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EANS-Adhoc: Valora Holding AG / Valora acquires Germany's largest kiosk network - marking major milestone in Valora 4 Growth strategy

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Valora acquires Germany's largest kiosk network - marking major milestone in Valora 4 Growth strategy

- Valora acquires Convenience Concept GmbH (CC), a company with some 1,300 retail outlets and projected external sales of around EUR 450 million (CHF 540 million)
- Transaction makes Valora the leading micro-retailer in Germany, Austria and Switzerland, with some 2,900 POS, enabling the firm to build on its position in Germany's small-outlet retail sector
- Long-term enhancement in profitability in line with previously announced Valora 4 Growth objectives achievable
- Strategic ties to Lekkerland to be strengthened

Valora acquires Convenience Concept GmbH (CC), a company with some 1,300 retail outlets and projected external sales of around EUR 450 million (CHF 540 million)

Valora's purchase of the Lekkerland subsidiary Convenience Concept (CC), Germany's largest integrated kiosk network, has enabled the Group to achieve a significant milestone in the implementation of its Valora 4 Growth expansion strategy. CC's portfolio of some 1,300 excellently situated outlets, 170 of which are travel retail units occupying sites at public transport hubs, are an ideal match for Valora Retail Germany. In its current network, CC operates the CIGO, Tabak-Börse, ServiceStore DB, U-Store and Kio formats, as well as a number of unbranded units. These outlets, all of which are operated by independent business partners or franchisees, generated external sales of some EUR 450 million (CHF 540 million) in 2011. This new transaction and the Group's earlier acquisition of the tabacon network have enabled Valora to purchase Germany's number one and number four kiosk chains within the space of 18 months. Valora and Lekkerland have agreed not to disclose the purchase price for CC or the terms of the strategic collaboration planned between the two firms. Valora's existing loan facilities will provide the scope required to finance the purchase. The transaction requires approval by the Bundeskartellamt, Germany's independent competition authority.

Transaction makes Valora the leading micro-retailer in Germany, Austria and Switzerland, with some 2,900 POS, enabling the firm to build on its position in Germany's small-outlet retail sector

This expansion of its network to some 2,900 outlets makes Valora the leading micro-retailer in the German-speaking markets. Taken in conjunction with its network of just under 100 units in Luxembourg and Austria, and the 1,200 or so outlets it operates in Switzerland, this transaction also means that Valora Retail is now the second-largest micro-retailer in Europe. The CC purchase will also strengthen Valora's position as a small-outlet retailer in Germany. The deal will create the largest kiosk network in Germany, comprising nearly 1,500 outlets (some 100 tabacon units, 90 k kiosk units and the 1,300 CC sites) and

commanding an estimated market share of around 10 percent. In the first year of full consolidation of the CC units, Valora expects to generate overall external sales in Germany of some CHF 900 million, including the turnover from its current network of some 170 railway station bookstores, but excluding any further acquisitions. This means that the scale of Valora Retail Germany will approach that of Valora Retail Switzerland with its four formats (k kiosk, P&B, avec. and Caffé Spettacolo) and annual sales of some CHF 1.2 billion.

Long-term enhancement in profitability in line with previously announced Valora 4 Growth objectives achievable

Valora's new network of nearly 1,500 units in Germany means that the Group has now already largely exceeded its growth target of operating some 1,000 German small-scale kiosk outlets by 2015. Current projections indicate that gradual transformation of the new units to the proven Valora/tabacon franchise concept, streamlining the network so as to achieve a clear focus on three core brand formats (k kiosk, CIGO and ServiceStore DB), a marked expansion of the convenience store product range (in the areas of food, beverages and confectionery) and increased promotion activities will enable Valora to generate a substantial increase in the units' profitability by 2015. Further streamlining of operations will also help Valora to achieve major cost savings and economies of scale over the next few years, raising CC's EBITDA from some EUR 12 million in 2011 to more than EUR 20 million in 2015.

Strategic ties to Lekkerland to be strengthened

Hitherto, Lekkerland Deutschland GmbH & Co. KG had grouped its German retail activities together under its CC subsidiary. As part of this transaction, Valora and Lekkerland will extend and strengthen their strategic partnership. Lekkerland will continue to supply the 1,300 existing CC outlets for a further five years. Lekkerland's contract to supply its range of food products to the Valora-operated railway station bookstores has also been extended and Lekkerland will supply this product range to Valora's tabacon units as well. Valora will also benefit from the category management know how of Germany's largest convenience wholesaler. Michael Hoffmann, CEO of Lekkerland AG & Co. KG, expressed his satisfaction with the transaction with these words, "Lekkerland will now concentrate on wholesale, category management, logistics and services. By supplying and advising these units in the context of our enhanced strategic collaboration with Valora, we will be working together to ensure the further enhancement of the results generated by the CC outlets." The Valora Group's CEO, Thomas Vollmoeller, added, "Acquiring Convenience Concept is an excellent opportunity, making it possible for us to achieve the growth and profitability objectives we have set for our retail business by 2015".

A short presentation to accompany this press release is available on www.valora.com

http://www.valora.com/media/documents/english/presentations/2012/20120130_kkiosk_network_en.pdf

Valora's 2011 financial statements and future outlook will be presented at the results conference to be held on March 28, 2012.

Overview of Valora Retail's new outlet network

Format Switzerland Germany Luxembourg Austria POS

kiosk	1,000	90	70	1,160	
tabacon		100		100	
CC (various formats)		1,300		1,300	
P&B	20	170	10	200	
avec.	100			100	
Spettacolo	40			40	
Total	1,160	1,660	70	10	2,900

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Valora Telephone Conference - Analysts' and Media Conference
Acquisition Convenience Concept
Monday, January 30, 2012 | 14.00 CET (German) | 15:00 CET (English)

Thomas Vollmoeller, CEO of Valora Holding AG, and Lorenzo Trezzini, CFO, will provide information about the transaction during a telephone conference.

To participate in the conference: please call the following number (please call 10 to 15 minutes before the stated starting time):

- +41 (0) 91 610 56 00 (Europe)
- +44 (0) 203 059 58 62 (UK)
- +1 (1) 866 291 41 66 (USA - toll-free)

The playback will be available one hour after the conference for 24 hours till January 31st, 2012. To access the digital playback, please dial:

- +41 (0) 91 612 43 30 (Europe)
- +44 (0) 207 108 62 33 (UK)
- +1 (1) 866 416 25 58 (USA)

When prompted, enter the code 19706 (German) or 15821 (English) followed by the # sign

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Valora

Valora is an independent consumer goods trading company operating on a Europe-wide scale (www.valora.com).

Valora operates in three business areas, all of which are focused on supplying consumer markets with strong sales potential. There is a clear emphasis on European markets where modern, mobile lifestyles have become widespread.

Retail division

A market leader in small and micro-outlet convenience retail, operating standardised formats at heavily frequented locations.

Services division

A market leader in the distribution of press products to Valora-operated outlets and retail partners, with additional wholesaling activities in press products and retail merchandise.

Trade division

An exclusive distributor of food and non-food branded goods to the large-outlet retail sector.

In its Swiss, German Luxembourg and Austrian markets, Valora Retail operates some 1,600 kiosks, convenience stores and gastronomy units (see overview table above).

In Switzerland, Valora Retail is the market leader in small and micro-outlet convenience retail, operating standardised formats at heavily frequented locations through four brands - kiosk, avec. Press & Books and Caffè Spettacolo.

Through its Press&Books outlets, Valora Retail Germany is the leading bookseller at German railway stations and airports. In addition, the company operates tobacco and press product outlets, mostly in shopping centres and department stores.

Lekkerland operates in nine European markets, where it supplies some 130,700 filling station shops, kiosks, convenience stores, fast food chains, tobacconists, beverage stores, department stores, supermarkets, bakeries and canteens with a full range of confectionery, beverages, snacks, convenience products, ice-cream, frozen food, fresh produce, tobacco products, phone cards and non-food articles. In 2010, the company, which employs more than 6,200 staff, generated sales of EUR 12.2 billion (www.lekkerland.com).

Convenience Concept GmbH: with a panoply of services ranging from location planning to store layout and from product range strategy to operational implementation, Convenience Concept GmbH is Germany's leading small-outlet convenience retail format specialist, providing franchisee and operator concepts for convenience stores and specialised press and tobacco retailing throughout Germany. In conjunction with its partners, the company currently operates some 1,300 outlets in city centre locations, shopping centres, check-out areas and public transport hubs nationwide.

Further inquiry note:

Media Relations: Phone: +41 58 789 12 01

Stefania Misteli E-mail: stefania.misteli@valora.com

Investor Relations: Phone: +41 58 789 12 20

Mladen Tomic E-mail: mladen.tomic@valora.com

Lekkerland

Inga Koenen Phone: +49 2234 1821 175

E-mail: inga.koenen@lekkerland.com

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euro adhoc

issuer: Valora Holding AG

Hofackerstrasse 40

CH-4132 Muttenz

phone: +41 61 467 20 20

FAX: +41 58 789 12 12

mail: info@valora.com

WWW: www.valora.com

sector: Retail

ISIN: CH0002088976

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