

# valora



## Swiss Equities Conference Thomas Vollmoeller, CEO Valora Holding AG

Bad Ragaz, January 12, 2012

---

<b>1</b>	<b>Valora at a glance</b>
----------	---------------------------

<b>2</b>	Group performance in 1st half 2011
----------	------------------------------------

<b>3</b>	„Valora 4 Growth“ – strategy status report
----------	--

<b>4</b>	Q & A
----------	-------

valora

*will develop into one of Europe's  
leading trading companies...*

- ... with its ideally positioned Retail/Services and Trade business areas...*
- ... which are continuously generating organic and acquisition-led growth...*
- ... are sustainably profitable...*
- ... and benefit from satisfied stakeholders and highly motivated staff.*

# Valora today

*Strong and focused*



## Retail: the experts in small-outlet retail

- Four clearly defined formats
- 1 600 outlets, of which 600 in travel-related locations
- Present in four national markets (Switzerland, Germany, Luxembourg, Austria)

## Services: a professional service provider in press and consumer products

- State-of-the-art processes
- Over 15 000 customers
- Present in three national markets (Switzerland, Austria, Luxembourg)

## Trade: Europe's largest and most professional branded goods distributor

- Strong position in food, non-food, confectionery, beverages, and cosmetics
- 250 principals
- Present in 8 national markets (Switzerland, Germany, Austria, Denmark, Norway, Sweden, Finland, Czech Republic)



# Valora Retail

## The formats



**k kiosk**

*„Treat yourself“*

The place for that daily indulgence



**avec.**

*„C'est la vie“*

The most refreshing convenience retailer



Press  
**P&B**  
Books

*„Thought for the journey“*

For a wealth of enjoyable reading



**CAFFE**  
SPETTACOLO

*„Il vero espresso“*

Typical Italian coffee bar flair



# k kiosk

## Outlet profile





**avec.**

*Outlet profile*

**valora**



# P&B

## Outlet profile





# Caffè Spettacolo

*Outlet profile*

valora



---

1	Valora at a glance
---	--------------------

2	Group performance in 1st half 2011
---	------------------------------------

3	„Valora 4 Growth“ – strategy status report
---	--

4	Q & A
---	-------

## 1 Good results in an adverse environment

- Operating profit of CHF 33.4 million pleasing in aggregate
- Retail performing well, adverse impact from press and FX rates

## 2 „Valora 4 Growth“ implementation progressing as planned

- Salty Snacks and Scandinavian Cosmetics acquired during H1 2011
- Two companies acquired in 2010 now successfully integrated



# Key financial metrics for first-half 2011



*Adjusted operating profit margin improved by a substantial 24%*

*in CHF million*

△ vs 2010

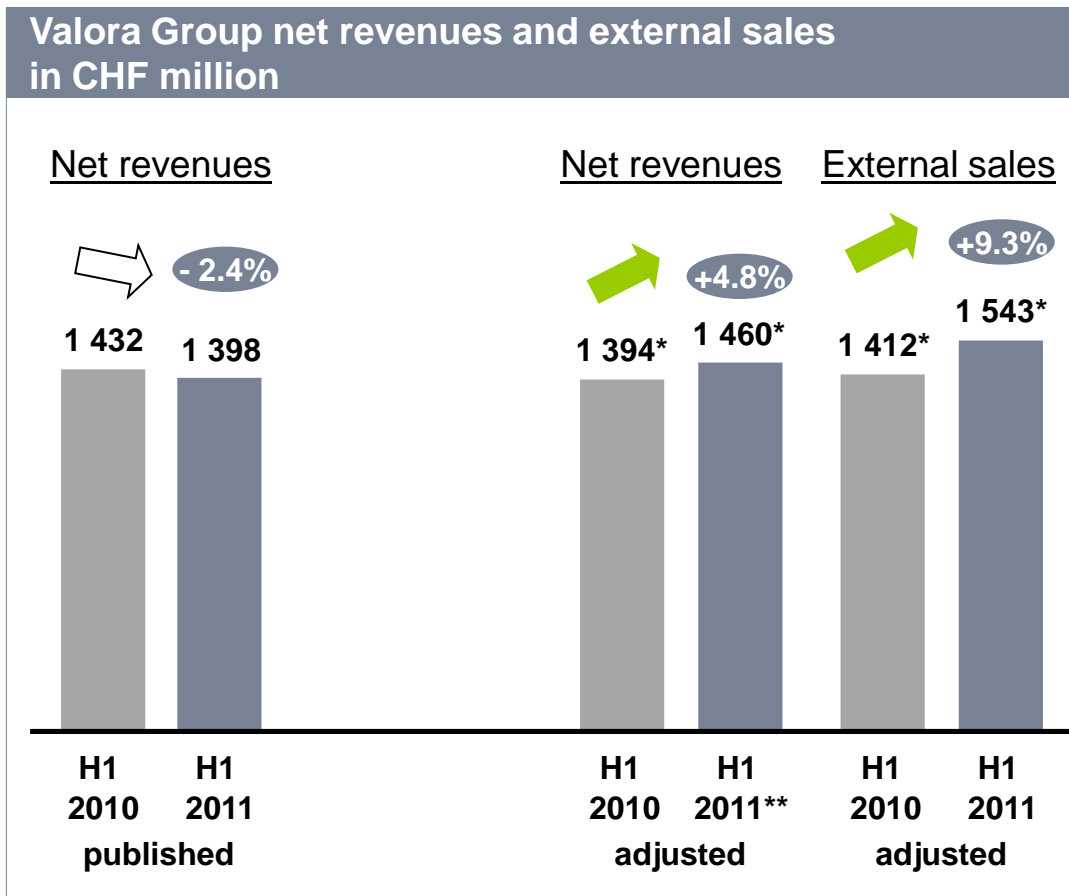
<b>External sales</b> (incl. franchisee sales)	1 473.0		+1.6%
<i>Adjusted external sales*</i>	1 542.6		+ 9.3%
<b>Net revenues</b>	1 397.6		- 2.4%
<i>Adjusted net revenues*</i>	1 459.9		+ 4.8%
<b>EBIT</b>	33.4		- 6.4%
<i>Adjusted EBIT*</i>	36.5		+ 24.0%
<b>EBIT margin</b>	2.4%		- 0.1pP
<b>Net profit</b>	26.3		+ 1.4%

\* adjusted for football picture cards and currency effects

# H1 2010 – 2011 net revenues and external sales comparison

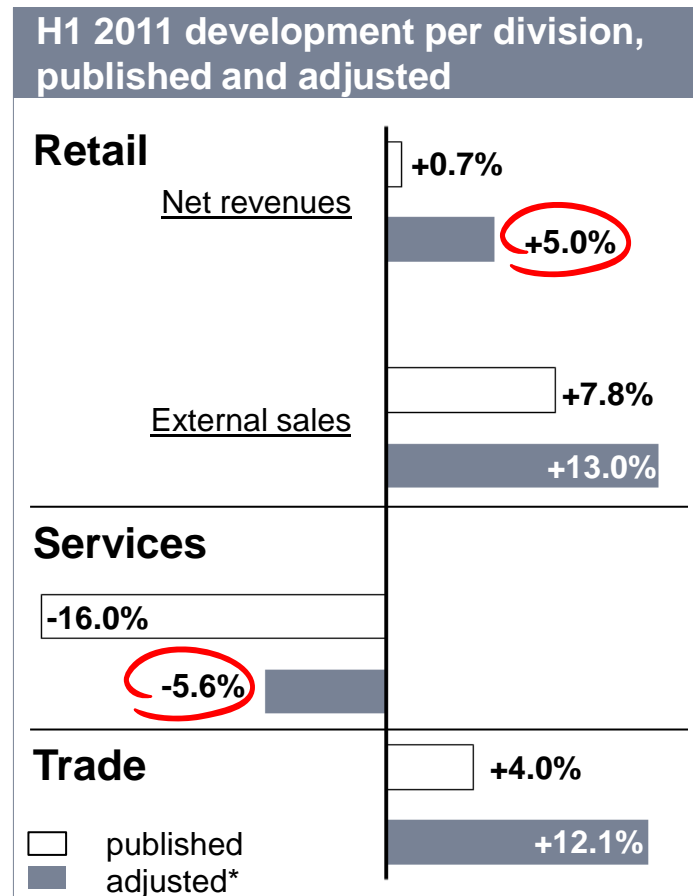


Adjusted net revenues grew by a pleasing 4.8%



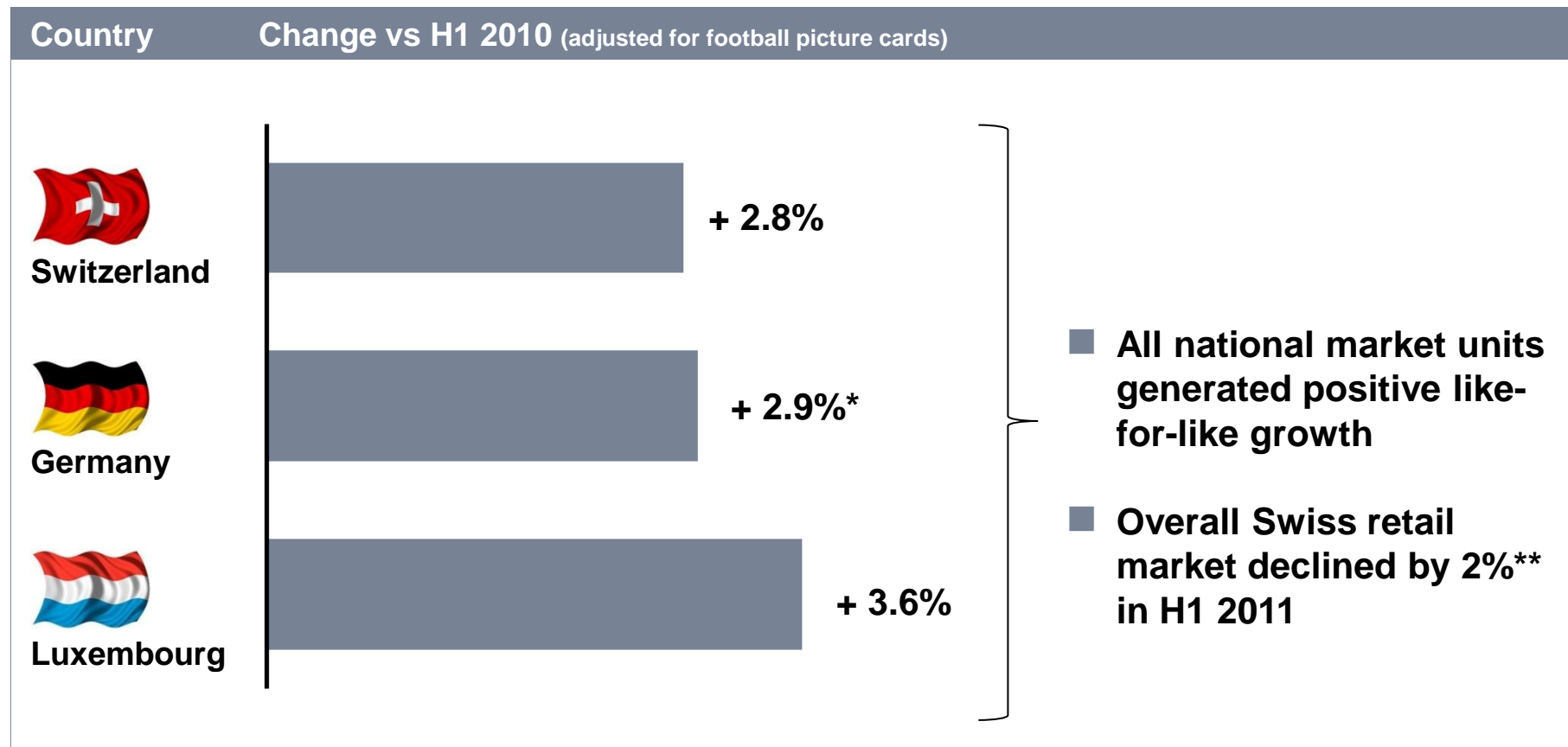
\* adjusted for football picture cards and currency effects

\*\* of which apx. CHF 62 million from acquisitions



## Retail division 1/2: sales in local currencies

Retail division performed positively in all its national markets



\* excluding tabacon; incl. tabacon >14%

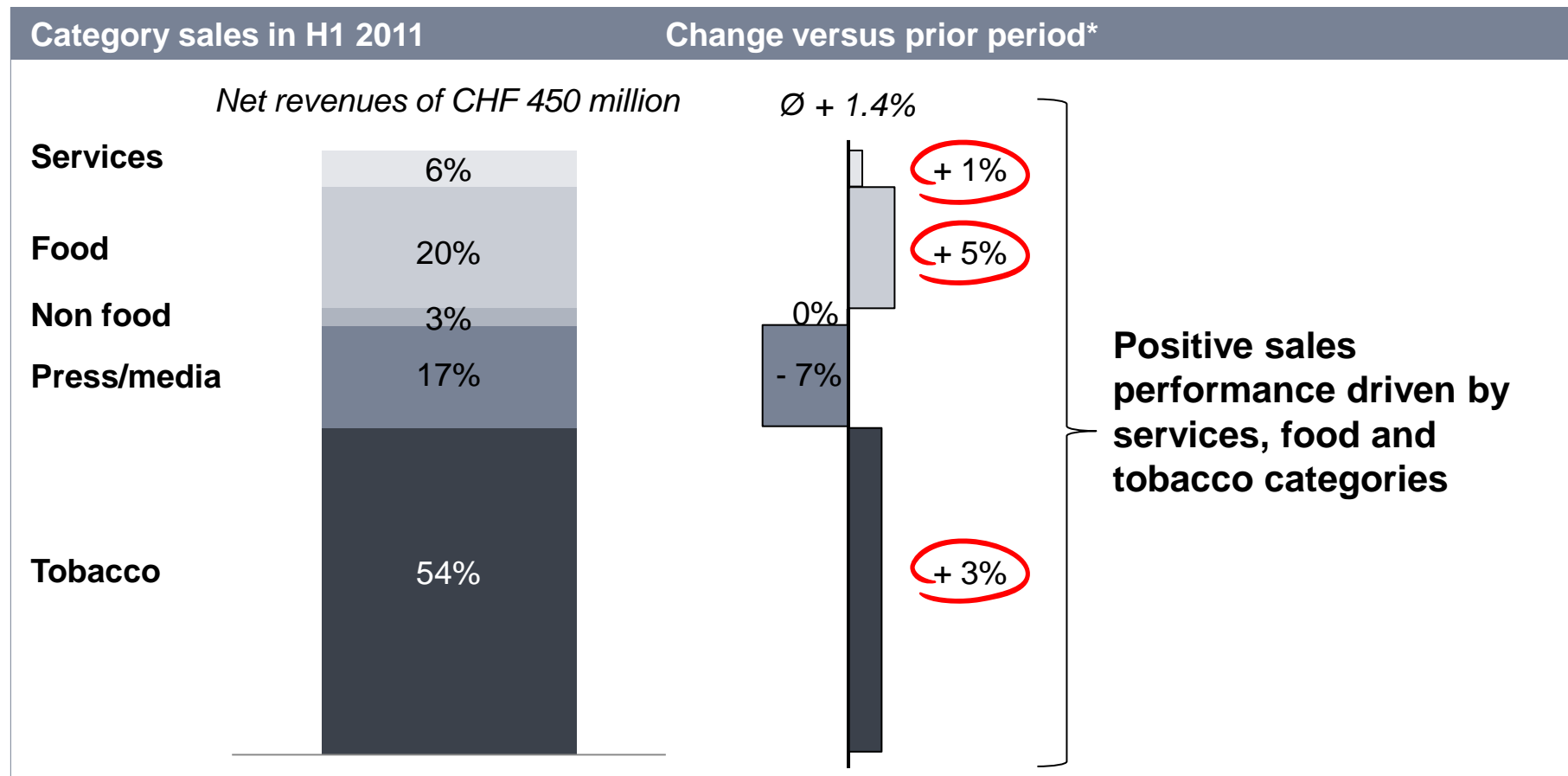
\*\* Source: Nielsen (Market incl. Manor, Migros, Coop, Denner, Spar und Volg until calendar week 28)



# Retail division 2/2: sales by category at kiosk Switzerland



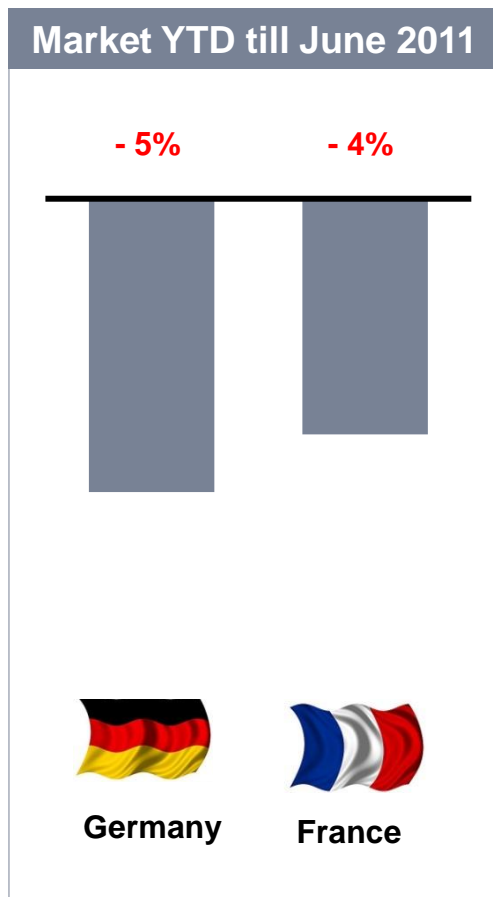
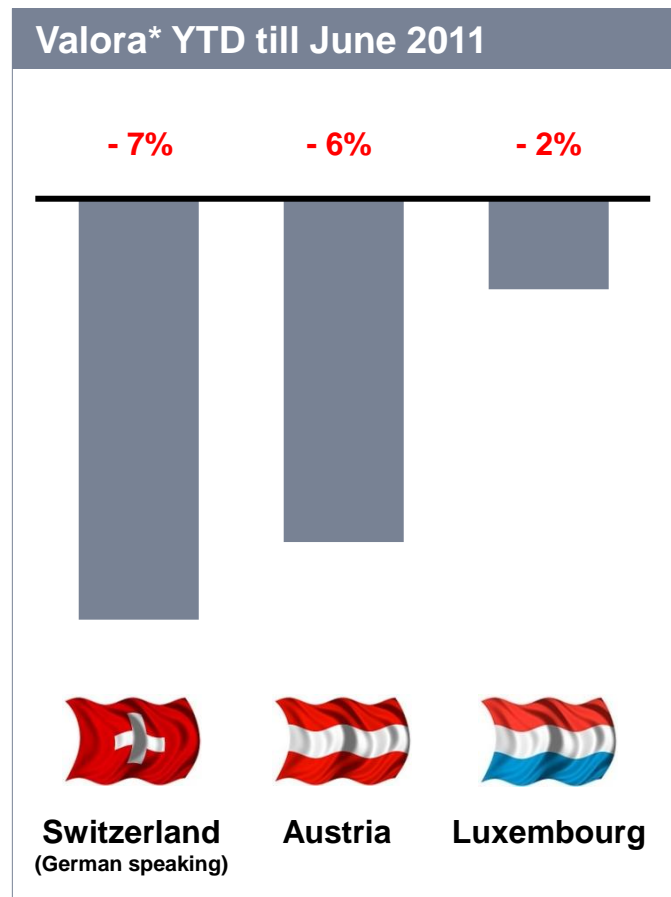
kiosk sales growing despite non-recurring football picture card business



\* adjusted for football picture cards

# Services: overall market trends in different countries

*Contracting press market is a Europe-wide problem*



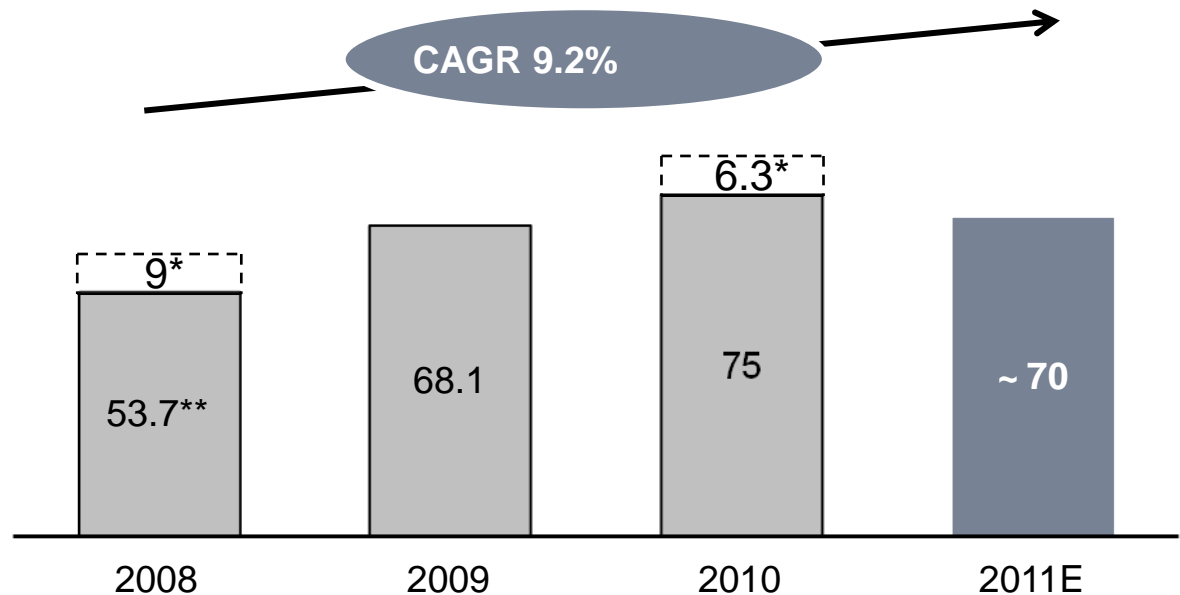
- ### 3rd Quarter 2011
- **Continuing decline in the market for press products became more accentuated**
  - **Shortfall in press turnover of 10 percent so far**
  - **No ability to compensate, despite the extensive adjustments the division has made to its cost structures and its expansion into new business areas**

\* adjusted for World Cup picture cards and currency effects

# Valora Group EBIT, 2008 – 2011

## Compound annual growth rate calculation

- Strong operating profit growth
- Effects of „Valora 4 Success“ strategy implementation clearly visible from 2008
- „Valora 4 Growth“ expected to deliver further improvements



**Additional:** strong devaluation of Euro vs CHF since 2008  
effect of CHF -10 Mio. → adjusted CAGR 2008 to 2011: 14.2%

\* Football picture card adjustments: 2008 = CHF 9.0 million | 2010 = CHF 6.3 million

\*\* excl. restructuring costs of CHF 25 Mio.



---

# Agenda

---



1 Valora at a glance

2 Group performance in 1st half 2011

**3 „Valora 4 Growth“ – strategy status report**

4 Q & A

# Examples of „Valora 4 Growth“ initiatives

„Valora 4 Growth“ strategy

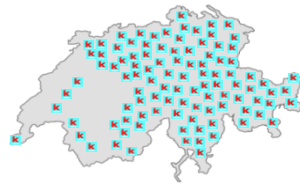
## Growth initiatives in 2011



G1

Organic margin growth

Expand number of agencies (Retail)



Streamline purchasing (Retail)



G2

Organic (external) sales growth

Push services (Retail)



Logistics (Retail)



G3



G4

Acquisition-led growth at Retail/Services and Trade

Scandinavian Cosmetics



Salty Snacks



press&more



# Growth initiative G1 – the agency system example

*Initial roll out phase very successful – objectives raised*

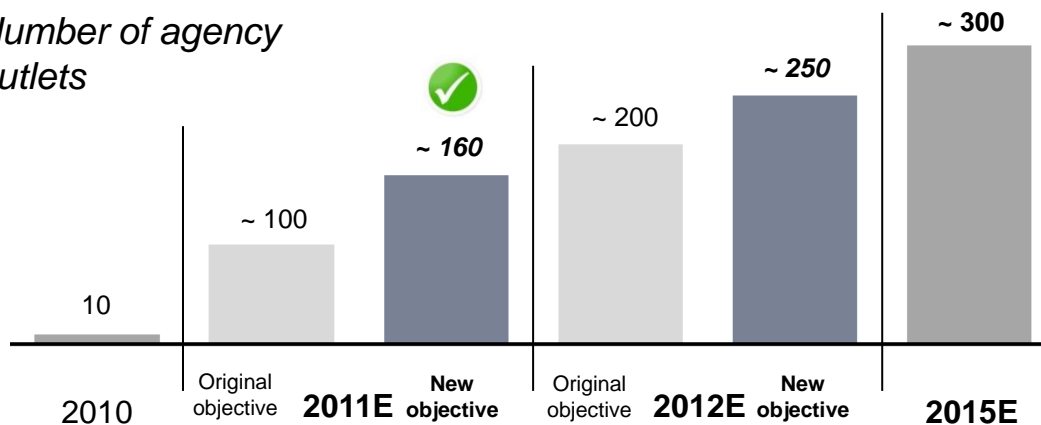


## Experience of phase 1 of roll out

- Agent managers report positive experience
- Growing interest shown by outlet managers
- Increased sales and reduced costs in line with plan

## Expected agency growth

*Number of agency outlets*





# Growth initiative G2 – the new services example

*Enhanced utilisation of professional logistics*



## Co-operation with OPTICS association

- OPTICS, the suppliers' association for spectacles and contact lenses, covers some 80% of the Swiss market
- Ideal location network and delivery structure
- Co-operation commenced August 1, 2011
- 6 000 packages per day
- ➔ Additional sales of apx. CHF 3 million p.a.



## Co-operation with mail order houses

- Package drop off service at Valora k kiosks
- Already working with La Redoute, Heine, Jelmoli → further expansion planned
- Since September 2011 service available in 670 outlets
- To be extended to pick-up service in 2012

# Growth initiative G3 – the retail Austria example



Acquisition Schmelzer-Bettenhausen, Austria's leading railway station bookseller

## Overview POS



## Comments

- 12 outlets in prime locations (8 of it located in Austria's largest railway stations)
- Turnover EUR >12 million in 2010
- Assortment: press products, travel literature, food and non-food items
- Some 70 employees



# Growth initiative G4 – the Scandinavian Cosmetics example



Excellent product portfolio and high level of profitability → Closing as per August 23, 2011



## Rationale

- Biggest independent distributor in Scandinavia's largest cosmetics market
- Extends Valora's portfolio
- Scope for further expansion

## Key data

- CHF ~ 75 million in sales, EBIT margin > 4%
- 23% share of Swedish market
- Purchase price in target range (6-9x EBIT)

## Swedish cosmetics market - individual distributors' shares

- Swedish cosmetics market shows strong growth (2010: SEK 2,500 million | +7%)
- Attractive product range, distribution services and cosmetic platform support enhanced growth by ScanCo

Tied distributors	Independent distributors
L'Oreal 29%	<b>ScanCo (23%)</b>
Lauder 7%	Saether (5%)
Invima 7%	
Andere 16%	Others (13%)
<b>Total 59%</b>	<b>Total 41%</b>

---

# Agenda

---



1 Valora at a glance

2 Group performance in 1st half 2011

3 „Valora 4 Growth“ – strategy status report

4 Q & A



---

# DISCLAIMER



---

## **NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO THE UNITED STATES**

THIS DOCUMENT IS NOT BEING ISSUED IN THE UNITED STATES OF AMERICA AND SHOULD NOT BE DISTRIBUTED TO U.S. PERSONS OR PUBLICATIONS WITH A GENERAL CIRCULATION IN THE UNITED STATES. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES. IN ADDITION, THE SECURITIES OF VALORA HOLDING AG HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS ABSENT REGISTRATION UNDER OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE UNITED STATES SECURITIES LAWS

This document contains specific forward-looking statements, e.g. statements including terms like “believe”, “expect” or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of Valora and those explicitly presumed in these statements. Against the background of these uncertainties readers should not rely on forward-looking statements. Valora assumes no responsibility to update forward-looking statements or adapt them to future events or developments

---

# Contact details

## Corporate calendar

---



### Contact details

**Mladen Tomic**  
Head of Corporate Investor Relations

Phone. +41 61 467 36 50  
E-mail: mladen.tomic@valora.com

**Stefania Misteli**  
Head of Corporate Communications

Phone. +41 61 467 36 31  
E-mail: stefania.misteli@valora.com

### Corporate calendar

Publication of 2011 results	March 28, 2012
2011 General meeting of shareholders	April 19, 2012

Please visit our website for more information regarding **VALORA**  
[www.valora.com](http://www.valora.com)

valora