

Bell Ltd
Management report

14



Corporate Governance

- 2 — Group structure
Organisational chart
- 3 — Capital structure and shareholders' rights
Board of Directors
- 4 — Members of the Board of Directors
- 6 — Internal organisation and areas of responsibility
- 7 — Information channels and control instruments
- 9 — Members of the Executive Board
- 10 — Co-determination rights of shareholders
Change of control clause
Auditors
- 11 — Information policy

Compensation report

- 12 — Introduction
Basis and components of compensation
The Compensation Committee
- 13 — The Board of Directors
The Executive Board
- 14 — Loans, credits and pensions to members of the Board of Directors,
the Executive Board and their related parties
- 15 — Payments in 2014
- 16 — Report of the auditors on compensation

Bell in figures

Financial report

- 18 — Financial report
- 22 — Bell Group
- 48 — Bell Ltd

- 52 — Contacts / publishing details

Together, the 2014 management report and the 2014 corporate profile form the 2014 annual report. These are available as separate publications or can be downloaded from www.bellfoodgroup.com.

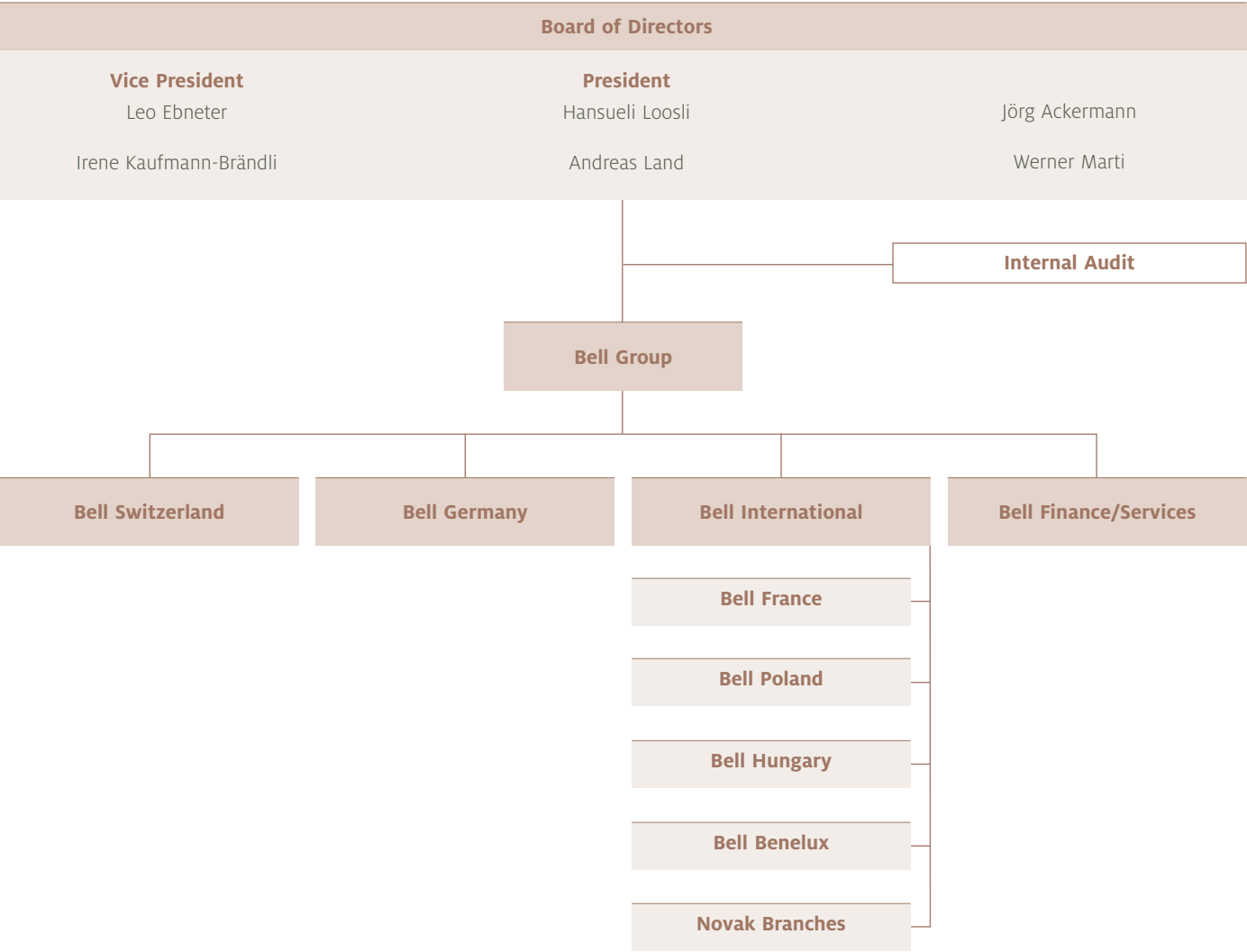
Corporate Governance

Bell Ltd follows the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*, and complies with the SIX Swiss Exchange Directive on Information relating to Corporate Governance (DCG). The Corporate Governance rules and regulations of Bell Ltd are based on Swiss law, the company's Articles of Association and the by-laws. The Board of Directors reviews the Articles of Association and by-laws at regular intervals and adjusts them to meet changed circumstances.

Group structure

The Bell Group has no cross-shareholdings or holdings in listed companies. An overview of all companies in which the Bell Group has a stake is provided on page 44.

Organisational chart



The Articles of Association of Bell Ltd are available on the Bell website at www.bellfoodgroup.com/articles. An excerpt from the by-laws is available at www.bellfoodgroup.com/organisation-en.

Status as of 31 December 2014 if nothing is stated to the contrary.

The Ordinance against Excessive Compensation in Listed Corporations that entered into force on 1 January 2014 was taken into account in this management report and a separate compensation report was drawn up. It replaces the information previously published in the section on corporate governance.

Capital structure and shareholders' rights

Significant shareholders

See page 43.

Capital structure

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

The capital structure and shares are described in detail on page 46.

Transferability

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

Share register restrictions

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

Board of Directors

Election and term of office

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

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

Composition of the Board of Directors

as of 31.12.2014

| | President of the Board of Directors | Member of the Board of Directors | End of the term of office |
|------------------------|--|-------------------------------------|------------------------------|
| Hansueli Loosli | since 2009 | – | 2015 |
| Leo Ebnetter | – | since 2012 | 2015 |
| Jörg Ackermann | 2001 – 2009 | since 2000 | 2015 |
| Irene Kaufmann-Brändli | – | since 2009 | 2015 |
| Andreas Land | – | since 2013 | 2015 |
| Werner Marti | – | since 2009 | 2015 |

> continued on page 6

Members of the Board of Directors



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



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



Irene Kaufmann-Brändli
1955, Swiss citizen
Member of the Board of Directors



Leo Ebnetter
1954, Swiss citizen
Vice President of the Board of Directors



Werner Marti
1957, Swiss citizen
Member of the Board of Directors



Andreas Land
1956, German citizen
Member of the Board of Directors

Hansueli Loosli

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

Board member mandates

- Chairman; Transgourmet Holding AG, Basel
- Chairman; Coop Mineraloel AG, Allschwil
- Chairman; Swisscom AG, Bern
- Deichmann SE, Essen, Germany, Advisory Council
- Heinrich Benz AG, Weiach

Professional career

- Chairman of the Executive Board;
Coop Cooperative, Basel; 2001 – 2011
- Chairman of the Executive Board and
the Group Executive Board; Coop Switzerland,
Basel; 1997 – 2000
- Managing Director; Coop Zurich, Zurich;
1992 – 1997
- Director of Non-Food Procurement;
Coop Switzerland, Wangen; 1992 – 1996
- Most recently Managing Director;
Waro AG, Volketswil; 1985 – 1992
- Controller, Deputy; Director; Mövenpick
Produktions AG, Adliswil; 1982 – 1985
- Head of Fiduciary Department; BBC AG,
Baden; 1979 – 1982
- Audit Assistant; Intertest AG, Baden; 1978 – 1979
- Chief Accountant; Huba-Control AG, Würenlos;
1974 – 1978

Leo Ebnetter

Business diploma

Head of Directorate 4 Logistics, Member of
the Executive Board; Coop Cooperative, Basel;
since 2007

Board member mandates

- Chairman; Railcare AG, Härkingen
- Kühlhaus Neuhaus AG, Gossau

Professional career

- Head of Logistics Region Eastern Switzerland
Ticino; Coop Cooperative, Gossau; 1985 – 2007
- Deputy Manager of Coop Eastern Switzerland
and Head of Procurement, Production, Logistics
and IT; Coop Eastern Switzerland, Gossau;
1990 – 1998
- Head of Food Procurement, Production, Logistics;
Coop Eastern Switzerland, Gossau; 1987 – 1990
- Head of Logistics Gossau;
Coop Eastern Switzerland, Gossau; 1985 – 1987
- Head of Logistics General Goods and
Head of Transport; Coop Eastern Switzerland,
Gossau; 1981 – 1985

Jörg Ackermann

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

Board member mandates

- HiCoPain AG, Dagmersellen
- Coop-ITS-Travel AG, Wollerau
- Coop Patenschaft für Berggebiete, Basel
- Dipl. Ing. Fust AG, Oberbüren
- GS1 Schweiz, Bern

Professional career

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

Werner Marti

Attorney

Law office; since 1988

Board member mandates

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

Professional career

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

Irene Kaufmann-Brändli

Dr. oec. publ.

Vice-chairwoman of the Board of Directors
of Coop Group Cooperative; since 2011

Board member mandates

- Coop Immobilien AG, Bern
- Bank Coop AG, Basel
- Coop Mineraloel AG, Allschwil
- Dipl. Ing. Fust AG, Oberbüren
- Transgourmet Holding AG, Basel
- CPV/CAP Coop Pension Fund, Basel;
Chair of the Board of Trustees
- ETH Zürich Foundation, Zurich; Trustee
- Juventus schools Zurich, Zurich;
Chair of the Board of Trustees
- HWZ Hochschule für Wirtschaft Zürich, Zurich
- Swiss Mobiliar Cooperative Company, Bern
- Schweizerische Mobiliar Holding AG, Bern
- Coop Patenschaft für Berggebiete, Basel;
Chair of the Board

Professional career

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

Andreas Land

Certified business administrator
(with a diploma from a university of applied
sciences)

Managing partner of Griesson – de Beukelaer
GmbH & Co. KG since 1997

Board member mandates

- None

Professional career

- CEO of Danone Biscuits North; Danone Group,
Heerentals, Heerentals, Belgium; 1992 – 1997
- Managing Director of Bongrain Germany,
Wiesbaden, Germany; 1989 – 1992
- Different positions with Effem GmbH, Verden,
Germany; 1979 – 1989

Internal organisation and areas of responsibility

The Board of Directors of Bell Ltd defines the corporate strategy, issues the required instructions, and oversees all the activities of the Bell Group, while the Group Executive Board is responsible for the operating business. The Board of Directors reviews the business planning, in particular the annual, multi-year and investment plans as well as the corporate objectives. The Board also establishes opportunities and risks and initiates any measures that are required. The areas of responsibility of the Board of Directors and the Executive Board are set forth in detail in the by-laws. Excerpts are available on the Bell website at www.bellfoodgroup.com/organisation-en.

In addition to its non-transferable responsibilities and powers, the Board decides on mergers, litigation, contracts of special importance, capital investments in excess of CHF 5 million, and real estate/corporate acquisitions and sales. The Board determines the Bell Group's corporate structure and is responsible for hiring, discharging and overseeing company managers and executives. The Board defines the company's salary, social security and investment policies, and monitors their implementation. It also makes decisions concerning the company's representation in industry associations and interest groups, the granting of third party loans exceeding CHF 100,000 and guarantees in any amount.

With the exception of the compensation committee, the Group Board of Directors is responsible for the recommendations in the guidelines regarding the function and remit of the individual committees of the Bell Group. This makes it easier to retain an overview and takes account of majority shareholder structures.

The Group Board of Directors meets at least seven times a year, usually once every two months. Meetings last between four and six hours. One or two special meetings are also held every year to discuss corporate strategy and other transactions that might have a considerable impact. The CEO and CFO are invited to the meetings. No external advisors were engaged in 2014.

In 2014, the Board of Directors held seven ordinary and three extraordinary meetings. In addition to the usual day-to-day business, the Board of Directors concentrated on the following subjects and projects:

- Adoption of the sales market strategy
- Review of the brand strategy
- Reorganisation of the Bell Group and in particular the Bell Switzerland division
- A number of the Bell Group's larger investment projects
- Amendment of the Articles of Association of Bell Ltd in compliance to the Ordinance against Excessive Compensation in Listed Corporations (OaEC)
- Successor to the Head of the Finance/Services division
- Cartel proceedings against Bell Germany

Details on these subjects and projects can be found in different sections of the annual report.

Information channels and control instruments

The Group Executive Board regularly briefs the Board of Directors on the course of business. The President of the Board of Directors is in close contact with the Group Executive Board and usually meets with the CEO once a month.

The Group Executive Board submits a management report (MIS) to the Board every two months and prepares a report consisting of a consolidated and a division income statement, balance sheet and comprehensive key indicators and analyses. The financial reporting is a permanent component of the Board meetings. Deviations are discussed and any measures that may be required are implemented.

Internal control system

Bell operates a comprehensive internal control system (ICS) on the basis of the internationally acknowledged COSO framework (www.coso.org); the ICS is an integral component of quality assurance (QA). It places particular emphasis on the financial security of business processes, as issues such as product safety, quality assurance and traceability are already covered by various standards (IFS, etc.). The focus falls on the avoidance of infractions of the law and instances of negligence, as well as asset protection as part of the production processes. Institutionalised annual assessments measure the quality of the internal control system. The results of these assessments are compiled in an annual report.

Internal audit

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

The internal audit unit coordinates its auditing activities and maintains a close exchange of information with the statutory auditors.

Compliance

Bell Ltd has adopted the concept of all-inclusive integrity and compliance with the laws as a central tenet of its corporate culture. Management does not in any manner condone corruption or breaches of competition laws. The main task of this function is to set up a central compliance system for the whole Group that is designed to prevent, identify and react to compliance breaches.

In 2014, the focus fell on antitrust law and the Bell Group's preventive measures in this area. Employees at all relevant levels are retrained every year in order to improve their understanding of the topic of compliance. Awareness and knowledge of this topic should already exclude the potential for misconduct. The topic of integrity is constantly highlighted as part of an ongoing dialogue.

In February 2015, we adopted a comprehensive Code of Conduct for the first time. This framework condenses many existing guidelines and describes the rules that are binding for all of us – in our interaction with one another as well as with our partners.

Risk management

Bell has applied structured risk management since 2009. As a food manufacturing company, the risk situation can be described as stable overall, whereby we are slightly more dependent on the economy in other countries than we are in Switzerland. As part of the risk management process, the Board of Directors, Group Executive Board and Executive Boards assess the major risks every year.

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

A full survey of the possible risks is done every three years. The risks that are relevant for the Bell Group are identified and measures are formulated if possible to reduce the probability of occurrence and/or the impact of the potential risks. Every measure is given a responsible owner. In the in-between years, the Board of Directors and Group Executive Board monitor the status of the measures and carry out current assessments. As part of Bell's risk management process, risks that could potentially cause a loss of more than CHF 15 million within three years (more than CHF 2 million for Bell International) at EBIT level are actively managed. Safeguards and measures are implemented to protect the company against risks that cannot be influenced or that can only be influenced to a limited extent.

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

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

More information on risk assessment is provided on page 29 of this management report, as well as on pages 28 and 29 of the corporate profile.

Executive Board of Bell Ltd (Group Executive Board)



Lorenz Wyss

1959, Swiss citizen
Butcher; business diploma;
Certified meat industry technician;
Master of Business Administration ZFH

Martin Gysin

1960, Swiss citizen
Certified public accountant
(Federal diploma)

Christian Schröder

1971, German citizen
Business diploma

Marco Tschanz

1975, Swiss citizen
Certified business economist
(university of applied sciences)
Rochester-Bern Executive MBA

(from left to right and top to bottom)



Martin Gysin (until 31.1.2015)

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

Board member mandates

- CPV/CAP Coop Pension Fund, Basel
- Hilcona Aktiengesellschaft, Schaan, Liechtenstein

Professional career

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



Christian Schröder

Head of Bell Germany Division
Member of the Group Executive Board
with Bell since 2009; in this position since 2012

Professional career

- Spokesman for the Executive Board; Head of Distribution/Marketing and Administration at Abraham Schinken GmbH, Germany; 2011 – 2012
- Spokesman for the Executive Board; Head of Distribution/Marketing and Administration at Abraham GmbH, Germany; 2007 – 2011
- Managerial positions with the Reinert Group of Companies, Versmold, Germany: Schinken-Einhaus GmbH (Friesoythe/Brunsbek/Lörrach): Managing Director, 2002 – 2007; Orig. Holst. Katenschinken GmbH: Managing Director; 2000 – 2001
- Managing Partner at H. & C. Schröder Schinken-veredelung GmbH, 1994 – 1999

Lorenz Wyss

Chairman of the Group Executive Board (CEO)
with Bell since 2011; in this position since 2011

Board member mandates

- Centravo Holding AG, Zurich
- GVFI International AG, Basel
- Hilcona Aktiengesellschaft, Schaan, Liechtenstein; Chairman from 1.5.2015
- Gastro Star AG, Dällikon; Chairman
- Proviande Cooperative, Bern

Professional career

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

Marco Tschanz (from 1.2.2015)

Head of Bell Finance/Services Division (CFO)
Member of the Group Executive Board;
with Bell since 2014; in this position since 2015

Board member mandates

- None

Professional career

- Managerial positions with Swisscom
 - Head of Swisscom's IT Cloud Programme; 2014
 - Head of Finance at Swisscom Switzerland; 2013 – 2014
 - Head of Controlling/CFO Network/IT and Wholesale; 2009 – 2013
 - Head of Controlling/CFO Private Customers; 2007 – 2009
 - Head of Controlling/CFO SMEs; 2006 – 2007
- Various managerial positions in the financial field; 2000 – 2006
- Auditing/project controlling at various companies; 1998 – 1999
- Head of HR and Finance at Marex AG, Bienne; 1995 – 1997

Co-determination rights of shareholders

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

According to the Articles of Association (Art. 12) and the Swiss Code of Obligations (OR 689), shareholders may be represented by another shareholder at the annual Shareholders' Meeting. Shareholders may also be represented by the independent proxy.

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

Other co-determination rights are governed by the Articles of Association of Bell Ltd. The Articles of Association are available on the Bell website at www.bellfoodgroup.com/articles. The Swiss Code of Obligations applies where the Articles of Association do not provide sufficient regulation.

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

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

Change of control clause

There are no statutory restrictions and regulations.

Auditors

| | |
|-----------------|--|
| Auditors | PricewaterhouseCoopers; since 1998 |
| Lead auditor | Gerd Tritschler, lead auditor since 2013 |
| Term of mandate | The auditors are elected every year. |

The Board of Directors oversees the activities of the external auditors. The auditors brief the President of the Board of Directors on the results of their audit three times every year. They also report to all members of the Board once every year.

The performance of the auditors is assessed by the President of the Board of Directors, the Group CEO and the CFO on the basis of comprehensive assessment criteria. The focus falls on the audit team's special qualifications, assertiveness, independence and interaction with our internal units. Other external factors also affect the assessment.

In 2014, the activities of the statutory auditors focused on statutory obligations including an evaluation of the existence of the ICS.

Auditors' and other fees

| in CHF thousand | 2014 | 2013 |
|--|--------------|--------------|
| Auditing services | 1 155 | 906 |
| Tax consulting | – | – |
| Legal services | 6 | 145 |
| Transaction consulting (incl. due diligence) | – | 70 |
| Total | 1 161 | 1 121 |

Information policy

Every year in February, Bell publishes an annual report on the results for the previous year. In August, it publishes an interim report on the results for the first half of the current year. Both reports provide information on the business operations and results of the Bell Group. Bell also issues press releases regarding current developments and publishes news reports on its website. Bell's website contains an archive with all annual reports, interim reports and ad hoc press releases.

| | |
|---|--|
| Annual reports and interim reports: | www.bellfoodgroup.com/report-en |
| Press releases: | www.bellfoodgroup.com/mediarelease-en |
| Code of Conduct: | www.bellfoodgroup.com/code-en |
| Registration with distribution list for press releases: | www.bellfoodgroup.com/maillinglist-en |

Important dates

| | |
|---|----------------------------|
| Closing of accounts | 31 December |
| Shareholders' Meeting of Bell Ltd | 15 April 2015 |
| Publication of results for first half of 2015 | 18 August 2015 |
| Publication of 2015 sales figures | First half of January 2016 |
| Publication of 2015 results | February 2016 |

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

Contacts

Contact partners and contact options for obtaining further information on the Bell Group are provided on page 52 of this management report as well as on the website.

| | |
|--------------------------|--|
| Corporate communication: | www.bellfoodgroup.com/contact-en |
| Share register: | www.bellfoodgroup.com/shareregistry-en |

Compensation report

Introduction

The compensation report contains information on the compensation paid to the members of the Board of Directors and the Executive Board. It replaces the information previously included in the Corporate Governance report and the annual financial statements of the Bell Group.

The report is published in compliance with the provisions of the Ordinance against Excessive Compensation in Listed Corporations (OaEC) that entered into force on 1 January 2014 as well as the provisions of Art. 663b bis, 696, 985c, 985d par. 2–4, 958e par. 1 and 958f of the Swiss Code of Obligations. The report essentially follows the recommendations of the Swiss Code of Best Practice for Corporate Governance issued by *economiesuisse* and the Directive on Information relating to Corporate Governance (DCG) of the SIX Swiss Exchange.

Unless stated otherwise, the compensation report refers to the 2014 financial year. Compensation payments are recognised when they occur.

Basis and components of compensation

Every year, the Shareholders' Meeting approves in advance the maximum total amount to be paid in compensation to the members of the Board of Directors and the Executive Board according to Art. 8 par. e) of the Articles of Association of Bell Ltd and Art. 2 par. 4 OaEC.

The Articles of Association state that normal market salaries should be paid. A profit participation scheme should ensure that the persons entrusted with the company's management and the senior management members can share in the company's success.

The by-laws can be found at:
www.bellfoodgroup.com/organisation-en

On 14 April 2014, the Shareholders' Meeting approved the following maximum compensation payments for 2015:

| | |
|---------------------|---------------|
| Board of Directors: | CHF 500,000 |
| Executive Board: | CHF 3,000,000 |

The Compensation Committee

The Shareholders' Meeting elects the members of the Compensation Committee individually. Only members of the Board of Directors are eligible. Members may be elected to the Compensation Committee and the Board of Directors simultaneously.

The Compensation Committee comprises at least two members. Members of the Compensation Committee do not receive any separate fee as their payment is included in the normal Board member fee.

The Compensation Committee submits proposals that fall within the budget approved by the Shareholders' Meeting to the Board of Directors for approval on the type and amount of compensation to be paid to the members of the Board of Directors and the Executive Board.

These payments are compared to the internal Coop benchmark. No external advisors are consulted.

On 14 April 2014, the Shareholders' Meeting elected Hansueli Loosli and Leo Ebnetter to serve as the members of the Compensation Committee until the next annual Shareholders' Meeting.

The Board of Directors

Members of the Board of Directors receive appropriate compensation for their activities in accordance with Article 27 of the Articles of Association.

The Shareholders' Meeting decides on the maximum annual compensation to be paid to the Board of Directors.

Basic fee

Fee (gross) per annum:

| | |
|----------------|-------------|
| President | CHF 100,000 |
| Vice President | CHF 80,000 |
| Members | CHF 70,000 |

Special cases

Fees will be paid as follows:

- pro rata on resignation from the Board of Directors
- in the event of illness/accident: 100 %

The basic fee is always paid in cash. Compensation includes a flat rate of 10 percent for expenses that is indicated separately. The statutory social contributions (employee's share) are deducted from 90 percent of the basic fee.

The Coop representatives on the Board of Directors work on a mandate basis. Their fees are paid directly to Coop.

Variable compensation

The members of the Board of Directors do not receive any variable compensation.

The Executive Board

Members of the Executive Board receive appropriate compensation for their activities in accordance with Art. 28 of the Articles of Association.

The Shareholders' Meeting approves the maximum amount in compensation to be paid to the members of the Executive Board every year.

If additional members are appointed to the Executive Board after the approval of the budgeted amount, the total amount approved by the Shareholders' Meeting may be exceeded by a maximum of 50 percent pro rata until the next Shareholders' Meeting.

Basic salary

The basic salary is paid in accordance with an employment contract which is reviewed every year and adjusted, if needed. In addition, the members of the Executive Board receive a fixed expenses allowance as well as a company car.

Variable compensation

The members of the Executive Board receive a performance-related bonus (profit share). The variable component depends on the achievement of earnings and individual objectives and may not exceed 25 percent of the basic salary. Unless decided otherwise by the Board of Directors, half of the profit share can be drawn in cash and half in the form of shares of Bell Ltd. These shares are credited at the average share price for the month preceding payment (usually March), with a discount of 20 percent, and may not be sold for a period of four years.

| | |
|---|---|
| Variable compensation as a percentage of the basic salary upon 100% objective achievement | 20 % |
| Maximum percentage of the basic salary | 25 % |
| Basis for assessment | 90 % Group results meets target before non-controlling interests 10 % individual objective achievement |
| Payment | 50 % in cash 50 % in shares of Bell Ltd. with a discount of 20 % |
| Decision | Board of Directors |

Loans, credits and pensions to members of the Board of Directors, the Executive Board and their related parties

The Articles of Association make no provision for the granting of loans and credits to the members of the Board of Directors and/or Executive Board. No such loans or credits are outstanding.

No loans, credits or payments were granted to related parties in 2014 and no payments were made to any former members of the Executive Board or the Board of Directors.

Payments in 2014

Payments to the Board of Directors for 2013 and 2014

| | | Fixed salary in cash (gross) | Social contributions | Share subscription | | Total CHF thousand |
|---|-------------|------------------------------------|-------------------------|--------------------|--------------|-----------------------|
| | | | | number | CHF thousand | |
| Hansueli Loosli, President ¹ | 2013 | 96 | – | 2 | 4 | 100 |
| | 2014 | 100 | – | – | – | 100 |
| Leo Ebnetter, Vice President ¹ | 2013 | 77 | – | 1 | 2 | 79 |
| | 2014 | 80 | – | – | – | 80 |
| Jörg Ackermann, Member ¹ | 2013 | 66 | – | 2 | 4 | 70 |
| | 2014 | 70 | – | – | – | 70 |
| Irene Kaufmann-Brändli, Member ¹ | 2013 | 67 | – | 1 | 2 | 69 |
| | 2014 | 70 | – | – | – | 70 |
| Andreas Land, Member ² | 2013 | 48 | – | – | – | 48 |
| | 2014 | 70 | 3 | – | – | 73 |
| Werner Marti, Member | 2013 | 66 | – | 2 | 4 | 70 |
| | 2014 | 70 | 3 | – | – | 73 |
| Joachim Zentes, Member ³ | 2013 | 19 | – | 2 | 4 | 23 |
| | 2014 | – | – | – | – | – |
| Total to Board of Directors | 2013 | 438 | – | 10 | 21 | 459 |
| | 2014 | 460 | 6 | – | – | 466 |

¹ Cash payment is forwarded to the giver of the mandate Coop

² Member of the Board of Directors since April 2013

³ Left in April 2013

Payments to the Executive Board for 2013 and 2014

| | | Cash payment (gross) | | Share subscription | | Non-cash/ social contributions and employee benefits insurance CHF thousand | Total CHF thousand |
|---|-------------|-----------------------|--------------------------|---------------------|--------------|---|-----------------------|
| | | fixed CHF thousand | variable CHF thousand | number ² | CHF thousand | | |
| Lorenz Wyss, Chairman of the Group Executive Board | 2013 | 557 | – | 1 | 2 | 185 | 744 |
| | 2014 | 579 | 60 | 27 | 50 | 189 | 878 |
| Other members of the Executive Board ¹ | 2013 | 872 | – | 1 | 2 | 186 | 1 060 |
| | 2014 | 889 | 82 | – | – | 233 | 1 204 |
| Total to Executive Board | 2013 | 1 429 | – | 2 | 4 | 371 | 1 804 |
| | 2014 | 1 468 | 142 | 27 | 50 | 422 | 2 082 |

¹ As the CFO left on 31 January 2015, no shares were allocated as variable compensation

² Shares received in 2013 for meeting fees, meeting fees were paid out for half year 2013

Report of the auditors on compensation

Report of the statutory auditor to the Shareholders' Meeting of Bell Ltd, Basel

We have audited the compensation report of Bell Ltd (page 15), for the financial year ended 31 December 2014.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the compensation report in accordance with the requirements of Swiss law and the Ordinance against Excessive Compensation in Listed Corporations (OaEC). The Board is also responsible for adopting the compensation principles and determining the individual salaries.

Auditors' responsibility

Our responsibility is to express an opinion of the compensation report, based on our audit. We conducted our audit in accordance with the Swiss Auditing Standards. These require us to meet the professional rules of conduct and to plan and perform the audit to obtain reasonable assurance that the compensation report complies with the law and with Art. 14 to 16 OaEC.

An audit involves performing procedures to obtain audit evidence for the information on payments, loans and credits pursuant to Art. 14 to 16 OaEC contained in the compensation report. The auditor is responsible for selecting the audit checks. This includes an assessment of the risk of material – intentional or unintentional – misrepresentation in the compensation report. The audit also includes evaluating the appropriateness of the accounting policies applied to the calculation of the compensation components and an assessment of the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the compensation report of Bell Ltd for the financial year ended 31 December 2014 complies with the law as well as Art. 14 to 16 OaEC.

PricewaterhouseCoopers AG

Gerd Tritschler
Audit expert
Auditor in charge

Andreas Wolf
Audit expert

Münchenstein, 2 February 2015

Bell in figures

Financial reporting

Bell Group

- 18 — Financial report
- 22 — Consolidated balance sheet
- 23 — Consolidated income statement
- 24 — Cash flow statement
- 25 — Statement of changes in equity
- 26 — Consolidation and valuation principles
- 30 — Notes to the consolidated balance sheet
- 37 — Notes to the consolidated income statement
- 43 — Additional information
- 44 — Material investments
- 45 — Multi-year overview
- 46 — Share information
- 47 — Report of the auditors

Bell Ltd

- 48 — Balance sheet
- 49 — Income statement
- 50 — Notes/appropriation of net profit
- 51 — Report of the auditors

- 52 — Contacts / publishing details

— All amounts have been rounded up or down individually



Martin Gysin
Head of Bell Finance/Services Division
(until 31 January 2015)

Financial Report **Noticeable progress** **in important areas**

Dear Shareholders

In the past 2014 financial year, we made considerable progress in important areas and our focus on product ranges with higher added value bore the first fruit. The beneficial trend for procurement prices in the second half of the year helped the Bell Group to post encouraging profit growth in spite of consumer sentiment remaining weak, bad weather conditions and the fact that the core market in Switzerland continues to suffer from private shopping tourism.

The Bell divisions

Due to changes to the range mix, Switzerland posted a decline in sales volumes of 0.9 percent at sales prices that were higher by 1.7 percent on average. The growth in sales revenue of 0.8 percent to CHF 1.86 billion was therefore mostly price-driven and does not reflect the development in sales volumes. The volume decline is due to our strategic focus on segments with higher added value, the weak barbecue summer season, and continued high levels of shopping tourism.

Sales of fresh meat were down 1.5 percent on the previous year, but charcuterie sales from our own production increased by 1.4 percent. We made considerable progress in the poultry segment with sales growing by 4.1 percent and in seafood with an increase in sales of more than 10 percent. Thanks to our consistent efforts to improve the value added to our product ranges, Switzerland's result was on a par with the previous year.

Germany managed to halt the sales decline of the past few years in a sagging market. We made substantial progress in the highly competitive market for scalded sausages, but the air-dried ham segment declined by around 1.8 percent. Cheaper raw material prices in the second half of the year translated into a slight decline in sales of 1.5 percent in local currency and 2.7 percent in Swiss francs. By correctly managing our product range over the past years, we made good progress with regard to our gross profit. The measures initiated in spring to reduce costs will only take effect from 2015, and the reporting year was still overshadowed with exceptional costs. Seen overall, the business in Germany made progress.

The situation also improved substantially again for Bell Eastern Europe/Benelux. Sales volumes grew by 4 percent in Poland. Although sales volumes contracted in Hungary and Benelux (Hungary 2.6 percent, Benelux 6.9 percent), we posted substantial revenue growth thanks to noticeably improved value added and lower costs. As the branch shops in Slovakia no longer met expectations, we decided to close the around 30 shops at the end of 2014. Business in the Czech Republic was good and on a par with the previous year. Although the sales for the division at -8.8 percent were well below the previous year in Swiss francs, the added value could be maintained and the costs reduced. The final result is therefore considerably better.

Bell France posted a decline in sales volumes of 7.3 percent and in sales revenue of 5.7 percent. Here too, product range restructuring and lower raw material prices made it possible to maintain the added value so that the result was slightly better than in the previous year in spite of exceptional costs.

Our focus on product ranges with higher added value bears the first fruit

Overview of 2014 annual financial statements

Total Group sales contracted by 0.9 percent to CHF 2,598 billion. Sales volumes declined by 1.1 percent across all segments in the reporting year. Thanks to the progress made with the range mix, the gross profit margin improved from 32.1 to 33 percent.

The increase in personnel expenses from CHF 401 million to CHF 404 million includes around CHF 1.2 million in exceptional costs for restructuring measures in Germany and France. It should also be remembered that product ranges with higher added value require more work and therefore generate higher costs. Other operating costs increased by CHF 5 million, of which CHF 3 million relates to advertising costs.

The earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by around CHF 6.5 million to CHF 196.2 million. Adjusted for exceptionals, EBITDA improved by around CHF 7.8 million (+4.1 percent). All in all, we are satisfied with this result.

Depreciation and amortisation changed only marginally, and EBIT at CHF 111 million is 5.9 % higher than in the previous year. Adjusted for exceptionals, the improvement is CHF 6.6 million.

The financial accounts closed with a positive balance of around CHF 3.1 million compared to the negative result of CHF 3.0 million in the previous year. At CHF 2.8 million, interest costs were down on the previous year and the income earned from non-controlling interests was up CHF 4.4 million. Due to a share capital reduction, the valuation of our interest in Centravo AG includes an exceptional effect of CHF 2 million. Foreign currency transactions returned a negative result of CHF 0.6 million on the prior year.

With regard to taxes, we could release tax deferrals from previous years that were too high and derecognise deferred tax assets that we no longer consider to be completely unimpaired. As we made valuation adjustments to Group receivables in Switzerland, we are unlikely to have to pay any tax in 2015. We deferred the tax expense for the operating result.

At CHF 87.7 million, the annual profit is 14 percent higher year-on-year. The Board of Directors will propose a dividend increase of CHF 5 per share to the Shareholders' Meeting.

At CHF 87.7 million, the annual profit is 14 percent above the previous year

Overview of 2014 balance sheet

Cash and cash equivalents increased by around CHF 32 million, while securities declined by CHF 3 million. Other current assets amount to CHF 553 million, which is CHF 6.5 million more than in the previous year. Inventories increased by CHF 23 million, and receivables and accruals dropped by CHF 16.4 million. The non-current assets declined by around CHF 9.5 million. Current liabilities contracted noticeably by around CHF 44 million. The net financial liabilities shrank by around CHF 40 million to around CHF 210 million. The provisions increased markedly due to the recognition of tax liabilities as described above.

Equity before non-controlling interests rose by CHF 55 million to CHF 787 million. The equity ratio improved to 53.7 percent.

As we consider the fine of EUR 100 million imposed by the German cartel office to be unjustified, both in fact and on the merits, we did not raise a provision for this fine. Legal proceedings have been initiated, but we expect the case to drag on for several years. In agreement with the auditors, we disclose this fine as a contingent liability in the notes.

The equity ratio rises to 53.7 percent

Outlook for 2015

We expect raw material prices for pork to remain stable in the current year, while prices for other animal products will remain high. Following the scrapping of the euro cap, we expect shopping tourism to increase further in a weak economic environment, which will lead to increased domestic competition. For our foreign markets, we expect to see confirmation of the positive signals and first effects of our cost reduction measures.

The Swiss National Bank's scrapping of the euro cap on 15 January 2015 will reduce our equity by around CHF 60 million and result in a sales reduction in Swiss francs of more than CHF 100 million (based on a CHF/EUR 1 to 1 exchange rate for the full financial year). The direct impact on the result will, however, be negligible.



Martin Gysin
Head of Bell Finance/Services Division

Consolidated balance sheet

| in CHF thousand | Notes | 31.12.2014 | Share | 31.12.2013 | Share |
|--|-------|------------------|----------------|------------|---------|
| Cash and cash equivalents | 1 | 146 751 | | 115 022 | |
| Securities | 2 | 6 108 | | 9 307 | |
| Trade accounts receivable | 3 | 149 770 | | 161 880 | |
| Receivables associated companies | 4 | 117 374 | | 119 872 | |
| Other receivables | | 34 278 | | 42 535 | |
| Inventory | 5 | 231 532 | | 208 565 | |
| Deferred expenses and accrued income | | 20 533 | | 14 109 | |
| Current assets | | 706 346 | 48.2 % | 671 290 | 46.6 % |
| Financial assets | 12 | 148 479 | | 153 489 | |
| Intangible assets | 13 | 40 828 | | 54 330 | |
| Land and buildings | 14 | 323 992 | | 314 910 | |
| Machinery and equipment | 15 | 246 037 | | 246 055 | |
| Non-current assets | | 759 337 | 51.8 % | 768 784 | 53.4 % |
| Assets | | 1 465 682 | 100.0 % | 1 440 074 | 100.0 % |
| Current financial liabilities | 9 | 7 716 | | 9 090 | |
| Trade accounts payable | | 131 356 | | 142 750 | |
| Accounts payable to associated companies | 6 | 16 715 | | 13 287 | |
| Other current liabilities | 7 | 10 889 | | 42 248 | |
| Current provisions | 11 | 9 493 | | 9 727 | |
| Deferred expenses and accrued income | 8 | 60 719 | | 63 970 | |
| Current liabilities | | 236 888 | 16.2 % | 281 072 | 19.5 % |
| Other financial liabilities | 9 | 4 901 | | 14 545 | |
| Bonds | 9 | 350 000 | | 350 000 | |
| Non-current provisions | 11 | 86 939 | | 62 999 | |
| Non-current liabilities | | 441 840 | 30.1 % | 427 544 | 29.7 % |
| Liabilities | | 678 728 | 46.3 % | 708 616 | 49.2 % |
| Share capital | | 2 000 | | 2 000 | |
| Retained earnings | | 783 261 | | 730 468 | |
| Currency translation differences | | -83 882 | | -74 950 | |
| Treasury shares | | -1 994 | | -2 459 | |
| Annual profit | | 87 708 | | 76 625 | |
| Equity before non-controlling interests | | 787 093 | 53.7 % | 731 684 | 50.8 % |
| Third-party interest in equity | | -138 | | -226 | |
| Equity | | 786 955 | 53.7 % | 731 458 | 50.8 % |
| Liabilities and equity | | 1 465 682 | 100.0 % | 1 440 074 | 100.0 % |

Consolidated income statement

| in CHF thousand | Notes | 2014 | Share | 2013 | Share |
|--|----------|------------------|----------------|-----------|---------|
| Income from sale of goods | 16 | 2 597 793 | | 2 620 490 | |
| Other operating income | 16 | 61 209 | | 60 986 | |
| Gross operating income | | 2 659 003 | | 2 681 476 | |
| Sales deductions | 16 | -80 983 | | -83 688 | |
| Operating income | | 2 578 019 | 100.0 % | 2 597 788 | 100.0 % |
| Cost of goods sold | | 1 727 951 | 67.0 % | 1 762 694 | 67.9 % |
| Gross operating profit | | 850 068 | 33.0 % | 835 094 | 32.1 % |
| Personnel expenses | 17/24 | 404 422 | 15.7 % | 400 868 | 15.4 % |
| Rent | 18 | 21 548 | | 21 035 | |
| Energy, auxiliary materials | 19 | 50 017 | | 49 162 | |
| Repair and maintenance | | 53 729 | | 54 653 | |
| Transport | | 62 635 | | 61 781 | |
| Advertising | | 24 086 | | 21 019 | |
| Other operating expenses | 20/24 | 37 461 | | 36 918 | |
| Total operating expenses | 21 | 653 897 | 25.4 % | 645 436 | 24.8 % |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | | 196 171 | 7.6 % | 189 658 | 7.3 % |
| Depreciation of tangible assets | 14/15/24 | 71 047 | 2.8 % | 70 571 | 2.7 % |
| Amortisation of intangible assets | 13 | 4 815 | | 4 891 | |
| Amortisation of goodwill | 13 | 9 127 | | 9 253 | |
| Earnings before interest and taxes (EBIT) | | 111 182 | 4.3 % | 104 943 | 4.0 % |
| Financial income (incl. share in profit/loss of associated companies) | 22/24 | 13 943 | | 11 397 | |
| Financial expenses | 22 | 10 820 | | 14 415 | |
| Net profit before taxes (EBT) | | 114 305 | 4.4 % | 101 925 | 3.9 % |
| Taxes | 23/24 | 26 492 | | 25 284 | |
| Net profit after taxes | | 87 813 | 3.4 % | 76 641 | 3.0 % |
| Third-party interest in profit | | -105 | | -16 | |
| Annual profit | | 87 708 | 3.4 % | 76 625 | 2.9 % |

Cash flow statement

| in CHF thousand | 2014 | | 2013 | |
|---|--------|----------------|---------|----------|
| Net profit after taxes | | 87 813 | | 76 641 |
| Depreciation of tangible assets | 71 047 | | 69 655 | |
| Write-down of tangible assets | – | | 916 | |
| Amortisation of intangible assets | 13 942 | 84 989 | 14 144 | 84 715 |
| Income (–) loss (+) from sale of fixed assets | | –43 | | –64 |
| Dividends from associated companies | | 6 342 | | 2 810 |
| Net income from equity interests | | –9 379 | | –5 020 |
| Increase (–) decrease (+) in deferred tax assets | | 2 272 | | –76 |
| Changes in provisions | | 22 481 | | –9 496 |
| Cash flow before changes to net current assets | | 194 474 | | 149 510 |
| Inventory changes (–) increase (+) decrease | | –25 588 | | –21 793 |
| Changes in receivables (–) increase (+) decrease | | 26 582 | | –4 711 |
| Changes in accrued assets (–) increase (+) decrease | | –6 474 | | –3 371 |
| Changes in current liabilities (+) increase (–) decrease | | –36 541 | | –12 675 |
| Changes in accrued liabilities (+) increase (–) decrease | | –2 479 | –44 500 | 5 800 |
| Operating cash flow | | 149 974 | | 112 761 |
| Investment in machinery and equipment | | –67 323 | | –69 915 |
| Divestment of machinery and equipment | | 984 | –66 339 | 411 |
| Investment in land and buildings | | –20 304 | | –11 483 |
| Divestment of land and buildings | | 1 461 | –18 843 | 17 |
| Investment in other companies and financial assets | | –1 041 | | –3 342 |
| Divestment of shareholdings and financial assets | | 2 146 | | 669 |
| Investment (–) / divestment (+) of securities | | 3 198 | 4 303 | –6 036 |
| Investment in intangible assets | | –2 742 | | –4 558 |
| Divestment of intangible assets | | 54 | –2 688 | 1 |
| Cash flow from investments | | –83 567 | | –94 236 |
| Changes in financial liabilities | | –2 979 | | –4 001 |
| Bonds | | – | | 350 000 |
| Repayment of credits and loans | | –7 738 | | –263 940 |
| Investment (–) / divestment (+) in treasury shares | | 564 | | 729 |
| Dividends | | –23 944 | | –24 174 |
| Cash flow from financing activities | | –34 097 | | 58 614 |
| Cash flow balance | | 32 310 | | 77 138 |
| Cash and cash equivalents as of 1 January | | 115 022 | | 37 848 |
| Effect of currency translation on cash and cash equivalents | | –582 | | 36 |
| Changes in cash and cash equivalents | | 32 310 | | 77 138 |
| Cash and cash equivalents as of 31 December | | 146 751 | | 115 022 |

Statement of changes in equity

| in CHF thousand | Share capital | Retained earnings | Currency translation differences | Treasury shares | Consolidated profit | Equity | Third-party interest in equity | Equity |
|--|---------------|-------------------|----------------------------------|-----------------|---------------------|----------------|--------------------------------|----------------|
| Equity as of 01.01.2014 | 2 000 | 730 468 | -74 950 | -2 459 | 76 625 | 731 684 | -226 | 731 458 |
| Changes in scope of consolidation | - | - | - | - | - | - | - | - |
| Acquisition minorities | - | - | - | - | - | - | - | - |
| Appropriation of annual profit | - | 76 625 | - | - | -76 625 | - | - | - |
| Dividend | - | -23 931 | - | - | - | -23 931 | -13 | -23 944 |
| Additions/disposals of treasury shares | - | 100 | - | 465 | - | 564 | - | 564 |
| Annual profit | - | - | - | - | 87 708 | 87 708 | 105 | 87 813 |
| Exchange differences | - | - | -8 932 | - | - | -8 932 | -4 | -8 936 |
| Equity as of 31.12.2014 | 2 000 | 783 261 | -83 882 | -1 994 | 87 708 | 787 093 | -138 | 786 955 |
| Equity as of 01.01.2013 | 2 000 | 678 458 | -78 063 | -3 130 | 75 849 | 675 114 | 358 | 675 472 |
| Changes in scope of consolidation | - | - | - | - | - | - | - | - |
| Acquisition minorities | - | - | - | - | - | - | -280 | -280 |
| Appropriation of annual profit | - | 75 849 | - | - | -75 849 | - | - | - |
| Dividend | - | -23 898 | - | - | - | -23 898 | -276 | -24 174 |
| Additions/disposals of treasury shares | - | 59 | - | 671 | - | 729 | - | 729 |
| Annual profit | - | - | - | - | 76 625 | 76 625 | 16 | 76 641 |
| Exchange differences | - | - | 3 113 | - | - | 3 113 | -44 | 3 069 |
| Equity as of 31.12.2013 | 2 000 | 730 468 | -74 950 | -2 459 | 76 625 | 731 684 | -226 | 731 458 |

Legal reserves in 2014 CHF 20,944,000 (previous year CHF 20,964,000)

| Shares | Number of shares 01.01. | Additions in treasury shares | Disposals of treasury shares | Additions in treasury shares Employee share participation plan | Disposals of treasury shares Employee share participation plan | Number of shares 31.12. |
|---|-------------------------|------------------------------|------------------------------|--|--|-------------------------|
| Shares issued | 400 000 | - | - | - | - | 400 000 |
| Treasury shares | -1 571 | - | - | -92 | 436 | -1 227 |
| Shares in circulation as of 2014 | 398 429 | - | - | -92 | 436 | 398 773 |
| Shares issued | 400 000 | - | - | - | - | 400 000 |
| Treasury shares | -2 031 | - | - | -65 | 525 | -1 571 |
| Shares in circulation as of 2013 | 397 969 | - | - | -65 | 525 | 398 429 |

Consolidation and valuation principles

Basic principles

The principles governing consolidation, valuation, structure and presentation comply with the entire Accounting and Reporting Regulations (Swiss GAAP ARR). They apply to all companies included in the scope of consolidation.

Scope of consolidation

All companies of which Bell Ltd directly or indirectly owns more than 50 percent of the votes or exercises control under a contractual agreement are fully integrated in these consolidated financial statements. Investments where Bell owns more than 20 percent but less than 50 percent of the votes are measured and recognised in the balance sheet at the equity ratio. Investments equalling less than 20 percent are included in the balance sheet at the share price as of 31 December. If no share price was available, the investment is measured at cost minus a value adjustment if there was any impairment. An overview of the companies in which Bell has a stake and a description of the treatment of these associates in the consolidated financial statements are provided on page 44 of the annual report.

Foreign currency translation

All company balance sheets in foreign currency are translated into Swiss francs at the year-end exchange rate as of 31 December. The income statements of these companies are translated at the average annual exchange rate. Translation differences between the opening and closing balance sheets and the differences arising from the use of different exchange rates in the balance sheet and the income statement are balanced without affecting profit and loss.

Exchange rates

| | | 2014 | 2013 |
|------------------|---------|--------------|--------------|
| Balance sheet | EUR 1 | = CHF 1.2024 | = CHF 1.2276 |
| | CZK 1 | = CHF 0.0434 | = CHF 0.0448 |
| | HUF 100 | = CHF 0.3811 | = CHF 0.4133 |
| | PLN 1 | = CHF 0.2814 | = CHF 0.2955 |
| | USD 1 | = CHF 0.9904 | = CHF 0.8902 |
| Income statement | EUR 1 | = CHF 1.2143 | = CHF 1.2304 |
| | CZK 1 | = CHF 0.0441 | = CHF 0.0474 |
| | HUF 100 | = CHF 0.3933 | = CHF 0.4145 |
| | PLN 1 | = CHF 0.2901 | = CHF 0.2931 |
| | USD 1 | = CHF 0.9196 | = CHF 0.9240 |

Consolidation of assets and liabilities, intra-group sales and intra-group profits

All intra-group assets and liabilities are set off and eliminated as part of the consolidation process. Differences resulting from applying different exchange rates to net investments in foreign companies are recognised in equity without affecting profit or loss. All intra-group payables and receivables are set off and eliminated as part of the consolidation process. Elimination of intra-group profits is deemed unnecessary, as the companies trade so that the impact on the Group's income statement is insignificant.

Capital consolidation

The capital was consolidated using the purchase method of accounting, i.e. the capital of a company is set off against the purchase price on the purchase date, and the acquisition costs are added to the purchase price. Purchase price adjustments that depend on future results are estimated. The resulting goodwill is capitalised and amortised over a period of five to eight years via the income statement. Any negative goodwill is recognised in the income statement at the time of the initial consolidation. If the final purchase price deviates from the estimate, the goodwill is adjusted correspondingly.

Valuation

As a general rule, the historical cost method is used. The current assets are valued at the lower of cost or market value. Tangible fixed assets are recognised at cost minus required depreciation. The same valuation principles apply to all consolidated companies.

The land and buildings owned by the companies consolidated for the first time were revalued at the time of the takeover and recognised in the consolidated statements. For the other tangible assets, the residual values were recalculated on the historical cost basis in accordance with Bell's depreciation criteria and adjusted in the consolidated statements.

Cash and cash equivalents

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

Securities

The securities comprise marketable securities that are recognised in the balance sheet at the stock price as of 31 December.

Receivables

Identifiable and actual losses are charged to the income statement in the year in which they occurred. Based on previous experience, the impairment for provisions for doubtful debts equals 1 percent of the accounts receivable. The total impairment amount is disclosed in the Notes.

Inventory

The inventories are valued at production cost according to the first-in first-out (FIFO) method. Inventories with a very long ripening period are measured at the moving average cost for procurement. Any impairment loss on the purchase cost is taken into account. Warehousing risks that can be identified are also taken into account.

Deferred tax assets

The deferred tax assets reported in the previous year resulted from loss carry-forwards on initial consolidation. We wrote these off during the reporting year as they can no longer be deemed to be fully unimpaired.

Other financial assets

The other financial assets comprise non-listed securities that are recognised in the balance sheet at the lower of cost or market value.

Consolidation and valuation principles

Non-current assets

Please refer to page 44 for an overview of the Group's non-consolidated investments in 2014.

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

Useful life of non-current assets

| in years | |
|---|-------|
| Production and administration buildings | 30–40 |
| Machines and equipment | 8–10 |
| Installations | 10–15 |
| Vehicles | 3–7 |
| Furniture | 5–10 |
| IT hardware | 4 |
| Software | 4 |
| Trademarks | 8 |
| Goodwill | 5–8 |

Intangible assets

Intangible non-current assets comprise IT software, acquired trademarks and goodwill. The depreciation on the "Hilcona" goodwill is set off against Bell's share of the annual profit within the financial account as in the previous year. As in the previous year, the impairment tests for the individual goodwill positions did not show any additional need for adjustment.

Provisions/pension liabilities

Accruals and provisions are set up and measured in accordance with objective and economic principles, and risks are adequately accounted for. Taxes are deferred in accordance with the liability method on all differences between the "ARR values" and the taxable carrying values at the average tax rate that applies to our Group, i.e. 21.25 percent for Switzerland, 33 percent for Germany and France and 25 percent for the other countries.

In July 2014, the German Cartel Office imposed a fine on Bell Germany of around EUR 100 million for alleged illegal price fixing in the years before the acquisition of Abraham and ZIMBO. As we do not believe this fine to be justified, either in fact or on the merits, and will defend ourselves against this decision with everything in our power, we did not raise any provision for the fine. We expect the legal battle to drag on for a number of years.

The employees of Bell Switzerland belong to the CPV/CAP pension fund Coop. Pursuant to Art. 44 of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV2), the funding ratio of CPV/CAP was 113.3 percent at the end of 2014 (prior year 108.8 %). Other personnel liabilities are only recognised in the balance sheet if they are not carried by CPV/CAP.

Bell Schweiz AG's employee benefits foundation is currently in liquidation. The free foundation capital is recognised under financial assets.

Equity

Since 2008, changes in equity due to currency translation differences are reported separately as a sub-item of equity.

Transaction gains and dividends are allocated directly to the retained earnings.

Employee share participation plan

Every employee of the Bell Group is entitled to buy five (ten for members of the Board of Directors, the Executive Board and the management) shares of Bell Ltd per calendar year at a price of 80 percent of the share value in the calendar month immediately preceding the purchase. The members of the Executive Board and Senior Management can also be paid half of their profit share in Bell Ltd shares. The shares sold to the employees under this plan are charged to personnel expenses at the price that applies on the date of allocation. Shares sold to employees under the share participation plan may not be sold for a period of four years. Under this plan, 436 shares were sold to employees in spring 2014 (previous year 525). A total of 92 shares were taken back at the prevailing price during 2014 (previous year 65).

Rebates, refunds and cash discounts

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

Advance payments

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

Events occurring after the balance sheet date

The Swiss National Bank scrapped the euro cap on 15 January 2015. The effects of this measure on the income statement are negligible, but the equity will be reduced by CHF 60 million. No other events occurred before the approval of the consolidated financial statements of Bell Ltd by the Board of Directors on 30 January 2015. These consolidated financial statements are subject to approval by the Shareholders' Meeting on 15 April 2015.

Risk assessment

The Bell Group follows standard risk management procedures. The risk situation is reassessed every three years. A complete risk assessment was carried out by Bell International in 2014.

Every year, the Executive Board reviews the status of implementation of these measures as well as the updated risk assessment. The Board of Directors was informed of the results at its meeting in January 2015. More information relating to risk management is provided in the section on Corporate Governance (page 8).

As part of the institutionalised annual assessment of the quality of the internal control system at the business process level, the operational risks, the risks associated with financial reporting and those associated with compliance are assessed.

Notes to the consolidated balance sheet

| in CHF thousand | 2014 | Share | 2013 |
|---|----------------|----------------|---------|
| 1. Cash and cash equivalents | | | |
| Cash | 1 210 | 0.8 % | 1 035 |
| Cash in banks | 95 398 | 65.0 % | 73 524 |
| Fixed deposits | 50 143 | 34.2 % | 40 463 |
| Cash and cash equivalents | 146 751 | 100.0 % | 115 022 |
| Cash and cash equivalents by currency | | | |
| CHF | 121 127 | 82.5 % | 94 608 |
| EUR | 20 284 | 13.8 % | 13 593 |
| Other currencies | 5 340 | 3.6 % | 6 821 |
| Cash and cash equivalents | 146 751 | 100.0 % | 115 022 |
| 2. Securities | | | |
| Shares and similar investments | 6 108 | 100.0 % | 9 307 |
| Bonds and similar investments | – | – | – |
| Securities | 6 108 | 100.0 % | 9 307 |
| 3. Trade accounts receivable | | | |
| Valuation adjustments balanced in receivables | –2 867 | | –3 457 |
| 4. Receivables related parties | | | |
| Companies of the Coop Group | 108 431 | 92.4 % | 115 583 |
| Other related parties | 8 942 | 7.6 % | 4 289 |
| Receivables related parties | 117 374 | 100.0 % | 119 872 |
| 5. Inventory | | | |
| Raw materials and finished goods | 219 734 | 94.9 % | 195 131 |
| Auxiliary materials | 16 289 | 7.0 % | 17 509 |
| Valuation adjustments on the basis of value impairments | –4 491 | –1.9 % | –4 074 |
| Inventory | 231 532 | 100.0 % | 208 565 |
| 6. Accounts payable to related parties | | | |
| Accounts payable to Coop Group | 15 638 | 93.6 % | 10 809 |
| Accounts payable to other related parties | 1 077 | 6.4 % | 2 478 |
| Accounts payable to related parties | 16 715 | 100.0 % | 13 287 |
| 7. Other current liabilities | | | |
| Shareholders | 11 | 0.1 % | 9 |
| VAT | 5 448 | 50.0 % | 12 675 |
| Capital and income taxes | 3 634 | 33.4 % | 27 105 |
| Other taxes | 10 | 0.1 % | 120 |
| Miscellaneous third parties | 1 786 | 16.4 % | 2 340 |
| Other current liabilities | 10 889 | 100.0 % | 42 248 |

Notes to the consolidated balance sheet

| in CHF thousand | 2014 | Share | 2013 |
|--|----------------|----------------|---------|
| 8 Deferred expenses and accrued income | | | |
| Miscellaneous deferred expenses | 42 222 | 69.5 % | 49 716 |
| Accrued personnel and social security expenses | 18 497 | 30.5 % | 14 254 |
| Deferred expenses and accrued income | 60 719 | 100.0 % | 63 970 |
| 9. Financial liabilities | | | |
| Short-term loans and credits from banks | 7 716 | 2.1 % | 9 090 |
| Current financial liabilities | 7 716 | 2.1 % | 9 090 |
| Long-term loans and credits from banks | 4 901 | 1.4 % | 14 545 |
| Bonds | 350 000 | 96.5 % | 350 000 |
| Non-current financial liabilities | 354 901 | 97.9 % | 364 545 |
| Financial liabilities | 362 617 | 100.0 % | 373 634 |
| Maturity structure of financial liabilities | | | |
| Due within 360 days | 7 716 | 2.1 % | 9 090 |
| Due within two years | 1 098 | 0.3 % | 9 173 |
| Due within three years and later | 353 804 | 97.6 % | 355 371 |
| Financial liabilities | 362 617 | 100.0 % | 373 634 |
| Financial liabilities by currency | | | |
| CHF | 353 907 | 97.6 % | 354 607 |
| EUR | 8 163 | 2.3 % | 18 395 |
| Other currencies | 548 | 0.2 % | 633 |
| Financial liabilities | 362 617 | 100.0 % | 373 634 |

Bonds

| | |
|-------------------|--------------------------------|
| Bond type | Bond with reopening option |
| Nominal amount | CHF 175 million |
| Securities number | 21 226 729 / ISIN CH0212267295 |
| Interest rate | 1.00 percent |
| Term | 5 years |
| Maturity | 16 May 2018 at par value |
| Bond type | Bond with reopening option |
| Nominal amount | CHF 175 million |
| Securities number | 21 226 733 / ISIN CH0212267337 |
| Interest rate | 1.75 percent |
| Term | 9 years |
| Maturity | 16 May 2022 at par value |

10. Business combinations/company sale

No events in 2014 and 2013

Notes to the consolidated balance sheet

| in CHF thousand | Early retire- ments | Long service awards | Holiday and extra hours charges | Deferred taxes | Other | Restruc- turing | Total |
|------------------------------------|------------------------|------------------------|---------------------------------------|-------------------|--------------|--------------------|---------------|
| 11 Provisions | | | | | | | |
| Provisions as of 01.01.2014 | 23 539 | 3 158 | 5 246 | 38 712 | 2 070 | – | 72 725 |
| Changes in scope of consolidation | – | – | – | – | – | – | – |
| Reclassification from deferrals | – | – | – | – | 1 428 | – | 1 428 |
| Reclassification | –105 | 105 | – | – | – | – | – |
| Creation | – | 1 459 | 309 | 24 933 | 747 | – | 27 449 |
| Release/utilisation | –3 290 | –1 141 | –146 | –287 | –104 | – | –4 969 |
| Currency translation effects | –40 | –45 | –23 | –54 | –40 | – | –202 |
| Provisions as of 31.12.2014 | 20 103 | 3 537 | 5 387 | 63 304 | 4 101 | – | 96 431 |
| Non-current provisions 2014 | 19 180 | 2 418 | – | 63 304 | 2 038 | – | 86 939 |
| Current provisions 2014 | 923 | 1 120 | 5 387 | – | 2 063 | – | 9 493 |
| Provisions as of 01.01.2013 | | | | | | | |
| Provisions as of 01.01.2013 | 22 583 | 3 207 | 4 931 | 43 612 | 3 575 | 5 442 | 83 351 |
| Changes in scope of consolidation | – | – | – | – | – | – | – |
| Reclassification to deferrals | – | – | – | – | –1 345 | – | –1 345 |
| Reclassification | – | – | – | – | – | – | – |
| Creation | 1 700 | 1 135 | 48 | 183 | 150 | – | 3 217 |
| Release/utilisation | –814 | –1 184 | 255 | –5 074 | –355 | –5 540 | –12 712 |
| Currency translation effects | 70 | – | 12 | –9 | 45 | 97 | 215 |
| Provisions as of 31.12.2013 | 23 539 | 3 158 | 5 246 | 38 712 | 2 070 | – | 72 725 |
| Non-current provisions 2013 | 21 311 | 2 187 | – | 38 712 | 790 | – | 62 999 |
| Current provisions 2013 | 2 228 | 972 | 5 246 | – | 1 280 | – | 9 727 |

Notes to the consolidated balance sheet

| in CHF thousand | Non conso- lidated holdings | Loans to related parties ¹ | Loans to third parties | Equity of foundation | Deferred tax assets | Other financial assets | Total |
|---|-----------------------------------|---|------------------------------|----------------------------|---------------------------|------------------------------|----------------|
| 12. Financial assets | | | | | | | |
| Net carrying value as of 01.01.2014 | 113 878 | 32 766 | 867 | 3 309 | 2 297 | 372 | 153 489 |
| Purchase price as of 01.01.2014 | 113 878 | 32 766 | 867 | 3 309 | 2 297 | 372 | 153 489 |
| Changes in scope of consolidation | – | – | – | – | – | – | – |
| Investments | – | – | 1 041 | – | – | – | 1 041 |
| Divestments/dividends from associated companies | –6 342 | – | –848 | –1 298 | – | – | –8 488 |
| Reclassification to other current receivables | – | –6 740 | – | – | – | – | –6 740 |
| Revaluation | 11 511 | – | – | – | –2 272 | – | 9 239 |
| Reclassification | – | – | – | – | – | – | – |
| Currency translation effects | –1 | –26 | –9 | – | –25 | – | –62 |
| Net carrying amount as of 31.12.2014 | 119 046 | 26 000 | 1 050 | 2 011 | – | 372 | 148 479 |
| Net carrying amount as of 01.01.2013 | 109 535 | 31 229 | – | 3 728 | 2 184 | 622 | 147 298 |
| Purchase price as of 01.01.2013 | 109 535 | 31 229 | – | 3 728 | 2 184 | 622 | 147 298 |
| Changes in scope of consolidation | – | – | – | – | – | – | – |
| Investments | – | 1 643 | 869 | – | – | – | 2 511 |
| Divestments/dividends from associated companies | –2 810 | – | – | –419 | – | –250 | –3 478 |
| Revaluation | 7 152 | – | – | – | 76 | – | 7 228 |
| Reclassification | – | – | – | – | – | – | – |
| Currency translation effects | 1 | –106 | –2 | – | 37 | – | –70 |
| Net carrying amount as of 31.12.2013 | 113 878 | 32 766 | 867 | 3 309 | 2 297 | 372 | 153 489 |

1 There are no loans to the corporation entities.

Notes to the consolidated balance sheet

in CHF thousand

13. Intangible assets

Net carrying amount as of 01.01.2014

Purchase price as of 01.01.2014

Changes in scope of consolidation

Investments

Divestment/discontinuation

Reclassification

Currency translation effects

Purchase price as of 31.12.2014

Cumulative depreciation as of 01.01.2014

Changes in scope of consolidation

Depreciation ¹

Cumulative depreciation on divestment/discontinuation

Reclassification

Currency translation effects

Cumulative depreciation as of 31.12.2014

Net carrying amount as of 31.12.2014

Net carrying amount as of 01.01.2013

Purchase price as of 01.01.2013

Changes in scope of consolidation

Investments

Divestments

Reclassification

Currency translation effects

Purchase price as of 31.12.2013

Cumulative depreciation as of 01.01.2013

Changes in scope of consolidation

Depreciation ¹

Write-downs

Cumulative depreciation of divestments

Reclassification

Currency translation effects

Cumulative depreciation as of 31.12.2013

Net carrying amount as of 31.12.2013

| Software | Trademarks | Others rights | Goodwill | Total |
|---------------|------------|------------------|---------------|----------------|
| 12 457 | – | 1 411 | 40 462 | 54 330 |
| 46 588 | 10 095 | 2 108 | 167 821 | 226 613 |
| – | – | – | – | – |
| 2 740 | – | – | – | 2 740 |
| –4 691 | – | –53 | – | –4 743 |
| 530 | – | – | – | 530 |
| –297 | –207 | –46 | –2 486 | –3 036 |
| 44 871 | 9 888 | 2 009 | 165 335 | 222 105 |
| 34 131 | 10 095 | 697 | 127 359 | 172 283 |
| – | – | – | – | – |
| 4 685 | – | 130 | 11 258 | 16 074 |
| –4 691 | – | – | – | –4 691 |
| – | – | – | – | – |
| –161 | –207 | –18 | –2 003 | –2 390 |
| 33 964 | 9 888 | 809 | 136 615 | 181 277 |
| 10 907 | – | 1 200 | 28 721 | 40 828 |
| 12 101 | – | 1 462 | 50 686 | 64 249 |
| 41 404 | 9 940 | 2 011 | 165 276 | 218 632 |
| – | – | – | – | – |
| 4 492 | – | 66 | 543 | 5 101 |
| –7 | – | –1 | – | –9 |
| 539 | –13 | – | – | 526 |
| 160 | 168 | 32 | 2 002 | 2 363 |
| 46 588 | 10 095 | 2 108 | 167 821 | 226 613 |
| 29 303 | 9 940 | 549 | 114 590 | 154 383 |
| – | – | – | – | – |
| 4 750 | – | 141 | 11 385 | 16 276 |
| – | – | – | – | – |
| –7 | – | –1 | – | –8 |
| 13 | –13 | – | – | – |
| 72 | 168 | 8 | 1 385 | 1 632 |
| 34 131 | 10 095 | 697 | 127 359 | 172 283 |
| 12 457 | – | 1 411 | 40 462 | 54 330 |

¹ The amortisation of the Hilcona goodwill is reported in income from investments in other companies.

Notes to the consolidated balance sheet

| in CHF thousand | Developed land | Production and administration facilities | Constructions in rented locations | Buildings under construction | Total |
|---|----------------|--|-----------------------------------|------------------------------|----------------|
| 14. Land and buildings | | | | | |
| Net carrying amount as of 01.01.2014 | 65 672 | 243 571 | 937 | 4 729 | 314 910 |
| Purchase price as of 01.01.2014 | 65 767 | 587 785 | 3 282 | 4 729 | 661 563 |
| Changes in scope of consolidation | – | – | – | – | – |
| Investments | 422 | 15 635 | 107 | 4 139 | 20 304 |
| Divestment/discontinuation | –439 | –4 430 | –209 | –664 | –5 742 |
| Reclassification | 5 | 15 929 | – | –3 158 | 12 776 |
| Currency translation effects | –311 | –4 546 | – | –1 | –4 858 |
| Purchase price as of 31.12.2014 | 65 444 | 610 373 | 3 181 | 5 046 | 684 043 |
| Cumulative depreciation as of 01.01.2014 | 95 | 344 214 | 2 345 | – | 346 654 |
| Changes in scope of consolidation | – | – | – | – | – |
| Depreciation | 7 | 19 125 | 148 | – | 19 280 |
| Cumulative depreciation on divestment/discontinuation | – | –4 222 | –59 | – | –4 281 |
| Reclassification | – | 523 | – | – | 523 |
| Currency translation effects | –2 | –2 122 | – | – | –2 124 |
| Cumulative depreciation as of 31.12.2014 | 100 | 357 518 | 2 434 | – | 360 052 |
| Net carrying amount as of 31.12.2014 | 65 344 | 252 855 | 747 | 5 046 | 323 992 |
| Net carrying amount as of 01.01.2013 | 64 867 | 251 429 | 1 101 | 5 700 | 323 097 |
| Cumulative depreciation as of 01.01.2013 | 64 953 | 575 531 | 3 311 | 5 700 | 649 495 |
| Changes in scope of consolidation | – | – | – | – | – |
| Investments | 560 | 7 861 | – | 3 063 | 11 483 |
| Divestments | – | –7 | –29 | – | –36 |
| Reclassification | 43 | 1 542 | – | –4 043 | –2 458 |
| Currency translation effects | 211 | 2 858 | – | 10 | 3 079 |
| Purchase price as of 31.12.2013 | 65 767 | 587 785 | 3 282 | 4 729 | 661 563 |
| Cumulative depreciation as of 01.01.2013 | 86 | 324 101 | 2 210 | – | 326 397 |
| Changes in scope of consolidation | – | – | – | – | – |
| Depreciation | 8 | 18 060 | 151 | – | 18 220 |
| Write-downs | – | 916 | – | – | 916 |
| Cumulative depreciation of divestments | – | –7 | –11 | – | –18 |
| Reclassification | – | –200 | –5 | – | –206 |
| Currency translation effects | 1 | 1 343 | – | – | 1 345 |
| Cumulative depreciation as of 31.12.2013 | 95 | 344 214 | 2 345 | – | 346 654 |
| Net carrying amount as of 31.12.2013 | 65 672 | 243 571 | 937 | 4 729 | 314 910 |

A capitalised lease with a carrying amount of CHF 4,851,000 (previous year CHF 5,379,000) is included in “Land and buildings”.

Notes to the consolidated balance sheet

| in CHF thousand | Machinery and equipment | Installations | IT hardware | Furniture and vehicles | Advance payments | Total |
|---|-------------------------|----------------|---------------|------------------------|------------------|----------------|
| 15. Machinery and equipment | | | | | | |
| Net carrying amount as of 01.01.2014 | 122 553 | 73 486 | 7 524 | 23 520 | 18 972 | 246 055 |
| Purchase price as of 01.01.2014 | 447 933 | 224 747 | 43 210 | 99 207 | 18 972 | 834 071 |
| Changes in scope of consolidation | – | – | – | – | – | – |
| Investments | 16 623 | 20 296 | 1 609 | 5 456 | 23 339 | 67 323 |
| Divestment/discontinuation | –11 515 | –3 907 | –8 661 | –6 956 | –146 | –31 184 |
| Reclassification | 8 714 | –10 041 | 526 | 845 | –13 350 | –13 306 |
| Currency translation effects | –4 028 | –170 | –79 | –1 023 | –316 | –5 616 |
| Purchase price as of 31.12.2014 | 457 727 | 230 925 | 36 605 | 97 529 | 28 499 | 851 287 |
| Cumulative depreciation as of 01.01.2014 | 325 380 | 151 261 | 35 687 | 75 687 | – | 588 015 |
| Changes in scope of consolidation | – | – | – | – | – | – |
| Depreciation | 26 225 | 13 870 | 3 666 | 8 006 | – | 51 767 |
| Cumulative depreciation on divestment/discontinuation | –11 365 | –3 786 | –8 657 | –6 435 | – | –30 243 |
| Reclassification | – | –523 | – | – | – | –523 |
| Currency translation effects | –2 882 | –111 | –56 | –717 | – | –3 766 |
| Cumulative depreciation as of 31.12.2014 | 337 358 | 160 711 | 30 640 | 76 541 | – | 605 250 |
| Net carrying amount as of 31.12.2014 | 120 369 | 70 214 | 5 965 | 20 987 | 28 499 | 246 037 |
| Net carrying amount as of 01.01.2013 | 116 135 | 64 334 | 8 079 | 24 847 | 12 236 | 225 632 |
| Cumulative depreciation as of 01.01.2013 | 415 528 | 202 552 | 39 894 | 96 328 | 12 236 | 766 539 |
| Changes in scope of consolidation | – | – | – | – | – | – |
| Investments | 25 554 | 18 203 | 2 801 | 8 838 | 14 518 | 69 915 |
| Divestments | –4 075 | – | –178 | –2 038 | –84 | –6 375 |
| Reclassification | 8 608 | 3 865 | 657 | –3 472 | –7 726 | 1 932 |
| Currency translation effects | 2 317 | 126 | 37 | –449 | 28 | 2 059 |
| Purchase price as of 31.12.2013 | 447 933 | 224 747 | 43 210 | 99 207 | 18 972 | 834 071 |
| Cumulative depreciation as of 01.01.2013 | 299 393 | 138 218 | 31 815 | 71 481 | – | 540 907 |
| Changes in scope of consolidation | – | – | – | – | – | – |
| Depreciation | 26 225 | 12 955 | 3 915 | 8 339 | – | 51 435 |
| Write-downs | – | – | – | – | – | – |
| Cumulative depreciation of divestments | –3 875 | – | –178 | –1 974 | – | –6 027 |
| Reclassification | 1 928 | 5 | 112 | –1 838 | – | 206 |
| Currency translation effects | 1 709 | 83 | 23 | –320 | – | 1 494 |
| Cumulative depreciation as of 31.12.2013 | 325 380 | 151 261 | 35 687 | 75 687 | – | 588 015 |
| Net carrying amount as of 31.12.2013 | 122 553 | 73 486 | 7 524 | 23 520 | 18 972 | 246 055 |

“Machinery and equipment” includes a capitalised lease with a carrying amount of CHF 243,000 (previous year CHF 817,000).

Notes to the consolidated income statement

| in CHF thousand | 2014 | Difference | 2013 |
|---|------------------|---------------|-----------|
| 16. Operating income | | | |
| Product groups | | | |
| Fresh meat | 852 068 | -1.5 % | 864 620 |
| Charcuterie own production | 384 899 | 1.4 % | 379 653 |
| Charcuterie purchased | 73 829 | -8.9 % | 81 055 |
| Poultry | 379 262 | 4.1 % | 364 312 |
| Meat specialities (game, rabbit and others) | 16 895 | -4.6 % | 17 715 |
| Seafood | 140 542 | 10.6 % | 127 087 |
| Other sales | 11 393 | 13.0 % | 10 083 |
| Product groups Switzerland | 1 858 888 | 0.8 % | 1 844 525 |
| Charcuterie | 680 648 | -4.0 % | 708 913 |
| Other sales | 58 258 | -13.1 % | 67 052 |
| Product groups international | 738 905 | -4.8 % | 775 965 |
| Sales by product group | 2 597 793 | -0.9 % | 2 620 490 |
| Distribution channels | | | |
| Sales to Coop Group | 1 411 069 | 2.1 % | 1 381 494 |
| Sales to other affiliated companies | 16 641 | -5.9 % | 17 683 |
| Sales to wholesale | 423 948 | -3.2 % | 438 097 |
| Sales to end consumers | 7 229 | -0.3 % | 7 251 |
| Distribution channels Switzerland | 1 858 888 | 0.8 % | 1 844 525 |
| Sales to Coop Group | 27 969 | 49.7 % | 18 685 |
| Sales to wholesale | 652 679 | -5.4 % | 690 228 |
| Sales to end consumers | 58 258 | -13.1 % | 67 052 |
| Distribution channels international | 738 905 | -4.8 % | 775 965 |
| Sales by distribution channel | 2 597 793 | -0.9 % | 2 620 490 |
| Sales by country | | | |
| Switzerland | 1 858 887 | | 1 844 525 |
| Germany | 429 568 | | 447 224 |
| France | 112 974 | | 120 169 |
| Spain, Benelux | 72 659 | | 74 207 |
| Eastern Europe | 123 704 | | 134 366 |
| Sales by country | 2 597 793 | -0.9 % | 2 620 490 |
| Additional proceeds from Coop Group | 3 182 | 31.7 % | 2 416 |
| Additional proceeds from affiliated companies | 21 924 | 0.9 % | 21 736 |
| Additional third-party proceeds | 31 123 | -1.2 % | 31 505 |
| Other operating income Switzerland | 56 229 | 1.0 % | 55 657 |
| Other operating income international | 4 980 | -6.5 % | 5 329 |
| Other operating income | 61 209 | 0.4 % | 60 986 |
| Sales deductions with Coop Group | 28 563 | 9.5 % | 26 091 |
| Other sales deductions | 3 195 | -38.4 % | 5 186 |
| Sales deductions Switzerland | 31 758 | 1.5 % | 31 276 |
| Sales deductions international | 49 225 | -6.1 % | 52 411 |
| Sales deductions | 80 983 | -3.2 % | 83 688 |

A 10-year contract (with a commitment to supply and purchase) with Coop came into effect as of 1 January 2001. This contract has been extended for an additional five years. The supply of products to Coop is carried out under market conditions in consideration of Coop's purchase volume. Sales reductions include a bonus agreement on volume and sales figures which is stipulated in advance on a yearly basis by means of a business plan.

Notes to the consolidated income statement

| in CHF thousand | 2014 | Difference | 2013 |
|--------------------------------|----------------|--------------|---------|
| 17. Personnel expenses | | | |
| Wages and salaries | 263 072 | 2.2 % | 257 461 |
| Employers' contributions | 60 480 | -7.8 % | 65 576 |
| Other personnel expenses | 14 820 | 13.5 % | 13 059 |
| Third-party wages and salaries | 66 049 | 2.0 % | 64 772 |
| Personnel expenses | 404 422 | 0.9 % | 400 868 |

Contributions include social security contributions to the CPV/CAP Coop pension plan and other pension funds: CHF 18,675,000 (previous year CHF 20,687,000).

Notes to the consolidated income statement

| Shares held by the Board of Directors as of 31 December (number) | 2014 | 2013 |
|--|------|------|
| Hansueli Loosli, President | 66 | 56 |
| Leo Ebnetter, Vice President | 25 | 15 |
| Jörg Ackermann, Member | 84 | 79 |
| Irene Kaufmann-Brändli, Member | 66 | 56 |
| Andreas Land, Member | 15 | 5 |
| Werner Marti, Member | 57 | 47 |

| Shares held by the Group Executive Board as of 31 December (number) | 2014 | 2013 |
|---|-------|-------|
| Lorenz Wyss | 67 | 67 |
| Martin Gysin | 67 | 104 |
| Christian Schröder | 12 | 12 |
| Other employees | 2 126 | 2 330 |

| | | Funding surplus/ deficiency | Economic benefits/ obligations | Change in comparison to previous year | Employer contributions | Costs of benefits |
|--|-------------|-----------------------------------|--------------------------------------|---|---------------------------|----------------------|
| in CHF thousand | | | | | | |
| 17 Employee benefits | | | | | | |
| Economic consequences | | | | | | |
| Company's pension fund foundation | 2014 | 2 011 | 2 011 | -1 299 | - | -1 299 |
| | 2013 | 3 310 | 3 310 | -418 | - | -418 |
| CPV/CAP pension fund Coop ¹ | 2014 | - | - | - | 18 675 | 18 675 |
| | 2013 | - | - | - | 20 687 | 20 687 |
| Total | 2014 | 2 011 | 2 011 | -1 299 | 18 675 | 17 376 |
| | 2013 | 3 310 | 3 310 | -418 | 20 687 | 20 269 |

¹ The funding ratio is 113.3 percent as of 31 December 2014 (previous year 108.8 percent).

Notes to the consolidated income statement

| in CHF thousand | 2014 | Difference | 2013 |
|--|---------------|--------------|--------|
| 18. Rent | | | |
| Building lease | 8 269 | 3.3 % | 8 008 |
| Lease of machinery and equipment | 7 650 | –3.8 % | 7 955 |
| Third-party storage | 5 629 | 11.0 % | 5 072 |
| Rent | 21 548 | 2.4 % | 21 035 |
| 19. Energy, auxiliary materials | | | |
| Electricity | 28 057 | 0.2 % | 28 006 |
| Water | 5 183 | –6.2 % | 5 525 |
| Fuel | 1 425 | –7.7 % | 1 543 |
| Other energy | 6 643 | –6.2 % | 7 080 |
| Auxiliary materials | 8 708 | 24.2 % | 7 009 |
| Energy, auxiliary materials | 50 017 | 1.7 % | 49 162 |
| 20. Other operating expenses | | | |
| Administrative expenses | 14 595 | 6.6 % | 13 688 |
| Insurance and duties | 7 232 | –5.7 % | 7 670 |
| Capital tax and other corporate taxes | 1 885 | –23.9 % | 2 476 |
| Miscellaneous operating expenses | 13 749 | 5.1 % | 13 084 |
| Other operating expenses | 37 461 | 1.5 % | 36 918 |

Included in operating expenses:

| | | | |
|--|---------------|---------------|--------|
| 21 Operating expenses with affiliated companies | | | |
| Building lease | 473 | –2.9 % | 487 |
| Lease of machinery and equipment | 4 991 | 9.9 % | 4 541 |
| Repair and maintenance | 1 831 | 84.9 % | 990 |
| Energy and auxiliary materials | 2 039 | –9.7 % | 2 257 |
| Advertising | 4 000 | – | 4 000 |
| Transport | 548 | | – |
| Other operating expenses | 1 207 | 28.1 % | 942 |
| Operating expenses with affiliated companies | 15 089 | 14.2 % | 13 217 |

Notes to the consolidated income statement

| in CHF thousand | 2014 | 2013 |
|--|---------------|---------------|
| 22. Financial return/financial expenses | | |
| Interest on fixed deposits and other interest | 707 | 696 |
| Interest from affiliated companies | 1 085 | 1 081 |
| Gains on foreign currency transactions | 2 252 | 2 675 |
| Gains on securities, realised and not realised | 492 | 1 425 |
| Share in profit/loss of associated companies ¹ | 9 379 | 5 020 |
| Other income from investments in other companies | 28 | 499 |
| Financial return | 13 943 | 11 397 |
| Interest to affiliated companies | – | 97 |
| Other interest | 6 148 | 8 950 |
| Bank charges and commissions | 482 | 1 188 |
| Losses on foreign currency transactions | 3 767 | 3 577 |
| Losses on securities, realised and not realised | 423 | 603 |
| Financial expenses | 10 820 | 14 415 |
| Financial return/financial expenses | 3 123 | –3 019 |
| Average rates of interest-bearing liabilities | 1.67 % | 2.64 % |
| ¹ Net, after deduction of the goodwill depreciation | | |

Interest rates of fixed advance payments and mortgages vary between 1.00 % and 3.23 % (previous year 1.00 % and 3.23 %) in Swiss francs and between 3.10 % and 5.00 % (previous year 3.10 % and 5.00 %) in foreign currencies (EUR).

Notes to the consolidated income statement

| in CHF thousand | 2014 | Difference | 2013 |
|--|---------------|--------------|---------|
| 23. Taxes | | | |
| Taxes paid and changes in taxes due | -425 | | 30 251 |
| Changes in deferred taxes | 26 917 | | -4 967 |
| Taxes | 26 492 | 4.8 % | 25 284 |
| Group operating result | 87 813 | | 76 641 |
| Expenses not tax-deductible | -252 | | 3 309 |
| Tax expenses included therein | 26 492 | | 25 284 |
| Profit before taxes | 114 053 | | 105 234 |
| At the average tax rate of 21.0 % (prior year 21.25 %), no income tax is due on the pre-tax profit | 23 951 | | 22 362 |
| Influence of different tax rates and tax jurisdictions | -1 681 | | -2 494 |
| Influence of non-capitalisation of deferred taxes | 5 828 | | 7 714 |
| Adjustment of deferred tax rate | -1 618 | | -1 774 |
| Irregular other taxes and valuation adjusted to deferred tax assets | 12 | | -524 |
| Taxes (as reported) | 26 492 | 4.8 % | 25 284 |

| in CHF thousand | | 2014 | 2013 |
|---|--|--------|--------|
| 24. Non-recurring and irregular expenses (+) and income (–) | | | |
| Non-recurring and irregular expenses/income included in the operating expenses: | | | |
| Personnel costs | Social plan for restructuring | 1 219 | 923 |
| Other expenses | Other restructuring costs | 979 | – |
| Depreciation and amortisation | Special depreciation on real estate | – | 916 |
| Interest | Exceptional effects of equity valuations | –2 000 | – |
| Taxes | Share of tax on exceptionals | – | –391 |
| | Adjustment of deferred tax rate | –1 618 | –1 774 |

Additional Information

| in CHF thousand | 2014 | 2013 |
|---|-------------------|-------------------|
| Total amount of guarantees, warranties and mortgages in favour of third parties | 1 241 | 41 |
| Total amount of mortgaged assets at legal book values | 16 530 | 5 653 |
| Unrecognised liabilities from leasing | 1 791 | 1 821 |
| due in the current financial year | 1 183 | 1 021 |
| Derivative financial instruments on foreign currencies (purpose: hedging) | | |
| contract value | 9 018 | 52 250 |
| residual value positive | – | 15 |
| residual value negative | 1 000 | – |
| Derivative financial instruments (interest) (purpose: hedging) | | |
| contract value | – | 139 897 |
| residual value negative | – | 2 687 |
| of which recognised in balance sheet | – | 1 435 |
| Other derivative instruments (participations) | p.m. ¹ | p.m. ¹ |
| Fire insurance value of buildings | 923 845 | 931 344 |
| Fire insurance value of equipment | 1 026 961 | 966 267 |
| Expenses for pension fund liabilities | 18 675 | 20 687 |
| Obligations from contracts with third parties | 16 451 | 22 706 |
| due in the current financial year | 2 507 | 3 788 |
| due in the following financial year | 2 507 | 3 816 |
| due later | 11 437 | 15 102 |
| Obligations from contracts with affiliated companies | 473 | 976 |
| due in the current financial year | 473 | 488 |
| due in the following financial year | – | 488 |
| due later | – | – |
| Contingent liabilities ² | 120 240 | – |

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

2 More information on the cartel fine is provided in the section of provisions in the consolidation and valuation principles.

| | |
|------------------------------|--|
| Principal shareholders | Coop Group Cooperative Basel; 66.29 % J. Safra Sarasin Investmentfonds Ltd., Basel; 3.01 % No further shareholders with over 3 % of the shares |
| Shares eligible for dividend | All |
| Voting regulations | All registered shareholders have full voting rights. Each share entitles to vote. |

Important participations of the Bell Group

| Company | Domicile | Sphere of activity | Con- solidation method | Capital | Group share in equity 31.12.2014 | Group share in equity 31.12.2013 |
|--|------------------------------|--|------------------------------|-----------------|--|--|
| Bell Schweiz AG | Basel | Fresh meat, charcuterie, poultry, seafood | ■ | CHF 20 000 000 | 100.0 % | 100.0 % |
| Hilcona AG | Schaan / FL | Convenience | ○ | CHF 27 000 000 | 49.0 % | 49.0 % |
| Centravo Holding AG ¹ | Zurich | By-products processing | ○ | CHF 2 400 000 | 29.8 % | 29.8 % |
| GVFI International AG | Basel | Meat trade | ● | CHF 3 000 000 | 18.34 % | 18.34 % |
| Pensionsstiftung der Bell Schweiz AG (in Liquidation) | Basel | Foundation | ▲ | – | – | – |
| Bell France Holding SAS ² | Teilhède / FR | Subholding | ■ | EUR 20 000 000 | 100.0 % | 100.0 % |
| Salaison Polette & Cie SAS | Teilhède / FR | Dry sausages | ■ | EUR 2 600 000 | 100.0 % | 100.0 % |
| Saloir de Mirabel SARL | Riom / FR | Air-dried ham | ■ | EUR 152 000 | 100.0 % | 100.0 % |
| Val de Lyon SAS | St-Symphorien-sur-Coise / FR | Dry sausages | ■ | EUR 825 000 | 100.0 % | 100.0 % |
| Saloir de Virieu SAS | Virieu-Le-Grand / FR | Air-dried ham | ■ | EUR 1 200 000 | 100.0 % | 100.0 % |
| Maison de Savoie SAS | Aime / FR | Dry sausages | ■ | EUR 1 560 000 | 100.0 % | 100.0 % |
| Bell France SAS ² | St-André-sur-Vieux-Jonc / FR | Dry sausages | ■ | EUR 1 096 000 | 100.0 % | 100.0 % |
| Bell Deutschland Holding GmbH | Seevetal / DE | Subholding | ■ | EUR 25 000 | 100.0 % | 100.0 % |
| Bell Verwaltungs GmbH | Seevetal / DE | Subholding | ■ | EUR 25 000 | 100.0 % | 100.0 % |
| Bell Deutschland GmbH & Co. KG | Seevetal / DE | Charcuterie | ■ | EUR 1 000 000 | 100.0 % | 100.0 % |
| Interfresh Food GmbH | Seevetal / DE | Subholding | ■ | EUR 100 000 | 100.0 % | 100.0 % |
| Bell Polska Sp. z o.o. | Niepolomice / PL | Charcuterie | ■ | PLN 9 500 000 | 100.0 % | 100.0 % |
| ZIMBO Perbal Húsipari Termelő Kft. | Perbal / HU | Meat and sausages | ■ | HUF 378 750 000 | 99.7 % | 99.7 % |
| Bell Benelux Holding N.V. | Zellik / BE | Subholding | ■ | EUR 5 258 000 | 100.0 % | 100.0 % |
| Bell Benelux N.V. | Zellik / BE | Meat trade | ■ | EUR 620 000 | 100.0 % | 100.0 % |
| Bell Logistics N.V. | Zellik / BE | Storage | ■ | EUR 62 000 | 100.0 % | 100.0 % |
| Bell Nederland B.V. | Dr Houten / NL | Meat trade | ■ | EUR 18 000 | 76.0 % | 76.0 % |
| ZIMBO Czechia s.r.o. | Prag-Holesovice / CZ | Retail trade | ■ | CZK 30 000 000 | 90.0 % | 90.0 % |
| Abraham Benelux S.A. | Libramont-Chevigny / BE | Air-dried ham | ■ | EUR 1 250 000 | 100.0 % | 100.0 % |
| Sanchez Alcaraz S.L.U. | Casarrubios del Monte / ES | Air-dried ham | ■ | EUR 648 587 | 100.0 % | 100.0 % |
| Abraham France SARL | Bussy-Saint-Georges / FR | Wholesale trade | ■ | EUR 40 000 | 100.0 % | 100.0 % |

¹ The equity share is based on the number of outstanding shares

² The following name changes took place:

Bell France SAS was changed to Bell France Holding SAS

St-André SAS was changed to Bell France SAS

■ Fully consolidated (uniform management)

○ Consolidation ad equity

● Purchase price

▲ Consolidation pursuant to Swiss GAAP ARR 16

5-year overview

| in CHF thousand | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|------------------|------------------|------------------|------------------|------------------|
| Affiliated companies | 1 455 679 | 1 417 862 | 1 337 785 | 1 319 673 | 1 363 778 |
| Other wholesale | 1 076 627 | 1 128 325 | 1 113 932 | 1 123 611 | 1 176 972 |
| End consumers | 65 487 | 74 303 | 74 804 | 73 669 | 76 824 |
| Gross proceeds | 2 597 793 | 2 620 490 | 2 526 521 | 2 516 953 | 2 617 574 |
| Operating income | 2 578 019 | 2 597 788 | 2 508 378 | 2 482 588 | 2 584 277 |
| Financial data | | | | | |
| Gross operating profit | 850 068 | 835 094 | 827 452 | 823 282 | 863 923 |
| Personnel expenses | 404 422 | 400 868 | 403 015 | 391 416 | 405 671 |
| Depreciation of tangible assets | 71 047 | 70 571 | 71 996 | 72 144 | 74 220 |
| Earnings before interest and taxes (EBIT) | 111 182 | 104 943 | 99 145 | 89 849 | 101 236 |
| Net profit (before third-party interest in profit) | 87 813 | 76 641 | 76 207 | 72 396 | 66 067 |
| EBITDA | 196 171 | 189 658 | 185 138 | 204 291 | 212 695 |
| Financial result | 3 123 | -3 019 | 1 151 | 11 412 | -2 086 |
| Current assets | 706 346 | 671 290 | 554 942 | 520 322 | 495 436 |
| Non-current assets | 759 337 | 768 784 | 760 276 | 731 815 | 671 950 |
| Total assets | 1 465 682 | 1 440 074 | 1 315 218 | 1 252 138 | 1 167 386 |
| Interest-bearing liabilities | 209 757 | 249 305 | 248 630 | 253 404 | 190 275 |
| Equity | 786 955 | 731 458 | 675 472 | 626 583 | 590 456 |
| Margins | | | | | |
| Gross operating profit in % of operating income | 33.0 % | 32.1 % | 33.0 % | 33.2 % | 33.4 % |
| EBITDA in % of operating income | 7.6 % | 7.3 % | 7.4 % | 8.2 % | 8.2 % |
| EBIT in % of operating income | 4.3 % | 4.0 % | 4.0 % | 3.6 % | 3.9 % |
| Net profit in % of operating income | 3.4 % | 3.0 % | 3.0 % | 2.9 % | 2.6 % |
| Financial result in % of interest-bearing liabilities | -1.5 % | 0.8 % | -0.4 % | -4.1 % | 0.9 % |
| Equity in % of assets | 53.7 % | 50.8 % | 51.4 % | 50.0 % | 50.6 % |
| Return on equity (ROE) ¹ | 12.0 % | 11.3 % | 12.2 % | 12.3 % | 11.1 % |
| Workforce as of 31.12. (number of employees) | 6 299 | 6 606 | 6 469 | 6 470 | 6 488 |
| Average headcount on basis of full-time employees ² | 6 299 | 6 384 | 6 248 | 6 224 | 6 179 |

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

2 New basis of calculation from 2011

Share information

| | | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--|---------|---------|---------|---------|---------|
| Per-share data | | | | | | |
| Share price as of 31.12. | CHF | 2 448 | 2 316 | 2 005 | 1 762 | 1 766 |
| Year's high | CHF | 2 575 | 2 350 | 2 050 | 2 300 | 1 875 |
| Year's low | CHF | 1 950 | 1 985 | 1 716 | 1 665 | 1 480 |
| Average daily trading volume | number | 107 | 74 | 78 | 93 | 75 |
| Stock exchange capitalisation | | | | | | |
| Year's end | in CHF million | 979 | 926 | 802 | 705 | 706 |
| Year's high | in CHF million | 1 030 | 940 | 820 | 920 | 750 |
| Year's low | in CHF million | 780 | 794 | 686 | 666 | 592 |
| Equity per share | CHF | 1 973 | 1 836 | 1 696 | 1 573 | 1 461 |
| Net profit per share | CHF | 219 | 192 | 191 | 180 | 163 |
| EBITDA per share | CHF | 492 | 476 | 465 | 514 | 539 |
| EBIT per share | CHF | 274 | 263 | 249 | 226 | 257 |
| Return per share ¹ | | 9.0 % | 8.3 % | 9.5 % | 10.2 % | 9.3 % |
| Dividend per share | CHF | 65 | 60 | 60 | 60 | 50 |
| Distribution ratio | | 29.6 % | 31.2 % | 31.5 % | 33.3 % | 30.6 % |
| Dividend yield ² | | 2.7 % | 2.6 % | 3.0 % | 3.4 % | 2.8 % |
| ¹ Profit per share/year-end closing price ² Dividend per share/year-end closing price | | | | | | |
| Capital structure as of 31.12. | | | | | | |
| Share capital | CHF thousand | 2 000 | 2 000 | 2 000 | 2 000 | 2 000 |
| Divided into number of registered shares | number | 400 000 | 400 000 | 400 000 | 400 000 | 400 000 |
| Nominal value per registered share | CHF | 5 | 5 | 5 | 5 | 5 |
| Changes in capital | | | | | | |
| Treasury shares | number | 1 227 | 1 571 | 2 031 | 2 206 | 5 316 |
| Shares recorded in share register | number | 364 835 | 360 441 | 369 831 | 365 016 | 369 794 |
| Registered shareholders | number | 4 054 | 4 039 | 3 916 | 3 751 | 3 659 |
| Securities no. | 441 041 | | | | | |
| ISIN | CH0004410418 | | | | | |
| Trade | SIX Swiss Exchange | | | | | |
| Symbol SIX | BELL; Bell N; Bell.SW | | | | | |
| Current share price | www.bellfoodgroup.com | | | | | |

Report of the statutory auditor on the consolidated financial statements

Report of the statutory auditor to the Shareholders' Meeting of Bell Ltd, Basel

As statutory auditor, we have audited the consolidated financial statements of Bell Ltd, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 22 to 44), for the year ended 31 December 2014.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Swiss GAAP ARR and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The auditor is responsible for selecting the audit checks. These must include an assessment of the risks of material misstatements in the consolidated financial statements as a result of violation or errors. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2014 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP ARR and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (Article 728 CO and Article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with Article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Gerd Tritschler
Audit expert
Auditor in charge

Andreas Wolf
Audit expert

Münchenstein, 2 February 2015

Bell Ltd – balance sheet

| in CHF thousand | | 31.12.2014 | Share | 31.12.2013 | Share |
|---|---------------------------|----------------|----------------|----------------|----------------|
| Cash and cash equivalents | | 359 | | 10 110 | |
| Securities measured at stock exchange price | | 3 398 | | 6 653 | |
| Other current receivables from third parties | | 221 | | 108 | |
| Other current receivables from Group companies | | 4 736 | | 15 822 | |
| Accrued income & prepaid expenses: third parties | | 708 | | 848 | |
| Current assets | | 9 421 | 1.1 % | 33 541 | 4.2 % |
| Financial assets | Loans to Group companies | 660 000 | | 535 000 | |
| | Other financial assets | 134 | | 134 | |
| Investments | Controlling interests | 80 087 | | 131 373 | |
| | Non-controlling interests | 93 617 | | 93 617 | |
| Tangible assets | Land | – | | – | |
| | Buildings | – | | 100 | |
| Non-current assets | | 833 838 | 98.9 % | 760 224 | 95.8 % |
| Assets | | 843 259 | 100.0 % | 793 764 | 100.0 % |
| Trade accounts payable to third parties | | 84 | | 142 | |
| Trade accounts payable to parent company | | 1 | | – | |
| Other current payables to third parties | | 31 | | 310 | |
| Accrued expenses & deferred income: third parties | | 3 221 | | 3 077 | |
| Current liabilities | | 3 337 | 0.4 % | 3 529 | 0.4 % |
| Non-current interest-bearing liabilities to third parties | | 350 000 | | 350 000 | |
| Non-current liabilities | | 350 000 | 41.4 % | 350 000 | 44.1 % |
| Liabilities | | 353 337 | 41.9 % | 353 529 | 44.5 % |
| Share capital | | 2 000 | | 2 000 | |
| Legally required retained earnings | | 10 000 | | 10 000 | |
| Free retained earnings | | 406 694 | | 360 779 | |
| Treasury shares | | –1 994 | | –2 459 | |
| Annual profit | | 73 222 | | 69 916 | |
| Equity | | 489 922 | 58.1 % | 440 235 | 55.5 % |
| Liabilities and equity | | 843 259 | 100.0 % | 793 764 | 100.0 % |

Bell Ltd – income statement

| in CHF thousand | 2014 | 2013 |
|--|----------------|--------|
| Income from investments | 107 113 | 74 328 |
| Other financial income | 22 990 | 14 346 |
| Other income | 3 197 | 3 172 |
| Total income | 133 300 | 91 845 |
| Administrative expenses | 2 895 | 2 598 |
| Other operating expenses | 306 | 290 |
| Valuation adjustments to financial investments | 51 286 | 15 000 |
| Depreciation of tangible assets | 100 | 260 |
| Financial expenses | 5 475 | 3 783 |
| Expenses | 60 062 | 21 930 |
| Operating profit before taxes | 73 237 | 69 916 |
| Neutral and extraordinary expenses | – | – |
| Neutral and extraordinary income | – | – |
| Annual profit before taxes | 73 237 | 69 916 |
| Direct taxes | 16 | – |
| Annual profit after taxes | 73 222 | 69 916 |

Bell Ltd – notes

Information on accounting policies

The annual financial statements are drawn up in accordance with the principles of commercial accounting and financial reporting set forth in the Swiss Code of Obligations. The principles prescribed by law are applied.

The financial reporting has been done for the first time in accordance with the new provisions on accounting and financial reporting of the Swiss Code of Obligations that entered into force on 1 January 2013. To facilitate comparison, the prior-year values were restated.

Investments in other companies are recognised in the balance sheet at purchase price, taking account of any valuation adjustments.

| in CHF thousand | 2014 | 2013 |
|--|---------|---------|
| Total amount of guarantees, warranties and mortgages in favour of Group companies ¹ | 1 754 | 1 856 |
| Total amount of mortgaged assets at legal book values | – | – |
| Liabilities from long-term rent and building right contracts | | |
| due within one year | 44 | 44 |
| due within one to five years | 178 | 178 |
| due after five years | 1 060 | 1 104 |
| Important shareholdings | page 44 | – |
| Ownership interests and options held by the Board of Directors and Executive Board | page 39 | – |
| Ownership interests and options allocated by the Board of Directors and Executive Board | page 15 | – |
| Information on issued bonds | page 31 | – |
| Treasury shares according to statement on changes in equity | page 25 | – |
| Principal shareholders: Coop Group Cooperative, Basel | 66.29 % | 66.29 % |
| J. Safra Sarasin Investmentfonds Ltd., Basel | 3.01 % | 3.10 % |

¹ The company is jointly and unlimitedly liable for all taxes arising from VAT incl. interest and fines of the VAT group, if any, for the time since its introduction as a Group member of Switzerland.

Information and explanations to the annual financial statements

Value adjustments of CHF 51 million net were recognised in the 2014 financial year.

The number of full-time positions is below 10.

Direct taxes

Capital taxes are included in the income statement under "Other operating expenses". Only income taxes are reported as a separate item in the non-operating section.

Events occurring after the balance sheet date

The scrapping of the euro cap by the Swiss National Bank (SNB) on 15 January 2015 does not have any material impact on the annual financial statements of Bell Ltd.

Appropriation of annual profit

Proposals of the Board of Directors to the Shareholders' Meeting

| in CHF thousand | 2014 | 2013 |
|--|---------------|---------------|
| Appropriation of annual profit | | |
| Annual profit | 73 222 | 69 916 |
| CHF 65 dividend (previous year CHF 60) | 26 000 | 24 000 |
| Transfer to the other reserves | 47 222 | 45 916 |
| Total appropriation | 73 222 | 69 916 |

Report of the statutory auditor on the financial statements

Report of the statutory auditor to the Shareholders' Meeting of Bell Ltd, Basel

As statutory auditor, we have audited the financial statements of Bell Ltd, which comprise the balance sheet, income statements and notes (pages 48 to 50), for the financial year ended 31 December 2014.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's Articles of Association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2014 comply with Swiss law and the company's Articles of Association.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (Article 728 CO and Article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with Article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings comply with Swiss law and the company's Articles of Association. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Gerd Tritschler
Audit expert
Auditor in charge

Andreas Wolf
Audit expert

Münchenstein, 2 February 2015

Contacts & publishing details



Online

www.bellfoodgroup.com/report-en

Latest news

www.bellfoodgroup.com

Contacts

Headquarters

Bell 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 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 AG • Elsässerstrasse 174 • 4056 Basel • Switzerland
Tel. +41 58 326 2754 • Fax +41 58 326 2100
michael.gloor@bellfoodgroup.com
www.bellfoodgroup.com

Corporate Communications

Bell Ltd • Elsässerstrasse 174 • 4056 Basel • Switzerland
Tel. +41 58 326 3030 • Fax +41 58 326 2114
media@bellfoodgroup.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 GmbH & Co. KG
Brookdamm 21 • 21217 Seevetal • Germany
Tel. +49 40 768005 0 • Fax +49 40 768005 30
info.de@bellfoodgroup.com • www.bellfoodgroup.com

Bell International

Salaison Polette & Cie 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 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 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

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

02.02.2015

Forward-looking statements

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

Our annual report is published in German, together with French and English translations. The printed German version shall prevail at all times. Additional printed copies of the annual report are available at our head office or can be ordered via the internet. It can be downloaded at www.bellfoodgroup.com/report-en.

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

Published by

Bell Ltd
Elsässerstrasse 174
4056 Basel
Switzerland

Overall responsibility

Davide Elia, Bell Ltd, Corporate Marketing/Communication

Concept, design

Phorbis Communications AG

Photos

Philipp Jeker, Zurich
Eugen Leu & Partner AG, Riehen

Printing

Werner Druck & Medien AG, Basel