valora

Acquisition

CONVENIENCE CONCEPT

CIGO
Cigarettes and more

ServiceStore DB

TABAK-BÖRSE

U STORE

kio

January 30, 2012

Agenda

Valora's acquisition of Convenience Concept

Purchase of Germany's largest kiosk network with 1 300 outlets

Strategic benefits of the transaction

- **Unique expansion opportunity allowing Valora to secure significant position in German market**
- **Very close fit with „Valora 4 Growth" strategy**
- **Valora will become preferred tenant for major national landlords**
- **Marked potential for sustained value generation**
- **Newly acquired outlet portfolio supports ongoing growth strategy**
- **Substantial potential synergies**
- **Franchising know-how can be exploited and developed within the additional ~1 300 PoS**

„Valora 4 Growth“ expansion strategy

G3: objectives defined for Germany achieved

„Valora 4 Growth“ objectives to 2015

Organic margin growth (G1)
0.2 percentage point improvement each year

Organic sales growth (G2)
2 percent each year through expansion of current activities

Acquisition-led growth at Retail/Services (G3)
Expansion as European micro-retailer with a total of 5-6 formats

Acquisition-led growth at Trade (G4)
Advance to become largest pan-European distributor

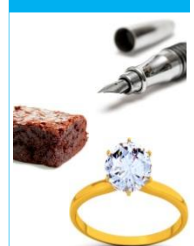
G3 Acquisition-led growth at Retail/Services

G3 a) Expansion of kiosk network in Germany

Objectives for 2015

- ~ 1 000 PoS in Germany
- ~ CHF 700 million in (external) sales

G3 b) Acquisition/roll-out new (travel retail) formats



Objectives for 2015

- ~ 200 PoS
- ~ CHF 200 million in (external) sales

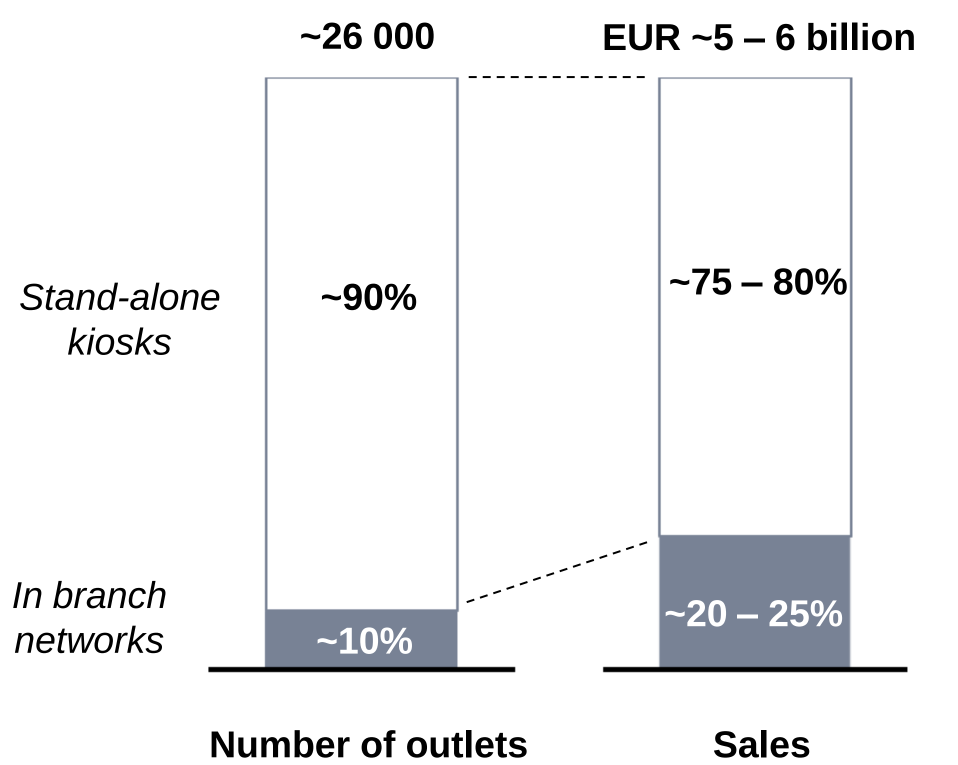
Agenda

1	Strategic benefits and key features of the transaction
2	**Retail market in Germany | Europe**
3	Convenience Concept: overview and future development
4	Valora Retail 2012/2013

Expansion of kiosk network in Germany

Valora acquires German kiosk market's #1 and #4 players within 18 months

Overview of German kiosk market*



Top 5 market players in 2010*

Rank	Name	# PoS
1	Convenience Concept	~ 1 300
2	DTV Tabak	~ 220
3	Eckert.	~ 200
4	tabacon	~ 180
5	Wolsdorff	~ 150

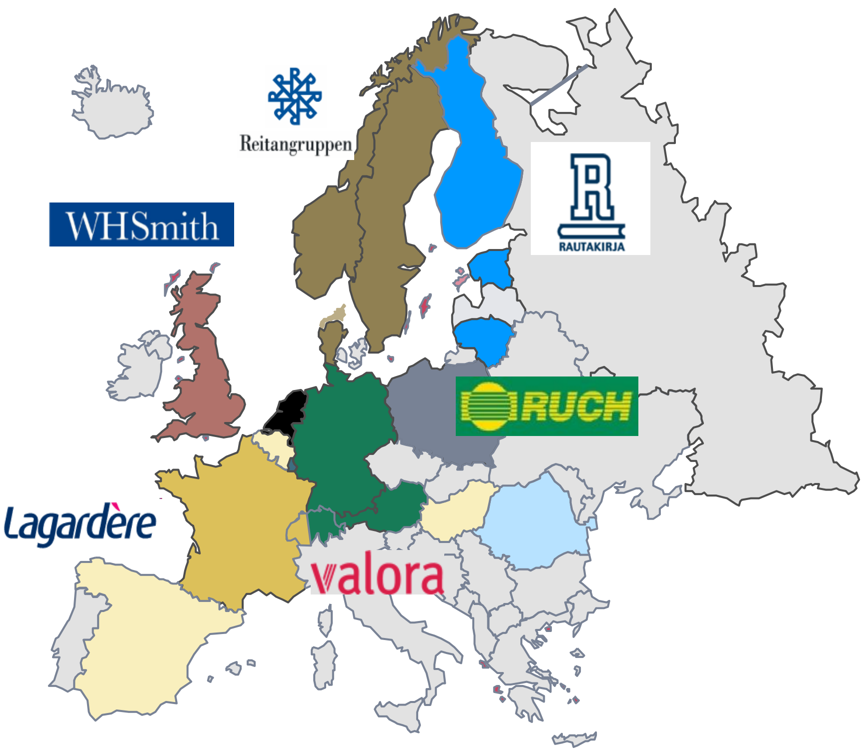
Largest market player in Germany with ~1 500 kiosk outlets and a market share of some 10%

** Source: Nielsen | EBS Business School | company annual reports*

European retail market overview

Valora to advance to #2 slot in European small-outlet retail with 2 900 outlets

European small-outlet retailers



Rank	Name	Sales*	#PoS	Home market
1	Lagardère SERVICES	3.4	3 350	S-/SW Europe
2	valora	~~1.6~~ 2.2**	~~1 600~~ 2 900	DE/AU/CH, LU
3	WHSmith	1.9	1 200	UK
4	Reitan Servicehandel	1.8	1 500	NO, SE, DK
5	RUCH	1.4	6 100	Poland
6	RAUTAKIRJA	0.5	1 100	Finland

In terms of sales, Valora will become clear #2 player in European small-outlet retail market

* *By retail division volume in CHF billion* ** *External sales*

Agenda

Convenience Concept acquisition fact sheet

Germany's largest nationwide network with some 1 300 outlets

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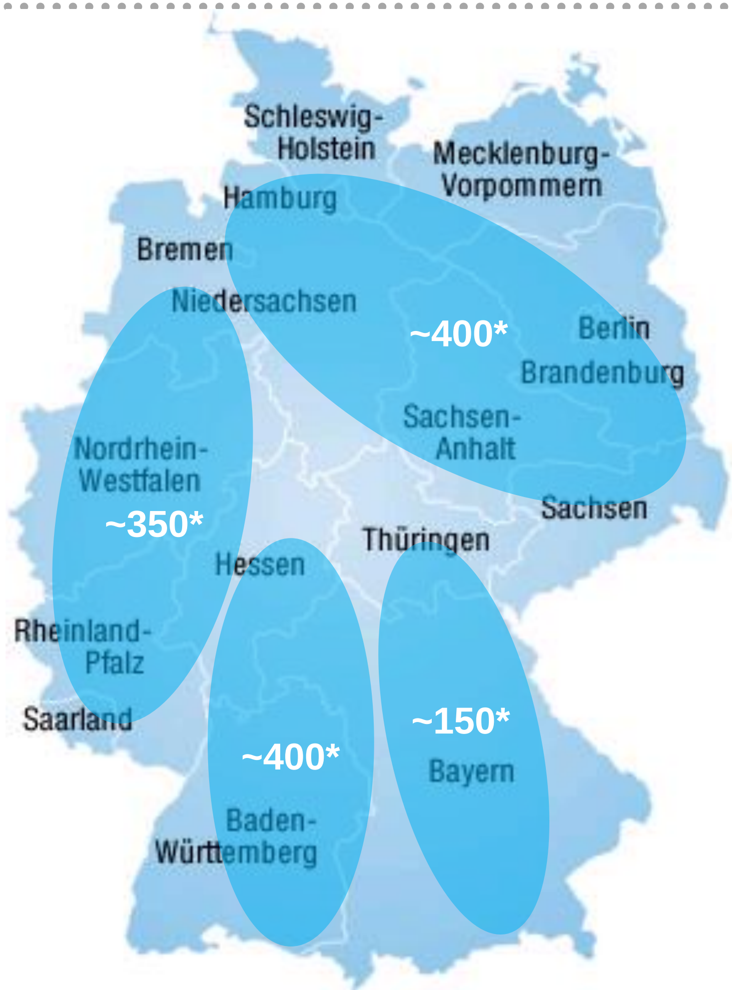

* *Number of outlets*

Key metrics

- **Approx. 1 300 outlets**
- **~500 franchisees**
  ~800 independent partner
- **~170 PoS at public transport nodes**
  ~430 PoS in shopping centres
- **EUR ~335 million wholesale turnover**
  (EUR ~450 million in external sales)
- **EUR ~12 million EBITDA in 2011**

Main formats	# PoS
CIGO Cigarettes and more	**375**
TABAK-BÖRSE	**260**
ServiceStore DB	**150**

Overview of main Convenience Concept formats

Ideal strategic fit with Valora's existing business in Germany

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Cigo	Tabak Börse	ServiceStore DB

Cigo

CIGO
Cigarettes and more

- Avg floorspace: ~40m2
- Sites: shopping centres
- Avg external sales/PoS: Ø ~450 – 500 k EUR

Tabak Börse

TABAK-BÖRSE

- Avg floorspace: ~35m2
- Sites: Shopping centres/city centres
- Avg external sales/PoS: ~350 – 400 k EUR

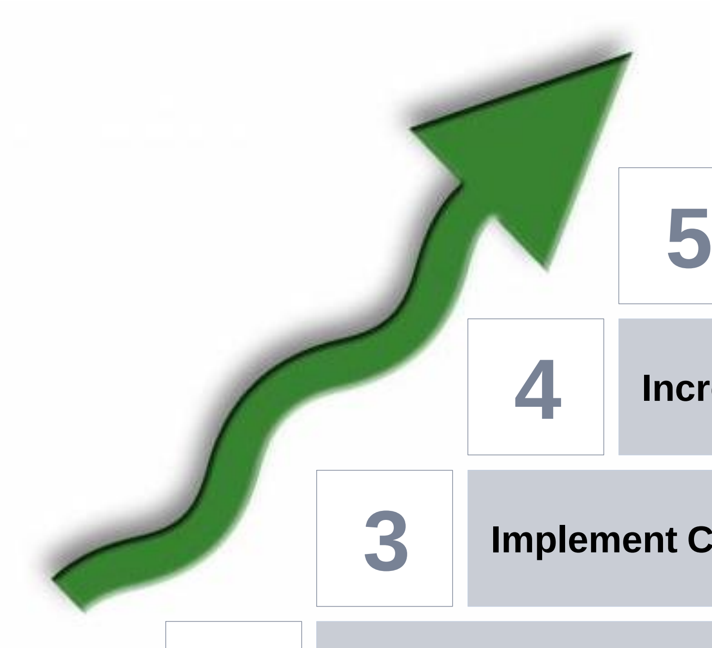
ServiceStore DB

ServiceStore DB

- Avg floorspace: ~40m2
- Sites: nearly all public transport (Deutsche Bahn)
- Avg external sales/PoS: ~300 k EUR

Increased profitability

Five levers for targetting substantial growth in profits



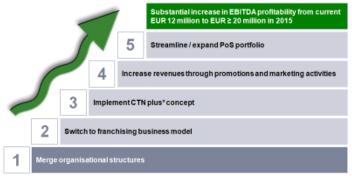
Substantial increase in EBITDA profitability from current EUR 12 million to EUR ≥ 20 million in 2015

5	**Streamline / expand PoS portfolio**
4	**Increase revenues through promotions and marketing activities**
3	**Implement CTN plus* concept**
2	**Switch to franchising business model**
1	**Merge organisational structures**

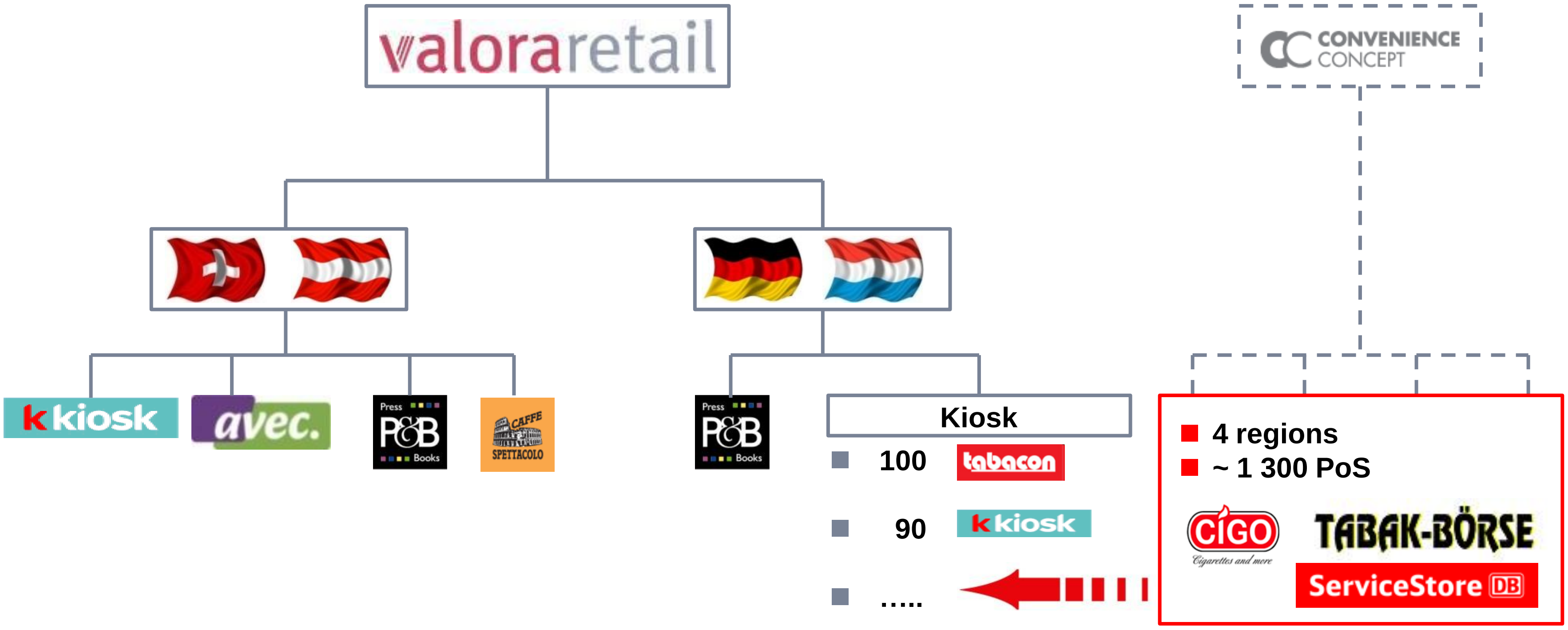
** CTN-Plus – Confectionery, tobacco, newspaper + food*

Performance lever I

Merge organisational structures

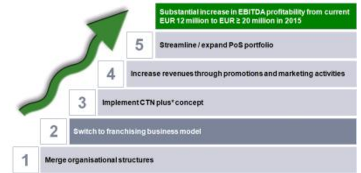


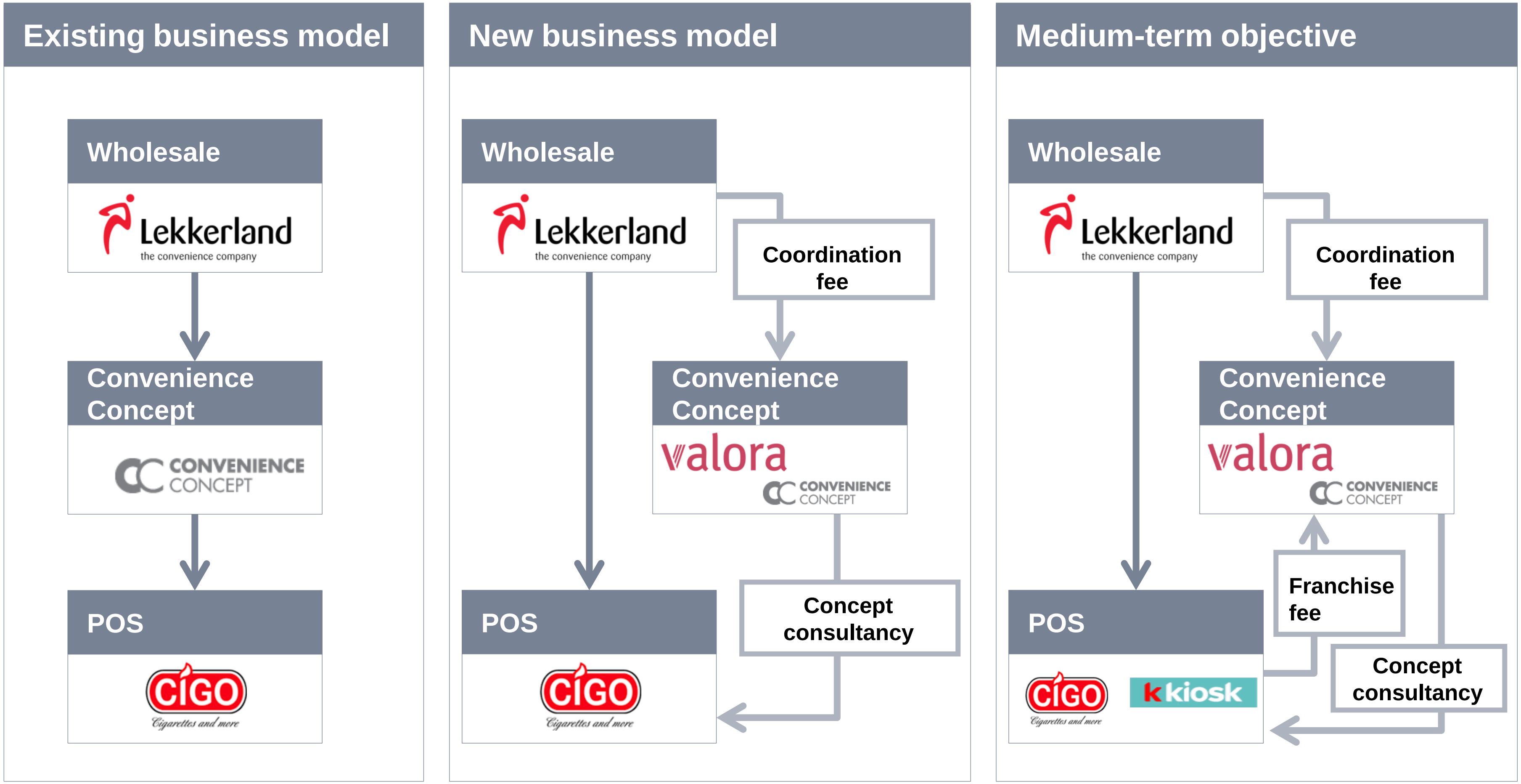
Future organisational structure



Performance lever II

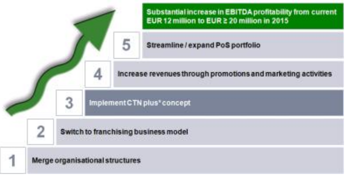
Switch to franchising business model





Performance lever III

Implement CTN plus concept



Valora concepts and their future evolution

- Historical kiosk concept
- Large tobacco component
- Limited standardisation

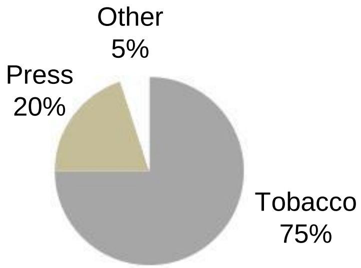
CTN | CTN+

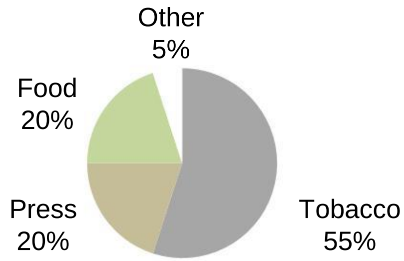
- Standardised concept
- Increased food component
- Broad services offering

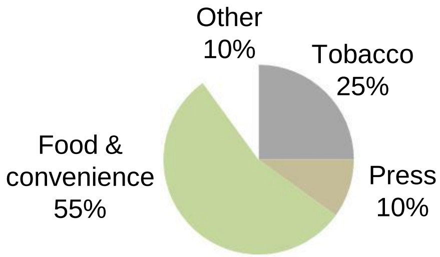
Convenience

- Even higher food component (fast food convenience)

External sales elements



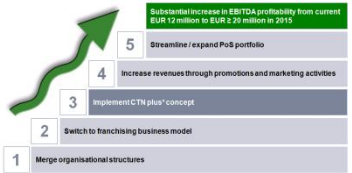




** CTN-Plus – Confectionery, tobacco, newspaper + food*

Example: evolution of tabacon to k kiosk

Adoption of new concept significantly increases sales



Modifications	Increase in sales*

- Food range extended
- New displays and promotions for press products
- Purchasing and volumes optimised
- Store layout developed further

Food + 58%

Press + 11%

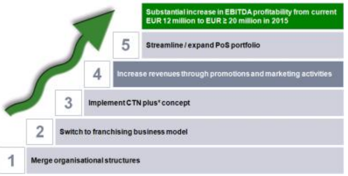
Tobacco + 17%

In total: + 14% increase in sales across full product range

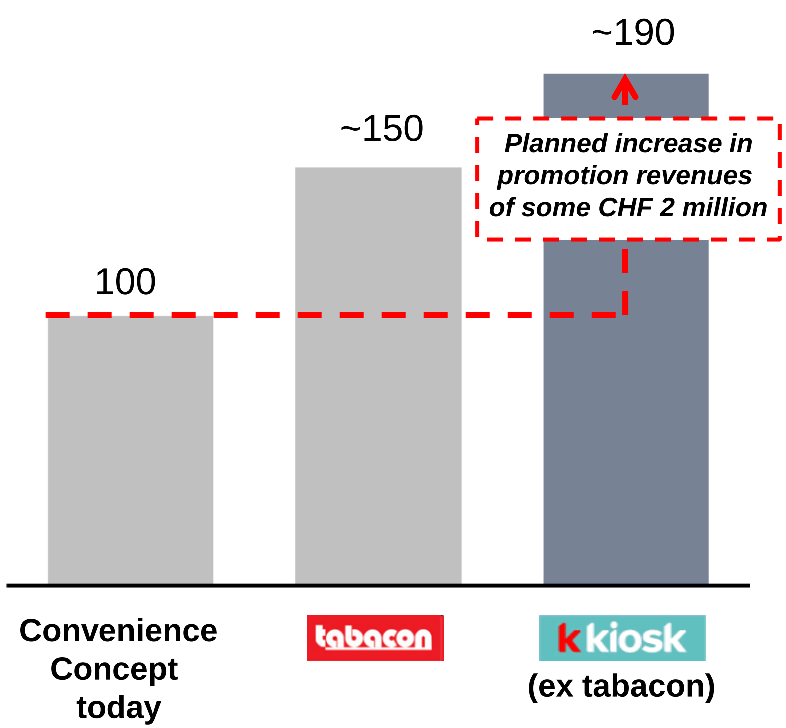
* *Versus before format change*

Performance lever IV

Increase revenues through promotions and marketing activities



Indexed revenues from promotions today and in future

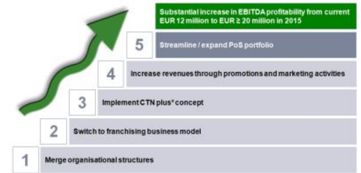


Optimisation of marketing activities

- Increasing number of promotion displays
- Putting press/convenience products in second place
- Raising share of items with price promotions (e.g. „3 for 2“)
- Emphasising outside billboarding
- Using product tests to support manufacturers
- Conducting exclusive national product launches

Performance lever V

Streamline / expand PoS portfolio



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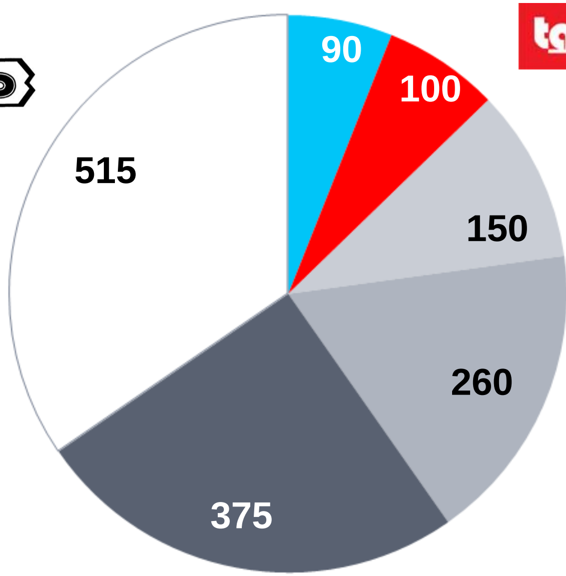
Overview of German kiosk formats in 2012

Total: ~1 500 PoS



k kiosk

tabacon

ServiceStore DB

TABAK-BÖRSE

CIGO Cigarettes and more

kio

STORE

& "individual" operators

2015 objectives

- **Focus on and use key formats / concepts**
  - ➲ **k kiosk**
  - ➲ **ServiceStore DB**
  - ➲ **Cigo**
- **Use enhanced product ranges (CTN/CTN+) to enrich main formats**
- **100% franchise model**
- **Ideal network size of some 1 300 outlets**
- **Use Cigo as basic format with no food components**

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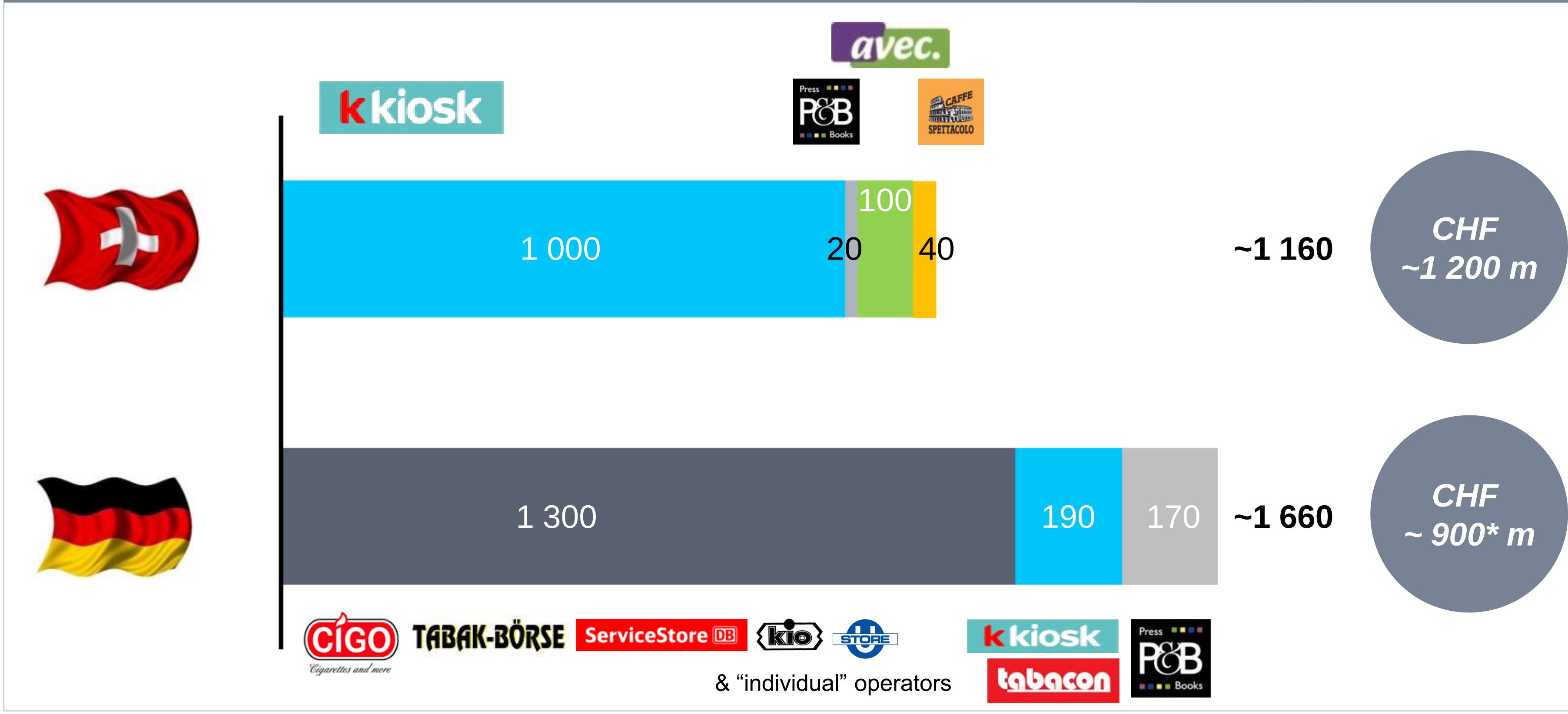
Valora Retail

From 2012/2013 external sales will be split roughly 50/50 between Switzerland and Germany

Overview of outlet networks in Switzerland and Germany | **PoS** | **External sales**



* full business year

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Corporate calendar

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Corporate calendar

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

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