



Media release

Basel, 18 August 2015

Bell Group on a sound footing despite negative currency effects

Key factors influencing the Bell Group's first half in 2015 include the previously announced full consolidation of Hilcona on 1 May 2015 and the scrapping of the EUR/CHF floor in January. The company is on a sound footing in Switzerland, partly thanks to a good barbecue season, and operational progress was achieved in the company's international business. Revenue at CHF 1.28 billion was around 0.2 percent higher than the previous year. EBITDA rose to CHF 90.5 million and the net profit increased by around 5 percent to CHF 32 million after adjustment for currency effects.

As announced, Bell exercised the agreed option to purchase a further two percent of Hilcona AG as of 1 May 2015. This makes Bell the majority shareholder with a 51 percent stake and the Hilcona Group has been fully included in Bell's scope of consolidation since 1 May of the current year. This means significant changes in the balance sheet and in the results recognised before and after non-controlling interests.

Pleasing result for Bell Group

At CHF 1.28 billion (+0.2 %, CHF +2.98 million), the Bell Group's sales are on a par with the previous year. Sales revenue was reduced by currency translation differences of CHF 49 million and deflation of CHF 16 million in raw material prices. The sales volume before the addition of Hilcona was sustained at the previous year's level despite the challenging environment. Including Hilcona, it rose by 13.9 percent to 120,366 tonnes in the first half of the year.

EBITDA exceeded the previous year's level at CHF 90.5 million. This increase reflects the significant operating improvement in the company's results from international activities, currency effects and Hilcona's inclusion in the scope of consolidation. Net profit after taxes rose to CHF 33.6 million. The third-party interest in profit is around CHF 1.7 million. Adjusted for currency effects, net profit at CHF 32 million (+14.6 %, CHF +4.1 million) is up by around 5 percent on last year's figure. This is a pleasing result in view of the business environment and confirms the validity of our adopted strategy.

Bell Switzerland on a sound footing

The impact of the removal of the EUR/CHF floor is making itself felt in the Swiss market. The increase in shopping tourism has affected the entire retail market, which declined in the area of meat and meat products compared to the first half of 2014. Nevertheless, at 60,753 tonnes, Bell's sales volume remained stable at the previous year's level, not least thanks to a good start to the barbecue season. Sales revenue was around 2 percent below that of 2014 at CHF 897 million due to the significant deflation in pork, while profit was sustained at just under the 2014 level by effective cost management combined with attractive promotional discounts.



Bell Germany makes further progress in operations

Although Germany's market for sausage products continues to shrink, certain signs of recovery are emerging. Bell Germany's sales volume in the first half-year was slightly below that of 2014 at around 31,550 tonnes. This fall is market related and due to our own restructuring of our product range. Sales revenue in local currency was sustained at the previous year's level; in the reporting currency it went down by 14.3 percent to around CHF 204 million. Thanks to the focus on products with higher added value, innovations and cost optimisation measures, the operating result was significantly improved.

Bell International on course

Bell International is on course overall. Sales revenue in local currencies fell slightly short of the previous year across all countries; in the reporting currency it reduced to around CHF 107 million. In contrast, sales volume increased to 16,104 tonnes. Within the division, Bell France improved its volume and its operating result, although revenue declined. The Abraham France sales organisation was integrated into Bell France and its former head has taken on the overall leadership of Bell France. This will open up additional sales opportunities in France and in the export business. Bell Poland's business continues to grow and the expansion of production capacity is progressing on schedule. Bell's operation in Hungary achieved further significant progress in terms of added value. Bell Benelux suffered from the loss of a trading partner, but is well on track operationally. We are not satisfied with business growth in the Novak branches despite the geographical focus on the Czech Republic. We introduced measures in the first half of 2015 to restore them to their former earning power.

Hilcona achieves operating success despite negative currency effects

The Hilcona Group (Hilcona and Gastro Star) is performing above the previous year in the Swiss market. It continued to grow accordingly in the first half of the year. Exports to the eurozone suffered a decline due to currency effects. Measures to compensate for the accompanying loss of margin have been successfully launched.

Outlook

In Switzerland, the course of the barbecue season to date offers positive indications for the second half of the year. It can also be assumed that Hilcona's business performance will continue to develop successfully in the second half. The measures initiated in the international environment are leading to further operating progress. The result depends on the trend in raw material prices. The price war and pressure on margins in the retail market are expected to increase in this period. Overall, Bell expects a further profit improvement compared to 2014 in the second six months of the year.



The Bell Group's key figures	HY2015	HY2014	+/-
Proceeds from sale of goods in CHF 1,000	1,280,237	1,277,256	+0.2 %
Sales volume in tonnes	120,366	105,707	+13.9 %
EBITDA in CHF 1,000 in % of net income	90,480 7.2 %	81,564 6.4 %	+10.9 %
EBIT in CHF 1,000 in % of net income	45,457 3.6 %	39,085 3.1 %	+16.3 %
Half-year profit in CHF 1,000 in % of net income	31,954 2.5 %	27,881 2.2 %	+14.6 %
Net investments in property, plant and equipment in CHF 1,000	45,921	43,836	+4.8 %
Number of employees FTE	7,816	6,345	+23.2 %
- Switzerland	3,392	3,397	
- Europe	2,584	2,948	
- Hilcona	1,840	-	

Segments

Proceeds from sale of goods

- Bell Switzerland*	897	917	-2.2 %
- Bell Germany*	204	237	-14.3 %
- Bell International*	107	134	-20.4 %
- Hilcona Group*	88	-	-
- Consolidation	-15	-11	

*in CHF million; incl. sales with other Bell divisions

Sales volume

- Bell Switzerland*	60,753	60,583	+0.3 %
- Bell Germany*	31,550	31,643	-0.3 %
- Bell International*	16,104	15,519	+3.8 %
- Hilcona Group*	14,457	-	-
- Consolidation	-2,498	-2,038	

*in tonnes; incl. sales with other Bell divisions