

**Bell Ltd**  
**Management Report**

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Together, the 2015 management report and the 2015 corporate profile form the 2015 annual report. These are available as separate publications or can be downloaded from [www.bellfoodgroup.com](http://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

Bell Ltd is the parent company of the Bell Group. The company has its registered office in Basel and is listed on the SIX Swiss Exchange. 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 42 of the management report.

The principal shareholder of the Bell Group is Coop Group Cooperative in Basel with a stake of around 66 percent. This cooperation has a history stretching back to 1913 when the public limited company Samuel Bell Söhne joined forces with the Association of Swiss Consumer Societies (now Coop). Coop listed a first and second tranche of 20 percent each of the shares on the stock exchange in 1995 and 1997 respectively. There have been various additions and disposals since 1997. At the end of 2015, the Coop Group Cooperative held 66.29 percent of the shares.

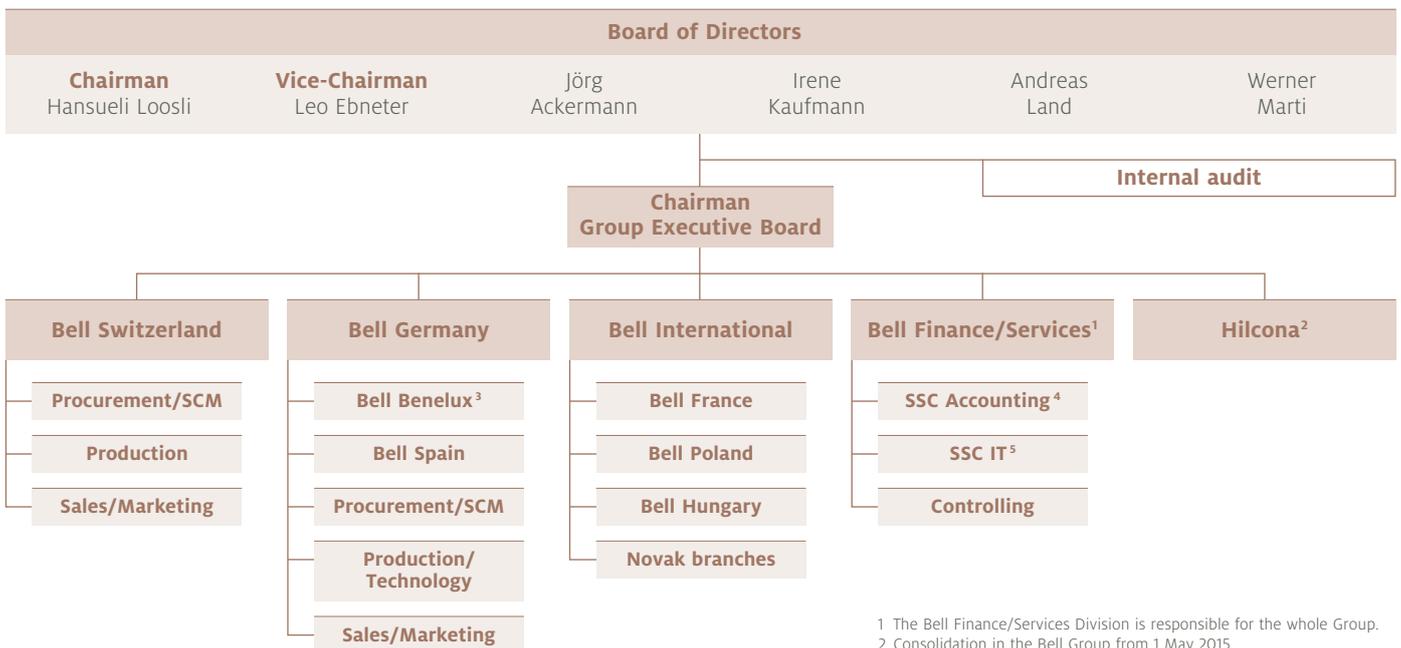
The shares were listed on the stock exchange mainly to access a broader capital market and to pay tribute to the broad customer base of the Bell Group.

### Shareholder structure and significant shareholders

As of 31 December 2015, Bell Ltd had 3,922 registered shareholders, of which 3,637 are natural persons and 285 legal entities. The number of shares pending registration was 10.45 percent as of 31 December 2015.

The significant shareholders holding more than three percent of the share capital are listed on page 41 of the management report.

## Organisational chart



1 The Bell Finance/Services Division is responsible for the whole Group.  
 2 Consolidation in the Bell Group from 1 May 2015  
 3 From 2016, Bell Benelux is part of the Bell Germany Division.  
 4 Shared Service Centre Accounting  
 5 Shared Service Centre IT

The Articles of Association of Bell Ltd are available on the Bell website at [www.bellfoodgroup.com/statues-en](http://www.bellfoodgroup.com/statues-en). The by-laws are available at [www.bellfoodgroup.com/organisation-en](http://www.bellfoodgroup.com/organisation-en).

Status as of 31 December 2015 if nothing is stated to the contrary.

## Capital structure and shareholders' rights

### 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 Board of Directors is proposing a share split in a ratio of 1 to 10 to the General Meeting.

There is neither conditional nor authorised share capital.

The capital structure and shares are described in detail on page 44.

### Restriction of transferability and nominee entries

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. In order to be registered in the share register, buyers have to submit a declaration that the shares were bought in their own name and on their own behalf. The company can otherwise only refuse to register someone as a shareholder for good cause and if a single shareholder acquires more than five percent of the voting rights (Articles of Association, Art. 5).

## Board of Directors

### Election and term of office

The members of the Board of Directors are elected by the General Meeting. Board members are elected individually. The Chairman nominates the members of the Board of Directors. The Board of Directors consists of a minimum of three members who are elected by the General 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 General 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 General Meeting.

### Composition of the Board of Directors

as of 31.12.2015

	Chairman of the Board of Directors	Member of the Board of Directors	Compensation Committee	End of term of office
Hansueli Loosli	since 2009	-	-	2016
Leo Ebner	-	since 2012	Chairman	2016
Jörg Ackermann	2001 – 2009	since 2000	-	2016
Irene Kaufmann	-	since 2009	-	2016
Andreas Land	-	since 2013	Member	2016
Werner Marti	-	since 2009	-	2016

### Other activities in supreme management and administrative bodies

Outside of Bell Ltd, members of the Board of Directors may take part in the supreme management and administrative bodies of a maximum of twelve legal entities that are legally obliged to be registered in the Commercial Register or a corresponding foreign register. Of these, a maximum of three may be listed companies. Only positions in companies which neither control Bell Ltd nor are controlled by Bell Ltd are relevant. Mandates in different companies belonging to one and the same corporate group count as one mandate (Articles of Association, Art. 16 para. 3).

> continued on page 8

## Members of the Board of Directors



### Hansueli Loosli

1955, Swiss citizen  
Chairman of the Board of Directors

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

#### Other board member mandates

- Coop Mineraloel AG, Allschwil; Chairman
- Heinrich Benz AG, Weiach
- Hilcona Aktiengesellschaft, Schaan, Liechtenstein
- Swisscom AG, Bern; Chairman
- Transgourmet Holding AG, Basel; Chairman

#### Other functions and offices

- Deichmann SE, Essen, Germany, Advisory Council
- Executive committee of economiesuisse

#### 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



### Leo Ebnetter

1954, Swiss citizen  
Vice-Chairman of the Board of Directors,  
Chairman of the Compensation Committee

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

#### Other board member mandates

- Railcare AG, Härkingen, Chairman
- Kühlhaus Neuhof AG, Gossau

#### Other functions and offices

- Chairman of "Cargo sous terrain" support association

#### Professional career

- Head of Logistics Region Eastern Switzerland-Ticino; Coop Cooperative, Gossau; 2000 – 2007
- Deputy Manager of Coop Eastern Switzerland and Head of Procurement, Production, Logistics and IT; Coop Eastern Switzerland, Gossau; 1990 – 2000
- 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

1958, Swiss citizen  
Member of the Board of Directors

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

#### Other board member mandates

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

#### Other functions and offices

- 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



### Irene Kaufmann

1955, Swiss citizen  
Member of the Board of Directors

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

#### Other board member mandates

- Coop Immobilien AG, Bern
- Coop Mineraloel AG, Allschwil
- Coop Patenschaft für Berggebiete, Basel;  
Chair of the Board
- Dipl. Ing. Fust AG, Oberbüren
- HWZ Hochschule für Wirtschaft Zürich, Zurich
- Swiss Mobiliar Cooperative Company, Bern
- Schweizerische Mobiliar Holding AG, Bern
- Transgourmet Holding AG, Basel

#### Other functions and offices

- 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

#### 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

1956, German citizen  
Member of the Board of Directors,  
Member of the Compensation Committee

Certified business administrator (with a  
diploma from a university of applied sciences)  
Managing partner of Griesson – de Beukelaer  
GmbH & Co. KG; since 1997

#### Other board member mandates

- None

#### Other functions and offices

- None

#### Professional career

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



### Werner Marti

1957, Swiss citizen  
Member of the Board of Directors

Attorney  
Law office;  
since 1988

#### Other board member mandates

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

#### Other functions and offices

- None

#### 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

## Members of the Group Executive Board

### Group Executive Board of Bell Ltd

#### Composition of the Group Executive Board

The Group Executive Board of Bell Ltd consists of the Chairman of the Group Executive Board and the Heads of the Bell International, Bell Germany and Bell Finance/Services Divisions.

Member of the Group Executive Board	since
Lorenz Wyss	2011
Daniel Böhny	2015
Christian Schröder	2012
Marco Tschanz	2015

#### Other activities in supreme management and administrative bodies

Members of the Group Executive Board may take part in the supreme management or administrative bodies of no more than two legal entities which are legally obliged to be registered with the Commercial Register or a corresponding foreign register. Of these, no more than one may be a listed company. Only positions in companies which neither control Bell Ltd nor are controlled by Bell Ltd are relevant. Mandates in different companies belonging to one and the same corporate group count as one mandate. Mandates performed on the instructions of the company are not subject to this limit (Articles of Association, Art. 23 para. 2).



#### Lorenz Wyss

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

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

#### Board member mandates:

- Centravo Holding AG, Zurich
- Gastro Star AG, Dällikon; Chairman
- GVFI International AG, Basel
- Hilcona Aktiengesellschaft, Schaan, Liechtenstein; 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



### Daniel Böhny

1961, Swiss and Italian citizen  
Business economist

Head of Bell International Division;  
Member of the Group Executive Board;  
with Bell from 2004 to 2008 and since 2015;  
in this position since 2015

#### Board member mandates:

- None

#### Professional career

- Co-Chairman of the Executive Board of Transgourmet Schweiz AG, Basel; 2013 – 2015
- Chairman of the Executive Board of Howeg Transgourmet Switzerland Ltd, Winterthur; 2009 – 2013
- Head of Poultry business unit and member of the Executive Board of Bell Schweiz AG, Basel; 2004 – 2008
- Managerial positions with Autogrill Schweiz AG, Zurich, and Autogrill SAS, Mulhouse, France; 2002 – 2004
- Managerial positions with Flughafen-Restaurant AG, Kloten; 1997 – 2002
  - Chief Executive Officer; 2001 – 2002
  - Chief Operating Officer; 1999 – 2001
  - Chief Financial Officer; 1997 – 1999
- Chief Financial Officer/Chief Operating Officer, Koelliker Group, Oerlikon; 1990 – 1996



### Christian Schröder

1971, German citizen  
Business diploma

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

#### Board member mandates:

- None

#### 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, Vermold, Germany:
  - Schinken- Einhaus GmbH (Friesoythe/Brunsbek/Lörrach); Managing Director; 2002 – 2007
  - Orig. Holst. Katenschinken GmbH; Managing Director; 2000 – 2001
- Managing Partner  
H. & C. Schröder Schinkenveredelung GmbH; 1994 – 1999



### Marco Tschanz

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

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:

- Hilcona Aktiengesellschaft, Schaan, Liechtenstein

#### Other functions and offices

- CPV/CAP Coop Pension Fund, Basel;  
member of the Board of Trustees and Chairman of the Investment Committee (from March 2016)

#### 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

## 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 identifies opportunities and risks and initiates any measures that are required. The areas of responsibility of the Board of Directors and the Group Executive Board are set forth in detail in the by-laws. The by-laws are available on the Bell website at [www.bellfoodgroup.com/organisation-en](http://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 acquisitions and sales of real estate and companies. 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 outlined in the *economiesuisse* 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 Chairman of the Group Executive Board and the Head of Bell Finance/Services Division are called in to participate in these meetings. No external advisors were engaged in 2015.

In 2015, the Board of Directors held seven ordinary meetings, one constituent meeting and one extraordinary meeting. The Board of Directors also visited foreign facilities of the Bell Group during a two-day trip in 2015. The attendance rate, including at the Annual General Meeting, was 95 percent.

In addition to the usual day-to-day business, the Board of Directors concentrated on the following subjects and projects:

- Adoption of the financial and information technology strategies
- Review of the sales and personnel strategies
- Reorganisation of the Bell Group and specifically the integration of the Hilcona Group
- A number of the Bell Group's larger investment projects
- Adoption of the revised by-laws and Code of Conduct
- Appointment of a new Head of Bell International Division

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 Chairman of the Board of Directors is in close contact with the Group Executive Board and usually meets with the Chairman of the Group Executive Board once a month.

The CFO submits a management report (MIS) to the Board every month and prepares a report consisting of a consolidated and a division income statement, key indicators and analyses. More comprehensive reports and balance sheets are drawn up every two months. Financial reporting is a permanent component of the Board meetings. Deviations are discussed and the 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](http://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.). Besides the avoidance of any infractions of the law or instances of negligence, the main emphasis falls on asset protection within 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, internal audit 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 Group Executive Board in the achievement of objectives by making recommendations for improvements to business processes. Internal audit pursues a risk-oriented approach to auditing. Findings are documented and communicated to the Chairman of the Board of Directors. The implementation of measures is monitored.

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

In 2015, Bell's Head of Internal Audit instructed Ernst & Young Ltd to carry out a quality assessment of internal audit in accordance with IIA Standard 1312 and to prepare a capability maturity model for a best practice comparison. Ernst & Young Ltd described internal audit as a professional team producing work of a high quality that "generally conforms" to the IIA standards.

### 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. A central compliance system for the whole Group designed to prevent, identify and react to compliance breaches was introduced. The focus falls 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.

A Code of Conduct for the whole Bell Group was adopted for the first time in February 2015. This framework condenses many existing guidelines and describes the rules that are binding for the company and all its employees in their interaction with one another as well as with their business partners. The Code of Conduct can be accessed on the Bell website at [www.bellfoodgroup.com/code-en](http://www.bellfoodgroup.com/code-en).

### **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 the Bell Group is slightly more dependent on the economy in other countries than in Switzerland. As part of the risk management process, the Board of Directors, Group Executive Board and Executive Boards of the country organisations assess the major risks every year.

Bell generally defines 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.

In 2015, Bell Schweiz AG identified and reassessed all risks. Management has identified a sudden increase in raw materials prices, shifts in 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.

More information on risk assessment is provided on pages 26, 27 and 41 of this management report and on pages 28 and 29 of the corporate profile.

## 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 General Meeting. Shareholders may also be represented by the independent proxy elected by the General Meeting every year. The independent proxy exercises the proxy voting rights assigned to him by shareholders in accordance with instructions. If he has not received any instructions, he abstains from the vote. The independent proxy can also be appointed and given instructions electronically (Articles of Association, Art. 24).

Shareholders or groups of shareholders who represent shares with a nominal 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 (Articles of Association, Art. 9). The Board of Directors is requesting the Annual General Meeting to reduce this period for adding items to the agenda to 45 days.

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/statues-en](http://www.bellfoodgroup.com/statues-en). The Swiss Code of Obligations applies where the Articles of Association do not provide sufficient regulation.

A total of 1,073 shareholders attended the 2015 Annual General Meeting. Together with the shares represented by the independent proxy, 302,174 shares or 75.5 percent of the share capital was represented at the Annual General Meeting. The minutes and voting results for the Annual General Meeting can be accessed on the Bell website at [www.bellfoodgroup.com/assembly-en](http://www.bellfoodgroup.com/assembly-en).

The last date for registration with the share register for shareholders who wish to attend the Annual General Meeting is published on the Bell website at [www.bellfoodgroup.com/agenda-en](http://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 Chairman of the Board of Directors on the results of their audit three times every year. They also report to all members of the Board once every year.

The performance of the auditors is assessed by the Chairman of the Board of Directors, the Group CEO and the Head of Bell Finance/Services Division 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. The auditors are elected by the Annual General Meeting every year.

The activities of the statutory auditors comprise their legal and statutory obligations, including an evaluation of the existence of the ICS.

#### Auditors' and other fees

in CHF thousand	2015	2014
Auditing services	1 146	1 155
Tax consulting	9	–
Legal services	139	6
Transaction consulting (incl. due diligence)	–	–
<b>Total</b>	<b>1 294</b>	1 161

#### 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. Because of the limited informational content, Bell will in future no longer publish its preliminary sales figures in January.

The Bell website contains an archive with all annual reports, interim reports and ad hoc press releases.

Annual reports and interim reports:	<a href="http://www.bellfoodgroup.com/report-en">www.bellfoodgroup.com/report-en</a>
Press releases:	<a href="http://www.bellfoodgroup.com/mediarelease-en">www.bellfoodgroup.com/mediarelease-en</a>
Code of Conduct:	<a href="http://www.bellfoodgroup.com/code-en">www.bellfoodgroup.com/code-en</a>
Registration with distribution list for press releases:	<a href="http://www.bellfoodgroup.com/maillinglist-en">www.bellfoodgroup.com/maillinglist-en</a>

#### Important dates

Closing of accounts	31 December
Annual General Meeting of Bell Ltd	19 April 2016
Publication of results for first half of 2016	18 August 2016
Publication of 2016 results	February 2017

For more dates or changes to dates, see the Bell website at [www.bellfoodgroup.com/agenda-en](http://www.bellfoodgroup.com/agenda-en).

#### Contacts

Contact partners and contact options for obtaining further information on the Bell Group are provided on page 50 of this management report as well as on the website.

Corporate communication:	<a href="http://www.bellfoodgroup.com/contact-en">www.bellfoodgroup.com/contact-en</a>
Share register:	<a href="http://www.bellfoodgroup.com/shareregistry-en">www.bellfoodgroup.com/shareregistry-en</a>

# Compensation Report

## Introduction

The compensation report contains information on the compensation paid to the members of the Board of Directors and the Group Executive Board.

The report is published in compliance with the provisions of the Ordinance against Excessive Compensation in Listed Corporations (VegüV) that entered into force on 1 January 2014 as well as the provisions of Art. 663b bis, 696, 985c, 985d paras. 2–4, 958e para. 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 2015 financial year. Compensation payments are recognised when they occur.

## Basis and components of compensation

Every year, the Annual General Meeting approves in advance the maximum total amount to be paid in compensation to the members of the Board of Directors and the Group Executive Board according to Art. 8 para. e) of the Articles of Association of Bell Ltd and Art. 2 para. 4 VegüV. The 2016 Annual General Meeting will also consult on the 2015 compensation report.

A fixed discretionary amount of compensation for the Board of Directors is proposed. This is based on multi-year empirical and comparative values collated by the Coop Group and is at the lower end of the scale compared to other listed companies. Market-related remunerations are paid to members of the Group Executive Board. These are based on industry benchmarks and/or the remuneration paid by comparable companies as well as regional market and salary standards. Bell Ltd applies a compensation system consisting of a fixed basic salary plus a profit share (variable compensation).

Senior Management and the Group Executive Board can be paid a performance share depending on the company's performance and the achievement of the budget targets. Country-specific and function-specific criteria apply to the calculation of the profit share. There is no automatic entitlement to a profit share. The entitlement is determined by the Board of Directors on request of the Group Executive Board. Employees can choose to receive up to 50 percent of their profit share in shares of Bell Ltd. These shares are issued with a discount of 20 percent and may not be sold for a period of four years. At least 50 percent of the profit share of members of the Group Executive Board must be paid out in the form of shares.

Under the employee share participation plan, all employees of the Bell Group can buy shares of Bell Ltd at preferential conditions and acquire a stake in the company.

The by-laws can be found at:

[www.bellfoodgroup.com/organisation-en](http://www.bellfoodgroup.com/organisation-en)

On 15 April 2015, the Annual General Meeting approved the following maximum compensation payments for 2016:

Board of Directors:	CHF 500,000
Group Executive Board:	CHF 3,000,000

## The Compensation Committee

The Annual General Meeting elects the members of the Compensation Committee individually. Only members of the Board of Directors are eligible.

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 on the type and amount of compensation to be paid to the members of the Board of Directors and the Group Executive Board for approval to the Group Board of Directors. These amounts must fall within the limits of the budget approved by the Annual General Meeting. The proposal for the compensation to be paid to the Group Executive Board is prepared by the CEO and submitted to the Compensation Committee. The Group Executive Board may not participate in the discussion. The Compensation Committee regularly revises and assesses the company's compensation system.

No external advisors were consulted.

On 15 April 2015, the Annual General Meeting elected Leo Ebnetter (Chairman) and Andreas Land to serve as the members of the Compensation Committee until the next Annual General Meeting.

## The Board of Directors

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

The Annual General Meeting decides on the maximum annual compensation to be paid to the Board of Directors. The Board of Directors at its discretion determines the compensation to be paid according to function (Chairman, Vice-Chairman, Member). This is based on multi-year empirical and comparative values collated by the Coop Group and is at the lower end of the scale compared to other listed companies.

### Basic fee

Fee (gross) per annum:

Chairman	CHF 100,000
Vice-Chairman	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 percent

The basic fee is always paid in cash. Compensation includes a flat rate of ten percent for expenses that is reported 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 Group Executive Board

Members of the Group Executive Board receive appropriate compensation for their activities. These are based on industry benchmarks and/or the remuneration paid by comparable companies as well as regional market and salary standards.

The Annual General Meeting approves the maximum amount in compensation to be paid to the members of the Group Executive Board every year.

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

### Basic salary

The basic salary is paid in accordance with an employment contract which is reviewed every year and adjusted, if needed. Apart from market circumstances, the experience and skills of the various individuals are taken into account. In addition, the members of the Group Executive Board receive a fixed expenses allowance as well as a company car.

### Variable compensation

The members of the Group Executive Board receive a performance-related profit share. This variable compensation depends on the achievement of the internal revenue budget and individual objectives. The ratio for the calculation of the profit share is 90 percent for the achievement of the revenue targets and 10 percent for the achievement of individual objectives. The variable compensation may not be more than 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 percent objective achievement	20 %
Maximum percentage of the basic salary	25 %
Basis for assessment	90 % Group result 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

### Contractual relationships

The employment contracts of the Group Executive Board are concluded for an indefinite period. The notice period for Group Executive Board employment contracts concluded for an indefinite period is 12 months, effective as of the end of a calendar month (Articles of Association, Art. 23). Apart from those that apply to the employment relationship, there are no provisions on the prohibition of competition.

## Loans, credits and pensions to members of the Board of Directors, the Group 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 the Group Executive Board. No such loans or credits are outstanding.

No loans, credits or payments were granted to related parties in 2015 and no payments were made to any former members of the Group Executive Board or the Board of Directors.

## Payments in 2015

### Payments to the Board of Directors for 2014 and 2015

		Fixed salary in cash (gross)	Social contributions	Share subscription		Total CHF thousand
				Number	CHF thousand	
Hansueli Loosli, Chairman <sup>1</sup>	2014	100	-	-	-	100
	2015	100	-	-	-	100
Leo Ebnetter, Vice-Chairman <sup>1</sup>	2014	80	-	-	-	80
	2015	80	-	-	-	80
Jörg Ackermann, Member <sup>1</sup>	2014	70	-	-	-	70
	2015	70	-	-	-	70
Irene Kaufmann, Member <sup>1</sup>	2014	70	-	-	-	70
	2015	70	-	-	-	70
Andreas Land, Member	2014	70	3	-	-	73
	2015	70	3	-	-	73
Werner Marti, Member	2014	70	3	-	-	73
	2015	70	3	-	-	73
<b>Total to Board of Directors</b>	<b>2014</b>	<b>460</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>466</b>
	<b>2015</b>	<b>460</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>466</b>

<sup>1</sup> Cash payment is forwarded to the giver of the mandate Coop

### Payments to the Group Executive Board for 2014 and 2015

		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	CHF thousand		
Lorenz Wyss, Chairman of the Group Executive Board <sup>1</sup>	2014	579	60	27	50	189	878
	2015	642	40	13	35	169	886
Other members of the Group Executive Board <sup>2</sup>	2014	889	82	-	-	233	1 204
	2015	1 040	57	17	48	172	1 317
<b>Total to Group Executive Board</b>	<b>2014</b>	<b>1 468</b>	<b>142</b>	<b>27</b>	<b>50</b>	<b>422</b>	<b>2 082</b>
	<b>2015</b>	<b>1 682</b>	<b>97</b>	<b>30</b>	<b>83</b>	<b>341</b>	<b>2 203</b>

<sup>1</sup> In 2015, the cash payment included a long service award of CHF 43,000

<sup>2</sup> Martin Gysin (CFO) left on 31 January 2015; Marco Tschanz (CFO) joined on 1 February 2015; Daniel Böhny (Head of Bell International Division) joined on 1 November 2015

## Report of the auditors on compensation

### Report of the statutory auditor to the General Meeting Bell Ltd. Basel

We have audited the remuneration report of Bell Ltd. (page 16) for the year ended 31 December 2015.

#### Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

#### Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

#### Opinion

In our opinion, the remuneration report of Bell Ltd. for the year ended 31 December 2015 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Gerd Tritschler  
Audit expert  
Auditor in charge

Andreas Wolf  
Audit expert

Basel, 1 February 2016



# Financial Statement

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— All amounts have been rounded up or down individually

## Consolidated Balance Sheet

in CHF thousand	Notes	31.12.2015	Share	31.12.2014	Share
Cash and cash equivalents	1	188 966		146 751	
Securities	2	4 808		6 108	
Trade accounts receivable	3	156 013		149 770	
Receivables associated companies	4	140 402		117 374	
Other receivables		42 262		34 278	
Inventory	5	263 059		231 532	
Deferred expenses and accrued income		14 344		20 533	
<b>Current assets</b>		<b>809 853</b>	<b>46.4%</b>	706 346	48.2%
Financial assets	10/12	44 066		148 479	
Intangible assets	13	36 836		40 828	
Land and buildings	14	506 046		323 992	
Machinery and equipment	15	346 966		246 037	
<b>Non-current assets</b>		<b>933 914</b>	<b>53.6%</b>	759 337	51.8%
<b>Assets</b>		<b>1 743 767</b>	<b>100.0%</b>	1 465 682	100.0%
Current financial liabilities	9	40 081		7 716	
Trade accounts payable		136 813		131 356	
Accounts payable to associated companies	6	22 620		16 715	
Other current liabilities	7	15 497		10 889	
Current provisions	11	9 204		9 493	
Deferred expenses and accrued income	8	73 789		60 719	
<b>Current liabilities</b>		<b>298 003</b>	<b>17.1%</b>	236 888	16.2%
Other financial liabilities	9	78 720		4 901	
Bonds	9	350 000		350 000	
Non-current provisions	11	107 554		86 939	
<b>Non-current liabilities</b>		<b>536 274</b>	<b>30.7%</b>	441 840	30.1%
<b>Liabilities</b>		<b>834 278</b>	<b>47.8%</b>	678 728	46.3%
Share capital		2 000		2 000	
Retained earnings		845 370		783 261	
Currency translation differences		-121 017		-83 882	
Treasury shares		-1 043		-1 994	
Annual profit		94 763		87 708	
<b>Equity before non-controlling interests</b>		<b>820 072</b>	<b>47.0%</b>	787 093	53.7%
Third-party interest in equity		89 418		-138	
<b>Equity</b>		<b>909 490</b>	<b>52.2%</b>	786 955	53.7%
<b>Liabilities and equity</b>		<b>1 743 767</b>	<b>100.0%</b>	1 465 682	100.0%

## Consolidated Income Statement

in CHF thousand	Notes	2015	Share	2014	Share
Income from sale of goods	16	2 817 827		2 597 793	
Other operating income	16	62 602		61 209	
<b>Gross operating income</b>		<b>2 880 428</b>		2 659 003	
Sales deductions	16	-99 701		-80 983	
<b>Operating income</b>		<b>2 780 727</b>	<b>100.0%</b>	2 578 019	100.0%
Cost of goods sold		1 754 938	63.1%	1 727 951	67.0%
<b>Gross operating profit</b>		<b>1 025 789</b>	<b>36.9%</b>	850 068	33.0%
Personnel expenses	17/24	502 680	18.1%	404 422	15.7%
Rent	18	24 667		21 548	
Energy, auxiliary materials	19	55 764		50 017	
Repair and maintenance		66 377		53 729	
Transport		69 707		62 635	
Advertising		33 319		24 086	
Other operating expenses	20/24	38 194		37 461	
<b>Total operating expenses</b>	21	<b>790 708</b>	<b>28.4%</b>	653 897	25.4%
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>235 081</b>	<b>8.5%</b>	196 171	7.6%
Depreciation of tangible assets	14/15/24	91 848	3.3%	71 047	2.8%
Amortisation of intangible assets	13	5 462		4 815	
Amortisation of goodwill	13	14 783		9 127	
<b>Earnings before interest and taxes (EBIT)</b>		<b>122 987</b>	<b>4.4%</b>	111 182	4.3%
Financial result	22	-3 154		3 123	
<b>Net profit before taxes (EBT)</b>		<b>119 833</b>	<b>4.3%</b>	114 305	4.4%
Taxes	23/24	17 574		26 492	
<b>Net profit after taxes</b>		<b>102 259</b>	<b>3.7%</b>	87 813	3.4%
Third-party interest in profit		-7 496		-105	
<b>Annual profit</b>		<b>94 763</b>	<b>3.4%</b>	87 708	3.4%
<b>Net profit per share (in CHF)</b>		<b>238</b>		220	

## Cash Flow Statement

in CHF thousand	2015		2014	
Net profit after taxes		102 259		87 813
Depreciation of tangible assets	85 348		71 047	
Amortisation of intangible assets	16 668		13 942	
Extraordinary depreciation	10 077	112 093	-	84 989
Income (-) loss (+) from sale of fixed assets		-1 912		-43
Dividends from associated companies		3 773		6 342
Net income from equity interests		-6 351		-9 379
Increase (-) decrease (+) in deferred tax assets		-		2 272
Changes in provisions		-5 551		22 481
<b>Cash flow before changes to net current assets</b>		<b>204 311</b>		<b>194 474</b>
Inventory changes (-) increase (+) decrease		-2 057		-25 588
Changes in receivables (-) increase (+) decrease		2 008		26 582
Changes in accrued assets (-) increase (+) decrease		10 926		-6 474
Changes in current liabilities (+) increase (-) decrease		-27 040		-36 541
Changes in accrued liabilities (+) increase (-) decrease		3 247	-12 916	-2 479
<b>Operating cash flow</b>		<b>191 395</b>		<b>149 974</b>
Investment in machinery and equipment		-73 806		-67 323
Divestment / net investment in machinery and equipment		404	-73 402	984
Investment in land and buildings		-37 197		-20 304
Divestment / net investment in land and buildings		2 233	-34 964	1 461
Investment in other companies and financial assets		-9 130		-1 041
Acquisition of cash and cash equivalents		22 748		-
Divestment / net investment of shareholdings and financial assets		7 414	21 032	2 146
Investment (-) / divestment (+) of securities			1 376	3 198
Investment in intangible assets		-4 176		-2 742
Divestment / net investment in intangible assets		-	-4 176	54
<b>Cash flow from investments</b>		<b>-90 134</b>		<b>-83 567</b>
Changes in financial liabilities		-32 546		-10 717
Bonds		-		-
Investment (-) / divestment (+) in treasury shares		1 288		564
Dividends		-25 937		-23 944
<b>Cash flow from financing activities</b>		<b>-57 195</b>		<b>-34 097</b>
<b>Cash flow balance</b>		<b>44 066</b>		<b>32 310</b>
Cash and cash equivalents as of 1 January		146 751		115 022
Effect of currency translation on cash and cash equivalents		-1 851		-582
Changes in cash and cash equivalents		44 066		32 310
Cash and cash equivalents as of 31 December		<b>188 966</b>		<b>146 751</b>

## 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
<b>Equity as of 01.01.2015</b>	<b>2 000</b>	<b>783 261</b>	<b>-83 882</b>	<b>-1 994</b>	<b>87 708</b>	<b>787 093</b>	<b>-138</b>	<b>786 955</b>
Changes in scope of consolidation	-	-	-	-	-	-	81 866	81 866
Acquisition minorities	-	-	-	-	-	-	175	175
Appropriation of annual profit	-	87 708	-	-	-87 708	-	-	-
Dividend	-	-25 937	-	-	-	-25 937	-	-25 937
Additions/disposals of treasury shares	-	338	-	951	-	1 288	-	1 288
Annual profit	-	-	-	-	94 763	94 763	7 496	102 259
Exchange differences	-	-	-37 135	-	-	-37 135	19	-37 116
<b>Equity as of 31.12.2015</b>	<b>2 000</b>	<b>845 370</b>	<b>-121 017</b>	<b>-1 043</b>	<b>94 763</b>	<b>820 072</b>	<b>89 418</b>	<b>909 490</b>
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

Legal reserves in 2015: CHF thousand 26,563 (previous year CHF thousand 20,944)

Shares	Number of shares 01.01.	Additions in treasury shares	Disposals of treasury shares	Number of shares 31.12.
<b>Shares issued</b>	<b>400 000</b>	<b>-</b>	<b>-</b>	<b>400 000</b>
Treasury shares	-1 227	-509	1 176	-560
<b>Shares in circulation as of 2015</b>	<b>398 773</b>	<b>-509</b>	<b>1 176</b>	<b>399 440</b>
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

A total of 1,176 (previous year: 436) treasury shares were allocated under the employee share participation plan. Since the 2015 financial year, the employees of the Hilcona Group can also take part in the employee share participation plan.

From the 2015 financial year, the price for the treasury shares for the employee share participation plan is determined at the beginning of December (based on the average price for November). The employee share participation transactions are then settled before the end of the year. In previous years, the price was determined at the beginning of January (based on the average price for December) and the transactions settled in the following year. The change in this procedure makes it possible to recognise the transactions in the period in which they occur.

## Consolidation and Valuation Principles

### 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 over which it 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 equity. Investments equalling less than 20 percent are included in the balance sheet at the share price as of 31 December. If no share price is 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 42 of the Management 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 differences arising from the use of different exchange rates in the balance sheet and income statement are recognised without affecting profit and loss.

### Exchange rates

		2015	2014
Balance sheet	EUR 1	= CHF 1.0835	= CHF 1.2024
	CZK 1	= CHF 0.0401	= CHF 0.0434
	HUF 100	= CHF 0.3429	= CHF 0.3811
	PLN 1	= CHF 0.2541	= CHF 0.2814
	USD 1	= CHF 0.9952	= CHF 0.9904
Income statement	EUR 1	= CHF 1.0671	= CHF 1.2143
	CZK 1	= CHF 0.0391	= CHF 0.0441
	HUF 100	= CHF 0.3444	= CHF 0.3933
	PLN 1	= CHF 0.2552	= CHF 0.2901
	USD 1	= CHF 0.9643	= CHF 0.9196

### 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 impact on the Group's income statement is insignificant.

**Capital consolidation**

The capital is consolidated using the “purchase method”, 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. Current assets are measured 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 are recalculated on the basis of historical cost in accordance with Bell’s depreciation criteria and adjusted in the consolidated financial 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 occur. Based on experience, the impairment for doubtful debts equals 1 percent of the accounts receivable. The total impairment amount is disclosed in the notes.

**Inventories**

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

**Deferred taxes**

Taxes are deferred from a balance sheet point of view, taking account of all future income tax effects.

Taxes are deferred in accordance with the liability method on all differences between the ARR values and the taxable carrying amounts. The amount to be deferred every year is calculated using the future tax rate that applies to the taxable entity in question on the reporting date. The applicable tax rates for the Bell Group are:

Switzerland	21.25 %
Principality of Liechtenstein	12.50 %
Germany	33.00 %
France	33.00 %
Other countries	25.00 %

Deferred tax assets relating to temporary differences and tax loss carry-forwards are only capitalised if it is likely that they can be set off against future taxable profits. There are no deferred tax assets.

**Other financial assets**

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 42 for an overview of the Group's non-consolidated investments in 2015.

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".

Valuation adjustments of CHF 6.5 million were recognised on certain tangible assets in 2015.

### 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. Until 30 April 2015, the amortisation of the Hilcona goodwill was set off against Bell's share of the annual profit within the financial result as in the previous year. The stake in the Hilcona Group was increased by 2% to 51% on 1 May 2015. Since this date, the Hilcona Group and the Hilcona goodwill have been fully consolidated in the Bell Group's financials.

As in the previous year, the impairment tests for the individual goodwill positions did not show any additional need for adjustment. However, estimate uncertainties were accounted for by charging CHF 3.5 million to the income statement.

### Liabilities

Trade payables and other liabilities are recognised at nominal value.

### Financial liabilities

Financial liabilities are recognised at nominal value. Any financing costs are capitalised and reversed through the income statement over the term of the financial liability.

### Provisions/pension liabilities

Accruals and provisions are set up and measured in accordance with objective and economic principles, and risks are adequately accounted for.

Provisions for deferred taxes are discussed in the "Deferred taxes" section.

In July 2014, the German Cartel Office imposed a fine on Bell Germany for 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. The legal case is expected to last for several 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 113.1 percent at the end of 2015 (prior year 113.3%). 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 on treasury shares are allocated directly to retained earnings.

#### **Employee share participation plan**

All employees of the Bell Group are entitled to buy five (ten for members of the Board of Directors, the Group Executive Board and the management) shares of Bell Ltd at a price of 80 percent of the average share price during November of the current calendar year. 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, 1,176 shares were sold to employees in 2015 (previous year 436). A total of 509 shares were bought back at the prevailing price during 2015 (previous year 92).

#### **Rebates, refunds and cash discounts**

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

#### **Advance payments**

Advance payments to suppliers are allocated to the corresponding asset class.

#### **Events after the reporting period**

As announced in December 2015, the Bell Group is planning to take over the German-Austrian Huber Group in March 2016. The Bell Group also announced its takeover of the Eisberg Group in February 2016. Both these takeovers are subject to the approval of the relevant competition authorities.

No other events occurred before the approval of the consolidated financial statements of Bell Ltd by the Board of Directors on 1 February 2016. These consolidated financial statements are subject to approval by the General Meeting on 19 April 2016.

#### **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 Schweiz AG in 2015.

Every year, the Group Executive Board reviews the status of implementation of these measures as well as the updated risk assessment. A report on the risk assessment was submitted to the Board of Directors at its meeting on 14 December 2015. More information relating to risk management is provided in the section on Corporate Governance (page 10).

As part of the institutionalised annual assessment of the quality of the internal control system at 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	2015	Share	2014
<b>1. Cash and cash equivalents</b>			
Cash	811	0.4%	1 210
Cash in banks	148 026	78.3%	95 398
Fixed deposits	40 129	21.2%	50 143
<b>Cash and cash equivalents</b>	<b>188 966</b>	<b>100.0%</b>	146 751
<b>Cash and cash equivalents by currency</b>			
CHF	150 844	79.8%	121 127
EUR	31 505	16.7%	20 284
Other currencies	6 616	3.5%	5 340
<b>Cash and cash equivalents</b>	<b>188 966</b>	<b>100.0%</b>	146 751
<b>2. Securities</b>			
Shares and similar investments	4 808	100.0%	6 108
Bonds and similar investments	–	–	–
<b>Securities</b>	<b>4 808</b>	<b>100.0%</b>	6 108
<b>3. Trade accounts receivable</b>			
<b>Valuation adjustment balanced in receivables</b>	<b>–3 711</b>		–2 867
<b>4. Receivables related parties</b>			
Companies of the Coop Group	139 786	99.6%	108 431
Other related parties	616	0.4%	8 942
<b>Receivables related parties</b>	<b>140 402</b>	<b>100.0%</b>	117 374
<b>5. Inventory</b>			
Raw materials and finished goods	244 440	92.9%	219 734
Auxiliary materials	23 631	9.0%	16 289
Value adjustments on the basis of value impairments	–5 012	–1.9%	–4 491
<b>Inventory</b>	<b>263 059</b>	<b>100.0%</b>	231 532
<b>6. Accounts payable to related parties</b>			
Accounts payable to Coop Group	17 947	79.3%	15 638
Accounts payable to other related parties	4 673	20.7%	1 077
<b>Accounts payable to related parties</b>	<b>22 620</b>	<b>100.0%</b>	16 715
<b>7. Other current liabilities</b>			
Shareholders	10	0.1%	11
VAT	4 271	27.6%	5 448
Capital and income taxes	9 318	60.1%	3 634
Other taxes	103	0.7%	10
Miscellaneous third parties	1 795	11.6%	1 786
<b>Other current liabilities</b>	<b>15 497</b>	<b>100.0%</b>	10 889
<b>8. Deferred expenses and accrued income</b>			
Miscellaneous deferred expenses	51 333	69.6%	42 222
Accrued personnel and social security expenses	22 456	30.4%	18 497
<b>Deferred expenses and accrued income</b>	<b>73 789</b>	<b>100.0%</b>	60 719

## Notes to the Consolidated Balance Sheet

in CHF thousand	2015	Share	2014
<b>9. Financial liabilities</b>			
Short-term loans and credits from banks	40 070	8.5 %	7 716
Current accounts with third parties	10	0.0 %	-
<b>Current financial liabilities</b>	<b>40 081</b>	<b>8.5 %</b>	<b>7 716</b>
Long-term loans and credits from banks	78 720	16.8 %	4 901
Bonds	350 000	74.7 %	350 000
<b>Non-current financial liabilities</b>	<b>428 720</b>	<b>91.5 %</b>	<b>354 901</b>
<b>Financial liabilities</b>	<b>468 801</b>	<b>100.0 %</b>	<b>362 617</b>
<b>Maturity structure of financial liabilities</b>			
Due within 360 days	40 081	8.5 %	7 716
Due within two years	8 221	1.8 %	1 098
Due within three years and later	420 499	89.7 %	353 804
<b>Financial liabilities</b>	<b>468 801</b>	<b>100.0 %</b>	<b>362 617</b>
<b>Financial liabilities by currency</b>			
CHF	464 512	99.1 %	353 907
EUR	3 974	0.8 %	8 163
Other currencies	316	0.1 %	548
<b>Financial liabilities</b>	<b>468 801</b>	<b>100.0 %</b>	<b>362 617</b>

Interest rates of bank loans vary between 1.75 % and 3.05 % (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).

### 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 (Material balance sheet items at the time of acquisition)

in CHF thousand	Hilcona Group*
Cash and cash equivalents	22 748
Trade accounts receivable	61 115
Inventory	41 529
Tangible assets	284 145
Trade accounts payable	60 740
Financial liabilities	139 841

\* Additional 2 % acquired as of 1 May 2015; resulting 51 % interest leads to full consolidation.

## Notes to the Consolidated Balance Sheet

in CHF thousand	Early retirements	Long service awards	Holiday and extra hours charges	Deferred taxes	Other	Restructuring	Total
<b>11. Provisions</b>							
<b>Provisions as of 01.01.2015</b>	<b>20 103</b>	<b>3 537</b>	<b>5 387</b>	<b>63 304</b>	<b>4 101</b>	<b>-</b>	<b>96 431</b>
Changes in scope of consolidation	3 613	3 713	63	18 976	536	-	<b>26 901</b>
Reclassification	-	-	-	-	-	-	-
Creation	697	1 308	452	-	473	-	<b>2 931</b>
Release/utilisation	-1 258	-1 139	-451	-4 349	-1 284	-	<b>-8 481</b>
Currency translation effects	-398	1	-109	-216	-302	-	<b>-1 025</b>
<b>Provisions as of 31.12.2015</b>	<b>22 757</b>	<b>7 421</b>	<b>5 343</b>	<b>77 714</b>	<b>3 524</b>	<b>-</b>	<b>116 758</b>
Non-current provisions 2015	21 749	6 145	-	77 714	1 947	-	<b>107 554</b>
Current provisions 2015	1 008	1 276	5 343	-	1 576	-	<b>9 204</b>
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

## Notes to the Consolidated Balance Sheet

in CHF thousand	Non consolidated investments	Loans to related parties <sup>1</sup>	Loans to third parties	Equity of foundation	Deferred tax assets	Other financial assets	Total
<b>12. Financial assets</b>							
<b>Net carrying amount as of 01.01.2015</b>	<b>119 046</b>	<b>26 000</b>	<b>1 050</b>	<b>2 011</b>	<b>–</b>	<b>372</b>	<b>148 479</b>
<b>Purchase price as of 01.01.2015</b>	119 046	26 000	1 050	2 011	–	372	<b>148 479</b>
Changes in scope of consolidation	–81 866	–21 000	–	–	–	892	<b>–101 974</b>
Investments	1 004	–	689	–	–	–	<b>1 693</b>
Divestments/dividends from associated companies	–3 773	–5 000	–410	–1 231	–	–772	<b>–11 187</b>
Revaluation	7 062	–	–	–	–	–	<b>7 062</b>
Reclassification	–	–	–	–	–	–	<b>–</b>
Currency translation effects	–7	–	–1	–	–	–	<b>–7</b>
<b>Net carrying amount as of 31.12.2015</b>	<b>41 466</b>	<b>–</b>	<b>1 328</b>	<b>780</b>	<b>–</b>	<b>492</b>	<b>44 066</b>
Net carrying amount 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

<sup>1</sup> There are no loans to the corporation entities.

## Notes to the Consolidated Balance Sheet

in CHF thousand	Software	Trademarks	Others rights	Goodwill	Total
<b>13. Intangible assets</b>					
<b>Net carrying amount as of 01.01.2015</b>	<b>10 907</b>	<b>–</b>	<b>1 200</b>	<b>28 721</b>	<b>40 828</b>
<b>Purchase price as of 01.01.2015</b>	<b>44 871</b>	<b>9 888</b>	<b>2 009</b>	<b>165 335</b>	<b>222 105</b>
Changes in scope of consolidation	6 209	–	482	12 415	<b>19 106</b>
Investments	4 165	–	11	4 243	<b>8 419</b>
Divestment/discontinuation	–20 357	–	–	–	<b>–20 357</b>
Reclassification	1 156	–	–	–	<b>1 156</b>
Currency translation effects	–1 437	–978	–139	–11 706	<b>–14 260</b>
<b>Purchase price as of 31.12.2015</b>	<b>34 607</b>	<b>8 910</b>	<b>2 363</b>	<b>170 287</b>	<b>216 169</b>
<b>Cumulative depreciation as of 01.01.2015</b>	<b>33 964</b>	<b>9 888</b>	<b>809</b>	<b>136 615</b>	<b>181 277</b>
Changes in scope of consolidation	4 177	–	482	4 397	<b>9 056</b>
Depreciation <sup>1</sup>	5 349	–	113	11 917	<b>17 379</b>
Extraordinary depreciation	–	–	–	3 577	<b>3 577</b>
Cumulative depreciation on divestment/discontinuation	–20 357	–	–	–	<b>–20 357</b>
Reclassification	–	–	–	–	<b>–</b>
Currency translation effects	–816	–978	–78	–9 726	<b>–11 598</b>
<b>Cumulative depreciation as of 31.12.2015</b>	<b>22 317</b>	<b>8 910</b>	<b>1 325</b>	<b>146 780</b>	<b>179 333</b>
<b>Net carrying amount as of 31.12.2015</b>	<b>12 290</b>	<b>–</b>	<b>1 038</b>	<b>23 507</b>	<b>36 836</b>
Net carrying amount as of 01.01.2014	12 457	–	1 411	40 462	54 330
Purchase price as of 01.01.2014	46 588	10 095	2 108	167 821	226 613
Changes in scope of consolidation	–	–	–	–	–
Investments	2 740	–	–	–	2 740
Divestment/discontinuation	–4 691	–	–53	–	–4 743
Reclassification	530	–	–	–	530
Currency translation effects	–297	–207	–46	–2 486	–3 036
Purchase price as of 31.12.2014	44 871	9 888	2 009	165 335	222 105
Cumulative depreciation as of 01.01.2014	34 131	10 095	697	127 359	172 283
Changes in scope of consolidation	–	–	–	–	–
Depreciation <sup>1</sup>	4 685	–	130	11 258	16 074
Cumulative depreciation on divestment/discontinuation	–4 691	–	–	–	–4 691
Reclassification	–	–	–	–	–
Currency translation effects	–161	–207	–18	–2 003	–2 390
Cumulative depreciation as of 31.12.2014	33 964	9 888	809	136 615	181 277
<b>Net carrying amount as of 31.12.2014</b>	<b>10 907</b>	<b>–</b>	<b>1 200</b>	<b>28 721</b>	<b>40 828</b>

<sup>1</sup> Until the takeover of the majority share in Hilcona on 1 May 2015, 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
<b>14. Land and buildings</b>					
<b>Net carrying amount as of 01.01.2015</b>	<b>65 344</b>	<b>252 855</b>	<b>747</b>	<b>5 046</b>	<b>323 992</b>
Purchase price as of 01.01.2015	65 444	610 373	3 181	5 046	684 043
Changes in scope of consolidation	58 400	198 945	–	1 693	259 038
Investments	4 666	13 283	637	18 612	37 197
Divestment/discontinuation	–286	–54	–	–	–340
Reclassification	607	11 796	–449	–5 806	6 149
Currency translation effects	–1 242	–18 464	–	–1	–19 707
<b>Purchase price as of 31.12.2015</b>	<b>127 589</b>	<b>815 878</b>	<b>3 369</b>	<b>19 544</b>	<b>966 379</b>
<b>Cumulative depreciation as of 01.01.2015</b>	<b>100</b>	<b>357 518</b>	<b>2 434</b>	<b>–</b>	<b>360 052</b>
Changes in scope of consolidation	469	85 672	–	–	86 142
Depreciation	99	22 874	123	–	23 097
Extraordinary depreciation	–	445	–	–	445
Cumulative depreciation on divestment/discontinuation	–	–20	–	–	–20
Reclassification	–	242	–263	–	–21
Currency translation effects	–10	–9 351	–	–	–9 361
<b>Cumulative depreciation as of 31.12.2015</b>	<b>658</b>	<b>457 381</b>	<b>2 295</b>	<b>–</b>	<b>460 334</b>
<b>Net carrying amount as of 31.12.2015</b>	<b>126 930</b>	<b>358 498</b>	<b>1 074</b>	<b>19 544</b>	<b>506 046</b>
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
<b>Cumulative depreciation as of 01.01.2014</b>	<b>95</b>	<b>344 214</b>	<b>2 345</b>	<b>–</b>	<b>346 654</b>
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
<b>Cumulative depreciation as of 31.12.2014</b>	<b>100</b>	<b>357 518</b>	<b>2 434</b>	<b>–</b>	<b>360 052</b>
<b>Net carrying amount as of 31.12.2014</b>	<b>65 344</b>	<b>252 855</b>	<b>747</b>	<b>5 046</b>	<b>323 992</b>

A capitalised lease with a carrying amount of CHF thousand 3 975 (previous year CHF thousand 4 851) 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
<b>15. Machinery and equipment</b>						
<b>Net carrying amount as of 01.01.2015</b>	<b>120 369</b>	<b>70 214</b>	<b>5 965</b>	<b>20 987</b>	<b>28 499</b>	<b>246 037</b>
<b>Purchase price as of 01.01.2015</b>	457 727	230 925	36 605	97 529	28 499	<b>851 287</b>
Changes in scope of consolidation	192 230	75 067	11 965	21 347	8 281	<b>308 890</b>
Investments	31 391	17 317	4 558	7 644	12 896	<b>73 806</b>
Divestment/discontinuation	-5 249	-1 050	-21 304	-3 274	-164	<b>-31 040</b>
Reclassification	14 082	2 013	593	795	-24 788	<b>-7 305</b>
Currency translation effects	-16 714	-811	-321	-3 483	-2 246	<b>-23 575</b>
<b>Purchase price as of 31.12.2015</b>	<b>673 467</b>	<b>323 461</b>	<b>32 096</b>	<b>120 558</b>	<b>22 479</b>	<b>1 172 064</b>
<b>Cumulative depreciation as of 01.01.2015</b>	337 358	160 711	30 640	76 541	-	<b>605 250</b>
Changes in scope of consolidation	141 464	33 272	9 819	13 086	-	<b>197 641</b>
Depreciation	32 910	16 885	4 139	8 316	-	<b>62 251</b>
Extraordinary depreciation	2 494	3 430	-	131	-	<b>6 055</b>
Cumulative depreciation on divestment/discontinuation	-5 222	-1 049	-21 270	-3 093	-	<b>-30 635</b>
Reclassification	8	-	-	12	-	<b>21</b>
Currency translation effects	-12 158	-521	-239	-2 566	-	<b>-15 484</b>
<b>Cumulative depreciation as of 31.12.2015</b>	<b>496 855</b>	<b>212 729</b>	<b>23 088</b>	<b>92 427</b>	<b>-</b>	<b>825 098</b>
<b>Net carrying amount as of 31.12.2015</b>	<b>176 612</b>	<b>110 733</b>	<b>9 008</b>	<b>28 131</b>	<b>22 479</b>	<b>346 966</b>
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

“Machinery and equipment” includes a capitalised lease with a carrying amount of CHF thousand 64 (previous year CHF thousand 243).

## Notes to the Consolidated Income Statement

in CHF thousand	2015	Difference	2014
<b>16. Operating income</b>			
<b>Product groups</b>			
Fresh meat	841 513	-1.2 %	852 068
Charcuterie own production	372 690	-3.2 %	384 899
Charcuterie purchased	69 935	-5.3 %	73 829
Poultry	372 202	-1.9 %	379 262
Meat specialities (game, rabbit and others)	15 664	-7.3 %	16 895
Seafood	149 562	6.4 %	140 542
Convenience	301 739	-	-
Other sales	14 632	28.4 %	11 393
<b>Product groups Switzerland</b>	<b>2 137 937</b>	<b>15.0 %</b>	1 858 888
Charcuterie	587 729	-13.7 %	680 648
Convenience	58 826	-	-
Other sales	33 335	-42.8 %	58 258
<b>Product groups international</b>	<b>679 890</b>	<b>-8.0 %</b>	738 905
<b>Sales by product group</b>	<b>2 817 827</b>	<b>8.5 %</b>	2 597 793
<b>Distribution channels</b>			
Sales to Coop Group	1 666 521	18.1 %	1 411 069
Sales to other affiliated companies	4 942	-70.3 %	16 641
Sales to wholesale	460 560	8.6 %	423 948
Sales to end consumers	5 915	-18.2 %	7 229
<b>Distribution channels Switzerland</b>	<b>2 137 937</b>	<b>15.0 %</b>	1 858 888
Sales to Coop Group	34 955	25.0 %	27 969
Sales to wholesale	611 600	-6.3 %	652 679
Sales to end consumers	33 334	-42.8 %	58 258
<b>Distribution channels international</b>	<b>679 890</b>	<b>-8.0 %</b>	738 905
<b>Sales by distribution channel</b>	<b>2 817 827</b>	<b>8.5 %</b>	2 597 793
<b>Sales by country</b>			
Switzerland	2 137 937		1 858 887
Germany	414 694		429 568
France	96 256		112 974
Spain, Benelux	63 916		72 659
Austria	6 409		-
Eastern Europe	97 935		123 704
Others	680		-
<b>Sales by country</b>	<b>2 817 827</b>	<b>8.5 %</b>	2 597 793
Additional proceeds from Coop Group	8 310	161.2 %	3 182
Additional proceeds from affiliated companies	17 313	-21.0 %	21 924
Additional third-party proceeds	32 562	4.6 %	31 123
<b>Other operating income Switzerland</b>	<b>58 185</b>	<b>3.5 %</b>	56 229
<b>Other operating income international</b>	<b>4 417</b>	<b>-11.3 %</b>	4 980
<b>Other operating income</b>	<b>62 602</b>	<b>2.3 %</b>	61 209
Sales deductions with Coop Group	33 864	18.6 %	28 563
Other sales deductions	8 924	179.3 %	3 195
<b>Sales deductions Switzerland</b>	<b>42 788</b>	<b>34.7 %</b>	31 758
<b>Sales deductions international</b>	<b>56 913</b>	<b>15.6 %</b>	49 225
<b>Sales deductions</b>	<b>99 701</b>	<b>23.1 %</b>	80 983

Bell has a supply and purchase agreement with Coop. The contract is valid for an indefinite period and can be terminated at the end of any year by giving 12 months' notice. The supply of products to Coop is carried out at market conditions in consideration of Coop's purchase volume. Sales deductions include a bonus based on volume and sales figures, which is agreed annually in advance by means of a business plan.

## Notes to the Consolidated Income Statement

in CHF thousand	2015	Difference	2014
<b>17. Personnel expenses</b>			
Wages and salaries	326 343	24.1 %	263 072
Employers' contributions	73 374	21.3 %	60 480
Other personnel expenses	16 560	11.7 %	14 820
Third-party wages and salaries	86 403	30.8 %	66 049
<b>Personnel expenses</b>	<b>502 680</b>	<b>24.3 %</b>	404 422

Contributions include social security contributions to the CPV/CAP Coop pension plan and other pension funds: CHF thousand 25 425 (previous year CHF thousand 18 675).

Shares held by the Board of Directors as of 31 December (number)	2015	2014
Hansueli Loosli, Chairman	86	66
Leo Ebnetter, Vice-Chairman	45	25
Jörg Ackermann, Member	94	84
Irene Kaufmann, Member	86	66
Andreas Land, Member	35	15
Werner Marti, Member	77	57

Shares held by the Group Executive Board as of 31 December (number)	2015	2014
Lorenz Wyss	97	67
Martin Gysin <sup>1</sup>	–	67
Christian Schröder	12	12
Marco Tschanz <sup>2</sup>	20	–
Daniel Böhny <sup>3</sup>	40	–

<sup>1</sup> Left on 31 January 2015

<sup>2</sup> Joined on 1 December 2014, assumed position on Group Executive Board (CFO) on 1 February 2015

<sup>3</sup> Joined on 1 November 2015

in CHF thousand		Funding surplus/deficiency	Economic benefits/obligations	Change in comparison to previous year	Employer contributions	Costs of benefits
<b>Employee benefits</b>						
<b>Economic consequences</b>						
Company's pension fund foundation	2015	780	780	-1 231	–	-1 231
	2014	2 011	2 011	-1 299	–	-1 299
CPV/CAP pension fund <sup>1</sup>	2015	–	–	–	20 489	20 489
	2014	–	–	–	18 675	18 675
Other pension funds <sup>2</sup>	2015	–	–	–	4 937	4 937
	2014	–	–	–	–	–
<b>Total</b>	<b>2015</b>	<b>780</b>	<b>780</b>	<b>-1 231</b>	<b>25 425</b>	<b>24 194</b>
	2014	2 011	2 011	-1 299	18 675	17 376

<sup>1</sup> The funding ratio is 113.1 percent as of 31 December 2015 (previous year 113.3 percent).

<sup>2</sup> Pension funds offering full insurance.

## Notes to the Consolidated Income Statement

in CHF thousand	2015	Difference	2014
<b>18. Rent</b>			
Building lease	7 552	-8.7 %	8 269
Lease of machinery and equipment	9 208	20.4 %	7 650
Third-party storage	7 906	40.5 %	5 629
<b>Rent</b>	<b>24 667</b>	<b>14.5 %</b>	21 548
<b>19. Energy, auxiliary materials</b>			
Electricity	30 692	9.4 %	28 057
Water	6 715	29.6 %	5 183
Fuel	1 301	-8.7 %	1 425
Other energy	7 600	14.4 %	6 643
Auxiliary materials	9 457	8.6 %	8 708
<b>Energy, auxiliary materials</b>	<b>55 764</b>	<b>11.5 %</b>	50 017
<b>20. Other operating expenses</b>			
Administrative expenses	15 704	7.6 %	14 595
Insurance and duties	8 554	18.3 %	7 232
Capital tax and other corporate taxes	1 878	-0.4 %	1 885
Miscellaneous operating expenses	12 058	-12.3 %	13 749
<b>Other operating expenses</b>	<b>38 194</b>	<b>2.0 %</b>	37 461

Included in operating expenses:

<b>21. Operating expenses with affiliated companies</b>			
Building lease	473	-	473
Lease of machinery and equipment	5 906	18.3 %	4 991
Repair and maintenance	1 644	-10.2 %	1 831
Energy and auxiliary materials	1 831	-10.2 %	2 039
Advertising	5 972	49.3 %	4 000
Transport	607	10.8 %	548
Other operating expenses	1 386	14.8 %	1 207
<b>Operating expenses with affiliated companies</b>	<b>17 819</b>	<b>18.1 %</b>	15 089

## Notes to the Consolidated Income Statement

in CHF thousand	2015	2014
<b>22. Financial result</b>		
Interest on fixed deposits and other interest	807	734
Interest from affiliated companies	163	1 085
<b>Interest income</b>	<b>970</b>	1 819
Interest on capital	-8 049	-6 148
Bank charges and commissions	-1 026	-482
<b>Interest expenses</b>	<b>-9 075</b>	-6 630
<b>Interest</b>	<b>-8 105</b>	-4 811
Gains (+) / Losses (-) on foreign currency transactions	-1 388	-1 514
Gains (+) / Losses (-) on securities	-12	69
Share in profit/loss of associated companies <sup>1</sup>	6 351	9 379
<b>Financial result</b>	<b>-3 154</b>	3 123
Average result	1.66%	1.67%

<sup>1</sup> Net, after deduction of the goodwill depreciation.

## Notes to the Consolidated Income Statement

in CHF thousand	2015	Difference	2014
<b>23. Taxes</b>			
Taxes paid and changes in taxes due	21 923		-425
Changes in deferred taxes	-4 349		26 917
<b>Taxes</b>	<b>17 574</b>	<b>-33.7 %</b>	26 492
Group operating result	102 259		87 813
Expenses not tax-deductible	4 541		-252
Tax expenses included in Group result	17 574		26 492
Profit before taxes	124 374		114 053
Income taxes on the profit before taxes at the average tax rate of 19.5 % (prior year 21.0 %)	24 253		23 951
Influence of different tax rates and tax jurisdictions	249		-1 681
Influence of non-capitalization of deferred taxes	3 827		5 828
Impact of tax recognition of value adjustment to Group loans	-10 898		-
Adjustment of deferred tax rate	-		-1 618
Irregular other taxes and valuation adjusted to deferred tax assets	143		12
<b>Taxes (as reported)</b>	<b>17 574</b>	<b>-33.7 %</b>	26 492

The loss carry forward of CHF 50 million recognised in the previous year and included in the provision for deferred taxes could be used in full in 2015.

in CHF thousand	2015	2014	
<b>24. Non-recurring and infrequent expenses (+) / income (-)</b>			
Non-recurring and irregular expenses/income included in the operating expenses:			
Personnel costs	Social plan for restructuring	-	1 219
Other expenses	Other restructuring costs	-	979
Depreciation and amortisation	Extraordinary depreciation of property, plant and equipment	6 500	-
	Extraordinary depreciation of goodwill	3 577	-
Interest	Exceptional effects of equity valuations	-	-2 000
Taxes	Adjustment of deferred tax rate	-	-1 618
	Impact of tax recognition of value adjustment to Group loans	-10 898	-

## Segment Reporting

in CHF thousand	Bell Switzerland	Bell Germany	Bell International	Hilcona Group	Consoli- dation	Bell Group
<b>December 2015</b>						
Sales volume in tonnes	123 453	64 016	35 411	59 650	-7 222	<b>275 308</b>
Income from sale of goods	1 851 042	420 379	230 153	360 756	-44 503	<b>2 817 827</b>
Net investments in tangible assets	59 722	20 923	11 989	17 644	-	<b>110 278</b>
Average headcount on basis of full-time equivalents (FTE) <sup>1</sup>	3 415	1 310	1 680	1 959	-	<b>8 364</b>

<sup>1</sup> The average number of employees (FTEs) of the Hilcona Group refers to the full 2015 financial year. The average number of employees (FTEs) for the period from May to December 2015 was 1,306.

December 2014						
Sales volume in tonnes	122 125	65 465	32 332	-	-4 299	215 623
Income from sale of goods	1 860 104	489 069	273 016	-	-24 396	2 597 793
Net investments in tangible assets	57 335	22 765	5 125	-	-	85 225
Average headcount on basis of full-time equivalents (FTE)	3 413	1 310	1 825	-	-	6 548

In accordance with the additional recommendations for listed companies (Swiss GAAP ARR 31), the Board of Directors of Bell Ltd will no longer publish any segment results. This is explained by the competition situation, particularly in the German and French markets, where Bell as practically the only listed market player in the sector would be considerably disadvantaged towards other market players by publishing its segment results.

## Additional Information

in CHF thousand	2015	2014
Total amount of guarantees, warranties and mortgages in favour of third parties	53 919	1 241
Total amount of mortgaged assets at legal book values	123 337	16 530
Unrecognised liabilities from leasing	1 815	1 791
due in the current financial year	937	1 183
Derivative financial instruments on foreign currencies (purpose: hedging)		
contract value	81 263	9 018
replacement value positive	–	–
replacement value negative	182	1 000
Derivative financial instruments on interests (purpose: hedging)		
contract value	28 126	–
replacement value positive	257	–
replacement value negative	614	–
of which recognised in balance sheet	–	–
Other derivative instruments (participations)	–	p.m. <sup>2</sup>
Expenses for pension fund liabilities	25 425	18 675
Obligations from contracts with third parties	24 728	16 451
due in the current financial year	3 699	2 507
due in the following financial year	3 685	2 507
due later	17 344	11 437
Obligations from contracts with affiliated companies	2 366	473
due in the current financial year	473	473
due in the following financial year	473	–
due later	1 420	–
Contingent liabilities <sup>1</sup>	109 976	120 240

<sup>1</sup> More information on the cartel fine is provided in the section "Provisions/pension liabilities" in the consolidation and valuation principles.

<sup>2</sup> In the previous year, Bell held options to take over additional shares in associates (2% in Hilcona), the price of which depended on the future income situation. The options were exercised in 2015.

Principal shareholders	Coop-Group Cooperative Basel; 66.29 % 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	Consolidation method	Capital	Group share in equity 31.12.15	Group share in equity 31.12.14
Bell Schweiz AG	Basel	Fresh meat, charcuterie, poultry, seafood	■	CHF 20 000 000	100.0%	100.0%
Hilcona AG <sup>1</sup>	Schaan/FL	Convenience	■	CHF 27 000 000	51.0%	49.0%
Hilcona Gourmet SA	Orbe	Convenience	■	CHF 600 000	100.0%	100.0%
Hilcona Feinkost GmbH	Leinfelden-Echterdingen/DE	Convenience	■	CHF 26 000	100.0%	100.0%
Gastro Star AG	Dällikon	Convenience	■	CHF 120 000	100.0%	100.0%
Centravo Holding AG <sup>2</sup>	Zürich	By-products processing	○	CHF 2 040 000	29.9%	29.8%
GVFI International AG <sup>2</sup>	Basel	Meat trade	○	CHF 3 000 000	24.6%	18.3%
Pensionsstiftung der Bell Schweiz AG (in Liquidation)	Basel	Foundation	▲	–	–	–
Bell France Holding SAS	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 <sup>3</sup>	St-André-sur-Vieux-Jonc/FR	Dry sausages	■	EUR 1 221 220	100.0%	100.0%
Abraham France SARL <sup>3</sup>	Bussy-Saint-Georges/FR	Wholesale trade	■	EUR 40 000	– <sup>3</sup>	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. <sup>4</sup>	Dr Houten/NL	Meat trade	■	EUR 18 000	100.0%	76.0%
ZIMBO Czechia s.r.o. <sup>5</sup>	Prag-Holesovice/CZ	Retail trade	■	CZK 30 000 000	100.0%	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%

<sup>1</sup> On 1 May 2015, an additional stake of 2% in the Hilcona Group was taken over and consolidated fully in the Bell Group.

<sup>2</sup> The equity share is based on the number of outstanding shares.

<sup>3</sup> Retroactive merger to 1 January 2015 of Abraham France SARL and Bell France SAS.

<sup>4</sup> Bell Nederland B.V. was taken over in full on 1 March 2015.

<sup>5</sup> ZIMBO Czechia s.r.o. was taken over in full on 1 September 2015.

■ Fully consolidated (uniform management)

○ Consolidation at equity

● Purchase price

▲ Consolidation pursuant to Swiss GAAP ARR 16

## 5-Year Overview

in CHF thousand	2015	2014	2013	2012	2011
Affiliated companies	1 706 418	1 455 679	1 417 862	1 337 785	1 319 673
Other wholesale	1 072 160	1 076 627	1 128 325	1 113 932	1 123 611
End consumers	39 249	65 487	74 303	74 804	73 669
<b>Income from sales of goods</b>	<b>2 817 827</b>	<b>2 597 793</b>	<b>2 620 490</b>	<b>2 526 521</b>	<b>2 516 953</b>
<b>Operating income</b>	<b>2 780 727</b>	<b>2 578 019</b>	<b>2 597 788</b>	<b>2 508 378</b>	<b>2 482 588</b>
<b>Financial data</b>					
Gross operating profit	1 025 789	850 068	835 094	827 452	823 282
Personnel expenses	502 680	404 422	400 868	403 015	391 416
Depreciation of tangible assets	91 848	71 047	70 571	71 996	72 144
Earnings before interest and taxes (EBIT)	122 987	111 182	104 943	99 145	89 849
Net profit after taxes	102 259	87 813	76 641	76 207	72 396
EBITDA	235 081	196 171	189 658	185 138	204 291
Financial result	-3 154	3 123	-3 019	1 151	11 412
Current assets	809 853	706 346	671 290	554 942	520 322
Non-current assets	933 914	759 337	768 784	760 276	731 815
Total assets	1 743 767	1 465 682	1 440 074	1 315 218	1 252 138
Net financial liabilities	275 028	209 757	249 305	248 630	253 404
Equity	909 490	786 955	731 458	675 472	626 583
<b>Margins</b>					
Gross operating profit in % of operating income	36.9 %	33.0 %	32.1 %	33.0 %	33.2 %
EBITDA in % of operating income	8.5 %	7.6 %	7.3 %	7.4 %	8.2 %
EBIT in % of operating income	4.4 %	4.3 %	4.0 %	4.0 %	3.6 %
Net profit in % of operating income	3.7 %	3.4 %	3.0 %	3.0 %	2.9 %
Financial result in % of net financial liabilities	1.1 %	-1.5 %	0.8 %	-0.4 %	-4.1 %
<b>Equity ratio</b>	<b>52.2 %</b>	<b>53.7 %</b>	<b>50.8 %</b>	<b>51.4 %</b>	<b>50.0 %</b>
<b>Return on equity (ROE) <sup>1</sup></b>	<b>13.0 %</b>	<b>12.0 %</b>	<b>11.3 %</b>	<b>12.2 %</b>	<b>12.3 %</b>
<b>Workforce as of 31.12. (number of employees)</b>	<b>8 148</b>	<b>6 299</b>	<b>6 606</b>	<b>6 469</b>	<b>6 470</b>
<b>Average headcount on basis full-time equivalents (FTE)</b>	<b>8 364</b>	<b>6 548</b>	<b>6 384</b>	<b>6 248</b>	<b>6 224</b>

<sup>1</sup> Net profit/equity at the beginning of the financial year.

## Share Information

		2015	2014	2013	2012	2011
<b>Per-share data</b>						
Share price as of 31.12.	CHF	3 390	2 448	2 316	2 005	1 762
Year's high	CHF	3 400	2 575	2 350	2 050	2 300
Year's low	CHF	2 200	1 950	1 985	1 716	1 665
Average daily trading volume	number	159	107	74	78	93
<b>Stock exchange capitalisation</b>						
Year's end	in CHF million	1 356	979	926	802	705
Year's high	in CHF million	1 360	1 030	940	820	920
Year's low	in CHF million	880	780	794	686	666
Equity per share <sup>1</sup>	CHF	2 056	1 973	1 836	1 696	1 573
Net profit per share <sup>1</sup>	CHF	238	220	192	191	180
EBITDA per share <sup>1</sup>	CHF	589	492	476	465	514
EBIT per share <sup>1</sup>	CHF	308	274	263	249	226
Return per share <sup>2</sup>		7.0%	9.0%	8.3%	9.5%	10.2%
Distribution per share <sup>3</sup>	CHF	70	65	60	60	60
Distribution ratio		29.5%	29.6%	31.2%	31.5%	33.3%
Dividend yield <sup>4</sup>		2.1%	2.7%	2.6%	3.0%	3.4%
<p>1 The average time-weighted number of outstanding shares is used to calculate the key figures per share.            2 Profit per share/year-end closing price.            3 The dividend for the 2015 financial year must be approved by the General Shareholders' Meeting.            4 Dividend per share/year-end closing price.</p>						
<b>Capital structure as of 31.12.</b>						
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
<b>Changes in capital</b>						
Treasury shares	number	560	1 227	1 571	2 031	2 206
Shares recorded in share register	number	358 203	364 835	360 441	369 831	365 016
Registered shareholders	number	3 922	4 054	4 039	3 916	3 751

Securities no. 441 041  
 ISIN CH0004410418  
 Trade SIX Swiss Exchange  
 Symbols SIX BELL; Bell N; Bell.SW  
 Current share price [www.bellfoodgroup.com](http://www.bellfoodgroup.com)

## Report of the Statutory Auditor on the Consolidated Financial Statements

### Report of the statutory auditor to the General Meeting of Bell Ltd, Basel

As statutory auditor, we have audited the consolidated financial statements of Bell Ltd, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 20 to 42), for the year ended 31 December 2015.

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

#### Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2015 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

Basel, 1 February 2016

## Bell Ltd – Balance Sheet

in CHF thousand		31.12.2015	Share	31.12.2014	Share
Cash and cash equivalents		327		359	
Securities measured at stock exchange price		1 810		3 398	
Other current receivables from third parties		10 662		221	
Other current receivables from Group companies		20 190		4 736	
Accrued income & prepaid expenses: third parties		1 170		708	
<b>Current assets</b>		<b>34 159</b>	<b>3.9%</b>	9 421	1.1%
Financial assets	Loans to Group companies	658 822		660 000	
	Other financial assets	134		134	
Investments	Controlling interests	170 790		80 087	
	Non-controlling interests	9 928		93 617	
Tangible assets	Land	–		–	
	Buildings	–		–	
<b>Non-current assets</b>		<b>839 673</b>	<b>96.1%</b>	833 838	98.9%
<b>Assets</b>		<b>873 832</b>	<b>100.0%</b>	843 259	100.0%
Trade accounts payable to third parties		180		84	
Trade accounts payable to parent company		13		1	
Other current payables to third parties		115		31	
Accrued expenses & deferred income: third parties		3 292		3 221	
<b>Current liabilities</b>		<b>3 600</b>	<b>0.4%</b>	3 337	0.4%
Non-current interest-bearing liabilities to third parties		350 000		350 000	
<b>Non-current liabilities</b>		<b>350 000</b>	<b>40.1%</b>	350 000	41.4%
<b>Liabilities</b>		<b>353 600</b>	<b>40.5%</b>	353 337	41.9%
Share capital		2 000		2 000	
Legally required retained earnings		10 000		10 000	
Free retained earnings		453 916		406 694	
Treasury shares		–1 044		–1 994	
Annual profit		55 360		73 222	
<b>Equity</b>		<b>520 232</b>	<b>59.5%</b>	489 922	58.1%
<b>Liabilities and equity</b>		<b>873 832</b>	<b>100.0%</b>	843 259	100.0%

**Bell Ltd – Income Statement**

in CHF thousand	2015	2014
Income from investments	54 238	107 113
Other financial income	13 796	22 990
Other income	3 180	3 197
<b>Total income</b>	<b>71 214</b>	<b>133 300</b>
Administrative expenses	2 638	2 895
Other operating expenses	335	306
Valuation adjustments to financial investments	4 242	51 286
Depreciation of tangible assets	–	100
Financial expenses	8 008	5 475
<b>Expenses</b>	<b>15 223</b>	<b>60 062</b>
<b>Operating profit before taxes</b>	<b>55 990</b>	<b>73 237</b>
Neutral and extraordinary expenses	–	–
Neutral and extraordinary income	–	–
<b>Annual profit before taxes</b>	<b>55 990</b>	<b>73 237</b>
Direct taxes	630	16
<b>Annual profit after taxes</b>	<b>55 360</b>	<b>73 222</b>

## 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. Assets and liabilities in foreign currency are translated into Swiss francs at the exchange rate on the reporting date. The exchange rates listed on page 24 of the Group report are applied.

Investments in other companies and loans are recognised in the balance sheet at purchase price, taking account of any value adjustments. Securities are measured at the stock exchange price on the reporting date.

in CHF thousand	2015	2014
Total amount of guarantees, warranties and mortgages in favour of Group companies <sup>1</sup>	325	1 754
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 within five years	1 015	1 060
Important shareholdings	Page 42	–
Ownership interests and options held by the Board of Directors and Executive Board	Page 36	–
Ownership interests and options allocated by the Board of Directors and Executive Board	Page 16	–
Information on issued bonds	Page 29	–
Treasury shares according to statement on changes in equity	Page 23	–
Principal shareholders: Coop Group Cooperative, Basel	66.29%	66.29%
Sarasin Investmentfonds Ltd., Basel	< 3.00% <sup>2</sup>	3.01%

<sup>1</sup> The company is jointly and without limitation liable for all obligations arising from the VAT group (taxes, interest, any fines) as well as for cash pooling within the Bell Group.

<sup>2</sup> Sarasin Investmentfonds Ltd, Basel sold some of its shares on 11 February 2015, reducing its holding in Bell Ltd to less than 3.00%.

### Information and explanations to the annual financial statements

There were no value adjustments to controlling interests in the 2015 financial year (previous year: CHF 51 million).

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 after the reporting period

The Bell Group intends to take over the majority of the shares and thus control of the Huber Group on 1 March 2016. The Huber Group is a specialist for top-quality poultry and has a strong market position in Austria and Germany. With this takeover, the Bell Group is laying the groundwork for further sustainable growth. The takeover is subject to the approval of the relevant competition authorities.

## Appropriation of Annual Profit

Proposals of the Board of Directors to the General Meeting

in CHF thousand	2015	2014
<b>Appropriation of annual profit</b>		
Annual profit	55 360	73 222
CHF 70 dividend (previous year CHF 65)	28 000	26 000
Transfer to free retained earnings	27 360	47 222
<b>Total appropriation</b>	<b>55 360</b>	<b>73 222</b>

## Report of the Statutory Auditor on the Financial Statements

### Report of the statutory auditor to the General Meeting of Bell Ltd, Basel

As statutory auditor, we have audited the financial statements of Bell Ltd, which comprise the balance sheet, income statement and notes (pages 46 to 48), for the year ended 31 December 2015.

#### Board of Directors' responsibility

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

#### Auditor's responsibility

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

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

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

#### Report on other legal requirements

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

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

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

PricewaterhouseCoopers AG

Gerd Tritschler  
Audit expert  
Auditor in charge

Andreas Wolf  
Audit expert

Basel, 1 February 2016

# Contacts & publishing details



Online

[www.bellfoodgroup.com/report-en](http://www.bellfoodgroup.com/report-en)

## Latest news

Additional information on the annual report and up-to-date information on the Bell Group is available on the internet at [www.bellfoodgroup.com](http://www.bellfoodgroup.com).

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[www.abraham.de](http://www.abraham.de)  
[www.mossieurpolette.fr](http://www.mossieurpolette.fr)  
[www.hilcona.com](http://www.hilcona.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

02.02.2016

### 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 from our website at:

– German version:  
[www.bellfoodgroup.com/report-de](http://www.bellfoodgroup.com/report-de)

– French version:  
[www.bellfoodgroup.com/report-fr](http://www.bellfoodgroup.com/report-fr)

– English version:  
[www.bellfoodgroup.com/report-en](http://www.bellfoodgroup.com/report-en)

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