Half-year Report 2010

KEY FIGURES

		30.06.2010	30.06.2009	30.06.2008
Net revenues	CHF million	**1 431.9**	**1 414.6**	**1 468.5**
Change	%	+ 1.2	– 3.7	+ 6.6
Operating profit (EBIT)	CHF million	**35.7**	**23.0**	**28.6**
Change	%	+ 55.0	– 19.6	+ 134.2
in % of net revenues		2.5	1.6	2.0
Net profit [1]	CHF million	**26.0**	**18.1**	**21.1**
Change	%	+ 43.8	– 14.6	+ 151.1
in % of net revenues		1.8	1.3	1.4
in % of equity		5.9	3.8	3.6
Net cash provided by (used in) [1]				
Operating activities	CHF million	30.8	24.7	51.7
Investing activities	CHF million	– 16.6	– 32.3	21.6
Free cash flow	CHF million	**14.2**	**– 7.6**	**73.3**
Financing activities	CHF million	– 28.5	– 6.2	– 17.1
Earnings per share [1]	CHF	**9.47**	**6.41**	**6.50**
Change	%	+ 47.7	– 1.4	+ 160.0
Free cash flow per share [1]	CHF	**5.18**	**– 2.77**	**23.07**
Change	%	n/a	n/a	+ 666.4
Number of outlets operated by Valora [3]		**1 412**	**1 413**	**1 411**
Net sales per outlet [2] [3]	CHF 000	561	551	547
Number of franchise outlets		**28**	**21**	**–**
		30.06.2010	**31.12.2009**	**31.12.2008**
Share price	CHF	**258.00**	**255.00**	**154.00**
Market capitalisation	CHF million	**710**	**701**	**433**
Cash and cash equivalents	CHF million	**142.3**	**161.6**	**158.4**
Interest-bearing liabilities	CHF million	**143.2**	**145.8**	**152.5**
Total equity	CHF million	**436.5**	**453.7**	**450.4**
Balance sheet total	CHF million	**1 029.0**	**1 099.0**	**1 060.0**
Number of employees	FTE	**6 312**	**6 522**	**6 692**
Change	%	– 3.2	– 2.5	+ 2.5

All totals and percentages are based on unrounded figures from the consolidated financial statements
[1] From continuing operations
[2] Net sales of Valora Retail only
[3] 2008 figures restated

GROUP PERFORMANCE

The „Valora 4 Success“ strategy delivered the results expected of it in the first six months of 2010 and continues to be pursued consistently. The Valora Group raised its first-half 2010 net sales by +1.2 %, to CHF 1, 432 million, compared to the same period of 2009.

Significantly greater efficiency and substantial cost savings enabled Valora to cut its operating costs markedly, raising its operating profit by CHF 12.7 million to CHF 35.7 million. The distribution and sale of World Cup collectible football picture cards contributed a sizeable CHF 6.3 million to operating profit, despite intense competition in the market for these products in Switzerland. Valora's operating profit margin for the first six months of 2010 rose to 2.5 %. Continuing improvements to profitability at Valora Retail and the fact that enhanced cost efficiency enabled Valora Services to rekindle its success are especially gratifying. Challenging market conditions and the expiration of distribution agreements meant that Valora Trade's operating profit fell below its first-half 2009 level.

The Group achieved a net profit of CHF 26.0 million in first-half 2010, 43.8 % up on the first six months of 2009. Shareholders' equity as a percentage of total assets rose by 1.1 percentage points to 42.4 %. Despite increasing its dividend payout for 2009, Valora remains virtually free of net debt as of June 30, 2010.

A VALORA GROUP

Net revenues in CHF million	**30.06.2010**	**2010 share in%**	30.06.2009	2009 share in%	Change in%
Valora Retail	792.0	55.3%	778.1	55.0%	1.8%
Valora Services	375.1	26.2%	345.1	24.4%	8.7%
Valora Trade	348.8	24.4%	381.2	26.9%	– 8.5%
Other	4.8	0.3%	5.4	0.4%	– 10.7%
Intersegment elimination	– 88.8	– 6.2%	– 95.2	– 6.7%	
Group total	**1 431.9**	**100.0%**	**1 414.6**	**100.0%**	**1.2%**
Switzerland	878.2	61.3%	853.8	60.4%	2.9%
Elsewhere	553.7	38.7%	560.8	39.6%	– 1.3%

In the first six months of 2010, the Valora Group generated net revenues of CHF 1,431.9 million, a CHF 17.3 million, or 1.2 %, increase on the same period of 2009. After adjusting for the special factors of sales and distribution of World Cup picture cards (CHF +38.3 million) and currency fluctuations (CHF -16.4 million), the Group's first-half 2010 net revenues declined by CHF 4.7 million. This fall in adjusted net revenues is essentially due to the departure of a major principal in Germany and the higher proportion of Valora Trade's turnover represented by commission-based transactions. As a result, Valora Trade's net revenues for the first six months of 2010 were CHF 29.3 million lower than in first-half 2009. Conversely, both Valora Retail (CHF +13.7 million) and Valora Services (CHF + 5.9 million) succeeded in increasing their adjusted net revenues on first-half 2009 levels.

The proportion of Group net revenues generated outside Switzerland fell by 0.9 percentage points compared to first-half 2009, due to adverse exchange rate movements and the lower sales volumes achieved by Valora Trade's non-Swiss units. At 27.6 %, Germany continues to generate the largest proportion of Valora's non-Swiss sales. The acquisition of tabacon Franchise GmbH & Co. KG taking effect as of October 1, 2010 will further increase this share.

in CHF million	30.06.2010	2010 share in%	30.06.2009	2009 share in%
Net revenues	**1 431.9**	**100.0%**	**1 414.6**	**100.0%**
Gross profit	**433.7**	**30.3%**	**428.3**	**30.3%**
– Operating costs, net	– 398.0	– 27.8%	– 405.3	– 28.7%
Operating profit (EBIT)	**35.7**	**2.5%**	**23.0**	**1.6%**

The 1.2 % increase in the Group's net revenues was achieved on an unchanged overall gross profit margin for the Group of 30.3 %. As a result, consolidated gross profit rose CHF 5.4 million to CHF 433.7 million, 64 % of which was generated by Valora Retail.

Thanks to efficient cost management and lower logistics expenditure, the Valora Group's net operating costs in first-half 2010 were CHF 7.3 million lower than in the same period of 2009, representing 27.8 % of net revenues, 0.9 percentage points lower than a year earlier. These lower costs were driven mainly by savings in internal logistics operations in Switzerland, which benefited in 2010 from the new distribution centre opened in Egerkingen. Further enhancements to shift rota planning for Valora Retail kiosk sales staff also helped to reduce staff costs.

These improvements enabled the Valora Group to raise its operating profit by CHF 12.7 million to CHF 35.7 million, which equates to an EBIT margin of 2.5 %. CHF 6.3 million of this increase is attributable to the distribution and sale of World Cup picture cards. Taking the adverse effect of exchange rate fluctuations into account as well (CHF -0.8 million), the Group's first-half 2010 operating profit improved by CHF 7.2 million, or 31.3 %. The adjusted EBIT margin for the first six months of 2010 was 0.5 percentage points up on first-half 2009.

B VALORA RETAIL

in CHF million	30.06.2010	2010 share in%	30.06.2009	2009 share in%
Net revenues	**792.0**	**100.0%**	**778.1**	**100.0%**
Gross profit	**277.7**	**35.0%**	**274.0**	**35.2%**
– Operating costs, net	– 264.0	– 33.3%	– 263.9	– 33.9%
Operating profit (EBIT)	**13.7**	**1.7%**	**10.1**	**1.3%**

Although the unusually long winter impinged on Valora Retail's business, this division nevertheless increased its net revenues by CHF 13.9 million, to CHF 792.0 million, compared to first-half 2009. CHF 9.3 million of this increase was due to sales of World Cup picture cards, though this was almost entirely cancelled out by adverse currency effects amounting to CHF 9.1 million. After adjusting for these special factors, Valora Retail's first-half 2010 net revenues rose by +1.8 %.

With the exception of gastronomy operations, all business units contributed to this gratifying improvement. The most noteworthy increase was achieved by Kiosk Switzerland, whose net revenues rose +1.2 %, largely thanks to increased sales of food and tobacco products. Turnover from services declined – due to a decrease in lottery ticket sales – as did press revenues. Retail Germany (+2.9 %) and Retail Luxembourg (+4.8 %) both contributed to the division's higher net revenues, with restructuring initiatives at the latter entity already beginning to bear fruit. On July 1, 2010, Retail Germany reported its successful acquisition – with effect from October 1, 2010 - of tabacon Franchise GmbH & Co. KG. This will nearly double the number of outlets the division operates in Germany, making Retail Germany the second-largest small-outlet retailer in the German market. Although the expansion of the division's convenience and filling station business did not progress as rapidly as expected, net revenues in this business area nevertheless rose 3.3 %. The new Press &

Books format performed very well, beating expectations. Despite the downturn in the overall press market (-2.3 %), the division's P&B outlets managed to achieve significant growth in their book and press sales.

Increased turnover enabled Valora Retail to improve its first-half 2010 gross profit by CHF 3.7 million compared to the same period of 2009. The excellent sales performance achieved in food products did not, however, fully compensate for the combined effects of the higher proportion of total turnover generated in tobacco products, where margins are low, and of lower revenues from services, so that the division's gross profit margin declined by 0.2 percentage points.

Further enhancements to shift rota planning at the sales outlets meant that operating costs (CHF 264.0 million) were held at first-half 2009 levels, despite the increases achieved in turnover. As a result, operating costs as a proportion of net revenues fell by 0.6 percentage points. After adjusting for special factors, Valora Retail generated an operating profit of CHF 12.0 million, an 18.2 % increase which equates to an EBIT margin of 1.5 %. The division's reported operating profit, which takes the special factors of World Cup picture cards and exchange rate fluctuations into account, amounted to CHF 13.7 million.

C VALORA SERVICES (MEDIA)

in CHF million	**30.06.2010**	**2010 share in%**	30.06.2009	2009 share in%
Net revenues	**375.1**	**100.0%**	**345.1**	**100.0%**
Gross profit	**79.5**	**21.2%**	**72.2**	**20.9%**
– Operating costs, net	– 59.1	– 15.8%	– 65.1	– 18.8%
Operating profit (EBIT)	**20.4**	**5.4%**	**7.1**	**2.1%**

The Valora Services division managed to raise its first-half 2010 net revenues by CHF 30.0 million on 2009 levels, to reach CHF 375.1 million. This reflects a contribution from the distribution and sale of World Cup picture cards, which produced net revenues of CHF 29.0 million. Conversely, adverse exchange-rate effects shaved CHF 4.8 million off net revenues, which thus rose by CHF 5.9 million, or 1.7 % . This improvement in adjusted net revenues was achieved largely thanks to higher tobacco wholesale turnover in Switzerland (CHF +7.3 million) and increased press wholesale revenues in Austria (CHF +4.5 million). Services Switzerland, on the other hand, suffered from the decline in the overall press market and lower book sales, so that its press and book wholesale turnover fell CHF 4.4 million. Total net revenues in Luxembourg, including those from World Cup picture cards, declined by 4.7 %, due to lower non-food and book sales.

Thanks to World Cup product sales and an improved operating profit margin (largely due to increased sales of services), Valora Services increased its gross profit by CHF 7.3 million to CHF 79.5 million.

The division also achieved a marked improvement in its net operating costs, which it cut by CHF 6.0 million despite the additional World Cup costs it incurred. In first-half 2010, Valora Services derived particular benefit from efficiency gains in its own logistics operations in Switzerland and from lower external logistics costs in Austria. In Luxembourg, conversely, operating costs rose, by CHF 0.4 million, due to the restructuring measures being carried out there.

Overall, Valora Services generated an operating profit of CHF 20.4 million for the first six months of 2010, a CHF 13.3 million improvement on the same period of 2009. After stripping out the effects due to the distribution and sale of World Cup picture cards (CHF 4.3 million) and currency fluctuations, the division's first-half 2010 operating profit rose CHF 9.4 million, or 132 %. Valora Services' operating profit margin in the first six months of 2010 was 5.4 %, representing a 2.6 percentage point increase in adjusted EBIT margin and a 3.3 percentage point improvement in the reported margin.

D VALORA TRADE

in CHF million	30.06.2010	2010 share in%	30.06.2009	2009 share in%
Net revenues	**348.8**	**100.0%**	**381.2**	**100.0%**
Gross profit	**71.7**	**20.6 %**	**76.7**	**20.1 %**
– Operating costs, net	– 66.6	– 19.1 %	– 69.3	– 18.2 %
Operating profit (EBIT)	**5.1**	**1.5 %**	**7.4**	**1.9 %**

Valora Trade performed well in the face of challenging market conditions during the first six months of 2010. However, due to the sale of its production units (Own Brands), and the expiration of the distribution contracts associated with them, the division's adjusted net revenues for first-half 2010 fell by CHF 29.3 million compared to the same period of 2009. Taking the negative impact of currency fluctuations into account as well (CHF -3.1 million), the division's reported net revenues came in at CHF 348.8 million, CHF 32.4 million lower than in first-half 2009. Adjusting for the discontinued distribution agreements with Gillebagaren AB und Soerlandschips AS (both former Own Brands entities), the division's net revenues for first-half 2010 declined by a modest 2.2 %. Trade Germany suffered the greatest fall in turnover as a result of the sale of the Own Brands units, with net revenues virtually halved (-45 %). In the Nordic markets, commission-based business continued to gain in importance, so that lower turnover in those countries was offset by improved commission revenues. Falls in adjusted net revenues at Valora Trade's units in Switzerland (-2.5 %) and Austria (-4.8 %) are mainly due to lower turnover in the high-margin confectionery category.

The factors listed above resulted in the Trade division's gross profit in local currency terms falling by CHF 4.3 million, or 5.6 %, in the first six months of 2010 compared to first-half 2009. Gross profits in the Nordic country units were roughly unchanged, while those in Switzerland, Germany and Austria declined.

Thanks to recent initiatives to reduce the proportion of operating costs represented by overheads and to manage all costs more efficiently, the shortfall in revenues experienced in first-half 2010 was largely offset by cost savings, mainly in staff and logistics costs. At the division's units in Switzerland and Denmark, these efficiency savings have produced significant improvements in operating profits (+14.5 % and +107.5 %, respectively). The Valora Trade units in other national markets, such as Germany and Norway, were not able to offset the decline in their gross profits completely, so that their first-half 2010 operating profits fell short of comparable 2009 levels. Valora Trade's aggregate first-half 2010 operating profit, adjusted for currency fluctuations, amounted to CHF 5.1 million, CHF 2.3 million lower than in first-half 2009, resulting in an adjusted EBIT margin of 1.5 % (-0.4 percentage points).

E CORPORATE

The Corporate division - comprising the Group's logistics operations in Switzerland, its Corporate Information Services and Group support functions such as Finance, Human Resources, Legal Services and Communications – generated net revenues from logistics services to third party customers of CHF 4.8 million in the first six months of 2010, a CHF 0.6 million decline on first-half 2009.

The division succeeded in reducing its direct costs by CHF 1.9 million, despite early retirement charges. The most notable reductions in direct costs were achieved in logistics, where cost savings were generated for Valora Services and productivity gains offset the effects of the higher volumes of goods sold at Valora Retail.

Valora has a policy of charging the operating costs of its corporate functions – minus logistics turnover generated with third party customers - to the individual market divisions on the basis of the use made of their services. Corporate functions' revenue and expenditure which is not related to the market divisions in any way is charged to „others“ in Valora's segment-based reporting.

F FINANCIAL RESULT AND TAXES

The significant fall in the value of the euro and the Danish krone versus the Swiss franc had a negative impact on Valora's net financial results during the first six months of 2010, with an exchange rate loss of CHF 1.7 million, principally due to declines in the valuation of the unhedged portions of intra-Group foreign currency loan positions. At June 30, 2010, 70% of the intra-Group euro and Danish krone loans were currency hedged. Net interest expense was CHF 0.9 million higher than in first-half 2009, with only very low rates of interest continuing to be earned on deposit balances. Overall, the Group's first-half 2010 net financial result declined by CHF 3.1 million, to CHF -4.4 million.

The aggregate tax rate, at 17.2% for first-half 2010, was down a marginal 0.1 percentage points on first-half 2009, slightly below the 18% the Group had expected. Current income tax expense for the period amounted to CHF 2.8 million, with deferred income tax expenses of CHF 2.6 million.

G LIQUIDITY, CASH FLOW AND KEY FINANCIAL RATIOS

Thanks to its improved earnings results, the Valora Group managed to increase its first-half 2010 operating cash flow by CHF 6.1 million on the same period of 2009, to reach CHF 30.8 million. The Group's cash flow results benefited from further gains in inventory management efficiency at Valora Retail Switzerland (with inventory cut by CHF 19.2 million at June 30, 2010), though this was more than offset by higher accounts receivable and lower accounts payable. The net working capital burden on operating cash flow for first-half 2010 was CHF 19.2 million. After deducting investment costs for the period of CHF 16.6 million, principally attributable to outlet modernisation and IT infrastructure upgrades, the Group generated free cash flow of CHF 14.2 million in the first six months of 2010.

As a result of the dividend payment of CHF 27.5 million made during first-half 2010, the Valora Group had a small net debt position of CHF 0.9 million at June 30, 2010, despite its improved free cash flow performance. The Group's net debt of CHF 0.9 million is CHF 36.7 million lower than at June 30, 2009 and CHF 16.7 million higher than at year-end 2010.

Despite the dividend payment, and adverse exchange rate effects amounting to CHF -15.9 million, equity cover rose 1.1 percentage points to 42.4% of total assets. The Group thus achieved further improvements in its sound liquidity and balance sheet positions.

H VALORA VALUE ADDED

Valora Value Added in CHF million	**30.06.2010**	30.06.2009
Operating profit (EBIT)	35.7	23.0
Average invested capital	641.4	664.7
WACC	7.0%	7.0%
Capital costs	22.4	23.3
Valora Value Added	**13.3**	**– 0.3**

In order to measure the return it generates over and above its capital costs, the Valora Group introduced the concept of Valora Value Added (VVA) in 2008. VVA is based on the classical definition of economic value added. To ensure comparability between reporting periods, Valora Value Added is calculated on the basis of operating profit minus weighted average cost of capital (WACC), the weighted average of the Group's equity and debt financing costs. The current calculations, which are based on industry comparisons and expected market interest rate levels, put WACC at 7 %. Valora regularly reviews its WACC assumptions, adjusting the WACC figure if it moves outside a defined range. The VVA calculations for first-half 2009 have been adjusted to reflect the restatements made in 2009.

In the first six months of 2010, Valora generated CHF 13.3 million in VVA, which represents an improvement of CHF 13.6 million on the figure for the same period of 2009. After adjusting for the effects of non-recurring World Cup product sales in first-half 2010, the Valora Group's VVA for the first six months of 2010 rose CHF 7.3 million. This improvement was attributable both to enhanced operating profit and more efficient capital deployment.

I OUTLOOK

The „Valora 4 Success" strategy enabled Valora to chalk up significant successes in terms of cost-effectiveness and productivity during the first six months of 2010, thus providing a platform for future growth. These are encouraging achievements, and the Group will continue to progress systematically along its chosen path in the final half of 2010.

In the second six months of this year, Valora Retail will also benefit from a number of recent initiatives which will spur future growth. These include a new co-operation agreement signed with the filling station operator Tamoil, which will enable the division to accelerate the expansion of its convenience store business unit. In addition, all sales outlets have already expanded the range of services they sell and further expansion will follow (e.g. money transfer, insurance, travel), thus meeting customer needs more comprehensively. Initiatives like these, combined with the more distinct profiles adopted by the new formats and new forms of distribution (agency and franchising models), will further enhance customers' loyalty and increase the frequency of customer visits, thus helping Valora to achieve its efficiency and growth objectives.

Valora Services clearly benefited from the distribution and sale of World Cup picture cards in first-half 2010. However, since the division also succeeded in making further cuts to its cost base and is constantly working with its suppliers and customers to achieve further efficiency gains, we expect this division to continue to produce stable results at the profitability level it has now achieved.

Valora Trade currently has to contend with demanding market conditions for branded goods and the expiration of some of its distribution agreements. Although the division did succeed in acquiring new principals during the first half of 2010, it will be difficult to compensate fully, during the second half of the year, for the shortfall in sales resulting from these expiring contracts. Nevertheless, the number of new, and growing, principals makes us confident for the medium term, both with regard to revenue growth and operating efficiency.

The Valora Group's Board of Directors has already scheduled the announcement of an update to the current strategy for the late autumn of 2010. These modifications aim to take account of the successes which the current strategy has already achieved and to build on these for future growth.

Valora Holding AG

Rolando Benedick
Präsident des Verwaltungsrates

Thomas Vollmoeller
CEO

VALORA HALF-YEAR REPORT 2010

CONSOLIDATED INCOME STATEMENT

January 1 to June 30, in CHF 000 (except per-share amounts)	**2010** unaudited	**%**	2009 unaudited	%
Net revenues	**1 431 860**	**100.0**	**1 414 609**	**100.0**
Cost of goods	– 998 117	– 69.7	– 986 264	– 69.7
Gross profit	**433 743**	**30.3**	**428 345**	**30.3**
Personnel expense	– 221 332	– 15.5	– 225 213	– 15.9
Other operating expenses	– 158 941	– 11.1	– 162 818	– 11.5
Depreciation	– 22 093	– 1.5	– 20 841	– 1.5
Other income, net	4 310	0.3	3 547	0.2
Operating profit (EBIT)	**35 687**	**2.5**	**23 020**	**1.6**
Financial expense	– 4 811	– 0.3	– 2 480	– 0.2
Financial income	382	0.0	1 111	0.1
Share of result from associates and joint ventures	92	0.0	187	0.0
Earnings before taxes	**31 350**	**2.2**	**21 838**	**1.5**
Income taxes	– 5 389	– 0.4	– 3 781	– 0.2
Net Group profit	**25 961**	**1.8**	**18 057**	**1.3**
Attributable to shareholders of Valora Holding AG	26 029	1.8	17 664	1.3
Attributable to minority interests	– 68	0.0	393	0.0
Earnings per share (in CHF)				
diluted and undiluted	9.47		6.41	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

January 1 to June 30, in CHF 000	**2010** unaudited	2009 unaudited
Net Group profit	**25 961**	**18 057**
Actuarial gains/(losses) and pension asset recognition ceiling, before tax	– 806	3 745
Deferred taxes	161	– 749
Actuarial gains/(losses) and pension asset recognition ceiling, after tax	**– 645**	**2 996**
Valuation gains on financial investments available for sale	0	8
Deferred taxes	0	– 2
Valuation gains on financial investments available for sale	**0**	**6**
Currency translation adjustments	**– 16 285**	**4 319**
Total other comprehensive income	**– 16 930**	**7 321**
Total comprehensive income	**9 031**	**25 378**
Attributable to shareholders of Valora Holding AG	9 475	24 891
Attributable to minority interests	– 444	487

CONSOLIDATED BALANCE SHEET

ASSETS

in CHF 000	30.06.2010 unaudited	%	31.12.2009	%
Current assets				
Cash and cash equivalents	142 300		161 565	
Derivative assets	1 481		48	
Trade accounts receivable	164 317		163 289	
Inventories	207 518		230 218	
Current income tax receivable	2 923		2 566	
Other current receivables	60 520		64 734	
Current assets	**579 059**	**56.3%**	**622 420**	**56.6%**
Non-current assets held for sale	0		968	
Total current assets	**579 059**	**56.3%**	**623 388**	**56.7%**
Non-current assets				
Property, plant and equipment	207 256		219 734	
Goodwill, software and other intangible assets	156 674		161 485	
Investment property	6 121		10 080	
Investment in associates and joint ventures	4 855		5 379	
Financial assets	11 691		9 664	
Net pension asset	30 616		31 077	
Deferred income tax assets	32 714		38 215	
Total non-current assets	**449 927**	**43.7%**	**475 634**	**43.3%**
Total assets	**1 028 986**	**100.0%**	**1 099 022**	**100.0%**

LIABILITIES AND EQUITY

in CHF 000	30.06.2010 unaudited	%	31.12.2009	%
Current liabilities				
Short-term financial debt	650		1 527	
Derivative liabilities	462		727	
Trade accounts payable	248 122		284 167	
Current income tax liabilities	13 417		13 585	
Other current liabilities	141 858		148 725	
Current provisions	2 583		3 232	
Total current liabilities	**407 092**	**39.6%**	**451 963**	**41.1%**
Non-current liabilities				
Other non-current liabilities	149 163		153 440	
Long-term accrued pension cost	14 184		15 063	
Long-term provisions	9 302		10 019	
Deferred income tax liabilities	12 708		14 819	
Total non-current liabilities	**185 357**	**18.0%**	**193 341**	**17.6%**
Total liabilities	**592 449**	**57.6%**	**645 304**	**58.7%**
Equity				
Share capital	2 800		2 800	
Treasury stock	– 9 388		– 10 323	
Mark-to-market, financial instruments	8		8	
Retained earnings	471 829		472 962	
Cumulative translation adjustments	– 31 479		– 15 570	
Equity of Valora Holding AG shareholders	**433 770**	**42.1%**	**449 877**	**40.9%**
Minority interest in shareholders' equity	2 767		3 841	
Total equity	**436 537**	**42.4%**	**453 718**	**41.3%**
Total liabilities and equity	**1 028 986**	**100.0%**	**1 099 022**	**100.0%**

CONSOLIDATED CASH FLOW STATEMENT (CONDENSED)

January 1 to June 30, in CHF 000	**2010** unaudited	2009 unaudited
Operating profit (EBIT)	35 687	23 020
Elimination of non-cash transactions	17 068	19 926
Cash flow before changes in net working capital	**52 755**	**42 946**
Changes in net working capital	– 19 189	– 15 016
Interest and taxes paid/received	– 2 736	– 3 242
Net cash provided by operating activities	**30 830**	**24 688**
Investment in non-current assets	– 21 919	– 32 748
Proceeds from sales	5 312	453
Net cash (used in)/provided by investing activities	**– 16 607**	**– 32 295**
Increase in/repayment of financial liabilities	– 1 674	31 776
Treasury stock purchased/sold and dividends paid	– 26 839	– 37 962
Net cash used in financing activities	**– 28 513**	**– 6 186**
Net decrease in cash and cash equivalents	**– 14 290**	**– 13 793**
Translation adjustments on cash and cash equivalents	– 4 975	1 879
Cash and cash equivalents at beginning of period	161 565	158 436
Cash and cash equivalent at end of period	**142 300**	**146 522**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity

	Equity of Valora Holding AG							
in CHF 000	Share capital	Treasury stock	Mark-to-market, financial instruments	Retained earnings	Cumulative translation adjustments	Total equity of majority shareholders	Minority interest	Total equity unaudited
Balance at December 31, 2008	**3 300**	**– 108 180**	**– 17**	**569 401**	**– 17 424**	**447 080**	**3 325**	**450 405**
Total comprehensive income			6	20 660	4 225	24 891	487	**25 378**
Share-based remuneration				– 190		– 190		**– 190**
Dividend paid on 2008 result				– 24 705		– 24 705	– 427	**– 25 132**
Treasury stock purchased		– 24 695				– 24 695		**– 24 695**
Decrease in treasury stock		17 992		– 5 153		12 839		**12 839**
Balance at June 30, 2009	**3 300**	**– 114 883**	**– 11**	**560 013**	**– 13 199**	**435 220**	**3 385**	**438 605**
Total comprehensive income			19	14 281	– 2 371	11 929	456	**12 385**
Share-based remuneration				529		529		**529**
Treasury stock purchased								
Decrease in treasury stock		1 051		1 148		2 199		**2 199**
Share capital reduction	– 500	103 509		– 103 009		0		**0**
Balance at December 31, 2009	**2 800**	**– 10 323**	**8**	**472 962**	**– 15 570**	**449 877**	**3 841**	**453 718**
Total comprehensive income				25 384	– 15 909	9 475	– 444	**9 031**
Share-based remuneration				149		149		**149**
Dividend paid on 2009 result				– 27 460		– 27 460	– 630	**– 28 090**
Treasury stock purchased		– 1 568				– 1 568		**– 1 568**
Decrease in treasury stock		2 503		794		3 297		**3 297**
Balance at June 30, 2010	**2 800**	**– 9 388**	**8**	**471 829**	**– 31 479**	**433 770**	**2 767**	**436 537**

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 the Swiss Stock Exchange. Through its three divisions, the Valora Group operates in the business areas of small-outlet retail at heavily frequented locations (Valora Retail), press-product distribution and wholesaling activities (Valora Services) 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 2010. 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 2009 annual report. The reporting currency is the Swiss franc (CHF).

These half-year financial statements have been compiled in accordance with Swiss Stock Exchange (SIX) requirements in line with International Accounting Standard 34 (IAS 34) «interim financial reporting».

These statements do not contain all the information contained in the consolidated annual report for 2009 and should therefore be read in conjunction with that document. All figures other than those contained in the balance sheet as at December 31, 2009 are unaudited.

Consolidation principles. In addition to the accounts of Valora Holding AG, Muttenz, Switzerland, the Valora Group's half-year 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 on intra-Group transactions, are fully eliminated. The shareholders' equity of consolidated Group companies matches and offsets the book value of the parent company's participation in them at the time these companies are acquired or established. Once initial consolidation has taken place, profit or loss attributable to each accounting period is passed to the subsidiaries' retained earnings. Minority interests are defined as that part of subsidiaries' net profit and net equity which are not attributable to the Valora Group. These minority interests are disclosed separately in the consolidated income statement, consolidated statement of comprehensive income and the balance sheet. In the Group balance sheet, minority interests are shown in the shareholders' equity section, but are reported separately from the equity attributable to 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.

Changes in consolidation scope. Melisa SA, Lugano was sold on May 28, 2010. The effects of this sale on the half-year financial statements are not material. No further changes were made to the consolidation scope during the period under review.

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

3 CHANGES TO ACCOUNTING POLICIES

Implementation of new financial reporting standards. The effects arising from the implementation of changes to International Financial Reporting Standards (IFRS) and interpretations thereof which was required with effect from January 1, 2010 are explained below:

IFRS 2 (amended) <Group Cash-settled Share-based Payment Transactions>
These amendments to IFRS 2 relate to clarifications which have no effect on the accounting treatment of share-based payments made by Valora.

IFRS 3 (amended) <Business Combinations>
The changes to IFRS 3 relate to the accounting treatment of transaction costs, contingent considerations, step acquisitions and a choice of accounting treatment for minority interests. Application of these amendments is on a forward-looking basis. These amendments do not affect these financial statements, because no business combinations occurred during the period they cover.

IAS 27 (amended) <Consolidated and Separate Financial Statements>
The amendments to IAS 27 relate to the accounting treatment of additional purchases and sales of minority interests and the effects of a loss of control resulting from the partial disposal of a subsidiary. Application of these amendments is on a forward-looking basis. These amendments do not affect these financial statements, because no minority interests were acquired or sold during the period they cover, nor did any partial disposals of subsidiaries take place.

IAS 39 (amended) <Exposures Qualifying for Hedge Accounting>
Since Valora does not practise hedge accounting, the amendments to this standard have not resulted in any changes.

IFRIC 17 <Distribution of Non-cash Assets to Owners>
Since Valora does not pay any non-cash dividends, this new interpretation has not resulted in any changes.

Annual Improvements 2009 (annual modification process)
The Annual Improvements 2009, which apply with effect from January 1, 2010, relate to the elimination of inconsistencies in a number of standards and to the clarification of certain formulations relating to them. These changes do not have any material effects on the Valora Group.

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 recognised in other comprehensive income and reported separately as currency translation adjustments.

Exchange rates applied for key foreign currencies

	Average rate for 6 months to 30.06.2010	**Rate at 30.06.2010**	Average rate for 6 months to 30.06.2009	Rate at 30.06.2009
Euro, 1 EUR	1.437	1.319	1.506	1.526
Swedish krona, 100 SEK	14.66	13.83	13.86	14.11
Danish krone 100 DKK	19.30	17.71	20.21	20.49
Norwegian krone, 100 NOK	17.94	16.55	16.93	16.91

Net revenues and revenue recognition. Net revenues include all proceeds from the sale of goods and services, 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.

5 SUMMARY SEGMENT REPORTING

Segment data by division

2010

in CHF 000	Valora Retail	Valora Services (Media)	Valora Trade	Others	Intersegment elimination	Total Group unaudited
Segment information for the six months to 30.06.2010						
Net revenues						
Total	**791 948**	**375 120**	**348 809**	**4 837**	**– 88 854**	**1 431 860**
From third parties	791 474	290 053	345 496	4 837		1 431 860
From other divisions	474	85 067	3 313		– 88 854	
Operating profit (EBIT)						
Total	**13 730**	**20 384**	**5 075**	**– 3 502**		**35 687**
Operating profit (EBIT) in % of net revenues	1.7	5.4	1.5			2.5
Segment information for the six months to 30.06.2009						
Net revenues						
Total	**778 073**	**345 075**	**381 198**	**5 416**	**– 95 153**	**1 414 609**
From third parties	777 333	254 411	377 449	5 416		1 414 609
From other divisions	740	90 664	3 749		– 95 153	
Operating profit (EBIT)						
Total	**10 143**	**7 136**	**7 410**	**– 1 669**		**23 020**
Operating profit (EBIT) in % of net revenues	1.3	2.1	1.9			1.6

The Valora Media division was renamed Valora Services with effect from January 1, 2010. The division's business-segment allocation was not affected by this change.

6 BUSINESS UNITS ACQUIRED

No business units were acquired during the period covered by these financial statements.

7 DISCONTINUED OPERATIONS

No operations were discontinued during the period covered by these financial statements or in the period preceding it.

8 SEASONAL EFFECTS

Valora's business activities are not subject to any significant seasonal or cyclical effects.

9 DIVIDENDS PAID

On April 30, 2010 a dividend of CHF 10 per registered share was paid in respect of 2009 (CHF 9 per registered share for the previous year).

10 SUBSEQUENT EVENTS

This half-year report was approved by the Board of Directors of Valora Holding AG on August 24, 2010.

Muttenz, August 24, 2010

The next Ordinary General Meeting of shareholders of Valora Holding AG will be held on Friday, April 15, 2011.

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

VALORA CORPORATE COMMUNICATIONS

Hofackerstrasse 40
4132 Muttenz, Switzerland
Phone +41 58 789 12 01
Fax +41 58 789 12 12
stefania.misteli@valora.com

VALORA CORPORATE INVESTOR RELATIONS

Hofackerstrasse 40
4132 Muttenz, Switzerland
Phone +41 58 789 12 20
Fax +41 58 789 12 12
mladen.tomic@valora.com

VALORA HOLDING AG

Hofackerstrasse 40
4132 Muttenz, Switzerland
Phone +41 58 789 11 11
Fax +41 58 789 12 12
www.valora.com
info@valora.com