VALORA ANNUAL REPORT

2012

valora

valora

for a fast moving world

Key financial data

Key financial data

		31.12.2012	31.12.2011	31.12.2010
External sales	CHF million	**3 320.2**	**2 961.9**	**2 946.5**
Change	%	12.1%	0.5%	0.3%
Net revenues	CHF million	**2 847.9**	**2 817.9**	**2 877.7**
Change	%	1.1	– 2.1	– 0.7
Operating profit (EBIT)	CHF million	**65.8**	**70.5**	**81.3**
in % of net revenues	%	2.3	2.5	2.8
Net profit [1]	CHF million	**45.7**	**57.0**	**61.7**
Change	%	– 19.8	– 7.5	16.3
in % of net revenues	%	1.6	2.0	2.1
in % of equity	%	8.0	12.3	12.9
Net cash provided by (used in)				
Operating activities	CHF million	54.5	97.0	78.7
Ordinary investment activities [2]	CHF million	– 12.3	– 45.4	– 38.0
Free cash flow (used in)	CHF million	**42.2**	**51.6**	**40.7**
Company acquisitions (and long-term financial investments)	CHF million	– 288.0	– 40.1	– 32.2
Financing activities	CHF million	282.5	– 31.1	– 32.3
Earnings per share [1]	CHF million	**15.60**	**20.24**	**22.35**
Change	%	– 22.9	– 9.4	18.0
Free cash flow per share	CHF million	**14.50**	**18.64**	**14.82**
Change	%	– 22.2	+ 25.8	– 27.1
Share price at December 31	CHF million	**185.10**	**196.50**	**326.25**
Market capitalisation at December 31	CHF million	**626**	**546**	**898**
Cash and cash equivalents	CHF million	**147.2**	**109.6**	**130.5**
Interest-bearing debt	CHF million	**508.8**	**141.5**	**144.6**
Shareholders' equity	CHF million	**575.3**	**462.3**	**478.1**
Total liabilities and equity	CHF million	**1 602.1**	**1 103.1**	**1 096.1**
Number of employees at December 31	FTE	**5 962**	**5 801**	**6 455**
Change	%	2.8	– 10.1	– 1.0
Net revenues per employee	CHF 000	**478**	**486**	**446**
Change	%	– 1.7	9.0	0.5
Number of outlets operated by Valora [3]		**1 606**	**1 364**	**1 390**
therof agencies		598	231	81
Net sales per outlet [4]	CHF 000	1 208	1 183	1 156
Number of franchise outlets		**999**	**166**	**191**

All totals and percentages are based on unrounded figures from the consolidated financial statements
1) From continuing operations (without Own Brands)
2) Including real-estate disposal (CHF 60 million)
3) Additional contract to supply a further ~ 400 outlets
4) Valora Retail only

ANNUAL REPORT VALORA 2012

Letter from the Chairman

Rolando Benedick
Chairman

Dear Shareholder

The world economy has been facing very demanding challenges for some years now. These are especially evident in Europe generally, but also in Switzerland. To hold its own in this environment, it is not enough for a company to have a clear strategy, committed employees and a strong market position based on attractive products or services. Entrepreneurial success also requires a company to be able react rapidly and flexibly to changing circumstances. Valora is focusing on strengthening its core retail expertise and appropriately positioning its other major business units to achieve a sustainable increase in profitability.

Although trading conditions remained demanding, Valora succeeded in increasing its external sales by a gratifying 12.1 percent.

A key factor in this significant improvement was the integration of the Convenience Concept outlets, which enabled Valora Retail to raise its external sales by an impressive 21.5%. In its Swiss kiosk operations, the Retail division also made substantial progress in expanding its network of agent-managed outlets. More than 300 Swiss kiosks are now operating on an agency basis.

The Ditsch / Brezelkönig acquisition has provided Valora with an additional retail format. Ditsch / Brezelkönig's activities are focused on food and beverages for immediate consumption, an attractive business which ideally complements Valora Retail's existing activities, enhancing the division's product range and providing a sound basis for sustainable and profitable expansion.

Sales at Valora Services declined in 2012. This is mainly due to the further reduction in the scale of its low-margin goods wholesaling operations in Switzerland and the continuing contraction of the overall press market, which shrank nearly 10 percent in Switzerland alone last year. The sale of Valora Services Austria in October also reduced the division's 2012 revenues.

Valora Trade increased its net revenues during 2012, though pressure on its margins increased as a result of continuing parallel imports and shopping tourism, coupled with the relatively high consumer prices in Denmark and Sweden which these countries' appreciating currencies have brought in their wake.

The Valora Group's 2012 operating profit of CHF 65.8 million is in line with earlier guidance. Net profit for 2012 was CHF 45.7 million, CHF 11.6 million lower than in 2011. The additional financing required for the two major acquisitions made during 2012, Convenience Concept and Ditsch / Brezelkönig, was provided by a new syndicated-loan facility, a new bond issue and the issuance of authorised share capital.

Our purchases of Convenience Concept and Ditsch / Bretzelkönig mean that Valora now has an outstanding portfolio of formats and outlet sites. With a network now comprising more than 3000 ideally located small-scale units, Valora can always be sure of having the right format in the right place to serve its customers. Valora targets its retail formats to the most appropriate sites, deploying a variety of product-range modules

Letter from the Chairman

to meet local requirements. Valora's small-scale outlets are always close at hand, meeting the shopping needs of customers on the move for whom convenience is key. Accessibility and rapid product availability, when and where they want it, is something more and more customers now expect. Shops where people can quickly find what they want, and where buying decisions are thus simplified, are increasingly important to a society where work and leisure are becoming increasingly interwoven. Valora is constantly adapting its shop layouts, product ranges, opening hours and technologies to meet current customer needs, thus increasing the flexibility available to the individual.

Valora Services will develop the range of services based on its own logistics infrastructure. This is one area where there is further development potential, particularly given the pleasing growth achieved here in 2012 and the increase in online retail volumes.

Valora Trade will in future place greater emphasis on its business with smaller and medium-sized principals, especially in high-margin niche markets. The objective here is to raise the division's profitability through cost efficiency measures and to counteract the volatility and increased competitive pressures in its other markets.

A lot of hard work has been carried out at Valora in recent years and months. This has enabled us to create a sound platform for new, profitable growth. On behalf of the Board of Directors, I would particularly like to thank Valora's management for their untiring commitment. The personnel changes which occurred during the year were quickly and effectively addressed, thus ensuring both a seamless handover of duties and continuity in the running of the company.

Our efforts will continue to focus on increasing the satisfaction of all stakeholders and on fostering employee motivation. Valora's achievements in 2012 would not have been possible without the commitment and skill of our employees, in all business areas and in all countries in which we operate. The Board's thanks and recognition also go to them. Furthermore, we are most grateful to our business partners for the constructive way they have worked with us and, of course, to all our customers for the confidence and loyalty they have displayed in Valora. Last but not least, we would also like to thank our shareholders for their continuing support.

The Board of Directors intends to maintain an attractive dividend policy. It will therefore recommend to the forthcoming 2013 General Meeting that the dividend be increased to CHF 12.50 per share. This will include a withholding-tax-exempt distribution from capital reserves of CHF 5.85 per share. This year you will again have the opportunity of casting a consultative vote on our remuneration report. The remuneration scheme for the Board of Directors is based on the same sustainable principles as before. Details are set out in the corporate governance section of this report.

The Board will, as usual, recommend that each of its individual members be re-elected for a further one-year term of office. The Board will also recommend that Ernst Peter Ditsch, our major shareholder, be elected to join its ranks. We are convinced that this nomination will further strengthen Valora's Board of Directors, both in terms of business expertise and international perspective.

In the current business year we are systematically pursuing our chosen strategy, focusing on the continued implementation of the initiatives already under way. The first positive effects of this are already manifesting themselves. The acquisitions Valora has carried out in Germany in recent years have substantially developed its position in that market. Indeed, the Group is now one of the largest small-outlet retailers in Europe's German-speaking region. Valora's newly established market presence in Austria, with a portfolio of prime sites at major public-transport hubs, provides excellent opportunities in the travel retail sector. The new Ditsch / Brezelkönig format complements the existing network of Valora outlets extremely well. Moreover, since Ditsch is a highly regarded supplier of frozen bakery snacks to the specialist wholesale and retail markets, there is considerable potential for further international expansion in this area as well.

Taken together, these various elements have enabled Valora to create an a solid platform for expansion. Our task now is to make the most of this potential. That will be the focus of our activities, and we are confident that Valora will succeed in achieving that objective profitably for the benefit of all its stakeholders.

Yours sincerely

Rolando Benedick
Chairman of the Board of Directors

VALORA IN 2012 SETTING A COURSE FOR THE FUTURE

2012 was another challenging year for the retail sector, both in Switzerland and in Europe. In Switzerland the strength of the currency and the subdued economic outlook had a noticeably dampened consumer sentiment. While Valora was not immune to this ongoing trend, the major acquisitions it carried out during the year nevertheless enabled the Group to establish a sound platform for sustainably profitable growth in the years ahead.

In 2012, Valora increased its external sales, which include revenues generated by franchisees, by CHF 358 million, or +12.1 percent, to reach CHF 3320 million. In local-currency terms, this increase amounted to CHF 385 million, or 13 percent. This positive performance is principally due to the Group's acquisitions of Convenience Concept and Ditsch / Brezelkönig during the year. The Group's net revenues for 2012 advanced CHF 30 million, or +1.1 percent, compared to 2011. Within the Retail division, the largest increase in net revenues was achieved by Valora Retail Germany, whose expanded scale of operations following recent acquisitions boosted revenues by 17.5 %. Ditsch / Brezelkönig, which Valora has owned since autumn 2012, contributed CHF 50.1 million to the fourth-quarter net revenues, in line with expectations. The Group's Services division remains adversely affected by the marked contraction of the overall press market. Having divested itself of Valora Services Austria and its low-margin third-party goods wholesaling business in Switzerland, this division will now be able to reposition its businesses. Valora Trade achieved good sales growth, though exchange-rate effects and continuing parallel imports in all its markets increased the pressure on margins.

> The acquisition of Ditsch / Brezelkönig has created very promising opportunities in the attractive and rapidly growing market for food and beverages for immediate consumption.

2012 saw Valora generate an operating profit, or EBIT, of CHF 65.8 million. This includes a gain on the sale of Valora Services Austria and a loss on the sale of the Muttenz facility in the amount of CHF 14.2 million. Convenience Concept and Ditsch / Brezelkönig, Valora's two major acquisitions in 2012, also made their first contributions to this result. The Group's aggregate operating profit margin was 2.3 percent in 2012, slightly lower than in 2011. Group net profit for 2012 amounted to CHF 45.7 million, CHF 11.6 million less than in 2011. This is mainly attributable to the increase in interest expense resulting from the new bond issue and the syndicated-loan facility. Shareholders' equity at year-end 2012 amounted to 35.9 percent of total assets.

Decisions with significant future implications were made in 2012

Valora's purchase of Convenience Concept enabled the Group, at a stroke, to acquire the largest integrated kiosk network in Germany. This transaction has also made Valora the leading small-outlet retailer in German-speaking Europe. The Group's acquisition of Ditsch / Brezelkönig has created very promising opportunities in the attractive and rapidly growing market for food and beverages for immediate consumption. There are also major potential synergies between Ditsch / Brezelkönig and other Valora formats. Valora's work on further strengthening its retail activities will place particular emphasis on its kiosk format. Product ranges will be enhanced, with an increased food component, and the agency business model will be extended to yet more outlets, to the financial benefit of all concerned. Valora Services sold its press wholesaling business in Austria and its goods wholesaling operation in Switzerland and is currently reviewing strategic options for its businesses in Switzerland and Luxembourg. The range of logistics services the division provides to third-party customers, which have helped to

Standing: Susanne Berger, CHR; Markus Guggenbühler, CIO; Andreas Berger, CEO Valora Retail;
Thomas Eisele, CEO Ditsch/Brezelkönig; Alexander Theobald, CEO Valora Services
Sitting: Adriano Margiotta, General Counsel; Michael Mueller, CFO; Rolando Benedick, CEO; Alex Minder, CEO Valora Trade

offset the revenue shortfalls from a continuously shrinking press market, will be expanded further. Following an in-depth analysis of its principal portfolio, Valora's Trade division intends to shift the emphasis of its business towards more profitable counterparties.

Valora Retail strengthens its German presence and optimises retail formats

Valora Retail increased its external sales by CHF 379 million, or 21.5 percent, in 2012, taking them above the CHF 2 billion mark for the first time to CHF 2139 million. The lion's share of this growth is attributable to Convenience Concept, acquired in April 2012. Stripping out the effects of acquisitions, football picture cards and exchange-rate fluctuations, Valora Retail's revenues nearly matched their 2011 levels. EBIT came in at CHF 25.3 million, CHF 16.5 million lower than in 2011. This decline, which is mainly attributable to the book-value loss of CHF 14.2 million on the sale of the Muttenz facility, resulted in an EBIT margin of 1.5 percent in 2012.

Tobacco sales rose 4 percent. 2012 also saw the launch of Valora's successful ok.– privatel-label brand on the German and Austrian markets. The extended range of services Valora Retail now offers – such as iTunes cards, a new prepaid card facility and the division's successful new "My Switzerland" sticker collection – are testimony to the highly effective marketing initiatives which Valora Retail can rapidly deploy through its comprehensive outlet network.

In Switzerland, Valora Retail's avec. and P&B formats both performed well. Following a successfully executed rebranding, avec. managed to increase its net revenues by 2.0 percent despite stiff competition. New outlet openings enabled the specialist Press&Books format to increase its net revenues by an impressive 9.2 percent. Thanks to their comprehensive range of press titles, these stores have gained excellent customer recognition. While the closure of unprofitable units meant that sales at Spettacolo declined, these Italian-styled coffee bars remain attractive to Swiss consumers. The remaining coffee bars made a positive contribution to Valora Retail's 2012 results.

In Germany, Convenience Concept, acquired by Valora in the spring of 2012, contributed some CHF 40 million to net revenues. While transaction-related and other integration costs reduced Convenience Concept's contribution to operating profit, this was also positive. The 100 or so tabacon outlets, which were transformed to the k kiosk format since 2011, were able to achieve their full potential during 2012, with comparably measured sales rising by a pleasing 7 percent year-on-year.

Valora Retail Luxembourg increased its net revenues by 2.8 percent, achieving particularly good performance in its food, tobacco and services categories. Thanks to the enhancements made to product ranges and store design, press sales were held steady at 2011 levels. Valora Retail Austria, the smallest country unit in the division, was consolidated into Valora Retail's results for the first time, with 2012 net revenues of CHF 16 million.

Valora Retail's key focus is on optimising its outlet networks in Switzerland and Germany. In Switzerland, changes to the k kiosks' product range and store layout were tested during 2012 and these will now be implemented at some 100 outlets in 2013. Substantial progress has been made in expanding the number of agent-managed outlets. More than 300 kiosk outlets were operating on an agency basis at the end of 2012, and Valora plans to increase this number further in the years ahead. Individual outlets in the substantially larger network Valora Retail now has in Germany will be adapted as required and the format concepts used throughout the country will be standardised. The main objective here is to reduce the current dependence on tobacco sales and to complement the outlets' product ranges with new food, beverage, press and services offerings.

Ditsch/Brezelkönig a new format in an attractive market

Following its integration into the Valora Group in October 2012, Ditsch/Brezelkönig contributed CHF 50.1 million to Valora's 2012 net revenues and CHF 7.1 million to 2012 EBIT, which equates to an EBIT margin of 14.2 percent.

With 230 outlets in Germany and Switzerland, Ditsch/Brezelkönig has an extremely attractive retail site portfolio and a highly efficient, fully integrated business model. A family-owned company for three generations, Ditsch/Brezelkönig ideally complements Valora's existing range of formats. Many of its outlets are located at public-transport hubs and other prime revenue-generating locations. Clear focus on a limited range of lye-bread products, a high degree of automation and the simple processes involved in product preparation at the outlets themselves ensure extremely efficient floorspace productivity combined with a top-quality, impeccably fresh offering. There are numerous synergies between Ditsch/Brezelkönig and Valora's existing formats and the scope for enabling them to boost to efficiency levels is thus subsubstantial.

Valora Services repositions itself to address structural challenges

Valora Services generated net revenues of CHF 465 million in 2012, CHF 135 million less than in 2011. This decline reflects the sale of Valora Services Austria during the second half of 2012, the general weakness of the press market and the reduced scale of the division's tobacco and food wholesaling activities. The division's operating profit for 2012 was CHF 12 million, which equates to an EBIT margin of 2.6 percent.

The major structural challenges facing the Service division had already been recognised in 2011, and corrective action was initiated that same year. This included using the division's logistics infrastructure as a platform for developing a range of services for third-party customers, an initiative which helped to offset the revenue shortfall resulting from declining press-wholesale volumes. The decisions to sell the press wholesaling operation in Austria and the goods wholesaling business in Switzerland were both made on objective grounds. They were motivated by the extremely competitive conditions prevailing in the Austrian press wholesale market, where margins are under pressure from retailers and publishers alike, and the relatively modest strategic significance of the division's Swiss goods wholesaling business. All options for a sustainable business model for the division's remaining businesses in Switzerland and Luxembourg are currently under review, including partnerships, joint ventures and cooperations, among others.

Valora Trade reconfiguring portfolio for increased profitability

Valora Trade, the Group's brand distribution division, succeeded in raising its net revenues by CHF 48 million to CHF 793 million, a significant, 6.4 percent increase. Excluding the contribution made by ScanCo, which was acquired during 2011, net revenues were CHF 14 up on their 2011 levels. Operating profit for 2012 was CHF 8 million, which equates to an EBIT margin of 1.0 percent.

Good performance was achieved by EMH in Norway and ScanCo in Sweden, the two cosmetics distributors acquired as part of the division's growth strategy. Attractive cosmetics margins helped to offset the margin decline the division experienced in its traditional food, beverage and confectionery categories, where trading conditions became significantly more challenging in 2012 – especially in Switzerland, Denmark and Sweden. Ongoing parallel imports and shopping tourism, as well as retailers' aggressive positioning of their private-label brands, all increased the downward pressure on prices. These ever-more-challenging market conditions prompted Valora Trade to carry out an in-depth analysis of its current principal portfolio. Initial findings resulted in a decision to rebalance the portfolio, shifting its focus towards smaller and medium-sized principals, some of whom are operating in higher-margin niche markets. In addition comprehensive cost efficiency measures have been initiated. The objective is to raise the division's profitability significantly above its current unsatisfactory level.

> Valora wants to react rapidly and flexibly to seize new opportunities as and when they occur.

Outlook

2012 saw Valora implement a number of major initiatives which will have a significant bearing on its future performance. The two acquisitions carried out in 2012 have substantially enhanced the Group's market position in German-speaking Europe. With a network now comprising more than 3000 sites in four countries, and a range of small-outlet retail formats, there will be even greater scope for Valora to meet local customer needs rapidly and efficiently. The Group's current porfolio of retail concepts can not only be deployed in a modular fashion, but also offers considerable synergy potential, which can be exploited across national markets. Both the broad product range at k kiosk and the more focused Ditsch/Brezelkönig offering provide Valora with significant flexiblity, and both can be complemented and modified to meet specific situational requirements at particular locations and times of the day. The range of businesses Valora now has in its portfolio gives the Group a very comprehensive small-outlet retail repertoire.

Having divested itself of two business areas, Valora Services will now reposition its activities. The encouraging growth achieved with its new logistics services has significant additional potential for future development. Nevertheless, that growth is not yet sufficient to compensate fully for the decline in revenues resulting from a shrinking press market.

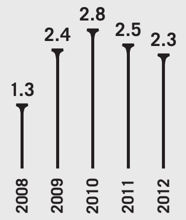
Trade will complement its attractive cosmetics activities with a greater focus on high-margin niche markets. The division has also taken a number of cost initiatives to achieve a substantial improvement in profitability.

Valora's Board and Group Executive Management are convinced that the changes taking place in the markets in which it operates also offer significant opportunities and the Group has positioned itself to make the most of these. Valora wants to react rapidly and flexibly to seize new opportunities as and when they occur.

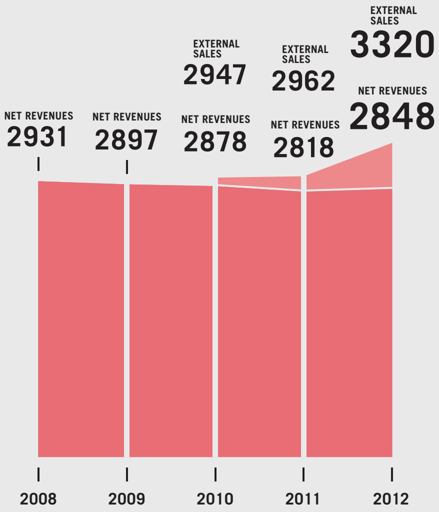
Key group data

Group

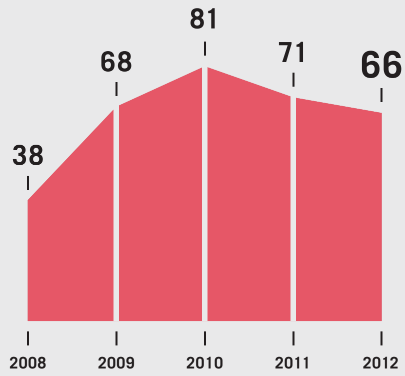
EBIT-MARGIN
Operating profit in % of net revenues



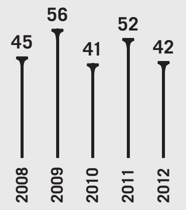
NET REVENUES
in CHF million



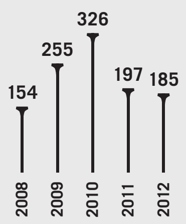
OPERATING PROFIT
Earnings before interest and taxes in CHF million



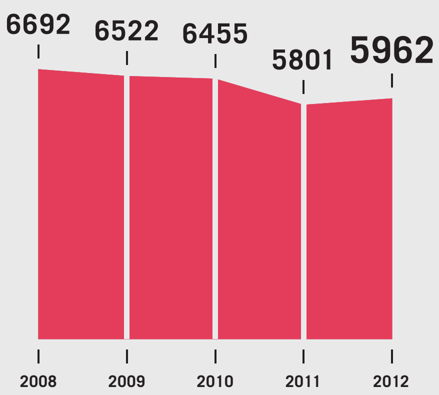
FREE CASH FLOW
Net cash generated by operations minus net cash used in investing activities, in CHF million



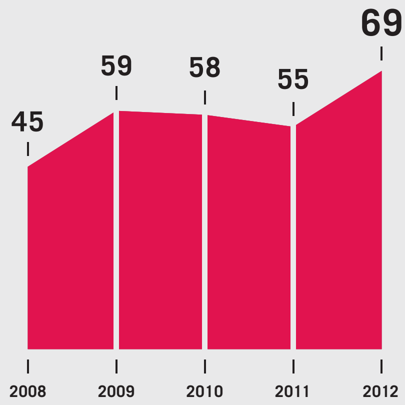
SHARE PRICE PERFORMANCE
Year-end Price in CHF



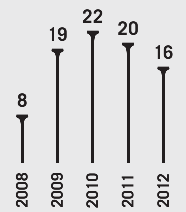
EMPLOYEES
Number of employees (FTE) at December 31



INVESTMENTS
in CHF million



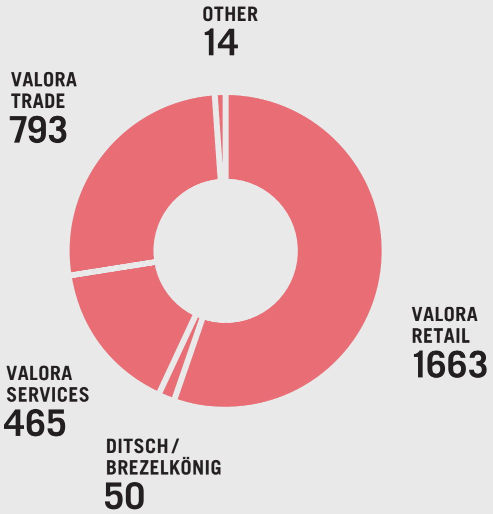
EPS
Earnings per share, undiluted, in CHF



Key divsion data

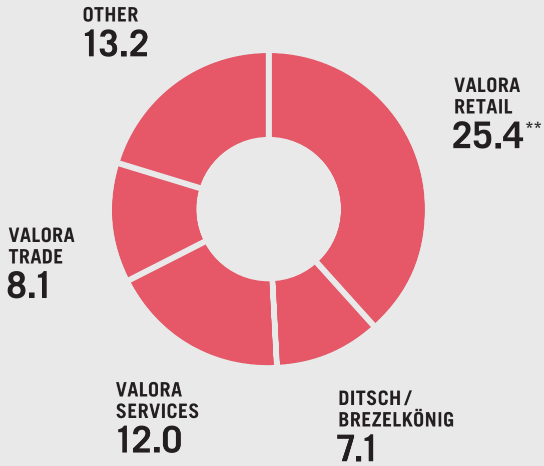
Divisions

NET REVENUES
in CHF million



	2012	2011	2010
VALORA RETAIL	1663	1613	1607*
DITSCH/BREZELKÖNIG	50		
VALORA SERVICES	465	600	705*
VALORA TRADE	793	745	722
OTHER	14	11	10

OPERATING PROFIT (EBIT)
in CHF million

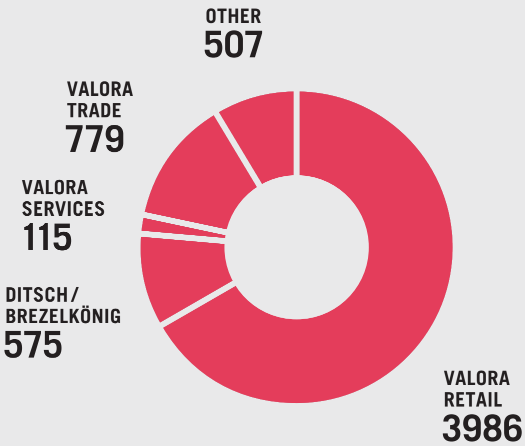


	2012	2011	2010
VALORA RETAIL	25.4	41.8	41.7*
DITSCH/BREZELKÖNIG	7.1		
VALORA SERVICES	12.0	20.0	28.3*
VALORA TRADE	8.1	16.3	17.7
OTHER	13.2	-7.6	-6.5

** Restated*

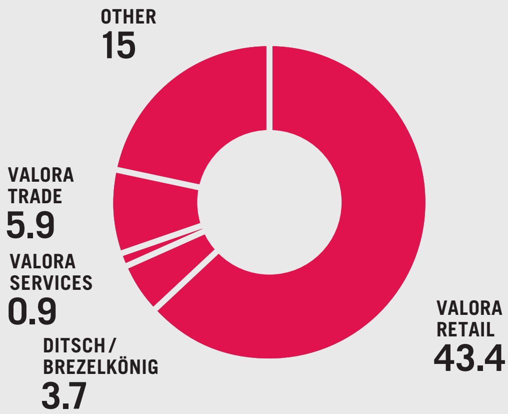
*** Incl. real-estate book loss (CHF 14.2 million)*

EMPLOYEES
Number of employees (FTE) at December 31



	2012	2011	2010
VALORA RETAIL	3986	4206	4793
DITSCH/BREZELKÖNIG	575		
VALORA SERVICES	115	284	337
VALORA TRADE	779	792	731
OTHER	507	519	593

INVESTMENTS
in CHF million



	2012	2011	2010
VALORA RETAIL	43.4	29.4	29.0
DITSCH/BREZELKÖNIG	3.7		
VALORA SERVICES	0.9	1.5	5.0
VALORA TRADE	5.9	1.8	2.8
OTHER	14.8	22.0	20.8

valoraretail

A market leader in European small-outlet retail

With some 3000 small-outlet retail sites at heavily frequented locations in Switzerland, Germany, Luxembourg and Austria, Valora is one of this region's leading retailers. As a geographically comprehensive marketing and distribution organisation, this division now provides daily consumer staples and press products to well over 1 million customers every day. Valora Retail operates five clearly positioned shop formats – k kiosk / CIGO, avec. / ServiceStore DB, Press & Books, Spettacolo and Ditsch / Brezelkönig. Successful new product and service ranges, such as Valora's ok.– private-label brand or its deals@k kiosk service, are constantly being developed.

CONVENIENCE

SHOPPING MADE EASIER

At Valora's Swiss Convenience business unit, comprising avec. and the Tamoil filling-station stores, the trend towards simple, rapid and easy shopping is continuing apace. Despite the closing of some stores, this unit's external sales rose in 2012, thanks to an improved food product range, greater emphasis on immediate-consumption items and a clearly defined gastronomy concept. Net revenues rose +2.0% in 2012.

NET REVENUES BY BUSINESS AREA

in CHF million	2012	2011
Kiosk Switzerland	888	915
P & B Switzerland	72	66
Gastronomy and Spettacolo	33	35
Convenience and Tamoil	225	221
Retail Germany	339	289
Retail Luxembourg	90	87
Retail Austria	16	0
Other	0	0
Total Valora Retail	1 663	1 613

OUTLETS BY COUNTRY

including franchisees	2012	2011
Total Valora Retail	2 376	1 530
Switzerland	1 093	1 107
Germany	1 203	352
Luxembourg	70	71
Austria	10	0

NEWSPAPERS, MAGAZINES, BOOKS

PRESS & BOOKS FORMAT DOING WELL

Valora's "Press & Books" format posted another year of growth. Like-for-like sales were up some 9%, demonstrating that these modern stores and their locations at public-transport hubs are appealing to both commuters and lovers of books and magazines. The success of "Press & Books" also demonstrates that there is strong demand for printed books, magazines and daily newspapers, even in today's increasingly digitalised world.

VALORA FRANCHISING

VALORA FRANCHISING IN GERMANY'S TOP 10

Valora is one of Germany's top retail franchisers. The September 2012 edition of specialist magazine impulse placed the country's leading small-outlet retail franchiser 6th in its Top 100 rankings. This strengthens and improves Valora's position in Germany's top franchise rankings. These formats' good earnings opportunities, stability and excellent market positioning particularly impressed the jury.

1 minute. That's all it takes to buy your prepaid card and load your first credit balance on to it.

AUSTRIA

SUCCESSFUL MARKET PREMIERE

Valora staged its debut in the Austrian retail market in 2012 with its acquisition of Schmelzer-J. Bettenhausen. The firm's network of 10 prime revenue-generating sites has been integrated into Valora Retail and the first stores have been modernised.

For Valora, the purchase of the "press & more" retail network in Austria is a significant milestone in its ongoing expansion in German-speaking Europe. The firm operates 10 stores at major Austrian railway stations and Vienna airport, which Valora fully integrated into its regular operations during 2012. The stores in Linz, Graz, Salzburg and at Vienna airport have now also been converted to the successful Press & Books format Valora already uses in Germany and Switzerland. The Austrian network will be further modernised during 2013.

Largest small-outlet retail network in German-speaking Europe

AGENCIES

30 % OF KIOSKS NOW RUN BY ENTREPRENEURS

Valora's plan to transfer kiosks to committed existing outlet managers to run themselves as entrepreneurs is on track in Switzerland, with the 300th k kiosk being handed over to its proud new agent in late 2012.

One in three of Valora's 900-strong kiosk network in Switzerland has now been transferred to the new agency business model, a modern approach to store management which is proving successful in Europe and worldwide. Valora actively supports the agent-managers in product-range configuration, staff management, product presentation, opening-hour scheduling and other administrative and operational matters besides. This new business model is proving profitable for all concerned, as is clearly demonstrated by the sales performance and levels of personal fulfilment the new agent-managers are reporting.

90 %

of Swiss kiosk network to be agent-managed by 2017

OK.– PREPAID MASTERCARD LAUNCHED

NO CASH? THAT'S QUITE OK.–

By offering innovative services and additional products at its outlets, Valora is making its customers happier, and getting them to visit more frequently. The market launch of the ok.– prepaid card was a total success!

Valora launched its ok.– prepaid payment card in late 2012. This new service has further enhanced ok.–'s young, modern and successful product line, meeting a clear customer need for increased use of secure, cash-free forms of payment. Available exclusively at k kiosk outlets and Press & Books stores, these new cards have very quickly become firmly established across Switzerland. This initiative, jointly sponsored by Valora and Cornèrcard , has clearly exceeded both partners' expectations.

+9.2 %

sales growth at Press & Books Switzerland

Valora Retail

RETAIL SWITZERLAND

NEW, MODERN K KIOSK

k kiosk owes its enduring popularity to its ability to identify market trends and changing customer needs and to adapt to them rapidly. Now the next phase of the k kiosk's evolution is at hand.

Valora's k kiosk format is continually evolving, in response to changing market trends and customer needs.

The next step in this evolutionary process has been designed and tested by Valora at three Swiss sites – Therwil, Olten and Füllinsdorf – and is now already in the roll-out phase. The fresh, modernised, new kiosk format carries a greater range of food and beverages for immediate consumption, and this should increase the portion of overall sales represented by the food category.

The range of press titles has also been adapted in response to changing market conditions. The space devoted to this category has been somewhat reduced and this – combined with an improved store layout – has made more space for food items. The modern, urban-dwelling customers at the test sites, many of them commuters, were clearly impressed with the changes, which include some minor building modifications. At the test sites, these changes resulted in double-digit percentage growth in food sales with only a marginal decline in press turnover – clearly a positive trend.

During 2013, Valora intends to transform some 100 of its 900 kiosks to the new format.

CONVENIENCE CONCEPT ACQUISITION

GERMANY'S LARGEST SMALL-OUTLET NETWORK

Convenience Concept acquisition underscores Valora's future strategic focus on the German market.

Germany's retail market is in a process of transformation. Food and beverages for immediate consumption, snacks on the go and convenience. These are the trends retailers need to be ready for. Germany is also investing substantial amounts in modernising its public-transport and railway-station infrastructure. Commuter numbers are growing every year, making prime sites at transport hubs even more attractive and increasing demand for ways of doing the day's essential shopping as quickly and efficiently as possible.

Convenience Concept has a network of 1300 kiosks and convenience stores, mostly operated by franchisees. Valora Retail integrated these outlets into its German operations in May 2012. Before being acquired by Valora, the kiosks' product ranges were focused on tobacco. The first units were converted to the k kiosk format during the year. The stores' comprehensive tobacco product ranges are now complemented by beverages, confectionery, selected press titles and services. The benefits of these changes are most evident in higher levels of customer satisfaction and improved sales volumes. By 2015, Valora intends to have modernised the entire Convenience Concept outlet portfolio, substantially raising the network's profitability.

100
RETAIL OUTLETS

...to adopt new k kiosk concept in 2013

20%

of k kiosk sales to be generated by food and beverages

CENTIMES / MINUTE

ok.– mobile package best value for money says main Swiss consumer TV show

The clear choice when it comes to pretzels and lye-bread

For over 90 years, Ditsch has been baking lye-bread products in Germany. The firm also specialises in frozen dough preparations. Through its Brezelkönig unit, Ditsch has been operating in Switzerland since 2000. In all, Ditsch / Brezelkönig employs some 500 staff. Its headquarters and main production plant are in Mainz, with a second facility in Oranienbaum. Thanks to its 230 outlets at heavily frequented sites, Ditsch / Brezelkönig has established a geographically comprehensive market presence, with brand recognition to match.

DITSCH / BREZELKÖNIG

ACCESS TO IMMEDIATE CONSUMPTION MARKET

Acquisition of Ditsch / Brezelkönig has given Valora access to the rapidly growing market for food and beverages destined for immediate consumption. The firm's focused product range and outstanding outlet portfolio ideally suit Valora.

With its outlets at 195 prime revenue-generating sites in Germany and a further 35 equally well frequented locations in Switzerland, Ditsch / Brezelkönig generated 2012 4th quarter 2012 sales of CHF 50.1 million on an EBIT margin of some 14 percent. The company, family-owned for three generations, is also Europe's leading lye-bread baker, distributing its products worldwide.

These newly acquired outlets ideally complement Valora Retail's existing retail network. Many are located at public-transport hubs, where they generate impressive revenues. By specialising in a few selected product types – Ditsch is widely seen as the number one choice for lye-bread – and operating a highly automated value chain which greatly simplifies on-site product preparation, Ditsch has been able to achieve impressive levels of outlet floorspace productivity, while providing customers with top-quality, impeccably fresh food. This creates multi-faceted synergies with Valora's existing retail formats, which Ditsch / Brezelkönig ideally complements. The firm's product-range know how and first-class products will help Valora to raise its total food sales at existing outlets. In future, all possible options will be considered to optimise the existing Ditsch / Brezelkönig network and new outlets will be opened.

Ditsch is also a highly favoured supplier of frozen small baked goods to the specialised wholesale and retail sectors. The firm's clear focus on lye-bread products and its highly efficient production facilities make Ditsch a very attractive business partner both for Valora's own retail operations and for the specialist retail sector, as well as providing scope for additional international expansion. Furthermore, manufacturing its own products provides Ditsch with enviable flexibility, enabling the firm to react to changing consumer tastes quickly and to launch exclusive new creations of its own.

NET REVENUES BY NATIONAL MARKET

in CHF million	2012
Switzerland	13.9
Germany	36.2

OUTLETS BY COUNTRY

Including franchisees	2012
Switzerland	35
Germany	195

25% more Ditsch and 100% more Brezelkönig outlets to open until 2017

valoraservices

Leading press distributor in Switzerland and Luxembourg

Valora Services is a specialist international press distributor serving the Swiss and Luxembourg markets.
Valora Services has addressed the continuing structural decline of its press sales by further centralising its operations and outsourcing various functions. Under the nilo banner, the division is also systematically developing its logistics infrastructure in Switzerland, offering transport services to many new third-party customers.

DIVESTMENT I
GOODS WHOLESALING UNIT SOLD

Valora announced its decision to exit the Swiss goods wholesaling business in late 2012, with the sale to Lekkerland being confirmed in early 2013. The wholesaling unit, Sales & Services Switzerland, provided distribution services to third-party retailers, supplying some 650 outlets with tobacco, food, beverage and non-food articles. This divestment will allow Valora Services to focus on its press wholesaling activities.

PRESS MARKET
SUCCES BASED ON PRESS EXPERTISE

Despite the trend towards increasing digitalisation under way since 2010, some retailers are still managing to increase their press sales. Retailers like P & B, who can credibly demonstrate to their customers that they possess genuine press expertise, provide clear proof that retail distribution of press titles is still possible in today's market.

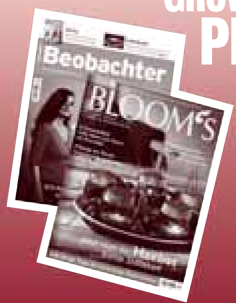
NET REVENUES BY NATIONAL MARKET

in CHF million	2012	2011
Services Switzerland	333	440
Services Austria	93	118
Services Luxembourg	39	42
Total Valora Services	465	600

DIVESTMENT II
SERVICES AUSTRIA UNIT SOLD

The sale of Valora Services Austria to Bavaria-based Trunk Service GmbH was a strategic move by Valora, aimed at reducing the Group's dependence on the press sector. The unit operated in Austria's highly competitive press market as a pure-play press distributor with no links to an integrated retail network. Given the focus of the buyer's existing operations in Southern Germany, Services Austria provides an ideal match.

GROWTH IN PRINT



Beobachter and BLOOMS – two print titles with rising circulation

Päckli Punkt

784

...that's the number of package drop off points Valora Services operates for online retail returns

ONLINE RETAIL

PARTNERSHIPS DEVELOPED

Valora is developing its collaboration with the growing online retail market. Additional customers in new industries were signed up in 2012.

Päckli Punkt (in English, "Package Point"), the package-return service jointly provided to online retailers by Valora's Retail and Services divisions, is enjoying strong demand. Valora Retail's large network of conveniently located outlets provides a quick and easy way for online retailers' customers to return unwanted packages. Furthermore nilo is now the preferred logistics partner to telecom firms and opticians. New customers will be actively sought in sectors such as books and printer peripherals.

23
ONLINE RETAILERS

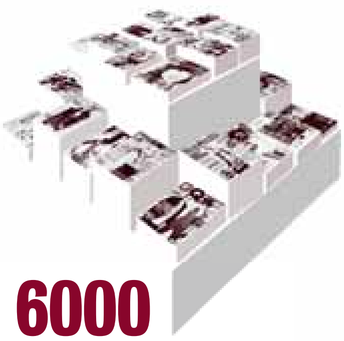
...are letting Valora handle their returned packages

A TAILOR-MADE RANGE OF TITLES

ATTRACTIVE PRESS SERVICE

Valora Luxembourg used a range of innovative measures to increase the appeal of its press products at retail outlets in 2012. As a result, press sales have remained steady.

Thanks to a specialised analytical system, Valora Services Luxembourg is able to configure a site-specific, demand-driven press-product range each week, which it then delivers to specific retail customers. The objective is to determine the ideal quantity of given press titles by their site-specific sales history or their significance within individual retailers' product ranges, thus boosting sales volumes. The system also takes the outlets' shelf capacity into account, as well as varying the number of titles to reflect seasonal trends and current events.



6000

...print products are distributed in Switzerland by Valora Services

QUICKMAIL

EVEN FASTER WITH NILO

Quickmail, Switzerland's first private letter-delivery service, has chosen nilo Night Logistics as its exclusive partner for the acceptance, sorting and transport of its addressed letters and mailings to its end-delivery providers.

After several months of tests, Valora and Quickmail have signed a co-operation agreement. Valora will sort incoming letters at its central hubs and dispatch them to Quickmail's 700 end-delivery service providers. The uniform structure of nilo's logistics processes will ensure even higher quality services in future, as well as enabling Quickmail to extend its service to new regions quickly and easily. nilo can do this by exploiting synergies with its deliveries to Valora Retail outlets. The pilot phase clearly demonstrated that the services Quickmail needed were ideally matched to nilo's core business – picking, packing, bundling and delivering newspapers and magazines.

700

... Quickmail end-delivery service providers supplied by nilo in 2012

valoratrade

Leading European distributor for fast-moving consumer goods

Valora Trade is an exclusive distributor of branded food, confectionery, non-food and cosmetics products to the integrated and independent retail sectors in seven European national markets, providing numerous international manufacturers of renowned branded goods with access to more than 130 million consumers. Valora Trade is a key partner to manufacturers and retailers alike, delivering a range of specialised services and working in close co-operation with its customers to develop effective, tailor-made solutions aimed at enabling them to develop and expand their current market standing profitably and sustainably.

MENTOS GUM LAUNCHED IN DENMARK

"THE FRESHMAKER" COMES TO DENMARK

The professional support Valora Trade provides to Mentos has enabled this principal to make rapid progress in Denmark's challenging chewing gum market. The established position Mentos now enjoys in Denmark is all the more impressive, given that some 90 percent of the market had previously been controlled by one manufacturer. Since it was first launched in Denmark, Mentos has already grown its market share to 16 percent.

DEVELOPING A BRAND PRESENCE

LÄKEROL MAKES PEOPLE TALK

Valora Trade was chosen as Läkerol's new Swiss distributor in 2012, and is helping to develop its brand experience. Läkerol ideally complements Valora Trade's existing confectionery portfolio. The brand clearly has further growth potential, which innovative product launches will help to develop. Valora's marketing support for Läkerol includes a PR campaign featuring testimonials, broad-based product samplings and online communication.

PLATFORM FOR GERMANY / AUSTRIA / SWITZERLAND

UNIFORM IT PROCESSES

Modern IT solutions are a pre-requisite for delivering efficient services to retailers and principals. That is why Valora is developing a cross-border platform which will enable it to deliver nearly all its services from one common system. The objectives are to achieve sustainably higher efficiency levels and to improve data quality, so as to be able to manage distribution activities more precisely.

Implementation of the cross-border IT platform in 2013

NET REVENUES BY BUSINESS AREA

in CHF million	2012	2011
Trade Switzerland	181	173
Trade Central Europe	67	62
Trade Nordic	545	510
Total Valora Trade	793	745

NEW GROWTH OPPORTUNITY I

ALTERNATIVE FORMS OF DISTRIBUTION

Traditional retail markets have become more concentrated. Meanwhile, alternative distribution channels have been gaining ground. These offer appealing growth opportunities.

A key objective for Valora Trade is continuously to expand its distribution capabilities and to cover all available distribution channels. This will help to reduce the division's dependence on traditional retail markets and to accelerate growth. These efforts are now beginning to bear fruit. In Norway and Sweden, Valora Trade has concentrated on developing its business with specialist cosmetics retailers, perfumeries and drugstores. In Austria, Valora Trade has established a dedicated distribution team for pharmacies, offering exclusive brands and concepts.

NEW GROWTH OPPORTUNITY II

CATEGORY AND INNOVATION SPECIALISTS

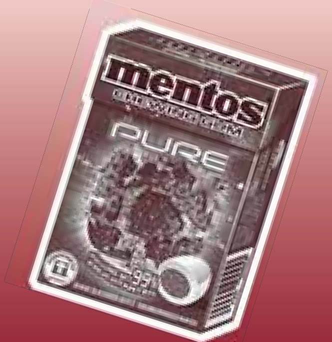
In addition to its business with big brand manufacturers, Valora Trade is now increasingly focusing its attention on acquiring principals manufacturing rapidly growing innovative and speciality products. More resources are also being devoted to identifying new global trends. By developing its category and innovation skills in this way, Valora Trade aims to generate additional value for its retail partners.

INTEGRATING AND EXPANDING COSMETICS DISTRIBUTION

EMH AND SCANCO BOTH INTEGRATED AND GROWING

After the successful integration of cosmetics distributors EMH (Engelshion Marwell Hauge) in Norway and ScanCo (Scandinavian Cosmetics) in Sweden, the focus is now on growth.

By integrating these two highly successful cosmetics distributors into its operations, Valora Trade has been able to develop its expertise in this category considerably, building on its new position as Scandinavia's largest independent cosmetics distributor. During 2012, Valora Trade was able to add to an already attractive product portfolio by initiating business with new partners and brands. The perfume range now includes such new brands as James Bond, Madonna, Tabac, Lady Gaga, Kappa and Björn Borg.



16% market share for Mentos chewing gum in Denmark

4 months after its Austrian launch AriZona Ice Tea has achieved a 20% market share.

PRINCIPAL ACQUISITION

NEW PRINCIPALS IN ALL NATIONAL MARKETS

All Valora Trade's country units succeeded in establishing promising new distribution agreements with well-known international and local brands. These new principals complement and strengthen Valora Trade's existing brand portfolio, demonstrating that even in demanding market environments, high-quality service ultimately pays off. Valora Trade will continue to focus its efforts on signing up new and profitable principals in the years ahead. The division has also set up a project monitoring and control system, to help ensure that a larger proportion of acquisition initiatives are crowned with success.

Formats

Instant gratification

k kiosk / CIGO

The place for that everyday indulgence

k kiosk and CIGO are the kiosk concepts Valora operates in Germany, Luxembourg and Switzerland. Valora is the leading kiosk operator in both Germany and Switzerland. k kiosk outlets are never far from their customers. Specialising in tobacco, food and drink for immediate consumption, press products and lottery tickets, k kiosk outlets serve the impulse-purchase market at heavily frequented locations. CIGO offers its customers an extensive range of tobacco products and press titles from a network of outlets sited in the check-out areas of supermarkets and selected specialised retailers.

Reading enjoyment

Press & Books

A multi-faceted, knowledgeable press and book shop

Valora's Press & Books shops can be found in many railway stations, shopping centres and airports in Germany, Austria and Switzerland. The shops provide access to current infotainment offerings and an inspiring range of reading material for people on the move. They are the ideal source of educational, entertaining, practical, playful or simply enjoyable items tailored to each individual's needs. Press & Books' comprehensive range of press titles and well-chosen book list are ideally complemented by their kiosk offering.

Shopping enjoyment

avec. / ServiceStore DB

Not just a welcoming convenience store

With their long opening hours and fresh produce, Valora's avec. stores are popular with Swiss consumers 365 days a year. The shops are designed so that consumers can easily find just what they are looking for. A short trip to avec. and the shopping is done, without delay and stress. ServiceStore DB convenience stores are located at small and medium-sized railway stations across Germany. Their comprehensive product range, long opening hours and excellent customer service appeal to commuters, travellers, students, schoolchildren and people living near railway stations.

Products and services

Coffee to enjoy

Spettacolo

An appealing coffee bar offering three roasting choices

Spettacolo welcomes its customers to enjoy a distinctive coffee experience in an appealing setting. This modern interpretation of traditional Italian coffee culture is both unique and joyful. It is perhaps best summed up as “Caffè e Passione”. The central feature is the bar itself, whose unusually designed coffee machine really catches the eye. A choice of three different coffee roastings differentiates Spettacolo from its rivals, as do its staff, who are passionate about coffee and excellent hosts as well.

A gourmet experience

Brezelkönig / Ditsch

The recognised lye-bread leader

Ditsch has been a passionate pretzel pioneer since 1919, revolutionising its industry and making a lasting contribution to the way it works today. A Ditsch pretzel has always been a baking masterpiece. Inspired by that tradition, Ditsch has gone on to create an innovative product portfolio that redefines the whole snack concept. Brezelkönig is its Swiss operation, whose innovative lye-bread delicacies have earned it leadership of its sector. Ditsch / Brezelkönig outlets offer a comprehensive take-away service at heavily frequented locations.

Attractive pricing

ok.–

A private-label brand with cult status

Kiosk services

deals@k kiosk
Päckli Punkt

k kiosk's range of extra services

Package service

nilo

Fast, nimble package logistics

BALANCING BUSINESS SUCCESS WITH SOCIAL RESPONSIBLIITY

Companies today are not measured solely by their economic performance. Increasing attention is also paid to the way in which they generate their results and the principles they apply to their activities. For a company to develop sustainably, business success and ethical conduct cannot be at odds with each other. This also applies – without reservation – to Valora.

Valora took a number of initiatives in 2012 to ensure that the company operated in a manner which is environmentally, economically and socially sustainable, and to improve its performance in those three kinds of sustainability further still. This sustainability report summarises Valora's key activities to these ends.

EMPLOYEES: OUR MOST PRECIOUS CAPITAL

Motivated and fulfilled employees ensure that a company operates productively. Valora sees targeted staff development initiatives at all hierarchical levels as both an investment in the future and a basis for the firm's long-term success. In 2012, particular emphasis was placed on supporting the development of the next generation of managers, through a combination of focused training and skills programmes and further initiatives to foster entrepreneurship.

GOOD EMPLOYMENT CONDITIONS

Since 2012 Valora has been rewarding the experience staff gain from long service with the firm. The minimum monthly salary for staff in Switzerland with at least 5 years experience at Valora has been raised from CHF 3600 to CHF 3700. Valora's general employment contract now also automatically applies for one year to all outlets which adopt agency status. Thereafter, Valora's minimum salary continues to apply, and many agent-managers also continue to apply Valora's other employment terms voluntarily.

Since there is no defined minimum salary for retail employees in Germany, Valora Retail has voluntarily introduced one of its own. As of January 1, 2013, all Valora Retail Germany employees are guaranteed a minimum salary which reflects pay levels in the region in which they work.

INTEGRATION

A particular challenge for Valora Retail Germany's HR department was to integrate the employees of Valora's newly acquired Convenience Concept subsidiary into the Valora family. Most of the 50 or so new Convenience Concept employees have joined Valora's sales rep team. Both sides had a lot to learn, so a two-way mentoring programme was set up to allow each group to learn the other's day-to-day business. This was accompanied by intensive training programmes.

FURTHERING WOMEN'S CAREERS

In 2011, Valora's Board of Directors and Group Executive Management decided to ensure that at least one in four management positions at Valora is held by a woman by 2015. By setting an explicit target, Valora intends to ensure that employment-market resources are utilised more efficiently in future. By year-end 2012, 23% of Valora's managers were women.Valora is convinced its action to date has put it on the right track and the Group will continue to pursue its goal of furthering women's careers.

STAFF DEVELOPMENT AND SUCCESSION PLANNING

In order for Valora to continue to develop sustainably, clear, forward-looking staff-development and succession-planning procedures are essential.

In 2012, Valora focused its efforts in this area on developing its trainee programme and on fostering the skills of the next generation of managers identified through its talent initiatives.

Leadership

The re-design of Valora's leadership and skills programme, which had begun in 2011, was put into effect in 2012. The objective was, and remains, to offer specially designed continuing education programmes for Valora's next generation of managers. A total of 60 Valora employees completed the leadership programme in 2012, while 35 attended the skills programme.

Alongside this, Valora continued with its talent and succession planning initiatives during 2012.

Trainee programme

Valora's trainee programme is a one-year training and development programme for graduates and young professionals joining Valora. A sales manager training module was added to the curriculum in 2012, when the programme welcomed 5 new trainees. The key stages are a 6-week introductory course familiarising the trainees with the inner workings of the Group. Thereafter, the trainees are either assigned to specific projects or to look after their first retail outlets as sales managers. During this time, they are supervised and supported by project managers, mentors and former trainees, who operate a buddy system. During their traineeships, the participants regularly attend continuing education courses.

TRAINING

Valora offers attractive career prospects to its apprentices and other employees. All divisions are committed to helping young and older employees in all areas of the company by supporting their training both when they join and as they acquire new skills during their careers.

Professional training

Valora offers a wide range of apprenticeship places in a number of disciplines. In 2012, Valora trained 218 apprentices in Switzerland, Germany and Luxembourg (208 in 2011).

139 young people in Switzerland and 16 in Germany completed retail apprenticeships in 2012. 13 young people in Switzerland, Germany and Luxembourg completed clerical apprenticeships, with a further three opting for logistics. Two students in Germany are currently studying for a dual-track degree in Business Administration and IT.

Training young people is also an important priority for Ditsch. At present, 45 young people are being trained as industrial business administrators, food technologists, mechanical engineers, machine operators, plant operators and inventory logistics specialists at Ditsch's Mainz and Oranienbaum facilities.

E-learning

Valora's tried and tested range of online training courses was augmented during 2012 with additional modules on products or topics such as “ok.– mobile”, “anti-money laundering legislation” or "tools for the workplace". The objective was quickly and efficiently to reach as many staff as possible in Valora's broad outlet network, thus helping to improve customer service quality and employees' product knowledge. In all, Valora staff completed 13 150 such courses during 2012.

ENTRPRENEURSHIP

Valora Retail continues to support entrepreneurship in Switzerland and Germany.

k kiosk agency model

The agency business model Valora introduced in 2010 enables the firm to help employees establish themselves in business as independent entrepreneurs. By providing the outlet concept and defining the parameters under which it will be run, Valora can place its know how at the agent-managers' disposal and offer them a partnership on which they can rely.

The agency business model has successfully established itself in Switzerland and has proved reliable. By the end of 2012, 302 k kiosks were being run by agent-managers.

Since the agency business model was first introduced, Valora has given preference to existing k kiosk employees. While this approach will continue, since 2012 Valora has also seriously considered applications by external candidates. Those suited to the task start off with an introductory working assignment as k kiosk employees for three months, on successful completion of which they are then offered a kiosk agency which will enable them to run their own business. By early 2013, five external agent-managers had taken on a total of 13 outlets.

Top marks for k kiosk franchises

Valora Retail Germany is one of that country's top 20 franchising organisations. In its September 2012 edition, the specialist magazine impulse published its top 100 ranking, awarding 17th place to Valora (35th in 2011). Valora Retail Germany was also awarded the DFNV German Franchisee Association's GEPRÜFTES SYSTEM seal of approval for

Sustainability report

k kiosk, CIGO, ServiceStore DB and U-Store in 2012.

ETHICAL CONDUCT

The Valora Code of Conduct describes the way in which the Group expects all its employees, at all levels of the organisation, to behave. The ground rules set out in the code provide guidelines and advice relevant to employees' day-to-day work for Valora.

ETHICS HOTLINE

It is every employee's duty to report any violations of the Valora Code of Conduct, the law or the principles of ethical behaviour. Staff can use the ethics hotline to report abuses anonymously at any time.

COMPLIANCE TRAINING

Following Valora's introduction of training on Switzerland's anti-money laundering laws in 2011, Valora staff now take an e-learning refresher course on this subject once a year. This ensures Valora maintains the certification required to continue offering its MoneyGram service to customers. So far, 95 percent of sales staff at k kiosk and P & B outlets (including agencies) have completed the refresher course, some 2700 staff in all. New hires and staff joining at other formats which now also offer the MoneyGram service will continue to complete the basic training course first, and then do a refresher course a year later.

PROTECTING MINORS

Valora takes the laws on the sale of tobacco and alcohol to minors seriously. Staff receive regular and intensive training on the issues involved. Notices are on display at each outlet, advising staff of the legislation applicable in the relevant canton. As there is no legal minimum age for buying lottery tickets from a kiosk, Valora observes the guidelines set by Swisslos, Switzerland's lottery ticket operator.

SAFETY

The safety of its employees is a major priority for Valora and is monitored on a regular basis. During 2012, Valora Retail Switzerland carried out safety-at-work and health-protection inspections at all its outlets, in accordance with Swiss Federal Coordination Commission for Occupational Safety guidelines.

BUSINESS PARTNERS

We believe in a free market economy based on competition. Valora maintains partnership-based relations with its suppliers and manufacturers in all countries where it does business. Product safety and minimised environmental impact are the top priorities, and Valora's purchasing managers also seek out suppliers certified under the DIN EN ISO 9001 (quality) and DIN EN ISO 13001 (environmental sustainability) standards.

REGIONAL SUPPLIERS

In the individual countries in which they do business, Valora's divisions choose domestic and regional firms as their suppliers and business partners wherever possible. Many ok.– products, such as cookies and pasta, are made in Switzerland. Brezelkönig products carry the Suisse Garantie" seal.

SHOP CONSTRUCTION

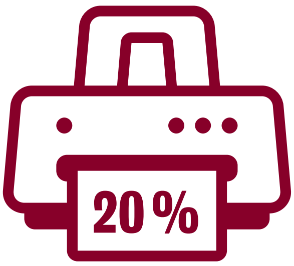
Valora Retail Switzerland buys all its wooden fixtures and fittings from suppliers who source all their wood from certified sustainable forests (FSC). Steel and other metal products are sourced from Swiss manufacturers, glass comes from Germany.

Valora Retail Germany uses modular fixtures and fittings in its various shop formats, thus allowing it to react flexibly to changing circumstances, re-using furniture at other outlets.

By switching from 70 watt to 35 watt lighting, the outlets' energy consumption has been significantly cut. This has also reduced the need for air conditioning.

...e-learning courses completed by Valora staff during 2012.

...young people were engaged in apprenticeship training at Valora in 2012



reduction in printing volumes since the introduction of a new printing system at Valora's head office.

Valora outlets always use the latest generation of cooling equipment.

ENVIRONMENT

Valora takes the protection of the environment seriously, always endeavouring to make an active contribution to climate and environmental protection. Staff throughout the Group in every country pay strict attention to ensuring that paper and cardboard are properly separated for recycling and that equipment is used with as little environmental impact as possible.

COLLECTION, SORTING AND DISPOSAL

Valora's logistics centre in Egerkingen is responsible for disposing of all waste material generated by Valora outlets in Switzerland. Scrap paper is taken away for recycling by rail, at the rate of 80 – 90 tonnes a day, or some 22000 tonnes each year, on top of which there are 954 tonnes of cardboard. In addition, 60 tonnes of PET bottles were recycled in 2012. Plastic sheeting is pressed into bales and used by the manufacturers to produce new sheeting. Valora Luxembourg has been a member of Superdreckskescht, an organisation which monitors recycling processes and issues quality certificates similar to those in ISO standard 14024. Besides properly disposing of neon tubes, batteries, electrical waste etc., Valora Luxembourg also recycled 2 700 tonnes of scrap paper, 75 tonnes of cardboard and 7 tonnes of plastic sheeting during 2012, thus reducing its environmental impact in an exemplary fashion.

CUTTING CO2 EMISSIONS

2012 saw a further marked reduction in Valora's CO2 emissions. Petrol consumption was also cut. Valora recently took delivery of 70 new TDCi diesel vehicles, with an average fuel consumption of 5.0 l/100 km and CO2 emissions of 129 gm/km.

Thanks to its environmental management system, Valora Trade Switzerland has cut its CO2 emissions by more than 14% since 2006. Systematic collaboration between manufacturers, service providers and retailers, and wider adoption of VOI/VMI (Vendor Owned Inventory/Vendor Managed Inventory) partnerships are also helping to boost efficiency levels considerably, thus further reducing CO2 emissions.

MUTTENZ HEADQUARTERS REBUILD

By rebuilding its Muttenz headquarters as a modern open-plan office landscape in 2011, Valora was able cut its floorspace use from 16450 m^2 to 9000 m^2. The new offices have now been in use for a year. Use of LED lighting cut electricity consumption by 15%. A third-party company is now operating a solar panel installation on the roof. Valora uses a mixture of green and regular electricity. By working with a new printing services provider, Valora has been able to reduce its printing volumes by 20%. Valora has outsourced its computer centre to an outside specialist contractor who operates it in accordance with the state-of-the-art green IT criteria.

SOCIAL AND CULTURAL COMMITMENT

Valora is also aware of its commitment to society. During 2012, various Valora divisions and business areas supported a variety of charitable organisations and initiatives. These include Valora Trade Switzerland's work with a charity which efficiently distributes food products which are about to reach their 'sell by' dates to people in need. Brezelkönig regularly donates misshapen, but otherwise perfectly good, products to the Swiss charity Caritas. In Germany, Ditsch has a cooperative partnership with Deutsche Tafel e.V., a charity which distributes good food which would otherwise go to waste to those in need. Valora Retail Switzerland supported the Swisscom Mobile Aid campaign, collecting more than 78000 old mobile phones which were reconditioned for sale with the proceeds being donated to the SOS children's villages. Valora Retail Germany has entered into a collaborative partnership with Deutsche Bahn promoting stations as places of culture and has sponsored several exhibitions in railway stations.

Group structure 2013

VALORA RETAIL DIVISION

Andreas Berger

Andreas Berger .... Retail Switzerland
Mathias Gehle /
Lars Bauer .... Retail Germany
Lars Bauer .... Retail Luxembourg
Michel Gruber .... Retail Austria

Retail formats
Michel Gruber /
Marco Hocke .... k kiosk / P & B CH & AT
Pascal Le Pellec .... avec. / Spettacolo
Mathias Gehle /
Lars Bauer .... k kiosk DE & Lux Cigo / P & B / DB Service Stores DE

DITSCH / BREZELKÖNIG

Thomas Eisele

VALORA SERVICES DIVISION

Alexander Theobald

Nicole Mrotzek .... Services Switzerland
Christian Schock,a.i. .. Services Luxembourg
Stefan Gächter .... nilo – Valora Logistics Schweiz

VALORA TRADE DIVISION

Alex Minder

Peter Gmünder .... Trade Switzerland
Carsten Ørnbo .... Trade Nordic
Claus Holzleitner .... Trade Austria
Heiner Kuroczik .... Trade Germany

GROUP EXECUTIVE MANAGEMENT

Rolando Benedick .... CEO since 1.5.2012
Thomas Vollmoeller ...... CEO till 30.4.2012
Lorenzo Trezzini .... CFO till 30.10.2012
Michael Müller .... CFO since 1.11.2012
Andreas Berger
Alexander Theobald
Alex Minder

Extended Group Executive Management
Thomas Eisele .... CEO Ditsch / Brezelkönig
Susanne Berger .... CHR
Adriano Margiotta .... General Counsel / Corporate Legal Services
Markus Guggenbühler ... CIO

CORPORATE FUNCTIONS

CORPORATE COMMUNICATIONS & STRATEGIC BRANDING
Stefania Misteli .... CCO

CORPORATE LEGAL SERVICES / GENERAL COUNSEL
Adriano Margiotta .... General Counsel / Corporate Legal Services

CORPORATE INFORMATION SERVICES
Markus Guggenbühler ... CIO

BOARD OF DIRECTORS

Rolando Benedick .... Chairman
Markus Fiechter .... Vice-Chairman, Lead Director
Franz Julen
Conrad Löffel
Bernhard Heusler

Audit Committee
Conrad Löffel .... Chairman
Bernhard Heusler
Rolando Benedick

Nomination / Compensation Committee
Franz Julen .... Chairman
Markus Fiechter
Rolando Benedick

As of 26.3.2013

Financial Report

CONSOLIDATED INCOME STATEMENT
CONSOLIDATED BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

January 1 to December 31, in CHF 000 (except per-share amounts)	Page	Note	2012	2011
Net revenues	64	8	**2 847 910**	**2 817 904**
Cost of goods and materials			– 1 907 566	– 1 941 531
Personnel expense	67	9	– 385 528	– 409 295
Other operating expenses	68	10	– 448 677	– 358 075
Depreciation and imparments	75	20, 21, 22	– 55 450	– 46 522
Other revenues	68	11	30 165	8 697
Other expenses	68	11	– 15 079	– 652
Operating profit (EBIT)	64	8	**65 775**	**70 526**
Financial expense	69	12	– 14 426	– 5 955
Financial income	69	13	1 802	2 220
Share of result from associates and joint ventures	82	25	469	255
Earnings before taxes			**53 620**	**67 046**
Income taxes	69	14	– 7 876	– 10 006
Net profit from continuing operations			**45 744**	**57 040**
Net profit from discontinued operations	63	7	0	317
Net Group profit			**45 744**	**57 357**
Attributable to shareholders of Valora Holding AG			45 443	56 328
Attributable to non-controlling interests			301	1 029
Earnings per share				
from continuing operations, diluted and undiluted (in CHF)	72	15	15.60	20.24
from discontinued operations, diluted and undiluted (in CHF)	63	7	0.00	0.11
from continued and discontinued operations, diluted and undiluted (in CHF)	72	15	**15.60**	**20.35**

CONSOLIDATED BALANCE SHEET

ASSETS

At December 31, in CHF 000

	Page	Note	2012	2011
Current assets				
Cash and cash equivalents	72	16	147 153	109 562
Derivative financial assets	92	33	7	166
Trade accounts receivable	72	17	169 292	174 042
Inventories	74	18	233 136	236 299
Current income tax receivables			1 780	4 453
Other current receivables	74	19	86 476	66 597
Total current assets			**637 844**	**591 119**
Non-current assets				
Property, plant and equipment	75	20	230 269	219 302
Goodwill, software and other intangible assets	77	22	652 992	232 788
Investment property	76	21	5 645	5 752
Investment in associates and joint ventures	82	25	4 554	4 291
Financial assets	82	24	22 647	8 881
Net pension asset	86	30	21 255	13 417
Deferred income tax assets	69	14	26 884	27 570
Total non-current assets			**964 246**	**512 001**
Total assets			**1 602 090**	**1 103 120**

LIABILITIES AND EQUITY

At December 31, in CHF 000

	Page	Note	2012	2011
Current liabilities				
Short-term financial debt	83	26	16 187	141 869
Derivative financial liabilities	92	33	2 820	9 056
Trade accounts payable	84	27	266 145	293 056
Current income tax liabilities			36 597	12 565
Other current liabilities	84	28	140 034	144 846
Current provisions	85	29	5 481	0
Total current liabilities			**467 264**	**601 392**
Non-current liabilities				
Other non-current liabilities	83	26	495 521	3 644
Long-term accrued pension cost	86	30	12 358	15 026
Long-term provisions	85	29	400	6 121
Deferred income tax liabilities	69	14	51 231	14 605
Total non-current liabilities			**559 510**	**39 396**
Total liabilities			**1 026 774**	**640 788**
Equity				
Share capital	101	36	3 436	2 800
Treasury stock			– 12 350	– 5 185
Mark-to-market, financial instruments			– 11 335	– 8 788
Retained earnings			631 343	510 585
Cumulative translation adjustments			– 40 842	– 41 738
Equity of Valora Holding AG shareholders			**570 252**	**457 674**
Non-controlling interests in shareholders' equity			5 064	4 658
Total equity			**575 316**	**462 332**
Total liabilities and equity			**1 602 090**	**1 103 120**

VALORA FINANCIAL REPORT 2012

REVIEW OF GROUP RESULTS

Thanks to its acquisition of Convenience Concept in early April and Ditsch / Brezelkönig in October, the Valora Group succeeded in completing its Valora 4 Growth strategic plan ahead of schedule. With a network of more than 1 200 outlets, Convenience Concept has the largest integrated chain of kiosks in German-speaking Europe, while Ditsch / Brezelkönig is a highly profitable family-owned company with an extremely efficient value chain. By purchasing these two companies, Valora has not only further extended its retail capabilities but has also advanced to a leading position in the European micro-retail sector, with a network of more than 3000 outlets in four countries.

The acquisitions it made in 2012 have provided the Valora Group with a basis for further organic growth in its retail activities in the years ahead. The strategy, initiated in late 2012, is now focused on strengthening the Group's core areas of expertise and achieving a sustained increase in profitability.

In October 2012, Valora sold its Austrian press business at a profit, thus reducing the Group's dependence on the newspaper and magazine market. The sale of Group's Muttenz facility in October 2012 made additional financial resources available for acquisitions, enabling Valora to focus on its key business activities.

Despite challenging business conditions in 2012, the Valora Group achieved a + 12.1 % increase in its external sales compared to 2011. In local-currency terms, external sales rose 13.0 %. Reported net revenues, at CHF 2847.9 million, were + 1.1 % higher than in 2011. The Retail and Trade divisions both increased their revenues, by CHF + 50.2 million and CHF 48.0 million respectively, and Ditsch / Brezelkönig made its first contribution to Group revenues, with turnover of CHF + 50.1 million. These increases helped to offset the effects of continuing contraction in the overall press market, reflected in a – 9.9 % year-on-year decline in Swiss press sales.

The Valora Group's reported operating profit for 2012 was CHF 65.8 million, compared to CHF 70.5 million a year earlier. CHF + 2.4 million of this is attributable to the distribution and sale of Euro 2012 picture cards, including the contribution made by Valora Services Austria, which has since been sold. Adverse exchange-rate movements, conversely, shaved an aggregate CHF – 0.5 million from Group operating profits.

Group net income for 2012 was CHF 45.7 million, CHF – 11.6 million lower than in 2011. The additional financing required by the Valora 4 Growth strategy and the major Convenience Concept and Ditsch / Brezelkönig acquisitions this entailed was provided partly by a new CHF 400 million syndicated-loan facility, which replaced the previous CHF 300 million arrangement, and partly by the proceeds of a new CHF 200 million bond issue, carried out in February 2012 to replace an earlier CHF 140 million issue. As a result, the Group's net debt rose to CHF 362 million. In the context of its acquisition of Ditsch / Brezelkönig, Valora Holding AG also increased its share-capital base, through the issuance of 635 599 new registered shares transferred to Ernst Peter Ditsch in part payment for this purchase. Shareholders' equity at December 31, 2012 amounted to 35.9 % of total assets. While this is below its level at year-end 2011, it is higher than the 34.5 % on the June 30, 2012 balance sheet.

A VALORA GROUP

in CHF million	2012	2012 share in %	2011	2011 share in %	Change in %
External sales					
Group total	**3 320.2**		**2 961.9**		12.1 %
Net revenues					
Valora Retail	1 663.4	58.4 %	1 613.2	57.3 %	3.1 %
Ditsch / Brezelkönig	50.1	1.8 %	0.0	0.0 %	n.a.
Valora Services	465.0	16.3 %	599.7	21.3 %	– 22.5 %
Valora Trade	792.5	27.8 %	744.5	26.4 %	6.4 %
Other	13.6	0.5 %	10.8	0.4 %	25.7 %
Intersegment elimination	– 136.7	– 4.8 %	– 150.3	– 5.4 %	
Group total	**2 847.9**	**100.0 %**	**2 817.9**	**100.0 %**	1.1 %
Switzerland	1 646.1	57.8 %	1 731.8	61.5 %	– 5.0 %
Elsewhere	1 201.8	42.2 %	1 086.1	38.5 %	10.7 %

External sales represent the sum of the Valora Group’s net revenues and the turnover generated by its franchisees. They do not include revenues generated by Valora from supplying its franchisees, nor do they include revenues paid to Valora for the franchises themselves. External sales thus provide an accurate measure for comparing turnover performance over a number of years, despite changes in the Group’s retail distribution models.

Valora increased its external sales by + 12.1 % in 2012, and by + 13.0 % in local-currency terms. This marked improvement is principally due to the contribution made by Convenience Concept GmbH, which was consolidated into the Group’s accounts for the first time in 2012. Convenience Concept has a network of more than 1200 outlets, of which some 850 are operated on a franchise or similar contractual basis and whose turnover is thus included in the Group’s external sales. The effects of this are clearly visible in the results generated by Valora Retail, where external sales grew by + 21.5 %.

The growth achieved in the Valora Group’s consolidated net revenues, which were CHF + 30.0 million up on their 2011 levels, was driven by higher sales at Valora Retail and Valora Trade, whose net revenues increased by CHF + 50.2 million and CHF + 48.0 million respectively. Ditsch / Brezelkönig, consolidated in October 2012, also made its first contribution to Group net revenues, amounting to CHF + 50.1 million. The Group’s Swiss logistics unit, which has been operating under its new nilo brand name since March 2012, expanded its net revenues by + 26.7 %. At Valora Services, downsizing of the division’s low-margin goods wholesaling activities reduced net revenues by CHF – 79.9 million year-on-year. After adjusting for the deconsolidation of its Austrian press unit in October 2012, the adverse effect of the continuing contraction of the overall press market on this division’s net revenues amounted to a further CHF – 37.2 million.

Valora Retail increased its net revenues by + 3.1 % from their 2011 levels, largely thanks to the higher tobacco sales generated across nearly all its formats and national markets. Valora Trade’s + 6.4 % net revenue advance was mainly driven by sales at Scandinavian Cosmetics, the Swedish cosmetics distributor acquired in August 2011. Thanks to its success in signing up new principals, Valora Trade Finland also notably increased its sales, by a substantial + 14.6 %. Stripping out the effect of Euro 2012 picture cards and exchange-rate fluctuations, the Valora Group’s net revenues in 2012 were + 1.5 % higher than in 2011.

Switzerland accounted for 57.8 % of consolidated net revenues in 2012, and thus remains the Valora Group's largest market. The Group's recent acquisitions reduced the Swiss market's share of Valora's overall net revenues by –3.7 percentage points, while the proportion represented by Germany rose +3.0 percentages points, to 14.5 %, and that attributable to Sweden increased 1.0 percentage points, to 6.7 %. In Switzerland, Valora's acquisition of Brezelkönig meant that its sales there are now more diversified, extending across several business areas.

in CHF million	**2012**	**2012 share in %**	2011	2011 share in %
Net revenues	**2 847.9**	**100.0 %**	**2 817.9**	**100.0 %**
Gross profit	**940.3**	**33.0 %**	**876.4**	**31.1 %**
– Operating costs, net	– 874.5	– 30.7 %	– 805.9	– 28.6 %
Operating profit (EBIT)	**65.8**	**2.3 %**	**70.5**	**2.5 %**

Valora's gross profit margin for 2012 came in at 33.0 %, a +1.9 percentage-point improvement on its 2011 performance. This higher margin reflects both the expanded scope of its franchise operations, particularly in the wake of the Convenience Concept GmbH acquisition, and the benefits to the Group of its purchases of Ditsch / Brezelkönig and Scandinavian Cosmetics, both of which are highly profitable. Valora Services Switzerland's decision to reduce the scope of its third-party wholesaling activities also helped to improve the overall gross-profit margin. Successful initiatives to enhance purchasing and sales price structures, primarily for food products sold at Valora Retail, also contributed to these better margins. In aggregate, these factors enabled Valora to expand its gross profit by CHF +63.9 million, to CHF 940.3 million.

Reported net operating costs increased by CHF –68.6 million to CHF –874.5 million, mainly as a result of the additional expenditure necessitated by acquisition projects and the operating costs of the companies acquired. The Valora Group's net operating costs for 2012 also include the book-value loss incurred on the sale of the Muttenz facility, which is more than offset by the book-value gain realised on the sale of Valora's Austrian press business. Ongoing implementation of its agency business model proved beneficial to Valora Retail's performance. The initial consolidation of Ditsch / Brezelkönig resulted in one-off costs of CHF 31.3 million. In addition to the cost-savings generated from its sale of Valora Services Austria in October 2012, Valora's Services division also succeeded in achieving further reductions in its operating expenditure thanks to its outsourcing of back-office functions in 2011 and its disciplined approach to receivables management. Operating costs at Valora Trade rose in 2012, largely as a result of its acquisition of Scandinavian Cosmetics. The Corporate division's net operating costs for 2012 were lower than the year before, principally because of the book-value gain generated from the sale of the Austrian press business. Overall staff costs were also reduced thanks to further automation of logistics processes and the transfer of IT staff to Valora's outsourcing partner. Operating costs were increased, however, by the transitional costs arising from the IT outsourcing project and by the increase in volume-driven logistics costs resulting from increased turnover.

In aggregate, the Valora Group generated an operating profit of CHF 65.8 million in 2012, compared with CHF 70.5 million a year earlier. Operating profit benefited from a CHF 2.4 million contribution from the distribution and sale of Euro 2012 picture cards, while adverse exchange-rate effects shaved CHF –0.5 million off this result. Valora's reported operating profit margin was 2.3 %.

B VALORA RETAIL

in CHF million	2012	2012 share in %	2011	2011 share in %
External sales	**2 139.5**		**1 760.8**	
Net revenues	**1 663.4**	**100.0%**	**1 613.2**	**100.0%**
Gross profit	**606.0**	**36.4%**	**570.5**	**35.4%**
– Operating costs, net	– 580.7	– 34.9%	– 528.7	– 32.8%
Operating profit (EBIT)	**25.3** [1]	**1.5%**	**41.8**	**2.6%**

[1] The 2012 operating profit includes the CHF 14.2 million loss incurred on the sale of the Muttenz facility.

Thanks to its major strategic acquisition of Convenience Concept GmbH, the largest integrated chain of kiosks in German-speaking Europe with a network of more than 1 200 outlets extending throughout Germany, and its establishment of a presence in the Austrian market, Valora Retail is now the leading micro-retailer in Germany, Austria and Switzerland. The division is now well placed to achieve further profitable growth.

In 2012, Valora Retail expanded its external sales by +21.5% on their 2011 levels, to CHF 2139.5 million. The division's reported net revenues increased CHF +50.2 million, or +3.1%, to CHF 1663.4 million. Sales of Euro 2012 picture cards contributed CHF +3.7 million to net revenues, while adverse exchange-rate effects depressed them by CHF –10.6 million.

Among the division's country units, Valora Retail Germany achieved the greatest sales growth, with an increase of CHF +50.4 million, or +17.5%, thanks to the expanded scale of its operations. Retail Austria was consolidated for the first time, generating CHF 16.5 million in net revenues from its P&B format. P&B Switzerland made a noteworthy contribution to the division's sales growth, with a significant 9.2% increase in net revenues, partly reflecting the expanded scale on which this format now operates. The Convenience Switzerland business unit, encompassing the avec. format and the Tamoil filling-station shops, managed to increase its sales by +2.0% from their 2011 levels, despite Tamoil's decision to streamline its store portfolio. Net revenues at Kiosk Switzerland, conversely, slipped by –2.9%. This essentially reflects a CHF –17.8 million decline in press sales and a decrease in the overall number of kiosks, as some sites were assigned to other Valora Retail formats. The division made significant further progress in expanding its network of agent-managed kiosks in Switzerland, with more than 300 outlets now operating on an agency basis. On average, these agent-managed outlets generate sales which are between 2% and 5% higher than Valora-operated sites. Caffè Spettacolo's 2012 net revenues were –7.2% lower than in 2011, principally due to the reduced size of its network following the closure of unprofitable sites. Valora Retail Luxembourg performed very encouragingly in 2012, with sales up +5.2% in local-currency terms.

From a product-category standpoint, Valora Retail achieved significant gains in its sales of tobacco products (+3.7%) and books (+9.3%), countering overall market trends. This positive performance was supported by the introduction of the P&B format in Austria and pleasing rates of growth in existing markets. The division's Swiss press sales were CHF –19.1 million lower than in 2011, reflecting the contraction of Switzerland's press market. Valora's ok.- private-label range has established itself as a powerful brand in its own right, constantly expanding as new food and non-food products are added to its portfolio. 2012 also saw individual items in the ok.- product range being introduced in Germany and Austria for the first time.

Valora Retail raised its gross-profit margin to 36.4%, a 1.1 percentage-point increase on 2011. This partly reflects structural changes stemming from the increase in the overall number of franchisees, but is also a result of improved purchasing terms for food products.

The division's net operating costs rose CHF –52.0 million, to CHF –580.7 million, principally as a result of acquisitions. Operating costs were also adversely affected by the CHF 14.2 million book-value loss on the sale of the Muttenz facility in early October 2012. Stripping out the effects of the Muttenz charge and the costs generated by units acquired during 2012, Valora Retail succeeded in achieving operating-cost savings in 2012. Particularly noteworthy progress was made on the personnel-cost front, with the proportion of net revenues accounted for by personnel expenditure being reduced by a substantial –2.5 percentage points.

Valora Retail's reported operating profit for 2012 amounted to CHF 25.3 million, which equates to an EBIT margin of 1.5%. This compares to an operating profit of CHF 41.8 million in 2011. The 2012 result was adversely affected by the book-value loss on the sale of the Muttenz facility and by additional provisions of some CHF 3 million in respect of litigation arising in 2011. Distribution and sale of Euro 2012 Panini picture cards contributed CHF +0.5 million to the division's 2012 operating profit, while the impact of adverse exchange-rate effects amounted to CHF –0.5 million.

C DITSCH / BREZELKÖNIG

in CHF million	**2012**	**2012 share in %**	2011	2011 share in %
Net revenues	**50.1**	**100.0%**	**n.a.**	**n.a.**
Gross profit	**38.4**	**76.6%**	**n.a.**	**n.a.**
– Operating costs, net	– 31.3	– 62.4%	n.a.	n.a.
Operating profit (EBIT)	**7.1**	**14.2%**	**n.a.**	**n.a.**

The acquisition of the family-owned Ditsch / Brezelkönig business in October 2012 enabled Valora Retail to add a highly profitable format with an excellent range of products to its existing portfolio of businesses. Ditsch GmbH and Brezelkönig GmbH & Co. KG are Europe's leading producers of lye-bread products. Both have a highly integrated value chain extending from initial production to ultimate sale. Their overall small-outlet retail network encompasses 230 sites in Germany and Switzerland. Many of these units are located at public-transport nodes with substantial customer footfall. Valora has also been able to secure the long-term commitment of Peter Ditsch, the firm's previous owner, who is now Valora's anchor shareholder.

Valora and Ditsch / Brezelkönig ideally complement each other. By joining forces in this way, they intend to work together to achieve profitable and sustainable growth in the years ahead, making the most of expansion opportunities as they present themselves. The key objectives here are to increase the number of outlets and to achieve additional growth through the distribution of products to third-party retailers and Valora formats. Over the next few years, Valora intends to see sales at Ditsch / Brezelkönig grow by 8% annually.

In the fourth quarter of 2012, Valora's Ditsch / Brezelkönig unit generated net revenues of CHF 50.1 million, with a gross-profit margin of 76.6%. This resulted in a gross profit of CHF 38.4 million. Operating profit for this same 3-month period was CHF 7.1 million, which equates to an EBIT margin of 14.2%.

D VALORA SERVICES

in CHF million	2012	2012 share in %	2011	2011 share in %
Net revenues	**465.0**	**100.0 %**	**599.7**	**100.0 %**
Gross profit	**103.5**	**22.2 %**	**122.7**	**20.4 %**
– Operating costs, net	– 91.5	– 19.6 %	– 102.7	– 17.1 %
Operating profit (EBIT)	**12.0**	**2.6 %**	**20.0**	**3.3 %**

Valora's Services division is in the process of repositioning itself. In October 2012, the division successfully sold its press business in Austria, thus reducing the Valora Group's dependence on the press market. The book-value gain generated by this transaction is included in the financial results of the Corporate division. In 2013, Valora Services completed the sale of its Swiss goods wholesaling business, thus enabling it to focus on more profitable business areas.

In 2012, Valora Services generated reported net revenues of CHF 465.0 million, compared with CHF 599.7 million in 2011. This largely reflects the further reduction of the scope of its low-margin goods wholesaling activities in Switzerland during 2012, which diminished revenues by CHF –79.9 million. A further factor was the sale of the Austrian press business in October 2012, which meant that the revenues generated there ceased at that point. Their contribution to Valora Services' net revenues in fourth quarter 2011 had amounted to CHF 27.5 million. The decline of the overall press market further reduced the division's net revenues by CHF –37.2 million. It is the aggregate effect of these three factors which essentially explains the CHF –134.7 million fall in the division's net revenues between 2011 and 2012.

Valora Services succeeded in improving its gross profit margin to 22.2 % in 2012, an increase of +1.8 percentage points. This was largely achieved thanks to the shift in its overall product mix as less emphasis was placed on low-margin goods wholesaling. The division's reported net profits for 2012 were CHF 103.5 million. This is CHF –19.2 million lower than in 2011, a fall largely attributable to the contraction of the overall press market and the sale of the Austrian press business.

Net operating costs were reduced +11.0 % from their 2011 levels. This positive outcome is the result of the discontinuation of operating costs at Valora Services Austria, following the sale of the unit in October, and the reduction in personnel expenditure resulting from the successful outsourcing of back-office functions as well as other efficiency-boosting measures in Luxembourg, where operating costs as a percentage of net revenues were cut by 0.4 percentage points.

Valora Services generated a reported operating profit of CHF 12.0 million in 2012, a figure which includes the operating profits of the division's Swiss logistics unit, which has been operating under its own nilo banner since March 2012. Distribution and sale of Euro 2012 picture cards, including the contribution made by the Services Austria unit sold in October 2012, generated an operating profit of CHF 1.9 million. The division's 2012 EBIT margin fell 0.7 percentage points, to 2.6 %. The CHF –8.0 million in operating profit since 2011 essentially reflects lower press revenues in the face of a contracting overall press market and the sale of Valora Services Austria.

Given the substantial difficulties which continue to beset the entire press market, the division's strategic review will assess all potential options for a sustainable future for its Switzerland and Luxembourg units. Valora Services' sale of its Swiss goods-wholesaling business in the first half of 2013 will pave the way for an improvement in its operating margins.

E VALORA TRADE

in CHF million	2012	2012 share in %	2011	2011 share in %
Net revenues	**792.5**	**100.0 %**	**744.5**	**100.0 %**
Gross profit	**178.8**	**22.6 %**	**172.2**	**23.1 %**
– Operating costs, net	– 170.7	– 21.6 %	– 155.9	– 20.9 %
Operating profit (EBIT)	**8.1**	**1.0 %**	**16.3**	**2.2 %**

Against the backdrop of an extremely challenging economic climate, a significant degree of structural concentration among both manufacturers and retailers, and intense competition, Valora Trade was able to increase its net revenues + 6.4 % to CHF 792.5 million, thanks to reslient performance in its food, food-service, confectionery, non-food, beverage and cosmetics businesses. In local currency terms, net revenues rose + 6.9 %, a performance to which all its country units made a positive contribution.

The highest rate of growth in local-currency terms was achieved by Valora Trade Finland, where net revenues advanced + 17.4 %, largely thanks to its success in developing its food and food-service businesses and in signing up new principals. The Valora Trade units in Sweden and Norway also performed well, with net revenues in Sweden advancing + 17.3 % in local-currency terms – thanks to the expanded scale of the company's operations following its acquisition of the Swedish cosmetics distributor Scandivian Cosmetics AB in 2011 and its successful integration of this new business during 2012 – while local-currency net revenues at Valora Trade Norway rose + 4.0 %, also helped by strong cosmetics sales. Trade Denmark (+ 1.2 %) and the division's three country units in Central Europe – Germany (+ 6.1 %), Austria (+ 14.8 %) and Switzerland (+ 4.8 %) also all succeeded in increasing their net revenues.

Higher sales volumes enabled Valora Trade to increase its gross profit by CHF + 6.5 million to CHF 178.8 million. The division's gross-profit margin for 2012, at 22.6 %, is lower than a year earlier. The high-price retail markets in Switzerland and Denmark, and also Sweden following the appreciation of the Swedish krone, are all experiencing margin pressure, particularly in the food, confectionery and non-food categories. Continuing parallel imports, shopping tourism and aggressive own-label-positioning by retailers all conspired to exert greater downward pressure on prices. Thanks to the strong performance achieved in the cosmetics category, where margins remain attractive, Valora Trade was able to offset the adverse effects of lower gross margins in its traditional product categories.

The CHF – 14.8 million increase in the division's net operating costs is largely attributable to the acquisition of Scandinavian Cosmetics, whose results have been consolidated in the division's accounts since August 2011, and to the increasingly cost-intensive coverage of major international principals. Valora Trade Switzerland, by contrast, was able to streamline its cost-base further, despite the significant organic growth it achieved in 2012. In aggregate, the division's operating costs as a proportion of its net revenues increased by – 0.7 percentage points compared with 2011.

In a market characterised by intense competition and substantial pressure on margins, Valora Trade closed 2012 with a reported operating profit of CHF 8.1 million, down from CHF 16.3 million a year earlier. The division's 2012 EBIT margin was 1.0 %.

The costs associated with servicing principal accounts are naturally subject to considerable fluctuations, and this is reflected in earnings. The nature of Valora Trade's business is also in the process of transformation. Currently, major international principals represent a substantial proportion of its overall portfolio. In saturated markets, collaboration with leading manufacturers is becoming increasingly exacting and the associated costs are therefore increasing. Moreover, mergers and acquisitions among manufacturers have also resulted in the discontinuation of some major principal accounts (e.g. Wrigley, Cadbury, Sanex).

For some time now, Valora Trade has been engaged in substantive efforts to re-configure its principal portfolio, particularly in the food, food-service and confectionery categories. The division intends to shift the emphasis of its portfolio away from certain specific major brands towards smaller and medium-sized principals, some of which operate in higher-margin niche markets.

F CORPORATE

The Corporate division, which comprises the Group's Swiss logistics operations, its Corporate Information Services and its various corporate support functions – Finance, HR, Business Development, Legal Services and Communications – increased its net revenues by CHF 26.7% in 2012, thanks to its success in developing its logistics business with third-party customers. These services encompass daytime and overnight logistics and a package-return facility for online retailers. A large number of new customers signed up for these services during 2012. One of these was Quickmail AG, Switzerland's first privately owned letter-delivery service, with whom Valora has entered into an exclusive business partnership.

The Corporate division was able to achieve lasting savings in its personnel costs thanks to further automation of its logistics operations and the transfer of IT staff to Valora's outsourcing partner. The transitional phase associated with this latter initiative did however result in an increase in Valora's IT and commmunications costs for 2012. The variable component of the Corporate division's logistics costs has risen, reflecting the higher net revenues which its higher volumes are now generating. Valora Corporate's net operating costs for 2012 were also positively influenced by the book-value gain resulting from the sale of the Group's Austrian press business.

Valora has a policy of charging the net costs of the Corporate division – i.e. its operating costs minus the logistics revenues generated from third parties – to the invidual divisions on the basis of the use they make of them. Revenue and expense which is unrelated to the market divisions is reported under Other.

G FINANCIAL RESULT AND TAXES

The Valora Group achieved a net result from its financing operations of CHF – 12.6 million, compared with CHF – 3.7 million in 2011. This is mainly due to an increase in interest expense. The principal items here are CHF – 3.6 million attributable to the CHF 200 million bond issue placed in February 2012 to refinance the CHF 140 million issue which matured in July 2012, and a further CHF – 4.5 million associated with the CHF 400 million syndicated-loan facility established September 2012, which served both to finance the acquisition of the Ditsch / Brezelkönig group of companies and to retire a prior CHF 300 million syndicated-loan facility. Largely thanks to the stability of the CHF / EUR exchange rate and the fact that a substantial portion of its internal financing operations are self-hedging, the Group's net result from its FX operations was almost flat, at CHF – 0.1 million.

The Group's overall tax rate for 2012 came in at – 14.7 %, 0.2 percentage points lower than in 2011. This is significantly lower than the projected long-run tax rate of 17 %. Valora's consolidated tax expense for 2012 was CHF – 7.9 million, comprising CHF – 9.9 million of current income taxes and CHF 2.0 million of provisions for deferred income taxes released to net income.

H LIQUIDITY, CASH FLOW AND KEY FINANCIAL DATA

Key financial data in CHF million	**2012**	2011
EBITDA	**121.2**	**117.0**
Cash and cash equivalents [1]	147.2	109.6
Free cash flow [1]	**42.2**	**51.6**
Shareholders' equity	575.3	462.3
Shareholders' equity in % of total assets	**35.9 %**	**41.9 %**
Group net profit	45.7	57.4
Net debt [1]	361.6	31.9
Net working capital [1]	136.3	117.3
Net working capital in % of net revenues [1]	4.8 %	4.2 %
Earnings per share [1]	**15.60**	**20.24**

[1] from continuing operations

Valora's earnings before interest, tax, depreciation and amortisation (EBITDA) rose CHF +4.2 million on their 2011 levels, to reach CHF 121.2 million. The Group's 2012 free cash flow was CHF 42.2 million, versus CHF 51.6 million in 2011, largely due a decrease in its other liabilities. During the course of 2012, through its acquisition of the Ditsch / Brezelkönig Group, Convenience Concept GmbH and K.Schmelzer- J. Bettenhausen GmbH & Co KG, Valora has created a sound basis for further profitable and sustainable growth, and was thus able to complete its Valora 4 Growth strategy ahead of schedule. These acquisitions resulted in the Group's overall investment spending in 2012 being CHF –247.9 million higher than it was in 2011. This outflow of funds was financed by the new CHF 200 million bond issue and the CHF 400 million syndicated-loan facility. As a result, the Group's cash and cash equivalents position at December 31, 2012 was CHF 147 million, CHF +38 million higher than it had been a year earlier. Net debt increased to CHF 364 million.

Shareholders' equity at December 31, 2012 amounted to 35.9 % of total assets, –6.0 percentage points lower than a year earlier. This decline in equity cover is due to the increase in the size of the balance sheet resulting from the acquisitions made during the year, the increase in long-term liabilities arising from the CHF 200 million bond issue placed in February 2012 and the CHF 140 million bond issue which matured in July 2012, and the greater use made of the new CHF 400 million syndicated loan facility. The 635 599 new shares issued to Ernst Peter Ditsch in part payment for Valora's acquisition of Ditsch / Brezelkönig resulted in its share capital increasing by CHF +108.8 million.

I VALORA VALUE ADDED

Valora Value Added in CHF million	**2012**	2011
Operating profit (EBIT)	65.8	70.5
Average invested capital	817.0	658.3
WACC	8.0 %	8.0 %
Capital costs	65.4	52.7
Valora Value Added	**0.4**	**17.8**

In order to measure the sustained return it earns over and above its cost of capital, the Valora Group introduced the concept of Valora Value Added (VVA) in 2008. VVA is based on the classical definition of economic value added. In order to ensure comparability between reporting periods, Valora Value Added is calculated on the basis of operating profit minus the Groups weighted average cost of capital (WACC), the weighted average of its equity and debt financing costs. The current calculations, which are based on industry comparisons and expected interest-rate levels, put WACC at 8 %. Valora regularly reviews its WACC assumptions, adjusting the WACC figure if it moves outside a defined range. Management's focus is on achieving a sustainable increase in VVA, thus ensuring that the value of the company increases in an enduring fashion.

In 2012, the Valora Group generated VVA of CHF 0.4 million, CHF –17 million less than in 2011. This change reflects the decline in the Group's operating profit and the increase in its average invested capital, which rose substantially in 2012 as a result of the various acquisitions Valora made during the year. It should however be noted that the Group's EBIT, or operating profit, for 2012 does not yet fully reflect the effects of the acquisitions made during the course of the year.

J OUTLOOK

By acquiring Convenience Concept and the Ditsch / Brezelkönig Group in 2012, Valora has been able to create an excellent basis for achieving further growth in its core business. The objective of the strategy, which Valora initiated in late 2012, is further to strengthen the Group's core retail expertise and sustainably to enhance the profitability of the Retail division. Valora's task now is to integrate the companies it has acquired so that the Group can fully capitalise on the outstanding potential now available to it by developing synergies between them and its existing formats.

During 2012, Valora Retail developed its new Kiosk 3.0 concept, which involves adapting the range and mix of products on sale at the kiosks and enhancing their layout. The results from the first test sites have shown a significant increase in revenue generation. During 2013, this model will be rolled out to more than 100 kiosk sites. Integration of Convenience Concept continues to progress according to plan. The key objectives here are to exploit further potential synergies and to harmonise the appearance of these formats so as to make them more instantly recognisable and enhance their brand recognition among consumers.

The acquisition of Ditsch / Brezelkönig has opened up a number of additional and highly promising prospects for the future. Over the next few years, Valora expects this unit to achieve annual sales growth of some +8.0% – partly through the establishment of new outlets and partly through synergy-driven growth. Valora intends to make Ditsch / Brezelkönig's high-quality products available to other Valora formats. This will not only enable Valora's existing retail formats to add new top-quality items to their product ranges, it will also be beneficial to the Ditsch / Brezelkönig Group's highly integrated, cost-efficient value chain.

Valora's Services division is engaged in a repositioning process. Following the sale of its Austrian press business in October 2012, which significantly reduced its dependence on the press market, the division's goods wholesaling unit, Sales & Services Switzerland, was sold during the first half of 2013. Valora assumes that the contraction of the overall press market will continue. Given the critical nature of the situation specific partnership arrangements for the divsion's operations in Switzerland and Luxembourg are being evaluated. The division's logistics network in Switzerland is doing well, it has already achieved strong growth in 2012 and its future outlook is positive. Currently, this unit's revenues represent less than 10% of the division's overall sales and they have further potential to grow.

By reviewing the configuration of its principal portfolio and, in particular, expanding the scale of its distribution operations for small and medium-sized brands in high-margin niche areas, Valora Trade is continuing along the trajectory on which it embarked some time ago. In order to counteract the margin pressure in its traditional categories, the division has initiated a range of measures – such as consolidating its sales representative networks, diversifying retail channels, renegotiating existing contracts with principals, further centralising its supply-chain services and using enhanced IT structures to raise efficiency levels. These are expected to yield their first positive results in the first half of 2013.

Valora's Board of Directors and Group Executive Management are convinced that the actions the firm has taken during 2012 have created a sound basis for profitable organic growth in the years ahead and that the Group will be able further to enhance its existing retail capabilities. The initiatives which are now under way will help Valora to achieve a sustained increase in its profitability.

CONSOLIDATED INCOME STATEMENT

January 1 to December 31, in CHF 000 (except per-share amounts)	Note	2012	%	2011	%
Net revenues	8	**2 847 910**	**100.0**	**2 817 904**	**100.0**
Cost of goods and materials		– 1 907 566	– 67.0	– 1 941 531	– 68.9
Personnel expense	9	– 385 528	– 13.5	– 409 295	– 14.5
Other operating expenses	10	– 448 677	– 15.8	– 358 075	– 12.7
Depreciation and impairments	20, 21, 22	– 55 450	– 2.0	– 46 522	– 1.7
Other revenues	11	30 165	1.1	8 697	0.3
Other expenses	11	– 15 079	– 0.5	– 652	0.0
Operating profit (EBIT)	8	**65 775**	**2.3**	**70 526**	**2.5**
Financial expense	12	– 14 426	– 0.5	– 5 955	– 0.1
Financial income	13	1 802	0.1	2 220	0.0
Share of result from associates and joint ventures	25	469	0.0	255	0.0
Earnings before taxes		**53 620**	**1.9**	**67 046**	**2.4**
Income taxes	14	– 7 876	– 0.3	– 10 006	– 0.4
Net profit from continuing operations		**45 744**	**1.6**	**57 040**	**2.0**
Net profit from discontinued operations	7	0	0.0	317	0.0
Net Group profit		**45 744**	**1.6**	**57 357**	**2.0**
Attributable to shareholders of Valora Holding AG		45 443	1.6	56 328	2.0
Attributable to non-controlling interests		301	0.0	1 029	0.0
Earnings per share					
from continuing operations, diluted and undiluted (in CHF)	15	15.60		20.24	
from discontinued operations, diluted and undiluted (in CHF)	7	0		0.11	
from continued and discontinued operations, diluted and undiluted (in CHF)	15	**15.60**		**20.35**	

The accompanying notes from page 49 to page 103 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to December 31, in CHF 000	**Note**	**2012**	2011
Net Group profit		**45 744**	**57 357**
Actuarial gains/(losses), before deferred income taxes	30	320	– 45 125
Deferred income taxes	30	– 63	9 091
Actuarial gains/(losses), after deferred income taxes		**257**	**– 36 034**
Valuation gains/(losses) on financial investments available for sale before deferred income taxes		– 64	67
Deferred income taxes		16	– 17
Valuation gains/(losses) on financial investments available for sale, after deferred income taxes		**– 48**	**50**
Cash flow hedge		**– 2 499**	**– 8 834**
Currency translation adjustments		**1 001**	**– 1 251**
Total other comprehensive income		**– 1 289**	**– 46 069**
Total comprehensive income		**44 455**	**11 288**
Attributable to shareholders of Valora Holding AG		44 049	10 373
Attributable to non-controlling interests		406	915

The accompanying notes from page 49 to page 103 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

ASSETS

in CHF 000	Note	31.12.2012	%	31.12.2011	%
Current assets					
Cash and cash equivalents	16	147 153		109 562	
Derivative financial assets	33	7		166	
Trade accounts receivable	17	169 292		174 042	
Inventories	18	233 136		236 299	
Current income tax receivables		1 780		4 453	
Other current receivables	19	86 476		66 597	
Total current assets		**637 844**	**39.8 %**	**591 119**	**53.6 %**
Non-current assets					
Property, plant and equipment	20	230 269		219 302	
Goodwill, software and other intangible assets	22	652 992		232 788	
Investment property	21	5 645		5 752	
Investment in associates and joint ventures	25	4 554		4 291	
Financial assets	24	22 647		8 881	
Net pension asset	30	21 255		13 417	
Deferred income tax assets	14	26 884		27 570	
Total non-current assets		**964 246**	**60.2 %**	**512 001**	**46.4 %**
Total assets		**1 602 090**	**100.0 %**	**1 103 120**	**100.0 %**

LIABILITIES AND EQUITY

in CHF 000	Note	31.12.2012	%	31.12.2011	%
Current liabilities					
Short-term financial debt	26	16 187		141 869	
Derivative financial liabilities	33	2 820		9 056	
Trade accounts payable	27	266 145		293 056	
Current income tax liabilities		36 597		12 565	
Other current liabilities	28	140 034		144 846	
Current provisions	29	5 481		0	
Total current liabilities		**467 264**	**29.2 %**	**601 392**	**54.5 %**
Non-current liabilities					
Other non-current liabilities	26	495 521		3 644	
Long-term accrued pension cost	30	12 358		15 026	
Long-term provisions	29	400		6 121	
Deferred income tax liabilities	14	51 231		14 605	
Total non-current liabilities		**559 510**	**34.9 %**	**39 396**	**3.6 %**
Total liabilities		**1 026 774**	**64.1 %**	**640 788**	**58.1 %**
Equity					
Share capital	36	3 436		2 800	
Treasury stock		– 12 350		– 5 185	
Mark-to-market, financial instruments		– 11 335		– 8 788	
Retained earnings		631 343		510 585	
Cumulative translation adjustments		– 40 842		– 41 738	
Equity of Valora Holding AG shareholders		**570 252**	**35.6 %**	**457 674**	**41.5 %**
Non-controlling interests in shareholders’ equity		5 064		4 658	
Total equity		**575 316**	**35.9 %**	**462 332**	**41.9 %**
Total liabilities and equity		**1 602 090**	**100.0 %**	**1 103 120**	**100.0 %**

The accompanying notes from page 49 to page 103 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

January 1 to December 31, in CHF 000	**Note**	**2012**	2011
Operating profit (EBIT)		**65 775**	**70 526**
Elimination of non-cash transactions in operating profit (EBIT)			
Depreciation and impairments on property, plant, equipment and investment properties	20, 21	33 283	28 435
Amortisation of intangible assets	22	22 167	18 087
Losses/(gains) on sales of fixed assets, net	11	12 255	– 449
Book-value gain on sale of subsidiaries, net	6	– 22 900	0
Share-based remuneration	31	642	483
Release of provisions, net	29	0	– 2 195
Decrease in accrued pension cost		– 7 581	– 10 729
Decrease in other non-current liabilities		– 630	– 2 083
Changes in net working capital, net of acquisitions and disposals of business units			
Decrease in trade accounts receivable		6 010	3 574
Decrease/(increase) in inventories		6 436	– 12 336
Decrease/(increase) in other current assets		633	– 2 525
(Decrease)/increase in trade accounts payable		– 14 490	20 896
Provisions assigned	29	– 753	– 181
Decrease in other liabilities		– 26 132	– 3 523
Net cash provided by operating activities		**74 715**	**107 980**
Interest paid		– 19 139	– 6 273
Income taxes paid		– 2 332	– 7 250
Interest received		1 085	2 294
Dividends received		194	239
Total net cash provided by operating activities		**54 523**	**96 990**

January 1 to December 31, in CHF 000	**Note**	**2012**	2011
Cash flow from investing activities			
Investment in property, plant and equipment	20	– 50 530	– 38 055
Investment grants received	20	12	0
Proceeds from sale of property, plant and equipment	20	59 828	9 485
Investment-property purchases	21	– 36	0
Proceeds from sale of investment property	21	17	0
Acquisition of subsidiaries, net of cash acquired	6	– 318 614	– 40 263
Disposal of subsidiaries, net of cash sold	6	28 335	0
Share capital increase by associate company		0	– 54
Sale of joint venture		934	0
Sales of financial investments		1 277	176
Purchases of other intangible assets	22	– 21 702	– 17 006
Proceeds from sale of other intangible assets	22	137	179
Net cash used in investing activities		**– 300 342**	**– 85 538**
Cash flow from financing activities			
Payment of short-term financial liabilities		– 17 271	– 1 476
(Payment)/increase of long-term financial liabilities	26	283 035	– 2 230
Issuance of bonds		199 652	0
Redemption of bonds		– 140 000	0
Treasury stock purchased		– 20 744	– 10 383
Treasury stock sold		11 634	15 267
Dividends paid to Valora Holding AG shareholders		– 31 888	– 31 893
Dividends paid to non-controlling interests		0	– 413
Expenses arising from Valora Holding AG share-capital increase		– 1 949	0
Net revenues/(expenses) from financing activities		**282 469**	**– 31 128**
Net increase/(decrease) in cash and cash equivalents		**36 650**	**– 19 676**
Translation adjustments on cash and cash equivalents		941	– 1 223
Cash and cash equivalents at beginning of year		109 562	130 461
Cash and cash equivalents at year end	16	**147 153**	**109 562**

The accompanying notes from page 49 to page 103 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity

	Equity of Valora Holding AG							
in CHF 000	**Share capital**	**Treasury stock**	**Mark-to-market, financial instru-ments**	**Retained earnings**	**Cumulative translation adjustments**	**Total equity of Valora Holding AG share-holders**	**Non-controlling interests**	**Total equity**
Balance at December 31, 2010	**2 800**	**– 9 484**	**– 4**	**521 275**	**– 40 601**	**473 986**	**4 156**	**478 142**
Net Group profit				56 328		56 328	1 029	57 357
Total other comprehensive income			– 8 784	– 36 034	– 1 137	– 45 955	– 114	– 46 069
Total comprehensive income			– 8 784	20 294	– 1 137	10 373	915	11 288
Share-based payments				– 247		– 247		– 247
Dividend paid				– 31 893		– 31 893	– 413	– 32 306
Additions to treasury stock		– 10 383				– 10 383		– 10 383
Decrease in treasury stock		14 682		1 156		15 838		15 838
Balance at December 31, 2011	**2 800**	**– 5 185**	**– 8 788**	**510 585**	**– 41 738**	**457 674**	**4 658**	**462 332**
Net Group profit				45 443		45 443	301	45 744
Total other comprehensive income			– 2 547	257	896	– 1 394	105	– 1 289
Total comprehensive income			– 2 547	45 700	896	44 049	406	44 455
Share-based payments				203		203		203
Dividend paid				– 31 888		– 31 888		– 31 888
Additions to treasury stock		– 20 744				– 20 744		– 20 744
Decrease in treasury stock		13 579		– 1 457		12 122		12 122
Share-capital increase	636			108 200		108 836		108 836
Balance at December 31, 2012	**3 436**	**– 12 350**	**– 11 335**	**631 343**	**– 40 842**	**570 252**	**5 064**	**575 316**

The accompanying notes from page 49 to page 103 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 INFORMATION REGARDING THE GROUP

Valora is a trading group operating on a Europe-wide scale. Valora Holding AG, the firm's parent company, is incorporated in Muttenz, Switzerland and its shares are listed on SIX Swiss Exchange. Valora's consolidated financial statements for the 2012 financial year were approved by the Board of Directors on March 19, 2013. These consolidated financial statements are subject to approval by the General Meeting of Shareholders to be held on April 18, 2013.

2 ACCOUNTING POLICIES

Basis of financial statement presentation. In preparing its consolidated financial statements Valora generally applies the historical cost principle. The exceptions to this are derivative financial instruments and financial assets available for sale, both of which are stated at fair value. Consolidation is based on the individual group companies' financial statements, which are prepared according to a uniform set of accounting principles. The Group consolidates its accounts in Swiss francs (CHF). Unless otherwise stated, all values stated in money terms have been rounded to the nearest thousand Swiss francs.

Compliance with IFRS, the Swiss Code of Obligations and Swiss Stock Exchange listing rules. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the legal provisions of the Swiss Code of Obligations. They also meet all the listing regulations promulgated by the SIX Swiss Exchange.

Key accounting principles.
Consolidation. In addition to the accounts of Valora Holding AG, Muttenz, Switzerland, the Valora Group's financial statements also encompass those of its subsidiaries and participations as follows:
Consolidated companies. Group companies which Valora Holding AG directly or indirectly controls are fully consolidated. In determining whether such control exists, any potential voting rights arising from shares which could currently be acquired through exercise or conversion are also taken into account. Group companies acquired are consolidated from the day Valora assumes control over them and deconsolidated from the day Valora ceases to exercise such control.
Consolidation method. All intra-Group assets, liabilities, revenues and expenditures, and all unrealised gains or losses in intra-Group transactions, are fully eliminated. Whenever companies are acquired, all identifiable assets, liabilities and contingent liabilities of the acquired entity are valued at the fair value prevailing at the time of the acquisition, and the difference between the purchase price paid and the fair value of the company's net assets at the time of the acquisition is recognised as goodwill. Non-controlling interests are defined as that part of the shareholders' equity of a subsidiary which are not directly or indirectly attributable to the shareholders of Valora Holding AG. These non-controlling interests are disclosed separately in the consolidated income statement, consolidated statement of comprehensive income and the balance sheet. In the Group balance sheet, non-controlling interests are shown in the shareholders' equity section, but are reported separately from the equity attributable to shareholders of Valora Holding AG. Purchases of non-controlling interests are treated as equity transactions, with the difference between the purchase price paid and the book value of the net assets acquired being allocated to the equity attributable to the shareholders of Valora Holding AG.
Non-consolidated participations (associated companies and joint ventures). Associated companies and joint ventures are treated according to the equity method. Associated companies are companies over which Valora exerts significant influence, but does not control. Significant influence is assumed to be exerted on companies in which Valora holds between 20 % and 50 % of the voting shares. Joint ventures are defined as joint undertakings which are managed with one

partner under a contractual agreement. Participations treated under the equity method are recorded on the balance sheet at purchase cost and reported under "Investments in associates and joint ventures". In the reporting periods following acquisition, the value of this item is adjusted to reflect Valora's share of the changes in shareholders' equity of the associated companies and joint ventures. Any valuation gains or losses not affecting net income of associated companies and joint ventures are credited or debited directly to Valora's other comprehensive income. Dividends received by Valora reduce the value of its investments.

Scope of consolidation. Note 38 provides an overview of the Valora Group's significant subsidiaries.

Changes in consolidation scope. As of January 1, 2012, the Valora Group acquired 78% of Karl Schmelzer-J.Bettenhausen GmbH & Co. KG and of its limited-liability partner, both with registered offices in Vienna, Austria. As of April 2, 2012, the Valora Group acquired 100% of Convenience Concept GmbH with registered offices in Ratingen, Germany. As of October 10, 2012, the Valora Group acquired 100% of Brezelbäckerei Ditsch GmbH, Prisma Backwaren GmbH and Brezelkönig GmbH & Co. KG, all three with registered offices in Mainz, Germany. As of October 17, 2012, the operations of Valora Services Austria GmbH, whose registered offices are in Anif, Austria were sold in their entirety.

As of January 1, 2011, the Valora Group acquired 100% of the two economically linked companies Delvita Delikatessen GmbH and Salty Snacks GmbH, both with registered offices in Nettetal, Germany. As of August 23, 2011, the Valora Group acquired 100% of Scandinavian Cosmetics AB, a Swedish company with registered offices in Malmö.

Additional information on these transactions is presented in note 6 below.

Consolidation period. The consolidation period applied to all Group companies is the calendar year. The financial statements are presented as of December 31.

3 CHANGES TO ACCOUNTING POLICIES

Implementation of new International Financial Reporting Standards (IFRS) and interpretations thereof. Adoption of the following changes to International Financial Reporting Standards (IFRS) and interpretations thereof was first required for the Group's 2012 accounts:

IAS 12 (revised) "Recovery of Underlying Assets"
The changes to IAS 12 do not have any effect on the consolidated financial statements of the Valora Group.

IFRS 7 (revised) "Transfers of Financial Assets"
The changes to IFRS 12 do not have any effect on the consolidated financial statements of the Valora Group.

Future implementation of International Financial Reporting Standards (IFRS) and interpretations thereof. These consolidated financial statements have not yet adopted the following new standards or modifications to existing standards and their interpretation, all of which the Valora Group will be required to apply in its accounts for 2013 or thereafter:

In June 2011, a revised version of IAS 19 "Employee Benefits" was published. Application of this new version of IAS 19 will be mandatory for all financial years starting on or after January 1, 2013. The new standard no longer permits actuarial gains and losses on defined benefit employee schemes to be reported under the so-called corridor method. The Valora Group does not avail itself of this method, reporting such gains and losses under total other comprehensive income instead. Since the approach that the revised standard will require in this matter is already used by the Valora Group, these changes will not have any affect on its consolidated accounts. The revised standard also requires that the current method of basing expected returns from plan assets on an expected net return be replaced by a method which applies the discount rate used to calculate the net present value of a defined benefit plan's projected benefit obligation. There is also a requirement that past service costs be immediately recognised in the income statement at the time they occur and the distribution of risks between employee and employer changes. The effects of these changes on the Valora Group's future income statements and balance sheets cannot be definitively assessed at this stage. Premature application of the new version of this standard would have resulted in a charge to net income of an estimated CHF 7.3 million and would have reduced the charge to other comprehensive income by the same amount. It would not have had any effect on the Group's consolidated comprehensive income.

With effect from January 1, 2013, the changes to IAS 1 "Presentation of Items of Other Comprehensive Income", IAS 27 "Consolidated and Separate Financial Statements", IAS 28 "Investments in Associates and Joint Ventures" and IFRS 7 "Offsetting Financial Assets and Financial Liabilities" will become applicable, as will the new IFRS 10 "Consolidated Financial Statements" standard, the new IFRS 11 "Joint Arrangements" standard, the new IFRS 12 "Disclosure of Interests in Other Entities" standard, the new IFRS 13 "Fair Value Measurement" standard and the IFRS Annual Improvements 2009-11 Cycle. While it is anticipated that these various changes will not have any material financial effects, they will result in changes to the information presented in the Notes to the Consolidated Financial Statements and to the presentation of the Group's statement of consollidated comprehensive income.

The following new standards and future changes to existing IFRS standards are currently being analysed: with effect from January 1, 2014, the changes to IAS 32 "Offsetting Financial Assets and Financial Liabilities" will become applicable, as will the IFRS Annual Improvements 2010-12 Cycle. With effect from January 1, 2015, the new IFRS 9 "Financial Instruments" standard will become applicable. It is not currently anticipated that these changes will have any material effect on the Group's financial statements.

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 operating 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 annual 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 2012	**Rate at December 31, 2012**	Average rate for 2011	Rate at December 31, 2011
Euro, 1 EUR	1.205	1.208	1.234	1.214
Swedish krona, 100 SEK	13.86	14.07	13.68	13.64
Danish krone, 100 DKK	16.19	16.19	16.52	16.33
Norwegian krone, 100 NOK	16.12	16.45	15.83	15.67

Net revenues and revenue recognition. Net revenues include all proceeds from the sale of goods, services and products manufactured by Valora itself, net of any deductions including rebates, discounts and other agreed concessions. Retail sales by the Valora Retail division are recognised upon sale to the customer. Payment is made in cash or by credit card. The sales value recorded is the amount received net of credit card fees. Wholesale revenues are recognised when the goods have been delivered, the customer has accepted them and there is sufficient certainty of the amount being received. Goods sold wholesale may be supplied on a sale-or-return basis. Where this applies, net revenues will be reduced by estimated return rates based on experience and other appropriate assumptions. In the case of sales for third parties, the commission due to Valora is recognised in net revenues.

Equity-based remuneration. The Valora Group pays some of the remuneration it grants in the form of Valora shares. The expense from this recorded in the income statement is calculated by multiplying the number of shares granted by the market price prevailing on the grant date (minus any amount payable by the recipients). The expense arising from schemes which will definitely be paid out in shares (equity settled schemes) is accrued against shareholders' equity. The expense from schemes where payment in shares is not certain is accrued as a liability. If the conditions for the allocation of shares extend over several years, the relevant expenses are accrued in appropriate proportions to the years concerned, based on the degree to which the targets are expected to be achieved.

Net financial results. Net gains and losses on the valuation of financial instruments at balance sheet dates which are credited or debited to the income statement do not include any dividend or interest payments. Dividend and interest income is reported separately (see note 13).

Income tax. Income tax is calculated based on the tax laws of each applicable sovereign jurisdiction and is charged to the income statement for the accounting period in which the net income in question arose. The applicable effective tax rates are applied to net income.

Deferred taxes which arise as a result of timing differences between the values of assets and liabilities reported on the balance sheet and their applicable tax values are shown as deferred tax assets or deferred tax liabilities. Deferred tax assets are recognised when there is a probability that sufficient taxable income will be available to offset against them. Deferred income taxes are calculated based on the rates of tax which are expected to apply in the tax period in which the deferred tax asset or liability concerned will be realised or settled. Deferred tax liabilities on temporary differences are generally recorded. Deferred tax assets are recognised only when there is a probability that there will be sufficient taxable income available to offset against them. Taxes receivable are offset against taxes payable if they relate to the same taxable entity and there is an enforceable legal basis for them to be offset against each other. Changes to deferred tax liabilities or assets are reported as tax expense or income in the income statement. This does not apply to deferred taxes relating to positions which are either shown under other comprehensive income or are accrued directly to shareholders' equity.

Disposals of business units. When business units which are not classified as discontinued operations are sold, their operating results until the date of their sale are included under the appropriate line items in the income statement and cash flow statement.

Net profit/loss from discontinued operations. When business segments or significant business areas are sold, all the income statement items relating to these units are aggregated and shown in a separate income statement line as results from discontinued operations. The cash flow statement shows detailed cash flows from continuing operations only. The net cash flows from discontinued operations generated by operating, investing and financing activities are disclosed in one line each.

Earnings per share. Earnings per share are calculated by dividing the net profit from continuing operations attributable to shareholders of Valora Holding AG by the average number of shares of the Valora Holding AG parent company outstanding. Diluted earnings per share take account of the dilutive effects of potential changes to the number of outstanding shares and adjust earnings per share accordingly.

Cash and cash equivalents. Cash and cash equivalents comprise cash balances, sight deposits with banks and short-term money market investments with a maturity not exceeding 3 months.

Trade accounts receivable. Trade accounts receivable are recorded at amortised costs minus any necessary adjustments for doubtful accounts. Adjustments are made if there is objective evidence that the amount may not be received in full.

Inventory. Inventory items are carried at the lower of either their purchase or manufacturing cost or their net realisable value. For Valora's Retail division, inventory is valued at average purchase cost, based on a moving average method. The Valora Services and Valora Trade divisions use the first-in, first-out method (FiFo). Ditsch/Brezelkönig values both its finished and unfinished products at their production cost, while all other inventory items are valued at average purchase cost based on a moving average method. Slow-moving or obsolete inventory items are valued according to standard business practices, with the items in question being partially or wholly written off.

Non-current assets held for sale. Non-current assets are classified as held for sale and valued at the lower of book or fair value minus selling costs, if their book value is expected to be realised principally from their sale rather than from their continued operational use. The assets in question must be immediately saleable and there must be a high probability that their sale will occur. If entire business units are held for sale, all their assets and all their directly attributable liabilities are recorded in the balance sheet separately as assets held in, or liabilities from, disposal groups.

Property, plant and equipment. Property plant and equipment is recorded at cost minus accumulated depreciation. Subsequent expenditure for renovation is capitalised only if the costs can be reliably determined and an economic benefit results from them. If these conditions are met, the renovation costs so capitalised are depreciated over the economically useful life of the property. All other renovation and maintenance costs are expensed directly to the income statement. Capitalised extensions and installations in rented premises are depreciated over their estimated economically useful life or the remaining term of the rental lease, if this is shorter. The interest costs relating to facilities which have been under construction for longer periods of time are capitalised.

Depreciation is charged according to the linear method, based on the estimated economically useful life of the item concerned:

	Years
Land for operational use	no depreciation
Buildings and building components, operational	15–40
Machinery, equipment, fixtures and fittings	6–10
Vehicles	5
IT hardware	3–5

Investment property. Investment property is recorded at purchase or construction cost minus accumulated depreciation. The fair values reported in these notes are based on current estimates of their income-generating capacity. Subsequent expenditure for renovation is capitalised only if the costs can be reliably determined and an economic benefit results from them. If these conditions are met, the renovation costs so capitalised are depreciated over their useful economic life. All other renovation and maintenance costs are expensed directly to the income statement.

The depreciation method is straight line, based on the following estimates of economically useful life:

	Years
Land	no depreciation
Buildings	20–60

Impairments to property, plant and equipment. The current values of property, plant and equipment are reviewed whenever changing circumstances or specific events suggest that their current book values might be too high. If the current book value of an asset exceeds its realisable value, which is defined as the higher of its current fair value minus selling costs or its value in use, the asset will be written down to its realisable value. Once made, an impairment may be reversed only if the assumptions previously used in determining the realisable value of the asset concerned have been subject to change. If such a change has occurred, the book value of the asset in question will be raised to its current realisable value. This new realisable value may not, however, exceed the value at which the asset would have been carried if no previous impairments had occurred and it had simply been subject to regular straight-line depreciation. Any increase in value resulting from such a reversal is recorded in the income statement immediately.

Government grants. Government grants are recognised at their fair value provided the Group meets the requisite conditions for receiving them. Grants which do not relate to investments are recognised in the income statement under Other income in the period in which the expense to which the grant relates was incurred. Investment grants are recognised as reductions in the purchase or production cost of the asset concerned and result in a corresponding reduction of the scheduled depreciation charges applied to it in subsequent periods.

Leases. Assets acquired under leasing agreements which transfer the benefits and risk of ownership from the lessor to the lessee are classified as non-current assets of the relevant category. Assets acquired under finance leases are initially capitalised at the lower of their market value or the net present value of all binding future leasing payments contracted at the beginning of the lease. On the liabilities side this same amount is recognised as a finance lease liability. Leased assets are amortised over their anticipated economically useful lives or the life of the lease if this is shorter and transfer of ownership at the end of the lease is not certain.

Similarly, fixed assets leased to third parties under agreements transferring substantially all the benefits and risks of ownership to the lessee are classified not as property, plant and equipment but as financial assets, recorded at the present value of the future leasing payments receivable.

Expense and income arising from operating leases is recognised in the income statement in a linear fashion over the life of the leases.

Intangible assets, excluding goodwill. Intangible assets are classified into one of the following three categories: software, intangible assets of limited duration or intangible assets of unlimited duration. All intangible assets, excluding goodwill, are carried at historical purchase or production cost minus accumulated depreciation.

Software. The purchase or production costs of software are recognised on the balance sheet if Valora expects to derive future economic benefit from the software concerned. Straight-line depreciation is applied over the expected economically useful life of the software.

Intangible assets of definite duration. Straight-line amortisation is applied to intangible assets of limited duration over their expected economically useful lives.

Intangible assets of indefinite duration. Intangible assets of unlimited duration are not subject to scheduled amortisation charges. They are subjected to an impairment test at least once a year, with impairment charges being recorded against them as required.

Amortisation is carried out based on the following estimates of economically useful life:

	Years
Software	3 – 5
Intangible assets of definite duration	3 – 20
Intangible assets of indefinite duration	no amortisation

Impairments to intangible assets. The current values of intangible assets excluding goodwill are reviewed whenever changing circumstances or specific events suggest that their current book values might be too high. If the current book value of an asset exceeds its realisable value, which is defined as the higher of its current fair value minus selling costs or its value in use, the asset will be written down to its realisable value. Once made, an impairment (other than one made to goodwill) may be reversed only if the assumptions previously used in determining the realisable value of the asset concerned have been subject to change. If such a change has occurred, the book value of the asset in question will be raised to its current realisable value. This new realisable value may not, however, exceed the value at which the asset would have been carried if no previous impairments had occurred and it had simply been subject to regular depreciation. Any increase in value resulting from such a reversal is recorded in the income statement immediately.

Goodwill. Goodwill is the amount by which the purchase price which the Group paid for a company it acquired exceeds the fair value of that company's net assets. Goodwill is recognised on the balance sheet in accordance with IFRS 3, and is attributed to the appropriate cash generating unit (CGU). The CGU is then subjected to an impairment test, which is carried out at least once a year, and more frequently should there be evidence suggesting possible impairment. This involves comparing the book value of the CGU to which the goodwill was assigned with the CGU's current realisable value. This realisable value is defined as the higher of the fair value of the CGU minus selling costs and its value in use. The fair value minus selling costs is defined as the amount which could be obtained for its disposal in an arm's length transaction on current market terms between willing and knowledgeable transacting parties after deduction of selling costs. If the book value of the cash generating unit exceeds this realisable value, the goodwill is impaired and the amount of the impairment will be charged to the income statement. No increases in the carrying value of goodwill are permitted.

Financial assets. Financial assets are classified according to one of the following categories:
- at fair value through profit or loss
- loans and receivables
- held to maturity
- available for sale

Classification depends on the purpose for which the financial assets were acquired and is determined when the assets are first recognised.

Financial assets at fair value through profit or loss. These include financial assets and derivative financial instruments held for trading purposes, as well as other assets assigned to this category on initial recognition. Financial assets are assigned to this category if they are acquired with a view to short-term sale. Financial assets in this category are either held for trading purposes or sold within 12 months of purchase.

Loans and receivables. Loans and receivables are financial assets whose payment dates and amounts are either fixed or can be determined and which are not traded in a market. They include the trade accounts receivable and other receivables which are shown separately on the balance sheet. They are classified as current assets unless their maturity is more than 12 months after the balance sheet date.

Held to maturity. This category covers financial assets which the company has the intention and the ability to hold until they mature. Valora does not hold any financial assets in this category.

Available for sale. This category covers minority interests (i.e. shareholdings of less than 20%) and financial assets not assigned to any other category. Financial assets available for sale are classified as non-current assets unless they are intended to be sold within 12 months.

All purchases and sales of financial assets are recorded on the trade date. Financial assets, except those held at fair value through profit and loss, are initially recorded at fair value plus transaction costs. Financial assets held for trading purpose are initially recorded at market value excluding transaction costs and thereafter, like all other “at fair value through profit or loss” assets, at their market value. Loans and receivables and financial assets held to maturity are recorded at their amortised value calculated by the effective yield method. Financial assets available for sale are carried at fair value, using market prices where available or model-based valuations where no market exists. Equity participations which are not traded in a market and for which insufficient data is available to perform a valuation are carried at cost (minus any impairments). Unrealised gains and losses are credited or debited to other comprehensive income. Enduring or significant impairments are recorded and charged to the income statement. When an available for sale financial asset is sold, the valuation adjustments which have been accumulated against shareholders’ equity in respect of it are passed to the income statement.

Interest-bearing debt. Interest-bearing liabilities are carried at their amortised value, with differences between their initial and maturity values being determined by the effective yield method and charged to financial expense.

Provisions. Provisions are recorded when, as a result of a past event, a liability has arisen whose amount can be reliably estimated and for whose settlement an outflow of cash is probable. Provisions are recorded at the net present value, as of the balance-sheet date, of the estimated future cash outflow.

Liabilities from employee pension schemes. Valora pays employer contributions to various pension schemes established according to local legislation. For defined benefit schemes, the present value of the benefit obligation is determined by an annual actuarial assessment under the projected unit credit method. These assessments take account of the contribution years accumulated by employees at the assessment date as well as their expected future remuneration trajectories. The employer's pension expense, interest costs and expected investment returns are booked to the income statement in the period in which they occur. Actuarial gains and losses and the effect of any ceiling applied to the net pension fund assets are accumulated under other comprehensive income.

Expenses for defined contribution pension schemes are charged to the income statement in the period in which they are incurred.

Accounting for derivative financial instruments and hedging transactions. Positions in derivative financial instruments are recorded at their value when established and adjusted thereafter to reflect changes in fair value. Recognition methods for gains or losses depend on whether the instrument was used to hedge an identifiable risk and whether the conditions for hedge accounting are met. The objective of recognising a transaction as a hedge is to ensure that changes in the value of the item being hedged and those in the hedging instrument cancel each other out during the time the hedge is in place. If a derivative financial instrument is not designated as a hedge or if it does not meet hedge accounting criteria, gains and losses arising from changes in its fair value are recognised in the income statement. To qualify for hedge accounting treatment, a hedging transaction must meet a number of strict criteria relating to transaction documentation, probability, hedge effectiveness and valuation reliability. When engaging in a hedging transaction, the Group documents the relationship between the hedging instrument and the hedged item and the purpose and strategy of the hedge. This process also requires that all derivatives used for hedging purposes be linked to specific assets or liabilities, or to firm commitments and expected future transactions. Both when a hedge is set up and during its life the Group documents the extent to which changes in the fair value of the derivative financial instrument offset changes in the value of the item it hedges. When hedges which qualify for hedge accounting treatment are initially established, they are classified either as a) hedging the fair value of a specific asset or liability (fair value hedges), b) hedging future cash flows arising from an expected future transaction or a firm commitment (cash flow hedges), or c) hedging a net investment in a foreign subsidiary.

Any gains or losses from hedging instruments classified as cash flow hedges which effectively offset changes in the value of future cash flows are booked to other comprehensive income. Gains or losses which do not meet this effectiveness requirement are immediately recorded in the income statement. The amounts recorded under other comprehensive income are then transferred to the income statement when the cash flows they hedge are booked.

If the requirements for hedge accounting treatment are no longer met, any gains and losses accumulated under other comprehensive income will remain in shareholders' equity until the underlying transaction for which the hedge was established has occurred. If the underlying transaction is no longer expected to occur, these accumulated gains and losses will immediately be passed to the income statement.

5 MANAGEMENT'S ESTIMATIONS, ASSUMPTIONS AND EXERCISE OF DISCRETION

Significant assumptions in the application of accounting principles. The application of accounting principles to the Group requires assessments by management which – while no estimates are used to this end – may have a significant influence on the figures reported in the consolidated financial statements. Management assessments are needed in the analysis of the substance of complex transactions. In the opinion of management, these financial statements do not contain any assumptions regarding the application of accounting principles which have a material effect on the figures reported.

Significant estimations. Preparation of the consolidated financial statements under IFRS requires the use of estimations regarding the future and may have an influence on the amount of certain items reported in the income statement, the statement of comprehensive income, the balance sheet and their explanatory notes. Any estimations underlying the figures reported in the consolidated financial statements are based on experience and the information available at the time the statements were prepared. Estimations and assumptions are reviewed regularly and adapted where necessary. Nevertheless, subsequent actual outcomes may diverge from earlier estimations. Any changes resulting from modifications of estimated values are recognised in the consolidated financial statements in the year in which such modifications are made. Estimations and assumptions bearing significant risks of substantial future changes to book values are listed below:

Property, plant and equipment. The useful life of property, plant and equipment is determined based on experience and the current technical characteristics of the assets concerned. The actual useful life of a specific asset may deviate from that initially determined due to changes in technology and market conditions. In the event of such a deviation, the remaining useful life of the asset concerned is adjusted. The value of fixed assets is always re-assessed whenever changes in circumstances indicate that their current book value may exceed their fair value. Fair value is determined on the basis of estimates and management's assumptions about the economic utility of the assets concerned. Values subsequently realised can deviate from these estimates (see note 20).

Goodwill. The consolidated balance sheet carries goodwill from continuing operations at CHF 469.6 million (see note 22). As explained above, this goodwill is subjected to an impairment test whenever evidence suggests that its realisable value may have diminished and in any event at least once annually.

The impairment tests are based on estimated future free cash flows, using discounted cash flow analysis, for each of the cash generating units concerned. The principal factors affecting these valuations are the estimated net revenues, estimated operating margins and the discount rate applied.

Net pension asset. The Group maintains occupational pension schemes of its own which are classified as defined benefit schemes for IFRS purposes. IFRS requires an annual comparison of the pension plans' assets with the dynamically calculated net present value of their benefit obligations. These valuations showed a pension plan surplus for the Swiss schemes which is capitalised in the consolidated balance sheet and which corresponds to that portion of the surplus which the Group is entitled to offset against its benefit obligations under the plans concerned. These valuations are based on a number of assumptions, principal among which are the discount rate applied to future benefits, the expected rate of return on the invested capital, and the expected future pensions and salaries of the plan participants (see note 30). Actual outcomes may diverge considerably from the assumptions made.

Deferred income tax assets. Under IFRS rules, that portion of any tax loss carry forwards which can be expected to result in future tax savings should be recognised as a deferred tax asset (see note 14). The amount of tax savings which are then actually achieved will depend on the level of income generated before the tax loss carry forwards expire. This means that future net income may be impacted by impairments on deferred tax assets if the profits the Group generates during the relevant period are below initial expectations. Conversely, additional net income may be recognised if the profits the Group generates exceed expectations and previously unrecognised tax loss carry forwards can be drawn on.

Provisions. Provisions are established for liabilities whose amount and / or due date cannot be determined with certainty and a future disbursement in respect of the matter in question is probable. A further prerequisite for the creation of such provisions is that the amount of the potential loss can be reliably estimated. In assessing whether a provision is appropriate and what its amount should be, the best available estimates and assumptions are made with regard to the situation as of the balance sheet date. Since new evidence and unfolding events can have a significant effect on subsequent outcomes, earlier estimates and assumptions may be revised in the light of later evidence and events, if their effect on these estimates and assumptions is substantial (see note 29).

6 ACQUISITIONS AND DISPOSALS OF BUSINESS UNITS

Transactions completed in 2012.

Sale of Services Austria. Sale of Services Austria operations. The operations of Valora Services Austria GmbH, whose registered offices are in Anif, Austria, were sold in their entirety as of October 17, 2012. The book-value gain realised on this transaction is recognised under Other income (see note 11).

Net assets sold, net sale price, net cash generated

in CHF 000	Book values
Current assets	20 923
Non-current assets	20 857
Current liabilities	– 22 105
Non-current liabilities	– 5 743
= Net assets sold	**13 932**
Gain on sale of subsidiary	22 900
Reclassification of currency-translation differences	– 1 381
Reclassification of valuation gains on financial assets available for sale	– 64
= Net sale price	**35 387**
Outstanding net sale price	– 7 005
Cash and cash equivalents sold	– 47
= Net cash from sales of subsidiaries	**28 335**

Acquisitions

Net assets purchased, purchase price, net cash used

in CHF 000	Ditsch / Brezelkönig fair value (preliminary)	Convenience Concept fair value	Schmelzer-Bettenhausen fair value
Current assets	46 958	13 714	1 163
Intangible assets	87 500	23 624	108
Other non-current assets	79 684	15 039	856
Current liabilities	– 56 714	– 27 291	– 1 289
Deferred income tax liabilities	– 32 496	– 7 848	– 6
Other non-current liabilities	– 1 082	0	– 341
= Net assets acquired	**123 850**	**17 238**	**491**
Previously held interest	0	0	– 108
Goodwill from acquisition	244 564	72 459	1 332
= Purchase price	**368 414**	**89 697**	**1 715**
Outstanding contingent consideration	0	– 6 737	0
Consideration paid by cancellation of offsetting items	– 20 472	0	0
Consideration paid through issuance of new shares	– 110 785	0	0
= Consideration paid in cash and cash equivalents	237 157	82 960	1 715
Cash and cash equivalents acquired	– 3 119	– 17	– 82
= Cash used in acquisition of subsidiaries	**234 038**	**82 943**	**1 633**

Acquisition of Ditsch / Brezelkönig. As of October 10, 2012, the Valora Group acquired 100 % of Brezelbäckerei Ditsch GmbH, Prisma Backwaren GmbH and Brezelkönig GmbH & Co. KG, all three having their registered offices in Mainz, Germany. Brezelkönig GmbH & Co. KG operates in Switzerland, while Brezelbäckerei Ditsch GmbH and Prisma Backwaren GmbH operate in Germany. These companies produce bakery products which they distribute through retail and wholesale channels. The companies' 230 outlets in Germany and Switzerland are operated on an agency basis. These acquisitions have enabled Valora to enter the rapidly growing market for food and beverages destined for immediate consumption. Given the nature of its business and its organisational structure, separate internal reporting and monitoring arrangements have been established for Ditsch / Brezelkönig, which constitutes a separate reporting segment in its own right. Since not all the information necessary for a final determination of the companies' net assets and purchase-price consideration are yet available, the figures relating to asset values, liabilities and purchase-price consideration remain provisional at this stage.

The provisional capitalised goodwill of CHF 244.6 million represents the portions of the purchase price which were not recognisable. These relate to the benefits to Valora of the growth and synergy potential arising from this acquisition. Valora expects a proportion of this goodwill to be tax-deductible.

The provisional purchase-price consideration for these acquisitions amounts to CHF 368.4 million, of which CHF 237.1 million was paid in cash, CHF 110.8 million was paid through the issuance of new Valora shares and CHF 20.5 million was paid by receivable offset.

Following its acquisition by Valora, Ditsch / Brezelkönig contributed CHF 50.1 million to Group 2012 net revenues and CHF 4.7 million to Group 2012 net income. Had the acquisition been made on January 1, 2012, the contribution to Group 2012 net revenues would have been CHF 185.4 million and the net income contribution CHF 19.7 million.

Acquisition of Convenience Concept. As of April 2, 2012, the Valora Group acquired 100 % of Convenience Concept GmbH, a German company with registered offices in Ratingen. The company operates a number of retail concepts through its network of more than 1 200 outlets, all of which are managed by independent business partners or franchisees. This acquisition has enabled Valora to strengthen its position in small-outlet retail at heavily frequented sites throughout Germany. The results generated by Convenience Concept are included in Valora's segment reporting for its Retail division.

The provisional capitalised goodwill of CHF 244.6 million represents the portions of the purchase price which were not recognisable, relating to the benefits to Valora of the growth and synergy potential arising from this acquisition. These relate to synergies arising from the acquisition and to the strengthening of Valora's position vis-à-vis its wholesale suppliers. Valora does not expect the capitalised goodwill to be tax-deductible.

The purchase price for this acquisition amounts to CHF 89.7 million, of which CHF 83.0 million has been paid and CHF 6.7 million currently remains outstanding. The purchase agreement includes a contingent consideration arrangement under which a further consideration will become payable in 2015 provided an agreed sales metric has been reached. The undiscounted value of the payment potentially falling due in 2015 is either CHF 7.2 million, if the agreed sales metric is reached, or zero, if it is not. Since there is every probability that the agreed metric will be reached, the net present value of the contingent consideration, amounting to CHF 6.7 million, has been recognised as a liability.

Current assets comprise accounts receivable with a market value of CHF 13.7 million. The gross amount of all accounts receivable is CHF 15.0 million, to which impairments of CHF 1.3 million were applied at the time of the acquisition.

Following its acquisition by Valora, Convenience Concept GmbH contributed CHF 38.2 million to Group 2012 net revenues and CHF 3.0 million to Group 2012 net income. Had the acquisition been made on January 1, 2012, the contribution to Group 2012 net revenues would have been CHF 50.7 million and the net income contribution CHF 4.0 million.

Acquisition of Schmelzer-Bettenhausen. As of January 1, 2012, the Valora Group acquired 78% of both Karl Schmelzer-J.Bettenhausen GmbH & Co. KG and its limited-liability partner, both having their registered offices in Vienna, Austria. Including the 22% stake it already held at the time, Valora thus acquired all the shares in these companies as of January 1, 2012.

The company operates a total of 10 bookshops at Austrian railway stations and at Vienna airport. Schmelzer-Bettenhausen has been renamed Valora Retail Austria and its results are included in Valora's segment reporting for its Retail division.

The capitalised goodwill of CHF 1.3 million represents the portions of the purchase price which were not recognisable, relating to the benefits to Valora of establishing an Austrian retail market presence, to its opportunities for future expansion in that market and to anticipated synergies with its P&B retail format. These relate to the benefits to Valora of establishing an Austrian retail market presence, its opportunities for future expansion in that market and anticipated synergies with its P&B retail format. Valora does not expect the capitalised goodwill to be tax-deductible.

The purchase price amounted to CHF 1.7 million, which has been paid in full.

The fair value of the stake Valora held in Schmelzer-Bettenhausen at the time of the acquisition was carried at CHF 0.1 million. The gain arising from the revaluation of this position was CHF 0.1 million. This is reported in the income statement under share of result from associates and joint ventures.

The company's current assets comprise receivables with a market value of CHF 0.2 million. No impairments have been recorded against these and their full contractual value is expected to be realisable.

Following its acquisition by Valora, Schmelzer-Bettenhausen contributed CHF 16.5 million to Group 2012 net revenues. It made a negative contribution of CHF –0.8 million to the Group's 2012 net income.

Transaction costs. The total transaction costs attributable to these acquisitions amounted to CHF 5.4 million, of which CHF 3.8 million relate to Ditsch / Brezelkönig and CHF 1.5 million to Convenience Concept. These costs, CHF 1.7 million of which were incurred in 2011, are included in the income statement under "Other operating expenses".

Transactions completed in 2011.

Acquisitions

Net assets purchased, purchase price paid, net cash used

in CHF 000	Delvita and Salty Snacks fair value	Scandinavian Cosmetics fair value
Current assets	3 092	17 915
Intangible assets	1 751	11 702
Other non-current assets	79	105
Current liabilities	– 1 277	– 13 572
Deferred income tax liabilities	– 560	– 4 127
= Net assets acquired	**3 085**	**12 023**
Goodwill from acquisition	1 409	26 031
= Purchase price	**4 494**	**38 054**
Outstanding contingent consideration	– 873	0
= Purchase price paid	3 621	38 054
Cash and cash equivalents acquired	– 647	– 765
= Cash used in acquisition of subsidiaries	**2 974**	**37 289**

Acquisition of Delvita und Salty Snacks. As of January 1, 2011, the Valora Group acquired 100% of Delvita Delikatessen GmbH and 100% of SaltySnackS GmbH, both with registered offices in Nettetal, Germany. Following the acquisition, the two companies were merged to form Salty Snacks Delicatessen GmbH and the new entity's registered offices were established in Mülheim an der Ruhr, Germany. The company is a traditional trading firm whose principal activities are the distribution of savoury snacks and specialised novelty products to medium-sized suppliers and principals. In the Valora Group's segment reporting, Delvita and Salty Snacks are incorporated in the results of Valora Trade.

The capitalised goodwill of CHF 1.4 million represents the portions of the purchase price which were not recognisable. These relate to synergies arising from the acquisition, the extent to which the acquired company's products complement and extend Valora Trade Germany's product mix and the strengthening of Valora Trade Germany's market position vis-à-vis its trade partners. Valora does not expect the capitalised goodwill to be tax deductible.

The purchase price of the acquisition was CHF 4.5 million, of which CHF 3.6 million has been paid and CHF 0.9 million is currently outstanding under the terms of a contingent consideration arrangement. Payment of this contingent consideration depends on the attainment of two separate performance-related milestones. If these are achieved, the related payments will fall due in 2012 and 2013. The amount of the potential undiscounted disbursements associated with this arrangement is between zero and EUR 0.7 million (CHF 0.9 million). Since there is every probability that these milestones will be achieved, a liability equal to the maximum possible amount has been recognised.

CHF 0.3 million was paid in 2012. Based on the latest management estimates, CHF 0.4 million will be payable under the contract in 2013. This is recorded as a liability as of year-end 2012.

Current assets at the time of the acquisition comprised accounts receivable with a market value of CHF 1.7 million. No impairments were recorded against them and their full contractual value was realised.

In the year it was acquired by Valora, Delvita and Salty Snacks contributed net revenues of CHF 12.2 million and net profit of CHF 0.9 million to the Group's consolidated results.

Acquisition of Scandinavian Cosmetics. As of August 23, 2011, the Valora Group acquired 100 % of the Swedish company Scandinavian Cosmetics, whose registered offices are in Malmö. The company is Sweden's leading cosmetics distributor. Scandinavian Cosmetics has been integrated into the operations of Valora's Trade division.

The capitalised goodwill of CHF 26.0 million represents the portions of the purchase price which were not recognisable. These relate to the benefits to Valora of gaining access to new geographic markets and synergies which Valora expects to achieve from the creation of a cross-border Scandinavian cosmetics platform. Valora does not expect the capitalised goodwill to be tax deductible.

The total purchase price for this acquisition was CHF 38.1 million (SEK 308 million), one quarter of which – CHF 9.5 million (SEK 77 million) – has been paid into an escrow account as a contingent consideration. After 3 years, this amount will be released to the vendor in full (including accrued interest) provided that the 5 most important contractual relationships the company currently has in place remain unchanged and in force at that time. Since there is every probability that this condition will be met, the total purchase price has been recorded as the purchase price paid. As of December 31, 2012 this condition was fully met.

Current assets at the time of the acquisition comprised accounts receivable with a market value of CHF 4.3 million. No impairments were applied to these and their full contractual value was realised.

In the year it was acquired by Valora, Scandinavian Cosmetics contributed net revenues of CHF 31.5 million and net profit of CHF 2.0 million to the Group's consolidated results. Had the acquisition taken place with effect from January 1, 2011, net revenues would have been CHF 69.9 million and net profit CHF 2.4 million.

Transaction costs. The total transaction costs attributable to these acquisitions amounted to CHF 0.7 million. These have been recorded in the income statement under "Other operating expenses".

7 DISCONTINUED OPERATIONS

The remaining guarantees made in respect of Sørlandchips AS expired in 2011. As a result, the remaining provisions, amounting to CHF 0.3 million, were released in their entirety in 2011.

No such releases were made to the income statement in 2012.

Income statement for discontinued operations

January 1 – December 31, in CHF 000	**2012**	2011
Net revenues	0	0
Gross profit	**0**	**0**
Operating expenses	0	0
Other income, net	0	317
Operating profit (EBIT)	**0**	**317**
Financial result	0	0
Profit before taxes	**0**	**317**
Income taxes	0	0
Operating profit	**0**	**317**
Accumulated currency translation differences	0	0
Net profit from discontinued operations	**0**	**317**

Earnings per share from discontinued operations amounted to CHF 0.00 in 2012 (CHF 0.11 in 2011). There were no dilutive effects in 2012 and 2011.

8 SEGMENT REPORTING

The Valora Group is a trading company operating on a Europe-wide scale, with business activities carried out in the following four reportable business segments:

Valora Retail: Valora Retail operates small retail outlets at heavily frequented locations in Switzerland, Germany, Luxembourg and Austria. The division operates country-wide marketing and distribution systems for press, tobacco and consumer products for daily use and the impulse buyer's market. Valora Retail's market presence comprises the k kiosk, k presse + buch, avec., P&B, tabacon, ServiceStore DB, CIGO and Caffè Spettacolo formats.

Ditsch / Brezelkönig: Ditsch / Brezelkönig produces lye-bread and other bakery products in Germany and Switzerland. These are distributed both to its own agency outlets and to the wholesale sector. Ditsch / Brezelkönig was established as a new reporting segment in the Group's accounts as of October 10, 2012 (see note 6).

Valora Services: Valora Services is engaged in the distribution of press products as well as carrying out wholesaling activities. In its press distribution activities for Valora-operated and third-party retail outlets in Switzerland and Luxembourg, the division is the market leader, both for traditional physical distribution and other services. In Switzerland, Valora Services also distributes food and non-food articles to the retail trade.

Valora Trade: Valora Trade deploys a range of customer-specific distribution and marketing solutions to supply fast-moving consumer goods to the organised and independent retail sectors in seven European national markets.

Other: The Valora Group's corporate support functions in finance, human resources, business development, legal services and communications, as well as its IT services and the central logistics functions for Valora Retail Switzerland and Valora Services Switzerland are all classified under "Other" . The net revenues shown for this division are those arising from the logistics services it provides. The assets for this segment predominantly consist of loans to Group companies, cash and cash equivalents and short-term receivables. Its liabilities essentially comprise the bond issue and the syndicated loan listed in note 26.

Reportable segments are identified on the basis of the type of products each segment deals in and the way in which these are distributed. At Valora, these segments comprise a variety of retail formats and geographical regions. The net revenues generated by these segments relate to the sale of goods. Their non-current assets comprise property, plant and equipment, investment property and intangible assets (additions to which are shown without changes in consolidation scope). Valora's internal reporting is based on the same valuation principles as its external reporting.

Segment data by division

2012

in CHF 000	Valora Retail	Ditsch/ Brezelkönig	Valora Services	Valora Trade	Other	Intersegment elimination	Total Group
Net revenues							
Total	**1 663 375**	**50 085**	**464 977**	**792 537**	**13 612**	**– 136 676**	**2 847 910**
From third parties	1 660 952	50 085	335 241	788 020	13 612	0	2 847 910
From other divisions	2 423	0	129 736	4 517	0	– 136 676	0
Operating profit (EBIT)							
Total	[1] **25 345**	**7 135**	**11 979**	**8 106**	**13 210**	**0**	**65 775**
Depreciation and impairment charges	30 537	3 441	3 462	3 332	14 678	0	55 450
Additions to long-term assets							
Total	**43 486**	**3 674**	**886**	**5 895**	**14 799**	**0**	**68 740**
Segment assets							
Total	**639 004**	**455 334**	**155 448**	**376 394**	**441 552**	**– 465 642**	**1 602 090**
Investment in associates and joint ventures	0	0	0	4 554	0	0	4 554
Segment liabilities							
Total	**549 259**	**88 607**	**83 111**	**212 923**	**558 516**	**– 465 642**	**1 026 774**

[1] The Retail division's operating profit includes the CHF 14.2 million loss incurred on the sale of the Muttenz facility.

Net revenues from third parties comprise CHF 2712 million for goods sold, CHF 95 million for services provided and CHF 41 million for sales of goods produced by Valora itself. The depreciation and impairment charges include impairments of CHF 952 thousand for Valora Retail, impairment of CHF 75 thousand for Valora Services and impairments of CHF 115 thousand for Other.

2011

in CHF 000	Valora Retail	Valora Services	Valora Trade	Other	Intersegment elimination	Total Group
Net revenues						
Total	**1 613 174**	**599 742**	**744 522**	**10 829**	**– 150 363**	**2 817 904**
From third parties	1 611 226	456 665	739 184	10 829	0	2 817 904
From other divisions	1 948	143 077	5 338	0	– 150 363	0
Operating profit (EBIT)						
Total	**41 793**	**19 954**	**16 335**	**– 7 556**	**0**	**70 526**
Depreciation and impairment charges	24 575	4 511	3 222	14 214	0	46 522
Increase of provisions	0	0	0	753	0	753
Release of provisions	– 2 948	0	0	0	0	– 2 948
Additions to long-term assets						
Total	**29 386**	**1 505**	**1 755**	**22 032**	**0**	**54 678**
Segment assets						
Total	**574 325**	**213 394**	**361 858**	**337 590**	**– 384 047**	**1 103 120**
Investment in associates and joint ventures	0	2	4 289	0	0	4 291
Segment liabilities						
Total	**463 760**	**132 084**	**204 605**	**224 386**	**– 384 047**	**640 788**

Net revenues from third parties comprise CHF 2753 million for goods sold and CHF 65 million for services provided. The depreciation and impairment charges include impairments of CHF 814 thousand for Valora Retail.

Segment data by region

2012

in CHF 000	Switzerland	Germany	Other Europe	Total Group
Net revenues from third parties	1 646 079	412 693	789 138	2 847 910
Long-term assets	322 384	422 125	144 397	888 906

2011

in CHF 000	Switzerland	Germany	Other Europe	Total Group
Net revenues from third parties	1 731 815	324 416	761 673	2 817 904
Long-term assets	245 275	50 699	161 868	457 842

The information shown regarding revenues and non-current assets (property, plant and equipment, investment property and intangible assets) is based on the location of the subsidiaries concerned. No single customer accounts for more than 10% of net revenues from third parties.

9 PERSONNEL EXPENSES

in CHF 000	**2012**	2011
Salaries and wages	321 580	348 162
Social security payments	48 413	47 063
Share-based payments	642	483
Other personnel expenses	14 893	13 587
Total personnel expenses	**385 528**	**409 295**
Number of employees (full-time equivalent basis) at December 31	5 962	5 801

Social security payments include CHF 4233 thousand (CHF 3664 thousand in 2011) in respect of defined contribution pension plans. Other personnel expenses essentially comprise remuneration for temporary staff paid to employment agencies, staff training costs and personnel recruitment costs. The increase in the number of employees in 2012 reflects acquisitions made by Valora.

10 OTHER OPERATING EXPENSES

in CHF 000	2012	2011
Rent	152 291	127 410
Real-estate expenses	8 057	6 359
Energy	25 371	22 333
Insurance	1 874	1 707
Communications and IT	28 625	20 641
Advertising and sales	69 429	59 643
Shipping and dispatch	61 737	61 720
General administration	30 478	28 542
Capital and other taxes	987	1 320
Agency fees	51 575	11 767
Operating leases	5 420	3 643
Other operating expenses	12 833	12 990
Total other operating expenses	**448 677**	**358 075**

11 OTHER REVENUES AND OTHER EXPENSES

in CHF 000	2012	2011
Rental income	3 114	2 510
Gains from disposal of non-current assets	2 392	1 033
Gain on sale of subsidiary (see note 6)	22 900	0
Other revenues	1 759	5 154
Total other revenues	**30 165**	**8 697**

The gains from disposal of non-current assets in 2012 principally relate to property sales. Other revenues in 2011 include the release of provisions established in respect of litigation (see note 29).

in CHF 000	2012	2011
Losses from disposal of non-current assets	– 14 647	– 584
Other expenses	– 432	– 68
Total other expenses	**– 15 079**	**– 652**

The losses from disposal of non-current assets in 2012 principally relate to the sale of the Muttenz facility.

12 FINANCIAL EXPENSE

in CHF 000	2012	2011
Cost of bank loans and liabilities	6 106	1 966
Interest on bonds issued	7 958	4 352
Interest on finance leases	89	115
Interest-rate effect of long-term provisions (see note 29)	113	– 899
Net losses from derivative financial instruments	160	0
Currency translation losses, net	0	421
Total financial expense	**14 426**	**5 955**

13 FINANCIAL INCOME

in CHF 000	2012	2011
Interest earned on cash, cash equivalents, loans and receivables	695	653
Interest income from finance leases	318	334
Write-down reversals, net	598	0
Net gains from derivative financial instruments	0	1 217
Dividend income from financial investments available for sale	85	16
Currency translation gains, net	106	0
Total financial income	**1 802**	**2 220**

14 INCOME TAXES

Income tax expense was as follows:

in CHF 000	2012	2011
Expense on current income taxes	9 854	3 939
Expense/(income) from deferred income taxes	– 1 978	6 067
Total income tax	**7 876**	**10 006**

A current tax benefit amounting to CHF 198 thousand was recorded directly to shareholders' equity in 2012 (none in 2011).

The differences between reported Group income tax expense and the expected tax expenses of the individual Group companies based on their applicable tax rates can be reconciled as follows:

in CHF 000	**2012**	2011
Profit before income taxes	53 620	67 046
Expected average Group tax rate	17.36 %	20.44 %
Income taxes at expected Group tax rate	**9 308**	**13 704**
Expenses not recognised for tax purposes / non-taxable revenues	2 637	1 267
Utilisation of previously unrecognised loss carry forwards	– 2 067	– 786
Out-of-period effects on current income taxes	– 706	– 3 054
Impairments recognised against deferred income tax assets	7 763	2 652
Release of previous impairments against deferred income tax assets	– 8 001	– 3 985
Changes in tax rates	– 344	0
Other effects	– 714	208
Total reported income taxes	**7 876**	**10 006**
Effective tax rate	14.7 %	14.9 %

Expected average Group tax rates take account of the tax rates applying to individual entities on a weighted basis. The expected average Group tax rate for 2012 is lower than the previous year, because entities with comparatively lower tax rates generated a higher proportion of Group pre-tax earnings than in 2011.

Changes to deferred income taxes were as follows:

Changes to deferred tax assets and liabilities in CHF 000	**Deferred tax assets**	**Deferred tax liabilities**	**Net assets (+)/ Net liabilities (–)**
Balance at December 31, 2010	**31 154**	**– 15 911**	**15 243**
Deferred taxes recorded in the income statement	– 3 307	– 2 760	– 6 067
Deferred taxes recorded in other comprehensive income	19	9 055	9 074
Additions to consolidation scope	0	– 4 687	– 4 687
Currency translation differences	– 296	– 302	– 598
Balance at December 31, 2011	**27 570**	**– 14 605**	**12 965**
Deferred taxes recorded in the income statement	– 698	2 676	1 978
Deferred taxes recorded in other comprehensive income	13	– 60	– 47
Additions to consolidation scope	0	– 40 350	– 40 350
Removals from consolidation scope	0	1 303	1 303
Currency translation differences	– 1	– 195	– 196
Balance at December 31, 2012	**26 884**	**– 51 231**	**– 24 347**

The composition of the capitalised deferred income tax assets and liabilities is as follows:

Deferred tax assets by source of difference	**2012**	2011
in CHF 000		
Current assets	486	590
Property, plant and equipment	768	82
Goodwill, software and other intangible assets	10 253	19 208
Liabilities and provisions	1 423	2 102
Tax loss carry forwards	15 458	8 123
Total	**28 388**	**30 105**
Deferred tax liabilities by source of difference		
Current assets	– 340	– 1 546
Property, plant and equipment	– 10 826	– 3 833
Goodwill, software and other intangible assets	– 36 201	– 7 512
Net pension asset	– 4 186	– 2 723
Other non-current assets	– 1 165	– 938
Liabilities and provisions	– 17	– 588
Total	**– 52 735**	**– 17 140**
Reported in the balance sheet		
Deferred income tax assets	26 884	27 570
Deferred income tax liabilities	– 51 231	– 14 605
Total deferrred income tax assets, net	**– 24 347**	**12 965**

Tax loss carry forwards are as follows: CHF 209.2 million (CHF 218.8 million in 2011). In 2012, CHF 48.1 million of the CHF 160.7 million available was not recognised as a deferred tax asset, since it is unlikely that this will be realised. In 2011, CHF 58.8 million of the CHF 193.4 million available was not recognised as a deferred tax asset for the same reason. These tax loss carry forwards either cannot expire or have expiration dates more than 5 years in the future.

There are temporary differences amounting to CHF 261.0 million (CHF 210.4 million in 2011) for which no deferred tax assets were capitalised.

15 EARNINGS PER SHARE

Earnings per share are calculated by dividing the net profit attributable to shareholders of Valora Holding AG by the weighted average number of shares outstanding.

in CHF 000	2012	2011
Net profit from continuing operations	45 744	57 040
Net profit attributable to non-controlling interests	– 301	– 1 029
Net profit from continuing operations attributable to Valora Holding AG shareholders	45 443	56 011
Net profit from discontinued operations	0	317
Net profit from continuing and discontinued operations attributable to Valora Holding AG shareholders	**45 443**	**56 328**
Average number of shares outstanding	2 913 674	2 767 795
Earnings per share from continuing operations (in CHF)	15.60	20.24
Earnings per share from continued and discontinued operations (in CHF)	**15.60**	**20.35**

There were no dilutive effects in 2012 or 2011.

16 CASH AND CASH EQUIVALENTS

in CHF 000	2012	2011
Petty cash and bank sight deposits	146 745	109 180
Bank term deposits and money market investments < 3 months	408	382
Total cash and cash equivalents	**147 153**	**109 562**
of which pledged	6 341	9 826

17 TRADE ACCOUNTS RECEIVABLE

in CHF 000	2012	2011
Trade accounts receivable, gross	173 622	177 811
Allowance for bad and doubtful debts	– 4 330	– 3 769
Total trade accounts receivable, net	**169 292**	**174 042**

Allowances for trade accounts receivable are shown in the table below:

in CHF 000	**2012**	2011
Position at January 1	**3 769**	**2 934**
Removal from consolidation scope	– 33	0
Allowance creation charged to income	2 543	2 133
Allowances released to income	– 386	– 321
Allowances utilised	– 1 570	– 960
Currency translation differences	7	– 17
Position at December 31	**4 330**	**3 769**

The year-end composition, by vintage, of overdue trade accounts receivable which have not been subjected to allowance is as follows:

in CHF 000	**2012**	2011
Up to 10 days overdue	6 247	9 552
More than 10 days, but less than one month overdue	15 107	10 027
More than one month, but less than two months overdue	1 434	2 767
More than two months, but less than four months overdue	538	1 121
More than four months overdue	253	399

The breakdown of trade accounts receivable by currency is as follows:

in CHF 000	**2012**	2011
CHF	67 397	69 636
DKK	30 225	29 467
EUR	36 340	39 792
NOK	10 573	12 169
SEK	24 748	22 957
Others	9	21
Total trade accounts receivable, net	**169 292**	**174 042**

18 INVENTORIES

in CHF 000	2012	2011
Merchandise	228 644	236 189
Finished and semi-finished goods	2 594	0
Other inventories	1 898	110
Total inventories	**233 136**	**236 299**

In 2012, write-downs of CHF 6.0 million were charged to cost of goods (CHF 5.7 million in 2011).

19 OTHER CURRENT RECEIVABLES

in CHF 000	2012	2011
Value-added tax, withholding tax and other taxes recoverable	4 350	6 183
Prepaid expenses and accrued income	20 977	19 875
Short-term receivables from finance leases	620	621
Miscellaneous receivables	60 529	39 918
Total other current receivables	**86 476**	**66 597**

The miscellaneous receivables above principally comprise cost reimbursement receivables and payments receivable from social security agencies and insurers. Additional information relating to receivables from finance leases can be found in note 23.

20 PROPERTY, PLANT AND EQUIPMENT

in CHF 000	Land	Buildings	Machinery and equipment	Projects in progress	Total
At cost					
Balance at December 31, 2010	**18 590**	**144 396**	**353 025**	**7 941**	**523 952**
Consolidation scope additions	0	0	184	0	184
Additions	0	11	24 106	13 790	37 907
Disposals	– 2 193	– 4 584	– 18 756	0	– 25 533
Transfers	0	0	4 461	– 5 121	– 660
Translation adjustments	– 179	– 378	– 1 886	– 32	– 2 475
Balance at December 31, 2011	**16 218**	**139 445**	**361 134**	**16 578**	**533 375**
Consolidation scope additions	6 427	14 506	66 995	7 379	95 307
Consolidation scope removals	– 5 996	– 8 378	– 7 868	0	– 22 242
Additions	0	8 687	39 302	1 405	49 394
Disposals	– 9 676	– 131 451	– 32 544	0	– 173 671
Transfers	0	6 659	15 187	– 21 829	17
Translation adjustments	– 31	– 86	– 200	– 22	– 339
Balance at December 31, 2012	**6 942**	**29 382**	**442 006**	**3 511**	**481 841**
Accumulated depreciation / impairments					
Balance at December 31, 2010	**0**	**– 58 917**	**– 247 329**	**0**	**– 306 246**
Additions	0	– 2 584	– 24 908	0	– 27 492
Impairment	0	0	– 814	0	– 814
Disposals	0	1 948	17 075	0	19 023
Transfers	0	0	0	0	0
Translation adjustments	0	172	1 284	0	1 456
Balance at December 31, 2011	**0**	**– 59 381**	**– 254 692**	**0**	**– 314 073**
Consolidation scope removals	0	5 330	6 103	0	11 433
Additions	0	– 2 546	– 29 662	0	– 32 208
Impairment	0	0	– 959	0	– 959
Disposals	0	54 771	29 293	0	84 064
Transfers	0	0	0	0	0
Translation adjustments	0	36	135	0	171
Balance at December 31, 2012	**0**	**– 1 790**	**– 249 782**	**0**	**– 251 572**
Net book value					
at December 31 2011	16 218	80 064	106 442	16 578	219 302
at December 31, 2012	**6 942**	**27 592**	**192 224**	**3 511**	**230 269**

Property, plant and equipment includes finance leases on machinery and equipment with a book value of CHF 2.8 million (CHF 1.1 million in 2011).

Fire insurance values of property, plant and equipment in CHF 000	**2012**	2011
Property (including investment property)	78 362	171 544
Plant and equipment	456 329	408 044
Total	**534 691**	**579 588**

21 INVESTMENT PROPERTY

The acquisition costs and book values for the investment property portfolio were as follows:

Investment property in CHF 000	**2012**	2011
At cost		
Balance at January 1	**10 146**	**10 317**
Additions	36	0
Disposals	– 213	0
Translation adjustments	– 29	– 171
Balance at December 31	**9 940**	**10 146**
Cumulative depreciation		
Balance at January 1	**– 4 394**	**– 4 378**
Additions	– 116	– 129
Disposals	196	0
Translation adjustments	19	113
Balance at December 31	**– 4 295**	**– 4 394**
Total net book value	**5 645**	**5 752**

The estimated market value (based on yield value assessments) of the investment properties was CHF 6.5 million (CHF 7.8 million in 2011). The rental income from the investment properties was CHF 1.2 million (CHF 1.1 million in 2011) and the associated maintenance and operational costs were CHF 0.4 million (CHF 0.2 million in 2011).

22 GOODWILL, SOFTWARE AND OTHER INTANGIBLE ASSETS

in CHF 000	Goodwill from acquisitions	Intangible assets with indefinite useful life	Software and intangible assets with definite useful life	Projects in progress	Total
At cost					
Balance at December 31, 2010	**124 674**	**0**	**128 111**	**6 263**	**259 048**
Consolidation scope additions	27 440	0	13 453	0	40 893
Consolidation scope removals	0	0	0	0	0
Additions	0	0	7 256	9 515	16 771
Disposals	0	0	– 6 601	0	– 6 601
Transfers	0	0	4 594	– 3 934	660
Translation adjustments	1 521	0	– 350	– 76	1 095
Balance at December 31, 2011	**153 635**	**0**	**146 463**	**11 768**	**311 866**
Consolidation scope additions	318 355	48 753	62 477	2	429 587
Consolidation scope removals	– 3 831	0	– 22 716	0	– 26 547
Additions	0	0	14 382	4 928	19 310
Disposals	0	0	– 2 040	0	– 2 040
Transfers	0	0	5 336	– 5 353	– 17
Translation adjustments	1 465	0	402	– 28	1 839
Balance at December 31, 2012	**469 624**	**48 753**	**204 304**	**11 317**	**733 998**
Accumulated amortisation / impairments					
Balance at December 31, 2010	**0**	**0**	**– 68 315**	**0**	**– 68 315**
Consolidation scope removals	0	0	0	0	0
Additions	0	0	– 18 087	0	– 18 087
Disposals	0	0	6 423	0	6 423
Transfers	0	0	0	0	0
Translation adjustments	0	0	901	0	901
Balance at December 31, 2011	**0**	**0**	**– 79 078**	**0**	**– 79 078**
Consolidation scope removals	0	0	18 227	0	18 227
Additions	0	0	– 21 984	0	– 21 984
Impairment	0	0	– 183	0	– 183
Disposals	0	0	1 904	0	1 904
Transfers	0	0	0	0	0
Translation adjustments	0	0	108	0	108
Balance at December 31, 2012	**0**	**0**	**– 81 006**	**0**	**– 81 006**
Book value					
at December 31, 2011	153 635	0	67 385	11 768	232 788
at December 31, 2012	**469 624**	**48 753**	**123 298**	**11 317**	**652 992**

Intangible assets with indefinite useful life. Intangible assets with indefinite useful life relate to the Ditsch and Brezelkönig brands.

Software and intangible assets with finite useful life. Software and intangible assets with finite useful life comprises CHF 34.4 million for software (CHF 40.7 million in 2011) and CHF 88.9 million for intangible assets with finite useful life (CHF 26.7 million in 2011), CHF 20.0 million of which relate to Convenience Concept supply contracts and CHF 38.1 million of which relate to Ditsch / Brezelkönig customer relationships (see note 6).

Goodwill impairment test. Goodwill is assigned to the Group's cash-generating units. It is initially allocated to business segments and then, within these, to geographically related markets. The composition of the goodwill positions is as follows:

in CHF 000	Segment	Year acquired	2012	2011
Valora Trade Nordics Denmark	Trade	2001	14 028	14 028
Valora Trade Nordics Sweden	Trade	2001	2 294	2 294
Scandinavian Cosmetics	Trade	2011	29 647	28 733
EMH Norway	Trade	2010	10 470	9 975
Valora Trade Austria	Trade	1995	9 312	9 312
Valora Trade Germany	Trade	1997 / 2011	4 069	4 076
Valora Services Luxembourg (MPK)	Services	2000	43 342	43 342
Valora Services Austria (PGV)	Services	2004	0	3 850
Valora Retail Switzerland	Retail	2002	12 774	12 774
Valora Retail Kiosk Germany	Retail	2008 / 2010	17 855	17 947
Konrad Wittwer Germany	Retail	2009	7 267	7 304
Convenience Concept Germany	Retail	2012	72 676	0
Schmelzer-Bettenhausen Austria	Retail	2012	1 326	0
Ditsch Germany and Brezelkönig Switzerland	Ditsch / Brezelk.	2012	244 564	0
Total book value at December 31			**469 624**	**153 635**

Impairment tests are carried out at least once a year or in case of evidence of possible impairment. Each unit's realisable value is determined on the basis of its value in use and then compared to its book value. An impairment adjustment will be made only if the book value of the cash-generating unit exceeds its value in use. Valuation is carried out on the basis of projected future free cash flows from cash-generating units to which goodwill has been allocated, using the discounted cash flow (DCF) method. These projected cash flows are discounted at a rate equal to the pre-tax weighted average cost of capital.

These projected cash flows are derived from the business plans for the next three years, which reflect management's expectations and have been approved by the Board of Directors. In the case of the Ditsch / Brezelkönig group of companies, which was acquired in October 2012, these projections are based on a long-term business plan for the period from 2013 to 2017, with a growth rate of 1.5 % being applied to the residual value projected for the plan's final year. These business plans are based on the following key assumptions:

Valora Trade Nordics, Scandinavian Cosmetics, EMH Norway. Average sales growth for the next three planning years will be between 3 % and nearly 5 % and margins will either remain constant or improve slightly.

Valora Trade Austria. Average sales growth for the next three planning years will be 9 % and margins will improve.

Valora Trade Germany. Average sales growth for the next three planning years will be 5 % and margins will improve.

Valora Services Luxembourg (MPK). Average sales for the next three planning years will decline slightly and margins will deteriorate.

Convenience Concept. Average sales growth for the next three planning years will be 10 % and margins will improve.

Schmelzer-Bettenhausen. Average sales growth for the next three planning years will be 5 % and margins will improve.

Ditsch / Brezelkönig. Average sales growth for the planning period will be a good 8 % and margins will remain stable.

Valora Retail Schweiz. Average sales growth for the next three planning years will be a good 1 % and margins will remain stable..

Valora Retail Kiosk Deutschland, Konrad Wittwer. Average sales growth for the next three planning years be between – 3 % and 0 % and margins will slightly improve or remain stable.

Cash flows after this three-year period are modelled by using a residual value based on projections for the third planning year and assume zero growth thereafter. The discount rates applied are based on data observed in Swiss financial markets which is then adjusted to reflect currency and country-specific risks. The discount rates used (pre tax) are as follows:

in CHF 000	Currency	2012	2011
Valora Trade Nordics Denmark	DKK	8.1 %	7.7 %
Valora Trade Nordics Sweden	SEK	7.3 %	7.1 %
Scandinavian Cosmetics	SEK	8.1 %	8.0 %
EMH Norway	NOK	9.0 %	8.1 %
Valora Trade Austria	EUR	8.3 %	7.6 %
Valora Trade Germany	EUR	7.7 %	7.1 %
Valora Services Luxembourg (MPK)	EUR	8.6 %	7.9 %
Valora Services Austria (PGV)	EUR	–	7.2 %
Valora Retail Switzerland	CHF	6.4 %	6.2 %
Valora Retail Kiosk Germany	EUR	7.8 %	7.2 %
Konrad Wittwer Germany	EUR	7.5 %	6.7 %
Convenience Concept Germany	EUR	7.8 %	–
Schmelzer-Bettenhausen Austria	EUR	8.4 %	–
Ditsch Germany and Brezelkönig Switzerland	EUR	8.4 %	–

No impairments to goodwill were charged to the income statements for 2012 or 2011.

In the case of the cash-generating units listed below, possible changes in the key assumptions on which the projections have been made could result in book value exceeding value in use:

The impairment test for the Valora Services Luxembourg (MPK) goodwill position produced a value in use which exceeds the book value of net assets by CHF 1.9 million. A 0.2 percentage-point increase in the discount rate used would, under otherwise identical assumptions, result in book value only just being covered by value in use. For all other units, the impairment tests for 2012 and 2011 show that in the event of a 1.5 percentage-point increase in the discount rate (which is regarded as being within the realms of the possible) all these units would have a value in use which would be higher than their book values.

The value in use for Valora Trade Austria exceeds its book value by CHF 4.8 million. If sales were to stagnate at their 2012 levels (i.e. were there to be zero sales growth), CHF 0.2 million of the goodwill position would no longer be matched by value in use. In the event of zero sales growth, the goodwill recorded for all other units would continue to be covered by their value in use.

In the event of both these scenarios occurring together (i.e. a 1.5% increase in the discount rate appplied and zero sales growth) the goodwill for the following units would become impaired by the following amounts: Valora Trade Nordics Denmark (CHF 1.8 million), Valora Trade Nordics Sweden (CHF 1.1 million), Valora Trade Austria (CHF 3.6 million) and Valora Services Luxembourg (CHF 9.5 million). The impairment tests for Valora Trade Nordics Denmark and Valora Trade Nordics Sweden showed value in use figures which exceeded book value by CHF 18.1 million and CHF 4.7 million respectively.

23 RECEIVABLES FROM REAL ESTATE AND FINANCE LEASES

Receivables from real estate leases	**2012**	2011
in CHF 000		
Rental payments received during period	18 853	4 896
Future rental receivables		
Within one year	15 488	3 946
Within 1–2 years	13 475	3 358
Within 2–3 years	11 174	3 104
Within 3–4 years	9 091	2 719
Within 4–5 years	6 296	2 508
After more than 5 years	8 750	7 020
Total future receivables from current real estate leases	**64 274**	**22 655**

Receivables from other operating leases in CHF 000	**2012**	2011
Payments received during period	3 666	373
Future rental receivables		
Within one year	3 293	361
Within 1–2 years	2 945	280
Within 2–3 years	2 602	206
Within 3–4 years	2 266	133
Within 4–5 years	2 016	38
After more than 5 years	2 232	0
Total future receivables from other operating leases	**15 354**	**1 018**

Other operating leases concern retail shop equipment rented to franchisees in Germany.

Receivables from finance leases in CHF 000	**2012**	2011
Payments received during period	642	643
Maturity of receivables		
Within one year	643	643
Within 1–2 years	643	643
Within 2–3 years	643	643
Within 3–4 years	643	643
Within 4–5 years	643	643
After more than 5 years	3 332	3 975
Total future receivables from finance leases	**6 547**	**7 190**
Less future interest charges	– 1 783	– 2 100
Total future receivables from finance leases (present value)	**4 764**	**5 090**
Less current portion (see note 19)	– 620	– 621
Non-current receivables from finance leases (see note 24)	**4 144**	**4 469**

Present value of minimum future finance lease revenues in CHF 000	**2012**	2011
Within one year	620	621
Within 1–2 years	582	582
Within 2–3 years	546	546
Within 3–4 years	512	512
Within 4– 5 years	480	480
After more than 5 years	2 024	2 349
Total present value of minimum future finance lease revenues	**4 764**	**5 090**

The finance leases cover extensions to the former headquarters in Bern made during Valora's tenancy, which the new tenant is using.

24 FINANCIAL ASSETS

in CHF 000	2012	2011
Loans	149	2 094
Receivables from finance leases	4 144	4 469
Other long-term receivables	17 525	0
Financial assets available for sale	829	2 318
Total financial assets	**22 647**	**8 881**

Note 23 provides further information on receivables from finance leases.

The financial assets available for sale include CHF 649 thousand (CHF 647 thousand in 2011) of unlisted shareholdings for which there is no active market and about which insufficient information is available to form the basis for a valuation. These items are therefore carried at cost minus an impairment for enduring loss in value.

Other long-term receivables relate to the undisbursed portion of the sale price for the Muttenz facility which is offset by a 10-year usufruct agreement granting Valora occupancy of the facility during that period. This agreement is secured by a lien on the property.

25 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Summary balance sheet of associates

in CHF 000	2012	2011
Current assets	29	1 231
Non-current assets	20 142	20 652
Current liabilities	– 7 702	– 10 058
Non-current liabilities	– 2 349	– 2 328
Equity	**10 120**	**9 497**
Equity attributable to Valora	**4 554**	**4 291**

Summary income statement of associates and joint ventures

in CHF 000	2012	2011
Net revenues	2 171	24 339
Operating profit (EBIT)	1 410	1 268
Net profit	**918**	**600**
Net profit attributable to Valora	**413**	**255**
Revaluation following subsequent complete acquisition by Valora	56	0
Share of result from associates and joint ventures	**469**	**255**

Investments in associates comprise 45 % of Borup Kemi Holding A / S, Denmark (Valora Trade). Karl Schmelzer – J. Bettenhausen, Austria has been fully consolidated since January 1, 2012 (see note 6). Investments in joint ventures relate to 50 % of Kaumy S.r.o., Czech Republic (Valora Trade), a position which was sold in December 2011. The sale proceeds were transferred to Valora on January 3, 2012.

26 SHORT-TERM FINANCIAL DEBT AND OTHER LONG-TERM LIABILITIES

Short-term financial debt in CHF 000	**2012**	2011
Current bank debt	15 340	1 651
Bonds	0	139 844
Current portion of finance lease obligations	847	374
Total short-term financial debt	**16 187**	**141 869**

Other non-current liabilities in CHF 000	**2012**	2011
Bank loans	283 069	– 1 737
Bonds	199 700	0
Finance lease obligations	1 906	667
Other long-term liabilities	10 846	4 714
Total other non-current liabilities	**495 521**	**3 644**

Note 32 provides further information on liabilities arising from finance leases.

The bank loans relate to the syndicated loan taken out by Valora Holding AG, which is a floating rate facility. A new syndicated loan facility has been in place since September 24, 2012. The new arrangement, providing Valora with access to CHF 100 million and EUR 250 million, has replaced the earlier CHF 300 million arrangement. The transaction costs arising from the new facility will be amortised over its 5 year life. Under the syndicated loan agreement, the Valora Group has covenanted to maintain its equity ratio and indebtedness within certain parameters during the life of the facility.

The other long-term liabilities consist of financial debt amounting to CHF 7897 thousand (CHF 690 thousand in 2011) and other liabilities of CHF 2 949 thousand (4 024 thousand in 2011).

Bonds in CHF 000	**Gross**	**Dicount, net**	**2012 net**	2011 net
2.5% bond 2012–2018	200 000	300	199 700	0
2.875% bond 2005–2012	0	0	0	139 844

The effective yield on the 2.5% bond is 3.4% (2.875% bond: 3.1%).

Maturities at year end were as follows: in CHF 000	**2012**	2011
Within one year	16 187	141 869
Within 1–2 years	31 744	518
Within 2–3 years	24 301	– 148
Within 3–4 years	24 036	– 217
Within 4–5 years	211 964	– 312
After more than 5 years	200 527	– 221
Total financial debt	**508 759**	**141 489**
Current portion of long-term financial debt	– 16 187	– 141 869
Total long-term financial debt	**492 572**	**– 380**

Long-term bank loans equivalent to CHF 283.0 million were contracted through the syndicated loan facility in 2012 (none in 2011). The negative values in 2011 shown for some of the maturity bands are attributable to the effect of the capitalised transaction costs of the syndicated loan facility.

The interest rates paid ranged between 2.6% and 4.4% (vs 2.2% and 4.0% in 2011). The weighted average interest rate on Valora's financial debt was 3.7% (3.1% in 2011). The currency composition of the Group's long-term financial debt is as follows:

in CHF 000	2012	2011
CHF	201 624	– 1 629
DKK	581	586
EUR	290 367	663
Total long-term financial debt	**492 572**	**– 380**
Other long-term liabilities (CHF)	2 949	4 024
Total other non-current liabilities	**495 521**	**3 644**

27 TRADE ACCOUNTS PAYABLE

The currency composition of the Group's trade accounts payable is as follows:

in CHF 000	2012	2011
CHF	152 118	163 029
DKK	22 092	23 963
EUR	60 519	77 894
NOK	6 019	5 065
SEK	24 856	22 650
Other	541	455
Total trade accounts payable	**266 145**	**293 056**

28 OTHER CURRENT LIABILITIES

in CHF 000	2012	2011
Value-added tax and other taxes owed	13 390	20 215
Social security contributions payable	1 539	1 255
Accruals for overtime, unused vacation and variable elements of remuneration	15 444	13 642
Pension cost payable	2 858	1 781
Accrued expenses	63 926	74 659
Other current liabilities	42 877	33 294
Total other current liabilities	**140 034**	**144 846**

Accrued expenses comprise press-expense accruals, interest-expense accruals and other miscellaneous expense accruals. Other current liabilities comprise liabilities for rental and rental-related costs, liabilities arising from investments in fixed assets and intangible assets and miscellaneous other liabilities.

29 PROVISIONS

in CHF 000	Guarantees	Litigation	Restructuring	Total
Balance at December 31, 2010	**5 584**	**4 002**	**181**	**9 767**
Created	0	753	0	753
Utilised	0	0	– 181	– 181
Amounts released to income	– 317	– 2 948	0	– 3 265
Interest effect	104	– 1 003	0	– 899
Currency translation differences	– 3	– 51	0	– 54
Balance at December 31, 2011	**5 368**	**753**	**0**	**6 121**
Consolidation scope additions	0	400	0	400
Created	0	0	0	0
Utilised	0	– 753	0	– 753
Amounts released to income	0	0	0	0
Interest effect	113	0	0	113
Currency translation differences	0	0	0	0
Balance at December 31, 2012	**5 481**	**400**	**0**	**5 881**
Current provisions	5 481	0	0	5 481
Long-term provisions	0	400	0	400
Total provisions	**5 481**	**400**	**0**	**5 881**

Guarantees. At December 31, 2012, these comprised contractual guarantees issued in connection with the sales of Fotolabo and the Own Brands unit.

Changes in 2011: Due to the final expiration of the remaining portions of a guarantee, provisions of CHF 0.3 million were released to income.

Claims relating to the guarantees issued in connection with the sale of Fotolabo and Own Brands can be lodged until 2013.

Litigation. Changes in 2012: the CHF 0.8 million provision established in 2011 for a litigation case in Switzerland was fully utilised. The change in consolidation scope relates to a litigation case in Germany.

The provisions established in 2003 in relation to a fraud case in Germany and to Valora Retail cases were fully released to income during 2011. Disbursements in connection with these cases are now no longer deemed probable.

Restructuring. Provisions utilised in respect of restructuring measures in the Group's Swiss operations amounted to CHF 0.2 million in 2011.

30 RETIREMENT BENEFIT LIABILITIES

Current legislation requires most employees to be covered by pension schemes financed by contributions from the Valora Group and its employees. These schemes take the form of state and employer-sponsored plans, contracts with private insurers and independent foundations or welfare plans. While the benefits paid by these schemes vary according to the legislative provisions and economic circumstances of the countries in which they are established, they are generally based on years of service and average remuneration of the employees and cover the risks of old age, death and disability in accordance with applicable local occupational pension plan law.

The most recent actuarial assessment of these schemes was conducted as of December 31, 2012. The assumptions used were based on the economic circumstances prevailing in the countries in which the plans operate. The plans' assets are invested according to the guidelines laid down by local legislation. Valora pays its contributions in accordance with the various plans' rules.

Plan liabilities and assets

in CHF 000	**2012**	2011
Present value of benefit obligation at January 1	595 172	594 074
Current service cost to employer	15 900	16 168
Contributions by plan participants	7 887	9 138
Interest cost	13 657	16 481
Plan curtailments, settlements and modifications	– 22 532	– 24 989
Benefits paid	– 48 803	– 39 781
Business combinations	2 687	0
Consolidation scope removals	– 3 879	0
Actuarial loss / (gain) on benefit obligation	23 091	24 483
Exchange rate losses / (gains)	308	– 402
Present value of benefit obligation at December 31	**583 488**	**595 172**
Plan assets at fair value at January 1	593 563	625 578
Expected net return on plan assets	22 275	24 930
Employer contributions	11 335	13 533
Contributions by plan participants	7 887	9 138
Plan curtailments, settlements and modifications	– 19 551	– 20 552
Benefits paid	– 48 270	– 38 380
Business combinations	1 735	0
Actuarial gain / (loss) on plan assets	23 411	– 20 642
Exchange rate gains / (losses)	0	– 42
Plan assets at fair value at December 31	**592 385**	**593 563**

Changes made in 2012 with regard to the assumed discount rate decrease resulted in an actuarial loss on the Group's pension obligations. The actuarial gain on plan assets resulted from investment returns which were higher than anticipated.

For 2013, the Group expects to make employer's contributions of CHF 10.4 million to its funded plans.

The surplus on fund-based plans increased by CHF 7.1 million (following a CHF 32.8 million in decline in 2011). This essentially reflects returns on pension-fund assets which exceeded expectations.

Balance sheet data in CHF 000	**2012**	2011
Present value of funded benefit obligations	– 571 829	– 580 146
Plan assets at fair value	592 385	593 563
Surplus on fund-based plans	**20 556**	**13 417**
Present value of unfunded pension liabilities	– 11 659	– 15 026
Total net pension position	**8 897**	**– 1 609**
of which capitalised as net pension asset	21 255	13 417
of which capitalised as long-term accrued pension cost	– 12 358	– 15 026

The long-term pension-fund liabilities relate to unfunded benefit obligations of CHF 11.7 million (CHF 15.0 million in 2011). Long-term pension-fund liabilities on funded plans amounted to CHF 0.7 million (none in 2011).

Income statement in CHF 000	**2012**	2011
Current service cost to employer	– 15 900	– 16 168
Interest cost	– 13 657	– 16 481
Plan curtailments, settlements and modifications	2 981	4 437
Expected net return on plan assets	22 275	24 930
Past service cost recognised in period	0	– 923
Net pension cost for period	**– 4 301**	**– 4 205**

Actuarial gains / losses recorded in other comprehensive income in CHF 000	**2012**	2011
January 1	– 77 565	– 41 531
Actuarial gains / (losses)	320	– 45 125
Deferred taxes	– 63	9 091
December 31	**– 77 308**	**– 77 565**

Key actuarial assumptions	**2012**	2011
Discount rate	1.75 %	2.25 %
Expected net return on plan assets	3.25 %	3.75 %
Expected rate of increase in future salary levels	1.00 %	1.50 %
Expected rate of increase in future pension levels	0.25 %	0.25 %

The calculations for Switzerland were based on the BVG 2010 mortality table.

Asset allocation	**2012**	**Expected long-term return**	**Contribution to pension plan income**	2011
Cash and cash equivalents	6.70 %	0.50 %	0.03 %	8.10 %
Fixed income	30.30 %	2.00 %	0.61 %	28.10 %
Equity	25.90 %	5.75 %	1.49 %	23.40 %
Real estate	32.70 %	3.50 %	1.14 %	36.40 %
Other	4.40 %	3.00 %	0.13 %	4.00 %
Total	**100.00 %**		**3.40 %**	**100.00 %**
Costs			– 0.15 %	
Net return			**3.25 %**	

The amount of the effective net return from plan assets was CHF 45.7 million (CHF 4.3 million in 2011). The effective total return generated in 2012 was 7.7% (0.7% in 2011). The pension plans hold no securities issued by Valora Holding AG and do not let any significant portion of their real estate to the Valora Group.

Surpluses / Deficits in CHF 000	**2012**	2011	2010	2009	2008
Present value of pension liabilities	– 583 488	– 595 172	– 594 074	– 575 658	– 539 310
Pension assets at fair values	592 385	593 563	625 578	598 069	569 500
Pension asset recognition ceiling	0	0	0	– 8 243	0
Unrecognised past service cost	0	0	923	1 846	0
Net pension plan position	**8 897**	**– 1 609**	**32 427**	**16 014**	**30 190**
Adjustments based on past experience					
Adjustments to pension plan liabilities based on past experience	4 765	3 785	6 343	8 078	17 091
Adjustments to pension plan liabilities based on modified assumptions	– 27 856	– 28 268	– 13 328	– 33 147	29 044
Adjustments to pension plan assets based on past experience	23 411	– 20 642	12 354	9 489	– 127 445
Actuarial gains / (losses)	**320**	**– 45 125**	**5 369**	**– 15 580**	**– 81 310**

31 SHARE-BASED PAYMENTS

Valora operates the following share-based remuneration plans for its Board of Directors, management and staff:

LTP share-based programme for the Board of Directors and Group Executive Management. Since January 2009, the overall remuneration paid to the Board of Directors and Group Executive Management has included a share-based, long-term oriented remuneration plan, the Long Term Plan or LTP. This plan forms an integral part of the overall remuneration of the Board of Directors and Group Executive Management.

The LTP offers its participants the opportunity of buying a specific number of shares, which the Nomination and Compensation Committee determines for each participant individually in accordance with the procedure described below. Under the plan, each participant may purchase two tranches of shares, each tranche having a lock-up period which begins and ends on a different date. As a rule, the lock-up period is between 27 and 45 months.

The purchase price for the shares in the plan is the average closing price recorded on SIX Swiss Exchange over the 20 trading days preceding the commencement of the LTP. Participants finance the purchase of their shares individually through a bank loan, with the shares being pledged to the bank as collateral.

On the last day of each lock-up period, Valora will offer to buy back the shares in the relevant tranche from the plan participants at that day's SIX Swiss Exchange closing price. Participants wishing to avail themselves of this offer must advise Valora on the last day of the lock-up period how many of their shares they wish to sell back in this way. Once the lock-up period is over, parti-cipants have free access to any shares they elect not to sell. Should the price at which Valora buys back the shares tendered to it by the plan participants on the last day of the lock-up period (i.e. the closing price on that day) be lower than the purchase price fixed at the start of the LTP period, Valora undertakes to the lending bank and the plan participants that it will reimburse any difference between these prices, and that it will reimburse the plan participants for any tax disadvantage arising. Valora's share price guarantee to the bank will expire no later than the final day of the second lock-up period. The financing costs incurred by Valora are limited to the interest it pays on the loans. In the event of a plan participant's employment being terminated by Valora before the end of either the first or the second lock-up period, the participant is required to sell a pro rata portion of the shares back to Valora at the original purchase price and the bank loan must be repaid in full. Should a plan participant resign from Valora, all the shares in any tranche whose lock-up period has not expired must be sold back to Valora at the original purchase price, and the participant has no pro rata entitlement to any shares in the plan. For Board members, stepping down from the Board or not standing for re-election to the Board is regarded as tantamount to resignation.

The Board of Directors has granted cash-exercised options instead of shares[1] to Conrad Löffel. Otherwise, his participation is subject to all the other terms and conditions of the plan. The total costs of the LTP programme for 2012 amounted to CHF 953 thousand (CHF 362 thousand in 2011)

[1] The exercise price of the options was CHF 199.85 for the second tranche of the 2011 LTP and CHF 301.75 for the first tranche of the 2011 LTP, which is the average trading price of the shares during the twenty trading days prior to the commencement of the LTP. The market price at the time the options were awarded was CHF 219.20 for the second tranche of the 2011 LTP and CHF 291 for the first tranche of the 2011 LTP. The value of the options determined using the Black Scholes model was based on the following key parameters:

Plan	2nd Tranche LTP 2011	1st Tranche LTP 2011
Number of options	1883	1850
Expiration date	30.10.2015	30.10.2013
Implied volatility	35 %	35 %
Risk-free rate of interest	0.523 %	0.523 %
Fair Value per option	CHF 38.56	CHF 2.09

The book value of the liability arising from the cash exercise options was CHF 76 thousand at 31.12.12 (31.12.2011: CHF 87 thousand).

ISPP share programme for specific executive-level employees. In 2012 a new voluntary individual programme was established under which certain executive-level employees (other than members of Group Executive Management) can receive a portion of their total remuneration in the form of Valora shares. Shares allocated under this International Share Participation Programme (or ISPP) are subject to a first vesting period until March 31, 2014 (for the first retention period) and a second vesting period until March 31, 2016 (for the second retention period), after which ownership is transferred to the plan participants. The personnel expenses relating to the ISPP are recognised over the length of the vesting periods. In CHF 2012 they amounted to CHF 0.3 million.

Employee share ownership plan. Provided specific criteria are fulfilled and based on their function or management position, employees in Switzerland (other than members of Group Executive Management) are entitled to acquire shares at the beginning of each year on preferential terms. Shares may be purchased at 60% of the average market price for the shares during the previous November. Shares so acquired enjoy all usual shareholder rights, but may not be sold during the 3 years immediately following purchase. The proceeds of these share sales to employees are credited directly to shareholders' equity.

Personnel costs for share-based remuneration plans in CHF 000	**2012**	2011
Expenses related to Valora Group share-based plans for employees and management (equity settled)	569	426
Expenses related to Valora Group share-based plans for employees and management (cash settled)	73	57
Total share-based plan expenses charged to income	**642**	**483**

32 CONTINGENT LIABILITIES, COMMITMENTS FROM LEASING AND OTHER CONTRACTS

Contingent liabilities in CHF 000	**2012**	2011
Sureties	162	152
Other contingent liabilities	12 668	14 470
Total contingent liabilities	**12 830**	**14 622**

Future commitments from operating leases and other contracts in CHF 000	**2012**	2011
Long-term rental commitments	525 536	264 543
Other operating lease commitments	8 416	6 279
Future commitments from other contracts	82 506	106 637
Total commitments	**616 458**	**377 459**

Long-term rental commitments	**2012**	2011
in CHF 000		
Minimum rental expense in period	115 631	47 990
Conditional rental expense in period	36 660	79 420
Total rental expense in period	**152 291**	**127 410**
Leases maturing		
Within one year	122 217	65 147
Within 1 – 2 years	107 606	55 138
Within 2 – 3 years	84 737	44 868
Within 3 – 4 years	70 468	31 892
Within 4 – 5 years	55 807	23 636
After more than 5 years	84 701	43 862
Total long-term rental commitments	**525 536**	**264 543**

The majority of the long-term rental agreements serve to secure kiosk sites for the long term. Some of the rents under these agreements are linked to turnover.

Other operating leases	**2012**	2011
in CHF 000		
Total expenses for other operating leases in period	5 420	3 643
Leases maturing		
Within one year	4 239	3 220
Within 1 – 2 years	2 754	2 039
Within 2 – 3 years	1 192	898
Within 3 – 4 years	219	119
Within 4 – 5 years	12	3
After more than 5 years	0	0
Total future commitments from other operating leases	**8 416**	**6 279**

The other operating lease liabilities principally relate to leased vehicles.

Other contracts	**2012**	2011
in CHF 000		
Total expenditure on other contracts during year	13 793	2 664
Leases maturing		
Within one year	12 945	23 790
Within 1 – 2 years	12 330	13 242
Within 2 – 3 years	11 992	12 829
Within 3 – 4 years	11 677	12 496
Within 4 – 5 years	11 390	12 165
After more than 5 years	22 172	32 115
Total future commitments from other contracts	**82 506**	**106 637**

The Group's future commitments from other contracts mostly relate to IT outsourcing agreements.

Finance lease commitments in CHF 000	**2012**	2011
Total payments (interest and amortisation) in year	667	578
Leases maturing		
Within one year	959	439
Within 1–2 years	852	320
Within 2–3 years	729	226
Within 3–4 years	437	140
Within 4–5 years	0	39
After more than 5 years	0	0
Total financial lease commitments	**2 977**	**1 164**
Less future interest charges	– 224	– 123
Total finance lease obligation (present value)	**2 753**	**1 041**
Less current portion of finance lease obligation (see note 26)	– 847	– 374
Long-term finance lease obligation (see note 26)	**1 906**	**667**

Present value of future minimum payments under finance leases in CHF 000	**2012**	2011
Within one year	847	374
Within 1–2 years	783	289
Within 2–3 years	694	206
Within 3–4 years	429	134
Within 4–5 years	0	38
After more than 5 years	0	0
Total present value of future minimum lease payments	**2 753**	**1 041**

The finance leasing obligations relate both to leased retail shop equipment and computer hardware.

33 RISK MANAGEMENT AND DERIVATIVE FINANCIAL INSTRUMENTS

The international scale of its business operations and its financing structure both expose the Valora Group to a variety of financial risks. These not only include market risks such as foreign exchange and interest rate risk, but also encompass liquidity and credit risks. Valora's financial risk management activities aim to limit these risks. Valora's fundamental financial policies are promulgated by Group Executive Management and overseen by the Board of Directors. Responsibility for implementing Group financial policy and for financial risk management lies with the central Corporate Treasury.

In order to visualise market risks, sensitivity analyses are conducted which show the effects which hypothetical changes in relevant risk variables would have on pre-tax net income and other comprehensive income. These potential effects are determined by applying the assumed changes in risk variables to the valuation of the Group's positions in financial instruments. The interest rate scenarios used show differences between the current level of interest rates and those assumed to prevail at the end of the following year. The hypothetical changes in currencies are based on 1-year volatility levels prevailing at the balance sheet date.

Exchange rate risks. Transaction risks arise from the fact that the local currency value of payments whose amounts have been fixed in another currency can increase or decrease as a result of fluctuations in the exchange rate between the two currencies. For Valora, transaction risks arise as a result of its purchasing goods and services from suppliers abroad and on intra-Group transactions. Most Group companies transact the majority of their business in their local currency. In order to limit transaction risk, currency derivatives are used from time to time. Currency translation risks, on the other hand, arise when the balance sheets of subsidiaries outside Switzerland are converted into Swiss francs for consolidation.

The table below shows the main effects on pre-tax earnings and other comprehensive income which would result from hypothetical changes in key exchange rates.

FX rate sensitivity in CHF 000	**Hypothetical change (in percent) 2012**	**Impact on 2012 pre-tax earnings**	**Impact on 2012 other comprehensive income**	Hypothetical change (in percent) 2011	Impact on 2011 pre-tax earnings	Impact on 2011 other comprehensive income
CHF / DKK	+/– 1.7 %	+/– 328	+/– 0	+/– 16.3 %	+/– 2 467	+/– 0
CHF / EUR	+/– 1.7 %	+/– 505	+/– 1 690	+/– 16.3 %	+/– 7 875	+/– 14 615
CHF / NOK	+/– 5.8 %	+/– 339	+/– 767	+/– 19.1 %	+/– 1 133	+/– 2 390
CHF / SEK	+/– 7.0 %	+/– 896	+/– 4 566	+/– 19.9 %	+/– 837	+/– 12 698
DKK / NOK	+/– 5.9 %	+/– 244	+/– 0	+/– 7.8 %	+/– 8	+/– 0

Net investments in subsidiaries outside Switzerland are also analysed periodically and the risks are assessed in the light of the volatility of the currencies concerned. These analyses show that the currency translation risk is modest compared to available shareholders' equity. Translation risks are not hedged.

Interest rate risks. Cash and cash equivalents are the Group's principal interest-bearing assets. Since the interest rates applicable to these assets are floating, the interest earnings derived from them are directly affected by market interest rates. Under normal circumstances, the Group's principal interest rate risk relates to the interest paid on its financial liabilities. Floating rate financial liabilities expose the Group to net interest income or expense risk. Financial liabilities with fixed interest rates, on the other hand, expose the Group to the risk of shifts in the current market value of its liabilities. In order to achieve the target mix between fixed and floating interest rate exposure, interest rate hedging transactions are entered into where necessary. The Group's interest-bearing liabilities essentially comprise the 2.5 % bond issue and the syndicated loan facility (see note 26).

In the sensitivity analysis of the interest rate risk, impacts arise only on positions with variable interest rates. The table below shows the principal changes in pre-tax earnings which would result from hypothetical shifts in the level of interest rates in the main currencies in which Valora operates.

Interest rate sensitivity

in CHF 000	**Hypothetical change (in basis points) 2012**	**Impact on 2012 pre-tax earnings**	Hypothetical change (in basis points) 2011	Impact on 2011 pre-tax earnings
CHF	+/– 3	+/– 6	+/– 47	+/– 39
DKK	+/– 3	+/– 1	+/– 12	+/– 5
EUR	+/– 10	+/– 60	+/– 131	+/– 355
NOK	+/– 9	+/– 8	+/– 36	+/– 13
SEK	+/– 4	+/– 5	+/– 204	+/– 72

In the table above, the 2012 column does not include data for the interest-rate-swap position established to hedge the interest-rate risk on the syndicated-loan facility (see Tools for hedging and risk management). Assuming a hypothetical change in the 5-year swap rate of +/–167 basis points, the change in the value of this hedge, at December 31, 2012, would have impacted other comprehensive by +/– CHF 17.2 million.

The table above does not include in 2011 a CHF 100 million forward-starting interest rate swap (see Tools for hedging and risk management). As of December 31, 2011, the impact on other comprehensive income which would have arisen from a +/–25 basis point shift in 6-year swap rates would have been CHF +/–1.7 million.

Liquidity risks. Liquidity risk management aims to ensure the Group is always able to meet its payment obligations in full and on time. The Valora Group continually monitors its liquidity position and uses cash pool structures to optimise it. Additional liquidity reserves in the form of credit lines and cash ensure that the Group remains both solvent and financially flexible.

The table below shows the nominal interest and redemption payments arising from the Group's financial obligations. It takes account of all instruments in which the Group held positions at December 31 of the two years shown. Interest amounts payable on floating rate instruments have been determined based on the most recent fixing preceding year end.

in CHF 000	**up to 1 month**	**from 1 to 3 months**	**from 3 months to 1 year**	**from 1 to 5 years**	**more than 5 years**
At December 31, 2012					
Short-term financial liabilities	407	2 768	13 471	0	0
Derivative financial liabilities	54	90	2 599	0	0
Trade accounts payable	239 767	26 354	24	0	0
Other short-term financial liabilities (financial instruments portion)	72 034	9 445	14 244	0	0
Long-term financial liabilities	95	7 231	6 836	346 398	205 479
Total	**312 357**	**45 888**	**37 174**	**346 398**	**205 479**
At December 31, 2011					
Short-term financial liabilities	1 397	630	144 039	0	0
Derivative financial liabilities	122	8 856	56	22	0
Trade accounts payable	252 784	40 259	13	0	0
Other short-term financial liabilities (financial instruments portion)	48 695	42 468	11 059	0	0
Long-term financial liabilities	0	0	0	1 357	0
Total	**302 998**	**92 213**	**155 167**	**1 379**	**0**

The Valora Group has at its disposal a number of committed and uncommitted credit lines, enabling it to optimise its liquidity management at all times.

Credit risks. Credit risks arise when a contractual partner is not in a position to meet its obligations as agreed. Valora constantly reviews its accounts receivable and manages them so as to avoid the formation of significant credit or concentration risks. At year end 2012 and year end 2011, the Valora Group had no accounts receivable from individual customers which accounted for more than 6.0% of its total accounts receivable.

The Valora Group conducts its financial transactions with a selected number of first-class financial institutions. Specific situations may require subsidiaries to transact business with other banks. The establishment and discontinuation of banking relationships is subject to approval by the Group's corporate treasury, which regularly reviews all banking relationships on the basis of external ratings and sets exposure limits for all counterparties. The maximum default risk of CHF 413 million on the Group's financial assets (CHF 347 million in 2011) is equal to the book value of these instruments (see note 34).

The table below shows the Group's sight deposits and fixed maturity deposits with maturities of 3 months or less by rating of the banking counterparties with whom they are placed. The table uses Standard & Poor's ratings.

Sight deposits and fixed maturity deposits maturing in < 3 months placed with banks in CHF 000	**2012**	2011
AAA and / or state guarantee (AAA states)	10 069	3 808
AA	42 647	25 755
A	56 776	48 689
No Rating	2 185	2 018
Total sight deposits and fixed maturity deposits maturing in < 3 months placed with banks [1]	**111 677**	**80 270**

[1] The remainder of the cash and cash equivalents position shown in the balance sheet relates to cash (including cash in transit).

Tools for hedging and risk management. The Valora Group uses FX forward contracts to mitigate its foreign exchange risk. Interest-rate swaps are also used to hedge interest-rate risk. Exposure arising from existing asset and liability items, as well as those arising from future commitments, is centrally managed.

In order to hedge 50% of the future interest expense arising from the bond issue launched on February 1, 2012 (see note 37), Valora entered into a forward-starting interest rate swap. This swap has been designated as a cash flow hedge for the interest payments on the bond issue. The fair value of this interest-rate swap is equal to its negative replacement value, which amounted to CHF 8.8 million on December 31, 2011. This position was closed on February 1, 2012, with a negative replacement value of CHF 10.4 million. CHF 1.4 million of the change in the position's negative replacement value between these two dates was charged to other comprehensive income and the remaining CHF 0.2 million was charged to financial expense. In 2012, CHF 1.4 million was reclassified from shareholders' equity to financial expense. The cash flows hedged by this swap will occur in the years from 2012 to 2018, during which time they will have an income-statement impact.

In order to hedge the interest costs of the EUR 250 million syndicated-loan facility (EUR 84 million of which was drawn on an amortising basis and EUR 166 million of which was drawn on a non-amortising basis, see note 26), two interest-rate swap positions were established on October 31, 2012. These have been designated as cash flow hedges for the EUR syndicated loan. The fair value of these two hedge positions is equivalent to their negative replacement value of CHF 2.5 million and has been charged to other comprehensive income. The cash flows hedged by this swap will occur in the years from 2012 to 2017, during which time they will have an income-statement impact.

The table below shows both the contract values, or nominal underlying amounts, of the Group's positions in derivative financial instruments as well as their aggregate replacement values. The information, which is presented by instrument type, relates to valuations at balance sheet dates.

Contract values or underlying nominal amounts show the volume of the underlying transactions at the balance sheet dates. They do not contain any information about the market risk these positions involve. The replacement value of these positions has been determined by valuations provided by the counterparty, market prices at December 31, 2011 and 2012 or through standard pricing model valuations using market data.

Derivative financial instruments in CHF 000	**2012 Contract value**	2011 Contract value	**2012 Replacement value**	2011 Replacement value
Currency instruments				
Forward contracts / Derivative financial assets	4 239	17 117	7	166
Forward contracts / Derivative financial liabilities	13 051	17 189	201	135
Interest instruments				
Interest rate swap / Derivative financial liabilities	301 925	100 000	2 542	8 834
Total derivative financial assets	**4 239**	**17 117**	**7**	**166**
Total derivative financial liabilities	**314 976**	**117 189**	**2 743**	**8 969**

Notional contract values of derivative financial instruments by maturity band in CHF 000	**2012**	2011
Within one year	29 971	134 306
Within 1 – 2 years	25 362	0
Within 2 – 3 years	25 362	0
Within 3 – 4 years	25 362	0
Within 4 – 5 years	213 158	0
After more than 5 years	0	0
Total notional value of derivative financial instruments	**319 215**	**134 306**

Capital management. The overarching objective of the Valora Group's capital management activities is to ensure that high credit quality and a sound shareholders' equity foundation are maintained so as to support the Group's business activities and maximise value for its shareholders.

The Valora Group manages its capital structure and modifies it in response to changes in economic circumstances. In order to maintain or adapt its capital structure, the Valora Group can elect to implement a number of measures, such as modifying the amount of dividends paid to shareholders, capital repayments to shareholders or the issuance of new shares.

The Group monitors its capital position by reference to its equity cover, which is calculated on the basis of the percentage of total assets represented by shareholders' equity (including non-controlling interests). The Group's capital and equity cover are shown in the table below:

in CHF 000	**2012**	2011
Equity attributable to shareholders of Valora Holding	570 252	457 674
Equity attributable to non-controlling interests	5 064	4 658
Total shareholders equity	**575 316**	**462 332**
Equity cover	**35.9 %**	**41.9 %**

The Valora Group is not subject to any regulatory capital requirements of the type prevalent in the financial services industry. The Group's required minimum equity cover is stipulated in the financial covenants governing its bank lending agreements (see note 26).

Risk assessment stipulated by Swiss Code of Obligations. In both 2011 and 2012, the Valora Group carried out a risk assessment with the Board of Directors and Group Executive Management during October and November. The objective of these assessments is to make the main risks to which Valora is exposed more transparent, to improve the quality of risk dialogue, and to define practical steps for addressing the key risks which Valora faces. The results of these assessments were reviewed at meetings with the Board of Directors and sets of planned measures were decided upon. Additional information regarding the risk assessment process and the risks identified can be found in section 3.6.1 of the corporate governance report.

34 FINANCIAL INSTRUMENTS

Book values, fair values and valuation categories in CHF 000	Valuation category	**Book value 2012**	Book value 2011	**Fair Value 2012**	Fair Value 2011
Assets					
Cash and cash equivalents	LaR	147 153	109 562	147 153	109 562
Derivative financial assets (hierarchy level 2)	FAHfT	7	166	7	166
Trade accounts receivable	LaR	169 292	174 042	169 292	174 042
Other short-term receivables (financial instruments portion)	LaR	73 486	54 548	73 486	54 548
Long-term interest-bearing investments	LaR	4 293	6 562	4 293	6 562
Other long-term receivables	LaR	17 525	–	17 525	–
Financial assets available for sale valued at cost	AfS	649	647	n/a	n/a
Financial assets available for sale (hierarchy level 2) at fair value	AfS	180	1 671	180	1 671
Liabilities					
Short-term financial liabilities	FLAC	16 187	141 869	16 187	143 089
Derivative financial liabilities (hierarchy level 2)	FLHfT	2 743	8 969	2 743	8 969
Trade accounts payable	FLAC	266 145	293 056	266 145	293 056
Other financial liabilities (financial instruments portion)	FLAC	95 722	104 107	95 722	104 107
Long-term financial liabilities	FLAC	492 572	– 380	502 172	– 380
Classified by category					
Loans and receivables	LaR	411 749	344 714	411 749	344 714
Financial assets held for trading	FAHfT	7	166	7	166
Financial assets available for sale	AfS	829	2 318	n/a	n/a
Financial liabilities at cost	FLAC	870 626	538 652	880 226	539 872
Financial liabilities held for trading	FLHfT	2 743	9 056	2 743	9 056

The assumption made for all short-term financial instruments – other than the bond issue (see note 26) – is that book value represents a reasonable approximation of fair value, since the discounting effects are insignificant. The fair value of the bond issue is equal to its nominal value multiplied by its market price on the balance sheet date. Details of the valuations applied to derivative financial instruments and financial investments available for sale are contained in notes 4, 24 and 33. The fair values of the other long-term interest-bearing financial instruments were determined by discounting their expected future cash flows using market interest rates.

35 TRANSACTIONS AND BALANCES OUTSTANDING WITH RELATED PARTIES

The consolidated financial statements encompass Valora Holding AG as the ultimate parent company along with all subsidiaries it directly or indirectly controls, as set out in note 38.

Transactions. Business was transacted with related individuals and companies as follows:

Goods and services sold to related parties in CHF 000	**2012**	2011
Goods sold to		
Associates	0	3 044
Other related parties	1 082	0
Services to		
Associates	272	278
Other related parties	161	160
Total goods and services sold	**1 515**	**3 482**

Goods and services purchased from related parties in CHF 000	**2012**	2011
Goods purchased from		
Other related parties	2 590	2 238
Services purchased from		
Other related parties	677	284
Total goods and services purchased	**3 267**	**2 522**

Management and Board remuneration. Remuneration paid to management and the Board of Directors includes all expenses shown in the consolidated financial statements directly relating to members of the Group Executive Committee and the Board of Directors.

Management and Board remuneration in CHF 000	**2012**	2011
Salaries and other short-term benefits [1]	4 251	4 386
Post-employment benefits	299	365
Share-based payments	953	362
Total Management and Board remuneration [2]	**5 503**	**5 113**

[1] Including vehicle costs paid by the employer.
[2] Remuneration totalling CHF 37 thousand was paid to a former member of Group Executive Management in 2012 (2011: CHF 628 thousand).

Details of the remuneration paid to the Board of Directors and Group Executive Management, as well as details of their holdings of Valora Holding AG shares and of the shares held by significant shareholders (as required by Articles 663bbis and 663c of the Swiss Code of Obligations), can be found in notes 5 and 6 to the financial statements of Valora Holding AG.

Receivables and liabilities. The terms and conditions governing receivables and liabilities are those commonly used by the relevant companies. The Valora Group has neither received any sureties for receivables nor has it issued any guarantees for liabilities.

Receivables from related parties and associate companies in CHF 000	**2012**	2011
Receivables from associates	0	299
Receivables from other related parties	323	362
Total receivables	**323**	**661**

Liabilities towards related parties and associate companies in CHF 000	**2012**	2011
Liabilities towards related parties	5 387	184
Total liabilities	**5 387**	**184**

Contingent liabilities and guarantees. Apart from the guarantee issued in connection with the LTP share purchase programme, which is described in note 31, the Valora Group has entered into no other guarantees or contingent liabilities towards related parties or companies.

36 EQUITY

Shares outstanding in Stück	**2012**	2011
Total registered shares	3 435 599	2 800 000
of which treasury stock		
Position at January 1	19 920	46 630
Additions to treasury stock	90 397	34 654
Decreases in treasury stock	– 58 615	– 61 364
Total treasury stock at December 31	**51 702**	**19 920**
Total shares outstanding (after deduction of treasury stock) at December 31	**3 383 897**	**2 780 080**
Average number of shares outstanding (after deduction of treasury stock)	**2 913 674**	**2 767 795**

A dividend of CHF 11.50 per share was paid in 2012 relating to the year 2011 (CHF 11.50 per share was paid in 2011 relating to the year 2010). Dividend distributions are based on net income for the year and earnings carried forward by the Valora Holding AG parent company.

The company's issued share capital comprises 3435599 shares of CHF 1.00 nominal value each. A conditional share capital of 84000 shares exists which the Board of Directors may use for existing or future management share plans. None of these shares had been issued at December 31, 2012.

At their Ordinary General Meeting held on April 15, 2011, Valora Holding AG shareholders granted the Board of Directors authority to raise up to CHF 840 000 of additional share capital through the issue of up to 840 000 shares of CHF 1.00 nominal value each at any time until April 15, 2013. On November 6, 2012, 635 599 shares of this authorised share capital were issued in order to complete the Ditsch / Brezelkönig acquisition (see note 6).

The transaction costs arising from this share-capital increase, which have been charged to shareholders' equity, amounted to CHF 1.9 million.

37 SUBSEQUENT EVENTS

These consolidated financial statements were approved by the Board of Directors of Valora Holding AG on March 19, 2013. The Board of Directors recommends that the Ordinary General Meeting of Shareholders to be held on April 18, 2013 approve these financial statements.

38 SIGNIFICANT SUBSIDIARIES OF THE VALORA GROUP

	Currency	Nominal capital in million	Shareholding in %	Corporate	Valora Retail	Ditsch / Brezelkönig	Valora Services	Valora Trade
Switzerland								
Valora Management AG, Muttenz	CHF	0.5	100.0	•				
Valora International AG, Muttenz	CHF	20.0	100.0	•	•			
Valora Schweiz AG, Muttenz	CHF	5.2	100.0	•	•		•	•
Alimarca AG, Muttenz	CHF	0.1	100.0			•		
Germany								
Valora Holding Germany GmbH, Hamburg	EUR	0.4	100.0	•				
Stilke Buch & Zeitschriftenhandels GmbH, Hamburg	EUR	3.8	100.0		•			
Sussmann's Presse & Buch GmbH, Hamburg	EUR	0.1	100.0		•			
BHG Bahnhofs-Handels-Vertriebs GmbH, Hamburg	EUR	0.5	100.0		•			
Delvita GmbH, Mülheim a.d. Ruhr	EUR	0.1	100.0					•
Valora Retail Services GmbH, Hamburg	EUR	0.1	100.0		•			
Konrad Wittwer GmbH Bahnhofsbuchhandlungen, Hamburg	EUR	0.3	100.0		•			
Valora Retail Kiosk GmbH, Hamburg	EUR	0.1	100.0	•	•			
Valora Trade Germany GmbH, Mülheim a.d. Ruhr	EUR	0.2	68.0					•
Convenience Concept GmbH, Ratingen	EUR	0.1	100.0		•			
Brezelbäckerei Ditsch GmbH, Mainz	EUR	0.1	100.0			•		
Brezelkönig GmbH + Co. KG, Mainz	EUR	0.8	100.0			•		
Luxembourg								
Valora Europe Holding S.A., Luxembourg	EUR	0.1	100.0	•				
Valora Luxembourg S.à r.l., Luxembourg	EUR	7.0	100.0		•		•	
Messageries du livre S.à r.l., Luxembourg	EUR	1.5	100.0		•			

	Currency	Nominal capital in million	Share-holding in %	Corporate	Valora Retail	Ditsch / Bre-zelkönig	Valora Services	Valora Trade
United Kingdom								
Valora Holding Finance Ltd., Guernsey	CHF	555.4	100.0	•				
Austria								
Valora Holding Austria AG, Anif	EUR	1.1	100.0	•				
Valora Trade Austria GmbH + Co. KG, Neunkirchen	EUR	3.6	100.0					•
Plagemann Lebensmittelhandels GmbH + Co. KG, Neunkirchen	EUR	0.1	100.0					•
Valora Retail Austria GmbH + Co. KG, Vienna	EUR	0.1	100.0		•			
Sweden								
Valora Holding Sweden AB, Stockholm	SEK	0.5	100.0	•				
Valora Trade Sweden AB, Stockholm	SEK	12.0	100.0					•
Scandinavian Cosmetics AB, Malmö	SEK	0.5	100.0					•
Norway								
Valora Holding Norway AS, Røyken	NOK	10.0	100.0	•				
Valora Trade Norway AS, Røyken	NOK	2.0	100.0					•
Engelschiøn Marwell Hauge AS, Oslo	NOK	2.7	80.0					•
Denmark								
Valora Trade Denmark A/S, Herlev	DKK	43.0	100.0					•
Valora Trade Denmark Beverages A/S, Herlev	DKK	2.0	75.0					•
Finland								
Oy Valora Trade Finland AB, Helsinki	EUR	0.1	100.0					•

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF VALORA HOLDING AG, MUTTENZ

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

As statutory auditor, we have audited the consolidated financial statements of Valora Holding AG, which comprise the income statement, comprehensive income statement, balance sheet, cash flow statement, statement of changes in equity and notes (pages 42 to 103), for the year ended 31 December 2012.

Board of Directors' responsibility. The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the consolidated financial statements for the year ended 31 December 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young AG

Martin Gröli Licensed audit expert (Auditor in charge)	Stefanie Walter Licensed audit expert

Zurich, 19 March 2013

INCOME STATEMENT

January 1 to December 31, in CHF 000	**2012**	2011
Income		
Dividend income	22 100	40 100
Adjustment to impairment charge on investments	14 300	0
Interest income	1 735	619
Foreign exchange gains	635	685
Income from securities	43	301
Other income	0	4 001
Total income	**38 813**	**45 706**
Expense		
Interest expense	– 10 491	– 5 567
Foreign exchange losses	– 582	– 574
Losses on securities	– 2 973	– 3 161
General administration expense	– 9 094	– 3 897
Total expense	**– 23 140**	**– 13 199**
Net profit for the year	**15 673**	**32 507**

BALANCE SHEET BEFORE APPROPRIATION OF AVAILABLE EARNINGS

ASSETS

at December 31, in CHF 000		2012	2011
Current assets			
Cash and cash equivalents		505	550
Securities		9 588	3 741
Prepayments	from third parties	307	117
Short-term receivables	from third parties	396	197
	from Group companies	1 456	1 265
Total current assets		**12 252**	**5 870**
Non-current assets			
Investments		745 331	594 225
Loans and receivables from Group companies		16 755	16 902
Discounts and capitalised issuance cost on bond/syndicated loan		6 475	1 879
Total non-current assets		**768 561**	**613 006**
Total assets		**780 813**	**618 876**

LIABILITIES AND EQUITY

at December 31, in CHF 000		2012	2011
Liabilities			
Short-term bank debt/overdrafts		0	19
Current liabilities	towards third parties	498	456
	towards Group companies	83 110	105 263
Accrued expenses	towards third parties	5 074	2 719
Syndicated loan		36 231	0
Bond payable		200 000	140 000
Provisions		64 000	64 000
Total liabilities		**388 913**	**312 457**
Equity			
Share capital		3 436	2 800
General legal reserves		560	560
Reserve for treasury stock		12 350	5 185
Capital reserves [1]		119 299	20 188
Unrestricted reserves		192 948	198 164
Earnings available for distribution	Earnings brought forward	47 634	47 015
	Net profit for the year	15 673	32 507
Total equity		**391 900**	**306 419**
Total liabilities and equity		**780 813**	**618 876**

[1] The CHF 99 111 thousand increase in Valora Holding AG's capital reserves position has been reported to the Swiss Federal tax authorities. Until confirmation has been received from them, this position may be subject to modification.

NOTES TO THE FINANCIAL STATEMENTS OF VALORA HOLDING AG

A BASIS OF PRESENTATION

Valora Holding AG's annual accounts are drawn up in accordance with the provisions of Swiss company law (Swiss Code of Obligations).

B NOTES

1 CONTINGENT LIABILITIES. At December 31, 2012 the Group's contingent liabilities in favour of subsidiaries – consisting of sureties, subordination, keep well agreements, guarantees and other contingencies – totalled CHF 241.8 million (2011: CHF 210.1 million) with a further CHF 1.0 million in favour of third parties (2011: CHF 1.0 million).

2 BOND OUTSTANDING

in CHF 000	Coupon	Maturity	At 31.12.2012	At 31.12.2011
Bond 2012–2018	2.50%	02.03.2018	200 000	0
Bond 2005–2012	2.875%	12.07.2012	0	140 000

3 TREASURY STOCK HELD BY THE COMPANY AND ITS SUBSIDIARIES

in CHF 000	2012 Number of shares	2012 Net book value	2011 Number of shares	2011 Net book value
Opening balance (at January 1)	**19 920**	**3 722**	**46 630**	**14 819**
Sales	– 58 615	– 11 996	– 61 364	– 18 319
Purchases	90 397	20 744	34 654	10 383
Value adjustments	–	– 2 900	–	– 3 161
Closing balance (at December 31)	**51 702**	**9 570**	**19 920**	**3 722**

The share purchases in 2012 were made at market prices ranging from CHF 174.30 to CHF 301.75.

In addition, during 2012, Valora Holding AG purchased a total of 90 397 shares at an average price of CHF 229.48 and sold a total of 58 615 shares at an average price of CHF 204.66.

At December 31, 2012, treasury shares held by Valora Holding AG represented 1.5 % of the company's issued share capital (0.71% at year-end 2011).

4 NET RELEASE OF HIDDEN RESERVES. Hidden reserves of CHF 14.3 million were released in 2012 (none were released in 2011).

5 REMUNERATION AND SHAREHOLDINGS

Remuneration 2012

in CHF 000	Director's fee/ base salary	Short Term Plan (STP) [1]	Long Term Plan (LTP) [2]	Emolument in kind	Termination payments	Other remuneration [4]	Total 2012
Board of Directors							
Rolando Benedick Chairman and CEO	716.7	–	64.2	–	–	48.8	829.7
Markus Fiechter Vice-Chairman and Lead Director	160.0	–	22.6	–	–	16.0	198.6
Bernhard Heusler Board member	110.0	–	15.5	–	–	8.8	134.3
Franz Julen Chairman of Nomination and Compensation Committee	120.0	–	16.9	–	–	9.7	146.6
Conrad Löffel [3] Chairman of Audit Committee	120.0	–	115.5	–	–	15.3	250.8
Total remuneration to Board members	**1 226.7**	**–**	**234.7**	**–**	**–**	**98.6**	**1 560.0**
Group Executive Management							
Lorenzo Trezzini CFO	400.1	102.9	633.5	15.0	–	198.7	1 350.2
Total remuneration to current members of Group Executive Management	**2 089.7**	**402.4**	**717.9**	**82.5**	**–**	**613.8**	**3 906.3**
Total remuneration to former members of Group Executive Management	16.7	4.2	–	7.2	–	8.8	36.9
Total remuneration to Group Executive Management (GEM)	**2 106.4**	**406.6**	**717.9**	**89.7**	**–**	**622.6**	**3 943.2**

[1] These are the effective costs of the bonuses granted in respect of 2012, which will be paid out in April 2013.
[2] The total number of shares covered by the LTP is 67098. The costs of running the LTP comprise interest payments to finance the LTP share purchases for members of the Board of Directors and Group Executive Management and the difference between the market price of the shares on the date they were allocated and their average closing price over the twenty trading days preceding the commencement of the LTP programme.
[3] Remuneration paid in respect of the 3733 options in the option programme amounted to CHF 115.5 thousand. The exercise price of the options was CHF 301.75 for the first tranche and CHF 199.85 for the second tranche of the LTP 2011, which corresponds to the shares' average closing prices over the twenty days preceding commencement of these two programmes. The market price at the time the options were awarded was CHF 291.00 for the first tranche and CHF 219.20 for the second tranche of the LTP 2011. The value of the options determined using the Black Scholes model was based on the following key parameters:

Plan	2nd Tranche LTP 2011	1st Tranche LTP 2011
Number of options	1883	1850
Expiration date	30.10.2015	30.10.2013
Implied volatility	35%	35%
Risk-free rate of interest	0.523%	0.523%
Value per option	CHF 38.56	CHF 2.09

[4] These amounts include payments to pension plans and other benefit schemes.

Remuneration 2011

in CHF 000	Director's fee/ base salary	Short Term Plan (STP) [1]	Long Term Plan (LTP) [2]	Emolument in kind	Termination payments	Other remuneration [4]	Total 2011
Board of Directors							
Rolando Benedick Chairman	450.0	–	49.5	–	–	32.3	531.8
Markus Fiechter Vice-Chairman	160.0	–	16.8	–	–	12.3	189.1
Bernhard Heusler Board member	110.0	–	11.2	–	–	8.4	129.6
Franz Julen Chairman of Nomination and Compensation Committee	120.0	–	13.2	–	–	9.3	142.5
Conrad Löffel [3] Chairman of Audit Committee	120.0	–	87.5	–	–	24.8	232.3
Total remuneration to Board members	**960.0**	**–**	**178.2**	**–**	**–**	**87.1**	**1 225.3**
Group Executive Management							
Thomas Vollmoeller CEO	600.0	204.3	88.3	20.0	–	171.6	1 084.2
Total remuneration to Group Executive Management, including CEO	**2 080.7**	**432.8**	**146.5**	**80.0**	**–**	**519.2**	**3 259.2**
Total remuneration to former members of Group Executive Management	400.8	100.0	37.6	15.0	–	74.7	628.1
Total remuneration to Group Executive Management (GEM), including CEO	**2 481.5**	**532.8**	**184.1**	**95.0**	**–**	**593.9**	**3 887.3**

1) These are the effective costs of the bonuses granted in respect of 2011, which will be paid out in April 2012.

2) The total number of shares covered by the LTP is 81 863. The costs of running the LTP comprise interest payments to finance the LTP share purchases for members of the Board of Directors and Group Executive Management and the difference between the market price of the shares on the date they were allocated and their average closing price over the twenty trading days preceding the commencement of the LTP programme.

3) Remuneration paid in respect of the 3197 options in the option programme amounted to CHF 87.5 thousand. The exercise price of the options was CHF 148.05 for the second tranche of the 2009 LTP and CHF 301.75 for the first tranche of the 2011 LTP, which in each case is the average closing price of the shares for the twenty trading days preceding the commencement of the programmes concerned. The market price at the time the options were awarded was CHF 161 for the second tranche of the 2009 LTP and CHF 291 for the first tranche of the 2011 LTP. The value of the options determined using the Black Scholes model was based on the following key parameters:

Plan	LTP 2009	LTP 2011
Number of options	1347	1850
Expiration date	31.01.2012	30.10.2013
Implied volatility	38%	35%
Risk-free rate of interest	0.175%	0.523%
Value per option	CHF 48.50	CHF 11.65

4) These amounts include payments to pension plans and other benefit schemes.

No payments were made to persons closely associated with current or former members of the Board of Directors or Group Executive Management which were not commensurate with market practice.

Remuneration paid to Board members is directly charged to Valora Holding AG. Remuneration paid to members of Group Executive Management is paid by their employer, Valora Management AG.

Loans and advances. At December 31, 2012 and 2011 there were no loans or advances outstanding to members of the Board or of Group Executive Management or to persons associated with them.

Shareholdings. At December 31, 2012 and 2011, individual members of the Board and Group Executive Management (including persons associated with them) held the following numbers of shares of Valora Holding AG:

	2012 Number of shares	**2012** Share of total voting rights in%	**2012** of which subject to a lock-up period	2011 Number of shares	2011 Share of total voting rights in %	2011 of which subject to a lock-up period
Board of Directors						
Rolando Benedick Chairman and CEO (since May 2012)	29 772	0.87	6 937: 31.10.2013 7 063: 31.10.2015	22 709	0.81	5 049: 31.01.2012 6 937: 31.10.2013
Markus Fiechter Vice-Chairman and Lead Director	8 344	0.24	2 467: 31.10.2013 2 511: 31.10.2015	5 833	0.21	1 683: 31.01.2012 2 467: 31.10.2013
Bernhard Heusler Board member	4 544	0.13	1 696: 31.10.2013 1 726: 31.10.2015	3 940	0.14	1 122: 31.01.2012 1 696: 31.10.2013
Franz Julen Chairman of Nomination and Compensation Committee	6 876	0.20	1 850: 31.10.2013 1 883: 31.10.2015	4 993	0.18	1 346: 31.01.2012 1 850: 31.10.2013
Conrad Löffel Chairman of Audit Committee	0	0.00	none	0	0.00	none

	2012 Number of shares	2012 Share of total voting rights in %	2012 of which subject to a lock-up period	2011 Number of shares	2011 Share of total voting rights in %	2011 of which subject to a lock-up period
Group Executive Management						
Thomas Vollmoeller CEO (until 31.05.2012)	0	0.00	none	22 269	0.80	10 098: 31.01.2012 12 171: 31.10.2013
Michael Mueller [1)] CFO (from 1.11.2012)	12 000	0.35	6 000: 31.10.2013 6 000: 31.10.2015	0	0.00	none
Lorenzo Trezzini CFO (until 31.10.2012)	0	0.00	none	9 465	0.34	4 232: 31.01.2012 5 233: 31.10.2013
Andreas Berger Head, Valora Retail division (from 17.01.2011)	12 145	0.35	6 073: 30.04.2013 6 072: 30.04.2015	12 145	0.43	6 073: 30.04.2013 6 072: 30.04.2015
Alexander Theobald Head, Valora Services division	7 315	0.21	3 657: 30.04.2013	7 315	0.26	3 658: 30.04.2012 3 657: 30.04.2013
Alex Minder Head, Valora Trade division	11 618	0.34	207: 03.04.2013 96: 22.04.2013 4 710: 31.10.2013 709: 02.04.2014 4 795: 31.10.2015	10 632	0.38	3 809: 31.01.2012 120: 21.03.2012 828: 28.03.2012 207: 03.04.2013 96: 22.04.2013 4 710: 31.10.2013 709: 02.04.2014
Total shares held by Board and GEM	**92 614**	**2.69**		**99 301**	**3.55**	

[1)] 1) In addition, Michael Mueller holds a further 575000 OTC call options (not written by Valora). The exercise price of these options is CHF 200, with 100 options exercising into 1 Valora registered share. The options expire on December 19, 2014 and they are subject to an extraordinary trading embargo (i.e. cannot be sold) until April 30, 2014.

6 MAJOR SHAREHOLDERS. The Ordinary General Meeting of shareholders held in 2010 removed the statutory restriction (in German: “Vinkulierung”) which prevented any shareholder from having voting rights recognised in respect of more than 5% of the share capital issued. At December 31, 2012 this 5% threshold was equivalent to 171 780 shares.

As of December 31, 2012, Credit Suisse Funds AG (formerly Credit Suisse Asset Management Funds AG), Zurich held 151 034 registered shares, which represents 4.40% of the company’s issued share capital (6.66% in 2011).

As of December 31, 2012, Ernst Peter Ditsch held 635 599 registered shares, which represents 18.50% of the company’s issued share capital (0.00% in 2011).

As of December 31, 2012, UBS Fund Management (Switzerland) AG held 191 139 registered shares, which represents 5.56% of the company’s issued share capital (6.58% in 2011).

7 SIGNIFICANT SUBSIDIARIES OF VALORA HOLDING AG

	31.12.2012 Holding in %	31.12.2011 Holding in %
Switzerland		
Valora International AG, Muttenz	100.0	100.0
Valora Management AG, Muttenz	100.0	100.0
Germany		
Valora Holding Germany GmbH, Hamburg	5.1	5.1
Brezelkönig GmbH & Co. KG, Mainz	100.0	0.0
United Kingdom		
Valora Holding Finance Ltd, Guernsey	100.0	100.0

8 CURRENT LIABILITIES. Valora Holding AG's current liabilities towards Group companies include Valora Holding AG's portion of the Group's cash pool. The banking arrangements for the entire cash pool are managed by a subsidiary of Valora Holding AG.

9 APPROVED AND CONDITIONAL SHARE CAPITAL. The Annual General Meeting held on 11 May, 2000 approved the creation of additional conditional share capital of a nominal CHF 84 000. At December 31, 2012, none of these shares had been issued.

At their Ordinary General Meeting on April 15, 2011, Valora shareholders granted the Board of Directors authority to increase the company's share capital, at any time until April 15, 2013, by up to CHF 840 000 through the issue of up to 840 000 fully paid up new shares of CHF 1.00 nominal each.

In connection with the completion of its acquisition of the Ditsch / Brezelkönig group of companies, Valora increased its share capital by CHF 635 599 on November 6, 2012 – from CHF 2 800 000 to CHF 3 435 599 – by issuing 635 599 registered shares with a nominal value of CHF 1 each. Existing shareholders were granted no subscription rights to these new shares, which were transferred to Ernst Peter Ditsch in consideration of his transfer to Valora of all the outstanding shares of Brezelkönig GmbH & Co. KG and der Zweite Brezelkönig Verwaltungs GmbH, both of which have their registered offices in Mainz, Germany. These new shares represent the portion of the purchase price for these two companies not paid in cash.

10 RISK ASSESSMENT. Each year, the Valora Group carries out a risk assessment during October and November with the Board of Directors and Group Executive Management. The objective is to make the main risks to which Valora is exposed more transparent, to improve the quality of risk dialogue, and to define practical steps for addressing the key risks which Valora faces. The process begins with a series of structured interviews with individual members of Group Executive Management. A Group Executive Management workshop is then held which discusses the results, identifies the main risks, analyses and evaluates them, and plans appropriate action. The workshop results are then discussed with the Board of Directors and a set of planned measures is decided upon.

PROPOSED APPROPRIATION OF EARNINGS AVAILABLE FOR DISTRIBUTION AND DISBURSEMENT FROM CAPITAL RESERVES

Proposal for the appropriation of earnings available for distribution

in CHF 000	**2012**	2011
Net profit for the year	**15 673**	**32 507**
+ Earnings brought forward [1]	47 634	47 015
Earnings available for distribution	**63 307**	**79 522**
The Board of Directors proposes		
Transfer to general legal reserves	– 127	0
Dividend	– 22 847	– 32 200
Balance to be carried forward	**40 333**	**47 322**
Proposed disbursement from capital reserves		
Capital reserves (before disbursement)	119 299	20 188
Distribution (following prior reclassification as free reserves)	– 20 098	0
Capital reserves (after distribution)	**99 201**	**20 188**
Dividend distribution (in CHF)		
Disbursement from free reserves (exempt from withholding tax)	5.85	0.00
Gross dividend per share	6.65	11.50
– 35% withholding tax	– 2.33	– 4.03
Net dividend per share (in CHF)	**10.17**	**7.47**

[1] For the 27 168 shares held by the company itself at the distribution date no dividend was paid, thus increasing the earnings carried forward by CHF 312 thousand.

REPORT OF THE STATUTORY AUDITOR TO THE GENERAL MEETING OF VALORA HOLDING AG, MUTTENZ

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

As statutory auditor, we have audited the financial statements of Valora Holding AG, Muttenz, which comprise the income statement, balance sheet and notes (pages 105 to 113), for the year ended 31 December 2012.

Board of Directors' Responsibility. The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the financial statements for the year ended 31 December 2012 comply with Swiss law and the company's articles of incorporation.

REPORT ON OTHER LEGAL REQUIREMENTS

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young AG

Martin Gröli Licensed audit expert (Auditor in charge)	Stefanie Walter Licensed audit expert

Zurich, 19 March 2013

REPORT ON CORPORATE GOVERNANCE AND REMUNERATION

Valora is aware of the expectations placed on its corporate governance and is committed to meeting them. Our objective is to attain the highest levels of transparency commensurate with best practice standards. We believe that this applies particularly to the structure of our organisation and of the control and management infrastructure we have in place. Above all, this transparency should protect shareholders' interests and create value for all other stakeholders.

The principles and rules relating to Valora's corporate governance are most notably promulgated in the company's articles of incorporation, its bylaws and the regulations governing the Board committees, all of which are subject to regular review and updated where appropriate. In 2009, the Board of Directors approved the Valora Code of Conduct. The scope of this Code, which sets out the types of conduct Valora expects from its employees, goes beyond the simple adherence to applicable laws and directives.

The corporate governance and remuneration section of this annual report follows the structure set out in the applicable SIX Swiss Exchange guidelines:

1 GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE. Valora Holding AG, the Group's parent company, is a limited company established under Swiss law. Either directly or indirectly, it holds stakes in 33 significant unlisted companies, all of which are fully consolidated in its accounts. The Group's operational structure is set out on page 26.

1.1.1 LISTED COMPANIES. The only listed company in the Valora Group is Valora Holding AG, which is domiciled in Muttenz. The company is listed on the main section of SIX Swiss Exchange and on the BX Berne eXchange (Swiss securities number 208897, Telekurs VALN, Reuters VALN.S, Bloomberg VALN.SW, ISIN number CH0002088976). The company itself holds 1.5% of the total of 3 435 599 issued shares. At December 31, 2012, the market capitalisation of Valora Holding AG amounted to CHF 626 million. The company's market capitalisation over the last 5 years is shown on page 137.

1.1.2 CONSOLIDATED COMPANIES. The significant companies within the Group are shown in the notes to the consolidated financial statements on pages 102 to 103, which list the name, domicile, total share capital and percentage of share capital held by Valora Holding AG.

1.2 SIGNIFICANT SHAREHOLDERS. The following shareholders or shareholder groups have reported holdings of registered shares in Valora Holding AG in excess of the 3% and 5% thresholds:

Shareholders	Receipt of report	Holdings
Credit Suisse Funds AG	13.11.2012	> 3 %
Ernst Peter Ditsch	09.11.2012	> 5 %
Lombard Odier Asset Management (Switzerland) SA	01.04.2010	> 3 %
Pictet Funds S.A.	23.08.2012	< 3 %
UBS Fund Management (Switzerland) AG	26.01.2011	> 5 %

Detailed information regarding changes in shareholdings are set out in the separate section below. The shareholders are listed in alphabetical order.

The following significant shareholders have disclosed shareholdings to Valora Holding AG in accordance with article 20 of the Swiss Federal Stock Exchange Act (in German, "Börsengesetz" or "BEHG"):

Credit Suisse Funds AG: On November 13, 2012, Credit Suisse Funds AG, Kalandergasse 4, 8045 Zurich, Switzerland reported that, as a result of Valora Holding AG's share-capital increase, the 143 763 registered shares it held on November 9, 2012 were equivalent to 4.1845 % of the company's issued share capital.

On September 24, 2012, Credit Suisse Funds AG, Kalandergasse 4, 8045 Zurich, Switzerland reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of September 19, 2012 had increased to 140 269 registered shares (equivalent to 5.0096 % of the company's issued share capital).

On August 14, 2012, Credit Suisse Funds AG, Kalandergasse 4, 8045 Zurich, Switzerland reported that as a result of share disposals its holdings of registered shares of Valora Holding AG as of August 8, 2012 had been reduced to 137 757 registered shares (equivalent to 4.9199 % of the company's issued share capital).

On May 2, 2012, Credit Suisse Funds AG, Kalandergasse 4, 8045 Zurich, Switzerland reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of April 25, 2012 had increased to 140 888 registered shares (equivalent to 5.0317 % of the company's issued share capital).

On January 31, 2012, Credit Suisse Funds AG (formerly Credit Suisse Asset Management Funds AG), Kalandergasse 4, 8045 Zurich, Switzerland reported that as a result of share disposals its holdings of registered shares of Valora Holding AG as of January 25, 2012 had been reduced to 139 029 registered shares (equivalent to 4.965 % of the company's issued share capital).

On May 9, 2011, Credit Suisse Asset Management Funds AG, Kalandergasse 4, 8045 Zurich, Switzerland reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of May 3, 2011 had increased to 140 146 registered shares (equivalent to 5.005 % of the company's issued share capital).

Ernst Peter Ditsch: On November 9, 2012, Ernst Peter Ditsch, 55131 Mainz, Germany reported that, as a result of Valora Holding AG's capital increase, the 635 599 registered shares he held on November 9 2012 were equivalent to 18.50 % of the company's issued share capital.

On September 27, 2012, Ernst Peter Ditsch, 55131 Mainz, Germany reported that in part payment for his sale to Valora Holding AG of his two companies Brezelkönig GmbH & Co. KG and its limited-liability partner die Zweite Brezelkönig Verwaltungs GmbH, both with registered offices in Mainz, his holdings of registered shares of Valora Holding AG as of September 24, 2012 amounted to 635 599 registered shares (equivalent to 22.70 % of the company's issued share capital).

Lombard Odier Asset Management (Switzerland) SA (formely Lombard Odier Darier Hentsch Fund Managers SA): No reports were received from this shareholder during 2012.

On April 1, 2010, Lombard Odier Darier Hentsch Fund Managers SA (LODHFM), Avenue des Morgines 2, 1213 Petit-Lancy, Switzerland reported that as of March 31, 2010, the registered shares of Valora Holding AG held by investment funds under its control were as follows: LODH Swiss Cap (ex-SMI) (40 220 shares / 1.44 % of the company's issued share capital), IF IST2 Actions Suisses Valeurs Complémentaires (42 462 shares / 1.52 %), IS Valiant Swiss Equities SPI Index + (750 shares / 0.03 %), IF IST2 Actions Suisses SPI Plus (683 shares / 0.02 %) and IF IST2 European Small Mid Cap (1135 shares / 0.04 %). In aggregate, these holdings amounted to 85 250 registered shares of Valora Holding AG, which is equivalent to 3.04 % of the company's issued share capital.

Pictet Funds S.A.: On August 23, 2012, Pictet Funds S.A., Route des Acacias 60, 1211 Geneva, Switzerland reported that as a result of share disposals the registered shares of Valora Holding AG held by investment funds under its control on August 22, 2012 were as follows: Pictet (CH) Swiss Mid Small Cap (2.24 %), Pictet (CH) Enhanced Swiss Equities (0.21 %), Pictet Institutional Swiss Equities Tracker (0.18 %), Pictet (CH) Swiss Market Tracker (0.14 %), Ethos – Equities CH Indexed Corporate Governance (0.10 %), Pictet-Ethos (CH) Swiss Sustainable Equities (0.03 %), Raiffeisen Index Fonds (0.02 %), Pictet (CH) Swiss Equities (0.02 %), Subvenimus Institutional Fund (0.01 %). In aggregate, these holdings amounted to 82 205 registered shares of Valora Holding AG, which is equivalent to 2.94 % of the company's issued share capital.

On May 18, 2012, Pictet Funds S.A., Route des Acacias 60, 1211 Geneva, Switzerland reported that as a result of share disposals the registered shares of Valora Holding AG held by investment funds under its control on May 15, 2012 were as follows: Pictet (CH) Swiss Mid Small Cap (2.63 %), Pictet Institutional – Swiss Equities Segment (0.60 %), Pictet (CH) Solutions – Swiss Equities (0.51 %), Ethos – Equities CH Mid & Small (0.25 %), Pictet (CH) Enhanced – Swiss Equities 130 / 30 (0.20 %), Pictet Institutional – Swiss Equities Tracker (0.18 %), Pictet (CH) – Swiss Market Tracker (0.16 %), Pictet (CH) Swiss Equities (0.15 %), Ethos – Equities CH Indexed Corporate Governance (0.10 %), Pictet-Ethos (CH) – Swiss Sustainable Equities (0.03 %), Raiffeisen Index Fonds SPI (0.02 %), Subvenimus Institutional Fund (0.01 %). In aggregate, these holdings amounted to 135 ,539 registered shares of Valora Holding AG, which is equivalent to 4.84 % of the company's issued share capital.

On November 1, 2011, Pictet Funds S.A., Route des Acacias 60, 1211 Geneva, Switzerland reported that as a result of share purchases the registered shares of Valora Holding AG held by investment funds under its control on October 31, 2011 were as follows: Pictet-Institutional Swiss Equities Segment (1.79 %), Pictet (CH) Swiss Mid Small Cap (1.68 %), Pictet (CH) Swiss Equities (0.43 %), Pictet (CH) Enhanced Swiss Equities 130 / 30 (0.39 %), Ethos Fondation Suisse pour un Développment Durable (0.25 %), Pictet – Swiss Market Tracker (0.16 %), Pictet – Ethos (CH) Swiss sustainable equities (0.15 %), Pictet Institutional Swiss Equities Tracker (0.15 %), Ethos (0.08 %), Raiffeisen Index Fonds – SPI (0.02 %), Pictet (CH) Swiss Equities Pool (0.02 %), Subvenimus Institutional Fund (0.01 %). In aggregate, these holdings amounted to 143 ,461 registered shares of Valora Holding AG, which is equivalent to 5.12 % of the company's issued share capital.

UBS Fund Management (Switzerland) AG: No reports were received from this shareholder during 2012.

On January 26, 2011, UBS Fund Management (Switzerland) AG, P.O. Box, 4002 Basel, Switzerland reported that as a result of share purchases its holdings of registered shares of Valora Holding AG as of January 20, 2011 had increased to 145 724 shares (equivalent to 5.20 % of the company's issued share capital).

Valora Holding AG: On September 27, 2012, Valora Holding AG, Hofackerstrasse 40, 4132 Muttenz, Switzerland reported that, under the terms of a contractual provision applicable in the event of the shares held by Ernst Peter Ditsch being offered for sale after the end of the lock-up period to which they are subject, it holds preferential purchasing rights covering 635 599 of its own registered shares (equivalent to 22.70 % of the company's issued share capital). As September 27, 2012, Valora Holding AG held a further 53 130 of its own registered shares as treasury stock (equivalent to 1.90 % of the company's issued share capital). In aggregate, these holdings were thus equivalent to 24.60 % of the company's issued share capital (1.90 % in shares of treasury stock and 22.70 % in the form of preferential purchasing rights).

1.3 CROSS SHAREHOLDINGS. There are no reportable cross shareholdings between Valora Holding AG and its subsidiaries and other companies.

2 CAPITAL STRUCTURE

2.1 CAPITAL STRUCTURE AT DECEMBER 31, 2012. The ordinary share capital of Valora Holding AG as of December 31, 2012 amounted to CHF 3 435 599, comprising 3 435 599 single-class registered voting shares of CHF 1.00 nominal value each, each entitled to dividends. All Valora Holding AG ordinary registered shares are fully paid up and listed on the main section of the SIX Swiss Exchange and BX Berne eXchange. Valora Holding AG has conditional capital of CHF 84 000, comprising 84 000 registered shares of CHF 1.00 nominal value each.

2.2 CONDITIONAL AND AUTHORISED CAPITAL. Conditional capital amounting to a maximum of CHF 84 000, comprising 84 000 registered shares of CHF 1.00 nominal value each, was approved by the Annual General Meeting of May 11, 2000. These shares can be used at any time by the Board of Directors to cover the exercising of options granted to employees of the company or Group companies within the overall framework laid down by the Board of Directors. Existing shareholders have no subscription rights for such shares. No time limits apply. None of this conditional capital had been issued by December 31, 2011. The conditional capital of CHF 84 000 remains unchanged.

At their Ordinary General Meeting on April 15, 2011, Valora Holding AG shareholders granted the Board of Directors authority to increase the company's share capital, at any time until April 15, 2013, by up to CHF 840 000 through the issue of up to 840 000 fully paid up new shares of CHF 1.00 nominal each. Share capital increases representing portions of this maximum are permitted. The Board of Directors has full discretion to determine the amount of share capital to be issued, the form of payment required for subscription, the date of issue, the conditions governing the exercise of subscription rights and the commencement of dividend entitlement. The Board of Directors is authorised to restrict or prohibit trading in the subscription rights to these shares. The detailed regulations governing these shares are set out in Article 3b of the company's Articles of Incorporation.

2.3 CHANGES IN CAPITAL STRUCTURE. At their Ordinary General Meeting on April 15, 2011, Valora Holding AG shareholders authorised the Board of Directors to reduce the company's issued share capital by repurchasing up to 280 000 registered shares. The Board of Directors is empowered to determine the modalities of the repurchase programme at its sole discretion.

In connection with the completion of its acquisition of the Ditsch / Brezelkönig group of companies, Valora increased its share capital by CHF 635 599 on November 6, 2012 – from CHF 2 800 000 to CHF 3 435 599 – by issuing 635 599 new registered shares with a nominal value of CHF 1 each. Existing shareholders were granted no subscription rights to these new shares, which have been transferred to Ernst Peter Ditsch in consideration of his transfer to Valora of all the outstanding shares of Brezelkönig GmbH & Co. KG and of Zweite Brezelkönig Verwaltungs GmbH, both of which have their registered offices in Mainz, Germany. The new shares represent a portion of the agreed purchase price for this acquisition paid by Valora.

Changes in the reserves and overall shareholders' equity of Valora Holding AG are shown in the balance sheet (page 107) and in the notes to the financial statements of Valora Holding AG (page 108).

2.4 SHARES, PARTICIPATION CERTIFICATES AND DIVIDEND-RIGHT CERTIFICATES. All 3 435 599 registered shares each have a nominal value of CHF 1.00 and are fully paid up. Each share entitles its holder to a dividend, except the shares held in treasury by Valora Holding AG. There are no preferential shares. Valora holding AG has not issued any participation certificates or dividend right-certificates.

2.5 CONVERTIBLE BONDS AND OPTIONS. At December 31, 2012, Valora Holding AG had no convertible bonds or options outstanding.

2.6 LIMITATIONS ON TRANSFERABILITY AND NOMINEE REGISTRATIONS. Details of limitations on transferability and nominee registrations are shown in section 6.1 of this corporate governance report.

3 BOARD OF DIRECTORS

3.1 BOARD OF DIRECTORS. At December 31, 2012, the Board of Directors of Valora Holding AG comprised the following five members:

Rolando Benedick, 1946, *Swiss citizen,* Chairman and CEO (since May 2012).
Previous activities: CEO of Innovazione, CEO of the Manor Group, Board Chairman of the Manor Group, Member of the Board of Directors of Jacobs Holding AG, Member of the Board of Barry Callebaut.
Current activities: Board Chairman of Manor Sud (since 1999), Member of the Boards of Directors of MCH Group AG (since 2004) and Galfa Group Paris (since 2009).

Markus Fiechter, 1956, *Swiss citizen,* Vice-Chairman and Lead Director, Master's degrees in Chemical Engineering from the Swiss Federal Institute of Technology and in Economics from the St. Gallen Business School.
Previous activities: Manager, Mettler Toledo AG, Manager, Boston Consulting Group, CEO, Minibar Group, CEO, Jacobs Holding AG.
Current activities: Member of the Boards of Directors of Barry Callebaut (since 2004), Minibar AG (since 2005) and W. Schmid AG (since 2012).

Bernhard Heusler, 1963, *Swiss citizen*
Attorney-at-law, doctorate and master's degree in Law from the University of Basel and postgraduate studies at the University of California, Davis.
Previous activities: temporary associate at Davis Polk & Wardwell, New York, associate at Wenger Plattner, Attorneys-at-law in Bern, Basel and Zurich.
Current activities: Partner at Wenger Plattner, Attorneys-at-law (since 2000), Chairman (since 2012) and Board Delegate (since 2005) of the FC Basel 1893 AG football club, member of various professional organisations, member of the Boards of Directors of various non-exchange-listed trading and service enterprices.

Franz Julen, 1958, *Swiss citizen*
Diploma in hotel and restaurant management from the Swiss Hotel Management School, Lucerne.
Previous activities: Deputy Managing Director, Marc Biver Development Sportmarketing, Chairman of the Management Committee, Völkl International AG, COO, INTERSPORT International Corporation.
Current activities: CEO, INTERSPORT International Corporation (since 2000).

Conrad Löffel, 1946, *Swiss citizen*
Federally qualified Swiss chartered accountant.
Previous activities: CFO, Intercontainer, CFO, Kuoni, CFO, Danzas and partner and Board director of Ernst & Young AG, Basel.
Current activities: Member of the Board of Directors of Adimmo AG (since 2006) and Member of the Board of Directors of Swiss Federal Railways (since 2008).

No member of the Board of Directors has any management mandate within the Valora Group or any significant business relations with the Group. Bernhard Heusler is a partner of the Wenger Plattner law practice, which has offices in Basel, Bern and Zurich. In 2012, Valora paid fees totalling CHF 508 thousand (CHF 197 thousand in 2011) to various members of the Wenger Plattner law practice. These related to notarisation services and advice in the fields of employment law, IT law, contract law and real-estate law.

3.2 OTHER ACTIVITIES AND VESTED INTERESTS. Some Board members engage in other business activities with major companies.

3.2.1 SUPERVISORY BOARD ACTIVITIES.

- Rolando Benedick: Board Chairman of Manor Sud, member of the Boards of Directors of MCH Group AG and Galfa Group Paris, Chairman of the governing body of the Freiwilliger Museumsverein, Basel, Chairman of the Leopard Club, Locarno, Chairman of the supervisory board of the Valora pension fund and the Valora employer's foundation, both of which have their registered offices in Muttenz.
- Markus Fiechter: member of the Boards of Directors of Barry Callebaut and Minibar AG. Member of the Supervisory Board of the Swiss Federal Foundation for the Furtherance of the Swiss Economy through Scientific Research (in German, "Eidgenössische Stiftung zur Förderung schweizerischer Volkswirtschaft durch wissenschaftliche Forschung"), Zurich
- Bernhard Heusler: member of various professional organisations, member of the Boards of Directors of various non-exchange-listed trading and service SMEs.
- Franz Julen: Vice-Chairman of the Supervisory Board of the Union of Groups of Independent Retailers of Europe (UGAL), a non-profit international organisation.
- Conrad Löffel: member of the Boards of Directors of Adimmo AG and Swiss Federal Railways

3.2.2 MEMBERSHIP OF EXECUTIVE COMMITTEES.

- Markus Fiechter: Member of the Advisory Board of Manres AG, Zollikon.
- Bernhard Heusler: Partner with Wenger Plattner, Attorneys-at-law, Basel, Chairman and Board Delegate of the FC Basel 1893 AG football club
- Franz Julen: CEO of INTERSPORT International Corporation, Bern

3.3 ELECTIONS AND TERMS OF OFFICE. The Board of Directors comprises at least three members who are elected by the General Meeting of Shareholders for a term of one year – one year being the period from one Ordinary General Meeting to the next. Each Board member is elected individually. Outgoing Board members may be re-elected. Members retire permanently from the Board on the date of the Ordinary General Meeting following their 70th birthday. Any exceptions to these rules must be recommended by the Board of Directors to the General Meeting and approved by the latter.

The Board of Directors is self-constituting. The Board names a Chairman and a Deputy Chairman and a Secretary. The Secretary need not be a Board member. With the exception of Franz Julen, who was first elected in 2007, all Board members were first elected in 2008.

3.4 INTERNAL ORGANISATIONAL STRUCTURE AND COMMITTEES. The Board of Directors discharges the duties required of it by law (article 716a of the Swiss Code of Obligations). The Board has supreme managerial responsibility for the company and the supervision of its conduct of business. It represents the company to the outside world and attends to all matters which the law, the company's Articles of Incorporation or the company's bylaws have not assigned to another executive body of the company. The Board of Directors may delegate powers and the management of the company or individual parts thereof to one or more persons, to members of the Board or to third parties who need not be shareholders, provided such affairs are not inalienably assigned to it by law or the articles of incorporation. The Board issues the company's bylaws and regulates the contractual relationships associated therewith.

There is no explicit allocation of responsibilities among Board members other than that arising from Board committee memberships. Board members are, however, selected so as to ensure that the Board as a whole has specific expertise in the fields of finance, retail, franchising, trade, IT and law.

Minutes are kept of Board meetings.

The composition of the Board committees is as follows:
- Audit Committee: Conrad Löffel (Chairman), Bernhard Heusler.
- Nomination and Compensation Committee: Franz Julen (Chairman), Markus Fiechter.

In addition, Rolando Benedick is an ex officio member of these standing committees.

The Board of Directors held 8 meetings in 2012, as well as conducting 7 conference calls and making 3 resolutions by circular. The meetings generally lasted all day. The Audit Committee held 3 half-day meetings, while the Nomination and Compensation Committee held 7 half-day meetings, conducted 3 conference calls and made 3 resolutions by circular. The Board of Directors and its committees may invite other persons – in particular members of management and representatives of the internal and external audit functions – to attend their meetings. The CEO and CFO attended all the meetings held by the Board of Directors and its committees, while the division heads presented the results achieved in their respective areas of responsibility at each of the Board meetings. Representatives of the internal and external audit functions attended all Audit Committee meetings.

3.4.1 AUDIT COMMITTEE DUTIES.

a) To assess accounting practices and principles, financial reporting and other financial information and to report on these to the Board of Directors.
b) To assess other financial information which is published or submitted to third parties.
c) To assess the financial reporting for the annual and half-yearly reports and make appropriate recommendations to the Board of Directors.
d) To monitor and discuss possible financial risks.
e) To assess risk management principles and activities with regard to financial risk.
f) To assess the quality of ICS (internal control system) processes within the company.
g) To assess the Group's risk situation and report on it to the Board of Directors.
h) To assess and finalise the internal audit function's budget, organisation and multi-year planning.
i) To assess and finalise the internal audit function's annual audit plan.
j) To decide on the appointment and dismissal of the head of internal audit.
k) To assess the audit scope, performance and independence of the external auditors and the fees paid to them, and to propose nominations for the external audit function (for the financial statements of Valora Holding AG and the Valora Group) to the Board of Directors.
l) To assess audit findings in the internal and external auditors' reports.
m) To commission additional and follow-up audits with regard to specific issues or problems as needed.
n) To assess the implementation of measures recommended in audit reports.
o) To assess the collaboration between internal and external auditors.
p) To assess financing and treasury policy.
q) To assess the legal department's annual report on major, potential, pending and resolved legal issues whose financial consequences are significant.
r) To assess tax planning, tax management and tax audits and their outcomes.
s) To assess the evolution of corporate governance and to formulate appropriate recommendations to the Board of Directors.
t) To carry out other tasks and projects as instructed by the Board of Directors.

For the duties specified in a), b), c), d), e), f), g) k), l), n), o), p), q), r), s) and t) above, the Audit Committee exercises a preparatory function. For the duties specified in h), i), j) and m) the Audit Committee exercises a decision-making function.

3.4.2 NOMINATION AND COMPENSATION COMMITTEE DUTIES.

a) To prepare proposals on the remuneration of the Chairman of the Board and the other Board members and submit these to the Board.
b) To determine the salaries and other terms and conditions of employment for the CEO and the other members of Group Executive Management.
c) To assess general annual salary increases proposed by the CEO and to make recommendations on these to the Board.
d) To review share programmes for management and employees and share option and profit-sharing programmes for the Board and Group Executive Management and to make recommendations on these to the Board.
e) To approve general salary increases (wage round, in German, "Lohnrunde").
f) To approve share, share option and profit-sharing programmes for management and employees.
g) To prepare proposals for new candidate Board members for submission to the Board.
h) To prepare proposals for submission to the Board on the appointment or dismissal of the CEO and other Group level executives (CFO, members of Group Executive Management).
i) To approve the conditions of employment of the CEO and the other members of Group Executive Management.
j) To remain informed of and monitor succession planning for the top two tiers of management.
k) To discuss the performance appraisals of the CEO and the other members of Group Executive Management.
l) To monitor the implementation of Board decisions within the scope of the Nomination and Compensation Committee's remit.
m) To approve the principles governing the company's pension funds and to appoint the employer's representatives to serve on their supervisory boards.
n) To resolve matters of principle relating to the company's dealings with trade unions.
o) To carry out other tasks and projects as instructed by the Board of Directors.

For the duties specified in a), c), d), e), f), g), h), i), j), k), l), m), n) and o) above, the Nomination and Compensation Committee exercises a preparatory function. For the duties specified in b) above, the Nomination and Compensation Committee exercises a decision-making function.

3.5 DEFINITION OF AREAS OF RESPONSIBILITY. The Board of Directors meets as frequently as business demands, holding a minimum of four meetings each year. Board meetings are convened by the Chairman or, in his absence, by the Deputy Chairman or another Board member. The Chairman is also required to convene a Board meeting within 30 days of receiving a written request to do so from any of its members. The Board is quorate if a majority of its members are present. No quorum is required for the Board to approve reports on capital increases or on the subsequent paying in of shares not fully paid up, or for any resolutions which require notarisation. Board resolutions are passed and elections decided by a simple majority of the votes cast. In the event of a tie, the Chairman has the casting vote. Voting and elections are nomally conducted by a show of hands, unless a Board member requests a secret ballot. Board resolutions on proposals submitted to it may also be passed by majority written approval (by letter, telegram or fax or in other written form), provided all Board members have been invited to vote and no member has requested that the issue concerned be discussed verbally. All Board resolutions must be recorded in a set of minutes, which the Chairman and the Secretary must jointly sign. Every Board member is entitled to information and access to documents, within the overall provisions of the law.

The Board of Directors has ultimate responsibility for the management of the Group, in particular determining the key attributes of the company's activities, maintaining an appropriate balance between entrepreneurial objectives and financial resources and promulgating such directives as this requires. The Board is also responsible for approving corporate strategy and specifying organisational structure, as well as defining the strategy and concept governing the internal control system and risk assessment and risk management activities. The Board also bears ultimate responsibility for personnel matters and determines the fundamental principles of the company's staff and salary policies. It is responsible for the appointment, dismissal and supervision of those charged with the management of the company, the Group and the individual divisions – in particular the CEO, CFO and divisional heads – and for defining their deputising arrangements and signatory powers. The Board also establishes the guidelines for financial and investment policy, and approves medium-term planning, annual budgets and investment schedules.

The Board of Directors delegates the entire management of ongoing operations and the representation of the company to Group Executive Management under the leadership of the CEO, to the extent that the law or the company's Articles of Incorporation or bylaws do not stipulate otherwise. Group Executive Management has the authority to decide on all matters relating to the business entrusted to it. Decisions on matters which are beyond the scope of regular business operations or which exceed the thresholds specified in the company's terms of reference (ToR) require approval by the Board of Directors. In essence, this applies to:

- the commencement of new business activities or the cessation of existing ones.
- the execution of significant contracts relating to areas outside the scope of Valora's normal business activities and the execution of consultancy contracts whose costs (either aggregate or annual) exceed CHF 2 million.
- the issuance of marketable debt securities or the contracting of long-term borrowing in amounts in excess of CHF 30 million.
- the granting of loans to third parties whose amount exceeds CHF 10 million.
- carrying out investments covered by the investment plan for amounts of more than CHF 5 million or carrying out non-budgeted investments for amounts of more than CHF 2 million.
- the granting of sureties or guarantees for amounts in excess of CHF 10 million.
- the acquisition or disposal of equity participations.
- the purchase or sale of real-estate properties for amounts in excess of CHF 5 million.
- the initiation or termination of legal disputes, including the agreement to court-ordered or out-of-court settlements for amounts in excess of CHF 2 million.

3.6 INFORMATION AND CONTROL INSTRUMENTS AVAILABLE TO THE BOARD OF DIRECTORS. The CEO keeps the Chairman of the Board informed about the business performance of the company and the Group. At Board meetings, the CEO informs the Board about the business performance of the company, the Group and the individual divisions and also reports on all major business events. The CEO notifies the Board immediately of any extraordinary events whose implications are substantial.

In addition, the Management Information System provides the Board of Directors with the following on a regular basis: monthly sales figures and monthly divisional and Group reporting based on the budget approved by the Board versus current and prior year's actual figures, information regarding major business events, data on the shareholder structure and the extent to which resolutions approved by the General Meeting or the Board of Directors have been implemented.

The Chairman of the Board of Directors is provided with copies of the minutes of all Group Executive Management meetings. Any member of the Board of Directors may demand information from management about the course of business and operations and, with the approval of the Chairman of the Board, on specific business transactions. Any Board member may also demand that company books and files be made available for their inspection.

3.6.1 RISK MANAGEMENT. The Board of Directors and Group Executive Management carry out a risk assessment once a year. The objective is to make the principal risks to which Valora is exposed more transparent, to improve the quality of risk dialogue and to define practical measures for addressing key risks to Valora. The results are reviewed at a joint meeting held with the Board of Directors at which a plan for implementing appropriate measures is approved.

The risk assessment is initiated by the head of internal audit and is then carried out jointly, with external assistance, by Group Executive Management and the Chairman of the Board. The risk assessment process comprises three phases. In phase 1, the catalogue of risks and the methodological parameters are defined, and structured interviews are held with the individual members of Group Executive Management. This phase also involves some 15 key Valora employees being questioned by internal audit about their assessment of the risk situation. In phase 2, the results of these interviews are discussed in a workshop held with Group Executive Management, the key risks are identified and measures for addressing them are defined, with responsibility for their execution being assigned to specific members of Group Executive Management. The implementation status of measures decided upon the previous year is also reviewed. The final phase involves documenting the key findings and potential consequences of each of the key risks identified, as well as the measures adopted to address them, in a risk report which is submitted to the Board of Directors for approval.

The principal risks identified in 2012 lie in the areas of product development for the Retail division's kiosk operations, the strategic alignment of the Retail and Services divisions, management capacity, the strategic direction of the Trade division's business model and the implementation of the business plans of companies acquired by the Group.

3.6.2 INTERNAL AUDIT. Internal audit supports the Board of Directors, the Audit Committee and Group Executive Management in the execution of their supervisory and controlling duties. In order to ensure the greatest possible degree of independence, the internal audit function reports to the Chairman of the Board of Directors, with a functional reporting line to the Chairman of the Audit Committee. Internal audit's activities cover the entire Valora Group and all its subsidiaries in Switzerland and abroad. Internal audit may be tasked with examining processes and projects within the Group and provides technical support, within the Internal Control System (ICS) context, to the ICS head, obtains quarterly ICS status reports and subjects the ICS framework to an annual review.

A written report is compiled for every audit and every other mandate carried out by internal audit. These reports are discussed in detail with the organisational units which have been examined and each such unit is required to define a schedule of concrete steps for implementing the measures which have been determined. Internal audit then verifies the implementation of these measures within one year. The Chairman of the Board of Directors, the Chairman of the Audit Committee and the CEO each receive a copy of these reports, which include the comments of those concerned. The external auditors also have free access to these reports.

By mid-March of the following year, internal audit submits an activity report for each calendar year. In addition to summarising its audit work, this report also provides details of internal audit's mission and strategy and of the extent to which its goals were achieved. Internal audit also formulates a rolling, risk-oriented multi-year plan, from which its annual audit plan is derived. The annual internal audit plan is agreed with the external auditors. It is then submitted to the Audit Committee for approval and communicated to Group Executive Management.

Internal audit carried out 16 audits during 2012.

4 GROUP EXECUTIVE MANAGEMENT

4.1 MEMBERS OF GROUP EXECUTIVE MANAGEMENT. The CEO is responsible for managing the Group. He coordinates the activities of the individual divisions and chairs the Group Executive Management committee. The other members of Group Executive Management report to the CEO. The division heads run their divisions with a view to achieving sustainably profitable performance. They define the specific management tools their divisions require in addition to the Group-wide guidelines which are in place.

Rolando Benedick, 1946, Swiss citizen
Previous activities: CEO of Innovazione, CEO of the Manor Group, Board Chairman of the Manor Group, Member of the Board of Directors of Jacobs Holding AG, Member of the Board of Barry Callebaut.
Current activities: Board Chairman of Manor Sud (since 1999), Member of the Boards of Directors of MCH Group AG (since 2004) and Galfa Group Paris (2009). Chariman and CEO (since May 2012).

Michael Mueller, 1972, Swiss citizen
Master's degree in Law from the University of St. Gallen
Previous activities: Managing Director of Rubus Capital Management AG, CEO, Board Delegate and Member of the Board of Directors of Jelmoli Holding AG, CEO of GVO Asset Management AG, merger and acquisitions advisor at Goldman Sachs, management consultant at Bain & Company advising on strategic transformation and restructuring programmes. CFO of Valora since November 1, 2012.

Andreas Berger, 1966, German citizen
Master's degree in Economics from the University of St. Gallen
Previous activities: director of ALDI GmbH & Co. KG Weimar, assistant to the Board of Directors and the proprietor of ALDI Nord, dealership business advisor at BMW AG Munich.
Head of Valora's Retail division since January 17, 2011.

Alexander Theobald, 1964, Swiss citizen
Master of Arts degree from the University of Zurich.
Previous activities: various publishing and marketing posts and Member of Senior Management of Tamedia AG, head of Swiss magazine division, director of publishing activities for Hungary and Romania and member of Group Executive Management of Ringier AG.
Head of Valora's Services division since May 1, 2010.

Alex Minder, 1957, Swiss citizen
Graduate in Business Administration, Executive MBA.
Previous activities: senior management positions at Bally International Ltd, client service director and executive committee member at Impuls Saatchi & Saatchi, Managing Director of Cadbury Switzerland, Board member of Cadbury Western Europe.
Head of Valora's Trade division since May 1, 2004.

Group Executive Management changes. Thomas Vollmoeller decided, for personal reasons, to relinquish his position as Valora Group CEO and his Group Executive Management membership as of the end of May, 2012. The Board of Directors assigned the CEO function to Rolando Benedick, in addition to his duties as Board Chairman. Markus Fiechter, Vice-Chairman of the Board of Directors was also appointed Lead Director.

Lorenzo Trezzini decided, for personal reasons, to relinquish his position as Valora Group CFO, while remaining with the company and continuing to carry out his duties as CFO until a successor was appointed. The Board of Directors appointed Michael Mueller as the new Valora Group CFO with effect from November 1, 2012.

4.2 FURTHER SIGNIFICANT ACTIVITIES AND VESTED INTERESTS. No member of Group Executive Management currently engages in any other activities in the management or supervisory boards of any listed companies in Switzerland or elsewhere. With the exception of the duties listed below, no member of Group Executive Management engages in any ongoing management or consultancy activities for companies outside the Valora Group, nor does any such member hold any public or political office.

The Valora Group is a founding member of the Swiss Retail Industry Group [Interessengemeinschaft Detailhandel Schweiz], where it is represented by Rolando Benedick. Michael Mueller is a member of the supervisory boards and of the investment committees of the Valora pension fund and the Valora employer's foundation, all of which have their registered offices in Muttenz.

4.3 MANAGEMENT CONTRACTS. There are no management contracts between Valora Holding AG and any companies or individuals outside the Valora Group.

5 REMUNERATION, SHAREHOLDINGS AND LOANS

5.1 COMPONENTS OF REMUNERATION AND SHAREHOLDING PROGRAMMES AND THEIR DETERMINATION.
The Board of Directors has determined a set of rules governing decision-making authority with regard to the remuneration of Board members and members of Group Executive Management. These are set out in section 3.4.2, Nomination and Compensation Committee Duties. The appropriateness of these duties is reviewed on an annual basis, with modifications being made as required.

The overall remuneration paid to each individual member of the Board of Directors and of Group Executive Management is authorised by the entire Board. Each Board member abstains from voting on his own remuneration. The Nomination and Compensation Committee exercises a preparatory function with regard to the remuneration guidelines for the Board and the remuneration paid to its members. With regard to Group Executive Management remuneration this Board Committee exercises a decision-making function.

5.1.1 GENERAL COMPONENTS OF REMUNERATION AND THEIR WEIGHTING.
Valora pays total remuneration packages which are in line with the market and individual performance. The remuneration system is designed to align management's interests with those of the Group. The fixed salaries determined by the Board of Directors for each member of Group Executive Management are based on the market value of the position concerned, the responsibilities associated with it and the effective scope of the activities it requires. The remuneration system is not linked to external benchmarks, nor is it based on a uniform job evaluation process. The overall remuneration paid to members of Valora's management comprises a fixed salary, a variable Short Term Plan and a share-based Long Term Plan. Beyond that, there are no contractual provisions for any payments extending beyond a maximum notice period of 12 months. Sections 5.1.2 and 5.1.3 provide detailed descriptions of the remuneration paid to the Board of Directors and Group Executive Management.

In 2009, the structure of the remuneration paid to the Board of Directors and Group Executive Management was modified and a share-based Long Term Plan was introduced. This plan, which forms an integral part of its participants' total remuneration, aims to align its participants' long-term interests with those of the company and to link their remuneration with its business performance.

The LTP offers its participants the opportunity of buying a specific number of shares, which the Nomination and Compensation Committee determines for each participant individually in accordance with the procedure described below. Under the plan, each participant may purchase two tranches of shares, the tranches having lock-up periods which begin and end on different dates. As a rule, the lock-up period is between 27 and 45 months. Participants are allocated a number of shares representing a fixed percentage of their overall remuneration. For Board members this percentage is 57% and for members of Group Executive Management it is between 45% and 50%.

The purchase price for the shares in the plan is the average closing price recorded on SIX Swiss Exchange over the 20 trading days preceding the commencement of the LTP. Participants finance the purchase of their shares individually through a bank loan, with the shares being pledged to the bank as collateral.

On the last day of each lock-up period, Valora will offer to buy back the shares in the relevant tranche from the plan participants at that day's SIX Swiss Exchange closing price. Participants wishing to avail themselves of this offer must advise Valora on the last day of the lock-up period how many of their shares they wish to sell back in this way. Once the lock-up period is over, participants have free access to any shares they elect not to sell. Should the price at which Valora buys back the shares tendered to it by the plan participants on the last day of the lock-up period (i.e. the closing price on that day) be lower than the purchase price fixed at the start of the LTP period, Valora undertakes to the lending bank and the plan participants that it will reimburse any difference between these prices, and that it will reimburse the plan participants for any tax disadvantage arising. Valora's share price guarantee to the bank will expire no later than the final day of the second lock-up period. The financing costs incurred by Valora are limited to the interest it pays on the loans.

In the event of a plan participant's employment being terminated by Valora before the end of either the first or the second lock-up period, the participant is required to sell a pro rata portion of the shares back to Valora at the original purchase price and the bank loan must be repaid in full. Should a plan participant resign from Valora, all the shares in any tranche whose lock-up period has not expired must be sold back to Valora at the original purchase price, and the participant has no pro rata entitlement to any shares in such tranches. For Board members, stepping down from the Board or not standing for re-election to the Board is regarded as tantamount to resignation.

The Nomination and Compensation Committee based its determination of the structure of the remuneration paid to Board members and Group Executive Management on financial analysts' average projections of Valora's share-price performance over the periods covered by the individual lock-up periods in the programmes. These were 11% for the 2011 LTP.

Based on these average projected increases in the price of Valora shares, the Long Term Plan is expected to account for 48% of overall projected compensation, with the Short Term Plan contributing 13% and fixed salary 39%.

A detailed statement of the number of shares held under these plans can be found in note 5 to the financial statements of Valora Holding AG on page 111.

No external consultancy fees were paid in connection with the development of this plan.

5.1.2 BOARD OF DIRECTORS. The Board of Directors determines at its own discretion the nature and amount of the remuneration paid to its members, based on proposals made by the Nomination and Compensation Committee. Members of the Board receive graduated fixed fees, whose amount is determined by their Board function (Chairman, Vice-Chairman, member). An additional emolument is paid to the Chairmen of the two Board committees (Audit Committee and Nomination and Compensation Committee). These fees are paid out in cash each quarter. No performance-based variable remuneration is paid to the Board of Directors. Board members also participate in the

Long Term Plan (see 5.1.1 above). Conrad Löffel's participation in the Long Term Plan is options-based. No other modifying arrangements have been agreed. No attendance fees are paid for Board meetings, though a fixed amount of travel expenses is reimbursed.

5.1.3 GROUP EXECUTIVE MANAGEMENT. Members of Group Executive Management receive an annual salary which comprises a fixed and a variable component (the Short Term Plan). In addition, they also participate in the Long Term Plan (see 5.1.1 above).

Depending on the extent to which agreed objectives are met, the variable component (Short Term Plan) can range from 0% to a maximum of 75% of fixed base salary. On average, a member of Group Executive Management achieving 100% of his agreed objectives would qualify for a Short Term Plan payment equal to 33% of fixed base salary. 70% of the variable, performance-based component of remuneration is based on the company's business performance, which is measured on the basis of economic value added, while the remaining 30% depends on the achievement of personal objectives.

Valora uses a measure of economic value added (VVA, or Valora Value Added) which is defined as EBIT minus calculated financing costs. The VVA achieved is measured by taking the VVA for a given year minus the VVA for the previous year and dividing this by the budgeted VVA minus the VVA for the previous year.

The Board of Directors determines applicable previous year's VVA and approves the VVA budgeted for the current year. VVA calculations for the CEO and CFO are made on the basis of Group figures, while those for the division heads are based on the data for the relevant division.

Each participant's personal objectives and the extent to which these have been achieved are determined on an annual basis by the participant's superior or, in the case of members of Group Executive Management, by the Nomination and Compensation Committee. Personal objectives are defined in terms of clearly measurable key performance indicators (KPIs). All individual objectives are individually weighted and the extent to which they are deemed to have been achieved can vary from 0% to 150%. Each participant's effective bonus is calculated by assigning a 70% weighting to the achievement of the VVA objective and a 30% weighting to key personal objectives and will range from 0% to a maximum of 150% of their target bonus.

The Board's Nomination and Compensation Committee determines, at its own discretion, the amount of the overall remuneration paid to each individual member of Group Executive Management taking account of the fixed and variable elements involved as well as deciding on the amount of any performance-related remuneration paid. This Committee informs the Board of its decisions on these matters at the meeting held immediately thereafter.

Details of the remuneration paid to the Board of Directors and Group Executive Management and of the Valora shares held by their members can be found in note 5 to the financial statements of Valora Holding AG on page 109.

6 SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 VOTING RIGHT AND REPRESENTATION RESTRICTIONS. Each share entitles its holder to one vote at the General Meeting. Voting is limited to those individuals who are entered as shareholders with voting rights in the Share Register.

The Board of Directors may refuse acknowledgement and entry in the Share Register as a shareholder with voting rights of any shareholder who fail to confirm expressly, on request, that they have acquired the shares concerned in their own name and for their own account. The Board of Directors may also cancel – with retroactive effect to the date of original entry – the entry in the Share Register as a shareholder with voting rights of any shareholder who, on subsequent inquiry, is found to have had the voting rights concerned registered by making a false declaration, and may have them entered instead as shares without voting rights. Any such cancellation must be communicated immediately to the shareholder concerned.

To enhance the tradability of Valora shares on the stock exchange, the Board of Directors may devise regulations or agreements which approve the fiduciary entry of registered shares with voting rights over and above the limits set out in the Articles of Incorporation for trustees who disclose the nature of their trusteeship (nominees, ADR banks). Such trusteees must be overseen by banking or financial market regulators, however, or must otherwise provide the necessary guarantees that they are acting on behalf of one or several persons who are not linked to each other in any way, and must be able to provide the names, addresses and shareholdings of the beneficial owners of the shares concerned.

A shareholder may be represented at a General Meeting only by their legal representative, by another shareholder attending the General Meeting whose name is entered in the Share Register, by a proxy for deposited shares, by an executive body of the company or by the independent shareholders' representative.

Recognition of powers of attorney will be at the discretion of the Board members attending the General Meeting.

6.2 STATUTORY QUORUMS. Unless the law or the Articles of Incorporation require otherwise, the General Meeting passes its resolutions and conducts its elections by a simple majority of the share votes cast, irrespective of the number of shareholders attending or the number of shares represented. In the event of a tied vote, the Chairman of the Board of Directors holds the casting vote.

Under Article 12 of the Articles of Incorporation, the following resolutions require a majority of two thirds of the votes represented and an absolute majority of the nominal value of the votes represented:

- changing the object of the company;
- introducing shares with privileged voting rights;
- limiting or facilitating the transferability of registered shares;
- increases in authorised or conditional capital;
- capital increases from shareholders' equity, against non-cash payments or for acquisition purposes, and the granting of special benefits;
- limiting or suspending subscription rights;
- relocating the company's registered office;
- dissolving the company without liquidation or by merger

6.3 CONVOCATION OF THE GENERAL MEETING. Ordinary or Extraordinary General Meetings are formally called at least 20 days in advance by publication in the "Schweizerisches Handelsamtsblatt" (Swiss Official Gazette of Commerce). The holders of registered shares shown in the Share Register may also be invited by letter. Such publication and letters of invitation must indicate the venue, date and time of the meeting, the items on the agenda and the wording of any motions proposed by the Board of Directors or by shareholders who have requested the convening of a General Meeting or the inclusion of an item on the meeting's agenda.

The notice of an Ordinary General Meeting must also indicate that the Annual Report and the Report of the Auditors will be available for inspection at the company's registered office at least 20 days in advance of the meeting, and that any shareholder will immediately be sent a copy of these documents on request.

No resolution may be passed on any matters that are not announced in the way described above, except on a motion to convene an Extraordinary General Meeting or to conduct a special audit.

The Articles of Incorporation stipulate that the convening of a General Meeting may also be requested by one or more shareholders who together represent at least 10% of the company's share capital.

6.4 ADDITIONAL AGENDA ITEMS. Shareholders who together represent at least 3% of the company's share capital or shares with a total nominal value of at least CHF 1 million may request that an item be placed on the agenda of a General Meeting, provided they submit details thereof to the company in writing at least 50 days in advance of the General Meeting concerned.

6.5 REGISTRATIONS IN THE SHARE REGISTER. To attend the 2013 Annual General Meeting, a shareholder must submit their request for registration in the Share Register to the company no later than 4 p.m. on April 9, 2013.

7 CHANGES OF CONTROL AND DEFENCE MEASURES

7.1 DUTY TO MAKE AN OFFER. The company has no "opting out" or "opting up" clauses in its Articles of Incorporation.

7.2 CLAUSES ON CHANGE OF CONTROL. There are no change of control clauses in favour of any members of the Board of Directors, Group Executive Management or other members of management.

8 AUDITORS

The consolidated financial statements and the financial statements of Valora Holding AG and its subsidiaries are audited by Ernst & Young AG. The General Meeting appoints an individual or corporate body that satisfies the relevant legal requirements to act as Statutory Auditors, with the rights and obligations prescribed by the law. The Statutory Auditors are elected for a one-year term of office.

8.1 DURATION OF THE MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR. The audit mandate was first entrusted to Ernst & Young AG at the 2009 General Meeting. Ernst & Young AG were appointed as auditors for a further year from 2010 until 2012 General Meeting. The lead auditor, Martin Gröli, first took on the mandate in 2009. Regulations on auditor rotation limit the terms which may be served by the same lead auditor to a maximum of seven years.

8.2 AUDIT FEES. The total cost to Valora Holding AG and its subsidiaries of the auditing conducted by Ernst & Young AG in 2012 in respect of the consolidated financial statements, the financial statements of Valora Holding AG and of its subsidiaries was CHF 1.3 million (CHF 1.2 million in 2011).

8.3 ADDITIONAL FEES. In addition, Ernst & Young AG invoiced the Valora Group for a further CHF 1.5 million (CHF 1.0 million in 2011) for other services related to tax advice and financial due diligence.

8.4 INFORMATION INSTRUMENTS AVAILABLE TO THE EXTERNAL AND INTERNAL AUDITORS. The Board of Directors' Audit Committee defines the audit mandates of the statutory auditors and has the responsibility of ensuring appropriate controls are carried out. Since January 1, 2009, internal auditing has been carried out by an internal audit unit. Both internal and external auditors attended all Audit Committee meetings. The Audit Committee meetings at which the interim and full-year financial results are reviewed are always attended by all members of the Board of Directors. Assessment of the external auditors takes account of a number of criteria, principal among which are deadline discipline, reporting quality, provision of additional information, availability of designated contacts and cost effectiveness. The external auditors submit to the Audit Committee both their report on the financial statements for the year just completed as well as their audit plan for the current financial year. The internal auditors submit their audit plan for the current year to the Audit Committee and also provide it with a separate report on each audit they carry out.

9 INFORMATION POLICY

Valora Holding AG meets all legal requirements and strives to meet best practice standards. Valora Holding AG uses all appropriate communication channels to maintain contact with the financial community and the general public. The firm reports on important news items concerning it on an ad hoc basis. In addition, the Valora website provides comprehensive information on a range of topics, as well as publishing details of all matters whose disclosure is required by law.

The Investor Relations unit is responsible for managing all contacts with investors and financial analysts. Regular conferences covering important company topics are held for the media, institutional investors and analysts. Shareholders and other interested parties may dial into these events by telephone or log on via the Valora Holding AG website.

Valora Holding AG is committed to treating all interested parties equally. The Group ensures that information is not disclosed selectively by adhering to the relevant directives on ad hoc publicity and on blackout periods ahead of the publication of interim and full-year results. These blackout periods commence on dates before the official publication of results which are set in advance and end when the results are published. No meetings with financial analysts or investors take place during the blackout periods.

Every spring, the company holds a results press conference for the media and financial analysts. The invitation to the General Meeting sent to all shareholderes includes a summary of the key figures in the full-year financial statements.

At the end of August each year, the company publishes consolidated interim results for the first six months of the year and sends these to all shareholders entered in the Share Register (these results are unaudited).

Every autumn, the company hosts a media and investors' day, which may focus on customers, markets, strategy or other subjects.

The Investors section of the Valora website displays a variety of information, including the corporate governance report, the company's Articles of Incorporation, a calendar of events, information on the General Meeting and on Valora shares as well as other key metrics. Ad hoc news and reports on potentially price-sensitive matters can be obtained rapidly and free of charge by e-mail by registering on the Valora e-mail distribution list (http://www.valora.com/de/investors).

Ongoing sources of information:
- The www.valora.com company website
- Group interim and annual reports
- Media releases

Media relations: *Stefania Misteli*
Investor relations: *Mladen Tomic*

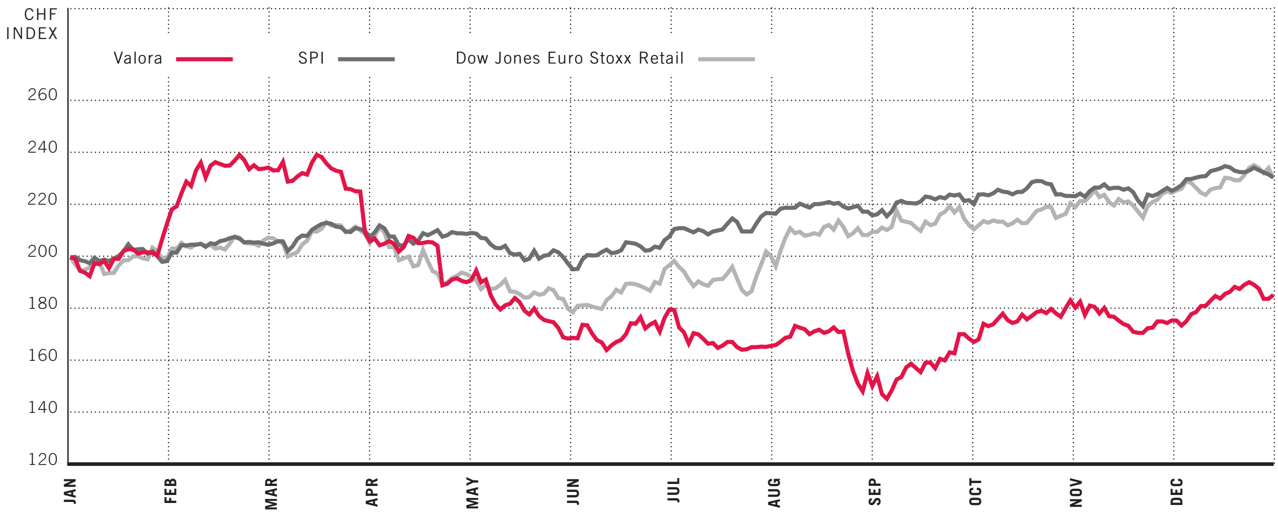
VALORA SHARES

1 SHARE PRICE TRENDS

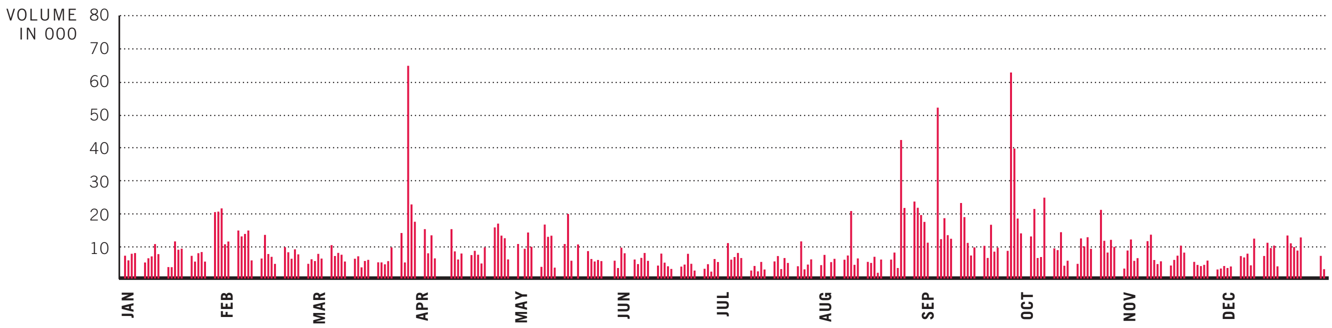
Overall Swiss equity market performance. The Swiss equity market began 2012 on a modestly positive note, gaining momentum during the early months of the year to close the first quarter with an encouraging advance of +5.0% for the blue-chip Swiss Market Index (SMI) and +7.0% for the Swiss Performance Index (SPI), which encompasses the broader market. Investor sentiment cooled during the second three months of the year, reflecting a variety of economic and political uncertainties both in Europe and worldwide. This left the SMI some 2% ahead since January, while the SPI was up more than 5% over the same period. From mid-2012 onwards, the economic outlook worldwide, across Europe and in Switzerland experienced a broad-based recovery. This lifted Switzerland's two major share indices further, enabling the SMI to close the year up 14.9%, while the SPI finished with a year-on-year gain of 17.7%.

Valora share performance. The price of Valora Holding shares initially moved in line with the main Swiss equity indices, fluctuating in a narrow range. In late January, following the announcement of Valora's acquisition of Convenience Concept, Germany's largest integrated kiosk network, the shares climbed some 20%, hitting a high for the year of CHF 239.00 on February 21 and again on March 14. Thereafter, following the publication of the Group's 2011 results in March, the subsequent changes in Group Executive Management and the first-half 2012 figures released in August, the share price entered a downtrend which ultimately took it to CHF 145.10 on September 4, its lowest point in 2012. Thereafter, the announcements of Valora's acquisition of the Ditsch / Brezelkönig Group in Germany and Switzerland in late September and of the sale of its Austrian press wholesaling unit in mid-October helped the shares to recover significantly, a trend which was further supported as the vacancies in Group Executive Management were filled. As a result, Valora shares closed the year at CHF 185.10, some 6% lower than they had been at the beginning of 2012.

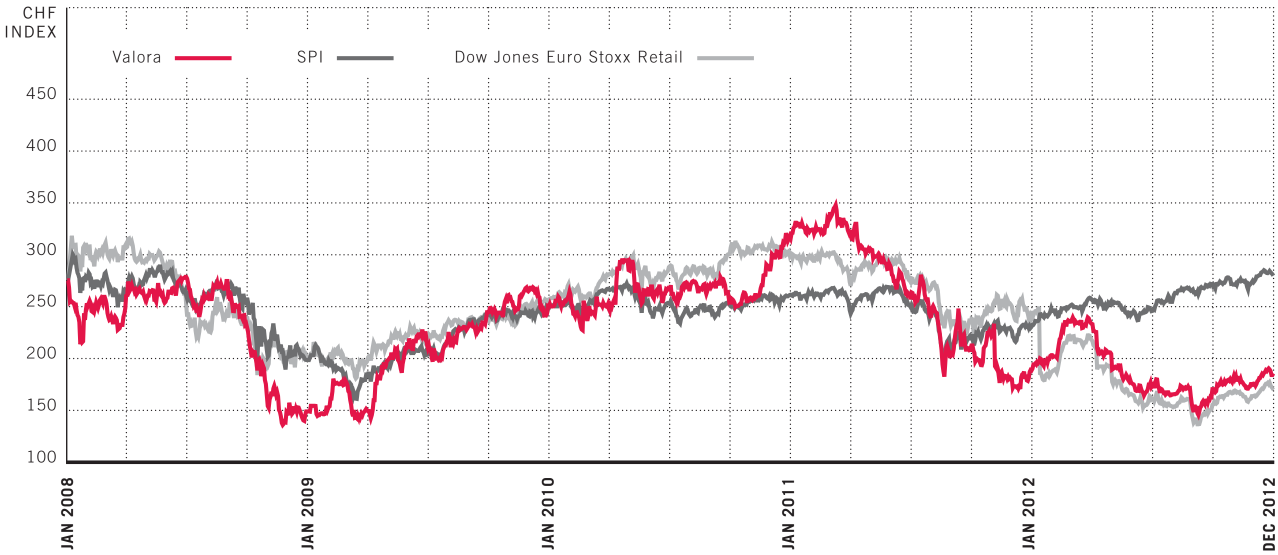
VALORA SHARE PRICE TREND 2012



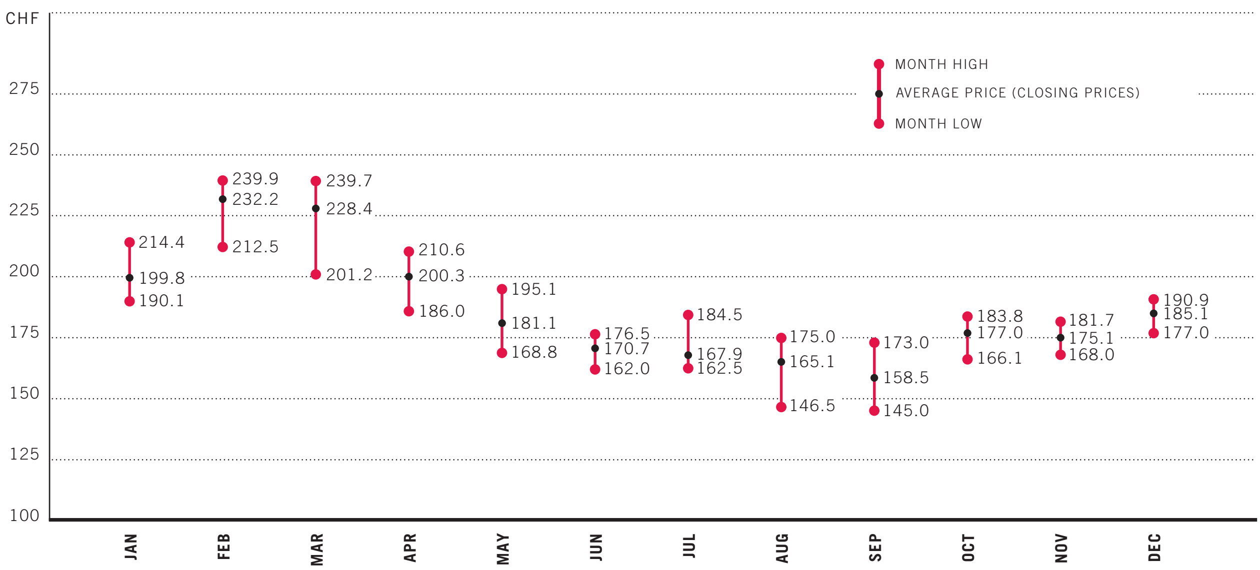
VALORA SHARE VOLUME 2012



VALORA SHARE PRICE TREND 2008–2012



MONTH HIGHS/LOWS IN 2012



2 SHAREHOLDER RETURNS

		2012	2011	2010	2009	2008
Share price						
Year end	CHF	185.10	196.50	326.25	255.00	154.00
Distributions to shareholders						
Dividends	CHF	[1] 12.50	11.50	11.50	10	9
Dividend yield	%	6.8	5.9	3.5	3.9	5.8
Annual returns						
excluding dividends	%	– 5.8	– 39.8	27.9	65.6	[2] – 43.9
including dividends	%	0.6	– 36.2	32.5	72.1	[2] – 40.7
Average returns [2]		**2008–2012** 5 years	2008–2011 4 years	2008–2010 3 years	2008–2009 2 years	2008 1 year
excluding dividends	%	– 7.6	– 8.0	5.9	– 3.7	– 43.9
including dividends	%	– 2.9	– 3.7	9.4	– 0.1	– 40.7

[1] Proposed
[2] Based on price 2007: CHF 274.75

3 KEY SHARE DATA

		2012	2011	2010	2009	2008
Operating profit (EBIT) per share [1] [2]	CHF	22.57	25.48	29.56	24.78	12.22
Free cash flow per share [1] [2] [3]	CHF	14.50	18.64	14.82	20.33	14.12
Earnings per share [1] [2]	CHF	15.60	20.24	22.35	18.94	7.74
Equity per share [1]	CHF	197.45	167.04	173.82	165.00	146.32
P/E Ratio [1] [2]	31.12	11.9	9.7	14.6	13.5	19.9

[1] Based on average number of shares outstanding
[2] Continuing operations (without Fotolabo Group and Own Brands)
[3] Free cash flow: net cash provided by operating activities less net cash used in ordinary investing activities

4 SHAREHOLDER DATA AND CAPITAL STRUCTURE

		31.12.2012	31.12.2011
Registered shareholder data			
Composition	Significant shareholders > 5%	24.1% of shares	19.3% of shares
	10 largest shareholders	43.3% of shares	36.4% of shares
	100 largest shareholders	60.5% of shares	57.8% of shares
Origin	Switzerland	63.2% of shares	81.9% of shares
	Elsewhere	36.8% of shares	18.1% of shares

Valora Holding AG's share capital of CHF 3.4 million comprises 3.4 million registered shares with a nominal value of CHF 1.00 each.

Conditional capital amounting to a maximum of CHF 84 000, comprising 84 000 registered shares of CHF 1.00 nominal value each, was approved by the Ordinary General Meeting of shareholders of May 11, 2000. These shares can be used at any time by the Board of Directors to cover existing or future management profit-sharing plans. Exisiting shareholders have no subscription rights for such shares. No time limit applies. None of this conditional capital had been issued by December 31, 2012.

At their Ordinary General Meeting on April 15, 2011, Valora Holding AG shareholders granted the Board of Directors authority to increase the company's share capital, at any time until April 15, 2013, by up to CHF 840 000 (30 % of its issued share capital as of December 31, 2010) through the issue of up to 840 000 fully paid up new shares of CHF 1.00 nominal each. Share capital increases representing portions of this maximum are permitted. The Board of Directors has full discretion to determine the amount of share capital to be issued, the form of payment required for subscription, the date of issue, the conditions governing the exercise of subscription rights and the commencement of dividend entitlement. The Board of Directors is authorised to restrict or prohibit trading in the subscription rights to these shares. The detailed regulations governing these shares are set out in Article 3b of the company's Articles of Incorporation.

Swiss and non-Swiss shareholders are registered on the same terms in the Share Register. The company has distributed dividends to its shareholders without interruption since 1920.

5 SHARE CAPITAL

		2012	2011	2010	2009	2008
Total registered shares [1]	Shares	3 435 599	2 800 000	2 800 000	2 800 000	3 300 000
Treasury shares [1]	Shares	51 702	19 920	46 630	49 866	487 314
Number of shares outstanding [1]	Shares	3 383 897	2 780 080	2 753 370	2 750 134	2 812 686
Market capitalisation [1] [2]	CHF million	626	546	898	701	433
Average number of shares outstanding	Shares	2 913 674	2 767 795	2 750 735	2 749 815	3 078 254
Number of registered shareholders [1]		7 745	6 964	6 586	6 739	7 090

[1] At 31.12.
[2] Based on number of shares outstanding at 31.12.

6 TAX VALUES

	Securities no.	**At 31.12.2012**	At 31.12.2011	At 31.12.2010	At 31.12.2009	At 31.12.2008
Registered shares of CHF 1.00	208 897	185.10	196.50	326.25	255.00	154.00
2.875% bond 2005–2012	2 189 351	–	100.76 %	102.25 %	102.80 %	97.00%
2.5% bond 2012–2018	14 903 902	104.65 %	–	–	–	–

FIVE-YEAR SUMMARY

		2012	2011	2010	2009	2008
Net revenues	CHF million	**2 847.9**	**2 817.9**	**2 877.7**	**2 897.0**	**2 931.1**
Change	%	1.1	– 2.1	– 0.7	– 1.2	+ 3.9
Operating profit (EBIT)	CHF million	**65.8**	**70.5**	**81.3**	**68.1**	**37.6**
in % of net revenues	%	2.3	2.5	2.8	2.4	1.3
Net profit [1]	CHF million	**45.7**	**57.0**	**61.7**	**53.0**	**24.7**
Change	%	– 19.8	– 7.5	+ 16.3	+ 115.0	– 46.3
in % of net revenues	%	1.6	2.0	2.1	1.8	0.8
in % of equity	%	8.0	12.3	12.9	11.7	5.5
Net cash provided by (used in)						
Operating activities	CHF million	54.5	97.0	78.7	106.2	86.6
Ordinary investment activities	CHF million	– 12.3	– 45.4	– 38.0	– 50.3	– 43.1
Free cash flow (used in)	CHF million	**42.2**	**51.6**	**40.7**	**55.9**	**43.5**
Company acquisitions (and long-term financial investments)	CHF million	– 288.0	– 40.1	– 32.2	– 9.9	133.2
Financing activities	CHF million	282.5	– 31.1	– 32.3	– 44.5	– 160.7
Earnings per share [1]	CHF	**15.60**	**20.24**	**22.35**	**18.94**	**7.74**
Change	%	– 22.9	– 9.4	+ 18.0	+ 144.7	– 45.0
Free cash flow per share	CHF	**14.50**	**18.64**	**14.82**	**20.33**	**14.12**
Change	%	– 22.2	+ 25.8	– 27.1	+ 44.0	– 12.4
Cash and cash equivalents	CHF million	**147.2**	**109.6**	**130.5**	**161.6**	**158.4**
Equity	CHF million	**575.3**	**462.3**	**478.1**	**453.7**	**450.4**
Balance sheet equity ratio	%	35.9	41.9	43.6	41.3	42.5
Number of employees at December 31	FTE	**5 962**	**5 801**	**6 455**	**6 522**	**6 692**
Change	%	+ 2.8	– 10.1	– 1.0	– 2.5	+ 2.4
Net revenues per employee	CHF 000	**478**	**486**	**446**	**444**	**438**
Change	%	– 1.7	+ 9.0	+ 0.4	+ 1.4	+ 1.4
Number of outlets operated by Valora		**1 606**	**1 364**	**1 390**	**1 405**	**1 410**
Net sales per outlet [2]	CHF 000	1 208	1 183	1 156	1 133	1 113
Number of franchise outlets		**999**	**166**	**191**	**25**	**21**

All totals and percentages are based on unrounded figures from the consolidated financial statements
[1] From continuing operations (without Fotolabo Group and Own Brands)
[2] Valora Retail only

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Concept/design hilda design matters, Zurich, www.hilda.ch
English translation Nicholas MacCabe, Zurich
Photography Portraits Jos Schmid, Zurich
Photography Brand Format: Simon Iannelli
Lithography eyescream, Zurich
Printed by Neidhart + Schön AG, Zurich

This annual report is published in German and English. The original version is in German.

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