ANNUAL REPORT

Bell Holding Ltd

'08

www.bell.ch

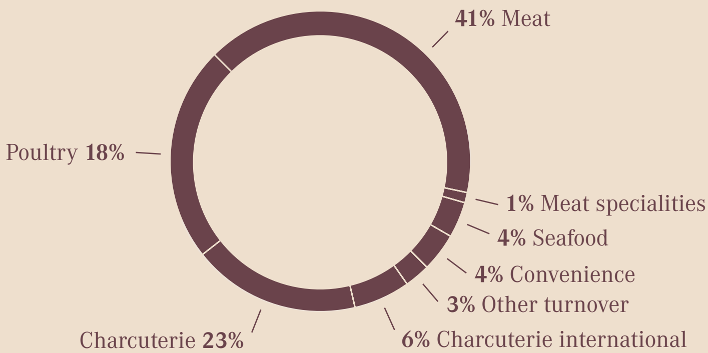
Bell
at a glance
Financial Figures

in CHF thousand	2008	Difference	2007
Operating income	**1 939 635**	18.5%	1 636 472
Cash flow	**120 821**	3.5%	116 692
in % of operating income	**6.2%**		7.1%
EBIT	**78 932**	8.2%	72 954
in % of operating income	**4.1%**		4.5%
Net profit	**59 061**	4.4%	56 553
in % of operating income	**3.0%**		3.5%
Capital expenditure in operating assets	**49 788**	0.3%	49 624
in % of cash flow	**41.2%**		42.5%
Equity	**538 709**	3.0%	522 981
in % of assets	**47.3%**		66.3%
Return on equity (ROE)	**11.1%**		11.8%

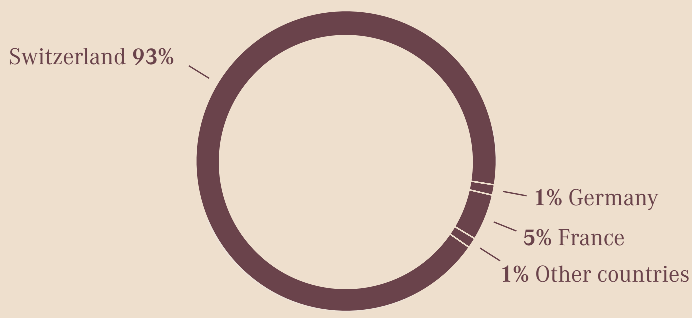
Shares Keys
in CHF

Share price as of 31.12.	**1 300**	–32.5%	1 925
Cash flow per share	**308**	5.3%	293
EBIT per share	**202**	10.1%	183
Net profit per share	**151**	6.2%	142
Dividend per share	**40**		40

Sales by product groups



Operating income by countries



Performance Figures

Meat production (Switzerland) in Tons	Own slaughtering	Purchased from third parties/ imports	Percentage of imports	**2008**	2007
Pork	55 787	3 269	3.7%	**59 056**	56 050
Beef	28 855	6 428	15.5%	**35 283**	29 860
Veal	6 117	343	1.2%	**6 460**	6 261
Lamb	704	1 363	64.4%	**2 067**	1 922
Game and other meat	21	1 299	98.4%	**1 320**	1 275
Total	91 484	12 702	10.0%	**104 186**	95 367
Poultry	21 958	9 495	28.8%	**31 453**	31 277

	2008	2007
Share of labelled meat in animals for slaughter (Switzerland)		
Share of meat from appropriate care and feeding	**51%**	53%
Processing (Switzerland)		
Production volume of charcuterie	**31 924**	29 245
Market key figures (Switzerland)		
Animals for slaughter		
Slaughterings Bell Group (in tons)	**91 484**	87 162
Bell market share [1]	**25%**	22%
Poultry (Switzerland)		
Slaughterings Bell Group (in tons)	**21 958**	21 014
Bell market share [1]	**35%**	35%
Number of Employees		
Switzerland		
Headcount at December 31 in number of employees	**3 362**	3 074
Average headcount calculated on the basis of full-time employees	**3 243**	2 986
Abroad		
Headcount at December 31 in number of employees	**3 448**	267
Average headcount calculated on the basis of full-time employees	**551**	263
Total		
Headcount at December 31 in number of employees	**6 810**	3 341
Average headcount calculated on the basis of full-time employees	**3 794**	3 249
Environmental performance (Switzerland)		
Total CO2-emissions (in tons)	**7 554**	8 235
Total energy consumption (in GWh)	**139**	137
Total water consumption (in 1 000 m^3)	**16 080**	15 500
Total waste (in 1 000 tons)	**13**	13

[1] Bell estimate

CONTENTS

BELL AT A GLANCE →

BELL AT A GLANCE

BELL
A SUCCESSFUL COMPANY

Bell is the largest company in the Swiss meat industry. As a full-service supplier to the retail and wholesale trade, catering trade and food industry, Bell offers a wide range of meat, poultry, charcuterie, seafood and convenience products. From its humble beginnings as a butcher's shop in the inner city of Basel in 1869, Bell has grown to a European company with more than 6,800 employees and 25 production sites.

2008
SUCCESSFUL SWISS BUSINESS – PROGRESS WITH INTERNATIONALISATION

With its five business divisions, Bell enjoyed very pleasing organic growth in Switzerland in 2008. The substantial increase in volumes partially compensated for the increase in procurement costs. Bell increased its net income by 18.5% to CHF 1.94 billion and the net profit improved by 4.4% to CHF 59.1 million. The year 2008 was also shaped by the implementation of the company's internationalisation strategy, and the takeovers of Polette group in France and ZIMBO and Abraham in Germany gave Bell a promising foothold in Europe.

OUTLOOK
STRENGTHENING OF POSITION

In 2009, the company will again aim for organic growth. In Switzerland, our productive and specialised business units will ensure our success, and Bell will strengthen its activity base in the other countries.

Editorial

STRONG PRESENCE IN SWITZERLAND, IMPORTANT STEPS IN EUROPE

Message from the Vice-Chairman of the Board of Directors and the Chief Executive Officer

Dear shareholders The 2008 financial year was an extraordinary year in many respects. We managed once again to improve on our excellent operating result for the previous year, and we are very pleased about the company's excellent organic growth. Outside the borders of Switzerland, important acquisitions helped us to forge ahead with our internationalisation strategy and to lay a solid foundation in Germany and in France.

The operating income rose by 18.5% to CHF 1.940 billion. Of the sales growth of CHF 303 million, approximately CHF 130 million can be attributed to an increase in domestic volume, around CHF 90 million was generated by the acquisitions in 2008, and the remainder was contributed by price and product range factors. In Switzerland all product groups recorded growth, with seafood and convenience products clocking up the biggest gains. Of particular note, however, is the growth in the core product areas of fresh meat, charcuterie and poultry. In spite of the less than perfect weather we had a very good barbecue season, and the year-end business also met our high expectations. Even though the increase in raw materials prices pushed up our sales prices, the good mood among consumers boosted our sales. The UBS ARENA project launched during Euro 2008 did not meet expectations and weighed on the results for the first half of 2008.

Bell Meat Production in Switzerland also reached a new all-time high in 2008. The volume of slaughters rose by 5% to 91,484 tonnes for cattle and by 4.5% to 21,958 tonnes for poultry. Imports of cattle also increased substantially due to domestic shortages. Raw materials prices in 2008 were nonetheless very high, and the price increase for meat from slaughter animals was more than 10%. Swiss farmers were able to demand sky-high prices for cows and pigs, in particular.

The persistently high raw materials prices and the additional costs for auxiliary materials, energy, transport and personnel placed pressure on margins. Fierce market competition made it very difficult to pass on the increase in production costs to customers in 2008. The financial statements were also burdened by exceptional factors. However, thanks to the sharp increase in volumes and efficient cost management, we managed to successfully improve the net profit by 4.4% to CHF 59.1 million. All business divisions contributed to this pleasing result.

Important steps in Europe In addition to our important core business in Switzerland, we successfully took three large steps towards implementing our internationalisation strategy in 2008. Bell wishes to exploit the additional growth potential in the charcuterie sector offered by our neighbouring countries.

Hans Peter Schwarz
Vice-Chairman of the Board of Directors

Adolphe R. Fritschi
Chief Executive Officer

Editorial

In the next phase we have to strengthen our activity base and consistently exploit the resulting opportunities.

The takeovers of Polette group in France and ZIMBO and Abraham in Germany represented important steps towards the realisation of our internationalisation strategy, and we now have a strong foothold in Europe.

In the next phase we have to strengthen our activity base and consistently exploit the resulting opportunities. The investigation of additional foreign projects is not excluded. The internationalisation strategy also affected the organisational structure of Bell Group. Bell Holding Ltd is the umbrella for Bell Switzerland, Bell International and Finance/Services. While Bell Switzerland maintained its tried-and-tested organisational structure consisting of four business divisions, the foreign companies are structured as country units under the auspices of Bell International. In addition to its previous functions, the Finance/Services Division now also acts as service provider for Bell International. The Bell Group Executive Board will soon be strengthened to three members. For the time being, Adolphe R. Fritschi is heading both Bell International and Bell Switzerland.

Staff changes The composition of the Board of Directors will change. Anton Felder will resign after more than 23 years on the Board of Directors of Bell. Stefan Baumberger will end his mandate for health reasons. The Board of Directors is proposing Dr. oec. publ. Irene Kaufmann-Brändli and Hansueli Loosli to the Shareholders' Meeting for election as new Board members. In order to strengthen the Board even further, Werner Marti is also proposed as an additional member. At Bell Switzerland, Christine Schlatter took over responsibility for the Poultry Division in September 2008 after her predecessor, Daniel Böhny, accepted a managerial position with the transGourmet Group. Markus Bänziger will manage the Convenience Division, previously also headed by Adolphe R. Fritschi, from the beginning of 2009 until the vacancy on the Bell Group Executive Board has been filled.

Sustainability We again focused on the sustainable development of Bell Group in 2008, and made further progress, particularly in the areas of energy consumption and waste recycling. As the principle of sustainability is enshrined in Bell Group's strategy, we place a high premium on the sustainability of our actions.

Agricultural policy By entering into negotiations regarding a free trade agreement for agricultural products with the European Union, Switzerland has taken an important step towards the opening of an insulated market. As Bell is in favour of free trade with the EU, it has joined the Swiss Agriculture Interest Group (IGAS), a broad-based platform consisting of 13 companies and 15 organisations that promote an agricultural agreement between Switzerland and the EU. The IGAS bundles the available strengths and wishes to actively support and help shape the political process. From our point of view, the agreement will offer new opportunities and possibilities for the Swiss agricultural and food industries.

We expect that consumer sentiment will be restrained in 2009.

Difficult year for stock markets The Bell share did not escape the turbulence on the financial markets unscathed. The year-end share price of CHF 1,300 was CHF 625 or 32.5% lower than the 2007 year-end price, in spite of the good performance of Bell Group. Given the results for the 2008 financial year and the fact that our medium-term prospects are intact, the Board of Directors will ask the Shareholders' Meeting to leave the prior-year dividend of CHF 40 per share unchanged.

Outlook 2009 We expect consumer sentiment in Switzerland to be restrained in 2009. We also believe that the price war in the domestic retail and wholesale trade will intensify. Raw materials prices seem to be stabilising at a high level, but we do not expect any significant relief as regards energy and other costs. As we have mostly exhausted the rationalisation potential of the company, cost increases can only be absorbed to a limited extent by improving efficiency. Our earnings trend will therefore primarily depend on the development of sales volumes and the extent to which price increases can be passed on to the market.

Our international business activities in 2009 will focus on strengthening our activity base and international organisation as well as the Bell Group Executive Board.

Thank you That Bell can once again report on a successful business year is due in the first instance to our employees. On behalf of the Board of Directors and the Executive Board we would like to thank them for their exceptional efforts over the course of the past year. We would also like to thank our customers for their loyalty, our business partners for their excellent cooperation, and you, our shareholders, for your confidence.

Hans Peter Schwarz
Vice-Chairman of the Board of Directors

Adolphe R. Fritschi
Chief Executive Officer

Bell International

INTERNATIONALISATION OF BELL GROUP: IMPORTANT STEPS IN EUROPE

With its takeovers of Polette group, ZIMBO and Abraham, Bell has taken its first significant steps towards realising its internationalisation strategy. Bell International now has production units in Germany, France, Belgium, Spain and Hungary. The product range includes top-quality charcuterie specialities from several regions in Europe. Our main customers are the retail and wholesale trade. Our sales activities cover a number of European countries, including Eastern Europe and Russia.

Bell International will generate annual sales of around EUR 560 million, and has almost 3,500 employees. Every year, it will produce more than 90,000 tonnes of top-quality charcuterie products. The most important trademarks are Abraham, ZIMBO, Maison de Savoie and Môssieur Polette. The current managers have proved their mettle and will continue to head the individual companies.

„We need a strong partner if we want to exploit our growth potential“

Interview with Philippe Polette – Polette group

Mr Polette, what convinced you to merge your company with Bell Group?
Groupe Polette has reached the limits of its capacity, but still has much potential for growth. However, we need a strong partner to realise this potential. Bell is a solid and healthy company with a philosophy regarding long-term growth that is very similar to ours. Also, the „chemistry” between the two companies was right from the outset.

What do you expect from your collaboration with Bell?
On the one hand it guarantees the survival of the company, and on the other, it opens up new opportunities for growth, also through acquisitions.

How did your employees react to this news?
As nothing will change for the employees, they received the news with interest and without any fears.

And your customers?
All in all, neither positive nor negative. Some of our large customers asked for additional information on Bell’s shareholder structure, which we provided as requested.

What are the values that determine the manner in which you manage the company?
We want to produce top-qualtiy products that meet the taste of our customers. We want to introduce our customers to the culinary delights of the different regions in France. Price and industrial manufacturing are not the only issues. We believe in regional products with a long-standing tradition, as these shape the culinary heritage of France, and we also wish to maintain the gastronomic diversity of our country. I accept responsibility for the employees. I want my employees to achieve as much satisfaction as possible and to enjoy the best possible working conditions. I listen to my employees and treat them with respect, which creates an excellent working climate. I wish to be as fair as possible when walking the tightrope between the demands of the business and rewarding the employees.

Are you satisfied with the 2008 financial year?
We are not satisfied with the results, mainly because of the heavy increases in the prices for raw materials, which we could not pass on to the market in full.

What are your focal points for 2009?
In addition to the focus on growth, we will also concentrate on the operations of Maison de Savoie, where we are not yet totally satisfied with the results.

Philippe Polette, CEO Polette groupe
founded the company in 1984 and continued to develop its business operations. He is an expert in the business and is also the chairman of the „Salaisons d‘Auvergne“ consortium and the consortium‘s representative for the Label Rouge and IGP organisations. Philippe Polette continues to act as the CEO of Polette group.

„We have an open corporate culture that focuses on achievement“

Interview with Christof Queisser – ZIMBO

What do you expect from your merger with Bell?
This merger will strengthen two established partners in the meat and sausage industry. I expect our cooperation to lead to an intensive exchange of know-how that will provide added value for both partners. Together this will allow us to strengthen and expand the position of the company in the competitive international market.

How did the ZIMBO employees react?
Their reactions were very positive. Bell Group has an excellent reputation, not only in Switzerland but also among German industry experts. Our employees recognise the advantages and know that this merger makes sense, and they consider this to be the right step to take in order to secure a sustainable future for the company. This creates confidence.

How did your customers and business partners react?
Like our employees, our customers also welcomed this development. They see the combination of Bell Group and ZIMBO as a strong partnership with whom they can work together and expand in the long term.

How would you describe the corporate culture of ZIMBO?
Our company distinguishes itself by a family atmosphere, as we still uphold the traditions of a family business in spite of our constant growth. We have an open corporate culture that focuses on achievement, and our employees play an active role in shaping this culture. The high degree of identification with the company is also reflected by the fact that most of our employees have worked for us for a long time.

On what did you focus in 2008?
When Bell became the majority shareholder in October 2008, we knew that we had found the ideal strategic partner for ZIMBO. Seen overall, we redefined the Group's focus in 2008 and initiated and finalised a number of restructuring projects.

What do you expect from 2009?
We believe that 2009 will be a positive and strong financial year for ZIMBO. The refocusing and restructuring projects initiated in 2008 will have positive effects in the coming year. The exchange of ideas between Bell, Abraham, Polette and ZIMBO under the umbrella of the new international company will also enrich and challenge all managerial staff. We expect competition in our business sector to become even fiercer, and believe that the process of integration will create added momentum.

What are your focal points for 2009?
One of the focal points this year will be to intensify our integration in Bell Group. This also involves identifying the synergy potential on both sides and exploiting this potential to the utmost. This year we will also set new trends for the German market with a number of innovative products in the meat and sausage segment. Internationally we will continue to expand. With our new company in Russia, we will be present with our own branches in five Eastern European countries from January 2009.

ZIMBO

Christof Queisser, CEO of ZIMBO
In April 2008 the former partners withdrew from the business and appointed Christof Queisser as CEO. Thanks to his professional experience, in the retail trade amongst other things, he quickly established himself in his new position.

„In Bell we have found the ideal partner with whom to press ahead with our growth strategy“

Interview with Jürgen Abraham – Abraham

Mr Abraham, what convinced you to pool your strength with Bell?
I am convinced that this combination will ensure the long-term success of our family business. In Bell we have found the ideal partner with whom to press ahead with our growth strategy and to forcibly expand our position in Europe.

What do you expect of this merger?
Backed by this strong partner, we want to expand our air-dried ham expertise in Europe, especially in Italy and in Spain. We can also imagine introducing our products in Switzerland.

How did your employees react?
I informed the employees personally of the new structure at employee meetings in our German plants, and the plans found their broad-based consent.

How did your customers and business partners react?
Our business partners congratulated us on this collaboration. The customers were critical initially due to Bell’s shareholder structure. Our managers and I provided them with comprehensive information in person.

How would you describe the corporate culture of Abraham?
Cooperative; involving everybody in the decisions. Flat hierarchies and short lines of decision.

In what direction does Abraham want to develop in the medium term?
We believe that our cooperation with Bell and ZIMBO will give us added growth momentum. We also want to continue to grow through innovation.

What were the main issues in 2008, and what do you expect from 2009?
Our development was shaped by rising raw materials and production costs. Thanks to a cost-cutting programme, we are in a good position to be successful in 2009.

What are your focal points for 2009?
First we must implement the structures required for collaborating with the other companies and for exploiting all synergies as quickly as possible. This should lead to strong growth, both in terms of quality and quantity.

Jürgen Abraham, chairman of the Shareholders‘ Committee of Abraham GmbH
The brothers Rolf and Jürgen Abraham founded this renowned family company in 1971. Jürgen Abraham is a well-known figure in the German meat industry and acts as chairman of the Federation of German Food and Drink Industries (BVE). He is also a member of the Supervisory Board of Bell Deutschland GmbH.

SPRING BY THE LAKE

Just the two of us, for a whole weekend. Unlimited time at our disposal. Fishing in the mountain lake, climbing the peaks, listening to a waterfall, cooking together. Enjoying the peace. And just doing nothing for once.

Fresh Meat

GOOD PERFORMANCE IN SPITE OF HIGH RAW MATERIALS PRICES

2008 was a good year for the Fresh Meat Division. Sales rose by 13.9% to CHF 788 million. At 51,417 tonnes, the volume of meat sold increased by 12.3% year-on-year. The retail and wholesale trade as well as our industrial customers and the food service sector contributed to this growth.

Persistently high raw materials prices exerted considerable pressure on the gross margin, but the substantial increase in volumes partly absorbed this effect. The best results, however, came from Bell Fresh Meat's focus on specialised sectors, not least as a result of the growing market share of our self-service products.

In Switzerland, Meat Production did less well than the previous year, particularly as regards beef and pork. At Bell, the volume of slaughters rose by 5% to 91,484 tonnes thanks to rising demand. The scarcity of raw materials resulted in new price increases totalling 10.3%, and for pork more than 20%. The scarcity of raw materials on the Swiss market was only partly eased by a higher quota of imports. In 2008, the rise in import prices was substantial, and this led to an increase in procurement costs of approximately CHF 16 million.

The barbecue season was successful in the reporting year, and sales in this sector improved by almost 30%. This success was mainly due to new products and favourable sales promotion measures. The rising share of meat in self-service increased our brand exposure, and thus the relevance of brands.

SUCCESSFUL INTEGRATION

The showcase of the Vaudois tradition: Saucisson Vaudois

The integration of our activities in French-speaking Switzerland in the Fresh Meat Division has proved itself. In 2008, various new buildings were put up and renovations carried out in Cheseaux, which made it possible to close our plants in Lonay and in Geneva and to transfer their activities to Cheseaux. The production of Vaudois charcuterie at our specialised facilities in Lausanne is still in full swing. These regionally protected specialities remain very popular among our customers.

Charcuterie

CHALLENGING YEAR FOR CHARCUTERIE

The Charcuterie Division successfully increased its sales in spite of the high prices for raw materials. Sales grew by 14.6% to CHF 446 million, and the production volume increased to 32,000 tonnes.

At Bell Charcuterie, higher costs for procurement, energy, transport and personnel exerted pressure on the margins. Given the intense price war in the retail sector, it is very difficult to pass on all the costs to sales prices, especially as regards the scalded sausage product group, which plays a pivotal role in the price positioning approach of the retail trade.

Our barbecue products and the convenience product range „Bell Spécialité“ developed positively. In late summer we launched the new product line „Bell Tradition“. Our St. Galler sausage was protected as a regional speciality with the IGP label (protected designation of origin). This further increased the importance of our charcuterie plant in Gossau, which was modernised in 2006 and 2007. In order to promote its exports, Bell took part for the first time in InterMeat, the international trade fair for meat and sausages in Düsseldorf, Germany.

BELL TRADITION – CHARCUTERIE SPECIALITIES MADE TO TRADITIONAL BUTCHER RECIPES

Bell products find their way to the customers with the help of the railways; 1950

To celebrate its 140th anniversary, Bell is reviving a number of traditional products. The „Bell Tradition“ product line comprises original country-style meat specialities made from selected raw materials and according to traditional recipes. These include, depending on the season, brawn, boiled beef, ox cheek, veal roast, Rustico country ham, black pudding and liver sausage, Verzasca salami and the well-known „Bell Würstli”. Demand for traditional butchery products has increased steadily in the past few years. To help consumers rediscover traditional specialities, Bell has developed its own new recipes. *www.bell.ch*

SUMMER
ON THE GREEN

One of those beautiful summer evenings. Spontaneous picnic invitation to friends. Meeting up once more. Listening to the crackling fire, eating grilled meat. And sitting around the fire as in days gone by until the night slowly gets cooler.

Poultry

SWISS POULTRY IS VERY POPULAR

The Poultry Division recorded an increase in sales of 9.3% to CHF 364 million in the 2008 financial year. Meat production grew by 4.5% to 21,958 tonnes.

Bell successfully increased its poultry sales in 2008, also partly due to the increase in the price of pork. Sales of Swiss fresh poultry in particular increased substantially. This development was supported by stronger marketing activities. Sales of imported poultry also fell because the price of these imports increased significantly due to higher quota prices. All in all, consumption rose much more sharply than expected in 2008. Sales of chicken pieces also grew at a disproportionate rate.

Christine Schlatter was appointed the new Head of Poultry Division and a member of the Executive Board with effect from 1 September 2008. She replaced Daniel Böhny, who took up a management position with the transGourmet Group. Christine Schlatter has been a member of Bell Group management since 1997, and is an acknowledged expert in the poultry market.

Due to high procurement costs, the Meat Specialities business unit did not manage to equal the sales of the previous years. However, in spite of the negative conditions, the unit ended the year with a good result. Fortunately, the ban on imports of South African ostrich meat was lifted, and the sales volume of ostrich meat recovered considerably.

BELL POULET SUISSE: JUST A BIT MORE SWISS

The „Bell Poulet Suisse“ marketing campaign

Thanks to the vertical integration of production, Bell Poultry was able to promote sales of fresh domestic products in a targeted manner. The new product line „Bell Poulet Suisse“ was launched in spring 2008. With the slogan „Eifach äs bizeli schwiizerischer“ („Just a bit more Swiss“), the „Swissness“ concept was successfully implemented. In order to distinguish this product line from its other products, Bell invested in new and eyecatching packaging. Marketing activities such as TV ads, print media ads and product promotions took place throughout the year.

According to a test survey carried out by the market research institute IHA-GFK in October 2008, the aided brand recognition of „Bell Poulet Suisse“ was 50% after just six months. The survey also confirmed that the „Bell Poulet Suisse“ campaign is the best-known marketing campaign for poultry products. In addition to the eyecatching advertising, the campaign also highlighted the stricter quality requirements and consumer confidence in Bell.

Seafood

CONTINUOUS GROWTH TREND

In spite of high raw materials prices, Bell Seafood can look back on a successful financial year. The business unit posted sales of CHF 77 million in 2008, up 14% from the previous year. Although several endangered species were removed from the product list, new products that comply with sustainable fishing guidelines made up for this.

Bell Seafood managed to increase its volumes in 2008, too. Sales volumes increased by 16.5% to 3,027 tonnes. A large part of this growth was generated with existing resources. After the strong growth recorded in the past few years, the market is showing signs of a consolidation.

In the reporting year, Bell Seafood entered into an exclusive contract with a successful Portuguese producer of bacalao (dried and salted cod). Bacalao is very popular among foreign consumers, and Bell sold over 50 tonnes of bacalao in only 5 months. As the rising demand for convenience products is also affecting the market for fish, the first convenience products will come on the market at the beginning of 2009.

Bell Seafood is committed to sustainable fishing and has included the first MSC-certified fish in its product range. The MSC label guarantees that the fish come from a responsible and sustainable source, and ensures that wild fish are caught in an environmentally responsible way. To ensure that it obtains fish only from sustainable sources, Bell Seafood has applied for membership of the WWF Seafood Group.

MUSSELS – DELICIOUS SEA PEARLS

Mussels are among the oldest inhabitants of the sea. Their beautiful forms and colours are pleasing to the eye, and their taste is pleasing to the palate – mussels are and remain a true delicacy. Very early on they took a prominent position in the history of mankind: they served as jewellery or a means of payment while their delicate and juicy flesh delivered essential nutrients. Mussels are rich in trace elements such as iron, zinc, copper and iodine. They are also rich in protein and contain vitamin B12. Mussels are therefore still much in demand. In Switzerland, the three most popular species are common mussels, scallops and oysters.

Convenience

POSITIVE TREND CONTINUES

With an increase in sales of 19.8% to CHF 79 million and sales volumes of 14.2% to 6,861 tonnes, Bell Convenience had another successful year.

The convenience market is enjoying persistent growth, and demand for menu components and fish products is rising. Sales were up for all product groups in 2008, in particular for sandwiches and salads. Total sales rose by 20% to CHF 79 million.

Margins are under pressure from high procurement costs and the price competition. Due to the consistently high volumes, the plant in Schafisheim has reached the limits of its capacity. Innovation is an important driver of this growth, as the convenience market is dependent on fast product development. Product life cycles are therefore quite short.

CONVENIENCE FOODS: FRESH AND BALANCED

In the past, speed was the only thing that counted. Today, however, the demands that must be met by convenience products are much higher. And as these demands continue to evolve, convenience products usually have very short life cycles. Bell wants to satisfy the needs of its customers and therefore tries to live up to the new, conscious approach to nutrition, where the focus falls on fresh products and a balanced diet. Bell Convenience has therefore reduced not only the fat content of many products, but also the additives and trans fatty acids. These days, convenience products have definitely outgrown their „fast and therefore unhealthy“ image, and have become an inescapable part of modern nutrition.

AUTUMN

IN THE VINEYARD

When autumn turns golden, work in the vineyard starts. Together, we enjoy the colours and the sun, and relax once the work is done – looking forward to a good vintage.

Catering

PURE DELIGHT FOR THE TASTE BUDS

Bell Catering started as the party service of the old Bell butcheries. Today the business focuses mainly on the management of staff restaurants and catering for medium-sized and large events. Bell Catering is also an important marketing tool, and represents the Bell brand values of quality, innovation and enjoyment at numerous events.

In 2008, Bell Catering again handled a large number of events, including Euro 2008, which was not a financial success for Bell Group. Barbecue buffets, drinks receptions and lunch buffets in particular are in popular demand. Bell Catering offers holistic solutions and creative concepts, such as its authentic Ancient Roman recipes for the Augusta Raurica Roman festival which attracted more than 30,000 visitors. The product range is continuously adjusted to the changing needs of the target groups, e.g. for sports events, which nowadays attract a growing number of female visitors.

Frigo St. Johann AG

HIGH UTILISATION OF STORAGE CAPACITY

Frigo refrigerated warehouse in Basel

2008 was a successful year for Frigo St. Johann AG. Factors such as resource scarcity and the uncertainties on the procurement market led to an increase in the stock requirements of all customers. The rigorous „just in time“ approach is being increasingly replaced by a more differentiated stock management strategy. In 2008, Frigo St. Johann AG reported an average utilisation of storage capacity of 82% and a high level of stock turnover. In spite of the high utilisation, the error rate remained low. Customer satisfaction further increased.

GVFI International AG, the largest Swiss importer of fresh meat, moved into new offices on the roof of a Frigo refrigerated warehouse in Basel as planned. The proximity to Frigo St. Johann AG allows even faster cooperation.

BELL INTERNATIONAL

ZIMBO
WELL-POSITIONED FOR PROFITABLE GROWTH

ZIMBO has a strong position in Germany in the self-service manufacturer's brand segment and is one of the best known meat and sausage manufacturing brands in Germany. More than 1,800 employees generate annual sales of approximately EUR 280 million. ZIMBO was consolidated with Bell Group on 1 December 2008. The Bochum-based company posted sales of EUR 29,7 million in December 2008.

Regional sausage and meat specialities are produced exclusively in the relevant regions of origin. Three production facilities in Germany and one in Hungary produce 50,000 tonnes of meat products for the wholesale and retail trade every year. ZIMBO generates one-third of its sales in Eastern Europe. In Hungary, the Czech Republic, Poland and Romania, ZIMBO is already an important player in the food retail trade. With its brands Árpád in Hungary and Novák in the Czech Republic, ZIMBO is among the leading retail butchers with more than 90 sales outlets.

ZIMBO regularly launches new products to supplement its wide range of regional specialities. The ZIMBO Fineo product line had a particularly successful start and received the „product of the year" award from a renowned German trade magazine.
www.zimbo.de

ABRAHAM
THE LEADER IN HAM PRODUCTS

Abraham is one of the largest European producers of smoked and air-dried ham. More than 650 employees generate annual sales of approximately EUR 190 million, of which roughly 20% is realised outside of Germany. The company is the German market leader with a market share of 22%. Abraham will be consolidated with Bell Group from 1 January 2009.

Six plants in Germany, Spain and Belgium produce approximately 24,000 tonnes of ham specialities every year. These include, among others, North German Katenschinken (mild smoked ham), Black Forest ham, Serrano ham from Spain and Ardennes Kernschinken (centre cut ham) and Nussschinken (cool smoked ham) from Belgium. The Abraham brand is one of the most successful meat brands in Germany.

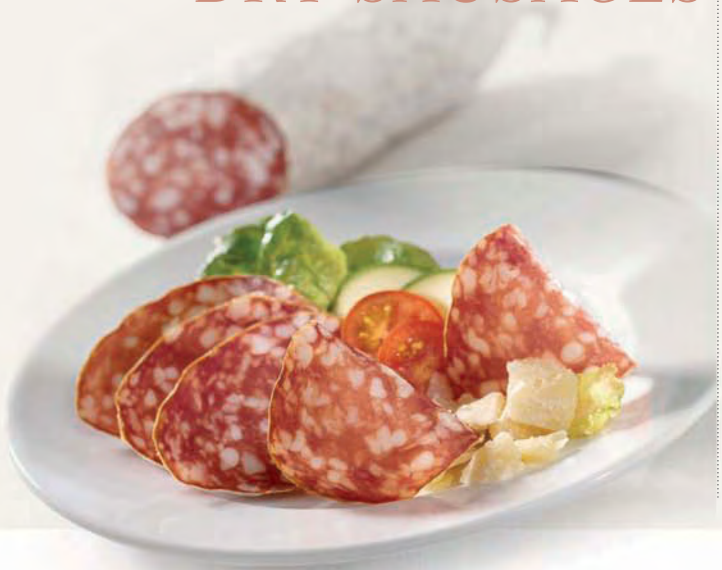
Abraham, a company rich in tradition, was established in 1971 and sells its products in more than 20 European countries as well as in the US. Abraham has sales companies in France, Poland and the US.
www.abraham.de

MAURER FRÈRES
DIFFICULT ENVIRONMENT

Maurer Frères, a company specialising in Alsace charcuterie products, did not manage to repeat the previous year‘s success in 2008.

The annual sales for this Alsace company steeped in tradition fell by 6.6% to EUR 29.4 million due to weak consumer sentiment and an ever more intense price competition. The company‘s butcher stores were most affected by the loss in purchasing power. Raw materials prices were much higher on average, and these increases could not be passed on to the market. The result for 2008 was therefore negative. We expect 2009 to be another difficult year. The company is planning to introduce new products for a larger range of customers and to launch additional sales programmes and activities to support sales in the current financial year. *www.maurerfreres.fr*

GROUPE POLETTE
SPECIALIST FOR DRY SAUSAGES



Polette group based in Clermont-Ferrand was consolidated with Bell Group on 1 July 2008. Around 300 employees generated annual sales of EUR 57.3 million, of which EUR 31 million was posted in the second half of the year. Its five production plants prepare mainly high-quality Auvergne, Lyons and Savoy cured sausages and ham products. With a production volume of approximately 18,000 tonnes and a market share of almost 12% in this product group, Polette is number two in France. Polette attaches great importance to the quality and regional authenticity of its products. Around 30% of the total Label Rouge (French quality label) volumes produced in this product group come from Polette.

The company‘s roots go back to 1925 when Marius Polette opened a butchery in Lyons. His son, Philippe Polette, took over at the end of the 1970s and continued the development of the company until it reached its current structure and size. Additional capacity will come online in the current financial year, which will trigger another spurt of growth. The company delivers products to all French supermarket chains as well as the biggest discounters. Polette also exports around 8% of its production volume to the rest of the EU. The most important brands are Môssieur Polette, Maison de Savoie, Val de Lyon and Saloir de Virieu.

CORPORATE SOCIAL RESPONSIBILITY – BELL SWITZERLAND

QUALITY MANAGEMENT AND FOOD SAFETY

Internal and external audits were carried out at all Bell locations in Switzerland in the reporting year. All locations are certified in accordance with IFS (International Food Safety), ISO 9001:2000, and ISO 14001. Specific certifications of individual Bell operations and products were also verified, if required. These include Bio Suisse Knospe, Suisse Garantie, Pro Montagna and Naturafarm. In 2008, Bell Seafood also received MSC (Marine Stewardship Council) certification.

Customer satisfaction

In the reporting year, Bell assessed customer satisfaction according to the criteria returns, readiness to deliver and complaints, and captured the results in the form of a cockpit scorecard. Satisfaction was also measured with a customer survey. The results confirm that general customer satisfaction was once again very high in 2008.

Process and food safety

At Bell, the basic requirements for good manufacturing and hygiene practice are governed by the GMP (Good Manufacturing Practice) guidelines. These guidelines define the current standards that apply to the entire Bell Group to ensure that the basic hygiene, structural, and technical requirements are at the same level in all plants.
The authorities in charge and the auditors regularly check compliance with these guidelines.

The HACCP (Hazard Analysis Critical Control Point) concept builds on the GMP guidelines. This is a systematic programme used to analyse, assess and safeguard the production processes.

Procurement and supplier assessment

Bell has defined the basic framework for the purchase of animals for slaughter in a variety of guidelines. These are published on the Bell website. In the case of domestic poultry fattening, Bell works together exclusively with partner fatteners. The guidelines that apply here are regularly discussed and agreed with the chicken fattener trade association MOSEG.

Imported meat is obtained from producers around the world who were selected in accordance with strict criteria. These criteria include the natural rearing of animals, livestock farming methods which are appropriate for each species, as well as animal welfare and animal health. Suppliers are subjected to regular internal and external audits and must document their compliance with the criteria set by Bell.
In the case of deviations, the situation is investigated and the measures required to solve the problem are implemented.

The suppliers of trading goods and non-food articles assess the procurement processes of Bell. All suppliers of ingredients and primary packaging (packaging material that comes into direct contact with products) have GFSI (Global Food Safety Initiative) certification.




ENVIRONMENT, ENERGY AND SAFETY

Bell takes a holistic approach to sustainability which covers three aspects, i.e. economics, ecology and safety. Bell aims to count among the best companies within the industry in all three of these areas.

Ecology

Bell‘s task is to source meat for the production of tasty meat products that are also safe. The slaughter animals are processed with a high level of efficiency and in accordance with clear guidelines. Bell is committed to the production of meat based on livestock farming and feeding methods which are appropriate to each species. Bell ensures that the meat used can be traced to its origin without any gaps and issues a complete and transparent declaration of origin for the benefit of its customers and the consumers.

The by-products of meat production are drawn off as a separate flow of goods under safe and hygienic conditions. At Centravo, these by-products are processed further in an ecological and economical manner. Together with other large meat processors, Bell has a financial stake in Centravo, which allows us to exert some influence on the company through our representative on the Board of Directors. By bundling the total volume of by-products, it becomes possible to process these in an ecologically sound manner.

Given the current requirements as regards hygiene and keeping food fresh, the packaging of meat is a challenging area in the production chain. Bell endeavours to find the most ecologically sensible packaging solutions that meet the requirements of consumers and distributors. Bell Convenience is now using cardboard packaging for some sandwiches cut in triangles, as these are better for the environment than traditional synthetic packaging materials. The environment also plays an important role in the administrative area, and copier paper certified according to FSC standards is generally used at all locations.

The waste recycling concept is an important component of Bell‘s environmental management policy. Waste is avoided as far as possible. Unavoidable waste is minimised and recycled in an ecologically acceptable manner. Bell separates its waste into material, biological and thermal waste as far as possible. Material waste is waste that can be recycled, which applies to around 42% of all waste. Around 25% of the waste is biological waste which can be used mainly as compost or fertiliser. The remaining third is earmarked for controlled incineration.

Bell made further progress in waste recycling in the reporting year. More waste was separated and recycled. Additional measures are planned for avoiding and reducing waste. A new collaboration programme with a company specialising in waste disposal has introduced a centralised and more efficient waste disposal system for the head office in Basel.

Energy

Bell wants to reduce Group-wide CO_2 emissions by 10% compared with 1990 levels by 2010. This objective has been formulated to meet the CO_2 laws and will be achieved through an agreement with the Swiss Private Sector Energy Agency (EnAW). The EnAW is a service platform for companies that promotes collaboration in a spirit of partnership between the state and the private sector with a view to achieving specific energy- and climate-related objectives. Thanks to its active energy consumption control system, which captures energy, water consumption, waste and animal by-product volumes and costs every month, Bell is in a position to react immediately to budget deviations by introducing targeted measures.

This active approach has already led to improvements, and Bell has been able to significantly reduce its energy consumption. For example, production in the Charcuterie Division now requires 35% less energy than in 1990. With high-pressure heat pumps, waste heat is used to generate hot water for heating and cleaning purposes. Bell optimises its production facilities in compliance with economic, energy and safety considerations. By consistently replacing older facilities with new technologies, Bell has lowered the average age of its production facilities to eight years.

Corporate Social Responsibility

In the past few years Bell has intensified its efforts to save energy for economic and ecological reasons. The company will not relax its efforts in this regard in the coming years, and will continue to work towards better results in this area.

Water

In the reporting period Bell introduced specific measures designed to reduce its water consumption. Economiser jets and switches were installed to water fittings in areas where a lot of water is used. The employees were also made aware of the need to save water and received specific training in this area. Bell will in future also constantly monitor all work processes and pay more attention to low energy and water consumption when acquiring new production facilities.

Safety

With a view to improving its safety standards even further, Bell carried out regular internal safety audits at all locations in the reporting year. Improvement measures were formulated and implemented. As a result of the intensive training provided to security officers and the more basic training for other employees, accident-related work absences were 4.5% lower than in the previous year.

Thanks to its preparatory work, Bell quickly implemented the official measures formulated as part of a national pandemic plan implemented by the Swiss authorities. This primarily concerned the protection of the employees, as supply must be maintained even during the absence of large numbers of employees. An audit by WHO Europe has shown that Switzerland is one of the countries in Europe that is best prepared for a pandemic.

HUMAN RESOURCES

Bell Switzerland has a well-formulated personnel strategy based on the primary rules of conduct – respect, fairness, openness, performance orientation, reliability and enthusiasm. Bell believes in equal pay for equal work and a good working climate. Employees should be able to apply, develop and foster their skills on a daily basis. The personnel strategy also comprises guidelines on personnel marketing, employee acquisition, assessment, promotion and management, information policy, salaries and social policy.

Employee satisfaction

The size of the workforce of Bell Switzerland increased in 2008 by 257 to a total of 3,243 FTEs. This is mainly due to the increase in production volumes. The turnover level was 12%, which is on a par with the long-term average. It emerged from meetings with employees that over 90% of the employees are satisfied or very satisfied with Bell as an employer. Thanks to an active absence management approach, the absence rate is still at a low level compared to other companies in the sector.

Education and training

Bell attaches great importance to the development of its staff. Our wide range of training courses comprises standardised and individual courses offered by internal as well as external units. All training courses on offer are appropriate to the level and position of the participating staff members. They are constantly analysed and adapted to ever-increasing market requirements. The current course programme can be called up in detail on the intranet. In the 2008 financial year, almost 1,170 Bell employees completed training and development courses. For the most part, their feedback on the benefits provided by these courses was positive.

In 2008 Bell introduced a new talent management concept designed to identify and promote up-and-coming employees. As part of this talent management programme, Bell has been offering a modular management course with federal certification since autumn. It is important to Bell to offer not only subject training, but also programmes that strengthen and promote management skills. This course takes two years and employee feedback is already very positive. In the past year Bell also launched a comprehensive sales training programme and supported more internal and external language courses.

Bell is committed to the training of young people, and takes its responsibilities and obligations towards the Swiss economy seriously. In 2008, two new professions were established, i.e. commercial computer scientist in Basel and logistics specialist in Zell, bringing the total number of professions for which Bell offers training to nine. Plans are afoot to offer more apprenticeships at other locations, too.

Social responsibility

Bell is aware that the success of the company rests largely on its own employees and on fair social partnerships. It therefore accepts full responsibility for its employees. Bell Switzerland follows a social policy that outlines key rights such as the freedom to express opinions and the equal treatment of men and women, but also performance-related remuneration and the open and timely provision of information to employees at a level appropriate to their function. Its collective labour agreement and employment conditions set the pace for the entire industry.

Dialogue with the employees

Employees have access to a number of internal and external contact persons. In addition to the direct line manager, all employees have a contact in the HR department. There is also a separate communication platform for submitting special issues to the Executive Board which all employees can use – anonymously if they wish – to send their questions directly to the Executive Board.

In areas and for issues where individual employees do not have any participation rights, their rights are represented by the internal staff council. The external coordinating body is our social partner, the Swiss Butchery Staff Association (MPV).

Corporate Social Responsibility

Bell Switzerland: Workforce

	2008	2007
Number of employees		
Average number of employees expressed as full-time equivalents (FTEs)	**3,243**	2,986
Number of employees as of 31.12.	**3,362**	3,074
Share of full-time employees	**89 %**	91 %
Share of part-time employees	**11 %**	9 %
Share of men	**71 %**	72 %
Share of women	**29 %**	28 %
Share of women in management	**14 %**	15 %
Number of nationalities	**73**	72
Age structure		
up to 19 years	**2 %**	2 %
20 – 29 years	**22 %**	20 %
30 – 39 years	**26 %**	27 %
40 – 49 years	**30 %**	31 %
50 – 59 years	**17 %**	18 %
over 60 years	**3 %**	2 %

	2008	2007
Education and training		
Apprentices	**43**	35
Junior apprentices	**13**	10
Number of employees who finished a training or further education course	**1,170**	950

	2008	2007
Key figures		
Sales per FTE (in 1,000 CHF)	**552**	529
FTEs in sales/distribution (in persons)	**130**	155
FTEs in production (in persons)	**2,789**	2,518
FTEs in central areas (in persons)	**324**	313

COMMUNICATION

Marketing
Brand management is one of the Marketing department's core tasks. Bell is the undisputed number one in the Swiss meat industry and, with aided brand recognition at more than 90%, also one of Switzerland's most popular food brands. According to the 'BusinessReflector' market survey, a cross-industry study on the reputation of companies in Switzerland carried out by the market research institute GfK, 'quality' is one of the most important values for food manufacturers. This is also one of the cornerstones of Bell's brand positioning. It is therefore all the more pleasing that, according to this study, Bell, like the previous year, has the most positive image of all the 125 companies in 19 sectors that were included in the study.

A number of measures were implemented to support the management of the main Bell brand and to market the product lines. These include, among others, TV ads, print media ads, posters, promotions, tastings, internet platforms, sponsoring, and merchandising products.

Sponsoring
Bell focuses on sponsoring commitments where performance and counter-performance are clearly defined and both the organisers and Bell can reap added value. The sponsoring impact is strengthened even further through the presence of Bell Catering at numerous events. The stadium partnerships at St. Jakob Park in Basel and the Stade de Suisse in Wankdorf, Berne, the two biggest stadia in Switzerland, form the core of Bell's sponsoring activities. The sponsoring commitment to Live Music Production, the most important event organiser in French-speaking Switzerland, is also very valuable.

Dialogue with the stakeholders
The dialogue with our stakeholders helps the company to assess its performance and to identify all opportunities and risks in good time. The most important vehicles for external stakeholders include our website, the annual and interim reports, and numerous media releases. Bell's Media department processes approximately 15 requests per week on average from various stakeholder groups. In 2008, 2,728 queries were sent to us via the website and processed. In terms of internal communication, information on important developments concerning Bell is provided primarily by means of personal communication, the intranet, and the staff newspaper 'Bell News'. Bell also promotes a dialogue and the exchange of information by way of regular meetings with the authorities in charge and by its active participation in trade associations.

Reference:
Additional information on corporate social responsibility is available at www.bell.ch under „About Bell", in particular information on our vision and mission, our stakeholders, and our relationship with our stakeholders.

WINTER

IN THE SNOW

The first snowflakes. Putting on a cap and gloves again. Walking through snow-covered forests. Playing in the snow. And, like every year, building a big snowman that defies the icy wind.

BELL IS CELEBRATING
ITS 140TH ANNIVERSARY IN 2009

AN ADVERTISING POSTER BY HERBERT LEUPIN DATING FROM 1940

Financial Reporting and Corporate Governance

Bell in Figures

Financial report

Strong organic growth in Switzerland

Financial report by Martin Gysin, Head of Finance/Services Division (CFO)

In 2008 the Bell Group posted an increase in sales of 18.6% and an increase in net income of 18.5%. Eight percent of this growth resulted from the increase in domestic business and 5.5% from the new group companies Polette (from 01.07) and ZIMBO (from 01.12) that were included in the consolidated financial statements for the first time in 2008. All business divisions contributed to this satisfactory performance, with Fresh Meat, Charcuterie and Seafood growing at an above-average pace. Given the high prices for raw materials and the substantial increase in operating costs, the profit did not grow at the same rate as sales, but thanks to the excellent improvement in volumes, the result for the past financial year exceeded our cautious (in view of the high raw materials prices) expectations.

The gross profit margin, measured as a percentage of net income, fell from 32.3% to 31.5% due to the higher prices for raw materials. This drop was triggered by business developments in Switzerland and is not a consequence of the takeovers that were finalised in 2008. If the acquisitions are not taken into account, the gross profit rose by 8.9% to CHF 576 million, which is primarily due to the pleasing increase in volumes.

At CHF 307 million, personnel expenses were CHF 48 million or 18.4% higher than in the previous year. This development is proportionate to the increase in net income. Of this increase, CHF 28 million (11%) can be attributed to structural changes and one-time effects (acquisition of new companies, Gastro Production Kriens and Euro 2008), while CHF 20 million (7%) is attributable to normal business operations. These expenses include an increase in salary costs of 2.75%. The productivity increase for the domestic business was approximately 3%.

Other operating costs were 22% or CHF 30 million higher than in the previous year. Of this increase, around CHF 15 million resulted from the first-time consolidation of the new group companies and approximately CHF 7 million was caused by other structural changes. Operating costs for the core business rose by 4.7%, mainly driven by maintenance and energy costs.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) dropped one percentage point to 7.4% of the net income. At 4.1%, EBIT fell 0.4 percentage points year-on-year.

As the closure of our Geneva operations did not generate any notable additional costs, we liquidated the relevant provision of CHF 1 million and set up a new provision for the decommissioning costs expected in 2010.

The performance of the UBS ARENA project for Euro 2008 was much worse than expected. The provision set up last year was not sufficient to cover the shortfall. We described this event and its impact on our financial statements in detail in our 2008 half-year report, and will not repeat this information here.

As Bell revised the Swiss tax rates, we had to increase the rate for the provision for deferred taxes to 23.5% (previously 23%).

We took back the Gastro Production Kriens business from transGourmet as of 31 December 2007, thereby gaining responsibility for approximately 90 employees. The impact on sales equals around CHF 20 million per year.

On 1 July 2008 we took over Groupe Polette with five plants and 230 employees as well as annual sales of approximately CHF 90 million. On 1 December 2008 we acquired ZIMBO with four plants, more than 1,600 employees and annual sales of almost CHF 450 million. At the end of 2008 we also absorbed Abraham with five plants, 650 employees and annual sales of CHF 300 million. As a result, around one-third of Bell Group's sales in 2009 will be generated outside of Switzerland. Polette was included in the scope of consolidation from 1 July and ZIMBO from 1 December 2008. The purchase of the majority of Abraham was finalised on 30 December 2008, and this company will be included in the consolidated financial statements from 1 January 2009.

These acquisitions were financed by bridging loans from banks and by reducing our liquid funds. The definitive loan structure will be finalised in the spring of 2009, which is why our annual balance sheet reflects a sharp increase in current bank liabilities.

These acquisitions led to significant changes in our balance sheet, which only impacted on our 2008 income statement to a small extent. Our key indicators for 2008 are therefore difficult to compare with the prior-year figures.

We too did not remain entirely unscathed by the turbulence on the financial markets. However, the heavy losses on securities held as current and non-current assets could be cushioned by gains on foreign currency transactions.

The loss in value of the euro against the Swiss franc in the past financial year resulted in a reduction in equity not affecting profit and loss of CHF 16 million. In spite of the substantial increase in the balance sheet total and these currency effects, the equity ratio of 47.3% is still well above the 40% minimum defined by us.

Martin Gysin,
Head of Finance/Services Division (CFO)

Consolidated Balance Sheet

in CHF thousand	Appendix	31.12.2008		31.12.2007	
Liquid assets	1	26 492		67 378	
Securities	2	9 739		17 770	
Trade accounts receivable	3	93 704		56 912	
Receivables affiliated companies	4	83 442		72 319	
Other receivables		32 597		13 037	
Inventory	5	113 151		74 828	
Deferred expenses and accrued income		3 885		6 234	
Current assets		**363 010**	**31.9%**	308 478	39.1%
Financial assets	13	128 478		37 065	
Intangible assets	14	86 570		8 861	
Real property, buildings	15	334 323		240 211	
Machinery and equipment	16	225 453		194 049	
Fixed assets		**774 824**	**68.1%**	480 186	60.9%
Assets		**1 137 834**	**100.0%**	788 664	100.0%
Short-term financial liabilities	9	251 286		30 363	
Trade accounts payable		128 348		72 317	
Accounts payable to affiliated companies	6	13 971		18 584	
Other accounts payable	7	35 785		18 380	
Short-term provisions	11	33 731		8 960	
Deferred income and accrued expenses	8	27 613		24 769	
Current liabilities		**490 734**	**43.2%**	173 373	22.0%
Long-term financial liabilities	9	47 787		39 160	
Long-term provisions	12	60 604		53 150	
Long-term liabilities		**108 391**	**9.5%**	92 310	11.7%
Liabilities		**599 125**	**52.7%**	265 683	33.7%
Share capital		2 000		2 000	
Retained earnings		500 795		460 900	
Translation difference currencies		–15 600		–	
Company's own shares deducted		–10 836		–1 036	
Consolidated profit		59 061		56 553	
Equity before third-party interest in equity		**535 420**	**47.1%**	518 417	65.7%
Third-party interest in equity		3 289		4 564	
Equity		**538 709**	**47.3%**	522 981	66.3%
Liabilities and equity		**1 137 834**	**100.0%**	788 664	100.0%

Consolidated Profit and Loss Account

in CHF thousand	Appendix	2008		2007	
Sales proceeds	17	1 932 799		1 629 918	
Other operational proceeds	17	35 863		31 247	
Gross proceeds		**1 968 662**		1 661 165	
Reductions in proceeds	17	–29 027		–24 693	
Operating income		**1 939 635**	**100.0%**	1 636 472	100.0%
Cost of goods sold		1 329 394	68.5%	1 108 383	67.7%
Gross operating profit		**610 241**	**31.5%**	528 089	32.3%
Personnel expenses	18/25	307 445	15.9%	259 653	15.9%
Rent	19	18 275		15 078	
Energy, auxiliary materials	20	29 956		23 845	
Repair and maintenance		30 290		28 714	
Transport		39 275		32 672	
Advertising		20 950		15 393	
Other operating expenses	21/25	21 319		15 823	
Total operating expenses	22	**467 510**	**24.1%**	391 178	23.9%
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**142 731**	**7.4%**	136 911	8.4%
Depreciation of tangible assets	15/16/25	55 689	2.9%	57 395	3.5%
Depreciation of intangible assets	14	3 207		3 562	
Depreciation of goodwill	14	4 903		3 000	
Earnings before interest and taxes (EBIT)		**78 932**	**4.1%**	72 954	4.5%
Income from financial accounts	23	9 989		4 813	
Financial expense	23	12 856		3 450	
Net profit before taxes (EBT)		**76 065**	**3.9%**	74 317	4.5%
Taxes	24/25	17 866		17 648	
Net profit after taxes		**58 198**	**3.0%**	56 669	3.5%
Third-party interest in profit		863		–116	
Consolidated profit		**59 061**	**3.0%**	56 553	3.5%

Cash Flow Statement

in CHF thousand	Appendix	2008	2008	2007	2007
Net profits after taxes			58 198		56 669
Depreciation of tangible assets		55 689		51 645	
Extraordinary expenses for depreciation of assets		–		5 750	
Depreciation of intangible assets		8 110	63 799	6 562	63 957
Income from evaluation of not consolidated participations			–1 744		–2 662
Income (–) and loss (+) on assets of foundation			1 111		–2 570
Changes in provisions			–543		1 298
Cash flow			**120 821**		116 692
Inventory changes (–) increase (+) decrease		–12 611		166	
Changes in receivables (–) increase (+) decrease		–22 257		–21 977	
Adjustments (–) increase (+) decrease		4 924		–5 326	
Changes in short-term liabilities (+) increase (–) decrease		–3 653		32 223	
Adjustments (+) increase (–) decrease		2 088	–31 509	6 608	11 694
Operating cash flow			**89 312**		128 386
Investments in machinery and equipment		–40 852		–40 292	
Divestments of machinery and equipment		943	–39 909	936	–39 356
Investments in property and buildings		–7 165		–6 473	
Divestments of property and buildings		2 016	–5 149	217	–6 256
Investments in participations and financial assets	10	–250 690		–2 554	
Divestments of financial assets		1 845		9 072	
Divestments of Secutities (+) / Investments (–)		8 031	–240 814	–8 120	–1 602
Investments in intangible assets		–1 776		–3 700	
Divestments of intangible assets		–	–1 776	–	–3 700
Investment cash flow			**–287 648**		–50 914
Changes in interest bearing liabilities			184 974		–39 147
Investments in own shares (–) / Divestments (+)			–10 517		606
Dividends			–15 941		–13 232
Financing cash flow			**158 516**		–51 773
Cash flow balance			**–39 820**		25 699
Liquid assets as of January 01			67 378		41 604
Effect of currency conversion on liquid assets			–1 066		75
Changes in liquid assets			–39 820		25 699
Liquid assets as of December 31			26 492		67 378

Statement of Changes in Equity

in CHF thousand	Share capital	Retained earnings	Translation difference currencies	Own shares	Consolida-ted profit	Equity	Third-party interest in equity	Equity
Equity as of 01.01.2007	**2 000**	**429 620**	**–**	**–1 232**	**43 890**	**474 278**	**4 425**	**478 703**
Appropriation of annual profit	–	43 890	–	–	–43 890	–	–	–
Dividends	–	–13 137	–	–	–	–13 137	–95	–13 232
Additions/disposals of treasury shares	–	410	–	196	–	606	–	606
Consolidated profit	–	–	–	–	56 553	56 553	116	56 669
Influence of foreign currency conversion	–	118	–	–	–	118	118	236
Equity as of 31.12.2007	**2 000**	**460 900**	**–**	**–1 036**	**56 553**	**518 417**	**4 564**	**522 981**
Equity as of 01.01.2008	**2 000**	**460 900**	**–**	**–1 036**	**56 553**	**518 417**	**4 564**	**522 981**
Changes in consolidation scope	–	–	–	–	–	–	12	12
Appropriation of annual profit	–	56 553	–	–	–56 553	–	–	–
Dividends	–	–15 941	–	–	–	–15 941	–	–15 941
Additions/disposals of treasury shares	–	–717	–	–9 800	–	–10 517	–	–10 517
Consolidated profit	–	–	–	–	59 061	59 061	–863	58 198
Influence of foreign currency conversion	–	–	–15 600	–	–	–15 600	–424	–16 024
Equity as of 31.12.2008	**2 000**	**500 795**	**–15 600**	**–10 836**	**59 061**	**535 420**	**3 289**	**538 709**

Shares	Number of shares 01.01.	Additions in treasury shares	Disposals of treasury shares	Addition own shares for em-ployee stock ownership plan	Disposal own shares for em-ployee stock ownership plan	Number of shares 31.12.
Shares issued	**400 000**	**–**	**–**	**–**	**–**	**400 000**
Own shares held by company	–2 370	–67	–	–	625	–1 812
Shares in circulation 2007	**397 630**	**–67**	**–**	**–**	**625**	**398 188**
Shares issued	**400 000**	**–**	**–**	**–**	**–**	**400 000**
Own shares held by company	–1 812	–7 087	–	–14	578	–8 335
Shares in circulation 2008	**398 188**	**–7 087**	**–**	**–14**	**578**	**391 665**

Consolidation and valuation principles

Basic principles The principles governing consolidation, valuation, structure and presentation comply with the Accounting and Reporting Recommendations (Swiss GAAP – ARR). They apply to all consolidated companies with the exception of Maurer Frères SA and Groupe Polette. Maurer Frères SA and Polette are subject to the IFRS standards imposed by French law. As the impact of using different accounting standards is minimal, separate financial statements are not required.

Scope of consolidation All companies of which Bell Holding Ltd directly or indirectly owns more than 50% of the votes or exercises control under a contractual agreement are fully integrated in this balance sheet and income statement. Investments where Bell owns more than 20% but less than 50% of the votes are valued and recognised in the balance sheet using the equity method. Investments equalling less than 20% are included in the balance sheet at the market price as at 31 December. If no market price was available, the investment is valued at cost minus any valuation adjustment if required for impairment. An overview of the companies in which Bell has a stake and a description of the treatment of these investments in the consolidated financial statements are provided on page 61 of the annual report.

Foreign currency translation All company balance sheets in foreign currency are translated into Swiss francs at the year-end exchange rate as per 31 December. The income statements of these companies are translated at the average exchange rate for the year.
Translation differences between the opening and closing balance sheets and the differences arising from the use of different exchange rates in the balance sheet and the income statement are balanced without affecting profit and loss.

Exchange rates

Balance sheet	EUR 1	= CHF	1.49	(VJ 1.655)
	CZK 1	= CHF	0.055	
	HUF 100	= CHF	0.56	
	USD 1	= CHF	1.07	(VJ 1.125)
Income statement	EUR 1	= CHF	CHF 1.5792	(VJ 1.646)
	CZK 1	= CHF	0.055	
	HUF 100	= CHF	0.56	

Consolidation of assets and liabilities, intra-group sales and intra-group profits All intra-group assets and liabilities are set off and eliminated as part of the consolidation process. Differences resulting from applying different exchange rates to net investments in foreign companies are recognised in equity without affecting profit or loss. All intragroup payables and receivables are set off and eliminated as part of the consolidation process. Elimination of intra-group profits is deemed unnecessary, as the companies trade among themselves at market conditions, so that the impact on the Group's income statement is insignificant.

Capital consolidation The consolidation of capital follows the purchase method, i.e. the capital of a company is set off against the purchase price on the purchase date, and the acquisition costs are added to the purchase price. Any goodwill resulting from this procedure is capitalised and amortised over a period of five to eight years via the income statement. Any negative goodwill is recognised in the income statement at the time of the initial consolidation.

Valuation As a general rule, the historical cost method is used. Current assets are valued at the lower of cost or market value. Tangible fixed assets are recognised at cost minus required depreciation. The same valuation principles apply to all consolidated companies.
The land and buildings owned by ZIMBO were revalued at the time of the takeover and recognised in the consolidated statements.
As the ZIMBO transaction was classified as an asset deal for tax purposes, the resulting added value is taxable. These taxes were deferred in the takeover balance sheet and are considered by Bell to be part of the purchase price. In return, the added value is no longer subject to deferred taxation.

At Polette we use the historical cost values because most of its buildings were constructed or acquired in the recent past. A small valuation difference arising from the expected useful life of the buildings was added to equity and the tax due on this amount was deferred.

Liquid assets comprise fixed deposits and money market placements with a term to maturity of less than 90 days.

Securities comprise marketable securities that are recognised in the balance sheet at the market price on 31 December

Receivables Identifiable and actual losses are charged to the income statement in the year in which they occurred. The impairment for unidentifiable risks equals 1% of the accounts receivable. The total impairment amount is disclosed in the notes.

Inventories Inventories are valued at production cost according to the first-in first-out (FIFO) method. Any impairment loss on the purchase cost is taken into account. Warehousing risks that can be identified are also taken into account.

Deferred tax assets result from loss carry-forwards on the initial consolidation. These are not considered to be impaired.

Other financial assets comprise non-listed securities that are recognised in the balance sheet at the lower of cost or market value.

Fixed assets Please refer to page 61 for an overview of the Group's non-consolidated participations in 2008.

Tangible fixed assets are valued at cost minus required depreciation and permanent impairment. Depreciation is calculated on a straight-line basis over the useful life of the asset. Valuation adjustments arise from foreign currency translations. Leased assets are capitalised during the consolidation process and are depreciated over the normal useful life of the asset. The corresponding liabilities are listed under “Financial liabilities”.

Useful life of fixed assets:

Production and administration buildings	30–40 years
Machines and equipment	8–10 years
Installations	10–15 years
Vehicles	5–7 years
Furniture	5–10 years
IT hardware	4 years
Software	4 years
Trademarks	8 years
Goodwill	5–8 years

Intangible non-current assets comprise IT software, acquired trademarks and goodwill. During the takeovers of Groupe Polette and ZIMBO in 2008, goodwill of CHF 79 million and trademarks for approximately CHF 13 million were recognised. Goodwill and trademarks are regularly tested for impairment and adjusted in value if necessary. In 2008, the new acquisitions meant that we did not have to carry out an impairment test

Provisions / pension liabilities Accruals and provisions are set up and valued in accordance witth objective and economic principles, and risks are adequately accounted for. Taxes are deferred in accordance with the liability method on all differences between the ARR values and the taxable book values at the average tax rate that applies to our Group, i.e. 23.5% (prior year 23%) for Switzerland, 33% for Germany and France and 25% for the other countries. The slight increase in the tax rate for Switzerland is due to the internal revision of the tax rate.

The Bell Group employees belong to the Coop Personalversicherung pension fund (CPV/CAP). CPV/CAP reported a funding ratio pursuant to art. 44 BBV2 of 90.3% at the end of 2008. At its meeting on 1 December 2008, the board of directors of CPV/CAP decided not to implement any measures to restructure the pension fund that would involve restructuring contributions by the employer. Other personnel liabilities are only recognised in the balance sheet if they are not carried by the CPV/CAP pension fund.

Bell Ltd’s employee benefits foundation is currently in liquidation. The free foundation capital is recognised under financial assets.

Equity Until now, changes in equity due to foreign currency translations were set off against the retained earnings, as they were negligible. In future, however, these will be accounted for separately. We have decided not to disclose the cumulated foreign currency translation differences from previous years separately. Transaction gains and dividends on treasury shares are allocated directly to the retained earnings.

Employee share participation plan From the third year of service, all employees of Bell Group are entitled to buy five (board members, members of the executive board and management employees ten) Bell Holding Ltd shares per calendar year at a price of 80% of the share value in the calendar month immediately preceding the purchase. The members of the executive board and senior management can also be paid half of their profit share in Bell Holding Ltd shares. Shares allocated under this employee share participation plan may not be sold for a period of four years. Under this plan, 578 shares were distributed to employees in 2008 (prior year 625) and 14 shares were taken back (prior year 0).

Rebates, refunds and cash discounts are deducted directly from the corresponding asset class and the cost price is reduced accordingly.

Advance payments to suppliers are allocated to the corresponding asset class.

Appendix to Consolidated Balance Sheet

in CHF thousand	2008	Share	2007
1. Liquid assets			
Cash	1 978	7.5%	345
Cash in post accounts	278	1.0%	363
Cash in banks	22 115	83.5%	3 907
Fixed deposits	2 121	8.0%	62 763
Liquid assets	**26 492**	100.0%	67 378
Liquid assets in currencies			
CHF	11 399	43.0%	64 917
EUR	11 023	41.6%	2 461
Other currencies	4 070	15.4%	–
Liquid assets	**26 492**	100.0%	67 378
2. Securities			
Shares and similar investments	4 855	49.9%	5 885
Bonds and similar investments	4 884	50.1%	11 885
Securities	**9 739**	100.0%	17 770
3. Trade accounts receivable			
Valuation adjustment balanced in receivables	**–2 154**		–1 766
4. Receivables affiliated companies			
Companies of the Coop Group	70 527	84.5%	60 000
Other affiliated companies	12 915	15.5%	12 319
Receivables affiliated companies	**83 442**	100.0%	72 319
5. Inventory			
Raw materials and finished goods	109 630	96.9%	76 125
Auxiliary materials	8 108	7.2%	2 637
Value adjustments on the basis of value impairments	–4 587	–4.1%	–3 934
Inventory	**113 151**	100.0%	74 828
6. Accounts payable to affiliated companies			
Accounts payables to Coop	13 766	98.5%	17 309
Accounts payable to other affiliated companies	205	1.5%	1 275
Accounts payable to affiliated companies	**13 971**	100.0%	18 584

Appendix to Consolidated Balance Sheet

in CHF thousand	2008	Share	2007
7. Other accounts payable			
Shareholders	12	0.0%	10
V.A.T.	1 545	4.3%	53
Capital and profit taxes	19 238	53.8%	17 320
Other taxes	2 703	7.6%	–
Miscellaneous third parties	12 287	34.3%	997
Other accounts payable	**35 785**	100.0%	18 380
8. Deffered income and accrued expenses			
Miscellaneous deffered expense	13 813	50.0%	13 993
Accrued personnel and social security expense	13 800	50.0%	10 776
Deffered income and accrued expenses	**27 613**	100.0%	24 769
9. Financial liabilities			
Loans and credits from Banks	182 984	61.2%	25 800
Loans from third parties	64 000	21.4%	–
Current-accounts with third parties	4 302	1.4%	4 563
Short-term financial liabilities	**251 286**	84.0%	30 363
Long-term loans and credits	40 843	13.7%	34 160
Mortgage	6 944	2.3%	5 000
Long-term financial liabilities	**47 787**	16.0%	39 160
Financial liabilities	**299 073**	100.0%	69 523
Statement of duration			
Due within 360 days	251 286	84.0%	30 363
Due within two years	4 615	1.6%	39 160
Due within three years and later	43 172	14.4%	–
Financial liabilities	**299 073**	100.0%	69 523
Financial liabilities by currency			
CHF	234 884	78.5%	67 971
EUR	56 253	18.8%	1 552
Other currencies	7 936	2.7%	–
Financial liabilities	**299 073**	100.0%	69 523

10. Acquisitions	Polette 01.07.2008	Zimbo 01.12.2008
Liquid assets	4 719	7 624
Trade accounts receivable	10 667	38 408
Inventory	11 389	16 456
Tangible assets	31 258	116 119
Financial liabilities	18 883	26 582

Appendix to Consolidated Balance Sheet

11. Short-term provisions

in CHF thousand	Early retirements	Seniority presents	Holiday & extra hours charges	Other provisions	Restruc-turing	Total
Provisions on 01.01.2007	**1 486**	**598**	**5 160**	**–**	**–**	**7 244**
Reclassification long-term provisions	771	753	–	–	1 010	2 534
Etablished	853	130	5 025	1 400	–	7 408
Used	–2 338	–728	–5 160	–	–	–8 226
Provisions on 31.12.2007	**772**	**753**	**5 025**	**1 400**	**1 010**	**8 960**
Provisions on 01.01.2008	**772**	**753**	**5 025**	**1 400**	**1 010**	**8 960**
Changes in consolidation scope	–	–	5 896	21 863	–	27 759
Reclassification long-term provisions	813	980	–281	–	–	1 512
Etablished	–	–	4 832	1 912	1 010	7 754
Used	–103	–833	– 5 976	–2 522	–1 010	–10 444
Translation effects currencies	–	–	–435	–1 375	–	–1 810
Provisions on 31.12.2008	**1 482**	**900**	**9 061**	**21 278**	**1 010**	**33 731**

12. Long-term provisions

	Early retirements	Seniority presents	Other provisions	Deffered taxes	Restruc-turing	Total
Provisions on 01.01.2007	**12 764**	**1 898**	**855**	**37 023**	**1 010**	**53 550**
Reclassification short-term provisions	–771	–753	–	–	-1 010	–2 534
Etablished	1 600	1 013	2 000	1 375	–	5 988
Released	–	–	–73	–3 799	–	–3 872
Translation effects currencies	–	–	13	5	–	18
Provisions on 31.12.2007	**13 593**	**2 158**	**2 795**	**34 604**	**–**	**53 150**
Provisions on 01.01.2008	**13 593**	**2 158**	**2 795**	**34 604**	**–**	**53 150**
Changes in consolidation scope	–	–	5 145	2 339	–	7 484
Reclassification short-term provisions	–813	–980	281	–	–	–1 512
Etablished	1 200	833	–	114	–	2 147
Released	–	–	–	–	–	–
Translation effects currencies	–	–	–473	–192	–	–665
Provisions on 31.12.2008	**13 980**	**2 011**	**7 748**	**36 865**	**–**	**60 604**

Appendix to Consolidated Balance Sheet

13. Financial assets

in CHF thousand	Non consolidated holdings	Loans to affiliated companies*	Loans to third parties	Equity of foundation	Activated deferred taxes	Other financial assets	2008	2007
Value as of 01.01.	22 904	4 400	1 701	7 332	–	728	**37 065**	47 969
Purchase price on 01.01.	22 904	4 400	1 701	7 332	–	728	**37 065**	47 969
Changes in consolidation scope	–	–	–	–	2 385	–	**2 385**	–
Investments	90 313	–	35	–	112	–	**90 460**	2 554
Divestments	–	–1 100	–249	–496	–	–	**–1 845**	–18 723
Reevaluation	1 744	–	–	–1 111	–	–	**633**	5 232
Translation effects currencies	–	–	–70	–	–150	–	**–220**	33
Value as of 31.12.	114 961	3 300	1 417	5 725	2 347	728	**128 478**	37 065

* There are no loans to the corporation entities.

14. Intangibles assets

	Software	Trade mark law	Others laws	Goodwill	2008	2007
Value as of 01.01.	6 520	–	–	2 341	**8 861**	11 713
Purchase price on 01.01.	18 954	–	–	27 456	**46 410**	43 438
Changes in consolidation scope	1 097	12 720	1 318	79 077	**94 212**	–
Investments	1 771	–	5	–	**1 776**	3 700
Divestments	–125	–	–	–	**–125**	–745
Restructuring	220	–	–	–	**220**	–
Translation effects currencies	–71	–800	–1	–8 353	**–9 225**	17
Purchase price on 31.12.	21 846	11 920	1 322	98 180	**133 268**	46 410
Cumulative depreciation on 01.01.	12 434	–	–	25 115	**37 549**	31 725
Changes in consolidation scope	972	–	427	–	**1 399**	–
Depreciation	3 058	130	19	4 903	**8 110**	6 562
Value impairments	–	–	–	–	**–**	–
Cumulative depreciation of divestments	–125	–	–	–	**–125**	–745
Restructuring	–	–	–	–	**–**	–
Translation effects currencies	–34	–	–2	–199	**–235**	7
Cumulative depreciation on 31.12.	16 305	130	444	29 819	**46 698**	37 549
Value as of 31.12.	5 541	11 790	878	68 361	**86 570**	8 861

Appendix to Consolidated Balance Sheet

15. Real property and buildings

in CHF thousand	Property	Production and administration facilities	Constructions in rented locations	Buildings under construction	2008	2007
Value as of 01.01.	34 842	201 830	1 435	2 104	**240 211**	251 545
Purchase price on 01.01.	34 842	394 143	2 392	2 104	**433 481**	426 146
Changes in consolidation scope	5 733	144 458	2 797	3 950	**156 938**	–
Investments	140	421	–	6 604	**7 165**	6 473
Divestments	–114	–1 048	–2 167	–	**–3 329**	–286
Restructuring	–	–21	–	–1 806	**–1 827**	907
Translation effects currencies	–402	–10 608	–202	–340	**–11 552**	241
Purchase price on 31.12.	40 199	527 345	2 821	10 512	**580 877**	433 481
Cumulative depreciation on 01.01.	–	192 313	957	–	**193 270**	174 603
Changes in consolidation scope	153	41 974	1 139	–	**43 266**	–
Depreciation	8	14 495	261	–	**14 764**	15 317
Value impairments	–	–	–	–	**–**	2 629
Cumulative depreciation of divestments	–	–1 077	–236	–	**–1 313**	–69
Restructuring	–	444	–447	–	**–3**	641
Translation effects currencies	–10	–3 344	–76	–	**–3 430**	149
Cumulative depreciation on 31.12.	151	244 805	1 598	–	**246 554**	193 270
Value as of 31.12.	40 048	282 540	1 223	10 512	**334 323**	240 211

16. Machinery and equipment

	Machinery and equi-pement	Installa-tions	Information technology	Furnishings and vehicles	Advance payments	2008	2007
Value as of 01.01.	92 293	76 235	5 220	19 019	1 282	**194 049**	194 310
Purchase price on 01.01.	219 297	157 209	31 631	56 616	1 282	**466 035**	441 996
Changes in consolidation scope	95 690	11 719	452	24 013	1 143	**133 017**	–
Investments	16 286	12 329	3 517	5 980	2 740	**40 852**	40 292
Divestments	–10 463	–1 907	–1 815	–9 646	–237	**–24 068**	–15 768
Restructuring	1 089	1 823	88	–198	–1 196	**1 606**	–907
Translation effects currencies	–7 322	–1 521	–74	–1 985	–104	**–11 006**	422
Purchase price on 31.12.	314 577	179 652	33 799	74 780	3 628	**606 436**	466 035
Cumulative depreciation on 01.01.	127 004	80 974	26 411	37 597	–	**271 986**	247 687
Changes in consolidation scope	75 957	4 305	243	18 807	–	**99 312**	–
Depreciation	19 578	12 239	2 901	6 207	–	**40 925**	36 328
Value impairments	–	–	–	–	–	**–**	3 121
Cumulative depreciation of divestments	-10 170	–1 907	– 1 815	–9 233	–	**–23 125**	–14 832
Restructuring	24	3	–	–24	–	**3**	–641
Translation effects currencies	–5 766	–758	–53	-1 541	–	**–8 118**	323
Cumulative depreciation on 31.12.	206 627	94 856	27 687	51 813	–	**380 983**	271 986
Value as of 31.12.	107 950	84 796	6 112	22 967	3 628	**225 453**	194 049

Appendix to Consolidated Profit and Loss Account

in CHF thousand	2008	Difference	2007
17. Operating income			
Product groups			
Fresh Meat	788 041	13.9%	692 167
Charcuterie own production	372 037	14.2%	325 871
Charcuterie purchased	73 985	16.9%	63 277
Poultry	340 860	10.2%	309 420
Meat specialities (game, rabbit and others)	23 388	-2.3%	23 947
Seafood	77 333	14.0%	67 865
Convenience	78 774	19.8%	65 752
Other sales	36 887	23.5%	29 857
Product groups Switzerland	**1 791 305**	13.5%	1 578 156
Charcuterie	115 533	225.7%	35 468
Other sales	25 961		16 294
Product groups abroad	**141 494**	173.4%	51 762
Sales by product groups	**1 932 799**	18.6%	1 629 918
Distribution channels			
Sales to Coop	1 108 055	10.8%	999 625
Sales to other affiliated companies	184 181	13.0%	162 962
Sales to other wholesale	471 368	16.7%	403 994
Sales to end consumers	27 701	139.3%	11 575
Distribution channels Switzerland	**1 791 305**	13.5%	1 578 156
Sales to other wholesale	115 499	225.6%	35 468
Sales to end consumers	25 995	59.5%	16 294
Distribution channels abroad	**141 494**	173.4%	51 762
Sales by distribution channels	**1 932 799**	18.6%	1 629 918
Sales by country *			
Switzerland	1 791 305		1 578 156
Germany	27 295		–
France	94 515		51 762
Eastern Europe	19 685		–
Sales by country	**1 932 799**	18.6%	1 629 918
* calculation base production site			
Additional proceeds from Coop	2 993	79.7%	1 666
Additional proceeds from affiliated companies	144	–94.2%	2 503
Additional third-party proceeds	31 023	14.6%	27 078
Other operational proceeds Switzerland	**34 160**	9.3%	31 247
Other operational proceeds abroad	**1 703**		–
Other operational proceeds Switzerland	**35 863**	14.8%	31 247
Sales reductions with Coop	21 776	5.4%	20 661
Other sales reductions	2 158	–46.5%	4 032
Reductions in proceeds Switzerland	**23 934**	–3.1%	24 693
Reductions in proceeds abroad	**5 093**		–
Reductions in proceeds	**29 027**	17.6%	24 693

A 10-year contract (with a commitment to supply and purchase) with Coop came into effect as of January 01, 2001. The supply of products to Coop is carried out under market conditions in consideration of Coop's purchase volume. Sales reductions include a bonus agreement on volume and sales figures which is stipulated in advance on a yearly basis by means of a business plan. The major elements thereof remained unchanged compared to the previous year.

Appendix to Consolidated Profit and Loss Account

in CHF thousand	2008	Difference	2007
18. Personnel expenses			
Wages and salaries	212 102	15.3%	183 890
Employers' contributions	44 964	19.2%	37 732
Other personnel expenses	6 053	18.0%	5 132
Outside work expenses	44 326	34.7%	32 899
Personnel expenses	**307 445**	18.4%	259 653

Contributions include social security contributions to the CPV/CAP Coop pension plan and other pension funds: TCHF 21 679 (previous year TCHF 18 872)

Compensation for Board of Directors and Members of Executive board		Remuneration cash fix	Remuneration cash variable	Shares held number	Shares held TCHF	Total TCHF
Board of Directors						
J. Ackermann, Chairman [1]	2008	50	18	5	8	76
	2007	50	20	3	6	76
H. P. Schwarz, Vice chairman [1]	2008	30	11	4	7	48
	2007	30	12	5	10	52
S. Baumberger, Member	2008	25	–	7	9	34
	2007	25	10	3	7	42
A. Felder, Member [1]	2008	25	9	4	7	41
	2007	25	10	5	10	45
Dr. J. Zentes, Member	2008	25	–	12	17	42
	2007	25	10	4	8	43
Board of Directors	2008	155	38	32	48	241
	2007	155	60	20	41	256

[1] The cash remuneration is forwarded to the giver of the mandate Coop

Executive board		Remuneration cash fix	Remuneration cash variable	Shares subscription number	Shares subscription TCHF	Non-cash remuneration and contributions to pension fund	Total TCHF
A. R. Fritschi, CEO	2008	473	53	42	48	129	703
	2007	431	50	28	44	114	638
Executive board total [2]	2008	1 209	164	91	103	343	1 819
	2007	1 196	132	72	112	476	1 916

[2] The 2008 renumeration of the Executive Board include contributions of TCHF 318 (previous year TCHF 242) to a former member.

Shares held as of 31.12. (number)	2008	2007
Board of Directors	274	230
Executive Management	286	206
Other employees	2 340	2 150

Appendix to Consolidated Profit and Loss Account

in CHF thousand

18. Occupational pension provision

		Excess/shortfall in cover	Economic benefits/ liabilities	Change in comparison to previous year	Employer contributions	Costs of benefits
Economic consequences						
Company's pension fund foundation	2008	5 725	5 725	1 607	–	1 607
	2007	–	7 332	1 035	–	1 035
CPV/CAP pension fund	2008	0 [1)]	–	–	21 679	21 679
	2007	–	–	–	18 872	18 872
Total	2008	5 725	5 725	1 607	21 679	23 286
	2007	–	7 332	1 035	18 872	19 907

[1)] The current financial meltdown also has a negative effect on the finances of CPV/CAP. At its meeting on 1 December 2008, the board of directors of CPV/CAP decided not to implement any measures to restructure the pension fund that would involve restructuring contributions by the employer. The shortfall in cover amounts to 615 Mio. CHF as of 31 December 2008. This represents a funding ratio of 90.3%.

	2008	Difference	2007
19. Rent			
Building lease	9 805	22.2%	8 021
Lease of machinery and equipment	6 187	22.4%	5 053
Third-party storage	2 283	13.9%	2 004
Rent	**18 275**	21.2%	15 078
20. Energy, auxiliary materials			
Electricity	11 636	26.7%	9 185
Water	4 249	10.5%	3 847
Fuel	820	66.7%	492
Other energy	4 484	25.0%	3 587
Auxiliary materials	8 767	30.2%	6 734
Energy, auxiliary materials	**29 956**	25.6%	23 845
21. Other operating expenses			
Administrative expenses	6 970	27.6%	5 463
Insurance and duties	2 795	21.7%	2 296
Capital tax and other corporate taxes	1 814	9.0%	1 665
Miscellaneous operating expenses	9 740	52.2%	6 399
Other operating expenses	**21 319**	34.7%	15 823

Included in operating expenses:

	2008	Difference	2007
22. Expenses with affiliated companies			
Building lease	5 547	41.5%	3 919
Lease of machinery and equipment	4 358	0.9%	4 321
Repair and maintenance	427	–15.9%	508
Energy and auxiliary materials	3 031	6.0%	2 860
Publicity	2 527	–37.3%	4 031
Other operating expenses	473	–31.9%	694
Expenses with affiliated companies	**16 363**	0.2%	16 333

Appendix to Consolidated Profit and Loss Account

in CHF thousand	2008	2007
23. Financial return/financial expenses		
Deposit and other interest	863	500
Interest from affiliated companies	477	220
Gains on currency transactions	6 005	–
Gains on securities, realized and not realized	745	1 284
Return on holdings	1 899	2 809
Financial return	**9 989**	4 813
Interest to affiliated companies	17	30
Other interest	5 319	2 649
Bank charges	189	140
Losses on currency transactions	3 341	–
Losses on securities, realized and not realized	3 990	631
Financial expenses	**12 856**	3 450
Financial return/financial expenses	**–2 867**	1 363
Average interest of interest-bearing liabilities	3.00%	3.01%

Interest rates of fixed advance payments and mortgages vary between 1.30% and 3.42% in Swiss Francs and between 4.08% and 7.25% in foreign currencies (EUR/HUF).

Appendix to Consolidated Profit and Loss Account

in CHF thousand	2008	Difference	2007
24. Taxes			
Taxes paid and changes in taxes due	17 752		20 072
Changes in deferred taxes	114		–2 424
Taxes	**17 866**	1.2%	17 648
Group operating result	58 198		56 669
Tax expenses included therein	17 866		17 648
Profit before taxes	76 065		74 317
Tax on profit before taxes at the average applicable tax rate	18 636		17 687
Influence of different tax rates	287		–1 249
Adjusment of deffered tax rate	660		1 375
Other taxes and taxes outside fiscal year	–1 717		–165
Taxes (as reported)	**17 866**		17 648

25. Non-recurring and infrequent expenses (+)/income (–)

Non-recurring and infrequent expenses/income included in the operating expenses:

		2008	Difference	2007
Operating income	Euro 08	–7 517		–
Gross operating income	Euro 08	–4 195		–
Personnel expenses	Euro 08	4 846		–
	Dissolution of the fluctuation reserve	–		–1 550
Other operating	Euro 08	2 922		1 400
expenses	Other operating expenses previous year	–		2 000
Depreciation	Extraordinary depreciation previous year	–		5 750
Taxes	Adjustement of deffered tax rate	660		1 375

Additional Information

in CHF thousand	2008	2007
Total amount of guarantees, warranties and mortgages in favor of third parties	–	3 426
Total amount of mortgaged assets at legal book values	**94 938**	104 512
Not balanced liabilities from leasing	**7 544**	–
due in the current financial year	5 063	–
Derivative financial instruments (currencies)		
contract-value	5 350	6 308
residual value	625	120
Fire insurance value of buildings	**639 670**	467 125
Fire insurance value of equipment	**521 440**	408 774
Expenses for liabilities from pension fund	**21 679**	18 872
Obligations from contracts with third-party	**9 262**	9 280
due in the current financial year	799	670
due in the following financial year	762	670
due later	7 701	7 940
Obligations from contracts with affiliated companies	**9 039**	11 015
due in the current financial year	4 500	3 877
due in the following financial year	4 474	3 626
due later	65	3 512
Conditional increase in share capital as decided	**1 000**	1 000

Principal shareholders	Coop, Basel; 66.29 %
	Sarasin Investmentfonds Ltd, Basel; 4.28 %
	No further shareholders with over 3 % of the shares
Shares eligible for dividend	All
Voting regulations	All registered third-party shareholders have full voting rights

Risk assessment

The Bell Group follows standard risk management procedures. The risk situation is reassessed every three years. During the last in-depth reassessment of the risk situation in 2008, the executive board identified, analysed and assessed the most important risks and defined the measures required to manage these risks. The results of the risk assessment and the measures identified were discussed and approved at the meeting of the board of directors on 4 September 2008. The resulting measures are being constantly monitored. The executive board analyses the status of the implemented measures every year and updates its risk assessment before submitting the results to the board of directors.

As part of the institutionalised annual assessment of the quality of the internal control system at the business process level, the operational risks, the risks associated with the financial reporting and the compliance risks are assessed. The new subsidiaries acquired by Bell all have their own internal control systems, which will be brought into line in the coming months.

Report of the statutory auditors on the consolidated financial statements

Report of the statutory auditors to the general meeting of Bell Holding Ltd, Basel

As statutory auditors, we have audited the consolidated financial statements of Bell Holding Ltd, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes (pages 40 to 56), for the year ended 31.12.2008.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP ARR and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31.12.2008 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP ARR and comply with Swiss law.

Report on other legal requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Daniel Suter Audit expert Auditor in charge	Ralph Maiocchi Audit expert

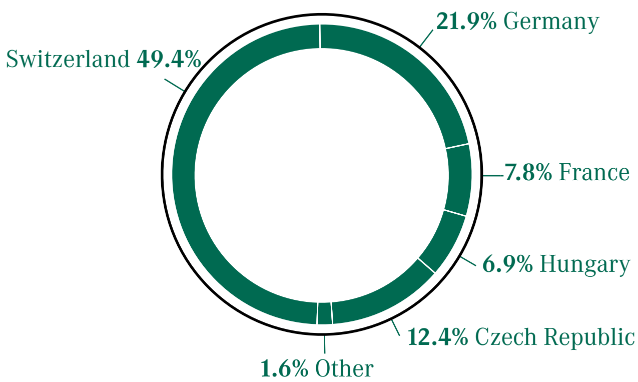
Basel, 16 February 2009

Workforce Bell Group

	2008	2007
Switzerland		
Workforce as of December 31; Number of employees	**3 362**	3 074
Average Workforce adjusted to full-time employees (= personnel units/PU)	**3 243**	2 986
Number of PU in sales/distribution	**130**	155
Number of PU in production	**2 789**	2 518
Number of PU on overhead sectors	**324**	313
Apprentices	**43**	35
Trainees	**13**	10
Abroad		
Workforce as of December 31; Number of employees [1)]	**3 448**	267
Number of employees by country		
Germany	**1 493**	–
France	**530**	267
Hungary	**468**	–
Czech Republic	**844**	–
Other	**113**	–
Average Workforce adjusted to full-time employees (= personnel units/PU)	**551**	263
Bell Group		
Workforce as of December 31; Number of employees	**6 810**	3 341
Average Workforce adjusted to full-time employees (= personnel units/PU)	**3 794**	3 249

[1)] as of 31.12.2008 with Abraham GmbH

Workforce by country as of Dec. 31, 2008



5-Year Overview

in CHF thousand	2004	2005	2006	2007	2008
Affiliated companies	909 595	1 054 989	1 074 083	1 162 587	1 292 236
Other wholesale	580 788	364 730	384 940	439 462	586 867
End consumers	29 047	23 729	24 266	27 869	53 696
Gross sales	1 519 430	1 443 448	1 483 289	1 629 918	**1 932 799**
Operating income	1 525 119	1 452 646	1 496 290	1 636 472	**1 939 635**
Financial data					
Gross operating profit	487 117	454 745	485 442	528 089	**610 241**
Personnel expenses	261 739	240 936	245 811	259 653	**307 445**
Depreciation of assets	49 306	48 506	54 767	57 395	**55 689**
Earnings before interest and taxes (EBIT)	51 265	43 595	58 364	72 954	**78 932**
Consolidated profit	35 835	35 847	44 185	56 669	**58 198**
Cash flow	85 315	83 426	106 684	116 692	**120 821**
Financial result	–5 682	–4 760	–1 841	1 363	**–2 867**
Current assets	292 989	269 652	237 585	308 478	363 010
Fixed assets	513 726	531 041	505 537	480 186	774 824
Total assets	806 715	800 693	743 122	788 664	**1 137 834**
Interest-bearing liabilities	217 860	178 143	108 622	69 523	**299 073**
Equity	421 723	445 945	478 703	522 981	**538 709**
Margins					
Gross operating profits in % of operating income	31.9%	31.3%	32.4%	32.3%	**31.5%**
Cash flow in % of operating income	5.6%	5.7%	7.1%	7.1%	**6.2%**
EBIT in % of operating income	3.4%	3.0%	3.9%	4.5%	**4.1%**
Net profits in % of operating income	2.3%	2.5%	3.0%	3.5%	**3.0%**
Financial result in % of interest-bearing liabilities	2.6%	2.7%	1.7%	–2.0%	**1.0%**
Equity in % of assets	52.3%	55.7%	64.4%	66.3%	**47.3%**
Return on equity (ROE) [1]	9.0%	8.5%	9.9%	11.8%	**11.1%**
Workforce as of December 31					
Number of employees	3 540	3 326	3 234	3 341	**6 810**
Average Workforce					
adjusted to full-time employees	3 394	3 146	3 088	3 249	**3 794**

[1] Net profit/equity at the beginning of the financial year

Share Information

		2004	2005	2006	2007	2008
Per-share data						
Share price as of 31.12.	CHF	1 030	992	1 410	1 925	**1 300**
Year's high	CHF	1 330	1 197	1 450	2 250	**1 950**
Year's low	CHF	829	940	975	1 410	**1 101**
Average daily trading volume	Number	256	230	173	129	**117**
Stock exchange capitalization						
Year's end	in million CHF	412	397	564	770	**520**
Year's high	in million CHF	532	479	580	900	**780**
Year's low	in million CHF	332	376	390	564	**440**
Equity per share	CHF	1 053	1 112	1 193	1 302	**1 367**
Net profit per share	CHF	90	89	110	142	**151**
Cash flow per Share	CHF	215	210	268	293	**308**
EBIT per share	CHF	129	110	147	183	**202**
Return per share [1]		8.7%	9.0%	7.8%	7.4%	**11.6%**
Distribution per share	CHF	30	30	33	40	**40**
Distribution quota		33.5%	33.6%	29.9%	28.2%	**26.5%**
Dividend yield [2]		2.9%	3.0%	2.3%	2.1%	**3.1%**

[1] Net profit per share/year-end closing price
[2] Distribution of the dividend per share/year-end price

		2004	2005	2006	2007	2008
Capital structure on 31.12.						
Share capital	in CHF thousand	2 000	2 000	2 000	2 000	**2 000**
Share capital divided in number of registered shares	Number	400 000	400 000	400 000	400 000	**400 000**
Nominal value per registered share	CHF	5	5	5	5	**5**
Changes in capital						
Own shares held by company	Number	3 135	2 725	2 370	1 812	**8 335**
Shares recorded in share register	Number	365 031	362 833	363 329	364 294	**365 558**
Registered shareholders	Number	3 040	3 219	2 989	3 153	**3 197**

Securities no.	441 041
ISIN	CH 0004410418
Symbols	Telekurs: BELN
	Reuters: BELZn
Trade	SIX Swiss Exchange

Important Participations

Company	Domicile	Sphere of activity	Consolidation method	Capital	Groupe share in captial
Bell Ltd	Basel	Fresh meat, charcuterie, poultry, convenience, seafood	■	CHF 20 000 000	100.0%
Frigo St. Johann AG	Basel	Logistics, cold storage	■	CHF 2 000 000	100.0%
Maurer Frères SA	Kingersheim / FR	Charcuterie and delicatessen	■	EUR 960 000	50.0%
SBA Schlachtbetrieb Basel AG	Basel	Slaughterhouse	*	CHF 250 000	48.0%
Centravo Ltd [1]	Zürich	By-products processing	*	CHF 2 400 000	29.8%
GVFI International Ltd	Basel	Meat trade	●	CHF 3 000 000	15.8%
Pensionsstiftung der Bell Ltd in Liquidation	Basel	Foundation	▲	–	–
Bell France SAS	Kingersheim / FR	Subholding	▯	EUR 10 000 000	100.0%
Salaison Polette & Cie SAS	Teilhède / FR	Dry sausages	▯	EUR 2 600 000	100.0%
Saloir de Mirabel SARL	Riom / FR	Air-dried ham	▯	EUR 152 000	100.0%
Val de Lyon SAS	Saint-Symphorien / Coise / FR	Dry sausages	▯	EUR 825 000	100.0%
Saloir de Virieu SAS	Virieu-Le-Grand / FR	Air-dried ham	▯	EUR 1 200 000	100.0%
Maison de Savoie SAS	Aime / FR	Dry sausages	▯	EUR 1 560 000	100.0%
Bell Deutschland GmbH	Bochum / DE	Subholding	❑	EUR 25 000	100.0%
ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG	Bochum / DE	Meat and charcuterie	❑	EUR 28 097 970	100.0%
Feine Kost Böttcher GmbH & Co. KG	Bochum / DE	Management	❑	EUR 2 862 603	100.0%
ZIMBO International GmbH	Bochum / DE	Meat trade	❑	EUR 1 840 700	100.0%
ZIMBO Polska sp.z o.o.	Wolsztyn / PL	Meat trade	❑	PLN 500 000	100.0%
ZIMBO Húsipari Termelö Kft.	Perbal / HU	Meat and charcuterie	❑	HUF 200 000 000	99.5%
Interfresh Food Retail Easteurope GmbH	Bochum / DE	Meat trade	❑	EUR 100 000	100.0%
ZIMBO Czechia s.r.o.	Reg / CZ	Retail trade	❑	CZK 10 000 000	70.0%
Árpád Hentesaru Kft.	Perbal / HU	Retail trade	❑	HUF 192 510 000	90.0%
Abraham GmbH	Seevetal / DE	Subholding	••	EUR 100 000	75.0%
Abraham Schinken GmbH & Co. KG	Seevetal / DE	Management	••	EUR 400 000	100.0%
Gebr. Abraham GmbH & Co. KG	Seevetal / DE	Air-dried ham	••	EUR 1 750 000	100.0%
Abraham Benelux S.A.	Libramont-Chevigny / BE	Air-dried ham	••	EUR 250 000	100.0%
Abraham Polska Sp.z o.o	Warschau / PL	Wholesale	••	PLN 100 000	100.0%
Sanchez Alcaraz S.L.	Casarrubios / ES	Air-dried ham	••	EUR 648 587	80.0%

■ Fully consolidated (uniform management)
* Consolidation ad equity
● Purchase price
▯ Fully consolidated since 01. July 2008
❑ Fully consolidated since 01. December 2008
•• Purchase price at 31. December 2008, fully consolidated since 01. January 2009
▲ Consideration acc. Swiss GAAP ARR 16

[1] Share of equity relates of the shares in circulation.

Corporate Governance

Responsible corporate governance

Bell Holding Ltd follows the Swiss Code of Best Practice for Corporate Governance of economiesuisse, and complies with the SIX Swiss Exchange guidelines on corporate governance (RLCG). The corporate governance rules and regulations followed by Bell Holding Ltd are based on Swiss law, the company's articles of incorporation and internal policies and directives. The board of directors reviews the articles of incorporation and by-laws at regular intervals and adjusts them to meet changed circumstances. The currently valid articles of incorporation can be found at www.bell.ch.

Group structure, capital structure and shareholders' rights

Group structure Bell Group has no cross participations or holdings in listed companies. An overview of all companies in which Bell Group has a stake is provided on page 61.

Significant shareholders See page 72.

Capital structure The company has no outstanding convertible bonds, options or participation certificates. The capital structure is described in detail on page 60.

Transferability The transfer of registered shares as property or usufruct require the permission of the board of directors. The board of directors may delegate all or some of its powers in this regard (articles of incorporation, art. 5).

Share register restrictions According to the articles of incorporation (art. 5), the board may only refuse to register someone as a shareholder for good cause and if a single shareholder acquires more than 5% of the voting rights.

Board of directors

Election and term of office The members of the board of directors are usually elected by open ballot by the shareholders' meeting. The chairman nominates the members of the board of directors. The board of directors consists of a minimum of three members who are elected by the shareholders' meeting for a term of office of four years. Directors can be re-elected at the end of a term. The term of office expires at the conclusion of the shareholders' meeting in the relevant year.

If a board member turns 65 while in office, he or she must resign from the board at the next AGM.

Composition of the board of directors as at 31 December 2008

	Director since	Term of office ends in
Jörg Ackermann	2000	2011
Hans Peter Schwarz	2001	2011
Stefan Baumberger	2001	2011
Anton Felder	1986	2011
Prof. Dr. Joachim Zentes	1997	2011

Stefan Baumberger and Anton Felder will resign from the board of directors at the shareholders' meeting scheduled for 15 April 2009.

Information on the members of the board of directors

Jörg Ackermann, 1958, Swiss Business economist HWV	Chairman Mandates for VGL Coop, since 2008 **Board member mandates** – transGourmet Holding S.E., Neu-Isenburg – HiCoPain, Dagmersellen – Coop-ITS-Travel Ltd, Wollerau – Coop Patenschaft für Berggebiete, Basel – espace.mobilité, Berne – GS1 Schweiz, Berne
Hans Peter Schwarz, 1950, Swiss Certified public accountant	Vice-chairman Member of the executive board of Coop; since 2001 Head of Finance/Services Division (CFO); since 2001 **Board member mandates** – Coop Mineraloel Ltd, Allschwil – Bank Coop Ltd, Basel – transGourmet Holding S.E., Neu-Isenburg and its subsidiaries – CPV/CAP Coop Personalversicherung, Basel – Coop Vitality Ltd, Berne – Dipl. Ing. Fust Ltd, Oberbüren – Tropenhaus Frutigen Ltd, Frutigen und Wolhusen Ltd, Wolhusen – Raiffeisenbank Ettingen, Ettingen – Other board member mandates with Coop subsidiaries
Stefan Baumberger, 1948, Swiss Chemical Engineer HTL	**Board member mandates** – Coop, Basel – Coop Immobilien Ltd, Berne
Anton Felder, 1948, Swiss Certified public accountant	Full-time chairman of the board of directors of Coop; since 2001 **Board member mandates** – CPV/CAP Coop Personalversicherung, Basel (chairman) – Coop Immobilien Ltd, Berne (chairman) – Coop Mineraloel Ltd, Allschwil – Betty Bossi Verlag Ltd, Zurich – Dipl. Ing. Fust Ltd, Oberbüren – Other board member mandates with Coop subsidiaries – Member of the board of trustees of the ETH Zurich Foundation, Zurich
Prof. Dr. Joachim Zentes, 1947, German Professor of business administration	Director of Institut für Handel & Internationales Marketing (H.I.MA.) and of the Business Management department of the Europa Institute at the University of Saarland; since 1991 **Board member mandates** – Goodyear Dunlop Tires Germany GmbH, Hanau, (chairman of the supervisory board)

More information on the board members and their previous activities can be found at www.bell.ch/management

Corporate Governance

Compensation for board members

The salaries paid to board members comprise a fixed amount and a variable component which may not be more than 40% of the fixed component and the amount of which is based on the achievement of the revenue objectives. In addition to this salary, the members of the board of directors also receive a meeting attendance fee equalling the value of half a share of Bell Holding Ltd for every meeting. The Coop representatives on the board work on a mandate basis, and their fees are paid directly to Coop, except for the fee of Stefan Baumberger. For information on total salaries and share ownership, please refer to the notes to the annual report, page 52.

Internal organisation and areas of responsibility

The board of directors of Bell Holding Ltd defines the corporate strategy, issues the required instructions, and oversees all the activities of Bell Group, while the executive board is responsible for the operating business. The board of directors reviews the business planning, in particular the annual, multi-year and investment plans as well as the corporate objectives. The board also identifies opportunities and risks and initiates any measures that are required. The areas of responsibility of the board of directors and the executive board are set forth in detail in the organisational guidelines.

In addition to its non-transferable responsibilities and powers, the board decides on mergers, litigation, contracts of special importance, capital investments in excess of CHF 2 million, and real estate/corporate acquisitions and sales. The board determines Bell Group’s corporate structure and is responsible for hiring, discharging and overseeing company managers and executives. The board defines the company’s salary, social security and investment policies, and monitors their implementation. It also makes decisions concerning the company’s representation in industry associations and interest groups, the granting of third party loans exceeding CHF 100,000, and guarantees in any amount.

At Bell Group, the Group board of directors is responsible for the recommendations in the guidelines regarding the function and remit of individual committees. This makes it easier to retain an overview and takes account of Bell's special status as a controlled company.

The board of directors usually meets eight times per year, and the meetings usually last from four to six hours. One or two special meetings are also held every year to discuss corporate strategy and other transactions that might have a considerable impact. The Chief Executive Officer and the Head of Finance/Services Division are called in to participate in these meetings. Twice a year the board of directors meets with the executive board of Bell. External consultants are called in on an ad hoc basis (in 2008, external consultants were called in once to advise the company on the acquisition of ZIMBO).

The vice-chairman handled the business of the board of directors for a time after the accident suffered by the chairman in July 2006, but the chairman has since recovered to such an extent that he can handle his board duties again. However, he has indicated that he wishes to hand over the chairmanship of the board at the 2009 shareholders' meeting.

In 2008, the board of directors held eight ordinary meetings and one special strategy meeting. In addition to its routine business, the board of directors also paid special attention to the implementation of its internationalisation strategy and the related takeover projects. The board of directors kept a very close eye on three takeovers, thereby focusing on compliance with the strategy and the drafting of the contractual agreements. The impact of these takeovers on the organisational structure of Bell Group was analysed and the organisational guidelines and charts were adapted to the changed circumstances.

The board also discussed the short- and medium-term impact of the economic meltdown on Bell Group, but decided not to implement any measures for the time being.

The board of directors approved ZIMBO's sale of its farming business in the Czech Republic as well as the expansion of the production of dry sausages in Börger, Germany. The expansion of the logistics centre in Oensingen and a project to modernise the poultry abattoir in Zell were discussed, but no decisions have been taken yet.

Information channels and control instruments

The executive board regularly briefs the board of directors on the course of business. The chairman or vice chairman of the board maintains regular contact with the Chief Executive Officer and the Head of Finance/Services and usually participates in the meetings of the executive board once a month.

The executive board submits a management report (MIS) to the board every two months and prepares a report consisting of a consolidated and a division income statement, balance sheet and comprehensive key indicators and analyses. The financial reporting is a permanent component of the board meetings. Deviations are discussed and any measures that may be required are implemented.

In addition to the statutory auditors, the internal audit unit of Coop on behalf of the board of directors monitors compliance with the guidelines and regulations and checks the effectiveness of the control instruments and the processes. In some areas the work done by the internal audit unit serves as the basis for the external audit. The internal audit unit identifies areas of special concern for the audit according to risk weighting, with special emphasis on future risks. Conclusions are submitted to the chairman of the board of directors. In addition, the activities of the external auditors are monitored independently by the chairman of the board of directors, the CEO and the CFO.

A comprehensive internal control system (ICS) was prepared and implemented. The ICS is based on the COSCO recommendations and forms an integral part of the quality assurance process. It places particular emphasis on the financial security of business processes, as issues such as product safety, quality assurance and traceability are already covered by various standards (ISO 9001, IFS etc.). The focus falls on the avoidance of infractions of the law and instances of negligence, as well as asset protection as part of the production processes.

As part of the risk management process, the board of directors and executive board assess the major risks every year. Major risks are defined as those which could influence net income by more than 25% and for which there is a certain probability of occurrence. Safeguards and measures were implemented to protect the company against risks that cannot be influenced or that can only be influenced to a limited extent. Management has identified sudden increases in raw materials prices, decisions affecting agricultural policies, epidemics and product and process safety in particular as being major risks. As the company's expansion into foreign markets has changed its risk profile, the risk profile is currently being reviewed in detail.

Executive board

Bell Ltd

Adolphe R. Fritschi, 1950, Swiss
Certified master butcher, commercial diploma, certified meat industry technician

Chief Executive Officer
Has been with Bell since 1993; CEO since 1994
Board member mandates
– Centravo Ltd, Zurich and its subsidiaries
– GVFI International Ltd, Basel

Martin Gysin, 1960, Swiss
Certified public accountant

Deputy CEO;
Head of Finance/Services Division (CFO)
Has been with Bell since 1992; CFO since 1994
Board member mandates
– CPV/CAP Coop Personalversicherung, Basel

Josef Dähler, 1955, Swiss
Certified master butcher, commercial diploma

Head of Fresh Meat Division
Has been with Bell from 1979 to 1983 and again since 1996; in this position since 2007
Board member mandates
– Identitas Ltd, Berne

Adolf Maassen, 1964, German
Master butcher, certified food technologist, Bachelor of Business Administration

Head of Charcuterie Division
Has been with Bell since 1990; in this position since 2007

Christine Schlatter, 1965, Swiss
Certified marketing planner

Head of Poultry Division
Has been with Bell since 1997; in this position since 2008

Corporate Governance

Foreign companies

ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG

Christof Queisser, 1969, German Certified business administrator	CEO, Head of Marketing and Sales Head of Marketing and Sales Has been with ZIMBO since 2008; in this position since 2008
Manfred Dahmen, 1958, German Economist	Deputy CEO, Head of Finance and Controlling Has been with ZIMBO since 2005; in this position since 2006
Uwe Ginkel, 1962, German Master butcher / commercial specialist	Head of Production and Logistics Has been with ZIMBO since 2000; in this position since 2004

Abraham GmbH

Christian Schröder, 1971, German Commercial diploma in banking	Head of Sales Has been with Abraham since 2007; in this position since 2007 Spokesman for executive board (from 1 April 2009)
Dr. Norbert Engbert, 1965, German Business diploma	Head of Commercial Has been with Abraham since 2009; in this position since 2009

Salaison Polette & Cie SAS

Philippe Polette, 1960, French Business diploma	Président de la Direction Générale (PDG) Has been with Polette since the establishment of the company in 1980; in this position since 1980

Maurer Frères SA

Philippe Hazout, 1952, French Business diploma	Directeur Général Has been with Maurer since 1999; in this position since 2005
André Roth, 1950, French Accountant	Directeur Général Délégué; Head of Administration/ Finance Has been with Maurer since 1968; in this position since 2005

More information on the members of the executive boards and their previous activities can be found at www.bell.ch/management.

Compensation for executive board members

Compensation consists of a basic salary and a variable component. The basic salary is based on an employment contract which is reviewed annually and adjusted, if necessary. In addition, executive board members receive a fixed expenses allowance as well as a company car. The variable component (profit share) depends on the extent to which the Group achieves its revenue targets and can amount to a maximum of 24% of the basic salary. The basis and amount of this profit share are determined annually by the board of directors. Up to half of the profit share can be paid out in the form of shares in Bell Holding Ltd. These shares are credited at the average share price for the month preceding payment (usually March), with a discount of 20%, and may not be sold for a period of four years. As the revenue targets were achieved, executive board members received a profit share of 20% for 2008. For information on total salaries and share ownership, please refer to the notes to the annual report, page 52.

Shareholder's rights to participate

According to art. 8 of the articles of incorporation and art. 12 and 13 of the Swiss Code of Obligations, shareholders may be represented by another shareholder at the annual shareholders' meeting. Shareholders may also be represented by the custodian bank or by an independent proxy.

Change of control clause

There are no statutory restrictions and regulations.

Auditors

Auditors	PricewaterhouseCoopers; since 1998
Lead auditor	Daniel Suter; lead auditor since 2003
Term of mandate	The auditors are elected every year.

The board of directors oversees the activities of the external auditors. The auditors brief the chairman of the board of directors on the results of their audit twice every year. They also report to all members of the board once every year.

The performance of the auditors is assessed by the chairman of the board of directors, the CEO and the CFO on the basis of comprehensive assessment criteria and taking account of internal as well as external factors.

In 2008, the auditors focused on their statutory obligation to judge the effectiveness of the ICS as well as the inclusion of the new acquisitions in the auditing process.

Auditors' and other fees

in thousand CHF	2008	2007
Auditing services	303	306
Tax and transaction services	1 858 *	–
Total	2 161	306

* related to acquisitions 2008

Information policy

Every year, Bell publishes an annual report and a half-year report containing information on the business operations and results of Bell Group. Bell also issues press releases regarding current developments and publishes news reports on its website. Bell's website also contains an archive with all annual reports, interim reports and press releases. www.bell.ch

Important dates

Closing of accounts	31 December
Shareholders' meeting of Bell Holding Ltd	15 April 2009
Publication of results for first half of 2009	13 August 2009
Publication of 2009 sales figures	1st half of January 2010
Publication of 2009 results	February 2010

Management
as of 01.01.2009

Executive Board

Adolphe R. Fritschi Chief Executive Officer
Martin Gysin Deputy CEO, Head Finance/Services Division (CFO)
Josef Dähler Head Fresh Meat Division
Adolf Maassen Head Charcuterie Division
Christine Schlatter Head Poultry Division

Departement of the Chief Executive Officer

Adolphe R. Fritschi Chief Executive Officer
Davide Elia Head Marketing/Communication
Hanspeter Gysin Head Planning/Technology
Elisabeth Wegeleben Head General Office/Share Register, Secretary BoD

Finance/Services Division

Martin Gysin Head of Division
Mario Bobbià Head IT Controlling
Thomas Denne Head Controlling Fresh Meat and Charcuterie Divisions
Rudolf Graf Head IT Infrastructure/Plants
Johannes Meister Head Human Ressources/Training
Marc Pittino Head Controlling
Thomas Studer Head TPL Distribution
Ulrich Süss Head Accounting

Fresh Meat Division

Josef Dähler Head of Division
Jean-Luc Aebischer Head Sales French Switzerland
Paul Fahrni Head Purchasing/Sales
Christian Gremion Head Fresh Meat French Switzerland
Marcel Joseph Head Plants French Switzerland
Michel Lerch Head Plant Basel
Roland Lienhard Head Marketing
José-Michel Perez Head Quality Management
Martin Reinhard Head Purchasing
Stefan Seiler Head Plants German Switzerland
Josef Zuber Head Sales

SBA Schlachtbetrieb Basel AG

Joachim Messner Managing Director

Poultry Division

Christine Schlatter Head of Division, Head Sales
Walter Bieri Head Purchasing
Thomas Graf Head Plant
Christoph Schatzmann Head Fresh Meat

Charcuterie Division

Adolf Maassen Head of Division
Thomas Abt Head Commissioning
Frank Bechler Head Marketing/Sales
Daniel Fässler Head Scalded Sausages Gossau
Jacques Grossenbacher Head Dry Sausages
Ursula Kuhn Head QM/Laboratory
Andreas Nieling Head Cured and Meat Products
Roland Rufener Head Purchasing Non-Food/Trade Products
Kurt Zenger Head Scalded Sausages Basel

Convenience Division

Adolphe R. Fritschi i.P. Head of Division
Markus Bänziger a.i. Head of Division

Convenience

Markus Bänziger Head Business Unit
Peter Schneider Head Marketing/Sales
René Wirz Head Plant

Seafood

José-Manuel Seabra Head Business Unit
Marco Märsmann Head Purchasing/Sales
Emilienne Sester Head Sales

Catering

Marcel Allemann Head Catering

Gastro Production

Franz Kupper Head Gastro Production

Frigo St. Johann AG

Bruno Flückiger Managing Director

Foreign Companies

Zimbo Fleisch- und Wurstwaren GmbH & Co. KG

Christof Queisser CEO, Head Marketing and Sales
Manfred Dahmen Deputy CEO, Head Finance and Controlling
Uwe Ginkel Head Production and Logistics

Abraham GmbH

Christian Schröder Head Sales,
Spokesman for executive board (from 01.04.2009)
Dr. Norbert Engberg Head Commercial

Salaison Polette & Cie SAS

Philippe Polette Président de la Direction Générale

Maurer Frères SA

Philippe Hazout Directeur Général
André Roth Directeur Général Délégué

Balance sheet

in CHF thousand		31.12.2008		31.12.2007	
Liquid assets		243		31	
Securities		3 291		8 475	
Receivables affiliated companies		14 567		20 081	
Other receivables		564		54	
Current assets		**18 665**	**6.3%**	28 641	11.8%
Financial assets	Majority interests	103 327		54 884	
	Minority interests	8 784		8 784	
	Loans/other financial assets	162 356		147 478	
Tangible assets	Property	608		715	
	Buildings	1 956		2 367	
Fixed assets		**277 031**	**93.7%**	214 228	88.2%
Assets		**295 696**	**100.0%**	242 869	100.0%
Loans/credits third parties		22 350		–	
Miscellaneous accounts payable		1 314		687	
Accounts payable affiliated companies			–		–
Deferred items		50		50	
Short-term liabilities		**23 714**	**8.0%**	737	0.3%
Long-term liabilities		–		–	
Liabilities		**23 714**	**8.0%**	737	0.3%
Share capital		2 000		2 000	
Legal reserves		10 000		10 000	
Own shares deducted		10 835		1 036	
Other reserves		203 297		188 945	
Annual profit		45 850		40 151	
Equity		**271 982**	**92.0%**	242 132	99.7%
Liabilities		**295 696**	**100.0%**	242 869	100.0%

Profit and Loss Account

in CHF thousand	2008	2007
Income from holdings	40 478	32 976
Other financial income	9 080	6 704
Other proceeds	3 196	3 139
Total income	**52 754**	42 819
Administration expenses	1 221	1 035
Other expenses	210	172
Interests	1 357	45
Other financial expenses	2 929	392
Depreciation of tangible assets	411	455
Expenses	**6 128**	2 099
Operating profit before taxes	**46 626**	40 720
Income from sale of fixed assets	144	81
Profit before taxes	**46 770**	40 801
Taxes	920	650
Profit after taxes	**45 850**	40 151

Appropriation of Annual Profit

Proposals of the board of Directors to the General Meeting

in CHF thousand	2008	2007
Appropriation of annual profit		
Annual profit	**45 850**	40 151
CHF 40 dividend per share (previous year CHF 40)	16 000	16 000
Transfer to the other reserves	29 850	24 151
Total appropriations	**45 850**	40 151

Appendix

in CHF thousand		2008	2007
Total amount of guarantees, warranties and mortgages in favor of Group companies [1]		–	3 426
Total amount of mortgaged assets at legal book values		–	–
Fire insurance value of buildings		**4 050**	4 050
Own shares corresponding to financial statements		–	–
Important participations		**page 61**	–
Principal shareholders:	Coop	**66.29%**	60.54%
	Bestinver Gestion S.G.I.I.C., Madrid, Spain	–	5.07%
	Sarasin Investmentfonds Ltd, Basel	**4.28%**	4.08%
Conditional increase in share capital as decided		**1 000**	1 000
Details on risk assessment		**page 56**	–

[1] The company is jointly and unlimitedly liable for all taxes arising from VAT incl. Interest and fines of the VAT group, if any, for the time since its introduction as a Group member of Switzerland.

Report of the statutory auditors on the financial statements

Report of the statutory auditors to the general meeting of Bell Holding Ltd, Basel

As statutory auditors, we have audited the financial statements of Bell Holding Ltd, which comprise the balance sheet, income statement and notes (pages 70 to 72), for the year ended 31.12.2008.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31.12.2008 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.
We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers Ltd

Daniel Suter	Ralph Maiocchi
Audit expert	Audit expert
Auditor in charge	

Basel, 16 February 2009

Contacts

Headquarters	**Bell Ltd**	Elsässerstrasse 174 • 4056 Basel • Switzerland • Tel. +41 61 326 26 26 • Fax +41 61 322 10 84
		info@bell.ch • www.bell.ch
Share register	**Bell Holding Ltd**	Elsässerstrasse 174 • 4056 Basel • Switzerland
	Elisabeth Wegeleben	Telefon +41 61 326 22 08 • Fax +41 61 326 22 15 • areg@bell.ch
Public Relations/Investor Relations	**Bell Ltd**	Elsässerstrasse 174 • 4056 Basel • Switzerland
	Davide Elia	Tel. +41 61 326 22 12 • Fax +41 61 326 21 14 • EliaD@bell.ch
Current Information		www.bell.ch
Finances/Services	**Bell Ltd**	Elsässerstrasse 174 • 4056 Basel • Switzerland • Tel. +41 61 326 26 26 • +41 61 326 21 22
Bell Fresh Meat	**Bell Ltd**	Dünnernstrasse 31 • 4702 Oensingen • Switzerland • Tel. +41 62 388 53 00 • Fax +41 62 388 53 98
Bell Romandie	**Bell Ltd**	Chemin du Châtelard 5 • 1033 Cheseaux-sur-Lausanne • Switzerland • Tel. +41 21 731 99 00 • Fax +41 21 731 99 03
Bell Charcuterie	**Bell Ltd**	Elsässerstrasse 174 • 4056 Basel • Switzerland • Tel. +41 61 326 26 26 • Fax +41 61 326 21 10
Bell Poultry	**Bell Ltd**	Zelgmatte 1 • 6144 Zell • Switzerland • Tel. +41 41 989 86 00 • Fax +41 41 989 86 01
Bell Convenience	**Bell Ltd**	Rupperswilerstrasse 5 • 5503 Schafisheim • Switzerland • Tel. +41 62 885 95 55 • Fax +41 62 885 95 66
Bell Seafood	**Bell Ltd**	Neudorfstrasse 90 • 4056 Basel • Switzerland • Tel. +41 61 326 29 29 • Fax +41 61 326 29 28
Bell Catering	**Bell Catering**	**Basel**
		Elsässerstrassse 174 • 4056 Basel • Switzerland • Tel. +41 61 326 22 01 • Fax +41 61 326 26 24
	Bell Catering	**Oensingen**
		Dünnernstrasse 31 • 4702 Oensingen • Switzerland • Tel. +41 62 388 56 56 • Fax +41 62 388 56 57
Bell Gastro Production	**Bell Ltd**	Nidfeldstrasse 1 • 6010 Kriens • Switzerland • Tel. +41 41 317 01 80 • Fax +41 41 310 38 21
Further Companies in the Bell Group	**Zimbo Fleisch- und**	Wasserstrasse 223 • 44799 Bochum • Germany • Tel. +49 234 955 31 10 • Fax +49 234 955 31 19
	Wurstwaren GmbH & Co. KG	info@zimbo.de • www.zimbo.de
	Abraham GmbH	Brookdamm 21 • 21217 Seevetal • Germany • Tel. +49 40 768 005 346 • Fax +49 40 768 005 305
		info@abraham.de • www.abraham.de
	Salaison Polette & Cie SAS	Champ Saint-Pierre • 63460 Teilhède • France • Tel. +33 473 31 31 • Fax +33 473 643 140 • Salaison@polette.fr
	Maurer Frères SA	12 rue de l'Industrie • 68260 Kingersheim • France • Tel. +33 389 52 21 11 • Fax +33 389 57 22 66
		info@maurerfreres.fr • www.maurerfreres.fr
	Frigo St. Johann AG	Neudorfstrasse 90 • 4056 Basel • Switzerland • Tel. +41 61 327 11 33 • Fax +41 61 327 12 33
		info@frigo-ag.ch • www.frigo-ag.ch
	SBA Schlachtbetrieb Basel AG	Schlachthofstrasse 55 • 4056 Basel • Switzerland • Tel. +41 61 385 32 32 • Fax +41 61 322 66 63

Imprint

Forward-Looking Statements
The Forward-Looking Statements made in this Annual Report reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause our actual results, performance or achievements to be materially different from any future results, performances or achievements that may be expressed or implied by these statements.

This version of the Annual Report is an English translation of the original German report. The German text takes precedence in the event of any discrepancies. The Annual Reports are also available on www.bell.ch.

Published by
Bell Holding Ltd, Basel

Supervising Editor
Davide Elia, Bell Ltd, Marketing/Communication

Content, concept, design, typesetting
Trimedia Communications Switzerland Ltd; Walter Stähli

Photography
Stefan Jermann, Zürich
Eugen Leu & Partner AG, Riehen
Other sources

Printed by
Werner Druck AG, Basel