
Corporate profile 2017



Content

Corporate profile 2017

3 Important events 2017

4 Key figures

6 Editorial

9 Features

17 Business overview

- 17 Our business
- 17 Locations and organisation
- 17 Brand management
- 18 Products and product ranges
- 18 Customers and sales channels
- 18 Core markets
- 19 Our suppliers
- 19 Our employees

21 Our strategy

- 21 Our corporate guiding principles
- 22 What we build on

25 Situation report

- 25 Growth in spite of difficult market conditions
- 26 Substantial expansion of convenience and Spanish charcuterie business segments
- 27 Assessment of risks and market environment
- 28 Division reporting
- 31 Events occurring after the reporting date
- 31 Outlook for 2018

33 Corporate responsibility

- 33 Introduction
- 34 Pillar 1: Products and procurement
- 36 Pillar 2: Environment and resources
- 37 Pillar 3: Employees and society

40 Contacts and publishing details

Content Management report 2017

Corporate governance
Compensation report
Financial reporting

Together, the Management report 2017 and the Corporate profile 2017 form the Annual report 2017. These are available as separate publications or can be downloaded from www.bellfoodgroup.com/report-en.

Important events 2017

The Bell Group changed its name to the Bell Food Group Ltd

The name of the Bell Group formally changed to the Bell Food Group in spring 2017. This change of name is a further step in the evolution of the company from a Swiss meat processing company to a leading specialist for meat and convenience products in Europe.

Renewed growth posted for sales revenue and volume

The Bell Food Group further increased its sales revenue and volume in 2017. Sales revenue rose by 5.9 percent to CHF 3.59 billion, while sales volumes rose year-on-year by 9.6 percent to 453.8 million kilograms. In addition to the acquisitions over the past few years, this growth was also supported by operational progress in Switzerland, Germany and Poland.

Good annual result in a difficult environment

The 2017 financial year was dominated by a competitive market situation and high prices for raw materials throughout Europe. The Bell Food Group posted a good result in this difficult environment and improved its annual profit by 5.9 percent to CHF 106.5 million.

Strategic development of the convenience business segment

The strategic development of the convenience business segment was continued and cemented. As of 1 January 2017, Hilcona took over Frostag Food-Centrum AG in Landquart, a company specialising in the production of pasta and vegetarian products. In September 2017, the Bell Food Group acquired the remaining block of 49 percent of the shares in Hilcona as well as Eisberg from the Toni Hilti Family Trust.

Investments in Switzerland as a production base

The investment programme at the biggest Swiss sites in Basel and Oensingen is proceeding apace. Construction of a new car park in Basel started in 2017. In Oensingen, the plans for renovating the cattle slaughterhouse and for building a new deep-freeze store and a car park are approaching completion.

Expansion of production capacity for Spanish charcuterie

The foundation stone for the new Serrano ham production facility was laid in Fuensalida in the vicinity of Madrid in April 2017. In the same month, the Bell Food Group acquired the production facilities of a specialist for the production of Jamón Ibérico and Spanish charcuterie in Extremadura.

New convenience facility in Austria

The ground-breaking ceremony for a new Eisberg facility for the production of fresh regional convenience products took place close to Linz in Austria in September 2017. The new facility with some 200 employees will focus on the production of fresh salads, cut vegetables and fresh convenience products.

German Federal Cartel Office proceedings abandoned

On 23 June 2017, the German Federal Cartel Office abandoned its proceedings for illegal price fixing against Bell Deutschland Holding GmbH. From the outset, the Bell Food Group considered the fine imposed by the German Federal Cartel Office of some EUR 100 million to be improper and illegal and never raised any provisions for this fine.

Dividend

Due to the sound prospects for the future, an increase in the dividend from CHF 7 to CHF 8 per share will be proposed to the General Meeting. With this dividend adjustment, the Bell Food Group is increasing the payout ratio to 30 percent as foreseen by the financial strategy.

Proceeds from sale of goods
in CHF million

3,589.0

↑ 5.9%

Equity
in CHF million

784.3¹

Share of total assets
37.5 % (Previous year 45.7%)

¹ The purchase of the non-controlling interest in Hilcona was set off in full against equity.

Net investments in property, plant and equipment
in CHF million

113.7¹

¹ Investments in production infrastructure, the harmonisation of IT systems across the Group and the new buildings in Switzerland, Spain and Austria.

Gross profit
in CHF million

1,310.7

↑ 6.3%

Gross profit margin
37.1%

Annual profit
in CHF million

106.5

↑ 5.9%

EBITDA
in CHF million

280.6

↑ 0.9%

EBIT
in CHF million

149.7

↑ 5.3%

Operating cash flow
in CHF million

161.3

↓ 34.3%

Key figures

The Bell Food Group is one of the leading European providers in its product groups and number one in Switzerland. This company steeped in tradition was established in 1869 when Samuel Bell opened his butcher's shop in the inner city of Basel. The product range includes meat, poultry, charcuterie, seafood and convenience products such as salads, sandwiches, ready-made meals and pasta. More than 10,000 employees in 10 countries work hard every day to prepare top-quality products that give much enjoyment to millions of consumers. To achieve this objective, we work closely with our suppliers and distribution partners in the retail trade, food service sector and food processing industry.

Share price as of 31.12.2017
in CHF

429.50

↓ 2.1%

Dividend per share
in CHF

8

↑ 30.0%

Earnings per share
in CHF

26.68

↑ 6.0%



1.1.2017
CHF 438.75

31.12.2017
CHF 429.50



Production
43 sites

Sales volumes
in tonnes

Fresh meat

55.5

↑ 1.1%

Charcuterie

130.0

↑ 5.6%

Poultry

152.3

↑ 19.0%

Convenience

108.2

↑ 7.9%

Seafood

7.1

↓ 2.0%

Total

453.8

↑ 9.6%



Training
in **16** different
professions



Number of employees
as of 31.12.2017
10,192 employees



The Bell Food Group's
employees represent
93 nationalities



Proportion of
female staff
38 percent



Hansueli Loosli
Chairman of the Board of Directors



Lorenz Wyss
Chairman of the Group Executive Board

Editorial

The Bell Food Group continues its strategic growth

Dear Shareholders

The Bell Food Group consistently pursued its adopted strategy in the 2017 financial year. The convenience business segment was strengthened further with the full takeover of Hilcona and Eisberg and the commencement of building work on a new convenience plant in Marchtrenk in Austria. Because of the diversification of its business activities, the Bell Food Group has a broader base of support and is better prepared for unforeseeable external events such as volatile raw material prices or short-term market fluctuations.

The first half of the year in particular was dominated by a competitive market environment and a strong rise in raw material prices in Europe, which could only be passed on to customers to a limited extent. The relaxation in raw material prices seen from autumn 2017 will positively affect the gross margins from 2018 only. Given these circumstances, the Bell Food Group's result for 2017 was good.

The Bell Food Group improves sales revenue, sales volume and profit

The Bell Food Group improved its sales revenue in the reporting year from CHF 3.4 billion to CHF 3.6 billion (+5.9%). Sales volume grew by 9.6 percent or 39.6 million kilograms to 453.8 million kilograms. In addition to the acquisitions over the past few years, this growth was also supported by operational progress in Switzerland, Germany and Poland.

At CHF 1.3 billion, the gross profit was up CHF 77.7 million (+6.3%) on the previous year. While the increase in raw material prices had a negative effect on the Bell Germany and Bell International divisions, the gross margins for the Hilcona and Eisberg business areas were on a par with the previous year thanks to their focus on product ranges with a higher margin. At 37.1 percent, the Bell Food Group's gross margin for 2017 is slightly better than in the previous year. While overheads could be consolidated as planned, maintenance costs increased as a result of the advanced age of some facilities in Switzerland. EBITDA improved by CHF 2.6 million to CHF 280.6 million. At CHF 149.7 million, EBIT was up 5.3 percent year-on-year. At CHF 106.5 million, the annual profit was 5.9 percent or CHF 5.9 million better than in the previous year.

Rising raw material prices and competitive markets affect the segment results

The Bell Switzerland division battled with a stagnating and partially declining market for meat and charcuterie products in 2017 as a result of persistently high shopping tourism and growing competition in the retail trade, among others. Thanks to its growing market share, however, Bell Switzerland's sales volume and sales revenue improved on 2016 in the reporting year. After a difficult start to the year with high raw material prices and a weak Easter trade, the situation improved in the second half thanks to a good barbecue season. Christmas sales lagged behind expectations.

The strong increase in raw material prices put pressure on the Bell Germany division's gross margins. But thanks to successful sales promotion measures, Bell Germany posted above-average growth in a slightly rising charcuterie market and gained market share in all product segments. The financial year 2017 was also a good year for the organisational unit in Spain, which is part of the Bell Germany division. Sales of Spanish charcuterie specialities increased in Germany as well as in the rest of Europe. Bell Benelux, on the other hand, failed to meet expectations in the 2017 financial year. The wholesale organisation in Belgium suffered from the loss of some retail customers and deliberately eliminated orders with small margins.

The Bell International division once again posted growth in 2017, boosted by the good performance of the poultry specialist Hubers in Austria and Germany and the encouraging increase in sales volumes in Poland and Hungary. In France, the competitive environment in the stagnating charcuterie market and high raw material prices burdened the result. These negative effects could only be partially compensated by the progress made in cost management and productivity. Although the result in Hungary was affected by high raw material prices and government intervention in the market, Bell Hungary reported a stable business trend for the reporting year. As the Bell Food Group's strategic focal points did not include the increasingly unprofitable branch shops in the Czech Republic, this business was sold to the former management team at the end of March 2017.

Share

Due to the sound prospects for the future, an increase in the dividend from CHF 7 to CHF 8 per share will be proposed to the General Meeting. With this dividend adjustment, the Bell Food Group is increasing the payout ratio to 30 percent as foreseen by the financial strategy.

Investments in the convenience business segment and modernisation of the infrastructure

The strategic expansion of the convenience business segment was continued in the reporting year with the full takeover of Hilcona and Eisberg and the acquisition of Frostag Food-Centrum AG in Landquart, a company specialising in pasta and vegetarian products. The Bell Food Group has also started with the construction of a specialised plant for fresh convenience products in Marchtrenk in the vicinity of Linz in Austria, which is scheduled for commissioning at the end of 2018. We aim to tap into the Austrian market and partly also the Southern German market with these new production capacities.

Considerable investments were also made in the reporting year in the traditional meat and charcuterie business segments. A new production facility for Serrano ham is currently being built in Fuensalida in the vicinity of Madrid. In April, the Bell Food Group also acquired the production facilities of a specialist for the production of Jamón Ibérico and Spanish charcuterie in Extremadura. By expanding our capacities in Spain, we are meeting the growing demand for Spanish charcuterie specialities across Europe. We enlarged our two poultry plants in Pfaffstätt/AT and Ampfing/DE and thus improved the production processes.

The investment programme at the Swiss sites in Basel and Oensingen continued to progress. Construction work on the car park in Basel started in the reporting year. In Oensingen, the plans for renovating the cattle slaughterhouse and for building a car park and a new deep-freeze store are in the final phase. We expect to be able to apply for a building permit for these projects during 2018.

Takeover of Hügli Holding AG

On 15 January 2018, the Bell Food Group announced its takeover of Dr. A. Stoffel Holding AG, the majority shareholder of the international food manufacturing company Hügli Holding AG. At the same time, the Bell Food Group is making a public offer to buy all outstanding shares of Hügli Holding AG at CHF 915 per share.

The takeover of Hügli, the purchase of the second tranche of the non-controlling shares in Hilcona, the investment plans for the Swiss production sites and further growth in the convenience segment will be financed with a combination of equity and borrowed capital.

Outlook

We expect the relaxation in raw material prices seen in the second half of 2017 to continue in 2018, which will have a positive impact on margins. We assume that we will be challenged in the coming year by the intense competition in the European retail markets. With the acquisition of Hügli and the full takeover of the fresh convenience specialist Hilcona, the Bell Food Group is consistently pursuing its strategy of continued growth in terms of sales and income in the attractive convenience segment. We are convinced that we are on the right track with our strategy and that the investments in our production facilities and the expansion of the convenience business segment will have a positive effect on our business performance.

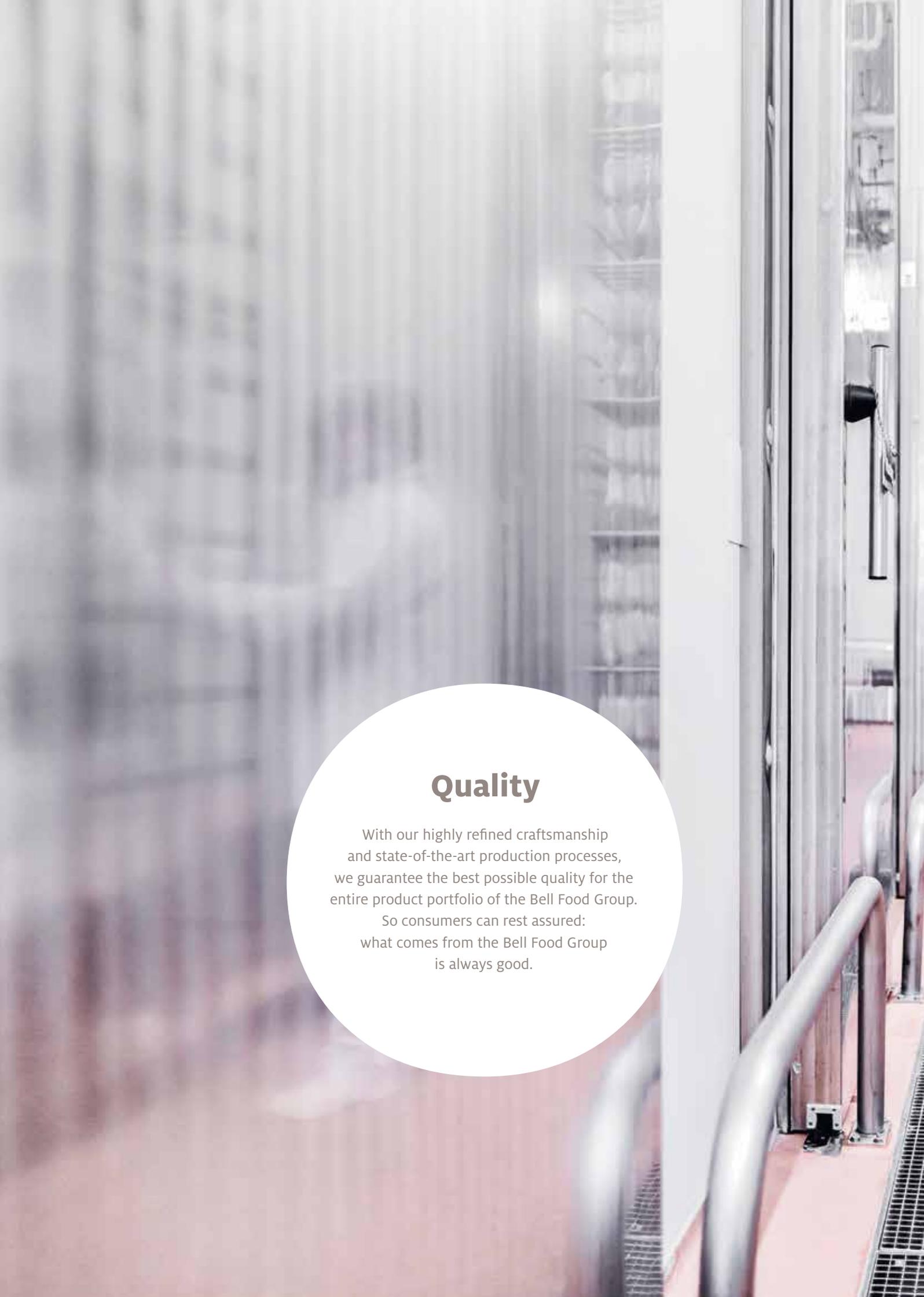
We would like to thank our valued shareholders, our employees and all our other partners for the trust they have placed in the Bell Food Group and we value their support in the implementation of our strategic ambitions.



Hansueli Loosli
Chairman of the Board of Directors



Lorenz Wyss
Chairman of the Group Executive Board



Quality

With our highly refined craftsmanship and state-of-the-art production processes, we guarantee the best possible quality for the entire product portfolio of the Bell Food Group.

So consumers can rest assured:
what comes from the Bell Food Group
is always good.







Sustainability

The Bell Food Group promotes sustainability with its comprehensive production know-how and considers sustainability aspects in all decisions. We accept responsibility – for our products, the efficient use of resources and the protection of the climate as well as towards our employees and society.



Taste

With its top-quality food products, the Bell Food Group offers many pleasurable experiences and thus more quality of life. As we wish to offer a convincing product for every culinary need, we keep in close contact with our consumers and their requirements.

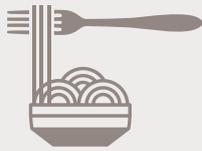


The Bell Food Group is one of the leading meat processors and convenience specialists in Europe.



Fresh meat

In Switzerland, we process our own meat and offer a full range of products



Convenience

Large-scale provider of fresh convenience products in Switzerland and a focused range of products in Europe

Locations in Europe



Charcuterie

A wide range of scalded sausages, cured sausages, ham and regional specialities throughout Europe



Poultry

Integrated production of chicken in Switzerland and Austria, and turkey in Germany



Freshly cut salads

One of the leading producers of fresh and prepared salads in Switzerland and in Central and Eastern Europe



Seafood

Market leader in marketing of fish and seafood in Switzerland

Business overview

Our business

The Bell Food Group is one of the leading processors of meat and convenience products in Europe and number one in Switzerland. The product range includes meat, poultry, charcuterie, seafood and convenience products such as salads, sandwiches, fresh meals and pasta. The products of the Bell Food Group are sold in more than 20 countries. With the brands Bell, Hilcona and Eisberg, the Bell Food Group meets a diversity of customer needs.

Locations and organisation

The Bell Food Group is present in ten European countries with its production facilities, logistics platforms and sales offices. The 43 production facilities are specialised and focus on a defined range of products. The company also has regional facilities for the manufacture of regional charcuterie specialities for important designations of origin.

The Bell Food Group comprises the three business areas Bell, Hilcona and Eisberg. The divisional structure of these business areas reflects their focus on different sales markets.

The business area Bell comprises the divisions Bell Switzerland, Bell Germany and Bell International. Bell has its origins in Basel and **Bell Switzerland** is the leading Swiss meat processing company. It offers a full range of meat, charcuterie, poultry and seafood products. **Bell Germany** is an important provider of air-dried ham, cured sausages, scalded sausages and meat convenience products. Bell Germany sells the goods produced in the production plants in Germany, Spain and Belgium in more than 20 countries in Europe. Organisationally, the Bell Benelux sales organisation and the production plants in Spain specialising in Spanish charcuterie belong to Bell Germany. The activities in France, Poland, and Hungary as well as the poultry business in Austria and Germany are merged under the organisational umbrella of **Bell International**. In France, Bell has several plants for producing regional cured sausage and air-dried ham specialities in Auvergne, Lyon and Savoy. Bell markets a wide range of its own products and merchandise in various Eastern European countries. Charcuterie specialities for the local market are produced in two plants in Poland and in Hungary. Hubers produces top-quality poultry products from its own integrated production in Austria and Germany.

Hilcona produces a wide range of fresh convenience products in its facilities in Schaan/FL, Orbe/CH and Landquart/CH and markets these products in Switzerland, Germany and other European countries.

Eisberg, a company specialising in the production of convenience salads, has three production plants in Switzerland and one each in Hungary, Poland and Romania. Some of the raw materials are procured through a purchasing office in Spain.

Brand management

We offer a diverse product portfolio serving a diversity of customer needs under the umbrella of the strategic brands Bell, Hilcona and Eisberg. Brand management is aligned to the different brand values and the benefits that are relevant to the end consumer. The brands are clearly differentiated and positioned with regard to product groups and distribution channels. The strategic brands are supported by a number of supplementary brands for specific target groups. The Bell Food Group also has great expertise in the manufacture of many different trade brands.

The Bell Food Group is present in 10 European countries with its **production facilities, logistics platforms and sales offices.**

Products and product ranges

Fresh meat, poultry, charcuterie and seafood

In the Bell business area, the Swiss company produces and processes fresh beef, veal, pork and lamb. Our own meat production is supported with targeted purchases of meat ready for processing and game specialities from suppliers inside and outside of Switzerland. We offer a complete range of self-service and over-the-counter products to the retail trade as well as special product ranges specifically developed for the food service sector and food processing industry.

In Switzerland, Austria and Germany, we have an integrated production process for poultry and control the entire value chain, from the egg to the final, ready-to-serve product. We also offer poultry (chicken and turkey) in all product ranges. We are highly competent and productive in the manufacture of poultry products meeting higher animal welfare standards. Thanks to several production plants in seven countries, Bell offers a wide range of charcuterie products from its own production. These include scalded sausages, cured sausages, air-dried ham, cured meat products and dried meat. The range also includes a large number of specialities with protected geographical status such as Black Forest ham, Bündnerfleisch, Saucisson d'Auvergne, etc. In the reporting year, the range of Spanish charcuterie specialities enjoying growing popularity throughout Europe was expanded in particular.

Bell Seafood sells fresh domestic and imported fish as well as seafood for self-service and over-the-counter sale by the Swiss retail trade. Thanks to our own processing facilities, we can also offer seasonal products and products that involve a higher degree of preparation. In addition to top quality, we attach particular importance to the sustainable sourcing of seafood. Bell is a founder member of the WWF Seafood Group.

Convenience

In the Hilcona business area, fresh, frozen and non-perishable fresh convenience products and fresh meals, various pasta creations, fresh sandwiches, pizzas and many other products are produced in Schaan and Orbe. With the establishment of a centre of excellence for vegetarian products in Landquart, Hilcona is strengthening its position in the production of vegetarian convenience products, in particular tofu made from organic Swiss soya.

Freshly cut salads

Eisberg specialises in the production of freshly cut and prepared salads and also offers a wide range of cut vegetable and fruit selections. The range is expanded by innovative products such as smoothie mixes and salad dressings.

Customers and sales channels

We service countless customers in the retail channel, food service sector and food processing industry. We deliver our products to retailers of many different formats, from large supermarkets to speciality and convenience shops. Our customers in the food service sector include system caterers, industrial caterers, hotels, takeaways and traditional restaurants. As a rule, we supply these customers through the wholesale cash and carry and delivery channels. Our sales to the food processing industry are based on deliveries of specific components to other manufacturers of food products.

Core markets

In our core market Switzerland, we cover almost all product groups in the meat, poultry, charcuterie, seafood and convenience segments with our own production facilities. We are the market leader or hold a leading position in most product groups in Switzerland.

The DACH countries (Germany, Austria and Switzerland) are the most significant market for our poultry products. We are an important provider of chicken products with market leader Hubers Landhendl in Austria and Bell in Switzerland. Süddeutsche Truthahn AG is a relevant provider of top-quality regional turkey products in Bavaria. We are one of the most important manufacturers of poultry for programmes with higher standards for animal welfare (e.g. organic) in the DACH region.

Our core business is safe, top-quality meat and convenience products. With more than 15,000 articles, we offer a wide selection that serves a diversity of customer needs.

Distribution of sales by product group in percent

Fresh meat	24.6 %
Charcuterie	30.6 %
Poultry	21.6 %
Seafood	4.7 %
Convenience	17.5 %
Other	1.0 %

In Switzerland, we offer a complete range of charcuterie products and are considered the most important provider across all product groups. Outside of Switzerland, we focus on top-quality regional charcuterie products in the air-dried ham, scalded and cured sausage product groups. Bell Germany is the market leader for air-dried ham and a relevant provider of scalded and cured sausages and meat convenience products in its home market. In France and increasingly also in Spain, Bell is one of the most important providers of cured sausage and air-dried ham specialities. In Poland and Hungary, we are an important provider of cured and scalded sausages.

Bell Seafood is the biggest fish specialist in Switzerland. It sells fresh domestic and imported fish as well as seafood for self-service and over-the-counter sale by the retail trade.

Hilcona is the market leader for convenience products in Switzerland and the market leader in fresh pasta in Germany and Austria. Hilcona also operates in France, Poland and the Benelux countries.

Eisberg is either the leader or a market determinant in the production of fresh salads in Switzerland and Eastern Europe. Eisberg is planning to set up a new convenience facility in Marchtrenk/AT in 2018 in order to substantially expand its position in Austria.

Our suppliers

For the Bell Food Group, quality management starts with the selection of the best raw materials. We prefer suppliers who meet our requirements for sustainable business practices. Sustainability is an explicit component of our procurement strategy, from the selection of our suppliers to the consumption of materials. Framework agreements are concluded with all important suppliers. As part of a comprehensive approach to supplier management, all suppliers are audited once a year.

For meat, elements such as farming, feeding methods and breed are important criteria. The Bell Food Group has defined clear basic rules for the purchase of slaughter animals, meat and fish in corresponding guidelines. 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.

Hilcona grows its own raw materials through its subsidiary Hilcona Agrar. Where this is impossible, Hilcona works together with long-standing suppliers. 99 percent of its vegetables come from around 350 contract farmers in Switzerland and Liechtenstein. Only certified Swiss organic soya is used for the production of its tofu products.

Whenever possible, Eisberg obtains the raw materials for its salads from regional producers. A team of Eisberg specialists supports all suppliers with on-site advice and support. Thanks to a strong network covering a number of countries, Eisberg can procure raw materials in its usual top quality even in times of adverse weather conditions.

Our employees

At the Bell Food Group, more than 10,000 employees of 93 nationalities make sure that our wide range of products is distributed to the market freshly each day. The Bell Food Group offers jobs of many different descriptions, from food specialist to commercial specialist, from IT specialist to mechatronic specialist.

For the Bell Food Group, education and training are important aspects of a responsible staff policy. In the Group, we offer basic training in 16 professions. The Bell Food Group also continuously reviews the possibilities of introducing training courses for additional professions and upgrading its existing training courses.

The health and safety of our employees are given the highest priority. Safety concepts with regular training courses and safety officers at every plant ensure that these concerns are met, always and everywhere. Bell Switzerland was awarded the "Friendly Work Space" quality label for its special performance in the field of occupational health and safety.

Employee figures

10,192

people work for
the Bell Food Group:
5,765 in Switzerland and Liechtenstein
4,427 in the rest of Europe.

93

nationalities are employed
by the Bell Food Group.

**BELL
FOOD
GROUP**



The Bell Food Group has evolved from a Swiss meat processing company to a leading specialist for meat and convenience products in Europe.



Quality



Sustainability



Taste

Vision

Reaching the top, together

Corporate guiding principles

Reputation | Close | Partnership | Innovative | Diverse

Missions

Quality | Sustainability | Taste

Functional strategies

Brand strategy

Sales market strategy

Production strategy

Procurement strategy

Financial strategy

IT strategy

Personnel strategy

Values

Quality strategy

Sustainability strategy

Our strategy

Reaching the top, together

We have grown together and become stronger as a group under the umbrella of the new Bell Food Group. Shorter lines of decision-making mean that we can consistently implement our strategies. We all apply a uniform strategy pyramid that was reviewed and adjusted to the Group's new structures in 2017.

To achieve our vision of "Reaching the top, together" and to consistently implement our missions, we follow the collected rules of conduct that define our binding corporate guiding principles. The corporate guiding principles are rounded out by our code of conduct (<https://www.bellfoodgroup.com/code-en>), the framework for our detailed internal compliance guidelines.

From its humble roots almost 150 years ago in a small butcher's shop in the old town of Basel, Bell has grown to become a leader in the food processing industry.

Each Group division contributes to the fulfilment of the vision with individual missions. Three missions designed to differentiate our company were defined for the Bell Food Group. Quality takes absolute precedence in everything that we do. With our highly refined craftsmanship and state-of-the-art production processes, we guarantee the best possible quality for the entire product portfolio. When it comes to sustainability, we want to serve as an example to our industry. We accept responsibility – for our products, the efficient use of resources and the protection of the climate as well as towards our employees and society. We consider sustainability aspects in all our decisions. We offer many a pleasurable experience and much enjoyment of life with top-quality and fresh food.

The concrete processes are defined in our functional strategies. The functional strategies are based on common values and for the most part apply to the whole Bell Food Group. Depending on the business area, the functional strategies can include additional specifications.

Our corporate guiding principles

Diverse

Together we achieve convincing targets

We are players on the international, national, regional and local stages. We build on the individual strengths of our employees and offer them a wealth of development and career progression opportunities.

Close

Together we come closer to one another

We know our customers and speak their language. We take customer concerns seriously and offer around-the-clock services. We ourselves are passionate customers of our company.

Reputation

Together we create added value

We have a reputation for freshness and quality. We are uniquely committed to sustainability in all its dimensions: economic, ecological and social. We set the standards for service and customer guarantees. We communicate proactively and effectively.

Innovative

Together we shape our future

We are initiators and developers of new sustainable services. We facilitate effective and fast processes by combining skills and discretionary competence. We inspire the courage to be creative and the will for change. We measure ourselves against the best and pay attention to detail. We use new technologies to design intelligent solutions. We are a learning organisation.

Partnership

Together we create trust

We agree on objectives and measures. We act in compliance with defined customer and supplier principles, internally and externally. We find solutions as part of a constructive dialogue. We consistently implement decisions. We lead by example. We act responsibly and in a socially acceptable manner. We reward success.

What we build on

Our corporate strategies are derived from our vision, corporate guiding principles and missions. The strategic focal points are defined for each individual company. These refer to our markets, brands, production and procurement processes, finance, information technology (IT) and personnel. As the foundation of our corporate conduct, sustainability and quality form an integral part of all other strategies.

Sales market strategy

The sales market strategy was adopted to serve as a guideline for the development of our product portfolio. The objective of this strategy is to define which product ranges and brands are offered to which customer groups in which geographical markets. We want to consistently align our strategies to market needs and at the same time exploit the opportunities and synergies offered by the Group. Our sales markets are divided into the retail market and the food service/food processing industry. These markets have different needs when it comes to product and service requirements, and we service them with products tailored to their specific needs.

Brand strategy

Our brand strategy focuses on the strategic brands Bell, Hilcona and Eisberg. The positioning of these three brands was reviewed in 2017 and their future direction defined. In addition to the strategic brands, the Bell Food Group's brand architecture is supported by supplementary brands for specific target groups.

Our strategic brands



Bell

One of the leading food brands in Switzerland offering a wide range of meat, poultry, charcuterie and seafood products. The full range of marketing tools is used for brand management: TV, print media, online, point-of-sale specials, sales promotion, etc. The Bell International brand was launched in 2016 with a range of specialities and snacks. The intention is to further expand the international activities. www.bell.ch and www.bell1869.com



Hilcona

The Hilcona brand is known for first-class fresh and convenience products of the best quality that are as natural as possible. With its healthy eaters' guarantee, Hilcona assures consumers that no additives are used. The brand offers fresh products and a comprehensive range of services to customers in the retail trade, food service sector and impulse trade. In the EU, the product range focuses on fresh pasta, but in Switzerland Hilcona offers a wider range of fresh products. www.hilcona.com



Eisberg

Eisberg is a leading brand for convenience salads, in particular in Eastern Europe. Its wide range of products includes fresh salads and freshly cut fruit and vegetable selections. www.eisberg.com

Our supplementary brands

Abraham, Cher-Mignon, Gastro Star, Geiser, Hoppe, Hubers, M^ossieur Polette, Sanchez Alcaraz, ZIMBO.

Production strategy

Our production strategy defines the medium- and long-term infrastructure and production programmes for the 43 Bell Food Group production facilities in ten countries. As part of the location strategy for Switzerland, the fresh meat production was moved from Cheseaux/CH to the existing plant in Oensingen/CH at the end of 2017, thus bundling Bell's fresh meat expertise in Oensingen. Two production plants, one in Switzerland and one in Spain, have joined the Bell Food Group with the most recent acquisitions. A convenience plant in Marchtrenk/AT and a charcuterie plant in Fuensalida/ES are currently being built.

We plan the future development of our production sites by taking a far-sighted approach. While working on these plans, synergy potential is identified and conditions for process optimisation and a structured approach to quality management are defined. A dedicated project team for the Swiss sites in Basel and Oensingen is currently working on a substantial investment programme to further develop these facilities. The planning horizon runs from 2017 to 2025. With its plans for new buildings and conversions, the Bell Food Group is laying the groundwork for improving its already powerful production facilities in Switzerland.

Procurement strategy

As an integral component of the company's strategic focus, procurement is continuing to gain in importance. As a result, procurement at the Bell Food Group is a strong overlapping, Group-wide function that contributes substantially to the achievement of the corporate objectives. In addition to the core elements of cost reduction and synergy development, a successful strategy applying to the entire value chain is needed today in order to achieve long-term and sustainable success.

Apart from the targeted implementation of the individual measures adopted as part of the procurement strategy, the focus in the reporting year fell on uniform cross-Group procurement for the Bell Food Group. Thanks to the intense and proactive cooperation between all companies of the Bell Food Group, the procurement units made an important contribution to the achievement of the corporate objectives in a difficult year on the procurement markets by strengthening lead buying as part of procurement management.

Financial strategy

The financial strategy aims to strengthen the targeted application of resources to improve profitability and productive capacity and ensure the company's freedom of action at all times. The financial strategy formulates rules for different topics, including external and internal financing, the management of interest rate risks, liquidity and foreign exchange management, and the payment of dividends. The financial strategy defines key indicators for profitability, financing, liquidity and the balance sheet and regulates their monitoring. For us, a solid balance sheet and excellent equity ratio are key elements in the implementation of the Bell Food Group's financial strategy.

IT strategy

IT at the Bell Food Group assumes an active role as business enabler and innovation driver. The IT strategy should help to enable competent, solution- and service-focused IT services at all locations of the Bell Food Group. The lines of action of the IT strategy include the sensible harmonisation of the hardware and software landscape, harmonised processes for the evaluation, procurement, implementation and operation of IT systems and equipment as well as clearly regulated IT governance and compliance. Uniform and consolidated IT controlling also enables efficient cost management. At present, our central project is the harmonisation of the ERP landscape based on the concept of SAP HANA as the foundation for all the Group's administrative systems. The digitisation of business processes and accompanying big data strategy is another key project. Within the context of Industry 4.0, a network linking all production plants makes it possible, for example, to maintain the infrastructure in a cost-efficient and intelligent manner.

Personnel strategy

The personnel strategy comprehensively analyses the complex situation of our international company. As a responsible employer, we accord a high priority to the recognition and development of the employees. One of the main objectives of our personnel strategy is to ensure that all employees are qualified for a permanent profession. It also formulates the rules of conduct and management principles that are binding for all employees and serves as the foundation for our belief that staff interaction should be guided by a spirit of partnership. We are dedicated to improving the employability of our employees through basic training and further education. Our talent management process is designed to identify employees with potential, who are supported individually. The personnel strategy is implemented at all the companies of the Bell Food Group, taking account of national and regional differences and needs. The personnel strategy will be reviewed in 2018, after which it will be binding for the whole Group for the first time.

Sustainability strategy

In view of the growing awareness of sustainability issues in all areas, the sustainability strategy was reviewed and the new strategy entered into force in spring 2017. It applies Group-wide for the first time and covers all the relevant fields of action and topics as well as the organisational framework conditions for implementation and control. Our sustainability strategy uses three pillars to classify our responsibilities: "products and procurement", "environment and resources" and "employees and society".

Quality strategy

Quality is our core competency. A new quality strategy will be defined in 2018 to serve as the foundation for a common understanding of quality. It will define basic and generally applicable conditions regarding the quality, management and safeguarding of our products, processes and structures.

10 countries
43 locations
149 years of tradition
10,192 employees
454 m kg
of sales volumes



Proceeds from sale of goods

↑ **5.9 %**

All divisions contributed to the growth in sales revenue.

Annual profit

↑ **5.9 %**

The annual profit improved despite rising prices for raw materials.

Share price 2017

in CHF



Investments of around CHF 113.7 million made in 2017



Bell business area
Poultry and charcuterie were again the main drivers of growth



Hilcona business area
Demand for convenience products continued to grow



Eisberg business area
Successful financial year in Switzerland and internationally

Situation report

Implementation of strategy on track

The Bell Food Group consistently pursued its continued evolution from a Swiss meat processing company to a leading specialist for meat and convenience products in Europe. The convenience business segment was substantially strengthened in the reporting year with the full takeover of Hilcona and Eisberg, the acquisition of the specialist in vegetarian products Frostag Food-Centrum AG and the commencement of building work on a new convenience plant in Marchtrenk in Austria. We also continued our targeted development of the meat and charcuterie business segment, for example with our Spanish charcuterie products.

Although some of our traditional markets continued to stagnate in the reporting year, we are very well positioned with our three strong business segments. The broader strategic focus of the Bell Food Group is also proving to be a driver of growth. External factors such as volatile raw material prices and unfavourable weather conditions can be better managed by the Group as a whole. We are also seeing constant progress in productivity and cost management. The prospects of the Bell Food Group to continue its success in today's challenging markets are good.

Growth in spite of difficult market conditions

The Bell Food Group's sales revenue improved by 5.9 percent or CHF 198.8 million to CHF 3.6 billion. Sales volume also increased to a total of 453.8 million kilograms (+9.6%, +39.6 million kilograms). This growth is driven by the acquisitions during the past two years as well as the operational progress made in Germany, Poland and Hungary. Some CHF 25 million in sales revenue was eliminated by the sale of the branch shops in the Czech Republic in April 2017. The gross profit margin improved from 36.8 percent to 37.1 percent. The gross margins of the Bell Germany and Bell International divisions contracted between four and seven percent as a result of rising raw material prices. Hilcona and Eisberg compensated for the decline in margins by focusing on product ranges with a higher margin. However, as the increase in personnel resources needed for the production of these products eliminates part of this effect, the margin after personnel expenses is more or less on a par with the previous year.

Adjusted for acquisition effects, overheads are in line with our internal budget. Maintenance expenses are increasing because of the advanced age of some facilities in Switzerland, but the new buildings and conversion projects in Cheseaux and Zell and the planned investments in the Basel and Oensingen sites will reduce the maintenance costs again in the medium term. EBITDA improved by CHF 2.6 million to CHF 280.6 million in the reporting year. In contrast to the previous year, no exceptional items are included in depreciation and amortisation. EBIT was CHF 149.7 million, which equals growth of CHF 7.6 million or 5.3 percent.

The financial result improved by CHF 10 million on the previous year, primarily thanks to currency gains following the recovery of the euro. The annual profit of CHF 106.5 million is up on the prior year by CHF 5.9 million or 5.9 percent. We believe that this is a good result in a difficult market environment shaped by volatile raw material prices and strong competition.

Sales revenue
CHF 3,589 million
↑ 198.8 m ↑ 5.9 %

Sales volume
453.8 m kg
↑ 39.6 m kg ↑ 9.6 %

Full takeover of Hilcona affects the balance sheet structure

The full takeover of Hilcona on 1 September 2017 left its mark on the balance sheet. In compliance with the agreed conditions for the transaction, part of the purchase price was paid immediately, which reduced the cash and cash equivalents. The remaining purchase price was recognised in the balance sheet in "Other liabilities". The financial liabilities amount to CHF 722.5 million. Less cash and cash equivalents and securities, the net financial liabilities are CHF 637.4 million. In addition to the annual profit, equity was affected by positive euro currency effects. The purchase of the non-controlling interest in Hilcona was also set off in full against equity. The equity ratio before this set-off of 43.4 percent is substantially better than our strategic target of >40 percent. After the set-off of the Hilcona non-controlling interest, the equity ratio is still very solid at 37.5 percent. We are maintaining our long-term target of an equity ratio of >40 percent.

Due to the sound prospects for the future, an increase in the dividend from CHF 7 to CHF 8 per share will be proposed to the General Meeting. With this dividend adjustment, the Bell Food Group is increasing the payout ratio to 30 percent as foreseen by the financial strategy.

Substantial expansion of the convenience and Spanish charcuterie business segments

The Bell Food Group further strengthened its convenience business segment in the reporting year. The remaining block of 49 percent of the shares in Hilcona as well as Eisberg were acquired from the Toni Hilti Family Trust in 2017. The Bell Food Group has been the majority shareholder of Hilcona since May 2015. The new ownership structure allows for a simplified management organisation and lays the foundation for further expansion and growth.

On 1 January 2017, Hilcona took over Frostag Food-Centrum AG in Landquart, a company specialising in the production of pasta and vegetarian products. Hilcona and Frostag joined forces in 2016 to produce tofu from Swiss organic soya beans. With the full takeover of the company, Hilcona specifically wants to accelerate the expansion of the range of vegetarian products. The groundbreaking ceremony for a new Eisberg facility for the production of fresh regional convenience products took place close to Linz in Austria in September 2017. The new facility with some 200 employees will focus on the production of fresh salads, cut vegetables and fresh convenience products. Commissioning is scheduled for the fourth quarter of 2018.

The Bell Food Group further expanded its capacities in Spain. The foundation stone for the new Serrano ham production facility that will be commissioned in 2018 was laid in Fuensalida in the vicinity of Madrid in April 2017. Together with the existing plant in the immediate area, Bell is increasing the annual drying capacity to more than one million hams per year. In April 2017, the Bell Food Group also acquired the production facilities of a specialist for the production of Jamón Ibérico and Spanish embutidos in Extremadura, the Ibérico stronghold, in order to meet the growing demand for Spanish ham and charcuterie specialities throughout Europe.

Expansion and modernisation of production infrastructure

Some CHF 113.7 million was invested in infrastructure in 2017. In view of the investment programme for Switzerland, we expect the investment costs to rise in 2018 to between CHF 180 and 220 million.

Bell business area

The investment programme at the two biggest Swiss sites in Basel and Oensingen continued to progress. As announced, the first construction projects were ready for the decision process in 2017. Building work started on a new car park in Basel, which will serve as the foundation for all further projects at this site. The plans for a car park, a new deep-freeze store and the renovation of the cattle slaughterhouse in Oensingen are in the final phase. We expect to be able to start with the construction of these projects during 2018.

Substantial investments were made in the existing production facilities of Hubers in Pfaffstätt in Austria. Capacity bottlenecks in delivery and storage can be eliminated with an addition built in 2017. The new packaging facility at Ampfing in southern Germany was commissioned in July 2017. Investments were also made in new production lines in order to enhance efficiency.

As the minced meat product group has been continuously growing in Switzerland in the past few years, Bell has invested in the manufacture of minced meat products in the reporting year. The new minced meat centre of Bell Switzerland was commissioned in Oensingen in April 2017. This means that all beef, pork and lamb minced meat products are now manufactured in Oensingen.

The focus of Bell Germany fell on investing in packaging technologies for air-dried ham and meat convenience products. Paying special attention to sustainability aspects, a new cooling system in the slicing and logistics centre for air-dried ham in Harkebrügge was commissioned in 2017.

Hilcona and Eisberg business areas

After the takeover of Frostag in January 2017, Hilcona developed the Landquart site as a centre of excellence for vegetarian products as announced and commissioned a production plant for tofu made from Swiss organic soya. Substantial amounts were also invested in the modernisation of the existing pasta production facilities. In addition to the ground-breaking ceremony for a new convenience plant at Linz, Eisberg's investment focus fell on building a new laboratory at the company's site in Dällikon. Various investments were also made in existing production facilities and the expansion of the control system for capturing production data as a condition for the digitisation of other processes. In IT, the focus fell on the harmonisation of the hardware and software landscape and the standardisation of the ERP systems as the foundation for all the Group's administrative systems.

Assessment of risks and market environment

The Bell Food Group's business results and development are shaped by important external factors that can only be influenced by the company to a limited extent and therefore also harbour certain risks. Two of these important factors are the prices for raw materials and consumer behaviour.

Raw material prices

The cost of raw materials and supplies accounts for more than 60 percent of net earnings. Raw materials make up the biggest share by far. For animal raw materials, Bell's success is determined by the prices for cattle products and pork in Switzerland, and by the prices for pork in Europe. Market prices are highly volatile and can change at short notice due to availability, regulatory market intervention, speculation or short-term changes in consumer habits. The inclusion of inflation in sales prices is difficult, in particular for charcuterie. Fierce competition in the processing and retail segments makes it even more difficult to increase sales prices quickly, while competitive pressure kicks in immediately when raw material prices fall. For plant raw materials, the effects of weather conditions on the quantity and quality of the harvest play an important role in addition to the conditions mentioned above. To secure the procurement of the high-quality raw materials needed for our products, the Bell Food Group is constantly testing options for binding upstream services to the company more strongly.

Consumer behaviour

In our markets, consumption largely depends on consumer sentiment and the development of purchasing power. In our core market Switzerland, the EUR/CHF exchange rate not only has a direct impact on the already pronounced shopping tourism, but also on the development of the economy and consumer sentiment. Reports about animal epidemics or food scandals can also have a strong impact on short-term consumption. These fluctuations differ according to country and cultural circles and are difficult to predict. In some markets, regulatory interference also causes noticeable changes in consumer behaviour. We defend ourselves against such risks by constantly adjusting our product ranges to market needs and placing the greatest emphasis on sustainability and the quality of our raw materials.

German Federal Cartel Office abandons proceedings against Bell Germany

On 23 June 2017, the German Federal Cartel Office abandoned its proceedings for illegal price fixing against Bell Deutschland Holding GmbH. This cancels the original fine of EUR 100 million imposed on Bell. From the outset, the Bell Food Group considered the fine to be improper and illegal and never raised any provisions for this fine. The German Federal Cartel Office imposed the fine on 15 July 2014.

Division reporting

Bell Switzerland

In Switzerland, the market for meat and meat products stagnated in 2017, with some categories even contracting. Without taking account of shopping tourism, we are assuming that per capita meat consumption declined in the reporting year. Competition in the retail trade became even more intense as a result of the expansion of discounter retail space and continued strong shopping tourism. In this challenging environment, Bell Switzerland still managed to expand its market position and increase its sales volume by some 1.2 percent to 125.5 million kilograms. Sales revenue rose by 2.8 percent to CHF 2 billion, mainly thanks to the previous year's acquisitions of Geiser and Cher-Mignon and successful sales promotion activities.

The seasonal business was mixed: while Easter and Christmas sales were disappointing, the barbecue season was encouraging. Raw material prices in Switzerland were stable. Bell purchased slaughter animals from Swiss farmers for a total of CHF 850 million.

All fresh meat activities were successfully transferred from Cheseaux to Oensingen. Cher-Mignon SA and Geiser AG acquired in 2016 could also be integrated as planned.

Bell Germany

Bell Germany clearly suffered from the increase in raw material prices in the first nine months of the reporting year. The higher raw material costs could only be partially compensated by higher sales prices after intense efforts, but the effects will only be noticeable at a later stage. Targeted measures were also implemented to boost sales volumes in order to improve cost coverage. Growth was posted for all product segments, from air-dried ham to sausages and meat convenience products. Sales volume increased by 6.8 percent to 72.4 million kilograms and sales revenue improved by CHF 30.9 million (+6.9 %) to CHF 477.2 million.

As the total charcuterie market grew by around 1 percent in 2017, it is clear that Bell Germany grew stronger than the overall market and gained market share.

The organisational units in Spain and Belgium, which are part of Bell Germany, developed divergently. Sales of Spanish charcuterie specialities increased in Germany as well as in the other European markets. Thanks to our investment activities, we will continue to be able to generate growth in this segment in future. Bell Benelux had a difficult year. The wholesale organisation in Belgium deliberately eliminated orders with small margins. The retail trade is increasingly procuring goods directly from the manufacturers and no longer uses the services of importers. These effects could not be compensated to date.

Sales revenue
CHF 1,960 million
↑ 53.3 m ↑ 2.8 %

Sales volume
125.5 m kg
↑ 1.4 m kg ↑ 1.2 %

Sales revenue
CHF 477 million
↑ 30.9 m ↑ 6.9 %

Sales volume
72.4 m kg
↑ 4.6 m kg ↑ 6.8 %

—
Sales revenue
**CHF 610
million**
↑ 85.9 m ↑ 16.4 %

Sales volume
159.3 m kg
↑ 27.8 m kg ↑ 21.1 %

Bell International

Bell International improved its sales volume by 27.8 million kilograms or 21.1 percent to 159.3 million kilograms, primarily because of the acquisition of the Austrian poultry specialist Hubers in the previous year and a substantial increase in sales in Poland. It is also worth mentioning that the branch shops in the Czech Republic were sold and are only included in the consolidated financial statements until the end of March 2017. Sales revenue amounted to CHF 610.4 million, which is CHF 85.9 million or 16.4 percent more than in the previous year. Sales revenue adjusted for acquisition effects improved by 6.7 percent.

The poultry specialist Hubers did well and gained market share. Hubers, which is benefitting from its good production capacity, posted growth in the retail channel as well as in the food service sector. Sales of organic chicken and turkey in particular did very well. But the cut-throat market in Austria and Germany also had a negative impact on sales prices and margins. As we want to offer added value to combat the potential pressure on margins, we increasingly focus on product ranges offering a higher degree of convenience, regional products and programmes applying higher standards for animal welfare.

In France, Bell was still confronted by high raw material prices and a difficult market environment. Consumption of charcuterie products is also stagnating. The relaxation of the raw materials market in the last quarter of 2017 will only have a positive effect on margins next year. We made progress in cost management and productivity. The focus in 2018 will fall on the strengthening of the sales organisation and a further adjustment to the product ranges. The brand strategy also advocates a further shift towards brand products offering more added value.

Bell Poland continued improving its sales volumes in the reporting year, with both the retail and food service sectors doing well. Higher volumes were generated in particular with top-quality, pre-cut charcuterie products and new products without any additives. High raw material prices also affected the business in Poland. Some relief was seen in the fourth quarter of 2017, which is expected to have a positive impact on earnings in 2018. The implementation of the brand strategy in Poland is on track and will be continued in 2018.

The Hungarian market environment is still dominated by government intervention causing considerable market distortion. For example, value added tax on poultry was substantially reduced in 2017, which had a strong negative impact on charcuterie products. Bell Hungary nevertheless substantially improved its sales volume. The trend for raw material prices is the same as in the rest of Europe. The retail and food service markets were stable. The conversion of the product range to include products offering a better margin and investments in sales and marketing continued.

The branch shops in the Czech Republic were sold as part of a management buy-out transaction to the former management team at the end of March 2017. This business segment was divested because it did not fit the strategic ambitions of the Bell Food Group and was no longer very profitable.

Sales revenue
**CHF 618
million**

↑ 41.5 m ↑ 7.2 %

Sales volume
107.9 m kg

↑ 7.6 m kg ↑ 7.6 %

Hilcona/Eisberg

Hilcona and Eisberg continued to do well in a competitive market environment. At CHF 618.5 million, sales revenue was up 7.2 percent or CHF 41.5 million year-on-year. Sales volume increased by 7.6 percent to 107.9 million kilograms (+7.6 million kilograms) in 2017. This is mainly the result of the growth in sales revenue and improved productivity.

Fresh convenience

For Hilcona, the specialist in fresh convenience products, the 2017 financial year was dominated by the full takeover by the Bell Food Group and the acquisition of Frostag Food-Centrum AG in Landquart. Demand for convenience products continued to grow in all sales markets, with a noticeable preference for superfresh convenience products. A competitive and price-sensitive market environment in Switzerland and Europe and rising raw material prices for packaging and dairy products put pressure on margins. Thanks to its innovative product concepts and efficient cost management, however, Hilcona successfully increased its sales revenue in the reporting year.

The retail market in Switzerland and Europe did well. In Germany, demand for pasta and ready-to-eat products made with first-class ingredients increased. The acquisition of Frostag Food-Centrum AG allowed the company to expand its range of vegetarian convenience products in Switzerland. Hilcona also posted growth for the food service sector, in particular in the European sales markets. This growth was driven by the successful cooperation with Transgourmet.

Freshly cut salads

Eisberg, which specialises in fresh salads and cut vegetables, can look back on a successful financial year in Switzerland and Europe. The bad weather in Spain at the beginning of the year limited the availability of raw materials and led to an increase in prices. The situation improved considerably from April. The retail market in Switzerland and the system catering business in Europe did well, in particular because of the introduction of innovative added-value products and successful new products such as the "green drink" smoothie and super salads. September 2017 saw the groundbreaking ceremony for a new convenience plant in Austria that will be commissioned in 2018.

Events occurring after the reporting date

Takeover of Hügli Holding AG

On 15 January 2018, the Bell Food Group announced its takeover of Dr. A. Stoffel Holding AG, the majority shareholder of the international food manufacturing company Hügli Holding AG. Dr. A. Stoffel Holding AG has an equity interest of 50.2 percent and a voting interest of 65.0 percent in Hügli Holding AG with its registered office in Steinach.

At the same time, the Bell Food Group is making a public offer to buy all outstanding shares of Hügli Holding AG at CHF 915 per share, i.e. the same price based on ratio to the par value that was paid for the controlling interest of Dr. A. Stoffel Holding AG. The price includes a takeover premium of 14.4 percent on the volume-weighted average price for the last 60 trading days prior to the announcement of the takeover offer.

A balanced financing strategy

The takeover of Hügli, the purchase of the second tranche of the non-controlling shares in Hilcona, the investment plans for the Swiss production sites and further growth in the convenience segment will be financed with a combination of equity and borrowed capital.

To ensure a balanced capital structure in the medium to long term, the Bell Food Group will request the Annual General Meeting to approve a share capital increase of CHF 600 million on 10 April 2018. In addition to the capital increase, the Bell Food Group has also floated new bonds for some CHF 350 million.

Change in the Board of Directors of Bell Food Group Ltd

On 15 January 2018, the Bell Food Group announced that it will propose the election of the Chairman of the Board of Directors of Hügli Holding AG, Jean Gérard Villot, as an additional director of Bell Food Group Ltd to the General Meeting on 10 April 2018.

The Board of Directors of Bell Food Group Ltd also nominated Philip Wyss as a new board member on 15 January 2018. He will be proposed for election to the General Meeting 2018 as the replacement for Jörg Ackermann, who is leaving the Board of Directors of his own accord. Jörg Ackermann was a member of the Board of Directors from 2000 to 2018 and served as Chairman from 2001 to 2009.

Outlook for 2018

The Bell Food Group operates in competitive and price-sensitive markets that can be strongly and quite suddenly affected by external factors. This makes it difficult to give a reliable outlook for the 2018 financial year.

We expect competition in the European retail markets to remain strong in 2018. The situation with regard to raw material prices improved in the last quarter of 2017, and we expect this trend to continue at the beginning of 2018, thus relieving the pressure on margins.

Independent of the external factors, we are focusing on the integration of the acquired companies, the optimisation of the Bell Food Group's organisational structure and processes as well as the targeted implementation of a number of construction projects. With the acquisition of Hügli and the full takeover of the fresh convenience specialist Hilcona and the salad producer Eisberg, the Bell Food Group is consistently pursuing its strategy of continued growth in terms of sales and income in the attractive convenience segment.

Resource consumption by the Bell Food Group

These figures apply for all companies that belonged to the Bell Food Group on the dates in question.



Electricity consumption



Heat consumption



CO₂ emissions
from electricity and heat



Water consumption

in absolute figures:

264
GWH

201
GWH

46,838
tonnes

4,985,452
m³

per tonne of production:



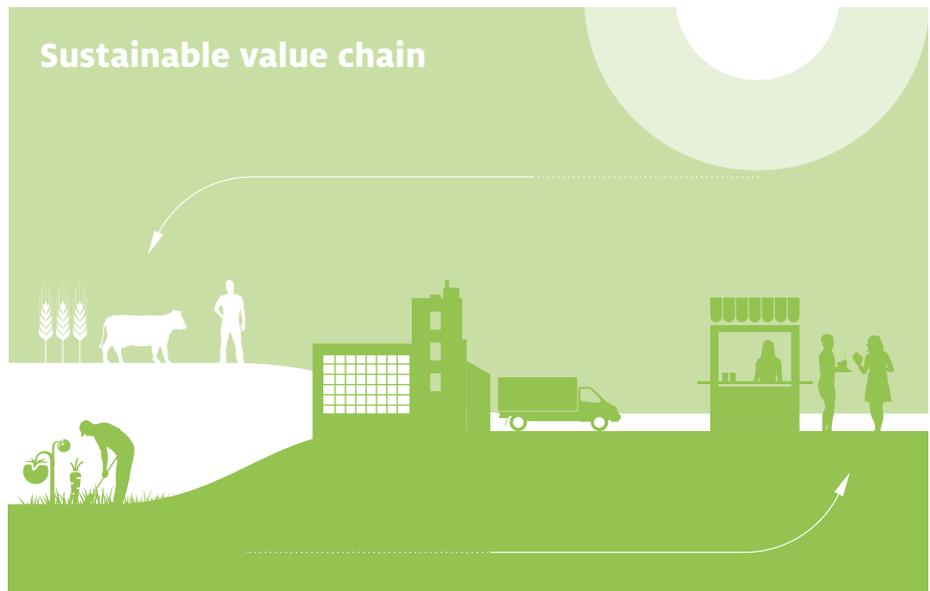
The sustainability strategy supports all our actions and serves as the foundation for the corporate responsibility of the Bell Food Group.

Training in

16

different professions

Sustainable value chain



Share of raw material extraction from sustainable labels

Poultry, own slaughtering; incl. PAS programme (particularly animal-friendly stabling systems)¹

100%



Seafood

57%



Meat from slaughter animals
Own slaughtering

49%



Fresh fruit and vegetables²

99%



¹ Bell Switzerland only

² Excluding international Eisberg locations

Corporate responsibility

Introduction

It is our corporate responsibility to secure the long-term success of the Bell Food Group. For us as one of the leading processors of meat, poultry, seafood, convenience products and fresh salads in Europe, this not only applies to the quality of our products. It is also the foundation for our business success and naturally also a prerequisite for the satisfaction of our customers. To be successful in the long term, we have to gain the acceptance of all social groups who have a stake in the Bell Food Group. This means that we have to responsibly design the entire value chain, from the processing of the raw materials, the growing of the plants, the conditions in which the animals are kept and our slaughter and production processes to the employment conditions of our staff. It includes the responsible use of resources, efficient and environmentally sensible logistics processes, and the way in which we interact with our environment and everybody who is interested in our work.

By actively accepting our corporate responsibility, we not only ensure acceptance of our activities, but can distinguish ourselves in the market and gain long-term competitive advantages. Minimum standards that apply for all products of the Bell Food Group are just as important as the creation of added value for the consumer.

The WWF in collaboration with the sustainability rating agency Inrate surveyed the ecological engagement of the 15 largest food processing companies in Switzerland and Liechtenstein in March 2017. The Bell Food Group clearly rated above-average in all categories and was graded «ambitious». As the Bell Food Group generates a relevant share of its business abroad and recently expanded its foreign activities, this result rates as a huge success.

Our corporate responsibility is based on our sustainability strategy, which supports all our actions. The sustainability strategy of the Bell Food Group was reviewed in the reporting year, and the new strategy entered into force in April 2017. For the first time, the revised sustainability strategy applies to all business divisions of the Bell Food Group. It covers all the relevant fields of action and topics as well as the organisational framework conditions for implementation and control. Our sustainability strategy uses three pillars to classify our responsibilities: “products and procurement”, “environment and resources”, and “employees and society”.

Sustainability organisation

The sustainability strategy is adopted by the Board of Directors. The Group and division management teams are responsible for its implementation. The specialist unit for quality management, sustainability and animal production plays a functional and advisory role. A sustainability officer who is responsible for objective achievement and the implementation of measures has been appointed for each division. Internally for each division, responsibilities are divided by pillar and subordinate objectives. In the reporting year, sustainability monitoring was expanded further, adjusted where necessary or fine-tuned, and projects were implemented to improve resource efficiency, sustainable production and employee satisfaction.

Communication

Sustainability as a topic is systematically approached on different levels in line with the three pillars and integrated as a key component into the internal and external corporate communication processes. Communication is at the same time an integral component of the sustainability strategy. We also have to establish a regular dialogue with the important stakeholders in all our markets. In the final instance, we want to integrate the value added to our products by our sustainability projects into our brand communication.

Relevant topics

Animal welfare
GMO-free food and feed
Reduced use of medication
Sustainable fishing methods
Raw materials and supplies

Pillar 1: Products and procurement

Animal welfare

Animal welfare has the highest priority when it comes to our reputation as a manufacturer of meat and meat products. In Switzerland, where we slaughter and butcher our own meat, the Bell Food Group sold a high proportion of meat certified to be from particularly animal-friendly farms. In total, around 49 percent of the animals slaughtered in Switzerland came from particularly animal-friendly farms. In Switzerland, this is mainly due to widespread acceptance across the entire value chain and the high purchasing power of the people in the country.

Consumers outside Switzerland are also becoming more sensitive about animal welfare on farms. Hubers Landhendl is the biggest provider of organic chicken in Austria, and Süddeutsche Truthahn AG is the leader in the market for organic turkey in Germany. In the reporting year, chicken produced outside of Switzerland was certified to the Swiss PAS programme (particularly animal-friendly stabling systems) for the first time. At present, most of the fresh poultry imported into Switzerland comes from companies in Slovenia, Austria and Germany that meet the requirements of the Swiss laws on animal welfare and sometimes also the PAS requirements. Additional farms will be upgraded to meet the PAS requirements by the end of 2018. All farms are regularly audited by internal and external auditing companies. In Germany, Bell markets products that are certified by the German Animal Welfare Association. As a member of the advisory board on labels of the German Animal Welfare Association, Bell Germany is committed to improved animal welfare. For example, a conscious decision was taken to use organic beef for the beef jerky product group in Germany, France, Benelux and Switzerland.

In the long term, i.e. by 2023, we aim to have a minimum animal welfare standard for all our products. In our Swiss poultry production facilities, these standards are already met with the particularly animal-friendly stabling system (PAS). Bell is also committed to increasing the number of free-range farms. In addition, production facilities will be upgraded with state-of-the-art technologies and optimised with regard to energy consumption. Since 2013, Bell has already upgraded more than 20 facilities to free-range farms.

Its Swiss poultry is only fed sustainably grown soya certified to be free of GMOs. The soya fed to the organic chickens comes from Europe, and only soya from the programmes of the Danube Soya Association is fed to the free-range chickens. Bell has also been a member of the Soy Network Switzerland since 2017. This network promotes the sustainable production of soya in accordance with the Basel criteria. Both Danube Soya and the Soy Network Switzerland produce top-quality, sustainably grown and GMO-free soya as a sustainable alternative to the conventional soya grown in South America.

The dual-purpose poultry project was continued in 2017. With this project, roosters and hens of the same chicken breed are used to produce organic meat as well as organic eggs – the roosters as broilers and the hens as laying hens.

Regional authenticity

Our 350 or so contract farmers have their fields in Liechtenstein, Eastern Switzerland and the Swiss Mittelland region.

Plants

We use regional and sustainably grown ingredients for our convenience products. We prefer buying the raw materials and ingredients we use at Hilcona in Schaan from regional suppliers. Most of our vegetables and potatoes are grown under contract in accordance with defined sustainability criteria. The minimum standard is certification of the farmers by Suisse Garantie. Most of our contracting partners are certified to SwissGAP. In the long term, we aim to introduce SwissGAP certification as the minimum standard for our contract farmers. At present, 99 percent of our fruit and vegetables are certified to at least GlobalGAP. We also offer a wide range of organic products. The raw materials and ingredients used for these products are all sourced from controlled organic cultivation and comply at least with the EU's organic ordinance.

To enable us to guarantee the quality of our raw materials at all times, we provide our contract farmers with advice and support. For example, we provide the farmers with special machines for the planting of potatoes, baby carrots and spinach. We also determine the best time to harvest every field and use the shortest routes to transport the raw materials to our facility to guarantee the best possible alignment with our production processes.

Seafood

We continue to promote sustainable fishing. 99 percent of Bell Seafood's products meet the WWF criteria for sustainable fishing.

The Bell Food Group has been a member of the WWF Seafood Group since 2010. This means that we have undertaken not to market any endangered species, to gradually delist seafood from non-sustainable origins and to continuously expand our proportion of recommended labels. Together with the WWF, we are involved in a yellow fin tuna project in the Philippines. The aim of the project is to protect stocks, establish environmentally-friendly fishing practices and prepare fisheries for MSC certification.

Slaughtering

Animal-friendly stunning and slaughtering processes are tremendously important to Bell as a leading manufacturer of meat and meat products. To guarantee the welfare of the animals, we strive to apply the highest standards that are practical. All slaughtering facilities of Bell Switzerland are audited by Swiss Animal Protection STS every year. We then prepare measures based on the audit results to improve the protection of the animals and implement the steps that are needed. Our slaughtering facilities in Austria and Germany are also regularly audited by STS.

Animal health

Quite rightly, the rise in antibiotic resistance as a result of the indiscriminate use of antibiotics in human medicine and livestock farming is a topic of heated debate in many places. In the meantime, many countries have forbidden the use of antibiotics as a growth promoter in livestock farming. Under Swiss legislation, for example, antibiotics may only be used to treat sick animals. Bell supports the principle of the sensible use of antibiotics to promote animal health. In this regard, we promote the voluntary Plus-Health programmes used in pig farming and fattening by SuisSano and qualiporc and support the Colorisplotop project to reduce the use of antibiotics in the fattening of calves, among others.

Raw materials and supplies

Minimum standards have been defined for all critical raw materials. These include raw materials such as eggs, palm oil, soya used for processing and vegetables. With these standards, we can ensure compliance with social and environmental criteria. Progress has already been made in finding substitutes for palm oil and other vegetable oils and fats. In Switzerland, we only use 100 percent sustainable palm oil from RSPO-certified sources. We have also made progress with the procurement of eggs: in Switzerland, we now only use sustainably produced eggs.

The responsible use of packaging resources is another important topic. By 2023, the packaging materials used by the Bell Food Group should be reduced by 2,500 tonnes or replaced by environmentally-friendly alternatives. We are on track with the reduction or replacement of packaging materials, and since 2013 the Group as a whole has already reduced its packaging materials by 260 tonnes. With these measures, Bell will save resources as well as energy in its manufacturing, transport and disposal processes and reduce the overall volume of waste.

In May 2017, Hilcona replaced the three-part tin-plated cans used for sterilised tinned goods by two-part cans, making it possible to reduce the weight by 5.5 percent per can. This reduced the CO₂ emitted by the production of the cans by 11 percent.

Animal health

Bell is actively engaged in several projects to reduce the use of antibiotics.

Pillar 2: Environment and resources

Relevant topics

Energy consumption
Water consumption
Fuel consumption
CO₂ reduction
Waste/recycling
Packaging

Poultry resource project

Photovoltaic plants have already been installed at more than 50 chicken farms.

Biogas plant

Eisberg has its own biogas reactor for generating electricity from production waste.

Resources/energy

The sustainable and optimised use of resources is a relevant element of the efforts to improve the Bell Food Group's environmental record. Measures have been defined to combat waste. The use of resources should be avoided or reduced whenever possible, and the resources that have been used should be recycled or replaced. We also want to increase the share of renewable energies.

The production facilities of Bell Switzerland have concluded an objective agreement for the period from 2012 to 2020 with the Federal Office for the Environment to reduce greenhouse gas emissions and energy consumption. We were on track with these objectives in the reporting year, and have even exceeded the agreed objectives in some areas. Our production plants as well as our contract farmers report to the Federal Office for the Environment. Since the last report published by the Federal Office for the Environment, around half of all contract farmers have invested in improving the energy efficiency of their poultry production facilities. Annual CO₂ emissions were reduced by more than 660 tonnes by various measures such as the replacement of air-conditioning controls, the insulation of building shells, conversion from propane gas to wood-chip heating systems and the addition of heat recovery systems. At the same time, 2,070 MWh of heating energy was saved. In future, a benchmark comparison will identify the measures that poultry producers can implement to improve energy efficiency and animal welfare. By now, half of all new farms already use a photovoltaic plant to generate their own electricity.

Pinch and similar analyses are carried out at various locations in Switzerland to analyse and optimise the savings and efficiency potential of heat consumers and processes. As a result, we now use process heat in areas where it makes sense to do so, which helps us to reduce our energy consumption. Electricity and heating analyses were carried out in the reporting year at Cheseaux and the slaughterhouse in Basel. Optimisation measures introduced in Zell reduced the consumption of heating oil by 1,000 MWh.

Comparable measures are being implemented internationally. Regular energy check-ups are carried out across the Bell Food Group, processes are analysed, and measures to reduce CO₂ emissions and energy consumption and improve energy efficiency are formulated.

Proper refrigeration and heat recovery are very important for resource efficiency in our production plants. Various measures to optimise the use of waste heat were implemented in Zell, Oensingen and Dällikon in the reporting year. Many tests to identify the main consumers of heat were also carried out. The Schaan site has been using all the process heat generated by the waste incineration plant in Buchs (SG) for several years already. All of the electricity comes from renewable energies.

As the reduction of water consumption is another focal point, we are analysing the consumption of water by the biggest users such as the cooling and cleaning systems at various sites. We are also optimising our crate washing facilities. We are working together with Fraunhofer Gesellschaft to identify further potential for saving water.

The quality of the energy data that are captured plays an important role in identifying the potential for optimisation and the testing of measures for improvement. To this end, a pilot project to improve data quality has been launched in Zell and Suhl where we are testing a new measurement system to automatically capture the data.

Recycling

Since 2017, Bell Germany has used FSC paper for all sticky labels for product packaging.

Waste water recovery

Eisberg has its own sewage plant for recycling its production waste water.

Waste/recycling

In Switzerland, around 450,000 tonnes of packaging material end up as waste every year. The Bell Food Group is committed to reducing this volume. We want to reach this objective with various measures to promote recycling and reduce consumption. Thanks to a standard monitoring concept, we can identify and continuously reduce large volumes of waste. In order to reduce the waste caused by the backing paper for labels, we recycle this paper as material waste. We tested this measure as part of a pilot project in 2015. This practice was expanded to include all relevant Swiss facilities in the following year. It has also been in use in Germany since 2013. We are continuously expanding the project whenever the required volume of label paper is generated. We achieved a recycling target of some 82 percent in the reporting year. We are also reducing the wrapping strength for various products in order to reduce the packaging material. The reduction and substitution measures introduced in Switzerland and Germany in the reporting year resulted in savings on packaging materials of around 260 tonnes.

Transport

Since 2013, goods have been transported from the Swiss locations Basel, Oensingen and Cheseaux to Ticino by combined transport, so that transport has shifted from the road to the railways. Bell Germany also implemented a similar project in 2016 for transport between Italy and Germany. Both projects are showing remarkable results. We will start a research project with Fraunhofer Gesellschaft in 2018 to identify further potential for CO₂ savings.

Pillar 3: Employees and society

Relevant topics

Reliable employer
Attractive employer
Promoter and enabler
Social engagement

As sustainability begins with the recognition and development of employees, an employee survey was carried out in Switzerland, Germany and France in 2015 to assess the needs of the employees. The results were encouraging for criteria such as team cohesion and work content, but other topics can do with some improvement. Based on the result, measures were formulated in different workshops held in 2016 to further improve employee satisfaction in the whole Bell Food Group. A number of measures were implemented or developed further in the reporting year.

Separate employee surveys were also carried out in Poland and Hungary. The employees were involved to a greater extent in the formulation of approaches to improve employee satisfaction. These work groups developed and implemented various measures that led to improvements in different areas. In addition to a number of improvements at the workplaces in the plants and administration, wage transparency also increased. Further progress was also made with regard to training and further education. For example, employees can benefit from language courses throughout the year.

A new employee survey will be carried out in spring 2018. For the first time, it will be carried out simultaneously at all sites and across the whole Group.

Occupational safety

Bell Switzerland has been awarded the «Friendly Work Space» label. This award is granted by Health Promotion Switzerland to employers who show particular commitment to the promotion of the health and well-being of their employees.

Further programmes promoting health and safety at work were implemented in the reporting year. These include ergonomic workplace analyses and information on health-relevant topics such as allergies and flu viruses. A committee for operational health management was set up in Switzerland. The measures that can be duplicated at other sites are being identified.

Improved work clothing and new equipment were introduced in various plants in Germany. Since 2017, the employees at some sites have also been benefitting from sport programmes.

Information for employees

A pilot project using information screens to disseminate information to all employees was launched in Zell in 2017. A similar system is already being used at the Bell site in Bad Wünnenberg in Germany and at Hilcona.

Following the successful introduction of the TOP Bell Production Management (TOP BPM) concept at the charcuterie plant in Basel, the programme was launched in Zell, Gossau, Churwalden and Fresh Meat Basel in the reporting year. TOP BPM aims to improve efficiency and productivity at the workplace by involving all employees. Under the motto "0 – 1 – 100 – continuously", the foundation was laid to also apply TOP BPM to more complex and cross-unit processes in 2017. It was implemented for the first time in the reporting year at the poultry plant in Zell. The project objective is "a continuous process of improvement with zero waste, one common goal and the full involvement of everybody".

Talent management, training and further education

The Bell Food Group's employees have a wealth of sector-specific know-how. In order to retain and expand this know-how, the company systematically promotes its employees. As part of the career promotion programme, every vacancy is reviewed to see if it can be filled with an internal candidate. From 2018, the Bell Food Group will apply a talent management system that will introduce a more systematic and individual process of employee promotion.

Progress was made in the field of further education in the reporting year. Training courses are no longer offered only in Switzerland, but also in Germany, Austria and Spain. Courses are planned in Hungary from 2018. Bell Switzerland also designed a development programme for young managers and carried out a pilot project in the reporting year. In 2018, around 50 employees of Bell and Hilcona will be able to benefit from this new opportunity.

The Bell Food Group offers training in 16 skilled trades at different locations in Switzerland, Germany and Liechtenstein. In 2017, 118 apprentices were trained. Exchanges among the apprentices at the different locations of the Group were furthered by mutual visits and work placements. The internal training programme was expanded in the reporting year.

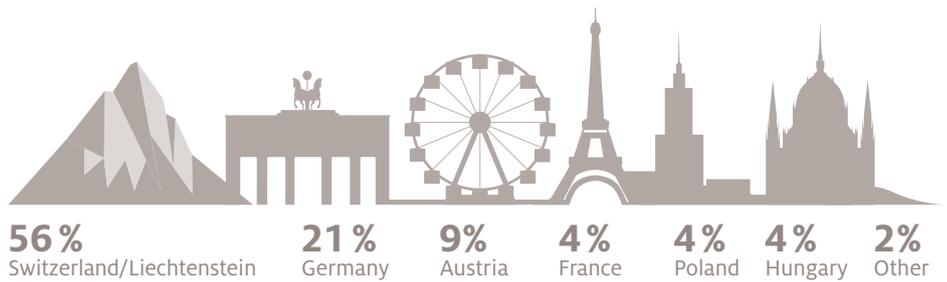
Breakdown by activity

Production/ near-production functions	82 %
Sales/marketing	4 %
Administration	14 %

Bell Food Group employees	2017	2016
Number of employees		
Average number of employees expressed as full-time equivalents ¹	10 578	10 433
Number of employees as of 31 December in persons	10 192	9 781
Number of employees per division as of 31.12.		
Switzerland	3 613	3 603
Germany	1 437	1 196
International	2 497	2 551
Hilcona	2 645	2 431
Proportion of full-time employees	78 %	81 %
Proportion of part-time employees	22 %	19 %
Proportion of men	62 %	59 %
Proportion of women	38 %	41 %
Proportion of women in management	24 %	22 %
Number of nationalities	93	70
Age structure		
up to 29 years	21 %	20 %
30 – 49 years	55 %	55 %
aged 50 and over	24 %	25 %
Education and training		
Trainees	118	95
Number of training days	13 508	11 177

¹ Including persons employed in a temporary capacity by third-party companies

Employees (FTEs) by country



Social engagement

The apprentices worked for “Tischlein Deck Dich” for one week, thus making a contribution to society and expanding their social competence.

The “pepperMINT” experimental laboratory in Liechtenstein teaches children more about mathematics, information technology, natural sciences and technology. Hilcona is a partner company and supports the project financially.

Social engagement

A number of studies have shown that, in affluent countries, around one-third of food ends up in waste bins in private households. Consumers also often buy mostly prime cuts or minute steaks, chicken breasts or ham, while meat with longer cooking times, chicken thighs and wings or sausages are less popular. A programme to educate consumers about using and preparing all parts of the animal was developed in 2017. The online manual “Bell Code 1869” teaches users everything about meat, meat science and the best use and preparation of meat, and provides useful background information. This should enhance the pleasure of eating meat and reduce the waste of meat and meat products.

Contacts and publishing details



Online
www.bellfoodgroup.com/report-en

Latest news

Additional information on the annual report and up-to-date information on the Bell Food Group is available on the internet at www.bellfoodgroup.com.

Contacts

Headquarters

Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2000 • Fax +41 58 326 2100
info@bellfoodgroup.com • www.bellfoodgroup.com

Share Register

Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2020 • Fax +41 58 326 2119
share.registry@bellfoodgroup.com

Compliance

Michael Gloor • Chief Compliance Officer •
Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2754 • Fax +41 58 326 2100
michael.gloor@bellfoodgroup.com
www.bellfoodgroup.com

Corporate Communication

Bell Food Group Ltd • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 3030 • Fax +41 58 326 2114
media@bellfoodgroup.com

Brand websites

www.bell.ch
www.bell1869.com
www.zimbo.de
www.abraham.de
www.monsieurpolette.fr
www.eisberg.com
www.cher-mignon.ch
www.hilcona.com

Bell Switzerland

Bell Schweiz AG • Elsässerstrasse 174 •
4056 Basel • Switzerland
Tel. +41 58 326 2626 • Fax +41 58 326 2100
info@bellfoodgroup.com • www.bellfoodgroup.com

Bell Germany

Bell Deutschland Holding GmbH • Brookdamm 21 •
21217 Seevetal • Germany
Tel. +49 40 768005 0 • Fax +49 40 768005 301
info.de@bellfoodgroup.com • www.bellfoodgroup.com

Bell Benelux Holding N.V.

Z.3 Doornveld 70 • 1731 Zellik • Belgium
Tel. +32 2 4816 676 • Fax +32 2 4816 679
info.be@bellfoodgroup.com • www.bellfoodgroup.com

Bell International

Bell France Holding SAS
Champ Saint-Pierre • 63460 Teilhède • France
Tel. +33 473 64 3131 • Fax +33 473 64 3140
info.fr@bellfoodgroup.com • www.bellfoodgroup.com

Bell Polska Sp. z o.o.

Ul. Mokra 11 • 32-005 Niepolomice • Poland
Tel. +48 12 28100 34 • Fax +48 12 28100 38
info.pl@bellfoodgroup.com • www.bellfoodgroup.com

ZIMBO Perbál Húsipari Termelő Kft.

Ipari Park 5 • 2074 Perbál • Hungary
Tel. +36 26 570 500 • Fax +36 26 570 021
info.hu@bellfoodgroup.com • www.bellfoodgroup.com

ZIMBO CZECHIA s.r.o.

Na Zátorách 8 • 170 00 Praha 7, Holesovice •
Czech Republic
Tel. +420 266 712048 • Fax +420 266 712047
info.cz@bellfoodgroup.com • www.bellfoodgroup.com

Hubers Landhendl GmbH

Hauptstrasse 80 • 5223 Pfaffstätt • Austria
Tel. +43 7742 3208 0 • Fax +43 7742 3208 44
office@huberslandhendl.at • www.huberslandhendl.at

Hilcona

Hilcona AG
Bendererstrasse 21 • 9494 Schaan •
Principality of Liechtenstein
Tel. +41 58 895 95 95 • Fax +423 232 02 85
info@hilcona.com • www.hilcona.com

Eisberg

Gastro Star AG
Hüttenwiesenstrasse 4 • 8108 Dällikon • Switzerland
Tel. +41 44 847 5555 • Fax +41 44 847 5566
info@gastrostar.ch • www.gastrostar.ch

Eisberg Holding AG

Feldstrasse 12 • 8114 Dänikon • Switzerland
Tel. +41 44 847 2000 • Fax +41 44 847 3420
holding@eisberg.com • www.eisberg.com

Publishing details

General information

The language in this report is as far as possible gender neutral, but in the interest of readability only the masculine form may have been used. All terms used refer to people of both genders.

All amounts have been rounded individually.

Print deadline

2 February 2018

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 Food Group 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.

It can be downloaded from our website at:

– **German version:**
www.bellfoodgroup.com/report-de

– **French version:**
www.bellfoodgroup.com/report-fr

– **English version:**
www.bellfoodgroup.com/report-en

Published by

Bell Food Group Ltd
Elsässerstrasse 174
4056 Basel
Switzerland

Realisation

Davide Elia, Bell Food Group Ltd,
Head of Corporate Marketing/Communication

Fabian Vetsch, Bell Food Group Ltd,
Manager Corporate Communication

Concept, design

Phorbis Communications AG

Photos

Philipp Jeker, Zurich
Thies Rätzke Photography, Hamburg

Printing

Werner Druck & Medien AG, Basel

