



Media release

Basel, 9 August 2012

The Bell Group is holding up well in a difficult environment

The Bell Group maintained its sales volumes in a difficult environment in the first half of 2012, while sales proceeds dropped due to lower average sales prices. Adjusted for exceptionals, the profit for the first half is on a par with the previous year. Bell expects the operating result for the year 2012 as a whole to be in line with the previous year.

Sales volumes for the Group as a whole remained stable at around 110,000 tonnes. At CHF 1.23 billion, sales were down 1.7 percent from the prior-year period, mainly as a result of lower average sales prices and the restructuring of the product ranges. The gross profit rose by almost CHF 4 million to CHF 401 million. The complete integration of the abattoir in Basel contributed an additional amount of approximately CHF 9 million to the gross profit, while lower sales prices had a negative effect on this figure. Due to consolidation effects, personnel costs were higher year-on-year. The financial statements for the first time include the results for the full half-year for Schlachtbetrieb Basel and the Hoppe (convenience meat products) and Kocherhans (specialities from Graubünden) operations. Because of the long maturing times for the Graubünden specialities, the first sales will only be recorded in the second half of 2012. At the end of June, the total number of employees was 6,511 (+146), around half of whom work in Switzerland.

At CHF 78.9 million, the operating result (EBITDA) was down CHF 4.1 million or around 5 percent from the prior-year period. The decline is explained by the one-off provision of CHF 6 million for the closing of the Bochum plant. Adjusted for exceptionals, EBITDA was on a par with the previous year. At CHF 25.1 million, the net profit was CHF 1.7 million less than in the same period last year.

Bell Switzerland still on the road to success

Sales for Bell Switzerland dropped by 0.8 percent to CHF 863 million. This marginal decline is due to the fact that sales prices were 3.6 percent lower on average. Sales volumes grew by 2.5 percent to 61,305 tonnes (+1,469 tonnes). This is an impressive performance, as Bell estimates the reduction in market volume for Switzerland at around 2 percent. Meat production from slaughter animals improved by 1.1 percent to 50,765 tonnes and from poultry by 4.4 percent to 12,437 tonnes. Swiss meat again accounted for most of the growth. Demand for domestic meat rose further while imports dropped substantially once again. Sales through the retail trade and food processing industry trended lower, while sales through the food service sector increased. After a generally good start in the first quarter of 2012, bad weather led to muted sales of barbecue products.



Bell Germany in the shadow of consolidation

Raw materials prices remained very high in the first half of the year. Some few price adjustments could be enforced in the market, but generally speaking the situation remained difficult. Sales for Bell Germany (incl. the Spanish production site) dropped by 1.1 percent to CHF 231 million. In local currency, sales grew by 4.3 percent. At 31,445 tonnes, sales volumes were down by 0.6 percent year-on-year. Sales of air-dried ham improved, while sales of scalded and cured sausages were down year-on-year due to the restructuring of some of Bell's product ranges. Following the restructuring of the product ranges, Bell can focus on value-added-intensive products.

Bell France reports good growth

Sales volumes for the dry sausage and ham ranges in France trended very positively and improved by 6.4 percent to 6,852 tonnes. Sales rose by 2.1 percent to CHF 53 million or 7.6 percent in local currency. Both the self-service and over-the-counter product ranges did very well. The extremely high raw materials prices remain problematic, as do the challenges of implementing the required price increases in the market.

Bell International performs erratically

Bell International's performance differed according to country. Business developed according to plan in Poland, even though the company still had to absorb currency fluctuations, while the persistently weak economy in Hungary led Bell to focus on efficiency improvements and profitable product ranges. Thanks to ongoing expansion, the branch shops in the Czech Republic, Slovakia and Romania did better than in the previous year. In the Benelux countries Bell had to digest the loss of the sales of one product group, which is the main reason why the sales of Bell International dropped by 12.6 percent to CHF 87 million. In euro, the decline was 7.9 percent. Bell International sold 10,380 tonnes in total (-13.3 percent).

Outlook

In the second half of the year, Bell will continue to consistently restructure its international activities in order to provide a firm foundation for continued profitable growth. If the market environment remains stable for the rest of the financial year, Bell expects its annual operating result to be on a par with the previous year.



Bell Group – key figures for first half

	HY 2012	HY 2011
Sales proceeds in CHF thousand	1,234,019	1,255,097
- <i>Switzerland</i>	863,324	870,420
- <i>Europe</i>	370,695	384,677
Sales volumes in tonnes	109'982	109'877
- <i>Switzerland</i>	61'305	59'836
- <i>Europa</i>	48'677	50'041
EBITDA in CHF thousand	78,902	83,048
Half-year profit in CHF thousand	25,085	26,805
Net capex in operating assets in CHF thousand	39,653	27,276
	as of 30.06.2012	as of 31.12.2011
Equity in CHF thousand	624,173	626,583
in % of assets	49.1 %	50.0 %
Earnings per share for first half in CHF	63	68
Average number of employees (FTEs)	6,259	6,062
- <i>Switzerland</i>	3,247	3,113
- <i>Europe</i>	3,012	2,949

The complete half-year report can be downloaded at <http://www.bell.ch/investor-relations/geschaeftsberichte.aspx> and the media release is available at <http://www.bell.ch/medien/medienmitteilungen.aspx>.

Photos and more information on the Bell Group can be found at www.bell.ch

About Bell

The Bell Group is one of the leading meat processors in Europe. Its range of products includes meat, poultry, charcuterie, seafood and convenience products. With the brands Bell, Abraham, ZIMBO, Mssieur Polette and Hoppe the Group meets a diversity of customer needs. Bell counts the retail and wholesale trade, food service sector and food processing industry among its customers. Some 6,500 employees generated consolidated sales of CHF 2.52 billion in 2011. Bell is listed on the Swiss stock exchange.

For more information:

Davide Elia, Head of Marketing/Communication
 Tel. +41 61 326 2212; davide.elia@bell.ch
 Bell Ltd, P.O. Box 2356, 4002 Basel, Switzerland