Bell Ltd
Annual Report
2012

Quality is our core competence

Bell embodies values. With commitment and passion.

Products are created by people. In awareness of this, Bell's employees pursue our traditional craft with great passion and a fine understanding. They make sure that our products meet the highest quality standards for the perfect taste experience. It is just as important to us to keep traditions alive as it is to develop innovative new products. In pursuing our goals we respect our natural resources. We attach importance to sustainability – also with regard to our employees. They are the foundation for our success.

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Bell in brief

The Bell Group is one of the leading meat processors in Europe. Its range of products includes meat, poultry, charcuterie, seafood and convenience products. With the brands Bell, Abraham, ZIMBO, Môssieur Polette and Hoppe the Group meets a diversity of customer needs. Bell counts the retail and wholesale trade, food service sector and food processing industry among its customers.

Around 30 % of sales revenue and around 45 % of volume are generated outside Switzerland.

SALES PROCEEDS
in CHF thousand

2,526,520

Previous year
2,516,953

OPERATING INCOME
in CHF thousand

2,508,378

Previous year
2,482,588

+1.0%

EBITDA
in CHF thousand

185,138

Previous year
204,291

−9.4%

EBIT
in CHF thousand

99,145

Previous year
89,849

+10.4%

NET PROFIT
in CHF thousand

75,849

Previous year
71,618

+5.9%

SALES BY PRODUCT GROUP
in %

45% Charcuterie

33% Fresh Meat

14% Poultry

5% Seafood

2% Other sales

1% Special Meats

SALES BY COUNTRY
in %

18% Germany

5% Oastern Europe

4% France

70% Switzerland

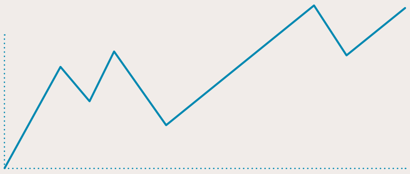
3% Spain/Benelux

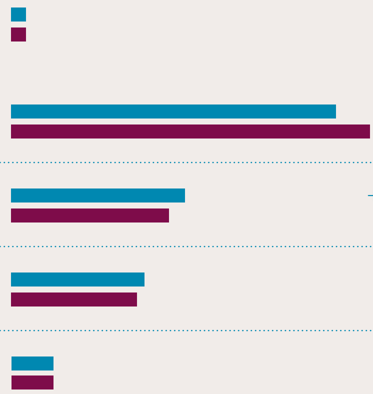
SHARE PRICE AS OF 31.12.
in CHF

2,005

Previous year
1,762

+13.8 %





	2012	2011	Change
EBITDA per share in CHF	465	514	−9.5 %
EBIT per share in CHF	249	226	+10.2 %
Net profit per share in CHF	191	180	+6.1 %
Dividend per share in CHF	60	60	+0.0 %

ACQUISITION OF RAW MATERIALS (SWITZERLAND)
in tonnes

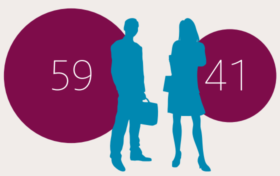
	Own slaughtering	Purchased from third parties/imports	Percentage of imports	2012	2011
Slaughter animals	100 351	4 957	5 %	**105 308**	106 438
Poultry	25 144	10 235	29 %	**35 379**	33 672
Meat specialities (game, rabbit and others)	30	1 826	98 %	**1 856**	2 167
Seafood (without trade goods)	–	5 617	98 %	**5 617**	5 158
Total	125 525	22 635	18 %	**148 160**	147 435
Charcuterie sales volumes Switzerland				**32 369**	32 462
Charcuterie sales volumes Europe				**99 201**	103 551

NUMBER OF PRODUCTION PLANTS

27

27 Production plants (=)
100 Sales outlets (+6)
2 Other locations (–1)

GENDER DISTRIBUTION
in %



Share of women in management 19 % (Previous year 17 %).

NATIONALITIES

72

Previous year
74

The Bell Group has an international focus: it is present in 11 countries, sells its products in around 25 countries and employs people from 72 countries.

Lorenz Wyss
Chairman of the Group Executive Board

Hansueli Loosli
Chairman of the Board of Directors

The groundwork for the future has been laid

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

CONTENTS

Dear Shareholders

The economic parameters were challenging in the 2012 financial year. In most of our markets, prices for raw materials remained persistently high. A few price adjustments could be enforced in the market with some delay, but generally speaking the situation remained difficult. The Bell Group enjoyed stable sales trends. Sales rose by 0.4 percent to CHF 2.53 billion. Adjusted for exchange rate differences and structural changes, sales growth amounted to 0.6 percent. Sales volumes for the Group as a whole declined slightly by around 221,700 tonnes (– 1.2 %).

At CHF 185.1 million, the operating result (EBITDA) was down CHF 19.2 million or around 9.4 percent from the previous year. This decline had several reasons. Special costs of around CHF 9 million were incurred for the closing of the Bochum plant. The high prices for raw materials on the one hand and pressure on sales prices on the other appreciably affected the margins for our international operations. Growth in our core market Switzerland also slowed down, in particular for charcuterie products where the market declined noticeably. At CHF 75.8 million, the net profit was up CHF 4.2 million or 5.9 percent from the previous year.

Divisions in the shadow of consolidation

Bell Switzerland once again reached the high level of the previous year and reports stable business development. Because of weaker market trends, growth slowed down slightly. One of the reasons for the decline in the market can once again be found in substantial purchases of meat by Swiss consumers in our neighbouring countries. We nevertheless managed to increase our sales volumes and gain market shares. With regard to fresh meat and poultry, we posted growth with Swiss meat. Charcuterie sales, however, saw some contraction. Sales trends for seafood remain encouraging and we have now established ourselves as the market leader in this segment.

Sales for Bell Germany increased slightly by CHF 484.1 million (+ 1.5 %) year-on-year. Raw materials prices remained persistently high and price adjustments could only be enforced in the market to a limited extent. Sales of air-dried ham increased, while sales of scalded and cured sausages were lower year-on-year due to the restructuring of our product ranges.

Bell Eastern Europe/Benelux performed irregularly. Business in Poland developed well, while in Hungary we launched a number of initiatives to improve the efficiency of our product ranges and processes and to counteract the weak domestic economy. The loss of a product group affected our trading activities in the Benelux countries, which we managed to make up in part. Our branches in the Czech Republic, Slovakia and Romania, where the branch network has expanded to include 100 units, performed very well.

Although Bell France posted encouraging volume growth, it remains difficult to pass the very high raw materials prices on to the French market by way of price increases. The price setback on raw materials can only be compensated to a limited extent with additional productivity increases. Thanks to the unity of the Bell Group, we were able to open up new markets in Germany and Switzerland for our French specialities.

Seen overall, we are satisfied with the Bell Group's performance in the 2012 financial year. Although the growth momentum of the past few years could not be continued, we posted a good result at a high level, particularly in view of the difficult parameters. This shows that we have a strong foundation as a Group on which we can continue to build in future.

+13.8 %

Increase in Bell's share price in the reporting period.

Dividend of CHF 60 per share

The Bell share price of CHF 2,005 as at 31 December 2012 was 13.8 percent or CHF 243 higher than the year-end price for 2011. The Swiss Performance Index SPI gained 17.7 percent in the same period. In line with our dividend policy and based on the Group's performance and future prospects, we are aiming for a payout ratio of 30 to 40 percent. Given the results for the 2012 financial year, the Board of Directors will ask the Shareholders' Meeting to pay the same dividend as for 2011 of CHF 60 per share (payout ratio 31.5 %).

The groundwork for the future has been laid

In 2012 we introduced a number of organisational changes in order to facilitate the exploitation of synergies and improve our efficiency. Christian Schröder, the manager of Abraham, took over the management of Bell Germany. Our operational production, procurement, logistics and IT processes are being merged under this single management structure. With the merger of our activities in Germany, our administration was centralised in Seevetal and the Bochum site will be closed in spring 2013.

We split our international business into Bell Germany, Bell France and Bell Eastern Europe/Benelux with regard to our country-specific operations in Eastern Europe and the Benelux countries. This restructuring went hand in hand with the reorganisation of the legal structures, which resulted in a substantially smaller number of legal entities. We agreed to a management buy-out of our sales office in Denmark.

At staff level, adjustments were also made across all divisions. In addition to the changes in Germany mentioned before, new managers were appointed for Bell Benelux, Bell Hungary and Charcuterie Switzerland, and the top management teams in some business units were also strengthened.

In the middle of 2012 the Board of Directors adopted a new brand strategy for the Bell Group. The focus falls on the strategic brands Bell, Abraham, ZIMBO, Hoppe and Môssieur Polette, for which we have adopted detailed product and market definitions with the objective of improving and strengthening the position of these brands in their respective markets. We want to expand our brand activities to ideally supplement our already strong own-brand business.

We also realigned our locational policies. In Churwalden (Switzerland), our expanded production facilities for Graubünden specialities will be ready in mid-2013. The new charcuterie factory in Chesaux-sur-Lausanne (Switzerland) is in the implementation phase. In Zell (Switzerland), we have started with the plans for the renovation of the poultry abattoir, which is to be directly connected to the cutting hall. We are also continuing with the expansion of the facilities for the preparation of convenience products at this location. In Oensingen (Switzerland), we managed to acquire another parcel of land through an exchange of purchase rights next to the plot that was bought in 2012.

In addition to the routine adjustments that are part of the management of our product ranges, we also comprehensively restructured our facilities in Poland, Hungary and Suhl (Germany), as well as our trading company Bell Benelux.

In 2013 we will continue to consistently invest in the productive capacity of the Bell Group. We are planning to invest around CHF 90 million in the current financial year, of which around 50 million is earmarked for replacements and renovation. Thanks to our financial strength and earning power, we can finance this investment budget, which is higher than in previous years, with the cash flows generated during the year without taking up any additional debt.

Strategic security of supply and sustainability

The increasing volatility of the raw materials markets and the qualitative and quantitative availability of raw materials are issues that require more attention from us. Bell is currently testing different approaches for binding upstream services to the company more strongly. This can be implemented via different cooperation models and would provide more certainty that our growing requirements regarding the quality of raw materials can be met. This would also enable us to reduce our dependence on large suppliers of raw materials and fluctuations in raw materials prices. Another area that requires action is the bundling of our procurement processes with trusted business partners. In this way we can strengthen our position on the procurement markets and better represent our interests.

We made further progress with regard to sustainability in the reporting year by introducing specific improvements in a number of areas. We also continued to work on our Group-wide sustainability strategy. For us, quality and sustainability depend on mindset. 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.

Outlook for 2013

We will continue with the optimisation of our structures and product ranges in order to add more value.

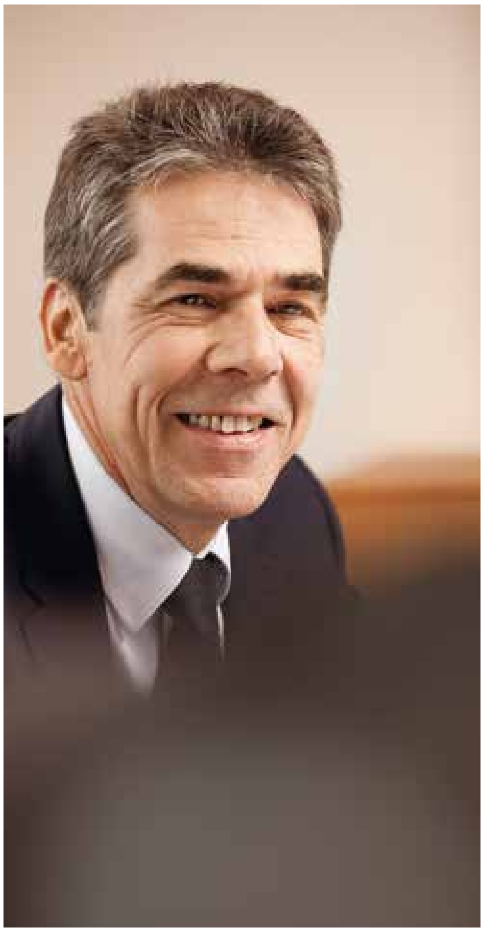
As we do not expect the economic parameters to change substantially in 2013, we believe that the environment will remain very challenging. While fierce competition and a stagnating economy are affecting sales prices, high prices for raw materials will continue to inflate our procurement costs.

To continuously improve our efficiency, we will continue with the optimisation of our structures and product ranges in order to add more value. In doing so, we will take care to consistently exploit synergies within the Group and focus on the design of innovative concepts. We are systematically overhauling our processes and will adjust them whenever necessary. After a year of transition in 2012, we want to tackle the next stages in 2013. In spite of the difficult market conditions, the initiatives that have already been launched will contribute to our continued growth.

It is very important to us to involve all our business partners in the search for the best solutions. The Bell Group is well equipped to handle future challenges. Our success is due as much to the commitment and efforts of our employees as to the shareholders, customers and suppliers who have put their trust in us. We would therefore like to take this opportunity to thank all of them for their willingness to tackle the upcoming challenges as a team as well as for their loyalty and the trust they place in Bell as a company.

Hansueli Loosli
Chairman of the Board of Directors

Lorenz Wyss
Chairman of the Group Executive Board









Our commitment to quality inspires confidence.

Quality through competence. Anchored in all our functions.
For Bell and our customers.

More than 140 years of tradition make us rich in experience. Time and again, we combine this wealth of experience with the latest technologies. A combination that provides the core to our products and is largely responsible for our success. With a fine understanding for what is essential, our experienced specialists strive for perfection in all parts of our value chain. Because quality is our core competence. From procurement to production to the sale of our products, we are committed to the highest quality standards. Our products ensure enjoyment and a zest for life. For this we can thank our employees, who are passionate, innovative and committed to providing a top service. We do not only think about today. We are passionate about sustainability and carefully husband our resources.

FEATURES

Procurement
Production
Sales
Marketing
Services

»

To obtain the best raw materials is not so easy, and demands hard work.

Martin Reinhard

Bell's **quality requirements** start with the selection of the best raw materials. With animals, elements such as farming, feeding methods and breed are important criteria.

Bell's **commitment to sustainability** also plays a central role in ensuring security of supply. Bell promotes sustainable procurement with a special focus on the wellbeing of the animals.

ABOUT

—

Martin Reinhard (62) is Head of Procurement at Bell Fresh Meat in Oensingen (Switzerland). He has been working in different positions for the Group for 40 years.

67 %

of our expenses represent costs of goods and materials.

Corporate Social Responsibility from page 24

»

With our long-standing **tradition**, we bring a wealth of experience to our craft.

Michel Lerch

Bell has strict standards for the enjoyment factor of its products. With its deep and thorough **know-how**, Bell can protect the integrity of **traditional** recipes even when they are integrated into modern manufacturing procedures.

Thanks to innovative technologies and efficient and specialised facilities, Bell's **production methods are state of the art.**

222

million kilograms is the production volume of all 27 Bell plants.

Management Report from page 14

ABOUT

—

Michel Lerch (51) has been Head of Fresh Meat at Bell Basel (Switzerland) for the past eight years and has been with the company for a total of 17 years.

»

Our product variety reflects the different needs of our customers.

Elvira Meyer

Bell's customers, the retail and wholesale trade, the food service sector and the food processing industry, have different expectations of our product range. **With a fine understanding of trends**, Bell constantly develops new and innovative products.

The **continued development of the product range** requires not only a good understanding of customer needs, but also a large measure of creativity.

2.5

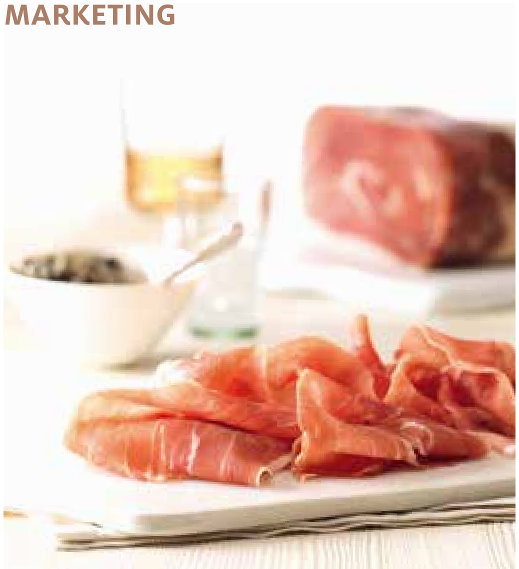
million Bell products are bought by consumers everywhere in Europe – every day.

Corporate Social Responsability
from page 24

ABOUT

—

Elvira Meyer (35) is Head of Sales/Marketing at Bell Fresh Meat in Oensingen (Switzerland). She has worked for Bell in different positions since 1999.



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Credibility, identification and trust are the most important values shaping our sustainable communication policies.

Davide Elia

ABOUT

—

Davide Elia (40) is Head of Marketing/ Communication for Bell Ltd in Basel (Switzerland). He has worked for Bell in different positions for 15 years.

Bell gives its products a **unique look**. Modern, with an effect that defines identity – a guideline for customers and consumers.

Bell uses communication and marketing measures to highlight the **added value**. The corporate and brand values take centre stage when it comes to the formulation of the message: fresh, sustainable and produced in accordance with a unique understanding of quality.

96 %

of the Swiss population knows the Bell brand.

Corporate Social Responsability from page 24

»

The promotion of our employees is at the heart of our personnel policy.

Johannes Meister

Employees who identify with the company and the products make a decisive contribution to the **success of the business**.

With modern infrastructures and processes in all professions, Bell provides our employees with an attractive working environment. **The open communication culture** and increasingly international environment of Bell make a special contribution to the recognition and development of the employees.

ABOUT

—

Johannes Meister (52) has been Head of Personnel/Training in the Finance/Services division of Bell Schweiz AG in Basel (Switzerland) for the past 18 years.

72

nationalities work at the Bell Group.

Corporate Social Responsability
from page 24

Sales volume Bell Group 221,700 tonnes

Benelux

Employees: 45
Sales volume: 7,300 t

Switzerland

Employees: 3,415
Production plants: 10
Sales volume: 122,500 t

Spain

Employees: 60
Production plant: 1
Sales volume: 5,200 t

France

Employees: 420
Production plants: 6
Sales volume: 12,600 t

Management Report

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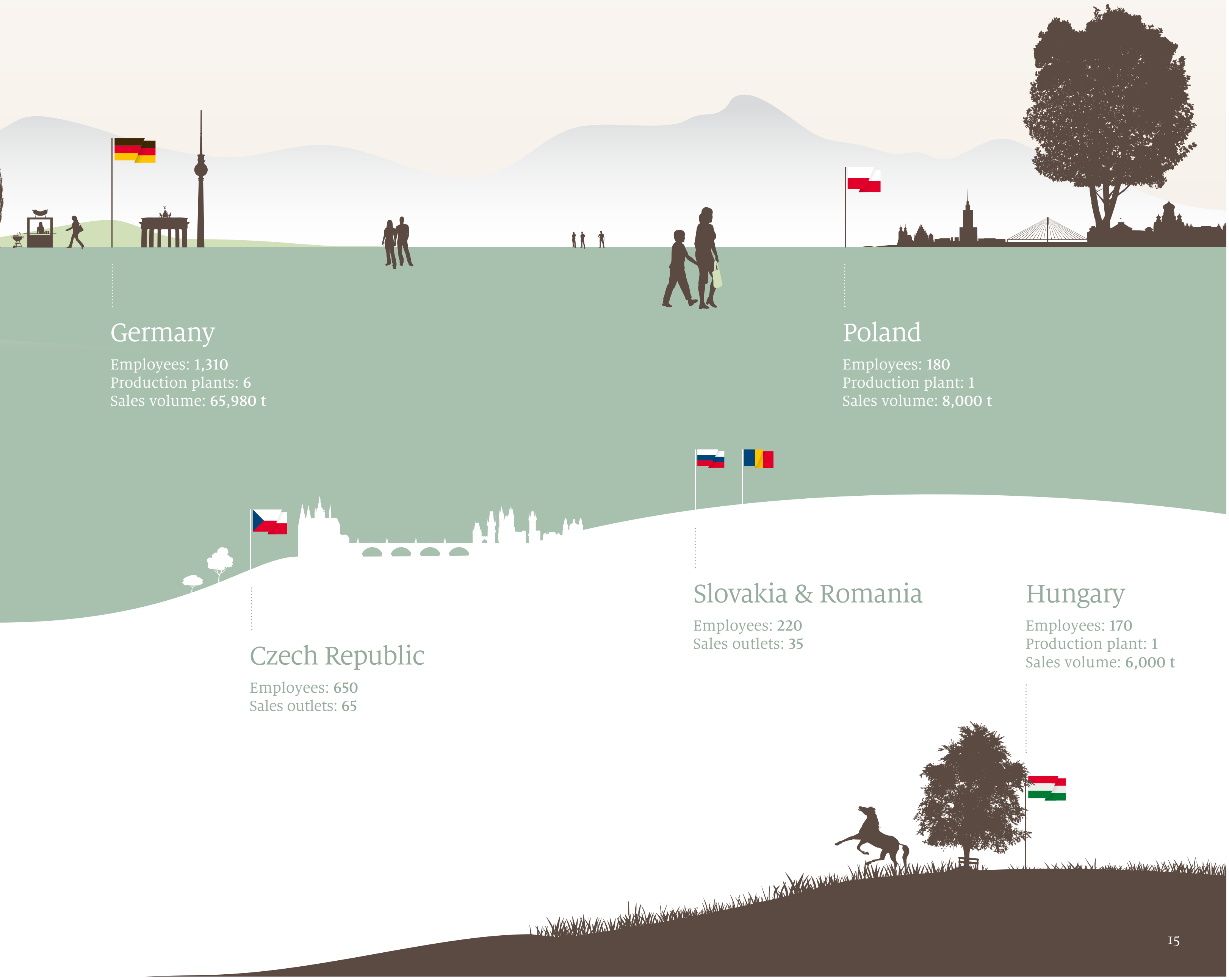


Challenging year for the Bell Group

The Bell Group enjoyed stable sales trends. Sales rose by 0.4 percent to CHF 2.53 billion. Adjusted for exchange rate differences and structural changes, sales growth amounted to 0.6 percent. Sales volumes for the Group as a whole declined slightly by around 221,700 tonnes (– 1.2 %).

The situation for procurement prices remains very difficult in most of our markets. Raw materials prices remain persistently high. The trade only accepted the resulting price increases conditionally and with a serious delay.

The net profit at CHF 75.8 million was up CHF 4.2 million from the previous year.

At around CHF 827 million, the gross profit remained stable. The integration of the abattoir in Basel contributed an additional amount of approximately CHF 9 million to the gross profit, while lower sales prices had a negative effect on this figure. Due to consolidation effects, personnel costs were higher year-on-year. The financial statements include the full-year results for Schlachtbetrieb Basel and the Hoppe (convenience meat products) and Kocherhans (specialities from Graubünden) operations for the first time. The number of employees was 6,469 at the end of the reporting year (– 1), around half of whom work in Switzerland.

At CHF 185.1 million, the operating result (EBITDA) was down around 9 percent from the previous year. The decline is explained by the one-off provision of CHF 9 million for the closing of the Bochum plant. Adjusted for exceptionals, EBITDA was on a par with the previous year. The net profit at CHF 75.8 million was up CHF 4.2 million from the previous year.

Strategic partner Hilcona continues to grow

Hilcona AG, an important investment of Bell Ltd, took over Gastro Star AG on 1 January 2012 and consolidated its results in the Hilcona Group from 1 July 2012. With this acquisition, Hilcona strengthened its market position as a provider of a complete range of products in the fresh convenience food market segment. In addition to the administrative jobs with Gastro Star AG, the established Swiss production and distribution facilities at Dällikon and Villigen will remain in operation. As part of a cooperation project, Bell Ltd has owned 49 percent of Hilcona since 1 January 2011 and will acquire a further 2 percent of the capital of Hilcona in 2015.

Bell Switzerland – stable development

Switzerland is the core market of the Bell Group. Here we have a very broad basis and cover all product groups in the meat segment with our full range of products, from fresh meat to poultry and charcuterie to seafood. In Switzerland, we slaughter and cut in our own facilities and also have the infrastructure we need to manufacture top-class meat products. Our customers in Switzerland include the retail and wholesale trade, food service sector and food processing industry.

Bell Switzerland once again reached the high level of the previous year and reports a stable business performance. Because of weaker market trends, growth slowed down slightly. Sales volumes increased by 1.4 percent to 122.5 million kilogrammes. This represents a market share gain for Bell, as market volume has fallen by around 2 percent in Switzerland according to the company's estimates. The rise in sales was less robust, at 0.6 percent to CHF 1.76 billion. This is a result of lower sales prices, down by an average of 0.8 percent.

Swiss meat accounted for most of the growth. Consumers particularly appreciate our level of quality and the diversity of our product ranges. Imported meat trended weaker than average. We suspect that Swiss consumers who buy foreign meat prefer to do their shopping in our neighbouring countries where prices are lower. Booming shopping tourism was a constant throughout the reporting year and primarily affected the Swiss retail sector.

Sales through the retail trade and food processing industry trended lower, while sales through the food service sector increased for some channels. Sales through small outlets such as convenience shops also improved.

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. We nevertheless noticed the downward trend in the retail market in the form of stronger pressure on prices and margins.

Challenging market environment

The volume of meat available in Switzerland, a good gauge of meat consumption by the population, dropped by around 2 percent in the reporting year. Meat imports in particular declined sharply at around 9 percent for meat from slaughter animals and 1 percent for poultry. If the meat products bought across the border by people living in Switzerland are added to the domestic sales, we estimate that meat consumption has remained stable overall.

In the insulated Swiss procurement market, raw materials prices started moving again after two years of relative stability. The average purchase prices for cattle products were 0.4 percent higher in 2012. While pork prices were still lower than in the previous year in the first semester, prices firmed substantially in the second half of the year and in particular in the last quarter.

Sales volumes Fresh meat

Sales volumes for fresh meat grew by 1,100 tonnes to a total of 55,857 tonnes.

Fresh meat – solid business development

Sales volumes for fresh meat grew by 2 percent or 1,100 tonnes to a total of 55,857 tonnes. Because of lower average sales prices, sales were stable and on a par with the previous year at CHF 829 million (+ CHF 13 million, + 1.6 %).

At 100,351 tonnes, meat production from slaughter animals was the same as in the previous year. Production figures for cattle and cows were substantially higher than in the previous year and well below the previous year for pigs, which echo the developments on the market. Bell's own meat production was supported with targeted purchases of separate cuts. Bell purchased slaughter animals from the Swiss agricultural industry for a total of around CHF 600 million.

Product ranges with more added value such as self-service and convenience products and processed products for the barbecue season continued to grow. Other innovative product concepts are in the pipeline. Successful sales promotion campaigns such as product festivals and promotion articles also contributed to the positive performance.

The planning of the new fresh meat facilities to be built in Cheseaux-sur-Lausanne and Oensingen progressed further. Contrary to earlier assumptions, we now expect the charcuterie production to come online in Cheseaux in 2014 or 2015 and the pork processing facility in Oensingen should be operational by 2017/2018.

Charcuterie – downward market trend

Charcuterie sales dropped noticeably by 2.8 percent to CHF 430 million. Sales volumes contracted less sharply by 0.3 percent to a total of 32,462 tonnes.

The main reason for the sales contraction, apart from negative inflation, lies in the trends on the charcuterie market, in particular in the retail sector and consequently also the food processing industry. These two sales channels were weaker than in the previous year, while sales in the food service sector remained stable.

The market turned lower for scalded sausages in particular. The late start of the barbecue season because of bad weather also had a negative effect. We countered this trend with innovative products and targeted sales promotion campaigns, as a result of which our contraction was less pronounced than for the market as a whole. We are working on innovative concepts to reverse the trend for scalded sausages.

Cured meat products did better in the past financial year, with the boiled ham product group performing particularly well. Sales volumes for cured sausages suffered as a result of fewer special offers during the year. We countered this trend in the second half of the year with a new sales concept for French salami produced by our Group company Polette.

The start of deliveries of Graubünden specialities by the meat drying plant in Churwalden that was acquired in 2011 went well. The expansion of the facility started in mid-2012 with an investment of around CHF 8 million. This will increase the plant's production capacity by around 50 percent.

Sales volumes Poultry

Sales improved in the reporting year to CHF 366 million.

Poultry – expansion of convenience segment

The poultry segment seamlessly continued its success of the previous years. Sales improved by 0.9 percent to CHF 366 million. Sales volumes grew by 0.3 percent to a total of 28,341 tonnes. Bell generated a slaughter volume of 25,144 tonnes, an increase of 3.4 percent.

In the future, the focus will also fall on product ranges with higher added value. Swiss poultry remains very popular among consumers. Demand for chicken pieces in particular is outstripping demand for whole chickens. A further expansion of the convenience ranges is also planned. These include products with a higher degree of preparation, such as specialities that have already been cooked. Bell will invest in the required facilities as necessary.

The special meats product group (game, rabbit, ostrich, etc.) had a good financial year. There were several reasons for this, such as the targeted design of a new product range with innovative packaging and cuts for the food service sector. Thanks to our many years of building up relationships with selected suppliers, we can offer our customers planning security with regard to availability and prices, which is not always the case in this category. A good example here is our cooperation with selected partners in the procurement of European ostrich meat. This makes us independent of the usual suppliers in South Africa, from where imports have been stopped for quite a while for epidemic and hygienic reasons. As these products are mainly available and bought abroad, sustainability and the well-being of the animals are issues that need particular attention. For example, we only import rabbits from suppliers whose livestock farming methods comply with Swiss animal protection legislation.

Seafood – market leader status achieved

In the seafood segment, Bell's sales improved by 10.9 percent or CHF 11.3 million to CHF 120 million in total. An increase was reported for all customer groups. In a stable market environment with similar consumption patterns as the previous year, sales volumes improved by 15.2 percent or 634 tonnes to 5,680 tonnes. Bell has thus gained additional market shares and is now the largest provider of fresh seafood products in Switzerland.

The seafood segment also noticed the more challenging consumer environment. Consumers have become more aware of prices and increasingly buy products on special offer. The range of sustainably sourced seafood has also been expanded. Demand for wild-caught label products has increased much more strongly than demand for aquaculture seafood.

Bell further expanded its range of wild-caught label fish, mainly with products carrying certification by the Marine Stewardship Council (MSC), which guarantees sustainable fishing methods and the traceability of fish. With ASC-certified (Aquaculture Stewardship Council) products, we have found a sustainable programme for farmed fish products. We are convinced that label programmes for aquaculture fish will also play a bigger role in future. Around two-thirds of Bell's seafood sales volume come from fish farms.

Bell Germany – in the shadow of consolidation

With a broad portfolio of specialities, we are the market leader in the air-dried ham segment.

Germany is an important market for the Bell Group. With a broad portfolio of specialities, we are the market leader in the air-dried ham segment. We are also among the most important suppliers in the cured sausages, scalded sausages and boiled ham product groups. Bell Germany has seven specialised facilities in Germany, and the two production facilities in Spain and Belgium also belong organisationally to the Bell Germany division. The products manufactured in this division are sold in around 25 countries throughout Europe.

Looking at the overall German market, we can state the following: the self-service sausage market has grown in terms of value in 2012, although the discounter segment, an important sales channel in Germany, contracted. Market volumes declined, which reflects the impact of the smaller discounter share and better sales of more expensive products. The share of trade brands increased once again, but the discounter market share shrank slightly.

Raw materials prices remained very high in 2012. A few price adjustments could be enforced in the market with some delay, but generally speaking the situation remained very difficult. Sales for Bell Germany (incl. the Spanish and Belgian operations) increased slightly by 1.5 percent to CHF 484 million. In local currency, sales grew by 3.7 percent. The delayed effects of the previous year's price increases had a positive impact on sales in the reporting year, which was, however, diluted by higher sales of lower-priced articles. Margins remain tight due to raw materials prices, which are still very high.

The Group-wide synergy potential is being exploited according to plan.

At 66,000 tonnes, sales volumes are down by 2.5 percent from the previous year. Bell mainly posted growth in the air-dried ham segment with encouraging sales of cubed ham, new listings in other European countries and many successful Serrano promotions. These, together with excellent developments in the domestic market, led to encouraging capacity utilisation at our Spanish production facility. The introduction of Savoy ham from our plant in Savoy also went well. Scalded and cured sausages were down year-on-year due to the restructuring of some of our product ranges. In the meat convenience sector, the repositioning of the Hoppe brand and the launch of a number of new products allowed us to expand our listings in the retail trade, the cash-and-carry wholesale trade and the food service sector. Business with licensed brands suffered from a decline in the market for 'light' products. This decline was countered with the introduction of the Bertolli range. At the end of 2011, the existing licence partnership with Unilever was expanded with sausages and cold cuts produced under the international Bertolli brand. This brand represents the Italian zest for life and is very well known and respected among consumers.

The new management structure for Bell Germany has been in place since 1 September 2012. The centralisation of the administration of the German division in Seevetal will be finalised by March 2013. The Group-wide synergy potential in the production, procurement, marketing/sales, logistics and IT departments is being exploited according to plan. This includes, for example, the restructuring and centralisation of the administration in Seevetal, further specialisation in the production plants, and the implementation of building and technical measures to optimise processes and enhance efficiency. In addition to our internal reorganisation in Germany, we are also working to measurably improve our sales activities. We are, for example, restructuring and centralising our marketing and sales activities, improving our efficiency by merging the sales force, adjusting our product ranges to meet market needs and profitability requirements, and focusing on strategic core markets as part of the Bell Group’s brand strategy. We want to secure the creation of value with efficient processes and new and innovative products. In 2013 we will lay the foundations for healthy and sustainable growth.

Bell Eastern Europe/Benelux – focus on core competencies

Our wide-ranging activities in Eastern Europe and the trading activities in the Benelux countries (Belgium, the Netherlands and Luxembourg) have been merged in the Eastern Europe/Benelux division. In Poland and Hungary, Bell delivers locally produced products as well as products from Group companies and third parties to the national markets. In the Czech Republic, Slovakia and Romania, the Bell Group operates branches (shop-in-shop concept) in the Novàk butcher shops, an established brand in these countries. In the Benelux countries, Bell provides the retail and wholesale trade with a wide range of specialities produced by Group companies and purchased from third parties.

Sales performance varied in 2012 for Bell Eastern Europe and Benelux. Overall, the division posted sales of CHF 188.7 million (-6.1 %; in local currency -4.1 %). Sales volumes dropped by 13.4 percent to 20.6 million kilograms.

Business developed satisfactorily in Poland in 2012. The local economy benefited greatly from the European football championship in the first half of the year, and is continuing to perform well compared to other Eastern European countries. However, in Poland it is also difficult to pass on the increase in raw materials prices to the market. The resulting pressure on margins could be relieved in part with productivity increases, for example in logistics and sales, but further increases are only possible to a very limited extent. The production capacity of the Niepolomice plant in Cracow is already being utilised very well. In this plant, we produce top-quality scalded and cured sausages for sale over the counter and to a smaller extent in self-service, almost exclusively for the Polish market. The positive sales growth experienced in Poland is also due to the good customer relationships maintained by the well-established local team.

In contrast to Poland, Hungary is still battling with a rapidly shrinking economy, which is reflected in negative consumption trends and strong competitive pressure. The market is also burdened with trade-distorting structures. These negative parameters affect our facility in Perbál close to Budapest, where we produce original Hungarian salami, scalded sausages and ham for self-service packages and sale over the counter. We are reacting to the difficult parameters by concentrating on efficiency improvements and profitable product ranges, and distancing ourselves from a purely volume-based approach. We have also appointed a new manager, strengthened the management team and streamlined the product ranges to focus on quality and profitability. Other initiatives are designed to achieve additional productivity gains. These include reorganising our sales activities, in particular with regard to customer support, and strengthening our export activities. Currently around 10 percent of the production volume is exported, mainly to Germany, Romania and the Czech Republic. We are also working on new products, paying particular attention to current consumption trends.

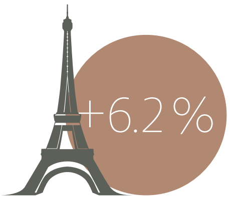
Benelux

Given the geographic importance of Bell Benelux in Europe, this location should be developed to become a central hub for the exchange of goods.

The trading activities of the companies Marco Polo, Fresh Connection and Coldlog in the Benelux countries were amalgamated in the Bell Benelux organisational unit from 1 January 2013. With this step and under a new manager, we aim to become the most important trading partner for meat products in the Benelux countries. Together with other organisational measures, a sales department was added to the main office in Zellik in Brussels. The sales force acquired new customers and intensified the relationship with existing customers. For one product group, however, we experienced a loss in volumes which also affected our sales. We want to compensate for this loss with added-value products. Specialities remain popular in spite of depressed consumer sentiment and less willingness to pay higher prices more frequently for better products. We offer added-value products produced by the Bell Group and by our strategic partners in Italy, Spain, France, Portugal, Germany, Austria and Switzerland. Given the geographic importance of Bell Benelux in Europe, this location should be developed to become a central hub for the exchange of goods.

The branch shops in the Czech Republic, Slovakia and Romania are continuing to do well The network of branches was expanded further by 6 units in 2012 to a total of 100 units. Sales and profit trends seamlessly continued the success of previous years and are very satisfactory.

Cured sausage and ham



The sales trend for our cured sausage and ham ranges in France was positive, achieving a volume of 12,600 tonnes.

Bell France – encouraging volume growth

In France, Bell has six production plants in Auvergne, Lyon and Savoy where we mainly produce top-quality regional cured sausage and air-dried ham specialities.

According to market estimates, self-service and over-the-counter sales of charcuterie products rose by around 1.5 percent in the reporting year. Sales of our cured sausage and ham ranges in France trended very positively and improved by 6.2 percent to 12,600 tonnes. Sales rose by 4.7 percent to CHF 97 million or 6.9 percent in local currency. Both the self-service and over-the-counter product ranges did very well. Cooperation within the Bell Group was once again very encouraging in the reporting year. Distribution of the French products was expanded thanks to a number of new campaigns by Bell Switzerland and Bell Germany.

The extremely high raw materials prices remain problematic, as do the challenges of implementing the required price increases in the market, mostly because of the persistently aggressive price war in the French retail sector. The strong increase in raw materials prices can only be compensated with productivity increases to a limited extent. With the expansion of production capacity for the self-service ranges and logistics at the main production site in Teilhède we are improving the technological conditions as well as our warehouse facilities, which is enhancing our efficiency.

In the marketing sector, we have redefined our brand structure in France as part of the brand strategy of the Bell Group. In addition to our own brands, we will focus more strongly in future on brands that are produced in France. We will concentrate on one brand and amalgamate all suitable added-value products under the Môssieur Polette umbrella brand. These include regional specialities from Auvergne, Savoy and Lyon. According to new market surveys, these regions are synonymous with tasty food for the French, in particular in the charcuterie segment. We are the only company that has production facilities in all of these regions and we can therefore offer valuable regional specialities from a single provider. This locational advantage is strengthened by our longstanding experience in the traditional production of cured sausages and air-dried ham.

Outlook 2013 – strategies to be consistently implemented

The current financial year 2013 will be very challenging for both the Bell Group and the sector as a whole. The economic parameters in Europe and their impact on our markets 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.

Because the cost of goods accounts for around 70 percent of sales, the development of raw materials prices will remain one of the most important factors affecting our business. Given the volatility of feed prices, we do not expect any easing on the raw materials markets, and assume that raw materials prices will continue to rise in the medium and long term. Most market players have by now realised that it is imperative to pass price increases on to the market, but the actual market prices do not yet reflect the full reality. It therefore remains essential to pass price increases on to end customers promptly.

We focus on three lines of action:

- customer relationships and product range design
- increase in productivity and efficiency
- sustainable growth

In the short and medium term, the Bell Group will focus on three lines of action: customer relationships and product range design, increase in productivity and efficiency, and sustainable growth. In all three of these areas we will pay particular attention to the quality of our services in order to differentiate ourselves even more strongly in the market and stand out above the other market players.

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. 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 cured sausages. We see ourselves as a competent provider of holistic solutions to our customers. We are specifically aligning our sales organisation to the current needs of our customers and will continue to strengthen our market position through the consistent management of our brand portfolio and effective sales activities.

Bell also consistently works on improving its productivity. We lay the foundation for profitable growth by consistently reorganising our activities in all divisions. The focus falls mainly on the procurement of goods and services, sales, logistics and administrative services. We make better use of our network of international business units, for example when procuring capital goods or consumables. We are also intensifying the exchange of experiences among specialists. The investments and efficiency enhancement programmes launched in previous years are having a constant effect and will continue to contribute to the increase in productivity.

At the strategic level, we aim to reduce our dependence on volatile raw materials prices and improve the security of supply of the raw materials we need in terms of quality and quantity. This includes investigating all options for cementing our ties with upstream production units. Bell is also intensely interested in the issue of sustainability, as we need to lay the foundation for more differentiation and future value creation.

Procurement and performance

Swiss percentage in raw materials acquisition
Bell Switzerland

82 %

Meat production from sustainable labels
Bell Switzerland only

Poultry
Own slaughtering; incl. Swiss BTS-Program

100 %

Seafood

50 %

Meat from slaughter animals
Own slaughtering

51 %

Resource efficiency

Water consumption
Bell pays rigorous attention to keeping water consumption low.
See page 29

Waste
Waste is avoided wherever possible, or recycled in an environmentally friendly manner.

- 2’000 t

Energy
The consumption of electricity for lighting can be reduced by 50 percent by the installation of LED lights.
See page 29

- 50 %

Corporate Social Responsibility

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 in our work. 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 always available. This guarantees traceability for every link in Bell's value chain.

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Social responsibility

Occupational safety

The health and safety of employees plays a central role at Bell.
See page 30

Dialogue

For us, talent management means recognising and individually developing our employees' potential.
See page 31

Communication

Around 3,000 enquiries per year are received and dealt with.
See page 33

3,000 enquiries

Meeting our responsibilities

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.

At Bell, sustainability is discussed at the highest corporate level. In 2012, a sustainability project group was set up. This group meets regularly to discuss sustainability initiatives. The steering committee and project management team consist of members of senior management. The working group comprises representatives from Bell companies in different countries, which enables us to promote mutual learning processes while at the same time developing an understanding of the differences in the social significance of sustainability. The strategy process is supported by experienced and well-established advisors who also provide us with an external point of view.

As it is our objective to have a strategy that ensures that all companies in all countries act in accordance with the same guidelines, we have made sustainability a permanent part of all our corporate strategy 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.

Bell systematically analyses all energy processes to check their efficiency.

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. If necessary, we supplement the statutory regulations with our own benchmarks to make sure that we meet our objectives for sustainable sourcing. We apply tried-and-tested standards in our existing markets. 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. A comprehensive quality management system ensures strict compliance with all the regulations of relevance to food safety and hygiene as well as our high standards.

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.

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 of the sustainability concept. We consider this objective to also be a part of our corporate responsibility in all the countries in which Bell operates. We 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.

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, the different standards, labels and customer requirements, and our internal guidelines regarding hygiene and processes are checked, documented and fulfilled. With this system Bell guarantees food safety.

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.

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

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 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 constantly carry out risk-based audits of the authorisations to run operations, which were also checked in the reporting period. At least one audit was carried out at each plant. 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 is fully documented and can be traced all the way from receipt of the raw materials to the individual consumer units. In compliance with the statutory requirements and internal customer guidelines we provide customers and 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, some of which are published on Bell's website, are based on country-specific laws and on requirements specified by companies and customers.

In the case of Swiss poultry fattening, Bell works together exclusively with around 320 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 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. Here too guidelines have been defined that are published on our website. We use a special evaluation process to check new suppliers before we include them in the list of approved suppliers and cooperate with them.

Bell Seafood is a member of the WWF Seafood Group.

To meet the growing need for sustainably produced meat, fish and poultry, Bell focuses on environmentally compatible and sustainable solutions. To this end we cooperate selectively with suitable partners. For example, Bell Seafood's membership of the WWF Seafood Group resulted in Bell removing 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.

Bell Seafood has also been ASC-certified since August 2012 and currently carries Pangasius ASC and Tilapia ASC products. In the seafood segment in particular the range of farmed fish is constantly expanding, as the supply of wild-caught fish cannot keep up with growing demand. However, aquaculture can also cause environmental problems in the production countries, for which reason the charitable organisation Aquaculture Stewardship Council (ASC) introduced a label that guarantees compliance with ecological and social standards. In addition to binding guidelines for the twelve most common farmed species, the label also takes account of progressive social standards such as safety at the workplace and fair working conditions. Fish farms that comply with the ASC guidelines and use sustainably-sourced feed demonstrate their commitment to sustainability.

Meat production

Abroad, Bell only buys raw materials that are ready for processing. In Switzerland, however, Bell operates its own abattoirs and cutting halls. 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 2012 we again invested in the development of stunning techniques at our abattoirs in Oensingen and Basel. The modern facilities in Oensingen were optimised further, and the entire stunning system in Basel was renovated. With these measures, we have made substantial progress to animal welfare at both these locations.

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. In 2012, for example, we invested around CHF 2 million to improve the functionality of our most important packaging solutions. Our suppliers also support our endeavours with their technological progress. It is and will remain our declared objective to develop ecologically sound packaging that fulfils the expectations of consumers and customers.

Resource efficiency

Bell systematically analyses all energy processes in order to formulate and implement measures needed for improvement. 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 CO2 emissions is one of Bell's most important objectives. In doing so we take account of country-specific parameters and objectives. For example, the processing of meat is very energy-intensive, as most of the work rooms have to be kept cool. 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.

Energy controlling

We have an active energy consumption control system which captures energy, water consumption, waste and animal by-product volumes and costs every month.

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 and introduce additional optimisation measures. In the reporting period the following measures, among others, resulted in additional energy savings.

The refrigerated rooms for charcuterie in Basel were defrosted in the past with electric evaporators or heaters. The electric energy used by the heaters will no longer be needed in future, as the air in the room is now recirculated when defrosting is required. We have reduced our electricity needs further with measures such as the use of waste heat to heat up the process water and the installation of frequency converters for pumps. We have also sharpened the awareness of our employees for the ecologic use of lighting systems when work has stopped.

An analysis of the packaging machines at different facilities has shown that these machines need 50 percent of their normal electricity consumption when they are in stand-by mode. Switching off more than 20 machines for three hours per night means that they do not consume any heating current during this time and therefore do not release heat into rooms that will then have to be cooled again. This is another measure that helped reduce our electricity consumption.

LED lights were installed at much of Bell Switzerland's premises to optimise the lighting. The remaining areas are in the process of conversion. This will allow us to reduce the electricity required for lighting by around 50 percent.

The heating oil needed for the poultry plant in Zell was reduced by lowering the target temperature for the warm water geyser. This energy was replaced by waste heat from the refrigerating machines.

At the abattoir in Basel, the steam that is needed was always generated by district heating. Now the steam is obtained directly from the steam piping in Basel. As Bell's steam generator no longer loses steam, the heat requirement could be reduced.

Water

For technological and hygienic reasons, some processes are very water-intensive. We are keeping a very close eye on these. Bell constantly monitors all work processes and, in addition to other criteria, pays attention to low water consumption when acquiring new production facilities. Even small measures such as the consistent use of spraying nozzles and aerators or the fine-tuning of flushing system electronics help to reduce water consumption.

Disposal of waste materials

The by-products of meat production in our Swiss abattoirs and cutting halls are channelled off in a separate flow under safe and hygienic conditions in every plant. The bundling of the by-products and their processing by specialised companies are sensible economic and ecological measures.

Bell maintains a differentiated waste material recycling concept as part of its environmental management programme. The principle that applies is that waste should be avoided where possible, and unavoidable waste should be minimised and separated for material, biological and thermal recovery.

Social responsibility

Internal audits are carried out annually at every plant to improve safety and environmental standards.

Occupational safety

Bell's central concerns, in addition to acting responsibly 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 and the findings are used to formulate and implement prevention measures. At the larger sites Bell also appoints safety committees.

At its new plants, Bell uses targeted hazard detection procedures to optimise the safety standards. The "human factor" is taken into account with ongoing employee training and prevention measures that also address non-occupational accidents. Internal audits are carried out annually at every plant to improve safety and environmental standards.

HR management

The current personnel strategy embodies the basic approach of the Bell Group to its employees. This includes the equal treatment of all Bell employees and their freedom of speech. In addition to performance-based salaries and a policy of providing transparent, timely and level-appropriate information, we have also defined the rules of conduct for all employees and the management principles that should be applied by managers. We consider the labour laws of each country where the Bell Group operates as the minimum basic requirements with regard to our working conditions.

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. In the reporting year we made excellent progress with the harmonisation of our HR procedures for all companies. For example, we managed to conclude a uniform wage agreement for all our plants in Germany. We also optimised the different staff recruitment procedures within the Group. The entire application process has become simpler and more transparent for the interested parties. As the next step we are planning a Group-wide web-based career portal. The process of agreeing objectives has also been optimised. By adding the new brand strategy to the objectives of all participating employees, the objective process was aligned even more consistently to the corporate strategies. All middle and senior managers take part in workshops on the objective agreement process. Course participants learn about superordinate topics and objectives as well as measures for agreeing personal objectives.

Special training modules (workshops and leadership seminars) focus on the management principles. We have revised our internal training portal in order to optimise access to the training and further education programme for all employees. This has improved the transparency of as well as access to the available information and the training processes.

Dialogue with employees

Our 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. Some locations also have an employee representation council. Our internal communication tools such as the intranet and employee magazine serve as additional platforms for the promotion of a dialogue culture.

Individual interviews between the employees and their line managers take place annually at every facility of the Bell Group. These are based on a time schedule and specific documents that were totally revised in the reporting year. Talent management now takes centre stage during these interviews. This allows us to actively and systematically promote our young talents and invest in the development of our employees. Bell helps its 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. Every Bell employee should be able to develop further in any field. The standardisation and simplification of our processes support this ambition. During the employee interviews, performance is also discussed and recorded, as are the employee's individual objectives and objective achievement.

Basic professional training

In Switzerland and in Germany, we offer basic professional training for more than 15 professions.

Staff development

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 professions, 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.

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.

In the reporting year Bell for the first time organised an event for all apprentices at the Bell Group. A total of 65 apprentices and 11 trainers from Switzerland and Germany attended the event at the Swiss meat industry's training centre in Spiez. The participants learned more about the Bell Group as well as topics such as corporate strategies, sustainability and innovation. With its participation in this event, the Group Executive Board underlined the importance of professional training.

Employee figures of the Bell Group

	2012	2011
Number of employees		
Average number of employees expressed as full-time equivalents	6 248	6 224
Number of employees as of 31.12. in persons	6 469	6 470
Number of employees by country		
Switzerland	3 414	3 324
Germany	1 306	1 445
France	421	404
Czech Republic	651	557
Hungary	166	226
Poland	181	182
Other	330	332
Share of full-time employees	85 %	79 %
Share of part-time employees	15 %	21 %
Share of men	59 %	60 %
Share of women	41 %	40 %
Share of women in management	19 %	17 %
Number of nationalities	72	74
Age structure		
up to 29 years	21 %	20 %
30 – 49 years	53 %	56 %
over 50 years	26 %	24 %
Education and training		
Trainees	89	83
Number of training days	7 286	7 430

Number of nationalities

72 nationalities work at Bell Group.

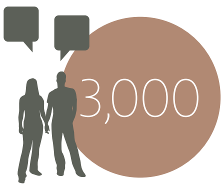
Communication

Dialogue with stakeholders

Regular dialogue with customers and other stakeholder groups is very important for Bell as it enables us to assess our performance from an external viewpoint and identify opportunities and risks in good time. We want to communicate openly, transparently and early. We communicate through the instruments and channels that our stakeholder groups use to obtain information. With our communication 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. If society perceives us as a responsible and sustainable business, this will help us to gain a positive image and to secure constant corporate growth.

We do not want to become a plaything for individual interest groups who try to attract public notice in order to pursue their own interests. Bell therefore protects its business interests also on behalf of its employees, business partners and shareholders. We intervene whenever the company and its employees experience a lack of respect.

Dialogue



A total of around 3,000 queries are received and processed every year via our main website *www.bell.ch* and other channels.

The most important information vehicles for external stakeholders are our website and the annual and interim reports. Our central media unit handles individual queries. A total of around 3,000 queries are received and processed every year via our main website www.bell.ch and other channels. 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. With its participation in established social networks Bell offers additional platforms for a direct dialogue with all stakeholder groups. Regular meetings and – with regard to specific associations – active participation provide for continuous contact with authorities, associations and various lobby groups.

In addition to the personal interview, the employee magazine and internal newsletter serve as important internal communication tools at Bell. The employee magazine is particularly important. It was redesigned to reach as many employees as possible. The new employee magazine has a general section for general information and a separate section for news from the most important divisions. An abridged version of the employee magazine is produced in the local language for the units in Spain, Poland and Hungary. Employees at all the other locations receive a complete copy of the employee magazine in German or French.

Brand management

The Bell Group has a well-established brand portfolio. It also produces trade and private brands for various customers. In the reporting year we adopted a new brand strategy for the Bell Group. We reduced the number of brands from around 40 to five strategic product brands that we consistently positioned and will promote selectively. In this regard we also revised the company's positioning based on four image dimensions: quality, tradition, enjoyment and sustainability. All divisions of the Bell Group comply with these values.

At the corporate level, we will in future work under the name of the parent company, Bell Ltd. The legal structures were standardised so that membership of the Bell Group is underlined by the name and corporate identity. This resulted in the divisions Bell Switzerland, Bell Germany, Bell Eastern Europe/Benelux, Bell France and Bell Finance/Services.

Corporate level

Group

Bell Ltd

Divisions

Bell Switzerland	Bell Germany	Bell Eastern Europe/Benelux	Bell France	Bell Finance/Services
		Bell Poland Bell Hungary Bell Benelux Novak Branches		

Product level

Strategic brands

Complementary brands

Licensed brands

At the product level we defined five strategic product brands, i.e. Bell, Abraham, Hoppe, ZIMBO and Môssieur Polette. By defining product groups, geographic deployment and distribution channels, these product brands were positioned in line with the new Bell brand architecture. For distribution reasons, the strategic product brands are supplemented by the brands Sanchez Alcaraz and Tradi Saveur as well as the Du darfst, Becel and Bertolli brands licensed to Bell Germany.

More than 95%

is the aided recognition of the Bell brand. Together with an excellent image for quality, this makes Bell one of the leading food brands in Switzerland.

With aided brand recognition of more than 95 percent and an excellent image for quality, Bell is one of the leading food brands in Switzerland. The brand looks back on a tradition of more than 140 years and offers a wide range of meat, poultry, charcuterie and seafood products. Bell products distinguish themselves through a number of features. Traditional and new specialities are sold under the Bell Spécialité product line. Regional specialities from Switzerland and Europe are sold under the name Bell Original. All Original products come from Bell plants in these regions and are prepared according to traditional recipes. Bell Barbecue is used for barbecue products, and Bell Cuisine is used for products that simplify life for the consumer thanks to a high degree of preparation – without compromising on taste. The revised strategy for the Bell product brand was launched successfully with the 2012 barbecue season campaign in Switzerland. Options for establishing the brand outside of Switzerland are currently under investigation.
Link: ***www.bell.ch***

Abraham has been a market leader in Germany and one of the strongest ham brands in Europe for many decades. Thanks to a broad portfolio of ham specialities produced in its own plants in Germany, Spain and Belgium, Abraham is popular and well-known for top-quality air-dried ham products. Abraham continuously cements its position as a ham specialist with innovative products and packaging.
Link: ***www.abraham.de***

The Hoppe brand is synonymous with convenience meat and vegetarian products. The brand was mainly seen in the wholesale trade to date, but will be expanded in future to become a real alternative for the retail trade.
Link: ***www.hoppe-genuss.de***

ZIMBO is an umbrella brand for a diversity of charcuterie products that can be enjoyed every day and offer something for every taste. Thanks to its longstanding tradition it is one of the five most important charcuterie brands in Germany and Eastern Europe.
Link: ***www.zimbo.de***

Môssieur Polette is the umbrella brand for top-quality French cured sausage and ham specialities. With its plants in Auvergne, Savoy and Lyon, this is the only brand in France that can guarantee several relevant regional certificates of origin for its products. A broad launch of the Môssieur Polette brand in the French market is planned for 2013.
Link: ***www.mossieurpolette.fr***

Note

Current and additional information on the Bell Group and its 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.

Current information on the different brands is available at ***www.bellfoodgroup.com***.

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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.

CONTENTS

Group structure

The Bell Group has no cross-shareholdings or holdings in listed companies. An overview of all companies in which the Bell Group has a stake is provided on page 80.

Capital structure and shareholders' rights

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 2012 if nothing is stated to the contrary.

Significant shareholders

See page 79.

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.

The capital structure and shares are described in detail on pages 79 and 82.

Transferability

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

Share register restrictions

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

Board of Directors

Election and term of office

The members of the Board of Directors are elected by the Shareholders' Meeting. Board members are elected individually. The Chairman nominates the members of the Board of Directors. The Board of Directors consists of a minimum of three members who are elected by the Shareholders' Meeting for a term of office of four years. Directors can be re-elected at the end of a term. The term of office expires at the conclusion of the Shareholders' Meeting in the relevant year.

If a Board member turns 65 while in office, he or she must resign from the Board at the next Shareholders' Meeting.

Composition of the Board of Directors

as of 31.12.2012

	Chairman of the Board of Directors	Member of the Board of Directors	End of the term of office
Hansueli Loosli	since 2009	–	2015
Leo Ebneter	–	since 2012	2015
Jörg Ackermann	2001 – 2009	since 2000	2015
Irene Kaufmann-Brändli	–	since 2009	2015
Werner Marti	–	since 2009	2015
Joachim Zentes	–	since 1997	2013

Joachim Zentes, Board member of many years' standing, will retire from the Board in 2013 as he has reached the maximum age limit. The Board of Directors will present a candidate to replace Joachim Zentes on the Board at the 2013 Shareholders' Meeting.

Board member fees

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:
– pro rata on resignation from the Board of Directors
– 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 74 of the annual report.

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 the 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 bylaws. 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 the 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 the 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 2012.

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Members of the Board of Directors

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

Certified public accountant
Chairman of the Board of Directors of Coop Cooperative; since 2011

Board member mandates

Transgourmet Holding AG, Basel; Chairman • Coop Mineraloel AG, Allschwil; Chairman • Swisscom 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; 1997 – 2000 • Coop Zurich, Zurich; Managing Director; 1992 – 1997 • Coop Switzerland, Wangen; Director of Non-Food Procurement; 1992 – 1996 • Waro AG, Volketswil; most recently as Managing Director; 1985 – 1992 • Mövenpick Productions AG, Adliswil; Controller, Deputy Director; 1982 – 1985 • BBC AG, Baden; Head of Fiduciary Department; 1979 – 1982 • Intertest AG, Baden; Audit Assistant; 1978 – 1979 • Huba-Control AG; Würenlos; Chief Accountant; 1974 – 1978

Leo Ebneter
1954, Swiss citizen
Vice-Chairman of the Board of Directors

Business diploma
Coop Cooperative, Basel; Head of Directorate 4 Logistics, member of the Executive Board; since 2007

Board member mandates

Railcare AG, Härkingen; Chairman • Kühlhaus Neuhof AG, Gossau

Professional career

Coop Cooperative, Gossau; Head of Logistics Region Eastern Switzerland-Ticino; 2001 - 2007 • Coop Eastern Switzerland, Gossau; Deputy Manager of Coop Eastern Switzerland and Head of Procurement, Production, Logistics and IT; 1990 – 2000 • Coop Eastern Switzerland, Gossau; Head of Food Procurement, Production, Logistics; 1987 – 1990 • Coop Eastern Switzerland, Gossau; Head of Logistics Gossau; 1985 – 1987 • Coop Eastern Switzerland, Gossau; Head of Logistics General Goods and Head of Transport; 1981 – 1985

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

Economist
Mandates for VGL Coop Cooperative; since 2008

Board member mandates

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 citizen
Member of the Board of Directors

Dr. oec. publ.
Vice-Chair 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 • Transgourmet Holding AG, Basel • CPV/CAP Coop Pension Fund, Basel; Trustee • ETH Zurich Foundation, Zurich; Trustee • Juventus schools Zurich, Zurich; Chair of the Board of Trustees • HWZ Hochschule für Wirtschaft Zürich, Zurich

Professional career

Chair of the Board of Directors of Coop Cooperative; 2009 – 2011 • Vice-Chair of the Coop Board of Directors; 2000 – 2009 • Nabholz Consulting, Zurich: Project management of consultancy assignments for public administration and operations with an emphasis on finance and organisation; 1985 – 2008 • Audit and consulting mandates for private enterprises on behalf of Dr. Nabholz Treuhand AG, Zurich; 1980 – 2002

Werner Marti
1957, Swiss citizen
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 Council of canton Glarus; 1991 – 2008 In this function member of the Finance Commission (Chairman 2004/2005), the Commission for Communication, Transport and Telecommunications as well as various ad-hoc commissions • Price controller; 1996 – 2004 • Councillor of canton Glarus, Chairman of Internal Affairs (Directorate of the Economy); 1990 – 1998 • Employee/partner in a law office; 1983 – 1987

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

Dr. rer. oec, Professor of Business Management
Director 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 Tyres 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, Warsaw (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 sales, at Johann-Wolfgang-Goethe University, Frankfurt am Main (Germany); 1980 – 1981

In 2012, the Board of Directors held nine meetings: seven ordinary meetings, one constitutive and one extraordinary meeting. In addition to the usual day-to-day business, the Board of Directors concentrated on the following subjects and projects:

- Merger of the activities of the Bell Group in Germany and restructuring of the other international activities
- Various sizeable investment products such as the expansion of the charcuterie facility Churwalden, the purchase of land in Oensingen and conversion work to the head office in Basel
- Brand strategy of the Bell Group

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 expanded further and will be continuously extended and updated in future. Bell’s ICS serves the continuous improvement of business activities and is aimed at ensuring that the necessary procedures and instruments for risk detection and control are in place.

Internal audit

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 and 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 the statutory auditors.

Risk and opportunity

Management has identified a sudden increase in raw materials prices, decisions affecting agricultural policies, and epidemics as major risks.

Risk management

Bell has applied structured risk management since 2009. 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. As part of the risk management process, the Board of Directors, Group Executive Board and Executive Boards assess the major risks every year.

We generally define risk as possible events or actions that could lead to a deviation from the defined objectives or strategy implementation. Positive deviations are seen as opportunities and negative deviations are deemed to be risks. Opportunities are integrated into the strategy process, while negative deviations (risks) are analysed during the risk management process. The risks are assessed for probability of occurrence and quantitative impact in the event of occurrence.

A full survey of the possible risks is done every three years. The risks that are relevant for the Bell Group are identified and measures are formulated if possible to reduce the probability of occurrence and/or the impact of the potential risks. Every measure is given a responsible owner. In the in-between years, the Board of Directors and Group Executive Board monitor the status of the measures and carry out current assessments. As part of Bell's risk management process, risks that could potentially cause a loss of more than CHF 15 million within three years at EBIT level are actively managed. Safeguards and measures are 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, and epidemics as major risks.

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 79 of this annual report.

Compensation

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 16 percent for 2012 (previous year: 20 percent).

For information on total salaries and share ownership, please refer to the notes to the annual report, page 75.

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.

Shareholders or groups of shareholders who represent shares with a par value of ten percent of the share capital may request that an item be added to the agenda. A request to add an item to the agenda must be submitted in writing at least 60 days prior to the meeting, specifying the subject to be discussed and the proposals.

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 applies where 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.

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 three times 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 2012, 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	**2012**	2011
Auditing services	**948**	1 023
Tax consulting	**34**	–
Legal services	**51**	–
Transaction consulting (incl. due diligence)	**–**	–
Total	1 033	1 023

Information policy

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

Important dates

Closing of accounts	31 December
Shareholders' Meeting of Bell Ltd	17 April 2013
Publication of results for first half of 2013	15 August 2013
Publication of 2013 sales figures	First half of January 2014
Publication of 2013 results	February 2014

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 88 of this annual report.

Members of the Executive Board of Bell Ltd (Group Executive Board)

Lorenz Wyss
1959, Swiss citizen
Butcher, Business diploma,
Certified meat industry technician,
Master of Business Administration
ZFH

Chairman of the Group Executive Board (CEO)
Head of Bell Switzerland Division
Head of Bell Eastern Europe/Benelux Division
Has been with Bell since 2011; in this position since 2011

Board member mandates

Centravo Holding AG, Zurich • GVFI International AG, Basel • Hilcona Aktiengesellschaft, Schaan, Liechtenstein • Gastro Star AG, Dällikon; Chairman • 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 citizen
Certified public accountant

Head of Bell Finance/Services Division (CFO)
Deputy Chairman of the Group Executive Board
Has been with Bell since 1992; in this position since 1994

Board member mandates

CPV/CAP Coop Pension Fund, Basel • Hilcona AG, Schaan, Liechtenstein

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 Board

Bell Switzerland

Members of the Executive Board of Bell Schweiz AG

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

Head of Charcuterie Business Unit
Head of Seafood/Logistics Business Unit i.P.
Has been with Bell from 1975 to 1985 and again since 1995; in this position since 2012

Professional career

Managerial positions with Bell Ltd, Basel: Head of Convenience Business Unit; 2009 – 2010, Head of Convenience Subunit; 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

Josef Dähler
1955, Swiss citizen
Certified master butcher
Business diploma

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

Board member mandates

Identitas AG; Bern • Proviande Cooperative, Bern • Estonia-ACB-Vianco OÜ, Võrumaa, Estonia

Professional career

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

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

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

Professional career

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

Bell Germany

Members of the Executive Board of Bell Deutschland GmbH & Co. KG

Christian Schröder
1971, German citizen
Business diploma

Chairman of the Executive Board
Head of Distribution/Marketing
Has been with Bell since 2009; in this position since 2012

Professional career

Spokesman for the Executive Board; Head of Distribution/Marketing at Abraham Schinken GmbH; 2011 – 2012 • Spokesman for the Executive Board; Head of Distribution/Marketing at Abraham GmbH; 2007 – 2011 • 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

Jürgen Emtmann
1963, German citizen
Business administrator

Head of Finance/Services
Has been with Bell since 2009; in this position since 2012

Professional career

Head of Finance/Administration at Abraham Schinken GmbH; 2011 – 2012 • Head of Finance/ Administration at Gebrüder Abraham Schinken GmbH; 2011 • Head of Accounting/Controlling at Gebrüder Abraham Schinken GmbH; 2009 – 2010 • Employee in Finance and Controlling department at Hermes Schleifmittel GmbH & Co. KG, Hamburg; 1991 – 2009 • Audit assistant at KPMG Deutsche Treuhand-Gesellschaft; 1988 – 1991

Markus von der Pütten
1970, German citizen
Food technologist

Head of Production and Technics
Has been with Bell since 2010; in this position since 2012

Professional career

Head of Production and Technics at Abraham Schinken GmbH; 2011 – 2012 • Head of Production and Technics at Abraham GmbH; 2010 – 2011 • Schinken-Einhaus GmbH, Friesoythe; authorised representative; 2006 – 2010 • Bernard Matthews, Oldenburg; plant manager; 2001 – 2006 • Oldenburger Fleischwaren GmbH, Oldenburg; plant manager; 1995 – 2001

Bell Eastern Europe/Benelux

Managers

Eugeniusz Philip
1966, Polish citizen
Master Engineer in Agriculture and Forestry, Master of Business Administration

Chairman of the Executive Board of Bell Polska Sp. z o.o.
Has been with Bell since 2012; in this position since 2012

Professional career

Managing Director ZIMBO Poland; 2004 – 2012 • Managerial positions with MORLINY (Campofrio Group): Head of Marketing; 2003 – 2004, Head of Sales; 2000 – 2003, Head of Sales at Ostroleka Meat (75 % owned by MORLINY); 1999 – 2000 • Business Development Manager Grene Sp. z o.o.; 1998 – 1999 • Project Manager Hvidstet Energy Forest Denmark; 1992 – 1998

Jens Günther Hillebrand
1976, German citizen
Butcher, master butcher

Chairman of the Executive Board of ZIMBO Perbál Húsipari Termelö Kft.
Has been with Bell since 2012; in this position since 2012

Professional career

Managing Director at Wiesbauer-Dunahús Kft., Gönyű, Hungary; 2011 – 2012 • Operations Director at Wiesbauer-Dunahús Kft., Gönyű, Hungary; 2005 – 2011 • Department Head at Neukauf Vebrauchermarkt GmbH; 2002 – 2004 • Cutter at Franken-Gut Fleischwaren GmbH; 2001 – 2002 • Department Head for Meat and Sausage Sales at BVA Warenhandelsgesellschaft, Würzburg; 2000 – 2001 • Meat and sausage salesman at BVA Warenhandelsgesellschaft; 2000

Steven van Parijs
1971, Belgian citizen
Hotel manager

Chairman of the Executive Board of Bell Benelux Holding N.V.
Has been with Bell since 2012; in this position since 2012

Professional career

Sales Manager for Europe at PDC Brush; 2010 – 2012 • Sales Manager at Cock's Charcuterie Benelux; 2003 – 2010 • Key Account Manager at Viangro; 2002 – 2003 • Export Manager "Benelux & UK" at Menissez; 2000 – 2002 • Key Account Manager at Dossche Mills & Bakery; 1995 – 2000 • Restaurant Manager, Colmar/Sbarro; 1993 – 1995

Petr Poskočil
1966, Czech citizen
Certified business administrator

Managing Director of ZIMBO Czechia s.r.o.
Has been with Bell since 2012; in this position since 2012

Professional career

Representative of the director of agricultural companies in Czechia; 1988 – 1991 • Studies and internships in Germany, the Netherlands and Ireland; 1991 – 1994 • Managing Director of Zimbo Czechia; 1995

Bell France

Manager of Salaison Polette & Cie SAS

Philippe Polette
1960, French citizen
Business diploma

Chairman of the Executive Board
Has been with Polette since the establishment of the company in 1980; in this position since 1980

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

Members of Senior Management*

Group Executive Board

Lorenz Wyss
Chairman of the Group Executive Board (CEO)
Head of Bell Switzerland Division
Head of Bell Eastern Europe/Benelux Division

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 of General Secretariat/Share Register,
Secretary to the Board of Directors

Bell Finance/Services Division

Martin Gysin
Head of Division

Rolf Anti
Head of Organisation

Thomas Denne
Head of Controlling for Charcuterie/
Fresh Meat Business Units

Peter Kunimünch
Head of IT

Johannes Meister
Head of HR/Training

Marc Pittino
Head of Controlling

Thomas Studer
Head of Projects

Ulrich Süss
Head of Accounting

*Status as per the editorial deadline

Bell Switzerland Division

Lorenz Wyss
Head of Division

Management members
Bell Switzerland Division
Davide Elia
Davide Elia, Head of Marketing/
Communication

Fresh Meat Business Unit

Josef Dähler
Head of Business Unit

Jean-Luc Aebischer
Head of Sales/Marketing
Romandie

Roderich Christoph Balzer
Head of Plant Oensingen

Christian Gremion
Head of Fresh Meat
Romandie

Thierry Guillod
Head of Plants
Romandie

Michel Lerch
Head of Plant Basel

Joachim Messner
Deputy Head of Plant Basel

Elvira Meyer
Head of Sales/Marketing

Martin Reinhard
Head of Purchasing

Stefan Seiler
Head of Purchasing/Sales

Josef Zuber
Head of Sales Trade/Food Services
German-Speaking Switzerland

Poultry Business Unit

Christine Schlatter
Head of Business Unit

Frank Bechler
Assistant to Head of Business Unit

Walter Bieri
Head of Sales/Purchasing

Thomas Graf
Head of Plant

Sara Patrizia Kraettli
Head of Sales/Marketing

Christoph Schatzmann
Head of Integrated Animal Production

Charcuterie Business Unit

Markus Bänziger
Head of Business Unit

Thomas Abt
Head of Logistics

Hanspeter Gysin
Head of Planning/Technics

Ursula Kuhn
Head of QM/Laboratory

Francesco Nicastro
Head of Calculation/
Operational Controlling/Processes

Andreas Nieling
Head of Plant Basel

Roland Rufener
Head of Purchasing Non-Food/
Trade Products

Hanspeter Treichler
Head of Plant Churwalden

Seafood/Logistics Business Unit

Markus Bänziger
Head of Business Unit i.P.

Seafood
José-Manuel Seabra
Head of Business Subunit

Sébastian Garnier
Head of Plant

Frigo St. Johann AG
Bruno Flückiger
Managing Director

Bell Germany Division

Christian Schröder
Head of Division,
Head of Distribution/Marketing

Jürgen Emtmann
Head of Finance/Services

Markus von der Pütten
Head of Production/Technics

Robert Blümel
Head of Purchasing/Logistics

Peter Drescher
Head of Discount Sales

Andreas Eder
Head of HR/Legal

Benjamin Forell
Head of Quality Management

Karsten Glismann
Head of IT

Heinrich Halberschmidt
Head of LEH/GV

Stephan Holst
Head of Marketing

Frank Scholl
Head of Distribution

Nikolaj Steber
Country Manager Spain

Bell Eastern Europe/Benelux Division

Lorenz Wyss
Head of Division

Jens Günther Hillebrand
Chairman of the Executive Board of ZIMBO Perbál Húsipari Termelö Kft.

Hedvic Szakács
Head of Administration/Finances, member of the Executive Board of ZIMBO Perbál Húsipari Termelö Kft.

Tamás Kováts
Head of Sales ZIMBO Hungary

Eugeniusz Philip
Chairman of the Executive Board of Bell Polska Sp. z o.o.

Maciej Banasiak
Head of Distribution Bell Poland, member of the Executive Board of Bell Polska Sp. z o.o.

Alicja Romanek
Head of Administration/Finances Bell Poland, member of the Executive Board of Bell Polska Sp. z o.o.

Aleksandra Rowicka
Head of Sales Bell Poland, member of the Executive Board of Bell Polska Sp. z o.o.

Steven Van Parijs
Chairman of the Executive Board of Bell Benelux N.V.

Petr Poskočil
Managing Director of ZIMBO Czechia s.r.o.

Bell France Division

Philippe Polette
Chairman of the Executive Board of Salaison Polette & Cie SAS

Hervé Dametto
Head of Plant Salaison Polette

Ludovic Jouanneau
Head of Administration/Finances

Hugues Mataillet
Head of Quality Management

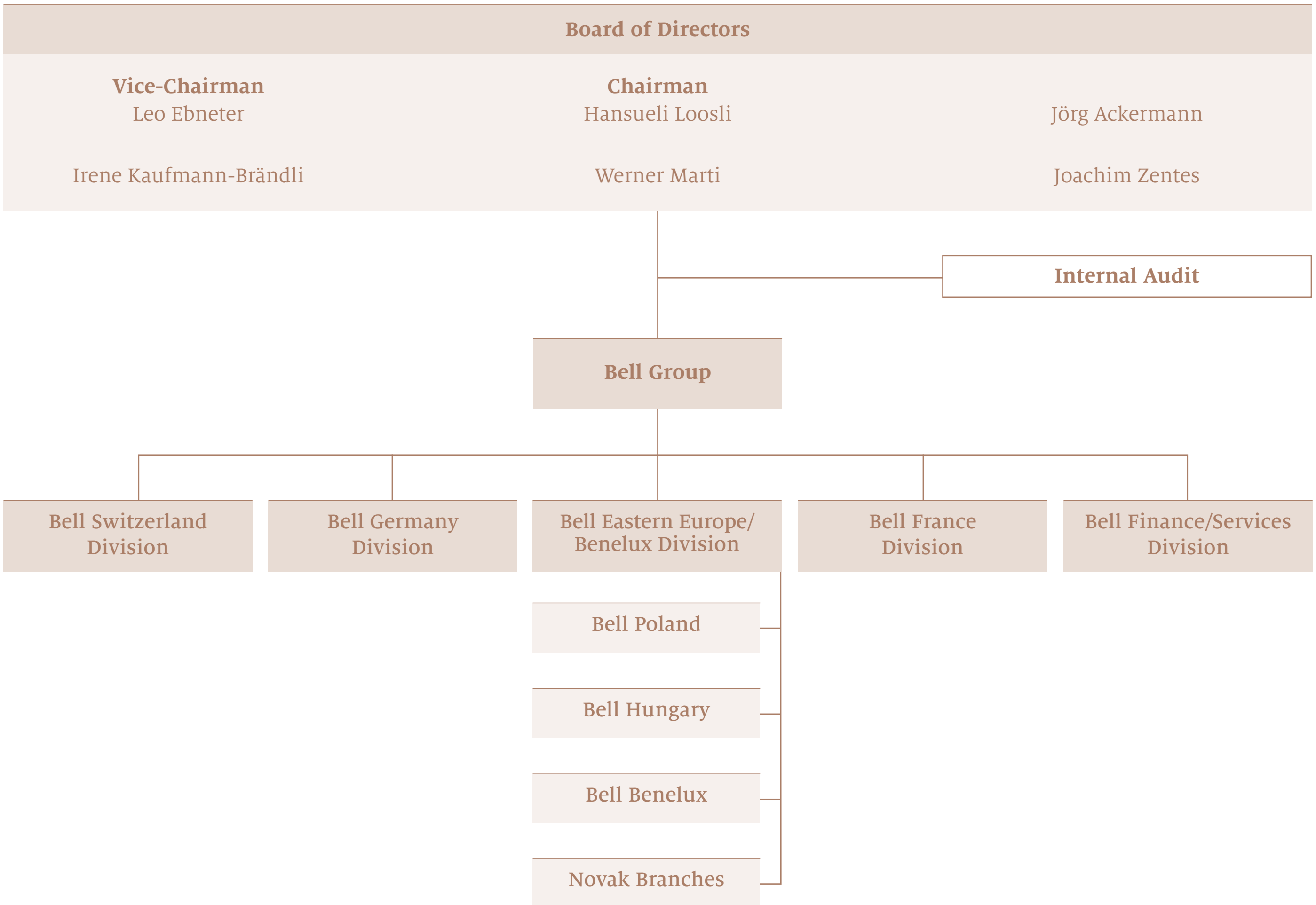
Bruno Mugniery
Head of Plant Maison de Savoie

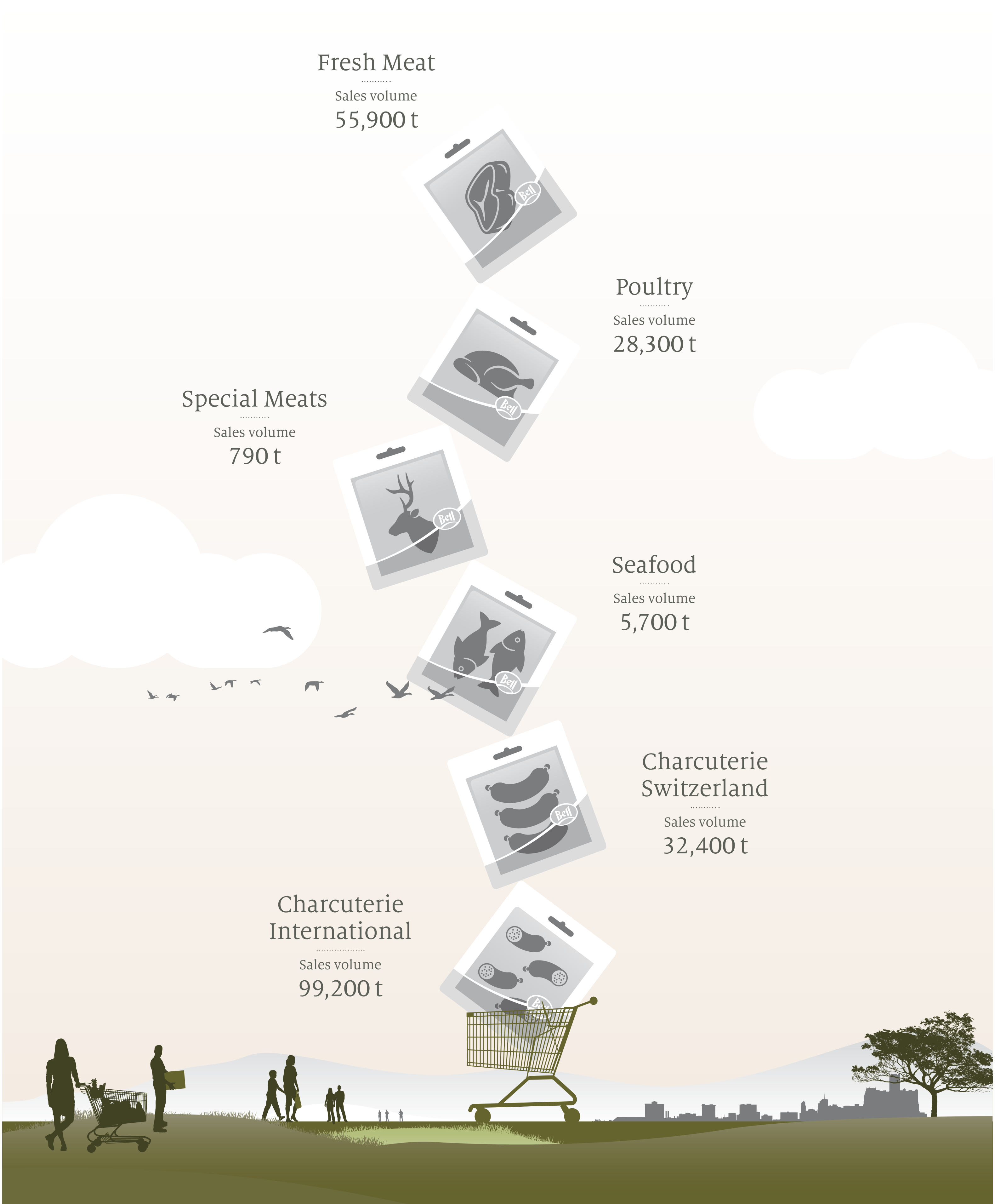
Gilles Patient
Head of Sales/Marketing

Charles-André Rogue
Head of Plant Val de Lyon

Laurent Saccol
Head of Plant St-André

Organisational Chart





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

Bell in figures

Financial Reporting

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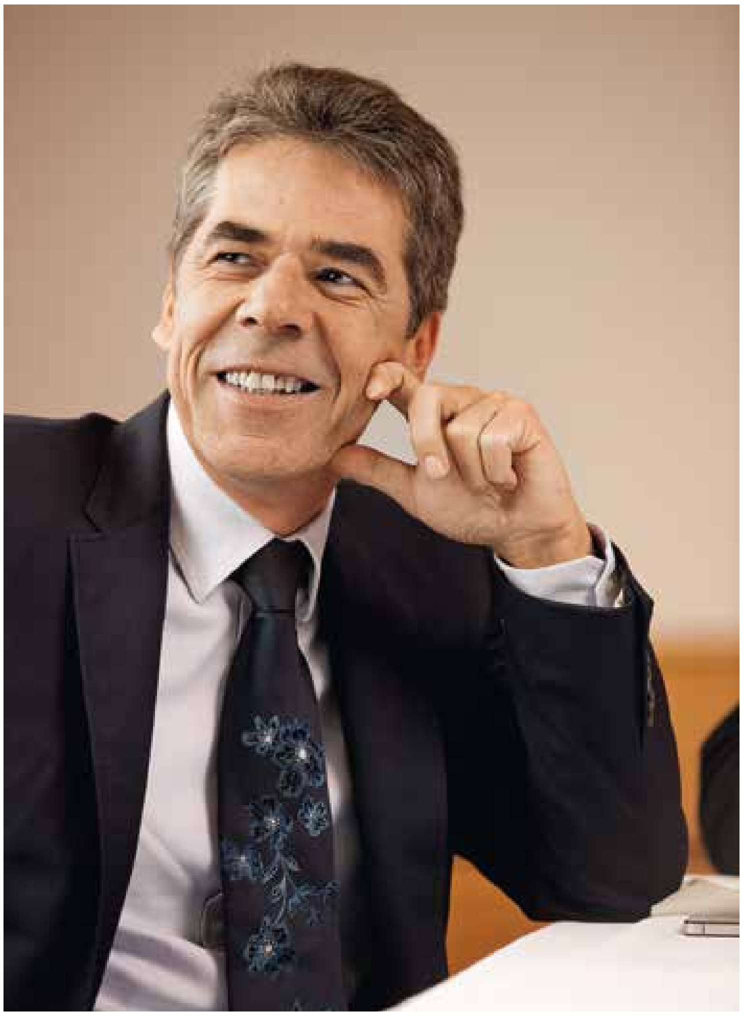
— All values rounded up/down individually



Financial report

Stable business performance

Martin Gysin,
Head of Bell Finance/Services Division

Dear shareholders

The 2012 financial year was once again overshadowed by high raw materials prices in Europe and the problems in passing on these price increases to our customers. This led to a substantial decline in the operating result which was cushioned to some extent by stable business development in the home market Switzerland.

In spite of the sagging market, we posted 1.4 percent volume growth in Switzerland. At 6.2 percent, volume growth was also very encouraging in France. In Germany the air-dried ham segment grew by 6.3 percent, while the restructuring of our scalded sausage product range led to a volume contraction of 7.1 percent in this segment. We also suffered a distinct decline in volumes in Belgium, but these are trading volumes with only marginal strategic importance.

The decrease in sales deductions is explained by the intensified support given to the promotion activities of our main customers. Promotions are deducted directly from the invoice in the form of a discount, which reduces the proceeds from the sale of goods. On the other hand, the refunds were also reduced. Adjusted for this effect, sales deductions are only slightly lower than in the previous year.

The gross profit margin contracted by 0.2 percent. Personnel costs rose from 15.8 percent to 16.1 percent of net income and operating costs increased from 24.9 percent to 25.6 percent. The figures include special costs of around CHF 9 million for the closing of the administrative offices in Bochum as well as the costs for the restructuring of our activities in Germany. In the previous year, this item included extraordinary income of around CHF 6 million. Adjusted for these two exceptional effects, the expense ratio at 25.3 percent is practically the same as in the previous year. The adjusted earnings before interest, taxes and depreciation (EBITDA) contracted from 8 percent to 7.7 percent.

The earnings before interest and taxes (EBIT) rose from CHF 90 million to around CHF 99 million. However, if this is adjusted for special effects for 2011 and 2012, EBIT dropped slightly from CHF 111 million (2011 adjusted) to CHF 108 million (2012 adjusted).

The result from investments in associates includes Bell's profit shares in Hilcona AG and Centravo Holding AG. Goodwill depreciation was again set off against the Hilcona AG profit share. The result of Gastro Star which was taken over by Hilcona in mid-2012 is included in the Hilcona profit share.

At around CHF 249 million, net debt at the end of 2012 was down by CHF 5 million from the previous year. The investments in property, plant and equipment of CHF 75 million and the financing of Hilcona to the tune of CHF 41 million could be financed in full from current cash flow. Net current assets also increased by around CHF 16 million.

Equity before non-controlling interests rose by around CHF 50 million to CHF 675 million. The equity ratio is 51.4 percent.

In 2012 we merged and bundled our activities in Germany in Bell Deutschland GmbH + Co. KG. The new organisational structure substantially improves our market penetration and will reduce future costs. We are confident that these measures, together with the price increases that will only take effect at the end of 2012, will substantially improve our results outside of Switzerland. We already saw first signs of success in the last two months of the reporting year.

In February 2012 the German cartel office initiated proceedings for unlawful price collusion against the former Gebrüder Abraham GmbH. As we believe that these allegations are unfounded and mostly time-barred, we did not raise a provision for these proceedings.

The restructuring in Germany led to the liquidation of some Group companies. More details are provided in the overview of the Group's subsidiaries and associates on page 80. These changes did not, however, lead to any material changes to the scope of consolidation. Apart from this, we sold our business activities with ZIMBO Scandinavia in the form of a management buy-out on 31 December 2012. The material effects on our sales and earnings position are negligible.

Martin Gysin
Head of Bell Finance/Services Division

Consolidated Balance Sheet

in CHF thousand	Appendix	31.12.2012		31.12.2011	
Liquid assets	1	37 848		22 708	
Securities	2	3 270		5 582	
Trade accounts receivable	3	154 803		149 004	
Receivables affiliated companies	4	127 210		111 027	
Other receivables		35 901		45 007	
Inventory	5	185 187		170 109	
Deferred expenses and accrued income		10 721		16 885	
Current assets		**554 942**	**42.2 %**	520 322	41.6 %
Financial assets	12	147 298		103 305	
Intangible assets	13	64 249		76 692	
Land and buildings	14	323 097		322 096	
Machinery and equipment	15	225 632		229 723	
Non-current assets		**760 276**	**57.8 %**	731 815	58.4 %
Assets		**1 315 218**	**100.0 %**	1 252 138	100.0 %
Current financial liabilities	9	114 210		116 696	
Trade accounts payable		153 998		142 472	
Accounts payable to affiliated companies	6	13 947		21 912	
Other accounts payable	7	39 387		38 885	
Current provisions	11	14 193		9 726	
Deferred income and accrued expenses	8	59 317		61 925	
Current liabilities		**395 051**	**30.0 %**	391 616	31.3 %
Non-current financial liabilities	9	175 538		164 998	
Non-current provisions	11	69 157		68 940	
Long-term liabilities		**244 695**	**18.6 %**	233 939	18.7 %
Liabilities		**639 746**	**48.6 %**	625 555	50.0 %
Share capital		2 000		2 000	
Retained earnings		678 458		630 698	
Currency translation differences		–78 063		–75 406	
Treasury shares		–3 130		–3 113	
Consolidated profit		75 849		71 618	
Equity before third-party interest in equity		**675 114**	**51.3 %**	625 797	50.0 %
Third-party interest in equity		358		786	
Equity		**675 472**	**51.4 %**	626 583	50.0 %
Liabilities and equity		**1 315 218**	**100.0 %**	1 252 138	100.0 %

Consolidated Income Statement

in CHF thousand	Appendix	2012		2011	
Sales proceeds	16	2 526 520		2 516 953	
Other operating proceeds	16	61 227		59 848	
Gross proceeds		**2 587 747**		2 576 801	
Reductions in proceeds	16	–79 369		–94 213	
Operating income		**2 508 378**	**100.0%**	2 482 588	100.0%
Cost of goods sold		1 680 926	67.0%	1 659 306	66.8%
Gross operating profit		**827 452**	**33.0%**	823 282	33.2%
Personnel expenses	17/24	403 015	16.1%	391 416	15.8%
Rent	18/24	21 639		21 759	
Energy, auxiliary materials	19	51 042		49 214	
Repair and maintenance		46 425		46 096	
Transport		62 900		62 471	
Advertising		19 948		20 989	
Other operating expenses	20/24	37 345		27 046	
Total operating expenses	21	**642 313**	**25.6%**	618 991	24.9%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**185 138**	**7.4%**	204 291	8.2%
Depreciation of tangible assets	14/15/24	71 996	2.9%	72 144	2.9%
Depreciation of intangible assets*	13/24	4 787		11 608	
Depreciation of goodwill*	13/24	9 210		30 691	
Earnings before interest and taxes (EBIT)		**99 145**	**4.0%**	89 849	3.6%
Financial income (incl. share in profit/loss of associated companies)	22/24	10 780		25 754	
Financial expenses	22	9 629		14 342	
Net profit before taxes (EBT)		**100 296**	**4.0%**	101 261	4.1%
Taxes	23/24	24 089		28 865	
Net profit after taxes		**76 207**	**3.0%**	72 396	2.9%
Third-party interest in profit		–358		–778	
Consolidated profit		**75 849**	**3.0%**	71 618	2.9%

*Writedown on goodwill and brand value of CHF thousand 26 016 in the previous year.

Cash Flow Statement

in CHF thousand		2012		2011
Net profit after taxes		76 207		72 396
Depreciation of tangible assets	71 996		70 294	
Extraordinary expenses for depreciation of assets	–		1 850	
Depreciation of intangible assets	13 997		16 282	
Extraordinary expenses for depreciation of intangible assets	–	85 993	26 016	114 442
Income (–) loss (+) from sale of fixed assets		–61		–929
Dividends from associated companies		2 646		–
Income from evaluation of non-consolidated participations		–5 482		–6 273
Income (–) loss (+) on assets of foundation		–		390
Increase (–) decrease (+) deferred tax assets		230		1 133
Changes in provisions		4 777		849
Cash flow before changes to net current assets		**164 310**		182 008
Inventory changes (–) increase (+) decrease	–15 740		–19 180	
Changes in receivables (–) increase (+) decrease	–15 028		–27 470	
Changes in accrued assets (–) increase (+) decrease	6 148		1 957	
Changes in current liabilities (+) increase (–) decrease	4 291		–23 101	
Changes in accrued liabilities (+) increase (–) decrease	–2 498	–22 827	13 585	–54 209
Operating cash flow		**141 484**		127 799
Investments in machinery and equipment	–48 076		–52 664	
Divestments of machinery and equipment	432	–47 644	9 850	–42 814
Investments in land and buildings	–22 353		–10 554	
Divestments of land and buildings	158	–22 195	2 059	–8 495
Investments in participations and financial assets	–41 116		–116 883	
Divestments of participations and financial assets	1 835		1 624	
Investments (–)/divestments (+) of securities	2 312	–36 969	–1 070	–116 329
Investments in intangible assets	–3 837		–6 839	
Divestments of intangible assets	–	–3 837	3	–6 836
Investment cash flow		**–110 645**		–174 474
Changes in financial liabilities		9 018		51 418
Investments (–)/divestments (+) in treasury shares		13		5 515
Dividends		–24 672		–20 680
Financing cash flow		**–15 641**		36 253
Cash flow balance		**15 197**		–10 422
Liquid assets as of January 01		22 708		33 674
Effect of currency translation on liquid assets		–58		–544
Changes in liquid assets		15 197		–10 422
Liquid assets as of December 31		37 848		22 708

Statement of Changes in Equity

in CHF thousand	Share capital	Retained earnings	Currency translation differences	Own shares	Consolida-ted profit	Equity	Third-party interest in equity	**Equity**
Equity as of 01.01.2012	**2 000**	**630 698**	**–75 406**	**–3 113**	**71 618**	**625 797**	**786**	**626 584**
Changes in consolidated scope	–	–	–	–	–	–	–	–
Acquisition minorities	–	–	–	–	–	–	–	–
Appropriation of annual profit	–	71 618	–	–	–71 618	–	–	–
Dividends	–	–23 888	–	–	–	–23 888	–784	–24 672
Additions/disposals of treasury shares	–	30	–	–17	–	13	–	13
Consolidated profit	–	–	–	–	75 849	75 849	358	76 207
Influence of foreign currency translation	–	–	–2 656	–	–	–2 656	–2	–2 658
Equity as of 31.12.2012	**2 000**	**678 458**	**–78 063**	**–3 130**	**75 849**	**675 114**	**358**	**675 472**
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

Legal reserves 2012 CHF thousand 22 087 (previous year CHF thousand 22 139).

Shares	Number of shares 01.01.	Additions in treasury shares	Disposals of treasury shares	Addition trea-sury shares for employee stock ownership plan	Disposal trea-sury shares for employee stock ownership plan	**Number of shares 31.12.**
Shares issued	**400 000**	**–**	**–**	**–**	**–**	**400 000**
Treasury shares	–2 206	–369	–	–104	648	–2 031
Shares in circulation as of 2012	**397 794**	**–369**	**–**	**–104**	**648**	**397 969**
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

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 80 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

		2012	2011
Balance Sheet	EUR 1	= CHF 1.2072	= CHF 1.2200
	CZK 1	= CHF 0.0480	= CHF 0.0480
	HUF 100	= CHF 0.4146	= CHF 0.3900
	PLN 1	= CHF 0.2963	= CHF 0.2730
	USD 1	= CHF 0.9150	= CHF 0.9400
Income Statement	EUR 1	= CHF 1.2075	= CHF 1.2333
	CZK 1	= CHF 0.0480	= CHF 0.0502
	HUF 100	= CHF 0.4163	= CHF 0.4426
	PLN 1	= CHF 0.2884	= CHF 0.2999
	USD 1	= CHF 0.9317	= CHF 0.8804

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

The cash and cash equivalents comprise fixed deposits and money market placements with a term to maturity of less than 90 days.

Securities

The 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

The 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

The deferred tax assets result from loss carry-forwards on initial consolidation. CHF 0.2 million was used in 2012. 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 80 for an overview of the Group's non-consolidated investments in 2012. 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. In 2012 we did not post any goodwill additions. The depreciation on the “Hilcona” goodwill is set off against Bell’s share of the annual profit within the financial account as in the previous year. The impairment tests for the individual goodwill positions did not show any additional need for adjustment. In 2011, impairment tests at 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.

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. 22.5 percent (previous year 23.5%) for Switzerland, 27 percent for Germany and France and 25 percent for the other countries.

In February 2012 the German cartel office initiated proceedings for unlawful price collusion against the former Gebrüder Abraham GmbH. As we believe that these allegations are unfounded and mostly time-barred, we did not raise a provision for these proceedings.

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 104.6 percent at the end of 2012 (prior year 98.8%). Other personnel liabilities are only recognized 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, 648 shares were distributed to employees in 2012 (prior year 523) and 104 shares were taken back (prior year 160). These transactions were charged to personnel expenses at the share price on the payment date.

Rebates, refunds and cash discounts

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

Advance payments

The advanced payments to suppliers are allocated to the corresponding asset class.

Events occurring after the balance sheet date

No events occurred between the balance sheet date and the approval of the consolidated financial statements of Bell Ltd by the Board of Directors on 1 February 2013. These consolidated financial statements are subject to approval by the Shareholders' Meeting on 17 April 2013.

Appendix to Consolidated Balance Sheet

in CHF thousand	2012	Share	2011
1. Liquid assets			
Cash	1 442	3.8 %	1 658
Cash in post office accounts	150	0.4 %	330
Cash in banks	24 401	64.5 %	16 721
Fixed deposits	11 855	31.3 %	3 999
Liquid assets	**37 848**	100.0 %	22 708
Liquid assets by currency			
CHF	16 664	44.0 %	10 319
EUR	13 678	36.1 %	9 152
Other currencies	7 506	19.8 %	3 237
Liquid assets	**37 848**	100.0 %	22 708
2. Securities			
Shares and similar investments	3 270	100.0 %	5 582
Bonds and similar investments	–	–	–
Securities	**3 270**	100.0 %	5 582
3. Trade accounts receivable			
Valuation adjustment balanced in receivables	**–2 369**		–3 277
4. Receivables affiliated companies			
Companies of the Coop Group	116 545	91.6 %	104 706
Other affiliated companies	10 666	8.4 %	6 321
Receivables affiliated companies	**127 210**	100.0 %	111 027
5. Inventory			
Raw materials and finished goods	176 701	95.4 %	162 225
Auxiliary materials	16 469	8.9 %	16 599
Value adjustments on the basis of value impairments	–7 983	–4.3 %	–8 715
Inventory	**185 187**	100.0 %	170 109
6. Accounts payable to affiliated companies			
Accounts payable to Coop Group	11 696	83.9 %	21 844
Accounts payable to other affiliated companies	2 250	16.1 %	68
Accounts payable to affiliated companies	**13 947**	100.0 %	21 912
7. Other accounts payable			
Shareholders	12	0.0 %	12
VAT	10 302	26.2 %	11 902
Capital and profit taxes	22 906	58.2 %	23 895
Other taxes	279	0.7 %	543
Miscellaneous third parties	5 888	14.9 %	2 533
Other accounts payable	**39 387**	100.0 %	38 885

Appendix to Consolidated Balance Sheet

in CHF thousand	2012	Share	2011
8. Deferred income and accrued expenses			
Miscellaneous deferred expense	39 972	67.4%	44 049
Accrued personnel and social security expense	19 344	32.6%	17 875
Deferred income and accrued expenses	**59 317**	100.0%	61 925
9. Financial liabilities			
Loans and credits from banks	114 210	39.4%	112 885
Loans with affiliated companies	–	–	3 695
Current accounts with third parties	–	–	116
Current financial liabilities	**114 210**	39.4%	116 696
Non-current loans and credits	175 538	60.6%	164 998
Non-current loans with affiliated companies	–	–	–
Non-current financial liabilities	**175 538**	60.6%	164 998
Financial liabilities	**289 748**	100.0%	281 694
Maturity structure of financial liabilities			
Due within 360 days	114 210	39.4%	116 696
Due within two years	164 254	56.7%	36 164
Due within three years and later	11 284	3.9%	128 835
Financial liabilities	**289 748**	100.0%	281 694
Financial liabilities by currency			
CHF	189 662	65.5%	185 487
EUR	99 137	34.2%	95 125
Other currencies	949	0.3%	1 082
Financial liabilities	**289 748**	100.0%	281 694

10. Business combinations/company sale

No result in 2012

Result 2011	Bell Convenience[1] 01.01.2011	Hilcona AG[2] 01.01.2011	Hoppe GmbH[3] 01.05.2011	Kocherhans + Schär AG[4] 27.06.2011	SBA Schlachtbetrieb Basel AG[5] 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 01.01.2012	**21 144**	**3 135**	**4 674**	**44 128**	**4 981**	**604**	**78 666**
Changes in consolidated scope	–	–	–	–	–	–	**–**
Reclassification	162	–162	–	–	–	–	**–**
Established	2 276	245	4 392	1 435	19	5 125	**13 492**
Used	–955	–11	–4 130	–1 937	–1 396	–287	**–8 715**
Currency translation effects	–45	–	–6	–14	–28	–	**–92**
Provisions as of 31.12.2012	**22 583**	**3 207**	**4 931**	**43 612**	**3 575**	**5 442**	**83 351**
Non-current provisions 2012	20 794	2 341	–	43 612	2 410	–	69 157
Current provisions 2012	1 789	867	4 931	–	1 165	5 442	14 193
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 accruals	–	–	–	–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

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							
Net book value as of 01.01.2012	**94 783**	**1 023**	**244**	**4 453**	**2 440**	**362**	**103 305**
Purchase price as of 01.01.2012	94 783	1 023	244	4 453	2 440	362	**103 305**
Changes in consolidated scope	–	–	–	–	–	–	**–**
Investments	9 856	31 000	–	–	–	260	**41 116**
Divestments/Dividends from associated companies	–2 718	–794	–244	–725	–	–	**–4 481**
Revaluation	7 614	–	–	–	–230	–	**7 383**
Reclassification	–	–	–	–	–	–	**–**
Currency translation effects	–	–	–	–	–26	–	**–26**
Net book value as of 31.12.2012	**109 535**	**31 229**	**–**	**3 728**	**2 184**	**622**	**147 298**
Net book 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
Net book value as of 31.12.2011	94 783	1 023	244	4 453	2 440	362	103 305

*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					
Net book value as of 01.01.2012	**12 586**	**–**	**1 611**	**62 495**	**76 692**
Purchase price as of 01.01.2012	37 295	10 046	2 045	166 533	**215 920**
Changes in consolidated scope	–	–	–	–	**–**
Investments	3 820	–	17	–	**3 837**
Divestments	–1	–	–	–	**–1**
Reclassification	391	–	–37	–	**354**
Currency translation effects	–101	–105	–14	–1 257	**–1 478**
Purchase price as of 31.12.2012	41 404	9 940	2 011	165 276	**218 632**
Cumulative depreciation as of 01.01.2012	24 709	10 046	435	104 038	**139 227**
Changes in consolidated scope	–	–	–	–	**–**
Depreciation*	4 637	–	150	11 342	**16 129**
Extraordinary depreciation	–	–	–	–	**–**
Cumulative depreciation of divestments	–1	–	–	–	**–1**
Reclassification	–	–	–37	–	**–36**
Currency translation effects	–42	–105	1	–790	**–937**
Cumulative depreciation as of 31.12.2012	29 303	9 940	549	114 590	**154 383**
Net book value as of 31.12.2012	**12 101**	**–**	**1 462**	**50 686**	**64 249**
Net book 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
Net book 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.

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					
Net book value as of 01.01.2012	**48 832**	**264 216**	**1 239**	**7 809**	**322 096**
Purchase price as of 01.01.2012	48 911	569 902	3 311	7 809	**629 932**
Changes in consolidated scope	–	–	–	–	**–**
Investments	16 522	2 096	–	3 735	**22 353**
Divestments	–153	–4	–	–	**–158**
Reclassification	–220	4 191	–	–5 793	**–1 822**
Currency translation effects	–106	–654	–	–50	**–810**
Purchase price as of 31.12.2012	64 953	575 531	3 311	5 700	**649 495**
Cumulative depreciation as of 01.01.2012	79	305 686	2 071	–	**307 836**
Changes in consolidated scope	–	–	–	–	**–**
Depreciation	8	18 938	138	–	**19 084**
Extraordinary depreciation	–	–	–	–	**–**
Cumulative depreciation of divestments	–	–	–	–	**–**
Reclassification	–	–99	–	–	**–99**
Currency translation effects	–1	–423	–	–	**–424**
Cumulative depreciation as of 31.12.2012	86	324 101	2 210	–	**326 397**
Net book value as of 31.12.2012	**64 867**	**251 429**	**1 101**	**5 700**	**323 097**
Net book 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
Net book value as of 31.12.2011	48 832	264 216	1 239	7 809	322 096

"Land and buildings" includes activated leasings to the booking value of CHF thousand 5 677 (previous year CHF thousand 6 158).

Appendix to Consolidated Balance Sheet

in CHF thousand	Machinery and equipment	Installa-tions	IT Hardware	Furnishings and vehicles	Advance payments	Total
15. Machinery and equipment						
Net book value as of 01.01.2012	**120 483**	**68 272**	**8 526**	**22 961**	**9 481**	**229 722**
Purchase Price as of 01.01.2012	395 488	194 871	36 420	86 445	9 481	**722 706**
Changes in consolidated scope	–	–	–	–	–	**–**
Investments	18 414	7 949	3 366	10 330	8 016	**48 076**
Divestments	–2 211	–	–16	–2 368	–109	**–4 704**
Reclassification	4 663	–191	133	2 040	–5 178	**1 467**
Currency translation effects	–826	–77	–10	–119	26	**–1 007**
Purchase price as of 31.12.2012	415 528	202 552	39 894	96 328	12 236	**766 539**
Cumulative depreciation as of 01.01.2012	275 006	126 599	27 895	63 484	–	**492 984**
Changes in consolidated scope	–	–	–	–	–	**–**
Depreciation	26 954	13 352	3 946	8 661	–	**52 912**
Extraordinary depreciation	–	–	–	–	–	**–**
Cumulative depreciation of divestments	–2 034	–	–14	–2 285	–	**–4 333**
Reclassification	113	–1 684	–	1 708	–	**137**
Currency translation effects	–645	–49	–11	–87	–	**–792**
Cumulative depreciation as of 31.12.2012	299 393	138 218	31 815	71 481	–	**540 907**
Net book value as of 31.12.2012	**116 135**	**64 334**	**8 079**	**24 847**	**12 236**	**225 632**
Net book 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
Net book value as of 31.12.2011	120 483	68 272	8 526	22 961	9 481	229 722

“Machinery and equipment” includes activated leasings to the booking value of CHF thousand 916 (previous year CHF thousand 1 518).

Appendix to Consolidated Income Statement

in CHF thousand	2012	Difference	2011
16. Operating income			
Product groups			
Fresh meat	828 637	1.6 %	815 819
Charcuterie own production	345 085	−4.3 %	360 661
Charcuterie purchased	85 082	3.7 %	82 008
Poultry	349 301	1.3 %	344 769
Meat specialities (game, rabbit and others)	16 288	−7.3 %	17 564
Seafood	119 784	4.0 %	115 131
Other sales	12 066	21.5 %	9 927
Product groups Switzerland	**1 756 243**	0.6 %	1 745 879
Charcuterie	702 643	−0.3 %	704 650
Other sales	67 634	1.8 %	66 424
Product groups international	**770 277**	−0.1 %	771 074
Sales by product group	**2 526 520**	0.4 %	2 516 953
Distribution channels			
Sales to Coop Group	1 307 100	0.6 %	1 299 527
Sales to other affiliated companies	17 416	15.1 %	15 133
Sales to wholesale	424 557	0.1 %	423 974
Sales to end consumers	7 170	−1.0 %	7 245
Distribution channels Switzerland	**1 756 243**	0.6 %	1 745 879
Sales to Coop Group	13 269	164.7 %	5 013
Sales to wholesale	689 375	−1.5 %	699 637
Sales to end consumers	67 634	1.8 %	66 424
Distribution channels international	**770 278**	−0.1 %	771 074
Sales by distribution channel	**2 526 520**	0.4 %	2 516 953
Sales by country			
Switzerland	1 756 243		1 745 879
Germany	449 021		440 460
France	110 553		105 777
Spain, Benelux	77 990		92 220
Eastern Europe	132 713		132 617
Sales by country	**2 526 520**	0.4 %	2 516 953
Additional proceeds from Coop Group	2 389	−6.6 %	2 558
Additional proceeds from affiliated companies*	16 455	5.6 %	15 580
Additional third-party proceeds*	34 848	6.0 %	32 876
Other operating proceeds Switzerland	**53 692**	5.2 %	51 014
Other operating proceeds international	**7 535**	−14.7 %	8 834
Other operating proceeds	**61 227**	2.3 %	59 848
Reductions in proceeds with Coop Group	17 151	−47.2 %	32 465
Other reductions in proceeds	2 873	−49.9 %	5 731
Reductions in proceeds Switzerland	**20 024**	−47.6 %	38 196
Reductions in proceeds international	**59 344**	5.9 %	56 016
Reductions in proceeds	**79 369**	−15.8 %	94 213

A 10-year contract (with a commitment to supply and purchase) with Coop came into effect as of 1 January 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. In 2012 we increasingly charged fair value less costs to sell (which is why the sales deductions include less sales contributions).
*Other income with Centravo Holding AG was previously reported as other income from third parties (subsequent correction in 2011).

Appendix to Consolidated Income Statement

in CHF thousand	2012	Difference	2011
17. Personnel expenses			
Wages and salaries	265 290	3.5%	256 322
Employers' contributions	66 304	4.2%	63 639
Other personnel expenses	11 739	−1.7%	11 936
Third-party wages and salaries	59 681	0.3%	59 519
Personnel expenses	**403 015**	3.0%	391 416

Contributions include social security contributions to the CPV/CAP Coop pension plan and other pension funds amounting to CHF thousand 18 533 (previous year CHF thousand 19 587).

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*	2012	44	90	4	8	98
	2011	30	90	3	6	96
Leo Ebneter, Vice Chairman*/**	2012	4	49	4	8	57
	2011	–	–	–	–	–
Irene Kaufmann-Brändli, Member*	2012	45	60	4	8	68
	2011	31	60	4	8	68
Jörg Ackermann, Member*	2012	72	60	4	8	68
	2011	63	60	3	6	66
Werner Marti, Member	2012	35	60	4	8	68
	2011	21	60	3	6	66
Joachim Zentes, Member	2012	119	60	4	8	68
	2011	105	60	3	6	66
† Hans Peter Schwarz, Vice Chairman*	2012	–	–	–	–	–
	2011	–	53	3	6	58
Board of Directors	**2012**	**319**	**379**	**24**	**46**	**425**
	2011	250	383	19	37	420

*The cash remuneration is forwarded to the giver of the mandate Coop.
**Member of the Board of Directors since April 2012.

Appendix to Consolidated Income Statement

in CHF thousand		Remuneration cash fix	Remuneration cash variable	Share subscription number	Share subscription CHF thousand	Non-cash remuneration and contributions to pension fund	CHF thousand
Group Excecutive Board							
Lorenz Wyss, CEO*	2012	496	36	22	38	133	703
	2011	326	33	21	33	54	446
Martin Gysin, Head of Bell Finance/Services	2012	445	31	17	35	85	596
Division; Deputy CEO	2011	419	38	24	41	73	571

*Chairman of the Group Executive Board since April 2011.

Shares held as of 31.12. (number)	**2012**	2011
Lorenz Wyss	30	3
Martin Gysin	119	119
Other employees	2 675	2 186

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	2012	3 728	3 728	–725	–	–725
	2011	4 453	4 453	–667	–	–667
CPV/CAP pension fund*	2012	–	–	–	18 533	18 533
	2011	–	–	–	19 587	19 587
Total	**2012**	**3 728**	**3 728**	**–725**	**18 533**	**17 808**
	2011	4 453	4 453	–667	19 587	18 920

*The working capital ratio amounts to 104.6 percent as of 31 December 2012 (previous year 98.8%).

Appendix to Consolidated Income Statement

in CHF thousand	2012	Difference	2011
18. Rent			
Building lease	8 416	1.1 %	8 327
Lease of machinery and equipment	8 498	18.6 %	7 167
Third-party storage	4 726	–24.6 %	6 265
Rent	**21 639**	–0.6 %	21 759
19. Energy, auxiliary materials			
Electricity	25 551	4.3 %	24 502
Water	5 622	–4.1 %	5 863
Fuel	1 824	–6.3 %	1 946
Other energy	6 945	6.8 %	6 502
Auxiliary materials	11 100	6.7 %	10 401
Energy, auxiliary materials	**51 042**	3.7 %	49 214
20. Other operating expenses			
Administrative expenses	18 290	26.0 %	14 520
Insurance and duties	7 943	9.0 %	7 288
Capital tax and other corporate taxes	2 258	12.0 %	2 016
Miscellaneous operating expenses	8 855	174.8 %	3 222
Other operating expenses	**37 345**	38.1 %	27 046

Included in operating expenses:

21. Operating expenses with affiliated companies			
Building lease	473	–18.2 %	578
Lease of machinery and equipment	4 941	6.7 %	4 631
Repair and maintenance	1 814	8.9 %	1 665
Energy and auxiliary materials	2 401	0.6 %	2 387
Advertising	4 000	21.2 %	3 300
Other operating expenses	1 314	53.3 %	857
Operating expenses with affiliated companies	**14 943**	11.4 %	13 418

Appendix to Consolidated Income Statement

in CHF thousand	2012	2011
22. Financial return/financial expenses		
Interest on fixed deposits and other interest	493	821
Interest from affiliated companies	406	115
Gains on foreign currency transactions	3 160	17 989
Gains on securities, realised and not realised	862	291
Share in profit/loss of associated companies*	5 482	6 273
Other income from investments in other companies	378	265
Financial return	**10 780**	25 754
Interest to affiliated companies	109	376
Other interest	7 461	7 624
Bank charges and commissions	934	891
Losses on foreign currency transactions	1 112	3 976
Losses on securities, realised and not realised	14	1 476
Financial expenses	**9 629**	14 342
Financial return/financial expenses	**1 151**	11 412
Average rates of interest-bearing liabilities	2.98 %	3.49 %

*Net, after deduction of the goodwill depreciation.

Interest rates of fixed advance payments and mortgages vary between 1.13 percent and 3.25 percent (previous year 1.08 % and 3.23 %) in Swiss francs and between 1.19 percent and 5 percent (previous year 2.03 % and 4.94 %) in foreign currencies (EUR).

Appendix to Consolidated Income Statement

in CHF thousand	2012	Difference	2011
23. Taxes			
Taxes paid and changes in taxes due	24 360		26 859
Changes in deferred taxes	–271		2 006
Taxes	**24 089**	–16.5 %	28 865
Group operating result	76 207		72 396
Expenses not tax-deductible	3 728		10 953
Tax expenses included therein	24 089		28 865
Profit before taxes	104 024		112 214
At the average tax rate of 22.6 percent (prior year 23.5 %), no income tax is due on the pre-tax profit	23 509		26 370
Influence of different tax rates and tax jurisdictions	–870		–1 881
Adjustment of deferred tax rate	1 210		3 769
Release of defered taxes	–		1 133
Other taxes and taxes outside fiscal year	240		–526
Taxes (as reported)	**24 089**		28 865

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

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

			2012	2011
Personnel costs		Social compensation plan and severance pay	6 417	–
Other expenses		Legal and advisory costs	1 484	–
		Provision for future rent obligations	966	–
		Other costs	–	–6 809
Depreciation	Land, buildings and equipment	Special depreciation	–	1 850
	Intangible assets	Special depreciation	–	26 016
Financial return		Exchange gain on euro hedges	–	–14 500
Taxes		Share of tax on exceptionals	–2 004	–4 636

Additional Information

in CHF thousand	**2012**	2011
Total amount of guarantees, warranties and mortgages in favour of third parties	**13 479**	16 598
Total amount of mortgaged assets at legal book values	**16 418**	26 381
Unrecognised liabilities from leasing	**3 699**	4 761
due in the current financial year	2 809	1 723
Derivative financial instruments (currencies) (purpose: hedging)		
contract value	–	–
residual value positive	–	–
Derivative financial instruments (interests) (purpose: hedging)		
contract value	**139 234**	139 650
residual value negative	**4 444**	6 793
Other derivative instruments (participations)	**p.m.***	p.m.*
Fire insurance value of buildings	**917 890**	821 746
Fire insurance value of equipment	**961 204**	932 542
Expenses for pension fund liabilities	**18 533**	19 587
Obligations from contracts with third parties	**50 008**	48 673
due in the current financial year	16 250	9 759
due in the following financial year	11 821	7 001
due later	21 937	31 913
Obligations from contracts with affiliated companies	**1 464**	1 945
due in the current financial year	488	488
due in the following financial year	488	488
due later	488	969
Conditional increase in share capital	**–**	1 000
Total amount of the approved share capital increase	**–**	500

*Bell holds options to take over additional shares in associates (2 % in Hilcona). The price of these shares will depend on the future income situation.

Principal shareholders	Coop Cooperative, Basel; 66.29 %
	Sarasin Investmentfonds AG, Basel; 3.97 %
	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 2012 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 18 January 2013. Further details relating to risk management are listed in the section on Corporate Governance (page 36).

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 of the Bell Group

Company	Domicile	Sphere of activity	Consolidation method		Capital	Group share in captial
Bell Suisse Ltd[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	27 000 000	49.0 %
Centravo Holding AG[2]	Zürich	By-products processing	❍	CHF	2 400 000	29.8 %
GVFI International AG	Basel	Meat trade	●	CHF	3 000 000	18.34 %
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	Saint-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 Holding GmbH[3]	Seevetal/DE	Subholding	■	EUR	25 000	100.0 %
Bell Verwaltungs GmbH	Seevetal/DE	Subholding	■	EUR	25 000	100.0 %
Bell Deutschland GmbH & Co. KG	Seevetal/DE	Charcuterie	■	EUR	1 000 000	100.0 %
Interfresh Food GmbH[3]	Seevetal/DE	Subholding	■	EUR	100 000	100.0 %
Bell Polska Sp. z o.o.[3/4]	Niepolomice/PL	Charcuterie	■	PLN	4 000 000	100.0 %
ZIMBO Húsipari Termelö Kft.	Perbal/HU	Meat and sausages	■	HUF	375 000 000	99.7 %
Bell Benelux Holding N.V.[3]	Zellik/BE	Subholding	■	EUR	4 258 000	100.0 %
Bell Benelux N.V.[3]	Zellik/BE	Meat trade	■	EUR	620 000	100.0 %
Bell Logistics N.V.[3]	Zellik/BE	Storage	■	EUR	62 000	100.0 %
The Fresh Connection Nederland B.V.	Dr Houten/NL	Meat trade	■	EUR	18 000	76.0 %
ZIMBO Czechia s.r.o.	Prag-Holesovice/CZ	Retail trade	■	CZK	30 000 000	90.0 %
Abraham Benelux S.A.	Libramont-Chevigny/BE	Air-dried ham	■	EUR	250 000	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] Schlachtbetrieb Basel AG was merged with Bell Schweiz AG on 1 January 2012.
[2] The equity share is based on the number of outstanding shares.
[3] The following company names were changed in 2012:
Bell Deutschland GmbH to Bell Deutschland Holding GmbH
Interfresh Food Retail Easteurope GmbH to Interfresh Food GmbH
ZIMBO Polska Sp. z o.o. to Bell Polska Sp. z o.o.
Marco Polo N.V. to Bell Benelux Holding N.V. (change from 1 January 2013)
The Fresh Connection N.V. to Bell Benelux N.V. (change from 1 January 2013)
Coldlog N.V. to Bell Logistics N.V. (change from 1 January 2013)
[4] Abraham Polska Sp. z o.o. was merged with Bell Polska Sp. z o.o. on 31 December 2012.

■ Fully consolidated (uniform management)
❍ Consolidation ad equity
● Purchase price
▲ Consideration acc. Swiss GAAP FER 16

The companies listed in the previous year, i.e. ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG, FreshCo. Vertriebsgesellschaft mbH, Feine Kost Böttcher GmbH, Hoppe GmbH, ZIMBO International GmbH, Abraham Schinken GmbH, Gebr. Abraham GmbH & Co. KG were integrated in Bell Deutschland Holding GmbH and Bell Deutschland Verwaltungs GmbH as part of the restructuring in Germany.

5-Year Overview

in CHF thousand	2012	2011	2010	2009	2008
Affiliated companies	1 337 785	1 319 673	1 363 778	1 332 881	1 292 236
Other wholesale	1 113 932	1 123 611	1 176 972	1 151 593	586 867
End consumers	74 804	73 669	76 824	113 238	53 696
Sales proceeds	**2 526 521**	2 516 953	2 617 574	2 597 712	1 932 799
Operating income	**2 508 378**	2 482 588	2 584 277	2 547 877	1 939 635
Financial data					
Gross operating profit	**827 452**	823 282	863 923	858 515	610 241
Personnel expenses	**403 015**	391 416	405 671	412 215	307 445
Depreciation of tangible assets	**71 996**	72 144	74 220	79 903	55 689
Earnings before interest and taxes (EBIT)	**99 145**	89 849	101 236	95 047	78 932
Net profit (before third-party interest in profit)	**76 207**	72 396	66 067	56 192	58 198
EBITDA	**185 138**	204 291	212 695	189 449	142 731
Financial result	**1 151**	11 412	–2 086	–11 021	–2 867
Current assets	554 942	520 322	495 436	537 731	363 010
Non-current assets	760 276	731 815	671 950	769 557	774 824
Total assets	**1 315 218**	1 252 138	1 167 386	1 307 288	1 137 834
Interest-bearing liabilities	**289 748**	281 694	228 462	383 795	299 073
Equity	**675 472**	626 583	590 456	594 779	538 709
Margins					
Gross operating profit in % of operating income	**33.0%**	33.2%	33.4%	33.7%	31.5%
EBITDA in % of operating income	**7.4%**	8.2%	8.2%	7.4%	7.4%
EBIT in % of operating income	**4.0%**	3.6%	3.9%	3.7%	4.1%
Net profit in % of operating income	**3.0%**	2.9%	2.6%	2.2%	3.0%
Financial result in % of interest-bearing liabilities	**–0.4%**	–4.1%	0.9%	2.9%	1.0%
Equity in % of assets	**51.4%**	50.0%	50.6%	45.5%	47.3%
Return on equity (ROE)*	**12.2%**	12.3%	11.1%	10.7%	11.1%
Workforce as of December 31					
Number of employees	**6 469**	6 470	6 488	6 561	6 810
Average workforce					
Adjusted to full-time employees	**6 248**	6 224**	6 179	6 497	3 794

*Net profit/equity at the beginning of the financial year
**New basis of calculation from 2011

Share Information

		2012	2011	2010	2009	2008
Per-share data						
Share price as of 31.12.	CHF	**2 005**	1 762	1 766	1 551	1 300
Year's high	CHF	**2 050**	2 300	1 875	1 750	1 950
Year's low	CHF	**1 716**	1 665	1 480	1 267	1 101
Average daily trading volume	number	**78**	93	75	65	117
Stock exchange capitalisation						
Year's end	in CHF million	**802**	705	706	620	520
Year's high	in CHF million	**820**	920	750	700	780
Year's low	in CHF million	**686**	666	592	507	440
Equity per share	CHF	**1 696**	1 573	1 461	1 466	1 357
Net profit per share	CHF	**191**	180	163	141	151
EBITDA per share	CHF	**465**	514	539	482	364
EBIT per share	CHF	**249**	226	257	242	202
Return per share*		**9.5%**	10.2%	9.3%	9.1%	11.6%
Distribution per share	CHF	**60**	60	50	40	40
Distribution quota		**31.5%**	33.3%	30.6%	28.3%	26.5%
Dividend yield**		**3.0%**	3.4%	2.8%	2.6%	3.1%

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

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	**2 031**	2 206	5 316	6 938	8 335
Shares recorded in share register	number	**369 831**	365 016	369 794	366 309	365 558
Registered shareholders	number	**3 916**	3 751	3 659	3 606	3 197

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

Report of the Statutory Auditor on the consolidated Financial Statements

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

As statutory auditor, we have audited the consolidated financial statements of Bell Ltd, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes (pages 58 to 80), for the year ended 31 December 2012.

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 reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2012 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 AG

Dr. Rodolfo Gerber	Andreas Wolf
Audit expert	Audit expert
Auditor in charge	

Basel, 5 February 2013

Bell Ltd
Balance Sheet

in CHF thousand		31.12.2012		31.12.2011	
Liquid assets		193		172	
Securities		1 222		3 739	
Receivables affiliated group		7 344		–	
Other receivables		118		141	
Current assets		**8 877**	**2.2 %**	4 052	1.1 %
Financial assets	Majority interests	146 373		146 373	
	Minority interests	93 617		83 820	
	Loans affiliated group/other financial assets	148 513		148 247	
Tangible assets	Land	–		153	
	Buildings	360		722	
Non-current assets		**388 863**	**97.8 %**	379 315	98.9 %
Assets		**397 740**	**100.0 %**	383 367	100.0 %
Miscellaneous accounts payable		893		198	
Accounts payable affiliated companies		–		42 514	
Deferred items		68		91	
Current liabilities		**961**	**0.2 %**	42 803	11.2 %
Non-current liabilities		**–**		–	
Liabilities		**961**	**0.2 %**	42 803	11.2 %
Share capital		2 000		2 000	
Legal reserves		10 000		10 000	
Treasury shares		3 130		3 113	
Other reserves		301 433		298 520	
Annual profit		80 216		26 931	
Equity		**396 779**	**99.8 %**	340 564	88.8 %
Liabilities		**397 740**	**100.0 %**	383 367	100.0 %

Bell Ltd
Income Statement

in CHF thousand	**2012**	2011
Income from holdings	74 241	50 558
Other financial income	6 849	7 692
Other proceeds	3 030	3 027
Total income	**84 120**	61 278
Administration expenses	2 029	1 331
Other expenses	369	327
Interests expenses	651	1 613
Other financial expenses	–	30 833
Depreciation of tangible assets	362	411
Expenses	**3 411**	34 515
Operating profit before taxes	**80 709**	26 763
Income from sale of non-current assets	107	168
Profit before taxes	**80 816**	26 931
Taxes	600	–
Profit after taxes	**80 216**	26 931

Bell Ltd
Appropriation of Annual Profit

Proposals of the Board of Directors to the General Meeting

in CHF thousand	2012	2011
Appropriation of annual profit		
Annual profit	80 216	26 931
CHF 60 dividend (previous year CHF 60)	24 000	24 000
Transfer to the other reserves	56 216	2 931
Total appropriations	**80 216**	26 931

Appendix

in CHF thousand		2012	2011
Total amount of guarantees, warranties and mortgages in favour of Group companies*		**195 000**	225 000
Total amount of mortgaged assets at legal book values		**–**	–
Fire insurance value of buildings		**4 301**	4 194
Important participations		**page 80**	–
Treasury shares according to statement on changes in equity		**page 61**	–
Principal shareholders	Coop Cooperative, Basel	**66.29%**	66.29%
	Sarasin Investmentfonds AG, Basel	**3.97%**	4.55%
Conditional increase in share capital		**–**	1 000
Total amount of the approved share capital increase		**–**	500
Details on risk assessment		**page 43/79**	–

*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 Auditor on the Financial Statements

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

As statutory auditor, we have audited the financial statements of Bell Ltd, which comprise the balance sheet, income statement and notes (pages 84 to 86), for the year ended 31 December 2012.

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 2012 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 state-ments 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, 5 February 2013

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Imprint

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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