

# BELL IN FIGURES

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All values rounded up/down individually

## Financial report

# SOUND BUSINESS DEVELOPMENT

Martin Gysin,  
Head of Finance/Services

In 2010 the Bell Group posted an increase in sales of 0.8 percent and an increase in operating income of 1.4 percent. In Switzerland, volume growth of 2.5 percent is juxtaposed by a drop in the average sales price of 0.4 percent. The decline of the euro neutralised the international growth in sales that would have become apparent through the first consolidation of Marco Polo. Volume growth of 8.4 percent comprises growth through acquisition of 5.8 percent and organic growth of 3.0 percent. This is juxtaposed by a decline in average sales prices in the eurozone of around 3.5 percent. While the core business in Switzerland was very successful in the reporting year, the foreign subsidiaries contributed less than expected to the result. The first half of the year was unsatisfactory. A slight recovery began in summer 2010 and will probably continue in 2011.

The gross profit rose to around CHF 864 million. The gross profit margin of 33.4 percent is slightly lower year-on-year. It should be noted that the net effect of the insurance proceeds from goods lost in the Frigo fire totalling CHF 6.6 million are included in the gross profit. Without this special influence the gross profit margin would be around 33.2 percent and therefore 0.1 percent less than the previous year.

At CHF 406 million, personnel expenses were down 1.6 percent year-on-year. Other operating costs decreased from 257 to CHF 246 million. Whilst the decline in personnel expenses is mainly due to changes in the scope of consolidation, operating expenses are affected by real savings of CHF 10 million. Total operating costs have fallen from 26.3 percent to 25.2 percent. These costs include special costs of CHF 0.8 million for the discontinuation of activities in Russia and the dissolution of CHF 1.5 million in reserves no longer required at the charcuterie plant in Basel, as well as a share of the insurance proceeds of CHF 1.2 million for the proportion of depreciation of tangible assets at Frigo. We have juxtaposed and therefore neutralised the extraordinary income of CHF 1.6 million from the acquisition of minority shares in Sanchez Alcaraz

(Abraham Group) with an increase in reserves for pension obligations in Germany of around CHF 1 million as well as with the elimination of residual goodwill of CHF 0.4 million. The earnings before interest, taxes, depreciation and amortisation (EBITDA) of CHF 213 million is up by 23 million year-on-year. The EBITDA margin of 8.2 percent has reached a new high.

EBIT has increased from 3.7 to 3.9 percent despite special depreciation for goodwill of CHF 17 million. The EBIT adjusted by exceptional factors is some CHF 110 million or 4.25 percent of operating income.

Special depreciation for goodwill became necessary because management assumes that the decline in the gross profit margin at Abraham and therefore also the net result will persist. This goes hand in hand with a reduction or adjustment to the remaining purchase price obligation for outstanding shares. Furthermore, we have eliminated CHF 0.4 million in residual goodwill in Belgium. The impairment test for the other goodwill positions did not show any additional need for adjustment.

The financial account contains capital gains of around CHF 6.6 million realised from loans in euros. These loans were largely carried back in 2010. Financial debts were reduced significantly by nearly CHF 150 million in the reporting year. Net debt at the end of 2010 lay at around CHF 190 million and thus more than 100 million less year-on-year.

The massive decline of the euro by around 16 percent during the reporting year led to a decrease of more than CHF 100 million in the balance sheet and CHF 50 million in equity.

The fire at Frigo has not yet been fully processed. The concluding decision of the public prosecutor in Basel City concerning the important question of guilt is still pending at the time of printing. The building insurance has pledged proceeds totalling CHF 9.2 million. Of these proceeds we have to date included only the



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**Martin Gysin**  
Head of Finance/Services (CFO)

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remaining value of CHF 1.2 million for the tangible assets in the calculation. The remaining amount has been capitalised and serves to cover demolition costs and any investment in replacements.

Deferred tax liabilities were not capitalised for the current period. We estimate the impact on tax expenses at around CHF 4.4 million.

The Marco Polo Group acquired in December 2009 was included in the Bell consolidated statements with effect from 1 January 2010. The stake was included as a financial investment in the annual report for 2009; reclassification to individual asset items was carried out during the initial consolidation. We were able to acquire minority shares in Sanchez Alcaraz during the course of the year. Bell will now consolidate Sanchez 100 percent retrospectively per 1 January 2010. The company FreshCo Wurstwarenvertrieb was founded to manage trading for "Du darfst". There were no other adjustments in the scope of consolidation for 2010.

On 20.01.2011 we were able to announce a cooperation\* with Hilcona AG in Schaan (Principality of Liechtenstein). The objective of the cooperation is to merge activities in the fresh convenience food segment under the umbrella of Hilcona to accelerate the cultivation of these growth markets. As a result, our Convenience business unit will be transferred to Bell Convenience AG on 01.01.2011 and deconsolidated. Hilcona, on the other hand, will be managed as a minority interest and consolidated "at equity" until we acquire the majority interest in 2015.

\*On condition of approval from COMCO

# Consolidated Balance Sheet

in CHF thousand	Appendix	31.12.2010		31.12.2009	
Liquid assets	1	33 674		81 395	
Securities	2	4 513		7 050	
Trade accounts receivable	3	146 526		142 197	
Receivables affiliated companies	4	93 121		95 885	
Other receivables		47 366		33 468	
Inventory	5	152 401		166 794	
Deferred expenses and accrued income		17 834		10 943	
<b>Current assets</b>		<b>495 436</b>	<b>42.4%</b>	537 731	41.1%
Financial assets	12	39 152		57 101	
Intangible assets	13	76 303		114 518	
Land and buildings	14	325 610		355 866	
Machinery and equipment	15	230 885		242 072	
<b>Non-current assets</b>		<b>671 950</b>	<b>57.6%</b>	769 557	58.9%
<b>Assets</b>		<b>1 167 386</b>	<b>100.0%</b>	1 307 288	100.0%
Current financial liabilities	9	107 329		110 246	
Trade accounts payable		145 667		127 572	
Accounts payable to affiliated companies	6	14 822		11 012	
Other accounts payable	7	49 403		41 714	
Current provisions	11	10 356		9 562	
Deferred income and accrued expenses	8	58 409		70 837	
<b>Current liabilities</b>		<b>385 986</b>	<b>33.1%</b>	370 943	28.5%
Non-current financial liabilities	9	121 134		273 549	
Non-current provisions	11	69 811		68 018	
<b>Long-term liabilities</b>		<b>190 945</b>	<b>16.4%</b>	341 566	26.1%
<b>Liabilities</b>		<b>576 931</b>	<b>49.4%</b>	712 509	54.5%
Share capital		2 000		2 000	
Retained earnings		584 299		544 175	
Currency translation differences		-67 352		-16 545	
Treasury shares deducted		-6 992		-9 019	
Consolidated profit		64 519		55 563	
<b>Equity before third-party interest in equity</b>		<b>576 474</b>	<b>49.4%</b>	576 175	44.1%
Third-party interest in equity		13 982		18 604	
<b>Equity</b>		<b>590 456</b>	<b>50.6%</b>	594 779	45.5%
<b>Liabilities and equity</b>		<b>1 167 386</b>	<b>100.0%</b>	1 307 288	100.0%

## Consolidated Income Statement

in CHF thousand	Appendix	2010		2009	
Sales proceeds	16	2 617 574		2 597 712	
Other operating proceeds	16	51 355		32 325	
<b>Gross proceeds</b>		<b>2 668 929</b>		<b>2 630 036</b>	
Reductions in proceeds	16	-84 652		-82 159	
<b>Operating income</b>		<b>2 584 277</b>	<b>100.0%</b>	2 547 877	100.0%
Cost of goods sold	24	1 720 353	66.6%	1 689 363	66.3%
<b>Gross operating profit</b>		<b>863 923</b>	<b>33.4%</b>	858 515	33.7%
Personnel expenses	17	405 671	15.7%	412 215	16.2%
Rent	18	24 607		25 985	
Energy, auxiliary materials	19	49 275		50 416	
Repair and maintenance		47 731		47 728	
Transport		66 021		68 373	
Advertising		22 821		28 964	
Other operating expenses	20/24	35 101		35 385	
<b>Total operating expenses</b>	21	<b>651 228</b>	<b>25.2%</b>	669 065	26.3%
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>212 695</b>	<b>8.2%</b>	189 449	7.4%
Depreciation of tangible assets	14/15/24	74 220	2.9%	79 903	3.1%
Depreciation of intangible assets	13	4 790		5 113	
Depreciation of goodwill *	13/24	32 449		9 386	
<b>Earnings before interest and taxes (EBIT)</b>		<b>101 236</b>	<b>3.9%</b>	95 047	3.7%
Financial income	22	11 058		9 974	
Financial expenses	22/24	13 144		20 995	
<b>Net profit before taxes (EBT)</b>		<b>99 150</b>	<b>3.8%</b>	84 026	3.3%
Taxes	23/24	33 083		27 833	
<b>Net profit after taxes</b>		<b>66 067</b>	<b>2.6%</b>	56 192	2.2%
Third-party interest in profit		-1 548		-629	
<b>Consolidated profit</b>		<b>64 519</b>	<b>2.5%</b>	55 563	2.2%

\* 2009 net, after deduction of profits from acquisition of participations. 2010 includes an extraordinary depreciation of goodwill of CHF thousand 17 166.

## Cash Flow Statement

in CHF thousand	2010		2009	
Net profit after taxes		66 067		56 192
Depreciation of tangible assets	73 038		75 486	
Extraordinary expenses for depreciation of assets	1 183		4 417	
Depreciation of intangible assets	20 072		19 886	
Extraordinary expenses for depreciation of intangible assets	17 166	111 459	-	99 789
Income (-) loss (+) from sale of fixed assets		-530		-161
Income (-) loss (+) from acquisition of participations		-1 584		-5 387
Loss from sale of participations		-		4 028
Income from evaluation of non-consolidated participations		-576		-2 019
Income (-) loss (+) on assets of foundation		-89		-687
Increase (-) decrease (+) deferred tax assets		568		811
Changes in provisions		4 878		-938
<b>Cash flow</b>		<b>180 193</b>		<b>151 628</b>
Inventory changes (-) increase (+) decrease	1 087		11 516	
Changes in receivables (-) increase (+) decrease	-16 908		-12 915	
Adjustments (-) increase (+) decrease	-10 078		-6 814	
Changes in current liabilities (+) increase (-) decrease	31 709		-35 330	
Adjustments (+) increase (-) decrease	-6 414	-604	9 908	-33 636
<b>Operating cash flow</b>		<b>179 589</b>		<b>117 992</b>
Investments in machinery and equipment	-50 756		-50 824	
Divestments of machinery and equipment	498	-50 258	1 625	-49 199
Investments in land and buildings	-11 129		-6 969	
Divestments of land and buildings	639	-10 490	1 206	-5 763
Investments in participations and financial assets	-49		-13 675	
Divestments of financial assets	2 771		1 004	
Divestments (+) / investments (-) of securities	2 536	5 258	2 690	-9 982
Investments in intangible assets	-7 481		-3 284	
Divestments of intangible assets	53	-7 428	70	-3 214
<b>Investment cash flow</b>		<b>-62 918</b>		<b>-68 157</b>
Changes in financial liabilities		-146 800		18 995
Investments (-) / divestments (+) in treasury shares		2 365		1 825
Dividends		-16 546		-15 688
<b>Financing cash flow</b>		<b>-160 981</b>		<b>5 132</b>
<b>Cash flow balance</b>		<b>-44 310</b>		<b>54 967</b>
Liquid assets as of January 01		81 395		26 492
Effect of currency translation on liquid assets		-3 411		-64
Changes in liquid assets		-44 310		54 967
Liquid assets as of December 31		33 674		81 395

## Statement of Changes in Equity

in CHF thousand	Share capital	Retained earnings	Currency translation differences	Own shares	Consolidated profit	Equity	Third-party interest in equity	Equity
<b>Equity as of 01.01.2010</b>	<b>2 000</b>	<b>544 175</b>	<b>-16 545</b>	<b>-9 019</b>	<b>55 563</b>	<b>576 175</b>	<b>18 604</b>	<b>594 779</b>
Changes in consolidated scope	-	-	-	-	-	-	-	-
Acquisition minorities	-	-	-	-	-	-	-2 954	-2 954
Appropriation of annual profit	-	55 563	-	-	-55 563	-	-	-
Dividends	-	-15 778	-	-	-	-15 778	-768	-16 546
Additions/disposals of treasury shares	-	338	-	2 027	-	2 365	-	2 365
Consolidated profit	-	-	-	-	64 519	64 519	1 548	66 067
Influence of foreign currency translation	-	-	-50 807	-	-	-50 807	-2 448	-53 255
<b>Equity as of 31.12.2010</b>	<b>2 000</b>	<b>584 299</b>	<b>-67 352</b>	<b>-6 992</b>	<b>64 519</b>	<b>576 474</b>	<b>13 982</b>	<b>590 456</b>
Equity as of 01.01.2009	2 000	500 795	-15 600	-10 836	59 061	535 420	3 289	538 709
Changes in consolidated scope	-	-	-	-	-	-	14 745	14 745
Appropriation of annual profit	-	59 061	-	-	-59 061	-	-	-
Dividends	-	-15 688	-	-	-	-15 688	-	-15 688
Additions/disposals of treasury shares	-	8	-	1 817	-	1 825	-	1 825
Consolidated profit	-	-	-	-	55 563	55 563	629	56 192
Influence of foreign currency translation	-	-	-945	-	-	-945	-59	-1 004
Equity as of 31.12.2009	2 000	544 175	-16 545	-9 019	55 563	576 175	18 604	594 779

	Number of shares 01.01.	Additions in treasury shares	Disposals of treasury shares	Addition treasury shares for employee stock ownership plan	Disposal treasury shares for employee stock ownership plan	Number of shares 31.12.
<b>Shares</b>						
<b>Shares issued</b>	<b>400 000</b>	-	-	-	-	<b>400 000</b>
Treasury shares	-6 938	-325	1 323	-8	632	-5 316
<b>Shares in circulation as of 2010</b>	<b>393 062</b>	<b>-325</b>	<b>1 323</b>	<b>-8</b>	<b>632</b>	<b>394 684</b>
Shares issued	400 000	-	-	-	-	400 000
Treasury shares	-8 335	-	686	-6	717	-6 938
Shares in circulation as of 2009	391 665	-	686	-6	717	393 062

## Consolidation and valuation principles

**Basic principles** The principles governing consolidation, valuation, structure and presentation comply with the Financial Reporting Standards (Swiss GAAP FER). They apply to all companies included in the scope of consolidation.

**Scope of consolidation** All companies of which Bell Holding Ltd directly or indirectly owns more than 50 percent of the votes or exercises control under a contractual agreement are fully integrated in this balance sheet and income statement. Investments where Bell owns more than 20 percent but less than 50 percent of the votes are measured and recognised in the balance sheet at the equity ratio. Investments equalling less than 20 percent are included in the balance sheet at the share price as at 31 December. If no share price was available, the investment is measured at cost minus a value adjustment if there was any impairment. An overview of the companies in which Bell has a stake and a description of the treatment of these associates in the consolidated financial statements are provided on page 66 of the annual report.

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

### Exchange rates

		2010		2009	
Balance sheet	EUR 1	= CHF	1.2500	= CHF	1.4850
	CZK 1	= CHF	0.0500	= CHF	0.0560
	HUF 100	= CHF	0.4500	= CHF	0.5500
	PLN 1	= CHF	0.3150	= CHF	0.3610
Income statement	USD 1	= CHF	0.9350	= CHF	1.0350
	EUR 1	= CHF	1.3700	= CHF	1.5094
	CZK 1	= CHF	0.0543	= CHF	0.0569
	HUF 100	= CHF	0.4967	= CHF	0.5358
	PLN 1	= CHF	0.3428	= CHF	0.3496

**Consolidation of assets and liabilities, intra-group sales and intra-group profits** All intra-group assets and liabilities are set off and eliminated as part of the consolidation process. Differences resulting from applying different exchange rates to net investments in foreign companies are recognised in equity without affecting profit or loss. All intra-group payables and receivables are set off and eliminated as part of the consolidation process. Elimination of intra-group profits is deemed unnecessary, as the companies trade among

themselves at market conditions, so that the impact on the Group's income statement is insignificant.

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

**Valuation** As a general rule, the historical cost method is used. The current assets are valued at the lower of cost or market value. Tangible fixed assets are recognised at cost minus required depreciation. The same valuation principles apply to all consolidated companies. The land and buildings owned by the companies consolidated for the first time were revalued at the time of the takeover and recognised in the consolidated statements. For the other tangible assets, the residual values were recalculated on the historical cost basis in accordance with Bell's depreciation criteria and adjusted in the consolidated statements.

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

**Securities** comprise marketable securities that are recognised in the balance sheet at the stock price on 31 December.

**Receivables** Identifiable and actual losses are charged to the income statement in the year in which they occurred. The impairment for unidentifiable risks equals 1 percent of the accounts receivable. The total impairment amount is disclosed in the notes.

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

**Deferred tax assets** result from loss carry-forwards on the initial consolidation. These are not considered to be impaired.

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

**Non-current assets** Please refer to page 66 for an overview of the Group's non-consolidated investments in 2010.



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

**Useful life of non-current assets:**

Production and administration buildings	30-40 years
Machines and equipment	8-10 years
Installations	10-15 years
Vehicles	5-7 years
Furniture	5-10 years
IT Hardware	4 years
Software	4 years
Trademarks	8 years
Goodwill	5-8 years

Intangible non-current assets comprise software, acquired trademarks and goodwill. In 2010, the minority shares in Sanchez Alcaraz resulted in negative goodwill of CHF 1.5 million. We have compared it to other one-off costs with regard to operating expenses. The first consolidation of Marco Polo revealed a goodwill value totalling CHF 12.7 million. The impairment tests at Abraham revealed an additional depreciation of goodwill of CHF 17.2 million and an adjustment of CHF 5.5 million due to a reduction in the remaining purchase price. Special depreciation for goodwill became necessary because management assumes that the decline in the gross profit margin at Abraham and therefore also the net result will persist. The impairment tests did not reveal any further need for adjustments.

**Provisions / pension liabilities** Accruals and provisions are set up and measured in accordance with objective and economic principles, and risks are adequately accounted for. Taxes are deferred in accordance with the liability method on all differences between the FER values and the taxable carrying values at the average tax rate that applies to our Group, i.e. 23.5 percent for Switzerland, 27 percent for Germany and France and 25 percent for the other countries.

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 100.1 percent at the end of 2010. Other personnel liabilities are only recognised in the balance sheet if they are not carried by CPV/CAP.

Bell Ltd's employee benefits foundation is currently in liquidation.

The free foundation capital is recognised under financial assets.

**Equity** Since 2008, changes in equity are reported separately as a sub-item of equity. Transaction gains and dividends on treasury shares are allocated directly to the retained earnings.

**Employee share participation plan** From the third year of service, every employee of Bell Group is entitled to buy five (members of Board of Directors, Executive Board and management ten) Bell Holding Ltd shares each calendar year at a price of 80 percent of the share value in the calendar month immediately preceding the purchase. The members of the Executive Board and senior management can also be paid half of their profit share in Bell Holding Ltd shares. Shares allocated under this employee share participation plan may not be sold for a period of four years. Under this plan, 632 shares were distributed to employees in 2010 (prior year 717) and 8 shares were taken back (prior year 6).

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

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

**Events occurring after the balance sheet date**

On 20 January 2011 we were able to announce collaboration with Hilcona AG in the fresh convenience food segment. Bell will transfer its Convenience Food business unit to Hilcona AG and in return acquire an initial 49 percent of the capital of Hilcona AG, to be followed four years later by a further 2 percent. Bell Convenience will be transferred to Bell Convenience AG as of 1 January 2011 and subsequently deconsolidated. The investment in this company will be consolidated at equity until the acquisition of the majority interest in 2015. The transaction was pending the approval of the competent authorities at the time of the editorial deadline.

## Appendix to Consolidated Balance Sheet

in CHF thousand	2010	Share	2009
<b>1. Liquid assets</b>			
Cash	1 047	3.1%	1 221
Cash in post office accounts	587	1.7%	202
Cash in banks	31 306	93.0%	25 546
Fixed deposits	734	2.2%	54 426
<b>Liquid assets</b>	<b>33 674</b>	<b>100.0%</b>	<b>81 395</b>
<b>Liquid assets by currency</b>			
CHF	7 705	22.9%	62 108
EUR	19 888	59.1%	11 358
Other currencies	6 080	18.1%	7 929
<b>Liquid assets</b>	<b>33 674</b>	<b>100.0%</b>	<b>81 395</b>
<b>2. Securities</b>			
Shares and similar investments	4 513	100.0%	2 536
Bonds and similar investments	-	-	4 514
<b>Securities</b>	<b>4 513</b>	<b>100.0%</b>	<b>7 050</b>
<b>3. Trade accounts receivable</b>			
Valuation adjustment balanced in receivables	-1 758		-1 633
<b>4. Receivables affiliated companies</b>			
Companies of the Coop Group	73 692	79.1%	77 985
Other affiliated companies	19 429	20.9%	17 900
<b>Receivables affiliated companies</b>	<b>93 121</b>	<b>100.0%</b>	<b>95 885</b>
<b>5. Inventory</b>			
Raw materials and finished goods	145 676	95.6%	160 487
Auxiliary materials	15 652	10.3%	12 479
Value adjustments on the basis of value impairments	-8 927	-5.9%	-6 172
<b>Inventory</b>	<b>152 401</b>	<b>100.0%</b>	<b>166 794</b>
<b>6. Accounts payable to affiliated companies</b>			
Accounts payable to Coop	13 701	92.4%	9 203
Accounts payable to other affiliated companies	1 121	7.6%	1 810
<b>Accounts payable to affiliated companies</b>	<b>14 822</b>	<b>100.0%</b>	<b>11 012</b>

## Appendix to Consolidated Balance Sheet

in CHF thousand	2010	Share	2009
<b>7. Other accounts payable</b>			
Shareholders	10	0.0%	10
VAT	6 904	14.0%	1 551
Capital and profit taxes	21 837	44.2%	25 875
Other taxes	1 428	2.9%	1 732
Miscellaneous third parties	19 225	38.9%	12 545
<b>Other accounts payable</b>	<b>49 403</b>	<b>100.0%</b>	<b>41 714</b>
<b>8. Deferred income and accrued expenses</b>			
Miscellaneous deferred expense	40 572	69.5%	52 320
Accrued personnel and social security expense	17 837	30.5%	18 517
<b>Deferred income and accrued expenses</b>	<b>58 409</b>	<b>100.0%</b>	<b>70 837</b>
<b>9. Financial liabilities</b>			
Loans and credits from banks	107 052	46.9%	105 045
Loans with affiliated companies	277	0.1%	-
Current accounts with third parties	-	-	5 202
<b>Current financial liabilities</b>	<b>107 329</b>	<b>47.0%</b>	<b>110 246</b>
Non-current loans and credits	109 134	47.8%	273 549
Non-current loans with affiliated companies	12 000	5.3%	-
<b>Non-current financial liabilities</b>	<b>121 134</b>	<b>53.0%</b>	<b>273 549</b>
<b>Financial liabilities</b>	<b>228 462</b>	<b>100.0%</b>	<b>383 795</b>
<b>Maturity structure of financial liabilities</b>			
Due within 360 days	107 329	47.0%	110 246
Due within two years	33 733	14.8%	39 346
Due within three years and later	87 400	38.3%	234 203
<b>Financial liabilities</b>	<b>228 462</b>	<b>100.0%</b>	<b>383 795</b>
<b>Financial liabilities by currency</b>			
CHF	121 258	53.1%	234 229
EUR	107 054	46.9%	149 364
Other currencies	150	0.1%	202
<b>Financial liabilities</b>	<b>228 462</b>	<b>100.0%</b>	<b>383 795</b>
<b>10. Acquisition of companies</b>			
	<b>Marco Polo N.V. 01.01.2010</b>		
Liquid assets	2 391		
Trade accounts receivable	16 022		
Inventory	1 898		
Tangible assets	4 340		
Trade accounts payable	13 722		
Financial liabilities	8 846		

## Appendix to Consolidated Balance Sheet

in CHF thousand	Early retirements	Long service awards	Holiday and extra hours charges	Deferred taxes	Other provisions	Restructuring	Total
<b>11. Provisions</b>							
<b>Provisions as of 01.01.2010</b>	<b>21 147</b>	<b>3 195</b>	<b>5 222</b>	<b>39 442</b>	<b>8 274</b>	<b>300</b>	<b>77 580</b>
Changes in consolidated scope	-	-	-	-	-	-	-
Reclassification accruals	-	-	-	-	-	-	-
Reclassification	397	-397	-134	-	134	-	-
Established	2 227	1 398	3 708	9 344	77	1 364	18 118
Used	-1 104	-1 169	-4 012	-4 137	-2 518	-300	-13 240
Currency translation effects	-741	-	-76	-576	-898	-	-2 291
<b>Provisions as of 31.12.2010</b>	<b>21 926</b>	<b>3 027</b>	<b>4 708</b>	<b>44 073</b>	<b>5 069</b>	<b>1 364</b>	<b>80 167</b>
Non-current provisions 2010	19 522	1 958	-	44 073	4 259	-	69 811
Current provisions 2010	2 404	1 070	4 708	-	810	1 364	10 356
Provisions as of 01.01.2009	15 462	2 911	9 061	36 865	29 026	1 010	94 335
Changes in consolidated scope	3 950	-	507	2 287	-739	-	6 005
Reclassification accruals	-	-	-	-	-21 676	-	-21 676
Reclassification	-	-	-834	-	834	-	-
Established	2 097	1 042	1 112	835	1 911	-	6 997
Used	-348	-758	-4 595	-531	-993	-710	-7 935
Currency translation effects	-14	-	-29	-14	-89	-	-146
Provisions as of 31.12.2009	21 147	3 195	5 222	39 442	8 274	300	77 580
Non-current provisions 2009	19 702	2 073	-	39 442	6 801	-	68 018
Current provisions 2009	1 445	1 122	5 222	-	1 473	300	9 562

## Appendix to Consolidated Balance Sheet

in CHF thousand	Non consolidated holdings	Loans to affiliated companies *	Loans to third parties	Equity of foundation	Deffered tax assets	Other financial assets	Total
<b>12. Financial assets</b>							
<b>Value as of 01.01.2010</b>	<b>40 851</b>	<b>2 628</b>	<b>667</b>	<b>6 037</b>	<b>6 690</b>	<b>228</b>	<b>57 101</b>
Purchase price as of 01.01.2010	40 851	2 628	667	6 037	6 690	228	57 101
Changes in consolidated scope	-13 707	-	-	-	-	-	-13 707
Investments	-	-	-	-	-	-	-
Divestments	-53	-1 495	-218	-1 006	-	-	-2 771
Revaluation	576	-	-	89	-568	-	97
Reclassification	537	-537	-	-	-	-	-
Currency translation effects	-566	14	-	-	-1 015	-	-1 567
<b>Value as of 31.12.2010</b>	<b>27 639</b>	<b>610</b>	<b>449</b>	<b>5 119</b>	<b>5 106</b>	<b>228</b>	<b>39 152</b>
Value as of 01.01.2009	114 961	3 300	1 417	5 725	2 347	728	128 478
Purchase price as of 01.01.2009	114 961	3 300	1 417	5 725	2 347	728	128 478
Changes in consolidated scope	-89 826	-	-579	-	5 238	-55	-85 222
Investments	14 000	428	-	-	-	129	14 558
Divestments	-	-1 100	-158	-375	-	-584	-2 217
Revaluation	2 019	-	-	687	-811	-	1 895
Currency translation effects	-303	-	-13	-	-84	9	-391
Value as of 31.12.2009	40 851	2 628	667	6 037	6 690	227	57 101

\* There are no loans to the corporation entities.

## Appendix to Consolidated Balance Sheet

in CHF thousand	Software	Trademarks	Others rights	Goodwill	Total
<b>13. Intangible assets</b>					
<b>Value as of 01.01.2010</b>	<b>6 148</b>	<b>10 266</b>	<b>973</b>	<b>97 130</b>	<b>114 518</b>
Purchase price as of 01.01.2010	26 776	12 228	1 492	143 000	<b>183 497</b>
Changes in consolidated scope	-10	-	-1	12 465	<b>12 454</b>
Investments	7 215	-	33	233	<b>7 481</b>
Divestments	-2 740	-	-	-	<b>-2 740</b>
Adjustment selling price	-	-	-	-5 480	<b>-5 480</b>
Reclassification	883	-	42	-	<b>925</b>
Currency translation effects	-959	-1 935	-242	-19 931	<b>-23 067</b>
Purchase price as of 31.12.2010	31 166	10 293	1 324	130 287	<b>173 071</b>
Cumulative depreciation as of 01.01.2010	20 628	1 962	519	45 870	<b>68 979</b>
Changes in consolidated scope	-17	-	-1	255	<b>237</b>
Depreciation	3 389	1 370	30	15 283	<b>20 072</b>
Extraordinary depreciation	-	-	-	17 166	<b>17 166</b>
Cumulative depreciation of divestments	-2 687	-	-	-	<b>-2 687</b>
Reclassification	-42	-	42	-	<b>-</b>
Currency translation effects	-552	-430	-87	-5 931	<b>-7 000</b>
Cumulative depreciation as of 31.12.2010	20 719	2 902	502	72 644	<b>96 767</b>
<b>Value as of 31.12.2010</b>	<b>10 447</b>	<b>7 391</b>	<b>822</b>	<b>57 644</b>	<b>76 303</b>
Value as of 01.01.2009	5 541	11 790	878	68 361	86 570
Purchase price as of 01.01.2009	21 846	11 920	1 322	98 180	133 268
Changes in consolidated scope	2 359	348	96	45 061	47 864
Investments	3 195	-	89	-	3 284
Divestments	-1 182	-	-9	-	-1 191
Reclassification	569	-	-	-	569
Currency translation effects	-11	-40	-5	-240	-297
Purchase price as of 31.12.2009	26 776	12 228	1 492	143 000	183 497
Cumulative depreciation as of 01.01.2009	16 305	130	444	29 819	46 698
Changes in consolidated scope	1 885	348	52	1 527	3 813
Depreciation *	3 572	1 509	32	14 773	19 886
Extraordinary depreciation	-	-	-	-	-
Cumulative depreciation of divestments	-1 114	-	-7	-	-1 121
Reclassification	-	-	-	-	-
Currency translation effects	-20	-25	-3	-250	-297
Cumulative depreciation as of 31.12.2009	20 628	1 962	519	45 870	68 979
Value as of 31.12.2009	6 148	10 266	973	97 130	114 518

\* In the income statement the profit from negative goodwill was set off against depreciation of goodwill.

## Appendix to 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>Value as of 01.01.2010</b>	<b>50 333</b>	<b>300 227</b>	<b>930</b>	<b>4 376</b>	<b>355 866</b>
Purchase price as of 01.01.2010	50 428	587 159	2 468	4 376	<b>644 431</b>
Changes in consolidated scope	780	3 595	37	-	<b>4 412</b>
Investments	-	9 037	-	2 092	<b>11 129</b>
Divestments	-215	-14 901	-	-22	<b>-15 139</b>
Reclassification	-	1 363	-	-2 198	<b>-835</b>
Currency translation effects	-2 644	-32 213	-49	-308	<b>-35 214</b>
Purchase price as of 31.12.2010	48 348	554 039	2 456	3 940	<b>608 784</b>
Cumulative depreciation as of 01.01.2010	95	286 932	1 538	-	<b>288 564</b>
Changes in consolidated scope	-	247	3	-	<b>251</b>
Depreciation	-	21 350	175	-	<b>21 525</b>
Extraordinary depreciation	-	1 010	-	-	<b>1 010</b>
Cumulative depreciation of divestments	-	-15 030	-	-	<b>-15 030</b>
Reclassification	-	-844	-	-	<b>-844</b>
Currency translation effects	-15	-12 248	-40	-	<b>-12 303</b>
Cumulative depreciation as of 31.12.2010	80	281 418	1 676	-	<b>283 173</b>
<b>Value as of 31.12.2010</b>	<b>48 268</b>	<b>272 621</b>	<b>781</b>	<b>3 940</b>	<b>325 610</b>
Value as of 01.01.2009	40 048	282 540	1 223	10 512	334 323
Purchase price as of 01.01.2009	40 199	527 346	2 821	10 512	580 878
Changes in consolidated scope	10 942	52 470	2	21	63 436
Investments	23	3 213	26	3 708	6 969
Divestments	-70	-752	-374	-127	-1 322
Reclassification	-639	5 646	-	-9 710	-4 703
Currency translation effects	-26	-765	-6	-29	-826
Purchase price as of 31.12.2009	50 428	587 159	2 468	4 376	644 431
Cumulative depreciation as of 01.01.2009	150	244 806	1 598	-	246 554
Changes in consolidated scope	-	17 856	-	-	17 856
Depreciation	-55	21 410	276	-	21 631
Extraordinary depreciation	-	3 489	-	-	3 489
Cumulative depreciation of divestments	-	143	-259	-	-116
Reclassification	-	-	-	-	-
Currency translation effects	-	-772	-77	-	-849
Cumulative depreciation as of 31.12.2009	95	286 932	1 538	-	288 564
Value as of 31.12.2009	50 333	300 227	930	4 376	355 866

«Land and buildings» includes activated leasings to the booking value of CHF thousand 6 741 (previous year CHF thousand 7 172).

## Appendix to Consolidated Balance Sheet

in CHF thousand	Machinery and equipment	Installations	IT Hardware	Furnishings and vehicles	Advance Payments	Total
<b>15. Machinery and equipment</b>						
<b>Value as of 01.01.2010</b>	<b>127 565</b>	<b>76 627</b>	<b>6 904</b>	<b>26 376</b>	<b>4 600</b>	<b>242 072</b>
Purchase price as of 01.01.2010	388 453	175 484	30 495	96 373	4 600	<b>695 405</b>
Changes in consolidated scope	-374	-	38	120	-	<b>-217</b>
Investments	20 614	10 331	3 039	5 426	11 346	<b>50 756</b>
Divestments	-8 411	-1 973	-2 644	-6 844	-	<b>-19 873</b>
Reclassification	1 933	1 260	273	837	-4 393	<b>-90</b>
Currency translation effects	-25 947	-1 419	-202	-6 736	-718	<b>-35 023</b>
Purchase price as of 31.12.2010	376 268	183 682	30 999	89 175	10 835	<b>690 959</b>
Cumulative depreciation as of 01.01.2010	260 888	98 857	23 592	69 997	-	<b>453 333</b>
Changes in consolidated scope	-438	-	15	34	-	<b>-390</b>
Depreciation	26 677	13 075	3 232	8 529	-	<b>51 513</b>
Extraordinary depreciation	-	172	-	-	-	<b>172</b>
Cumulative depreciation of divestments	-8 197	-1 972	-2 644	-6 561	-	<b>-19 374</b>
Reclassification	-	844	25	-24	-	<b>844</b>
Currency translation effects	-19 768	-798	-122	-5 334	-	<b>-26 023</b>
Cumulative depreciation as of 31.12.2010	259 160	110 178	24 097	66 639	-	<b>460 075</b>
<b>Value as of 31.12.2010</b>	<b>117 108</b>	<b>73 504</b>	<b>6 902</b>	<b>22 536</b>	<b>10 835</b>	<b>230 885</b>
Value as of 01.01.2009	107 950	84 797	6 112	22 967	3 628	225 454
Purchase price as of 01.01.2009	314 576	179 652	33 798	74 778	3 628	606 433
Changes in consolidated scope	68 445	-8 843	87	12 183	419	72 290
Investments	26 086	9 503	3 443	7 135	4 657	50 824
Divestments	-15 598	-6 286	-7 047	-7 341	-1 021	-37 294
Reclassification	-4 346	1 513	217	9 837	-3 070	4 150
Currency translation effects	-710	-55	-2	-219	-12	-998
Purchase price as of 31.12.2009	388 453	175 484	30 495	96 373	4 600	695 405
Cumulative depreciation as of 01.01.2009	206 626	94 856	27 686	51 812	-	380 980
Changes in consolidated scope	50 368	-3 954	-18	7 876	-	54 272
Depreciation	27 413	13 568	2 972	9 903	-	53 856
Extraordinary depreciation	-	928	-	-	-	928
Cumulative depreciation of divestments	-15 397	-6 285	-7 044	-7 104	-	-35 830
Reclassification	-7 488	-214	-1	7 702	-	-
Currency translation effects	-634	-42	-5	-192	-	-873
Cumulative depreciation as of 31.12.2009	260 888	98 857	23 592	69 997	-	453 333
Value as of 31.12.2009	127 565	76 627	6 904	26 376	4 600	242 072

«Machinery and equipment» includes activated leasings to the booking value of CHF thousand 2 599 (previous year CHF thousand 3 540).



## Appendix to Consolidated Income Statement

in CHF thousand	2010	Difference	2009
<b>16. Operating income</b>			
<b>Product groups</b>			
Fresh meat	809 552	4.4%	775 373
Charcuterie own production	364 284	-3.4%	377 083
Charcuterie purchased	80 791	5.3%	76 732
Poultry	334 583	-1.5%	339 617
Meat specialities (game, rabbit and others)	19 588	10.2%	17 771
Seafood	103 809	19.9%	86 551
Convenience	84 085	3.2%	81 478
Other sales	11 081	-54.9%	24 565
<b>Product groups Switzerland</b>	<b>1 807 773</b>	1.6%	1 779 170
Charcuterie	742 012	3.0%	720 696
Other sales	67 789	-30.7%	97 846
<b>Product groups international</b>	<b>809 801</b>	-1.1%	818 542
<b>Sales by product group</b>	<b>2 617 574</b>	0.8%	2 597 712
<b>Distribution channels</b>			
Sales to Coop	1 182 242	3.1%	1 146 965
Sales to other affiliated companies	181 536	-2.4%	185 916
Sales to wholesale	434 960	0.9%	430 897
Sales to end consumers	9 035	-41.3%	15 392
<b>Distribution channels Switzerland</b>	<b>1 807 773</b>	1.6%	1 779 170
Sales to wholesale	742 012	3.0%	720 696
Sales to end consumers	67 789	-30.7%	97 846
<b>Distribution channels international</b>	<b>809 801</b>	-1.1%	818 542
<b>Sales by distribution channel</b>	<b>2 617 574</b>	0.8%	2 597 712
<b>Sales by country *</b>			
Switzerland	1 807 773		1 779 170
Germany	449 771		489 458
France	100 209		130 131
Other Western Europe	110 903		20 272
Eastern Europe	148 917		178 681
<b>Sales by country</b>	<b>2 617 574</b>	0.8%	2 597 712
* calculation base production site			
Additional proceeds from Coop	1 712	-11.9%	1 943
Additional proceeds from affiliated companies	124	-3.2%	128
Additional third-party proceeds	38 672	44.4%	26 780
<b>Other operating proceeds Switzerland</b>	<b>40 508</b>	40.4%	28 851
<b>Other operating proceeds international</b>	<b>10 847</b>		3 474
<b>Other operating proceeds</b>	<b>51 355</b>	58.9%	32 325
Reductions in proceeds with Coop	31 101	25.0%	24 888
Other reductions in proceeds	9 079	12.9%	8 043
<b>Reductions in proceeds Switzerland</b>	<b>40 180</b>	22.0%	32 931
<b>Reductions in proceeds international</b>	<b>44 472</b>		49 228
<b>Reductions in proceeds</b>	<b>84 652</b>	3.0%	82 159

A 10-year contract (with a commitment to supply and purchase) with Coop came into effect as of January 01, 2001. This contract has been extended for additional five years. The supply of products to Coop is carried out under market conditions in consideration of Coop's purchase volume. Sales reductions include a bonus agreement on volume and sales figures which is stipulated in advance on a yearly basis by means of a business plan.

## Appendix to Consolidated Income Statement

in CHF thousand	2010	Difference	2009
<b>17. Personnel expenses</b>			
Wages and salaries	270 963	-5.2%	285 959
Employers' contributions	64 219	17.6%	54 609
Other personnel expenses	15 470	-8.0%	16 815
Outside work expenses	55 019	0.3%	54 831
<b>Personnel expenses</b>	<b>405 671</b>	<b>-1.6%</b>	<b>412 215</b>

Contributions include social security contributions to the CPV/CAP Coop pension plan and other pension funds:

CHF thousand 19 333 / previous year CHF thousand 21 120

Compensation for members of Board of Directors and Members of Group Executive Board	Shares held as of 31.12. number		Remuneration cash fix	Share subscription number CHF thousand		Total CHF thousand
<b>Board of Directors</b>						
Hansueli Loosli, Chairman *	2010	17	90	4	7	97
	2009	3	62	3	5	67
Hans Peter Schwarz, Vice Chairman *	2010	104	70	4	7	77
	2009	90	71	4	6	77
Jörg Ackermann, Member *	2010	55	60	4	7	67
	2009	44	62	4	6	68
Irene Kaufmann-Brändli, Member *	2010	17	60	4	7	67
	2009	3	42	3	5	47
Werner Marti, Member	2010	8	60	4	7	67
	2009	4	42	4	6	48
Joachim Zentes, Member	2010	92	60	4	7	67
	2009	88	66	1	1	67
2 members left as of 04/2009	2009	-	27	2	3	30
<b>Board of Directors</b>	<b>2010</b>	<b>293</b>	<b>400</b>	<b>24</b>	<b>41</b>	<b>441</b>
	2009	232	372	21	32	404

\* The cash remuneration is forwarded to the giver of the mandate Coop

		Remuneration		Share subscription		Non-cash remuneration and contributions to pension fund	Total
		fixed	variable	number	CHF thousand	CHF thousand	CHF thousand
<b>Group Executive Board *</b>							
Adolphe R. Fritschi, CEO until 30.11.2010 **	2010	584	49	32	46	426	1 106
	2009	521	52	36	46	176	795
Martin Gysin, Deputy CEO of the Group Executive Board	2010	393	46	31	46	48	533
	2009	391	39	30	40	110	579
Thorid Klantschitsch, Head of Bell Switzerland	2010	354	37	27	41	81	512
	2009	81	7	4	5	6	100
Remaining Executive Board in total	2009	1 134	115	75	94	301	1 644

\* Top management as of 2010 Group Executive Board (previously Executive Board) \*\* Including disbursements

	2010	2009
<b>Shares held as of 31.12. (number)</b>		
Adolphe R. Fritschi	202	154
Martin Gysin	133	93
Thorid Klantschitsch	9	4
Other employees	2 126	2 456

## Appendix to Consolidated Income Statement

in CHF thousand

### Employee benefits

		Excess/shortfall in cover	Economic benefits/ obligations	Change in comparison to previous year	Employer contributions	Costs of benefits
<b>Economic consequences</b>						
Company's pension fund foundation	2010	5 120	5 120	-917	-	-917
	2009	6 037	6 037	312	-	312
CPV/CAP pension fund *	2010	-	-	-	19 333	19 333
	2009	-	-	-	21 120	21 120
<b>Total</b>	<b>2010</b>	<b>5 120</b>	<b>5 120</b>	<b>-917</b>	<b>19 333</b>	<b>18 416</b>
	2009	6 037	6 037	312	21 120	21 432

\* The working capital ratio amounts to 100.1 percent as of 31 December 2010.

	2010	Difference	2009
<b>18. Rent</b>			
Building lease	11 484	16.1%	9 895
Lease of machinery and equipment	8 753	-14.9%	10 280
Third-party storage	4 370	-24.8%	5 810
<b>Rent</b>	<b>24 607</b>	<b>-5.3%</b>	<b>25 985</b>
<b>19. Energy, auxiliary materials</b>			
Electricity	23 298	-6.8%	24 998
Water	5 331	-4.8%	5 601
Fuel	1 805	-8.8%	1 979
Other energy	6 099	1.0%	6 037
Auxiliary materials	12 742	8.0%	11 802
<b>Energy, auxiliary materials</b>	<b>49 275</b>	<b>-2.3%</b>	<b>50 416</b>
<b>20. Other operating expenses</b>			
Administrative expenses	17 396	5.7%	16 461
Insurance and duties	8 642	27.7%	6 769
Capital tax and other corporate taxes	1 976	-33.0%	2 948
Miscellaneous operating expenses	7 087	-23.0%	9 207
<b>Other operating expenses</b>	<b>35 101</b>	<b>-0.8%</b>	<b>35 385</b>

Included in operating expenses:

<b>21. Expenses with affiliated companies</b>			
Building lease	4 497	-1.1%	4 549
Lease of machinery and equipment	5 354	-13.4%	6 182
Repair and maintenance	861	59.4%	540
Energy and auxiliary materials	2 319	3.3%	2 246
Advertising	4 272	26.1%	3 388
Other operating expenses	767	-28.5%	1 072
<b>Expenses with affiliated companies</b>	<b>18 070</b>	<b>0.5%</b>	<b>17 977</b>

## Appendix to Consolidated Income Statement

in CHF thousand	2010	2009
<b>22. Financial return/financial expenses</b>		
Interest on fixed deposits and other interest	634	954
Interest from affiliated companies	341	443
Gains on foreign currency transactions	7 964	4 071
Gains on securities, realised and not realised	1 207	2 293
Return on holdings	912	2 213
<b>Financial return</b>	<b>11 058</b>	9 974
Interest to affiliated companies	314	300
Other interest	10 186	11 417
Bank charges and commissions	915	860
Losses on depreciation of participations	-	4 028
Losses on foreign currency transactions	1 602	3 345
Losses on securities, realised and not realised	127	1 045
<b>Financial expenses</b>	<b>13 144</b>	20 995
<b>Financial return/financial expenses</b>	<b>-2 086</b>	-11 021
Average cost of interest-bearing liabilities	3.73%	3.68%

Interest rates of fixed advance payments and mortgages vary between 1.32 percent and 1.43 percent in Swiss francs and between 1.82 percent and 4.94 percent in foreign currencies (EUR).

## Appendix to Consolidated Income Statement

in CHF thousand	2010	Difference	2009
<b>23. Taxes</b>			
Taxes paid and changes in taxes due	27 876		27 529
Changes in deferred taxes	5 207		304
<b>Taxes</b>	<b>33 083</b>	18.9%	27 833
Group operating result	66 067		56 192
Expenses not tax-deductible	29 706		16 282
Tax expenses included therein	33 083		27 833
Profit before taxes	128 856		100 308
Income tax on the result before tax applied at the average applicable tax rate	29 638		24 575
Influence of different tax rates and tax jurisdictions	-901		2 367
Adjustment of deferred tax rate	4 437		-
Other taxes and taxes outside fiscal year	-92		891
<b>Taxes (as reported)</b>	<b>33 083</b>		27 833

### 24. Non-recurring and infrequent expenses (+)/income (-)

Non-recurring and infrequent expenses/income included in the operating expenses:

Cost of goods sold	Insurance proceeds for goods damaged by the Frigo fire	-6 648	
Other expenses	Dissolution of reserves for land remediation	-1 500	
	Proportion of insurance proceeds for land, buildings and equipment from the Frigo fire	-1 182	
	Extraordinary income from acquisition of minority interests	-1 584	
	Adjustments to pension obligations of Bell Germany	994	
	Closure expenses in Russia	822	
Depreciation	Land, buildings and equipment		4 417
	Intangible assets	Special depreciation for the Frigo fire	1 182
		Extraordinary income from negative goodwill	
	Elimination of residual goodwill Belgium	421	
	Special depreciation for goodwill Abraham	17 166	
Financial expenses	Expenses for disposal of participation		4 028
Financial return	Currency profit on loans in euro	-6 643	
Taxes	Adjustment deferred tax assets		891
	Tax share of insurance proceeds for goods damaged in the Frigo fire	1 529	

## Additional Information

in CHF thousand	2010	2009
Total amount of guarantees, warranties and mortgages in favour of third parties	18 614	19 889
Total amount of mortgaged assets at legal book values	22 750	26 371
Unrecognised liabilities from leasing due in the current financial year	2 966	8 854
	1 079	4 134
Derivative financial instruments (currencies)		
contract value	-	-
residual value positive	-	-
Derivative financial instruments (interests)		
contract value	140 628	181 230
residual value negative	4 357	1 385
Other derivative instruments (participations)	1 875	8 168
Fire insurance value of buildings	711 521	771 386
Fire insurance value of equipment	605 212	663 660
Expenses for pension fund liabilities	19 333	22 667
Obligations from contracts with third parties	25 025	31 151
due in the current financial year	1 867	7 641
due in the following financial year	3 946	6 473
due later	19 212	17 037
Obligations from contracts with affiliated companies	6 742	11 240
due in the current financial year	1 349	4 497
due in the following financial year	1 349	1 349
due later	4 044	5 394
Conditional increase in share capital as decided	1 000	1 000
Total amount of the approved share capital increase	500	-

Principal shareholders	Coop Genossenschaft, Basel; 66,29% Sarasin Investmentfonds AG, Basel; 4,09% 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.

### Risk assessment

The Bell Group follows standard risk management procedures. The risk situation is reassessed every three years. A detailed reassessment was carried out in 2009 on account of the new group structure. We identified, analysed and assessed the most important risks and defined the measures required to manage these risks.

The Executive Board analyses the status of the implemented measures every year and updates its risk assessment. The Board of Directors was duly informed within the scope of its meeting held on 25 October 2010. Further details relating to risk management are listed in the section on Corporate Governance (page 71).

As part of the institutionalised annual assessment of the quality of the internal control system at the business process level, the operational risks, the risks associated with financial reporting and those associated with compliance are assessed. The new subsidiaries acquired by Bell have their own internal control system which will continue to be harmonised.

# Report of the Statutory Auditors on the Consolidated Financial Statements

## Report of the statutory auditors to the general meeting of Bell Holding Ltd, Basel

As statutory auditors, we have audited the consolidated financial statements of Bell Holding Ltd, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes (pages 44 to 62), for the year ended 31 December 2010.

### 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 FER 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 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 reason-ableness 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 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER 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 Ltd

Dr Rodolfo Gerber  
Audit expert  
Auditor in charge

Ralph Maiocchi  
Audit expert

Basel, 15 February 2011

## 5-Year Overview

in CHF thousand	2010	2009	2008	2007	2006
Affiliated companies	1 363 778	1 332 881	1 292 236	1 162 587	1 074 083
Other wholesale	1 176 972	1 151 593	586 867	439 462	384 940
End consumers	76 824	113 238	53 696	27 869	24 266
<b>Gross sales</b>	<b>2 617 574</b>	2 597 712	1 932 799	1 629 918	1 483 289
<b>Operating income</b>	<b>2 584 277</b>	2 547 877	1 939 635	1 636 472	1 496 290
<b>Financial data</b>					
Gross operating profit	<b>863 923</b>	858 515	610 241	528 089	485 442
Personnel expenses	<b>405 671</b>	412 215	307 445	259 653	245 811
Depreciation of assets	<b>74 220</b>	79 903	55 689	57 395	54 767
Earnings before interest and taxes (EBIT)	<b>101 236</b>	95 047	78 932	72 954	58 364
Consolidated profit	<b>66 067</b>	56 192	58 198	56 669	44 185
<b>Cash flow</b>	<b>180 193</b>	151 628	120 821	116 692	106 684
Financial result	<b>-2 086</b>	-11 021	-2 867	1 363	-1 841
Current assets	495 436	537 731	363 010	308 478	237 585
Non-current assets	671 950	769 557	774 824	480 186	505 537
Total assets	<b>1 167 386</b>	1 307 288	1 137 834	788 664	743 122
Interest-bearing liabilities	<b>228 462</b>	383 795	299 073	69 523	108 622
Equity	<b>590 456</b>	594 779	538 709	522 981	478 703
<b>Margins</b>					
Gross operating profit in % of operating income	<b>33.4%</b>	33.7%	31.5%	32.3%	32.4%
Cash flow in % of operating income	<b>7.0%</b>	6.0%	6.2%	7.1%	7.1%
EBIT in % of operating income	<b>3.9%</b>	3.7%	4.1%	4.5%	3.9%
Net profit in % of operating income	<b>2.6%</b>	2.2%	3.0%	3.5%	3.0%
Financial result in % of interest-bearing liabilities	<b>0.9%</b>	2.9%	1.0%	-2.0%	1.7%
<b>Equity in % of assets</b>	<b>50.6%</b>	45.5%	47.3%	66.3%	64.4%
<b>Return on equity (ROE) *</b>	<b>11.1%</b>	10.7%	11.1%	11.8%	9.9%
<b>Workforce as of December 31</b>					
Number of employees	<b>6 488</b>	6 561	6 810	3 341	3 234
<b>Average workforce</b>					
Adjusted to full time employees	<b>6 113</b>	6 497	3 794	3 249	3 088

\* Net profit/equity at the beginning of the financial year



		2010	2009	2008	2007	2006
<b>Per-share data</b>						
Share price as of 31.12.	CHF	1 766	1 551	1 300	1 925	1 410
Year's high	CHF	1 875	1 750	1 950	2 250	1 450
Year's low	CHF	1 480	1 267	1 101	1 410	975
Average daily trading volume	Number	75	65	117	129	173
<b>Stock exchange capitalisation</b>						
Year's end	in million CHF	706	620	520	770	564
Year's high	in million CHF	750	700	780	900	580
Year's low	in million CHF	592	507	440	564	390
Equity per share	CHF	1 461	1 466	1 357	1 302	1 193
Net profit per share	CHF	163	141	151	142	110
Cash flow per share	CHF	457	386	308	293	268
EBIT per share	CHF	257	242	202	183	147
Return per share *		9.3%	9.1%	11.6%	7.4%	7.8%
Distribution per share	CHF	50	40	40	40	33
Distribution quota		30.6%	28.3%	26.5%	28.2%	29.9%
Dividend yield **		2.8%	2.6%	3.1%	2.1%	2.3%

\* Profit per share/year-end closing price

\*\* Distribution of the dividend per share/year-end price

#### Capital structure as of 31.12.

Share capital	in CHF 1000	2 000	2 000	2 000	2 000	2 000
Divided into number of registered shares	Number	400 000	400 000	400 000	400 000	400 000
Nominal value per registered share	CHF	5	5	5	5	5

#### Changes in capital

Treasury shares	Number	7 998	6 938	8 335	1 812	2 370
Shares recorded in share register	Number	369 794	366 309	365 558	364 294	363 329
Registered shareholders	Number	3 659	3 606	3 197	3 153	2 989

Securities no. 441 041  
ISIN CH0004410418  
Symbols Telekurs: BELN  
Reuters: BELZn  
Trade SIX Swiss Exchange  
Current share price [www.bell.ch](http://www.bell.ch)

## Important Participations

Company	Domicile	Sphere of activity	Consolidation method	Capital	Group share in capital
Bell Ltd	Basel	Fresh meat, charcuterie, poultry, convenience, seafood	■ CHF	20 000 000	100.0%
Frigo St. Johann AG	Basel	Logistics, cold storage	■ CHF	2 000 000	100.0%
SBA Schlachtbetrieb Basel AG	Basel	Abattoir	* CHF	250 000	48.0%
Centravo AG *	Zürich	By-products processing	* CHF	2 400 000	29.8%
GVFI International AG	Basel	Meat trade	● CHF	3 000 000	17.7%
Pensionsstiftung der Bell Ltd (in liquidation)	Basel	Foundation	▲	-	-
Bell France SAS	Teilhède/FR	Subholding	■ EUR	20 000 000	100.0%
Salaison Polette & Cie SAS	Teilhède/FR	Dry sausages	■ EUR	2 600 000	100.0%
Saloir de Mirabel SARL	Riom/FR	Air-dried ham	■ EUR	152 000	100.0%
Val de Lyon SAS	Saint-Symphorien/Coise/FR	Dry sausages	■ EUR	825 000	100.0%
Saloir de Virieu SAS	Virieu-Le-Grand/FR	Air-dried ham	■ EUR	1 200 000	100.0%
Maison de Savoie SAS	Aime/FR	Dry sausages	■ EUR	1 560 000	100.0%
St-André SAS	St-André-sur-Vieux-Jonc/FR	Dry sausages	■ EUR	1 096 000	100.0%
Bell Deutschland GmbH	Bochum/DE	Subholding	■ EUR	25 000	100.0%
FreshCo. Wurstwaren- vertriebs GmbH	Bochum / DE	Meat trade	□ EUR	38 400	100.0%
ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG	Bochum/DE	Meat and charcuterie	■ EUR	28 097 970	100.0%
Feine Kost Böttcher GmbH & Co. KG	Bochum/DE	Management	■ EUR	2 862 603	100.0%
ZIMBO International GmbH	Bochum/DE	Meat trade	■ EUR	1 840 700	100.0%
ZIMBO Polska Sp. z o.o.	Niepolomice/PL	Meat trade	■ PLN	500 000	100.0%
ZIMBO Húsipari Termelő Kft.	Perbal/HU	Meat and charcuterie	■ HUF	375 000 000	99.5%
Marco Polo N.V.	Zellik/BE	Subholding	■ EUR	4 258 000	99.9%
The Fresh Connection N.V.	Zellik/BE	Meat trade	■ EUR	620 000	99.9%
Coldlog N.V.	Zellik/BE	Storage	■ EUR	62 000	99.9%
The Fresh Connection Nederland B.V.	Dr Houten/NL	Meat trade	■ EUR	18 000	76.0%
Interfresh Food Retail Easteurope GmbH	Bochum/DE	Meat trade	■ EUR	100 000	100.0%
ZIMBO Czechia s.r.o.	Prague-Holesovice/CZ	Retail trade	■ CZK	10 000 000	70.0%
Abraham GmbH	Seevetal/DE	Subholding	■ EUR	103 900	75.0%
Abraham Schinken GmbH & Co. KG	Seevetal/DE	Management	■ EUR	400 000	100.0%
Gebr. Abraham GmbH & Co. KG	Seevetal/DE	Air-dried ham	■ EUR	1 750 000	100.0%
Abraham Benelux SA	Libramont-Chevigny/BE	Air-dried ham	■ EUR	250 000	100.0%
Abraham Polska Sp. z o.o.	Warsaw/PL	Wholesale trade	■ PLN	100 000	100.0%
Sanchez Alcaraz S.L.	Casarrubios del Monte/ES	Air-dried ham	■ EUR	648 587	100.0%
Abraham France SARL	Bussy Saint-Georges/FR	Wholesale trade	■ EUR	40 000	100.0%

■ Fully consolidated (uniform management)

□ Fully consolidated mid 2010

\* Consolidation ad equity

● Purchase price

▲ Consideration acc. Swiss GAAP FER 16

\* Share of equity relates of the shares in circulation.

## Corporate Governance

# RESPONSIBLE CORPORATE GOVERNANCE

Bell Holding 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 Holding 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.

The Articles of Association of Bell Holding Ltd can be accessed at [www2.bell.ch/articles](http://www2.bell.ch/articles). An excerpt from the by-laws is available at [www2.bell.ch/organisation-en](http://www2.bell.ch/organisation-en).

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### Group structure

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Bell Group has no cross-shareholdings or holdings in listed companies. An overview of all companies in which Bell Group has a stake is provided on page 66.

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### Capital structure and shareholders' rights

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**Significant shareholders** See page 62.

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

**Approved share capital increase (Art. 3a, Articles of Association)** The Board of Directors is authorised until 14 April 2012 to increase the share capital by up to CHF 500,000 by issuing a maximum of 100,000 fully payable registered shares with a nominal value of CHF 5 each in one or more steps. The face value, the time of entitlement to dividends and the type of contribution shall be determined by the Board of Directors.

The new registered shares shall be subject to transfer restrictions after acquisition in accordance with Article 5 of the Articles of Association.

As a general rule, an increase in share capital shall occur under

maintenance of shareholder options at the time the resolution is passed, whereby the Board of Directors is authorised to implement the share capital increase in the form of a firm commitment from a bank or group of banks whilst indirectly maintaining shareholder options. The company is entitled to unexercised options which it shall offer to the public at market conditions. The Board of Directors is authorised to exclude shareholder options in the event shares are to be used to take over companies, company assets or shareholdings.

**Conditional share capital increase (Art. 3b, Articles of Association)** The company's share capital shall be increased by the maximum amount of CHF 1,000,000 by issuing fully payable registered shares at nominal value (pursuant to Article 3 of the Articles of Association), of which:

- a. Up to an amount of CHF 750,000 through exercising options and conversion rights that the company ties to future bonds or other obligations;
- b. Up to an amount of CHF 100,000 through exercising options made available to shareholders;
- c. Up to an amount of CHF 150,000 through exercising options held by employees of the company or its subsidiaries who, in accordance with a plan to be resolved by the Board of Directors, are entitled to new shares at a strike price to be determined by the Board of Directors.

Shareholder options are excluded. The acquisition of registered shares through exercising options or conversion rights and the subsequent transfer of registered shares is subject to the transfer restrictions defined in Art. 5 of the Articles of Association.

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# Corporate Governance

## Members of the Board of Directors



**Hansueli Loosli**, 1955, Swiss  
 Certified public accountant (Federal diploma)  
 Chairman of the Executive Board of Coop  
 Cooperative; since 2001



**Hans Peter Schwarz**, 1950, Swiss  
 Certified public accountant (Federal diploma)  
 Member of the Executive Board of Coop  
 Cooperative and Head of Finance/Services  
 (CFO); since 2001



**Jörg Ackermann**, 1958, Swiss  
 Business economist (School of Economics)  
 Mandates for VGL Coop Cooperative; since  
 2008

### Board member mandates

- transGourmet Holding S.E., Cologne (Germany); Chairman
- Coopernic SCRL, Brussels (Belgium); Chairman
- Coop-ITS-Travel AG, Wollerau; Chairman
- Coop Mineraloel AG, Allschwil; Chairman
- Palink UAB, Vilnius (Lithuania)
- Palink SIA, Riga (Latvia)
- Swisscom (Switzerland) AG, Bern
- Other board member mandates with Coop subsidiaries

### Professional career

- Coop Cooperative, Basel; Chairman of the Executive Board of Coop and Head of Retail; 2001 - 2009
- Coop Switzerland, Basel; Chairman of the Executive Board and of Coop Group; 1997 - 2000
- Coop Zurich, Zurich; Managing Director; 1992 - 1997
- Coop Switzerland, Wangen; Director of Non-Food Procurement; 1992 - 1996
- Waro AG, Volketswil; most recently as Managing Director; 1985 - 1992
- Mövenpick Productions AG, Adliswil; Controller, deputy Director; 1982 - 1985
- BBC AG, Baden; Head of Fiduciary Department; 1979 - 1982
- Intertest AG, Baden; Assistant Auditor; 1978 - 1979
- Huba-Control AG; Würenlos; Head Accountant; 1974 - 1978

### Board member mandates

- Coop Mineraloel AG, Allschwil
- Bank Coop AG, Basel
- transGourmet Holding S.E., Cologne (Germany) and its subsidiaries
- CPV/CAP Coop Pension Fund, Basel
- Coop Vitality AG, Bern
- Dipl. Ing. Fust AG, Oberbüren
- Service 7000 AG, Netstal
- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Wolhusen
- The Body Shop Switzerland AG, Uster
- Raiffeisenbank Ettingen, Ettingen
- Other board member mandates with Coop subsidiaries

### Professional career

- Coop Switzerland, Basel, Head of Central Finance and Accounting, Member of the Board; 1998 - 2001
- Coop Switzerland, Basel, Head of Central Finance and Accounting, Member of the Management Board; 1991 - 1997
- Aluminium AG, Münchenstein, Commercial Director; 1982 - 1990
- Coop Basel ACV, Basel, Commercial Director of industrial slaughterhouse; 1978 - 1982
- Coop Basel ACV, Basel, Controller; 1975-1978
- Mercedes-Benz AG, Schlieren, accountant; 1970 - 1974
- Fa. Saner-Hüssy, Olten, processor; 1969 - 1970

### Board member mandates

- transGourmet Holding S.E., Cologne (Germany)
- HiCoPain AG, Dagmersellen
- Coop-ITS-Travel AG, Wollerau
- Coop Patenschaft für Berggebiete, Basel
- Dipl. Ing. Fust AG, Oberbüren
- GS1 Schweiz, Bern

### Professional career

- Deputy Chairman of the Coop Executive Board, Head of Logistics/IT/Production, Basel; 2004 - 2008
- Member of the Coop Executive Board, Head of IT/Production, Basel; 2001 - 2003
- Member of the Coop Executive Board, Head of IT/Production, Basel; 1998 - 2001
- Head of Corporate Development at 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-Brändli**, 1955, Swiss  
Dr. oec. publ.  
Chairwoman of the Board of Directors of Coop  
Cooperative; since 2009

**Board member mandates**

- Coop Immobilien AG, Bern; Chairwoman
- Bank Coop AG, Basel
- Coop Mineraloel AG, Allschwil
- Dipl. Ing. Fust AG, Oberbüren
- transGourmet Holding S.E., Cologne (Germany)
- Member of the Board of Trustees of the ETH Zürich Foundation, Zurich
- Member of the Board of Trustees of the Juventus schools Zurich, Zurich

**Professional career**

- Vice-chairwoman of the Coop Board of Directors; 2000 - 2009
- Auditing and consultancy mandates for private-law companies on behalf of Dr. Nabholz Treuhand AG, Zurich; 1980 - 2002
- Project manager of consultancy projects for public administrations and operations with an emphasis on finance and organisation; since 1985
- Nabholz Beratung, Zurich; since 1980; in a senior position since 1985



**Werner Marti**, 1957, Swiss  
Attorney  
Law office; since 1988

**Board member mandates**

- Alp Transit Gotthard AG, Lucerne
- Billag AG, Fribourg; Chairman
- Service 7000 AG, Netstal
- Other board member mandates with various SMEs

**Professional career**

- Price controller; 1996 - 2004
- National Councillor of canton Glarus; 1991 - 2008  
In this function member of the Finance Commission (Chairman 2004/2005), the Commission for Communication, Transport and Telecommunications as well as various ad-hoc commissions
- Government of canton Glarus, Chairman of Internal Affairs (Directorate of the Economy); 1990 - 1998
- Local councillor in Sool and parliament of canton Glarus; 1986 - 1990
- Proprietary law office in Glarus; since 1988
- Associate/partner in a law office; 1983 - 1987



**Joachim Zentes**, 1947, German  
Professor of Business Administration  
Head of the Trade and International Marketing Institute (H.I.M.A.) and of the European Institute, Faculty of Business Sciences, University of Saarland; since 1991

**Board member mandates**

- Goodyear Dunlop Tires Germany GmbH, Hanau (Germany); Chairman

**Professional career**

- Professorship in Business Administration, in particular marketing, at the University of Essen (Germany); 1982 - 1991
- Professorship in Business Administration, in particular production and distribution, at Johann-Wolfgang-Goethe University, Frankfurt am Main (Germany); 1980 - 1981
- Offered the chair for Business Administration at the University of Basel; 1993
- Offered the chair for Marketing at the University of Fribourg; 1988
- Visiting professor at the Universities of Metz and E.M. Lyon (France), Regensburg (Germany), Fribourg and Basel, (Switzerland), Warsaw (Poland), Santiago (Chile)

Shareholders' pre-emption rights relating to options and convertible bonds can be restricted or excluded by resolution passed by the Board of Directors to finance the acquisition of companies, company assets or shareholdings or new investment projects of the company or for the issue of options and convertible bonds on international capital markets.

Debentures shall be offered to the public at market conditions insofar as pre-emption rights are excluded; the exercise period for options shall be set at a maximum of five years and for convertible bonds at a maximum of ten years from the date of issue and the price of the new shares shall be determined to reflect at least the market conditions at the time of issue.

The capital structure and shares are described in detail on pages 62 and 65.

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

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

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## Board of Directors

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**Election and term of office** The members of the Board of Directors are elected by the Shareholders' 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 Shareholders' Meeting for a term of office of four years. Directors can be re-elected at the end of a term. The term of office expires at the conclusion of the Shareholders' Meeting in the relevant year.

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

## Composition of the Board of Directors

as of 31.12.2010

	Chairman of the Board of Directors	Member of the Board of Directors	Term of office ends in
Hansueli Loosli	since 2009	-	2011
Hans Peter Schwarz	-	since 2001	2011
Jörg Ackermann	2001-2009	since 2000	2011
Irene Kaufmann-Brändli	-	since 2009	2011
Werner Marti	-	since 2009	2011
Joachim Zentes	-	since 1997	2011

**Compensation for Executive Board members** Members of the Board of Directors receive appropriate compensation for their activities in accordance with Article 23 of the Articles of Association.

Fee gross per annum:

Chairman	CHF 90,000
Vice-chairman	CHF 70,000
Members	CHF 60,000

Special cases

Fees will be paid as follows:

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

Compensation includes a flat rate of 10 percent for expenses that is indicated separately. The statutory social contributions (employee's share) will be deducted from 90 percent of the compensation amount.

In addition to the salary, the members of the Board of Directors also receive a meeting attendance fee equalling the value of half a share of Bell Holding Ltd for every meeting. The Coop representatives on the Board work on a mandate basis. Their fees are paid directly to Coop. For information on overall salaries and share ownership, see page 58.

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## Internal organisation and areas of responsibility

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The Board of Directors of Bell Holding Ltd defines the corporate strategy, issues the required instructions, and oversees all the activities of Bell Group, while the Group Executive Board is responsible for the operating business. The Board of Directors reviews the business planning, in particular the annual, multi-year and investment plans as well as the corporate objectives. The Board also establishes opportunities and risks and initiates any measures that are required. The areas of responsibility of the Board of Directors and the Executive Board are set forth in detail in the by-laws. Excerpts are available on the Bell website at [www2.bell.ch/organisation-de](http://www2.bell.ch/organisation-de). 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 3 million, and real estate/corporate acquisitions and sales. The Board determines 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 HF 100,000, and guarantees in any amount.

At Bell Group, the Group Board of Directors is responsible for the recommendations in the guidelines regarding the function and remit of individual committees. This makes it easier to retain an overview and takes account of Bell's special status as a controlled company.

The Board of Directors usually meets seven times per year, and the meetings usually last from four to 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. Members of the Bell Group Executive Board are invited to the meetings. External advisors are only engaged in individual cases (none in 2010).

In 2010, the Board of Directors held eight ordinary meetings. In addition to the usual day-to-day business, the Board of Directors concentrated on the following subjects and projects:

- Updating the internationalisation strategy with the objective of strengthening the current market position
- Drawing up and reviewing the Group's business unit strategies
- Drawing master plans for the sites in Cheseaux and Zell
- Optioning of a parcel of land in Niederbipp
- Acquisition of the abattoir site in Basel including buildings and infrastructure
- Investment in Hilcona
- Fire at Frigo St. Johann
- Acquisition of "Du darfst" production by licence from Unilever
- Regulation of succession for the chair of the Group Executive Board

For details on these subjects and projects, see the reports section of the annual report.

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### Information channels and control instruments

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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 its members once a month.

The Group Executive Board submits a management report (MIS) to the Board every two months and prepares a report consisting of a consolidated and a division income statement, balance sheet and

comprehensive key indicators and analyses. The financial reporting is a permanent component of the Board meetings. Deviations are discussed and any measures that may be required are implemented.

**Internal control system** Bell operates a comprehensive internal control system (ICS) on the basis of the internationally acknowledged COSO framework; 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 (ISO 9001, IFS, etc.). The focus falls on the avoidance of infractions of the law and instances of negligence, as well as asset protection as part of the production processes. The ICS was further expanded in 2009 and will be continuously extended and updated during the coming year. Bell's ICS serves the continuous improvement of business activities and is aimed at ensuring the necessary procedures and instruments for risk detection and control are in place.

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

Findings are documented and communicated to the Chairman of the Board of Directors. The implementation of measures is monitored. The internal audit unit coordinates its auditing activities and maintains a close exchange of information with statutory auditors.

**Risk management** As part of the risk management process, the Board of Directors and Group Executive Board assess the major risks every year. Risk-reducing measures are implemented on a continuous basis.

Major risks are defined as those which could influence net income by more than 20 percent and for which there is a high probability of occurrence. Safeguards and measures were implemented to protect the company against risks that cannot be influenced or that can only be influenced to a limited extent. Management has identified a sudden increase in raw materials prices, decisions affecting agricultural policies, epidemics and product and process safety as major risks.

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# Corporate Governance

## Group Executive Board as of 01.04.2011



**Lorenz Wyss**, 1959, Swiss  
Butcher  
Business diploma  
Certified meat industry technician  
Master of Business Administration  
As of 01.04.2011  
Chairman of the Group Executive Board (CEO)  
Head of Bell International  
Has been with Bell since 2011; in this position since 2011



**Martin Gysin**, 1960, Swiss  
Certified public accountant  
Deputy Chairman of the Group Executive Board  
Head of Finance/Services (CFO)  
Has been with Bell since 1992; in this position since 1994



**Thorid Klantschitsch**, 1969, Swiss  
Certified food engineer, Federal Institute of Technology  
Dr. sc. techn., Federal Institute of Technology  
Industrial engineer STV  
Head of Bell Switzerland  
Has been with Bell since 2009; in this position since 2010

### Board member mandates

- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Wolhusen
- Proviande Cooperative, Bern

### Professional career

- Managerial positions at Coop:
  - 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

### Board member mandates

- CPV/CAP Coop Pension Fund, Basel

### Professional career

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

### Professional career

- Managing Director, member of the Executive Board of HOCHDORF Group, Hochdorf; 2006 - 2009
- Head of Gastronomy Sales, member of the Executive Board of Le Patron AG, Böckten; 2002 - 2005
- Strategy management consultant at Roland Berger AG, Zurich; 2000 - 2002
- Laboratory assistant for dairy sciences at the Federal Institute of Technology in Zurich, doctorate in dairy processing technology; 1995 - 1999
- Various internships in Switzerland and abroad; 1991 - 1995:
  - Nestlé Linor, Orbe
  - Cantonal Laboratory, Zurich
  - Nestlé R & D, New Milford (USA)



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## Bell Switzerland

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### Division heads

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**Markus Bänziger**, 1955, Swiss  
Certified marketing manager  
Head of Convenience Division  
Has been with Bell from 1975 to 1985 and again since 1995; in this position since 2010

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**Josef Dähler**, 1955, Swiss  
Master butcher (Federal diploma)  
Commercial diploma  
Head of Fresh Meat Division  
Has been with Bell since 1996; in this position since 2007

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**Adolf Maassen**, 1964, German  
Master butcher  
Certified food technologist  
Technical business administrator ICC  
Head of Charcuterie Division  
Has been with Bell since 1990; in this position since 2007

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#### Professional career

- Managerial positions with Bell Ltd, Basel:
  - Acting Head of Convenience Division; 2009
  - Head of Convenience Business Unit; 2000 - 2008
  - Head of Wholesale Sales; 1995 - 2000
- Sales force of Fleischrocknerei Churwalden AG; 1988 - 1995
- Head of Freight at GNZ Schlieren; 1987
- Sales at Gebr. Niedermann, Schlieren; 1985 - 1987
- Head of Order Service in Wallisellen; Bell Ltd; 1983 - 1985
- Branch manager at Bell Ltd; 1980 - 1983
- Branch butcher at Bell Ltd; 1975 - 1980

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#### Board member mandates

- Identitas AG, Bern
- Proviande Genossenschaft, Bern

#### Professional career

- Head of Romandie Division; Bell Ltd; 1996 - 2006
- Managerial positions with Micarna SA, Courtepin; 1983 - 1996
- Bell Romandie: branch sales; 1979 - 1983

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#### Professional career

- Managerial positions with Bell Ltd, Basel:
  - Head of Charcuterie Basel; 2001 - 2006
  - Head of Charcuterie Production; 2000 - 2001
  - Head of Technology/Quality Management; 1994 - 1999
  - Head of Development; 1991 - 1994
- Head of Production "Fleischwaren Maassen", Korschbroich (Germany); 1987 - 1990

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**Christine Schlatter**, 1965, Swiss  
Certified marketing planner (Federal diploma)  
Head of Poultry Division  
Has been with Bell since 1997; in this position since 2008

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#### Professional career

- Managerial positions with the Bell Group:
  - Head of Sales/Marketing Bell Poultry; 2003 - 2008
  - Head of Marketing/Sales SEG Poulets AG and Managing Director GWI AG; 1998 - 2003
  - Head of Marketing/Sales GWI AG; 1997 - 1998
- Head of Marketing at Fromageries Bel (Suisse), Cham; 1996 - 1997
- Product Manager at Fabio Import AG, Oberarth; 1996

# Corporate Governance

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## Bell International

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### Managers

#### Abraham Group

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**Christian Schröder**, 1971, German  
Commercial diploma  
Spokesman for the Executive Board  
Head of Distribution/Marketing and Administration  
Has been with Abraham since 2007; in this position since 2009

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#### Professional career

- Managerial positions with the Reinert Group of Companies, Vermold:
  - 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

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**Markus von der Pütten**, 1970, German  
Specialist for food technology  
Head of Production and Technology  
Has been with Abraham since 2010; in this position since 2011

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#### Professional career

- Schinken-Einhaus GmbH, Friesoythe; authorised representative; 2006 - 2010
- Bernard Matthews, Oldenburg; plant manager; 2001 - 2006
- Oldenburger Fleischwaren GmbH, Oldenburg; plant manager; 1995 - 2001

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#### Groupe Polette

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**Philippe Polette**, 1960, French  
Business diploma  
Chairman of the Executive Board  
Has been with Polette since the establishment of the company in 1980; in this position since 1980

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#### Board member mandates

- Consortium of the Salaisons d'Auvergne

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**Ludovic Jouanneau**, 1974, French  
Diploma awarded by the Business College of Clermont-Ferrand  
Head of Administration and Finance  
Has been with Polette since 2008; in this position since 2008

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#### Professional career

- Managing Director of the sales companies north/north-east and CFO at Batext-Rot; 2001 - 2008
- Financial Controller, Bosch Systèmes de Freinage (France/Turquie/Espagne); 1997 - 2001

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**Gilles Patient**, 1961, French  
Licentiate of business sciences  
Head of Sales  
Has been with Polette since 1994; in this position since 1994

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#### Professional career

- Independent sales manager; 1990 - 1994
- Sales Manager at Souchon d'Auvergne; 1987 - 1990
- Sales Manager at Salaison Prost; 1985 - 1987
- Division Head of GSM at Continent; 1981 - 1985

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## Bell International

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### ZIMBO

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**Christof Queisser**, 1969, German  
Certified business administrator  
Chairman of the Executive Board  
Head of Marketing and Sales  
Has been with ZIMBO since 2008; in this position since 2008

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#### Professional career

- VARTA Consumer Batteries GmbH & Co. KGaA, Frankfurt am Main; 2000 - 2007:
  - Managing Director, Headquarters Europe/ROW: sales and marketing Europe, Middle East, Africa, Asia and Pacific; Global Innovation Management, Product Development VARTA, Remington
  - Managing Director of the subsidiaries in England and Ireland, London (United Kingdom)
  - International Director of Sales and Marketing, global
- Tengelmann OHG group of companies; 1995 - 2000:
  - Head of Category Management Beverages and Luxury Foods, Viersen
  - Head of Strategy Unit Category Management/ECR, Munich
  - Development of branch and range concepts, Wiesbaden
- Unilever Germany/England; 1991 - 1995:
  - Category Development Manager, London (United Kingdom)
  - Sales and marketing, Mannheim/Hamburg

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**Manfred Dahmen**, 1958, German  
Certified economist  
Deputy Chairman of the Executive Board  
Head of Finance and Controlling  
Has been with ZIMBO since 2005; in this position since 2006

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#### Professional career

- Tax consultant in Schmitt (Taunus) and project manager at medium-sized banks and trading companies in Mainz and Mülheim an der Ruhr; 2003 - 2004
- Managing Director of Metallbank GmbH and its legal successor Gontard & Metallbank AG in Frankfurt am Main; 1996 - 2003
- Chief representative of Metallbank GmbH in Frankfurt am Main; 1993 - 1996
- Financial Controller of Metallgesellschaft AG in Hong Kong (People's Republic of China); 1988 - 1992
- Lead auditor and tax consultant with Arthur Andersen GmbH, accountants and tax consultants in Frankfurt am Main; 1984 - 1988

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**Uwe Ginkel**, 1962, German  
Master butcher; Commercial specialist  
Head of Production and Logistics  
Has been with ZIMBO since 2000; in this position since 2004

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#### Professional career

- Tengelmann Warenhandels-gesellschaft Mülheim: Division Head, Category Manager for Plus (sausages, meat products, convenience, delicatessen); 1998 - 2000
- Steinhaus GmbH: Head of Sales (sausage meat, pasta); 1995 - 1998
- Promodes Germany: Central Purchaser (sausages, meat, convenience); 1992 - 1995
- Coop Frankfurt: Department Head, Plaza SB-Warenhaus; 1984 - 1992

## Corporate Governance

As a food manufacturing company, the risk situation can be described as stable overall, whereby we are slightly more dependent on the economy in other countries than we are in Switzerland. However, the economy is having a more direct impact on our earnings in all phases of the raw material price cycle, which follows its own rules and cannot be influenced by us.

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

More information on risk assessment is provided on page 62 of this annual report.

**Compensation for Executive Board members** Compensation consists of a basic salary and a variable component. The basic salary is based on an employment contract which is reviewed annually and adjusted if necessary. In addition, Group Executive Board members receive a fixed expenses allowance as well as a company car. The variable component (profit share) depends on the extent to which the Group achieves its revenue targets and can amount to a maximum of 25.4 percent of the basic salary. The basis and amount of this profit share are determined annually by the Board of Directors. Up to half of the profit share can be paid out in the form of shares in Bell Holding 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. As the revenue targets were achieved, Group Executive Board members received a profit share of 20.9 percent for 2010 (previous year: 20%). For information on overall salaries and share ownership, see the notes to the annual report on page 58.

### Co-determination rights of shareholders

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

According to Art. 8 of the Articles of Association and Art. 12 and 13 of the Swiss Code of Obligations, shareholders may be represented by another shareholder at the annual Shareholders' Meeting. Shareholders may also be represented by the custodian bank or by an independent proxy.

Other co-determination rights are governed by the Articles of Association of Bell Holding Ltd. The Articles of Association are available on the Bell website at [www2.bell.ch/articles](http://www2.bell.ch/articles). The Swiss Code of Obligations shall apply in the event the Articles of Association do not provide sufficient regulation.

The last date for registration with the share register for shareholders who wish to attend the Shareholders' Meeting is published on the Bell website at [www2.bell.ch/agenda-en](http://www2.bell.ch/agenda-en).

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

Restrictions in connection with share capital increases: see section Corporate Governance on page 67.

### Change of control clause

There are no statutory restrictions and regulations.

### Auditors

Auditors	PricewaterhouseCoopers; since 1998
Lead auditor	Dr Rodolfo Gerber, lead auditor since 2010
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 twice 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 CFO on the basis of comprehensive assessment criteria. The focus falls on the audit team's special qualifications, assertiveness, independence and interaction with our internal units. Other external factors also affect the assessment.

In 2010, the activities of the statutory auditors focused on statutory obligations including an evaluation of the existence of the ICS.

### Auditors' and other fees

in KCHF	2010	2009
Auditing services	1 172	1 215
Tax consulting	-	-
Legal services	-	-
Transaction consulting (incl. due diligence)	-	112
Total	1 172	1 327

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## Information policy

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Every year, Bell publishes an annual report and an interim report containing information on the business operations and results of Bell Group. Additionally, Bell also issues press releases regarding current developments and publishes news reports on its website. Bell's website contains an archive with all annual reports, interim reports and ad-hoc press releases. [www.bell.ch](http://www.bell.ch)

## Important dates

Closing of accounts	31 December
Shareholders' Meeting of Bell Holding Ltd	7 April 2011
Publication of results for first half of 2011	11 August 2011
Publication of 2011 sales figures	first half of January 2012
Publication of results for 2011	first half of February 2012

For more dates or changes to dates, see the Bell website at [www2.bell.ch/agenda-en](http://www2.bell.ch/agenda-en).

Contact partners and contact options for obtaining further information on the Bell Group are listed on page 84 of this annual report.

# Management

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## Executive Board

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**Lorenz Wyss** CEO (as of 01.04.2011)  
**Martin Gysin** Deputy CEO, Head Finance/Services (CFO)  
**Thorid Klantschitsch** Head Bell Switzerland

## Group Executive Board members

**Michael Gloor** Head of Internal Audit  
**Elisabeth Wegeleben** Head General Office/Share Register,  
Secretary BoD

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## Finance/Services

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**Martin Gysin** Head Finance/Services (CFO)  
**Rolf Anti** Head of Organisation  
**Thomas Denne** Head Controlling Fresh Meat and  
Charcuterie Divisions  
**Peter Kunimünch** Head IT  
**Johannes Meister** Head Human Resources/Training  
**Marc Pittino** Head Controlling  
**René Stampfli** Head of Process Analysis/Design  
**Thomas Studer** Head Projects  
**Ulrich Süss** Head Accounting

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## Bell Switzerland

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**Thorid Klantschitsch** Head Bell Switzerland

## Management members Bell Switzerland

**Davide Elia** Head Marketing/Communication

## Fresh Meat Division

**Josef Dähler** Head Fresh Meat Division  
**Jean-Luc Aebischer** Head Sales/Marketing  
French-speaking Switzerland  
**Roderich Christoph Balzer** Head Plant Oensingen  
**Christian Gremion** Head Fresh Meat Division  
French-speaking Switzerland  
**Marcel Joseph** Head Plants French-speaking Switzerland  
**Franz Kupper** Key Account Manager  
**Michel Lerch** Head Plant Basel  
**Elvira Meyer** Head Sales/Marketing  
**José-Michel Perez** Head Quality Management  
**Martin Reinhard** Head Purchasing  
**Stefan Seiler** Head Plants German-speaking Switzerland  
**Josef Zuber** Head Sales Trade/Gastro German-speaking Switzerland

## SBA Schlachtbetrieb Basel AG

**Joachim Messner** Managing Director

## Poultry Division

**Christine Schlatter** Head Poultry Division  
**Walter Bieri** Head Purchasing  
**Thomas Graf** Head Plant  
**Reto Kaufmann** Head Sales/Marketing  
**Sara Patrizia Kraettli** Head Sales/Marketing  
**Christoph Schatzmann** Head Fresh Meat

## Charcuterie Division

**Adolf Maassen** Head Charcuterie Division  
**Thomas Abt** Head Logistics  
**Frank Bechler** Head Marketing/Sales  
**Daniel Fässler** Head Scalded Sausages Gossau  
**Jacques Grossenbacher** Head Dry Sausages  
**Hanspeter Gysin** Head Planning/Technics  
**Ursula Kuhn** Head QM/Laboratory  
**Roland Rufener** Head Purchasing Non-Food/Trade Products  
**Kurt Zenger** Head Plants Charcuterie

**Convenience Division**

**Markus Bänziger** Head Convenience Division

**Convenience**

**Markus Bänziger** Head Business Unit

**Andreas Nieling** Head Plant

**Peter Schneider** Head Marketing/Sales

**Seafood**

**José-Manuel Seabra** Head Business Unit

**Marco Märsmann** Head Development/  
 Coordination & Purchasing/Sales

**Emilienne Sester** Head Sales

**Frigo St. Johann AG**

**Bruno Flückiger** Managing Director

**Bell International**

**Lorenz Wyss** Head Bell International (as of 01.04.2011)

**Abraham GmbH**

**Christian Schröder** Spokesman Executive Board

**Markus von der Pütten** Head Distribution/Marketing and  
 Administration

**Jürgen Emtmann** Head Finances et Production

**Salaison Polette & Cie SAS**

**Philippe Polette** CEO

**Gilles Patient** Head Sales

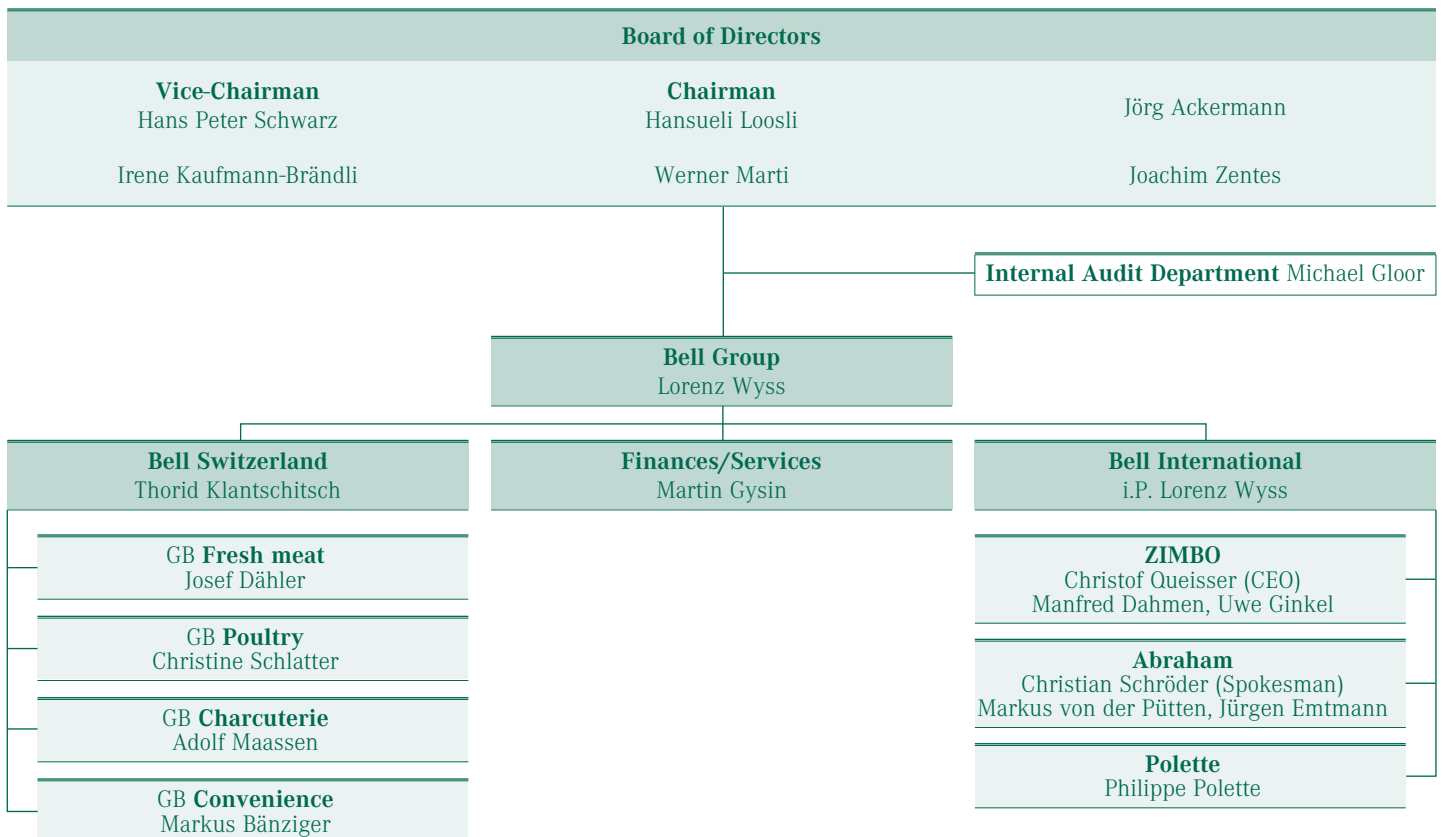
**Ludovic Jouanneau** Head Administration and Finance

**ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG**

**Christof Queisser** CEO, Head Marketing and Sales

**Manfred Dahmen** Deputy CEO, Head Finance  
 and Controlling

**Uwe Ginkel** Production and Logistics



# Bell Holding Ltd

## Balance sheet

in CHF thousand		31.12.2010		31.12.2009	
Liquid assets		45		928	
Securities		2 025		604	
Receivables affiliated group		22 475		-	
Other receivables		133		279	
<b>Current assets</b>		<b>24 678</b>	<b>7.4%</b>	1 811	0.6%
Financial assets	Majority interests	147 373		133 123	
	Minority interests	9 051		9 051	
	Loans affiliated group/other financial assets	151 992		154 020	
Tangible assets	Land	392		538	
	Buildings	1 133		1 544	
<b>Non-current assets</b>		<b>309 941</b>	<b>92.6%</b>	298 276	99.4%
<b>Assets</b>		<b>334 619</b>	<b>100.0%</b>	300 087	100.0%
Miscellaneous accounts payable		902		1 121	
Accounts payable affiliated companies		17		6 777	
Deferred items		66		185	
<b>Current liabilities</b>		<b>985</b>	<b>0.3%</b>	8 083	2.7%
<b>Non-current liabilities</b>		-		-	
<b>Liabilities</b>		<b>985</b>	<b>0.3%</b>	8 083	2.7%
Share capital		2 000		2 000	
Legal reserves		10 000		10 000	
Treasury shares		6 993		9 019	
Other reserves		257 012		234 962	
Annual profit		57 629		36 023	
<b>Equity</b>		<b>333 634</b>	<b>99.7%</b>	292 004	97.3%
<b>Liabilities</b>		<b>334 619</b>	<b>100.0%</b>	300 087	100.0%



## Bell Holding Ltd Income Statement

in CHF thousand

	2010	2009
Income from holdings	50 518	30 648
Other financial income	6 983	7 739
Other proceeds	3 089	3 064
<b>Total income</b>	<b>60 590</b>	<b>41 451</b>
Administration expenses	1 582	1 825
Other expenses	317	224
Interests expenses	240	508
Other financial expenses	-	2 028
Depreciation of tangible assets	411	411
<b>Expenses</b>	<b>2 550</b>	<b>4 996</b>
<b>Operating profit before taxes</b>	<b>58 039</b>	<b>36 455</b>
Income from sale of non-current assets	280	88
<b>Profit before taxes</b>	<b>58 319</b>	<b>36 543</b>
Taxes	690	520
<b>Profit after taxes</b>	<b>57 629</b>	<b>36 023</b>

# Bell Holding Ltd

## Appropriation of Annual Profit

### Proposals of the Board of Directors to the General Meeting

in CHF thousand	2010	2009
<b>Appropriation of annual profit</b>		
Annual profit	57 629	36 023
CHF 50 dividend (previous year CHF 40)	20 000	16 000
Transfer to the other reserves	37 629	20 023
<b>Total appropriations</b>	<b>57 629</b>	<b>36 023</b>

## Appendix

in CHF thousand	2010	2009
Total amount of guarantees, warranties and mortgages in favour of Group companies*	331 109	330 955
Total amount of mortgaged assets at legal book values	-	-
Fire insurance value of buildings	4 194	4 194
Important participations	page 66	-
Treasury shares according to statement on changes in equity	page 47	-
Principal shareholders: Coop Genossenschaft, Basel	66.29%	66.29%
Sarasin Investmentfonds AG, Basel	4.09%	4.09%
Conditional increase in share capital as decided	1 000	1 000
Total amount of the approved share capital increase	500	-
Details on risk assessment	page 62/71	-

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

# Bell Holding Ltd

## Report of the Statutory Auditors on the Financial statements

### Report of the statutory auditors to the general meeting of Bell Holding Ltd, Basel

As statutory auditors, we have audited the financial statements of Bell Holding Ltd, which comprise the balance sheet, income statement and notes (pages 80 to 82), for the year ended 31 December 2010.

#### 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 2010 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

Dr Rodolfo Gerber  
Audit expert  
Auditor in charge

Ralph Maiocchi  
Audit expert

Basel, 15 February 2011

