil)
- 12 further sites to be redesigned by September 2009
- Tests now running at 3 Tamoil filling stations
- 1st avec. shop opened in Germany
Second shop scheduled to open in Essen in H2 2009
- High proportion of low-cost items to be replaced by ok. articles by late September
- New franchisee contract prepared

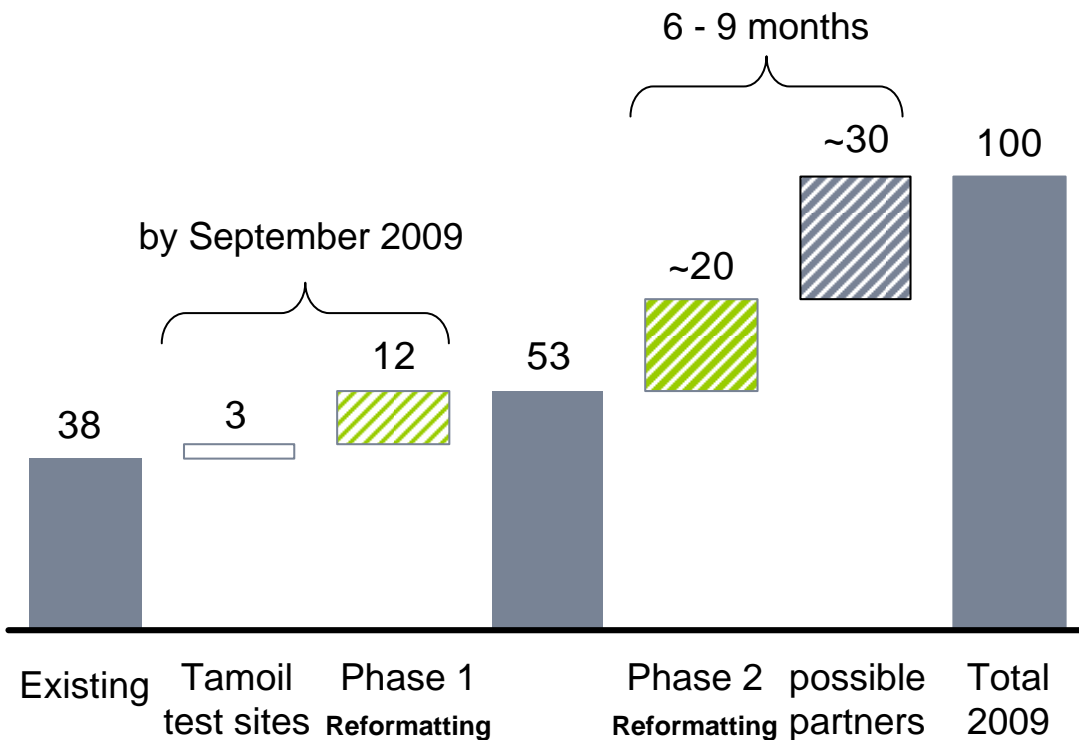


Strategic core initiatives

V2 Growth



Plan: establish avec.-outlet network



Key statements

- Tamoil test phase running at 3 locations
- Phase 1 of reconfiguration running, to be completed by late September
- Identification of additional sites in progress for phase 2
- Negotiations with potential partners under way

Strategic core initiatives

V3 Efficiency



GOALS

- Move logistics
- New IT Infrastructure
- Optimise press pick, sort and pack routines

Examples of initiatives to date:

- Relocation to the new logistics facility in Egerkingen will be fully completed by year-end 2009
- New WAMAS software successfully introduced
- Roll out of new press logistics successfully started (decentralised pick, sort & pack routine)
- Cost reduction for 2010: CHF 11 million on track, as planned

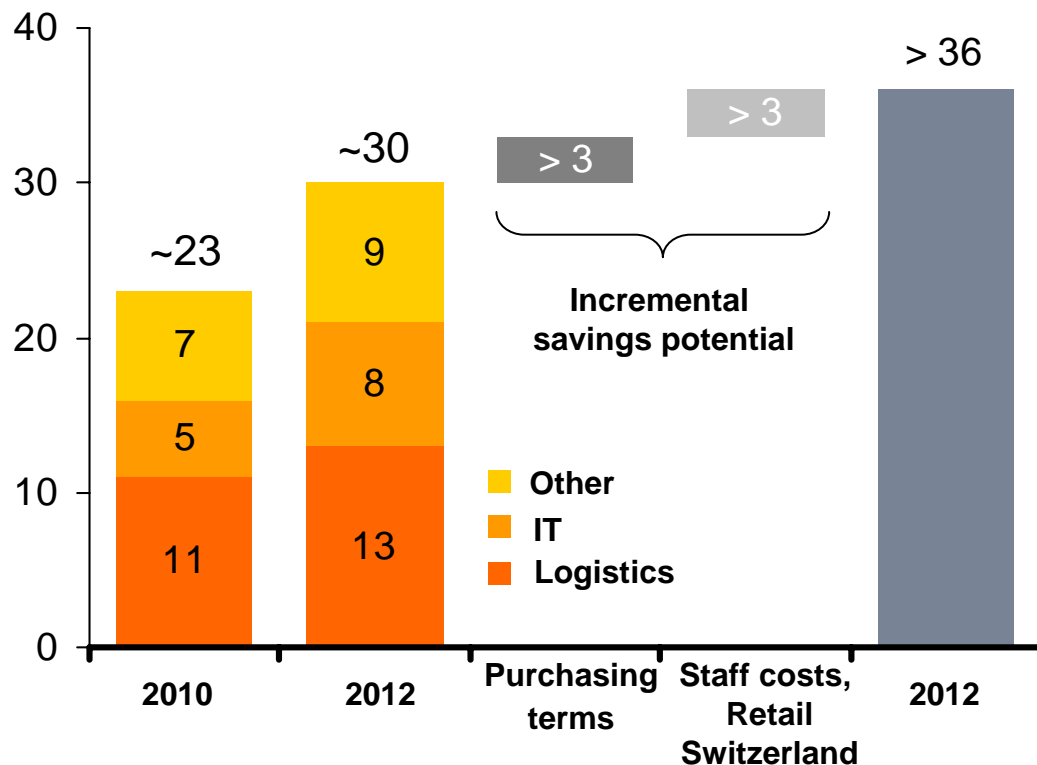


Strategic core initiatives

V3 Efficiency – lowering costs



in CHF million



Key statements

- Cost-savings initiatives for 2010 and 2012 on track
- Incremental savings potential identified in purchasing and staff costs
- Additional annual savings potential of at least CHF 6 million
- Evaluation and implementation planning in H2 2009

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Financial outlook



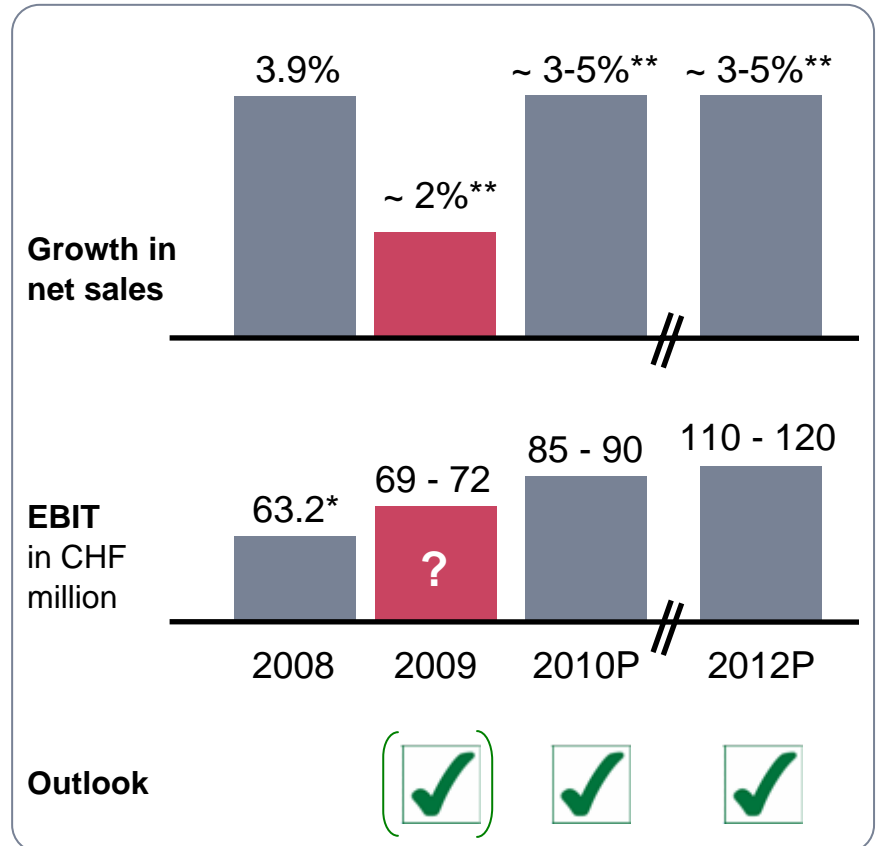
Long-term outlook unchanged

Expectations for 2009

- **Economic conditions:** continuing deep recession with significant currency volatility
- **Net revenues:** adjusted sales growth of ~2% currently seems achievable (nominally -1% to -2%)
- **EBIT:** Improvement vs 2008, CHF 69 – 72m remains objective

2010/2012 full potential to be realised

- From 2010 marked top and bottom line improvements from „Valora 4 Success“ (incl. additional annual cost savings of CHF >6m)
- By 2012: „Growth“ initiative to boost sales
- 2012: Targeted EBIT of 3 - 4% achieved



* before restructuring costs

** at constant FX rates (in 2009 YTD: FX effect -3.5% / nominal net sales -1% to -2% at FX rates -3.5%)

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Appendix

Important slides from prior presentations

Market trends not critical

(Investors' Day 2008)



	Share of 2007 sales	Ø-margin	Anticipated market trend	Valora's strategic response
Services	8%	100%	➔ Positive market trend	Increase emphasis
Non-food	4%	> 50%	➔ Market saturation	Reduce/replace
Food	17%	> 50%	➔ Convenience growing	Focus on impulse/ready to eat
Press/ books	23%	~ 30%	➔ Newspapers declining, magazines stable to growing	Focus on magazines and "paid for" newspapers
Tobacco	48%	~ 15%	➔ Overall market declining, single-packet share increasing	Focus on raising market share

V3 – Potential for cost savings

(Investors' Day 2008)



Optimising profitability and quality in all areas

Efficiency & effectiveness

In CHF mm		Key measures	Cost reductions by 2012	of which effective in 2009	of which effective in 2010
Finance/ HR/other*	approx. 175	<ul style="list-style-type: none"> Process re-engineering Reorganisation 	~ 6 (incl. divisions)	~ 6	~ 6
	approx. 40				
IT	approx. 50	<ul style="list-style-type: none"> Centralisation Consolidating IT systems Adopting uniform approach 	~ 8 (~ 15%)	~ 3	~ 5
Logistics*	approx. 85	<ul style="list-style-type: none"> Relocation Process re-engineering System replacements Optimising requirements 	~ 13 (~ 15%)**	~ 0**	~ 11**
Costs 2008 E		<ul style="list-style-type: none"> Centralised purchasing (effective in all areas) 	~ 2	~ 1	~ 1
			~ 30	~ 10	~ 23

Focus area 3

* CH only (excl. Trade)

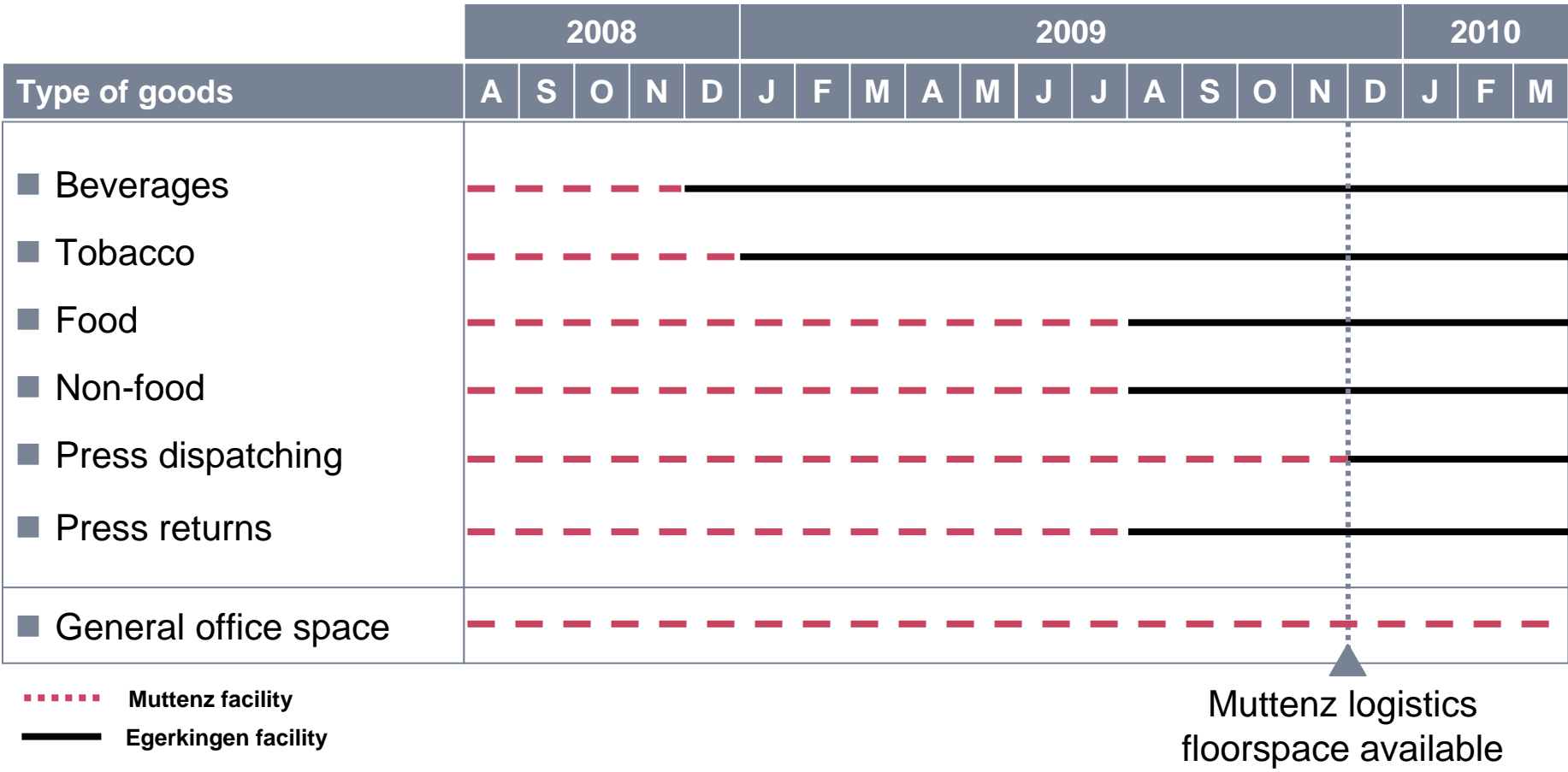
** vs expected 2008 costs (volume adjusted)

Logistics – Project to be implemented rapidly

(Investors' Day 2008)



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Contact details

Corporate calendar

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Corporate calendar

Publication 2009 results	March 31, 2010
Annual General Meeting 2010	April 22, 2010
1st Half-Year 2010	August 26, 2010

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