ANNUAL REPORT

Bell Holding Ltd

'09

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CONTENTS

THE WORLD OF BELL

FEATURES

This annual report uses highlights to present the world of Bell and its employees, who do their work with enjoyment and passion. From the beef business in Switzerland to the production of ham in Spain, from the stores in Czech supermarkets to the IT centre at head office: Bell's world has become more colourful and diverse. What remains is enjoyment.

Bell at a Glance

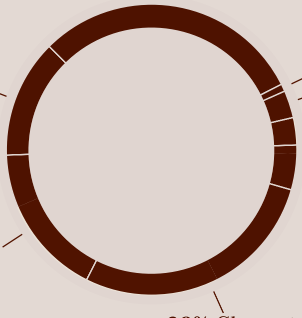
Financial Figures

in CHF thousand	2009	Difference	2008
Operating income	**2 547 877**	31.4%	1 939 635
Cash flow	**151 628**	25.5%	120 821
in % of operating income	**6.0%**		6.2%
EBIT	**95 047**	20.4%	78 932
in % of operating income	**3.7%**		4.1%
Net profit	**55 563**	–5.9%	59 061
in % of operating income	**2.2%**		3.0%
Net capital expenditure in operating assets	**58 175**	16.8%	49 788
in % of cash flow	**38.4%**		41.2%
Equity	**594 779**	10.4%	538 709
in % of assets	**45.5%**		47.3%
Return on equity (ROE)	**10.7%**		11.1%

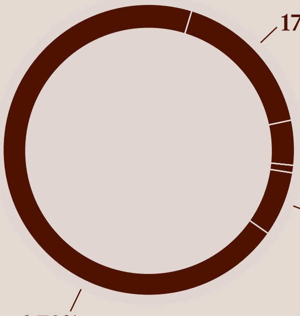
Share key figures
in CHF

Share price as of 31.12.	**1 551**	19.3%	1 300
Cash flow per share	**386**	25.2%	308
EBIT per share	**242**	19.7%	202
Net profit per share	**141**	-6.4%	151
Dividend per share	**40**		40

Sales by product group



Operating income by country



Performance Figures

Meat production (Switzerland) in tonnes	Own slaughtering	Purchased from third parties/ imports	Percentage of imports	**2009**	2008
Pork	57 895	1 401	1.2%	**59 296**	59 056
Beef	31 680	3 081	7.2%	**34 761**	35 283
Veal	6 376	362	0.7%	**6 738**	6 460
Lamb	684	1 420	63.1%	**2 104**	2 067
Game and other meat	27	1 243	97.9%	**1 270**	1 320
Total	96 662	7 507	5.6%	**104 169**	104 186
Poultry	21 746	9 131	28.0%	**30 877**	31 453

Share of labelled meat in animals for slaughter (Switzerland)		
Share of meat from species-appropriate care and feeding	**49%**	51%
Market key figures (Switzerland)		
Animals for slaughter		
Slaughterings Bell Group (in tonnes)	**96 662**	91 484
Bell market share *	**25%**	25%
Poultry (Switzerland)		
Slaughterings Bell Group (in tonnes)	**21 746**	21 958
Bell market share *	**34%**	35%
Number of employees **		
Average headcount calculated on the basis of full-time employees	**6 497**	6 393
Headcount as of December 31 in number of employees	**6 561**	6 810
Headcount as of December 31 in number of employees by country		
Switzerland	**3 417**	3 362
Germany	**1 523**	1 493
France	**403**	530
Czech Republic	**776**	844
Hungary	**226**	468
Other countries	**216**	113
Environmental performance **		
Total CO_2-emissions (in tonnes; only Switzerland)	**7 303**	7 554
Total energie consumption (in GWh)	**251**	245
Total water consumption (in 1 000 m^3)	**1 932**	1 892
Total waste (in 1 000 tonnes)	**22**	20

* Bell estimate
** Previous year adjusted

BELL
AT A GLANCE

BELL
Quality, enjoyment and innovation for 140 years

Bell is number one in the Swiss meat industry. More than 6,500 employees in Switzerland and Europe make sure that consumers have access to a wide range of fresh meat, charcuterie, poultry, convenience meals and seafood every day. Bell is a supplier to the retail and wholesale trade, food service and food processing industry. In Europe, the French Groupe Polette and the German companies ZIMBO and Abraham belong to the Bell Group.

2009
Record year for Bell Switzerland – consolidated position abroad

At CHF 2,55 billion (+31.4%), net income reached a new all-time high. The sales growth experienced in 2009 is mainly the result of the foreign acquisitions. The operating result (EBITDA) improved by 32.7% to CHF 189,4 million. Due to acquisition-related goodwill writedowns, the consolidated profit of CHF 55,6 million was 5.9% less than in the previous year.

In 2009, all divisions of Bell Switzerland posted better results. The sales volume improved by 2% to 122.3 million kilograms, while net income was down 2.4% on average year-on-year due to lower sales prices. Food consumption remained stable in spite of depressed consumer sentiment. Swiss products and regional specialities in particular were in demand, but seafood and products with a greater convenience level were also popular. The trend has shifted to cheaper and more expensive products at the cost of products in the medium price range.

Outside of Switzerland, the economic crisis had a larger impact on consumer spending, which intensified competitive pressure. This was worsened by the currency turbulence in Eastern Europe, but the integration of the companies taken over in 2008 nevertheless continued as planned.

VISION
In the centre of the plate

Bell takes up the centre of the plate with its meat, charcuterie, poultry, seafood and convenience products. Bell’s products represent the best and most enjoyable ingredient of any meal. As a full-service supplier to its customers, Bell is number one in Switzerland – not only in terms of volume, but also in terms of added value and return. This is achieved with a very high level of skill and an excellent performance every day.

OUTLOOK
Market remains challenging

In Switzerland, we expect growth to slow down and stabilise at the current high level. Consumer sensitivity to prices will continue to exert pressure on the margin structure. The situation in Europe remains tense, but some markets are showing slight signs of a recovery.

On the international stage, we wish to exploit the additional potential of the charcuterie line, which has a high rate of value creation. In order to further strengthen their activities in Europe, we will supplement our existing portfolio in a targeted manner.

Hansueli Loosli
Chairman of the Board of Directors

Adolphe R. Fritschi
Chief Executive Officer

Editorial

RECORD YEAR FOR BELL SWITZERLAND – CONSOLIDATED POSITION IN EUROPE

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

DEAR SHAREHOLDERS
The 2009 financial year was an extraordinary year, like hardly any other in the 140-year history of our company. In Switzerland, we had a record year and we managed to consolidate our international position even further.

At CHF 2,548 billion, operating income reached a new all-time high. The sales growth of around 31 percent (CHF 608 million) was driven by our foreign acquisitions. The operating result (EBITDA) improved by CHF 46,7 million to CHF 189,4 million (+32.7%). At CHF 55,6 million, the consolidated profit was down CHF 3,5 million or 5.9% year-on-year, mainly as a result of acquisition-related goodwill writedowns.

In Switzerland, we performed well in spite of the pressure on prices and margins, while the impact of the uncertain economy on our foreign businesses was much more noticeable. Restrained consumer sentiment intensified the competitive pressure. Although the currency turbulence in Eastern Europe eased somewhat in the second half of 2009, the losses suffered in the first six months of the year could not be eliminated fully.

BELL SWITZERLAND ENJOYED A RECORD YEAR – All divisions of Bell Switzerland contributed to the positive result in 2009. Sales volumes increased by 2 percent to 122,3 million kilograms. As sales prices were 2.4 percent lower on average, the net income of CHF 1,775 billion was approximately CHF 12 million less than in the previous year (-1.5%) in spite of the growth in sales volumes.

Bell Fresh Meat improved its performance again in 2009. Meat production from slaughter animals increased by around 6 percent to 96,662 tonnes, while imports almost halved as a result of the restrictive import release policy of the Federal Office for Agriculture. In total, sales volumes grew by 394 tonnes to 51,811 tonnes, with product ranges with high added value doing particularly well.

Bell Charcuterie increased its sales volumes by approximately 1,119 tonnes (+3.6%). All product groups contributed to this growth, not least thanks to our successful innovation policy and the extension of our product lines. However, the performance for the second half of the year was weaker than for the first half because of the price competition on the market and a general rise in costs had a negative impact on the margins.

All divisions of Bell Switzerland contributed to the positive result in 2009.

Bell Poultry successfully improved again from an already high level. The division's core business with fresh Swiss poultry posted substantial growth, while meat production remained stable at approximately 21,746 tonnes (-1.0%). In the import business, we specifically did not engage in activities that generate a small margin.

The demand for seafood increased again in 2009, even though seafood prices are generally higher. In this environment, Bell Seafood noticeably improved its sales volumes by 620 tonnes to 3,648 tonnes (+20.5%). The traditionally strong holiday season business, for example Easter and Christmas, was very successful, but our division is continuously reducing its dependence on these peak sales periods.

Bell Convenience again posted strong growth in its still expanding market segment, with sales volumes increasing by 6.9 percent to 7,332 tonnes. The trend towards ever fresher products with a shorter shelf-life is becoming the standard. In this segment in particular our business unit successfully launched a number of new products.

Bell Switzerland saw some organisational changes in 2009.
The historically evolved catering business, which was mainly used as a marketing tool, has been discontinued, and the event catering activities were outsourced to SV (Schweiz) AG.

Gastro Production Kriens will be closed at the end of October 2010, and the work done at this site will be moved to other sites of Bell Switzerland, mainly to Oensingen, Basel and Cheseaux. These activity transfers are mainly the result of changes in the Swiss food service market, and in particular the by-passing of intermediaries and consolidation of the output market.

Thorid Klantschitsch took over the management of Bell Switzerland on 1 January 2010, and is also a member of the Bell Group Executive Board. Markus Bänziger took over as Head of the Convenience Division after acting as interim head since the beginning of 2009.

BELL INTERNATIONAL CONSOLIDATES ITS POSITION –
The integration of the companies taken over in 2008 is continuing as planned. Bell International posted an operating income of CHF 772.8 million in 2009. Groupe Polette joined the Bell Group in July 2008, ZIMBO in December 2008 and Abraham in January 2009. There is thus no prior-year comparison. It can generally be said that the raw material prices for pork have eased again.

In Germany, continued weak consumption has intensified the already heavy competitive pressure, which is reflected primarily by expensive products such as air-dried ham. Thanks to a broad portfolio of regionally protected specialities and targeted trading activities, the ham specialist Abraham held steady in this difficult market environment. The budgeted sales volumes, however, could not be achieved. ZIMBO introduced new products to successfully counter the competitive pressure and successfully defended its strong position in the German charcuterie market.

In France, the weak economy mainly caused damage in the last four months of the year, but Groupe Polette held up well in spite of depressed consumer sentiment. Sales volumes are in line with our expectations, but the pressure on margins is intensifying. To encourage further growth, Salaison St-André in Saint-André-sur-Vieux-Jonc close to Bourg-en-Bresse was taken over on 8 July 2009. This allowed us to quickly increase our production capacity for the Polette range. For strategic reasons, we sold our 50% stake in the Alsace-based Maurer Frères SA to a private French investor.

Our growth in Eastern Europe was hampered by the slump in demand triggered by the shaky economy. The currency turbulence also aggravated the situation. In Hungary, the sudden increase in value added tax enhanced the pressure on the margins, and we also sold our specialty stores in Hungary. Our branch shops in the Czech Republic continued to do very well. To cushion future currency risks and expand our production capacity in Poland, the Stastnik Polska production facility in Niepolomice close to Cracow was taken over on 1 May 2009. In this factory, around 80 employees produce mainly Polish specialities.

In Spain, the recession had a negative effect on the traditionally strong air-dried ham product group, specifically in the second half of the year. As long maturing times mean that production volumes can only be tweaked in the medium term, there were surplus stocks for the 2009 Christmas season. We expect this market to become easier again in the second half of 2010.

Our business in the Benelux countries is doing well. To strengthen our sales organisation for this region, we acquired the Belgian trading company Marco Polo N.V. in Zellik close to Brussels on 31 December 2009. This company specialises in the sale of premium charcuterie products in the Benelux countries.

SHARE PRICE – At CHF 1,551, the Bell share price at 31 December 2009 was 19.3 percent above the year-end price for 2008 (+ CHF 251). While the share price enjoyed a healthy recovery in the first half of the year, it stagnated in the second semester. The Board of Directors is requesting the Shareholders' Meeting to leave the dividend at CHF 40 per share in view of the Group's overall result and its strategy of continued international growth.

OUTLOOK FOR 2010 – In Switzerland we expect growth to slow down and stabilise at the current high level. We believe that consumption of meat and meat products will remain stable for as long as there are no new external factors to influence this situation. The increased price sensitivity of consumers and therefore also the retail trade will continue to exert pressure on our margins.

In Europe, some markets are seeing signs of a slow recovery in consumption, but the situation will continue to be tense for some time. We are nevertheless continuing with our internationalisation strategy without any detours, and we will selectively expand our business activities using our existing bridgeheads in other countries.

THANK YOU – Our heartfelt thanks are due to you, our valued shareholders, for your continued confidence in our company. We also owe many thanks to our customers and business partners for their loyalty and good collaboration in 2009. And last but not least, the Board of Directors and the Executive Board would like to thank all our employees for doing their work with great commitment every single day.

Hansueli Loosli
Chairman of the Board of Directors

Adolphe R. Fritschi
Chief Executive Officer

We are continuing our internationalisation strategy without any detours.

FEATURE

VALUABLE RAW MATERIALS

The butcher profession is an old craft. It supplies us with important nutritional components, for example the amino acids contained in animal protein. Knowledge, skill and care are required to make sure that the meat presented on the counter stimulates the appetite and invites the consumer to enjoy its taste.

The *Bell plant in Oensingen* is one of the most modern of its kind in Europe. Here, only cattle are slaughtered and deboned and the meat packaged in portions: ready for the cooling shelves in the supermarket.

Peter Winz (40)
Butcher

Bell Fresh Meat, Oensingen plant, Switzerland
With the company since 2007

BELL SWITZERLAND

MARKET ENVIRONMENT – Although food consumption in Switzerland remained stable in 2009, the strong polarisation in consumption patterns attracted notice: shifts towards cheaper products on the one hand and towards more expensive products on the other to the detriment of medium-priced products have been identified.

Swiss meat was generally in demand, not least because of attractive prices, in particular specialities, regional products and products with a high convenience level. The barbecue ranges were also popular, even though the weather was not as good as it can be in 2009. Compared to private consumption, out-and-about consumption trended downwards for the traditional and industrial food service sectors. Seen overall, we believe that meat consumption in Switzerland remained stable in 2009.

The domestic market for Swiss meat grew satisfactorily, and total Swiss meat production improved by almost 3 percent. Processed products such as sausages and charcuterie account for the lion's share of this growth. The market for imported meat suffered a blow from the restrictive import release policy of the Federal Office for Agriculture, and imports contracted by almost 50 percent on average.

With approximately 135,000 tonnes, Bell is the largest meat processing company in Switzerland. As far as meat production is concerned, Bell has successfully expanded its market share for slaughter animals to about 25 percent. Its share of the poultry market dropped slightly to 34 percent.

AGRICULTURAL POLICY – The ongoing negotiations regarding a free trade agreement for agricultural products with the European Union represent an important step for Switzerland towards the opening of an insulated market. Bell is in favour of free trade with the EU for the following reasons:

→ The need to feed a growing global population is increasingly becoming an international challenge that should not be made even more difficult by trade barriers and market distortion.
→ Border control for Swiss agricultural products has already been weakened by existing agreements as well as border region shopping tourism, which accounts for almost CHF 600 million for meat products alone.
→ A free trade agreement affects not only the agricultural industry, but also the entire value chain, including the upstream and downstream sections (which are much more relevant than agriculture for both the national value chain and the number of jobs). Without promising prospects for the future, the processing industry will no longer invest in Switzerland.

Bell has therefore joined the Swiss Agriculture Interest Group (IGAS), a broad-based platform consisting of 14 companies and 16 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 Bell's point of view, such an agreement will offer new opportunities and possibilities for the Swiss agricultural and food industries.

ORGANISATION – Bell Switzerland saw some organisational changes in 2009. The historically evolved catering business, which was mainly used as a marketing tool, has been discontinued for strategic reasons, and the event catering activities were outsourced to SV (Schweiz) AG. Bell is still managing its four staff canteens providing meals to employees.

Gastro Production Kriens will be closed at the end of October 2010, and the work done at this site will be moved to other sites of Bell Switzerland, mainly to Oensingen, Basel and Cheseaux. These activity transfers are mainly the result of changes in the Swiss food service market, and in particular the by-passing of intermediaries and consolidation of the output market. Sixty employees are affected, and they were offered alternative job options in Oensingen, Zell and Schafisheim.

Thorid Klantschitsch took over the management of Bell Switzerland on 1 January 2010, and is also a member of the Bell Group Executive Board. Markus Bänziger took over as Head of the Convenience Division after acting as interim head since the beginning of 2009.

FRIGO ST. JOHANN AG – The storage and logistics company Frigo St. Johann AG, a Bell subsidiary, had another successful year in 2009. At 87 percent, the utilisation of storage capacity was slightly below the previous year. Frigo, however, is gaining a reputation for offering ever more additional services as a partner for freezing logistics services, thus generating added value in addition to the frozen storage business.

«Financially, Bell is a dynamic and healthy company.»

Thorid Klantschitsch
Head of Bell Switzerland
since 01.01.2010

What fascinates you about your new job with Bell?
Thanks to excellent products of a very high quality, Bell is a leader in its market. I am fascinated by the work required to maintain this level and to improve it if possible. It is an interesting and challenging job, particularly in view of the upcoming changes in the market and the technical and political conditions and paradigms. To remain successful, a well-developed talent for observation and the courage to accept and consistently implement innovation are needed. This has inspired my enthusiasm for this position.

What is your first impression of Bell?
Financially, Bell is a dynamic and healthy company. The company has energetically pursued its objectives and introduced products to the market that are popular among the customers. The internal processes and structures are aligned with the market, and the projects required to expand much needed capacities have been launched. The employees identify with Bell, they are proud of their employer, believe in a successful future, and pull in the defined direction with all their might. This has a resounding effect that also has a positive impact on our customers.

On what will you focus in the first few months?
The focus will fall on our relationship with the market and on getting to know the employees and customers, as they are Bell's most important resources. As far as they are concerned, I aim to lay an important foundation for trust, but I am well aware that this cannot happen overnight and must be the final product of a long development process. In terms of content, the focus falls on a review of the individual organisational units, in particular as regards innovation management throughout the entire value chain. Top quality, Swissness and a competitive cost structure are the features that will ensure survival in an open market. New products and innovative technologies will help us achieve sustainability in this area.

Bell Switzerland – Fresh Meat

GROWTH AND LARGER MARKET SHARE

In 2009, the Fresh Meat Division reported further growth and won additional market shares. Business was very good in the first half of the year in particular, but tailed off slightly after the summer. The volume of meat sold rose by 0.8 percent to 51,811 tonnes, while sales dropped by 1.6 percent to CHF 775 million due to pronounced negative inflation.

«We are constantly investing in our processing operations as the Swiss origin of our meat will continue to take centre stage in future»

Josef Dähler
Head of Fresh Meat Division

Domestic production increased substantially thanks to lower prices, which at least partially cushioned the effect of the much lower import quotas. Beef slaughter volumes in particular increased, as the high beef slaughter prices in the past few years kept the supply of slaughter animals relatively high in 2009. In early summer, however, demand slumped and prices fell. Bell was able to offer consumers lower-priced beef, which met with popular demand. The food service sector on the other hand still preferred imported special cuts.

The oversupply of pork led to a collapse in the pork price after the summer. As this price slump fits neatly into a cycle that is repeated over the course of several years, we can assume that the price for pork will rise again.

The ongoing economic crisis has made consumers more aware of prices. Special offers did very well, and sales volumes increased sharply for lower-priced products. Prime cuts, however, are still in demand, such as the Bell Finest Swiss Beef product line, the market position of which has been strengthened throughout the year with targeted sales promotion measures.

There is a rising demand for ready-for-the-pan convenience products of a top quality. The many new products launched during the year include meat strips that can be cooked directly in the sauce delivered in the same packet as well as successful mince products such as handmade meatballs and hamburgers, cordon bleu with a regional cheese, and hand-sliced Bell Finest Chinoise. The new barbecue specialities also met with a good market reception.

As far as production is concerned, we constantly invest in new machines and plants. By introducing new technologies and developments we can cut our energy consumption and save on refrigerating costs. Costs as a ratio of sales volumes remained more or less stable. The new building in Oensingen commissioned in 2006 has already reached its capacity limits, and we are planning to build an extension in 2010 that will expand our production and storage space.

Slaughter volumes [in tonnes]	**Δ%**	**2009**	2008
Pork	+3.8%	57,895	55,787
Beef	+9.8%	31,680	28,855
Veal	+4.2%	6,376	6,117
Lamb	-2.7%	684	704
Total	+5.7%	96,635	91,463

Bell Switzerland – Charcuterie

IMPROVED SALES VOLUMES FOR ALL PRODUCT GROUPS

The Charcuterie Division posted further sales growth of 1.7 percent to CHF 454 million, with production volume reaching 32,213 tonnes, up 3.6 percent year-on-year.

«We serve enjoyment and quality on the plate for our consumers»

Adolf Maassen
Head of Charcuterie Division

While the first months of the year were very satisfactory, sales slowed down in late summer and the targets could no longer be reached. Consumers have become more aware of prices, and volumes increased sharply for lower-priced products in particular. Sales for the scalded sausage, dry sausage and cured meat product groups were on a par with the previous year, and no shifts have been recorded. Raw material costs were still high at the beginning of the year but started falling later. The increase in energy costs cannot be passed on to the customers.

Both the Bell Tradition and Bell Spécialité product ranges were extended and the launch of new products was supported with sales promotion measures. The new product range Bell Snapéro was introduced successfully in the autumn. These selected apéritif and snack products have a high convenience level and appeal mainly to a young and active target group. Entry into the apéritif and snack market also involved the introduction of new technologies and machines.

Bell Group's internationalisation policy led to changes in its export strategy. Swiss specialities are now sold in Germany under the well-established ZIMBO brand. This means that synergies between the independent group members can be exploited better. Abraham is also launching several new air-dried ham products in Switzerland.

Product volumes charcuterie [in tonnes]	**2009**	2008
Scalded sausages	17,301	16,690
Dry sausages	3,440	3,270
Cured meat products	9,621	9,312
Trading goods	1,851	1,822
Total	32,213	31,094

Bell Switzerland – Poultry

SUCCESS WITH FRESH SWISS POULTRY

Consumption of fresh domestic poultry is still rising. The Poultry Division's total sales dropped by 1.9 percent to CHF 357 million. Slaughter volumes also decreased slightly by 1.0 percent to 21,746 tonnes.

«We focus clearly on our core business, which is fresh domestic chicken. The Bell Poulet Suisse brand is very successful and popular»

Christine Schlatter
Head of Poultry Division

The core business, i.e. fresh poultry from domestic sources, continued to expand and we gained market shares in the retail business in particular. Cash and carry sales also rose, while the rest of the food service sector and industrial sales dropped below the previous year. Thanks to our integrated production processes we have a close partnership with some producers. Within Bell Group, the Poultry Division has a special position in this regard.

For imports, we focused on profitable business segments and left out segments where the margins are small. This is one of the reasons why sales to the food service and industrial sectors fell.

As consumers have become more price sensitive, demand shifted in the second half of the year towards the lower-priced product lines. This did not, however, affect the organic labels, which have a loyal following among consumers. Sales for these labels remained stable or increased. We successfully optimised our cost management even more, and continued to invest in internal logistics and preliminary work for larger projects planned for 2010.

The Poultry Division is very creative when it comes to developing new products and processes. New ideas are generated and tested with the help of customers and their development departments, external partners and consumers. To this end we used, for example, a web-based platform as well as workshops in various guises.

The Meat Specialities business unit did not achieve the budgeted sales figures. Due to market difficulties, business during the game season was not very satisfactory. Prices were lower than in the previous year, and sales volumes did not meet our expectations.

Slaughter volumes poultry [in tonnes]	Δ%	**2009**	2008
Total	-1,0	21,746	21,958

Bell Switzerland – Convenience

TREND TOWARDS EVER FRESHER PRODUCTS CON-TINUES UNABATED

Bell Convenience continued to grow in 2009. Sales improved by 3.4 percent to CHF 81 million, and at 7,332 tonnes, sales volumes are up 6.9 percent from the previous year.

Bell Switzerland – Seafood

BURGEONING DEMAND GUARANTEES FURTHER GROWTH

Bell Seafood's sales volumes improved again in 2009 and increased by 20.5 percent to 3,648 tonnes. Sales rose by 11.9 percent to CHF 87 million.

«Our new product ranges meet the needs of the consumer, who wants a fresh product with a high level of convenience»

Markus Bänziger
Head of Convenience Division

The new product ranges such as the ultra-fresh sandwich triangles and fresh salads also contributed to this satisfactory result. The overall convenience market is growing steadily, and the trend towards ever fresher products with a shorter shelf-life is becoming the standard. As a result, the composition of the individual components is changing strongly.

In the food service sector, demand is growing for semi-cooked products, which are slowly replacing menu components. Cooks using menu components base their dishes on a basic product and their own variations, and then process the individual components themselves. This market will also continue to grow.

Consistent cost control as well as stagnating or declining raw material prices also contributed to the good result. Other important success factors include our innovative power and outstanding production processes.
We moved into the new extension in January 2009, which improved our situation as regards available space and allowed us to optimise our production flows.

«We distinguish ourselves through efficiency and a consistent customer focus»

José-Manuel Seabra
Head of Business Unit Seafood

Bell Seafood is a member of the WWF Seafood Group.

WWF SEAFOOD GROUP
WWF for a living planet®

As demand for seafood is continuing to rise, Bell Seafood once again posted substantial growth boosted by successful sales promotion measures such as tastings in retail branches. We also offered more cooking courses in our own kitchen this year, both for customers and for consumers. We started expanding our premises in 2009, and this work will be finished by March 2010, thus enabling further growth.

The most important business seasons, i.e. Easter, the barbecue season and Christmas, were very successful, but we also managed to reduce our dependence on these seasons. We successfully launched new products such as the summer barbecue platter and a fish fondue platter for the festive season.

Bell Seafood gave concrete form to its efforts to promote sustainability.
The MSC (Marine Stewardship Council) certified product range was expanded further. This label confirms that the products meet the standards for traceable and sustainable fishing. In 2010, Bell Seafood joined the WWF Seafood Group after having worked with this organisation's guidelines for more than two years. The members of this organisation undertake to sell only products that are sustainable and to refrain from selling fish threatened with extinction. The organisation also draws up measures intended to save endangered species. As a result, the entire product range has a new focus.

FEATURE

PRECIOUS AND GOOD

The preparation of meat and sausages is an art that requires a lot of experience and knowledge, and sometimes also patience and far-sightedness. Not only for air-dried ham, but for all the new products that are developed every year. The result is always something that tastes especially good.

Sanchez Alcaraz is a company in the Abraham Group which is based in Toledo. Here, superior Spanish air-dried ham matures for up to 38 months. Serrano and Iberico ham are amongst the best in the world.

José Antonio Tejada (37)
Plant Manager

Sanchez Alcaraz, Casarrubio del Monte (Toledo), Spain
With the company since 2001

BELL
INTERNATIONAL

GERMANY – The picture of the German market was mixed in 2009. Seen overall, volume development was stable, but the uncertain economy put severe pressure on prices and consumers switched to lower-priced products.

The raw material situation for pork was much quieter and more stable from the point of view of the processing sector than in 2008, a turbulent year for raw materials. For the air-dried ham specialist Abraham, the long production and maturing times meant that the performance at the beginning of the year was still burdened by the high prices for raw materials in 2008. The shaky economy also made consumers generally reluctant to spend money on premium products, particularly at the beginning of the year. With the help of various measures such as the development of new special offers and second-placed products, sales improved during the course of the year.

Its specialisation in air-dried ham continues to serve as the foundation for Abraham Group. On the one hand Abraham focuses on a broad-based national and successful international product portfolio comprising various products with EU-protected provenance (in Germany, Black Forest ham and Ammerland ham), and regularly expands its range with new products and offers. On the other hand the company works intensively to optimise efficiency in a bid to put its strategy of cost leadership on a sustainable footing. In 2009, Abraham presented its wide range of products at ANUGA, the world's largest food trade fair in Cologne.

The charcuterie specialist ZIMBO is continuing along its chosen path and its operations are well on track. The restructuring process initiated in 2008 was finalised in the reporting year. By commissioning a new central warehouse in Bochum, ZIMBO also reorganised its

«The strategy of specialising in air-dried ham is paying dividends: due to our broad-based product portfolio we are a one-stop provider of a large number of international specialities»

Christian Schröder
CEO of Abraham Group

logistics processes. As far as production is concerned, the expansion of the dry sausage production facilities in Börger took centre stage. The three production sites consistently focus on strategy and product ranges.

On the market side, the focus fell on growth through innovation with the successful launch of the mini snack range in spring and the Original Swiss range in autumn. ZIMBO also introduced a new red hot chilli barbecue sausage to the market in spring. The Fineo range received the "Product of the year 2009" award of the renowned trade magazine "LebensmittelPraxis", and special labels reflecting this award were used for the retail stock.

EASTERN EUROPE – The general economic crisis had a worse effect on the Eastern European markets than the markets in Western Europe. The first trimester in particular was burdened by severe currency effects. The economic crisis also had a much bigger impact on food sales in Eastern Europe, also because the share of disposable income spent on food is generally higher in Eastern Europe. In Hungary, the sudden increase in value added tax intensified the pressure on the margins, but the markets can generally be expected to stabilise again in the medium term.

In spite of these difficulties, ZIMBO successfully expanded its market position in Eastern Europe. However, the slump in demand triggered by the weak economy adversely affected our growth, and this situation was worsened by the currency turbulence. This did not leave deliveries to the retail and wholesale trade unscathed. In spite of this, the branch shops in the Czech Republic did very well. In Hungary, the shop-in-shop specialty stores were sold when the shopping centres changed owners.

«Thanks to our innovation skills we are experiencing good quality growth in our home market, and Eastern Europe is also offering many opportunities»

Christof Queisser
CEO of ZIMBO Group

To cushion future currency risks and expand our production capacity in Poland, an important output market, the Stastnik Polska production facility in Niepolomice close to Cracow was taken over on 1 May 2009. In this factory, around 80 employees produce mainly Polish specialities. Our own factory in Poland now accounts for around 80 percent of our sales in this country. With this acquisition, Bell Group reacted very speedily to the currency crisis and already doubled its sales in Poland in the reporting year.

ZIMBO will continue to invest in the expansion of the Eastern European market in spite of the challenging market situation, as this market will have much development potential over many years to come. The prospects are very promising, especially in the self-service segment, where ZIMBO is also a strong contender in its home market in Germany. Investment in the Eastern European market is therefore very important as far as strategy is concerned. The ZIMBO sales company opened in Russia in December 2008 commenced operations in the reporting year and got off to a very good start.

«Consumers are attracted by the regional origin of our products»

Philippe Polette
Directeur Général
Groupe Polette

FRANCE – Private charcuterie consumption increased overall in 2009, particularly in the self-service segment. Bell's activities in France focus on three charcuterie market segments, i.e. dry sausages, air-dried ham and cured ham, product groups that for many years have been outgrowing the overall charcuterie market. In spite of the cut in VAT rates, charcuterie prices remained relatively stable in 2009, but the difficult economy intensified the competitive pressure noticeably.

Although Bell was severely affected by economic conditions in France, in particular in the third trimester of 2009, Groupe Polette based in Clermont-Ferrand nevertheless managed to hold on well. Sales volumes for the five production sites were in line with our expectations, although the pressure on margins is intensifying. To encourage further growth, Salaison St-André in Saint-André-sur-Vieux-Jonc close to Bourg-en-Bresse with 100 employees was taken over on 8 July 2009. This will allow us to quickly increase our production capacity for the Polette range.

As regards product development, the focus falls on traditional regional specialities. A new product concept called Le Polletou featuring traditional recipes and original retro packaging was developed and launched in 2009.

Bell Group sold its 50% stake in the Alsace-based company Maurer Frères SA to a private French investor. Although Bell held this investment for more than 20 years, it no longer meets the requirements of Bell Group's internationalisation strategy. An agreement was therefore reached with the second owner, Coop Alsace, to find a suitable new owner for Maurer Frères.

OTHER MARKETS –

– Spain Spain has been affected particularly harshly by the economic crisis. The market for Serrano ham and especially Iberico ham is suffering from contraction of volumes as well as value. The Abraham company Sanchez Alcaraz close to Madrid, which specialises in the production of Serrano and Iberico ham, is doing relatively well in spite of the general market trend. Approximately half of the output is exported, including to the US, where a licence for the export of Serrano ham was issued in the year under review. In Spain itself, the air-dried ham, which matures within 12 to 38 months, is sold whole or sliced as self-service products through the retail trade.

Long maturing times mean that production volumes can only be adjusted in the medium term. The market-driven slump in sales led to an enormous oversupply – particularly during the Christmas season from October to December. Sanchez Alcaraz also did not manage to escape this development unscathed, but the situation is expected to ease in the second half of 2010.

– Belgium, the Netherlands and Luxembourg (Benelux) As in the rest of Europe, consumers in the Benelux countries are reluctant to buy premium products. We partially bucked this trend with more special offers.

The Abraham plant in Libramont-Chevigny in the Belgian Ardennes specialises in the production of Ardennes ham, a speciality with great importance for this region and which is protected by the PDO label (protected designation of origin).

In a bid to strengthen the specific features of the trading environment and the sales organisation in this region in a targeted manner, Bell took over the Belgian trading company Marco Polo N.V. in Zellik close to Brussels on 31 December 2009. The company has 35 employees and generates annual sales of approximately EUR 60 million. It specialises in selling top-quality charcuterie products in the Benelux countries. Marco Polo already distributed Bell Group products before the takeover, and is now managed by ZIMBO.

Sales and production volumes for Bell International	Sales [in CHF million]	Production volume [in tonnes]
Abraham Group	267	23,832
ZIMBO Group	421	53,399
Groupe Polette	98	10,340
Maurer Frères	32	3,017
Total Bell International	818	90,588


NOVÁK
MASO-UZENINY
NOVÁK

FEATURE

VERY PERSONAL

Buying meat and sausage over the counter means that you can see the freshness and quality of the meat, express your desires, which are met with understanding, and receive advice. This makes a world of difference and raises anticipation of the taste.

Novák is a chain of specialty stores inside supermarkets. ZIMBO operates over 70 Novák stores in the Czech Republic, Romania and Slovakia. Novák offers its customers cheese and baked goods in addition to fresh meat and sausages.

Monika Zmeškalová (41)
Store Manager

Novák Maso-Uzeniny, Rícany (Prague), Czech Republic
With the company since 2001

CORPORATE SOCIAL RESPONSIBILITY

Bell not only accepts responsibility for its products, but would also like to be perceived as a responsible member of society everywhere it operates. It goes without saying that quality takes top priority for the Bell Group. We do not, however, base our definition of quality only on the final product and its freshness, taste or enjoyment, but also on the production process.

QUALITY MANAGEMENT AND FOOD SAFETY

Bell Group has a comprehensive quality management policy based on the IFS Food 5 guidelines, the BRC Global Standard for Food Safety Issue 5 and, partly, QS. In the reporting period, Bell carried out internal and external audits at all Group companies. The goal of the quality management system is to guarantee product quality and compliance with all food safety regulations at all times and in all respects.

Internal audits are carried out and assessed regularly at all sites. A number of external certification audits are carried out within Bell Group every year, and in the reporting period all audits were passed and confirmed.

All production companies are audited according to the IFS Food 5 standard, and logistics are audited against the IFS Logistics standard. Some of the production companies are also audited against the Global Standard for Food Safety Issue 5 of the British Retail Consortium. The certificates were confirmed for all companies.

Various organic labels (Bio, Bio Knospe, Öko) and other quality labels (QS, Suisse Garantie, Marine Stewardship Council, Berg und Alp) were also confirmed by external audits at all relevant sites. The licences of two companies exporting meat products to the US and Canada were reviewed and renewed this year by the United States Department of Agriculture (USDA).

Apart from the annual certification audits, customer audits were also carried out at some plants, and a survey using meaningful criteria to measure customer satisfaction was also launched. The results were assessed on a customer-specific basis.

All companies work with an HACCP concept (Hazard Analysis and Critical Control Points), which is adjusted if necessary together with the quality management concept. The management, product management and quality management teams regularly discuss these concepts. Our employees attended regular and intensive training sessions on hygiene and food safety, which enhanced their understanding of the benefits of improved hygiene and other processes.

The internal audits are assessed regularly, and the results, in particular on process deviation, are presented to the Executive Board who then defines the measures required to correct and prevent such deviations. Additional measures are defined as part of the annual objectives process and reviewed four times a year. The management boards monitor the success of measures derived from previous management system audits.

PROCUREMENT AND SUPPLIER ASSESSMENT – Bell has issued guidelines that set out the basic rules applying to the purchase of animals for slaughter. These guidelines comply with all applicable local laws and take account of company and customer-specific features. The guidelines prescribe the natural rearing of animals and livestock farming methods appropriate for each species, and underline the importance of animal welfare and animal health.

Imported meat is obtained from producers around the world who were selected in accordance with strict criteria. Suppliers are subjected to regular internal and external audits and must document their compliance with the criteria set by Bell.

In the case of Swiss 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.

Bell procures goods for resale and non-food articles in compliance with social, ethical and ecological criteria, applying article-specific purchase conditions. We attach particular importance to the sustainable husbanding of resources and expect our suppliers to comply with the Business Social Compliance Initiative (BSCI) standards.

We conclude quality and supplier agreements with all our most important suppliers and demand certificates of conformity for primary packaging material. We regularly audit our most important suppliers.

To maintain our own hygiene standards at a high level, we require IFS, BRC, HACCP or equivalent certification for all suppliers of primary packaging materials and foodstuff.

All new suppliers must submit to a supplier assessment process. Suppliers that meet our requirements are added to our list of approved suppliers, which is distributed to our product management, development and marketing teams.

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. Bell's international expansion also means that we have to meet the requirements of different legal systems in the individual countries.

ECOLOGY – Bell's task is to source meat for the production of tasty meat products that are also safe. Bell is committed to production in line with livestock farming and feeding methods that 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 in compliance with local country-specific rules.

Bell Group does not have any abattoirs outside of Switzerland, but buys all raw materials ready for processing.

In Switzerland, Bell Group operates its own abattoirs and meat production facilities and only buys the additional raw materials that it cannot supply itself. The by-products of meat production are channelled off in a separate flow under safe and hygienic conditions. Centravo, a company specialising in the disposal of animal by-products, processes these by-products in an ecological and economic manner. Together with other large meat processors, Bell has a financial stake in Centravo. The bundling of the by-products of several meat processors is an important prerequisite for the environmentally sound processing of these by-products.

Given the current hygiene standards and consumer expectations, the packaging of meat is a challenging link in the production chain. Bell endeavours to find the most ecologically sensible packaging solutions that meet the requirements of consumers and distributors. We are making an effort to use paper and carton packaging made from renewable sources, and our first success in this regard is our sandwiches packed in film and carton containers manufactured from FSC-certified wood.

CORPORATE SOCIAL RESPONSIBILITY

The waste recycling concept is an important component of Bell's environmental management policy. Waste is avoided as far as possible, and 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. Bell made further progress in waste recycling in the reporting year. This year, more waste was separated and recycled than previously.

Bell is optimising its sustainability programmes at all sites. An example of this is Börger in Germany, where a biogas plant was put up in collaboration with a local farmer and has been providing the waste heat for the heating elements in the sausage-maturing areas since December 2009. In this regard, the steam heating elements were also exchanged for warm water heating elements.

ENERGY AND WATER – Bell aims to reduce carbon emissions for the whole Group. However, the framework conditions and thus the required steps differ from country to country.

In Switzerland, Bell has adopted a reduction target that meets the CO_2 laws as part of its 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. Bell wants to reduce its CO_2 emissions in Switzerland by 10% compared with 1990 levels by 2010.

In the past few years Bell has intensified its efforts to save energy for economic and ecological reasons. Thanks to its active energy consumption control system which captures energy, water consumption, waste and animal by-product volumes and costs every month, Bell can react immediately to any deviations. This active approach has already led to improvements, and Bell has been able to significantly reduce its energy consumption. Bell is also optimising its infrastructure to meet not only financial and safety criteria, but also specific energy criteria. At its head office in Basel and at ZIMBO, Bell is using new electric smoke-extinguishing filters that reduce CO_2 emissions and are less harmful to the environment instead of afterburning units fuelled by natural gas. In the coming years, the Group will continue its efforts to reduce its energy consumption.

In the reporting period Bell introduced specific measures designed to reduce its water consumption. Economiser jets and switches are being added 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 water consumption when acquiring new production facilities.

OCCUPATIONAL SAFETY – As the safety and health of its employees are extremely important to Bell, every company has its own safety concept. There is a safety officer at every site, and also safety committees at the larger sites. To tighten its safety standards even more, Bell regularly carried out safety audits at all sites in the reporting year, using the results to formulate and implement improvement measures.

The H1N1 flu epidemic did not have any serious consequences, but gave us an opportunity to review the effects of a pandemic under less serious conditions and to finetune our pandemic concept.

HUMAN RESOURCES

Bell Group reviewed its personnel strategy in the reporting year, aiming to standardise the different strategies applied by the various Group companies. Employees were informed on an ongoing basis. Bell Group's basic approach to its employees did not change, but the adjusted strategy has been formulated in detail and is now the same in all countries and for all companies. The only differences that remain are related to the size of the different sites, e.g. whether an employee representation council must be set up or not. The employment conditions meet the minimum labour legislation requirements of every country.

EMPLOYEE SATISFACTION – Employee satisfaction was high again in the year under review, but was not systematically measured at all Group sites. In future, employee satisfaction will be measured in a standardised manner using the same criteria.

Communication channels and platforms such as information events or competitions for good ideas are actively used by the employees at all companies. Employee satisfaction was also enhanced by the ongoing improvement of the absence management system.

EDUCATION AND TRAINING – Bell still sees education and training as an important aspect of its social responsibility. In Switzerland and in Germany, we offer basic training in more than 15 professions, from meat specialist to commercial specialist, from IT specialist to mechatronic specialist.

In Switzerland, we now also train plant managers as part of a basic professional training course or as further education for adults (pursuant to Art. 32 of the Professional Education Ordinance). Long-standing employees without a school-leaving certificate have started with advanced training courses for adults. For us, this is a sustainable investment in staff promotion in Switzerland. We constantly review the possibilities of introducing training for additional professions and upgrading our established training courses.

TALENT MANAGEMENT – We have started harmonising the different talent management systems used by the companies of Bell Group. In this area too, we wish to have a uniform system for all Group companies in future. We are also constantly improving the process itself, which involves regular discussions between line managers and HR officers. Seen overall, the internationalisation of Bell Group is opening up interesting career opportunities for talented employees.

SOCIAL PARTNERSHIP AND EQUAL TREATMENT – 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. This requires the heads of the Bell Group companies to engage in a regular dialogue with the employee representation councils. Bell makes sure that all employees are treated equally at the workplace.

DIALOGUE WITH EMPLOYEES – Annual employee interviews to agree objectives and discuss objective attainment take place in all the countries where Bell Group is present. The processes involved in these employee interviews will also be harmonised. 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.




CORPORATE SOCIAL RESPONSIBILITY

Workforce Bell Group	2009	2008*
Number of employees		
Average number of employees expressed as full-time equivalents (FTEs)	**6,497**	6,393
Number of employees as of 31.12.	**6,561**	6,810
Workforce by country		
Switzerland	**3,417**	3,362
Germany	**1,523**	1,493
France	**403**	530
Czech Republic	**776**	844
Hungary	**226**	468
Others	**216**	113
Share of full-time employees	**77%**	75%
Share of part-time employees	**23%**	25%
Share of men	**57%**	55%
Share of women	**43%**	45%
Share of women in management	**15%**	14%
Number of nationalities	**80**	76
Age structure		
up to 19 years	**3%**	3%
20 – 29 years	**19%**	21%
30 – 39 years	**26%**	26%
40 – 49 years	**30%**	28%
50 – 59 years	**19%**	18%
over 60 years	**3%**	4%
Education and training		
Apprentices	**80**	109
Number of employees who finished a training or further education course	**2,280**	n.v.

* Previous year adjusted

COMMUNICATION

DIALOGUE WITH 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 information vehicles for external stakeholders include our website, the annual and interim reports, and media releases. Bell's central media unit processes approximately 20 requests per week on average from various stakeholder groups. A total of about 3,000 queries were registered and processed via our main website www.bell.ch in 2009.

In terms of internal communication, information on important developments concerning Bell is provided primarily by means of personal communication, the intranet, staff newspapers and internal newsletters. The Bell companies also promote a dialogue and the exchange of information by way of regular meetings with the authorities in charge and by active participation in trade associations.

BRAND MANAGEMENT – Bell Group holds a number of trademarks in its portfolio and is also the manufacturer for the trademarks. Brand management is decentralised, and every Group company manages its own brands independently. The most important brands are Bell, ZIMBO, Abraham and Môssieur Polette. These main brands are very well known by consumers in their geographic markets and market segments.

Strategically speaking, the brands are well positioned in their relevant markets. For broad-based product ranges, product lines are managed under the brand names. A number of measures are 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, trade fairs, internet platforms, sponsoring, merchandising products, and more.

NOTE

Additional information on corporate social responsibility is available at www.bell.ch under «About Bell», in particular also information on our vision and mission, our stakeholders, and our relationship with our stakeholders.

FEATURE

NATURAL PRODUCTS AND IT

Down-to-earth craft gains stature with the use of technology. Computers help to improve the quality and make the production chain transparent, from pasture to supermarket. They also ensure that your favourite sausage can always be found in its usual place on the cooling shelf.

The *IT centre at Bell’s head office* steers some of the processes for the whole Group. All end products can be traced back to their origin, reliably and discreetly in the background.

Andrea Wolfsperger (34)
Datawarehouse Specialist

Bell Ltd, Basel, Switzerland
With the company since 2002

Financial Reporting and
Corporate Governance

BELL
IN FIGURES

All values rounded up/down individually

Financial report

A YEAR CHARACTERISED BY INTERNATIONALISATION

Martin Gysin,
Head of Finance/Services

For the 2009 financial year, Bell Group posted an increase in sales of 34% and an increase in net income of 31%. In Switzerland volume grew by 2% with average sales price dropping 2.4% resulting in a slight decrease of sales compared to the previous year. The sales growth of 31% is derived from the initial consolidation of Abraham, Stastnik and St-André as well as the consolidated sales for the whole year of Polette (previous year: 6 months) and ZIMBO (previous year: 1 month).

The volume growth reported for Switzerland is derived from fresh meat, charcuterie, seafood and convenience food. While the core business in Switzerland was very successful in the reporting year, the foreign subsidiaries contributed less than expected to the result. The economic crisis mainly impacted the expensive product ranges, and this effect was intensified by the currency turbulence that hit the Eastern European markets.

As the organisational structure changed and charcuterie now accounts for 40% of the business (previously less than 20%), the gross profit margin, measured as a percentage of net income, rose from 31.5% to 33.7%.

At CHF 412 million, personnel expenses were up 34% year-on-year. Other operating costs increased from CHF 160 million to CHF 257 million, with the operating costs rising from 24.1% to 26.3% of net income. This is also a result of the changes to the organisational structure. At 7.4%, earnings before interest, depreciation and amortisation (EBITDA) were on a par with the previous year and reached CHF 189.5 million.

At 3.7%, earnings before interest and taxes were down 40 basis points from the previous year (4.1%). This decline is due to goodwill amortisation: if this is not taken into account, EBIT would be CHF 104.4 million or approximately CHF 20 million more than in the previous year. Excluding goodwill amortisation, the EBIT margin slipped slightly from 4.25% to 4.1%.

Excluding one-time effects of approximately CHF 4 million and goodwill and trademark amortisation of CHF 16 million, the annual profit would be around CHF 75 million or approximately CHF 14 million more than the adjusted profit for the previous year.

Special costs and extraordinary income include an amount of CHF 5.4 million derived from negative consolidation goodwill booked to the income statement. In addition, a book loss of CHF 4 million arising from the sale of our stake in Maurer-Frères was charged to the interest statement. We also recognised special depreciation on investments of Bell Catering of CHF 0.9 million and on real estate in Linthe, Germany of CHF 3.5 million. The latter was necessary because the real estate was put up for sale at a time when the economic situation would not allow a sale at a price equalling the carrying value. We also had to lower the value of the deferred tax assets by CHF 0.9 million.

The Abraham Group acquired in December 2008 was included in the Bell consolidated statements with effect from January. In the 2008 annual report, this investment was reported as a financial investment. Reclassification to the individual asset items was done during the initial consolidation. We took over Stastnik Polska on 1 May 2009, comprising a plant in the vicinity of Cracow, 80 employees and annual sales of approximately CHF 10 million. This acquisition was made because ZIMBO has sufficient sales in Poland to justify this purchase and we can now make full use of our own production facility. With this acquisition we have substantially reduced our foreign currency risk in Poland. We also sold ZIMBO's specialty stores in Hungary in the middle of the year. The 24 stores made annual sales of CHF 15 million. On 1 July we acquired Salaisons de St-André with a plant at Bourg-en-Bresse, 100 employees and annual sales of approximately CHF 30 million. This acquisition will allow Groupe Polette to adjust its capacities to the needs of the market. At the end of the year and as part of a project to streamline our portfolio, we sold our interests in the Alsace-based company Maurer Frères SA and our catering activities in Switzerland and acquired Marco Polo NV, a company that supplies international charcuterie

«We will continue to invest specifically in our international activities to strengthen our market position in the long term.»

Martin Gysin
Head of Finance/Services (CFO)

specialities to the Dutch and Belgian retail trade. A team of 35 employees generates annual sales of approximately CHF 100 million. Marco Polo N.V. was integrated in Bell Group on 1 January 2010.

In April we refinanced the bridge financing taken up to fund the acquisitions made in 2008 with a long-term syndicated loan put up by a total of 11 banks.

As a result of the effects of the initial consolidation of Abraham, Stastnik and St-André as well as the initial consolidation of an entire financial year for ZIMBO and Polette, the balance sheet and income statement changed considerably and a prior-year comparison is not always possible. In spite of the strong increase in the balance sheet total, the equity ratio of 45.5% is still well above the 40% minimum defined by us.

Consolidated Balance Sheet

in CHF thousand	Appendix	31.12.2009		31.12.2008	
Liquid assets	1	81 395		26 492	
Securities	2	7 050		9 739	
Trade accounts receivable	3	142 197		93 704	
Receivables affiliated companies	4	95 885		83 442	
Other receivables		33 468		32 597	
Inventory	5	166 794		113 151	
Deferred expenses and accrued income		10 943		3 885	
Current assets		**537 731**	**41.1%**	363 010	31.9%
Financial assets	13	57 101		128 478	
Intangible assets	14	114 518		86 570	
Land, buildings	15	355 866		334 323	
Machinery and equipment	16	242 072		225 453	
Non-current assets		**769 557**	**58.9%**	774 824	68.1%
Assets		**1 307 288**	**100.0%**	1 137 834	100.0%
Current financial liabilities	9	110 246		251 286	
Trade accounts payable		127 572		128 348	
Accounts payable to affiliated companies	6	11 012		13 971	
Other accounts payable	7	41 714		35 785	
Current provisions	11	9 562		33 731	
Deferred income and accrued expenses	8	70 837		27 613	
Current liabilities		**370 943**	**28.5%**	490 734	43.1%
Non-current financial liabilities	9	273 549		47 787	
Non-current provisions	12	68 018		60 604	
Long-term liabilities		**341 566**	**26.1%**	108 391	9.5%
Liabilities		**712 509**	**54.5%**	599 125	52.7%
Share capital		2 000		2 000	
Retained earnings		544 175		500 795	
Currency translation differences		–16 545		–15 600	
Treasury shares deducted		–9 019		–10 836	
Consolidated profit		55 563		59 061	
Equity before third-party interest in equity		**576 175**	**44.1%**	535 420	47.1%
Third-party interest in equity		18 604		3 289	
Equity		**594 779**	**45.5%**	538 709	47.3%
Liabilities and equity		**1 307 288**	**100.0%**	1 137 834	100.0%

Consolidated Income Statement

in CHF thousand	Appendix	2009		2008	
Sales proceeds	17	2 597 712		1 932 799	
Other operating proceeds	17	32 325		35 863	
Gross proceeds		**2 630 036**		1 968 662	
Reductions in proceeds	17	–82 159		–29 027	
Operating income		**2 547 877**	**100.0%**	1 939 635	100.0%
Cost of goods sold		1 689 363	66.3%	1 329 394	68.5%
Gross operating profit		**858 515**	**33.7%**	610 241	31.5%
Personnel expenses	18	412 215	16.2%	307 445	15.9%
Rent	19	25 985		18 275	
Energy, auxiliary materials	20	50 416		29 956	
Repair and maintenance		47 728		30 290	
Transport		68 373		39 275	
Advertising		28 964		20 950	
Other operating expenses	21	35 385		21 319	
Total operating expenses	22	**669 065**	**26.3%**	467 510	24.1%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**189 449**	**7.4%**	142 731	7.4%
Depreciation of tangible assets	15/16/25	79 903	3.1%	55 689	2.9%
Depreciation of intangible assets	14	5 113		3 207	
Depreciation of goodwill *	14/25	9 386		4 903	
Earnings before interest and taxes (EBIT)		**95 047**	**3.7%**	78 932	4.1%
Financial income	23	9 974		9 989	
Financial expenses	23/25	20 995		12 856	
Net profit before taxes (EBT)		**84 026**	**3.3%**	76 065	3.9%
Taxes	24/25	27 833		17 866	
Net profit after taxes		**56 192**	**2.2%**	58 198	3.0%
Third-party interest in profit		–629		863	
Consolidated profit		**55 563**	**2.2%**	59 061	3.0%

* 2009 net, after deduction of profits from acquistion of participations

Cash Flow Statement

in CHF thousand	Appendix		2009		2008
Net profit after taxes			56 192		58 198
Depreciation of tangible assets		75 486		55 689	
Extraordinary expenses for depreciation of assets		4 417		–	
Depreciation of intangible assets		19 886	99 789	8 110	63 799
Income from sale of fixed assets			–161		–
Income from acquisition of participations			-5 387		–
Loss from sale of participations			4 028		–
Income from evaluation of non-consolidated participations			–2 019		–1 744
Income (-) loss (+) on assets of foundation			–687		1 111
Increase (-) decrease (+) deferred tax assets			811		–
Changes in provisions			–938		–543
Cash flow			**151 628**		120 821
Inventory changes (-) increase (+) decrease		11 516		–12 611	
Changes in receivables (-) increase (+) decrease		–12 915		–22 257	
Adjustments (-) increase (+) decrease		–6 814		4 924	
Changes in current liabilities (+) increase (-) decrease		–35 330		–3 653	
Adjustments (+) increase (-) decrease		9 908	–33 636	2 088	–31 509
Operating cash flow			**117 992**		89 312
Investments in machinery and equipment		–50 824		–40 852	
Divestments of machinery and equipment		1 625	–49 199	943	–39 909
Investments in land and buildings		–6 969		–7 165	
Divestments of land and buildings		1 206	–5 763	2 016	–5 149
Investments in participations and financial assets	10/13	–13 675		–250 690	
Divestments of financial assets	10/13	1 004		1 845	
Divestments (+) / investments (-) of securities		2 690	–9 982	8 031	–240 814
Investments in intangible assets		–3 284		–1 776	
Divestments of intangible assets		70	–3 214	–	–1 776
Investment cash flow			**–68 157**		–287 648
Changes in financial liabilities			18 995		184 974
Investments (-) / divestments (+) in treasury shares			1 825		–10 517
Dividends			–15 688		–15 941
Financing cash flow			**5 132**		158 516
Cash flow balance			**54 967**		–39 820
Liquid assets as of January 01			26 492		67 378
Effect of currency translation on liquid assets			–64		–1 066
Changes in liquid assets			54 967		–39 820
Liquid assets as of December 31			81 395		26 492

Statement of Changes in Equity

in CHF thousand	Share capital	Retained earnings	Currency translation differences	Own shares	Consolidated profit	Equity	Third-party interest in equity	Equity
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 translation	–	–	–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**
Equity as of 01.01.2009	**2 000**	**500 795**	**–15 600**	**–10 836**	**59 061**	**535 420**	**3 289**	**538 709**
Changes in consolidation scope	–	–	–	–	–	–	14 745	14 745
Appropriation of annual profit	–	59 061	–	–	–59 061	–	–	–
Dividends	–	–15 688	–	–	–	–15 688	–	–15 688
Additions/disposals of treasury shares	–	8	–	1 817	–	1 825	–	1 825
Consolidated profit	–	–	–	–	55 563	55 563	629	56 192
Influence of foreign currency translation	–	–	–945	–	–	–945	–59	–1 004
Equity as of 31.12.2009	**2 000**	**544 175**	**–16 545**	**–9 019**	**55 563**	**576 175**	**18 604**	**594 779**

Shares	Number of shares 01.01.	Additions in treasury shares	Disposals of treasury shares	Addition treasury shares for employee stock ownership plan	Disposal treasury shares for employee stock ownership plan	Number of shares 31.12.
Shares issued	**400 000**	–	–	–	–	**400 000**
Treasury shares	–1 812	–7 087	–	–14	578	–8 335
Shares in circulation 2008	**398 188**	**–7 087**	**–**	**–14**	**578**	**391 665**
Shares issued	**400 000**	–	–	–	–	**400 000**
Treasury shares	–8 335	–	686	–6	717	–6 938
Shares in circulation 2009	**391 665**	**–**	**686**	**–6**	**717**	**393 062**

Consolidation and valuation principles

Basic principles The principles governing consolidation, valuation, structuring and presentation comply with the Financial Reporting Standards Swiss GAAP FER. They apply to all companies included in the scope of consolidation.

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 measured and recognised in the balance sheet at the equity ratio. Investments equalling less than 20% are included in the balance sheet at the share price as at 31 December. If no share price was available, the investment is measured at cost minus a value adjustment if there was any impairment. An overview of the companies in which Bell has a stake and a description of the treatment of these associates in the consolidated financial statements are provided on page 60 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 annual exchange rate. 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

		2009	2008
Balance sheet	EUR 1	= CHF 1.4850	= CHF 1.4900
	CZK 1	= CHF 0.0560	= CHF 0.0550
	HUF 100	= CHF 0.5500	= CHF 0.5600
	PLN 1	= CHF 0.3610	
	USD 1	= CHF 1.0350	= CHF 1.0700
Income statement	EUR 1	= CHF 1.5094	= CHF 1.5792
	CZK 1	= CHF 0.0569	= CHF 0.0550
	HUF 100	= CHF 0.5358	= CHF 0.5600
	PLN 1	= CHF 0.3496	

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 intra-group 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 capital was consolidated using the purchase method of accounting, 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. Purchase price adjustments that depend on future results are estimated. 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. If the final purchase price deviates from the estimate, the goodwill is adjusted correspondingly.

Valuation As a general rule, the historical cost method is used. The 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 the companies consolidated for the first time were revalued at the time of the takeover and recognised in the consolidated statements. For the other tangible assets, the residual values were recalculated on the historical cost basis in accordance with Bell's depreciation criteria and adjusted in the consolidated statements.

Cash and cash equivalents 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 stock 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. Inventories with a very long maturation period are measured at the moving average cost for procurement. 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.

Non-current assets Please refer to page 60 for an overview of the Group's non-consolidated investments in 2009.

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

Useful life of non-current 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. In 2009, the initial consolidation of Abraham, St-André and Stastnik resulted in goodwill of CHF 43 million and negative goodwill of CHF 5 million. While the negative goodwill was recognised in the consolidated income statement, the goodwill and trademarks are regularly tested for impairment and adjusted in value if necessary. In 2009, the impairment test did not identify any need for value adjustments.

Provisions / pension liabilities Accruals and provisions are set up and measured in accordance with objective and economic principles, and risks are adequately accounted for. Taxes are deferred in accordance with the liability method on all differences between the FER values and the taxable carrying values at the average tax rate that applies to our Group, i.e. 23.5 % for Switzerland, 33% for Germany and France and 25% for the other countries.

The Bell Group employees belong to the CPV/CAP Pension fund Coop. Pursuant to art. 44 of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV2), the funding ratio of CPV/CAP was approximately 98 % at the end of 2009. At its meeting on 16 October 2009, the Board of Directors of CPV/CAP decided to refrain from introducing any measures to restructure the pension fund by imposing restructuring obligations on the employer. Other personnel liabilities are only recognised in the balance sheet if they are not carried by CPV/CAP.

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

Equity Since 2008, currency translation differences are reported separately as a sub-item of equity. Transaction gains and dividends on treasury shares are allocated directly to the retained earnings.

Employee share participation plan From the third year of service, every employee of Bell Group is entitled to buy 5 (members of Board of Directors, Executive Board and management 10) Bell Holding Ltd shares each 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, 717 shares were distributed to employees in 2009 (prior year 578) and 6 shares were taken back (prior year 14).

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	2009	Share	2008
1. Liquid assets			
Cash	1 221	1.5%	1 978
Cash in post office accounts	202	0.2%	278
Cash in banks	25 546	31.4%	22 115
Fixed deposits	54 426	66.9%	2 121
Liquid assets	**81 395**	100.0%	26 492
Liquid assets by currency			
CHF	62 108	76.3%	11 399
EUR	11 358	14.0%	11 023
Other currencies	7 929	9.7%	4 070
Liquid assets	**81 395**	100.0%	26 492
2. Securities			
Shares and similar investments	2 536	36.0%	4 855
Bonds and similar investments	4 514	64.0%	4 884
Securities	**7 050**	100.0%	9 739
3. Trade accounts receivable			
Valuation adjustment balanced in receivables	**–1 633**		–2 154
4. Receivables affiliated companies			
Companies of the Coop Group	77 985	81.3%	70 527
Other affiliated companies	17 900	18.7%	12 915
Receivables affiliated companies	**95 885**	100.0%	83 442
5. Inventory			
Raw materials and finished goods	160 487	96.2%	109 630
Auxiliary materials	12 479	7.5%	8 108
Value adjustments on the basis of value impairments	–6 172	–3.7%	–4 587
Inventory	**166 794**	100.0%	113 151
6. Accounts payable to affiliated companies			
Accounts payable to Coop	9 203	83.6%	13 766
Accounts payable to other affiliated companies	1 810	16.4%	205
Accounts payable to affiliated companies	**11 012**	100.0%	13 971

Appendix to Consolidated Balance Sheet

in CHF thousand	2009	Share	2008
7. Other accounts payable			
Shareholders	10	0.0%	12
VAT	1 551	3.7%	1 545
Capital and profit taxes	25 875	62.0%	19 238
Other taxes	1 732	4.2%	2 703
Miscellaneous third parties	12 545	30.1%	12 287
Other accounts payable	**41 714**	100.0%	35 785
8. Deferred income and accrued expenses			
Miscellaneous deferred expense	52 320	73.9%	13 813
Accrued personnel and social security expense	18 517	26.1%	13 800
Deferred income and accrued expenses	**70 837**	100.0%	27 613
9. Financial liabilities			
Loans and credits from banks	105 045	27.4%	182 984
Loans from third parties	–	–	64 000
Current accounts with third parties	5 202	1.4%	4 302
Current financial liabilities	**110 246**	28.7%	251 286
Non-current loans and credits	273 549	71.3%	40 843
Other non-current financial liabilities	–	–	6 944
Non-current financial liabilities	**273 549**	71.3%	47 787
Financial liabilities	**383 795**	100.0%	299 073
Maturity structure of financial liabilities			
Due within 360 days	110 246	28.7%	251 286
Due within two years	39 346	10.4%	4 615
Due within three years and later	234 203	61.0%	43 172
Financial liabilities	**383 795**	100.0%	299 073
Financial liabilities by currency			
CHF	234 229	61.0%	234 884
EUR	149 364	38.9%	56 253
Other currencies	202	0.1%	7 936
Financial liabilities	**383 795**	100.0%	299 073

10. Business combinations

	Business combinations			Sale
	Abraham 01.01.2009	Stastnik 01.05.2009	St-André 01.07.2009	Maurer Frères 31.10.2009
Liquid assets	837	41	4	1 213
Trade accounts receivable	45 696	1 294	6 858	4 363
Inventory	63 148	577	4 330	2 447
Tangible assets	63 189	7 458	4 495	11 470
Trade accounts payable	25 462	1 241	14 603	3 084
Financial liabilities	72 733	334	1 498	7 467

Appendix to Consolidated Balance Sheet

11. Current provisions

in CHF thousand	Early retirements	Long service awards	Holiday and extra hours charges	Other provisions	Restruc-turing	Total
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 non-current provisions	813	980	–281	–	–	1 512
Established	–	–	4 832	1 912	1 010	7 754
Used	–103	–833	–5 976	–2 522	–1 010	–10 444
Currency translation effects	–	–	–435	–1 375	–	–1 810
Provisions on 31.12.2008	**1 482**	**900**	**9 061**	**21 278**	**1 010**	**33 731**
Provisions on 01.01.2009	**1 482**	**900**	**9 061**	**21 278**	**1 010**	**33 731**
Changes in consolidation scope	–	–	507	31	–	538
Reclassification accruals	–	–	–	–21 676	–	–21 676
Reclassification non-current provisions	311	980	–834	–	–	457
Established	–	–	1 112	1 911	–	3 023
Used	–348	–758	–4 595	–	–710	–6 411
Currency translation effects	–	–	–29	–71	–	–100
Provisions on 31.12.2009	**1 445**	**1 122**	**5 222**	**1 473**	**300**	**9 562**

12. Non-current provisions

	Early retirements	Long service awards	Other provisions	Deferred taxes	Restruc-turing	Total
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 current provisions	–813	–980	281	–	–	–1 512
Established	1 200	833	–	114	–	2 147
Released	–	–	–	–	–	–
Currency translation effects	–	–	–473	–192	–	–665
Provisions on 31.12.2008	**13 980**	**2 011**	**7 748**	**36 865**	–	**60 604**
Provisions on 01.01.2009	**13 980**	**2 011**	**7 748**	**36 865**	–	**60 604**
Changes in consolidation scope	3 950	–	–770	2 287	–	5 467
Reclassification current provisions	–311	–980	834	–	–	–457
Established	2 097	1 042	–	835	–	3 974
Released	–	–	–993	–531	–	–1 524
Currency translation effects	–14	–	–18	–14	–	–46
Provisions on 31.12.2009	**19 702**	**2 073**	**6 801**	**39 442**	–	**68 018**

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	Deferred tax assets	Other financial assets	2009	2008
Value as of 01.01.	114 961	3 300	1 417	5 725	2 347	728	**128 478**	37 065
Purchase price on 01.01.	114 961	3 300	1 417	5 725	2 347	728	**128 478**	37 065
Changes in consolidation scope	–89 826	–	–579	–	5 238	–55	**–85 222**	2 385
Investments	14 000	428	–	–	–	129	**14 558**	90 460
Divestments	–	–1 100	–158	–375	–	–584	**–2 217**	–1 845
Reevaluation	2 019	–	–	687	–811	–	**1 895**	633
Currency translation effects	–303	–	–13	–	–84	9	**–391**	–220
Value as of 31.12.	40 851	2 628	667	6 037	6 690	228	**57 101**	128 478

* There are no loans to the corporation entities.

14. Intangibles assets

	Software	Trademarks	Others rights	Goodwill	2009	2008
Value as of 01.01.	5 541	11 790	878	68 361	**86 570**	8 861
Purchase price on 01.01.	21 846	11 920	1 322	98 180	**133 268**	46 410
Changes in consolidation scope	2 359	348	96	45 061	**47 864**	94 212
Investments	3 195	–	89	–	**3 284**	1 776
Divestments	–1 182	–	–9	–	**–1 191**	–125
Reclassification	569	–	–	–	**569**	220
Currency translation effects	–11	–40	–5	–240	**–297**	–9 225
Purchase price on 31.12.	26 776	12 228	1 492	143 000	**183 497**	133 268
Cumulative depreciation on 01.01.	16 305	130	444	29 819	**46 698**	37 549
Changes in consolidation scope	1 885	348	52	1 527	**3 813**	1 399
Depreciation *	3 572	1 509	32	14 773	**19 886**	8 110
Value impairments	–	–	–	–	**–**	–
Cumulative depreciation of divestments	–1 114	–	–7	–	**–1 121**	–125
Reclassification	–	–	–	–	**–**	–
Currency translation effects	–20	–25	–3	–250	**–297**	–235
Cumulative depreciation on 31.12.	20 628	1 962	519	45 870	**68 979**	46 698
Value as of 31.12.	6 148	10 266	973	97 130	**114 518**	86 570

* In the income statement the profit from negative goodwill was set off against depreciation of goodwill.

Appendix to Consolidated Balance Sheet

in CHF thousand	Developed land	Production and administration facilities	Constructions in rented locations	Buildings under construction	2009	2008
15. Land and buildings						
Value as of 01.01.	40 048	282 540	1 223	10 512	**334 323**	240 211
Purchase price on 01.01.	40 199	527 346	2 821	10 512	**580 878**	433 481
Changes in consolidation scope	10 942	52 470	2	21	**63 436**	156 938
Investments	23	3 213	26	3 708	**6 969**	7 165
Divestments	–70	–752	–374	–127	**–1 322**	–3 329
Reclassification	–639	5 646	–	–9 710	**–4 703**	–1 827
Currency translation effects	–26	–765	–6	–29	**–826**	–11 552
Purchase price on 31.12.	50 428	587 159	2 468	4 376	**644 431**	580 877
Cumulative depreciation on 01.01.	150	244 806	1 598	–	**246 554**	193 270
Changes in consolidation scope	–	17 856	–	–	**17 856**	43 266
Depreciation	–55	21 410	276	–	**21 631**	14 764
Value impairments	–	3 489	–	–	**3 489**	–
Cumulative depreciation of divestments	–	143	–259	–	**–116**	–1 313
Reclassification	–	–	–	–	**–**	–3
Currency translation effects	–	–772	–77	–	**–849**	–3 430
Cumulative depreciation on 31.12.	95	286 932	1 538	–	**288 564**	246 554
Value as of 31.12.	50 333	300 227	930	4 376	**355 866**	334 323

	Machinery and equipment	Installa-tions	IT hardware	Furnishings and vehicles	Advance payments	2009	2008
16. Machinery and equipment							
Value as of 01.01.	107 950	84 797	6 112	22 967	3 628	**225 454**	194 049
Purchase price on 01.01.	314 576	179 652	33 798	74 778	3 628	**606 433**	466 035
Changes in consolidation scope	68 445	–8 843	87	12 183	419	**72 290**	133 017
Investments	26 086	9 503	3 443	7 135	4 657	**50 824**	40 852
Divestments	–15 598	–6 286	–7 047	–7 341	–1 021	**–37 294**	–24 068
Reclassification	–4 346	1 513	217	9 837	–3 070	**4 150**	1 606
Currency translation effects	–710	–55	–2	–219	–12	**–998**	–11 006
Purchase price on 31.12.	388 453	175 484	30 495	96 373	4 600	**695 405**	606 436
Cumulative depreciation on 01.01.	206 626	94 856	27 686	51 812	–	**380 980**	271 986
Changes in consolidation scope	50 368	–3 954	–18	7 876	–	**54 272**	99 312
Depreciation	27 413	13 568	2 972	9 903	–	**53 856**	40 925
Value impairments	–	928	–	–	–	**928**	–
Cumulative depreciation of divestments	–15 397	–6 285	–7 044	–7 104	–	**–35 830**	–23 125
Reclassification	–7 488	–214	–1	7 702	–	**–**	3
Currency translation effects	–634	–42	–5	–192	–	**–873**	–8 118
Cumulative depreciation on 31.12.	260 888	98 857	23 592	69 997	–	**453 333**	380 983
Value as of 31.12.	127 565	76 627	6 904	26 376	4 600	**242 072**	225 453

Appendix to Consolidated Income Statement

in thousand CHF	2009	Difference	2008
17. Operating income			
Product groups			
Fresh meat	775 373	–1.6%	788 041
Charcuterie own production	377 083	1.4%	372 037
Charcuterie purchased	76 732	3.7%	73 985
Poultry	339 617	–0.4%	340 860
Meat specialities (game/rabbit and others)	17 771	–24.0%	23 388
Seafood	86 551	11.9%	77 333
Convenience	81 478	3.4%	78 774
Other sales	24 565	–33.4%	36 887
Product groups Switzerland	**1 779 170**	–0.7%	1 791 305
Charcuterie	720 696		115 533
Other sales	97 846		25 961
Product groups international	**818 542**		141 494
Sales by product group	**2 597 712**	34.4%	1 932 799
Distribution channels			
Sales to Coop	1 146 965	3.5%	1 108 055
Sales to other affiliated companies	185 916	0.9%	184 181
Sales to wholesale	430 897	–8.6%	471 368
Sales to end consumers	15 392	–44.4%	27 701
Distribution channels Switzerland	**1 779 170**	–0.7%	1 791 305
Sales to wholesale	720 696		115 499
Sales to end consumers	97 846		25 995
Distribution channels international	**818 542**		141 494
Sales by distribution channel	**2 597 712**	34.4%	1 932 799
Sales by country *			
Switzerland	1 779 170		1 791 305
Germany	489 458		27 295
France	130 131		94 515
Other Western Europe	20 272		–
Eastern Europe	178 681		19 685
Sales by country	**2 597 712**	34.4%	1 932 799

* calculation base production site

Additional proceeds from Coop	1 943	–35.1%	2 993
Additional proceeds from affiliated companies	128	–11.1%	144
Additional third-party proceeds	26 780	–13.7%	31 023
Other operating proceeds Switzerland	**28 851**	–15.5%	34 160
Other operating proceeds international	**3 474**		1 703
Other operating proceeds	**32 325**	–9.9%	35 863
Reductions in proceeds with Coop	24 888	14.3%	21 776
Other reductions in proceeds	8 043		2 158
Reductions in proceeds Switzerland	**32 931**	37.6%	23 934
Reductions in proceeds international	**49 228**		5 093
Reductions in proceeds	**82 159**	183.0%	29 027

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 Income Statement

in CHF thousand	2009	Difference	2008
18. Personnel expenses			
Wages and salaries	285 959	34.8%	212 102
Employers' contributions	54 609	21.5%	44 964
Other personnel expenses	16 815	177.8%	6 053
Outside work expenses	54 831	23.7%	44 326
Personnel expenses	**412 215**	34.1%	307 445

Contributions include social security contributions to the CPV/CAP Pension fund Coop and other pension funds: CHF thousand 21 120 / previous year CHF thousand 21 679)

Compensation for members of Board of Directors and Members of Executive Board		Shares held as of 31.12. number	Remuneration cash fixed	Remuneration cash variable	Share subscription number	Share subscription CHF thousand	Total CHF thousand
Board of Directors							
Hansueli Loosli, Chairman *	2009	3	62	–	3	5	67
Hans Peter Schwarz, Vice chairman *	2009	90	71	–	4	6	77
	2008	76	30	11	4	7	48
Irene Kaufmann-Brändli, Member *	2009	3	42	–	3	5	47
Jörg Ackermann, Member *	2009	44	62	–	4	6	68
	2008	36	50	18	5	8	76
Stefan Baumberger, Member until 04/2009	2009	–	9	–	–	–	9
	2008	53	25	–	7	9	34
Anton Felder, Member until 04/2009 *	2009	–	18	–	2	3	21
	2008	39	25	9	4	7	41
Werner Marti, Member	2009	4	42	–	4	6	48
Joachim Zentes, Member	2009	88	66	–	1	1	67
	2008	70	25	–	12	17	42
Board of Directors	**2009**	**232**	**372**	–	**21**	**32**	**404**
	2008	274	155	38	32	48	241

* The cash remuneration is forwarded to the giver of the mandate Coop

Executive Board		Remuneration cash fixed	Remuneration cash variable	Share subscription number	Share subscription CHF thousand	Non-cash remuneration and contributions to pension fund	Total CHF thousand
CEO	2009	521	52	36	46	176	795
	2008	473	53	42	48	129	703
Executive Board total *	2009	1 606	161	109	139	417	2 323
	2008	1 209	164	91	103	343	1 819

* The 2009 Executive Board remuneration does not include contributions to former members (previous year CHF 318 thousand).

Shares held as of 31.12. (number)	2009	2008
CEO	154	119
Other Executive Board	295	167
Other employees	2 258	2 340

Appendix to Consolidated Income Statement

in CHF thousand

18. Employee benefits

		Excess/shortfall in cover	Economic benefits/ obligations	Change in comparison to previous year	Employer contributions	Costs of benefits
Economic consequences						
Company's pension fund foundation	2009	6 037	6 037	312	–	312
	2008	5 725	5 725	1 607	–	1 607
CPV/CAP Pension fund Coop	2009	–	–	–	21 120	21 120
	2008	– *	–	–	21 679	21 679
Total	**2009**	**6 037**	**6 037**	**312**	**21 120**	**21 432**
	2008	5 725	5 725	1 607	21 679	23 286

* The situation on the financial markets eased during 2009. At its meeting of 16 October 2009, the board of directors of CPV/CAP decided not do implement any mesures to restructure the pension fund that would involve restructuring contributions by the employer. The shortfall in cover amounts to CHF 125 million as of 31 December 2009. This represents a funding ratio of 98.1%.

	2009	Difference	2008
19. Rent			
Building lease	9 895	0.9%	9 805
Lease of machinery and equipment	10 280	66.2%	6 187
Third-party storage	5 810	154.5%	2 283
Rent	**25 985**	42.2%	18 275
20. Energy, auxiliary materials			
Electricity	24 998	114.8%	11 636
Water	5 601	31.8%	4 249
Fuel	1 979	141.5%	820
Other energy	6 037	34.6%	4 484
Auxiliary materials	11 802	34.6%	8 767
Energy, auxiliary materials	**50 416**	68.3%	29 956
21. Other operating expenses			
Administrative expenses	16 461	136.2%	6 970
Insurance and duties	6 769	142.2%	2 795
Capital tax and other corporate taxes	2 948	62.5%	1 814
Miscellaneous operating expenses	9 207	–5.5%	9 740
Other operating expenses	**35 385**	66.0%	21 319

Included in operating expenses:

	2009	Difference	2008
22. Expenses with affiliated companies			
Building lease	4 549	–18.0%	5 547
Lease of machinery and equipment	6 182	41.9%	4 358
Repair and maintenance	540	26.5%	427
Energy and auxiliary materials	2 246	–25.9%	3 031
Advertising	3 388	34.1%	2 527
Other operating expenses	1 072	126.6%	473
Expenses with affiliated companies	**17 977**	9.9%	16 363

Appendix to Consolidated Income Statement

in CHF thousand	2009	2008
23. Financial return/financial expenses		
Interest on fixed deposits and other interest	954	863
Interest from affiliated companies	443	477
Gains on foreign currency transactions	4 071	6 005
Gains on securities, realised and not realised	2 293	745
Return on holdings	2 213	1 899
Financial return	**9 974**	9 989
Interest to affiliated companies	300	17
Other interest	11 417	5 319
Bank charges and commissions	860	189
Losses on depreciation of participations	4 028	–
Losses on foreign currency transactions	3 345	3 341
Losses on securities, realised and not realised	1 045	3 990
Financial expenses	**20 995**	12 856
Financial return/financial expenses	**–11 021**	–2 867
Average cost of interest-bearing liabilities	3.68%	3.00%

Interest rates of fixed advance payments and mortgages vary between 1.3% and 3.415% in Swiss francs and between 1.6% and 5.1% in foreign currencies (EUR).

Appendix to Consolidated Income Statement

in CHF thousand	2009	Difference	2008
24. Taxes			
Taxes paid and changes in taxes due	27 529		17 752
Changes in deferred taxes	304		114
Taxes	**27 833**	55.8%	17 866
Group operating result	56 192		58 198
Expenses not tax-deductible	16 282		–
Tax expenses included therein	27 833		17 866
Profit before taxes	100 308		76 065
Tax on profit before taxes at the average applicable tax rate	24 575		18 636
Influence of different tax rates and tax jurisdictions	2 367		287
Adjustment of deferred tax rate	–		660
Other taxes and taxes outside fiscal year	891		–1 717
Taxes (as reported)	**27 833**		17 866

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

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

		2009	2008
Net income	(Previous year Euro 08)	–	-7'517
Gross profit	(Previous year Euro 08)	–	–4 195
Personnel expenses	(Previous year Euro 08)	–	4 846
Other operating expenses	(Previous year Euro 08)	–	2 922
Depreciation tangible assets	Special depreciation of fixed assets Bell Catering	928	–
	Special depreciation Linthe plant (Germany)	3 489	–
Intangible assets	Extraordinary income from depreciation of negative goodwill	–5 387	–
Financial expenses	Loss on disposal of participation	4 028	–
Taxes	Adjustment to deferred tax assets	891	–
	Rate adjustment deferred taxes	–	660

Additional Information

in CHF thousand	2009	2008
Total amount of guarantees, warranties and mortgages in favour of third parties	**19 889**	–
Total amount of mortgaged assets at legal book values	**26 371**	94 938
Unrecognised liabilities from leasing	**8 854**	7 544
due in the current financial year	4 134	5 063
Derivative financial instruments (currencies)		
contract value	–	5 350
residual value positive	–	625
Derivative financial instruments (interests)		
contract value	**181 230**	–
residual value negative	**1 385**	–
Other derivative instruments (participations)	**8 168**	–
Fire insurance value of buildings	**771 386**	639 670
Fire insurance value of equipment	**663 660**	521 440
Expenses for pension fund liabilities	**22 667**	21 679
Obligations from contracts with third parties	**31 151**	9 262
due in the current financial year	7 641	799
due in the following financial year	6 473	762
due later	17 037	7 701
Obligations from contracts with affiliated companies	**11 240**	9 039
due in the current financial year	4 497	4 500
due in the following financial year	1 349	4 474
due later	5 394	65
Conditional increase in share capital as decided	**1 000**	1 000

Principal shareholders	Coop, Basel; 66.29 %
	Sarasin Investmentfonds AG, Basel; 4.09 %
	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 assesment

Bell Group follows standard risk management procedures. The risk situation is reassessed every three years. Because of the new Group structure, the risk situation was reassessed in 2009. The main risks were identified, analysed and assessed, and the required measures were defined. The results of this risk assessment and the measures were approved at the meeting of the Board of Directors on 30 October 2009. The measures resulting from this risk assessment are subject to monitoring.

The Executive Board analyses the status of the measure implementation every year and updates its risk assessment before submitting the results to the Board of Directors. More information on the risk management system is provided in the chapter on corporate governance.

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 of Bell have their own internal control systems, which have been harmonised.

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 31.12.2009.

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 FER 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 rocedures 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 31.12.2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER 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

Dr Daniel Suter	Ralph Maiocchi
Audit expert	Audit expert
Auditor in charge	

Basel, 16 February 2010

5-Year Overview

in CHF thousand	2009	2008	2007	2006	2005
Affiliated companies	1 332 881	1 292 236	1 162 587	1 074 083	1 054 989
Other wholesale	1 151 593	586 867	439 462	384 940	364 730
End consumers	113 238	53 696	27 869	24 266	23 729
Gross sales	**2 597 712**	1 932 799	1 629 918	1 483 289	1 443 448
Operating income	**2 547 877**	1 939 635	1 636 472	1 496 290	1 452 646
Financial data					
Gross operating profit	**858 515**	610 241	528 089	485 442	454 745
Personnel expenses	**412 215**	307 445	259 653	245 811	240 936
Depreciation of assets	**79 903**	55 689	57 395	54 767	48 506
Earnings before interest and taxes (EBIT)	**95 047**	78 932	72 954	58 364	43 595
Consolidated profit	**56 192**	58 198	56 669	44 185	35 847
Cash flow	**151 628**	120 821	116 692	106 684	83 426
Financial result	**–11 021**	–2 867	1 363	–1 841	–4 760
Current assets	537 731	363 010	308 478	237 585	269 652
Non-current assets	769 557	774 824	480 186	505 537	531 041
Total assets	**1 307 288**	1 137 834	788 664	743 122	800 693
Interest-bearing liabilities	**383 795**	299 073	69 523	108 622	178 143
Equity	**594 779**	538 709	522 981	478 703	445 945
Margins					
Gross operating profit in % of operating income	**33.7%**	31.5%	32.3%	32.4%	31.3%
Cash flow in % of operating income	**6.0%**	6.2%	7.1%	7.1%	5.7%
EBIT in % of operating income	**3.7%**	4.1%	4.5%	3.9%	3.0%
Net profit in % of operating income	**2.2%**	3.0%	3.5%	3.0%	2.5%
Financial result in % of interest-bearing liabilities	**2.9%**	1.0%	–2.0%	1.7%	2.7%
Equity in % of assets	**45.5%**	47.3%	66.3%	64.4%	55.7%
Return on equity (ROE) *	**10.7%**	11.1%	11.8%	9.9%	8.5%
Workforce as of December 31					
Number of employees	**6 561**	6 810	3 341	3 234	3 326
Average workforce					
Adjusted to full time employees	**6 497**	3 794	3 249	3 088	3 146

* Net profit/equity at the beginning of the financial year

Share Information

		2009	2008	2007	2006	2005
Per-share data						
Share price as of 31.12.	CHF	**1 551**	1 300	1 925	1 410	992
Year's high	CHF	**1 750**	1 950	2 250	1 450	1 197
Year's low	CHF	**1 267**	1 101	1 410	975	940
Average daily trading volume	Number	**65**	117	129	173	230
Stock exchange capitalisation						
Year's end	in million CHF	**620**	520	770	564	397
Year's high	in million CHF	**700**	780	900	580	479
Year's low	in million CHF	**507**	440	564	390	376
Equity per share	CHF	**1 466**	1 357	1 302	1 193	1 112
Net profit per share	CHF	**141**	151	142	110	89
Cash flow per share	CHF	**386**	308	293	268	210
EBIT per share	CHF	**242**	202	183	147	110
Return per share *		**9.1%**	11.6%	7.4%	7.8%	9.0%
Distribution per share	CHF	**40**	40	40	33	30
Distribution quota		**28.3%**	26.5%	28.2%	29.9%	33.6%
Dividend yield **		**2.6%**	3.1%	2.1%	2.3%	3.0%

* Profit per share/year-end closing price
** Distribution of the dividend per share/year-end price

		2009	2008	2007	2006	2005
Capital structure on 31.12.						
Share capital	in CHF 1000	**2 000**	2 000	2 000	2 000	2 000
Share capital divided into 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						
Treasury shares	Number	**6 938**	8 335	1 812	2 370	2 725
Shares recorded in share register	Number	**366 309**	365 558	364 294	363 329	362 833
Registered shareholders	Number	**3 606**	3 197	3 153	2 989	3 219

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	Group 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 (Sale 31.10.2009)	Kingersheim / FR	Charcuterie, delicatessen	■		–	–
SBA Schlachtbetrieb Basel AG	Basel	Abattoir	*	CHF	250 000	48.0%
Centravo Ltd **	Zürich	By-products processing	*	CHF	2 400 000	29.8%
GVFI International Ltd	Basel	Meat trade	●	CHF	3 000 000	17.7%
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	St-Symphorien-sur-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%
St-André SA	St-André-sur-Vieux-Jonc / FR	Dry sausages	▯	EUR	1 096 000	100.0%
Bell Deutschland GmbH	Bochum / DE	Subholding	■	EUR	25 000	100.0%
ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG	Bochum / DE	Meat and sausages	■	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%
Stastnik Polska Sp. z o.o.	Niepolomice / PL	Meat and sausages	❑	PLN	7 000 000	100.0%
ZIMBO Húsipari Termelö Kft.	Perbál / HU	Meat and sausages	■	HUF	200 000 000	99.5%
Marco Polo N.V.	Zellik / BE	Subholding	••	EUR	4 258 000	99.9%
The Fresh Connection N.V.	Zellik / BE	Meat trade	••	EUR	620 000	99.7%
Coldlog N.V.	Zellik / BE	Storage	••	EUR	62 000	99.9%
The Fresh Connection Nederland B.V.	Dr Houten / NL	Meat trade	••	EUR	18 000	76.0%
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.	Perbál / 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 trade	■	PLN	100 000	100.0%
Sanchez Alcaraz S.L.	Casarrubios del Monte / ES	Air-dried ham	■	EUR	648 587	80.0%

■ Fully consolidated (uniform management)
* Consolidation ad equity
● Purchase price
▯ Fully consolidated since 01. July 2009
❑ Fully consolidated since 01. Mai 2009
•• Purchase price since 31. December 2009, fully consolidated since 01. January 2010
▲ Consideration acc. Swiss GAAP FER 16

** 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 Association and the by-laws. The Board of Directors reviews the Articles of Association and by-laws at regular intervals and adjusts them to meet changed circumstances.

Group structure, capital structure and shareholders' rights

Group structure Bell Group has no cross-shareholdings or holdings in listed companies. An overview of all companies in which Bell Group has a stake is provided on page 60.

Significant shareholders See page 56.

Capital structure The company has no outstanding convertible bonds, options or dividend-right certificates. The capital structure is described in detail on page 59. Information on the conditional share capital increase can be found in the Articles of Association.

Transferability The transfer of registered shares as property or usufruct requires the permission of the Board of Directors. The Board of Directors may delegate all or some of its powers in this regard (Articles of Association, Art. 5).

Share register restrictions According to the Articles of Association (Art. 5), the Board may refuse to register someone as a shareholder for good cause and if a single shareholder acquires more than 5 % of the voting rights.

The Articles of Association of Bell Holding Ltd can be accessed at www2.bell.ch/articles.

Board of Directors

Election and term of office The members of the Board of Directors are elected by the Shareholders' Meeting. The Board members are usually all elected at the same time, but individual elections are possible if requested beforehand by the shareholders. 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 Shareholders' Meeting.

Composition of the Board of Directors
as of 31 December 2009

	Chairman of the Board of Directors	Member of the Board of Directors	Term of office ends in
Hansueli Loosli	since 2009	–	2011
Hans Peter Schwarz	–	since 2001	2011
Jörg Ackermann	2001-2009	since 2000	2011
Irene Kaufmann-Brändli	–	since 2009	2011
Werner Marti	–	since 2009	2011
Joachim Zentes	–	since 1997	2011

Corporate Governance

Information on the members of the Board of Directors


Hansueli Loosli


Hans Peter Schwarz


Jörg Ackermann


Irene Kaufmann-Brändli


Werner Marti


Joachim Zentes

Hansueli Loosli, 1955, Swiss
Certified public accountant (Federal diploma)
Chief Executive Officer of Coop Cooperative Association; since 2001

Board member mandates
- transGourmet Holding S.E., Cologne (Germany)
- Coopernic SCRL, Brussels (Belgium)
- Coop-ITS-Travel AG, Wollerau
- Palink UAB, Vilnius (Lithuania)
- Palink SIA, Riga (Latvia)
- Swisscom (Switzerland) AG, Berne
- Other board member mandates with Coop subsidiaries

Hans Peter Schwarz, 1950, Swiss
Certified public accountant (Federal diploma)
Member of the Executive Board of Coop Cooperative Society, Head of Finance/Services (CFO); since 2001

Board member mandates
- Coop Mineraloel AG, Allschwil
- Bank Coop AG, Basel
- transGourmet Holding S.E., Cologne (Germany) and its subsidiaries
- CPV/CAP Coop Pension Fund, Basel
- Coop Vitality AG, Berne
- Dipl. Ing. Fust AG, Oberbüren
- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Wolhusen
- Raiffeisenbank Ettingen, Ettingen
- Other board member mandates with Coop subsidiaries

Jörg Ackermann, 1958, Swiss
Business economist, School of Economics
Chairman from 2001 to 2009, Mandates for VGL Coop Cooperative Society; since 2008

Board member mandates
- transGourmet Holding S.E., Cologne (Germany)
- HiCoPain AG, Dagmersellen
- Coop-ITS-Travel AG, Wollerau
- Coop Patenschaft für Berggebiete, Basel
- Dipl. Ing. Fust AG, Oberbüren
- GS1 Schweiz, Berne

Irene Kaufmann-Brändli, 1955, Swiss
Dr. oec. publ.
Chairwoman of the Board of Directors
of Coop Cooperative Society; since 2009

Board member mandates
- Coop Immobilien AG, Berne
- Bank Coop AG, Basel
- Coop Mineraloel AG, Allschwil
- Dipl. Ing. Fust AG, Oberbüren
- transGourmet Holding S.E., Cologne (Germany)
- Member of the board of trustees of the ETH Zurich Foundation
- Member of the board of trustees of the Juventus schools in Zurich

Werner Marti, 1957, Swiss
Attorney
Law office; since 1988

Board member mandates
- Alp Transit Gotthard AG, Lucerne
- Service 7000 AG, Netstal
- Billag AG, Fribourg (chairman)
- Other board member mandates with various SMEs

Joachim Zentes, 1947, German
Professor for Business Administration
Director of Institute for Trade and
International Marketing (H.I.MA.) and
Director of the Business Management
department of the Europa Institute,
University of Saarland; since 1991

Board member mandates
- Goodyear Dunlop Tires Germany GmbH, Hanau (Germany), chairman

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

Compensation for Board members

The salaries paid to Board members in 2008 comprised a fixed amount and a variable component which could not be more than 40 % of the fixed component and the amount of which was based on the achievement of the revenue objectives. This policy was changed from 2009 and Board members no longer have a variable salary component. In addition to the 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. For information on overall salaries and share ownership, see p. 52 of the annual report.

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 Group 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 by-laws, excerpts of which are available on the Bell website at www2.bell.ch/organisation-en.

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 3 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 seven 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. Members of the Bell Group Executive Board are invited to the meetings, but external advisors are only engaged in individual cases (none in 2009).

In 2009, the Board of Directors held seven ordinary meetings and one extraordinary meeting. In addition to the usual day-to-day business, the Board of Directors worked on the integration of the companies acquired in 2008, the continued implementation of the internationalisation strategy and related acquisition projects, the implementation of the new Group structure, and the appointment of a new CEO for Bell Switzerland. As part of the strategy review, the portfolio of investments in other companies was streamlined. The Board of Directors kept a close eye on the three acquisitions and the sale of Maurer Frères, thereby focusing on compliance with the strategy, the financial considerations and the drafting of the contractual agreements. As a result of the integration of the new foreign companies, the risk management procedures were revised and amended to meet the new requirements. The Board of Directors also reviewed the implementation of the internal control system for the new subsidiaries. In this regard the Board approved the establishment of a new internal audit unit that will report directly to the Chairman of the Board of Directors and the Group CEO.

The Board of Directors approved the discontinuation of ZIMBO's retail activities in Hungary, the sale of Bell Catering and the upgrading of the IT systems used by Abraham and ZIMBO. The Board also decided to expand the logistics facilities in Oensingen and to launch a project to modernise the poultry abattoir in Zell.

Information channels and control instruments

The Group Executive Board regularly briefs the Board of Directors on the course of business. The Chairman of the Board of Directors is in regular contact with the Group Executive Board and usually meets with its members once a month.

The Group 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 (until the middle of 2010). 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 Group CEO and the CFO.

A comprehensive internal control system (ICS) concept was prepared and implemented. In 2009 the ICS was also implemented by the Group companies in Germany and their subsidiaries, but the implementation in France has not yet been finalised. The ICS is based on the COSO 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 Group Executive Board assess the major risks every year. Major risks are defined as those which could influence net income by more than 20 % and for which there is a high 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 a sudden increase in raw materials prices, decisions affecting agricultural policies, epidemics and product and process safety as major risks.

As a food manufacturing company, the risk situation can be described as stable overall, whereby we are slightly more dependent on the economy in other countries than in Switzerland. A more direct impact on our business unit's earnings can be caused by floating raw material prices, which follow their own rules and cannot be influenced by us.

The financial market risks are limited to foreign currency exposure, in particular in the eurozone, but this does not exceed the threshold for large risks. If the equity markets should become very turbulent, risks may ensue from the obligations of the CPV/CAP Coop pension fund that exceed the defined limits.

More information on risk assessment is provided on page 56 of this annual report.

Group Executive Board

Adolphe R. Fritschi, 1950, Swiss
Master butcher (Federal diploma);
Business diploma; Diploma in meat technology

Chairman of the Group Executive Board
Head of Bell International
CEO
With Bell since 1993; in this position since 1994
Board member mandates
- Centravo AG, Zurich and its subsidiaries
- GVFI International AG, Basel

Martin Gysin, 1960, Swiss
Certified public accountant (Federal diploma)

Deputy Chairman of the Group Executive Board
Head of Finance/Services
CFO
With Bell since 1992; in this position since 1994
Board member mandates
- CPV/CAP Coop Pension Fund, Basel

Thorid Klantschitsch, 1969, Swiss
Certified food engineer, Federal Institute of Technology;
Dr. sc. techn., Federal Institute of Technology;
Industrial engineer, Swiss Engineering STV

Head of Bell Switzerland
With Bell since 2009; in this position since 2010
Board member mandates
- Caprera AG, Frauenfeld

Bell Switzerland

Division Heads

Markus Bänziger, 1955, Swiss
Certified marketing manager (Federal diploma)

Head of Convenience Division
With Bell from 1975 to 1985 and again since 1995
In this position since 2010

Josef Dähler, 1955, Swiss
Master butcher (Federal diploma);
Commercial diploma

Head of Fresh Meat Division
With Bell since 1996; in this position since 2007
Board member mandates
- Identitas AG, Bern
- Proviande, Bern

Adolf Maassen, 1964, German
Master butcher;
Certified food technologist;
Technical business administrator (ICC)

Head of Charcuterie Division
With Bell since 1990; in this position since 2007

Christine Schlatter, 1965, Swiss
Certified marketing planner (Federal diploma)

Head of Poultry Division
With Bell since 1997; in this position since 2008

Corporate Governance

Bell International

Managers

Abraham Group

Christian Schröder, 1971, German Commercial diploma	Spokesman for the Management Board Head of Sales and Marketing With Abraham since 2007; in this position since 2009
Norbert Engberg, 1965, German Business diploma	Head of Finance and Production With Abraham since 2009; in this position since 2009

ZIMBO Group

Christof Queisser, 1969, German Certified business administrator	CEO Head of Marketing and Sales With ZIMBO since 2008; In this position since 2008
Manfred Dahmen, 1958, German Certified economist	Deputy CEO Head of Finance and Controlling With ZIMBO since 2005; in this position since 2006
Uwe Ginkel, 1962, German Master butcher; Commercial specialist	Head of Production and Logistics With ZIMBO since 2000; in this position since 2004

Groupe Polette

Philippe Polette, 1960, French Commercial diploma	Directeur Général With Polette since the establishment of the company in 1980; In this position since 1980

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 2009 (previous year: 24%). For information on overall salaries and share ownership, see the notes to the annual report on p. 52.

Co-determination rights of shareholders

According to Art. 8 of the Articles of Association 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.

Other co-determination rights are governed by the Articles of Association of Bell Holding Ltd. The Articles of Association are available on the Bell website at www2.bell.ch/articles.

The last date for registration with the share register for shareholders who wish to attend the Shareholders' Meeting is published on the Bell website at www2.bell.ch/agenda-en.

Change of control clause

There are no statutory restrictions and regulations.

Auditors

Auditors	PricewaterhouseCoopers; since 1998
Lead auditor	Dr Daniel Suter, lead auditor 2003 to 2009
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 Group CEO and the CFO on the basis of comprehensive assessment criteria. The focus falls on the audit team's special qualifications, assertiveness, independence and interaction with our internal units. Other external factors also affect the assessment.

In 2009, 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 and closing process.

Auditors' and other fees

in CHF thousand	2009	2008
Auditing services	1 215	303
Tax consulting	–	–
Legal services	–	–
Transaction consulting (incl. due diligence)	112	1 858
Total	1 327	2 161

Information policy

Every year, Bell publishes an annual report and an interim 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 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	14. April 2010
Publication of results for first half of 2010	12. August 2010
Publication of 2010 sales figures	First half of January 2011
Publication of 2010 results	February 2011

For more dates or changes to dates, see the Bell website at www2.bell.ch/agenda-en.

Management

as of 01.01.2010

Executive Board

Adolphe R. Fritschi Chief Executive Officer
Martin Gysin Deputy CEO, Head Finance/Services (CFO)
Thorid Klantschitsch Head Bell Switzerland
Elisabeth Wegeleben Head General Office/Share Register, Secretary BoD

Finance/Services

Martin Gysin Head Finance/Services (CFO)
Mario Bobbià Head IT Controlling
Thomas Denne Head Controlling Fresh Meat and Charcuterie Divisions
Peter Kunimünch Head IT
Johannes Meister Head Human Resources/Training
Marc Pittino Head Controlling
Thomas Studer Head Projects
Ulrich Süss Head Accounting

Bell Switzerland

Thorid Klantschitsch Head Bell Switzerland
Davide Elia Head Marketing/Communication

Fresh Meat Division

Josef Dähler Head Fresh Meat Division
Jean-Luc Aebischer Head Sales/Marketing French-speaking Switzerland
Roderich Christoph Balzer Head Plant Oensingen
Paul Fahrni Head Purchasing/Sales
Christian Gremion Head Fresh Meat Division French-speaking Switzerland
Marcel Joseph Head Plants French-speaking 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-speaking Switzerland
Josef Zuber Head Sales Trade/Gastro German-speaking Switzerland

SBA Schlachtbetrieb Basel AG

Joachim Messner Managing Director

Poultry Division

Christine Schlatter Head Poultry Division
Walter Bieri Head Purchasing
Thomas Graf Head Plant
Reto Kaufmann Head Sales/Marketing
Christoph Schatzmann Head Fresh Meat

Charcuterie Division

Adolf Maassen Head Charcuterie Division
Thomas Abt Head Logistics
Frank Bechler Head Marketing/Sales
Daniel Fässler Head Scalded Sausages Gossau
Jacques Grossenbacher Head Dry Sausages
Hanspeter Gysin Head Planning/Technics
Ursula Kuhn Head QM/Laboratory
Roland Rufener Head Purchasing Non-Food/Trade Products
Kurt Zenger Head Plants Charcuterie

Convenience Division

Markus Bänziger Head Convenience Division

Convenience

Markus Bänziger Head Business Unit
Peter Schneider Head Marketing/Sales
Andreas Nieling Head Plant

Seafood

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

Gastro Production

Franz Kupper Head Gastro Production

Frigo St. Johann AG

Bruno Flückiger Managing Director

Bell International

Adolphe R. Fritschi Head Bell International

Abraham GmbH

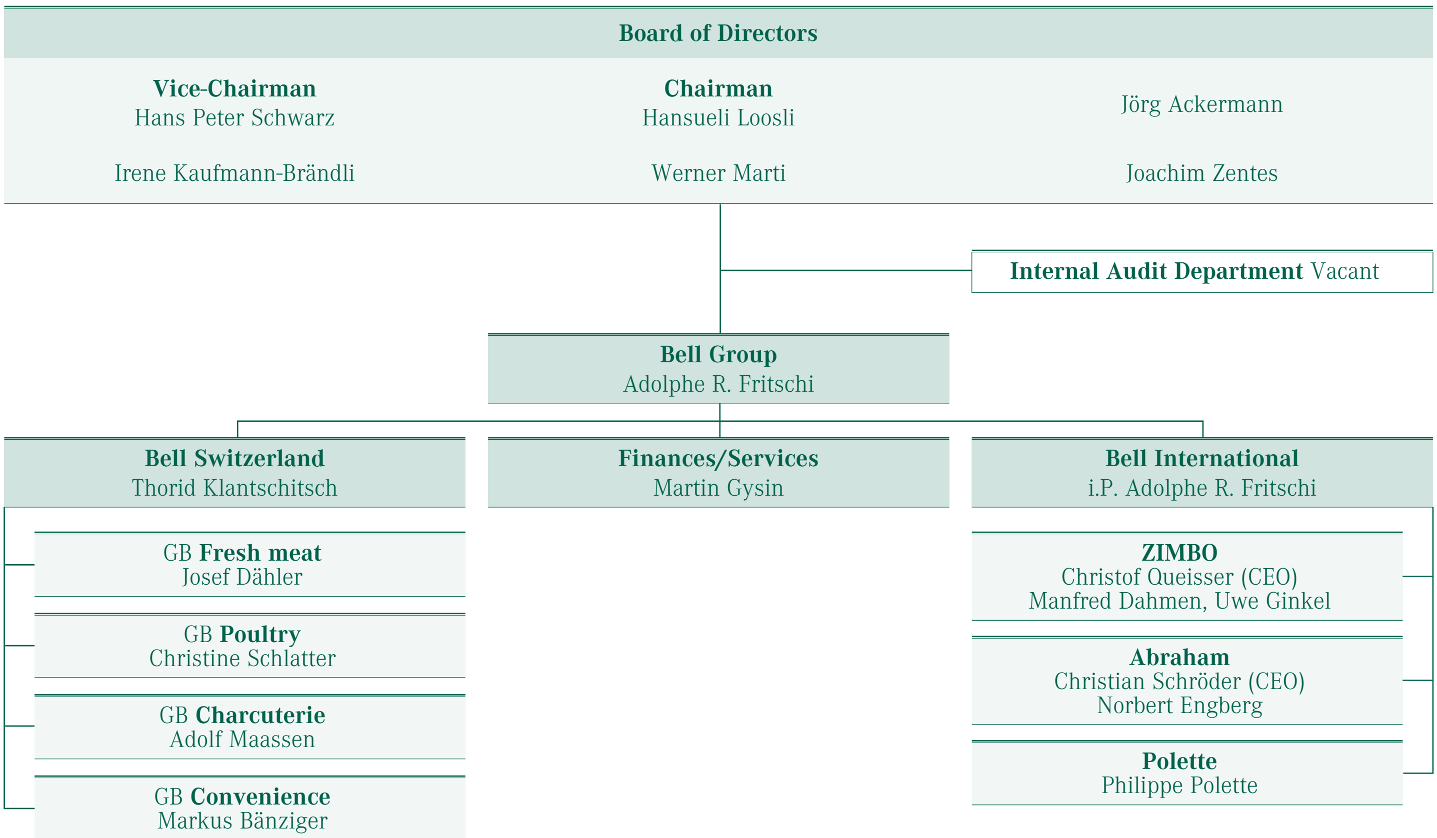
Christian Schröder CEO, Head Marketing and Distribution
Norbert Engberg Head Finance and Production

Salaison Polette & Cie SAS

Philippe Polette Directeur Général
Gilles Patient Directeur commercial
Ludovic Jouanneau Directeur administratif et financier

ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG

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



Balance sheet

in CHF thousand		31.12.2009		31.12.2008	
Liquid assets		928		243	
Securities		604		3 291	
Receivables affiliated companies		–		14 567	
Other receivables		279		564	
Current assets		**1 811**	**0.6%**	18 665	6.3%
Financial assets	Majority interests	133 123		103 327	
	Minority interests	9 051		8 784	
	Loans/other financial assets	154 020		162 356	
Tangible assets	Land	538		608	
	Buildings	1 544		1 956	
Non-current assets		**298 276**	**99.4%**	277 031	93.7%
Assets		**300 087**	**100.0%**	295 696	100.0%
Loans/credits third parties		–		22 350	
Miscellaneous accounts payable		1 121		1 314	
Accounts payable affiliated companies		6 777		–	
Deferred items		185		50	
Current liabilities		**8 083**	**2.7%**	23 714	8.0%
Non-current liabilities		–		–	
Liabilities		**8 083**	**2.7%**	23 714	8.0%
Share capital		2 000		2 000	
Legal reserves		10 000		10 000	
Treasury shares		9 019		10 835	
Other reserves		234 962		203 297	
Annual profit		36 023		45 850	
Equity		**292 004**	**97.3%**	271 982	92.0%
Liabilities		**300 087**	**100.0%**	295 696	100.0%

Income Statement

in CHF thousand	2009	2008
Income from holdings	30 648	40 478
Other financial income	7 739	9 080
Other proceeds	3 064	3 196
Total income	**41 451**	52 754
Administration expenses	1 825	1 221
Other expenses	224	210
Interest expenses	508	1 357
Other financial expenses	2 028	2 929
Depreciation of tangible assets	411	411
Expenses	**4 996**	6 128
Operating profit before taxes	**36 455**	46 626
Income from sale of non-current assets	88	144
Profit before taxes	**36 543**	46 770
Taxes	520	920
Profit after taxes	**36 023**	45 850

Appropriation of Annual Profit

Proposals of the Board of Directors to the General Meeting

in CHF thousand	2009	2008
Appropriation of annual profit		
Annual profit	36 023	45 850
CHF 40 dividend per share (previous year CHF 40)	16 000	16 000
Transfer to the other reserves	20 023	29 850
Total appropriations	**36 023**	45 850

Appendix

in CHF thousand		2009	2008
Total amount of guarantees, warranties and mortgages in favour of Group companies *		**330 955**	–
Total amount of mortgaged assets at legal book values		–	–
Fire insurance value of buildings		**4 194**	4 050
Important participations		**page 60**	–
Treasury shares according to statement on changes in equity		**page 43**	–
Principal shareholders:	Coop	**66.29%**	66.29%
	Sarasin Investmentfonds Ltd, Basel	**4.09%**	4.28%
Conditional increase in share capital as decided		**1 000**	1 000
Details on risk assessment		**page 56**	

* 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 31.12.2009.

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 31.12.2009 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 AG

Dr Daniel Suter Audit expert Auditor in charge	Ralph Maiocchi Audit expert

Basel, 16 February 2010

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General information
All amounts have been rounded individually.

Forward-looking statements
The annual report includes certain forward-looking statements. These statements are based on assumptions and estimates as well as information available to Bell on the editorial deadline, which means that actual results and events could deviate substantially from the expectations included or implied in the forward-looking statements.

Our annual report is published in German, together with French and English translations. The printed German version shall prevail at all times. Additional printed copies of the annual report are available at our head office or can be ordered via the internet. The annual report can also be downloaded at www2.bell.ch/annualreport.

Additional information on the annual report and up-to-date information on Bell Group is available on the internet at www.bell.ch.

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