

# valora



London, June 9, 2010

CREDIT SUISSE 

Pan European Small and Mid Cap Conference

## 1. Overview Valora's business portfolio and important figures

## 2. Valora 4 Success Strategy

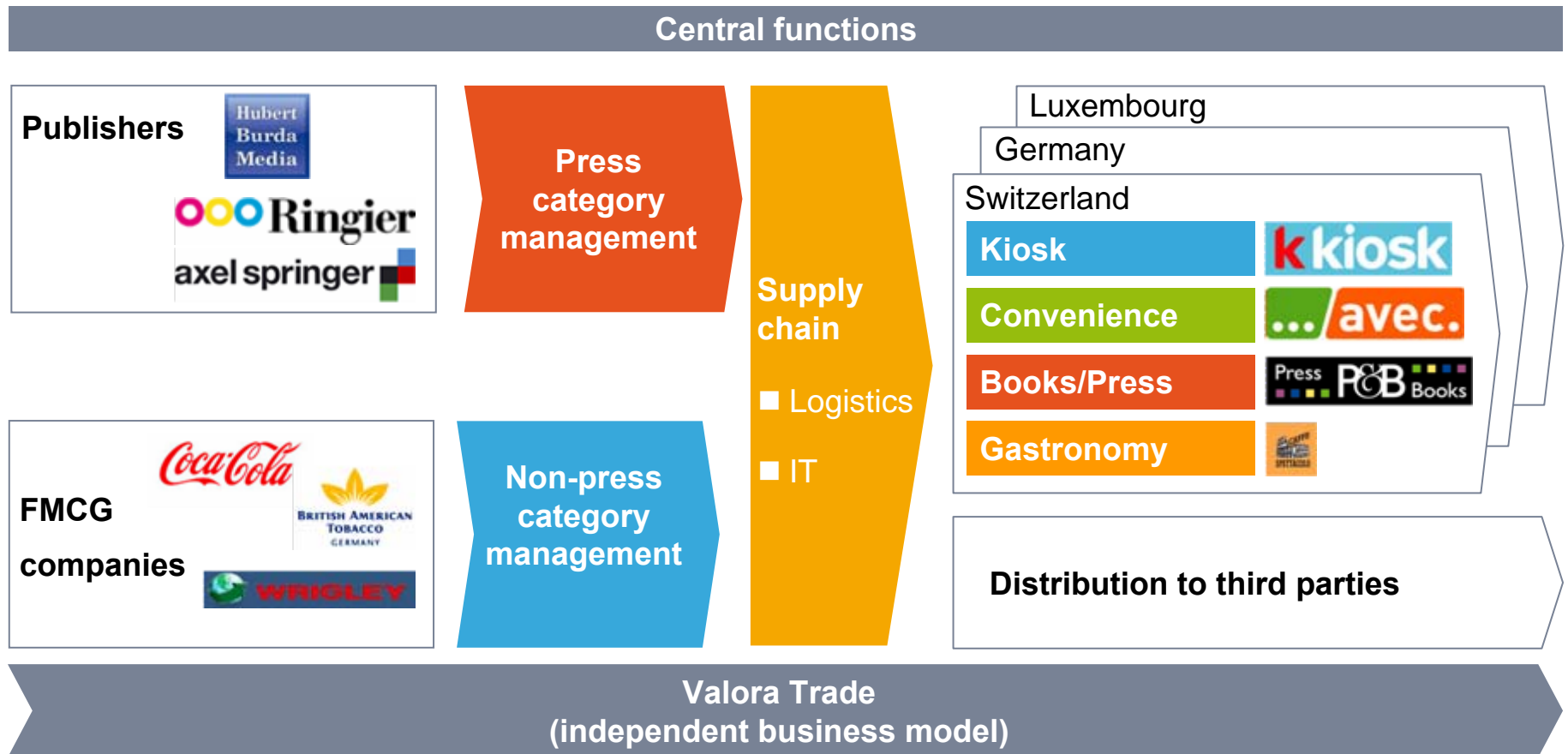
## 3. Summary & Outlook

## 4. Questions & Answers

# Business model



Valora is (primarily) a retail trading company



# Overview divisions

## Market positions and trends

### Retail

#### ■ Valora has a strong market position

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

#### ■ Positive market trends

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



### Media

#### ■ Valora enjoys a strong market position

- Strong press distribution
- High market shares in Switzerland  
Luxembourg  
Austria

#### ■ Market trends are mixed

- Newspapers declining marginally (free sheets, internet)
- Magazines/books stable, increasing in some market segments



### Trade

#### ■ 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)





Retail format



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Retail format



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Retail format



Retail format



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# Net revenues and EBIT in 2009

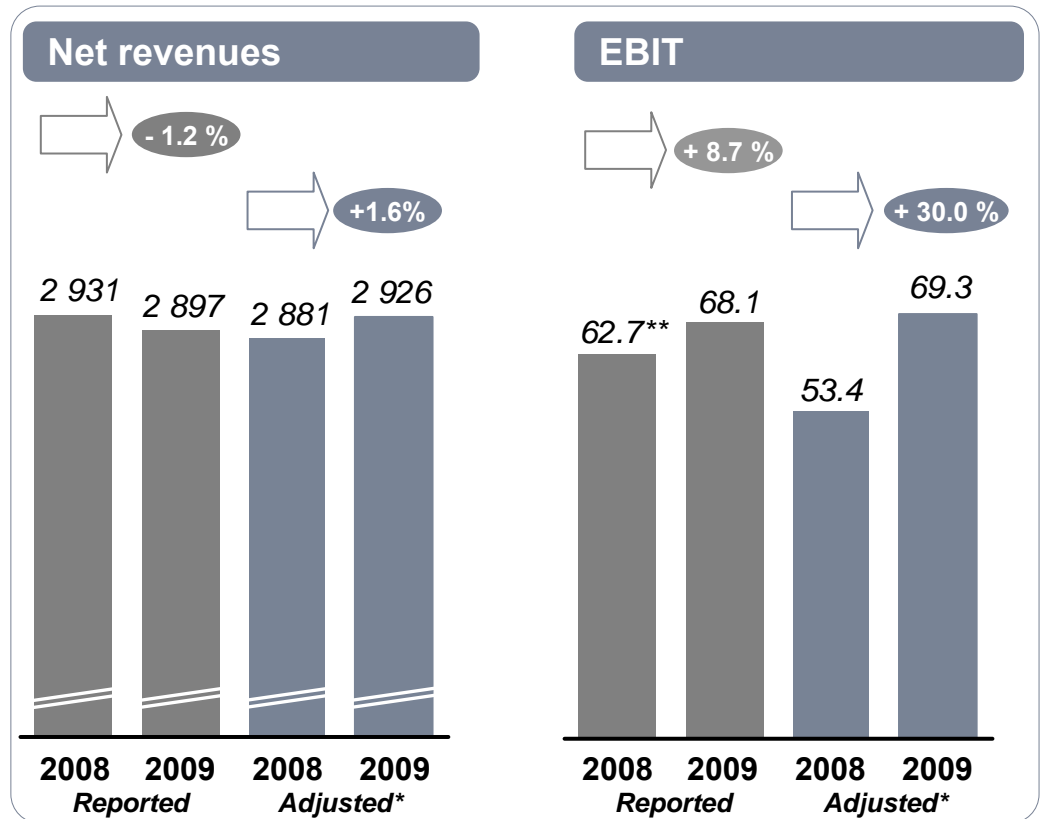


Net revenues: positive adjusted trend | EBIT: guidance achieved on adjusted basis

in CHF million

## Good performance despite...

- ⊗ Economic crisis
- ⊗ Non-recurrence of picture card revenues
- ⊗ Press product downturn
- ⊗ Logistics duplications
- ⊗ Turnaround situation



\* 2008: adjusted for restructuring costs, EURO 08 and acquisitions  
2009: adjusted for currency fluctuations and acquisitions

\*\* Reported EBIT 2008: adjusted for restructuring costs

# Key financial data for 2009



Good results support confident outlook

in CHF million

△ vs 2008

<b>Net revenues</b>	<b>2 897.0</b>		<b>- 1.2%</b>
<i>Net revenues, adjusted*</i>	<i>2 926.4</i>		<i>+ 1.6%</i>
<b>EBIT</b>	<b>68.1</b>		<b>+ 81.1%</b>
<i>EBIT, adjusted*</i>	<i>69.3</i>		<i>+ 30.0%</i>
<b>EBIT margin</b>	<b>2.4%</b>		<b>+1.1pP</b>
<b>Net income</b>	<b>54.9</b>		<b>+ 39.4%</b>
<b>Equity cover</b>	<b>41.3%</b>		<b>- 1.2pP</b>
<b>Net liquidity</b>	<b>15.8</b>		<b>CHF +9.8</b>

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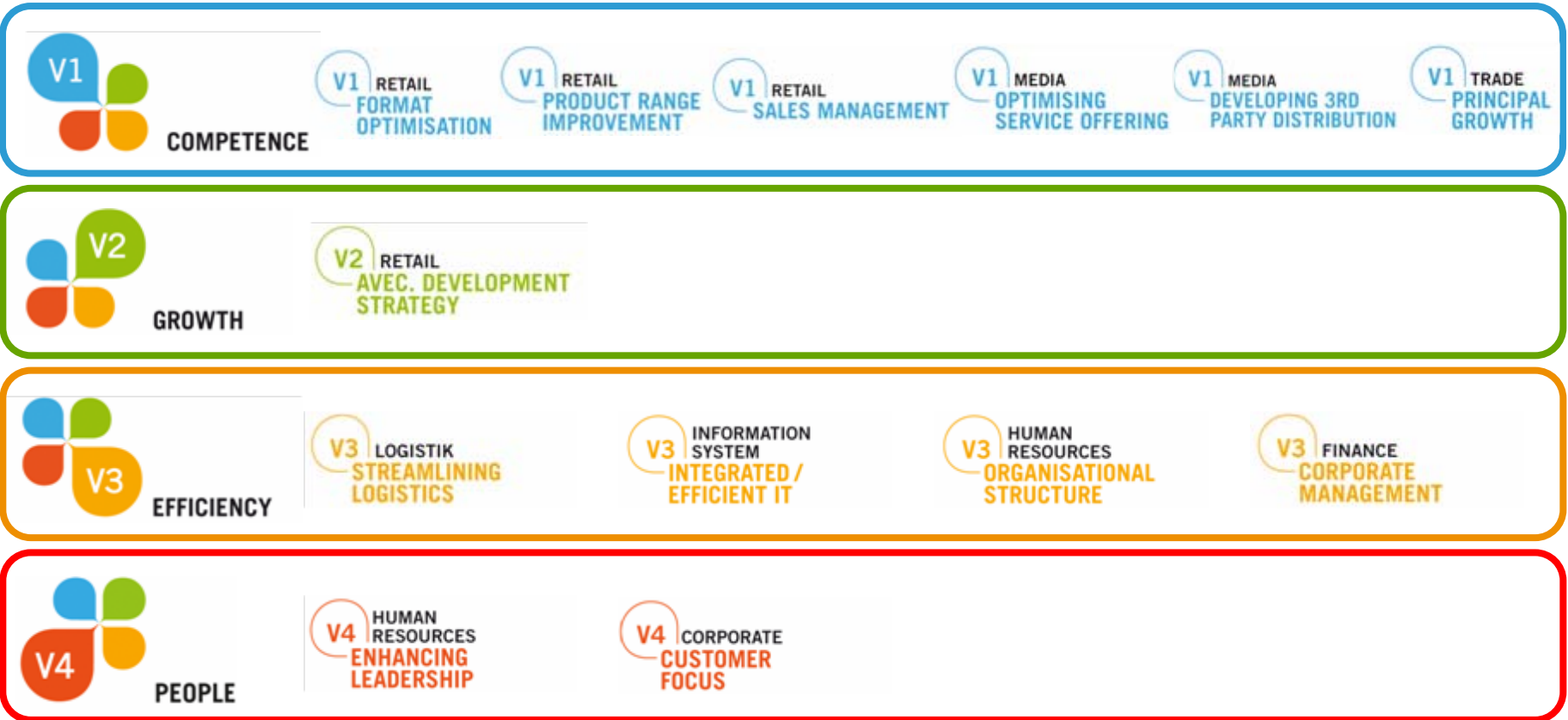
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# Overview of core strategic initiatives

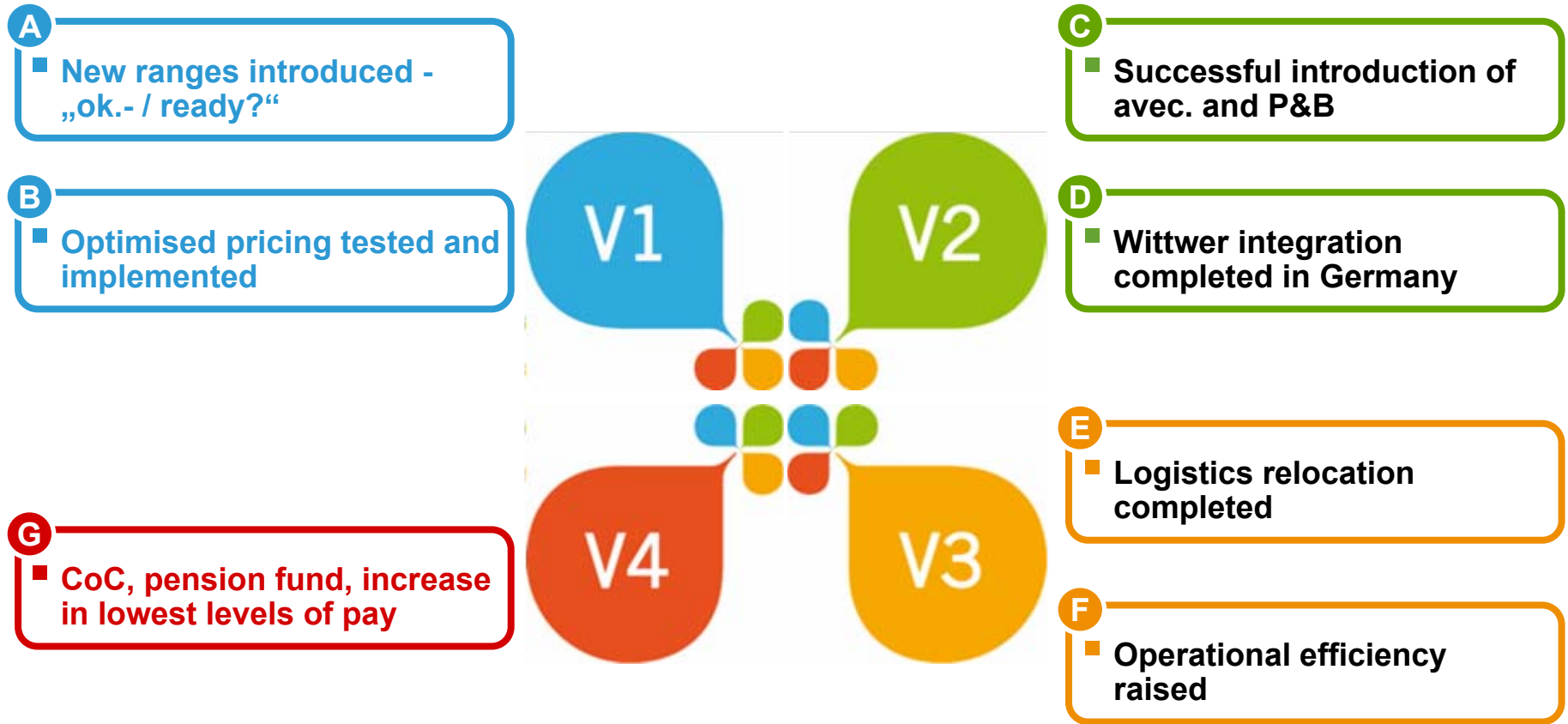


Four pillars supporting a promising future





# Major achievements in „Valora 4 Success“, some examples





# Strategic core initiative V1, competence



Success achieved by „ok.-“ with potential from „ready?“



## ok.-

- Some 20 products now at kiosks
- A good 100 products in avec. range
- Product placements in all categories

## ready?

- New services successfully tested
- Roll out to 300 – 400 outlets in 2010
- Three „preferred partner“ defined

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Valora Holding AG		
M::Code::	Bezeichnung	Betrag
<b>ok.- products</b>		
	Effect on 2010 EBIT	CHF 2 – 3 m
<b>Services</b>		
	Effect on 2010 EBIT	CHF 0 – 1 m
-----		
	<b>TOTAL</b>	<b>CHF 2 – 4 m</b>
Herzlichen Dank für Ihre Aufmerksamkeit!		
<a href="http://www.valora.com">www.valora.com</a>		



# B

## Strategic core initiative V1, competence

*Wide acceptance of optimised pricing structures*



### Optimised pricing

- Based on market perspective
- Various price categories defined
- Clustering implemented
- Minor declines in turnover more than offset by improved margins
- No adverse customer reactions
- Adjustment to other European and worldwide standards



Valora Holding AG			
M	Code	Bezeichnung	Betrag
		<b>Optimised pricing</b>	
		Effect on 2010 EBIT	CHF > 1 m
-----			
		<b>TOTAL</b>	<b>CHF &gt; 1.0 m</b>
Herzlichen Dank für Ihre Aufmerksamkeit!			
<a href="http://www.valora.com">www.valora.com</a>			



# Strategic core initiative V2, growth

Roll-out of avec. and P&B in 2010



## avec.

- Pilot tests successful
- Roll out started, network now ~60 avec. PoS (add. ca. 50 convenience stores)
- 2010 objective  $\geq$  100 avec. sites
- All outlets > 4% EBIT margin

## P&B

- 4 successful outlet openings
- Roll out under way for 2010
- Network > 10 PoS in 2010
- New sites generated +20% y-o-y sales growth, with good or very good profitability to date



Valora Holding AG

M:Code:Bezeichnung:Betrag

### avec. network

Effect on 2010 EBIT CHF 1 - 2 m

### P&B network

Effect on 2010 EBIT CHF ~ 1 m

-----  
TOTAL CHF 2 - 3 m

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www.valora.com



# Strategic core initiative V3, efficiency

*Logistics relocation successfully completed*



## Logistics

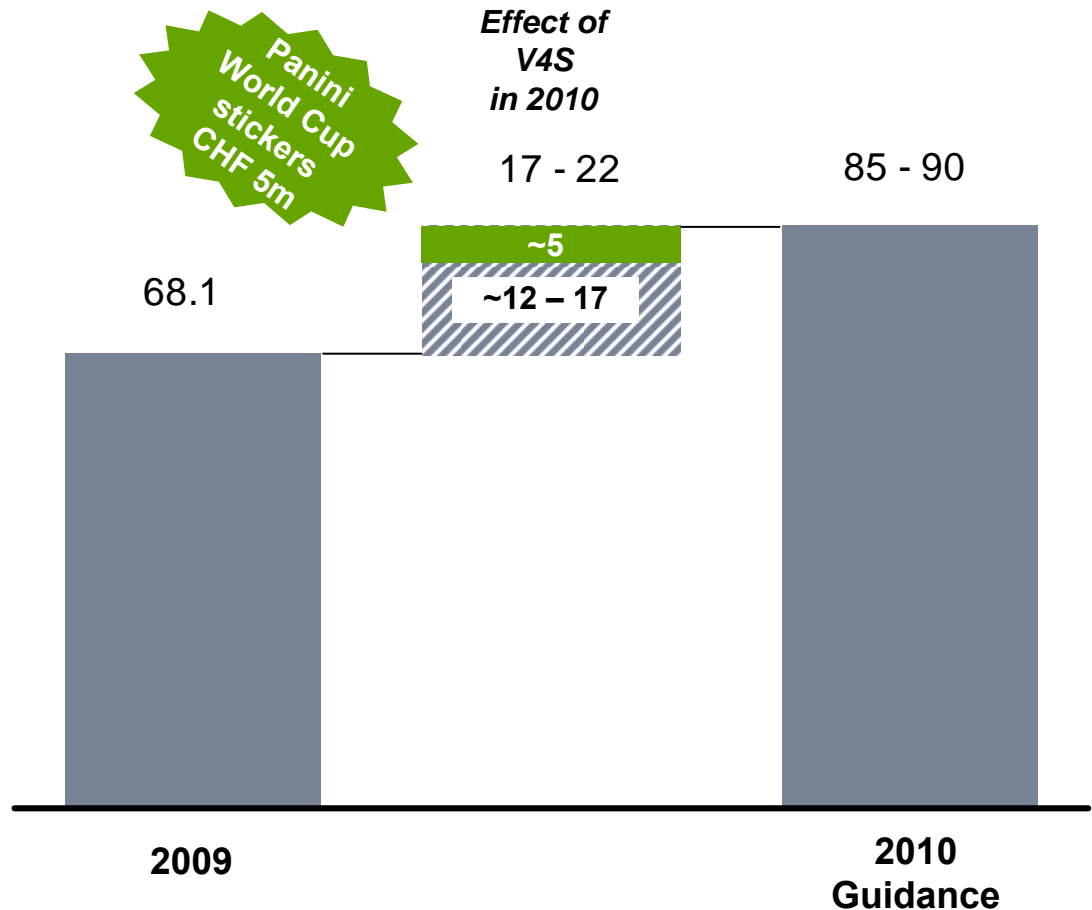
- Transformation and migration of logistics function completed without adverse effects
- WAMAS implemented according to plan
- Switch to decentralised picking, packing and sorting completed according to plan
- New savings identified from further streamlining measures (CHF > 2 million)

 Valora Holding AG		
M::Code::	Bezeichnung ::::::::::::::::::::	Betrag
	3 logistics sub-projects	
	Effect on 2010 EBIT	CHF 11 m
-----		
	TOTAL	CHF 11 m
Herzlichen Dank für Ihre Aufmerksamkeit! <a href="http://www.valora.com">www.valora.com</a>		

# Strategic measures – overview and interplay

„Valora 4 Success“ strategy programme will enable Valora to reach its objective

 Valora Holding AG			
M	Code	Bezeichnung	Betrag
A		Product ranges	CHF 2-4 m
B		Optimised pricing	CHF 1 m
C		avec. and P&B	CHF 2-3 m
D		Integration in Germany	CHF 0-1 m
E		Logistics relocation	CHF 11 m
F		Operational efficiency	CHF 1-2 m
G		Promoting staff development	CHF > 0 m
./.		Discount (e.g. lower other revenues)	CHF 5 m
<b>TOTAL</b>		<b>CHF ~12 – 17 m</b>	
Herzlichen Dank für Ihre Aufmerksamkeit!			
www.valora.com			





# Valora 4 Success – current status

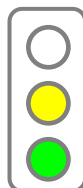
*Well under way, with further major steps to be taken in 2010*

## Initiatives

## Status

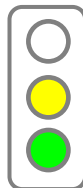
## To do's

V1  
COMPETENCE



- Implementation of new Media/Services strategy (pull instead of push)
- Further optimised pricing initiatives
- Services rolled out at k kiosk

V2  
GROWTH



- Acceleration of avec. roll out
- Conversion of convenience stores to avec. format
- Possible add-on acquisitions (tbd)

V3  
EFFICIENCY



- Further optimisation of purchasing (retail and non-retail items)
- Completion of IT platform implementation (esp. at Retail)
- Reduction in administrative costs (esp. Switzerland/Luxembourg)

V4  
PEOPLE



- Improved market research
- Implementation of new approaches from customer focus project
- More intensive staff training

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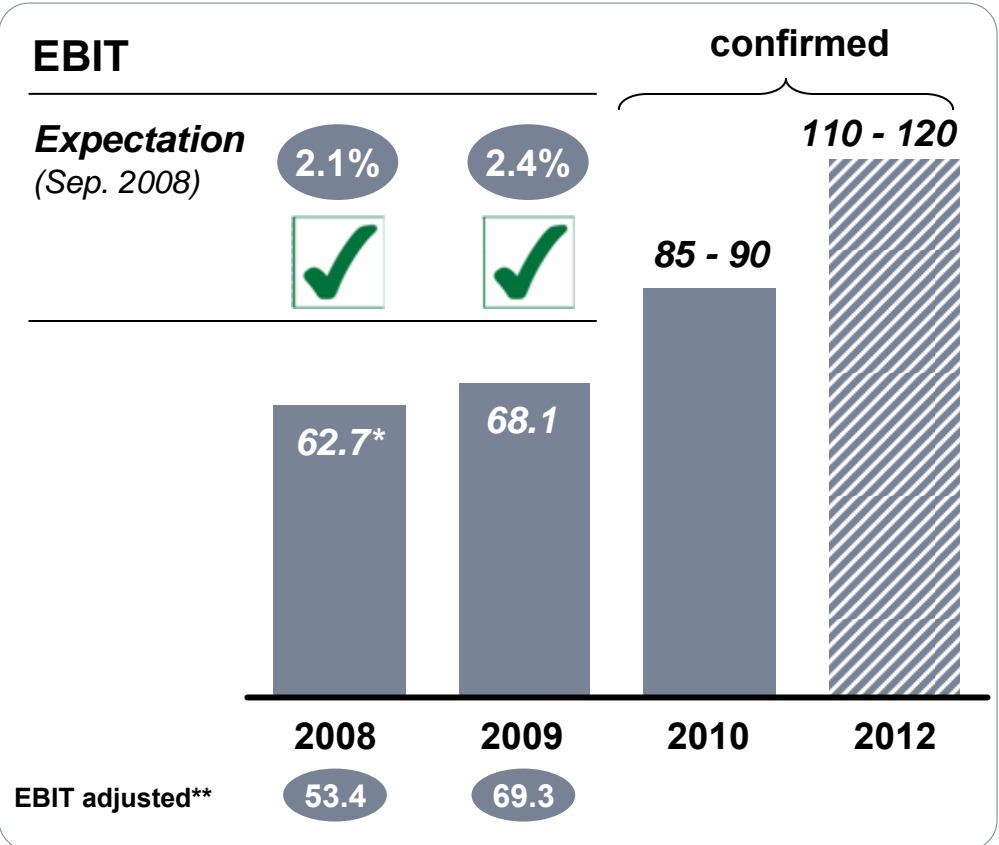
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# Summary and outlook

2009 expectations met, 2010/2012 objectives confirmed

in CHF million

- 1 Valora has achieved all the goals it set itself for 2009.
- 2 The „Valora 4 Success“ strategy was well-chosen and pursued consistently, stated objectives for 2010/2012 confirmed.
- 3 Medium and long-term strategy to be developed, key points to be published this autumn.



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2009: adjusted for currency fluctuations and acquisitions

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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



## 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"> <li>Process re-engineering</li> <li>Reorganisation</li> </ul>	~ 6 (incl. divisions)	~ 6	~ 6
	approx. 40				
IT	approx. 50	<ul style="list-style-type: none"> <li>Centralisation</li> <li>Consolidating IT systems</li> <li>Adopting uniform approach</li> </ul>	~ 8 (~ 15%)	~ 3	~ 5
Logistics*	approx. 85	<ul style="list-style-type: none"> <li>Relocation</li> <li>Process re-engineering</li> <li>System replacements</li> <li>Optimising requirements</li> </ul>	~ 13 (~ 15%)**	~ 0**	~ 11**
Costs 2008 E		Centralised purchasing (effective in all areas)	~ 2	~ 1	~ 1
			<b>~ 30</b>	<b>~ 10</b>	<b>~ 23</b>

**Additional CHF 6m cost savings identified**

\* CH only (excl. Trade)

\*\* vs expected 2008 costs (volume adjusted)

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# Contact details

## Corporate calendar

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### Corporate calendar

1st Half-Year 2010

August 26, 2010

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