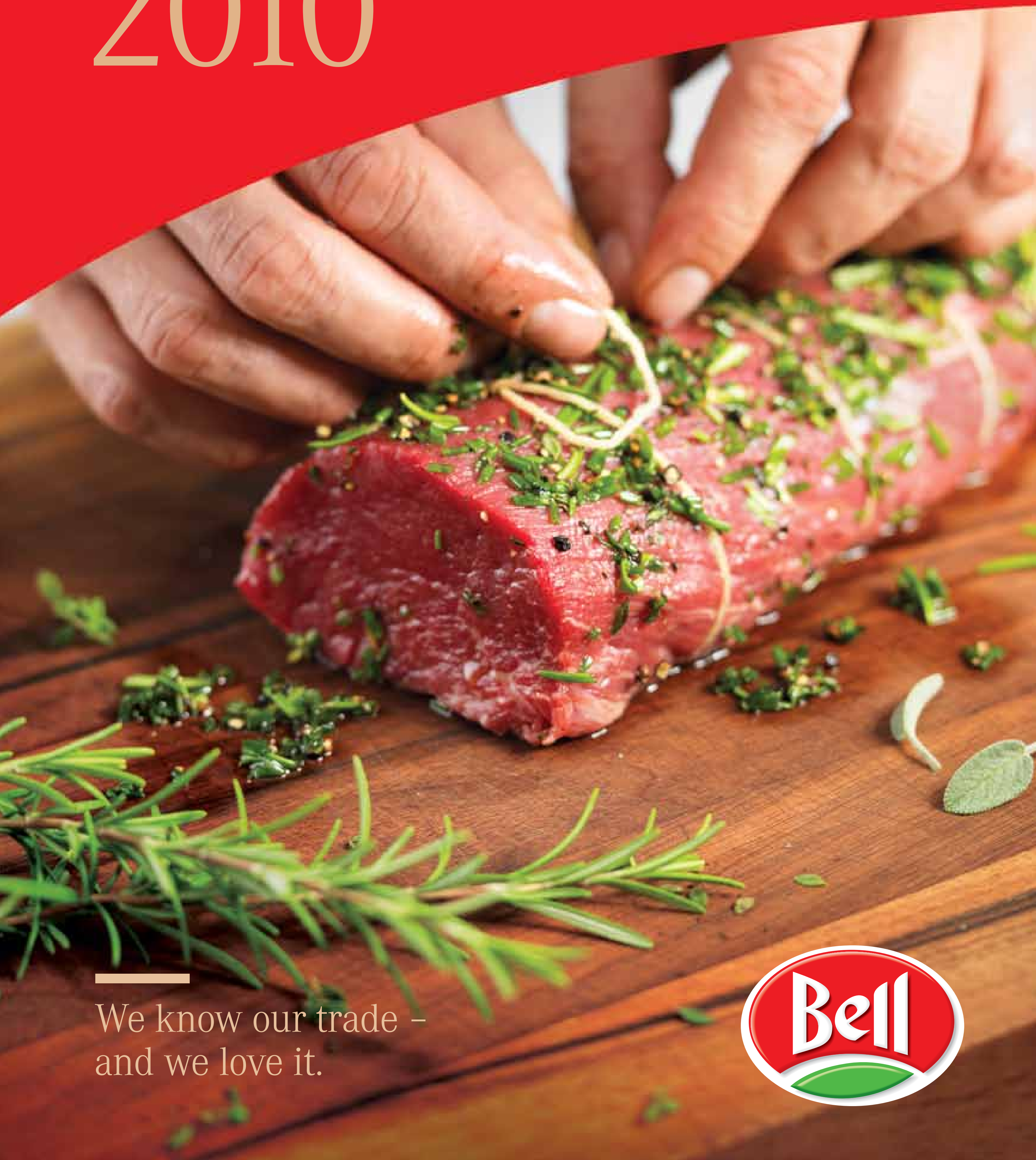
BELL HOLDING LTD

ANNUAL REPORT 2010



We know our trade – and we love it.

Bell

PEOPLE AT BELL

Bell's promise of quality for sustainable enjoyment is an unmistakable hallmark of the brand. In the scope of this annual report we want to introduce some of the people who are committed to keeping this promise every single day. They play the main role in the world of Bell – whether as a seafood consultant, at the wheel of a truck or with the customer at the point of sale. The world of Bell is multi-faceted. It is as boundless as enjoyment itself. And every year it gets bigger, more international and more colourful – without ever forgetting its roots.

CONTENT

Bell
at a Glance

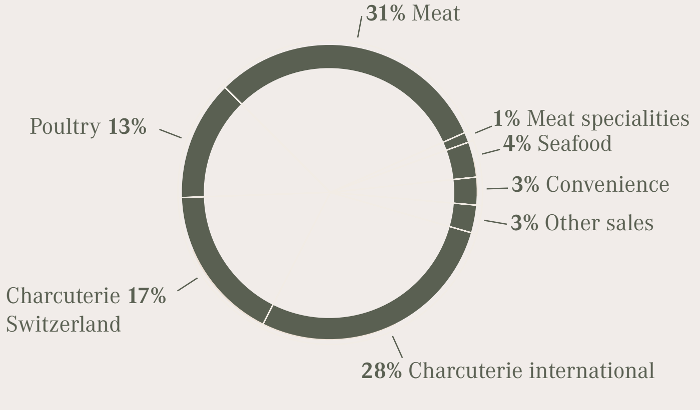
Financial Figures

in CHF thousand	2010	Difference	2009
Operating income	**2 584 277**	1.4%	2 547 877
Cash flow	**180 193**	18.8%	151 628
in % of operating income	**7.0%**		6.0%
EBIT	**101 236**	6.5%	95 047
in % of operating income	**3.9%**		3.7%
Net profit	**64 519**	16.1%	55 563
in % of operating income	**2.5%**		2.2%
Net capital expenditure in operating assets	**68 176**	17.2%	58 175
in % of cash flow	**37.8%**		38.4%
Equity	**590 456**	–0.7%	594 779
in % of assets	**50.6%**		45.5%
Return on equity (ROE)	**11.1%**		10.7%

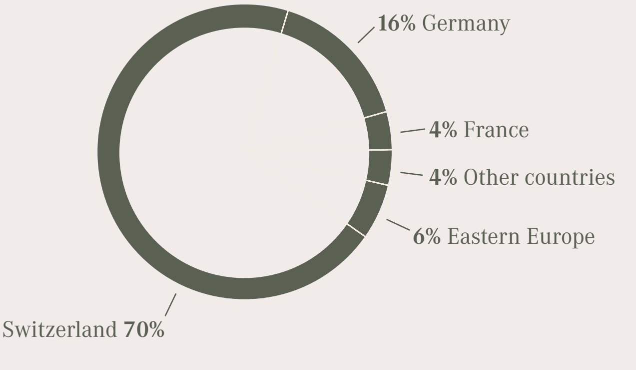
Share key figures
in CHF

Share price as of 31.12.	**1 766**	13.9%	1 551
Cash flow per share	**457**	18.4%	386
EBIT per share	**257**	6.1%	242
Net profit per share	**163**	15.6%	141
Dividend per share	**50**	25.0%	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	**2010**	2009
Pork	58 453	968	0.4%	**59 420**	59 296
Beef	33 511	4 283	9.8%	**37 794**	34 761
Veal	6 718	288	1.7%	**7 006**	6 738
Lamb	720	1 415	62.3%	**2 135**	2 104
Game and other meat	29	1 202	97.6%	**1 231**	1 270
Total	99 431	8 155	6.1%	**107 586**	104 169
Poultry	23 512	8 597	25.0%	**32 109**	30 877

Share of labelled meat in animals for slaughter (Switzerland)		
Share of meat from species-appropriate care and feeding	**49%**	49%

Market key figures (Switzerland)		
Animals for slaughter		
Slaughterings Bell Group (in tonnes)	**99 431**	96 662
Bell market share *	**25%**	25%
Poultry (Switzerland)		
Slaughterings Bell Group (in tonnes)	**23 512**	21 746
Bell market share *	**35%**	34%

Number of employees		
Average headcount calculated on the basis of full-time employees	**6 179**	6 497
Headcount as of December 31 in number of employees	**6 488**	6 561
Headcount as of December 31 in number of employees by country		
Switzerland	**3 497**	3 417
Germany	**1 461**	1 523
France	**399**	403
Czech Republic	**618**	776
Hungary	**200**	226
Other countries	**313**	216

Environmental performance		
Total CO_2-emissions (in tonnes; only Switzerland)	**7 144**	7 303
Total energie consumption (in GWh)	**262**	251
Total water consumption (in 1 000 m^3)	**1 874**	1 932
Total waste (in 1 000 tonnes)	**23**	22

* Bell estimate

BELL
AT A GLANCE

BELL
ACHIEVING SUCCESS THROUGH SKILL AND PASSION

A wide range of meat, charcuterie, poultry, convenience meals and seafood reaches consumers fresh from Bell every day. This is ensured by the knowledge and commitment of more than 6,450 employees in Switzerland and Europe. As the number one in the Swiss meat industry, Bell is a supplier to the retail and wholesale trade as well as to food service and the food industry. In Europe, the French Groupe Polette and the German companies ZIMBO and Abraham belong to the Bell Group.

2010
A SUCCESSFUL YEAR FOR THE BELL GROUP

Bell faced intensive competition successfully in 2010 and has grown both in Switzerland and internationally. At CHF 2.58 billion, net income reached a new all-time high. This equates to a plus of 1.43 percent that increases to a plus of 4.4 percent in local currencies. The operating result at EBITDA level increased to CHF 212.7 million (+12.3%). The consolidated profit of CHF 64.5 million (+16.1%) is significantly higher than the previous year.

The positive basic conditions of 2010 enabled every division of the Bell Group to increase its respective sales volume. Specifically, these were a general increase in the consumption of meat, market shares gained by our main customers and a stable price level. The fresh meat and poultry divisions were especially successful in 2010, with fresh Swiss poultry proving particularly popular. The product groups Seafood and Convenience also developed successfully, whilst the Charcuterie section faced a stronger challenge with regard to volumes.

From an international viewpoint the economic recovery and its positive impact on consumption are slowly becoming noticeable. Pressure from pricing and the competition, however, remained high – the German market in particular was affected by price drops in the retail food trade. We were even able to slightly expand our market position with regard to sales and volumes thanks to innovative products and successful sales activities.

VISION
THE TASTE OF QUALITY OF LIFE

Meat, charcuterie, poultry, seafood and convenience meals from Bell stand for high-quality nutrition and taste – and therefore for greater quality of life. They are the most enjoyable ingredient of any meal. As a full service supplier to its customers, Bell is the number one in its markets: 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
STRATEGY FOR MORE GROWTH

In 2010, the strategic reference values for the mid-term future were defined for all business segments. In summary, we are aiming to achieve further growth in the fresh food segment and in the product ranges with high added value.

Following the strong sales growth experienced in 2010, we are anticipating a more moderate market growth for all product groups in 2011. However, we want to grow stronger than our relevant markets. We aim to achieve this by implementing our business segment strategies. All in all we will focus on the more profitable ranges and forego sales with little added value. Innovations will continue to play an important role, as do the consolidation and optimisation of existing ranges.

Our cooperation* with Hilcona and the strategic share we have acquired in the specialist for convenience food will enable us to strengthen our established position in the rapidly growing segment for fresh convenience food. The sales achieved by Bell Convenience will be deconsolidated until the majority shareholding in Hilcona is acquired in 2015.

* on condition of approval from COMCO

EDITORIAL

SUCCESSFUL BUSINESS YEAR 2010 – STRATEGIC COURSE SET FOR THE FUTURE

Message from the Chairman of the Board of Directors and the Chairman of the Group Executive Board a.i.

+5,1%

Sales volumes increased to 223.6 million kilograms

DEAR SHAREHOLDERS,

The success of a company is determined by its employees. The fact that we can present to you the best ever result in our long-standing history in the form of the results for the business year 2010 is thanks to the dedicated commitment of each individual employee. In this year's annual report we will introduce you to eight experts as representatives of our 6,488 strong workforce. They symbolise the variety of the individuals who give their best for our customers day in, day out.

The basic conditions in our markets varied considerably in part. They were all affected by an increase in the intensity of the competition. A competition in which we were able to successfully hold our own. Bell continued to grow in Switzerland and internationally during the reporting year. The net operating income increased by 1.43 percent to CHF 2.584 billion (CHF +36.4 million). In local currencies the growth in net income showed an even higher increase of 4.4 percent.

The operating result at EBITDA level improved by CHF 23.2 million to CHF 212.7 million (+12.3%). At CHF 64.5 million, the consolidated profit was significantly higher than the previous year (+16.1% or CHF 8.9 million). Cash flow grew by 28 to CHF 180 million (+18.8%). The sales volume grew by 5.1 percent to 224 million kilograms. The Bell Group employed a work force of 6,488 in 11 countries as of 31 December 2010.

BELL SWITZERLAND HAS ANOTHER VERY GOOD YEAR

In Switzerland, a number of positive basic conditions offered favourable opportunities that Bell utilised to the full extent. Meat consumption in general increased, our main customers were able to gain market shares and the price level remained stable. All divisions of Bell Switzerland were able to increase their sales against this background during 2010. Sales volumes increased by 3 to 125.3 million kilograms (+2.5%). The increase in net income by 33 to CHF 1,808 million was less pronounced. We were able to successfully meet the brisk demand for meat products with our customer-oriented product ranges. The ranges with high added value for self-service sections sold particularly well. The growth trend in the fresh meat segment was stronger than for processed products such as sausage and charcuterie.

Hence, the segments for fresh meat and poultry were particularly successful, whilst charcuterie sales faced a stiffer wind. Meat production from

Hansueli Loosli
Chairman of the Board of Directors

Martin Gysin
Chairman of the Group Executive Board a.i.

At CHF 64.5 million, the consolidated profit was significantly higher than the previous year (+16.1%).

slaughter animals and poultry grew by 4,535 to 122'943 tonnes (+3.8%). Our fresh Swiss poultry proved particularly popular in the poultry segment. The Seafood and Convenience product groups also continued to work successfully. Good sales developments combined with well-rehearsed processes and efficient production facilities led to a good result with regard to profit and loss.

A CHALLENGING ENVIRONMENT FOR BELL INTERNATIONAL

Economic recovery has been noticeable in the majority of our target European markets since mid-2010. The positive impact on consumption is slowly becoming tangible with a delayed effect. This has not, however, defused the heavy pressure with regard to pricing and the competitiveness. End consumer prices have declined in virtually every market; the German market in particular was characterised by declining prices.

The task in hand was therefore to maintain or slightly improve our market position with regard to sales and volumes against a difficult background. High pricing and margin pressure meant that the anticipated results could not be achieved. Due to a significantly lower average conversion rate for the euro, the net income achieved by Bell International in Swiss Francs is on a par with the previous year at CHF 776 million (+0.4%, CHF 3.4 million). Adjustments to account for the conversion rate effect resulted in a growth rate of 10.7 percent. Production volume has increased by more than 8.4 percent and totalled 98,245 tonnes. Both innovative new products and successful sales activities have contributed towards the positive developments in sales and volumes.

STRATEGIC COURSE SET

In 2010, the strategic reference values for the mid-term future were defined for all business segments. The strategies differ depending on the business segment. In summary, we are aiming to achieve further growth in the fresh food segment and in the product ranges with high added value. We have introduced important measures in Switzerland with regard to location policy. We have secured a plot of land measuring 15 hectares in Niederbipp in canton Bern. On condition of the rezoning of the plot from the agricultural to the workplace zone, we will erect our new pork production facility at this location. This will replace the facility in Basel which is nearing the end of its useful life. In Basel, we have taken over the abattoir compound with building rights from the canton of Basel-City. Together with our exist-

Bell is aiming to achieve further growth in the fresh food sector and the product ranges with high added value.

ing land holdings, we now own a single piece of land of almost 7.7 hectares on this site. This will allow the development of a master plan with a horizon of 2015 and the goal of concentrating all activity at the Basel facility on this area.

Bell has entered into a future-oriented cooperation* in the convenience food sector with Hilcona of Liechtenstein. Bell and Hilcona have united their respective activities in the fresh convenience sector under the umbrella of Hilcona AG as per 1 January 2011. Within the scope of the agreement, Bell will transfer its Convenience business unit to the Hilcona Group and acquire a 49 percent share in Hilcona in return. Bell will acquire a further 2 percent of the capital in four years from now. This strategic investment will strengthen our established position in the rapidly growing fresh convenience sector.

We are also shifting the focus more to synergy potentials within the Bell Group and have already achieved initial success. For instance, we were able to cultivate new sales markets for specific regional specialities thanks to the Group's network. Regionally established sales organisations in various markets were able to supplement their product portfolios by adding ranges from other companies of the Group. We want to build on these successes and make consistent use of the opportunities that arise.

NEW CHAIRMAN OF THE BELL GROUP EXECUTIVE BOARD

The Chairman of the Group Executive Board of Bell Group, Adolphe R. Fritschi, requested the Board of Directors to approve his early retirement for personal reasons and to allow him to leave his post with immediate effect. The Board of Directors has approved his request and would like to thank Adolphe R. Fritschi for his extraordinary performance and successful contribution to the company. The Board of Directors has appointed Lorenz Wyss (51) as his successor. Lorenz Wyss has held various positions at Coop since 1995, most recently that of Head of Category Management Fresh Products/Food Service and member of the Marketing and Procurement Management Board. He is well connected within the industry and will take over responsibility at Bell as of 1 April 2011. The Board of Directors is convinced that they have found the right man for the future and have safeguarded continuity in the Executive Board.

SUSTAINABLE ACTIVITY

The effect of business activities on people and the environment has been of concern to Bell for a considerable period of time. For instance, we pioneered the development of meat programmes on the basis of livestock farming and feeding methods that are appropriate to each species. The challenges we face today with regard to the environment and the population are enormous. Millions of people enjoy our products on a daily basis. This is a great responsibility of which we are very much aware. Bell takes a holistic approach to sustainability which covers the four aspects of economics, ecology, social responsibility and safety. Bell aims to count among the best companies within the industry in all four of these areas.

The manufacture of animal-based products and the consumption of meat itself have recently been the subject of critical scrutiny on account of ecological or health-related aspects. The partially contradictory opinions surrounding ecology and sustainability also cover subjects such as the environmental impact of meat consumption or the aspects of a balanced diet. Over the coming months we will draw up new basic principles that will continue to support us in assessing the impact of our activities on our stakeholders and the environment.

DIVIDEND INCREASE TO CHF 50 PER SHARE

The market value of Bell shares has developed much better than the relevant comparison market. Following a relatively stable development the market value experienced a significant boost during the last quarter. At CHF 1,766, the Bell share price as per 31 December 2010 was 13.9 percent above the year-end price for 2009 (+ CHF 215). The Board of Directors endeavours to increase shareholder dividends on account of positive business developments and the intact prospects. The Board of Directors is requesting that the Shareholders' Meeting raise the dividend to CHF 50 per share.

* on condition of approval from COMCO

We are anticipating moderate market growth for all product groups in 2011.

OUTLOOK FOR 2011

We assume that Europe's economy will continue to improve and provide impulses for consumption and demand. However, the intensity of the competition will not decline because of it. The price fight will escalate both in Switzerland and internationally and will exert pressure on our income.

Following the strong sales growth experienced in 2010, we are anticipating a more moderate market growth for all product groups in 2011. However, we want to grow stronger than our relevant markets. We aim to achieve this by implementing our business segment strategies. All in all we will focus on the more profitable ranges and forego sales with little added value. Innovations will continue to play an important role, as do the consolidation and optimisation of existing ranges.

We are convinced that the Bell Group is well-equipped to handle future challenges. Our thanks are due to all of our employees for their outstanding commitment and their willingness to tackle the pending challenges with all their might and to achieve our ambitious goals. We also thank our shareholders, customers and suppliers for their loyalty and the trust they place in the Bell Group.

Hansueli Loosli
Chairman of the Board of Directors

Martin Gysin
Chairman of the Group Executive Board a.i.

Quality Management

PEOPLE AT BELL – AS DIVERSE AS THE COMPANY

Committed, prepared for action. People to whom responsibility is also a personal challenge – and who grow with it.

Technology

Production

Field Service

Employees play the leading role in the world of Bell.
We want to achieve our goals with motivated and qualified employees who feel comfortable in the workplace, who are committed to their teams and who identify themselves with the company’s objectives. Only then are they able and willing to do their very best day after day.

Facility Service

Logistics

Consulting

Culinary Sector

AT HOME IN EUROPE

More than 6,450 employees work at *Bell,* Switzerland's largest meat processing company. The French *Groupe Polette* and the German companies *ZIMBO* and *Abraham* belong to Bell and are active in different European countries.

Bell's promise of quality for sustainable enjoyment is an unmistakable hallmark of the brand. We want to introduce some of the people who are committed to keeping this promise every single day.

The world of Bell is multi-faceted. It is as boundless as enjoyment itself. And every year it gets bigger, more international and more colourful – without ever forgetting its roots.

Benelux

Employees:	65
Production plant:	1
Trading company:	1
Production volume:	9,400 t

Switzerland

Employees:	3,500
Production plants:	10
Production volume:	125,000 t

Czech Republic

Employees:	600
Shop-in-Shop-branches:	57

Germany

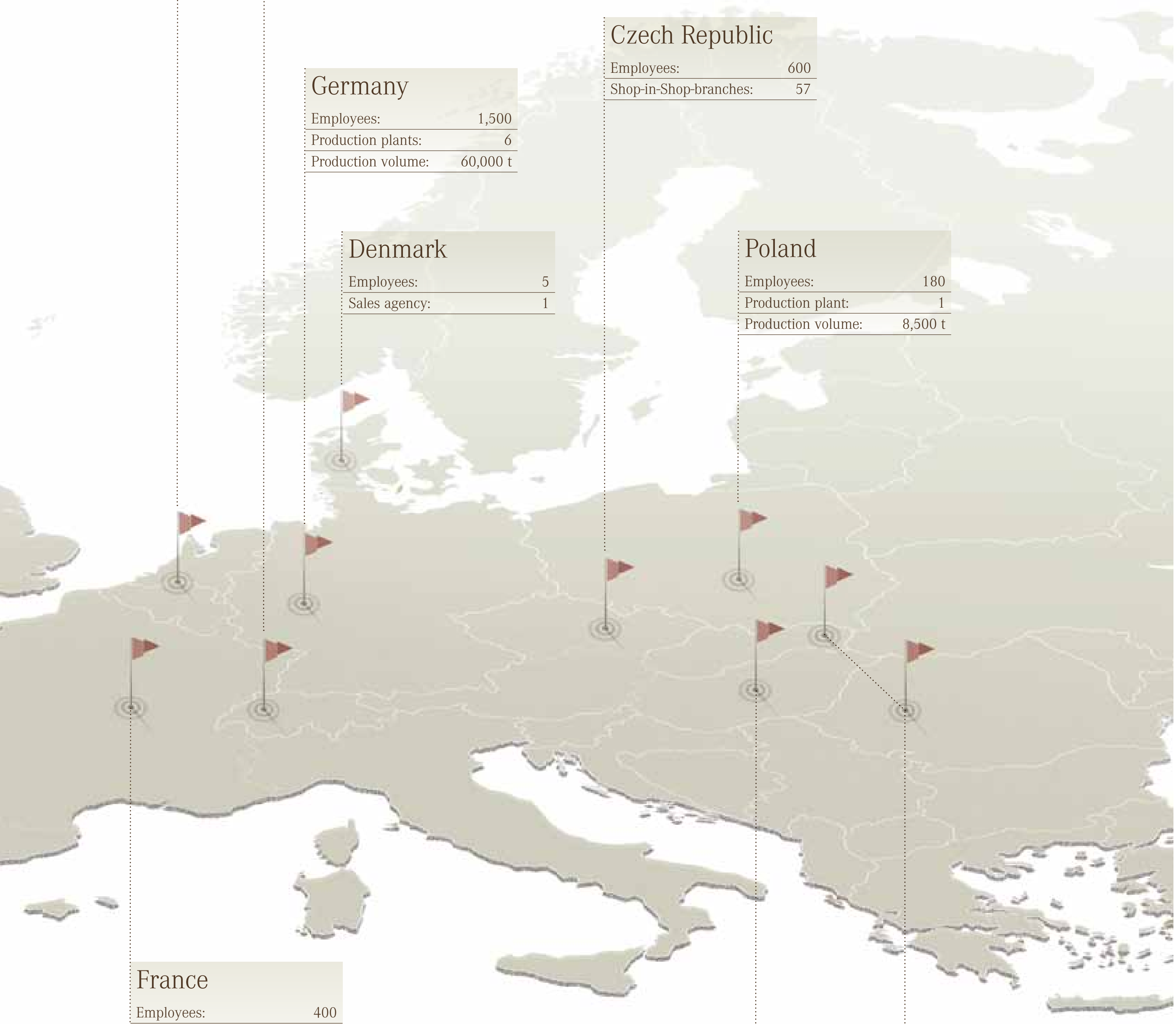
Employees:	1,500
Production plants:	6
Production volume:	60,000 t

Denmark

Employees:	5
Sales agency:	1

Poland

Employees:	180
Production plant:	1
Production volume:	8,500 t



France

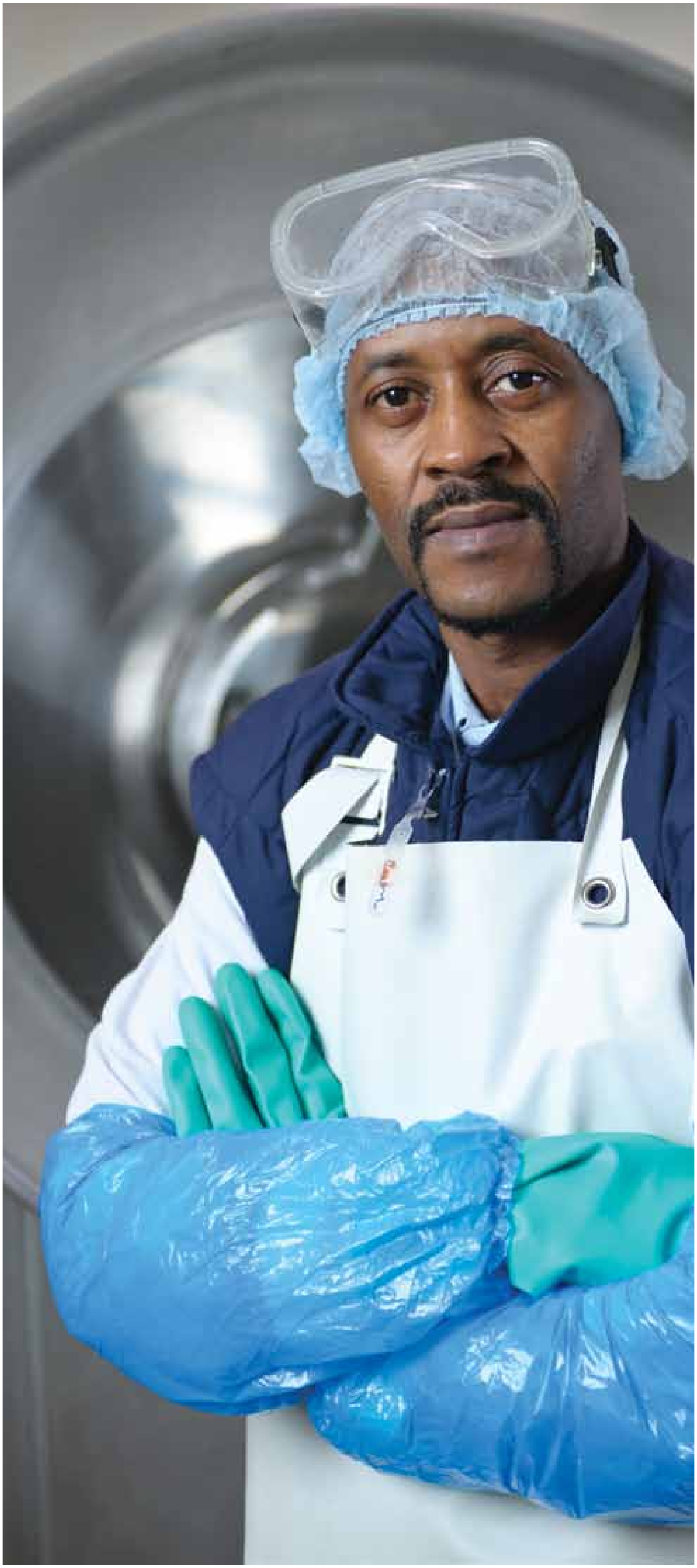
Employees:	400
Production plants:	6
Production volume:	12,000 t

Hungary

Employees:	200
Production plant:	1
Production volume:	6,000 t

Slovakia/Romania

Employees:	15
Shop-in-shop branches:	14
Sales agency:	1



«Organisation rules in my cleaning team: every job has to be completed in just a few hours, so *everything has to run like clockwork.*»

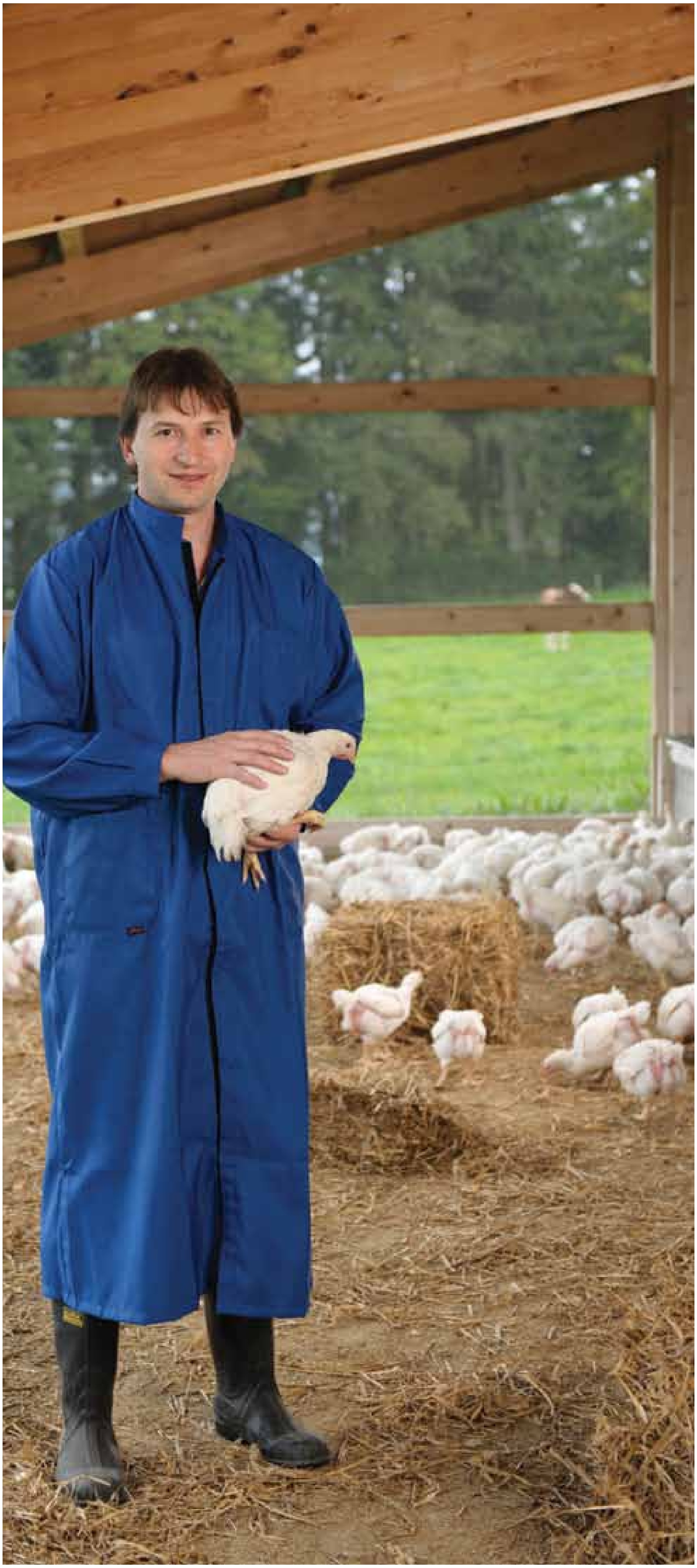
Jean-Luc Lepomby (45) leads a team of four and is responsible for cleaning the production equipment at the plant in Saint-André-sur-Vieux-Jonc. He joined the company in 2003.

Salaisons St-André / Groupe Polette
Around 100 employees produce fine charcuterie at the plant in St-André.

Bell Charcuterie
Scalded and dry sausage products, cured meats and poultry charcuterie are just a few examples from the broad range of charcuterie specialities.

«I like to be on the move – always on the road. This is how I help to *keep routes as short as possible* at Bell.»

As a driver at Bell, **Farid Moussa** (28) has contributed to efficient nationwide distribution since 2009.



Bell Poultry
At Bell Poultry, animal well-being is the key to fresh, first-class products in great variety.

«Contact with our partner fatteners often develops into *friendly relationships* over the years – and then you know you can trust each other.»

Beat Lustenberger (40) is head of the advisory service for integrated animal production at Bell Poultry in Zell. The budding management expert has been with Bell since 1991.

«Quality is *not a matter of compromise* – for me it is a matter of course.»

Gisela Schneider (29) is quality management representative at Abraham and is therefore responsible for the goods delivered to customers. Gisela Schneider has been with the company since 2009.

Abraham
Black forest ham and Serrano ham are two examples from the broad range of ham specialist Abraham, who operates production facilities in Germany, Spain and Belgium.

«Vocational training places a huge emphasis on *acceptance* and *respect* – and on personal *responsibility.*»

Dino Poljak (17) has been undergoing vocational training as an automation engineer in Oensingen since 2009. Here, he is qualifying himself for a varied profession in a future-proof sector.

Bell Fresh Meat
High technological standard, strict controls and motivated employees form the basis for a commitment to quality in a broad and varied range of fresh meat products.

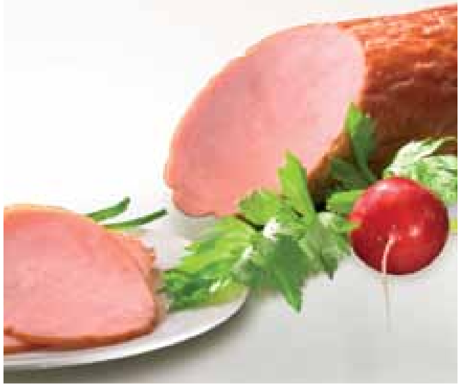
ZIMBO
ZIMBO produces more than 50,000 tonnes of high-quality meat and sausage products a year at production plants in Germany, Hungary and Poland.

«Whether reacting to customer wants and needs or providing product range advice: to me, *pleased faces* are what count most of all.»

Michaela Elias (39) is district sales manager. She routinely visits various points of sales as part of her job. Michaela Elias has been employed at ZIMBO since 1999.

«I particularly like the final inspection: to me, the result of the entire production process always represents *a feeling of achievement.*»

Justyna Siemieniuch (27) is responsible for controlling various work processes up to the final product inspection. She has worked at ZIMBO since 2007.



ZIMBO Poland
ZIMBO Poland produces a range of select sausage specialities such as kielbasa and cabanossi in the Polish town of Niepolomice near Cracow.

Bell Seafood
Whether over the counter or on self-service shelves: delicatessen from Seafood in Basel stands for top quality.

«I support employees in many points of sale through new ideas – and that requires first and foremost *a love of the product.*»

Pascal Bieth (49)) is an expert for seafood in Basel who makes sure that customers everywhere always get the very best. Pascal Bieth has been with Bell since 2007.

BELL SWITZERLAND

The year 2010 was characterised by stable growth and numerous optimisation initiatives with regard to efficiency, innovation and sustainability. Thus, Bell Switzerland has set the course and secured the success of tomorrow.

Seafood

Bell Seafood is one of the leading specialists for fresh fish and seafood.

Fresh Meat

Bell Fresh Meat produces and processes beef, pork and lamb products in specialised facilities.

Poultry

Bell Poultry offers fresh poultry from Swiss production as well as selected national and international game and poultry specialities.

Convenience

Whether salads, sandwiches or menu items – Bell Convenience provides the Swiss market with high-quality products that are ready-to-serve or quick and easy to prepare.

Charcuterie

Scalded and dry sausage products, cured meats and poultry charcuterie make up the broad range of specialities from Bell Charcuterie.

INHALT

+2,5%

Sales volume growth rate Bell Switzerland

ANOTHER VERY GOOD YEAR FOR BELL SWITZERLAND

2010 was an exceedingly positive business year for Bell. This was due in part to the interplay between a number of factors that we were able to exploit to our advantage.

In Switzerland, the sales volume increased by 2.5 percent to 125.3 million kg while net sales rose slightly less by 1.9 percent to CHF 1.81 billion. Swiss poultry and fresh meat and products with high added value posted particularly strong growth.

All in all, we achieved a very good result for the reporting period. This is due to a number of reasons: one of these is the development of consumption with a brisk demand from consumers; others include well-thought out product ranges designed with consumer demand in mind. Product ranges with a high level of added value proved to particularly successful. Other decisive factors include stable prices for raw materials and efficient processes in Bell's Swiss production facilities.

Market environment

The Swiss population's appetite for meat products has increased during the reporting year – consumption grew by 3 percent. Virtually every sort of meat has benefitted, particularly pork and poultry. A higher growth rate for unprocessed meats in comparison to products such as sausage and charcuterie is particularly noteworthy.

Meat production in Switzerland grew overall by 3.5 percent. The growth rates applied predominantly to pork – and resulted in a significant decline in prices. In contrast, the domestic production of beef was stable. The cost of raw materials stagnated or dropped slightly year-on-year. The trend for imported meat is slightly different: both poultry and beef experienced a demand-based increase. The consumption of poultry has meanwhile reached the same level as beef.

Bell has exceeded the market in terms of growth in meat production. In figures: poultry grew by 4.5 percent and slaughtered meat by 4.2 percent, whereby beef grew significantly more than pork.

A favourable franc-to-euro exchange course boosted shopping tourism in neighbouring countries – by as much as 15 percent, according to conservative estimations. Experience shows that Swiss shopping tourists like to buy meat, dairy and other fresh produce. This fact highlights once again the penetrability of Switzerland's border protection with regard to agricultural products. The development is further enhanced by the introduction of the

Switzerland will be sustainably secured as a production location.

Cassis-de-Dijon principle, according to which a product admitted to market in one EU country is automatically admitted to every member state. This also includes Switzerland, albeit to a lesser extent due to exceptions and approval procedures.

Agricultural policy

The Swiss Federal Council is continuing its negotiations with European authorities with regard to a free trade agreement for agricultural products. The outcome of negotiations and the subsequent process of domestic policy are completely open from today's viewpoint.

In the absence of clear basic conditions and development prospects, actors will postpone investment decisions as far as possible into the future.

Bell is aware of the various implications of a continued market opening. Despite these factors it still holds prospects for Switzerland's nutrition sector to participate in the global growth market for food production in the mid to long term. It is a market with relevant prospects: a global food shortage is anything but unrealistic.

Strategic guide rails set

In 2010, Bell defined the strategic guide rails for each business division. They determine the direction for the next five years. All signs are pointing to growth, especially in the fresh sector where existing opportunities and potentials will be exploited with greater consistency. The focus in this regard differs depending on the business sector. The common focus for all areas, however, will be on strengthening business relations, increasing the degree of innovation and expanding the leadership function.

In 2010, we made important decisions with regard to Switzerland as a production location that will sustainably secure our domestic facilities: we were able to acquire a plot of land measuring around 15 hectares in Niederbipp. The reserved right of purchase will come into effect when the area is rezoned from an agricultural to a commercial zone. The corresponding rezoning procedure includes a participation procedure for the residents of Niederbipp; the final decision is expected during the course of 2011. In the event of a rezoning we will relocate the production of pork from Basel to a new facility in Niederbipp by the year 2016.

In Basel, Bell has taken over the abattoir compound with an area of 6.7 hectares with building rights from the canton of Basel-City. The abattoir buildings and infrastructure will pass to the ownership of Bell together with the building rights. The building rights agreement is effective as per 1 January 2011 and runs for a maximum of 100 years with various options. At the same time, Bell Ltd will take over the shares of the canton of Basel-City in the abattoir's operating company, SBA Schlachtbetrieb Basel AG, as of 1 July 2011. From an organisational viewpoint the abattoir in Basel will be integrated in Bell Switzerland and operations maintained for the next few years.

Bell's activities in the fresh convenience sector have been transferred to the Hilcona company within the scope of a cooperation*. In return Bell will acquire 51 percent of the share capital of the convenience food specialist from Liechtenstein by the year 2015. The positive development achieved by Bell Convenience in recent years has pushed the company to the limits of its capacity. It was therefore necessary to set a strategic course to enable further growth in the segment for fresh convenience food. A cooperation with Hilcona offers ideal preconditions in this regard. Bell's current production facility for fresh convenience food in Schafisheim will be maintained and expanded under the Hilcona umbrella.

Extraordinary events

On 27 March 2010 a fire broke out in one of the refrigerated warehouses of the Bell subsidiary Frigo St. Johann AG in Basel; fortunately, there were no injuries. The fire was caused by welding work carried out inside the building by an external company. The fire could only be extinguished after more than two weeks due to heavy smoke development and the acute danger of collapse. A total of 4,300 tonnes of frozen produce were destroyed; however, the damage suffered by Bell is completely covered by insurance. The buildings will have to be demolished and will not be reconstructed in this form. The future use of the plot will be determined within the scope of the master plan for the area.

* on condition of approval from COMCO

+3,8%

Overall growth in meat production for slaughter animals and poultry.

BELL FRESH MEAT – GROWTH FOR PRODUCTS WITH HIGH ADDED VALUE

Sales in the fresh meats sector rose by 4.4 percent or by CHF 34.1 million to a total of CHF 809.5 million. The meat production volume was 99,431 tonnes. This equates to a growth of 2.9 percent or 2,769 tonnes. The sales volume grew by 4.3 percent or 2,226 tonnes to 54,037 tonnes.

This exceptionally pleasing development is the combined result of higher sales volumes and the optimisation of production processes. The increase was most noticeable for higher priced beef and product ranges with greater added value such as self-service and convenience articles. Self-service products, for instance, increased by around 300 tonnes. Up to 180,000 packages left the production lines every day. In general, consumers preferred fresh products over frozen.

The development of the retail, wholesale and gastronomy sales channels was positive all in all. However, pork volumes were lost in the industrial sector. This is due to the fact that the meat wholesale sector applied an aggressive pricing policy to market an oversupply of pork.

Bell's production facilities were pushed to their limits – and beyond – during the reporting year. Appropriate remedies were implemented: an additional floor was added to the building in Oensingen. We have been able to significantly increase production in the self-service sector thanks to the additional storey. The volume of the investment lies at CHF 18 million. The time period between the start of construction and the start of production was a mere 40 weeks.

At product level, Bell has expanded its range for the festive season by adding a number of highly attractive products. They include fresh, extra thick-cut Chinoise articles from high-quality prime cuts as well as various table grill articles. The Bell range is further complemented by new ready-for-the-pan products. In 2011, the entire sector will be further developed and expanded by continuously adding new articles. The fresh burgers and meatballs introduced in conjunction with targeted marketing measures at the end of the year are meanwhile established in the market.

The production volume of the business division in French-speaking Switzerland remained largely stable. Falling raw material prices and a slightly modified range mix led to a slight drop in sales year-on-year. Bell is planning a new charcuterie facility in Cheseaux-sur-Lausanne as a replacement for the facility in the city of Lausanne. The associated work has made good progress during the reporting year.

BELL CHARCUTERIE – OVERALL MARKET DECLINE

Sales in the charcuterie sector fell by 1.9 percent or CHF 8.7 million to CHF 445 million. The sales volume grew slightly by 0.4 percent or 132 tonnes to 32,345 tonnes.

The drop in sales in this area was caused by a shift to less expensive product ranges. The development during the second half of 2010 was somewhat more positive on account of various sales promotion activities. The financial position can be viewed as satisfactory thanks to falling costs.

Sales of cured meat products were significantly up year-on-year. This is mainly due to optimisation initiatives for processing prime cuts. Intensive activities to boost sales in the fresh meats sector consequentially caused a negative impact on the sale of cervelat and scalded sausages. The predominantly cold and wet weather of 2010 had a somewhat negative effect on the sale of barbecue products. Bell was again able to increase its cooperation with ZIMBO in export sales for dry sausages.

The specifications for the PGI (protected geographical indication) for the production of St. Galler veal sausage, the St. Galler sausage and the Olma sausage came into force in October 2010. The production plant in Gossau (SG) was the first facility to fulfil specifications and achieve PGI certification for its products.

In the coming year the current business sector strategy will focus mainly on cooked sausages and ham, thereby exploiting the potential for further added value.

The poultry abattoir will be modernised in 2011.

BELL POULTRY – STRONG BUSINESS WITH FRESH DOMESTIC POULTRY

Sales in the poultry sector was at CHF 354 million for the reporting period – this equates to an increase of 1.4 percent or CHF 4.7 million (previous year adjusted). Bell achieved a meat production volume of 23,512 tonnes and therefore an increase of 8.2 percent or 1,766 tonnes. The sales volume grew by 2.1 percent or 554 tonnes to 26,898 tonnes.

The consumption of poultry in Switzerland has increased in general. Bell has profited from this development more so than the market in general. The sector experienced particular growth in its core business with fresh poultry from Switzerland. This has a positive effect on earnings, as did the strong exchange rate for the Swiss franc, which led to favourable purchase prices for imports.

Novelties in the seasonal ranges «Barbecue» and «Autumn» and in the convenience sector are worthy of special mention with regard to products. They played a decisive role in exceeding the internally set benchmark for the proportion of new products in overall sales.

The fire at the refrigerated Frigo warehouses destroyed significant stocks of frozen products. This affected first and foremost the availability of products for customers in food service and industry. However, alternatives were made available within an expedient time period thanks to the quick and efficient reaction of our staff at every level.

Bell achieved substantial growth in the special meats product group, with particularly positive developments for game, ostrich and rabbit. Bell procures the latter from within Switzerland and from the new Hungarian import programme «Relax Rabbit» that fulfils Switzerland's strict animal protection standards.

Investments in refurbishing various plants and optimising internal logistics contributed towards increasing productivity and added value. The raw materials and order picking warehouse that had reached its full capacity was extended and modernised. Further improvements to the collection and recovery of by-products from the slaughter process resulted in a reduction in disposal costs.

In 2010 a decision was made to change the stun system in the poultry abattoir. As of April 2011 Bell will be the first company in Switzerland to convert from conventional stunning in an electrified water-bath to stunning in a controlled atmosphere. This method is less stressful and has a positive effect on the quality of the meat.

The price fight in the poultry sector is likely to intensify during the coming business year alongside an increase in the though competition prevalent in the retail trade. Bell's freshness strategy for Swiss poultry is the ideal starting position to stand ground in the competitive environment and secure success.

BELL CONVENIENCE – POSITIVE TREND UNBROKEN

Sales in the convenience sector is at CHF 84 million for the business year 2010. This equates to an increase of 3.2 percent or CHF 2.6 million in comparison with 2009. Sales volumes were stable at 7,269 tonnes.

The main reason for the stagnation of sales volumes at the previous year's level is the cancellation of sandwich supplies to Swiss. However, as this was a contract with only little added value its effect on the financial position is correspondingly low. Apart from that, the sandwiches product group has developed exceedingly well. This applies especially to the new ranges in the ultra-fresh sector. Although developments for salads and menu items remain good, they are slightly more cautious in comparison.

Despite the fact that the convenience market has lost a little of its impetus it is still clearly above the majority of food production sectors. Some convenience shops intensified their market activities during the reporting year, and new providers are set to establish themselves in the market. The overall result is an increase in pressure on the manufacturers of convenience products.

However, the future also holds a number of other challenges: eating habits and consumer behaviour are becoming increasingly differentiated. Even discerning consumers are taking advantage of the benefits offered by convenience food throughout

As a member of the WWF Seafood Group, Bell invests its efforts in fish from sustainably managed stocks.

Bell Seafood is a member of the WWF Seafood Group.

the week. The trend in this sector is shifting increasingly towards freshness, health and high-quality enjoyment.

BELL SEAFOOD – SUCCESSFUL THROUGH SUSTAINABLE PROCUREMENT

Bell was able to increase sales in the Seafood sector by 19.9 percent or CHF 17.3 million to a total of CHF 104 million. The sales volume grew by 14.5 percent or 528 tonnes to 4,176 tonnes.

Earnings are located within the forecast scope, even though net revenue and income did not develop analogue to sales volumes. Seafood's most significant growth stems from aquaculture products and MSC (Marine Stewardship Council) certified sources. Its shares in the retail trade sector grew significantly stronger than those in food service and the food industry.

The overall initial position is favourable: there is a strong demand for fish and seafood that is not showing any signs of decline. During the last three years alone, consumption increased by more than one quarter to over 70,000 tonnes. 95 percent of maritime foods on offer in Switzerland is imported; one third of the overall product quantity stems from breeding. Bell is setting the trend in this regard, too, and can bring its strengths, namely performability and attractive product ranges, into play against the competition.

As a member of the WWF Seafood Group, Bell considers sustainable procurement to be an issue of very high importance. We have set ourselves the goal of converting our portfolio step by step to fish from sustainably managed, environmentally friendly stocks. Our portfolio does not include species threatened by extinction such as sharks or bluefin tuna. Within one year we will find alternative procurement options for fish from heavily overfished stocks. One thing is clear: if we cannot find any ecologically intact stocks we will exclude the corresponding species from our portfolio.

Bell Seafood cooperates with MSC. The organisation and the corresponding label guarantee the traceability of fish; they also guarantee that the fish stems from a sustainable source. We currently offer pikeperch, wild salmon, cod, mussels, pollock and plaice under the MSC label and are continuously expanding the range.

In 2010, we were able to launch a real innovation on the Swiss market in addition to various other product developments: fillet of fish with a sauce topping on a wood leaf that is ready to serve in just four minutes. The fish takes on the wood leaf aroma during baking and offers a particularly intensive culinary experience.

Bell expects the competitive intensity to increase over the next 12 months. Bell Seafood will nonetheless grow beyond the market average. The start gives reason for optimism: we have gained a significant new customer in western Switzerland for 2011. Furthermore, we are also planning targeted investments in packaging technologies to offer the consumer new, particularly attractive packaging forms.

OUTLOOK FOR 2011 – CONTINUED SUSTAINABLE GROWTH

Bell is anticipating moderate market growth for all product groups for 2011. The price fight will escalate in conjunction with rising production costs. This will put pressure on our income. We are well prepared and intend to achieve stronger growth than the relevant markets.

The topic of sustainability is another focal point. Bell will continue to pursue its current route and will develop additional guidelines to enable an even deeper analysis of the impact of corporate activities on stakeholders and the environment.

BELL INTERNATIONAL

2010 was characterised by heavy pricing and competitive pressure. Bell International was nonetheless able to hold its ground and even expand its position slightly.

France

Groupe Polette, the specialist for dry sausages and air-dried ham, has a total of six business operations in France. The company values both tradition and the regional origin of its products.

Germany

ZIMBO and Abraham are active in the German market. ZIMBO offers a range of high-quality sausage and meat products, whilst the focus at Abraham is on a broad selection of air-dried hams.

Benelux

ZIMBO's trading company Marco Polo provides a strong sales organisation in the Benelux countries alongside Abraham's production operation for Ardennes ham.

Spain

Ham specialist Abraham produces high-quality Serrano and Iberico hams that are successful both on the domestic market and as export goods.

Eastern Europe

ZIMBO manufactures meat and sausage products in Hungary and Poland for the domestic and international market. ZIMBO also operates over 70 butcher's shops in the Czech Republic, Romania and Slovakia.

CONTENT

BELL INTERNATIONAL EXPANDS MARKET POSITION

The majority of our European markets started to recover in mid-2010. The heavy pricing and competitive pressure, however, remains unchanged. The market is characterised by strong competition. Prices have become largely detached from the cost development of raw materials. Pressure on margins remains unchanged. The end-user prices have dropped in nearly every market. This applies in particular to Germany.

Bell was able to expand its market position in this difficult environment with regard to sales volume. The anticipated results, however, did not materialise; this is due first and foremost to heavy pricing and profit margin pressure.

+8,6%

Production volume of Bell International

Due to a low average conversion rate for the Euro and changes in the scope of consolidation, the net income achieved by Bell International in Swiss Francs is on a par with the previous year at CHF 776 million (+0.4%, CHF 3.4 million). Adjustments to account for the conversion rate effect reveal a growth rate of 10.7 percent. Production volume has increased by more than 8.6 percent and totalled 98,361 tonnes.

The encouraging developments in sales and turnover is due to the introduction of innovative products to the market and successfully intensified sales activities.

The realisation of initial synergy effects can be viewed as entirely positive. The group's network makes it possible to cultivate new sales markets for specific regional specialities. Furthermore, regionally established sales organisations were able to supplement their product portfolios in various markets by adding ranges from other companies of the group. The harmonisation of corporate software is the most significant development in the back office area. Last but not least, the transfer of know-how between individual companies has proven to be of great value. Bundling procurement orders for packaging materials and other items resulted in synergy effects for Switzerland.

HOTLY CONTESTED GERMAN MARKET

Germany’s food retail industry started to show signs of growth around the middle of the reporting year. Full-line distributors have experienced a positive development, whilst the pictures presented by discounters, who are traditionally strong in Germany, vary significantly.

Germany‘s market for air-dried ham remains stable year-on-year with a virtually unchanged tonnage. A cautious upwards movement can be observed in the sausage and charcuterie sector. Average prices in the discount market have fallen due to various price rounds whilst remaining basically stable in the traditional food retail sector. The price gap between the two retail types is expanding as a result.

Bell Germany is well positioned to cope with future challenges in Europe's largest market.

The general targets for sales growth and volume growth were exceeded in 2010, whereby volume growth was significantly higher than sales growth. Both areas slightly exceeded expectations in the sausage and convenience sector; the latter in particular experienced above-average growth due to general upward trends but also through innovation. The sales price per kilogram trended downward. The reasons lie in markdowns in trading and a trend towards the low-price segment.

Our ham specialist Abraham profited from innovative new product and packaging developments as well as from increased marketing activities for Mediterranean ham specialities, with resulting increases in both sales and turnover in local currency. One of these recipes for success is Serrano ham from our production plant in Spain. In particular the concept of Serrano-Tapitas: these are small, fine, low-fat tapas slices that are fully in line with the trend towards snacks and nibbles. The trend towards smaller package sizes remains unbroken. Abraham seized the opportunity to successfully launch the concept for freshness through folding packaging on the market. A good start in 2009 was followed by further significant sales increases in 2010.

On the other hand, we have optimised costs by continuously implementing specific measures such as investing in improved merchandise management processes. Furthermore, the specialisation of individual ham production was also consistently driven forward.

Charcuterie specialist ZIMBO reduced its product range as planned by more than 400 items during the reporting year and was also able to successfully launch a number of innovations on the market. These include, for instance, «Zacherl's Speciality Premium Products», developed in cooperation with the well-known TV chef: creative, contemporary products without colorants, artificial aromas or flavour enhancers. The mini-snack line was extended by introducing a new product in the form of filled mini-balls in four innovative flavours. The small package size with a high purchasing rate introduced by ZIMBO is clearly a success factor. The main focus is on the food retail sector and – as a supplementary measure – on various convenience channels. Last but not least, various extensions to existing product lines and increasingly innovative packaging concepts also contributed to the successful sales result.

During the reporting year Bell Germany added another top brand to the group in the meat and sausage sector by entering a licencing agreement with Unilever. The acquisition came into effect on 1 July 2010 and its integration over various stages is running to schedule. Activities relating to the «Du darfst» brand will be managed internally at Bell Germany by a separate unit (FreshCo) under a licensing agreement. «Du darfst» is market leader for low-fat sausage products and promises full flavour with fewer calories. The adoption of brand activities by FreshCo led to further increases in sales and volume and therefore to ongoing optimisation of operational capacities.

Bell Germany is well positioned to cope with future challenges in Europe's largest market. The upstream position of raw material suppliers and the downstream position of food retailers display a high degree of concentration; the processing stage, however, is still heavily fragmented. A consolidation can be assumed for the future, not least due to the intensity of the competition.

Bell has achieved favourable sales and volumes in Poland through continuous listing expansion.

Our strength in the discerning German market is based on a number of factors. They include a comprehensive product range, efficient and specialised production operations and an efficient sales and distribution organisation. A convincing brand programme, the economic production of trade brands at a qualitatively high level, ongoing innovations and competitive cost structures provide a good starting position with regard to the competition.

WELL POSITIONED IN EASTERN EUROPE

The global economic crisis had a particularly harsh effect on consumers in eastern Europe and therefore a negative impact on consumer behaviour. The current trend is still clearly towards low-price articles and discount, despite prospects of recovery.

Poland is an exception: the country mastered the global crisis largely without suffering a major drop in demand. Poland's economy grew by around 3 percent in 2010. However, it is again the discounters who are heading this development – and in doing so are crowding out established retailers. Bell has achieved favourable sales and volumes in Poland through continuous listing expansion. In addition to the existing product volumes, we now also manufacture products that were previously purchased externally. This confirms the acquisition of the production facility in 2009 as a positive decision.

The picture in Hungary is different: although the economy is regaining stability following the crash of 2009, retail sales are only now beginning to show hesitant signs of recovery at a low level. Bell was unable to achieve its sales and volume targets in Hungary; the decline in retail sales and consumer price sensitivity were clearly noticeable.

The positive development of our butcher's shops in the Czech Republic continued during the reporting year: we were able to maintain margins and exceed profit targets significantly despite a persistently weak demand. At the end of 2010 ZIMBO was operating a total of 71 butcher's shops.

ZIMBO has closed its sales branch in Russia. This one-off charge had a corresponding negative effect on the result for the second half of 2010.

From an overall viewpoint the markets of eastern Europe are still of significant importance to Bell International. We want to continue developing these markets across a broad front, both as a provider of premium brands with international specialities and through efficient local production in each region supported by local customer services and efficient local logistics.

COMPETITIVE ADVANTAGES THROUGH REGIONAL SPECIALITIES IN FRANCE

The first half of 2010 was difficult in France. The reasons were a generally weak economy with low customer numbers in supermarkets and unfavourable weather conditions. The latter had a negative effect on the sale of products that are often consumed outdoors or on the road. Pressure was further increased by competitors' aggressive pricing policy. The second half-year, on the other hand, showed an upwards trend with an encouraging growth in volume.

Groupe Polette was able to make up virtually all of the shortfall from the first semester. The volumes, including those of the company St-André acquired

Bell realised a number of interesting product innovations in France.

in 2009, were all in all higher year-on-year. Lower retail prices maintained a constant rate of turnover in local currency. The above-average growth in the sector for Savoy dry sausage specialities is noteworthy.

Bell realised a number of interesting product innovations in France. They include a range of biologically produced meat and dry sausages with raw materials from the Massif Central with corresponding identification. Declaring France as the source of product origin had a positive impact on the introduction of products of the new «Polette» brand to the French food retail sector and for export.

From a strategic viewpoint, Groupe Polette will focus on the dry sausage and ham product groups and on supplying retailers and wholesalers as well as food service and export. The company's focus is twofold: the craft of production on the one hand and, on the other, on Auvergne, Lyon, Savoie and Bresse as regional sources of origin. The combination of proprietary brands and the production of trade brands guarantees a high level of added value and optimum utilisation of production facilities.

STRONGER PRESENCE IN WESTERN AND NORTHERN EUROPE

A slight market growth is expected for the Benelux countries in 2010. General consumer expenditure is developing positively. Retailers are therefore willing to take new products on board and to develop new markets for niche products. Competitive pressure is, however, enormous, in particular due to Italian suppliers. The Belgian trading company Marco Polo, which was acquired by Bell per 1 January 2010, was effortlessly integrated in the ZIMBO Group; it was able to meet existing expectations and contribute towards profitability.

The situation in Spain is different: the market for Serrano ham and especially Iberico ham is suffering from contraction of volumes as well as a decline in value. Sales of Sanchez Alcaraz, on the other hand, are pleasing – and therefore clearly contrary to the market trend. The main reason lies in an increase in demand for Serrano ham in Germany.

Bell Group is defending and expanding its market presence in the countries of northern and western Europe, in particular through regional, specialised production operations. The Group's reputation as an established specialist for international charcuterie and convenience food is a second string to the Group's bow. Our product range coupled with customer proximity and optimum service, a strong network and efficient cost structures are what make us a competent and independent service partner for fresh international specialities.

OUTLOOK FOR 2011 – ADDING MORE VALUE

Prospects are intact but not without challenges. In general, Bell is expecting the economic recovery to continue, albeit under consistently adverse competitive conditions. Following a noteworthy growth in sales in 2010 in comparison to the previous year, we are now anticipating a more moderate growth rate for both sales and volume for 2011.

We will concentrate on the more profitable ranges and reduce the areas with low added value step by step. Our growth strategy is based on supplying a range of innovative products and consolidating

We are assuming moderate developments for sales and volume in 2011.

and optimising existing ranges. Additionally, we assume that the integration of the «Du darfst» product line will lead to an optimum utilisation of capacities at individual production plants in Germany.

A more consistent utilisation of synergies within the framework of Bell International is another important focal point. These synergies are located in technical operations, sales, procurement and logistics.

Sales and production volumes at Bell International	Sales [in CHF million]	Sales volume [in tonnes]
Abraham Group	254	25,359
ZIMBO Group	455	61,080
Groupe Polette	100	11,806
Total Bell International	810	98,245

BELL CORPORATE SOCIAL RESPONSIBILITY

Bell adopts responsibility for its products: quality is always our first and foremost priority. We want to be perceived as a responsible member of society in every area of corporate activity and define the quality of the end product en route to this goal.

Human resources

Our employees are important to us – a fair social partnership, equality and targeted training and further education are the path to success.

Communication

The dialogue with our stakeholders helps to assess our performance and to identify all opportunities and risks in good time

Quality management and food safety

Our comprehensive quality management system guarantees product quality and compliance with all food safety regulations.

Environment, energy and safety

Economy, ecology, social responsibility and safety – we want to belong to the best in the industry in all four areas.

CONTENT

We offer quality of life that combines a conscious approach to nutrition with the enjoyment of good food.

SUSTAINABILITY FOR TASTE AND ENJOYMENT

The effect of corporate activities on humans and the environment has been an important issue to Bell for a considerable length of time – in fact, they were of importance to us at a time when only a few others gave them due consideration. For instance, we pioneered the development of supplies from livestock farming methods that are appropriate to each species.

Economy, ecology, social responsibility and safety are the mainstays of a comprehensive approach. Bell is committed to its objective of adopting a leading position within the industry in all four areas. We consider it a part of our corporate responsibility.

Furthermore, the fulfilment of this responsibility also requires a continuous and transparent dialogue with our stakeholders, i.e. consumers, business partners and shareholders – and, of course, our employees. Animals, too, have a justifiable right to a company that acts responsibly, takes their needs seriously and gives them due consideration.

Consumers value healthy food and authentic taste. And that is precisely our job: without reference to nutritional ideologies, we want to offer a quality of life that combines a conscious approach to nutrition with the enjoyment of good food. This also includes meat, a source of nutrition that in recent times has been the object of critical scrutiny.

In general, humans need a varied and balanced diet. This doubtlessly includes meat – a component that is very difficult to replace. Abstaining from the consumption of meat calls for a significant effort to balance possible dietary deficiencies.

Meat is a source of nutritional enrichment. And what about the environment? It is a fact that more than two thirds of agriculturally utilised areas in Switzerland are used for grazing due to ecological reasons. Grazing animals cultivate the vegetal material. Cows, goats, sheep, camels, yaks and buffalo around the world consume this roughage and provide us with milk and meat as well as with wool and leather. Hence, the utilisation of green areas for grazing livestock is beneficial in a number of ways.

This is by no means intended to propagate the unconditional mass consumption of meat. The decisive factor, as is so often the case, relates more to ‹how› than ‹what›. From a nutritional viewpoint the consumption of animal products is sensible – and behaving sensibly always has to do with moderation. We can enjoy meat with a clear conscience if we put quality before quantity, if the quality of the meat is more important than the frequency of consumption.

The times are changing. This fact is reflected not only in questions of policies relating to nutrition but also with regard to corporate social responsibility. Handling customers, employees and resources responsibly, i.e. complying with the principles of sustainability, is gaining importance as a success factor that is reflected in measurable business results. A positive corporate image in this regard is much more than a pleasant luxury.

Sustainable economic activity makes good business sense and secures long-term growth prospects for the company.

Growth that is based not only on spectacular new products but also on the continuous optimisation of portfolio and processes, of social interaction and efficiency, of resource consumption and planning – that is what characterises real sustainable growth.

Only one thing is certain in times of change and a continuous flow of new challenges: we want to learn more about the overall impact of our actions to create an ever-improving initial position for tackling these challenges through smart management. We do not restrict this to internal environmental management, but include the entire process chain – from the supplier to the customer. This includes collecting all of the available information and processing it to arrive at meaningful conclusions, for instance within the scope of studies. Active and transparent communication both internally and externally is a part of it. It is on our agenda for 2011 and will contribute towards making this year another year of success: for our business, but also for people and the environment.

All facilities were audited and confirmed in accordance with the «IFS Food 5» standard.

QUALITY MANAGEMENT AND FOOD SAFETY

The Bell Group has a comprehensive quality management system. It ensures strict compliance with all the regulations of relevance to food safety and hygiene – at a statutory level as well as with regard to the various standards and labels.

Our various quality management systems are based on the HACCP (Hazard Analysis and Critical Control Points) concept. Bell lives by this principle: senior management, production management, quality management and the various divisions routinely coordinate training events and other aspects of hygiene, food safety and updating the concept of HACCP.

Targeted, regular employee training events are a crucial contribution to their understanding of the benefits of hygiene and process-related improvements. Additional internal inspections at every plant ensure the complete identification of every potential noncompliance. Corrective and preventive actions initiated on this basis are monitored directly by senior management.

During the reporting year the Group's management and every plant were audited within the scope of the IFS Food 5 standard. Furthermore, a Global Standard for Food Safety Issue 5 (GFSI) audit was implemented in defined production plants by the British Retail Consortium (BRC) and successfully passed. The certificates were confirmed for all divisions.

The same applies for the various organic labels such as Bio, Bio Knospe or Öko, and other quality labels such as QS, Suisse Garantie, Marine Stewardship Council and Berg and Alp. There were all confirmed through external audits at every relevant plant. The current reporting period saw the introduction of certificates for protected geographical indication (PGI) for sausage specialities from eastern Switzerland.

The authorities also carried out at least one audit at each plant to confirm the authorisation to run operations. The result is that two plants have maintained their approval for meat exports to the USA, whilst a total of four plants have been granted the authorisation to export to Japan.

A number of customer audits in individual plants rounds of the spectrum of successful inspections and certifications.

Purchasing and suppliers

Bell has defined clear basic conditions for the purchase of animals for slaughter and for meat in corresponding guidelines. These guidelines are based on country-specific laws and on requirements specified by companies and customers.

Partner companies abroad from whom Bell imports meat products are selected on the basis of very strict criteria, routinely inspected within the scope of audits and obligated to document all measures implemented to ensure compliance with specifications defined by Bell. In the case of deviations, the situation is investigated and the measures required to solve the problem are implemented.

The Icelandic volcano eruption of spring 2010 that caused furore around the world and whose cloud of dust and ash brought air traffic in parts of Europe to its knees was not without consequence for Ball. Deliveries of various types of fresh fish from

Bell is committed to production in line with livestock farming and feeding methods that are appropriate to each species.

abroad were blocked in the airports. This led to bottlenecks in supplies that our purchasing organisation was quickly able to compensate.

In the case of Swiss poultry fattening, Bell works together exclusively with selected partner fatteners. This sector is governed by regulations that the company routinely defines in cooperation with the chicken fattener trade association MOSEG.

The following applies to other goods for resale and non-food articles: purchasing is based not only on purchasing conditions specific to the article but also on socio-ethical and ecological criteria. Handling resources plays an important role.

Certificates of conformity are needed for primary packaging material. Furthermore, we require IFS, BRC or HACCP or equivalent certification for all suppliers of primary packaging materials and foodstuffs.

Every new supplier with whom we cooperate is subject to a special evaluation process. Only then is he added to the list of approved suppliers.

ENVIRONMENT, ENERGY AND SAFETY

Bell pursues a comprehensive approach to sustainability with a special emphasis on the aspects of economy, ecology, social responsibility and safety. Our claim is to belong to the best in the industry in all four areas. Taking the different basic conditions prevalent in each country into account against the background of international expansion is a matter of course.

Ecology and animal welfare

Safe, high-quality meat products are our core business. Bell is committed to production in line with livestock farming and feeding methods that are appropriate to each species. The route taken by the meat is traceable in full at any time; comprehensive and transparent details made available within the scope of statutory requirements provide customers and consumers with information on the product's origin.

In contrast to its operations abroad, where Bell exclusively purchases raw materials that are ready for processing, the company operates its own abattoirs and deboning facilities in Switzerland.

We set great store in handling animals with consideration during meat production. We cooperate closely with various interest groups such as Swiss Animal Protection (SAP). We make use of state-of-the-art technology in our conversions and new buildings. For instance, we have converted the stun system in our Swiss poultry abattoir in Zell: as of April 2011 Bell will be the first company in Switzerland to convert from conventional stunning in an electrified water-bath to stunning with gas (Controlled Atmosphere Stunning, CAS). This method is less stressful and has a positive effect on the quality of the meat.

The by-products of meat production are channelled off in a separate flow under safe and hygienic conditions. The by-products are processed by Centravo, a company specialising in the disposal of animal by-products. Together with other Swiss meat processors, Bell has a financial stake in Centravo: ecologically sound processing is first made possible by bundling the by-products of a number of meat producers.

Packaging meat products is a challenging step in the production chain – hygiene requirements and consumer expectations set high standards. Bell is not satisfied with current solutions, even if they represent the best currently possible compromise. To develop the most ecologically sound packaging that fulfils the expectations of consumers and distributors in equal measure is and will remain our objective.

Bell maintains a differentiated waste material recycling concept within the scope of its environmental management programme. The following principle applies: waste should be avoided where possible; unavoidable waste should be minimised and separated for material, biological and thermal recovery.

Energy and water

Another important goal is the significant reduction of the entire Group's CO_2 emissions. Concrete measures are introduced in accordance with the basic conditions applicable in each country.

In Switzerland, Bell has adopted a reduction target within the scope of CO_2 legislation. To this end we have entered into an agreement with the energy agency for commerce (Energie Agentur der Wirtschaft, EnAW), a service platform for companies

The objective is to significantly reduce the entire Group's CO_2 emissions.

that promotes collaboration between the state and the private sector with a view to achieving energy and climate-related objectives. With success: we were able to reduce CO_2 emissions during the reporting period. We were able to exceed our goal of reducing CO_2 emissions in Switzerland by ten percent in comparison to the level of 1990. Our next goal will be set in accordance with the superior objectives of the international community which are due to be finalised during the course of 2011. In the meantime we will continue to work on reducing CO_2 emissions.

We were also able to achieve reductions in transport distances and the disposal costs for waste materials. These savings were achieved through various measures such as the selection of disposal companies and the size of containers, as well as the compression of waste at the plants. Specifically, targeted investments in our poultry processing plant in Zell in Switzerland have optimised by-product collection and recovery processes.

Bell has a traditional focus on an environmentally friendly policy based on the reduction of energy consumption. We have increased our efforts further over the past years. Today, an active energy consumption control system which captures energy, water consumption, waste and animal by-product volumes and costs every month enables us to react immediately to any deviations. This active approach and the resulting improvements have led to a noticeable reduction in the consumption of energy.

The energy consumed at Bell plants is provided by various suppliers. We place a clear emphasis on sustainable energy carriers and, for instance, utilise district heat on a large scale. Furthermore, we also utilise alternative energy sources such as waste heat from the cooling system.

The situation for water is similar: targeted measures have again led to a reduction in this area. Some production processes remain intensive consumers of water despite these efforts. We will therefore undertake further efforts. Bell constantly monitors all work processes and pays attention to low water consumption when acquiring new production facilities.

Safety at work

Bell's central concerns, in addition to acting responsibly with regard to resources and the environment, include the health and safety of our employees. Safety concepts and safety officers at every plant and work committees for safety at larger facilities ensure that corresponding actions to meet these concerns are applied consistently at every site.

We have meanwhile implemented numerous improvement initiatives on the basis of safety audits carried during the course of last year. There were fewer non-productive times due to accidents throughout the entire Group in comparison to the preceding year. This also led to a reduction in the premiums for work-related accidents.

Bell significantly improves the safety standard of newly acquired equipment and machines through targeted hazard detection. The «human factor» is also taken into account – in the form of ongoing employee training and prevention measures which include aspects that address accidents outside of the plant and outside working hours. A previous rise in accidents of this nature was effectively stopped during the reporting year. Internal audits are carried out annually at every plant to optimise safety and environmental standards.

In July, ammonia escaped from a leak in a cooling plant pipeline at the poultry processing plant in Zell. This event triggered the automatic alarm. No one was harmed; however, residents were evacuated from the area for safety reasons. Action relating to this accident and the fire at the Frigo refrigeration plant in Basel (see section Bell Switzerland) verified every aspect of the safety concepts. The installation of crisis teams and cooperation with the local fire brigade and other helpers were efficient and targeted and enabled fast remedial action.

HUMAN RESOURCES

Last year, Bell revised many aspects of its personnel strategy. We were able to implement the new approach during the reporting year. Our strategy defines both overriding strategic goals relating to human resources as well as the most important principles of conduct for management and personnel.

Bell sees education and training as an important aspect of its social responsibility that is worthy of support.

Bell adopts the same approach towards its personnel in every country in which the Group is represented. Any differences are founded in the size of the facility in question. This applies, for instance, to the installation of an employee representation council. We consider the labour laws of each country as the minimum basic requirements with regard to working conditions.

Employee satisfaction

We are interested to know how satisfied our employees are. We have therefore systematically surveyed employee satisfaction at each facility. This should become a regular feature in the future – with a uniform series of criteria and surveying standards.

The results of the survey showed that employee satisfaction varied during the reporting period in accordance with the conditions specific to each division and facility. Critical remarks from respondents were carefully analysed and measures for improvement introduced. Self-awareness also creates satisfaction: a framework of special training programmes enables employees to recognise their potential and to learn how to utilise it to their best possible advantage. Communicative offers such as information events or idea competitions were also readily accepted on a broad basis.

Education and training

As always, Bell sees education and training as an important aspect of its social responsibility that is particularly worthy of support. In Switzerland and in Germany, we offer basic professional training for more than 15 occupational profiles, from meat specialist to commercial specialist, from IT specialist to mechatronic specialist. Furthermore, Bell continuously reviews the possibilities of introducing training courses for additional professions and upgrading our existing training courses.

In Switzerland, the first group of employees has successfully passed a management course with federal certification. A second management training course is already underway. Bell has also extended its programme at «grass roots» level. At our plant in Oensingen (Switzerland), for example, we have trained meat professionals in cooperation with the regional association of master butchers. Apprentices at Bell can participate in specific further training at commercial butcher's shops. And that is not a one-way street: Bell will in future offer seminars for apprentices training at commercial butcher's shops. This type of cooperation is unprecedented and will sustainably secure the education of professional employees for the sector.

Talent management

For us, talent management means: to recognise employee potential and to develop it in accordance with requirements. Bell enables employees in every division to engage in further development. The increasing internationalisation of the Bell Group offers talented employees interesting career prospects. A number of cross-border internships have been completed successfully to date. In this area we also want to have a uniform system for all Group companies in future. We are continuously improving related processes, for instance through regular coordination between line managers and personnel officers

Social partnership and equal treatment

We know that the success of the company is based not only on the individual performance of our employees but also on a fair social partnership. We fulfil our responsibilities towards our employees in every aspect.

Bell Switzerland follows a social policy that unconditionally respects basic rights such as the freedom of speech or the equal treatment regardless of gender, religion and background; it also provides for performance-based remuneration and the transparent and timely provision of information to employees at a level appropriate to their function.

Regular dialogue between company managers and employee representatives is an elementary component of the social partnership. The employee representation is now an official member of the Swiss Association of Butchers' Personnel, which has strengthened the position of the social partner in Switzerland. Employees' concerns will now have even more support.

Dialogue with employees

Employee appraisals to define goals and establish goal achievement are held annually at every facility of the Bell Group. It is our intention to standardise the framework and underlying processes in

Employee potential should be recognised and developed in accordance with requirements.

this area. 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. Internal communication instruments such as the Intranet and the employee's magazine provide further opportunities to engage in dialogue.

Employee figures of the Bell Group	2010	2009
Number of employees		
Average number of employees expressed as full-time equivalents	6'179	6'497
Number of employees as of 31.12. in persons	6'488	6'561
Number of employees by country		
Switzerland	3'497	3'417
Germany	1'461	1'523
France	399	403
Czech Republic	618	776
Hungary	200	226
Other	313	216
Share of full-time employees	75 %	77 %
Share of part-time employees	25 %	23 %
Share of men	59 %	57 %
Share of women	41 %	43 %
Share of women in management	20 %	15 %
Number of nationalities	77	80
Age structure		
up to 19 years	3 %	3 %
20 – 29 years	20 %	19 %
30 – 39 years	27 %	26 %
40 – 49 years	29 %	30 %
50 – 59 years	19 %	19 %
over 60 years	2 %	3 %
Education and training		
Trainees	76	80
Number of employees who finished a training or further education course	2'315	2'280

COMMUNICATION

Dialogue with stakeholders

Dialogue with all major stakeholder groups is important to our company. It enables us to assess our performance from an external viewpoint and to identify 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 relations unit processes approximately 20 requests per week on average. A total of more than 3,000 queries were registered and processed via our main website www.bell.ch in 2010.

In terms of internal communication Bell banks primarily on personal dialogue, the Intranet, the magazine for employees and on internal newsletters. Regular meetings and – with regard to specific associations – active participation provide for continuous contact with authorities, associations and various lobby groups.

Brand management

Bell Group holds a number of trademarks in its portfolio. It also produces trade and private brands for various customers. Brand management is decentralised. This means that every Group company manages its own brands independently. The most important brands are Bell, ZIMBO, Abraham and Polette. These main brands enjoy a very positive reputation among customers in their domestic markets and market segments.

Our main brands enjoy a very positive reputation among customers in their domestic markets and market segments.

The brands are well positioned from a strategic viewpoint. For broad-based product ranges, separate product lines are managed under the brand names. Various marketing measures are utilised to strengthen the main brands and to advertise the product ranges; these measures include TV ads, print media ads, posters, promotions, tastings, trade fairs, internet platforms, social media, sponsoring, merchandising products and a number of others.

Special measures have been implemented in the electronic media sector. The companies and brands of the Bell Group have revised their websites and distributed electronic newsletters and have in particular engaged in social network activities and created applications for smartphones

NOTE

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

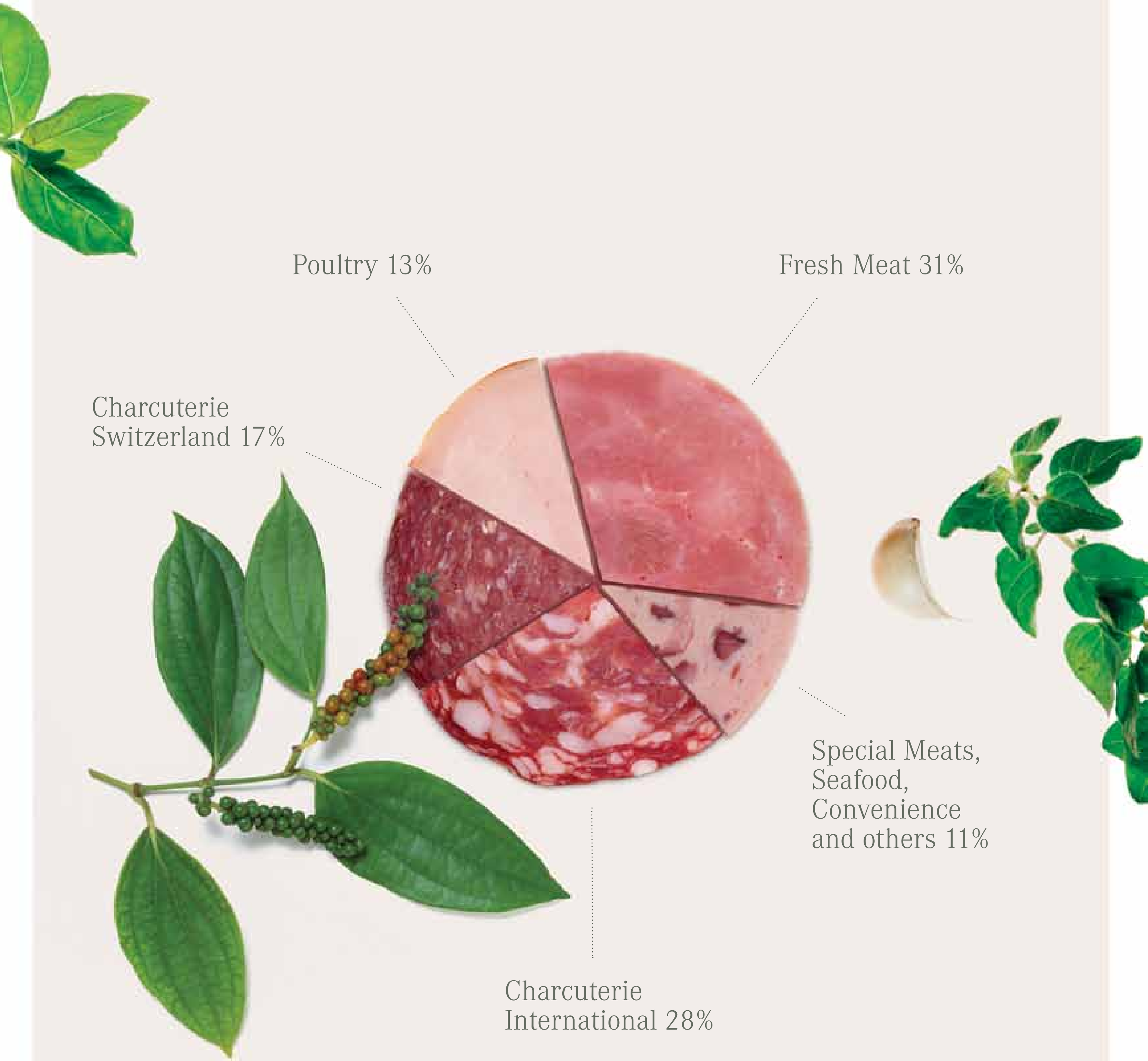


ILLUSTRATION:
Proceeds from the sale of goods by product group

Financial Reporting and
Corporate Governance

BELL IN FIGURES

All values rounded up/down individually

Financial report

SOUND BUSINESS DEVELOPMENT

Martin Gysin,
Head of Finance/Services

In 2010 the Bell Group posted an increase in sales of 0.8 percent and an increase in operating income of 1.4 percent. In Switzerland, volume growth of 2.5 percent is juxtaposed by a drop in the average sales price of 0.4 percent . The decline of the euro neutralised the international growth in sales that would have become apparent through the first consolidation of Marco Polo. Volume growth of 8.4 percent comprises growth through acquisition of 5.8 percent and organic growth of 3.0 percent. This is juxtaposed by a decline in average sales prices in the eurozone of around 3.5 percent. While the core business in Switzerland was very successful in the reporting year, the foreign subsidiaries contributed less than expected to the result. The first half of the year was unsatisfactory. A slight recovery began in summer 2010 and will probably continue in 2011.

The gross profit rose to around CHF 864 million. The gross profit margin of 33.4 percent is slightly lower year-on-year. It should be noted that the net effect of the insurance proceeds from goods lost in the Frigo fire totalling CHF 6.6 million are included in the gross profit. Without this special influence the gross profit margin would be around 33.2 percent and therefore 0.1 percent less than the previous year.

At CHF 406 million, personnel expenses were down 1.6 percent year-on-year. Other operating costs decreased from 257 to CHF 246 million. Whilst the decline in personnel expenses is mainly due to changes in the scope of consolidation, operating expenses are affected by real savings of CHF 10 million. Total operating costs have fallen from 26.3 percent to 25.2 percent. These costs include special costs of CHF 0.8 million for the discontinuation of activities in Russia and the dissolution of CHF 1.5 million in reserves no longer required at the charcuterie plant in Basel, as well as a share of the insurance proceeds of CHF 1.2 million for the proportion of depreciation of tangible assets at Frigo. We have juxtaposed and therefore neutralised the extraordinary income of CHF 1.6 million from the acquisition of minority shares in Sanchez Alcaraz (Abraham Group) with an increase in reserves for pension obligations in Germany of around CHF 1 million as well as with the elimination of residual goodwill of CHF 0.4 million. The earnings before interest, taxes, depreciation and amortisation (EBITDA) of CHF 213 million is up by 23 million year-on-year. The EBITDA margin of 8.2 percent has reached a new high.

EBIT has increased from 3.7 to 3.9 percent despite special depreciation for goodwill of CHF 17 million. The EBIT adjusted by exceptional factors is some CHF 110 million or 4.25 percent of operating income.

Special depreciation for goodwill became necessary because management assumes that the decline in the gross profit margin at Abraham and therefore also the net result will persist. This goes hand in hand with a reduction or adjustment to the remaining purchase price obligation for outstanding shares. Furthermore, we have eliminated CHF 0.4 million in residual goodwill in Belgium. The impairment test for the other goodwill positions did not show any additional need for adjustment.

The financial account contains capital gains of around CHF 6.6 million realised from loans in euros. These loans were largely carried back in 2010. Financial debts were reduced significantly by nearly CHF 150 million in the reporting year. Net debt at the end of 2010 lay at around CHF 190 million and thus more than 100 million less year-on-year.

The massive decline of the euro by around 16 percent during the reporting year led to a decrease of more than CHF 100 million in the balance sheet and CHF 50 million in equity.

The fire at Frigo has not yet been fully processed. The concluding decision of the public prosecutor in Basel City concerning the important question of guilt is still pending at the time of printing. The building insurance has pledged proceeds totalling CHF 9.2 million. Of these proceeds we have to date included only the remaining value of CHF 1.2 million for the tangible assets in the

Martin Gysin
Head of Finance/Services (CFO)

calculation. The remaining amount has been capitalised and serves to cover demolition costs and any investment in replacements.

Deferred tax liabilities were not capitalised for the current period. We estimate the impact on tax expenses at around CHF 4.4 million.

The Marco Polo Group acquired in December 2009 was included in the Bell consolidated statements with effect from 1 January 2010. The stake was included as a financial investment in the annual report for 2009; reclassification to individual asset items was carried out during the initial consolidation. We were able to acquire minority shares in Sanchez Alcaraz during the course of the year. Bell will now consolidate Sanchez 100 percent retrospectively per 1 January 2010. The company FreshCo Wurstwarenvertrieb was founded to manage trading for "Du darfst". There were no other adjustments in the scope of consolidation for 2010.

On 20.01.2011 we were able to announce a cooperation* with Hilcona AG in Schaan (Principality of Liechtenstein). The objective of the cooperation is to merge activities in the fresh convenience food segment under the umbrella of Hilcona to accelerate the cultivation of these growth markets. As a result, our Convenience business unit will be transferred to Bell Convenience AG on 01.01.2011 and deconsolidated. Hilcona, on the other hand, will be managed as a minority interest and consolidated "at equity" until we acquire the majority interest in 2015.

*On condition of approval from COMCO

Consolidated Balance Sheet

in CHF thousand	Appendix	31.12.2010		31.12.2009	
Liquid assets	1	33 674		81 395	
Securities	2	4 513		7 050	
Trade accounts receivable	3	146 526		142 197	
Receivables affiliated companies	4	93 121		95 885	
Other receivables		47 366		33 468	
Inventory	5	152 401		166 794	
Deferred expenses and accrued income		17 834		10 943	
Current assets		**495 436**	**42.4%**	537 731	41.1%
Financial assets	12	39 152		57 101	
Intangible assets	13	76 303		114 518	
Land and buildings	14	325 610		355 866	
Machinery and equipment	15	230 885		242 072	
Non-current assets		**671 950**	**57.6%**	769 557	58.9%
Assets		**1 167 386**	**100.0%**	1 307 288	100.0%
Current financial liabilities	9	107 329		110 246	
Trade accounts payable		145 667		127 572	
Accounts payable to affiliated companies	6	14 822		11 012	
Other accounts payable	7	49 403		41 714	
Current provisions	11	10 356		9 562	
Deferred income and accrued expenses	8	58 409		70 837	
Current liabilities		**385 986**	**33.1%**	370 943	28.5%
Non-current financial liabilities	9	121 134		273 549	
Non-current provisions	11	69 811		68 018	
Long-term liabilities		**190 945**	**16.4%**	341 566	26.1%
Liabilities		**576 931**	**49.4%**	712 509	54.5%
Share capital		2 000		2 000	
Retained earnings		584 299		544 175	
Currency translation differences		–67 352		–16 545	
Treasury shares deducted		–6 992		–9 019	
Consolidated profit		64 519		55 563	
Equity before third-party interest in equity		**576 474**	**49.4%**	576 175	44.1%
Third-party interest in equity		13 982		18 604	
Equity		**590 456**	**50.6%**	594 779	45.5%
Liabilities and equity		**1 167 386**	**100.0%**	1 307 288	100.0%

Consolidated Income Statement

in CHF thousand	Appendix	2010		2009	
Sales proceeds	16	2 617 574		2 597 712	
Other operating proceeds	16	51 355		32 325	
Gross proceeds		**2 668 929**		**2 630 036**	
Reductions in proceeds	16	–84 652		–82 159	
Operating income		**2 584 277**	**100.0%**	2 547 877	100.0%
Cost of goods sold	24	1 720 353	66.6%	1 689 363	66.3%
Gross operating profit		**863 923**	**33.4%**	858 515	33.7%
Personnel expenses	17	405 671	15.7%	412 215	16.2%
Rent	18	24 607		25 985	
Energy, auxiliary materials	19	49 275		50 416	
Repair and maintenance		47 731		47 728	
Transport		66 021		68 373	
Advertising		22 821		28 964	
Other operating expenses	20/24	35 101		35 385	
Total operating expenses	21	**651 228**	**25.2%**	669 065	26.3%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**212 695**	**8.2%**	189 449	7.4%
Depreciation of tangible assets	14/15/24	74 220	2.9%	79 903	3.1%
Depreciation of intangible assets	13	4 790		5 113	
Depreciation of goodwill *	13/24	32 449		9 386	
Earnings before interest and taxes (EBIT)		**101 236**	**3.9%**	95 047	3.7%
Financial income	22	11 058		9 974	
Financial expenses	22/24	13 144		20 995	
Net profit before taxes (EBT)		**99 150**	**3.8%**	84 026	3.3%
Taxes	23/24	33 083		27 833	
Net profit after taxes		**66 067**	**2.6%**	56 192	2.2%
Third-party interest in profit		–1 548		–629	
Consolidated profit		**64 519**	**2.5%**	55 563	2.2%

* 2009 net, after deduction of profits from acquisition of participations. 2010 includes an extraordinary depreciation of goodwill of CHF thousand 17 166.

Cash Flow Statement

in CHF thousand		2010		2009
Net profit after taxes		66 067		56 192
Depreciation of tangible assets	73 038		75 486	
Extraordinary expenses for depreciation of assets	1 183		4 417	
Depreciation of intangible assets	20 072		19 886	
Extraordinary expenses for depreciation of intangible assets	17 166	111 459	–	99 789
Income (–) loss (+) from sale of fixed assets		–530		–161
Income (–) loss (+) from acquisition of participations		–1 584		–5 387
Loss from sale of participations		–		4 028
Income from evaluation of non-consolidated participations		–576		–2 019
Income (–) loss (+) on assets of foundation		–89		–687
Increase (–) decrease (+) deferred tax assets		568		811
Changes in provisions		4 878		–938
Cash flow		**180 193**		151 628
Inventory changes (–) increase (+) decrease	1 087		11 516	
Changes in receivables (–) increase (+) decrease	–16 908		–12 915	
Adjustments (–) increase (+) decrease	–10 078		–6 814	
Changes in current liabilities (+) increase (–) decrease	31 709		–35 330	
Adjustments (+) increase (–) decrease	–6 414	–604	9 908	–33 636
Operating cash flow		**179 589**		117 992
Investments in machinery and equipment	–50 756		–50 824	
Divestments of machinery and equipment	498	–50 258	1 625	–49 199
Investments in land and buildings	–11 129		–6 969	
Divestments of land and buildings	639	–10 490	1 206	–5 763
Investments in participations and financial assets	–49		–13 675	
Divestments of financial assets	2 771		1 004	
Divestments (+) / investments (–) of securities	2 536	5 258	2 690	–9 982
Investments in intangible assets	–7 481		–3 284	
Divestments of intangible assets	53	–7 428	70	–3 214
Investment cash flow		**–62 918**		–68 157
Changes in financial liabilities		–146 800		18 995
Investments (–) / divestments (+) in treasury shares		2 365		1 825
Dividends		–16 546		–15 688
Financing cash flow		**–160 981**		5 132
Cash flow balance		**–44 310**		54 967
Liquid assets as of January 01		81 395		26 492
Effect of currency translation on liquid assets		–3 411		–64
Changes in liquid assets		–44 310		54 967
Liquid assets as of December 31		33 674		81 395

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 01.01.2010	**2 000**	**544 175**	**–16 545**	**–9 019**	**55 563**	**576 175**	**18 604**	**594 779**
Changes in consolidated scope	–	–	–	–	–	–	–	–
Acquisition minorities	–	–	–	–	–	–	–2 954	–2 954
Appropriation of annual profit	–	55 563	–	–	–55 563	–	–	–
Dividends	–	–15 778	–	–	–	–15 778	–768	–16 546
Additions/disposals of treasury shares	–	338	–	2 027	–	2 365	–	2 365
Consolidated profit	–	–	–	–	64 519	64 519	1 548	66 067
Influence of foreign currency translation	–	–	–50 807	–	–	–50 807	–2 448	–53 255
Equity as of 31.12.2010	**2 000**	**584 299**	**–67 352**	**–6 992**	**64 519**	**576 474**	**13 982**	**590 456**
Equity as of 01.01.2009	2 000	500 795	–15 600	–10 836	59 061	535 420	3 289	538 709
Changes in consolidated 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	–6 938	–325	1 323	–8	632	–5 316
Shares in circulation as of 2010	**393 062**	**–325**	**1 323**	**–8**	**632**	**394 684**
Shares issued	400 000	–	–	–	–	400 000
Treasury shares	–8 335	–	686	–6	717	–6 938
Shares in circulation as of 2009	391 665	–	686	–6	717	393 062

Consolidation and Valuation Principles

Basic principles The principles governing consolidation, valuation, structure 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 percent 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 percent but less than 50 percent of the votes are measured and recognised in the balance sheet at the equity ratio. Investments equalling less than 20 percent 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 66 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

		2010	2009
Balance sheet	EUR 1	= CHF 1.2500	= CHF 1.4850
	CZK 1	= CHF 0.0500	= CHF 0.0560
	HUF 100	= CHF 0.4500	= CHF 0.5500
	PLN 1	= CHF 0.3150	= CHF 0.3610
	USD 1	= CHF 0.9350	= CHF 1.0350
Income statement	EUR 1	= CHF 1.3700	= CHF 1.5094
	CZK 1	= CHF 0.0543	= CHF 0.0569
	HUF 100	= CHF 0.4967	= CHF 0.5358
	PLN 1	= CHF 0.3428	= 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 percent 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 ripening 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 The 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 66 for an overview of the Group's non-consolidated investments in 2010.

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 software, acquired trademarks and goodwill. In 2010, the minority shares in Sanchez Alcaraz resulted in negative goodwill of CHF 1.5 million. We have compared it to other one-off costs with regard to operating expenses. The first consolidation of Marco Polo revealed a goodwill value totalling CHF 12.7 million. The impairment tests at Abraham revealed an additional depreciation of goodwill of CHF 17.2 million and an adjustment of CHF 5.5 million due to a reduction in the remaining purchase price. Special depreciation for goodwill became necessary because management assumes that the decline in the gross profit margin at Abraham and therefore also the net result will persist. The impairment tests did not reveal any further need for 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 percent for Switzerland, 27 percent for Germany and France and 25 percent for the other countries.

The employees of Bell Switzerland 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 100.1 percent at the end of 2010. 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, changes in equity 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 five (members of Board of Directors, Executive Board and management ten) Bell Holding Ltd shares each calendar year at a price of 80 percent 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, 632 shares were distributed to employees in 2010 (prior year 717) and 8 shares were taken back (prior year 6).

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.

Events occurring after the balance sheet date
On 20 January 2011 we were able to announce collaboration with Hilcona AG in the fresh convenience food segment. Bell will transfer its Convenience Food business unit to Hilcona AG and in return acquire an initial 49 percent of the capital of Hilcona AG, to be followed four years later by a further 2 percent. Bell Convenience will be transferred to Bell Convenience AG as of 1 January 2011 and subsequently deconsolidated. The investment in this company will be consolidated at equity until the acquisition of the majority interest in 2015. The transaction was pending the approval of the competent authorities at the time of the editorial deadline.

Appendix to Consolidated Balance Sheet

in CHF thousand	2010	Share	2009
1. Liquid assets			
Cash	1 047	3.1%	1 221
Cash in post office accounts	587	1.7%	202
Cash in banks	31 306	93.0%	25 546
Fixed deposits	734	2.2%	54 426
Liquid assets	**33 674**	100.0%	81 395
Liquid assets by currency			
CHF	7 705	22.9%	62 108
EUR	19 888	59.1%	11 358
Other currencies	6 080	18.1%	7 929
Liquid assets	**33 674**	100.0%	81 395
2. Securities			
Shares and similar investments	4 513	100.0%	2 536
Bonds and similar investments	–	–	4 514
Securities	**4 513**	100.0%	7 050
3. Trade accounts receivable			
Valuation adjustment balanced in receivables	**–1 758**		–1 633
4. Receivables affiliated companies			
Companies of the Coop Group	73 692	79.1%	77 985
Other affiliated companies	19 429	20.9%	17 900
Receivables affiliated companies	**93 121**	100.0%	95 885
5. Inventory			
Raw materials and finished goods	145 676	95.6%	160 487
Auxiliary materials	15 652	10.3%	12 479
Value adjustments on the basis of value impairments	–8 927	–5.9%	–6 172
Inventory	**152 401**	100.0%	166 794
6. Accounts payable to affiliated companies			
Accounts payable to Coop	13 701	92.4%	9 203
Accounts payable to other affiliated companies	1 121	7.6%	1 810
Accounts payable to affiliated companies	**14 822**	100.0%	11 012

Appendix to Consolidated Balance Sheet

in CHF thousand	2010	Share	2009
7. Other accounts payable			
Shareholders	10	0.0%	10
VAT	6 904	14.0%	1 551
Capital and profit taxes	21 837	44.2%	25 875
Other taxes	1 428	2.9%	1 732
Miscellaneous third parties	19 225	38.9%	12 545
Other accounts payable	**49 403**	100.0%	41 714
8. Deferred income and accrued expenses			
Miscellaneous deferred expense	40 572	69.5%	52 320
Accrued personnel and social security expense	17 837	30.5%	18 517
Deferred income and accrued expenses	**58 409**	100.0%	70 837
9. Financial liabilities			
Loans and credits from banks	107 052	46.9%	105 045
Loans with affiliated companies	277	0.1%	–
Current accounts with third parties	–	–	5 202
Current financial liabilities	**107 329**	47.0%	110 246
Non-current loans and credits	109 134	47.8%	273 549
Non-current loans with affiliated companies	12 000	5.3%	–
Non-current financial liabilities	**121 134**	53.0%	273 549
Financial liabilities	**228 462**	100.0%	383 795
Maturity structure of financial liabilities			
Due within 360 days	107 329	47.0%	110 246
Due within two years	33 733	14.8%	39 346
Due within three years and later	87 400	38.3%	234 203
Financial liabilities	**228 462**	100.0%	383 795
Financial liabilities by currency			
CHF	121 258	53.1%	234 229
EUR	107 054	46.9%	149 364
Other currencies	150	0.1%	202
Financial liabilities	**228 462**	100.0%	383 795

10. Acquisition of companies

	Marco Polo N.V. 01.01.2010
Liquid assets	2 391
Trade accounts receivable	16 022
Inventory	1 898
Tangible assets	4 340
Trade accounts payable	13 722
Financial liabilities	8 846

Appendix to Consolidated Balance Sheet

in CHF thousand	Early retirements	Long service awards	Holiday and extra hours charges	Deferred taxes	Other provisions	Restruc-turing	**Total**
11. Provisions							
Provisions as of 01.01.2010	**21 147**	**3 195**	**5 222**	**39 442**	**8 274**	**300**	**77 580**
Changes in consolidated scope	–	–	–	–	–	–	–
Reclassification accruals	–	–	–	–	–	–	–
Reclassification	397	–397	–134	–	134	–	–
Established	2 227	1 398	3 708	9 344	77	1 364	18 118
Used	–1 104	–1 169	–4 012	–4 137	–2 518	–300	–13 240
Currency translation effects	–741	–	–76	–576	–898	–	–2 291
Provisions as of 31.12.2010	**21 926**	**3 027**	**4 708**	**44 073**	**5 069**	**1 364**	**80 167**
Non-current provisions 2010	19 522	1 958	–	44 073	4 259	–	69 811
Current provisions 2010	2 404	1 070	4 708	–	810	1 364	10 356
Provisions as of 01.01.2009	15 462	2 911	9 061	36 865	29 026	1 010	94 335
Changes in consolidated scope	3 950	–	507	2 287	–739	–	6 005
Reclassification accruals	–	–	–	–	–21 676	–	–21 676
Reclassification	–	–	–834	–	834	–	–
Established	2 097	1 042	1 112	835	1 911	–	6 997
Used	–348	–758	–4 595	–531	–993	–710	–7 935
Currency translation effects	–14	–	–29	–14	–89	–	–146
Provisions as of 31.12.2009	21 147	3 195	5 222	39 442	8 274	300	77 580
Non-current provisions 2009	19 702	2 073	–	39 442	6 801	–	68 018
Current provisions 2009	1 445	1 122	5 222	–	1 473	300	9 562

Appendix to Consolidated Balance Sheet

in CHF thousand	Non consolidated holdings	Loans to affiliated companies *	Loans to third parties	Equity of foundation	Deferred tax assets	Other financial assets	Total
12. Financial assets							
Value as of 01.01.2010	**40 851**	**2 628**	**667**	**6 037**	**6 690**	**228**	**57 101**
Purchase price as of 01.01.2010	40 851	2 628	667	6 037	6 690	228	**57 101**
Changes in consolidated scope	–13 707	–	–	–	–	–	**–13 707**
Investments	–	–	–	–	–	–	–
Divestments	–53	–1 495	–218	–1 006	–	–	**–2 771**
Revaluation	576	–	–	89	–568	–	**97**
Reclassification	537	–537	–	–	–	–	–
Currency translation effects	–566	14	–	–	–1 015	–	**–1 567**
Value as of 31.12.2010	**27 639**	**610**	**449**	**5 119**	**5 106**	**228**	**39 152**
Value as of 01.01.2009	114 961	3 300	1 417	5 725	2 347	728	128 478
Purchase price as of 01.01.2009	114 961	3 300	1 417	5 725	2 347	728	128 478
Changes in consolidated scope	–89 826	–	–579	–	5 238	–55	–85 222
Investments	14 000	428	–	–	–	129	14 558
Divestments	–	–1 100	–158	–375	–	–584	–2 217
Revaluation	2 019	–	–	687	–811	–	1 895
Currency translation effects	–303	–	–13	–	–84	9	–391
Value as of 31.12.2009	40 851	2 628	667	6 037	6 690	227	57 101

* There are no loans to the corporation entities.

Appendix to Consolidated Balance Sheet

in CHF thousand	Software	Trademarks	Others rights	Goodwill	Total
13. Intangible assets					
Value as of 01.01.2010	**6 148**	**10 266**	**973**	**97 130**	**114 518**
Purchase price as of 01.01.2010	26 776	12 228	1 492	143 000	**183 497**
Changes in consolidated scope	–10	–	–1	12 465	**12 454**
Investments	7 215	–	33	233	**7 481**
Divestments	–2 740	–	–	–	**–2 740**
Adjustment selling price	–	–	–	–5 480	**–5 480**
Reclassification	883	–	42	–	**925**
Currency translation effects	–959	–1 935	–242	–19 931	**–23 067**
Purchase price as of 31.12.2010	31 166	10 293	1 324	130 287	**173 071**
Cumulative depreciation as of 01.01.2010	20 628	1 962	519	45 870	**68 979**
Changes in consolidated scope	–17	–	–1	255	**237**
Depreciation	3 389	1 370	30	15 283	**20 072**
Extraordinary depreciation	–	–	–	17 166	**17 166**
Cumulative depreciation of divestments	–2 687	–	–	–	**–2 687**
Reclassification	–42	–	42	–	–
Currency translation effects	–552	–430	–87	–5 931	**–7 000**
Cumulative depreciation as of 31.12.2010	20 719	2 902	502	72 644	**96 767**
Value as of 31.12.2010	**10 447**	**7 391**	**822**	**57 644**	**76 303**
Value as of 01.01.2009	5 541	11 790	878	68 361	86 570
Purchase price as of 01.01.2009	21 846	11 920	1 322	98 180	133 268
Changes in consolidated scope	2 359	348	96	45 061	47 864
Investments	3 195	–	89	–	3 284
Divestments	–1 182	–	–9	–	–1 191
Reclassification	569	–	–	–	569
Currency translation effects	–11	–40	–5	–240	–297
Purchase price as of 31.12.2009	26 776	12 228	1 492	143 000	183 497
Cumulative depreciation as of 01.01.2009	16 305	130	444	29 819	46 698
Changes in consolidated scope	1 885	348	52	1 527	3 813
Depreciation *	3 572	1 509	32	14 773	19 886
Extraordinary depreciation	–	–	–	–	–
Cumulative depreciation of divestments	–1 114	–	–7	–	–1 121
Reclassification	–	–	–	–	–
Currency translation effects	–20	–25	–3	–250	–297
Cumulative depreciation as of 31.12.2009	20 628	1 962	519	45 870	68 979
Value as of 31.12.2009	6 148	10 266	973	97 130	114 518

* 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	Total
14. Land and buildings					
Value as of 01.01.2010	**50 333**	**300 227**	**930**	**4 376**	**355 866**
Purchase price as of 01.01.2010	50 428	587 159	2 468	4 376	**644 431**
Changes in consolidated scope	780	3 595	37	–	**4 412**
Investments	–	9 037	–	2 092	**11 129**
Divestments	–215	–14 901	–	–22	**–15 139**
Reclassification	–	1 363	–	–2 198	**–835**
Currency translation effects	–2 644	–32 213	–49	–308	**–35 214**
Purchase price as of 31.12.2010	48 348	554 039	2 456	3 940	**608 784**
Cumulative depreciation as of 01.01.2010	95	286 932	1 538	–	**288 564**
Changes in consolidated scope	–	247	3	–	**251**
Depreciation	–	21 350	175	–	**21 525**
Extraordinary depreciation	–	1 010	–	–	**1 010**
Cumulative depreciation of divestments	–	–15 030	–	–	**–15 030**
Reclassification	–	–844	–	–	**–844**
Currency translation effects	–15	–12 248	–40	–	**–12 303**
Cumulative depreciation as of 31.12.2010	80	281 418	1 676	–	**283 173**
Value as of 31.12.2010	**48 268**	**272 621**	**781**	**3 940**	**325 610**
Value as of 01.01.2009	40 048	282 540	1 223	10 512	334 323
Purchase price as of 01.01.2009	40 199	527 346	2 821	10 512	580 878
Changes in consolidated scope	10 942	52 470	2	21	63 436
Investments	23	3 213	26	3 708	6 969
Divestments	–70	–752	–374	–127	–1 322
Reclassification	–639	5 646	–	–9 710	–4 703
Currency translation effects	–26	–765	–6	–29	–826
Purchase price as of 31.12.2009	50 428	587 159	2 468	4 376	644 431
Cumulative depreciation as of 01.01.2009	150	244 806	1 598	–	246 554
Changes in consolidated scope	–	17 856	–	–	17 856
Depreciation	–55	21 410	276	–	21 631
Extraordinary depreciation	–	3 489	–	–	3 489
Cumulative depreciation of divestments	–	143	–259	–	–116
Reclassification	–	–	–	–	–
Currency translation effects	–	–772	–77	–	–849
Cumulative depreciation as of 31.12.2009	95	286 932	1 538	–	288 564
Value as of 31.12.2009	50 333	300 227	930	4 376	355 866

«Land and buildings» includes activated leasings to the booking value of CHF thousand 6 741 (previous year CHF thousand 7 172).

Appendix to Consolidated Balance Sheet

in CHF thousand	Machinery and equipment	Installations	IT Hardware	Furnishings and vehicles	Advance Payments	Total
15. Machinery and equipment						
Value as of 01.01.2010	**127 565**	**76 627**	**6 904**	**26 376**	**4 600**	**242 072**
Purchase price as of 01.01.2010	388 453	175 484	30 495	96 373	4 600	**695 405**
Changes in consolidated scope	–374	–	38	120	–	**–217**
Investments	20 614	10 331	3 039	5 426	11 346	**50 756**
Divestments	–8 411	–1 973	–2 644	–6 844	–	**–19 873**
Reclassification	1 933	1 260	273	837	–4 393	**–90**
Currency translation effects	–25 947	–1 419	–202	–6 736	–718	**–35 023**
Purchase price as of 31.12.2010	376 268	183 682	30 999	89 175	10 835	**690 959**
Cumulative depreciation as of 01.01.2010	260 888	98 857	23 592	69 997	–	**453 333**
Changes in consolidated scope	–438	–	15	34	–	**–390**
Depreciation	26 677	13 075	3 232	8 529	–	**51 513**
Extraordinary depreciation	–	172	–	–	–	**172**
Cumulative depreciation of divestments	–8 197	–1 972	–2 644	–6 561	–	**–19 374**
Reclassification	–	844	25	–24	–	**844**
Currency translation effects	–19 768	–798	–122	–5 334	–	**–26 023**
Cumulative depreciation as of 31.12.2010	259 160	110 178	24 097	66 639	–	**460 075**
Value as of 31.12.2010	**117 108**	**73 504**	**6 902**	**22 536**	**10 835**	**230 885**
Value as of 01.01.2009	107 950	84 797	6 112	22 967	3 628	225 454
Purchase price as of 01.01.2009	314 576	179 652	33 798	74 778	3 628	606 433
Changes in consolidated scope	68 445	–8 843	87	12 183	419	72 290
Investments	26 086	9 503	3 443	7 135	4 657	50 824
Divestments	–15 598	–6 286	–7 047	–7 341	–1 021	–37 294
Reclassification	–4 346	1 513	217	9 837	–3 070	4 150
Currency translation effects	–710	–55	–2	–219	–12	–998
Purchase price as of 31.12.2009	388 453	175 484	30 495	96 373	4 600	695 405
Cumulative depreciation as of 01.01.2009	206 626	94 856	27 686	51 812	–	380 980
Changes in consolidated scope	50 368	–3 954	–18	7 876	–	54 272
Depreciation	27 413	13 568	2 972	9 903	–	53 856
Extraordinary depreciation	–	928	–	–	–	928
Cumulative depreciation of divestments	–15 397	–6 285	–7 044	–7 104	–	–35 830
Reclassification	–7 488	–214	–1	7 702	–	–
Currency translation effects	–634	–42	–5	–192	–	–873
Cumulative depreciation as of 31.12.2009	260 888	98 857	23 592	69 997	–	453 333
Value as of 31.12.2009	127 565	76 627	6 904	26 376	4 600	242 072

«Machinery and equipment» includes activated leasings to the booking value of CHF thousand 2 599 (previous year CHF thousand 3 540).

Appendix to Consolidated Income Statement

in CHF thousand	2010	Difference	2009
16. Operating income			
Product groups			
Fresh meat	809 552	4.4%	775 373
Charcuterie own production	364 284	–3.4%	377 083
Charcuterie purchased	80 791	5.3%	76 732
Poultry	334 583	–1.5%	339 617
Meat specialities (game, rabbit and others)	19 588	10.2%	17 771
Seafood	103 809	19.9%	86 551
Convenience	84 085	3.2%	81 478
Other sales	11 081	–54.9%	24 565
Product groups Switzerland	**1 807 773**	1.6%	1 779 170
Charcuterie	742 012	3.0%	720 696
Other sales	67 789	–30.7%	97 846
Product groups international	**809 801**	–1.1%	818 542
Sales by product group	**2 617 574**	0.8%	2 597 712
Distribution channels			
Sales to Coop	1 182 242	3.1%	1 146 965
Sales to other affiliated companies	181 536	–2.4%	185 916
Sales to wholesale	434 960	0.9%	430 897
Sales to end consumers	9 035	–41.3%	15 392
Distribution channels Switzerland	**1 807 773**	1.6%	1 779 170
Sales to wholesale	742 012	3.0%	720 696
Sales to end consumers	67 789	–30.7%	97 846
Distribution channels international	**809 801**	–1.1%	818 542
Sales by distribution channel	**2 617 574**	0.8%	2 597 712
Sales by country *			
Switzerland	1 807 773		1 779 170
Germany	449 771		489 458
France	100 209		130 131
Other Western Europe	110 903		20 272
Eastern Europe	148 917		178 681
Sales by country	**2 617 574**	0.8%	2 597 712

* calculation base production site

Additional proceeds from Coop	1 712	–11.9%	1 943
Additional proceeds from affiliated companies	124	–3.2%	128
Additional third-party proceeds	38 672	44.4%	26 780
Other operating proceeds Switzerland	**40 508**	40.4%	28 851
Other operating proceeds international	**10 847**		3 474
Other operating proceeds	**51 355**	58.9%	32 325
Reductions in proceeds with Coop	31 101	25.0%	24 888
Other reductions in proceeds	9 079	12.9%	8 043
Reductions in proceeds Switzerland	**40 180**	22.0%	32 931
Reductions in proceeds international	**44 472**		49 228
Reductions in proceeds	**84 652**	3.0%	82 159

A 10-year contract (with a commitment to supply and purchase) with Coop came into effect as of January 01, 2001. This contract has been extended for additional five years. 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.

Appendix to Consolidated Income Statement

in CHF thousand	2010	Difference	2009
17. Personnel expenses			
Wages and salaries	270 963	–5.2%	285 959
Employers' contributions	64 219	17.6%	54 609
Other personnel expenses	15 470	–8.0%	16 815
Outside work expenses	55 019	0.3%	54 831
Personnel expenses	**405 671**	–1.6%	412 215

Contributions include social security contributions to the CPV/CAP Coop pension plan and other pension funds:
CHF thousand 19 333 / previous year CHF thousand 21 120

Compensation for members of Board of Directors and Members of Group Executive Board		Shares held as of 31.12. number	Remuneration cash fix	Share subscription number	Share subscription CHF thousand	Total CHF thousand
Board of Directors						
Hansueli Loosli, Chairman *	2010	17	90	4	7	97
	2009	3	62	3	5	67
Hans Peter Schwarz, Vice Chairman *	2010	104	70	4	7	77
	2009	90	71	4	6	77
Jörg Ackermann, Member *	2010	55	60	4	7	67
	2009	44	62	4	6	68
Irene Kaufmann-Brändli, Member *	2010	17	60	4	7	67
	2009	3	42	3	5	47
Werner Marti, Member	2010	8	60	4	7	67
	2009	4	42	4	6	48
Joachim Zentes, Member	2010	92	60	4	7	67
	2009	88	66	1	1	67
2 members left as of 04/2009	2009	–	27	2	3	30
Board of Directors	**2010**	**293**	**400**	**24**	**41**	**441**
	2009	232	372	21	32	404

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

		Remuneration cash fixed	Remuneration cash variable	Share subscription number	Share subscription CHF thousand	Non-cash remuneration and contributions to pension fund	Total CHF thousand
Group Executive Board *							
Adolphe R. Fritschi, CEO	2010	584	49	32	46	426	1 106
until 30.11.2010 **	2009	521	52	36	46	176	795
Martin Gysin, Deputy CEO;	2010	393	46	31	46	48	533
Head of Finance/Services	2009	391	39	30	40	110	579
Thorid Klantschitsch,	2010	354	37	27	41	81	512
Head of Bell Switzerland	2009	81	7	4	5	6	100
Remaining Executive Board in total	2009	1 134	115	75	94	301	1 644

* Top management as of 2010 Group Executive Board (previously Executive Board) ** Including disbursements

	2010	2009
Shares held as of 31.12. (number)		
Adolphe R. Fritschi	202	154
Martin Gysin	133	93
Thorid Klantschitsch	9	4
Other employees	2 126	2 456

Appendix to Consolidated Income Statement

in CHF thousand

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	2010	5 120	5 120	–917	–	–917
	2009	6 037	6 037	312	–	312
CPV/CAP pension fund Coop *	2010	–	–	–	19 333	19 333
	2009	–	–	–	21 120	21 120
Total	**2010**	**5 120**	**5 120**	**–917**	**19 333**	**18 416**
	2009	6 037	6 037	312	21 120	21 432

* The working capital ratio amounts to 100.1 percent as of 31 December 2010.

	2010	Difference	2009
18. Rent			
Building lease	11 484	16.1%	9 895
Lease of machinery and equipment	8 753	–14.9%	10 280
Third-party storage	4 370	–24.8%	5 810
Rent	**24 607**	–5.3%	25 985

	2010	Difference	2009
19. Energy, auxiliary materials			
Electricity	23 298	–6.8%	24 998
Water	5 331	–4.8%	5 601
Fuel	1 805	–8.8%	1 979
Other energy	6 099	1.0%	6 037
Auxiliary materials	12 742	8.0%	11 802
Energy, auxiliary materials	**49 275**	–2.3%	50 416

	2010	Difference	2009
20. Other operating expenses			
Administrative expenses	17 396	5.7%	16 461
Insurance and duties	8 642	27.7%	6 769
Capital tax and other corporate taxes	1 976	–33.0%	2 948
Miscellaneous operating expenses	7 087	–23.0%	9 207
Other operating expenses	**35 101**	–0.8%	35 385

Included in operating expenses:

	2010	Difference	2009
21. Expenses with affiliated companies			
Building lease	4 497	–1.1%	4 549
Lease of machinery and equipment	5 354	–13.4%	6 182
Repair and maintenance	861	59.4%	540
Energy and auxiliary materials	2 319	3.3%	2 246
Advertising	4 272	26.1%	3 388
Other operating expenses	767	–28.5%	1 072
Expenses with affiliated companies	**18 070**	0.5%	17 977

Appendix to Consolidated Income Statement

in CHF thousand	2010	2009
22. Financial return/financial expenses		
Interest on fixed deposits and other interest	634	954
Interest from affiliated companies	341	443
Gains on foreign currency transactions	7 964	4 071
Gains on securities, realised and not realised	1 207	2 293
Return on holdings	912	2 213
Financial return	**11 058**	9 974
Interest to affiliated companies	314	300
Other interest	10 186	11 417
Bank charges and commissions	915	860
Losses on depreciation of participations	–	4 028
Losses on foreign currency transactions	1 602	3 345
Losses on securities, realised and not realised	127	1 045
Financial expenses	**13 144**	20 995
Financial return/financial expenses	**–2 086**	–11 021
Average cost of interest-bearing liabilities	3.73%	3.68%

Interest rates of fixed advance payments and mortgages vary between 1.32 percent and 1.43 percent in Swiss francs and between 1.82 percent and 4.94 percent in foreign currencies (EUR).

Appendix to Consolidated Income Statement

in CHF thousand	2010	Difference	2009
23. Taxes			
Taxes paid and changes in taxes due	27 876		27 529
Changes in deferred taxes	5 207		304
Taxes	**33 083**	18.9%	27 833
Group operating result	66 067		56 192
Expenses not tax-deductible	29 706		16 282
Tax expenses included therein	33 083		27 833
Profit before taxes	128 856		100 308
Income tax on the result before tax applied at the average applicable tax rate	29 638		24 575
Influence of different tax rates and tax jurisdictions	–901		2 367
Adjustment of deferred tax rate	4 437		–
Other taxes and taxes outside fiscal year	–92		891
Taxes (as reported)	**33 083**		27 833

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

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

			2010	2009
Cost of goods sold		Insurance proceeds for goods damaged by the Frigo fire	–6 648	
Other expenses		Dissolution of reserves for land remediation	–1 500	
		Proportion of insurance proceeds for land, buildings and equipment from the Frigo fire	–1 182	
		Extraordinary income from acquisition of minority interests	–1 584	
		Adjustments to pension obligations of Bell Germany	994	
		Closure expenses in Russia	822	
Depreciation	Land, buildings and equipment	Special depreciation for previous year		4 417
		Special depreciation for the Frigo fire	1 182	
	Intangible assets	Extraordinary income from negative goodwill		–5 387
		Elimination of residual goodwill Belgium	421	
		Special depreciation for goodwill Abraham	17 166	
Financial expenses		Expenses for disposal of participation		4 028
Financial return		Currency profit on loans in euro	–6 643	
Taxes		Adjustment deferred tax assets		891
		Tax share of insurance proceeds for goods damaged in the Frigo fire	1 529	

Additional Information

in CHF thousand	2010	2009
Total amount of guarantees, warranties and mortgages in favour of third parties	**18 614**	19 889
Total amount of mortgaged assets at legal book values	**22 750**	26 371
Unrecognised liabilities from leasing	**2 966**	8 854
due in the current financial year	1 079	4 134
Derivative financial instruments (currencies)		
contract value	–	–
residual value positive	–	–
Derivative financial instruments (interests)		
contract value	**140 628**	181 230
residual value negative	**4 357**	1 385
Other derivative instruments (participations)	**1 875**	8 168
Fire insurance value of buildings	**711 521**	771 386
Fire insurance value of equipment	**605 212**	663 660
Expenses for pension fund liabilities	**19 333**	22 667
Obligations from contracts with third parties	**25 025**	31 151
due in the current financial year	1 867	7 641
due in the following financial year	3 946	6 473
due later	19 212	17 037
Obligations from contracts with affiliated companies	**6 742**	11 240
due in the current financial year	1 349	4 497
due in the following financial year	1 349	1 349
due later	4 044	5 394
Conditional increase in share capital as decided	**1 000**	1 000
Total amount of the approved share capital increase	**500**	–

Principal shareholders	Coop Cooperative, 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 shareholders have full voting rights. Each share entitles to vote.

Risk assessment

The Bell Group follows standard risk management procedures. The risk situation is reassessed every three years. A detailed reassessment was carried out in 2009 on account of the new group structure. We identified, analysed and assessed the most important risks and defined the measures required to manage these risks.

The Executive Board analyses the status of the implemented measures every year and updates its risk assessment. The Board of Directors was duly informed within the scope of its meeting held on 25 October 2010. Further details relating to risk management are listed in the section on Corporate Governance (page 71).

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 financial reporting and those associated with compliance are assessed. The new subsidiaries acquired by Bell have their own internal control system which will continue to be 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 44 to 62), for the year ended 31 December 2010.

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 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 reason-ableness 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 December 2010 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 Rodolfo Gerber	Ralph Maiocchi
Audit expert	Audit expert
Auditor in charge	

Basel, 15 February 2011

5-Year Overview

in CHF thousand	2010	2009	2008	2007	2006
Affiliated companies	1 363 778	1 332 881	1 292 236	1 162 587	1 074 083
Other wholesale	1 176 972	1 151 593	586 867	439 462	384 940
End consumers	76 824	113 238	53 696	27 869	24 266
Gross sales	**2 617 574**	2 597 712	1 932 799	1 629 918	1 483 289
Operating income	**2 584 277**	2 547 877	1 939 635	1 636 472	1 496 290
Financial data					
Gross operating profit	**863 923**	858 515	610 241	528 089	485 442
Personnel expenses	**405 671**	412 215	307 445	259 653	245 811
Depreciation of assets	**74 220**	79 903	55 689	57 395	54 767
Earnings before interest and taxes (EBIT)	**101 236**	95 047	78 932	72 954	58 364
Consolidated profit	**66 067**	56 192	58 198	56 669	44 185
Cash flow	**180 193**	151 628	120 821	116 692	106 684
Financial result	**–2 086**	–11 021	–2 867	1 363	–1 841
Current assets	495 436	537 731	363 010	308 478	237 585
Non-current assets	671 950	769 557	774 824	480 186	505 537
Total assets	**1 167 386**	1 307 288	1 137 834	788 664	743 122
Interest-bearing liabilities	**228 462**	383 795	299 073	69 523	108 622
Equity	**590 456**	594 779	538 709	522 981	478 703
Margins					
Gross operating profit in % of operating income	**33.4%**	33.7%	31.5%	32.3%	32.4%
Cash flow in % of operating income	**7.0%**	6.0%	6.2%	7.1%	7.1%
EBIT in % of operating income	**3.9%**	3.7%	4.1%	4.5%	3.9%
Net profit in % of operating income	**2.6%**	2.2%	3.0%	3.5%	3.0%
Financial result in % of interest-bearing liabilities	**0.9%**	2.9%	1.0%	–2.0%	1.7%
Equity in % of assets	**50.6%**	45.5%	47.3%	66.3%	64.4%
Return on equity (ROE) *	**11.1%**	10.7%	11.1%	11.8%	9.9%
Workforce as of December 31					
Number of employees	**6 488**	6 561	6 810	3 341	3 234
Average workforce					
Adjusted to full time employees	**6 179**	6 497	3 794	3 249	3 088

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

Share Information

		2010	2009	2008	2007	2006
Per-share data						
Share price as of 31.12.	CHF	**1 766**	1 551	1 300	1 925	1 410
Year's high	CHF	**1 875**	1 750	1 950	2 250	1 450
Year's low	CHF	**1 480**	1 267	1 101	1 410	975
Average daily trading volume	Number	**75**	65	117	129	173
Stock exchange capitalisation						
Year's end	in million CHF	**706**	620	520	770	564
Year's high	in million CHF	**750**	700	780	900	580
Year's low	in million CHF	**592**	507	440	564	390
Equity per share	CHF	**1 461**	1 466	1 357	1 302	1 193
Net profit per share	CHF	**163**	141	151	142	110
Cash flow per share	CHF	**457**	386	308	293	268
EBIT per share	CHF	**257**	242	202	183	147
Return per share *		**9.3%**	9.1%	11.6%	7.4%	7.8%
Distribution per share	CHF	**50**	40	40	40	33
Distribution quota		**30.6%**	28.3%	26.5%	28.2%	29.9%
Dividend yield **		**2.8%**	2.6%	3.1%	2.1%	2.3%

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

		2010	2009	2008	2007	2006
Capital structure as of 31.12.						
Share capital	in CHF 1000	**2 000**	2 000	2 000	2 000	2 000
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	**7 998**	6 938	8 335	1 812	2 370
Shares recorded in share register	Number	**369 794**	366 309	365 558	364 294	363 329
Registered shareholders	Number	**3 659**	3 606	3 197	3 153	2 989

Securities no.	441 041
ISIN	CH0004410418
Symbols	Telekurs: BELN
	Reuters: BELZn
Trade	SIX Swiss Exchange
Current share price	www.bell.ch

Important Participations

Company	Domicile	Sphere of activity	Consolidation method		Capital	Groupe share in captial
Bell Ltd	Basel	Fresh meat, charcuterie, poultry, convenience, seafood	■	CHF	20 000 000	100.0%
Frigo St. Johann AG	Basel	Logistics, cold storage	■	CHF	2 000 000	100.0%
SBA Schlachtbetrieb Basel AG	Basel	Abattoir	✳	CHF	250 000	48.0%
Centravo AG *	Zürich	By-products processing	✳	CHF	2 400 000	29.8%
GVFI International AG	Basel	Meat trade	●	CHF	3 000 000	17.7%
Pensionsstiftung der Bell Ltd (in liquidation)	Basel	Foundation	▲		–	–
Bell France SAS	Teilhède/FR	Subholding	■	EUR	20 000 000	100.0%
Salaison Polette & Cie SAS	Teilhède/FR	Dry sausages	■	EUR	2 600 000	100.0%
Saloir de Mirabel SARL	Riom/FR	Air-dried ham	■	EUR	152 000	100.0%
Val de Lyon SAS	Saint-Symphorien/Coise/FR	Dry sausages	■	EUR	825 000	100.0%
Saloir de Virieu SAS	Virieu-Le-Grand/FR	Air-dried ham	■	EUR	1 200 000	100.0%
Maison de Savoie SAS	Aime/FR	Dry sausages	■	EUR	1 560 000	100.0%
St-André SAS	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%
FreshCo. Wurstwaren-vertriebs GmbH	Bochum / DE	Meat trade	□	EUR	38 400	100.0%
ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG	Bochum/DE	Meat and charcuterie	■	EUR	28 097 970	100.0%
Feine Kost Böttcher GmbH & Co. KG	Bochum/DE	Management	■	EUR	2 862 603	100.0%
ZIMBO International GmbH	Bochum/DE	Meat trade	■	EUR	1 840 700	100.0%
ZIMBO Polska Sp. z o.o.	Niepolomice/PL	Meat trade	■	PLN	500 000	100.0%
ZIMBO Húsipari Termelö Kft.	Perbal/HU	Meat and charcuterie	■	HUF	375 000 000	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	99.9%
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.	Prague-Holesovice/CZ	Retail trade	■	CZK	10 000 000	70.0%
Abraham GmbH	Seevetal/DE	Subholding	■	EUR	103 900	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 SA	Libramont-Chevigny/BE	Air-dried ham	■	EUR	250 000	100.0%
Abraham Polska Sp. z o.o.	Warsaw/PL	Wholesale trade	■	PLN	100 000	100.0%
Sanchez Alcaraz S.L.	Casarrubios del Monte/ES	Air-dried ham	■	EUR	648 587	100.0%
Abraham France SARL	Bussy Saint-Georges/FR	Wholesale trade	■	EUR	40 000	100.0%

■ Fully consolidated (uniform management)
□ Fully consolidated mid 2010
✳ Consolidation at equity
● Purchase price
▲ 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 Directive on Information relating to Corporate Governance (DCG). The corporate governance rules and regulations of 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.

The Articles of Association of Bell Holding Ltd can be accessed at www.bell.ch/articles. An excerpt from the by-laws is available at www.bell.ch/organisation-en.

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 66.

Capital structure and shareholders' rights

Significant shareholders See page 62.

Capital structure The company has no outstanding convertible bonds, options or dividend-right certificates. The company's share capital is fully paid up and equates to CHF 2,000,000. There are 400,000 registered shares with a nominal value of CHF 5 each. The registered shares can be converted into bearer shares via an amendment to the Articles of Association.

Approved share capital increase (Art. 3a, Articles of Association) The Board of Directors is authorised until 14 April 2012 to increase the share capital by up to CHF 500,000 by issuing a maximum of 100,000 fully payable registered shares with a nominal value of CHF 5 each in one or more steps. The face value, the time of entitlement to dividends and the type of contribution shall be determined by the Board of Directors.

The new registered shares shall be subject to transfer restrictions after acquisition in accordance with Article 5 of the Articles of Association.

As a general rule, an increase in share capital shall occur under maintenance of shareholder options at the time the resolution is passed, whereby the Board of Directors is authorised to implement the share capital increase in the form of a firm commitment from a bank or group of banks whilst indirectly maintaining shareholder options. The company is entitled to unexercised options which it shall offer to the public at market conditions. The Board of Directors is authorised to exclude shareholder options in the event shares are to be used to take over companies, company assets or shareholdings.

Conditional share capital increase (Art. 3b, Articles of Association) The company's share capital shall be increased by the maximum amount of CHF 1,000,000 by issuing fully payable registered shares at nominal value (pursuant to Article 3 of the Articles of Association), of which:

a. Up to an amount of CHF 750,000 through exercising options and conversion rights that the company ties to future bonds or other obligations;
b. Up to an amount of CHF 100,000 through exercising options made available to shareholders;
c. Up to an amount of CHF 150,000 through exercising options held by employees of the company or its subsidiaries who, in accordance with a plan to be resolved by the Board of Directors, are entitled to new shares at a strike price to be determined by the Board of Directors.

Shareholder options are excluded. The acquisition of registered shares through exercising options or conversion rights and the subsequent transfer of registered shares is subject to the transfer restrictions defined in Art. 5 of the Articles of Association.

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Corporate Governance

Members of the Board of Directors

Hansueli Loosli, 1955, Swiss
Certified public accountant (Federal diploma)
Chairman of the Executive Board of Coop Cooperative; since 2001

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

Professional career
- Coop Cooperative, Basel; Chairman of the Executive Board of Coop and Head of Retail; 2001 – 2009
- Coop Switzerland, Basel; Chairman of the Executive Board and of Coop Group; 1997 – 2000
- Coop Zurich, Zurich; Managing Director; 1992 – 1997
- Coop Switzerland, Wangen; Director of Non-Food Procurement; 1992 – 1996
- Waro AG, Volketswil; most recently as Managing Director; 1985 – 1992
- Mövenpick Productions AG, Adliswil; Controller, deputy Director; 1982 – 1985
- BBC AG, Baden; Head of Fiduciary Department; 1979 – 1982
- Intertest AG, Baden; Assistant Auditor; 1978 – 1979
- Huba-Control AG; Würenlos; Head Accountant; 1974 – 1978

Hans Peter Schwarz, 1950, Swiss
Certified public accountant (Federal diploma)
Member of the Executive Board of Coop Cooperative and 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, Bern
- Dipl. Ing. Fust AG, Oberbüren
- Service 7000 AG, Netstal
- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Wolhusen
- The Body Shop Switzerland AG, Uster
- Raiffeisenbank Ettingen, Ettingen
- Other board member mandates with Coop subsidiaries

Professional career
- Coop Switzerland, Basel, Head of Central Finance and Accounting, Member of the Board; 1998 – 2001
- Coop Switzerland, Basel, Head of Central Finance and Accounting, Member of the Management Board; 1991 – 1997
- Aluminium AG, Münchenstein, Commercial Director; 1982 – 1990
- Coop Basel ACV, Basel, Commercial Director of industrial slaughterhouse; 1978 – 1982
- Coop Basel ACV, Basel, Controller; 1975-1978
- Mercedes-Benz AG, Schlieren, accountant; 1970 – 1974
- Fa. Saner-Hüssy, Olten, processor; 1969 – 1970

Jörg Ackermann, 1958, Swiss
Business economist (School of Economics)
Mandates for VGL Coop Cooperative; 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, Bern

Professional career
- Deputy Chairman of the Coop Executive Board, Head of Logistics/IT/Production, Basel; 2004 – 2008
- Member of the Coop Executive Board, Head of IT/Production, Basel; 2001 – 2003
- Member of the Coop Executive Board, Head of IT/Production, Basel; 1998 – 2001
- Head of Corporate Development at Coop Switzerland, Basel; 1997
- Managerial positions at Coop Winterthur, Winterthur:
  - Deputy Director; 1995 – 1996
  - Head of Marketing, Member of the Executive Board; 1992 – 1994
  - Head of Product Marketing and Logistics, Member of the Executive Board; 1989 – 1991
  - Assistant to the Head of Customer Marketing; 1984 – 1988

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

Board member mandates

- Coop Immobilien AG, Bern; Chairwoman
- 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 Zürich Foundation, Zurich
- Member of the Board of Trustees of the Juventus schools Zurich, Zurich

Professional career

- Vice-chairwoman of the Coop Board of Directors; 2000 – 2009
- Auditing and consultancy mandates for private-law companies on behalf of Dr. Nabholz Treuhand AG, Zurich; 1980 – 2002
- Project manager of consultancy projects for public administrations and operations with an emphasis on finance and organisation; since 1985
- Nabholz Beratung, Zurich; since 1980; in a senior position since 1985

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

Board member mandates

- Alp Transit Gotthard AG, Lucerne
- Billag AG, Fribourg; Chairman
- Service 7000 AG, Netstal
- Other board member mandates with various SMEs

Professional career

- Price controller; 1996 – 2004
- National Councillor of canton Glarus; 1991 – 2008
  In this function member of the Finance Commission (Chairman 2004/2005), the Commission for Communication, Transport and Telecommunications as well as various ad-hoc commissions
- Government of canton Glarus, Chairman of Internal Affairs (Directorate of the Economy); 1990 – 1998
- Local councillor in Sool and parliament of canton Glarus; 1986 – 1990
- Proprietary law office in Glarus; since 1988
- Associate/partner in a law office; 1983 – 1987

Joachim Zentes, 1947, German
Professor of Business Administration
Head of the Trade and International Marketing Institute (H.I.MA.) and of the European Institute, Faculty of Business Sciences, University of Saarland; since 1991

Board member mandates

- Goodyear Dunlop Tires Germany GmbH, Hanau (Germany); Chairman

Professional career

- Professorship in Business Administration, in particular marketing, at the University of Essen (Germany); 1982 – 1991
- Professorship in Business Administration, in particular production and distribution, at Johann-Wolfgang-Goethe University, Frankfurt am Main (Germany); 1980 – 1981
- Offered the chair for Business Administration at the University of Basel; 1993
- Offered the chair for Marketing at the University of Fribourg; 1988
- Visiting professor at the Universities of Metz and E.M. Lyon (France), Regensburg (Germany), Fribourg and Basel, (Switzerland), Warsaw (Poland), Santiago (Chile)

Shareholders' pre-emption rights relating to options and convertible bonds can be restricted or excluded by resolution passed by the Board of Directors to finance the acquisition of companies, company assets or shareholdings or new investment projects of the company or for the issue of options and convertible bonds on international capital markets.

Debentures shall be offered to the public at market conditions insofar as pre-emption rights are excluded; the exercise period for options shall be set at a maximum of five years and for convertible bonds at a maximum of ten years from the date of issue and the price of the new shares shall be determined to reflect at least the market conditions at the time of issue.

The capital structure and shares are described in detail on pages 62 and 65.

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 percent of the voting rights.

Board of Directors

Election and term of office The members of the Board of Directors are elected by the Shareholders' Meeting. Board members are elected individually. 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 31.12.2010

	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

Compensation for Executive Board members Members of the Board of Directors receive appropriate compensation for their activities in accordance with Article 23 of the Articles of Association.

Fee gross per annum:

Chairman	CHF 90,000
Vice-chairman	CHF 70,000
Members	CHF 60,000

Special cases
Fees will be paid as follows:
– on resignation from the Board of Directors: Pro rata
– in the event of illness/accident: 100%

Compensation includes a flat rate of 10 percent for expenses that is indicated separately. The statutory social contributions (employee's share) will be deducted from 90 percent of the compensation amount.

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. Their fees are paid directly to Coop. For information on overall salaries and share ownership, see page 58.

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 establishes 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
are available on the Bell website at www.bell.ch/organisation-de.
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 HF 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. External advisors are only engaged in individual cases (none in 2010).

In 2010, the Board of Directors held eight ordinary meetings. In addition to the usual day-to-day business, the Board of Directors concentrated on the following subjects and projects:

- Updating the internationalisation strategy with the objective of strengthening the current market position
- Drawing up and reviewing the Group's business unit strategies
- Drawing master plans for the sites in Cheseaux and Zell
- Optioning of a parcel of land in Niederbipp
- Acquisition of the abattoir site in Basel including buildings and infrastructure
- Investment in Hilcona
- Fire at Frigo St. Johann
- Acquisition of "Du darfst" production by licence from Unilever
- Regulation of succession for the chair of the Group Executive Board

For details on these subjects and projects, see the reports section of the annual report.

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 close 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.

Internal control system Bell operates a comprehensive internal control system (ICS) on the basis of the internationally acknowledged COSO framework; the ICS is an integral component of quality assurance (QA). 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. The ICS was further expanded in 2009 and will be continuously extended and updated during the coming year. Bell's ICS serves the continuous improvement of business activities and is aimed at ensuring the necessary procedures and instruments for risk detection and control are in place.

Internal audit unit In addition to the statutory auditors, the internal audit unit as an independent instance monitors compliance with the guidelines and regulations on behalf of the Board of Directors, checks the expedience of control instruments and the organisational structure and procedures as well as the effectiveness of the internal control system. It accompanies the development of new business processes and modifications to existing business processes in a controlling or advisory function and supports the Executive Board in the achievement of objectives by making recommendations for improvements to business processes. The internal audit unit pursues a risk-oriented approach to auditing.
Findings are documented and communicated to the Chairman of the Board of Directors. The implementation of measures is monitored.
The internal audit unit coordinates its auditing activities and maintains a close exchange of information with statutory auditors.

Risk management As part of the risk management process, the Board of Directors and Group Executive Board assess the major risks every year. Risk-reducing measures are implemented on a continuous basis.

Major risks are defined as those which could influence net income by more than 20 percent 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.

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Corporate Governance

Group Executive Board as of 01.04.2011

Lorenz Wyss, 1959, Swiss
Butcher
Business diploma
Certified meat industry technician
As of 01.04.2011
Chairman of the Group Executive Board (CEO)
Head of Bell International
Has been with Bell since 2011; in this position since 2011

Board member mandates
- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Wolhusen
- Proviande Cooperative, Bern

Professional career
- Managerial positions at Coop:
  · Head of Category Management Fresh Products/Gastronomy; 2008 – 2011
  · Head of Food Procurement/Scheduling; 2004 – 2008
  · Head of Purchasing Pool for Fresh Products; 1998 – 2004
  · Market Group Head, meat/catering and frozen products; 1995 – 1998
- Managerial positions at Gehrig AG, Klus:
  · Head of Sales/Operations (deputy Managing Director); 1992 – 1995
  · Technical Director; 1987 – 1991
  · Head of Operations/HR; 1983 – 1984
- Department Head at Jenzer AG, Arlesheim; 1978 – 1981

Martin Gysin, 1960, Swiss
Certified public accountant
Deputy Chairman of the Group Executive Board
Head of Finance/Services (CFO)
Has been with Bell since 1992; in this position since 1994

Board member mandates
- CPV/CAP Coop Pension Fund, Basel

Professional career
- Head of Finance/Accounting at Bell Ltd, Basel; 1992 – 1994
- Controller at Valora AG, Bern; 1990 – 1991
- Commercial Director at R. Vix AG, Basel, 1984 – 1989

Thorid Klantschitsch, 1969, Swiss
Certified food engineer, Federal Institute of Technology
Dr. sc. techn., Federal Institute of Technology
Industrial engineer STV
Head of Bell Switzerland
Has been with Bell since 2009; in this position since 2010

Professional career
- Managing Director, member of the Executive Board of HOCHDORF Group, Hochdorf; 2006 – 2009
- Head of Gastronomy Sales, member of the Executive Board of Le Patron AG, Böckten; 2002 – 2005
- Strategy management consultant at Roland Berger AG, Zurich; 2000 – 2002
- Laboratory assistant for dairy sciences at the Federal Institute of Technology in Zurich, doctorate in dairy processing technology; 1995 – 1999
- Various internships in Switzerland and abroad; 1991 – 1995:
  · Nestlé Linor, Orbe
  · Cantonal Laboratory, Zurich
  · Nestlé R & D, New Milford (USA)

Bell Switzerland

Division heads

Markus Bänziger, 1955, Swiss
Certified marketing manager
Head of Convenience Division
Has been with Bell from 1975 to 1985 and again since 1995; in this position since 2010

Professional career

- Managerial positions with Bell Ltd, Basel:
  - Acting Head of Convenience Division; 2009
  - Head of Convenience Business Unit; 2000 – 2008
  - Head of Wholesale Sales; 1995 – 2000
- Sales force of Fleischtrocknerei Churwalden AG; 1988 – 1995
- Head of Freight at GNZ Schlieren; 1987
- Sales at Gebr. Niedermann, Schlieren; 1985 – 1987
- Head of Order Service in Wallisellen; Bell Ltd; 1983 – 1985
- Branch manager at Bell Ltd; 1980 – 1983
- Branch butcher at Bell Ltd; 1975 – 1980

Christine Schlatter, 1965, Swiss
Certified marketing planner (Federal diploma)
Head of Poultry Division
Has been with Bell since 1997; in this position since 2008

Professional career

- Managerial positions with the Bell Group:
  - Head of Sales/Marketing Bell Poultry; 2003 – 2008
  - Head of Marketing/Sales SEG Poulets AG and Managing Director GWI AG; 1998 – 2003
  - Head of Marketing/Sales GWI AG; 1997 – 1998
- Head of Marketing at Fromageries Bel (Suisse), Cham; 1996 –1997
- Product Manager at Fabio Import AG, Oberarth; 1996

Josef Dähler, 1955, Swiss
Master butcher (Federal diploma)
Commercial diploma
Head of Fresh Meat Division
Has been with Bell since 1996; in this position since 2007

Board member mandates

- Identitas AG, Bern
- Proviande Cooperative, Bern

Professional career

- Head of Romandie Division; Bell Ltd; 1996 – 2006
- Managerial positions with Micarna SA, Courtepin; 1983 – 1996
- Bell Romandie: branch sales; 1979 – 1983

Adolf Maassen, 1964, German
Master butcher
Certified food technologist
Technical business administrator ICC
Head of Charcuterie Division
Has been with Bell since 1990; in this position since 2007

Professional career

- Managerial positions with Bell Ltd, Basel:
  - Head of Charcuterie Basel; 2001 – 2006
  - Head of Charcuterie Production; 2000 – 2001
  - Head of Technology/Quality Management; 1994 – 1999
  - Head of Development; 1991 – 1994
- Head of Production "Fleischwaren Maassen", Korschenbroich (Germany); 1987 – 1990

Corporate Governance

Bell International

Managers

Abraham Group

Christian Schröder, 1971, German
Commercial diploma
Spokesman for the Executive Board
Head of Distribution/Marketing and Administration
Has been with Abraham since 2007; in this position since 2009

Professional career
- Managerial positions with the Reinert Group of Companies, Versmold:
  - Schinken-Einhaus GmbH (Friesoythe/Brunsbek/Lörrach): Managing Director; 2002 – 2007
  - Orig. Holst. Katenschinken GmbH: Managing Director; 2000 – 2001
- Managing partner, H. & C. Schröder Schinkenveredelung GmbH; 1994 – 1999

Markus von der Pütten, 1970, German
Specialist for food technology
Head of Production and Technology
Has been with Abraham since 2010; in this position since 2011

Professional career
- Schinken-Einhaus GmbH, Friesoythe; authorised representative; 2006 – 2010
- Bernard Matthews, Oldenburg; plant manager; 2001 – 2006
- Oldenburger Fleischwaren GmbH, Oldenburg; plant manager; 1995 – 2001

Groupe Polette

Philippe Polette, 1960, French
Business diploma
Chairman of the Executive Board
Has been with Polette since the establishment of the company in 1980; in this position since 1980

Board member mandates
- Consortium of the Salaisons d'Auvergne

Ludovic Jouanneau, 1974, French
Diploma awarded by the Business College of Clermont-Ferrand
Head of Administration and Finance
Has been with Polette since 2008; in this position since 2008

Professional career
- Managing Director of the sales companies north/north-east and CFO at Batext-Rot; 2001 – 2008
- Financial Controller, Bosch Systèmes de Freinage (France/Turquie/Espagne); 1997 – 2001

Gilles Patient, 1961, French
Licentiate of business sciences
Head of Sales
Has been with Polette since 1994; in this position since 1994

Professional career
- Independent sales manager; 1990 – 1994
- Sales Manager at Souchon d'Auvergne; 1987 – 1990
- Sales Manager at Salaison Prost; 1985 – 1987
- Division Head of GMS at Continent; 1981 – 1985

Bell International

ZIMBO Group

Christof Queisser, 1969, German
Certified business administrator
Chairman of the Executive Board
Head of Marketing and Sales
Has been with ZIMBO since 2008; in this position since 2008

Professional career

- VARTA Consumer Batteries GmbH & Co. KGaA, Frankfurt am Main; 2000 – 2007:
  - Managing Director, Headquarters Europe/ROW: sales and marketing Europe, Middle East, Africa, Asia and Pacific; Global Innovation Management, Product Development VARTA, Remington
  - Managing Director of the subsidiaries in England and Ireland, London (United Kingdom)
  - International Director of Sales and Marketing, global
- Tengelmann OHG group of companies; 1995 – 2000:
  - Head of Category Management Beverages and Luxury Foods, Viersen
  - Head of Strategy Unit Category Management/ECR, Munich
  - Development of branch and range concepts, Wiesbaden
- Unilever Germany/England; 1991 – 1995:
  - Category Development Manager, London (United Kingdom)
  - Sales and marketing, Mannheim/Hamburg

Manfred Dahmen, 1958, German
Certified economist
Deputy Chairman of the Executive Board
Head of Finance and Controlling
Has been with ZIMBO since 2005; in this position since 2006

Professional career

- Tax consultant in Schmitten (Taunus) and project manager at medium-sized banks and trading companies in Mainz and Mülheim an der Ruhr; 2003 – 2004
- Managing Director of Metallbank GmbH and its legal successor Gontard & Metallbank AG in Frankfurt am Main; 1996 – 2003
- Chief representative of Metallbank GmbH in Frankfurt am Main; 1993 – 1996
- Financial Controller of Metallgesellschaft AG in Hong Kong (People’s Republic of China); 1988 – 1992
- Lead auditor and tax consultant with Arthur Andersen GmbH, accountants and tax consultants in Frankfurt am Main; 1984 – 1988

Uwe Ginkel, 1962, German
Master butcher; Commercial specialist
Head of Production and Logistics
Has been with ZIMBO since 2000; in this position since 2004

Professional career

- Tengelmann Warenhandelsgesellschaft Mülheim: Division Head, Category Manager for Plus (sausages, meat products, convenience, delicatessen); 1998 – 2000
- Steinhaus GmbH: Head of Sales (sausage meat, pasta); 1995 – 1998
- Promodes Germany: Central Purchaser (sausages, meat, convenience); 1992 – 1995
- Coop Frankfurt: Department Head, Plaza SB-Warenhaus; 1984 – 1992

Corporate Governance

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 we are in Switzerland. However, the economy is having a more direct impact on our earnings in all phases of the raw material price cycle, which follows its 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 62 of this annual report.

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, Group 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 25.4 percent 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 percent, and may not be sold for a period of four years. As the revenue targets were achieved, Group Executive Board members received a profit share of 20.9 percent for 2010 (previous year: 20%). For information on overall salaries and share ownership, see the notes to the annual report on page 58.

Co-determination rights of shareholders

Every share is entitled to one vote pursuant to Art. 11 of the Articles of Association.

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 www.bell.ch/articles. The Swiss Code of Obligations shall apply in the event the Articles of Association do not provide sufficient regulation.

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 www.bell.ch/agenda-en.

Shareholders are not entitled to have certificates for registered shares printed out and delivered.

Restrictions in connection with share capital increases: see section Corporate Governance on page 67.

Change of control clause

There are no statutory restrictions and regulations.

Auditors

Auditors	PricewaterhouseCoopers; since 1998
Lead auditor	Dr Rodolfo Gerber, lead auditor since 2010
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 2010, the activities of the statutory auditors focused on statutory obligations including an evaluation of the existence of the ICS.

Auditors' and other fees

in KCHF	2010	2009
Auditing services	1 172	1 215
Tax consulting	–	–
Legal services	–	–
Transaction consulting (incl. due diligence)	–	112
Total	1 172	1 327

Information policy

Every year, Bell publishes an annual report and an interim report containing information on the business operations and results of Bell Group. Additionally, 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 and ad-hoc press releases. www.bell.ch

Important dates

Closing of accounts	31 December
Shareholders' Meeting of Bell Holding Ltd	7 April 2011
Publication of results for first half of 2011	11 August 2011
Publication of 2011 sales figures	first half of January 2012
Publication of results for 2011	February 2012

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

Contact partners and contact options for obtaining further information on the Bell Group are listed on page 84 of this annual report.

Management

Executive Board

Lorenz Wyss CEO (as of 01.04.2011)
Martin Gysin Deputy CEO, Head Finance/Services (CFO)
Thorid Klantschitsch Head Bell Switzerland

Group Executive Board members

Michael Gloor Head of Internal Audit
Elisabeth Wegeleben Head General Office/Share Register, Secretary BoD

Finance/Services

Martin Gysin Head Finance/Services (CFO)
Rolf Anti Head of Organisation
Thomas Denne Head Controlling Fresh Meat and Charcuterie Divisions
Peter Kunimünch Head IT
Johannes Meister Head Human Resources/Training
Marc Pittino Head Controlling
René Stampfli Head of Process Analysis/Design
Thomas Studer Head Projects
Ulrich Süss Head Accounting

Bell Switzerland

Thorid Klantschitsch Head Bell Switzerland

Management members 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
Christian Gremion Head Fresh Meat Division French-speaking Switzerland
Marcel Joseph Head Plants French-speaking Switzerland
Franz Kupper Key Account Manager
Michel Lerch Head Plant Basel
Elvira Meyer Head Sales/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
Sara Patrizia Kraettli 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
Andreas Nieling Head Plant
Peter Schneider Head Marketing/Sales

Seafood

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

Frigo St. Johann AG

Bruno Flückiger Managing Director

Bell International

Lorenz Wyss Head Bell International (as of 01.04.2011)

Abraham GmbH

Christian Schröder Spokesman Executive Board, Head Distribution/Marketing and Administration
Markus von der Pütten Head Production and Technique
Jürgen Emtmann Head Finances

Salaison Polette & Cie SAS

Philippe Polette CEO
Gilles Patient Head Sales
Ludovic Jouanneau Head Administration and Finance

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

Board of Directors

Vice-Chairman Hans Peter Schwarz	**Chairman** Hansueli Loosli	Jörg Ackermann
Irene Kaufmann-Brändli	Werner Marti	Joachim Zentes

Internal Audit Department Michael Gloor

Bell Group
Lorenz Wyss

Bell Switzerland
Thorid Klantschitsch

- GB **Fresh meat** – Josef Dähler
- GB **Poultry** – Christine Schlatter
- GB **Charcuterie** – Adolf Maassen
- GB **Convenience** – Markus Bänziger

Finances/Services
Martin Gysin

Bell International
i.P. Lorenz Wyss

- **ZIMBO** – Christof Queisser (CEO), Manfred Dahmen, Uwe Ginkel
- **Abraham** – Christian Schröder (Spokesman), Markus von der Pütten
- **Polette** – Philippe Polette

Bell Holding Ltd
Balance Sheet

in CHF thousand		31.12.2010		31.12.2009	
Liquid assets		45		928	
Securities		2 025		604	
Receivables affiliated group		22 475		–	
Other receivables		133		279	
Current assets		**24 678**	**7.4%**	1 811	0.6%
Financial assets	Majority interests	147 373		133 123	
	Minority interests	9 051		9 051	
	Loans affiliated group/other financial assets	151 992		154 020	
Tangible assets	Land	392		538	
	Buildings	1 133		1 544	
Non-current assets		**309 941**	**92.6%**	298 276	99.4%
Assets		**334 619**	**100.0%**	300 087	100.0%
Miscellaneous accounts payable		902		1 121	
Accounts payable affiliated companies		17		6 777	
Deferred items		66		185	
Current liabilities		**985**	**0.3%**	8 083	2.7%
Non-current liabilities		–		–	
Liabilities		**985**	**0.3%**	8 083	2.7%
Share capital		2 000		2 000	
Legal reserves		10 000		10 000	
Treasury shares		6 993		9 019	
Other reserves		257 012		234 962	
Annual profit		57 629		36 023	
Equity		**333 634**	**99.7%**	292 004	97.3%
Liabilities		**334 619**	**100.0%**	300 087	100.0%

Bell Holding Ltd
Income Statement

in CHF thousand	2010	2009
Income from holdings	50 518	30 648
Other financial income	6 983	7 739
Other proceeds	3 089	3 064
Total income	**60 590**	41 451
Administration expenses	1 582	1 825
Other expenses	317	224
Interests expenses	240	508
Other financial expenses	–	2 028
Depreciation of tangible assets	411	411
Expenses	**2 550**	4 996
Operating profit before taxes	**58 039**	36 455
Income from sale of non-current assets	280	88
Profit before taxes	**58 319**	36 543
Taxes	690	520
Profit after taxes	**57 629**	36 023

Bell Holding Ltd
Appropriation of Annual Profit

Proposals of the Board of Directors to the General Meeting

in CHF thousand	2010	2009
Appropriation of annual profit		
Annual profit	57 629	36 023
CHF 50 dividend (previous year CHF 40)	20 000	16 000
Transfer to the other reserves	37 629	20 023
Total appropriations	**57 629**	36 023

Appendix

in CHF thousand		2010	2009
Total amount of guarantees, warranties and mortgages in favour of Group companies*		**331 109**	330 955
Total amount of mortgaged assets at legal book values		–	–
Fire insurance value of buildings		**4 194**	4 194
Important participations		**page 66**	–
Treasury shares according to statement on changes in equity		**page 47**	–
Principal shareholders:	Coop Cooperative, Basel	**66.29%**	66.29%
	Sarasin Investmentfonds AG, Basel	**4.09%**	4.09%
Conditional increase in share capital as decided		**1 000**	1 000
Total amount of the approved share capital increase		**500**	–
Details on risk assessment		**page 62/71**	–

* 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.

Bell Holding Ltd
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 80 to 82), for the year ended 31 December 2010.

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 December 2010 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 Rodolfo Gerber Audit expert Auditor in charge	Ralph Maiocchi Audit expert

Basel, 15 February 2011

Contacts

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Bell Fresh Meat	**Bell Ltd**	Dünnernstrasse 31 • 4702 Oensingen • Switzerland • Phone +41 62 388 5300 • Fax +41 62 388 5398
Bell Romandie	**Bell Ltd**	Chemin du Châtelard 5 • 1033 Cheseaux-sur-Lausanne • Switzerland
		Phone +41 21 731 9900 • Fax +41 21 731 9903
Bell Charcuterie	**Bell Ltd**	Elsässerstrasse 174 • 4056 Basel • Switzerland • Phone +41 61 326 2626 • Fax +41 61 326 2110
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IMPRINT

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 www.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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