BELL LTD

ANNUAL REPORT 2011

Living our values –
with commitment and passion.

LIVING YOUR VALUES BY BELL

There is a person behind every product. The Bell employees do their utmost every day to ensure that our products meet the highest quality standards. Their passion, instinct and craftsmanship are the ingredients that make up the perfect recipe – for the perfect taste experience. It is just as important to them to keep traditions alive as it is to develop innovative new products. And they always keep sustainability in mind – because we respect our resources just as we respect our employees. They are the foundation for our success. What this looks like in practice you can find out in this annual report from page 9.

CONTENT

03_ Bell at a Glance
04_ Editorial

BELL SWITZERLAND
20_ Further growth
22_ Fresh Meat
23_ Charcuterie
24_ Poultry
24_ Seafood
25_ Outlook for 2012

BELL INTERNATIONAL
26_ New sales markets
27_ Germany
29_ Eastern Europe
29_ France
30_ Other Markets
30_ Outlook for 2012

CORPORATE SOCIAL RESPONSIBILITY
32_ Meeting our responsibilities
35_ Procurement and performance
37_ Resource efficiency
39_ Social responsibility
41_ Communication

FINANCIAL REPORT
44_ Bell Group
69_ Corporate Governance
82_ Bell Ltd

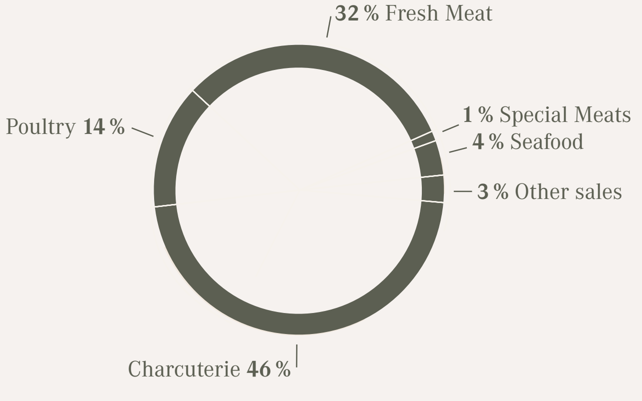
86_ Contacts
87_ Imprint

Bell at a Glance

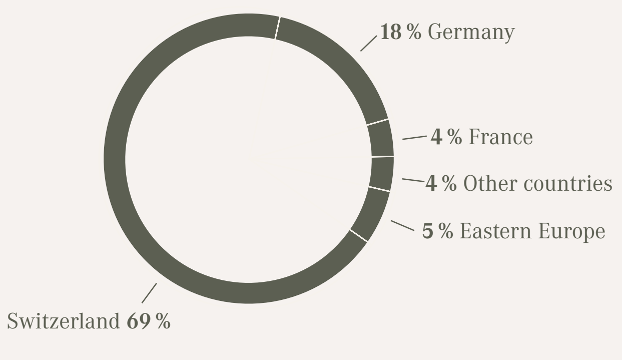
Financial Figures

in CHF thousand	2011	Difference	2010
Sales proceeds	**2 516 953**	-3.8 %	2 617 574
Operating income	**2 482 588**	-3.9 %	2 584 277
EBITDA	**204 291**	-4.0 %	212 695
in % of operating income	**8.2 %**		8.2 %
EBIT	**89 849**	-11.2 %	101 236
in % of operating income	**3.6 %**		3.9 %
Net profit	**71 618**	11.0 %	64 519
in % of operating income	**2.9 %**		2.5 %
Net capital expenditure in operating assets	**56 188**	-17.6 %	68 176
in % of cash flow before changes to net current assets	**30.9 %**		37.8 %
Equity	**626 583**	6.1 %	590 456
in % of assets	**50.0 %**		50.6 %
Return on equity (ROE)	**12.3 %**		11.1 %
Share price as of 31.12. in CHF	**1 762**	-0.2 %	1 766
EBITDA per share in CHF	**514**	-4.6 %	539
EBIT per share in CHF	**226**	-12.1 %	257
Net profit per share in CHF	**180**	10.4 %	163
Dividend per share in CHF	**60**	20.0 %	50

Sales by product group



Sales by country



Performance Figures

Acquisition of raw materials (Switzerland) in tonnes	Own slaughtering	Purchased from third parties/imports	Percentage of imports	2011	2010
Slaughter animals	101 821	5 733	4.2 %	**107 555**	106 355
Poultry	24 310	9 361	26.4 %	**33 672**	32 109
Meat specialities (game, rabbit and others)	-	1 211	100.0 %	**1 211**	1 231
Seafood	-	5 274	97.1 %	**5 274**	4 670
Total	126 132	16 306	5.9 %	**249 992**	246 050

	2011	2010
Charcuterie sales volumes		
Switzerland	**32 462**	32 345
Europe	**103 551**	98 245
Number of locations		
Production plants	**27**	27
Sales outlets	**94**	71
Other locations	**3**	3
Number of employees		
Average headcount calculated on the basis of full-time employees	**6 059**	6 179
Headcount as of December 31 in number of employees	**6 470**	6 488
Headcount as of December 31 in number of employees by country		
Switzerland	**3 324**	3 497
Germany	**1 445**	1 461
France	**404**	399
Czech Republic	**557**	618
Hungary	**226**	200
Poland	**182**	178
Other countries	**332**	135
Environmental performance figures		
Share of meat production from sustainable labels (Bell Switzerland only)		
Meat from slaughter animals (own slaughtering)	**49 %**	49 %
Poultry (own slaughtering; incl. Swiss BTS-Program)	**100 %**	100 %
Seafood	**45 %**	44 %
Total CO_2-emissions (in tonnes; only Switzerland)	**6 637**	6 754
Total energie consumption (in GWh)	**283**	261
Total water consumption (in 1 000 m^3)	**1 876**	1 821
Total waste (in 1 000 tonnes)	**19**	21

BELL
AT A GLANCE

2011
Bell has grown again – in Switzerland and internationally

In 2011 Bell seamlessly continued its success of the previous year. Excluding changes to the scope of consolidation and currency fluctuations, sales grew by 1.8 percent. At CHF 2.52 billion, sales were nominally lower by 3.8 percent. Due to changes in the scope of consolidation and the net impact of one-off effects, the operating result (EBITDA and EBIT) is less than in the previous year. The Group's *annual profit* > page 44 was up considerably from the previous year.

In *Switzerland* > page 20, all business divisions increased their sales volumes, allowing Bell to strengthen its position as market leader. Growth was mainly driven by rising demand for products with a high degree of added value as well as Swiss meat *Bell International* > page 26 also improved its market position in Europe. The marked increase in raw materials prices had a negative effect on the overall result

OUTLOOK
Performance and values

Although Bell judges the economic outlook for 2012 to be restrained, it still expects moderate sales growth in its European markets as well as its core market Switzerland. Bell is continuing to restructure its product ranges in order to add more value and strengthen and expand its sales markets.

In addition to our productive capacity, values that include long-term *sustainable conduct* > page 32 are gaining in importance. This is why we want to live our values – with commitment and passion.

BELL
Fresh every day

A wide range of meat, poultry, charcuterie, seafood and convenience meals reaches consumers fresh from Bell every day. This is made possible by more than 6,450 *employees* > page 9 in Switzerland and international. As the number one in the Swiss meat industry, Bell is a supplier to the retail and wholesale trade as well as the food service sector and food processing industry. In Europe, the french company Polette and the German companies ZIMBO and Abraham belong to the Bell Group.

OUR VISION
Quality of life through competence

Bell's products are synonymous with high-quality nutrition and taste – and therefore with greater quality of life. 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.

OUR BRANDS
For a treat on the plate

EDITORIAL

ANOTHER SUCCESSFUL YEAR FOR THE BELL GROUP

Report by the Chairman of the Board of Directors
and the Chairman of the Group Executive Board

Lorenz Wyss
Chairman of the Group Executive Board

Hansueli Loosli
Chairman of the Board of Directors

+1.9%

Sales volumes increased to 224 million kilograms.

DEAR SHAREHOLDERS,

Living our values – with commitment and passion. In the past financial year we worked very intensively to define and anchor our values. In several divisions we formulated our strategies for the coming years. In doing so we not only defined the strategic and operating content, but always also values because we are convinced that companies of the future can only be successful if they not only focus on their productive capacity, but also live values that include sustainable conduct geared to the long term.

In 2011 we seamlessly continued our success of the previous year in an environment that can change very quickly and is still very challenging. Bell continued to grow both in Switzerland and internationally. Excluding changes to the scope of consolidation and currency fluctuations, sales grew by 1.8 percent. At CHF 2.52 billion, sales were nominally lower by 3.8 percent (CHF -100.6 million). Currency fluctuations, and in particular the much lower average exchange rate between the Swiss franc and the euro, reduced our sales nominally to around CHF 81 million. The deconsolidation of Bell Convenience cost CHF 82 million.

Due to changes in the scope of consolidation and the net impact of one-off effects, the operating result (EBITDA and EBIT) is less than in the previous year. More details are provided in the financial report. Some exceptional items were incurred in the reconciliation of the consolidated result. An extraordinary writedown of CHF 26 million in total was charged to the goodwill and value of the ZIMBO brand in Germany. These items are offset by extraordinary income of CHF 8 million from insurance benefits paid subsequently and recognised in the income statement related to the Frigo fire in 2010 as well as CHF 14.5 million from currency hedging transactions. At CHF 71.6 million (+11 % or CHF 7 million), the net profit is well above the previous year.

Cash flow before changes to net current assets improved by 1.8 to CHF 182 million (+1 %). Production volume grew by 1.9 percent to around 224 million kilograms. As of 31 December 2011, the Bell Group employed a work force of 6,470 in 12 countries.

SUCCESSFUL BUSINESS YEAR IN THE CORE MARKET SWITZERLAND

In Switzerland Bell has further strengthened its position as market leader. All business divisions posted year-on-year sales growth. Not taking account of the deconsolidation of Bell Convenience, sales improved by CHF 20 million to CHF 1.75 billion. Sales volumes increased to 120.8 million kilograms (+2.1 %).

Growth was mainly driven by rising demand for products with a high degree of added value as well as Swiss meat. Seasonal campaigns such as Easter and the barbecue season were also successful in 2011. Stable raw materials prices in Switzerland helped the sales development and meant that meat consumption stayed stable throughout the year. We also achieved additional productivity gains in our production facilities.

The impact of shopping tourism was less encouraging. This behaviour has been stimulated by the weakness of the euro to the Swiss franc. According to surveys by the Swiss Professional Meat Union, consumers living in Switzerland bought meat and meat products for almost one billion Swiss francs in neighbouring countries.

STRONG INCREASE IN RAW MATERIALS PRICES IN THE EU

As regards sales volumes in Europe, Bell International has been able to expand its market position again. Sales volumes rose by more than 5 percent to a total of 103,551 tonnes. In local currency, sales improved by 5.7 percent to EUR 625 million. Around EUR 14 million can be attributed to

With the new brand strategy we want to more consistently exploit the strength of the Bell brand.

the Hoppe acquisition. Due to the low average CHF-EUR exchange rate, sales expressed in Swiss francs are lower year-on-year at CHF 771 million (-4.8 % or CHF -39 million).

Our expectations for the overall result have not been met in full. This is mainly due to the strong increase in raw materials prices. Demand from countries such as Russia and China shot up, and in the EU prices for the most important raw materials doubled within a very short space of time. Prices for manufacturing, supply and packaging materials also rose sharply. As a result we had to increase our prices, which was only partially accepted by the retail trade with a great time delay. Margins suffered, in particular for scalded and dry sausages, while the situation for air-dried ham stabilised somewhat in the second half of the year.

STRATEGIC FOCUS

In 2011 we defined our future strategic focus in some important areas. For example, we adopted a new brand strategy for Bell Switzerland. We want to exploit the strength of our brand more consistently in order to further expand our leading position in Switzerland. The international brand strategy will be defined in the current financial year. We have also adopted a new personnel strategy and included guidelines on our code of conduct, management principles, remuneration and employee prospecting. In the IT strategy we defined, among other things, a uniform ERP system for Bell Switzerland and Bell International, while we adopted binding financial key indicators in the financial strategy.

With all strategies, one specific aspect enjoyed special attention: sustainability. We are convinced that corporate success is determined by sustainable conduct, today and particularly in the future. This is true not only in ecological and social terms, but also in the economic context. For example, Bell is thinking about binding upstream parts to the company more strongly as this will allow us to ensure that our growing expectations with regard to livestock farming methods are met. Together with a number of different partners, we are investing in a forward-looking and consistently sustainable project for quality beef from suckler cow husbandry on grassland in the Baltic States. This would also enable us to reduce our dependence on large suppliers of raw materials and fluctuations in prices for raw materials.

In Switzerland we have introduced important measures concerning our location policy. We set aside a suitable plot of land of around 6.5 hectares in Oensingen in the canton of Solothurn for building a new pork processing facility. This is located very close to our existing fresh meat processing plant for cattle products. The new facility will replace the plant in Basel, whose useful life is coming to an end. The new facility is expected to open in 2015 or 2016. Another new facility for charcuterie production is planned in Cheseaux in the canton of Vaud. The related investments total CHF 32 million. The charcuterie production of the existing plants in Cheseaux and Lausanne will be combined in the new facility. We specifically needed an alternative solution for Lausanne: the rental agreement for the old abattoir will expire at the end of 2014, and the City of Lausanne as the owner would like to use the premises for other purposes.

In April Bell took over the meat drying plant of Kocherhans und Schär AG in Churwalden in the canton of Grisons retroactively to 1 January 2011. This plant has a capacity of approximately 1,000 tonnes of raw materials per year and was integrated in the Charcuterie division. With this acquisition Bell Charcuterie has closed the last important gap in its product portfolio.

Bell has entered into a forward-looking cooperation agreement in the convenience food sector with Hilcona, the convenience food specialist based in Liechtenstein. As the competition authority has approved the agreement, we can now push ahead with the cooperation programme. Bell Convenience in Schafisheim in the canton of Aargau has already

We have already made good progress with the exploitation of Group-wide synergy potential

been transferred to Hilcona AG, laying the foundations for future marketing campaigns. With this strategic investment and the acquisition in 2011 of Hoppe, the German specialist for convenience meat products, we are perfectly positioned to exploit any future potential in the fast-growing fresh convenience food segment and take on a leading role in Europe.

We have also made good progress with the exploitation of Group-wide synergy potential. Specialists from Bell International have made a valuable addition to our centres of expertise, which previously focused on Switzerland. They contribute experience and ideas and also provide specific interfaces for improving the productivity of processes in the crossfire of the Swiss and international organisations. With regard to sales we use our wide-ranging product portfolio to consistently strengthen our business relationships with existing and closely related customers and acquire new customers. We generate benefits with a coordinated procurement process, not only because of improved international transparency but also by way of better conditions achieved by the bundling of volumes. The administrative divisions in Germany harbour further potential for synergies.

The exploitation of synergies is one of the declared objectives of the new Group management under Lorenz Wyss, who has already greatly familiarised himself with the organisation and its processes since he started with the company on 1 April 2011.

In September 2011 Hans Peter Schwarz, long-standing member of our Board of Directors, passed away suddenly. He was a member of Bell's Board of Directors since 2001 and made a very valuable contribution to our company with his experience and personal charisma. The Board of Directors will present a new member to replace Hans Peter Schwarz on the Board at the 2012 Shareholders' Meeting.

DIVIDEND INCREASE TO CHF 60 PER SHARE

We revised our dividend policy when we adopted the new Bell financial strategy. In line with market practices we are aiming for a payout ratio of 30 to 40 percent, depending on the Group's performance. Given the results for the 2011 financial year, the Board of Directors will ask the Shareholders' Meeting to increase the dividend to CHF 60 per share (CHF +10 per share; payout ratio 33.3 %).

On the reference date the price of the Bell share had changed only marginally compared to the previous year. The fluctuations during the year were greater, as reflected in the annual high of CHF 2,300 in April and the annual low of CHF 1,665 in November. At CHF 1,762, the Bell share price as of 31 December 2011 was 0.2 percent below the year-end price for 2010 (CHF -4). The Swiss Performance Index SPI lost 7.7 percent in the same period.

We are continuing to restructure our product ranges in order to add more value.

OUTLOOK FOR 2012

The economic outlook for our markets is restrained. This holds true for our European markets as well as for the core market Switzerland, where the growth momentum started slowing down at the end of 2011. Raw materials prices are likely to remain high in Europe. We can compensate for some of the additional costs with productivity improvements. Earnings trends will continue to depend on how quickly changes in raw materials prices can be passed on to the market.

We will continue to restructure our product ranges in order to add more value by concentrating the different product ranges and by introducing new and innovative product concepts. In this way we want to strengthen and expand our sales markets. We expect moderate sales growth in 2012, but as in the past few years we want our growth to continue to outpace our relevant markets.

The Bell Group is well equipped to handle future challenges. We owe this conviction to our employees, who are working for the Group's success with unflagging commitment. We would therefore like to use this opportunity to thank all of them for their willingness to tackle the upcoming challenges as a team in order to achieve our ambitious goals. We would also like to 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

Lorenz Wyss
Chairman of the Group Executive Board

LIVING OUR VALUES – WITH COMMITMENT AND PASSION

Quality and tradition. Enjoyment and sustainability. Values that are embodied by every individual Bell employee – and values that shape the company. Every day.

The Bell employees are specialists in their fields. They strive for perfection with well-honed instincts and great passion to create specialities such as dry-aged beef that outstrips even the *highest quality requirements* with its tenderness and incomparable aroma. Or *traditional* Bündnerfleisch carefully made by hand that gets its typical taste from fresh mountain air. With their convenience products, the Bell employees meet the need for uncomplicated *enjoyment* – without having to do without fresh ingredients. And they promote *sustainability,* for instance by protecting fish stocks for future generations with benign fishing methods.

ENTRECÔTE
DRY-AGED BEEF

«Nothing is more tender and aromatic than meat matured on the bone. For me this is *quality in perfection.*»

Denise Hofmann (29) has been working as a product developer for Bell Fresh Meat in Oensingen in Switzerland since August 2008.

THE PERFECT STEAK

Meat matured on the bone – also known as *«dry-aged beef»* – is an old butcher’s craft that is growing in popularity. No wonder: thanks to the dry aging process, the prime cuts become so tender and soft and develop such a unique aroma that every gourmet will go into raptures. For this speciality Bell uses only the best beef from selected meat breeds that have excellent musculature and evenly distributed fat content.

The meat is matured on the bone at a temperature between 0 and 1 degrees Celsius and maximum humidity of 70 percent for several weeks, during which it loses moisture and gains flavour and taste. In this way Bell makes something that is good even better.

21

days ripening time

on average is needed for our exquisite dry-aged beef to reach the perfect quality.

«The *pure fresh mountain air* and even climate in the Churwaldnertal are ideal for the quality of our Bündnerfleisch.»

Hanspeter Treichler (51) is a qualified butcher who currently manages the plant in Churwalden in Switzerland. He has been working for the meat drying plant Kocherhans und Schär AG which was taken over by Bell last year since 1994.

THE ORIGINAL SPECIALITY FROM GRISONS

Since primeval times it has been the tradition in the Swiss Alps to dry meat in the fresh air. At Bell, the prime cuts of beef are carefully salted and spiced by hand according to the traditional method – quite different from most other manufacturers, who use machines to carry out this important process. These days modern drying rooms provide an ideal climate throughout the ripening period. But on many days the meat is still dried in the pure mountain air as this improves the authentic spicy aroma of this speciality.

Bündnerfleisch is a rare product made with selected prime cuts of beef. As it is protected by the PDO label (protected designation of origin), this product is particularly valuable. But one thing is certain: this natural product is worth the price!

49 %

weight loss

is needed for Bündnerfleisch. During the drying process the meat loses half its original weight and gains its irresistible tenderness.

HUNGARIAN SZALÀMI

«I appreciate the pleasant atmosphere at work. It is motivating and encourages me to deliver *the best performance.*»

Viktòria Vogt (26) has been working at ZIMBO's packaging plant in the Hungarian town Perbàl, around 30 kilometres west of Budapest, since September 2011.

EVERYBODY TO THEIR TASTE

11

different spices

can be found on average in Hungarian Szalàmi – from pepper and paprika to cardamom. Depending on the region, tradition and recipe.

Every country and every region have unique specialities. Bell produces in seven countries and would like to protect and promote regional diversity. The protected designation of origin label guarantees that products rich in tradition come from the original region and are manufactured in accordance with original recipes. *Hungarian Szalàmi* with its unique and slightly smoky taste is a typical regional speciality.

It is not entirely clear how salami reached Hungary, but thanks to the combination of spices and the smoking process, this salami version is quite different from the Italian original and meets the taste of the Hungarians even better.

«Only one in ten *product ideas* has a future. Finding this one idea motivates me for ten more.»

Jürgen Neumann (30) is a trained chef and qualified food technologist. As a product developer for Hoppe GmbH in Bad Wünnenberg in Germany, he has been creating innovative mince products since March 2007.

16,000,000
kilograms
of convenience products are produced by the convenience food specialist Hoppe in the small German city of Bad Wünnenberg every year.

TIME FOR TASTE

Convenience is very trendy. These days, many people who work cannot always find the time to cook, but still want to eat tasty and varied meals. Demand for innovative food that can be prepared easily and quickly and still tastes good is therefore on the rise. *Meat patties* from Hoppe is a product that perfectly meets these requirements.

The ZIMBO subsidiary is known for its innovative products, such as its popular vegetable *meat patties*. Bell is committed to convenience, and serves uncomplicated enjoyment.

TUNA

«We catch the tuna with single fishing lines held in the hands from a standing boat – this needs a lot of *experience* and even more patience.»

This Filipino fisherman earns his living in the Coral Triangle, the region with the highest marine biodiversity in the world.

FISHING – THE NATURAL WAY

5,000

Filipino fishermen

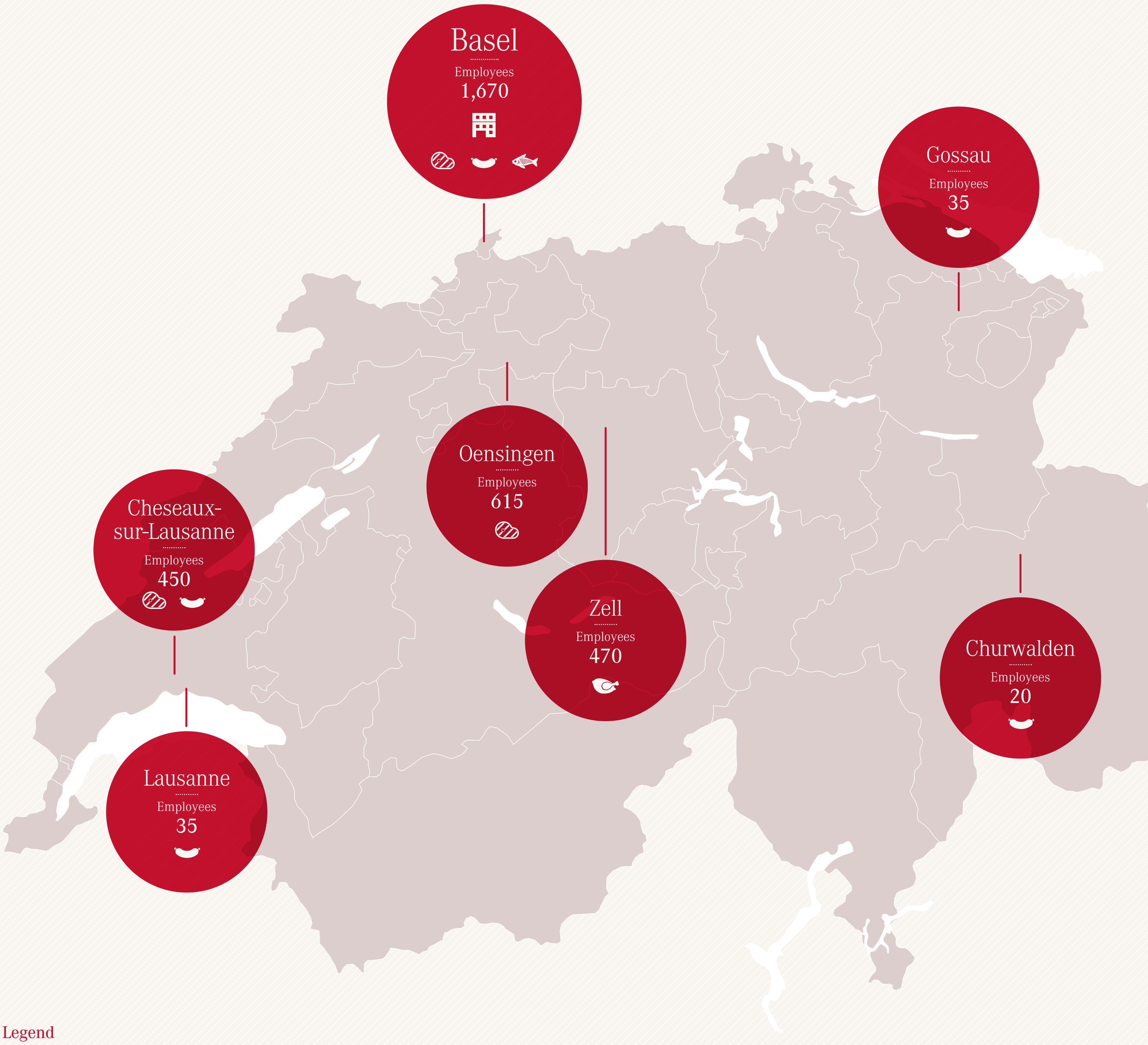
are involved in the yellow fin tuna project. The objective is to sustainably secure an economically viable livelihood for people and nature.

Sustainable fishing methods secure jobs and protect the environment. Bell Seafood accepts its responsibilities and focuses consistently on sustainable solutions. The best example of this is the project to protect *yellow fin tuna* initiated before the Philippine coast with the partners WWF, Coop (Switzerland) and DEG. Fish stocks should be protected for future generations with fishing quotas and handlining.

Bell Seafood is a member of the WWF Seafood Group and works in compliance with the guidelines of the Marine Stewardship Council (MSC).

BELL SWITZERLAND

The year 2011 was shaped by efficient structures, an excellent range of products and services, targeted location planning and important strategic cooperation programmes. Bell managed to substantially strengthen its position as the leading Swiss meat processing company, thereby laying the foundation for future growth.



Legend

Number of employees as of 31.12.2011; rounded up/down individually

Head Office · Fresh Meat · Charcuterie · Poultry · Seafood

CONTENT

→ Further growth for Bell Switzerland
  Market environment
  Strategic cooperation with Hilcona
→ Bell Fresh Meat – location strategy adopted
→ Bell Charcuterie – new skills for Bündnerfleisch (air-dried beef)
→ Bell Poultry – expansion of convenience segment
→ Bell Seafood – growth with expanded range of quality products
→ Outlook 2012 – difficult signs

FURTHER GROWTH FOR BELL SWITZERLAND

Bell Switzerland did very well in 2011 and strengthened its leading position once again. The result was very positive for the first three quarters, but the growth momentum slowed down somewhat in the last quarter.

Sales dropped nominally by 3.4 percent because of the deconsolidation of Bell Convenience, which was transferred to Hilcona as of 1 January 2011. Adjusted for this effect, sales improved by 1.2 percent to CHF 1.75 billion. Sales volumes also increased by 2.1 percent to 120.8 million kilograms. All business divisions contributed to these encouraging growth figures.

Growth was mainly driven by rising demand for Swiss meat, in particular poultry from domestic sources. Profit trends are on a par with the previous year. The higher degree of value added to all product ranges had a positive effect on revenues, and the seasonal campaigns at Easter and the holiday season as well as the barbecue season all did very well. Other factors contributing to our success included stable prices for raw materials as well as the enhanced efficiency of the processes in Bell's Swiss production facilities.

MARKET ENVIRONMENT

Meat consumption in Switzerland rose by around 1 percent (Bell estimate) in the reporting year. As this is almost the same as the population growth, per capita consumption remained stable. However, if we add the meat products bought by Swiss residents in neighbouring countries, meat consumption overall has increased. Products bought abroad are not included in the official statistics. Consumption of poultry rose again, thereby continuing the trend of the past few years. In 2011, poultry consumption exceeded beef for the first time and with consumption at around 11 kilograms per capita, poultry is now number two among the most popular types of meat. Pork with a per capita consumption of around 25 kilograms remains the uncontested leader.

Meat production in Switzerland grew overall by over 1 percent. Except for lamb, all meat products recorded growth or stayed stable. Imports also increased, most heavily for beef and poultry. For Switzerland the import percentage for the most important meat products is around 21 percent.

The sharp drop in the euro-franc exchange rate boosted shopping tourism in neighbouring countries – by as much as 20 percent, according to conservative estimates. Experience shows that Swiss shopping tourists like to buy meat, dairy and other fresh produce abroad. According to estimates by the Swiss Professional Meat Union, up to a billion Swiss francs was spent in our neighbouring countries on meat alone. This is more than 50 percent higher than in the previous year.

The strong Swiss franc also has a negative impact on the tourism sector. Within a short time holidays in Switzerland have become more than 20 percent more expensive for tourists from the euro and dollar zones, while foreign vacations have never been so cheap for people living in Switzerland. The sectors affected by this situation (tourism, hotel and food service, etc.) therefore expect massive losses for the 2011/12 winter season on a par with the downturn already experienced in summer and autumn. Not only restaurants and hotels catering for tourists are suffering, but also supermarkets in the holiday regions.

The strategic investment in Hilcona will strengthen Bell's established position in the fresh convenience sector.

STRATEGIC COOPERATION WITH HILCONA

Bell and Hilcona have united their respective activities in the fresh convenience sector under the umbrella of Hilcona AG from 1 January 2011. The cooperation is aimed at achieving faster and more profitable growth in Switzerland and Europe. Bell transferred its convenience food business unit to the Hilcona Group as part of the transaction. In return, Bell acquired a 49 percent share in Hilcona. In four years Bell will acquire a further two percent of the capital. The deconsolidation of Bell Convenience reduced Bell Group's sales by around CHF 82 million. This affects the Group's net profit only as attributable income from investments in other companies. In the balance sheet this investment is consolidated as a minority interest at equity value.

This strategic investment will strengthen Bell's position in the rapidly growing fresh convenience sector. Hilcona for its part will become a full-range supplier in this sector and will further strengthen its product range and marketing capacities. Hilcona will remain independent and will continue to serve food retailers, discounters, the impulse sector, food service sector and industry in its domestic Swiss market and in neighbouring EU countries. The market reacted well to the cooperation. Following the competition authority's approval of the agreement, the cooperation programme can now be expedited. The merger between Bell Convenience in Schafisheim in the canton of Aargau and Hilcona AG has already been finalised, and most of the foundations for future marketing campaigns have been laid.

Dividend income in the reporting year will be less than expected. The low euro-franc exchange rate in particular affected the earnings situation negatively as Hilcona generates around one-third of its sales with exports to the euro zone.

BELL FRESH MEAT – LOCATION STRATEGY ADOPTED

Bell's sales of fresh meat improved by 0.8 percent to CHF 816 million while sales volumes grew by 1.3 percent or 720 tonnes to a total of 54,757 tonnes.

Meat production from slaughter animals increased by 2.4 percent to 101,821 tonnes. Slaughter volume for Switzerland overall increased less strongly, which means that Bell gained market share in this segment. The additional volume was mainly generated with cattle products. Prices for raw materials remained stable overall, and the weighted average price paid by Bell was 0.9 percent down from the previous year. The below average prices for pork were to a large extent compensated by higher prices for beef cattle and veal. Bell purchased slaughter animals from the Swiss agricultural industry for a total of around CHF 607 million, approximately CHF 11 million more than in the previous year. In contrast, our imports dropped sharply. For pork in particular, import volume was almost halved due to the oversupply in Switzerland.

The division's operating result also developed well thanks to higher sales volumes and the growth of product ranges with more added value such as self-service and convenience products and processed mince products. Successful sales promotion campaigns such as country weeks also contributed to the positive performance.

With regard to its location strategy, Bell has now found a suitable venue for the new pork processing plant. We set aside a suitable plot of land of around 6.5 hectares in Oensingen in the canton of Solothurn for building a new pork processing facility. As this plot of land is located within metres from the Bell plant in Oensingen, we will be able to exploit some synergies. Planning work is going

The operating result of Bell Fresh Meat developed well.

ahead at full speed and we expect the new facility to be ready in 2015 or 2016, and the pork processing activities will then be moved from Basel to Oensingen.

In Cheseaux in the canton of Vaud, Bell is investing CHF 32 million in a new building for charcuterie production. The charcuterie production of the current facilities in Cheseaux and Lausanne will be integrated in the new building. An alternative solution was specifically needed for Lausanne as the rental agreement for the old abattoir will expire at the end of 2014 and the City of Lausanne as the owner would like to use the premises for other purposes. The new building will be constructed on the existing land reserves next to the current plant in Cheseaux. The facility will be built to handle the flexible production of regional specialities as well as small product ranges. We intend to finalise the plans and begin with construction in spring 2012. The opening of the new production facility in Cheseaux is planned for 2013/2014.

BELL CHARCUTERIE – NEW SKILLS FOR BÜNDNERFLEISCH (AIR-DRIED BEEF)

Charcuterie sales decreased slightly by 0.5 percent or CHF 2.4 million to CHF 443 million while sales volumes grew by 0.4 percent or 117 tonnes to a total of 32,462 tonnes.

Sales volumes for scalded sausage improved in the reporting period, primarily as a result of expanding our business volumes with wholesalers and food service customers. Sales volumes for dry sausages dropped because we launched fewer special offers, while volumes for cured meat products remained stable.

In April Bell took over the meat drying plant of Kocherhans und Schär AG in Churwalden in the canton of Grisons retroactively to 1 January 2011. This plant has a capacity of approximately 1,000 tonnes of raw materials per year and was integrated in the Charcuterie division. With this acquisition Bell Charcuterie has closed the last important gap in its product portfolio. Having our own meat drying facilities for producing specialities from Grisons reduces our dependence on third parties, both with regard to our domestic business and our export activities. The integration of the acquired company and all its employees into Bell Schweiz AG was finalised by the end of June. A first expansion phase is planned for the first semester of 2012. Approximately CHF 8 million will be invested in the expansion of the saltery and the drying rooms, which will improve production capacity by around 50 percent. Depending on developments, Bell is planning additional expansion phases in the next few years.

The business model applied by Bell Churwalden focuses unmistakably on tradition and craft.
We will salt the top-quality meat by hand and not with the help of machines like many other manufacturers. We also give the product enough time to fully develop its typical aroma. Bell started with the production of Bündnerfleisch (air-dried beef) and Bündner Rohschinken (air-dried ham) at the end of 2011. The first cuts of raw meat have been stored. With an average maturing time of 22 to 26 weeks, the product will be ready for delivery in mid-2012.

Poultry is gaining in popularity in Switzerland.

BELL POULTRY – EXPANSION OF CONVENIENCE SEGMENT

Poultry sales amounted to CHF 362 million in the reporting year, up 2.3 percent or CHF 8.2 million from the previous year. Sales volumes grew by 5.4 percent or 1,403 tonnes to a total of 27,438 tonnes.

Bell generated a slaughter volume of 24,310 tonnes, an increase of 3.4 percent or 798 tonnes. Imports rose substantially less than for the overall market. Bell Poultry's imports amounted to around 26 percent, while the average for Switzerland is around 50 percent. Bell has been betting that the Swiss fresh poultry segment will grow continuously. With success: sales in this segment have grown by 35 percent since 2005.

Poultry is gaining in popularity in Switzerland. Per-capita consumption for the first time outpaced consumption of beef in 2011, putting poultry in second place behind pork. Sales growth in the reporting year was mainly realised in out-and-about consumption and in the convenience segment, followed by private consumption which is supplied by the retail trade.

These facts are reflected in Bell Poultry's business results. While sales growth in the retail segment levelled off, growth improved in the food processing industry and food service sector. The picture for the food service sector, however, is fractured: while cash and carry sales or take-aways trended positively, the wholesale delivery trade and food service sector experienced some serious problems.

As far as products are concerned, new products in the barbecue seasonal range and convenience sector are worthy of mention. The novelties in the convenience segment include thermally treated products that reach consumers fresh or frozen. In this product group specifically Bell successfully ousted competitors and gained new customers.

Because of the mild autumn weather, the game season had a very restrained start which could not be compensated again. Bell also lost a large industrial customer. In the special meats product group, rabbit did very well. Bell procures rabbit from within Switzerland and from the new Hungarian import programme "Relax Rabbit" that meets Switzerland's strict animal protection standards.

In April 2011 Bell was the first company in Switzerland to convert from conventional stunning in an electrified waterbath to stunning in a controlled atmosphere. This method meets strict animal welfare standards and has a positive effect on the quality of the meat. The further development of the location in Zell is currently being reviewed as part of a master plan.

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.

BELL SEAFOOD – GROWTH WITH EXPANDED RANGE OF QUALITY PRODUCTS

Bell's sales from the seafood segment improved by 10.9 percent or CHF 11.3 million to CHF 115 million in total. Sales volumes grew by 12.2 percent or 559 tonnes to 5,127 tonnes in a stable market environment with similar consumption as in the previous year. In the retail segment Bell primarily gained sales volume through the improved penetration of the market in French-speaking Switzerland. The acquisition of new customers in the food service wholesale segment and food processing industry also contributed to the good result.

In the reporting year we mainly focused on improving the quality of our market services. The existing added-value convenience and barbecue product ranges were consistently expanded and the value of the products was highlighted with a new packaging concept. Bell Seafood also implemented targeted sales promotion measures for its retail trade and food service sector customer groups.

Competition in the Swiss retail trade will become significantly more intense in 2012.

The sustainable procurement of seafood has been another focal point for Bell for many years. On the one hand we expanded the range of wild-caught label fish, mainly with products carrying certification by the Marine Stewardship Council (MSC). The MSC and its label ensure the traceability of fish and also guarantee that the fish stems from a sustainable source. For aquaculture seafood we keep a very close eye on developments in the label business. A number of different organisations are currently building up and expanding sustainable fish farm programmes. We are convinced that label programmes will play a bigger role for aquaculture products in future. Around two-thirds of Bell's seafood sales volumes come from fish farms. However, Bell Seafood as a member of the WWF Seafood Group takes its responsibilities seriously and always opts for solutions that protect the environment and our resources. The purpose of the close cooperation is to offer top-quality and tasty products that are produced in harmony with nature and its resources. We have therefore undertaken to convert our portfolio step by step to fish from sustainably managed, environmentally friendly stocks. This means that our portfolio does not include species threatened by extinction such as shark, ray, swordfish or red tuna and that Bell is actively looking for alternative procurement options for fish from heavily overfished stocks.

OUTLOOK 2012 – DIFFICULT SIGNS

For 2012 Bell Switzerland is anticipating a difficult market environment for all product groups. The economic parameters in Europe and their impact on Switzerland are difficult to estimate. Competition in the retail trade will become ever more intense. The price war is likely to intensify in all segments in the coming financial year, alongside an increase in cut-throat competition.

If the euro does not strengthen against the Swiss franc, the dramatic situation with regard to tourism will not improve, and neither will shopping tourism in our neighbouring countries.

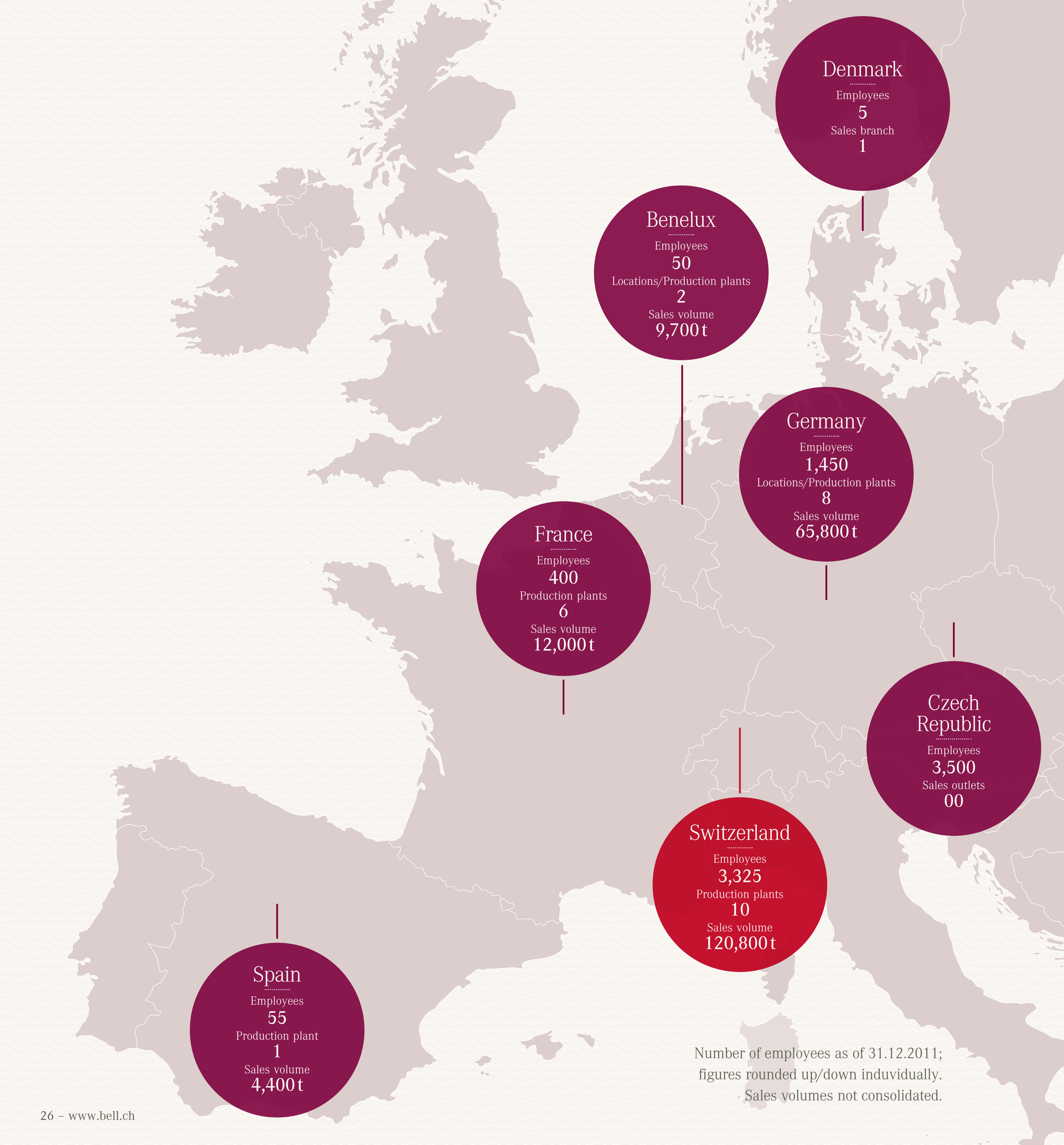
It is the nature of the business that it is difficult to foresee trends for raw materials prices in the insulated Swiss market. To improve consumption, prevent the ongoing shopping tourism in neighbouring countries and minimise rejection, we count on raw materials prices remaining stable.

On the supply side the focus falls even more sharply on the search for innovative product solutions, with the objective of identifying new potential for added value. Bell also consistently works on improving its productivity and making better use of its network of international business units, for example when procuring capital goods or consumables.

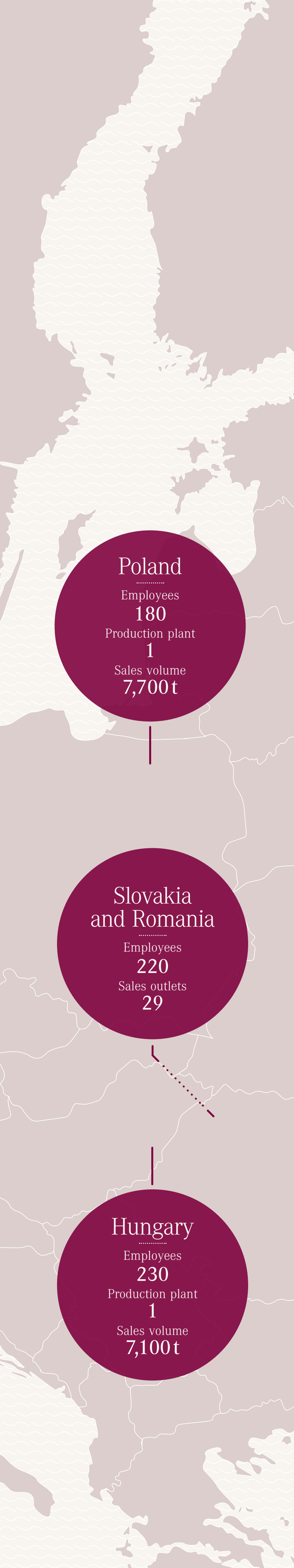
We also expect the new brand strategy for Switzerland that was adopted at the end of 2011 to give us new momentum. With the new strategy we will use the already strong Bell brand more consistently to communicate and position our market services. We believe that this approach will have a positive effect on sales

BELL INTERNATIONAL

The Bell Group further improved its market position in Europe in 2011, reporting an increase in sales as well as sales volumes. However, the substantial increase in raw materials prices burdened the income.



Number of employees as of 31.12.2011; figures rounded up/down induvidually. Sales volumes not consolidated.



CONTENT

→ Bell International cultivates new sales markets
→ Price war and innovation in the German market
→ Moderate growth in Eastern Europe
→ Notable pressure on margins in France
→ Focus on regional authenticity in Western and Northern Europe
→ Outlook 2012 – enhancing efficiency and promoting synergies

BELL INTERNATIONAL CULTIVATES NEW SALES MARKETS

As regards sales volumes in Europe, Bell International has been able to expand its market position again. Sales volumes rose by more than 5 percent to a total of 103,551 tonnes. In local currency, sales improved by 5.7 percent to EUR 625 million. Around EUR 14 million can be attributed to the Hoppe acquisition. Due to the low average CHF-EUR exchange rate, sales expressed in Swiss francs are lower year-on-year at CHF 771 million (-4.8 % or CHF -38.7 million).

Our expectations for the results have not been met in full. This was primarily due to the strong increase in prices for raw materials which could only partly and with some delay be passed on to our customers. Due to rising demand for pork from Russia and China, prices for these important raw materials doubled in part within a very short space of time. Prices for manufacturing, supply and packaging materials also rose sharply. The trade only accepted the resulting price increases conditionally and with a serious delay. Margins suffered, in particular for scalded and dry sausages, and, although the situation for air-dried ham stabilised somewhat in the second half of the year, business has not yet returned to the required level.

Bell made further progress with the exploitation of initial synergies. New sales markets for specific regional specialities could be cultivated thanks to the Group's network. Regionally established sales organisations were able to supplement their product portfolios by adding ranges from other Group companies. Bell is also working on an international brand strategy. We will restructure our international brand portfolio, and in future we will concentrate on the strong brands and selectively develop them.

PRICE WAR AND INNOVATION IN THE GERMAN MARKET

Prices for packaged goods in the retail trade have been continuously rising since June 2010, mainly because of the rising costs for raw materials. These additional costs can only be passed on partially to the customers via increased manufacturer's prices, which also puts more pressure on manufacturer margins. In the discount segment specifically, the cost of raw materials plays a major role in view of the low prices.

The development of the self-service sausage market was restrained. The already substantial share of the trade brands in the overall market increased further to almost 47 percent.

+5.4 %

Increase in sales volumes for Bell International.

Bell Germany's sales of scalded and dry sausages and boiled ham improved less strongly than sales volumes, as the average sales price was lower. This is mainly due to changes in the segment and product group mix triggered by the market and customers as well as a further increase in the share of trade brands and discounters. In contrast, sales of air-dried ham rose more sharply than sales volumes due to a change in the product mix in favour of products of higher value. The sharp year-on-year increase of 10 to 15 percent in raw materials prices for meat and fats had a substantial impact on the result. Prices were already notably higher at the beginning of the year, and the situation was made worse when the expected end-of-year seasonal recovery did not arrive. The price increases implemented in September therefore did not cover the costs. To actively defend the company against this situation we launched initiatives to further improve our efficiency, in particular in the production of scalded sausages, as well as our administrative processes.

Germany's market for air-dried ham remained stable year-on-year with a virtually unchanged tonnage. Abraham, the market leader in this category, did particularly well with its international air-dried ham specialities, most notably with its Spanish Serrano ham and Prosciutto crudo and Parma ham from Italy. In these two segments we further cemented our position as market leader. The efficiency measures introduced in 2010 meant that the costs budgeted for 2011 were lower in spite of the increase in sales volumes. Our key investment was the expansion of the ripening and logistics centre in Harkebrügge in Lower Saxony in Germany. We also made an important investment in production technology by introducing a new serving cut line to handle the sales growth experienced for folding packaging. The trend towards smaller households is continuing. Abraham meets the needs of this consumer group with a specially adapted packaging concept for top-quality ham products, i.e. its folding packaging. The space-saving format and transparency of this packaging as well as the fact that the boxes can be closed again strongly promoted sales growth. With six existing and two new products, including Savoy ham by Polette, the product range now meets the requirements of modern consumers. This type of packaging is gaining in popularity and is generating growth with which we can compensate for the slight downturn for classic German air-dried ham, which is sold in standard packaging. We also started exporting air-dried ham specialities to Japan in February 2011.

In the convenience segment, Bell took over the company Hoppe GmbH last year. As this company has a modern production plant in Germany with more than enough scope for expansion, we decided to integrate the current ZIMBO production facilities in the Hoppe plant. The move from Steinheim in North Rhine Westphalia to the nearby Bad Wünnenberg was finalised in December 2011. In future all convenience activities will be bundled at this joint location. Production in Steinheim stopped on 31 December 2011. Hoppe started the year 2012 with a new market offensive based on a revised brand concept and promising new products.

Sales of the "Du darfst" and "Becel" brands produced under licence remained stable with consistently high distribution rates. The stagnation of the market is noticeable, but this is countered with the development of new products. The existing licence partnership with Unilever was expanded with sausages and cold cuts produced under the international "Bertolli" brand at the end of 2011. This brand represents the Italian zest for life and is very well known and respected among consumers. Fresh sausage specialities such as Salami Milano and Mortadella will be offered in Germany and the Netherlands under this brand from the beginning of 2012.

Bell Germany successfully strengthened its position as the leader in air-dried ham specialities.

MODERATE GROWTH IN EASTERN EUROPE

While the harrowing effects of the global economic crisis have still not been surmounted in most of the Eastern European countries, the debt crisis is already casting a shadow on their future development. To this must be added the rise in food prices. All of these factors contribute to consumer uncertainty and make consumers sensitive to prices. The trend towards cheap articles and discounters remains unchanged in all Eastern European countries. The unfavourable exchange rate trends for the Polish zloty and the Hungarian forint also made it more expensive for our production plants in Poland and Hungary to import raw materials. Although much-needed price increases could be implemented in both countries, the increases were not enough to cover the higher costs.

As in 2010, economic growth in Poland was stable in 2011. In the market, the dynamic development of the discounters continued. In this environment we primarily managed to strengthen our market position with individual key customers. In the third quarter the unfavourable exchange rate and higher raw materials prices burdened the result.

In Hungary, the economy turned gloomy in the second half of the year and we must continue to expect a weak overall situation. In this environment both the lowest price segment and the private labels are continuing to grow. Our business development was hampered by several negative factors. At the beginning of the year Hungary put a ban on imports of all finished products and raw materials from Germany in the aftermath of the German dioxin scandal, which led to list and revenue losses as 80 percent of the raw materials processed in Hungary are imported. The losses were exacerbated by the unfavourable exchange rate trends. There was, however, also progress: the reorientation of the management team and the strengthening of the sales force in Hungary could be implemented. We also introduced a new ERP system on 1 July 2011 which substantially improved our IT processes.

Private consumption remained steady in the Czech Republic in spite of encouraging economic growth. Consumers remain sensitive to prices, which promotes the growth of trade brands and discounters. In this environment our supply and retail trade business continued to do very well. Because of the higher added value per kilogram, revenues were substantially better than in the previous year. We continued the expansion of our network of sales outlets in the Czech Republic, Slovakia and Romania by opening new outlets. The number of sales outlets rose by 23 to a total of 94.

NOTABLE PRESSURE ON MARGINS IN FRANCE

Consumers in France remain very cautious and the market is still very competitive. The charcuterie product category reported overall growth, primarily as a result of the boiled ham product group. Sales of air-dried ham and dry sausages, however, trended downward. In contrast to the other European countries, products in the lowest price segment reported a loss for the second year running, while brand products and trade brands continued to grow. Self-service products in particular reported growth, while products sold at the counter and heavier, more expensive products suffered losses again.

In this environment the Polette group successfully improved its sales to EUR 76 million. Sales volumes were up year-on-year and reached around 11,900 tonnes. Two factors contributed to this growth: improved sales of products with high added value and the acquisition of new customers. Sales volumes for dry sausage rose overall, except for the heavier specialities above 400 grams, as the retail price for these products is higher. Sales volumes for air-dried ham started improving again towards the end of the reporting year.

The enormous increase in raw materials prices combined with the hesitation of the retail trade to adjust their sales prices accordingly exerted very strong pressure on margins. Prices for various raw material components rose by more than 20 percent and in some cases prices more than doubled. We managed to counter the pressure on margins a little with higher sales volumes and further efficiency enhancements, but there was no choice but to pass on the increase in raw materials prices to sales prices.

FOCUS ON REGIONAL AUTHENTICITY IN WESTERN AND NORTHERN EUROPE

Our performance in Spain is encouraging. The air-dried ham facility Sanchez Alcaraz in Casarrubio del Monte in the vicinity of Madrid successfully improved its sales and reported the best business result in many years. The growth enjoyed by Sanchez Alcaraz was not only supported by exports to Germany, but also by the acquisition of new customers in Spain. In spite of the difficult economic situation in the home market, air-dried ham is and will remain a favourite on Spanish tables. The price decline plaguing Ibérico ham with its maturing time of up to 36 months seems to have stopped.

The heavily export-oriented national economies of the BENELUX countries are suffering severely from the euro crisis. The already intense price war and market competition have worsened. In this difficult environment we successfully managed to maintain or even improve our sales volumes for our important big clients. Sales volumes for the products manufactured by the Group were stable or even slightly above the previous year, while sales of trade goods trended downward.

Bell Group is defending and expanding its market presence in the countries of Northern and Western Europe by focusing on regional, specialised production operations. We are also strengthening our reputation as an established specialist for international charcuterie and convenience products. The focus falls on a combination of supply, customer proximity, optimum services, a strong network and efficient cost structures. All of these factors make Bell a competent and independent service partner for fresh international specialities.

OUTLOOK 2012 – ENHANCING EFFICIENCY AND PROMOTING SYNERGIES

Raw materials price trends will continue to be very important in 2012. It will be absolutely essential to pass price increases on to end customers as close in time as possible. The Bell Group is focusing more strongly on strategic concepts that will reduce its dependence on volatile raw materials prices.

We are mainly concentrating on product ranges with a high added value, and we will continue to substantially reduce the share of products with little added value. In this way we can create the ideal product portfolio, both in terms of the number of products in each range and the number of different product ranges, in particular with regard to scalded and dry sausages. To this end we are promoting innovative new product concepts and planning effective sales activities.

We are confident that our strengths in designing new concepts and innovative solutions will more than make up for external effects such as growing pressure from the competition. The investments made by Bell, our efficiency enhancement programmes and, last but not least, the synergy

Raw materials price trends will continue to be very important in 2012.

projects within the Bell Group that are gaining momentum in 2012 will contribute to our success. The focus of our synergy programmes falls mainly on the procurement of goods and services, international sales, logistics and administrative services.

We also see good opportunities in the wholesale cash and carry and delivery segments of the food service business. We want to intensify existing customer relationships and geographically expand our sales area with specially tailored product ranges and the good experience gained in our core markets.

In addition to the continued optimisation of our operational business, we will work very intensively on the issue of sustainability in 2012 as we need to lay the foundation for more differentiation and future value creation in this area.

Sales and production volumes at Bell International	Sales [in EUR million]	Sales volume [in tonnes]
Abraham Group	193	26,300
ZIMBO Group	356	65,800
Polette Group	76	11,900
Total for Bell International	625	104,000

CORPORATE SOCIAL RESPONSIBILITY AT BELL

A juicy steak on your plate – pure enjoyment. And with Bell products you can do this with a good conscience. We are committed to animal-friendly farming methods and short transport routes, we have the most modern slaughter and processing facilities, and we make sure that our products are totally fresh and highly available. This guarantees traceability for every link in the value chain. From happy cattle in the fields to juicy steaks on the table. Because we take our responsibility seriously.

Animal production

Transport of animals in Switzerland

Slaughtering, sectioning and processing

Reverse integration
Bell meets the growing need for sustainably produced meat, fish and poultry with environmentally compatible and sustainable solutions. We focus on the integration of upstream units and projects such as exclusive cooperation programmes with selected Swiss chicken fatteners, sustainable fishing of yellow fin tuna in the Philippines, and quality beef from suckler cow husbandry in the Baltic States.

49 %

Share of meat from label programmes.

No compromises
Bell slaughters only in Switzerland and also slaughters only domestic slaughter animals at its facilities in Basel, Oensingen and Cheseaux-sur-Lausanne. Strict official regulations and clear purchase conditions applied by marketers and the processing sector regulate every individual detail of the transport of animals.

Energy and resources
Bell systematically analyses all energy processes to check their efficiency and to formulate and implement the measures needed for improvement.

20 %

of the annual requirement for district heat was saved at Schlachtbetrieb Basel with adjustments and by using the city's steam network.

EDITORIAL 4
BELL SWITZERLAND 20
BELL INTERNATIONAL 26
CSR
FINANCIAL REPORT 44
CORPORATE GOVERNANCE 69

Product availability guaranteed
Bell makes deliveries to the retail trade on up to 6 days a week – this is how we guarantee that our products are fresh.

200 trucks

are used every day to make deliveries to the retail and wholesale trade and our industrial customers in Switzerland.

Food safety
Bell guarantees food safety with a comprehensive quality management process. This ensures that all relevant statutory regulations, all the guidelines of the different standards, labels and customers as well as our internal guidelines regarding hygiene and processes are checked, documented and fulfilled.

Transparency
Bell communicates openly and transparently about its entire value chain.

> 3,000 questions

from all stakeholder groups were registered on the different communication channels and processed in 2011.

CONTENT

→ **Meeting our responsibilities**
The three pillars of sustainability
Outlook – the strategy for 2012

→ **First pillar: procurement and performance**
Quality management and food safety
Procurement
Meat production

→ **Second pillar: resource efficiency**
Energy
Water
Disposal of waste materials
Occupational safety

→ **Third pillar: social responsibility**
Staff management
Staff development

→ **Communication**
Dialogue with stakeholders

Every one of our corporate activities has an impact on people and the environment.

MEETING OUR RESPONSIBILITIES

Quality takes top priority for Bell. We do not, however, measure quality only against the final product, but also throughout the journey to the final product. Every one of our corporate activities has an impact on people and the environment. We have been aware of this responsibility for a long time and live up to it every day. For instance, Bell pioneered the development and promotion of products from species-appropriate farming and feeding programmes.

With its economically successful, ecologically sound and socially responsible approach to the production and processing of meat and meat products, Bell meets the needs and high expectations of its stakeholders.

THE THREE PILLARS OF SUSTAINABILITY

Sustainability consists of various aspects. When a process in the value chain is checked and assessed for sustainability, more than one criterion must be applied. For an objective assessment every process must be investigated from different points of view and measured according to different criteria. These criteria represent ecological, economic and social aspects. Bell's sustainability concept is based on three pillars: procurement and performance, resource efficiency, and social responsibility.

Procurement and performance: Sustainability starts with procurement – from raw materials, manufacturing materials and packaging to energy. We supplement the statutory regulations with our own benchmarks to make sure that we meet our objectives for sustainable sourcing. We take account of livestock farming and feeding methods, the careful husbanding of scarce resources and the targeted selection of sustainably produced manufacturing materials and consumables. We use these valuable resources to prepare tasty food for large numbers of people. In doing so we want to live up to the highest expectations. A comprehensive quality management system ensures strict compliance with all the regulations of relevance to food safety and hygiene.

Resource efficiency: Bell systematically analyses all energy processes to check their efficiency and to formulate and implement the measures needed for improvement. The same applies to the use of consumables such as packaging materials. The husbanding of resources and the disposal of waste materials are ongoing processes that consist of many different activities, all with the objective of improving energy and resource efficiency and reducing emissions and waste.

The sustainability strategy must be anchored in the corporate strategy as an integral part of all processes.

Social responsibility: The company has a responsibility for its employees. This responsibility is many-faceted, just as every employee is unique. The personnel strategy governs the most important aspects of Bell's social responsibility for its employees. It also contains guidelines on our code of conduct and the management principles that ensure the company's future value. Although this strategy covers many issues, it does not relieve line managers from their duty to pay attention to the needs of every individual person. Bell not only has a social responsibility for its own employees, but also for other stakeholders in our society.

Bell aims to play a leading role in a sector comparison in all three pillars covered by the sustainability strategy. We consider this objective to also be a part of our corporate responsibility. Not only in our home market Switzerland, but in all the countries where Bell operates. We must take the different basic conditions as well as the social and ethical standards prevalent in each country into account against the background of our international expansion.

To meet this responsibility we engage in an ongoing dialogue with our stakeholders, i.e. the consumers, our business partners and our shareholders – and, of course, our employees. The animals, who are the source of our market success, also deserve a company that acts responsibly and respectfully.

Bell recognises the signs of the times. We are aware of the fact that compliance with sustainability principles is becoming ever more important. However, we do not want to become a plaything for individual interest groups who try to attract public interest with more or less extravagant campaigns that pursue their own interests instead of the interests of those who really need it. We do not want to focus on issues that have a short-term effect only, but rather on those that are also relevant in the medium and long term. Handling customers, employees and resources responsibly is a success factor that is reflected in measurable business results. If society perceives us as a responsible and sustainable business, this positive image will also help to secure constant corporate growth.

The only growth that is really sustainable is growth that is based not only on excellent new products but also the continuous optimisation of portfolio and processes – based on social interaction and efficiency as well as careful resource consumption and planning.

In times of change when we are constantly facing new challenges we know one thing for certain: we want to learn more about the impact of our actions. Because the more we know, the better we can manage future challenges. The focus falls not only on intra-company environmental management, but on the entire value and process chain – from meat production to suppliers and from the processing stage to consumers. We therefore gather all the information that is available and use this information to formulate specific statements, also as part of study projects.

OUTLOOK – THE STRATEGY FOR 2012

Sustainability projects are ongoing in all companies of the Bell Group. These projects differ in the approach and manner of incorporation into the company in question. To standardise this, we are currently drafting a sustainability strategy for the entire Bell Group. Sustainability is becoming ever more important: it is no longer enough just to do something – we now have to make an in-depth study of all the issues. The objective is to have a strategy that ensures that all companies in all countries act in accordance with the same guidelines. The sustainability strategy must also be anchored in the corporate strategy as an integral part of all processes. We want to manage and control processes that we can influence directly and observe and improve our understanding of those that we cannot influence directly. These tasks are on our agenda for 2012 and will contribute towards making this year another year of success: for our business, but also for people and the environment.

FIRST PILLAR: PROCUREMENT AND PERFORMANCE

QUALITY MANAGEMENT AND FOOD SAFETY

The Bell Group has a comprehensive quality management system. The quality management system ensures that all relevant statutory regulations, all the guidelines of the different standards, labels and customers as well as our internal guidelines regarding hygiene and processes are checked, documented and fulfilled. In this manner Bell guarantees food safety.

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

The Quality Management team constantly prepares the plants and their employees for the controls and audits by the authorities (EU, food inspectorates, etc.), customers and certification companies (IFS, labels such as Bio Knospe, MSC, Berg-Alp, etc.) with internal audits, training courses in hygiene, GMP (Good Manufacturing Practice), HACCP (Hazard Analysis and Critical Control Points) and other measures.

During the reporting year all locations were again audited for compliance with the IFS Version 5 GFSI (Global Food Safety Initiative) standard. All existing certificates were confirmed. The BRC (British Retail Consortium) standard was also audited and confirmed for some facilities.

The same applies for the various organic labels such as Bio Knospe, and other quality labels such as QS, Suisse Garantie, MSC (Marine Stewardship Council) and the Berg-Alp ordinance for the "Pro Montagna" label. These certificates were also all confirmed through external audits at every relevant plant.

The authorities also carried out risk-based audits to confirm the authorisation to run operations in the reporting period. At least one audit was carried out at each plant. Two plants again received approval for meat exports to the US, while a total of four plants have been granted authorisation to export to Japan.

A number of customer audits at various plants rounds off the spectrum of successful inspections and certifications.

PROCUREMENT

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 can partly be traced back right to the producer. In compliance with the statutory requirements and internal customer guidelines we provide consumers with transparent information on the origin of our products.

Bell has defined clear basic conditions for the purchase of slaughter animals, meat and fish 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 are monitored just as strictly. They are selected on the basis of strict criteria, routinely inspected within the scope of audits and obligated to document all measures to ensure compliance with specifications defined by Bell. In case of deviations we formulate the required measures.

In the case of Swiss poultry fattening, Bell works together exclusively with selected partner fatteners. The conditions are established in conjunction with MOSEG, the organisation that represents the interests of the chicken fatteners.

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 criteria.

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.

To meet the growing need for sustainably produced meat, fish and poultry, Bell focuses consistently on environmentally compatible and sustainable solutions, and sometimes even breaks new and unconventional paths. For example, we invested in a forward-looking and consistently sustainable project for quality beef from suckler cow husbandry on grassland in the Baltic States. The quality beef is destined for the Swiss and EU markets. We established this project in collaboration with Coop (Switzerland), the International Climate Protection Initiative, the Baltic retailer IKI and the Estonian company ACB-VIANCO OÜ, a branch of the Swiss livestock dealer VIANCO AG.

Bell Seafood is a member of the WWF Seafood Group and has removed from its range those fish species which according to the WWF are most seriously endangered. Bell works together with the Marine Stewardship Council (MSC) for its supply of sustainably produced fish. The label guarantees the traceability of fish and affords certainty that the fish has been caught in line with the principles of sustainable fishing. The expansion of its range

An environmentally friendly energy policy is one of Bell's focal points.

of sustainable fish products will remain a priority for Bell Seafood in the future.

At the end of 2010 the WWF, Deutsche Investitions- und Entwicklungsgesellschaft DEG and Blueyou Consultancy joined forces with Coop (Switzerland), Bell Seafood and Seafresh to establish a partnership for sustainable tuna with small fishermen in the Philippines. The project involves two regions with around 5,000 fishermen and a total of 2,700 traditional wooden boats. The fishermen use single fishing lines held in the hands, catching the tuna individually with this benign fishing method. There is almost no unwanted catch, and the impact on the marine environment is very small. Handlining is one of the most important sources of income for these fishing villages. Goal of the project ist to reach the sustainability criteria needed for MSC certification within four years to be certified in 2014.

MEAT PRODUCTION

Abroad, Bell only buys raw materials that are ready for processing. In Switzerland, however, Bell operates its own abattoirs and deboning facilities. We set great store in handling animals with consideration during meat production. To this end we cooperate closely with various interest groups such as Swiss Animal Protection (SAP) and always opt for the latest technology when renovating or constructing new buildings.

In April 2011 Bell was the first company in Switzerland to convert from conventional stunning in an electrified waterbath to stunning in a controlled atmosphere. This method meets strict animal welfare standards and has a positive effect on the quality of the meat.

PACKAGING

The packaging of meat products must meet special needs, as hygiene requirements and consumer expectations set high standards. The packaging that is being used represents the best compromise that is currently available, but Bell is always motivated to find better solutions. It is and will remain our declared objective to develop ecologically sound packaging that fulfils the expectations of consumers and customers.

Bell is currently investigating the options for reducing the materials used for packaging at all production plants and replacing current solutions with packaging from renewable raw materials or recyclates. The plant at Suhl in Thuringia in Germany is participating in a programme of the Federal Ministry of Economics and Technology to improve material efficiency. Our suppliers also support our endeavours with their technological progress, and today we can already use thinner foil that provides the same degree of protection.

SECOND PILLAR: RESOURCE EFFICIENCY

Bell systematically analyses all energy processes before formulating and implementing improvement measures. The husbanding of resources and disposal of waste materials are ongoing processes that consist of many different activities.

ENERGY

The significant reduction of the entire Group's CO_2 emissions is one of Bell's most important objectives. Country-specific conditions and targets determine the actual measures that can be implemented.

An environmentally friendly energy policy is one of Bell's focal points. The processing of meat is very energy-intensive, as most of the work rooms have to be kept cool. Over the past few years we have further increased our efforts in this regard. Today we have an active energy consumption control system which captures energy, water consumption, waste and animal by-product volumes and costs every month, enabling us to react immediately to any deviations. This active approach and the resulting improvements have led to a noticeable optimisation in energy consumption.

The energy consumed at Bell plants is provided by various suppliers. In procurement we place great emphasis on sustainable energy carriers and, for instance, utilise district heat on a large scale. We also consistently use the waste heat from our cooling systems, so that no additional energy is needed for heating.

In the reporting period a number of measures resulted in additional energy savings. Thanks to adaptations to the salami ripening facility in Basel, we managed to reduce the need for steam by 1,500 MWh per year or 10 percent of our total requirement.

In procurement we place great emphasis on sustainable energy carriers.

With high-pressure heat pumps we now use waste heat from our cooling systems for the entire ripening process of our dry sausages. No additional heat energy is required.

By linking two decentralised cooling systems and using the city's steam network we can now use the recovered heat of the entire system at Schlachtbetrieb Basel, thereby saving 1,000 MWh of district heat. This equals around 20 percent of the total annual requirement.

Thanks to joint investments in energy savings measures, Bell Poultry and the poultry producers have already successfully reduced their CO_2 emissions by 10 percent year-on-year. Optimised ventilation and lighting systems also improve the energy efficiency of our production processes.

In future, Bell Poultry will continue to invest in ecologically sustainable production processes together with the poultry producers in Switzerland. The large, usually south-facing roofs of poultry houses are eminently suitable for the installation of solar systems. Together with Bell, poultry farmers can thus make a huge contribution to an ecological and sustainable poultry fattening programme. The individual poultry houses are currently being checked for their suitability for solar systems.

By building a new logistics center and ripening facility at the Abraham production plant in Harkebrügge in Lower Saxony, we can significantly reduce our CO_2 emissions in Germany. 365 tonnes of CO_2 will be saved by using a new cooling agent and 63 tonnes through heat recovery.

WATER

Although Bell also reduced its water consumption with targeted measures, some processes still use large volumes of water and we will have to make an additional effort in this area. Bell constantly monitors all work processes and, in addition to other criteria, pays attention to low water consumption when acquiring new production facilities.

For ZIMBO, the focal points of the sustainability programme are the optimisation of water and energy consumption and the reduction of its sewage load. For instance, the company achieved significant water and waste water savings by improving the cleaning processes in its facilities.

DISPOSAL OF WASTE MATERIALS

The by-products of meat production in our Swiss abattoirs and deboning facilities are channeled off in a separate flow under safe and hygienic conditions in every plant. The by-products are mostly processed by Centravo, a company specialising in the disposal of animal by-products. Bell has a financial stake in Centravo together with other large Swiss meat processors. In a small country like Switzerland, the bundling of the by-products of a number of meat producers makes ecological and economic sense.

Bell maintains a differentiated waste material recycling concept as part 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.

At the abattoir in Oensingen in the canton of Solothurn, the water component is now extracted from the waste material with a screw press. This reduces the transport weight, which also reduces the number of transports required and thus the disposal costs. A study has been initiated to investigate how the energy content of the tripery's waste water can be used.

OCCUPATIONAL SAFETY

Bell's central concerns, in addition to acting responsible with regard to resources and the environment, include the health and safety of its employees. Safety concepts and safety officers at every plant ensure that these concerns are met, always and everywhere. Accidents are systematically analysed in order to formulate and implement improvement measures. At the larger sites Bell also appoints safety committees.

Bell has always subjected its new plants to targeted hazard detection procedures in order to optimise safety standards. The "human factor" is taken into account in the form of ongoing employee training and prevention measures that also address non-occupational accidents. Internal audits are carried out annually at every plant to optimise safety and environmental standards.

Most of the employees are satisfied with the working environment at Bell and like working for the company.

THIRD PILLAR: SOCIAL RESPONSIBILITY

In its personnel strategy, Bell has redefined the objectives and rules of conduct for all employees as well as the management principles that should be applied by its managers. The personnel strategy must now be embedded in all companies of the Bell Group. The challenge lies in harmonising the objectives and principles for all the different companies. Bell adopts the same approach towards its staff in every country in which the Group is represented. Existing systems and cultures as well as national and regional standards and needs are considered. We consider the labour laws of each country as the minimum basic requirements with regard to working conditions.

Our respect for basic rights such as the freedom of speech or equal treatment of all are just two reasons for the loyalty shown to the company by its employees. We also believe in performance-based remuneration and apply a transparent and timely information policy.

STAFF MANAGEMENT

Employee satisfaction: We would like to know how satisfied our employees are. We therefore systematically measured employee satisfaction at all locations in Switzerland for the second time in 2011. Statements on importance and satisfaction were collected on the basis of 14 different criteria and evaluated. The results were used to formulate the need for action by Bell Switzerland and its individual divisions. Bell had already defined measures to improve employee satisfaction after the first survey in 2010. With success: the number of questionnaires that were returned for the 2011 survey was almost twice as much as in the previous year and the results were substantially better. Most of the employees are satisfied with the working environment at Bell and like working for the company. There is some need for action regarding those criteria where the difference between importance and satisfaction is greatest. We can approach this task by intensively analysing the points in question and trying to improve the situation. The next employee survey is scheduled for spring 2013.

The employee survey launched for Abraham in 2011 returned a result comparable to the survey for Bell Switzerland. We plan to introduce employee surveys for all companies of Bell International. We are currently testing the system to see if it can be multiplied.

Dialogue with employees: Individual employee appraisals are held annually at every facility of the Bell Group. During these interviews, performance is discussed and recorded. The employee's individual objectives and objective achievement are also discussed and development and training measures are agreed.

In autumn 2011 Bell held a series of workshops on objective agreement for all the Group's senior and middle managers. Course participants learned about superordinate topics and objectives as well as measures for agreeing personal objectives.

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 tools such as the intranet and employee magazines serve as additional platforms for dialogue.

STAFF DEVELOPMENT

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. Bell also continuously reviews the possibilities of introducing training courses for additional professions and upgrading our existing training courses.

Talent management: Bell actively and systematically promotes young talent and employee development. We help our employees to expand and improve their skills and know-how so that they can successfully carry out and enlarge their functions or change jobs if they wish to. For us, talent management means recognising and individually promoting the potential of our employees.

Employee figures of the Bell Group	2011	2010
Number of employees		
Average number of employees expressed as full-time equivalents	**6,059**	6,179
Number of employees as of 31.12. in persons	**6,470**	6,488
Number of employees by country		
Switzerland	**3,324**	3,497
Germany	**1,445**	1,461
France	**404**	399
Czech Republic	**557**	618
Hungary	**226**	200
Poland	**182**	178
Other	**332**	135
Share of full-time employees	**79 %**	75 %
Share of part-time employees	**21 %**	25 %
Share of men	**60 %**	59 %
Share of women	**40 %**	41 %
Share of women in management	**17 %**	20 %
Number of nationalities	**74**	77
Age structure		
up to 19 years	**2 %**	3 %
20 – 29 years	**18 %**	20 %
30 – 39 years	**26 %**	27 %
40 – 49 years	**30 %**	29 %
50 – 59 years	**21 %**	19 %
over 60 years	**3 %**	2 %

Education and training		
Trainees	**83**	76
Number of training days	**7,430**	7,295

Every Bell employee should be able to develop further in any field.

Every Bell employee should be able to develop further in any field. The increasing internationalisation of the Bell Group offers talented employees even more interesting opportunities for a career. One option that is offered is a practical internship in another country. In this area we want to have a uniform system for all Group companies in future. The standardisation and simplification of our processes support this ambition.

COMMUNICATION

DIALOGUE WITH STAKEHOLDERS

The regular exchange of information and ideas with our customers and other stakeholders is essential for Bell's corporate success. Dialogue plays a decisive role in this process. 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. A central unit for media relations handles individual queries from stakeholders. A total of more than 3,000 queries were registered and processed via the different communication channels in 2011.

The internal communication tools include personal dialogue, the intranet, our employee magazines and our internal newsletters. Regular meetings and – with regard to specific associations – active participation provide for continuous contact with authorities, associations and various lobby groups.

As far as the electronic media is concerned we maintained the measures that were successfully implemented. An internal editorial team is responsible for the content of the Group's website and the internet sites of the different Bell brands. Subscribers to our various newsletters are regularly informed of current campaigns and initiatives.

Bell also maintains its own profile on the most popular social networks, thereby providing a further platform for dialogue with our stakeholders.

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:
Sales volume by product group;
figures rounded up/down individually

Financial Reporting and
Corporate Governance

BELL IN FIGURES

Bell Group

44_ Financial Report
46_ Consolidated Balance Sheet
47_ Consolidated Income Statement
48_ Cash Flow Statement
49_ Statement of Changes in Equity
50_ Consolidation and Valuation Principles
52_ Appendix to Consolidated Balance Sheet
59_ Appendix to Consolidated Income Statement
64_ Additional Information
65_ Important Participations
66_ 5-Year Overview
67_ Share Information
68_ Report of the Statutory Auditors

Corp. Governance

69_ Corporate Governance

Bell Ltd

82_ Balance Sheet
83_ Income Statement
84_ Appropriation of Annual Profit /Appendix
85_ Report of the Statutory Auditors

86_ Contacts
87_ Imprint

All values rounded up/down individually

Financial report

THE BELL GROUP IS ON COURSE

Martin Gysin,
Head of Finance/Services Division

Due to the deconsolidation of the Convenience business subunit and the unfavourable currency trends in the Eurozone, the Bell Group's sales went down by around CHF 100 million in 2011. Adjusted for these two effects, sales growth amounted to CHF 44 million or 1.8 percent. The Swiss business did well. The already high volumes improved again by 1.5 percent and margins and costs also developed favourably. In the European markets, however, 2011 was a very tense year. The strong increase in raw materials prices in the first semester could only be passed on to retail customers with a big delay. Due to increased demand from important purchasing countries, some components became even more expensive in autumn. The situation was made worse by the unfriendly currency trends in Hungary and Poland, and the overall result was far from satisfactory in spite of encouraging volume growth of 5.2 percent in total.

As the previous year's margin was boosted by a one-off effect, the gross profit margin contracted from 33.4 to 33.2 percent. Adjusted for this effect, the gross profit margin remained the same in spite of the deconsolidation of Bell Convenience. The operating costs dropped from 25.2 to 24.9 percent of the operating income, also due to one-off effects. After legal consultation we credited an amount of CHF 8 million in insurance benefits for the Frigo fire in 2010 to the operating costs, and the total costs of around CHF 1.2 million for closing the plant in Steinheim were charged to various items under operating costs. Earnings before interest, taxes and depreciation (EBITDA) remained the same at 8.2 percent.

The difficult situation in Germany led us to reassess our position at ZIMBO. The aggressive competition and unfavourable trends in raw materials prices convinced us that ZIMBO will not be able to generate the originally planned earnings in the foreseeable future. As the capitalised goodwill and brand value are therefore no longer justified, we impaired both the goodwill acquired before 2011 and the brand value. Adjusted by impairment and exceptionals, EBIT for 2011 is CHF 111 million compared to adjusted EBIT of CHF 105 million in the previous year.

The financial income includes gains on foreign currency transactions of CHF 14.5 million. We decided at the beginning of August to hedge our euro needs for several quarters. However, as the National Bank established a minimum exchange rate for the euro, this hedge was no longer necessary and could be dissolved. The net result from investments in subsidiaries and associates includes Bell's profit shares in Hilcona AG and Centravo Holding AG. Goodwill depreciation of CHF 2.1 million was set off against the Hilcona AG profit share.

Net debt at the end of 2011 amounted to around CHF 253 million, which is more than CHF 63 million higher year-on-year. This increase is due to investments of CHF 115 million in subsidiaries and associates as well as a sharp increase in net current assets of around CHF 54 million.

Martin Gysin
Head of Finance/Services Division

Hoppe GmbH was included in the Bell consolidated statements with effect from May. The meat drying plant Kocherhans und Schär AG was merged with Bell Switzerland on 1 July. On 1 July Bell also acquired all the shares of its former minority interest SBA Schlachtbetrieb Basel AG. This company was fully consolidated from 1 July. The last two acquisitions did not have any significant impact on our sales and profit. In October we concluded a closing agreement effective as of the end of 2012 with the former owners on the acquisition of the remaining shares in Abraham Schinken GmbH. The terms of this agreement meant that we had to fully consolidate Abraham already from October 2011.

Equity before minority interests rose by CHF 50 million to approximately CHF 627 million in spite of an additional negative translation effect.

Consolidated Balance Sheet

in CHF thousand	Appendix	31.12.2011		31.12.2010	
Liquid assets	1	22 708		33 674	
Securities	2	5 582		4 513	
Trade accounts receivable	3	149 004		146 526	
Receivables affiliated companies	4	111 027		93 121	
Other receivables		45 007		47 366	
Inventory	5	170 109		152 401	
Deferred expenses and accrued income		16 885		17 834	
Current assets		**520 322**	**41.6 %**	495 436	42.4 %
Financial assets	12	103 305		39 152	
Intangible assets	13	76 692		76 303	
Land and buildings	14	322 096		325 610	
Machinery and equipment	15	229 723		230 885	
Non-current assets		**731 815**	**58.4 %**	671 950	57.6 %
Assets		**1 252 138**	**100.0 %**	1 167 386	100.0 %
Current financial liabilities	9	116 696		107 329	
Trade accounts payable		142 472		145 667	
Accounts payable to affiliated companies	6	21 912		14 822	
Other accounts payable	7	38 885		49 403	
Current provisions	11	9 726		10 356	
Deferred income and accrued expenses	8	61 925		58 409	
Current liabilities		**391 616**	**31.3 %**	385 986	33.2 %
Non-current financial liabilities	9	164 998		121 134	
Non-current provisions	11	68 940		69 811	
Long-term liabilities		**233 939**	**18.7 %**	190 945	16.4 %
Liabilities		**625 555**	**50.0 %**	576 931	49.4 %
Share capital		2 000		2 000	
Retained earnings		630 698		584 299	
Currency translation differences		–75 406		–67 352	
Treasury shares deducted		–3 113		–6 992	
Consolidated profit		71 618		64 519	
Equity before third-party interest in equity		**625 797**	**50.0 %**	576 474	49.4 %
Third-party interest in equity		786		13 982	
Equity		**626 583**	**50.0 %**	590 456	50.6 %
Liabilities and equity		**1 252 138**	**100.0 %**	1 167 386	100.0 %

Consolidated Income Statement

in CHF thousand	Appendix	2011		2010	
Sales proceeds	16	2 516 953		2 617 574	
Other operating proceeds	16	59 848		51 355	
Gross proceeds		**2 576 801**		2 668 929	
Reductions in proceeds	16	–94 213		–84 652	
Operating income	16	**2 482 588**	**100.0%**	2 584 277	100.0%
Cost of goods sold	24	1 659 306	66.8%	1 720 353	66.6%
Gross operating profit		**823 282**	**33.2%**	863 923	33.4%
Personnel expenses	17	391 416	15.8%	405 671	15.7%
Rent	18	21 759		24 607	
Energy, auxiliary materials	19	49 214		49 275	
Repair and maintenance		46 096		47 731	
Transport		62 471		66 021	
Advertising		20 989		22 821	
Other operating expenses	20/24	27 046		35 101	
Total operating expenses	21	**618 991**	**24.9%**	651 228	25.2%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**204 291**	**8.2%**	212 695	8.2%
Depreciation of tangible assets	14/15/24	72 144	2.9%	74 220	2.9%
Depreciation of intangible assets*	13/24	11 608		4 817	
Depreciation of goodwill*	13/24	30 691		32 422	
Earnings before interest and taxes (EBIT)		**89 849**	**3.6%**	101 236	3.9%
Financial income (incl. share in profit/loss of associated companies)	22	25 754		11 058	
Financial expenses	22/24	14 342		13 144	
Net profit before taxes (EBT)		**101 261**	**4.1%**	99 150	3.8%
Taxes	23/24	28 865		33 083	
Net profit after taxes		**72 396**	**2.9%**	66 067	2.6%
Third-party interest in profit		–778		–1 548	
Consolidated profit		**71 618**	**2.9%**	64 519	2.5%

*Writedown on goodwill and brand value of CHF thousand 26 016 (previous year CHF thousand 17 166)

Cash Flow Statement

in CHF thousand		2011		2010
Net profit after taxes		72 396		66 067
Depreciation of tangible assets	70 294		73 038	
Extraordinary expenses for depreciation of assets	1 850		1 183	
Depreciation of intangible assets	16 282		20 072	
Extraordinary expenses for depreciation of intangible assets	26 016	114 442	17 166	111 459
Income (–) loss (+) from sale of fixed assets		–929		–530
Income (–) loss (+) from acquisition of participations		–		–1 584
Income from evaluation of non-consolidated participations		–6 273		–576
Income (–) loss (+) on assets of foundation		390		–89
Increase (–) decrease (+) deferred tax assets		1 133		568
Changes in provisions		849		4 878
Cash flow before changes to net current assets		**182 008**		180 193
Inventory changes (–) increase (+) decrease	-19 180		1 087	
Changes in receivables (–) increase (+) decrease	-27 470		–16 908	
Adjustments (–) increase (+) decrease	1 957		–10 078	
Changes in current liabilities (+) increase (–) decrease	-23 101		31 709	
Adjustments (+) increase (–) decrease	13 585	–54 209	–6 414	–604
Operating cash flow		**127 799**		179 589
Investments in machinery and equipment	-52 664		–50 756	
Divestments of machinery and equipment	9 850	–42 814	498	–50 258
Investments in land and buildings	-10 554		–11 129	
Divestments of land and buildings	2 059	–8 495	639	–10 490
Investments in participations and financial assets	-116 883		–49	
Divestments of participations and financial assets	1 624		2 771	
Divestments (+) / investments (–) of securities	-1 070	–116 329	2 536	5 258
Investments in intangible assets	-6 839		–7 481	
Divestments of intangible assets	3	–6 836	53	–7 428
Investment cash flow		**–174 474**		–62 918
Changes in financial liabilities		51 418		–146 800
Investments (–) / divestments (+) in treasury shares		5 515		2 365
Dividends		–20 680		–16 546
Financing cash flow		**36 253**		–160 981
Cash flow balance		**–10 422**		–44 310
Liquid assets as of January 01		33 674		81 395
Effect of currency translation on liquid assets		–544		–3 411
Changes in liquid assets		–10 422		–44 310
Liquid assets as of December 31		22 708		33 674

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 01.01.2011	**2 000**	**584 299**	**–67 352**	**–6 992**	**64 519**	**576 474**	**13 982**	**590 457**
Changes in consolidated scope	–	–	–	–	–	–	–	–
Acquisition minorities	–	–	–	–	–	–	–13 006	–13 006
Appropriation of annual profit	–	64 519	–	–	–64 519	–	–	–
Dividends	–	–19 755	–	–	–	–19 755	–925	–20 680
Additions/disposals of treasury shares	–	1 635	–	3 879	–	5 514	–	5 514
Consolidated profit	–	–	–	–	71 618	71 618	778	72 396
Influence of foreign currency translation	–	–	–8 054	–	–	–8 054	–43	–8 097
Equity as of 31.12.2011	**2 000**	**630 698**	**–75 406**	**–3 113**	**71 618**	**625 797**	**786**	**626 584**
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	590 457

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	–5 316	–400	3 147	–160	523	–2 206
Shares in circulation as of 2011	**394 684**	**–400**	**3 147**	**–160**	**523**	**397 794**
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

Consolidation and valuation principles

Basic principles The principles governing consolidation, valuation, structure and presentation comply with the entire 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 Ltd directly or indirectly owns more than 50 percent of the votes or exercises control under a contractual agreement are fully integrated in these consolidated financial satements. 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 65 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

		2011	2010
Balance sheet	EUR 1	= CHF 1.2200	= CHF 1.2500
	CZK 1	= CHF 0.0480	= CHF 0.0500
	HUF 100	= CHF 0.3900	= CHF 0.4500
	PLN 1	= CHF 0.2730	= CHF 0.3150
	USD 1	= CHF 0.9400	= CHF 0.9350
Income statement	EUR 1	= CHF 1.2333	= CHF 1.3700
	CZK 1	= CHF 0.0502	= CHF 0.0543
	HUF 100	= CHF 0.4426	= CHF 0.4967
	PLN 1	= CHF 0.2999	= CHF 0.3428
	USD 1	= CHF 0.8804	= CHF 1.0383

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 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. The resulting goodwill 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. Based on previous experience, the impairment for provisions for doubtful debts equals 1 percent of the accounts receivable. The total impairment amount is disclosed in the appendix.

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 initial consolidation. In 2011 we set off an impairment of CHF 2.6 million against deferred tax liabilities as the tax situation has changed. We do not consider the remaining deferred tax assets to be impaired. For the tax rates, please refer to the chapter on provisions/pension liabilities.

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 65 for an overview of the Group's non-consolidated investments in 2011.

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 assets Intangible non-current assets comprise IT software, acquired trademarks and goodwill. Total goodwill of CHF 39.4 million was paid on the acquisitions made in 2011. The depreciation on the “Hilcona” goodwill will be set off against Bell's share of the annual profit within the financial account. The impairment tests for ZIMBO revealed the need for additional depreciation of around CHF 20 million on the consolidation goodwill and approximately CHF 6 million on the value of the brand. Aggressive competition means that the required future earnings cannot be generated. The remainder of the purchase price was calculated as part of the closing agreement with the sellers of Abraham Schinken GmbH, but this price increased as a result of the improved revenue situation. The increase in this residual purchase price resulted in additional goodwill of around CHF 8 million, which will be depreciated over the next five years. 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 tax rates did not change from the previous year.

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 98,8 percent at the end of 2011 (prior year 100.1 %). Other personnel liabilities are only recognised in the balance sheet if they are not carried by CPV/CAP.

Bell Schweiz AG'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 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 Ltd shares. Shares allocated under this employee share participation plan may not be sold for a period of four years. Under this plan, 523 shares were distributed to employees in 2011 (prior year 632) and 160 shares were taken back (prior year 8). These transactions were charged to personnel expenses at the share price on the payment date.

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 None

Appendix to Consolidated Balance Sheet

in CHF thousand	2011	Share	2010
1. Liquid assets			
Cash	1 658	7.3 %	1 047
Cash in post office accounts	330	1.5 %	587
Cash in banks	16 721	73.6 %	31 306
Fixed deposits	3 999	17.6 %	734
Liquid assets	**22 708**	100.0 %	33 674
Liquid assets by currency			
CHF	10 319	45.4 %	7 705
EUR	9 152	40.3 %	19 888
Other currencies	3 237	14.3 %	6 080
Liquid assets	**22 708**	100.0 %	33 674
2. Securities			
Shares and similar investments	5 582	100.0 %	4 513
Bonds and similar investments	–	–	–
Securities	**5 582**	100.0 %	4 513
3. Trade accounts receivable			
Valuation adjustment balanced in receivables	**–3 277**		–1 758
4. Receivables affiliated companies			
Companies of the Coop Group	104 706	94.3 %	73 692
Other affiliated companies	6 321	5.7 %	19 429
Receivables affiliated companies	**111 027**	100.0 %	93 121
5. Inventory			
Raw materials and finished goods	162 225	95.4 %	145 676
Auxiliary materials	16 599	9.8 %	15 652
Value adjustments on the basis of value impairments	–8 715	–5.1 %	–8 927
Inventory	**170 109**	100.0 %	152 401
6. Accounts payable to affiliated companies			
Accounts payable to Coop Group	21 844	99.7 %	13 701
Accounts payable to other affiliated companies	68	0.3 %	1 121
Accounts payable to affiliated companies	**21 912**	100.0 %	14 822
7. Other accounts payable			
Shareholders	12	0.0 %	10
VAT	11 902	30.6 %	6 904
Capital and profit taxes	23 895	61.4 %	21 837
Other taxes	543	1.4 %	1 428
Miscellaneous third parties	2 533	6.5 %	19 225
Other accounts payable	**38 885**	100.0 %	49 403

Appendix to Consolidated Balance Sheet

in CHF thousand	2011	Share	2010
8. Deferred income and accrued expenses			
Miscellaneous deferred expense	44 049	71.1 %	40 572
Accrued personnel and social security expense	17 875	28.9 %	17 837
Deferred income and accrued expenses	**61 925**	100.0 %	58 409

9. Financial liabilities			
Loans and credits from banks	112 885	40.1 %	107 052
Loans with affiliated companies	3 695	1.3 %	277
Current accounts with third parties	116	0.0 %	–
Current financial liabilities	**116 696**	41.4 %	107 329
Non-current loans and credits	164 998	58.6 %	109 134
Non-current loans with affiliated companies	–	–	12 000
Non-current financial liabilities	**164 998**	58.6 %	121 134
Financial liabilities	**281 694**	100.0 %	228 462
Maturity structure of financial liabilities			
Due within 360 days	116 696	41.4 %	107 329
Due within two years	36 164	12.8 %	33 733
Due within three years and later	128 835	45.7 %	87 400
Financial liabilities	**281 694**	100.0 %	228 462
Financial liabilities by currency			
CHF	185 487	65.8 %	121 258
EUR	95 125	33.8 %	107 054
Other currencies	1 082	0.4 %	150
Financial liabilities	**281 694**	100.0 %	228 462

10. Business combinations/company sale	Bell Convenience[1]	Hilcona AG[2]	Hoppe GmbH[3]	Kocherhans und Schär AG[4]	SBA Schlacht-betrieb Basel AG[5]
	01.01.2011	01.01.2011	01.05.2011	27.06.2011	01.07.2011
Liquid assets	–	17 504	1 155	157	576
Trade accounts receivable	–	49 842	3 694	331	1 382
Inventory	1 734	49 167	1 195	82	–
Tangible assets	5 289	177 692	13 551	4 918	5 213
Trade accounts payable	1 022	27 810	3 297	238	786
Financial liabilities	–	115 849	6 248	1 728	1 257

[1] Company sale
[2] New addition to scope of consolidation as of 1 January 2011 at prorated equity; amounts include Bell Convenience.
[3] Initial consolidation as of 1 May 2011
[4] Merger with Bell Schweiz AG
[5] Full consolidation as of 1 July 2011

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 01.01.2011	**21 926**	**3 027**	**4 708**	**44 073**	**5 069**	**1 364**	**80 167**
Changes in consolidated scope	–	–	207	690	–	–	**897**
Reclassification of deferred tax assets	–	–	–	–1 439	–	–	**–1 439**
Reclassification	–427	427	–	–	500	–500	–
Established	1 871	1 120	3 824	989	1 345	–	**9 148**
Used	–2 119	–1 439	–4 050	–116	–315	–260	**–8 299**
Utilisation	–	–	–	–	–1 521	–	**–1 521**
Currency translation effects	–107	–	–14	–69	–97	–	**–287**
Provisions as of 31.12.2011	**21 144**	**3 135**	**4 674**	**44 128**	**4 981**	**604**	**78 666**
Non-current provisions 2011	20 266	2 096	–	44 128	2 451	–	68 940
Current provisions 2011	878	1 040	4 674	–	2 530	604	9 726
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

Appendix to Consolidated Balance Sheet

in CHF thousand	Non consolidated holdings	Loans to affiliated companies*	Loans to third parties	Equity of foundation	Deffered tax assets	Other financial assets	Total
12. Financial assets							
Value as of 01.01.2011	**27 639**	**610**	**449**	**5 119**	**5 106**	**228**	**39 151**
Purchase price as of 01.01.2011	27 639	610	449	5 119	5 106	228	**39 151**
Changes in consolidated scope	–1 136	–	–	–	–	–	**–1 136**
Investments	59 921	1 560	–	–	–	134	**61 614**
Divestments	–43	–1 100	–205	–276	–	–	**–1 624**
Reclassification to provisions	–	–	–	–	–1 439	–	**–1 439**
Revaluation	8 405	–	–	–390	–1 133	–	**6 882**
Reclassification	–	–	–	–	–	–	–
Currency translation effects	–3	–47	–	–	–95	–	**–144**
Value as of 31.12.2011	**94 783**	**1 023**	**244**	**4 453**	**2 440**	**362**	**103 305**
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 am 31.12.2010	27 639	610	449	5 119	5 106	228	39 152

* 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 01.01.2011	**10 447**	**7 391**	**822**	**57 644**	**76 303**
Purchase price as of 01.01.2011	31 166	10 293	1 324	130 287	**173 071**
Changes in consolidated scope	252	–	–	39 382	**39 634**
Investments	5 838	–	1 001	–	**6 839**
Divestments	–481	–	–9	–	**–490**
Reclassification	724	–	–221	–	**503**
Currency translation effects	–205	–247	–50	–3 136	**–3 638**
Purchase price as of 31.12.2011	37 295	10 046	2 045	166 533	**215 920**
Cumulative depreciation as of 01.01.2011	20 719	2 902	502	72 644	**96 767**
Changes in consolidated scope	209	–	–	–	**209**
Depreciation*	4 161	1 216	150	12 887	**18 414**
Extraordinary depreciation	–	6 081	–	19 935	**26 016**
Cumulative depreciation of divestments	–478	–	–9	–	**–487**
Reclassification	189	–	–189	–	**–**
Currency translation effects	–91	–154	–20	–1 428	**–1 692**
Cumulative depreciation as of 31.12.2011	24 709	10 046	435	104 038	**139 227**
Value as of 31.12.2011	**12 586**	**–**	**1 611**	**62 495**	**76 692**

*The depreciation on the Hilcona goodwill is recognised in the profit on the investment.

in CHF thousand	Software	Trademarks	Others rights	Goodwill	Total
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

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 01.01.2011	**48 268**	**272 621**	**781**	**3 940**	**325 610**
Purchase price as of 01.01.2011	48 348	554 039	2 456	3 940	**608 784**
Changes in consolidated scope	1 747	19 865	1 083	–	**22 695**
Investments	1 000	2 537	–	7 017	**10 554**
Divestments	–790	–2 316	–204	–22	**–3 332**
Reclassification	–994	3 328	–21	–3 048	**–735**
Currency translation effects	–401	–7 550	–4	–78	**–8 033**
Purchase price as of 31.12.2011	48 911	569 902	3 311	7 809	**629 932**
Cumulative depreciation as of 01.01.2011	80	281 418	1 676	–	**283 173**
Changes in consolidated scope	–	5 565	470	–	**6 035**
Depreciation	11	20 060	135	–	**20 207**
Extraordinary depreciation	–	1 850	–	–	**1 850**
Cumulative depreciation of divestments	–	–1 069	–204	–	**–1 273**
Reclassification	–10	10	–3	–	**–3**
Currency translation effects	–2	–2 148	–3	–	**–2 153**
Cumulative depreciation as of 31.12.2011	79	305 686	2 071	–	**307 836**
Value as of 31.12.2011	**48 832**	**264 216**	**1 239**	**7 809**	**322 096**
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

“Land and buildings” includes activated leasings to the booking value of CHF thousand 6 158 (previous year CHF thousand 6 741).

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 01.01.2011	**117 108**	**73 504**	**6 902**	**22 536**	**10 835**	**230 885**
Purchase price as of 01.01.2011	376 268	183 682	30 999	89 175	10 835	**690 959**
Changes in consolidated scope	18 125	11 290	689	3 263	345	**33 713**
Investments	27 965	4 138	4 406	8 440	7 716	**52 664**
Divestments	–27 695	–4 990	–480	–13 482	–909	**–47 555**
Reclassification	6 361	933	855	388	–8 305	**232**
Currency translation effects	–5 536	–182	–48	–1 339	–201	**–7 306**
Purchase price as of 31.12.2011	395 488	194 871	36 420	86 445	9 481	**722 706**
Cumulative depreciation as of 01.01.2011	259 160	110 178	24 097	66 639	–	**460 075**
Changes in consolidated scope	15 664	7 626	676	2 123	–	**26 089**
Depreciation	25 733	12 889	3 341	8 124	–	**50 087**
Extraordinary depreciation	–	–	–	–	–	**–**
Cumulative depreciation of divestments	–22 099	–3 981	–459	–12 095	–	**–38 634**
Reclassification	62	–2	265	–322	–	**3**
Currency translation effects	–3 515	–111	–25	–985	–	**–4 636**
Cumulative depreciation as of 31.12.2011	275 006	126 599	27 895	63 484	–	**492 984**
Value as of 31.12.2011	**120 483**	**68 272**	**8 526**	**22 961**	**9 481**	**229 722**
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

“Machinery and equipment” includes activated leasings to the booking value of CHF thousand 1 518 (previous year CHF thousand 2 599).

Appendix to Consolidated Income Statement

in CHF thousand	2011	Difference	2010
16. Operating income			
Product groups			
Fresh meat	815 819	0.8%	809 552
Charcuterie own production	360 661	-1.0%	364 284
Charcuterie purchased	82 008	1.5%	80 791
Poultry	344 769	3.0%	334 583
Meat specialities (game, rabbit and others)	17 564	-10.3%	19 588
Seafood	115 131	10.9%	103 809
Convenience	–	-100.0%	84 085
Other sales	9 927	-10.4%	11 081
Product groups Switzerland	**1 745 879**	-3.4%	1 807 773
Charcuterie	704 650	-5.0%	742 012
Other sales	66 424	-2.0%	67 789
Product groups International	**771 074**	-4.8%	809 801
Sales by product group	**2 516 953**	-3.8%	2 617 574
Distribution channels			
Sales to Coop Group	1 299 527	9.9%	1 182 242
Sales to other affiliated companies	15 133	-91.7%	181 536
Sales to wholesale	423 974	-2.5%	434 960
Sales to end consumers	7 245	-19.8%	9 035
Distribution channels Switzerland	**1 745 879**	-3.4%	1 807 773
Sales to Coop Group	5 013		–
Sales to wholesale	699 637	-5.7%	742 012
Sales to end consumers	66 424	-2.0%	67 789
Distribution channels International	**771 074**	-4.8%	809 801
Sales by distribution channel	**2 516 953**	-3.8%	2 617 574
Sales by country*			
Switzerland	1 745 879		1 807 773
Germany	440 460		449 771
France	105 777		100 209
Other Western Europe	92 220		110 903
Eastern Europe	132 617		148 917
Sales by country	**2 516 953**	-3.8%	2 617 574

*2010 calculation base production site

Additional proceeds from Coop Group	2 558	49.4%	1 712
Additional proceeds from affiliated companies	1 857		124
Additional third-party proceeds	46 598	20.5%	38 672
Other operating proceeds Switzerland	**51 014**	25.9%	40 508
Other operating proceeds International	**8 834**	-18.6%	10 847
Other operating proceeds	**59 848**	16.5%	51 355
Reductions in proceeds with Coop Group	32 465	4.4%	31 101
Other reductions in proceeds	5 731	-36.9%	9 079
Reductions in proceeds Switzerland	**38 196**	-4.9%	40 180
Reductions in proceeds International	**56 016**	26.0%	44 472
Reductions in proceeds	**94 213**	11.3%	84 652

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	2011	Difference	2010
17. Personnel expenses			
Wages and salaries	256 322	–5.4 %	270 963
Employers' contributions	63 639	–0.9 %	64 219
Other personnel expenses	11 936	–22.8 %	15 470
Outside work expenses	59 519	8.2 %	55 019
Personnel expenses	**391 416**	–3.5 %	405 671

Contributions include social security contributions to the CPV/CAP Coop pension plan and other pension funds amounting to CHF thousand 19 587 (previous year CHF thousand 19 333).

Compensation for members of Board of Directors and Members of Group Executive Board		Shares held as of 31.12.	Remuneration cash	Share subscription		Total
		number	fix	number	CHF thousand	CHF thousand
Board of Directors						
Hansueli Loosli, Chairman*	2011	30	90	3	6	96
	2010	17	90	4	7	97
Irene Kaufmann-Brändli, Member*	2011	31	60	4	8	68
	2010	17	60	4	7	67
Jörg Ackermann, Member*	2011	63	60	3	6	66
	2010	55	60	4	7	67
Werner Marti, Member	2011	21	60	3	6	66
	2010	8	60	4	7	67
Joachim Zentes, Member	2011	105	60	3	6	66
	2010	92	60	4	7	67
† Hans Peter Schwarz, Vice Chairman*	2011	–	53	3	6	58
	2010	104	70	4	7	77
Board of Directors	**2011**	**250**	**383**	**19**	**37**	**420**
	2010	293	400	24	41	441

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

Group Excecutive Board		Remuneration cash		Share subscription		Non-cash remuneration and contributions to	Total
		fixed	variable	number	CHF thousand	pension fund	CHF thousand
Lorenz Wyss, CEO since 01.04.2011	2011	326	33	21	33	54	446
Martin Gysin, Head of Finance/Services division; Deputy CEO	2011	419	38	24	41	73	571
	2010	393	46	31	46	48	533
Thorid Klantschitsch, Head of Bell Switzerland division; until 30.06.2011	2011	360	4	3	7	52	424
	2010	354	37	27	41	81	512

Shares held as of 31.12. (number)	2011	2010
Lorenz Wyss	3	–
Martin Gysin	119	133
Other employees	2 186	2 337

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	2011	4 453	4 453	–667	–	–667
	2010	5 120	5 120	–917	–	–917
CPV/CAP pension fund*	2011	–	–	–	19 587	19 587
	2010	–	–	–	19 333	19 333
Total	**2011**	**4 453**	**4 453**	**–667**	**19 587**	**18 920**
	2010	5 120	5 120	–917	19 333	18 416

*The working capital ratio amounts to 98,8 percent as of 31 December 2011 (previous year: 100,1%).

	2011	Difference	2010
18. Rent			
Building lease	8 327	–27.5 %	11 484
Lease of machinery and equipment	7 167	–18.1 %	8 753
Third-party storage	6 265	43.4 %	4 370
Rent	**21 759**	–11.6 %	24 607
19. Energy, auxiliary materials			
Electricity	24 502	5.2 %	23 298
Water	5 863	10.0 %	5 331
Fuel	1 946	7.8 %	1 805
Other energy	6 502	6.6 %	6 099
Auxiliary materials	10 401	–18.4 %	12 742
Energy, auxiliary materials	**49 214**	–0.1 %	49 275
20. Other operating expenses			
Administrative expenses	14 520	–16.5 %	17 396
Insurance and duties	7 288	–15.7 %	8 642
Capital tax and other corporate taxes	2 016	2.0 %	1 976
Miscellaneous operating expenses	3 222	–54.5 %	7 087
Other operating expenses	**27 046**	–22.9 %	35 101

Included in operating expenses:

	2011	Difference	2010
21. Operating expenses with affiliated companies			
Building lease	578	–87.1 %	4 497
Lease of machinery and equipment	4 631	–13.5 %	5 354
Repair and maintenance	1 665	93.4 %	861
Energy and auxiliary materials	2 387	2.9 %	2 319
Advertising	3 300	–22.8 %	4 272
Other operating expenses	857	11.7 %	767
Operating expenses with affiliated companies	**13 418**	–25.7 %	18 070

Appendix to Consolidated Income Statement

in CHF thousand	2011	2010
22. Financial return/financial expenses		
Interest on fixed deposits and other interest	821	634
Interest from affiliated companies	115	341
Gains on foreign currency transactions	17 989	7 964
Gains on securities, realised and not realised	291	1 207
Share in profit/loss of associated companies*	6 273	576
Other income from investments in other companies	265	336
Financial return	**25 754**	11 058
Interest to affiliated companies	376	314
Other interest	7 624	10 186
Bank charges and commissions	891	915
Losses on foreign currency transactions	3 976	1 602
Losses on securities, realised and not realised	1 476	127
Financial expenses	**14 342**	13 144
Financial return/financial expenses	**11 412**	–2 086
Average rates of interest-bearing liabilities	3.49 %	3.73 %

*Net, after deduction of the goodwill depreciation.

Interest rates of fixed advance payments and mortgages vary between 1.08 percent and 3.23 percent in Swiss francs and between 2.03 percent and 4.94 percent in foreign currencies (EUR).

Appendix to Consolidated Income Statement

in CHF thousand	2011	Difference	2010
23. Taxes			
Taxes paid and changes in taxes due	26 859		27 876
Changes in deferred taxes	2 006		5 207
Taxes	**28 865**	–12.8 %	33 083
Group operating result	72 396		66 067
Expenses not tax-deductible	10 953		29 706
Tax expenses included therein	28 865		33 083
Profit before taxes	**112 214**		128 856
Income tax on the result before tax applied at the average applicable tax rate	26 370		29 638
Influence of different tax rates and tax jurisdictions	–1 881		–901
Adjustment of deferred tax rate	3 769		4 437
Release of deferred tax asset	1 133		–
Other taxes and taxes outside fiscal year	–526		–92
Taxes (as reported)	**28 865**		33 083

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

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

			2011	2010
Cost of goods sold		Cost of goods sold for previous year		–6 648
Other expenses		Proportion of insurance proceeds for property, plant and equipment from the Frigo fire	–8 042	
		Closure expenses in Steinheim	1 233	
		Other expenses for previous year		–2 450
Depreciation	Land, buildings and equipment	Special depreciations for previous year		1 182
		Special depreciation for Steinheim	1 850	
	Intangible assets	Special depreciation for previous year		17 587
		Special depreciation for goodwill/trademarks ZIMBO	26 016	
Financial return		Currency profit on loans in euro		–6 643
		Exchange gain on euro hedges	–14 500	
Taxes		Share of tax on exceptionals	–4 636	1 529

Additional Information

in CHF thousand	2011	2010
Total amount of guarantees, warranties and mortgages in favour of third parties	**16 598**	18 614
Total amount of mortgaged assets at legal book values	**26 381**	22 750
Unrecognised liabilities from leasing	**4 761**	2 966
due in the current financial year	1 723	1 079
Derivative financial instruments (currencies) (purpose: hedging)		
contract value	–	–
residual value positive	–	–
Derivative financial instruments (interests) (purpose: hedging)		
contract value	**139 650**	140 628
residual value negative	**6 793**	4 357
Other derivative instruments (participations)	**p.m.***	1 875
Fire insurance value of buildings	**821 746**	711 521
Fire insurance value of equipment	**932 542**	605 212
Expenses for pension fund liabilities	**19 587**	19 333
Obligations from contracts with third parties	**48 673**	25 025
due in the current financial year	9 759	1 867
due in the following financial year	7 001	3 946
due later	31 913	19 212
Obligations from contracts with affiliated companies	**1 945**	6 742
due in the current financial year	488	1 349
due in the following financial year	488	1 349
due later	969	4 044
Conditional increase in share capital as decided	**1 000**	1 000
Total amount of the approved share capital increase	**500**	500

*Bell holds options to take over additional shares in associates (2 % in Hilcona).
As these options cannot be measured reliably, they were not included in the balance sheet.

Principal shareholders	Coop Cooperative, Basel; 66,29 %
	Sarasin Investmentfonds AG, Basel; 4,55 %
	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 at its meeting on 8 December 2011.

More information relating to risk management is provided in the section on corporate governance (page 73).

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 systems which will be harmonised with the Bell systems.

Important Participations

Company	Domicile	Sphere of activity	Consolidation method		Capital	Group share in captial
Bell Schweiz AG[1]	Basel	Fresh meat, charcuterie, poultry, seafood	■	CHF	20 000 000	100.0 %
Frigo St. Johann AG	Basel	Logistics, cold storage	■	CHF	2 000 000	100.0 %
Hilcona AG	Schaan / FL	Convenience	❍	CHF	10 000 000	49.0 %
SBA Schlachtbetrieb Basel AG[2]	Basel	Slaughterhouse	❂	CHF	250 000	100.0 %
Centravo Holding AG[3]	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 Schweiz AG (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	St-Symphorien-sur-Coise / FR	Dry sausages	■	EUR	825 000	100.0 %
Saloir de Virieu SAS	Virieu-Le-Grand / FR	Air-dried ham	■	EUR	1 200 000	100.0 %
Maison de Savoie SAS	Aime / FR	Dry sausages	■	EUR	1 560 000	100.0 %
St-André 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. Vertriebsgesellschaft mbH	Bochum / DE	Meat trade	■	EUR	38 400	100.0 %
ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG	Bochum / DE	Meat and sausages	■	EUR	28 097 970	100.0 %
Feine Kost Böttcher GmbH	Bochum / DE	Management	■	EUR	2 862 603	100.0 %
Hoppe GmbH[4]	Bad Wünnenberg / DE	Convenience	❐	EUR	200 000	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.	Perbál / HU	Meat and sausages	■	HUF	375 000 000	99.7 %
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.	Prag-Holesovice / CZ	Retail trade	■	CZK	10 000 000	70.0 %
Abraham Schinken GmbH[5]	Seevetal / DE	Subholding	■	EUR	104 100	75.02 %
Gebr. Abraham GmbH & Co. KG	Seevetal / DE	Air-dried ham	■	EUR	1 750 000	100.0 %
Abraham Benelux S.A.	Libramont-Chevigny / BE	Air-dried ham	■	EUR	250 000	100.0 %
Abraham Polska Sp. z o.o.	Warschau / PL	Wholesale trade	■	PLN	100 000	100.0 %
Sanchez Alcaraz S.L.U.	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 %

[1] Change of name of Bell Ltd to Bell Schweiz AG, takeover and merger of Kocherhans und Schär AG on 1 July 2011
[2] SBA was taken over completely on 1 July 2011 and was consolidated in full.
[3] The equity share is based on the number of outstanding shares
[4] Hoppe GmbH was taken over on 1 May 2011 and consolidated
[5] In 2011 a closing agreement was concluded with the sellers of Abraham GmbH concerning the takeover of all shares. As this agreement will take effect at the end of 2012, Abraham GmbH has been fully consolidated with effect from 2011 already.

■ Fully consolidated (uniform management)
❊ Consolidated ad equity
● Purchase price
▲ Consideration acc. Swiss GAAP FER 16
❐ Fully consolidated as of 01.05.2011
❍ Included in actual prorated equity and profit, as of 01.01.2012
❂ Fully consolidated as of 01.07.2011

5-Year Overview

in CHF thousand	2011	2010	2009	2008	2007
Affiliated companies	1 319 673	1 363 778	1 332 881	1 292 236	1 162 587
Other wholesale	1 123 611	1 176 972	1 151 593	586 867	439 462
End consumers	73 669	76 824	113 238	53 696	27 869
Sales proceeds	**2 516 953**	2 617 574	2 597 712	1 932 799	1 629 918
Operating income	**2 482 588**	2 584 277	2 547 877	1 939 635	1 636 472
Financial data					
Gross operating profit	**823 282**	863 923	858 515	610 241	528 089
Personnel expenses	**391 416**	405 671	412 215	307 445	259 653
Depreciation of tangible assets	**72 144**	74 220	79 903	55 689	57 395
Earnings before interest and taxes (EBIT)	**89 849**	101 236	95 047	78 932	72 954
Net profit (before third party interest in profit)	**72 396**	66 067	56 192	58 198	56 669
EBITDA	**204 291**	212 695	189 449	142 731	136 911
Financial result	**11 412**	–2 086	–11 021	–2 867	1 363
Current assets	520 322	495 436	537 731	363 010	308 478
Non-current assets	731 815	671 950	769 557	774 824	480 186
Total assets	**1 252 138**	1 167 386	1 307 288	1 137 834	788 664
Interest-bearing liabilities	**281 694**	228 462	383 795	299 073	69 523
Equity	**626 583**	590 456	594 779	538 709	522 981
Margins					
Gross operating profit in % of operating income	**33.2 %**	33.4 %	33.7 %	31.5 %	32.3 %
EBITDA in % of operating income	**8.2 %**	8.2 %	7.4 %	7.4 %	8.4 %
EBIT in % of operating income	**3.6 %**	3.9 %	3.7 %	4.1 %	4.5 %
Net profit in % of operating income	**2.9 %**	2.6 %	2.2 %	3.0 %	3.5 %
Financial result in % of interest-bearing liabilities	**–4.1 %**	0.9 %	2.9 %	1.0 %	–2.0 %
Equity in % of assets	**50.0 %**	50.6 %	45.5 %	47.3 %	66.3 %
Return on equity (ROE)*	**12.3 %**	11.1 %	10.7 %	11.1 %	11.8 %
Workforce as of December 31					
Number of employees	**6 470**	6 488	6 561	6 810	3 341
Average workforce					
Adjusted to full-time employees	**6 059**	6 179	6 497	3 794	3 249

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

Share Information

		2011	2010	2009	2008	2007
Per-share data						
Share price as of 31.12.	CHF	**1 762**	1 766	1 551	1 300	1 925
Year's high	CHF	**2 300**	1 875	1 750	1 950	2 250
Year's low	CHF	**1 665**	1 480	1 267	1 101	1 410
Average daily trading volume	Number	**93**	75	65	117	129
Stock exchange capitalisation						
Year's end	in CHF million	**705**	706	620	520	770
Year's high	in CHF million	**920**	750	700	780	900
Year's low	in CHF million	**666**	592	507	440	564
Equity per share	CHF	**1 573**	1 461	1 466	1 357	1 302
Net profit per share	CHF	**180**	163	141	151	142
EBITDA per share	CHF	**514**	539	482	364	344
EBIT per share	CHF	**226**	257	242	202	183
Return per share*		**10.2 %**	9.3 %	9.1 %	11.6 %	7.4 %
Distribution per share	CHF	**60**	50	40	40	40
Distribution quota		**33.3 %**	30.6 %	28.3 %	26.5 %	28.2 %
Dividend yield**		**3.4 %**	2.8 %	2.6 %	3.1 %	2.1 %

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

		2011	2010	2009	2008	2007
Capital structure as of 31.12.						
Share capital	in CHF thousand	**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	**2 206**	5 316	6 938	8 335	1 812
Shares recorded in share register	Number	**365 016**	369 794	366 309	365 558	364 294
Registered shareholders	Number	**3 751**	3 659	3 606	3 197	3 153

Securities no.	441 041
ISIN	CH0004410418
Trade	SIX Swiss Exchange
Symbol SIX	BELL
Current share price	www.bell.ch

Report of the Statutory Auditors on the Consolidated Financial Statements

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

As statutory auditors, we have audited the consolidated financial statements of Bell Ltd (formerly Bell Holding Ltd), which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes (pages 46 to 65), for the year ended 31 December 2011.

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 2011 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	Andreas Wolf
Audit expert	Audit expert
Auditor in charge	

Basel, 13 February 2012

Corporate Governance

RESPONSIBLE CORPORATE GOVERNANCE

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

Status as of 31 December 2011 if nothing is stated to the contrary.

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 65.

Capital structure and shareholders' rights

Significant shareholders See page 64.

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.

continue page 72

Corporate Governance

Members of the Board of Directors

Hansueli Loosli, 1955, Swiss
Chairman of the Board of Directors

Certified public accountant (Federal diploma)
Chairman of the Directors Board of Coop Cooperative; since 2011

Board member mandates
- Transgourmet Holding AG, Basel; Chairman
- Coop Mineraloel AG, Allschwil; Chairman
- Swisscom (Schweiz) AG, Bern; Chairman

Professional career
- Coop Cooperative, Basel; Chairman of the Executive Board of Coop; 2001 – 2011
- Coop Switzerland, Basel; Chairman of the Executive Board and of Coop Group Executive Board; 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 Produktion 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

Jörg Ackermann, 1958, Swiss
Member of the Board of Directors

Business economist (School of Economics)
Mandates for VGL Coop Cooperative; since 2008

Board member mandates
- Transgourmet Holding AG, Basel
- 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 Switzerland 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
Member of the Board of Directors

Dr. oec. publ.
Vice-chairwoman of the Board of Directors of Coop Cooperative; since 2011

Board member mandates
- Coop Immobilien AG, Bern
- Bank Coop AG, Basel
- Coop Mineraloel AG, Allschwil
- Dipl. Ing. Fust AG, Oberbüren
- CPV/CAP Pensionskasse Coop, Basel; Member of the Board of Trustees
- Transgourmet Holding AG, Basel
- ETH Zürich Foundation, Zurich; Member of the Board of Trustees
- Juventus schools in Zurich; Member of the Board of Trustees

Professional career
- Chairwoman of the Coop Cooperative Board of Directors; 2009 – 2011
- Vice-chairwoman of the Coop Board of Directors; 2000 – 2009
- Nabholz Beratung, Zurich: Project manager of consultancy projects for public administrations and operations with an emphasis on finance and organisation; 1985 – 2008
- Auditing and consultancy mandates for private-law companies on behalf of Dr. Nabholz Treuhand AG, Zurich; 1980 – 2002

Werner Marti-Kamm, 1957, Swiss
Member of the Board of Directors

Attorney
Law office; since 1988

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

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

Joachim Zentes, 1947, German
Member of the Board of Directors

Dr. rer. oec.
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
- Transgourmet Holding AG, Basel

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

Corporate Governance

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 64 and 67.

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

	Chairman of the Board of Directors	Member of the Board of Directors	Term of office ends in
Hansueli Loosli	since 2009	–	2015
Jörg Ackermann	2001-2009	since 2000	2015
Irene Kaufmann-Brändli	–	since 2009	2015
Werner Marti	–	since 2009	2015
Joachim Zentes	–	since 1997	2013

Hans Peter Schwarz, long-standing member of our Board of Directors, passed away in September 2011. The Board of Directors will present a candidate to replace Hans Peter Schwarz on the Board at the 2012 Shareholders' Meeting.

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 Ltd for every meeting. The Coop Cooperative 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 60.

Internal organisation and areas of responsibility

The Board of Directors of Bell 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-en. In addition to its non-transferable responsibilities and powers, the Board decides on mergers, litigation, contracts of special importance, capital investments in excess of CHF 3 million, and real estate/corporate acquisitions and sales. The Board determines Bell Group's corporate structure and is responsible for hiring, discharging and overseeing company managers and executives. The Board defines the company's salary, social security and investment policies, and monitors their implementation. It also makes decisions concerning the company's representation in industry associations and interest groups, the granting of third party loans exceeding CHF 100,000, and guarantees in any amount.

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

The Board of Directors usually meets seven times per year, and the meetings usually last from four to six hours. One or two special meetings are also held every year to discuss corporate strategy and other transactions that might have a considerable impact. Members of the Bell Group Executive Board are invited to the meetings. No external advisors were engaged in 2011.

In 2011, the Board of Directors held seven ordinary meetings. In addition to the usual day-to-day business, the Board of Directors concentrated on the following subjects and projects:
- Preparation of business strategies for the Bell International companies ZIMBO, Abraham and Polette
- Takeover of the German convenience specialist Hoppe
- Takeover of the meat drying plant of Kocherhans und Schär AG in Churwalden in the canton of Graubünden
- Various sizeable investment projects such as the expansion of the Abraham plant in Harkebrügge and the new charcuterie facility in Cheseaux in the canton of Vaud
- Financial strategy
- IT strategy
- Personnel strategy including management principles and management structure
- Brand strategy for Bell Switzerland

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 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.

continue page 78

Corporate Governance

Members of the Group Executive Board

Lorenz Wyss, 1959, Swiss
Chairman of the Group Executive Board (CEO)
Head of Bell International division i. P.
Head of Bell Switzerland division a.i.
Has been with Bell since 2011; in this function since 2011

Butcher
Business diploma
Certified meat industry technician
Master of Business Administration ZFH

Board member mandates
- Centravo Holding AG, Zurich
- GVFI International AG, Basel
- Hilcona Aktiengesellschaft, Schaan, Liechtenstein
- 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
Head of Finance/Services division (CFO);
Deputy Chairman of the Group Executive Board
Has been with Bell since 1992; in this function since 1994

Certified public accountant (Federal diploma)

Board member mandates
- Hilcona Aktiengesellschaft, Schaan, Liechtenstein
- CPV/CAP Pension Fund Coop, Basel; Member of the Board of Trustees

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

Members of the Executive Boards*

Bell Switzerland

Division heads

Markus Bänziger, 1955, Swiss
Head of Seafood/Logistics Business Unit
Has been with Bell from 1975 to 1985 and again from 1995; in this function since 2011

Certified marketing manager (Federal diploma)

Professional career
- Managerial positions with Bell Ltd, Basel:
  - Head of Convenience Division; 2009 – 2010
  - 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
Head of Poultry Business Unit
Has been with Bell since 1997; in this function since 2008

Certified marketing planner (Federal diploma)

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
Head of Fresh Meat Business Unit
Has been with Bell since 1996; in this function since 2007

Master butcher (Federal diploma)
Commercial diploma

Board member mandates
- Identitas AG, Bern
- Proviande Genossenschaft, Bern
- Estonia-ACB-Vianco OÜ, Võrumaa, Estonia

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
Head of Charcuterie Business Unit
Has been with Bell since 1990; in this function since 2007

Master butcher
Certified food technologist
Technical business administrator (ICC)

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

*Status as per the editorial deadline

Corporate Governance

Bell International

Managers

Abraham Group

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

Commercial diploma

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
Head of Production and Technics
Has been with Abraham since 2010; in this position since 2011

Specialist for food technology

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

Polette Group

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

Business diploma

Board member mandates
- Consortium des Salaisons d'Auvergne, Aubière
- Fédération des Industriels Charcutiers, Traiteurs et Transformateurs de Viande (FICT), Paris

Ludovic Jouanneau, 1974, French
Head of Administration and Finance
Has been with Polette since 2008; in this function since 2008

Diploma awarded by the Business College of Clermont-Ferrand

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
Head of Sales
Has been with Polette since 1994; in this function since 1994

Licentiate of business sciences

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
CEO
Head of Marketing and Sales
Head of Production, Purchase, Logistics and Technics a.i.
Has been with ZIMBO since 2008; in this function since 2008

Certified business administrator

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
Head of Finance and Controlling
Deputy CEO
Has been with ZIMBO since 2005; in this function since 2006

Certified economist

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

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 64 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 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 percent for 2011 (previous year: 20.9 %). For information on overall salaries and share ownership, see the notes to the annual report on page 60.

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 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 69.

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 2011, the activities of the statutory auditors focused on statutory obligations including an evaluation of the existence of the ICS.

Auditors' and other fees

in CHF thousand	2011	2010
Auditing services	1’023	1’172
Tax consulting	–	–
Legal services	–	–
Transaction consulting (incl. due diligence)	–	–
Total	1’023	1’172

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 Ltd	17 April 2012
Publication of results for first half of 2012	9 August 2012
Publication of 2012 sales figures	first half of January 2013
Publication of results for 2012	February 2013

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 86 of this annual report.

Corporate Governance

Members of Senior Management*

Group Executive Board

Lorenz Wyss Chairman of the Group Executive Board, Head of Bell International Division i. P., Head of Bell Switzerland Division a.i.
Martin Gysin Head of Finance/Services Division (CFO), Deputy Chairman of the Group Executive Board

Management board unit

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

Finance/Services Division

Martin Gysin Head of Finance/Services Division (CFO)
Rolf Anti Head of Organisation
Thomas Denne Head Controlling Fresh Meat and Charcuterie Business Units
Peter Kunimünch Head IT
Johannes Meister Head Human Resources/Training
Marc Pittino Head Controlling
Thomas Studer Head Projects
Ulrich Süss Head Accounting

Bell Switzerland Division

Lorenz Wyss Head of Bell Switzerland Division a.i.

Management members Bell Switzerland Division

Davide Elia Head Marketing/Communication

Fresh Meat Business Unit

Josef Dähler Head Business Unit
Jean-Luc Aebischer Head Sales/Marketing Romandie
Roderich Christoph Balzer Head Plant Oensingen
Christian Gremion Head Fresh Meat Romandie
Guillod Thierry Head Plants Romandie
Michel Lerch Head Plant Basel
Joachim Messner Deputy Head Plant Basel
Elvira Meyer Head Sales/Marketing
Martin Reinhard Head Purchasing
Stefan Seiler Head Purchasing/Sales
Josef Zuber Head Sales Trade/Food Services German-speaking Switzerland

Poultry Business Unit

Christine Schlatter Head Business Unit
Walter Bieri Head Purchasing/Sales
Thomas Graf Head Plant
Sara Patrizia Kraettli Head Sales/Marketing
Christoph Schatzmann Head of Integrated Animal Production

Charcuterie Business Unit

Adolf Maassen Head Business Unit
Thomas Abt Head Logistics
Frank Bechler Head Marketing/Sales
Daniel Fässler Head Plant Gossau
Hanspeter Gysin Head Planning/Technics
Ursula Kuhn Head QM/Laboratory
Francesco Nicastro Head Plant Basel
Roland Rufener Head Purchasing Non-Food/Trade Products
Hanspeter Treichler Head Plant Churwalden
Kurt Zenger Deputy Head Plant Basel

*Status as per the editorial deadline

Seafood/Logistics Business Unit

Markus Bänziger Head Business Unit

Seafood

José-Manuel Seabra Head Business Subunit
Marco Märsmann Head Purchasing/Sales

Frigo St. Johann AG

Bruno Flückiger Managing Director

Bell International Division

Lorenz Wyss Head of Bell International Division i. P.

Abraham Schinken GmbH

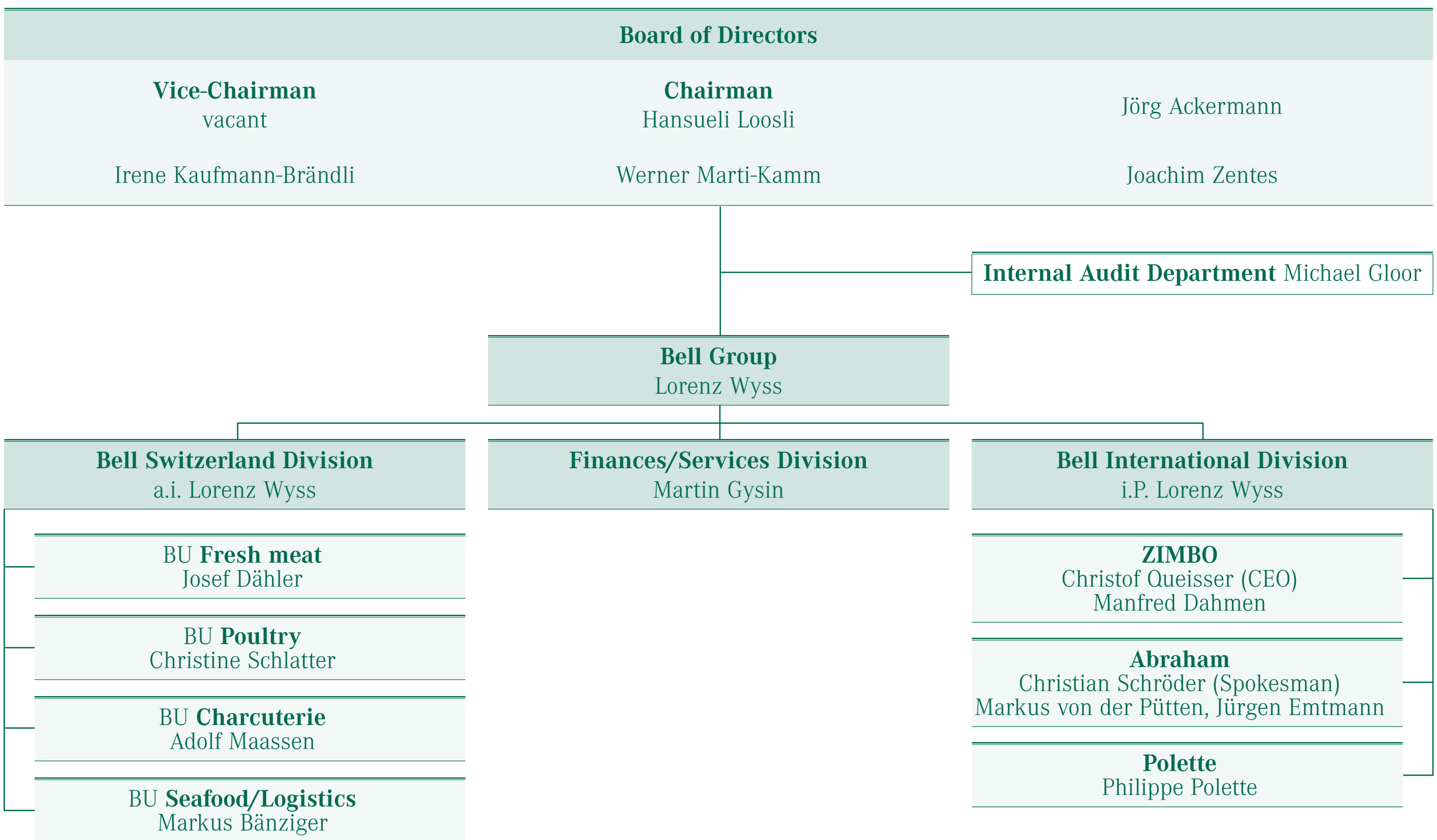
Christian Schröder Spokesman Executive Board, Head Distribution/Marketing and Administration
Markus von der Pütten Head Production/Technics
Jürgen Emtmann Head Finances

Salaison Polette & Cie SAS

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

ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG

Christof Queisser CEO, Head Marketing/Sales, Head Production, Purchase, Logistics and Technics a.i.
Manfred Dahmen Deputy CEO, Head Finance/Controlling



Bell Ltd
Balance sheet

in CHF thousand		31.12.2011		31.12.2010	
Liquid assets		172		45	
Securities		3 739		2 025	
Receivables affiliated group		–		22 475	
Other receivables		141		133	
Current assets		**4 052**	**1.1 %**	24 678	7.4 %
Financial assets	Majority interests	146 373		147 373	
	Minority interests	83 820		9 051	
	Loans affiliated group/other financial assets	148 247		151 992	
Tangible assets	Land	153		392	
	Buildings	722		1 133	
Non-current assets		**379 315**	**98.9 %**	309 941	92.6 %
Assets		**383 367**	**100.0 %**	334 619	100.0 %
Miscellaneous accounts payable		198		902	
Accounts payable affiliated companies		42 514		17	
Deferred items		91		66	
Current liabilities		**42 803**	**11.2 %**	985	0.3 %
Non-current liabilities		–		–	
Liabilities		**42 803**	**11.2 %**	985	0.3 %
Share capital		2 000		2 000	
Legal reserves		10 000		10 000	
Treasury shares		3 113		6 993	
Other reserves		298 520		257 012	
Annual profit		26 931		57 629	
Equity		**340 564**	**88.8 %**	333 634	99.7 %
Liabilities		**383 367**	**100.0 %**	334 619	100.0 %

Bell Ltd
Income Statement

in CHF thousand	**2011**	2010
Income from holdings	50 558	50 518
Other financial income	7 692	6 983
Other proceeds	3 027	3 089
Total income	**61 278**	60 590
Administration expenses	1 331	1 582
Other expenses	327	317
Interests expenses	1 613	240
Other financial expenses	30 833	–
Depreciation of tangible assets	411	411
Expenses	**34 515**	2 550
Operating profit before taxes	**26 763**	58 039
Income from sale of non-current assets	168	280
Profit before taxes	**26 931**	58 319
Taxes	–	690
Profit after taxes	**26 931**	57 629

Bell Ltd
Appropriation of Annual Profit

Proposals of the Board of Directors to the General Meeting

in CHF thousand	2011	2010
Appropriation of annual profit		
Annual profit	26 931	57 629
CHF 60 dividend (previous year CHF 50)	24 000	20 000
Transfer to the other reserves	2 931	37 629
Total appropriations	**26 931**	57 629

Appendix

in CHF thousand	2011	2010
Total amount of guarantees, warranties and mortgages in favour of Group companies*	**225 000**	331 109
Total amount of mortgaged assets at legal book values	–	–
Fire insurance value of buildings	**4 194**	4 194
Important participations	**page 65**	–
Treasury shares according to statement on changes in equity	**page 49**	–
Principal shareholders: Coop Genossenschaft, Basel	**66.29%**	66.29%
Sarasin Investmentfonds AG, Basel	**4.55%**	4.09%
Conditional increase in share capital as decided	**1 000**	1 000
Total amount of the approved share capital increase	**500**	500
Details on risk assessment	**page 64/73**	–

* 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 Ltd
Report of the Statutory Auditors on the Financial statements

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

As statutory auditors, we have audited the financial statements of Bell Ltd (formerly Bell Holding Ltd), which comprise the balance sheet, income statement and notes (pages 82 to 84), for the year ended 31 December 2011.

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 2011 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	Andreas Wolf Audit expert

Basel, 13 February 2012

Contacts

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		info@bell.ch • www.bell.ch
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	Elisabeth Wegeleben	Phone +41 61 326 2208 • Fax +41 61 326 2119 • info-aktien@bell.ch
Public Relations/Investor Relations	**Bell Ltd**	Elsässerstrasse 174 • 4056 Basel • Switzerland
	Davide Elia	Phone +41 61 326 2212 • Fax +41 61 326 2114 • davide.elia@bell.ch
Current Information		www.bell.ch
Bell Switzerland	**Bell Schweiz AG**	Elsässerstrasse 174 • 4056 Basel • Switzerland • Phone +41 61 326 2626 • Fax +41 61 326 2170
Bell Fresh Meat	**Bell Schweiz AG**	Dünnernstrasse 31 • 4702 Oensingen • Switzerland • Phone +41 62 388 5300 • Fax +41 62 388 5398
Bell Romandie	**Bell Suisse SA**	Chemin du Châtelard 5 • 1033 Cheseaux-sur-Lausanne • Switzerland
		Phone +41 21 731 9900 • Fax +41 21 731 9903
Bell Charcuterie	**Bell Schweiz AG**	Elsässerstrasse 174 • 4056 Basel • Switzerland • Phone +41 61 326 2626 • Fax +41 61 326 2110
Bell Poultry	**Bell Schweiz AG**	Zelgmatte 1 • 6144 Zell • Switzerland • Phone +41 41 989 8600 • Fax +41 41 989 8601
Bell Seafood	**Bell Schweiz AG**	Neudorfstrasse 90 • 4056 Basel • Switzerland • Phone +41 61 326 2929 • Fax +41 61 326 2145
Frigo St. Johann	**Frigo St. Johann AG**	Neudorfstrasse 90 • 4056 Basel • Switzerland • Phone +41 61 327 1133 • Fax +41 61 327 1233
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Bell International		
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General information
All amounts have been rounded individually.
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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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