

Valora in 2015

VALORA IN 20 15

JANUARY

**EURO FLOOR
EXCHANGE RATE
DISCONTINUED**

On January 15, 2015, the Swiss National Bank abandoned its euro minimum target exchange rate of CHF 1.20. After temporarily falling to below CHF 1.00, Europe's single currency recovered somewhat from mid-year onwards, closing 2015 at CHF 1.08. This significantly impacted retail volumes in Switzerland, as increased cross-border shopping cut overall Swiss consumer spending by several billion francs over the course of the year.

FEBRUARY

**SHARING
KNOWLEDGE**

Valora hosts regular events where outlet staff, suppliers and management meet to share knowledge and experience. The convenience-store and kiosk conferences each attracted over 1000 outlet managers, franchisees, agency partners and suppliers. The franchise meeting hosted by Valora Retail Germany in May enabled some 150 participants to find out more about current industry topics.



**TWO NEW ok.-
MOBILE APPS**

ok.- mobile is the prepaid mobile service offered by Valora's popular ok.- brand. Valora added two new apps to the existing offering during 2015, both available on Google Play and from Apple's App Store. The ok.- mobile Prepaid Charger shows registered ok.- mobile users their current credit balance and also has a Valora store locator feature. The new ok.- mobile TV app offers its users a choice of 50 TV stations to watch.

N NAVILLE



MARCH

**NAVILLE
ACQUISITION**

The Valora Group acquired Naville with effect from March 2015. In addition to its network of more than 178 outlets, the Geneva-based company also operates one of the largest distribution platforms in French-speaking Switzerland. The acquisition has significantly enhanced Valora's presence in the Swiss market, providing it with a nationwide network of convenience stores in a variety of formats. By year end, the integration of the Naville outlets into Valora's operations had been successfully completed. The Naville acquisition is a major step for Valora, underscoring its strategic retail focus.

Valora in 2015

NEW CONVENIENCE STORE CONCEPT

With its rebuild completed, the U-Store at the Lattenkamp metro station in Hamburg reopened with a new design and an expanded product range. Valora Retail Germany is using this location as a pilot outlet for the future design of its convenience stores. Besides its appealing, modern look, this new concept places greater emphasis on food freshly prepared on site. First entered for the POS Marketing Awards in 2015, Valora Germany's new U-Store concept won no fewer than three awards, with bronze medals in the Retail, Creative Artwork and Budget categories.

SHAREHOLDERS APPROVE BOARD RECOMMENDATIONS

The 2015 General Meeting of Shareholders voted in favour of all agenda items proposed by the Board of Directors. Besides approving the 2014 financial statements, shareholders also endorsed the proposed dividend totalling CHF 12.50 per share and the 2014 remuneration report. All Board members were re-elected for a further year (till the 2016 AGM), as was Rolando Benedick as Board Chairman.



NEW MARKETS FOR BREZELKÖNIG

Brezelkönig opened a new outlet in Vienna's landmark Donauzentrum shopping complex in late April, its first in Austria. The new shop represents the first step in Brezelkönig's international expansion strategy. While some modifications were made to suit Austrian tastes, the range of pretzels on offer in Vienna is based on the formula Brezelkönig successfully developed for the Swiss market. Two additional outlets were opened in Vienna during the year, first in Vösendorf, then in Meidling. The successful Vienna outlets are providing valuable insights for Brezelkönig's expansion plans, which continued with the opening of its first two shops in Paris in mid-December.

ok.– EXPANDS AND LAUNCHES NEW PRODUCTS

Having rolled out its popular ok.– private-label range to Germany in 2012, Valora introduced some 20 ok.– products to its Naville stores in French-speaking Switzerland in May 2015. Naville now sells everything from ok.– energy and energy cola drinks to ok.– umbrellas, and plans to expand its ok.– range substantially in 2016. In Switzerland, Valora not only sold over 23 million cans of its ok.– energy drink in 2015, but also launched 10 new ok.– products. In Germany, ok.– energy drink is now an official partner of the St. Pauli football club and has been added to the drinks on sale at its Millerntor stadium.

GROUP REORGANISATION GETS UNDER WAY

Valora is optimising its structures to meet the demands of a changing retail market. The objective is to create a Group structure which is agile, competent and execution-focused. One key element in this strategy is the Naville integration. Smart user-friendly apps are another, with staff at the newly created Valora Lab now working on developing new digital solutions to accelerate the expansion of Valora's services offering. Valora also plans to adopt a more supranational approach to its internal services in areas such as information technology and finance.

Valora in 2015



JUNE

LOYALTY PROGRAMMES BRING CUSTOMERS CLOSER

During the summer, Valora ran a new loyalty programme offering its customers Spiegelau crystal glasses at bargain prices. A total of 120 000 sets of glasses were sold during the campaign, which generated revenues of about CHF 1 million. Autumn saw the launch of a new Monster Deals campaign, following on the success of the initial promotion in 2014. Customers were able to participate in the prize game both offline and online, with a chance to win prizes either by collecting traditional stickers for their Monster Deal albums or using the Monster Deal mobile app.

DITSCH OPENS 22 NEW OUTLETS

Ditsch opened a total of 22 new shops in 2015, increasing the size of its nationwide German network to 213 outlets. New openings in Rosenheim and Regensburg further raised the company's profile in Southern Germany. More than 40% of the new outlets are at railway stations, which remain central to the network strategy. Station outlets make the most of Ditsch's expertise with compact premises, as notably demonstrated by the shops at the Alexanderplatz station in Berlin and at the main station in Regensburg, both of which occupy some 10 square metres of floorspace. Ditsch is now using more twin-storey chilled display cabinets, which ideally complement the proven heated displays as a means of presenting the optimised product range to best advantage. The new Ditsch store design was extended to eight existing outlets, thus also streamlining their use of energy.

JULY

GOODS LOGISTICS UNIT SOLD

One year after the sale of its press wholesaling and press logistics operations in July 2014, Valora sold its goods logistics unit to 7Days Media Services. By spinning off its internal warehousing and transport services unit, Valora was able to streamline its organisational structure.



AUGUST

NEW iTUNES PASS SERVICE

Since August, customers have been able to add credit directly to their iTunes accounts by visiting any kiosk or Press & Books outlet. As the largest Swiss reseller of iTunes cards, Valora is the first retailer in Switzerland, other than Apple Stores, to offer this service at its outlets.



VALORA LAUNCHES BOB MONEY, ITS FIRST ONLINE FINANCIAL PRODUCT

The Valora Lab is where the Group evaluates ideas for new digital products and services. Shortly after bob Finance AG was established in mid-June, the development team presented its first product, bob money. The Cantonal Bank of Glarus finances the bob Money loans, which are advertised on posters at Valora outlets. All advisory and applications-processing services are carried out online or by telephone.



S E P T E M B E R

EXPANDED COFFEE OFFERING

As part of its strategy of focusing on convenience retail and responding to current consumer trends such as the preference for freshness, Valora is constantly adapting its offering to meet the needs of its urban, mobile clientele. Thanks to its comprehensive Swiss outlet network, Valora is already the preferred coffee destination for some 900 000 customers every day. By late 2016, new Starbucks modules will be installed in up to 100 Valora outlets, offering a wider coffee range and appealing to new customer groups. The popular Spettacolo modules will be rolled out to a further 600 outlets. Selecta, the leading coffee services provider, has been awarded an exclusive contract for the construction and maintenance of the new modules.

N O V E M B E R

SWITZERLAND'S FIRST COFFEE ORDERING APP

Since Spettacolo launched its new coffee-ordering app in November, the first of its kind in Switzerland, queuing up for that morning coffee has become a thing of the past. With the app, customers can specify exactly when they will collect their order, which they can place in just a few simple clicks. The entire standard Spettacolo range, from croissant to focaccia to capuccino can be pre-ordered, as can the coffee roast – light, medium or dark. Payment is made via the app when the order is placed, so customers can collect their order as soon as they arrive at their chosen Spettacolo bar. Customers can also use the app to pay for any ordinary purchases they make while at Spettacolo.

D E C E M B E R

OK.– CASH, VALORA'S SECOND FINAN- CIAL PRODUCT

Following the introduction of bob money in June, Valora's bob Finance subsidiary launched ok.– cash, its second product, in December. ok.– cash provides loans of between CHF 1000 and CHF 3000 for a maximum of three months. Credit applications are made online, simply and discreetly. Funds are then credited to an ok.– prepaid VISA or MasterCard at any k kiosk or Press & Books outlet in Switzerland. Questions about loan applications are answered online or by phone. By using technology to dispense with a visit to a bank, ok.– cash represents a milestone in the development of credit products in Switzerland. It provides customers with a transparent, simple and discreet way of taking out small loans to meet their short-term borrowing needs. Loans are granted only to customers whose financial situation permits such borrowing. ok.– cash applies high standards to determine in advance whether a loan is compatible with a borrower's financial situation. By requiring a minimum borrower age of 25, ok.– cash has also addressed the issue of potential excessive borrowing by young adults.

O K T O B E R

HACKZURICH

Valora was the only retailer to sponsor a workshop at the 2015 HackZurich event. These so-called hackathons provide a platform for developers, startup companies and international firms to link up with each other and work on solving real-life problems arising in a number of different industries. The goal for the Valora workshop teams was to develop functioning mobile-app prototypes designed to enhance the kiosk shopping experience. In the space of 40 hours, 11 teams developed 12 new apps between them. The winning entry was a product-bingo app which generates a discount voucher for every successfully completed virtual bingo session. The combination of gaming, format-transcending cross selling and the coupon extension option proved very appealing to Valora and its customers.



TRADE DIVESTMENT

At year end, Valora sold its Trade division, which specialises in the distribution of fast-moving consumer goods. Valora's partner in this transaction is Aurelius, a group specialising in corporate acquisitions and restructuring. Aurelius has a successful track record as a long-term investor and already has a number of other investments in Switzerland.