VALORA
HALF-YEAR REPORT

2014

valora

KEY FINANCIAL DATA

		30.06.2014	30.06.2013	30.06.2012
External sales [1]	CHF million	**1 541.4**	**1 594.9**	**1 568.8**
Change	%	–3.4	+1.7	+6.5
Net revenues [1]	CHF million	**1 248.9**	**1 313.7**	**1 387.2**
Change	%	–4.9	–5.3	–0.7
EBITDA [1]	CHF million	**49.4**	**58.0**	**43.2**
Change	%	–14.8	+34.3	–22.7
in % of net revenues		4.0	4.4	3.1
Operating profit (EBIT) [1]	CHF million	**0.5**	**28.0**	**18.0**
Change	%	–98.1	+55.6	–46.2
in % of net revenues		0.0	2.1	1.3
Net (loss)/profit	CHF million	**–8.9**	**25.8**	**11.5**
Change	%	–134.6	+124.5	–56.3
in % of net revenues		–0.7	2.0	0.8
in % of equity[2]		–2.6	8.0	5.2
Net cash provided by (used in) [1]				
Operating activities	CHF million	26.5	11.5	–20.7
Ordinary investment activities	CHF million	–28.2	–16.9	–34.9
Free cash flow (used in) [1]	CHF million	**–1.7**	**–5.4**	**–55.6**
Company acquisitions (and long-term financial investments)	CHF million	–0.6	7.2	–89.3
Financing activities	CHF million	–65.1	–40.0	157.9
(Loss)/earnings per share [1]	CHF	**–3.59**	**4.10**	**4.06**
Change	%	–187.6	+1.0	–56.5
Number of outlets operated by Valora		**1 670**	**1 668**	**1 370**
of which agencies		652	608	219
Number of franchise outlets		**818**	**1 032**	**1 021**
External sales per outlet[3]	CHF 000	500	444	415
		30.06.2014 [1]	31.12.2013	31.12.2012
Share price	CHF	**229.30**	**248.70**	**185.10**
Market capitalisation	CHF million	**776**	**846**	**626**
Cash and cash equivalents	CHF million	**104.7**	**175.0**	**147.2**
Interest-bearing debt	CHF million	**404.3**	**394.2**	**508.8**
Equity	CHF million	**661.5**	**730.3**	**577.8**
Total liabilities and equity	CHF million	**1 544.3**	**1 630.9**	**1 610.0**
Number of employees	FTE	**5 259**	**5 750**	**5 962**
Change	%	–8.5	–3.6	+2.8

All totals and percentages are based on unrounded figures from the consolidated financial statements.
[1] From continuing operations
[2] Net (loss)/profit in % of period-related equity
[3] Valora Retail and Ditsch/Brezelkönig (as of 2013)

GROUP PERFORMANCE

The Valora Group displayed contrasting trends during the first half of 2014. The Ditsch/Brezelkönig division achieved pleasing rates of growth in both its net revenues (+13%) and its EBIT results (+47%), while Valora Retail increased its external sales by +3.0%. Excluding one-off effects, Valora Retail generated first-half 2014 EBIT results in line with those for the same period of 2013, thus offsetting the decline in press sales in Switzerland (–7.9%) and Germany (–7.8%) and the effects of implementing the retail-margin model in Switzerland (CHF –3.5 million). Valora Trade is currently executing a comprehensive transformation process in response to structural changes in individual markets and this has also resulted in impairment charges. Accordingly, a charge of CHF –17.3 million has been applied to the Valora Group's first-half 2014 results, so that its consolidated EBIT from continuing operations for the first six months of 2014 amounts to CHF 0.5 million. After adjusting for one-off effects, the Valora Group's first-half 2014 EBIT results are in line with those achieved in first-half 2013. At the EBITDA level, the Group's first-half 2014 earnings came in at CHF 49.4 million, which compares to CHF 58.0 million in the same period of 2013, when changes in accounting treatment resulted in a CHF 9.4 million reduction in pension costs. Valora successfully completed the sale of its Services division to Thomas Kirschner, the majority shareholder of PVG, the leadin German press wholesaler, with effect from July 31, 2014, with the result that Valora Services is recorded under results from discontinued operations for first-half 2014. The CHF 34 million profit realised by this transaction, and its associated cash inflow of CHF 63 million after transaction costs, will be recognised in the Group's full-year 2014 results.

In the first six months of 2014, the Valora Group generated external sales of CHF 1541.4 million and net revenues of CHF 1248.9 million from its continuing operations. At Valora Trade, portfolio streamlining and modifications to contract structures led to a CHF –98.8 million decline in turnover, with the result that the Group's first-half 2014 external sales were CHF –53.5 million lower than in the same period of 2013, while Group net revenues declined by CHF –64.8 million. The Valora Group's EBIT from continuing operations for first-half 2014 was CHF 0.5 million, compared to CHF 28.0 million in the first six months of 2013. The Group's first-half 2014 results were impacted by the CHF –24.0 million EBIT outcome at Valora Trade, which included extraordinary adjustments to goodwill and intangible assets amounting to CHF –17.3 million, as well as restructuring costs of CHF –3.7 million. Valora's first-half 2013 results included positive effects from IAS 19, which reduced recorded pension costs for that period by CHF 9.4 million.

Valora sold its Services division to Thomas Kirschner, the majority shareholder of PVG, the leading German press wholesaler, with effect from July 31, 2014. Through this transaction, Thomas Kirschner acquired Valora's press wholesaling businesses in Switzerland and Luxembourg and its third-party logistics operations in Switzerland. The balance-sheet items relating to the transaction are classified as a disposal group in the financial statements for first-half 2014. The effect of this reclassification retroactively reduces the Group's first-half 2013 EBIT from continuing operations by CHF –5.8 million, to CHF 28.0 million. The figures presented in this report relate to the revised income statement for 2013.

In the first six months of 2014, the Valora Group generated EBIT from continuing operations of CHF 0.5 million. This represents a decline of CHF –27.5 million on the figure for the same period of 2013, of which CHF –26.1 million is attributable to Valora Trade. The Trade division is currently executing a comprehensive restructuring process. The associated extraordinary costs, in conjunction with the results generated by individual country units in their classic product lines, have made it necessary to impair the carrying value of goodwill positions and intangible assets. These adjustments have resulted in a CHF –17.3 million charge to first-half 2014 EBIT. Furthermore, Valora's EBIT for the first half of 2013 also benefited from a CHF 9.4 million reduction in recorded pension costs resulting from IAS 19. Ditsch/Brezelkönig increased its EBIT by +46.5%, while the EBIT generated by Valora Retail in first-half 2014 was in line with its performance in the same period of 2013, after adjusting for one-off IAS 19 effects, revenues from Panini World Cup picture cards and the reappraised receivables and liabilities at Convenience Concept. Valora Retail thus succeeded in fully offsetting lower press turnover in a declining overall market and the adverse effects of implementing the retail-margin model.

The Group's net profit for first-half 2014 was CHF –8.9 million. In addition to the net loss from continuing operations of CHF –10.4 million, this figure also includes CHF 1.5 million in net profit from discontinued operations. This CHF 1.5 million comprised Valora Services' net profit for the period of CHF 6.2 million (classified under disposal groups) and the project costs associated with relinquishing control of the division, which amounted to CHF –4.7 million.

At the end of June 2014, Valora replaced the CHF 100 million revolving credit facility portion of its previous syndicated loan arrangement with a new CHF 200 million syndicated loan on more attractive terms. By restructuring its liability maturity profile and optimising its borrowing costs in this way, Valora has been able to strengthen its balance sheet and enhance its financial flexibility.

The Valora Group improved its first-half 2014 free cash flow from continuing operations by CHF +3.7 million, to CHF –1.7 million, compared to first-half 2013. Consolidated net debt at 30.6.2014 was CHF 300 million, CHF +80 million higher than at year-end 2013. This essentially reflects the decrease in liquidity following the dividend payment in 2014 and the reclassification of Valora Services' cash and cash equivalents as assets held by disposal groups. Valora's shareholders' equity at 30.6.2014 was 42.8 % of total assets, –2.0 percentage points lower than at year-end 2013. Net working capital was CHF 107 million at 30.6.2014, CHF –60 million lower than a year earlier, when it also included net working capital for Valora Services of CHF 4.2 million.

A VALORA GROUP (RESULTS FROM CONTINUING OPERATIONS)

in CHF million	**30.06.2014**	**2014 share in %**	30.06.2013 [1]	2013 share in %	Change in %
External sales [2]					
Group total	**1 541.4**		**1 594.9**		–3.4 %
Net revenues					
Valora Retail	846.0	67.7 %	824.0	62.7 %	2.7 %
Ditsch/Brezelkönig	105.4	8.4 %	93.3	7.1 %	13.0 %
Valora Trade	299.5	24.0 %	398.3	30.3 %	–24.8 %
Other	0.0	0.0 %	0.1	0.0 %	n.a.
Intersegment elimination	–1.9	–0.1 %	–2.0	–0.1 %	
Group total	**1 248.9**	**100.0 %**	**1 313.7**	**100.0 %**	–4.9 %
Switzerland	647.1	51.8 %	693.8	52.8 %	–6.7 %
Elsewhere	601.8	48.2 %	619.9	47.2 %	–2.9 %

[1] revised, see Note 5

[2] External sales represent Valora's net revenues plus the turnover generated by outlets operated by third parties under contract to Valora. External sales do not, however, include revenues from deliveries by Valora to these outlets or the revenues Valora receives from the contracts binding these outlets to the Group. The external sales metric ensures that Valora Retail's sales data from different accounting periods are comparable, despite changes in the mix of distribution models being used.

The Valora Group's external sales amounted to CHF 1541.4 million in the first six months of 2014, CHF –53.5 million lower than in the same period of 2013. The Retail division increased its external sales across all its markets by +3.0 % on average, while turnover at Ditsch/Brezelkönig increased by +13.0 %. The decline in the Group's overall sales reflects the CHF –98.8 million decrease in net revenues at Valora Trade, which were impacted by structural changes arising from the division's streamlining of its business portfolio and its switch from title-transfer to commission-based distribution models in Switzerland.

Group net revenues were CHF –64.8 million lower than in first-half 2013, reflecting the above-mentioned CHF –98.8 million decline in this metric at Valora Trade. Turnover in the Group's stated core business was up on its first-half 2013 levels, with Valora Retail increasing its net revenues by CHF +22.0 million, or +2.7%, while Ditsch/Brezelkönig achieved strong net-revenue growth of CHF +12.1 million, or 13.0%.

The proportion of its overall net revenues the Valora Group generates outside Switzerland increased by +1.0 percentage point in first-half 2014, largely as a result of the greater share of Group sales achieved in Germany. Ditsch increased its sales by +13.7%, while Retail Germany expanded its turnover by +4.9%, largely due to the greater proportion of Valora-operated outlets in its network and a higher volume of tobacco sales. After Switzerland and Germany, Denmark is Valora's third-largest market in revenue terms, with 7.9% of consolidated net revenues.

in CHF million	30.06.2014	2014 share in %	30.06.2013 [1]	2013 share in %	Change in %
Net revenues	**1 248.9**	**100.0%**	**1 313.7**	**100.0%**	–4.9%
Gross profit	**458.9**	**36.7%**	**461.5**	**35.1%**	–0.6%
– Operating costs, net	–458.4	–36.7%	–433.5	–33.0%	5.8%
Operating profit (EBIT)	**0.5**	**0.0%**	**28.0**	**2.1%**	–98.1%
EBITDA	49.4	4.0%	58.0	4.4%	–14.8%

[1] revised, see Note 5

During the first six months of 2014, the Valora Group increased its gross-profit margin to 36.7%, a +1.6 percentage-point improvement on its level in first-half 2013. This pleasing performance is mainly attributable to the larger proportion of high-margin Ditsch/Brezelkönig and Valora Retail revenues in the overall sales mix. By raising the share of its commission-based sales in Switzerland as a proportion of its overall Swiss revenues, Valora Trade was able to raise its gross-profit margin by +3.0 percentage points. In aggregate, the Group's gross profits for the first six months of 2014 came in at CHF 458.9 million, CHF –2.6 million lower than in first-half 2013. This decline reflects the CHF –13.1 million fall in gross profits at Valora Trade, where streamlining of the business portfolio resulted in lower volumes. Gross profits at Ditsch/Brezelkönig, by contrast, rose CHF +8.7 million, while at Valora Retail they grew by CHF +1.8 million, an increase which was achieved despite the lower press margins resulting from implementation of the retail-margin model and the continuing decline in press revenues due to the contraction of the overall press market.

Reported net operating costs for the first six months of 2014 were CHF –458.4 million, CHF –24.9 million higher than in first-half 2013. These higher costs are largely due to the CHF –17.3 million adjustment to the goodwill and intangible-asset positions at Valora Trade and to the non-recurrence of the CHF 9.4 million in pension-cost savings resulting from IAS 19 which came into effect in first-half 2013. Moreover, IAS 19 also resulted in additional costs of CHF –1.2 million in first-half 2014.

The Valora Group's consolidated first-half 2014 EBIT was CHF 0.5 million, compared to CHF 28.0 million in the first six months of 2013. This CHF 27.5 million decline is predominantly due to the CHF –26.1 million fall in EBIT at Valora Trade. Group EBIT was also impacted by adverse exchange-rate effects of –0.1 million. After adjusting for all these special factors, the Valora Group's first-half 2014 EBIT was in line with that for the same period of 2013. Thanks to the growth achieved in its core business, the Valora Group was able fully to offset the combined effects of the adverse factors impacting Valora Trade and the decline in press revenues resulting from a contracting overall market and the implementation of the retail-margin model.

B VALORA RETAIL

in CHF million	30.06.2014	2014 share in %	30.06.2013	2013 share in %	Change in %
External sales	**1 138.4**		**1 105.2**		3.0 %
Net revenues	**846.0**	**100.0 %**	**824.0**	**100.0 %**	2.7 %
Gross profit	**303.7**	**35.9 %**	**301.8**	**36.6 %**	0.6 %
– Operating costs, net	– 290.8	– 34.4 %	– 286.0	– 34.7 %	1.7 %
Operating profit (EBIT)	**12.9**	**1.5 %**	**15.8**	**1.9 %**	– 18.8 %
EBITDA	35.6	4.2 %	36.7	4.4 %	– 3.0 %

During first-half 2014, Valora's Retail division increased its external sales by +3.0%, to CHF 1138.4 million, while net revenues rose by CHF +22.0 million, or + 2.7%. These figures include adverse exchange-rate effects amounting to CHF –1.7 million.

Sales at the division's Swiss kiosk network advanced CHF +7.7 million, as increased food and tobacco turnover at this unit more than made up for the CHF –5.5 million decline in press revenues. Revenues generated in the services category were unchanged on their first-half 2013 levels, and plans are in place to increase these further in future. Net revenues at Press & Books Switzerland expanded by +9.7%. At Convenience Switzerland, which encompasses the avec. and Tamoil formats, net revenues advanced +2.4%, while this unit's external sales – which also include revenues from franchisees – were up +4.9%. Caffè Spettacolo saw its sales decline by –9.9%, largely reflecting outlet closures. In Germany, Valora Retail raised its net revenues by +4.9%, or CHF +8.9 million. Sales of tobacco (CHF +10.2 million) and food (CHF +3.6 million) made a positive contribution here, while press revenues contracted by CHF –4.8 million. Valora Retail Luxembourg increased its net revenues by a solid +1.1%. Press & Books Austria saw a modest CHF –0.1 million decline in net revenues compared to first-half 2013.

Valora Retail increased its first-half gross profits by +0.6% compared to the same period of 2013, to reach CHF 303.7 million. Thanks to the growth achieved in its other product categories, the division thus more than made up for the CHF –7.8 million decline in press revenues, reflecting contractions in press sales of –7.9% in Switzerland and –7.8% in Germany, as well as the CHF –3.5 million impact arising from the implementation of the retail-margin model. Valora Retail's gross-profit margin for the first six months of 2014 was 35.9%, –0.7 percentage points below its first-half 2013 level. This decline largely reflects Valora's implementation of the retail-margin model for press products from January 1, 2014, though its adverse effect was partially offset by the positive contribution to the gross-profit margin made by increased food sales, particularly at Kiosk Switzerland.

At CHF –290.8 million, the Retail division's net operating costs for first-half 2014 were –1.7% higher than in the same period of 2013, but their increase was less pronounced than the expansion in net revenues. It is worth noting that net operating costs for first-half 2013 were reduced by the fall in pension costs arising from IAS 19, whereas IAS 19 increased the division's net operating costs in first-half 2014. After adjusting for these one-off effects, the division's net operating costs for the first six months of 2014 were +1.0%, or CHF +3.0 million, lower than in the same period of 2013, so that the ratio of net operating costs to net revenues showed a +1.3 percentage-point improvement between first-half 2013 and first-half 2014. This improved performance largely reflects greater efficiency in managing overall staffing costs, including agency fees. Rents also accounted for a lower proportion of net revenues than in first-half 2013, while increased investment led to higher depreciation and amortisation charges. Ongoing implementation of the Convenience Concept integration resulted in a reappraisal of the carrying values for receivables and liabilities, reducing net operating costs by CHF 2.5 million.

Valora Retail's operating profit for the first six months of 2014 came in at CHF 12.9 million, compared to CHF 15.8 million in first-half 2013. This equates to an EBIT margin of 1.5 %. After adjusting for one-off effects arising from the combined effects of IAS 19, the reappraisal of the carrying values for receivables and liabilities at Convenience Concept and Panini picture cards for the 2014 football World Cup (CHF 2.6 million), Valora Retail's first-half 2014 EBIT was in line with its level in first-half 2013, thus offsetting the adverse effects of declining press revenues. In Switzerland, thanks to sales growth in other product categories and increased levels of cost efficiency, Valora Retail was able to compensate for the CHF – 3.5 million adverse impact arising from the implementation of the retail-margin model.

C DITSCH/BREZELKÖNIG

in CHF million	**30.06.2014**	**2014 share in %**	30.06.2013	2013 share in %	Change in %
Net revenues	**105.4**	**100.0 %**	**93.3**	**100.0 %**	13.0 %
Gross profit	**79.6**	**75.5 %**	**70.9**	**76.0 %**	12.3 %
– Operating costs, net	– 64.6	– 61.2 %	– 60.7	– 65.0 %	6.5 %
Operating profit (EBIT)	**15.0**	**14.3 %**	**10.2**	**11.0 %**	46.5 %
EBITDA	21.6	20.5 %	17.3	18.6 %	24.8 %

Valora's Ditsch/Brezelkönig division, the market leader in lyebread products, increased its first-half 2014 net revenues by a gratifying CHF +12.1 million, or +13.0 %, to CHF 105.4 million. In Switzerland, the division's Brezelkönig unit achieved revenue growth of + 9.0 %, thanks to a combination of increased sales at its existing locations and new outlet openings. Net revenues at Ditsch in Germany advanced +13.7 %. In addition to increased turnover at its existing outlets and scheduled expansion to new locations, this performance is most notably attributable to above-average rates of growth in the German unit's business-to-business operations.

Ditsch/Brezelkönig's gross profits for the first six months of 2014 were CHF 79.6 million, CHF + 8.7 million ahead of their first-half 2013 levels, with CHF + 6.7 million of this growth being generated by Ditsch and CHF + 2.0 by Brezelkönig. The division's first-half 2014 gross-profit margin came in at 75.5 %, in line with expectations.

Net operating costs at Ditsch/Brezelkönig were CHF – 3.9 million up on their first-half 2013 levels, largely as a result of increased capacity utilisation, the higher staff and rental costs arising from the expansion of the outlet network, and the greater freight costs generated by the expanded business-to-business operations. The division also achieved higher levels of cost efficiency, with the proportion of net revenues absorbed by net operating costs being reduced by + 3.7 percentage points.

At the EBIT level, Ditsch/Brezelkönig generated earnings of CHF 15.0 million in the first six months of 2014, a + 46.5 % advance on first-half 2013. Since this result was accompanied by a lower percentage increase in operating costs, the division also succeeded in improving its EBIT margin by + 3.3 percentage points, to 14.3 %.

D VALORA SERVICES

As of June 30, 2014, Valora Services was classified as a disposal group, and its first-half 2014 results are therefore reported in the net profit from discontinued operations section below.

E VALORA TRADE

in CHF million	30.06.2014	2014 share in %	30.06.2013	2013 share in %	Change in %
Net revenues	**299.5**	**100.0 %**	**398.3**	**100.0 %**	–24.8 %
Gross profit	**75.6**	**25.3 %**	**88.7**	**22.3 %**	–14.7 %
– Operating costs, net	–99.6	–33.3 %	–86.6	–21.8 %	15.0 %
Operating profit (EBIT)	**–24.0**	**–8.0 %**	**2.1**	**0.5 %**	n.a.
EBITDA	–4.5	–1.5 %	4.1	1.0 %	n.a.

Valora's Trade division operates in a market environment characterised by unrelenting margin pressure from manufacturers and retailers alike. In countries with strong currencies, particularly Switzerland, Sweden and Norway, this is further exacerbated by ongoing parallel imports and shopping tourism. To address this situation, the division needs to implement a comprehensive transformation process in order to realign its business model and redefine its strategic direction. The extraordinary costs resulting from this, in conjunction with the results achieved in the division's classic product lines in Austria, Germany and Sweden, have made it necessary to adjust the carrying value of its goodwill and intangible-asset positions by CHF –17.3 million.

During the first six months of 2014, Valora Trade generated net revenues of CHF 299.5 million, compared to CHF 398.3 million in the same period of 2013. This CHF –98.8 million decline includes adverse exchange-rate effects amounting to CHF –10.7 million. The fall in turnover is largely due to a CHF –61.7 million decrease in net revenues at Valora Trade Switzerland. The duration of contracts at this unit was extended, and in this context the distribution model was switched from a title-transfer to a commission basis, with the result that net revenues declined. Ongoing streamlining of the business portfolio also resulted in lower sales revenues at the division's country units in Austria, Germany, Denmark, Sweden and Finland.

Valora Trade's gross profit for the first six months of 2014 amounted to CHF 75.6 million, versus CHF 88.7 million in first-half 2013. This CHF –13.1 million decline reflects the decrease in sales revenues. The division's gross-profit margin, conversely, improved by +3.0 percentage points, largely thanks to its wide-scale adoption of commission-based contracts for its Swiss operations. Valora Trade Norway, which raised its gross-profit margin by +4.0 percentage points, and Valora Trade Finland, which achieved a +1.5 percentage-point increase, were also able to increase their gross profits by reorienting their business portfolios towards more profitable brand owners. Valora Trade's cosmetics business, comprising Engelschiøn Marwell Hauge (EMH) in Norway and Scandinavian Cosmetics (ScanCo) in Sweden, achieved a solid first-half 2014 gross-profit margin of 45.2 %, up from 44.9 % in first-half 2013.

The division's net operating costs came in at CHF –99.6 million, compared to CHF –86.6 million in first-half 2013. After adjusting for the one-off impact of valuation adjustments to goodwill and intangible-asset positions and IAS 19, Valora Trade's first-half 2014 net operating costs were CHF +5.0 million lower than in the same period of 2013. These savings largely resulted from lower staff costs arising from the initial reorganisation measures taken in 2013. Lower sales volumes also played their part in cutting the division's variable costs. Conversely, there was an increase in the costs incurred by the division in connection with its restructuring initiatives and the realignment of its business strategy, particularly in Germany and Austria.

Valora Trade's EBIT for the first six months of 2014 was CHF –24.0 million, compared to CHF 2.1 million in first-half 2013. After adjusting for the one-off effects of the adjustments made to goodwill and intangible-asset positions, restructuring costs and IAS 19, Valora Trade's EBIT for first-half 2014 was CHF –4.3 million lower than in the same period of 2013. Net working capital was CHF –52.2 million lower than in first-half 2013.

F CORPORATE

Valora's Corporate division encompasses the Group's centralised Finance, Business Development, Legal Services and Communications functions.

The Corporate divisions's direct net costs for the first six months of 2014 were CHF –3.2 million higher than in the same period of 2013. This increase principally reflects the non-recurrence of reductions in operating costs which occurred in first-half 2013, due to IAS 19 related pension-cost savings and a book-value gain on the sale of real estate.

Valora has a policy of charging the net operating costs of the Corporate division to its market divisions. 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 continuing operations of CHF –8.7 million from its financing activities in first-half 2014, a CHF +0.8 million improvement on the outcome for the same period of 2013. This is mainly due to a decline in net interest expense, largely reflecting the lower financing costs incurred by the Group on its new syndicated loan facility. Net currency-translation effects at 30.6.2014 were less favourable than a year earlier.

Valora's consolidated tax expense for first-half 2014 was CHF –2.3 million, comprising CHF –2.2 million in current income taxes and CHF –0.1 million in deferred tax provisions. The current income taxes relate to continuing operations generating positive net-income results.

H NET PROFIT FROM DISCONTINUED OPERATIONS

Valora sold its Services division to Thomas Kirschner, the majority shareholder of PVG, the leading German press distributor, whose registered offices are in Frankfurt am Main, with effect from July 31, 2014. The balance-sheet items associated with this sale are classified as disposal group in the financial statements for first-half 2014. The goods logistics operations remain with Valora and their results continue to form part of those reported for the Group's Retail division.

In the first six months of 2014, Valora Services generated net revenues of CHF 132.6 million, CHF –29.1 million less than in first-half 2013. This decline essentially reflects the non-recurrence of first-half 2013 revenues of CHF –22.1 million from Sales & Services Switzerland, the goods-wholesaling business sold in March 2013. The division's first-half 2014 revenues also continued to be adversely impacted by the ongoing contraction of the overall press market, which reduced press revenues by –6.9 % in Switzerland and –4.9 % in Luxembourg. Conversely, Valora Services further expanded the operations of nilo, its third-party logistics business, achieving significant net-revenue growth of +9.2 %.

Valora Services' gross-profit margin for the first six months of 2014 came in at 33.5%, +7.2 percentage points higher than in the same period of 2013. In part, this was due to the increased margins on press products which came into effect from January 1, 2014, following Valora's implementation of the retail-margin model agreed with Switzerland's Federal Competition Commission.
It also reflects the greater proportion of the division's overall revenues generated by its high-margin logistics operations. As a result of these improvements, Valora Services' first-half 2014 gross profits rose to CHF 44.5 million, CHF +1.9 million higher than in the same period of 2013.

The division's net operating costs for first-half 2014 were CHF –38.4 million, CHF –1.6 million higher than in first-half 2013. This largely reflects the non-recurrence of the book-value gains achieved on the sale of Sales & Services Switzerland in first-half 2013.

Valora Services generated EBIT of CHF 6.1 million in the first six months of 2014, versus CHF 5.8 million in first-half 2013. The division's first-half 2014 net result from its financing operations was CHF 0.2 million. After income taxes for the period of CHF –0.1 million, Valora Services' net profit for first-half 2014 was CHF 6.2 million (CHF 6.0 million in first-half 2013).

Results from discontinued operations for the first six months of 2014 also include project costs of CHF –4.7 million relating to the sale of the Valora Services division. The corresponding results for the first six months of 2013 show revenues from the release of provisions established in connection with the sales of Fotolabo and Own Brands of CHF 5.0 million, following the expiration of guarantees issued in relation to those transactions.

I LIQUIDITY, CASH FLOW AND KEY FINANCIAL DATA

The Valora Group generated earnings before interest, tax, depreciation and amortisation (EBITDA) from continuing operations of CHF 49.4 million in the first six months of 2014. The corresponding figure for first-half 2013 was CHF 58.0 million, which included CHF 9.4 million in pension-cost savings arising from IAS 19. The Group's first-half 2014 free cash flow was CHF –1.7 million, a CHF +3.7 million improvement on the same period of 2013. This better performance is mainly due to a reduction in operating net working capital and lower interest and tax expenses. Conversely, the increased investments the Group made in expanding its core business had an adverse impact on its first-half 2014 free cash flow.

Shareholders' equity at 30.6.2014 amounted to 42.8% of total assets, –2.0 percentage points lower than at year-end 2013. This decline in equity cover is principally due to the dividend payment made during the period and to the shortfall in first-half 2014 net profit. Group net debt rose CHF +80 million, to CHF 300 million, at 30.6.2014, largely as a result of the decline in cash and cash equivalents following the dividend payment and the reclassification of Valora Services' liquidity position to disposal groups.

With effect from the end of June 2014, Valora replaced the CHF 100 million revolving credit facility portion of its existing syndicated loan with a new CHF 200 million syndicated facility on more attractive terms. Following the CHF 120 million hybrid-bond issue in April 2013 and the

EUR 150 million Schuldschein placement in October 2013 (which refinanced the previous term loans), this most recent transaction has successfully completed the refinancing of the borrowings Valora took out in connection with its recent acquisitions. In line with its sustainable financing policies, Valora has thus been able to restructure the maturity profile of its liabilities and optimise its financing costs, further enhancing its strategic flexibility.

J VALORA VALUE ADDED

Valora Value Added in CHF million	**30.06.2014** [2]	30.06.2013 [1] [2]
Operating profit (EBIT)	0.5	28.0
Average invested capital (incl. goodwill)	1 107.6	1 107.1
WACC	8.0 %	8.0 %
Capital costs	44.3	44.3
Valora Value Added	**–43.8**	**–16.3**

[1]) revised, see Note 5
[2]) from continuing operations for the six months to 30.06.2014

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 Group's 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 pre-tax 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 sustainably increasing VVA, so as to achieve a sustainable increase in the value of the company.

In the first six months of 2014, the VVA generated by the Valora Group from its continuing operations was CHF –43.8 million, CHF –27.5 million lower than in the same period of 2013

(excluding the Valora Services division). This decline is attributable to the lower EBIT generated by the Group in first-half 2014 compared to first-half 2013.

While Valora's business activities are not subject to any significant seasonal or cyclical fluctuations in their sales revenues, the Group's EBIT, and thus its VVA, are usually stronger in the second half of the year than the first.

K OUTLOOK

During first-half 2014, Valora Retail continued to roll out its modernised k kiosk concept, which now covers 156 outlets. On average, these new-look kiosks are achieving +5 percentage points in sales growth compared to their old counterparts, thus confirming the rationale for the new layout and its enhanced press and food product range. Food sales at the new kiosks were +16 % up on their levels in the first six months of 2013. The roll out will continue according to plan. Now that the food product range has been strengthened, the next step will be the further expansion of the kiosks' service offering. In Germany, the integration of the Convenience Concept outlet network remains a significant organisational challenge, involving the reconfiguration of IT systems and the redesign of the outlets themselves. The initiatives now under way to rationalise the kiosk network and to create a uniform format presence across all locations are onerous, and their implementation requires a considerable amount of time and management resources. With new local management teams in place since spring 2014 and management resources now enhanced, Valora expects to achieve significant further milestones in this project from late 2014 onwards.

The integration of Ditsch/Brezelkönig as part of the Valora Group has been successfully completed. Alongside this, a streamlining of the existing outlet network was initiated, which is now entering its final phase and should be completed before year end. Thereafter, Valora plans to expand the Ditsch/Brezelkönig network further, as well as using continuous product innovation to extend and enrich the range of products on offer at its outlets. The division will build on the success of its wholesale business and its above-average growth rates to expand the scale of its operations further. Opportunities to extend the geographic coverage of the network will also be evaluated as they present themselves.

Valora Trade is addressing the challenging conditions in its markets by streamlining its brand-owner portfolio and adapting its organisational structures. These measures are the foundation on which the turnaround now under way is based. That process will include an individual evaluation of all available options for the future strategic direction of each of its business units.

The successful sale of Valora Services has enabled the Valora Group to reduce its dependence on the press market to 11 % of its overall net revenues. The transaction has also freed up CHF 63 million in financial resources, thus increasing the Group's strategic flexibility and paving the way for potential future investments or acquisitions.

Valora Holding AG

Rolando Benedick
Chairman of the Board of Directors

Michael Mueller
CEO

VALORA HALF-YEAR FINANCIAL STATEMENTS 2014

CONSOLIDATED INCOME STATEMENT

January 1 to June 30, in CHF 000 (except per-share amounts)	2014	%	2013 [1]	%
Net revenues	**1 248 911**	**100.0**	**1 313 669**	**100.0**
Cost of goods and materials	– 790 035	– 63.3	– 852 170	– 64.9
Personnel expenses	– 176 257	– 14.1	– 169 606	– 12.9
Other operating expenses	– 238 700	– 19.1	– 235 739	– 17.9
Depreciation	– 30 652	– 2.4	– 29 485	– 2.3
Impairments to goodwill and intangible assets	– 17 259	– 1.4	0	0.0
Other impairments	– 943	– 0.1	– 503	– 0.0
Other revenues	6 080	0.5	4 242	0.3
Other expenses	– 609	– 0.1	– 2 410	– 0.2
Operating profit (EBIT)	**536**	**0.0**	**27 998**	**2.1**
Financial expense	– 9 261	– 0.7	– 10 146	– 0.8
Financial income	578	0.0	672	0.1
Share of result from associates and joint ventures	55	0.0	56	0.0
(Loss)/earnings before taxes	**– 8 092**	**– 0.7**	**18 580**	**1.4**
Income taxes	– 2 337	– 0.2	– 3 716	– 0.3
Net (loss)/profit from continuing operations	**– 10 429**	**– 0.9**	**14 864**	**1.1**
Net profit from discontinued operations	1 480	0.1	10 974	0.9
Net Group (loss)/profit	**– 8 949**	**– 0.8**	**25 838**	**2.0**
Attributable to shareholders of Valora Holding AG	– 10 726	– 1.0	24 838	1.9
Attributable to providers of hybrid capital	2 400	0.3	800	0.1
Attributable to providers of Valora Holding AG equity	**– 8 326**	**– 0.7**	**25 638**	**2.0**
Attributable to non-controlling interests	**– 623**	**– 0.1**	**200**	**0.0**
(Loss)/earnings per share				
from continuing operations, diluted and undiluted (in CHF)	– 3.59		4.10	
from discontinued operations, diluted and undiluted (in CHF)	0.43		3.24	
from continuing and discontinued operations, diluted and undiluted (in CHF)	**– 3.16**		**7.34**	

[1] revised, see note 5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to June 30, in CHF 000	**2014**	2013
Net Group (loss)/profit	**–8 949**	**25 838**
Actuarial gains/(losses) before taxes	224	24 736
Income taxes	–54	–4 948
Positions not subject to reclassification affecting the income statement	**170**	**19 788**
Cash flow hedge	–2 053	4 052
Currency translation adjustments	–6 528	4 292
Positions whose reclassification potentially affects the income statement	**–8 581**	**8 344**
Total other comprehensive income	**–8 411**	**28 132**
Total comprehensive income	**–17 360**	**53 970**
Attributable to shareholders of Valora Holding AG	–19 119	53 079
Attributable to providers of hybrid capital	2 400	800
Attributable to providers of Valora Holding AG equity	**–16 719**	**53 879**
Attributable to non-controlling interests	**–641**	**91**

CONSOLIDATED BALANCE SHEET

ASSETS

in CHF 000	30.06.2014	%	31.12.2013	%
Current assets				
Cash and cash equivalents	104 716		174 973	
Derivative financial assets	543		246	
Trade accounts receivable	125 947		153 486	
Inventories	213 705		219 461	
Current income tax receivables	716		537	
Other current receivables	86 054		86 144	
Current assets	**531 681**	**34.4 %**	**634 847**	**38.9 %**
Assets held for sale	114 232		0	
Total current assets	**645 913**	**41.8 %**	**634 847**	**38.9 %**
Non-current assets				
Property, plant and equipment	224 914		236 174	
Goodwill, software and other intangible assets	570 879		648 073	
Investment property	3 614		3 647	
Investment in associates and joint ventures	4 883		5 099	
Financial assets	18 831		20 093	
Net pension asset	48 693		56 425	
Deferred income tax assets	26 556		26 541	
Total non-current assets	**898 370**	**58.2 %**	**996 052**	**61.1 %**
Total assets	**1 544 283**	**100.0 %**	**1 630 899**	**100.0 %**

LIABILITIES AND EQUITY

in CHF 000	30.06.2014	%	31.12.2013	%
Current liabilities				
Short-term financial debt	20 772		1 278	
Derivative financial liabilities	3 034		292	
Trade accounts payable	233 034		268 940	
Current income tax liabilities	16 675		16 837	
Other current liabilities	102 617		155 031	
Current liabilities	**376 132**	**24.4 %**	**442 378**	**27.1 %**
Liabilities held for sale	59 452		0	
Total current liabilities	**435 584**	**28.2 %**	**442 378**	**27.1 %**
Non-current liabilities				
Other non-current liabilities	387 076		396 538	
Long-term accrued pension cost	12 810		12 978	
Long-term provisions	402		406	
Deferred income tax liabilities	46 871		48 333	
Total non-current liabilities	**447 159**	**29.0 %**	**458 255**	**28.1 %**
Total liabilities	**882 743**	**57.2 %**	**900 633**	**55.2 %**
Equity				
Share capital	3 436		3 436	
Treasury stock	–12 576		–8 015	
Hybrid capital	119 098		119 098	
Mark-to-market, financial instruments	–9 275		–7 222	
Retained earnings	605 883		660 530	
Cumulative translation adjustments	–46 248		–39 738	
Equity of Valora Holding AG	**660 318**	**42.7 %**	**728 089**	**44.6%**
Non-controlling interests	1 222		2 177	
Total equity	**661 540**	**42.8 %**	**730 266**	**44.8%**
Total liabilities and equity	**1 544 283**	**100.0 %**	**1 630 899**	**100.0%**

CONSOLIDATED CASH FLOW STATEMENT (CONDENSED)

January 1 to June 30, in CHF 000	**2014**	2013 [1]
Operating profit (EBIT)	**536**	**27 998**
Elimination of non-cash transactions	48 775	21 442
Cash flow before changes in net working capital	**49 311**	**49 440**
Changes in net working capital	–13 548	–19 675
Net cash (used in)/provided by operating activities	**35 763**	**29 765**
Interest and taxes paid/received	–9 283	–18 215
Total net cash (used in)/provided by operating activities from continuing operations	**26 480**	**11 550**
Total net cash (used in)/provided by operating activities from discontinued operations	5 511	5 048
Total net cash (used in)/provided by operating activities	**31 991**	**16 598**
Investment in non-current assets	–30 198	–19 636
Proceeds from sales	1 344	9 848
Net cash (used in)/provided by investing activities from continuing operations	**–28 854**	**–9 788**
Net cash (used in)/provided by investing activities from discontinued operations	–763	–1 185
Net cash (used in)/provided by investing activities	**–29 617**	**–10 973**
Repayment of financial liabilities	–17 314	–116 563
Treasury stock purchased/sold and dividends paid	–47 749	–42 510
Issuance of hybrid capital	0	119 098
Net cash (used in)/provided by financing activities from continuing operations	**–65 063**	**–39 975**
Net cash (used in)/provided by financing activities from discontinued operations	0	–4 003
Net cash (used in)/provided by financing activities	**–65 063**	**–43 978**
Net (decrease)/increase in cash and cash equivalents from continuing operations	**–67 437**	**–38 213**
Net (decrease)/increase in cash and cash equivalents from discontinued operations	4 748	–140
Net (decrease)/increase in cash and cash equivalents	**–62 689**	**–38 353**
Translation adjustments on cash and cash equivalents	–2 146	1 116
Cash and cash equivalents at January 1 from continuing operations	174 299	145 900
Cash and cash equivalents at January 1 from discontinued operations	674	1 253
Cash and cash equivalents at January 1	174 973	147 153
Cash and cash equivalents at June 30 from continuing operations	**104 716**	**108 803**
Cash and cash equivalents at June 30 from discontinued operations	5 422	1 113
Cash and cash equivalents at June 30	**110 138**	**109 916**

[1] revised, see note 5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity	*Equity of Valora Holding AG*								
in CHF 000	**Share capital**	**Treasury stock**	**Hybrid capital**	**Mark-to-market, financial instru-ments**	**Retained earnings**	**Cumulative translation adjustments**	**Total equity of Valora Holding AG**	**Non-controlling interests**	**Total equity**
Balance at December 31, 2012	**3 436**	**–12 350**	**–**	**–11 335**	**633 781**	**–40 842**	**572 690**	**5 064**	**577 754**
Net Group profit					25 638		25 638	200	25 838
Total other comprehensive income				4 052	19 788	4 401	28 241	–109	28 132
Total comprehensive income				4 052	45 426	4 401	53 879	91	53 970
Share-based payments					152		152		152
Dividend paid to shareholders					–42 307		–42 307		–42 307
Increase in treasury stock		–947					–947		–947
Decrease in treasury stock		1 276			–325		951		951
Issuance of hybrid capital			119 098				119 098		119 098
Distributions to providers of hybrid capital					–800		–800		–800
Balance at June 30, 2013	**3 436**	**–12 021**	**119 098**	**–7 283**	**635 927**	**–36 441**	**702 716**	**5 155**	**707 871**
Net Group profit					28 167		28 167	133	28 300
Total other comprehensive income				61	–940	–3 297	–4 176	–177	–4 353
Total comprehensive income				61	27 227	–3 297	23 991	–44	23 947
Share-based payments					415		415		415
Increase in treasury stock		0					0		0
Decrease in treasury stock		4 006			–553		3 453		3 453
Distributions to providers of hybrid capital					–1 600		–1 600		–1 600
Acquisition of non-controlling interests					–886		–886	–2 934	–3 820
Balance at December 31, 2013	**3 436**	**–8 015**	**119 098**	**–7 222**	**660 530**	**–39 738**	**728 089**	**2 177**	**730 266**
Net Group loss					–8 326		–8 326	–623	–8 949
Total other comprehensive income				–2 053	170	–6 510	–8 393	–18	–8 411
Total comprehensive income				–2 053	–8 156	–6 510	–16 719	–641	–17 360
Share-based payments					–736		–736		–736
Dividend paid to shareholders					–42 633		–42 633	–314	–42 947
Increase in treasury stock		–8 226					–8 226		–8 226
Decrease in treasury stock		3 665			78		3 743		3 743
Distributions to providers of hybrid capital					–3 200		–3 200		–3 200
Balance at June 30, 2014	**3 436**	**–12 576**	**119 098**	**–9 275**	**605 883**	**–46 248**	**660 318**	**1 222**	**661 540**

NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

1 INFORMATION REGARDING THE GROUP

Valora is a Swiss trading group operating on a Europe-wide basis. Valora's parent company, Valora Holding AG, is listed on SIX Swiss Exchange. Through its three divisions, the Valora Group operates in the business areas of small-outlet retail at heavily frequented locations (Valora Retail), production and distribution of lyebread bakery products (Ditsch/Brezelkönig) and distribution of branded food and non-food products (Valora Trade).

2 SIGNIFICANT ACCOUNTING POLICIES

These half-year financial statements comprise the consolidated financial statements of Valora Holding AG and its subsidiaries for the first six months of 2014. The statements are based on the set of uniformly prepared individual financial statements of the Valora Group companies. With the exception of the changes to International Financial Reporting Standards (IFRS) and their interpretation detailed in Note 3 below, these statements have been prepared according to the same accounting policies and valuation principles as those used for the Group's 2013 annual report. The reporting currency is the Swiss franc (CHF). These half-year financial statements have been compiled in accordance with SIX Swiss Exchange requirements in line with International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". These statements do not include all the information contained in the consolidated annual report for 2013 and should therefore be read in conjunction with that document.

Changes in consolidation scope. No changes in consolidation scope occurred during the period under review. Valora entered into an agreement on the sale of its Valora Services division with Thomas Kirschner, the majority shareholder of PVG, the leading German press wholesaler, whose registered offices are in Frankfurt am Main. With effect from June 30, 2014, the balance-sheet items concerned were classified as a disposal group (see Note 5). The transaction was completed on July 31, 2014.

Consolidation period. These half-year financial statements cover the period from January 1 to June 30.

3 CHANGES TO ACCOUNTING POLICIES

Implementation of new International Financial Reporting Standards (IFRS). Changes affecting a number of standards came into effect on January 1, 2014. These included changes to IAS 32 "Financial Instruments: Presentation", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 10 "Consolidated Financial Statements", and the new IFRIC 21 "Levies" interpretation, none of which have any material impact on these half-year 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 half-year 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 6 months to 30.06.2014	**Rate at 30.06.2014**	Average rate for 6 months to 30.06.2013	Rate at 30.06.2013	Rate at 31.12.2013
Euro, 1 EUR	1.221	1.214	1.230	1.230	1.227
Swedish krona, 100 SEK	13.64	13.27	14.42	14.11	13.87
Danish krone, 100 DKK	16.37	16.29	16.49	16.49	16.45
Norwegian krone, 100 NOK	14.75	14.46	16.35	15.57	14.71

5 DISCONTINUED OPERATIONS

Valora Services. On May 7, 2014, Valora signed an agreement on the sale of its Valora Services division with Thomas Kirschner, the majority shareholder of PVG, the leading German press wholesaler, whose registered offices are in Frankfurt am Main. Under the terms of this contract, Thomas Kirschner agreed to acquire Valora's press-wholesale businesses in Switzerland and Luxembourg and its third-party logistics operations in Switzerland. Completion of the transaction, which was subject to approval by Switzerland's Federal Competition Commission, took place on July 31, 2014. As a result of this sale, all the Valora Group's activities in its Valora Services segment were discontinued. All the balance-sheet items concerned were classified as a disposal group with effect from June 30, 2014.

Income statement for discontinued operations

January 1 to June 30, in CHF 000	**2014**	2013
Net revenues	132 612	161 738
Gross profit	**44 451**	**42 596**
Operating expenses	– 37 862	– 38 942
Other income, net	– 5 238	2 190
Operating profit (EBIT)	**1 351**	**5 844**
Financial result	203	183
Earnings before taxes	**1 554**	**6 027**
Income taxes	– 74	– 53
Net profit from discontinued operations	**1 480**	**5 974**
Attributable to shareholders of Valora Holding AG	1 480	5 974
Attributable to non-controlling interests	0	0

In the first six months of 2013, the release of provisions established in connection with Valora's sale of Fotolabo and Own Brands resulted in an additional net profit from discontinued operations of CHF 5.0 million.

Net assets directly associated with disposal group

in CHF 000	**30.06.2014**
Cash and cash equivalents	5 422
Other current assets	49 321
Intangible assets	47 488
Other non-current assets	12 001
Total assets	**114 232**
Trade accounts payable	53 472
Current income tax liabilities	113
Other current liabilities	4 205
Other non-current liabilities	311
Deferred income tax liabilities	1 351
Total liabilities	**59 452**
Total net assets	**54 780**

6 IMPAIRMENT

Valora's Trade division is currently executing a comprehensive restructuring process. The extraordinary costs arising from this, which are attributable to the financial results achieved by individual country units in their classic product lines, have made it necessary to record impairments at the division's Swedish, German and Austrian units. This has resulted in the complete impairment of goodwill amounting to CHF 15.7 million, and further partial impairment charges to intangible assets of CHF 1.6 million.

7 SUMMARY SEGMENT REPORTING

Segment data by division

in CHF 000	Valora Retail	Ditsch/ Brezelkönig	Valora Trade	Others	Intersegment elimination	Total Group continuing operations
Segment information for the six months to 30.06.2014						
Net revenues						
Total	**845 964**	**105 354**	**299 460**	**3**	**–1 870**	**1 248 911**
From third parties	845 741	105 354	297 813	3	0	1 248 911
From other divisions	223	0	1 647	0	–1 870	0
Operating profit (EBIT)						
Total	**12 858**	**15 015**	**–23 995**	**–3 342**	**0**	**536**
Operating profit (EBIT) in % of net revenues	1.5	14.3	– 8.0			0.0
Segment assets [1]						
Total	**717 199**	**473 688**	**340 812**	**549 628**	**–651 276**	**1 430 051**
Segment liabilities [1]						
Total	**562 765**	**194 902**	**197 846**	**519 054**	**–651 276**	**823 291**
Segment information for the six months to 30.06.2013, revised [2]						
Net revenues						
Total	**824 022**	**93 269**	**398 271**	**100**	**–1 993**	**1 313 669**
From third parties	823 890	93 269	396 410	100	0	1 313 669
From other divisions	132	0	1 861	0	–1 993	0
Operating profit (EBIT)						
Total	**15 826**	**10 248**	**2 061**	**–137**	0	**27 998**
Operating profit (EBIT) in % of net revenues	1.9	11.0	0.5			2.1
Segment assets [1]						
Total	**718 013**	**470 776**	**380 536**	**403 928**	**–453 113**	**1 520 140**
Segment liabilities [1]						
Total	**596 254**	**75 993**	**214 317**	**470 652**	**–453 113**	**904 103**

[1] not including assets and liabilities held in disposal groups
[2] see Note 5

8 SEASONAL EFFECTS

The Valora Group's business activities are not subject to any material seasonal or cyclical revenue fluctuations.

9 FINANCIAL INSTRUMENTS AND FAIR VALUES

The book values of the financial assets and liabilities governed by IFRS 7 and IFRS 13 are generally stated at fair value. The only exception to this practice relates to long-term financial liabilities.

in CHF 000	Book value 30.06.2014	Fair value 30.06.2014	Book value 31.12.2013	Fair value 31.12.2013
Long-term financial liabilities	383 563	394 516	385 761	393 503

The market value relates to the closing price of Valora's bond issue (Swiss securities code: 14903902, ISIN: CH0149039023) on SIX Swiss Exchange at the relevant balance-sheet dates.

Hierarchy levels applied to fair values. All the fair values shown below are allocated to one of the following three hierarchy levels:

- Level 1: Prices are based on quotes in active markets for identical assets and liabilities;
- Level 2: Fair values are calculated on the basis of observable market parameters. For these purposes either quoted prices in non-active markets or unquoted prices are used. These fair values can also be derived indirectly from other prices;
- Level 3: Fair values are calculated on the basis of non-observable parameters and are thus based on estimates.

The table below shows the fair value of assets and liabilities by hierarchy level at June 30, 2014:

in CHF 000	Level 1	Level 2	Level 3	Total
Assets valued at fair value				
Derivative financial assets	0	543	0	543
Financial assets available for sale	159	0	0	159
Total	**159**	**543**	**0**	**702**

in CHF 000	Level 1	Level 2	Level 3	Total
Liabilities valued at fair value				
Derivative financial liabilities	0	3 034	0	3 034
Contingent consideration	0	0	4 163	4 163
Total	**0**	**3 034**	**4 163**	**7 197**

There were no transfers between hierarchy levels 1 and 2 in the first six months of 2014.

10 DIVIDENDS PAID

On May 14, 2014 a dividend of CHF 12.50 per registered share was paid in respect of 2013 (CHF 12.50 per registered share for the previous year).

11 SUBSEQUENT EVENTS

The sale of the Valora Services business was completed on July 31, 2014.
This half-year report was approved by the Board of Directors of Valora Holding AG on August 27, 2014.

Muttenz, August 28, 2014

The next Ordinary General Meeting of shareholders of Valora Holding AG will be held on April 22, 2015.

This half-year report is published in German and English. The original version is in German.

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