

Letter to shareholders

Dear shareholders,

For Valora, 2015 marked the last major milestone in its path towards focussing on Retail. Over the last three years, we have taken one successful step after another: the acquisition of Ditsch/Brezelkönig, the sale of the Services division, the takeover of Naville and then last year, the sale of the Trade division. We are proud that Valora is now able to definitively enter a new era.

In addition, our operating performance and therefore our results were also noteworthy in 2015: despite the continuing difficult market conditions we faced, we set ourselves ambitious goals, which we managed to achieve and, in some cases, exceed. We were also able to substantially improve our margins and increase Group-level EBIT above expectations. This was all achieved despite the management and numerous teams having to spend a great deal of time focussing on the disposal of the goods logistics and Trade division as well as the integration of Naville.

Nevertheless, our work is far from done. We do not expect Valora's market environment to become any easier in the near future. The only way to excel in our industry is to be agile and to continually innovate. Thanks to our real success in reorganising Valora in 2015, we are now a significantly more agile company; this is a trend that we intend to – and indeed have to – continue!

The transformation in recent years, our change in strategic focus and the internal changes have been – and continue to be – challenging. We have been exceptionally pleased to see how our employees have tackled these challenges each and every day, and with such levels of commitment. The Board of Directors as well as the Executive Management would like to thank them enormously for this.

Having successfully developed our shop concept and modernised the kiosks in Switzerland, we are now enjoying successes in developing the Food area. In particular with regard to coffee, cold drinks and baked goods, there is more potential that we intend to tap into going forward. The foundations have also been laid for effective promotions. In the near future, we will therefore be further strengthening our coffee offering in Switzerland and Germany, including the roll-out of Spettacolo and Starbucks offerings across more than 700 outlets.

This network of top locations remains one of Valora's real strengths, as is the large number of client contacts – an average of 1.6 million every day. We intend to successfully consolidate this going forward, as we are certain that clever customer loyalty measures and electronic services will become considerably more important in future. A key step we took in 2015 was therefore the foundation of the Valora Lab, which develops digital products and services, while accelerating the implementation of new ideas.

After all, Valora's future growth strategy is based on innovation in its products and service offerings. Our strategic focus is consciously based on growth – not least the international expansion of Brezelkönig and the continual development of our Ditsch pretzel and lye-bread production business. To do any of this, we need a highly motivated team.

The Board of Directors and the Executive Management would also like to take this opportunity to thank Valora's customers and business partners. We are working as hard as we can to be a dynamic, customer-focussed company for all of them.

We would also like to thank all of our shareholders for the trust they place in us and are pleased to propose an unchanged dividend of CHF 12.50 at the next Annual General Meeting.

Kind regards



Rolando Benedick
Chairman of the Board of Directors



Michael Mueller
CEO