ORIOR
PREMIUM FOOD

ORIOR GROUP
ANNUAL REPORT
2012

EXCELLENCE IN FOOD

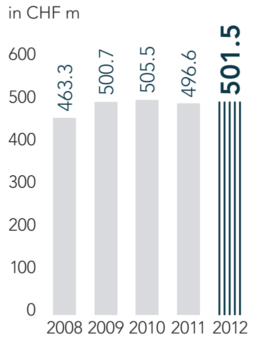
ORIOR Group key figures

in CHF thousand	2012	Δ in %	2011
Revenues	**501 493**	+1.0%	**496 626**
EBITDA	**52 335**	–2.9%	**53 872**
as % of revenues	10.4%		10.8%
EBIT	**36 085**	–8.0%	**39 215**
as % of revenues	7.2%		7.9%
Profit for the year	**27 850**	–1.1%	**28 161**
as % of revenues	5.6%		5.7%
Net debt, third parties	85 559	+17.0%	73 124
Net debt / EBITDA ratio	1.63		1.36
Shareholders' equity	203 502	+8.8%	186 980
Equity ratio	49.7%		47.3%
ROI	11.3%		13.6%
Avg. number of employees (FTE)	1 273	+1.3%	1 257
Earnings per share in CHF	4.71		4.76
Dividend per share in CHF	1.95		1.93
Payout ratio	41.4%		40.5%
Market capitalisation as per year – end	303 360		287 363

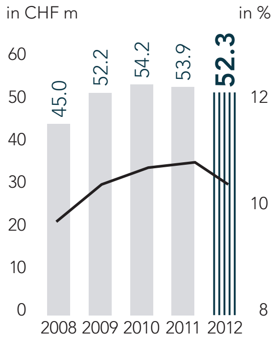
At a glance

- Market position strengthened in all three business segments
- High rate of innovation is fuelling growth
- Exports of Bündnerfleisch and vegetarian products continue to sell well
- Slight decline in EBITDA margin from 10.8 % to 10.4 %
- Profit for the year of CHF 27.9 million, just below the record high from last year
- Another increase in the dividend to CHF 1.95 per share
- Sound balance sheet with an equity ratio of 49.7 %

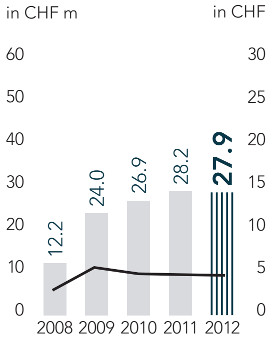
Revenues



EBITDA and EBITDA margin



Net profit and earnings per share



HIGHLIGHTS 2012

JANUARY 2012

FREDAG

VEGAN PRODUCTS ADDED TO PORTFOLIO

There is an unmistakable trend toward vegan products in the vegetarian market. Vegan products are derived exclusively from plants and do not contain any egg or dairy products. Fredag leads the market for vegetarian food and is committed to anticipating new trends and actively shaping the market of the future. In January 2012 the first vegan product is introduced and work to develop new recipes continues apace. Another six vegan products debut on retail shelves during the course of the year, vegetable patties and chipolata sausages, for example, and ten more are in the pipeline. Besides vegan products, Fredag's range of tofu products is also being steadily expanded.

JANUARY 2012

ORIOR CONVENIENCE

BRUNO DE GENNARO ASSUMES POSITION OF HEAD OF ORIOR CONVENIENCE

Bruno de Gennaro assumes the position of Head of the ORIOR Convenience segment as well as of the Fredag competence centre effective 1 January 2012. Bruno de Gennaro joined Rapelli in 1994 as Head of Sales and Marketing, managed Fredag for a brief period and then served as Head of Rapelli SA in Stabio for twelve years.

MARCH 2012

MÖFAG

ACQUISITION OF MÖFAG

In March 2012 ORIOR acquires Möfag, a leading producer of "Fürstenländer" specialities such as Appenzeller Mostbröckli, ham and smoked meat delicacies. Möfag is a family-managed company that is firmly anchored in eastern Switzerland. The company and its 55 employees are integrated into ORIOR Group as an autonomous unit under the management of its former owner Urs Mösli.

MARCH 2012

ORIOR GROUP

AGM OF ORIOR AG

On March 27, 2012 ORIOR AG holds its second AGM as a listed company at the Lake Side Zurich. It is attended by about 350 shareholders and all resolutions put forward by the Board of Directors are passed.

JUNE 2012

ORIOR GROUP

NEW MANAGEMENT TRAINING PROGRAMME

In the spring of 2012 ORIOR Group introduces a new management training program. ORIOR offers tailor-made training and development courses to all members of mid- and upper-level management and key employees. In addition to strengthening professional and social skills, ORIOR has long promoted a "fit at work" programme. Employee health and well-being are important and a course is being offered to enhance awareness of this issue. Read more on page 62.

JUNE 2012

RAPELLI SA

LATEST PRODUCTION PLANT FOR COOKED HAM IN SWITZERLAND

In June 2012 Rapelli starts operating Switzerland's most modern production plant for cooked ham. Existing production machinery installed more than 20 years ago is replaced with ultra modern equipment without any disruption to ongoing production. The refurbished facility produces ham of consistently high quality that is even tastier than before. Productivity indicators also improve.

JULY 2012

ORIOR INTERNATIONAL

EDEKA SELECTION BÜNDNERFLEISCH

ORIOR Deutschland begins to supply EDEKA with Bündnerfleisch for its premium private label brand "Selection" in mid-2012. This fine quality air-dried beef is produced by ORIOR's Albert Spiess competence centre in Davos-Frauenkirch, where the highest air-drying facility in Europe is located at 1,200 meters above sea level. It is stocked in all of EDEKA's stores in Germany and sold in a sleek pouch packaged in black and gold cardboard.

JULI 2012

LE PATRON

THE "MOVE 100" VALUE ENHANCEMENT INITIATIVE

The "Move 100" project is a value enhancement initiative launched in July 2012. It entails numerous measures to improve the efficiency and effectiveness of the Le Patron competence centre, for example, by increasing cooking and cooling capacity and converting other space into new production capacity. "Move 100" is enhancing food and worker safety and creating a better platform for meeting highly divergent customer needs in a flexible and efficient manner.

SEPTEMBER 2012

ALBERT SPIESS AG

SUCCESSFUL ROLL-OUT OF SAP

Albert Spiess AG's roll-out of SAP is picture-perfect. The new business software is implemented without a hitch and the first deliveries using the new system leave the company's production plants without even a minute's delay.

SEPTEMBER 2012

LE PATRON

ULTRA FRESH MEALS

Ultra fresh meals from Le Patron are ORIOR's answer to growing consumer demand for fresh, all-natural ready-made meals. Individual meal components are matched by colour and taste, cooked fresh, without preservatives, and then placed by hand on their serving platters. After a successful test launch in 65 retail outlets in Switzerland, accompanied by an extensive advertising campaign, the products are launched throughout Switzerland in September 2012.

OCTOBER 2012

ORIOR INVESTOR RELATIONS

INVESTOR LUNCH ZURICH

On 24 October 2012 ORIOR organises a lunchtime meeting for interested investors. This is just one of the many successful investor relations events organised in 2012. Besides road shows in Zurich, London, Frankfurt and Paris, management presentations are also held in several cities across Switzerland.The number of ORIOR shareholders increases sharply during the first three quarters of the fiscal year.

NOVEMBER 2012

ORIOR GROUP

WHATEVER IT TAKES

ORIOR launches a group-wide initiative called "Whatever It Takes" to counter margin pressure and to get employees at all levels of the organisation involved in efforts to improve operating processes and procedures. The Management Board has set targets that must be achieved "what-ever it takes." A review is conducted on a quarterly basis. When one goal is achieved, a new one is added to the list.

2012

ORIOR INTERNATIONAL

"VEGGIE"

SPAR Austria is introducing a wide range of private label vegetarian specialities under the name "Veggie." Two of the three top-selling products in this new line of vegetarian products are made by ORIOR. A well structured launch with television commercials and outdoor advertising (Gwyneth Paltrow: "I'm not a vegetarian but I do like veggie food"), secondary placements in stores and targeted sales promotion activities are well received by Austrian consumers.

2012

LE PATRON

CELEBRATES ITS 40TH ANNIVERSARY

It all began with pâtés and they are still one of Le Patron's lead products, along with terrines. However, its product range has also grown to include pasta, specialities and prepared dishes. There are many good reasons why Le Patron is considered an innovation driver within the ORIOR Group.

2012

ORIOR GROUP

20 YEAR ANNIVERSARY

ORIOR quietly celebrates its 20th birthday. In 1992 the then Board of Directors decided to fundamentally change the path the company was on: Rinsoz & Ormond Holding SA, a tobacco company founded in 1852, was renamed ORIOR Holding SA and re-focused entirely on the food business. Several premium convenience food companies were subsequently integrated into ORIOR Group. ORIOR is planning a high-profile celebration to mark its 25th anniversary.

ORIOR – Excellence in Food

ORIOR is an independent Swiss food group with a strong corporate culture that combines tradition with innovation. ORIOR has built a portfolio of extremely well established companies and brands including Rapelli, Ticinella, Spiess, Möfag, Fredag, Pastinella, Le Patron and Lineafresca. ORIOR occupies a leading position in selected niche markets. The Group also produces well-known private label products for its customers.

ORIOR's aim is to create genuine value and to embody the highest levels of credibility in the eyes of its customers, suppliers and employees. Close partnerships with customers and suppliers create conditions in which ORIOR can identify new requirements at an early stage and respond to these with innovative products.

Modesty and a desire to exceed the expectations of all our stakeholders are an integral part of ORIOR's culture. Close customer relationships, innovative skills and a strong corporate culture form the pillars on which ORIOR's success is based. This is what we aim to deliver: Excellence in Food.

Content

Letter to shareholders

It is a pleasure to present ORIOR AG's third annual report as a company quoted on the stock market. 2012 was a challenging year: shopping tourism in border areas, price cutting by retailers and weak demand from restaurants, especially in tourist regions, were all bad for business. On the positive side, we were pleased with our operating successes during the autumn months. In the end, however, the market environment in 2012 did not permit us to repeat the very good results we achieved in the previous year.


Remo Hansen, CEO and Rolf U. Sutter, Chairman of the Board of Directors

Solid profits with potential

ORIOR Group increased its revenues by 1.0 % to CHF 501.5 million in the 2012 financial year. This growth was attributable to the acquisition of Möfag, which more than offset the negative inflation in our market. EBITDA edged 2.9 % lower to CHF 52.3 million and the resulting margin was likewise lower at 10.4 % compared to 10.8 % in the previous year. Profit for the year amounted to CHF 27.9 million, not quite reaching the previous year's record-high mark of CHF 28.2 million. The impact of non-recurring factors on the bottom-line result was negligible. The equity ratio rose once again and now stands at 49.7 %, which underscores the company's solid financial position. The Board of Directors will propose a slightly higher dividend of CHF 1.95 per share at the Annual General Meeting on 11 April 2013. The corresponding payout ratio of 41.4 % is in line with ORIOR's policy of paying out approximately 40 % of net profit to shareholders as dividends. This payment will be made from capital contribution reserves and is not subject to Swiss withholding tax.

Business segments grow

ORIOR's three business segments Refinement, Convenience, and Corporate, Export and Logistics defended or expanded their strong positions in their respective markets. ORIOR Refinement, under which the three competence centres Rapelli, Spiess and Möfag are grouped, strengthened its presence in the branded premium meat business by acquiring Möfag. This acquisition also offset the reduction in turnover caused by persistently low pork prices, and the segment was able to report a 2.7 % increase in revenues to CHF 310.3 million. The EBITDA margin was slightly lower at 9.1 % compared to 9.4 % in the previous year. ORIOR Convenience, the fresh convenience food specialist with the three competence centres of Fredag, Pastinella and Le Patron, increased its revenues from CHF 189.8 million in the previous year to CHF 190.6 million in fiscal 2012. Revenue growth was driven by vegetarian products, the line of ultra-fresh meals that was introduced in the autumn months and seafood. The EBITDA margin declined from 15.3 % in the previous year to 14.6 %. Revenues at the Corporate, Export and Logistics segment consolidated as expected after the surge in growth in the previous year, declining by 4.9 % to CHF 36.1 million. ORIOR did increase its share of Swiss exports of Bündnerfleisch to approximately 50 % despite a difficult environment, especially in France. Vegetarian products delivered strong growth with sales more than doubling during the period under review. Besides growing its existing operations and acquiring Möfag, ORIOR also screened a number of acquisition candidates in foreign markets during 2012. In view of greater risks involved, foreign acquisitions must satisfy very stringent criteria, which is the reason why no transactions were made despite a number of exploratory projects and intensive due diligence activities.

Innovation is our recipe for mature markets

Creating new products, surprising the customer, setting trends – the power of innovation has long been ORIOR's recipe for success. This is especially true at a time when we are confronted with market saturation. In Switzerland the retail trade is increasingly gravitating towards one factor – the price tag. In neighbouring European markets, the government debt crisis and its aftermath have cast a shadow of uncertainty across the real economy. In such an environment ORIOR can rely on its innovation skills and profile itself with its unique portfolio of product.

Value-enhancing initiatives

We invested approximately CHF 18 million in new infrastructure during the past year. This included a new production line for cooked ham at Rapelli, the "Move 100" project at Le Patron designed to optimise and upgrade general processes and operations, the centralisation of Spiess' meat salting facilities at a single location in Schiers, and the implementation of SAP at Spiess.

"The employees' identification with 'their' ORIOR is exemplary."

Rolf U. Sutter

Outlook: Market remains challenging

In the year ahead we expect a slight economic uptick in the markets relevant to ORIOR. Commodity prices are generally likely to tend higher. We are encouraged by the uptrends in the retail trade and, most recently, in the restaurant business in Canton Grisons and Ticino. While the overall market environment remains challenging, ORIOR is well prepared for these challenges given the successful debuts of its newest products and its full innovation pipeline. Employee and product development are and will remain key areas of focus, in addition to the company's on-going efforts to grow value. Maintaining a strong corporate culture, rooted in modesty and a desire to exceed stakeholder expectations, will also remain a priority in the future as in the past.

A word of thanks

ORIOR's good performance in such a demanding environment would not have been possible without its employees. On behalf of the Board of Directors and the Management Board, we would like to thank them all for their hard work and efforts. Their identification with "their" ORIOR is exemplary. We also thank our customers for their confidence in our products and, not least, we thank our shareholders for their trust.

Rolf U. Sutter
Chairman of the Board of Directors

Remo Hansen
CEO

Vegan veggie burger

Nobody knows quite how long meat patties have been around, but we do know they were served in the German-speaking world as early as the 17th century – and took off in a big way with the invention of the hamburger. Inspired by the ground beef patty, Fredag's creative developers have now come up with healthy juicy veggie burgers. Preparation methods and ingredients are vegan so no meat, milk or eggs are used. Instead, the product is packed full of Swiss vegetables like carrots, peas and onions. These ingredients are stirred up in a large pot with wheat flour and – so that everything sticks together nicely later on – potato flour, then seasoned with salt and vegetable stock. The mix is left to settle briefly, then pressed into the patty moulds by machine. The round vegetable patties line up in rows on a conveyor belt and pass through a deep fat fryer for 60 seconds to give them a golden brown colour. Deep fat frying is followed by baking for several minutes at approximately 200 degrees Celsius in a hot air oven to a minimum core temperature of 72°C. After shock cooling, the ready-made delicacies are finally packaged for sale.

Despite headwinds, ORIOR made good progress in 2012

Remo Hansen, how would you sum up ORIOR Group's 2012 fiscal year?
ORIOR Group performed well in a demanding environment. Several of our product markets in Switzerland contracted, including the fresh pasta market and the pâté and terrine market. Exports were, once again, a bright spot so we continued to strengthen our position in foreign markets. Our share of the Bündnerfleisch export market is now approximately 50 %. To summarise, I would say: despite headwinds, ORIOR made good progress in 2012.

"Product innovation remains our engine of growth."

You mentioned a demanding market environment. What challenges were there last year?
Competition in the retail trade has been intense and it was heightened by all the cross-border shopping, so pricing pressure has remained quite high, especially during the first half of the year. That was a challenge for a quality-oriented company like ORIOR because we can only offset some of the pricing pressure through productivity gains and cost savings.

Is the exchange rate to the euro still a problem or have you adapted to the new reality?
The range of CHF 1.20 – 1.25 seems to be set in stone now and ORIOR can cope with this situation. Would we rather have a higher exchange rate? Of course, but at least now we can rely more on our own plans and projections. And – a crucial factor – we are still earning money in our export business.

What were the highlights of the past fiscal year?
There are three that I would emphasise: First, the integration of Möfag, which went very smoothly from an organisational and people standpoint. I was truly impressed by how Urs Mösli and his team found their place within the ORIOR organisation. Second, we successfully filled several executive-level vacancies during the past year. At Rapelli and Albert Spiess in the Refinement segment and at Fredag and Pastinella in the Convenience segment. At Albert Spiess, the patron who led the company for 40 years was succeeded by a new, outside manager. All other vacancies were filled from our own ranks. These successions went very smoothly and I commend all employees for making that happen.

And the third highlight?
The success of our vegetarian products: ORIOR has established an excellent position in Switzerland and is a trendsetter for a new nutritional philosophy. Even in our export business, vegetarian products have become the second largest sales driver after Bündnerfleisch. Sales of "Nature Gourmet" branded products went up by about 30 % in 2012.

Product innovation is an essential part of ORIOR's growth strategy. What new products were launched in 2012?
A host of new products! Let me start with our line of vegan products. Wherever possible, ORIOR turned its vegetarian recipes into vegan recipes, which means taking out all dairy and egg ingredients. That was quite a challenge because we did not want to compromise on flavour in any way. The results are tasty and our vegan products are selling quite well. Turning to our meat products, ORIOR is the only company that is capable of stocking retail shelves with fresh steak tartar. This product can be kept only a few days, so the

logistics involved are rather intricate. Another big success came from Le Patron, which launched a line of ultra-fresh meals. These fresh, wholesome meals obviously satisfy a strong consumer need. And, last but not least, there is our ham product baked in bread dough. The ham comes from Möfag and is processed by Le Patron. It was offered during Advent and was quickly sold out.

When prices are under pressure, productivity becomes more important. What has ORIOR done to improve productivity?
A major project was the modernisation of Rapelli's production plant for cooked ham. That created precisely the productivity gains and quality improvements we were seeking. The second major project, installing a fully automated pâté production line at Le Patron, also resulted in a tremendous improvement in productivity. Turning to management tools, the introduction of SAP at Spiess deserves special mention. We also optimised our production footprint by centralising the previously 3 meat salting plants Spiess operated at just at one location in Schiers.

"I was impressed by how smoothly Möfag was integrated into ORIOR."

ORIOR took another step on the expansion front with the acquisition of Möfag. What expectations are pinned to this acquisition?
Möfag not only gives the ORIOR Group new products, it also broadens its know-how. For example, Möfag leads the market when it comes to producing very small quantities in an efficient way. Ultra-small production quantities are not interesting for the big players, which makes this segment all the more interesting to us. Möfag also has good business relationships with discounters, which strengthens this channel for the entire ORIOR Group.

What can you say about ORIOR shareholders?
ORIOR AG had about 30 % more shareholders at the end of 2012 than the year before. That is a sign of trust and we appreciate this recognition of the work we do. Capvis, our long-standing majority shareholder, has reduced its investment to under 3 %, which is typical for a private equity firm. The Capvis stake was sold to well-known long-term investors: the Ernst Göhner Foundation and investors and funds associated with AMG Analysen und Anlagen AG. The new shareholders were well received by the financial market.

Let's take a look at the future. What are the key market trends that you have identified?
Freshness is certainly a major trend. Today stores are open 365 days a year. Everything can be bought fresh. Quick, lots of variety and well balanced – that's what consumers are demanding nowadays. Our ultra-fresh meals are perfect for this trend. On the other hand, we are finding that traditional food is "in" again. Our ham baked in bread dough is a good example of this. And, of course, convenience is still a big trend. Whenever people want to eat a quick meal at lunchtime or late at night that is both good and warm, ORIOR wants to have convenient and tasty solutions on hand.

What are ORIOR Group's priorities for fiscal 2013?
We want to grow our top line in 2013. Our medium-term target is organic growth of 1 to 2 percent. We want to launch innovative, trend-setting products that offer added value. And we will also continue to invest in our factories and our operating processes to achieve further productivity gains. All in all, we want to maintain ORIOR's reputation as one of Switzerland's top providers of quality food products.

Salame dei Castelli

A mouth-watering delicacy matures to perfection in a secret old vaulted stone cellar of the Castello di Montebello in Bellinzona: Ticinella's "Salame dei Castelli di Bellinzona" is a coarse-textured salami based on recipes that have been passed down through the centuries by expert sausage makers. It is sliced diagonally as in years gone by and its unique taste can be traced to the slow and careful curing process in the stone cellar beneath the Castello di Montebello. This striking castle is a masterpiece of medieval construction and a UNESCO World Heritage Site. Together with the Castelgrande and the Castello di Sasso Corbaro, it gives the Ticino city of Bellinzona its distinctly historical flair. In this special climate and in the cool air of the castle cellar, which was already used for storing victuals during the Middle Ages, the Salame dei Castelli di Bellinzona matures into one of the special treats of Ticinella's fine range of delicatessen meats.

San Pietro cured ham

The origin of raw, cured ham goes back to Hannibal's invasion of Roman Italy. When the Carthaginian general arrived in the Parma region of Italy, he was greeted as a liberator by the locals, who gave him hams preserved covered in salt and aged in wooden casks as a gift. This first historical mention in 217 BC marked the beginning of the long history of raw, cured ham which is still being written to this very day. Dry-cured ham is rightfully considered one of the finest deli meats available today. Rapelli's famous San Pietro dry-cured ham certainly up-holds the long and honourable tradition of this savoury specialty. It has received numerous awards from prestigious international institutions. San Pietro is made from selected Swiss pork legs, carefully cleaned and massaged and then rubbed with pure sea salt. Twelve to eighteen months of curing give San Pietro ham its unique and delicious flavour. A distinguished descendent of a legendary tradition that tantalises food lovers to this very day.

ORIOR Refinement

ORIOR Refinement is the Group's meat refining segment and consists of the three competence centres Rapelli, Spiess and Möfag. ORIOR Refinement produces traditional premium products such as Bündnerfleisch, cured and cooked ham, salami and Mostbröckli, which are sold in the food retailing, restaurant and food service sectors. The segment operates five processing and seven refining facilities in the cantons of Grisons, Ticino and St. Gallen.

Brands

Key figures

in CHF thousand	2012	Δ in %	2011
External customer sales	290 806		283 193
Inter – segment sales	24 405		23 101
Sales of goods / rendering of services	**315 211**		**306 294**
Reduction in gross sales	–4 907		–4 024
Revenues	**310 304**	**+2.7%**	**302 270**
Segment EBITDA	**28 283**	**–0.7%**	**28 495**
as % of revenues	9.1%		9.4%
Depreciation – tangible assets	–6 191		–5 408
Amortisation – intangible assets	–2 785		–2 296
Segment profit (EBIT)	**19 307**	**–7.1%**	**20 791**
as % of revenues	6.2%		6.9%
Investments in non – current assets	**7 585**		**6 441**

Overview

All three centres of competence operating within the Refinement business segment – Rapelli, Albert Spiess and Möfag – have strong Swiss roots. That is quite evident in the products they make and the traditional recipes they use. More than three-quarters of the raw materials they process originate from Switzerland. ORIOR Refinement attaches great importance to perfect quality when sourcing raw materials and it ensures that its high standards are adhered to by setting precise product specifications and conducting inspections on an on-going basis.

The Rapelli competence centre is one of the largest employers in the canton of Ticino. ORIOR Refinement has underscored its commitment to Switzerland as its base of operations by investing heavily in Rapelli's production plant in the city of Stabio for several years.

All processing activities are based in Switzerland to ensure authenticity. For premium meat producers, there is no better place to operate. Spiess, for example, is the owner of Europe's highest plant for drying meat, located in Davos-Frauenkirch. Bündnerfleisch and raw ham are dried there with utmost care and patience in the clear, crisp mountain air. Spiess processes several thousand tonnes of meat a year, most of which was raised on Swiss farms. Its suppliers in Switzerland must meet stringent requirements, ranging from BIO certification to, at minimum, compliance with "Suisse Garantie" standards. The raw materials used by Spiess are 100 % traceable so the company can readily enforce its high standards with regard to quality and sustainability.

Möfag, the third competence centre, is located in Zuzwil in the canton of St. Gallen. Under its Fürstenländer Specialities label, Möfag produces a host of highly traditional meat specialities such as Appenzeller Mostbröckli, a wide variety of ham products as well as many other pork, lamb and poultry delicacies. A small and nimble company, Möfag operates very efficiently and flexibly.

GLAUCO MARTINETTI
CEO RAPELLI SA

TRUST IS BASED ON CONSISTENT VALUES. AUTHENTICITY IS ONE.

Creating genuine value is both an aspiration and an underlying principle expressed in authenticity and consistency in what you do. That's why high quality ingredients, no artificial flavourings, and transparent labelling are non-negotiable for Rapelli. Our other assets include a special appreciation of traditional recipes, sustainable handling of resources, and a well-developed sense of identification with the company and our products among the entire workforce.

Business performance

ORIOR Refinement earned revenues of CHF 310.3 million in fiscal 2012. This increase of 2.7 % is attributable to the acquisition of Möfag. Excluding acquisitions, revenues declined by 4.9 % from the previous year. The decline in revenues is largely attributable to negative inflation during the first half of 2012 as retailers lowered their prices.

Operating profit (EBITDA) for 2012 amounted to CHF 28.3 million, virtually unchanged from the previous year. The EBITDA margin stood at 9.1 %, slightly less than the 9.4 % margin from 2011. The gross profit margin increased slightly but the EBITDA margin was slightly lower due to higher energy, maintenance and marketing expenses.

Business at the three competence centres within the Refinement segment varied during the course of 2012: Rapelli reported brisk sales and was able to achieve significant operating efficiency gains after installing a new production line for cooked ham. Restaurant channel sales were likewise lower than in the previous year because of weaker tourism in Grisons and Ticino, two important regions for Rapelli and Spiess. Möfag reported very strong business during the period under review. Refinement's new competence centre is well positioned with discounters, which represents a valuable extension of ORIOR Group's existing customer base and supports its strategic goal of expanding its business in this customer category.

Highlights

The Rapelli competence centre continued to invest in process improvement projects during the 2012 financial year. Rapelli's new production line for cooked ham, which came on stream in the first half of 2012, already resulted in higher productivity during the subsequent half-year. This new production line accommodates hams that are twice as long and reduces the amount of trimming required by half. Product quality is even better than before, too. This conversion was made without any interruption in customer deliveries. A steak tartare product launched under the "Rapelli" brand in selected retail outlets during the first half of 2012 sold very well. The steak tartare is made by Rapelli in Stabio and distributed throughout Switzerland. This fresh product can be kept only a few days, so the logistics involved are rather intricate. Rapelli is the only company in Switzerland capable of meeting this challenge.

URS MÖSLI
CEO MÖFAG FLEISCHWAREN AG

BEING DOWN TO EARTH MEANS KEEPING TRUE TO YOURSELF IN WHATEVER ROLE YOU HAVE TO PERFORM.

The variety of tasks I have to perform involves changing roles constantly. For that to work, you need an open-minded and down-to-earth attitude. I like to be on the level with my team. As well as very amicable relations, there is always room for constructive criticism and debate. Both these things help to drive progress. ORIOR has the same culture of open communications and unpretentiousness. Coupled with the knowledge that Möfag was to remain in Swiss hands, these were the main criteria for the sale of the company to ORIOR.

BRUNO BÜRKI
CEO ALBERT SPIESS AG

QUALITY MEANS ALWAYS MEETING EXPECTATIONS. WE EXCEED THEM.

Quality is the promise to produce an excellent result from top quality ingredients. Compliance with the relevant quality parameters is a given. We go a step further and pledge to produce Spiess traditional specialities to the very highest standards. Tradition doesn't mean stagnation, though. What it implies is a commitment to drive development and use new methods effectively – so we can continue delivering quality that convinces.

Spiess increased its share of the export market for Bündnerfleisch once again, despite the currently subdued sentiment among consumers in the Eurozone. The company reaped efficiency gains from the centralisation of its meat salting operations, which were transferred from three separate facilities to one main location in Schiers, Canton Grisons, and from the implementation of SAP software. A new meat slicing machine that offers customers even more flexibility and efficiency was also installed. As an example of its culinary innovations, Spiess introduced a dry-cured ham speciality with a natural coating of orange, lemon or porcini mushrooms.

This new flavourful creation was very well received by consumers.

Möfag, a company acquired in March 2012, was integrated into ORIOR as an autonomous competence centre. This process was completed before the end of the year and the first cross-segment projects have already been successfully carried out.

In an effort to reduce the CO_2 emissions of its sourcing activities, Möfag is increasingly using water instead of air transport modes for its imported raw materials.

Möfag is still managed by its previous owner and director Urs Mösli but there was a change in management at the other two competence centres: Glauco Martinetti, formerly in charge of Rapelli's marketing and sales activities, assumed overall management responsibility for Rapelli. Bruno de Gennaro, the former head of Rapelli, was appointed head of ORIOR's Convenience segment. At Spiess, the "patron" who led the company for 40 years retired and was succeeded by Bruno Bürki, an experienced meat industry specialist who also has extensive knowledge of the retail side of the business.

Outlook

The market environment for the Refinement segment will remain challenging during the coming year. Large numbers of Swiss shoppers will continue to buy groceries across the border. Prices for pork are likely to increase slightly.

In view of these challenges, maintaining a high pace of innovation and a high level of operational flexibility will be crucial for the future success of ORIOR Refinement. Innovation and flexibility will allow the segment to launch new products tailored to changing consumer preferences and to stay ahead of the competition. Management and staff are determined to strengthen the segment's first-mover position in the market.

Raviolone with mozzarella fior di latte

Ravioli is an age-old food specialty that is appreciated in many countries. What's called ravioli in Italy and Switzerland is known as wonton in China, momo in Tibet and pelmeni in Russia. The filled dumpling tradition lives on at the Pastinella competence centre, boosted by creativity and innovation through the continuous invention of new fillings and dough recipes. A large part of ravioli making at Pastinella is still done by hand. Onions are fried, spices mixed and meat, cheese and Swiss-grown vegetables are added, depending on the type. Sometimes the filling is enhanced with a dash of red wine. Special ingredients such as mozzarella fior di latte from Ticino or rose petals may be added. Be it the onions or the finished filling, everything is selected and prepared with great care and loving attention to detail. Only the choicest ingredients find their way into the ravioli kitchens, because consistently high quality is our pledge to customers. In a parallel process, a large mixer kneads pasta dough out of wheat, eggs and salt. Beetroot juice or herbs may be added to the dough for colour. Finally, the dough is rolled out in two sections on large rollers with the filling in the middle. The edges are pressed together and the dough is cut into triangles, squares or circles depending on the type of ravioli. Then each ravioli piece travels on a conveyor belt through a tunnel steamer, where they are carefully cooked. Following cooling and (depending on the cooking method) pasteurisation, the ravioli are ready to sell and enjoy.

ORIOR Convenience

ORIOR Convenience and its competence centres Fredag, Pastinella and Le Patron are focused on fresh convenience products such as ready-made dishes, pâtés and terrines, fresh pasta, vegetarian products and ready-to-cook poultry and meat products as well as seafood. The segment sells these products primarily through the food retail, restaurant and food service channels, and it operates four processing plants in German-speaking Switzerland.

Brands

Key figures

in CHF thousand	2012	Δ in %	2011
External customer sales	191 056		190 625
Inter–segment sales	3 392		2 277
Sales of goods / rendering of services	**194 448**		**192 902**
Reduction in gross sales	–3 835		–3 134
Revenues	**190 613**	**+0.4%**	**189 768**
Segment EBITDA	**27 770**	**–4.0%**	**28 941**
as % of revenues	14.6%		15.3%
Depreciation – tangible assets	–5 128		–4 931
Amortisation – intangible assets	–79		–82
Segment profit (EBIT)	**22 563**	**–5.7%**	**23 928**
as % of revenues	11.8%		12.6%
Investments in non – current assets	**8 165**		**6 525**

Overview

The Convenience business segment, consisting of the Fredag, Pastinella and Le Patron centres of competence, offers a very wide range of products, and this variety allows it to respond to new trends in a flexible manner. One notable trend in recent years has been the growing demand for domestic or regional food ingredients. Swiss farming is synonymous with a high level of quality, and consumers are willing to pay full price for Swiss farmers' products. Food retailers are therefore increasingly asking for products with Swiss ingredients, and not only because of consumer demand, but also for reasons of sustainability.

ORIOR Convenience is a strong advocate of regional products and is constantly striving to raise the overall proportion of domestically sourced ingredients in its products. Substantial quantities of meat, cereals, eggs, vegetables and dairy products are sourced from Swiss farmers by all three centres of competence. However, domestic suppliers cannot always meet demand. Furthermore, production quantities fluctuate considerably over a multi-year period.

The operations of the three centres of competence are located across Switzerland, their main market. Being close to where the customers are is essential for rapid and flexible customer services and deliveries. For example, ORIOR Convenience is able to offer its school lunch meal services thanks only to Lineafresca's unique distribution system.

Business performance

ORIOR Convenience increased its revenues by 0.4 % to CHF 190.6 million in 2012. Considering that this business segment was obliged to lower its prices for several of its retail customers and major retailers sharply curtailed their sales promotion activities, the slight increase in revenues can be viewed as a success.

Operating profit (EBITDA) for the 2012 financial year amounted to CHF 27.8 million, down from CHF 28.9 million in the previous year, and the EBITDA margin narrowed from 15.3 % to 14.6 %. This can be traced to the aforementioned price concessions given to retailers, which were not fully offset by productivity gains and efficiency improvements.

The Fredag competence centre recorded good sales over all its product categories, all above previous year's figures. Pastinella was confronted with a 3 % contraction in the fresh pasta market, which had a correspondingly negative effect on its business. On the positive side, Pastinella regained a major contract that had been cancelled in the previous year, although contract volumes are not as high as they used to be. Le Patron launched numerous innovations during the year under review, especially in the ultra-fresh meal category. This allowed it to increase its revenues with retailers, but its sales in the restaurant channel were lower. Overall business went very well for Le Patron during the 2012 Christmas season, traditionally a very important period for the company.

BRUNO DE GENNARO
CEO SEGMENT CONVENIENCE
CEO FREDAG AG

SWISS DIVERSITY PROVIDES CONVINCING BENEFITS.

Diversity is everywhere in Switzerland, and not just in the actual Swiss population and geographic territory. Many cultures and influences live alongside each other and find their niche. Everyone benefits. Fredag employs people from 27 nations speaking different languages. It makes for an exciting and diverse working environment. Personal interaction is unfailingly cooperative and everyone works to meet a common goal. And these are the people who enhance our diet with a rich variety of new specialities from all over the world.

URS AEBI
CEO LE PATRON

INNOVATION MEANS SURPRISING THE MARKET TIME AND AGAIN.

Tracking market trends, always one step ahead of the competition – that is our mission at Le Patron. Knowing I can rely on creativity at all levels of the company is both demanding and inspiring and always leads to perfect results. Innovation is the heart of our corporate culture, for only through innovation can we surprise the market with new products time and again. Le Patron's innovations are soon imitated by rivals – which we consider a compliment, for only the good things are copied in our business.

Highlights

The Convenience segment reported above-average sales in several categories during the 2012 financial year, allowing it to outgrow the overall market, especially in the poultry, seafood and vegetarian convenience food categories.

ORIOR took another step forward with its best selling vegetarian portfolio in 2012 and, wherever possible, converted its vegetarian recipes into vegan recipes by removing all egg and dairy ingredients. Once again, ORIOR anticipated a customer need early on – its new range of vegan products was a resounding success. In Austria, several vegetarian products were introduced under Spar Austria's Veggie private label. Spar Switzerland began stocking its shelves with fresh pasta from ORIOR's Pastinella brand.

Le Patron's launch of ultra-fresh meals was a big success. These ultra-fresh meals meet consumer demand for fresh, wholesome meals that do not contain any preservatives. After a successful test phase at 65 retail outlets in Switzerland, the new product was introduced at about 160 points of sale.

Le Patron is increasingly using the sous vide cooking technique to produce its meals and meal components. Sous vide ("under vacuum") is a technique where the raw ingredients are put in a vacuum-sealed plastic pouch or container and then slow cooked at a low temperature. Thanks to the air-tight seal, vitamins and minerals are retained and natural flavours are more intense. Moreover, this method is completely hygienic. Sous vide cooking is already the standard technique used by Le Patron for school lunch meal services, restaurants and events. An increasing number of products for the retail channel have also been prepared using this method since 2012.

Le Patron's ambitious "Move 100" project marked the beginning of an initiative to upgrade its infrastructure. It comprises the expansion of its production and cooling capacity and the enlargement of forwarding facilities and the container cleaning area. A second ramp has also been built, which has appreciably shortened goods receipts times and improved the effectiveness of order picking. The project is scheduled for completion by the end of May 2013.

MICHEL NICK
CEO PASTINELLA

COMPETITION MOTIVATES US TO BECOME EVEN BETTER.

To hold our own against foreign food companies we need to set ourselves apart from the competition. We do that by occupying attractive market niches, offering uncompromising quality and continually launching tasty new products. Continuous process optimisation and technology-driven productivity gains help us offset relentless price pressure. Ultimately, Competition motivates us to become even better.

Outlook

Convenience food, fresh convenience food in particular, will be a growing market over a medium to longer-term horizon. While there may be some fluctuations due to temporary changes in consumer wants, the basic need for meals that can be prepared quickly and easily and that are nevertheless nutritious and full of variety will remain intact over a long-term period.

ORIOR Convenience is well attuned to the latest consumer needs and can spot new trends early on. Other strong points are its nimbleness and speed, which allow it to respond quickly to changing customer tastes with just the right products. This ability powers innovation at ORIOR Convenience and makes it one of the driving forces in the marketplace. The Convenience segment currently has a well filled innovation pipeline and should therefore report further organic revenue growth in the coming year.

Bündnerfleisch coated in Alpine herbs

A coating of herbs – parsley, thyme, sage and oregano – gives this particular Bündnerfleisch its unique flavour. This Grisons specialty is produced according to a time-tested recipe in the Canton Grisons, in the Alpine climate of Churwalden 1,230 meters above sea level and sold with the special label "Bündnerfleisch PGI (Protected Geographical Indication)". The rectangular cut of beef from the shank of Swiss livestock is rubbed with a mix of salt and herbs and then stored for three to four weeks in large containers. During this time the pieces of meat are turned twice to ensure that the salt and herbs are uniformly distributed. Afterwards the cut beef is hung to dry for 15 weeks in the crisp mountain air. After being washed and dried again the Bündnerfleisch is coated with the Grisons-grown Alpine herbs. These herbs are cultivated in Val Poschiavo on sun-soaked terraced fields flanking the valley and in fields along the valley floor, using certified organic farming practices. Herbs grow more slowly in this Southern Alpine climate than in the low lands, which makes them particularly fragrant.

ORIOR Corporate, Export and Logistics

ORIOR Corporate, Export and Logistics is responsible for the small-scale distribution of fresh and chilled products throughout Switzerland as well as the export and marketing of the Group's products under their respective brands, primarily in neighbouring countries belonging to the European Union. The segment operates several distribution centres in Switzerland and one in Haguenau, France. Corporate management functions are also centralised in this segment.

Brands

Key figures

in CHF thousand	2012	Δ in %	2011
External customer sales	28 725		30 088
Inter–segment sales	7 721		8 006
Sales of goods / rendering of services	**36 446**		**38 094**
Reduction in gross sales	–352		–122
Revenues	**36 094**	**–4.9%**	**37 972**
Segment EBITDA	**–3 664**	**–6.6%**	**–3 438**
Depreciation – tangible assets	–1 340		–1 147
Amortisation – intangible assets	–727		–793
Segment profit (EBIT)	**–5 731**	**–6.6%**	**–5 378**
Investments in non – current assets	**2 104**		**1 523**

Corporate

More progress made in standardising IT strategy

ORIOR continued to implement its corporate IT strategy during fiscal 2012, the objective of which is to create an integrated IT platform for all group-wide processes and shared services. An important step in this direction during the past fiscal year was the roll-out of SAP at Spiess in early September. All processes had to be redefined for the migration to SAP, which was quite a challenge for a company like Spiess that operates with a complex network connecting the product, distributor and customer. It is a pleasure to say that implementation was picture perfect across the entire value chain. In the autumn Spiess dispatched the first order of Bündnerfleisch using the SAP system. With SAP successfully implemented, management focus now is on familiarising staff with the new system and work flows and on maximising the benefits SAP offers.

The existing IT landscape at ORIOR Group was further harmonised. In the autumn of 2012 a versatile and handy "Marketing & Sales" module was installed at the Convenience companies with the aim of optimising management systems. Thanks to this management tool, the fresh food business is now being monitored on a daily basis and real-time responses to business fluctuations are possible.

Second Annual General Meeting of shareholders as a listed company

ORIOR AG's second Annual General Meeting of shareholders took place at the Lake Side Convention Center in Zurich on 27 March 2012. It was attended by 347 shareholders (234 in the previous year) and they were informed about the Company's record-high profit for the year. Shareholders approved the dividend proposal of CHF 1.93 per share, which corresponded to a payout ratio of 40.5%. All other proposals from the Board of Directors were approved by an overwhelming majority and all directors were re-elected to another one-year term of office. Shareholders were treated to culinary delights from ORIOR after the AGM was adjourned.

Growing shareholder base

There was a large increase in the number of ORIOR AG shareholders during the year under review. At the end of 2012 the number of shareholders had increased by nearly one-third compared to the beginning of the year. The private equity company Capvis reduced its long-standing interest in ORIOR AG to less than 3% in October 2012. Most of its shares were acquired by EGS Beteiligungen AG and by investors and funds associated with AMG Analysen und Anlagen AG. These long-term-oriented investors represent a sturdy platform for the further development of ORIOR Group. At an Investor Lunch in Zurich on 24 October 2012, ORIOR executives presented the company to a group of interested investors. This was just one of the many successful investor relations events that were organised in the year under review. Besides road shows in Zurich, London, Frankfurt and Paris, management presentations were also held in several cities across Switzerland.

Export

Business performance

Consumer uncertainty, fanned by the sovereign debt crisis in the EU, was still evident in ORIOR's export markets in 2012 but sales nevertheless held up relatively well in Germany and Austria. Consumers in these two markets are willing to pay extra for superior quality food products. ORIOR is positioned in the premium segment of the food retailing market with its Grisons specialities sold under the "Albert Spiess – Switzerland's Finest" brand and its vegetarian specialities sold under the "Nature Gourmet" brand, the two products that constitute the bulk of its export business. This positioning allows for higher prices, but consumers in this segment will only accept top quality products.

In France the economic headwinds became stronger as the year progressed and this had a notable impact on French consumers' desire to buy premium products. Although France is the main export market, overall exports of the Bündnerfleisch marketed under the "Albert Spiess – Switzerland's Finest" brand held steady compared to the previous year.

ORIOR's vegetarian line of products is particularly popular in Germany and Austria and is sold quite well during the past year. Sales doubled from the prior-year level and many new customers were won. The minimum exchange rate of CHF 1.20 to the euro increased planning reliability in the export business.

Highlights

In January 2012 SPAR Austria introduced a wide range of private label vegetarian products. ORIOR Germany contributed several of these products, three of which immediately became the top-selling products within this segment. Shoppers who buy these products have high expectations regarding product origin and product ingredients. "Nature Gourmet" clearly benefits in this regard from its Swiss status.

Since July 2012 ORIOR Germany has been supplying Bündnerfleisch for the premium private label "Selection" of EDEKA, Germany's largest food retailer. In France Bündnerfleisch products sold very well during the Christmas season, adding a bright spot to an otherwise difficult year. ORIOR's participation in the SIAL, an international food fair held in Paris in October, clearly paid off.

Further progress was made in raising the profile of the "Albert Spiess – Switzerland's Finest" brand. It is now a very visible product in the meat counters of Europe's high-end food retailers. As a unique, regional and all-natural product, Bündnerfleisch is PGI certified (Protected Geographical Indication), which is an EU recognised label. The PGI logo is printed on the product packaging and enhances consumer trust and protection.

Outlook

ORIOR expects the economies of its export markets to show little change or to improve over the coming year. Consequently, its export business should continue to perform well.

Business with Bündnerfleisch is benefiting from consumer and retailer demand for select quality food products. The Swiss origin, the well-established "Albert Spiess – Switzerland's Finest" brand and the contemporary image as a wholesome, high-protein, low-fat dried beef product are good arguments for Bündnerfleisch.

A few changes are in store for the "Nature Gourmet" product family in 2013. Many new products are in the pipeline. Vegetarians are not the only group of consumers being targeted either; so-called "flexitarians" – the growing number of consumers who are reducing their consumption of meat and seeking tasty, healthy alternatives – are now another target group.

STEFAN H. JOST
CEO ORIOR INTERNATIONAL, NEW BUSINESS AND LOGISTICS

HOME IS WHERE YOU FEEL YOU BELONG IN EVERY POSSIBLE WAY.

Home to me is a place where joint values and traditions are nurtured. These shared foundations are what create a sense of identity coupled with stability and security. I see no contradiction whatsoever in being at home in Switzerland while my work takes me beyond the country's borders. My job after all is to distribute the best of Swiss food specialities abroad. Their steadily increasing popularity shows me time and again how proud we can be of our traditional skills.

Logistics

Business performance

Lineafresca, the transportation specialist within the ORIOR Group, had to contend with a challenging market environment in 2012. On the one hand, producers and retailers alike wanted high-volume deliveries of their goods to wholesale distribution points. On the other hand, small-scale customers in the retail and restaurant channels became more demanding with regard to delivery times and schedules. Lineafresca was challenged to meet these demands every day but this was also a chance to distinguish itself from the competition. Third parties outside of ORIOR Group have expressed growing interest in Lineafresca's unique distribution system. The share of revenues generated with third party customers grew disproportionately during the year under review.

Highlights

Lineafresca delivers the designated goods for transport through an unbroken refrigeration chain to the ORIOR platform, where they are repacked, loaded on to the distribution vehicles and transported to the approximately 7,000 different customer addresses. In fiscal 2012 Lineafresca's 33 vehicles made nearly 200,000 deliveries on some 10,000 tours, transporting a total of 12,000 tonnes of goods. Its drivers spent 80,000 hours at the wheel and logged 2.5 million kilometres (more than 1.5 million miles) in doing so. Compared to the previous year, these numbers represent an increase of approximately 4 %.

During the past year Lineafresca upgraded all of its vehicles with FleetBoard, a software programme for intelligent fleet management. This enabled it to minimise surplus driver capacity and the number of empty runs. Moreover, all drivers received training on economical, fuel-saving driving styles. As a result, some drivers lowered their fuel consumption per 100 kilometres by seven or more litres.

Outlook

As Switzerland's only food logistics company with a nationwide presence offering transport capabilities for both refrigerated and frozen products, Lineafresca is ideally positioned. Optimal use of its platform will be made going forward and the corresponding infrastructure constantly improved. Lineafresca possesses the infrastructure and wherewithal to steadily expand its business.

Buure Hamme

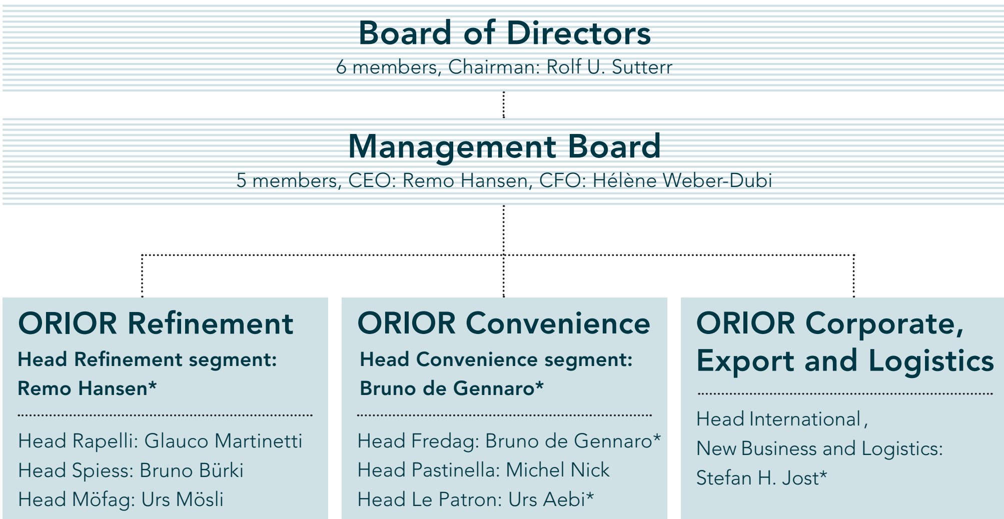
Buure Hamme is a truly tasty back-to-the-roots traditional product from Möfag. Production begins by rubbing a mixture of salt and herbs into the entire legs of ham, consisting of nothing but the best of Swiss pork. To bring out the full flavour, the hams are stored for ten days in a salt environment. This air-drying process also helps to tenderise the meat. After the curing period, the hams are packed carefully in nets and rolled into the smokehouse where they take on their golden hue and typical smoky flavour. The next step is the cooking process, which involves gentle steaming for eight hours in a huge oven, followed by a refreshing shower and a cooling process that lowers the meat's temperature to two degrees. After a stringent quality control process, the approximately seven kilogram beauties are wrapped in gold mesh and released for sale.

Corporate Governance Report

ORIOR Group is committed to best practices in corporate governance with a high level of transparency. Good corporate governance protects the interests of company shareholders and stakeholders while helping the Group achieve sustainable development. ORIOR Group's corporate governance policy is based on the Swiss Code of Best Practice for Corporate Governance (2008). The information disclosed hereinafter meets the current requirements of the "Directive on Information Relating to Corporate Governance" (DIRCG) issued by SIX Swiss Exchange and last amended on 29 October 2008. Unless otherwise stated, all information is applicable as at the closing balance sheet date of 31 December 2012.

1 Group structure and shareholders

Group structure as at 31 December 2012



* Member of the Management Board

The registered office of ORIOR AG, the parent company of ORIOR Group, is in Zurich (Switzerland). Information on the security number and ISIN code of its shares and its stock-market capitalisation is given in the "Share information" section of this annual report.

The subsidiaries included in the Group's scope of consolidation are listed in the Notes to the Consolidated Financial Statements, Note 43, along with their legal domicile, share capital and the percentage interest held by the Group. Apart from the parent company, only unlisted companies are included in the scope of consolidation.

Major shareholders

According to the entries in the Company's share register as of 31 December 2012 and the notifications received, the following shareholders each own more than 3 % of ORIOR AG's share capital:

Shareholder	No. of shares	%	Source
Ernst Göhner Stiftung (CH)	620 000	10.46	Notification 05.10.2012
The Capital Group Companies, Inc. (USA)	385 000	6.50	Notification 24.02.2012
UBS Fund Management (Switzerland) AG (CH)	368 121	6.21	Notification 28.02.2012
Rolf U. Sutter (CH)	199 300	3.36	Notification 12.10.2012
Schroder Investment Management (North America) Limited (GB)	196 712	3.32	Notification 23.12.2010
Schroder Investment Management (Switzerland) AG (CH)	182 556	3.08	Notification 20.12.2012
Vanguard International Explorer Fund (USA)	179 304	3.03	Notification 11.05.2010
Balfidor Fondsleitung AG (CH)	177 823	3.00	Notification 20.06.2012

During the period between 1 January 2012 and 31 December 2012 the following disclosure notifications were received and duly published on the website of the SIX Swiss Exchange:

Publication date	Shareholder	Reason for announcement	New interest
26 January 2012	Balfidor Fondsleitung AG	Purchase	3.02%
24 February 2012	The Capital Group Companies, Inc.	Purchase	6.50%
28 February 2012	UBS Fund Management (Switzerland) AG	Purchase	6.21%
01 March 2012	Deutsche Bank AG	Sale	4.81%
31 May 2012	Balfidor Fondsleitung AG	Sale	<3%
20 June 2012	Balfidor Fondsleitung AG	Purchase	3.00%
21 June 2012	Credit Suisse Funds AG	Sale	2.77%
14 July 2012	Deutsche Bank AG	Sale	<3%
31 July 2012	Credit Suisse Funds AG	Purchase	3.03%
11 August 2012	Credit Suisse Funds AG	Sale	2.95%
17 August 2012	Credit Suisse Funds AG	Purchase	3.10%
14 September 2012	Credit Suisse Funds AG	Sale	2.82%
05 October 2012	Capvis General Partner II Ltd.	Sale	<3%
05 October 2012	Ernst Göhner Stiftung	Purchase	10.46%
12 October 2012	Rolf U. Sutter	End of lock-up period	3.36%
20 December 2012	Schroder Investment Management (Switzerland) AG	Purchase	3.08%

Detailed information about these disclosures can be viewed at http://www.six-swiss-exchange.com/shares/companies/major_shareholders_en.html

On 15 January 2013 ORIOR AG was notified that Balfidor Fondsleitung AG's shareholdings fell below the 3 % threshold as of 9 January 2013.

As of 19 February 2013, ORIOR AG was not aware of any other person or entity holding, directly or indirectly, 3 % or more of the Company's share capital.

ORIOR AG is not aware of any agreements, arrangements or understandings among shareholders regarding their holdings of ORIOR AG registered shares.

Cross-shareholdings

There are no cross-shareholdings with other companies.

2 Capital structure

Share capital

in CHF	31.12.2012	31.12.2011	31.12.2010
Ordinary share capital	23 700 000	23 700 000	23 700 000
Conditional share capital	714 256	714 256	714 256
Authorised share capital	4 761 704	4 761 704	4 761 704
Treasury shares	582 408	686 239	396 540

Ordinary capital

ORIOR AG's share capital is fully paid in and amounts to CHF 23 700 000. It is divided into 5 925 000 registered shares with a par value of CHF 4.00 each. There is only one category of registered shares. Further information on the shares is given in the "Share Information" section of this annual report.

Conditional capital

The share capital of the Company will be increased by a maximum of CHF 714 256 through the issue of a maximum of 178 564 registered shares with a par value of CHF 4.00 each, which must be fully paid-in, upon exercise of options rights granted to the members of the Board of Directors and employees of the Company and subsidiaries under one or more share-based compensation plans. The issue price for the new shares and the terms of the share-based compensation plans will be determined by the Board of Directors. The subscription rights and preemptive rights of shareholders are excluded with respect to this conditional capital increase. The acquisition of registered shares through the exercise of option rights and every subsequent transfer are subject to the restrictions on entry in the share register stipulated in Articles 5 and 6 of the Articles of Association.

Authorised share capital

The Board of Directors is authorised to increase the share capital at any time up to 27 March 2014 by a nominal amount of a maximum of CHF 4 761 704 through the issue of a maximum of 1 190 426 registered shares with a par value of CHF 4.00 per share, which must be fully paid in. Partial increases of share capital within the above limit are permitted. The Board of Directors will decide the amount of share capital issued, the date of its entitlement for dividend payments and the form of subscription to be used. After their acquisition, the new registered shares will be subject to the restrictions on entry in the share register stipulated in Articles 5 and 6 of the Articles of Association.

The Board of Directors shall be entitled to suspend shareholders' preemptive rights and to assign subscription rights to third parties,

(i) if these new shares are intended to be used for the purpose of taking over another company or companies by share exchange or to finance the acquisition of companies, parts of companies or interests in companies, or for corporate investment projects,

(ii) if these new shares are being placed nationally and internationally,

(iii) if an over-allotment (greenshoe) option is granted to one or more financial institutions in connection with the share issue, or

(iv) if the share issue is being made for conversion of loans, securities or vested rights into shares.

Rights of disposal of preemptive rights not exercised shall revert to the Board of Directors, which must apply these in the Company's best interests.

Changes in capital

At the Extraordinary Meeting of Shareholders on 9 April 2010, shareholders voted to split the share capital consisting of 170 000 registered shares with a par value of CHF 100.00 each into 4 250 000 registered shares with a par value of CHF 4.00 each.

Shareholders at the Extraordinary Meeting of Shareholders on 9 April 2010 also authorised the Board of Directors to increase the share capital from CHF 17 million to a maximum of CHF 97 million during a three-month period following this Extraordinary Meeting of Shareholders. On 21 April 2010 the share capital of ORIOR AG was increased by CHF 6.7 million through the issue of 1 675 000 registered shares.

The Extraordinary Meeting of Shareholders on 9 April 2010 also voted to create conditional share capital of CHF 714 256 and authorised share capital of CHF 4 761 704.

ORIOR AG has purchased own shares through numerous transactions on the open market. In 2010 a total of 8 510 registered shares were purchased at an average price of CHF 46.60, in 2011 a total of 5 635 registered shares were purchased at an average price of CHF 51.41 and in 2012 a total of 2 100 registered shares were purchased at an average price of CHF 46.43. 4 150 shares were issued under the employee share plan. On 31 December 2012 ORIOR AG held 12 095 treasury shares with a carrying value of CHF 582 408.00, recorded at cost.

Participation certificates and non-voting equity security

ORIOR Group has not issued any participation certificates or non-voting equity securities.

Restrictions on share transfer, registration of nominees

There are no restrictions on the transfer of the registered shares of ORIOR AG. The sole condition attaching to entry of a shareholder in the share register is a written statement signed by the person acquiring the shares that he is acquiring them in his own name and for his own account. There are no further restrictions on shareholder registration. Nominees will be entered in the share register with corresponding voting rights, provided that the relevant nominee is subject to a recognised bank and financial market supervisory authority and has signed an agreement on his status with the Company's Board of Directors. The total number of shares held by the nominee must not exceed 2 % of the Company's outstanding share capital. The Board of Directors is entitled to register nominees with shareholdings exceeding the foregoing limit in the share register with corresponding voting rights, provided that the nominees disclose the names, addresses, nationalities and shareholdings of those persons, for whose account they are holding 2 % or more of the Company's outstanding share capital. No nominees with voting rights exceeding the 2 % limit were registered during the year under review.

Convertible bonds and warrants

ORIOR AG has not issued any bonds or warrants convertible into and/or exchangeable for equity securities of ORIOR AG. The same applies with regard to the other Group companies.

3 The Board of Directors

The duties and responsibilities of the Board of Directors of ORIOR AG are defined by the Swiss Code of Obligations, the Articles of Association and the Organisational Regulations.

Members of the Board of Directors

The Board of Directors (BoD) consisted of six directors as at 31 December 2012. All six members of the Board of Directors are non-executive directors. With the exception of Rolf U. Sutter, who served as ORIOR Group CEO from 1999 to April 2011, none of the directors held an executive position with ORIOR Group during the three fiscal years preceeding the period under review. Unless otherwise noted, the members of the Board of Directors do not have significant business relationships with ORIOR AG or with ORIOR Group.

Changes occurring in 2012

There were no changes in the composition of the Board of Directors of ORIOR AG in 2012.

Below is an overview of the current members of the Board of Directors as at 31 December 2012, their functions within the Board, their first year of election to the Board and their current term of office. All of the directors are Swiss nationals.

Name	Year of birth	Position	First term of office	Elected until AGM
Rolf U. Sutter	1955	Chairman Chairman of Nomination and Compensation Committee	2006[1)]	2013
Rolf Friedli	1961	Vice-Chairman Nomination and Compensation Committee	2006	2013
Erland Brügger	1966	Member Audit Committee	2007	2013
Christoph Clavadetscher	1961	Member Audit Committee	2007	2013
Edgar Fluri	1947	Member Chairman of Audit Committee	2010	2013
Anton Scherrer	1942	Member Nomination and Compensation Committee	2007	2013

[1] CEO of ORIOR Group from 1999 to April 2011

Rolf U. Sutter

Edgar Fluri

Erland Brügger

Rolf Friedli

Anton Scherrer

Christoph Clavadetscher

Rolf U. Sutter holds a bachelor degree from the Lausanne Hotel School and pursued a degree programme at Cornell University in Ithaca. From 1981 to 1989 he held various positions at Railway Buffet, Zurich and Moevenpick Holiday Inn, Moevenpick Hotel and Moevenpick / Marché Schweiz. From 1989 to 1997 he served as Managing Director / CEO of Moevenpick / Marché International. From 1993, he was also a member of the Executive Board of Moevenpick Holding AG. During this time, he worked in Germany for three years, established several companies in several countries, opened and developed various restaurants in North America, Asia (with registered offices in Hong Kong and Singapore), the Middle East and Europe. From 1997 to 1999, he was Managing Director of all gastronomy operations within the Moevenpick Group. After assuming the position as CEO of ORIOR in 1999, Rolf U. Sutter was elected Executive Board delegate to the Board of Directors. Rolf U. Sutter resigned as ORIOR's CEO on 30 April 2011. The Board of Directors elected Rolf U. Sutter as its Chairman at the constituting meeting of the Board after the Annual General Meeting on 6 April 2011.
Other activities and functions: Rolf U. Sutter is a member of the Board of Directors of Branchen Versicherung Schweiz, Zurich, a member of the Board of Directors of foroom Liegenschaften AG, Willisau and a member of the Board of Directors of Schweizer Getränke AG, Meilen.

Rolf Friedli holds an MBS from the University of Chicago. He worked for Goldman Sachs in investment banking in New York and London from 1986 to 1987. From 1988 to 1994 Rolf Friedli held various positions in Clariden Bank's asset management business. In 1994 he joined SBC Warburg and in 1995 SBC Equity Partners (predecessor company of Capvis Equity Partners AG). Rolf Friedli is a partner and the Chairman of the Board of Capvis Equity Partners AG. Capvis Equity Partners AG was the majority shareholder of ORIOR AG before ORIOR was listed on the SIX Swiss Exchange.
Other activities and functions: Rolf Friedli is a member of the Board of Directors of Stadler Rail AG, Bussnang, Chairman of the Board of Directors of Lista Holding AG, Erlen, Vice Chairman of the Board of Directors of Benninger AG, Uzwil, a member of the Advisory Board of Ondal Holding GmbH, Huenfeld (Germany), a member of the Global Advisory Board of the University of Chicago (USA) and a member of the Global Council of Queen's School of Business, Kingston (Canada).

Erland Brügger holds a Master in Economics from the University of St. Gallen (lic. oec. HSG). After earning his degree he joined a subsidiary of Unilever (Schweiz) AG in 1992, where he ultimately served as brand manager for Lipton Ice Tea. In 1996 he joined Wander AG as a sales manager and two years later was appointed sales director of Novartis Consumer Health Schweiz AG, a position he held until 2002. From 2002 to April 2011 he was Managing Director of Wander AG and a member of the International Board of Twinings – Ovomaltine Worldwide. Erland Brügger currently serves as CEO of the Rivella Group.
Other activities and functions: Erland Brügger is Vice Chairman of the Board of Directors of Promarca, The Swiss Branded Goods Association, Bern, Vice Chairman of the Schweizerische Mineralquellen und Soft-Drink-Produzenten and a member of the Supervisory Board of the PET Recycling Schweiz Association, Zurich.

Christoph Clavadetscher earned a degree in business studies and held various positions at Coop from 1992 to 2005. He was Head of the Coop Central Switzerland-Zurich sales region, Head of the Trading operations and a member of the management board with responsibility for the “Coop-City” department stores and building supply stores as well as Chairman of the Board of TopTip and Importparfuemerie AG. From 2005 to 2009 he served as managing director of Dohle Handelsgruppe, Siegburg (Germany). From 2009 to 2011 he served as CEO of Dolma Holding AG in Schlossrued (Switzerland). In February 2011 Christoph Clavadetscher assumed management responsibility for Moebel Hubacher ad interim. On 1 July 2011 he became CEO of Moebel Hubacher AG.
Other activities and functions: Christoph Clavadetscher is Chairman of the Board of Directors of Burger Käse AG, Ennetmoos, a member of the Board of Directors of PEG Papeteristen-Einkaufsgenossenschaft, Aarburg, a member of the Board of Directors of Mercato Shop AG, Teufen, a member of the Board of Directors of Karl Vögele AG, Uznach, a member of the Board of Directors of Christian Binder AG, Zofigen and a member of the Board of Directors of Agrovision AG, Alberswil.

Edgar Fluri earned a Doctorate in Economics from the University of Basel and is a Swiss Certified Public Accountant. From 1977 to 1998 he was with STG-Coopers & Lybrand, where he served as Deputy Chairman (1991–1996) and Chairman of the Management Committee (1997–1998) and held a seat on the Coopers & Lybrand International and European Boards. After the merger to form PricewaterhouseCoopers, Edgar Fluri served as Chairman of the Board of Directors of PricewaterhouseCoopers Switzerland (1998–2008). He was also Head of Assurance and Business Advisory Services EMEA (1998–2001) and a member of the Global Board of PricewaterhouseCoopers (2002–2005). Edgar Fluri has also been a part-time lecturer in public accounting and auditing at the University of Basel since 1987 and was appointed titular professor in 1997.
Other activities and functions: Edgar Fluri is a member of the Board of Directors of Nobel Biocare Holding AG, Zurich, a member of the Supervisory Board of Brenntag AG, Muelheim an der Ruhr (Germany), a member of the Board of Trustees of the Beyeler Foundations, Basel, a member of the Board of Directors of Beyeler Museum AG, Basel, a member of the Board of Directors of Galerie Beyeler AG, Basel and a member of the Commission of the Swiss Accounting and Reporting Recommendations (Swiss GAAP FER).

Anton Scherrer earned a Master’s degree and a Doctorate in agricultural engineering from the Swiss Federal Institute of Technology Zurich. From 1968 to 1991, he held various research, consulting and managerial positions in a variety of industrial and brewing companies in Switzerland and abroad, which included a seat on the Board of Directors of Huerlimann Holding AG. From 1991 on he held various executive positions for the Migros-Genossenschafts-Bund, with responsibility for 14 industrial enterprises and the entire logistics operation. In 2001 he was appointed Chairman of the Board of Directors of Migros-Genossenschafts-Bund and Chairman of the Retail Trade Committee of the Migros Genossenschaften, as well as Chairman of the Magazine zum Globus, Migros Bank and Hotelplan, an international travel agency. In 2005 Anton Scherrer assumed the position of Vice-Chairman and then from 2006 to 2011 served as Chairman of the Board of Directors of Swisscom AG in Bern.
Other activities and functions: Anton Scherrer is a member of the Innovation Promotion Agency (CTI), Bern within the Federal Department of Economic Affairs, a member of the Board of Directors of Agrovision AG, Alberswil and a member of the Capvis Industry Advisory Board of Capvis Equity Partners AG in Zurich.

Other activities and functions

With the exception of the positions already listed under “Members of the Board of Directors”, none of the directors holds any positions or exercises any activities of relevance to corporate governance in

– governing or supervisory bodies of an important organisation, institution or foundation under private or public law;
– a permanent management or consultancy function for important interest groups;
– a public or political office.

Elections and terms of office

The members of the Board of Directors are elected individually at the Annual General Meeting of shareholders. The Board of Directors consists of a minimum of three and a maximum of nine directors. The term of office for each director shall be determined at the occasion of his or her election. The term of office shall not exceed three years. Members may be re-elected.

The term of office begins on the day of election and ends on the date of the corresponding Annual General Meeting upon completion of the term of office. In the event of substitute elections, the newly elected members shall complete the term of office of their predecessors.

Duties and powers

The Board of Directors is the ultimate decision-making body of the Company, except with respect to those matters reserved to the General Meeting of Shareholders by law or the Articles of Association. According to Art. 17 of the Articles of Association, the Board of Directors has the following non-transferable and inalienable duties:

– ultimate management and direction of the Company and issuance of the necessary directives;
– determination of the organisation of the Company, including the adoption and revision of the Organisational Regulations;
– organisation of the accounting system, financial controls and financial planning;
– appointment and removal of the persons entrusted with the management of the Company and the assignment of signatory powers;
– ultimate supervision of the Management Board, also in view of compliance with the law, the Articles of Association, regulations and instructions;
– preparation of the annual report, preparation of the General Meeting of Shareholders and implementation of its resolutions;
– passing of resolutions regarding the subsequent payment of capital on not fully paid-in shares, and the amendment of the Articles of Association to that effect;
– passing of resolutions regarding capital increases, to the extent that they are in the power of the Board of Directors (Art. 651 para. 4 CO), recording of capital increases, preparation of the capital increase report, and amendment of the Articles of Association to that effect;
– non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Merger Act and other laws;
– notification of the court in case of over-indebtedness.

Furthermore, the Board of Directors has the following inalienable duties and powers pursuant to Art. 3.3 of the Organisational Regulations:

– approval of the business strategy, passing of resolutions on the commencement of new and the cessation of existing business activities, as well as approval and adoption of the budget of the Company;
– approval of transactions that the CEO or the Management Board, in accordance with the rules on the division of powers, which are to be issued by the Board, must submit to the Board or voluntarily submits to the Board;
– upon request of the Nomination and Compensation Committee, determination of the remuneration for the Directors, the CEO and the Management Board;
– adoption and any amendment or modification of any equity incentive programmes, stock option plans, restricted stock purchase agreements, etc.;
– issuance of convertible bonds, bonds with option rights attached, or any other financial market instruments;
– decision on entering any financial commitments exceeding CHF 2 million that are not within the budget approved by the Board.

The Board of Directors designates from its ranks the chairman and the members of the Board's committees each year. It can appoint a vice-chairman. The Board of Directors appoints a secretary, who need not be a member of the Board of Directors.

As detailed in the Organisational Regulations, the Board of Directors has delegated certain powers and duties to the Chairman of the Board of Directors. The Chairman presides at meetings of the Board of Directors. The Chairman also represents the Board of Directors in communications and dealings with the public, the authorities and with shareholders. The Chairman ensures that all directors are informed in a timely and sufficient manner. He also monitors the implementation of the resolutions adopted by the Board.

In the event of extraordinary events requiring urgent attention, the Chairman is authorised and obligated to impose immediate measures, which may also pertain to the powers and duties of the entire Board of Directors. The Board of Directors must be informed of such action as quickly as possible and must be drawn into the decision-making process in an appropriate manner.

The Board of Directors meets as often as business requires, but no less than six times a year. The Board of Directors convened eleven meetings between 1 January 2012 and 31 December 2012, two of which were telephone conferences. There was also a Board of Director workshop. No resolutions were adopted by means of circular letter. The meetings lasted approximately 4.5 hours each, the telephone conferences approximately 30 minutes, the workshop 1.5 days. All members of the Board of Directors were present at every meeting except for Erland Brügger, who did not take part in the meeting held on 25 September 2012.

Any director may request the Chairman to call a Board meeting or to add an item to the agenda. Besides the directors the Board meetings are attended by the CEO and CFO and may, depending on the agenda items, be attended by other members of the Management Board.

The Board of Directors constitutes a quorum when, and only when, at least a majority of its members is present. Resolutions are adopted by a majority vote of the members present. Every director has one vote. In the event of a tie vote, the Chairman shall have the casting vote or, in the event of his absence, the acting chair shall have the casting vote.

The Board of Directors may establish standing or ad-hoc committees to prepare resolutions, exercise certain control functions or to perform other special duties. Non-board members may also be appointed to these committees. These committees have no authority to adopt resolutions. An Audit Committee and a Nomination and Compensation Committee shall be appointed as standing committees.

Audit Committee

The Audit Committee is a specialist body that is formally appointed by the Board of Directors. Its principal responsibility is to provide support to the Board of Directors in the exercise of its supervisory duties relating to the accuracy of the annual financial statements, compliance with laws and regulations, qualifications of external auditors, reliability of the internal control system and risk management procedures and to the work performed by external and internal auditors.

The Audit Committee consists of three independent members of the Board of Directors. The Board of Directors must verify that at least one of the members of the committee possesses relevant, up-to-date knowledge of accounting and financial matters (Financial Expert). The following persons are at present members of the Audit Committee: Edgar Fluri (Chairman, Financial Expert), Erland Brügger and Christoph Clavadetscher. Hélène Weber-Dubi attends these meetings as CFO, albeit without voting rights.

The Audit Committee has the following responsibilities:

- audit and appraisal of efficacy of external and internal auditors and, in particular, of their independence;
- examination and appraisal of the audit plan and its extent, the audit procedures, the results of external and internal audits and verification that recommendations of external and internal auditors have been implemented;
- study of audit reports and discussion of these with the auditors;
- recommendations on appointment of external auditors to the Board of Directors for onward transmission to the shareholders for approval at the General Meeting, approval of audit fees payable to the external auditors and of the terms of reference of their mandate;
- appraisal of internal controls and of the risk management procedures introduced by the Company's management and of the extent to which the proposed actions actually minimise risks;
- appraisal of compliance with relevant laws and regulations and with the Company's Organisational Regulations and organisation and corporate governance (compliance);
- verification, in cooperation with the auditors, the CEO and the CFO, that the accounting principles and financial control mechanisms of the Company and its subsidiaries are commensurate with the Company's size and complexity;
- examination of the statutory and consolidated annual and interim financial statements and of the formal statements issued by the Company and discussion of these with the management and the auditors prior to their submission to the Board of Directors;
- examination of other matters at the Board of Directors' request;
- disclosure of the Audit Committee Charter, audit of its own performance and efficacy and submission to the Board of Directors of recommendations for any necessary changes.

The Committee must hold not less than four regular meetings annually. It can call additional meetings at its own discretion. During the period from 1 January 2012 to 31 December 2012 the Audit Committee held five meetings, one of which was a telephone conference. All members of the Audit Committee were present at these meetings.

Nomination and Compensation Committee

The Nomination and Compensation Committee is a specialist body that is formally appointed by the Board of Directors. Its principal responsibility is to provide support to the Board of Directors in the exercise of its supervisory duties.

The Nomination and Compensation Committee consists of not less than two members appointed by the Board of Directors. If the committee has only two members, at least one of these must be an independent member of the Board of Directors not involved in the Company's executive management. If it has more than two members, a majority of its members must be independent members of the Board of Directors not involved in the Company's executive management. The following persons are at present members of the Nomination and Compensation Committee: Rolf U. Sutter (Chairman), Rolf Friedli and Anton Scherrer. Remo Hansen also attends the committee's meetings in his capacity as CEO, but holds no voting rights.

The Nomination and Compensation Committee has the following responsibilities:

- long-term planning and action to ensure availability of suitable candidates for positions on the Board of Directors and the Management Board, and introduction of appropriate systems for management development and succession planning, which will ensure that the Company will have the best leadership and management talents available to it at all times;
- nomination of candidates for vacant positions on the Board of Directors and for the position of CEO; nomination of candidates proposed by the CEO for positions on the Management Board;
- recommendations to the Board of Directors on composition of the Board of Directors and search for suitable candidates, verification that members of the Board of Directors are independent agents;
- recommendations to the Board of Directors on re-election of members of the Board of Directors on termination of their term of office;
- regular examination and appraisal of the Company's system of remuneration, including stock-option incentive programmes;
- recommendations to the Board of Directors on employment terms of the CEO, in particular, the remuneration package, and recommendations on remuneration of the Board of Directors;
- recommendations to the Board of Directors on the CEO's proposals for employment terms of members of the Management Board and other leading executives reporting directly to the CEO;
- examination of matters connected with general remuneration arrangements for employees and of the Company's personnel management practices;
- recommendations to the Board of Directors on granting of stock options or other security options under incentive programmes to the Company's management;
- examination of other matters at the Board of Directors' request;
- disclosure of the Nomination and Compensation Committee Charter, audit of its own performance and efficacy, and submission to the Board of Directors of recommendations for any necessary changes.

The Committee must hold not less than two regular meetings annually. It can call additional meetings at its own discretion. During the period from 1 January 2012 to 31 December 2012 the Nomination and Compensation Committee held six meetings. All members were present at these meetings..

Division of power and responsibilities between the Board of Directors and the Management Board

The Board of Directors bears ultimate responsibility for the business activities and affairs of the Company and the Group. The Board of Directors has delegated responsibility for operational management of the Company to the CEO within the limits imposed by law and in accordance with the Company's Organisational Regulations. The CEO chairs the Management Board and is authorised to issue instructions to this board's other members. The members of the Management Board conduct their day-to-day business on their own initiative within the framework of the corporate strategy, corporate targets and budgetary targets approved by the Board of Directors.

The demarcation lines between the responsibilities of the Board of Directors and the Management Board have been laid down in the Organisational Regulations of ORIOR AG.

The Organisational Regulations, the Audit Committee Charter and the Nomination and Compensation Committee Charter can be downloaded from the Company's website at http://en.orior.ch/About-us/Corporate-Governance.

Reporting and control instruments in dealings with the Management Board

At each meeting of the Board of Directors the CEO reports on the general course of business, any deviations from budget and significant business occurrences.

During the periods between meetings the members of the Board of Directors receive monthly written reports on the general course of business and the Company's financial situation. These monthly reports contain up-to-date information on the course of business and detailed comments on the results of the Group, the individual segments and the competence centres. They also contain information on the Company's share price and developments relating to shareholder structure.

Once a year the Board of Directors holds a strategy workshop that lasts approximately 1.5 days to review strategic goals, risk management policy and the medium-range forward planning for the following three years, among other matters. Planning is discussed in detail with the heads of the segments and competence centres. The Board of Directors is directly briefed on the on-going strategic and operational projects and the results achieved during these discussions.

The Board of Directors also receives two annual updates of the anticipated annual results.

Furthermore, the Chairman of the Board of Directors maintains close contact with the CEO. The course of business and all major issues of corporate relevance are discussed at regular meetings scheduled at least twice a month. There is also an intensive exchange of information on an informal basis. The Chairman of the Board of Directors is closely involved with the Company and focuses his attention primarily on strategic issues and projects. Each member of the Board of Directors can request information on the course of the Company's business from persons entrusted with management of the Company.

Any exceptional incidents must be reported to the members of the Board of Directors either by the CEO or the Chairman of the relevant committee without delay.

Risk managementt

The ORIOR Group has risk management systems in place at all its Group companies. Potential risks are reviewed periodically and significant risks to which the Company is exposed are identified and assessed for probability of occurrence and effect. Action to manage and contain these risks is approved by the Board of Directors. In addition to this periodic risk review by the Board of Directors, the ORIOR Group practices active "What if" risk management at the Group's companies. "What if" scenarios are also integrated into the budgets and the 3-year forward planning forecasts of the Group companies.

Internal control system

ORIOR expanded and improved its Internal Control System (ICS) in 2012. The ICS contributes to the continual improvement of ORIOR's business activities and is designed to ensure that the necessary procedures and tools for identifying and controlling risk are in place. It fulfils Swiss legal requirements and is adequate for the needs of a group of ORIOR's size.

The ORIOR Group's ICS is based on the COSO framework. Besides the controls ensuring adherence to strategic and operating targets as well as regulatory compliance, the main priorities of the ICS are to monitor risks in connection with the financial reporting activities of all Group companies.

Compliance with the ICS and its effectiveness is reviewed on a regular basis by internal auditors. The 2012 review focused on purchasing and supply processes. The external auditors also perform appropriate test procedures to ascertain whether an ICS exists, which they must confirm in their audit report.

Internal auditing

The internal auditors support the Board of Directors in fulfilling its tasks of control and supervision, particularly within the Group's subsidiaries. The internal auditors provide an independent and objective auditing and consultancy service aimed at creating added value and improving business processes. Internal audit supports the Company in the achievement of its aims, by using a systematic and targeted approach to evaluating the effectiveness of risk management, controls and management and supervision processes, and helping to improve these.

The tasks of internal auditing include the following activities:

- auditing and assessing the appropriateness and effectiveness of planned and existing internal controls;
- supporting the exchange of good practice and know-how within the organisation;
- verifying the reliability and integrity of ORIOR's financial and operational information, including the ways and means for the identification, measurement, classification and reporting of such information;
- checking the systems established by management to ensure adherence to guidelines, workflows, laws and statutory regulations that may have a significant influence on operations or on compliance;
- checking and assessing the economic and efficient use of resources;
- checking work processes and projects to ensure that specified targets are achieved and work processes and projects are executed as planned.

The internal auditors are functionally independent and have no competence to issue instructions or make decisions in regard to any part of the company being audited. They report directly to the Audit Committee. Administratively, the internal auditors are managed by the Management Board. Both internal and external resources can be used to carry out their tasks.

In cooperation with the Audit Committee, the internal auditors draw up a strategic audit plan at regular intervals, which is presented to the Board of Directors for approval. On the basis of this multi-year plan, an operational audit plan is devised by the internal auditors, setting out in detail the planned audits to be carried out over the following year. This plan is presented to the Audit Committee for approval. In addition the Board of Directors can issue special instructions to the internal auditors.

Following each completed audit, the internal auditors draft a written audit report. In addition to the findings and recommendations of the internal auditors, this report contains input from management, stating the planned measures in response to the findings of the report and the period of time required for the completion of these measures. The Management Board verifies the implementation of the defined measures and keeps the Audit Committee informed on an on-going basis.

The internal auditors took part in one meeting of the Audit Committee in 2012. The internal auditors did not attend any meetings of the Board of Directors during the year under review.

The external auditors are provided with information concerning the audit plan and the auditing activities of the internal auditors, and also receive the audit reports. The internal auditors have access to the reports of the external auditors.

Up to 2010 internal auditing was treated as a special project performed by responsible staff from the finance and accounting units, who reciprocally examined the processes and internal controls. From 2011 this function has been partially outsourced to PricewaterhouseCoopers, which receives support from specialists in the Company's finance and accounting units.

4 Management Board

The Management Board is responsible for carrying out the business of the Group and all affairs which do not lie within the responsibility of the Board of Directors according to the law, the Articles of Association, and the Organisational Regulations.

Members of the Management Board

The members of the Management Board are appointed by the Board of Directors upon recommendation by the CEO and a corresponding recommendation from the Nomination and Compensation Committee. There were five persons on the Management Board (MB) as of 31 December 2012.

Changes occurring in 2012

On 1 January 2012 Bruno de Gennaro succeeded Remo Hansen as Head of the ORIOR Convenience Segment and the Fredag competence centre. Remo Hansen had continued to perform these duties after his appointment as CEO of ORIOR until his successor was installed.

On 1 January 2012 Glauco Martinetti succeeded Bruno de Gennaro as Head of the Rapelli competence centre. Glauco Martinetti previously managed Rapelli's marketing and sales activities. On the same date Michel Nick assumed responsibility for the Pastinella competence centre from Remo Hansen. Michel Nick previously served as head of marketing and sales for Fredag and Pastinella.

Urs Mösli joined ORIOR on 1 March 2012. After Möfag was acquired by ORIOR, its former owner Urs Mösli continues to run the business as an autonomous competence centre.

Albert Spiess entered retirement on 30 June 2012 after managing the Spiess competence centre for approximately 40 years. Bruno Bürki, a meat industry expert with extensive retailing experience, was recruited as his successor.

Glauco Martinetti, Michel Nick, Urs Mösli and Bruno Bürki belong to ORIOR's extended management team but do not have a seat on its Management Board.

The following table provides an overview of the current members of the Management Board, the year they were appointed to the board and their function within the Group. All of the members of the Management Board are Swiss nationals.

Name	Year of birth	Position	Year of appointment to MB
Remo Hansen	1962	CEO and Head of ORIOR Refinement segment	2001
Hélène Weber-Dubi	1955	CFO	1999
Urs Aebi	1956	Head of Le Patron	2006
Bruno de Gennaro	1957	Head of the ORIOR Convenience segment and Head of Fredag	1998
Stefan H. Jost	1963	Head of International, New Business and Logistics	2010
Albert Spiess[1)]	1950	Head of Spiess	2008

[1] Albert Spiess retired from the company on 30 June 2012

Hélène Weber-Dubi

Urs Aebi

Remo Hansen

Stefan H. Jost

Bruno de Gennaro

Remo Hansen is a graduate of the SKU Advanced Management Programme and successfully completed the INSEAD Advanced Management Programme in 2005 in Singapore. He served in various product management functions at the Migros-Genossenschafts-Bund from 1985 to 1993, including several years in South America and Austria. From 1994 to 1995 Remo Hansen was a manager for European Marketing Distribution. In 1995 he accepted the position of Head of Marketing and Sales at Traitafina and in 1997 joined Rolf Huegli AG as Head of Marketing and Sales. In 1998 he accepted the position of Head of Fredag and was appointed to the Management Board in 2001. From 1998 to 2004 he was responsible for setting up and managing Fresico, ORIOR's production company in China, as well as the sales staff in Singapore. After October 2006 he was also in charge of Pastinella. Remo Hansen succeeded Rolf U. Sutter as CEO of ORIOR Group on 1 May 2011.

Hélène Weber-Dubi holds a Master in Economics from the University of St. Gallen (lic. oec. HSG). From 1982 to 1995 she held various management positions with Unilever in Switzerland and the UK, mostly in auditing and finance. In 1996 Hélène Weber-Dubi accepted a position in controlling with Bally. That same year she was promoted to Managing Director of Bally Switzerland, Bally Italy and Bally Spain with a seat on the International Executive Board. In 1999 she was placed in charge of Controlling for Bally International and was primarily tasked with executing the sale of Bally to Texas Pacific Group. Hélène Weber-Dubi has worked for ORIOR in her current position as CFO since 1999.
Other activities and functions: Hélène Weber-Dubi is a member of the Board of Directors of Medela Holding AG, Baar and Medela AG, Baar.

Urs Aebi began his professional career by completing an apprenticeship as a butcher. From 1978 to 1979 he worked in the sales department of Boucherie Suter SA, Villeneuve. In 1979 he switched to Hero Fleischwaren and later worked as plant manager for Mohammed Hallwani Saudi Arabia, a manufacturer of cold cuts and prepared meats, from 1980 to 1982. In 1982 he joined Geilinger AG Metzgerei Technologie as a planning manager, where he was responsible for various projects related to meat technology export risk guarantees. From 1983 on Urs Aebi worked as head of sales for Viaca AG before joining Pastinella as managing director in 1987. In 1992 he became Hero Traitafina's Head of Marketing and Sales and Deputy CEO. In 1995 he joined Le Patron as Head of Marketing and Sales. Urs Aebi has been Head of Le Patron since 1999 and a member of ORIOR's Management Board since 2006.

Bruno de Gennaro has a degree in Business Administration. From 1986 to 1988 he was the product manager responsible for Moevenpick's ice cream operations. In 1988 he joined Hilcona, where he headed its gastro division. In 1994 Bruno de Gennaro joined Rapelli as Head of Marketing and Sales and later assumed the same function for ORIOR Group. Bruno de Gennaro was appointed Head of Fredag in 1997 and remained in that position until 1998, when he was appointed Head of Rapelli. On 1 January 2012 Bruno de Gennaro assumed overall responsibility for the ORIOR Convenience segment and also serves as Head of the Fredag competence centre.
Other activities and functions: Bruno de Gennaro is a member of the Governing Board of FIAL (Federation of Swiss Food Industries), a member of the Governing Board of the Swiss meat association (SFF) and deputy member of the Board of Directors of Proviande.

Stefan H. Jost holds a Master in Economics with a major in Marketing and Distribution from the University of St. Gallen (lic. oec. HSG). From 1988 to 2003 he held various management positions with Procter & Gamble in Switzerland and Germany, the first four years as brand manager and then as marketing manager and marketing director in various departments and for various markets. In 2004 he joined Lindt & Spruengli Switzerland SA. As Head of Marketing and a member of the Executive Board, his duties included increasing the Company's sales growth and market share. Two years later he was appointed CEO and delegate to the Board of Directors of Lindt & Spruengli Italy S.p.A. In 2010 Stefan H. Jost joined ORIOR as Head of its Refinement Segment. In June 2011 he accepted his current position as Head of ORIOR's International, New Business and Logistics competence centre.
Other activities and functions: Stefan H. Jost is a member of the Governing Body of the Swiss Convenience Food Association (SCFA).

Other activities and functions

With the exception of the positions already listed under "Members of the Management Board", none of the Management Board members holds any positions relevant to corporate governance in

- governing or supervisory bodies of an important organisation, institution or foundation under private or public law;
- a permanent management or consultancy function for important interest groups;
- a public or political office.

Management agreements

There are no management agreements.

5 Compensation, shareholdings and loans

Content and method of determining compensation and shareholding programmes

The Nomination and Compensation Committee is responsible for the design and the regular review and evaluation of the Company's compensation system.

At the request of the Nomination and Compensation Committee, the Board of Directors annually approves the compensation payable to each member of the Board of Directors and the compensation payable to the individual members of the Management Board. Its proposals for the salaries payable to the Management Board are prepared in advance by the CEO and submitted to the Nomination and Compensation Committee. Individual members of the Board of Directors abstain from voting on the resolution approving payment of their personal compensation. For the determination of the compensation system, the services of external experts are used only in the event of a fundamental reorganisation. In the context of new appointments or promotions to management board level, function-specific benchmarks are used depending on the situation, with companies from the convenience food sector (to which the ORIOR Group belongs) forming the reference market.

The compensation payable to the members of the Board of Directors consists solely of a fixed component and is hence not associated with any profit components. The exception is Rolf U. Sutter, Chairman of the Board of Directors, who was CEO of the ORIOR Group until April 2011. Compensation is paid in cash.

Compensation payable to the members of the Management Board consists of a fixed component and a variable amount (of approximately 35 % to 50 %), the level of which is conditional on attainment of qualitative and quantitative targets. The share of this variable amount linked to attainment of the quantitative targets constitutes approximately 60 % to 80 % of the total variable amount and is calculated against four Company parameters: revenues (5 % to 10 %), EBITDA (40 % to 50 %), capital expenditure (5 % to 10 %) and net working capital (10 %). The qualitative performance component (approximately 20 % to 40 % of the variable amount) is payable for attainment of pre-set individual targets (e.g. leadership qualities, innovation, value-enhancing initiatives, etc.). Compensation (fixed and variable amount) is paid in cash.

There is a management pension scheme for the members of the Management Board and other leading executives. The members of the Management Board and other leading executives also have a company car at their disposal free of charge and available to them for private use subject to certain conditions. No further significant benefits in kind are paid.

On 21 September 2011 the Board of Directors of ORIOR approved a stock ownership scheme for members of the Board of Directors, members of the Management Board, members of the executive boards of the competence centres, and for employees of ORIOR Group as determined by the Board of Directors. This stock ownership scheme came into force on 3 January 2012.

Compensation paid to acting members of corporate bodies

Pursuant to Art. 663b^{bis} of the Swiss Code of Obligations, details of the compensation paid to the Board of Directors and the Management Board are listed in the Notes to the financial statements of ORIOR AG, Note 8.

Shares held by governing bodies

As at 31 December 2012, the members of the Board of Directors and the Management Board held the following shares:

Name	No. of shares as of 31.12.2012	in %	No. of shares as of 31.12.2011	in %
Rolf U. Sutter	199 300	3.36%	199 300	3.36%
Rolf Friedli	-	-	-	-
Erland Brügger	14 175	0.24%	14 175	0.24%
Christoph Clavadetscher	14 515	0.25%	14 515	0.25%
Edgar Fluri	4 000	0.07%	4 000	0.07%
Anton Scherrer	2 000	0.03%	2 000	0.03%
Remo Hansen	85 710	1.45%	85 710	1.45%
Hélène Weber-Dubi	85 830	1.45%	85 830	1.45%
Urs Aebi	85 000	1.43%	85 000	1.43%
Bruno de Gennaro	92 075	1.55%	92 075	1.55%
Stefan H. Jost	1925	0.03%	425	0.01%
Albert Spiess[1)]	[3)]	[3)]	-	-
Bruno Höltschi[2)]	[3)]	[3)]	85 287	1.44%
Total	**584 530**	**9.87%**	**668 317**	**11.28%**
Total ORIOR shares	5 925 000	100.00%	5 925 000	100.00%

[1] Albert Spiess retired on 30 June 2012
[2] Bruno Höltschi resigned on 31 December 2011
[3] not available

There are no specific rights granted to the members of the Board of Directors and the members of the Management Board when they purchase shares.

Options

The Company has no stock option plans.

Additional compensation and remuneration

No additional compensation or remuneration was paid to members of the Board of Directors or the Management Board in 2012.

Loans granted to governing bodies

Loans to members of the Board of Directors or members of the Management Board (if any) are granted at arm's length terms.

As at 31 December 2012, ORIOR Group had not granted any loans to members of the Board of Directors or the Management Board nor to any related persons and had not taken delivery of any collateral from them.

Employee stock ownership and management incentive scheme

On 21 September 2011 the Board of Directors of ORIOR approved a stock ownership scheme for members of the Board of Directors, members of the Management Board, members of the executive boards of the competence centres, and for employees of ORIOR Group as determined by the Board of Directors. This stock ownership scheme came into force on 3 January 2012.

Responsibility for the employee stock ownership plan and the definition thereof, and the setting of the offer periods, the share offers and the lock-in periods, rests with the Board of Directors. The Board of Directors can delegate the administration of the plan to a plan committee defined by the Board of Directors and consisting of two or more persons.

Shares can be offered annually under special conditions to employees who are entitled to participate, as an incentive to future performance, to be credited to or in addition to the payments owed under their employment contract. The Board of Directors specifies the two-month subscription period and the subscription rights of the individual participants annually within the framework of the present plan. The number of shares offered to each participant is at the discretion of the Board of Directors, which bases its decision on (alongside other considerations) how well the employee has achieved the quantitative and qualitative targets set out in the individual annual performance agreement.

The shares that are to be issued in the context of this plan can be acquired from ORIOR on the stock exchange or created by means of authorised, conditional or ordinary capital increases. The maximum number of shares to be issued in the context of this or any similar plan may not exceed 3 % of the share capital of ORIOR. The Board of Directors is empowered to adjust the maximum number of shares to be issued in the context of the plan at its own discretion.

The share purchase price corresponds to the average weighted stock exchange price during the last six months prior to the start of the offer period of an ORIOR share traded on the SIX, minus a discount of 25 %. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance.

On 3 January 2012 nine employees were awarded 4150 shares within the scope of the company's employee stock ownership plan. These shares are subject to a 3-year lock-up period beginning with their date of distribution on 3 January 2012. They were allocated on a voluntary basis and do not represent a fixed component of employee compensation.

Transactions with members of the Board of Directors or the Management Board

Transactions with members of the Board of Directors or the Management Board (if any) are made on arm's length terms. For an overview of related party transactions see Note 38 of the Consolidated Financial Statements.

6 Shareholders' rights of participation

Restriction of voting rights, voting by proxy

Holders of registered shares are registered on request in the Company's share register, subject to their signature of a written statement expressly confirming that they have acquired the shares in their own name and for their own account.

Share capital held by any single nominee must not exceed 2 % of the Company's total issued share capital. The Board of Directors can permit registration of nominees holding shares (with voting rights) in excess of the foregoing limit, provided that the said nominees disclose the names, addresses, nationalities and shareholdings of the persons for whose account they are holding 2 % or more of the Company's issued share capital. No registrations exceeding the 2 % limit were made during the year under review.

Voting rights can only be exercised if the shareholder is registered (with voting rights) in ORIOR AG's share register. A shareholder with voting rights can have himself represented at the General Meeting by written proxy, either by a representative appointed by him, or by a corporate body, or by an independent proxy designated by the Company, or by a proxy of deposited shares. All shares held by a shareholder can only be represented by one person.

Persons who have been involved in the Company's management in any way whatsoever must abstain from voting on resolutions granting discharge to the Board of Directors. The Company's Articles of Association contain no other voting restrictions and their provisions on voting by proxy conform to Swiss law.

Statutory quorum

Unless otherwise stipulated by mandatory law or by provisions contained in the Articles of Association, the General Meeting of Shareholders passes its resolutions and confirms elections by an absolute majority of the votes represented.

Should the first ballot in any election fail to produce a valid result and if more than one candidate is standing for election, the Chair shall order a second ballot that will be decided by a relative majority.

Convening of General Meeting

Ordinary General Meetings are convened by the Board of Directors and must be held annually within six months after the close of the Company's fiscal year. Invitations must be sent not less than 20 days prior to the date of the meeting. Extraordinary General Meetings shall take place as necessary, in particular in those cases stipulated by law. Shareholders representing a total of not less than 10 % of the share capital are entitled to demand an Extraordinary General Meeting at any time, which must be in writing and state grounds and agenda items, motions for resolution and, in the case of elections, names of proposed candidates. General Meetings are called by the Board of Directors or, if necessary, by the auditors or a liquidator.

Inclusion of agenda items proposed by shareholders

One or more shareholders whose combined shareholdings represent in the aggregate not less than 10 % of the Company's share capital or an aggregate par value of not less than CHF 1 million can demand inclusion of an item in the agenda of a General Meeting. Such a demand must be received in writing by the Company's Board of Directors at the latest 60 days prior to the date of the meeting, stating the agenda item and the motions proposed by the shareholder(s).

Entries into share register

Unless other cut-off dates are stipulated by the Board of Directors, no entries into the share register are permitted as from the date of dispatch of the invitations to the General Meeting until the day after the date of the meeting.

7 Changes of control and defence measures

Obligation to make an offer

According to Switzerland's Stock Exchange Act (SESTA), shareholders who, directly, indirectly or acting in concert with third parties, acquire more than 33.3 % of the voting rights of a company domiciled in Switzerland and listed on an exchange in Switzerland are required to issue a public offer to acquire all listed equity securities of that company. ORIOR's Articles of Association do not include an "opting up" or "opting out" clause (Art. 22 of SESTA regarding public takeover offers).

Clauses on changes of control

There are no change-of-control agreements with members of the Board of Directors or the Management Board or other executives.

8 Auditors

Duration of mandate and term of office of Head Auditor

Ernst & Young AG, Aeschengraben 9, 4051 Basel, Switzerland, have acted as auditors for ORIOR AG since 2006. Ernst & Young, Basel, were re-elected as Company auditors for another term of one year by the General Meeting on 27 March 2012. Roger Müller, Partner, is the lead auditor and he has held this position since the audit of the 2011 financial statements. As stipulated under Art. 730a para. 2 CO the lead auditor will be rotated at least every seven years.

Auditing fees / additional fees

in CHF thousand	2012	2011	2010
Auditing fees	339.0	325.0	325.0
Additional fees			
Tax advisory	36.3	31.0	45.5
Legal advisory	0.0	0.0	23.5
Transaction-related services	174.0	53.0	234.0
Other audit-related services	14.1	9.5	40.3
Total additional fees	224.4	93.5	343.3
Total	**563.4**	**418.5**	**668.3**

Auditing services consist of auditing work that needs to be performed in order to issue an opinion on the consolidated financial statements of ORIOR Group and the local statutory financial statements.

During the 2010 financial year, transaction-related services concerned one-time audit fees in connection with the IPO. Costs incurred in 2012 are audit costs for acquisition projects.

Supervision and control of auditors

The Board of Directors exercises its responsibilities for supervision and control of the auditors through the Audit Committee. The Audit Committee prepares an annual appraisal of the independence and quality of the auditors and the fees paid to them. The Audit Committee also examines the audit plan, extent and results of the external audit. In addition the audit committee coordinates the cooperation between the external auditors and the internal auditors.

In addition to the audit report on the annual accounts, the auditor draws up a comprehensive report for the Board of Directors pursuant to Art. 728b of the Swiss Code of Obligations. This report contains the findings of its auditing activities (including an existence check on the internal control system) and its recommendations, as well as the status of findings and recommendations from previous audits. This report is discussed in detail with the Audit Committee. The Audit Committee also monitors whether and how the Management Board is implementing measures that have been approved on the basis of findings of the external auditors. To this end, the auditor will also draw up an annual status report for presentation to the Audit Committee. In addition the Audit Committee has regular meetings with the senior external auditors.

The external auditors were present at four meetings of the Audit Committee in 2012.

Selection procedure: The current auditors were elected in 2006 for the first time by the then shareholders of the Company. The grounds for selection of Ernst & Young AG were customary criteria such as quality and cost of services.

Performance of the external auditors and the fees paid to them were reviewed in a questionnaire circulated to functions at Group level and to staff responsible for financial matters at the audited Group subsidiaries. The questions focused mainly on efficiency of the audit process, the auditors' technical knowledge of accounting principles and their understanding of Group process and procedures, validity of the priorities addressed in the audit and justification of the audit fees. Either the CFO or the Group Controller also attended all the exit meetings with the auditors at subsidiary company level.

The Audit Committee verifies that any additional services of the auditors not relating to the actual audit work are provided strictly within the framework of the regulations on independence of service providers. The auditors are required to confirm that their performance of these additional services will not affect the independence of their auditing mandate.

9 Information policy

ORIOR publishes an annual and an interim report every year containing information on its business operations and the financial results of ORIOR Group. ORIOR also provides information on current events and developments through press releases, employee and customer newsletters and through online publications at www.orior.ch. As a company listed on SIX Swiss Exchange, ORIOR must comply with the rules governing ad hoc publicity, i.e., it is obligated to disclose potentially price-sensitive events and developments. Ongoing communications with shareholders, the capital market and the general public are maintained by CEO Remo Hansen, CFO Hélène Weber-Dubi and Head of Investor Relations Milena Mathiuet. E-mails can be sent to investors@orior.ch at any time.

Interested persons may join our mailing list for ad-hoc disclosures and other Company information by visiting http://en.investor.orior.ch/News-Service.

Events calendar

Annual General Meeting	11 April 2013
Investors' day 2013	6 June 2013
Publication of 2013 interim results	22 August 2013

Morel pâté

Pâté is a traditional way of preserving meat. Our modern recipe has its origins in the royal kitchens of the French monarchy. Since pâté's heyday during the Renaissance, a succession of new creations have been around to tempt our palate. Just as in the olden days, our pâté consists of a pastry, a filling of meat, poultry or fish, and a jelly layer to preserve the pâté. The Le Patron butchers get up early to start preparing the pâté filling. The filling is what you might call the heart of the pâté. Its composition, preparation and ingredients determine the quality of the product. The meat is put into a food processor in large pieces for grinding. Liver for flavour and colour, fat for a creamy texture, and spices are added. The mixture is brought to a boil in the food processor and blended to a fine paste. When making morel pâté, some of the mixture is separated toward the end and chopped morels and a dash of brandy are added. The two finished pâté fillings are then placed in a cold room for up to 24 hours where they are left to settle until further processing, which preserves their smooth consistency. The pastry for the pâté is prepared a day in advance to allow it to settle overnight. This gives it the necessary elasticity for further processing. The next day it is rolled out thinly on large rollers, cut out and placed by hand in baking pans. The two fillings are also placed in the pastry cases by hand and brushed with oil to stop the pastry from sticking to the filling during baking. Then the filled mold is covered with a pastry lid, the upper edges of which are pinched together by a special finger technique. Two holes are pierced to allow the steam to escape that forms during the baking process. The pâtés are then rolled into the oven on large carts. A very high temperature setting of 300° Celsius turns the pastry golden brown and ensures that the filling is properly cooked. The release of steam causes the pastry top to rise. To stop the filling from cooking further and to ensure that the pâtés keep their shape, they are cooled down rapidly in an instant freezer after baking. The pâtés are then left to cool completely overnight, during which the filling develops its firm consistency. To finish, the cavity between the filling and the pastry cover is filled with a spicy jelly. The finished pâtés are then wrapped in tissue paper and released for sale.

Corporate Responsibility

Companies often find themselves navigating the crosscurrents of divergent interests. Shareholders, customers, employees and society at large have justifiable expectations and demands that businesses must live up to. ORIOR is committed to showing equal regard for the interests of all stakeholders and to measuring its business activities against the widely acknowledged principles of corporate responsibility and sustainability. This Corporate Responsibility report gives an account of ORIOR Group's principles and activities in the three dimensions of economy, ecology and society.

COMPANY VALUES

It is our firm conviction that …

- our goal of operating a sustainable company that creates lasting added value can only be achieved if the shareholders, customers and staff are satisfied to an equal degree;
- our growth is dependent on consistently gearing our products and services to the ever changing needs of our customers and consumers;
- only motivated employees who enjoy their everyday work and are proud of being a member of our team can produce the required results;
- each individual must assume full responsibility for him/herself and his/her work, and all our actions must be characterised by a high degree of ethics, duty of care and respect, as well as efficiency and effectiveness;
- a participative, future- and goal-oriented style of leadership, coupled with an open and dynamic form of communication, promotes entrepreneurship at all levels;
- a constant striving for top quality in everything we do and an unquenchable thirst for new things shape our company's development;
- responsibility for our environment and respect for animals are key criteria when it comes to procuring raw materials.

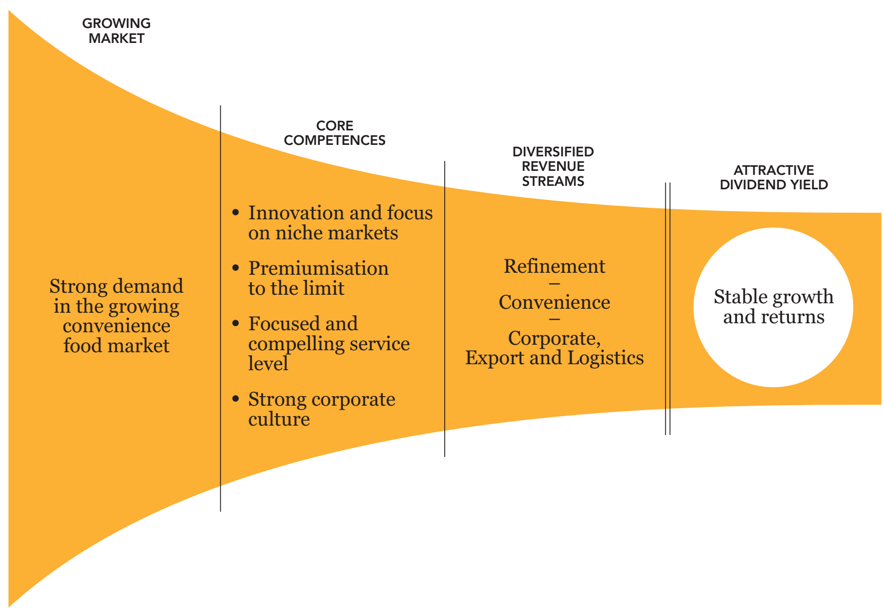
Economy

BUSINESS MODEL

ORIOR …

- is a Swiss producer of convenience food in an **attractive niche market;**
- is the Swiss leader, with five competence centres **in markets with above-average growth rates;**
- is focused on **fresh convenience food** and a seamless supply chain for the retail and food service (gastronomy) sectors;
- leverages its **excellent product innovation** skills and **strong corporate culture** as a **competitive advantage**. The corporate culture is founded upon **modesty** and a desire **to exceed expectations.**

This model shapes the product offering and corporate culture:



Quality and quality management

When it comes to the quality and safety of the food they eat, customers rightly have very high standards which far exceed food quality requirements and other legal provisions. That is why all ORIOR Group production facilities have Global Food Safety Initiative certification (IFS, BRC, etc.). These standards are reviewed periodically by an external accredited certification body. All refinement and convenience segment competence centres were audited in 2012, and all of them passed at the highest level.

ORIOR additionally monitors the processes of group companies by conducting internal audits, thereby facilitating continuous process improvement. Inter-company audits are also performed, the aim being to achieve closer collaboration between the various Group companies and to deepen the understanding of the different processes at these companies. Process quality is also reflected in supplementary standards and labels such as Bio (Organic), Bio-Knospe, Naturafarm, Suisse Garantie, PGI (Protected Geographical Indication), SMETA (Sedex Members Ethical Trade Audit), European Vegetarian Label, AdR “Aus der Region. Für die Region.” (From local producers. For local consumers) and “Friends of the Sea”. Finally, the various ORIOR Group companies may also be audited by customers that belong to internationally active corporations.

Procurement

ORIOR applies high standards of quality on the procurement side too. Suppliers are required to meet the stringent requirements of the Global Food Safety Initiative, a global initiative on safety in food production. These quality criteria are upheld on the basis of supplier agreements, product specifications and lab tests. ORIOR also places a premium on personal contact with suppliers, including those based overseas. ORIOR competence centres conduct regular supplier assessments. In addition to quality, other aspects ranked in these assessments include accuracy of labelled quantities, adherence to delivery schedules, general collaboration and service, and compliance with environmental standards. The majority of suppliers achieved good to very good scores. Suppliers who fall short are required to initiate corrective action immediately and will be re-audited a short time later.

ORIOR believes in local produce and seeks to increase the proportion of Swiss raw materials on a continual basis. More than three-quarters of the raw materials processed in the Refinement segment are sourced in Switzerland. Altogether the Group sources substantial quantities of meat, cereals, eggs, vegetables and dairy products from Swiss farmers.

Below are a few examples taken from the Fredag competence centre:

Fredag has acknowledged consumer demand for European and Swiss poultry. Domestic and foreign suppliers are audited periodically to ensure they are in compliance with animal-protection provisions and the requirements of the Food Safety Initiative. Contact with Swiss animal welfare bodies, KAG Freiland and European poultry producers is maintained on a regular basis.

Fredag has been a "Friends of the Sea" alliance partner since January 2010. "Friends of the Sea" is an independent, not-for-profit wildlife protection organisation whose objective is to protect marine life and fish stocks. The organisation set up a certification system for that purpose and is engaged in campaigns to get more producers to supply certified products. "Friends of the Sea" is the only label worldwide licensed to certify products both from fisheries and from aquaculture. All Fredag producers passed the "Friends of the Sea" audits with success.

Fredag introduced organic shrimps to the Swiss market during fiscal 2012. These "Bio-knospe" certified products are cultivated in polycultures in a natural cycle – meaning biodiversity, 100 % natural feeding, no environmental pollution, and low energy consumption because no pumps or ventilation systems are needed. Production is socially sustainable too because Fredag works in close collaboration with the local small farming community and invests in their training.

Customer satisfaction

ORIOR accords the utmost importance to customer satisfaction. In order to keep in touch with what customers want, customer satisfaction surveys are carried out for each competence centre at regular intervals.

The surveys investigate the following criteria:

- Customer service: order processing, contactability, advisory competence, efficiency and reliability, friendly service
- Sales promotions/advertising: trade fairs, advertisements, product information, planning of sales campaigns
- Complaints: response time for dealing with complaints, competence in dealing with complaints, proposals for resolving complaints
- Product criteria: quality, packaging quality, product range congruent with customer needs
- Innovative power
- Delivery reliability
- Price-performance ratio

ORIOR wants all of its competence centres to achieve high positive scores in all criteria in its customer satisfaction surveys. If, however, any deficiencies do arise in regard to customer satisfaction, they will be dealt with immediately as a matter of the highest priority. In addition, customer satisfaction surveys are often a source of new ideas for innovation.

Rapelli, Spiess and Lineafresca conducted customer satisfaction surveys in 2012 and all three centres of competence achieved very good results. Fredag and Pastinella conducted customer satisfaction surveys in 2011 and likewise achieved very high scores. The next surveys are scheduled to take place in 2013. Le Patron also achieved very good results in its survey conducted in 2011. Its next survey has not yet been planned but it will take place within the next two years. Möfag conducted a detailed customer satisfaction analysis in 2010. The findings were very positive. Its next survey is planned for 2013.

Brand management

ORIOR has a number of well-known brands in its portfolio. Some of these, such as Rapelli, are well known in all sales channels, while others are known mainly in one particular channel, for example Fredag in the food service sector. In addition ORIOR produces products for the commercial brands and private labels of its customers. The brands of the ORIOR Group are well positioned with consumers, and consumer feedback surveys show that the quality of the products is highly regarded. The highest brand awareness level is achieved by the Rapelli brand. The most recent brand awareness survey showed that Rapelli has a supported brand awareness of 86 %. Branding is centrally controlled. A mix of coordinated marketing measures is implemented for advertising and positioning of the brands, including TV commercials, print advertisements, posters and billboards, POS presence, promotions, tastings and trade fair appearances.

Ecology

Environmental vison

- Environmental awareness is fundamental. ORIOR aims to conserve the planet's resources and to treat the environment with respect.
- Corporate profitability and minimising a company's environmental impact are not contradictory concepts. In fact, they are increasingly becoming one of ORIOR's USPs.
- ORIOR measures the targeted reduction of its environmental impact just as it does productivity improvements. Annual targets are consistently evaluated and appropriate measures are drawn up.
- Our employees are aware of the considerable importance ORIOR attaches to sustainability. Their conduct and activity have a positive influence on their ecological footprint.

Conserving resources

ORIOR attaches great importance to the sparing use of resources. All ORIOR Group production companies collaborate with the Energy Agency for Industry (EnAW) as partners in climate protection. As a service platform for companies, the EnAW supports industry players in reducing their CO2 emissions and raising energy efficiency. ORIOR endorses these goals with its voluntary accession to the EnAW programme. The associated objectives are audited by federal government. All activities are geared to suit the particular company and follow the principle of cost-effectiveness. In addition, all new investments are reviewed in terms of their CO2 footprint.

ORIOR Group has significantly reduced CO2 emissions at every one of its competence centres in recent years, bringing exemption from CO2 levies. Rapelli and Spiess have been exempt from Swiss carbon tax since 2008, Pastinella since 1 January 2010. Fredag and Le Patron signed a voluntary CO2 reduction agreement with the Energy Agency for Industry (EnAW) but have not yet been granted an exemption from the carbon tax. Möfag is currently drawing up an appropriate solution for reducing its CO2 footprint.

The Convenience segment aims to switch to FSC (Forest Stewardship Council) certified products for all packaging materials, cardboard boxes and office paper. The FSC is a non-profit organisation that is engaged in campaigns throughout the world for greener, socially responsible and economically compatible forestry. More than two-thirds of the segment's material supplies should be FSC certified by 2015.

Measures implemented by the competence centres in fiscal 2012 include the following:

- Rapelli was able to reduce its consumption of fossil fuels by 10 % and electricity consumption by 3 % although sales volumes were virtually unchanged in a year-on-year comparison.
- Möfag replaced all of the detergents it uses with eco-friendly products. As from 2012 the company only uses biodegradable detergents.
- Pastinella reduced production waste and disposal output by 5 % by optimising manufacturing processes.
- Fredag upgraded several production sites with natural ammonia and carbon dioxide-based refrigerant technology. The resulting greater efficiency led to a 5 % reduction in electricity consumption and better climatic conditions in its production areas. Furthermore, optimisation of process workflows led to a 10 % reduction in production waste.
- Both Möfag and Fredag achieved significant reductions in energy consumption by recovering previously unutilised waste heat. Möfag is also working on an energy optimisation concept with cantonal authorities. Initial measures have already been implemented.
- Pastinella put a new refrigeration system using ammonia as a climate-neutral refrigerant into operation during the summer of 2012. This also allowed it to reduce its electricity consumption by nearly 3 % compared to the prior-year period. Pastinella intends to further optimise the energy efficiency of its electricity and natural gas use by increasing its efforts to recover waste heat.
- Le Patron sources its electricity exclusively from hydroelectric power. In addition, Le Patron delivered all of its production waste in 2012 to a biogas plant for use in generating green electricity.
- Fredag and Pastinella also send any food waste that cannot be used for animal feedstuffs to biogas production plants. Significant Kwh of electricity were again produced from the large quantities of waste delivered to biogas plants in 2012, enough to supply 100 households with electricity for an entire year.

The large number of energy projects not only improves energy efficiency within the ORIOR Group but also improves the cost base, so ORIOR’s environmental commitment benefits the organisation in financial terms too.

Society

Human resources policy

ORIOR employed on average 1 273 people from around 40 countries in 2012, not including hundreds of temporary staff taken on every year at peak times. An internal minimum wage policy applies at every production site.

ORIOR Group is aware that motivated employees are crucial to the company's success. Accordingly, the company strives to achieve an attractive working environment where people feel appreciated and have room for personal development. Responsibility and mutual respect coupled with efficiency and effectiveness are the guiding principles. Staff members receive individual guidance through personal performance targets and the delegation of tasks, areas of accountability and responsibility.

"We firmly believe that, to achieve the right results, it takes motivated, dedicated employees who enjoy their work and are proud to be on the team."

(From ORIOR AG's "Values of the Company")

Working for ORIOR is intended to be challenging and enjoyable in equal measure. Staff members are rightly proud of their organisation, and know that working there is one of the very best references one could have in the industry. Cultural diversity in the workforce and a unique team spirit shape the corporate culture that makes ORIOR such a special employer.

Basic training and continuing professional development

ORIOR maintains the knowledge and skills of the workforce through internal and external basic training and continuing professional development. The ORIOR Group provides an internal training programme with a diverse range of modules. Training and continuing professional education priorities are updated every two to three years. The modules are taught by highly qualified professionals. The training courses can lead to projects which are taken up on the shop floor and put into practice. The result is an ideal combination of theory and practice in professional education.

Responsibility for the ORIOR basic training and continuing professional education programme is assigned to a dedicated management training team. The team contains representatives from every ORIOR competence centre to ensure that the needs of all the competence centres are addressed. The panel met at the start of 2012. Later that spring, the ideas and proposals arising from the meeting were used to assemble the programme for the next two to three years.

In a recent development, key personnel from other levels are invited to attend the courses in addition to management personnel. In this manner, ORIOR helps ensure that existing staff members enjoy career development opportunities and receive the training they need to fill internal vacancies.

The courses offered as part of the ORIOR basic training and continuing professional education programme in 2012 included the following:

- Optimising leadership: The objective of this course is to optimise interaction and collaboration with staff. Specialist knowledge on its own merely forms the basis.

Personal behavioural patterns, communication skills and a mastery of the main management tools are important too. Another essential aspect is the ability to provide direction and motivate other people to achieve goals and results.

- Promoting confident body language and public speaking: Attendees give presentations to colleagues followed by a whole-group analysis and discussion of performance. Core elements are making the right impression at the right time, getting right to the point about what matters and playing to your strengths. The aims of the course are two-fold: to help people improve their own effectiveness, and to practice a feedback culture by raising personal impressions to a level of objectivity and discussing them on that basis.
- Balance, well-being and top performance: Physical and mental well-being are closely related. The right diet and plenty of exercise are essential elements in achieving the right balance. The ORIOR "Fit at Work" programme teaches participants simple ways to enhance their personal well-being and performance.
- Effective use of the new Office suite: Following the upgrade to Office 2010 throughout the ORIOR group, user seminars pitched to a variety of skill levels were hosted.

Individual training and continuing professional education

Company employees stand to benefit from individual personal training in addition to the courses provided by the company. These include professional examinations to achieve specialist qualifications, management courses, IT training and language courses. Support is provided in the form of money (fees paid) and/or time (days off).

The ORIOR programme for trainees and apprentices

A high value is placed on the training and development of young people at ORIOR. The Group offers apprenticeships for meat specialists, equipment technicians, laboratory technicians and logistics experts, as well as general office administration apprenticeships. With the training ORIOR provides for junior staff, the Group is not only investing in their future, but is also fulfilling its corporate social responsibility.

At ORIOR, apprentices and trainees benefit from special training that is tailored to their requirements. For example, Rapelli has set up a separate training room in addition to its production activity, where the learners can receive instruction on traditional production processes and make products independently under the supervision of an experienced expert. To further extend their store of experience, learners are also required to complete an internship at a food retailing company.

Occupational health and safety

ORIOR wants to offer its employees a safe and healthy working environment. All applicable health and safety at work regulations are fulfilled, and in some cases exceeded. In addition the Group is continually investing resources in measures for further improvement and staff training. The competence centres have their own work safety teams or safety officers, who tend to all matters pertaining to occupational health and safety. In addition, external safety experts are periodically consulted in order to explore possible areas of improvement. Safety issues also form part of the assessment process for operational managers.

SPONSORSHIP

ORIOR’s sponsorship activities centre on youth and sports. In addition to young talent competitions in the catering and retail industry, ORIOR supports the youth sections of sports clubs. ORIOR is a leading sponsor of Letzi Kids, the young talent pool of Zürich Football Club.

Another example of the company’s sponsorship activities is its long-standing support of the Davos Hockey Club juniors. Effective individual support is provided to each of the approximately 150 players as are training modules geared to the needs of the various age groups.

By funding the annual cookery competition "Swiss Culinary Cup" organised by the Swiss Chefs Society and the national apprentice chef competition "Gusto12", ORIOR helps promote young talent in the restaurant and catering business.

Internal communication

Internally, the ORIOR Group conveys information primarily through personal communication. Management employees receive management information at two monthly intervals and then pass this information on to their staff in a manner appropriate to the level of the employees concerned. In addition a management conference takes place every year at Group level, at which information is provided concerning the course of business, strategies and important projects being undertaken by the Group.

Additional means of communication are available in the form of the customer and staff magazine, "Fresh Appetizer", which appears biannually, as well as the Intranet and internal communications.

ORIOR GROUP
ACTIVISM ON BEHALF OF SOCIETY

ORIOR has actively supported sustainable development projects for many years. The following is just one example of many: Spiess helps fund the Fundacion Moises Bertoni in Paraguay, a non-profit organisation that promotes sustainable development on the basis of ecological, social and economic parameters with the active participation of the local population. Among other projects, the Fundacion provides a training centre for young women with the opportunity for participants to earn a degree in environmental studies. The training qualifies them to be ambassadors for sustainable development and habitat conservation. At the same time, it allows them to escape poverty and secure an income for their families.

Diet and health

ORIOR invests significant effort in producing healthy and nutritious food products. The organisation's innovative capacity is geared in that direction too. 2012 saw the launch of a host of new products that meet the criteria for wholesome food. ORIOR very carefully selects natural ingredients and allows their full flavour to develop.

Le Patron uses no artificial E numbers whatsoever in the company's ultra-fresh menus. In fact, the menus are so fresh that production does not take place until orders come in, i.e. shortly before delivery. Another thing that makes these menus special is the high vegetable content of at least 20 %. Furthermore, Le Patron has not used any artificial flavour enhancers in any of its products for more than two years now. All artificial flavours have been replaced with natural flavours such as celery.

Pastinella's development department is also at pains to cut out artificial E numbers. Any additives in the products can be traced to natural raw materials such as pork or lemon peel. Numerous recipes were revised in 2012, enabling the company to omit the use of very many E numbers. Additives that were replaced include the following:

- Grana Padano and Parmesan, both of which are traditionally made using the preservative Lysozyme E 1105, were replaced by a vegetarian grated cheese mix sourced in Italy.
- Mixed spices were replaced with mixtures containing no artificial flavour enhancers.
- Margarine has been replaced with rapeseed oil, which is rich in omega 3 and vitamin E and consists of more than 50 % monounsaturated fats.

Another project entailed the reduction of sodium in our pasta products. All recipes were reviewed during the past two years and wherever possible sodium content was reduced to no more than 1.2 %.

ORIOR took up another trend with the launch of vegan products in 2012. More and more people consider themselves semi-vegetarian (or flexitarians), which means that they do without meat one or two days a week. Fredag has proven that vegetarian and/or vegan food can provide a very well-balanced and highly varied diet with its innovative new products such as “vegan meatballs” and veggie burgers.

Convincing: Bio Suisse

ORIOR is strengthening its focus on foods produced by organic principles, in other words: natural, sustainable and with animal welfare in mind. Organic raw materials enter the further processing stream in compliance with the relevant requirements and are then – and only then – certified. ORIOR produces a wide range of organic products. The aim is to promote organic products while at the same time optimising conventional farming practices.

ORIOR GROUP
FINANCIAL REPORT 2012

Commentary on financial report

With full-year revenues up 1 % from the previous financial year, business was better at ORIOR Group during the 2012 financial year than one would have expected considering the difficult economic conditions. EBITDA, EBIT and net profit for the year were slightly lower than in the previous year due to an increase in operating expenses but cash flow was higher. The company's financing and equity ratio represent a sound platform for its future development.

ORIOR generated revenues of CHF 501.5 million in the 2012 financial year, 1 % more than in the previous year. This growth is attributable to the acquisition of Möfag, which more than offset the negative inflation in the market. Gross profit grew in line with revenues so the gross profit margin was held at the prior-year level. ORIOR will continue its efforts to increase the proportion of higher-value-added products.

HÉLÈNE WEBER-DUBI
CFO ORIOR

HAVING A SOLID BASIS ALLOWS A COMPANY TO MOVE FORWARD WITH CONFIDENCE AND STRENGTH.

I think having a solid basis is very important, be it in a personal or commercial context. A strong foundation provides safety and security and creates a springboard for self-assured progress. Which, in turn, is shaped by constant new developments that always require a response. Trends and cycles in the broader economy are shorter than before, leading to ever-changing preferences among both consumers and producers. In order to react to these shifting preferences with strong arguments and well-defined positions, a solid foundation, especially in the form of a sound financial structure, is an absolute necessity.

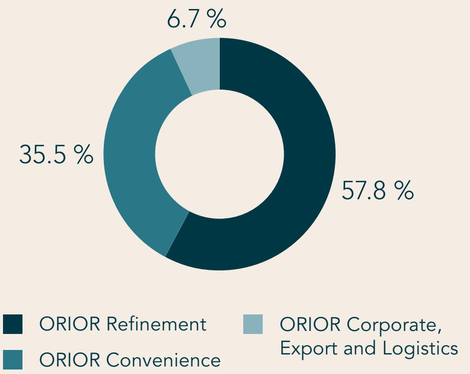
ORIOR segments

As a result of the Möfag acquisition, the ORIOR Refinement business segment saw revenues go up 2.7 % to CHF 310.3 million in 2012. Excluding the acquisition effect, revenues declined by 4.9 % from the previous year. This decline is largely attributable to price-cutting in the retail channel. ORIOR Convenience increased its revenues by 0.4 % to CHF 190.6 million in 2012. Considering that this business segment was obliged to lower its prices for several food retailing customers and that major retailers sharply curtailed their sales promotion activities, this revenue growth can be viewed as a successful achievement. After the surge in export revenues in the 2011 financial year, a consolidation set in during the year under review. Nevertheless, ORIOR increased its share of Swiss Bündnerfleisch exports again to more than 50 %.

Operating results

ORIOR maintained its high level of investment in brand management activities during the year under review. Print and television advertising campaigns were planned and executed, especially for Rapelli and Ticinella brands. The increase in energy costs is not attributable to higher consumption, but rather to a sharp increase in electricity prices. EBITDA was also reduced by the higher consultancy fees of CHF 0.5 million incurred in connection with the screening of potential acquisition targets. The revaluation of the pension plan liabilities in accordance to IAS 19 (in particular the reduction in the discount rate) added CHF 0.3 million to reported personnel expense. Due to the increase in operating expenses, the EBITDA margin slipped from the previous year's level to 10.4 %. Higher capital expenditure of around CHF 18 million resulted in greater depreciation expense. Amortization of intangible assets was likewise higher than in the previous year due to the acquisition of Möfag and IT-related investments. Intangible assets are subject to an annual impairment test, including a sensitivity analysis, but no impairment was indicated as of the reporting date. EBIT for the 2012 financial year amounted to CHF 36.1 million, which is 8 % less than in the previous year.

REVENUE SPLIT
BY SEGMENTS



Net financial expense of CHF 2.7 million for fiscal 2012 was well below the figure reported in the previous year (CHF 5.2 million). This is due to gains from a derivative financial instrument and a minority equity interest in China. As in the previous year, interest expenditure was low as ORIOR continued to benefit from the low level of borrowing rates. Capital expenditure of CHF 18 million during the year under review was once again funded entirely through the company's operating cash flow.

The average weighted Group tax rate rose from 17.4 % in the previous year to 19.2 % in 2012. This is attributable to a shift in the proportion of profits earned by different parts of the Group and to a tax liability on internal dividend income.

Profit for the year amounted to CHF 27.9 million, slightly less than the figure of CHF 28.2 million reported the year before, leaving earnings per share at CHF 4.71.

Cash flow and financing activities

ORIOR Group increased its cash flow from operating activities to CHF 31.5 million from CHF 31.2 million in the previous year. Efforts to optimize inventory management had a positive effect of CHF 3.5 million. The average collection period for accounts receivable was longer than in the previous year, however, owing to changes in the customer portfolio. ORIOR's capital expenditure (incl. IT spending) during the past year amounted to approximately CHF 18 million. Key projects, such as the upgrading of the cooked ham production line at Rapelli, the substitution of Freon in refrigerating systems, the construction of flour silos at Pastinella and the introduction of SAP at Spiess, were completed successfully. These investments and others will contribute to greater operating efficiency going forward.

ORIOR Group acquired Möfag with effect from 1 March 2012. This transaction was financed by increasing liabilities to banks. The integration of Möfag was successfully concluded by the end of the financial year.

Substantial capital expenditure and the acquisition of Möfag led to a slight increase in the net debt position at year-end 2012. Nevertheless, ORIOR Group, with its current cash holdings and untapped lines of credit, is quite capable of making further acquisitions and investing in its business. Its equity ratio rose once again thanks to a good operating performance and now stands at 49.7 % (47.3 % in the previous year). The company's financing and equity ratio represent a sound platform for its future development.

AMENDED ACCOUNTING STANDARD

Revised IAS 19 rules (Employee Benefits) apply as of 1 January 2013. Early adoption for the 2012 annual period would have affected ORIOR AG's balance sheet and income statement as follows (see Note on page 79): Shareholders' equity would have declined by CHF 11.1 million and pension costs would have increased by CHF 0.6 million.

Consolidated Income Statement

in CHF thousand	Note	2012	Δ in %	2011
Revenues	7	**501 493**	+1.0%	**496 626**
Raw material / goods and services purchased		–295 358		–304 011
Changes in inventories	8	–1 789		8 039
Personnel expense	9	–93 933		–89 537
Other operating income	10	481		594
Other operating expense	11	–58 559		–57 839
EBITDA **Earnings before interest, taxes, depreciation and amortisation**		**52 335**	–2.9%	**53 872**
as % of revenues		10.4%		10.8%
Depreciation / impairment - tangible assets	21	–12 659		–11 486
Amortisation - intangible assets	23	–3 591		–3 171
EBIT **Earnings before interest and taxes**		**36 085**	–8.0%	**39 215**
as % of revenues		7.2%		7.9%
Financial income	12	2 125		1 073
Financial expense	13	–4 860		–6 232
Profit before taxes		**33 350**	–2.1%	**34 056**
as % of revenues		6.7%		6.9%
Income tax expense	14	–5 500		–5 895
Profit for the year		**27 850**	–1.1%	**28 161**
as % of revenues		5.6%		5.7%
Attributable to:				
Non–controlling interests		0		0
Shareholders of ORIOR		27 850		28 161
Earnings per share in CHF				
Basic earnings per share	15	4.71		4.76
Diluted earnings per share	15	4.71		4.76
Weighted Ø number of shares outstanding in ’000	15	5 914		5 914

The notes in the appendix are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

in CHF thousand	2012	Δ in %	2011
Profit for the year	**27 850**	–1.1%	**28 161**
Exchange differences on translation of foreign operations	13		38
Other comprehensive income for the year, net of tax	**13**		**38**
Total comprehensive income for the year, net of tax	**27 863**	–1.2%	**28 199**
Attributable to:			
Non–controlling interests	0		0
Shareholders of ORIOR	27 863		28 199

The notes in the appendix are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

in CHF thousand	Note	31.12.2012	in %	31.12.2011	in %
Cash and cash equivalents	16	24 083		35 293	
Current financial assets	17	937		204	
Trade accounts receivable	18	53 502		45 579	
Other current receivables	19	2 128		2 791	
Inventories and work in progress	20	65 237		65 587	
Prepaid expenses / accrued income		595		640	
Current assets		**146 482**	**35.8%**	**150 094**	**38.0%**
Property, plant and equipment	21	80 787		73 103	
Investment property	21	214		214	
Intangible assets	23	181 765		171 968	
Long – term financial assets		10		0	
Deferred tax assets	29	111		40	
Non – current assets		**262 887**	**64.2%**	**245 325**	**62.0%**
Total assets		**409 369**	**100.0%**	**395 419**	**100.0%**
Derivative financial instruments		1 737		2 909	
Current financial liabilities	27	17 396		13 460	
Trade accounts payable	24	39 525		45 603	
Other current payables	25	3 597		2 919	
Current income tax liabilities		5 847		5 029	
Accrued liabilities	26	16 959		18 841	
Current portion of provisions	28	442		289	
Current liabilities		**85 503**	**20.9%**	**89 050**	**22.5%**
Non – current financial liabilities	27	90 509		92 048	
Other non – current payables	25	1 116		0	
Defined benefit obligations	36	2 384		1 226	
Provisions	28	2 269		2 120	
Deferred tax liabilities	29	24 086		23 995	
Non – current liabilities		**120 364**	**29.3%**	**119 389**	**30.2%**
Total liabilities		**205 867**	**50.3%**	**208 439**	**52.7%**
Share capital	30	23 700		23 700	
Additional paid – in capital		45 247		56 663	
Treasury shares	31	–582		–686	
Retained earnings		134 954		107 133	
Foreign currency translation		183		170	
Equity attributable to shareholders of ORIOR		**203 502**	**49.7%**	**186 980**	**47.3%**
Non – controlling interests		0		0	
Total equity		**203 502**	**49.7%**	**186 980**	**47.3%**
Total liabilities and equity		**409 369**	**100.0%**	**395 419**	**100.0%**

The notes in the appendix are an integral part of these consolidated financial statements.

Consolidated Statement of Equity

in CHF thousand	Note	Share capital	Additional paid–in capital	Treasury shares	Retained earnings	Foreign currency translation	Equity attributable to shareholders of ORIOR	Non-controlling interests	Total equity
Balance as at 01.01.2011		**23 700**	**67 900**	**–397**	**78 972**	**132**	**170 307**	**0**	**170 307**
Profit for the year		0	0	0	28 161	0	28 161	0	28 161
Other comprehensive income for the year		0	0	0	0	38	38	0	38
Total comprehensive income for the year		**0**	**0**	**0**	**28 161**	**38**	**28 199**	**0**	**28 199**
Dividends / repayment of capital contributions	32	0	–11 237	0	0	0	–11 237	0	–11 237
Movement in treasury shares	31	0	0	–289	0	0	–289	0	–289
Balance as at 31.12.2011		**23 700**	**56 663**	**–686**	**107 133**	**170**	**186 980**	**0**	**186 980**
Profit for the year		0	0	0	27 850	0	27 850	0	27 850
Other comprehensive income for the year		0	0	0	0	13	13	0	13
Total comprehensive income for the year		**0**	**0**	**0**	**27 850**	**13**	**27 863**	**0**	**27 863**
Dividends / repayment of capital contributions	32	0	–11 416	0	0	0	–11 416	0	–11 416
Share–based payment transaction	37	0	0	0	11	0	11	0	11
Movement in treasury shares	31	0	0	104	–39	0	65	0	65
Balance as at 31.12.2012		**23 700**	**45 247**	**–582**	**134 954**	**183**	**203 502**	**0**	**203 502**

The notes in the appendix are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

in CHF thousand	Note	2012	2011
Profit for the year		27 850	28 161
Taxes	14	5 500	5 895
Depreciation / impairment / amortisation	21/23	16 250	14 657
Share – based payments	37	11	0
Increase (+) / disposal (-) of value adj. and provisions		–785	32
Gain from disposal of fixed assets	10	–149	–164
Interest income	12	–105	–40
Dividend income	12	–17	–12
Interest expense	13	3 683	3 750
Increase (+) / decrease (-) of accrued pension cost		614	339
Movements in working capital		–10 887	–8 430
– Trade accounts receivable and other current receivables		–4 701	–877
– Inventories and work in progress		3 482	–8 126
– Trade accounts payable and other current payables		–6 035	1 984
– Other		–3 633	–1 411
Interest paid		–3 067	–3 018
Taxes paid		–7 441	–9 944
Cash flow from operating activities		**31 457**	**31 226**
Purchase of			
– property, plant and equipment	21	–16 133	–12 883
– intangible assets	23	–1 721	–1 606
Proceeds from sale of			
– property, plant and equipment	21	179	273
– intangible assets	23	0	0
– financial assets		18	0
Acquisition of companies, net of cash acquired	5	–14 536	–3 033
Interest received		111	37
Dividends received	12	17	12
Cash flow from investing activities		**–32 065**	**–17 200**
Proceeds from financial liabilities		19 762	291
Repayments of financial liabilities		–18 219	–12 171
Payment of finance lease liabilities	22	–790	–600
Dividends / repayment of capital contributions	32	–11 416	–11 237
Sale of treasury shares	31/37	162	0
Purchase of treasury shares	31	–97	–289
Cash flow from financing activities		**–10 598**	**–24 006**
Net increase (+) / decrease (-) in cash and cash equivalents		**–11 206**	**–9 980**
Foreign exchange differences on cash and cash equivalents		–4	–25
Cash and cash equivalents as at 01.01.	16	35 293	45 298
Cash and cash equivalents as at 31.12.	16	**24 083**	**35 293**

The notes in the appendix are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements 2012

1 General information

ORIOR AG and all its subsidiaries (the "Group") form one of the largest independent refined meat and convenience food suppliers in Switzerland, with significant market shares in all segments of its product offering. The Group operates in niche markets and its products include a wide range of chilled food and traiteur products as well as Italian and Swiss charcuterie.

The Group is divided into three operating segments: ORIOR Refinement, ORIOR Convenience and ORIOR Corporate, Export and Logistics. Each of these operating segments consists of two to three competence centres with a clear focus on processes and products and clearly assigned responsibilities. The operating segments each concentrate on a specific product category and offer the whole range of products within this category, from low budget products to high premium products. For a description of the three operating segments, please see Note 6.

ORIOR AG (the "Company") is a limited liability company incorporated and domiciled in Zurich. The address of its registered office is Dufourstrasse 43, 8008 Zurich, Switzerland.

These consolidated financial statements were approved by the Board of Directors on 27 February 2013 and are subject to shareholder approval at the Annual General Meeting of shareholders scheduled for 11 April 2013.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied in all the years presented, unless otherwise stated.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared using the historical cost method, except for derivative financial instruments and financial assets, which are recognised at fair value through profit and loss.

The consolidated financial statements comprise the financial statements of ORIOR AG and its subsidiaries as at 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

Standards, amendment and interpretations effective in 2012

The IASB has published interpretations, new standards and amendments to existing standards and interpretations that are effective for the 2010 financial statements. The following new and revised IFRS standards and IFRS interpretations were adopted but had no material effect on the Group's accounting policies or on the asset and financial position:

– IFRS 7 – Amendment – Disclosures - Transfers of Financial Assets
– IAS 12 – Amendment – Deferred Tax: Recovery of Underlying Assets

Standards, amendments and interpretations that are not yet effective and have not been adopted in advance by the Group

The following new and revised standards and interpretations, which will take effect at a later date, have not been applied in advance to the present consolidated financial statements. A final analysis of their impact on the consolidated financial statements of the Group has not yet been made; the anticipated effects disclosed below therefore represent a first appraisal by the Management Board:

Standard / interpretation	Name	Implication	Enters into force	Group plans to introduce in
IFRS 9	Financial instruments	***	1 Jan 2015	Financial year 2015
IFRS 10	Consolidated Financial Statements	*	1 Jan 2013	Financial year 2013
IFRS 11	Joint Arrangements	*	1 Jan 2013	Financial year 2013
IFRS 12	Disclosure of Interests in Other Entities	*	1 Jan 2013	Financial year 2013
IFRS 13	Fair Value Measurement	**	1 Jan 2013	Financial year 2013
IAS 27	Separate Financial Statements	*	1 Jan 2013	Financial year 2013
IAS 28	Investments in Associates and Joint Ventures	*	1 Jan 2013	Financial year 2013
IAS 19 Revised	Employee Benefits	****	1 Jan 2013	Financial year 2013
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income	*	1 Jul 2012	Financial year 2013
Amendment to IAS 32	Offsetting Financial Assets and Financial Liabilities	*	1 Jan 2014	Financial year 2014
Amendment to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	*	1 Jan 2013	Financial year 2013
Annual Improvements to IFRSs	May 2012	*	1 Jan 2013	Financial year 2013
Amendment to IFRS 10, IFRS 12 and IAS 27	Investment Entities	*	1 Jan 2014	Financial year 2014

* No or no significant impact on the consolidated financial statements is anticipated.

** Application of these standards / amendments is not expected to have any material effects on the equity, income or cash flow situation of the Group.

*** IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. Therefore, given the current structure of the financial instruments of the

Group, the adoption of the first phase of IFRS 9 will have no material impact on classification and measurements of financial assets and liabilities.

**** IAS 19 (Employee benefits) was amended in June 2011. The impact on the group's consolidated annual statements will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated at the beginning of the reporting period by applying the discount rate to the net defined benefit liability (asset). Accordingly, based on the 2012 figures, the unrecognised accumulated losses of kCHF 13 744 as of 31 December 2012 would decrease the equity after deduction of deferred taxes by kCHF 11 105 and increase the pension liabilities. The 2012 pension costs after deferred tax calculated would be increased by kCHF 607. The group is currently assessing the full impact of the amendments, and especially the changed treatment of the risk sharing in the pension plans.

Consolidation

1) Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in full.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or as the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

2) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the associate's net assets. Goodwill relating to an associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The associate's share of profit is shown in the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.

Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the share of profit of an associate in the income statement.

3) Change in scope of consolidation

On 1 March 2012 the Group acquired 100 % of the shares of Möfag, Mösli Fleischwaren AG based in Zuzwil SG. For further details of the acquisition, please see Note 5. Besides this acquisition there were no changes in the scope of consolidation. Please see Note 43 for an overview of the legal structure of the Group.

On 1 January 2011 the Group acquired 100 % of the shares of Salumeria Keller SA based in Maroggia. Furthermore, on 1 April 2011 the Group acquired 100 % of the shares of Bernatur GmbH.

Foreign currency translation

1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swiss francs, which is the Company's functional and presentation currency.

2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

3) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised in other comprehensive income. On the loss of control of a foreign operation, the deferred cumulative amount recognised in other comprehensive income relating to that particular operation is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, credits on bank accounts, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Accounts receivable

Accounts receivable are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement as a reduction in earnings. When a trade receivable is uncollectible, it is written off against the allowance for receivables. Subsequent recoveries of amounts previously written off are credited against reduction of earnings in the income statement.

The carrying value less impairment provision of the receivables is assumed to approximate their fair value due to their short-term nature.

Inventories and work in progress

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Cash discounts are deducted from inventory valuation. Stocks of intra-group supplies are carried net of inter-company profits.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated according to Group standards using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life.

The individual useful lives are:

– Production equipment	3 to 5 years
– Furniture and office equipment	5 to 8 years
– IT equipment	3 to 5 years
– Vehicles	4 to 8 years
– Other mobile tangible assets	3 to 5 years
– Land	no depreciation
– Buildings	25 to 30 years
– Tangible assets under construction	no depreciation

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see "Impairment of non-financial assets").

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Gains and losses on derecognition of the asset are determined by comparing net proceeds with carrying amount. These are included in the income statement.

Property, plant and equipment acquired under finance leasing are recorded at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term (see also "Leases").

Expenses from operational leasing agreements are recognised in the income statement and future obligations are listed in the notes to the consolidated financial statements.

Investment property

Investment property is not used for operating purposes by the Group. Investment property is treated as a long-term investment and is carried at historical cost less accumulated depreciation and accumulated impairment.

Depreciation is calculated according to Group standards using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life.

The individual useful lives are:

– Land	no depreciation
– Buildings	25 to 30 years

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates according to IAS 8.

Intangible assets with indefinite lives are not amortised, but are tested for impairment annually either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis according to IAS 8. Gains and losses on derecognition of an intangible asset are determined by comparing net proceeds with carrying amount. These are included in the income statement.

1) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Goodwill related to the acquisition of a subsidiary is included in intangible assets. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Each cash-generating unit or group of units represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

2) Brands / labels

An analysis of product life cycles, markets and competitive trends has shown that there is no foreseeable limit to the period over which the brands and labels are expected to generate net cash inflows for the Group. Therefore, the brands and labels are regarded as having an indefinite useful life.

3) Customer base

An analysis of customer turnover has shown that due to the retail situation in Switzerland, where the market is dominated by two large retailers, part of the acquired customer base has an indefinite life whereas the other part is amortised over its respective useful life (five to fifteen years).

4) Production patent

The production patent was acquired in the 2008 business combination. The patent was granted up to 2026. However, it was estimated that economic benefits from the production patent would only be obtained for 5 years. Therefore, the fair value was amortised until 2012.

5) IT software

Acquired IT software licences are capitalised on the basis of the costs incurred to acquire and start using the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining IT software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

Expenditure which enhances or extends the performance of IT software programmes beyond their original specifications is added to the original cost of the software.

Financial assets

The Group classifies its financial assets into the following categories:

- Financial assets at fair value through profit and loss (AFVTPL); and
- Loans and receivables (LAR).

Management determines the classification of its financial assets at initial recognition.

All purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

1) Financial assets at fair value through profit and loss (AFVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss. Financial assets are classified as held for trading if they are acquired principally for the purpose of selling in the short term. The designation of marketable securities as at fair value through profit and loss is consistent with the documented risk management and investment strategy of the Group. Derivatives are classified as held for trading unless they are designated as hedges.

Realised and unrealised gains or losses on financial assets at fair value through profit or loss are recognised in the income statement.

2) Loans and receivables (LAR)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for those falling due more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

After initial measurement, loans and receivables are carried at amortised costs using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the income statement when the loans or receivables are derecognised or impaired, as well as through the amortisation process.

Fair value – The fair values of quoted investments are based on quoted market prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other valuation models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

An analysis of fair values of financial instruments and further details of how they are measured are provided in Note 3 Section 5.

Amortised cost – The amortised cost of loans and receivables is computed using the effective interest rate method less any allowance for impairment. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is only deemed to be impaired if an event or events occur after the initial recognition of the asset that have an impact on the expected future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include: indications that the debtors or a group of debtors is experiencing significant financial diffuculty; default or delinquency in interest or principal payments; the probability that they will enter bankruptcy or other financial reorganisation; and where observable data indicate that there is a measurable decrease in estimated future cash flows that correlates with a default.

Financial liabilities

The Group classifies its financial liabilities into the following categories:

– Financial liabilities at fair value through profit and loss (LFVTPL); and
– Other financial liabilities (OFL).

The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, including directly attributable transaction costs in the case of other financial liabilities.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

1) Financial liabilities at fair value through profit or loss (LFVTPL)

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. The Group has not designated any financial liabilities upon initial recognition as at fair value through profit or loss.

Realised and unrealised gains or losses on financial liabilities at fair value through profit or loss are recognised in the income statement.

2) Other financial liabilities (OFL)

Other financial liabilities include all financial liabilities which are not classified as financial liabilities at fair value through profit or loss.

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Derivative financial instruments

The Group uses derivative financial instruments such as interest rate swaps and forward currency contracts to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to the income statement.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Impairment of non-financial assets

Goodwill and non-financial assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A previously recognised impairment loss is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Borrowings

1) Borrowings

Borrowings are recognised initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

When an existing borrowing is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

The Group recognises a provision for onerous contracts when the expected economic benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognised in the period in which the Group becomes legally or constructively committed to payment. Provisions are not recognised for future operating losses.

Employee benefits

1) Pension obligations

Apart from the governmentally sponsored plans fixed by the law, the Group sponsors three independent pension plans. All employees are covered by these plans, which qualify as defined benefit plans under IAS 19.

The main benefit of the plan is the retirement pension. The retirement benefit is financed through an individual savings account. The plan defines a retirement credit as a percentage of the insured salary depending on the age of the plan member. In addition to the retirement credit a yearly interest rate is credited to the savings account. The conversion rate of the individual account into a pension at retirement is fixed in the plan. The disability pension is defined as a percentage of the annual salary. The spouse pension is defined as a percentage of the projected retirement pension (without future interest).

The liability recognised in the balance sheet in respect of defined benefit pension plans is the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds which have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of 10 % of the value of plan assets or 10 % of the defined benefit obligation, whichever is greater, are charged or credited to income over the employees' expected average remaining working lives.

2) Dismissal indemnities

The business unit Spiess Europe sponsors a plan that provides indemnities in case of dismissal. This plan qualifies as a defined benefit plan under IAS 19. The dismissal indemnity is defined as a percentage of the annual salary per year of service.

3) Bonus plans

A liability for employee benefits in the form of bonus plans is recognised in other short-term provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- past practice has created a valid expectation by employees that they will receive a bonus/profit share and the amount can be determined before the time of issuing the financial statements.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

4) Other long-term employment benefits

Other long-term employment benefits include anniversary and other long-term service benefits. The measurement of these obligations differs from defined benefit plans in that all actuarial gains and losses are recognised immediately and the corridor method is not applied.

Management participation plan

The cost of equity-settled transactions with management employees is measured by reference to the fair value at the date on which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Dividend distribution

A dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the Company's shareholders.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminated sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

1) Sales of goods

Sales of goods are recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

2) Rendering of services

Revenue from services are recognised in the accounting period in which the services are rendered and are based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

3) Interest income

Interest income is recognised on a time proportion basis using the effective interest rate, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial instrument to the net carrying amount of the financial asset.

4) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

5) Dividend income

Dividend income is recognised when the right to receive payment is established.

Taxes

1) Income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

2) Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future

3) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of other current receivables or other current payables in the balance sheet.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date based on whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(i) There is a change in contractual terms, other than a renewal or extension of the arrangement;

(ii) A renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;

(iii) There is a change in the determination of whether fulfilment is dependent on a specified asset; or

(iv) There is a substantial change to the asset.

Where a reassessment is made, lease accounting commences or ceases from the date when the change in circumstance gave rise to the reassessment.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in financial liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement over the period of the lease.

3 Financial and business risk management

Financial risk factors

The Group's principal financial liabilities comprise, other then derivatives, bank loans, bank overdrafts and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash which arise directly from its operations.

The Group also enters into derivative transactions, primarily interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance.

It is, and has been throughout the period under review, the Group's policy that no trading in derivatives shall be undertaken.

The Group's business activities and its financial instruments expose it to a variety of financial risks, including credit risks and the effects of changes in debt market prices, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

1) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Approximately 0.6% (2011: 0.3%) of the Group's sales and 12.4% (2011: 12.8%) of costs are denominated in currencies other than the functional currency of the operating unit making the sale or incurring the cost.

To manage their foreign exchange risk and to protect against losses, entities in the Group use forward currency contracts. However, as the exposure is relatively small, forward currency contracts are only used on individually significant transactions and not on a regular basis.

If the reporting currency had been 5% (2011: 5%) weaker/stronger against the EUR and USD in 2012, with all other variables held constant, post-tax profit for the year would have been kCHF 2136 (2011: kCHF 2141) higher/lower, mainly as a result of purchases denominated in foreign currencies. Equity would have been kCHF 292 (2011: kCHF 60) higher/lower.

The Company has no important investments in foreign operations whose net assets are exposed to foreign currency translation risk.

2) Interest rate risk

As the Group has no significant interest-bearing assets other than short-term bank deposits, the Group's income is substantially unaffected by changes in market interest rates. The Group's interest rate risk arises from borrowings. Short-term borrowings expose the Group to changes in market interest rates. Moreover, based on the Group's Credit Facility Agreement the interest rates are dependent on the Group's Net Senior Debt to EBITDA Adjusted Ratio, Equity Ratio and LIBOR. The Group's policy is to manage its interest cost using a mix of fixed and variable rate facilities.

To manage the risk of changing market interest rates – mainly on borrowings within the Group's Credit Facility Agreement – the Group enters into interest rate swaps.

Such interest rate swaps have the economic effect of converting borrowings from variable rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and variable-rate interest amounts calculated by reference to the agreed notional amounts.

A 0.2 % (2011: 0.2 %) shift of interest rates would have an impact of approximately kCHF 74 (2011: kCHF 66) on the post-tax profit for the year.

A table that sets out the carrying amount, by maturity, of the Group's borrowings is disclosed in Note 27.

3) Credit risk

The Group essentially has a concentration of credit risk with its two major clients, the largest retailers in Switzerland. As per reporting date, kCHF 20 200 (2011: kCHF 20 536) of total receivables are due from these two clients. These customers have always proven to be quick payers of invoices and have an excellent image and financial reputation in the home market. Therefore, recoverability is not considered to be at risk.

The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Cash transactions are limited to highly creditworthy financial institutions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed under "Fair values of financial assets and liabilities". The Group does not hold collateral as security for its financial assets.

4) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, ensuring the availability of funding through an adequate amount of committed credit facilities and retaining the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The table below splits the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. These amounts will not reconcile to the amounts disclosed on the balance sheet for financial liabilities. Moreover, financial liabilities for which the Group has the discretion to refinance (see also Note 27) have been grouped based on scheduled and projected repayments.

in CHF thousand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2012				
Derivative financial instruments	684	1 053	0	0
Current interest–bearing financial liabilities	18 392	0	0	0
Trade accounts payable	39 525	0	0	0
Other current payables *	1 441	586	583	0
Accrued liabilities *	9 530	0	0	0
Financial Leasing	820	695	1 390	0
Long–term interest–bearing financial liabilities	0	89 930	0	0
2011				
Derivative financial instruments	0	1 342	1 567	0
Current interest–bearing financial liabilities	14 442	0	0	0
Trade accounts payable	45 603	0	0	0
Other current payables *	850	0	0	0
Accrued liabilities *	10 938	0	0	0
Financial Leasing	885	855	1 842	196
Long–term interest–bearing financial liabilities	0	14 709	77 900	0

* Only those items that are accounted for under IAS 39.

5) Fair values of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

	Carrying amount		Fair value	
in CHF thousand	2012	2011	2012	2011
Financial assets				
Cash and cash equivalents (LAR)	24 083	35 293	24 083	35 293
Current financial assets at FV through profit and loss (AFVTPL)	937	204	937	204
Trade accounts receivable (LAR)	53 502	45 579	53 502	45 579
Other current receivable (LAR)	721	631	721	631
Long–term financial assets (LAR)	10	0	10	0
Financial liabilities				
Derivative financial instruments (LFVTPL)	–1 737	–2 909	–1 737	–2 909
Current financial liabilities (OFL)	–16 638	–12 659	–16 712	–12 791
Current financial liabilities – financial leasing (OFL)	–758	–801	–758	–801
Trade accounts payable (OFL)	–39 525	–45 603	–39 525	–45 603
Other current payable (OFL)	–1 441	–850	–1 441	–850
Accrued liabilities (OFL)	–9 530	–10 938	–9 530	–10 938
Non–current financial liabilities – third parties (OFL)	–88 506	–89 298	–88 900	–90 250
Non–current financial liabilities – financial leasing (OFL)	–2 003	–2 750	–2 003	–2 750
Other non–current payable (OFL)	–1 116	0	–1 116	0

The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

- Cash and cash equivalents, trade accounts receivable, other current receivables, trade accounts payable and other current payables tend to be valued at their carrying amounts due to the short-term maturities of these instruments.
- Current financial assets at fair value through profit and loss and derivative financial instruments are derived from quoted market prices in active markets, if available. If they are not quoted on a market, fair value is estimated using appropriate valuation techniques for these instruments.
- The fair value of current and non-current financial liabilities is estimated by the Group based on discounted future cash flows using interest rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs with a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs with a significant effect on the recorded fair value that are not based on observable market data.

in CHF thousand	2012	Level 1	Level 2	Level 3
Assets measured at fair value				
Current financial assets at FV through profit and loss	937	90	847	0
Liabilities measured at fair value				
Derivative financial instruments	–1 737	0	–1 737	0

in CHF thousand	2011	Level 1	Level 2	Level 3
Assets measured at fair value				
Current financial assets at FV through profit and loss	204	78	126	0
Liabilities measured at fair value				
Derivative financial instruments	–2 909	0	–2 909	0

During the reporting period ending 31 December 2012 and 2011, there were no transfers between the different levels of fair value measurement.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the Consolidated Adjusted Net Worth Ratio. This ratio is calculated as total equity divided by total assets as shown in the consolidated balance sheet. The ratio is monitored by management and since the initial public offering in April 2010 has been kept between 40 % and 50 %.

in CHF thousand	31.12.2012	31.12.2011
Total equity	203 502	186 980
Total assets	409 369	395 419
Consolidated Adjusted Net Worth Ratio	**49.7%**	**47.3%**

The Group also closely monitors covenants included in the Credit Facility Agreement for bank loans (see Note 27). These covenants focus on equity ratio and on Net Senior Debt to EBITDA Adjusted Ratio. The Group met all loan covenants.

Business risk factors / risk of changes in raw material prices

The Group's activities expose it to the risk of changes in raw material prices, mainly raw meat such as pork, beef and poultry as well as durum wheat. The Group's objective is to minimise the impact of raw material price fluctuations by taking account of alternative suppliers in Switzerland and abroad, by maintaining good relationships with existing suppliers and by agreeing on price mechanisms with the main customers. Usually, the Group can pass most of the price increases on to customers with an approximate time lag of one to three months.

Internal Control System

The Group has an internal control system in place for all Group companies as requested by Art. 728a Swiss CO. Periodically, a risk identification process is carried out. The materiality and probability of the identified risks are assessed and measures to reduce or eliminate those risks are determined by the Board of Directors and the Management Board.

Besides these periodical risk assessments, the Group cultivates an active "What if" risk management. "What if" scenarios are integrated into the budget and forecast process of all Group companies.

The last risk assessment was carried out by the Management Board in the 4th quarter of 2012 and was discussed and approved by the Board of Directors on 12 December 2012.

4 Significant accounting estimates and judgements

The Group makes estimates and assumptions concerning the future which are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

In the process of applying the Group's accounting policies, management has made the following judgements and estimates, which have a significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as a lessee

The Group has entered into some property leases. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that all significant risks and rewards of ownership of these properties are retained by the lessor. Therefore, the contracts are accounted for as operating leases.

Estimated impairment of goodwill

The Group tests at least annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 (Intangible assets). The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate.

The sensitivity of a potential impairment of goodwill is disclosed in Note 23.

Estimated impairment of other intangible assets with an indefinite life

The Group tests at least annually whether other intangible assets with an indefinite life have suffered any impairment in accordance with the accounting policy stated in Note 2 (Intangible assets). The recoverable amounts have been determined based on value-in-use calculations. These calculations require the use of estimates mainly with regard to future sales, EBIT margins and licence fees.

The sensitivities of a potential impairment of other intangible assets with an indefinite life are disclosed in Note 23.

Pension Liabilities

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. For further details see Note 36.

5 Business combinations

Acquisition of Möfag, Mösli Fleischwaren AG

The Group acquired 100 % of the shares of Möfag, Mösli Fleischwaren AG based in Zuzwil SG, with effect from 1 March 2012. The family business with 55 employees has strong roots in eastern Switzerland and supplies both the food service trade and retail channels. With its product range, popular brand identity and strong position in the discount segment, Möfag is an ideal complement to the Refinement segment.

The fair value of the identifiable assets and liabilities of Möfag, Mösli Fleischwaren AG as at the date of acquisition were:

in CHF thousand	Fair value recognised on acquisiton
Cash and cash equivalents	2 464
Current financial assets	128
Trade accounts receivable	2 973
Other current receivables	87
Accrued assets	395
Inventories and work in progress	1 938
Property, plant and equipment	7 035
Intangible assets	5 928
Assets	**20 948**
Trade accounts payable	–1 521
Other current payables	–1 512
Accrued liabilities	–584
Financial liabilities	–1 028
Provisions	–1 089
Defined benefit obligations	–543
Deferred tax liabilities	–1 840
Liabilities	**–8 117**
Net assets	**12 831**
Goodwill arising on acquisition	5 829
Total consideration	**18 660**
Total consideration:	
Cash paid	17 000
Liability from earn – out agreement	1 660
Total consideration	**18 660**
Purchase consideration:	
Cash paid (Investing activities)	17 000
Cash and cash equivalents in subsidiary acquired (Investing activities)	–2 464
Transaction costs of the acquisition (Operating activities)	145
Cash outflow on acquisition	**14 681**

The goodwill recognised above is attributed to the expected synergies and other benefits from combining the business activities. Goodwill is allocated entirely to the Refinement segment.

Gross trade receivables amount to kCHF 2 973. It is expected that the full contractual amount can be collected.

From the date of acquisition, Möfag has generated revenues in the amount of kCHF 22 941 and has contributed kCHF 2 128 to the net profit of the Group. If the combination had taken place at the beginning of the year, the profit for the period would have been around kCHF 2 500 and revenue would have been around kCHF 27 200.

The transaction costs of kCHF 145 have been expensed and are included in other operating expenses. As part of the purchase agreement with the previous owner of Möfag, a contingent consideration has been agreed. The business plan, designed for the years 2012-2014, forms the basis for earn-out payments. The earn-out payments depend on achievement of specified target parameters such as revenues and gross margin. The maximum achievable earn-out goes up to kCHF 3 500. As at the acquisition date, the fair value of the contingent consideration was estimated to be kCHF 1 660. This amount corresponds to the present value of estimated future cash payments. In view of the very pleasing earnings performance of the company and due to the ongoing addition of accrued interest, the contingent consideration had to be increased by kCHF 227 to an amount of kCHF 1 887. The increase is included in the financial result (see Note 25).

Acquisition of Salumeria Keller SA

The Group acquired 100 % of the shares of Salumeria Keller SA, a producer of Ticino specialities based in Maroggia, with effect from 1 January 2011. Salumeria Keller SA, a small traditional family company, makes products under its own “Val Mara” brand, particularly Ticino salami and salametti.

Acquisition of Bernatur GmbH

The Group acquired 100 % of the shares of natural products specialist Bernatur GmbH with effect from 1 April 2011. Bernatur, the leading Swiss tofu producer, is known for the excellent quality of its innovative niche products and its attractive product range.

The fair value of the aggregate identifiable assets and liabilities of Salumeria Keller SA and Bernatur GmbH as at the date of acqisition in 2011 were:

in CHF thousand	Fair value recognised on acquisition
Cash and cash equivalents	885
Trade accounts receivable	390
Other current receivables	27
Accrued assets	41
Inventories and work in progress	411
Property, plant and equipment	763
Intangible assets	1 651
Assets	**4 168**
Trade accounts payable	–172
Other current payables	–8
Accrued liabilities	–267
Financial liabilities	–705
Provisions	0
Defined benefit obligations	–108
Deferred tax liabilities	–340
Liabilities	**–1 600**
Net assets	**2 568**
Goodwill arising on acquisitions	1 350
Total consideration	**3 918**
Purchase consideration:	
Total consideration	3 918
Cash and cash equivalents in companies acquired	–885
Cash outflow on acquisitions	**3 033**

The goodwill recognised above is attributed to the expected synergies and other benefits from combining the business activities. None of the recognised goodwill is deductible for income tax purposes.

Gross trade receivables amount to kCHF 390. None of the trade receivables have been impaired and it is expected that the full contractual amount can be collected.

From their date of acquisition in 2011, Keller SA and Bernatur GmbH generated revenues in the aggregate amount of kCHF 4 087 and contributed kCHF 261 to the net profit of the Group. If the combinations of 2011 had both taken place at the beginning of the year, the profit for the period would have been kCHF 334 and revenue would have been kCHF 4 604.

The transaction costs of kCHF 38 were expensed in 2011 and are included in other operating expenses.

6 Segment information

For management purposes, the Group is structured along the three operating segments ORIOR Refinement, ORIOR Convenience and ORIOR Corporate, Export and Logistics. The operating segments are characterised by a clear focus on specific product categories.

- ORIOR Refinement: The Group's Refinement operating segment is characterised by a clear focus on refined and processed meat products. It produces primarily premium products and operates five processing and seven refining facilities in the cantons of Grisons, Ticino and St. Gallen. The products are mainly sold through retail and food service channels in Switzerland.
- ORIOR Convenience: The Group's Convenience operating segment focuses on producing fresh convenience products such as ready-made meals for the retail food market and the food services market, fresh pasta, vegetarian products or ready to cook poultry and meat products. The ORIOR Convenience operating segment operates four processing facilities in the German part of Switzerland. Its products are mainly sold through retail and food service channels in Switzerland.
- ORIOR Corporate, Export and Logistics: The Group's Corporate, Export and Logistics operating segment is responsible for the distribution of fresh and frozen products within Switzerland as well as the export and commercialisation of the Group's products under the respective brands in the EU, focusing primarily on Switzerland's neighbours. Distribution centres have been established in the centre of Switzerland as well as in Haguenau (France). The Group's management organisation is also included in this segment.

Segment performance is evaluated based on operating profit (EBITDA, EBIT) which is measured in line with the principles applied in the consolidated financial statements. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2012

in CHF thousand	ORIOR Refinement	ORIOR Convenience	ORIOR Corporate, Export and Logistics	Adjustments and eliminations		Consolidated
External customer sales	290 806	191 056	28 725	0		510 587
Inter–segment sales	24 405	3 392	7 721	–35 518	[1]	0
Sales of goods / rendering of services	**315 211**	**194 448**	**36 446**	**–35 518**		**510 587**
Reduction in gross sales	–4 907	–3 835	–352	0		–9 094
Revenues	**310 304**	**190 613**	**36 094**	**–35 518**		**501 493**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**28 283**	**27 770**	**–3 664**	**–54**		**52 335**
Depreciation / impairment – tangible assets	–6 191	–5 128	–1 340	0		–12 659
Amortisation – intangible assets	–2 785	–79	–727	0		–3 591
Segment profit (EBIT)	**19 307**	**22 563**	**–5 731**	**–54**		**36 085**
Net financial expense						–2 735
Profit before taxes						**33 350**
Segment assets	**311 132**	**80 635**	**183 927**	**–166 325**	[1, 2]	**409 369**
Segment liabilities	**210 188**	**34 639**	**17 575**	**–56 535**	[1, 3]	**205 867**
Investments in non – current assets	**7 585**	**8 165**	**2 104**	**0**	[4]	**17 854**

2011

in CHF thousand	ORIOR Refinement	ORIOR Convenience	ORIOR Corporate, Export and Logistics	Adjustments and eliminations		Consolidated
External customer sales	283 193	190 625	30 088	0		503 906
Inter–segment sales	23 101	2 277	8 006	–33 384	[1]	0
Sales of goods / rendering of services	**306 294**	**192 902**	**38 094**	**–33 384**		**503 906**
Reduction in gross sales	–4 024	–3 134	–122	0		–7 280
Revenues	**302 270**	**189 768**	**37 972**	**–33 384**		**496 626**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**28 495**	**28 941**	**–3 438**	**–126**		**53 872**
Depreciation / impairment – tangible assets	–5 408	–4 931	–1 147	0		–11 486
Amortisation – intangible assets	–2 296	–82	–793	0		–3 171
Segment profit (EBIT)	**20 791**	**23 928**	**–5 378**	**–126**		**39 215**
Net financial expense						–5 159
Profit before taxes						**34 056**
Segment assets	**282 691**	**83 557**	**183 928**	**–154 757**	[1, 2]	**395 419**
Segment liabilities	**210 657**	**33 227**	**10 798**	**–46 243**	[1, 3]	**208 439**
Investments in non – current assets	**6 441**	**6 525**	**1 523**	**0**	[4]	**14 489**

[1] Inter–segment assets, liabilities, revenues as well as intercompany profits are eliminated on consolidation.
[2] Segment assets do not include derivatives and investments. Investments in the amount of kCHF 351 076 (31.12.2012) and kCHF 332 417 (31.12.2011) are managed at Group level.
[3] Segment liabilities do not include interest–bearing financial liabilities and derivative financial instruments from third parties. Financial liabilities in the amount of kCHF 109 642 (31.12.2012) and kCHF 108 417 (31.12.2011) are managed at Group level.
[4] Cash outflow from investments in property, plant and equipment as well as intangible assets.

Segment information by country – external customer sales

in CHF thousand	2012	2011
Switzerland	484 902	476 431
France	21 075	23 393
Germany	1 539	1 858
Austria	1 551	227
Other	1 520	1 997
Total sales of goods / rendering of services	**510 587**	**503 906**
Reduction in gross sales	–9 094	–7 280
Revenues	**501 493**	**496 626**

The revenue information above is based on the location of the customer.

Assets by country

in CHF thousand	2012	2011
Switzerland	262 354	244 972
France	296	231
Germany	116	82
Total assets	**262 766**	**245 285**

Assets for this purpose consist of tangible assets and intangible assets.

Sales of goods to the two major clients amount to kCHF 220 622 and kCHF 71 180 respectively in 2012 (2011: kCHF 222 755 and kCHF 75 857). These sales were generated in the operating segments ORIOR Refinement and ORIOR Convenience.

Notes to the Consolidated Income Statement

7 Revenues

in CHF thousand	2012	2011
Sales of goods	506 844	500 635
Rendering of services	3 743	3 271
Gross sales	**510 587**	**503 906**
Reduction in gross sales	–9 094	–7 280
Total	**501 493**	**496 626**

8 Changes in inventories

in CHF thousand	2012	2011
Movement in value adjustment of inventories	1 202	–370
Movement in finished products and work in progress	–2 991	8 409
Total	**–1 789**	**8 039**

9 Personnel expenses

in CHF thousand	2012	2011
Salaries and bonuses	–78 316	–75 120
Social security contributions	–7 924	–7 468
Pension fund contributions (defined benefit plan)	–5 554	–5 076
Other personnel expenses	–2 128	–1 873
Share–based payment transaction	–11	0
Total	**–93 933**	**–89 537**

10 Other operating income

in CHF thousand	2012	2011
Other operating income	332	430
Gain from disposal of fixed assets	149	164
Total	**481**	**594**

11 Other operating expenses

in CHF thousand	2012	2011
Repair, maintenance & replacements	–8 499	–7 901
Operating expenses	–2 817	–2 967
Energy and waste disposal	–10 813	–10 145
Information and communication	–2 737	–2 525
Operational leasing	–9 081	–9 572
Insurances	–941	–1 095
Licences, duties & charges	–407	–739
Shipping	–8 596	–7 847
Marketing & sales	–10 430	–11 369
Board of Directors' compensation	–908	–868
Administration	–3 330	–2 811
Total	**–58 559**	**–57 839**

Product development costs of kCHF 1 896 (2011: kCHF 2 206) were recognised as an expense in the income statement during the period.

12 Financial income

in CHF thousand	2012	2011
Interest income – third parties (LAR)	105	40
Dividend income – third parties (AFVTPL)	17	12
Gain on fair value adjustment on derivative instruments (LFVTPL)	1 129	43
Gain on fair value adjustment on financial assets (AFVTPL)	627	0
Foreign exchange gains – realised (LAR / OFL)	179	569
Foreign exchange gains – unrealised (LAR / OFL)	68	409
Total	**2 125**	**1 073**

13 Financial expense

in CHF thousand	2012	2011
Interest expense - third parties (OFL)	–3 603	–3 678
Interest expense - financial leasing (OFL)	–80	–72
Bank charges and commissions - third parties (LAR / OFL)	–437	–466
Loss on fair value adjustment on derivative financial instruments (LFVTPL)	0	–675
Loss on fair value adjustment on financial assets (AFVTPL)	0	–3
Adjustment of earn – out liability (OFL)	–227	0
Foreign exchange losses – realised (LAR / OFL)	–378	–885
Foreign exchange losses – unrealised (LAR / OFL)	–135	–453
Total	**–4 860**	**–6 232**

14 Income taxes

The major components of income tax expense are:

in CHF thousand	2012	2011
Current income taxes	–7 320	–6 356
Current income tax charge	–7 325	–6 564
Adjustments of prior – year income tax	5	208
Movements of deferred taxes	1 820	461
Amount of deferred tax expense / income relating to the origination and reversal of temporary differences	1 524	110
Amount of deferred tax expense / income relating to changes in tax rates or the imposition of new taxes	234	327
Amount of deferred tax expense / income relating to the use and capitalisation of deferred tax assets from tax loss carryforwards	62	24
Total	**–5 500**	**–5 895**

The tax on the Group's profit before taxes differs from the theoretical amount that would arise using the effective tax rate of the Group as follows:

in CHF thousand	2012	2011
Profit before tax	33 350	34 056
Weighted Average Group Tax Rate of 19.2% (2011: 17.4%)	–6 389	–5 932
Income not subject to tax	33	0
Non–deductable expenses	–28	0
Adjustments of prior–year income tax	5	208
Changes in value adjustments on deferred tax assets	–177	–551
Utilisation of previously unrecognised tax losses	0	47
Effect of changes in local tax rates	234	327
Changes of group internal temporary differences	795	0
Other	27	6
Total	**–5 500**	**–5 895**

The weighted average Group tax rate has increased from 17.4 % to 19.2 % due to a change in the profit allocation within the Group compared to the previous year and due to the fact that there was higher tax to pay on internal dividend income.

The changes of group internal temporary differences result from an adjusted estimation of the creditworthiness of two subsidiaries.

There are no income tax consequences for ORIOR attaching to the payment of dividends to its shareholders.

15 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to Shareholders of ORIOR by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations:

in CHF thousand	2012	2011
Profit for the year attributable to shareholders of ORIOR	27 850	28 161
Weighted Ø number of ordinary shares in '000 for basic earnings per share	5 914	5 914
Basic earnings per share in CHF	4.71	4.76

Diluted earnings per share is calculated in the same way as basic earnings per share as there is no dilutive potential for ordinary shares. The weighted average effect of the purchase of treasury shares (see Note 31) is taken into account in the weighted average number of ordinary shares outstanding during the year.

Notes to the Consolidated Balance Sheet

16 Cash and cash equivalents

in CHF thousand	31.12.2012	31.12.2011
Cash, postal accounts and checks	42	49
Cash at banks	24 041	35 244
Total	**24 083**	**35 293**

Cash at banks earns interest at floating rates based on bank deposit rates. Short-term deposits are made for varying periods up to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

17 Current financial assets

in CHF thousand	31.12.2012	31.12.2011
Current financial assets at FV through profit and loss	937	204
Total	**937**	**204**

Current financial assets include marketable securities and are designated as at fair value through profit and loss.

The fair value of the current financial assets at fair value through profit and loss is based on the current market price of a comparable financial asset in an active market. Changes in the fair values are recorded under financial income/financial expenses in the income statement.

18 Trade accounts receivable

Trade receivables are non-interest bearing and are generally settled within 30 days.

The ageing analysis of trade accounts receivable shows that 77.0 % (2011: 84.9 %) of the receivables are not yet due.

in CHF thousand	31.12.2012	31.12.2011
Not yet due	41 223	38 686
Overdue 1 – 30 days	9 321	6 060
Overdue 31 – 60 days	1 911	466
Overdue 61 – 90 days	534	205
Overdue 91 – 180 days	421	147
Overdue 181 – 360 days	92	15
Overdue more than 360 days	0	0
Total trade accounts receivable – net	**53 502**	**45 579**

At 31 December 2012, trade receivables with initial value of kCHF 667 (2011: kCHF 231) were impaired and fully provided for. Details of movements in the allowance for bad debts are as follows:

in CHF thousand	Individually impaired	Collectively impaired	Total
Balance 31.12.2010	**62**	**261**	**323**
Additions	23	74	97
Utilisation	–62	–127	–189
Balance 31.12.2011	**23**	**208**	**231**
Additions	142	344	486
Utilisation	–18	–32	–50
Balance 31.12.2012	**147**	**520**	**667**

Information about the concentration of credit risk with regard to ORIOR's two major clients is provided in Note 3 (Financial risk factors).

Besides these two clients, the Group has a large number of customers that sell to a variety of end markets. Due to these factors, management believes that there is no additional credit risk beyond amounts provided for collection losses.

By the end of 2012, net trade accounts receivable of kCHF 41 225 (2011: kCHF 40 733) were pledged as security for the interest-bearing liabilities (see also Note 27).

19 Other current receivables

in CHF thousand	31.12.2012	31.12.2011
VAT receivable	1 121	2 006
Withholding tax receivable	7	18
Other current receivables – third parties	743	716
Other current receivables – related parties	52	0
Other current receivables – social security institutions	112	5
Prepayments – third parties	93	46
Total	**2 128**	**2 791**

“Other current receivables – third parties” include other accounts receivable not resulting from sales and maturing within 12 months.

The total balance of “other current receivables – third parties” as per 31 December 2012 includes financial assets in the amount of kCHF 721 (2011: kCHF 631).

20 Inventories and work in progress

in CHF thousand	31.12.2012	31.12.2011
Raw material (at cost)	17 267	17 030
Trade products (at cost or net realisable value)	6 162	5 117
Semi – finished products / work in progress (at cost)	31 083	24 643
Finished products (at cost or net realisable value)	10 725	18 797
Total at the lower of cost or net realisable value	**65 237**	**65 587**

kCHF 1 531 (2011: kCHF 937) of the total amount of trade and finished products recognised as of 31 December 2012 is carried at net realisable value.

The amount of write-downs of inventories recognised as an expense is kCHF 361 (2011: kCHF 1 755) which is recognised in “raw material / goods and services purchased” and “changes in inventories”.

At the end of 2012 there were purchase obligations for raw materials of kCHF 11 397 (2011: kCHF 10 397) and for trade products of kCHF 2 410 (2011: kCHF 2 440).

At the end of 2012 and 2011, no inventory was pledged as security for borrowings.

21 Property, plant and equipment and investment properties

in CHF thousand	Production equipment	Furniture and office equipment	IT equipment	Vehicles	Other and assets under construction	Land and buildings	Buildings under construc-tion	Total tangible assets	Investment properties
At cost									
Balance 01.01.2011	**55 200**	**11 132**	**4 350**	**6 456**	**4 055**	**22 731**	**1 201**	**105 125**	**214**
Additions	5 309	2 046	193	2 866	5 297	579	177	16 467	0
Additions from acquisitions	764	0	0	0	0	0	0	764	0
Disposals	–198	–20	–18	–427	–11	0	0	–674	0
Reallocation within category	2 049	6	0	46	–2 101	47	–47	0	0
Exchange differences	–3	0	0	–2	0	–8	0	–13	0
Balance 31.12.2011	**63 121**	**13 164**	**4 525**	**8 939**	**7 240**	**23 349**	**1 331**	**121 669**	**214**
Additions	5 538	1 732	639	1 131	2 791	335	1 176	13 342	0
Additions from acquisitions	387	70	0	98	0	6 480	0	7 035	0
Disposals	–679	–74	–664	–426	–83	–80	0	–2 006	0
Reallocation within category	2 369	348	0	0	–2 717	178	–178	0	0
Exchange differences	–1	0	0	0	0	–2	0	–3	0
Balance 31.12.2012	**70 735**	**15 240**	**4 500**	**9 742**	**7 231**	**30 260**	**2 329**	**140 037**	**214**
Accumulated depreciation									
Balance 01.01.2011	**–25 817**	**–4 387**	**–2 560**	**–2 148**	**–48**	**–2 689**	**0**	**–37 649**	**0**
Depreciation	–7 030	–1 114	–765	–1 541	–91	–945	0	–11 486	0
Disposals	172	20	18	355	0	0	0	565	0
Exchange differences	1	0	0	1	0	2	0	4	0
Balance 31.12.2011	**–32 674**	**–5 481**	**–3 307**	**–3 333**	**–139**	**–3 632**	**0**	**–48 566**	**0**
Depreciation	–7 582	–1 280	–725	–1 750	–14	–1 180	0	–12 531	0
Disposals	587	22	664	411	83	80	0	1 847	0
Reallocation within category	0	–9	9	0	0	0	0	0	0
Exchange differences	0	0	0	0	0	0	0	0	0
Balance 31.12.2012	**–39 669**	**–6 748**	**–3 359**	**–4 672**	**–70**	**–4 732**	**0**	**–59 250**	**0**
Impairment									
Balance 01.01.2011	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance 31.12.2011	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Impairment	–77	–51	0	0	0	0	0	–128	0
Disposals	77	51	0	0	0	0	0	128	0
Balance 31.12.2012	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net balance 01.01.2011	29 383	6 745	1 790	4 308	4 007	20 042	1 201	67 476	214
Net balance 31.12.2011	30 447	7 683	1 218	5 606	7 101	19 717	1 331	73 103	214
Net balance 31.12.2012	**31 066**	**8 492**	**1 141**	**5 070**	**7 161**	**25 528**	**2 329**	**80 787**	**214**

The insurance value of property, plant and equipment amounts to kCHF 186 516 (2011: kCHF 166 982).

At the end of 2012 there were purchase obligations for property, plant and equipment of kCHF 7 223 (2011: kCHF 1 024).

Investments in property, plant and equipment resulted in a cash outflow of kCHF 16 133 (2011: kCHF 12 883).

By the end of 2012 mortgage bonds with a nominal value of kCHF 9 207 were deposited at banks as security for financial liabilities (2011: kCHF 9 207).

Investment property is valued at historical cost less accumulated depreciation and accumulated impairment. The fair value of this investment property amounted to kCHF 214 (2011: kCHF 214). Rental income related to investment property amounted to kCHF 0 in both years.

The net book value of leased vehicles amounts to kCHF 2 691 (2011: kCHF 3 516). Additional information on financial leasing is disclosed under Note 22.

22 Leases

The maturity structure of all future minimum financial leasing payments and the corresponding interest expense are given below:

in CHF thousand	31.12.2012	31.12.2011
Maturity within 1 year	820	885
Maturity between 1 and 5 years	2 084	2 697
Maturity over 5 years	0	196
Total	**2 904**	**3 778**
Interest portion	–143	–227
Total financial leasing	**2 761**	**3 551**

Finance lease liabilities in the amount of kCHF 790 (2011: kCHF 600) were repaid during the period.

Ageing of non-capitalised operating leasing contracts:

in CHF thousand	31.12.2012	31.12.2011
Maturity within 1 year	6 893	6 904
Maturity between 1 and 5 years	26 265	29 287
Maturity over 5 years	41 169	45 947
Total	**74 327**	**82 138**

The operating leasing expenses reported in the 2012 income statement amounted to KCHF 7 066 (2011: KCHF 7 242).

Operational leasing is mainly attributable to the production buildings in Stabio, Root, Böckten, Uetendorf and Oberentfelden.

Fixed leasing instalments are paid on a monthly basis. The leasing contracts have pre-determined contract terms of between 10 and 18 years. The Group has the option to extend the leasing term by five years. This option can be executed four times. If the lessee does not give notice to quit the leasing contract 18 months before the contract term expires, the contract is automatically extended for five years, but only as long as the above mentioned option right exists.

The lessee has a pre-emptive right during the whole leasing term as well as during the lease extension. Moreover, the lessee has a right of redemption. The conditions of both rights are not pre-defined and have to be negotiated.

There are no restrictions imposed by lease arrangements such as restrictions on dividend distributions, further leasing agreements or additional debt.

Off balance sheet liabilities from operational leasing stood at kCHF 74 327 at the end of 2012 (2011: kCHF 82 138).

23 Intangible assets

in CHF thousand	Goodwill	Brands	Label	Customer base	Production patent	IT software	Total
At cost							
Balance 01.01.2011	**82 318**	**25 257**	**28 660**	**29 055**	**7 680**	**7 133**	**180 103**
Additions	0	0	0	0	0	1 724	1 724
Additions from acquisitions	1 350	79	0	1 572	0	0	3 001
Disposals	0	0	0	0	0	0	0
Exchange differences	0	0	0	0	0	–1	–1
Balance 31.12.2011	**83 668**	**25 336**	**28 660**	**30 627**	**7 680**	**8 856**	**184 827**
Additions	0	0	0	0	0	1 632	1 632
Additions from acquisitions	5 829	1 532	0	4 396	0	0	11 757
Disposals	0	0	0	0	0	–29	–29
Exchange differences	0	0	0	0	0	0	0
Balance 31.12.2012	**89 497**	**26 868**	**28 660**	**35 023**	**7 680**	**10 459**	**198 187**
Accumulated depreciation							
Balance 01.01.2011	**0**	**0**	**0**	**–1 419**	**–4 446**	**–3 823**	**–9 688**
Amortisation	0	0	0	–516	–1 617	–1 038	–3 171
Disposals	0	0	0	0	0	0	0
Exchange differences	0	0	0	0	0	0	0
Balance 31.12.2011	**0**	**0**	**0**	**–1 935**	**–6 063**	**–4 861**	**–12 859**
Amortisation	0	0	0	–975	–1 617	–999	–3 591
Disposals	0	0	0	0	0	28	28
Exchange differences	0	0	0	0	0	0	0
Balance 31.12.2012	**0**	**0**	**0**	**–2 910**	**–7 680**	**–5 832**	**–16 422**
Net balance 01.01.2011	82 318	25 257	28 660	27 636	3 234	3 310	170 415
Net balance 31.12.2011	83 668	25 336	28 660	28 692	1 617	3 995	171 968
Net balance 31.12.2012	**89 497**	**26 868**	**28 660**	**32 113**	**0**	**4 627**	**181 765**

Investments in intangible assets resulted in a cash outflow of kCHF 1 721 (2011: kCHF 1 606).

Goodwill

Goodwill is allocated to the Group's identified cash generating units (CGUs) which correspond to the Group's operating segments. A summary of the goodwill allocation is presented below:

in CHF thousand	31.12.2012	31.12.2011
ORIOR Refinement	81 640	75 811
ORIOR Convenience	7 857	7 857
Total	**89 497**	**83 668**

In accordance with the accounting policy stated in Note 2 (Intangible assets), the Group tests at least annually whether goodwill has suffered any impairment. The recoverable amount attributable to a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated.

Key assumptions used for the value-in-use calculations were:

- EBIT margin;
- Growth rate;
- Discount rates.

EBIT margins – EBIT margins are based on average values achieved in the past and on management's expectations of market developments. For the business segment ORIOR Refinement an increase in the EBIT margin of approx. 0.8 percentage points (2011: 0.2 percentage points) over the whole budget period was applied. The business segment ORIOR Convenience shows a decrease in its EBIT margin of approx. 0.3 percentage points (2011: decrease of 0.2 percentage points) over the budget period.

Growth rates – Rates are based on published inflation rates. The growth rate used to extrapolate revenues beyond the budget period was 1.4 % (2011: 1.4 %) for all business units.

Discount rates – The discount rate was based on the average percentage of a weighted average cost of capital for the industry. As the market assessment of risks are very similar for all CGU, a pre-tax discount rate of 7.9 % (2011: 8.2 %) and post-tax discount rate of 6.6 % (2011: 6.7 %) was applied.

The recoverable amount of goodwill would still be higher than the carrying amount and no impairment charge would need to be recorded if:

- The average estimated EBIT margin had been 1.0 percentage point lower than management's estimates at 31 December 2012; or
- The growth rate had been lower by 1.0 percentage points; or
- The estimated post-tax discount rate applied to the discounted cash flows had been 1.0 percentage point higher than management's estimates.

Brands

An analysis of product life cycles, markets and competitive trends has shown that there is no foreseeable limit to the period over which the brands are expected to generate net cash inflows for the Group. Therefore, the brands are regarded as having an indefinite useful life.

The category “brands” includes the value of the following items:

in CHF thousand	31.12.2012	31.12.2011
Brand Rapelli	13 700	13 700
Brand Ticinella	5 500	5 500
Brand Nature Gourmet	1 200	1 200
Brand Spiess	4 857	4 857
Brand Val Mara	79	79
Brand Fürstenländer	1 532	0
Total	**26 868**	**25 336**

Apart from the brand Natur Gourmet, all brands are included in the Refinement segment.

In accordance with the accounting policy stated in Note 2 (Intangible assets) the Group tests at least annually whether the brands have suffered any impairment. The recoverable amount of a brand is determined based on the net present value of licence fees based on revenue projections covering a five-year period. Revenues/licence fees beyond that period are extrapolated.

Key assumptions used for the value-in-use calculations:

– Licence fees	1.0 – 3.0 %	(2011: 1.0 – 3.0 %)
– Growth rate*	1.4 %	(2011: 1.4 %)
– Discount rate (WARA)**	8.2 %	(2011: 8.2 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.7 % was applied for the year 2012 (2011: 8.5 %).

Management has determined projected revenues and licence fees based on past performance and its expectations for market developments.

The recoverable amount of the brands would still be higher than the carrying amount and no impairment charge would need to be recorded if:

– The licence fees had been 0.5 – 2.0 %; or
– The growth rate had been 0.4 %; or
– The estimated post-tax discount rate applied to the discounted cash flows had been 1.0 percentage points higher.

Based on the increasing market penetration – especially in the export market – and the corresponding increase in market awareness, an increase in licence fees to approx. 4 % would be possible. This increase has been considered in neither the impairment test nor the above sensitivity analysis.

Label

The label "Bündnerfleisch" can only be used if certain strict criteria are met. The production site, for example, has to be located 800m above sea level. Sustainable competitive advantages can be achieved as the label "Bündnerfleisch" is a seal of quality. It is regarded as having an indefinite useful life.

In accordance with the accounting policy stated in Note 2 (Intangible assets) the Group tests at least annually whether the label "Bündnerfleisch" has suffered any impairment. It is assumed that because of the label, higher selling prices can be achieved. The recoverable amount is determined based on the assumed price difference on projected revenues, reduced by additional costs to maintain the label. Revenues/price differences are based on budgets covering a five-year period and are extrapolated beyond that period.

Key assumptions used for the value-in-use calculation:

– Growth rate*	1.4 %	(2011: 1.4 %)
– Discount rate (WARA)**	7.1 %	(2011: 7.1 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 7.4 % was applied for the year 2012 (2011: 7.3 %).

Management has determined projected revenues and price differences based on past performance and its expectations for market developments.

The recoverable amount of the label would still be higher than the carrying amount and no impairment charge would need to be recorded if:

- The growth rate had been 0.4 %; or
- The price difference in % of revenues had been lower by 0.5 percentage points; or
- The estimated post-tax discount rate applied to the discounted cash flows had been 1.0 percentage points higher than management's estimates.

Customer base

The acquired customer base is valued at fair value as at the date of the respective acquisitions. An analysis of customer turnover has shown that due to the retail situation in Switzerland, part of the acquired customer base worth kCHF 22 889 (2011: kCHF 22 889) has an indefinite useful life whereas the other part (kCHF 9 224 as at 31 December 2012 and kCHF 5 803 as at 31 December 2011) is amortised over its respective useful life.

In accordance with the accounting policy stated in Note 2 (Intangible assets) the Group tests at least annually whether the customer base with an indefinite useful life has suffered any impairment. The recoverable amount is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated.

Key assumptions used for the value-in-use calculations:

– Growth rate*	1.4 %	(2011: 1.4 %)
– Discount rate (WARA)**	8.2 %	(2011: 8.2 - 8.3 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.6 % was applied for the year 2012 (2011: 8.4 -8.5 %).

Management has determined projected revenues and EBITDA based on past performance and its expectations for market developments.

The recoverable amount of the customer base with an indefinite useful life would still be higher than the carrying amount and no impairment charge would need to be recorded if:

- The growth rate had been 0.4 %; or
- The EBITDA margin in % of revenues had been lower by 0.5 – 1.0 percentage points; or
- The estimated post-tax discount rate applied to the discounted cash flows had been 9.2 %.

Successful retention and use of the customer base with an indefinite useful life is of crucial importance for ORIOR and a key factor in the calculation of the recoverable amounts. The recognition of this customer base in the balance sheet is based on special customer relationships and therefore is not, in management's estimation, subject to any time limitations.

24 Trade accounts payable

in CHF thousand	31.12.2012	31.12.2011
Trade accounts payable – third parties	39 525	45 603
Total	**39 525**	**45 603**

Trade accounts payable are non-interest bearing and are normally settled on 30-day terms.

25 Other payables

in CHF thousand	31.12.2012	31.12.2011
Other current payables – third parties	2 571	2 135
Other current payables – related parties	332	74
Other current payables – social security institutions	694	710
Other non – current payables – third parties	1 116	0
Total	**4 713**	**2 919**

Other current payables are non-interest bearing and are generally settled within 30 days.

The total balance of “other payables” as per 31 December 2012 includes financial liabilities of kCHF 2 557 (2011: kCHF 850).

The total liability from the earn-out agreement amounts to kCHF 1 887. Thereof, kCHF 771 is included in other current payables.

26 Accrued liabilities

in CHF thousand	31.12.2012	31.12.2011
Accrued Expenses - third parties	15 854	17 153
Vacation / overtime	2 013	1 494
Bonus	2 756	2 832
Client reimbursements	3 415	3 101
Water, electricity	1 294	1 289
Marketing contributions	2 274	3 108
Other	4 102	5 329
Accrued Expenses – related parties	898	1 303
Accrued Expenses – social security institutions	207	385
Total	**16 959**	**18 841**

The total balance of accrued liabilities as per 31 December 2012 includes financial liabilities of kCHF 9 530 (2011: kCHF 10 938). Other accrued expenses of kCHF 4 102 (2011: kCHF 5 329) include financial liabilities of kCHF 2 347 (2011: kCHF 3 440) and are in particular related to liabilities for maintenance and repair, logistics, consulting activities and invoices not yet received. The non-financial liabilities included in other accrued expenses involve mainly tax at source, property taxes and capital taxes.

27 Financial liabilities

in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2012
Year ended 31 December 2012				
Current - third parties				
kCHF 62 overdraft bank facility		11.00%		62
kCHF 13 250 secured bank loan	27 (a)	LIBOR + 1.5	30/06/13 31/12/13	13 191
kCHF 3 400 secured bank loan	27 (d)	LIBOR + 1.5	30/06/13 31/12/13	3 385
Short–term liabilities from finance lease	22	2.30% - 5.69%		758
Total				**17 396**
Non–current - third parties				
kCHF 7 000 secured bank loan	27 (a)	LIBOR + 1.5	30/09/14	6 969
kCHF 70 000 secured bank loan	27 (b)	LIBOR + 1.5	30/09/14	69 690
kCHF 25 000 secured bank loan (not yet drawn)	27 (c)		30/09/14	0
kCHF 11 900 secured bank loan	27 (d)	LIBOR + 1.5	30/09/14	11 847
Long–term liabilities from finance lease	22	2.30% - 5.69%	2014–2017	2 003
Total				**90 509**

in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2011
Year ended 31 December 2011				
Current - third parties				
kCHF 291 overdraft bank facility		11.00%		291
kCHF 12 500 secured bank loan	27 (a)	LIBOR + 1.5	30/06/12 31/12/12	12 368
Short–term liabilities from finance lease	22	2.30% - 5.69%		801
Total				**13 460**
Non–current - third parties				
kCHF 20 250 secured bank loan	27 (a)	LIBOR + 1.5	2013–2014	20 036
kCHF 70 000 secured bank loan	27 (b)	LIBOR + 1.5	30/09/14	69 262
kCHF 25 000 secured bank loan (not yet drawn)	27 (c)		30/09/14	0
kEUR 40 000 secured bank loan (not yet drawn)	27 (d)		2013–2014	0
Long–term liabilities from finance lease	22	2.30% - 5.69%	2013–2017	2 750
Total				**92 048**

The credit limit as per the balance sheet date amounts to CHF 130.55 million, of which CHF 25 million has not yet been drawn. The interest rates applicable to the credit facility are based on the ratio of the Group's net debt to EBITDA, on its Equity Ratio and on LIBOR.

The cost of the Credit Facility Agreement has been capitalised as a reduction of financial liabilities. The costs are expensed over the term of the Agreement based on an amortised cost calculation.

(a) Bank loans are secured by pledged accounts receivable of kCHF 41 225 (2011: kCHF 40 733) and deposited mortgage bonds in the amount of kCHF 9 207 (2011: kCHF 9 207).

Based on the Credit Facility Agreement the Company has the discretion to refinance the financial liabilities on a monthly basis as long as the covenants explained in Note 3 (Capital risk management) are adhered to. The Company does not see any risk that any covenants will be breached. Therefore, only the amount of CHF 13.25m (2011: CHF 12.5m) that is due to be settled within twelve months after the balance sheet date is disclosed as current.

The bank loan (interest commitment) has been extended as follows:

Amount	Carrying amount	Maturity	Interest rate
kCHF 20 250	kCHF 20 160	31/01/13	1.50000

The credit limit of currently CHF 20.25 million is to be paid back by instalments of CHF 13.25 million in 2013 and CHF 7.0 million in 2014.

(b) Securities and the discretion to refinance are the same as described under (a).

The bank loan (interest commitment) has been extended as follows:

Amount	Carrying amount	Maturity	Interest rate
kCHF 70 000	kCHF 69 690	31/01/13	1.50000

The credit limit of currently CHF 70 million can be used up to September 2014.

(c) Securities and the discretion to refinance are the same as described under (a).

As per 31 December 2012 none of the credit limit of CHF 25 million had been drawn. The credit limit can be used up to September 2014.

(d) Securities and the discretion to refinance are the same as described under (a).

The bank loan (interest commitment) has been extended as follows:

Amount	Carrying amount	Maturity	Interest rate
kCHF 15 300	kCHF 15 232	28/06/13	1.56500

The credit limit of CHF 15.3 million was used for the acquisition of Möfag, Mösli Fleischwaren AG and will be reduced by an instalment of CHF 3.4 million in 2013. The remaining amount of CHF 11.9 million will be paid back in 2014.

28 Provisions

in CHF thousand	Anniversary and other long–term service benefits	Others	Total
Balance 01.01.2011	**2 099**	**532**	**2 631**
Additions	135	0	135
Reclassification	0	390	390
Use	–249	0	–249
Reversal	–247	–251	–498
Balance 31.12.2011	**1 738**	**671**	**2 409**
Additions	386	210	596
Additions from acquisitions	52	100	152
Use	–196	0	–196
Reversal	0	–250	–250
Balance 31.12.2012	**1 980**	**731**	**2 711**
Of which short–term	226	216	442
Of which long–term	1 754	515	2 269

Anniversary and other long-term service benefits – This provision covers long-term employment benefits such as anniversary and other long-term service benefits. These are calculated annually by independent actuaries according to IAS 19.

Others – Other provisions include the operational risks identified up to the balance sheet date and doubtful obligations.

29 Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against tax liabilities and when the deferred income taxes relate to the same fiscal authority.

in CHF thousand	31.12.2012	31.12.2011
Deferred tax assets	–111	–40
Deferred tax liabilities	24 086	23 995
Net deferred (assets) / liabilities	**23 975**	**23 955**

The gross movement on the deferred income tax account is as follows:

in CHF thousand	2012	2011
Opening balance as at 01.01.	23 955	24 076
Additions from acquisitions	1 840	340
Charges / (discharges) to income statement	–1 820	–461
Net deferred (assets) / liabilities as at 31.12.	**23 975**	**23 955**

Deferred income taxes are calculated for temporary differences under the liability method using local tax rates.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. In 2012 deferred income tax assets in the amount of kCHF 86 (2011: kCHF 24) were capitalised.

The Group did not recognise deferred income tax assets of kCHF 1 302 (2011: kCHF 1 132) in respect of losses amounting to kCHF 3 521 (2011: kCHF 3 015) that can be carried forward against future taxable income. The expiration of those losses is as follows:

- Expires in 1 to 3 years: kCHF 0
- Expires in 4 to 7 years: kCHF 0
- No expiration: kCHF 3 521

Financial restructuring of one foreign subsidiary has yielded additional tax benefits of kEUR 1 400. However, as it is at present unclear whether it will be possible to realize this credit, no deferred tax assets were recognized for this item.

The deferred tax assets and liabilities can be allocated to the following balance sheet items:

in CHF thousand	31.12.2012	31.12.2011
Receivables	686	1 328
Inventories and work in progress	3 446	3 537
Property, plant and equipment	4 796	4 251
Intangible assets	15 161	14 879
Liabilities	–3	0
Subtotal deferred tax liabilities	**24 086**	**23 995**
Benefit from tax loss carryforwards	–86	–24
Liabilities	–25	–16
Subtotal deferred tax assets	**–111**	**–40**
Net deferred (assets) / liabilities	**23 975**	**23 955**

30 Shareholders' equity

The share capital is fully paid-in and consists, as in the prior year, of 5 925 000 registered shares with a par value of CHF 4.

31 Treasury shares

	Number	Ø price per share in CHF	Total in kCHF
Opening balance as at 01.01.2011	**8 510**	**46.60**	**397**
Purchases 01.01. – 31.12.11	5 635	51.41	289
Closing balance as at 31.12.2011	**14 145**	**48.51**	**686**
Opening balance as at 01.01.2012	**14 145**	**48.51**	**686**
Purchases 01.01. – 31.12.12	2 100	46.43	97
Sales 01.01. – 31.12.12	–4 150	48.51	–201
Closing balance as at 31.12.2012	**12 095**	**48.14**	**582**

Please see Note 37 for more details about sales of treasury shares.

32 Dividends / repayment of capital contributions

The dividend for 2011 was paid in April 2012 in conformity with the decision taken at the Annual General Meeting on 27 March 2012. Shareholders approved the proposed dividend in the form of a repayment of capital contributions of CHF 1.93 (2011: CHF 1.90) per share, resulting in a total dividend of kCHF 11 416 (2011: kCHF 11 237). Due to the change from the nominal value principle to the capital contribution principle, these dividends were not subject to withholding tax.

The Board of Directors will propose to the Annual General Meeting in April 2013 that the Group distribute a dividend of CHF 1.95 per share for the 2012 financial year. These financial statements do not reflect any dividend payable.

33 Cash flow statement

The funds in the cash flow statement comprise the balance sheet position "Cash and Cash Equivalents". The indirect calculation method has been applied.

34 Derivative financial instruments

Forward currency contract – There were no open forward currency contracts as at 31 December 2012 and 2011.

Interest rate swaps – The notional amounts of the outstanding interest rate swaps at 31 December 2012 were kCHF 70 000 (2011: kCHF 70 000).

At 31 December 2012, the fixed interest rates were between 1.59 % and 1.83 % (2011: between 1.59 % and 1.83 %). The variable rate used is 1-month CHF-LIBOR.

35 Foreign exchange rates

	Unit	Average exchange rate		Closing exchange rate	
Currency		2012	2011	31.12.2012	31.12.2011
EUR	1	1.2051	1.2337	1.2071	1.2155
USD	1	0.9377	0.8877	0.9150	0.9391

36 Employee benefit liabilities

Pension obligations

Retirement benefits are based on contributions, computed as a percentage of salary, adjusted for the age of the employee and shared approximately 41 % / 59 % by employee and employer. In addition to retirement benefits, the plans provide death and long-term disability benefits to its employees. Liabilities and assets are calculated every year by an independent actuary. According to IAS 19, plan assets have been estimated at fair market values and liabilities have been calculated according to the projected unit credit method.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions in excess of the greater of 10 % of the fair value of plan assets or 10 % of the defined benefit obligation are charged or credited to the income statement over the employees' expected average remaining working lives.

The following table sets out the status of the three pension plans and the amount recognized in the consolidated balance sheet at 31 December:

in CHF thousand	31.12.2012	31.12.2011
Defined benefit obligation	–133 445	–119 984
Fair value of plan assets	117 328	104 457
Funded status	–16 117	–15 527
Thereof unrecognised gains / (losses)	–13 744	–14 311
Accrued pension cost	**–2 373**	**–1 216**

The pension cost is determined as follows:

in CHF thousand	2012	2011
Service cost	–5 903	–6 719
Interest cost	–3 151	–3 161
Expected return on plan assets	3 848	4 803
Amortisation of gains / (losses)	–348	0
Company pension (cost) / income	**–5 554**	**–5 076**

The movement in the liability recognised in the balance sheet is as follows:

in CHF thousand	31.12.2012	31.12.2011
Liability at 1 January	–1 216	–770
Company pension cost	–5 554	–5 076
Company contribution	4 940	4 739
Acquisitions	–543	–108
Liability at 31 December	**–2 373**	**–1 216**

The assumptions are determined as follows:

	31.12.2012	31.12.2011
Discount rate	2.15%	2.50%
Rate of future increase in compensation	1.00%	1.50%
Rate of future increase in current pensions	0.5% / 2.00%	0.5% / 2.00%
Expected long – term rate of return on plan assets	3.50%	3.50%
Retirement age of females	64	64
Retirement age of males	65	65
Average turnover	15%	15%
Life expectancy at retirement age for females	22.3	22.3
Life expectancy at retirement age for males	18.9	18.9

The movements in the defined benefit obligation, fair value of plan assets and unrecognised gains/(losses) are as follows:

in CHF thousand	31.12.2012	31.12.2011
Defined benefit obligation at 1 January	–119 984	–114 463
Service cost	–5 903	–6 719
Employee contributions	–3 228	–3 099
Interest cost	–3 151	–3 161
Actuarial gains / (losses)	–10	711
Benefit payments	4 875	7 221
Acquisitions	–6 044	–474
Defined benefit obligation at 31 December	**–133 445**	**–119 984**

in CHF thousand	31.12.2012	31.12.2011
Fair value of plan assets at 1 January	104 457	106 373
Expected return on plan assets	3 848	4 803
Employee contributions	3 228	3 099
Employer contributions	4 940	4 739
Actuarial gains / (losses)	229	–7 702
Benefit payments	–4 875	–7 221
Acquisitions	5 501	366
Fair value of plan assets at 31 December	**117 328**	**104 457**

The actual return on plan assets is kCHF 4 077 in 2012 (2011: kCHF -2 899).

The estimated company contribution to the pension plans for the financial year 2013 amounts to kCHF 5 134.

The categories of plan assets and their corresponding expected return are as follows:

	Proportion in %	Expected return	Proportion in %	Expected return
Category of plan assets	31.12.2012		31.12.2011	
Cash	6.0%	1.0%	5.4%	1.0%
Bonds	44.8%	2.1%	44.7%	2.1%
Shares	24.8%	6.0%	26.6%	6.0%
Real estate	18.0%	4.0%	18.3%	4.0%
Other (hedge funds)	6.4%	4.0%	5.0%	4.0%
Total	**100.0%**	**3.5%**	**100.0%**	**3.5%**

The amounts of the defined benefit obligation, plan assets and experience adjustments for the current and previous annual periods are as follows:

in CHF thousand	2012	2011	2010	2009	2008
Defined benefit obligation	–133 445	–119 984	–114 463	–103 200	–100 985
Plan assets	117 328	104 457	106 373	103 176	94 682
(Deficit) / surplus	–16 117	–15 527	–8 090	–24	–6 303
Experience adjustments on pension liability	5 214	3 773	4 756	5 556	4 871
Experience adjustments on plan assets	229	–7 702	–3 385	1 176	–13 481

Dismissal indemnities

The business unit Spiess Europe sponsors a plan that provides indemnities in case of dismissal. This plan qualifies as a defined benefit plan under IAS 19. The dismissal indemnity is defined as a percentage of the annual salary per year of service.

The following table sets forth the status of the dismissal indemnity and the amount recognized in the consolidated balance sheet at December 31:

in CHF thousand	31.12.2012	31.12.2011
Defined benefit obligation	–14	–11
Fair value of plan assets	0	0
Funded status	–14	–11
Unrecognised gains / (losses)	–2	–2
Accrued pension cost	**–12**	**–10**

The assumptions are determined as follows:

	31.12.2012	31.12.2011
Discount rate	3.00%	4.25%
Rate of future increase in compensations	3.00%	3.00%
Average turnover	10.00%	10.00%
Retirement age	60	60

37 Share-based payments

The Group has set up a stock ownership scheme for members of the Board of Directors, members of the Management Board, members of the executive boards of the competence centres, and for employees of ORIOR Group as determined by the Board of Directors. Shares can be offered annually under special conditions to employees or members of the Board of Directors who are entitled to participate, as an incentive to future performance, to be credited to or in addition to the payments owed under their employment contract. The shares that are to be issued in the context of this plan can be acquired from ORIOR on the stock exchange or created by means of authorised, conditional or ordinary capital increases.

The share purchase price corresponds to the average weighted stock exchange price during the last six months prior to the start of the two-month offer period of an ORIOR share traded on the SIX, minus a discount of 25 %. The shares are subject to a blocking period of three years from the date of grant.

Within the framework of this plan, 4 150 shares were sold to the plan participants in 2012 for a price of CHF 39.08 per share, which makes a total of kCHF 162 (2011: kCHF 0).

The recognised expense arising from share-based payment transactions for the financial year 2012 amounts to kCHF 11 (2011: kCHF 0).

38 Related parties

The Board of Directors of ORIOR AG, the Management Board of ORIOR AG, shareholders with significant influence, the Group's pension fund organisations "ORIOR Fonds de Prévoyance" and "ORIOR Fondation de Prévoyance Complémentaire" as well as "Pensionskasse Metzger" are treated as related parties.

Capvis, our long-standing majority shareholder, has reduced its investment to under 3 % in October 2012. The Capvis stake was sold to well-known long-term investors: the Ernst Göhner Foundation and investors and funds associated with AMG Analysen und Anlagen AG.

Below please find the overview of related party transactions and balance sheet positions with related parties:

in CHF thousand

Assets	Partner	31.12.2012	31.12.2011
Trade accounts receivable	Shareholders	0	2
Other current receivables	Pension fund	52	0

Liabilities	Partner	31.12.2012	31.12.2011
Other current payables	Pension fund	332	74
Accrued liabilities	Board of Directors	303	205
Accrued liabilities	Management	595	1 098
Accrued pension cost	Pension fund	2 384	1 226

Expenses	Partner	2012	2011
Pension fund contributions	Pension fund	–5 554	–5 076
Board of Directors' compensation	Board of Directors	–908	–868

Sales	Partner	2012	2011
Gross sales	Shareholders	0	2

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.

No further claims or liabilities exist between the Company and its board or significant shareholders except for the above disclosed amounts.

The top management of ORIOR AG receives performance related compensation in addition to a fixed compensation. The compensation payable to the members of the Board of Directors consists solely of a fixed component and is hence not associated with any profit components. The exception is Rolf U. Sutter, Chairman of the Board of the ORIOR Group. The total amount for fixed and variable compensation in 2012 is kCHF 3 401 (2011: kCHF 3 945). The disclosed remuneration is reported on an accrual basis.

in CHF thousand	2012	2011
Short–term employee benefits	3 121	3 613
Post–employment benefits	280	332
	3 401	**3 945**

Further information regarding total compensation is disclosed in the notes to the financial statements of ORIOR AG in compliance with the provisions of Art. 663b^{bis} of the Swiss Code of Obligations (Transparency Act).

39 Contingencies

Contingent liabilities

No guarantees or warranty obligations for third parties existed in the current financial period.

The Group is involved in legal disputes, litigation, and court proceedings in the normal course of business. From the Group's point of view, it is presently not expected that these disputes will have a material impact on the Group's financial situation or operating profits in excess of existing provisions.

Contingent assets

Nothing to report in the reporting period.

40 Pledges for obligations

Besides the pledges reported under "trade accounts receivable" (see Note 18) and "financial liabilities" (see Note 27), there are no further assets pledged.

41 Commitments

As of 31 December 2012 as well as of 31 December 2011 there are no purchase agreements or other kinds of obligations other than reported under "inventories and work in progress" (see Note 20) and under "property, plant and equipment" (see Note 21).

42 Events after the balance sheet date

No events occurred between the balance sheet date and the printing date of the annual report which could have a material impact on the 2012 annual financial statements.

43 Legal structure of ORIOR Group

Company Name	Location	Country	Business activity	Currency	Share capital (in 1000)	%-share of capital and votes 2012	2011
Orior AG	Zurich	Switzerland	Parent Company	CHF	23 700		
Orior Management AG	Zurich	Switzerland	Services	CHF	100	100%	100%
Rapelli SA	Stabio	Switzerland	Premium Food	CHF	12 500	100%	100%
Salumeria Keller SA	Maroggia	Switzerland	Premium Food	CHF	250	100%	100%
Rapelli Italia S.R.L.	Varese	Italy	Premium Food	EUR	25	100%	100%
Orior Deutschland GmbH	Frankfurt a. M.	Germany	Premium Food	EUR	25	100%	100%
Orior Menu AG	Böckten	Switzerland	Premium Food	CHF	1 700	100%	100%
Fredag AG	Root	Switzerland	Premium Food	CHF	2 000	100%	100%
Fredag Holding AG	Root	Switzerland	Holding	CHF	100	100%	100%
Albert Spiess Holding AG	Schiers	Switzerland	Holding	CHF	1 000	100%	100%
Albert Spiess AG	Schiers	Switzerland	Premium Food	CHF	1 000	100%	100%
Spiess Europe SARL	Haguenau	France	Premium Food	EUR	780	100%	100%
Lineafresca Logistic AG	Langenthal	Switzerland	Services	CHF	200	100%	100%
Möfag, Mösli Fleischwaren AG	Uzwil	Switzerland	Premium Food	CHF	200	100%	0%

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To the General Meeting of

Orior Ltd, Zurich

Basle, 27 February 2013

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Orior Ltd, Zurich, which comprise the income statement, statement of comprehensive income, balance sheet, statement of equity, cash flow statement and notes (pages 70 to 134), for the year ended 31 December 2012.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) 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 and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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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 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS 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.

Ernst & Young Ltd

Roger Müller Licensed audit expert (Auditor in charge)	Andreas Blank Licensed audit expert

ORIOR AG
FINANCIAL STATEMENTS 2012

Income Statement

in CHF thousand	2012	2011
Licence fees	266	292
Interest income	2 058	1 894
– Third parties	0	11
– Subsidiaries	2 058	1 883
Dividend income	20 260	21 300
Total income	**22 584**	**23 486**
Interest expense	–801	–1 195
– Third parties	–480	–684
– Subsidiaries	–321	–511
Other financial expense	–373	–426
Other expense	–2 227	–2 078
Depreciation and amortisation	–2 979	–2 979
Tax expense	–34	–40
Total expenses	**–6 414**	**–6 718**
Profit for the year	**16 170**	**16 768**

Balance Sheet

in CHF thousand	31.12.2012		31.12.2011	
Cash and cash equivalents		3 937		5 600
Treasury shares		582		686
Other current receivables		1 162		982
– Third parties	12		37	
– Subsidiaries	1 150		945	
Prepaid expenses		47		147
Current assets		**5 728**		**7 415**
Investment in subsidiaries		64 410		64 410
Loans to subsidiaries		99 413		98 334
Intangible assets		14 219		16 115
Costs of capital increase		2 527		3 610
Non – current assets		**180 569**		**182 469**
Total assets		**186 297**		**189 884**
Current financial liabilities		13 250		12 500
– Third parties	13 250		12 500	
Other current payables		188		365
– Third parties	15		101	
– Subsidiaries	173		264	
Accrued liabilities		581		515
Current liabilities		**14 019**		**13 380**
Non – current financial liabilities		34 910		43 890
– Third parties	7 000		20 250	
– Subsidiaries	27 910		23 640	
Non – current liabilities		**34 910**		**43 890**
Total liabilities		**48 929**		**57 270**
Share capital		23 700		23 700
Statutory reserves		54 038		64 718
– Capital contribution reserves	51 047		62 463	
– General legal reserves	2 409		1 569	
– Reserve for treasury shares	582		686	
Free reserves		4 418		4 314
Retained earnings		55 212		39 882
– Brought forward from previous year	39 042		23 114	
– Profit for the year	16 170		16 768	
Total equity		**137 368**		**132 614**
Total liabilities and equity		**186 297**		**189 884**

Notes to the Statutory Financial Statements

1 Sureties, guarantee commitments and pledged or assigned assets in favour of third parties

in CHF thousand	31.12.2012	31.12.2011
Joint and several liabilities for rent	**74 427**	**81 127**
In 2007, the production buildings of ORIOR Group were sold and rented back by the subsidiaries of the Group. ORIOR AG is jointly and severally liable with its subsidiaries for the outstanding rent instalments. The total amount of future rent payments up to the year 2025 has been disclosed.		
Guarantee commitments in favour of subsidiaries	**70 493**	**70 498**

2 Restriction of title for own liabilities

in CHF thousand	31.12.2012	31.12.2011
Regarding the Credit Facility Agreement with Credit Suisse in the maximum amount of kCHF 130 550 (of which kCHF 105 550 has been drawn as per 31.12.2012).		
– Declaration of assignment for loans to subsidiaries	99 413	98 334

3 Subsidiaries

				%-share of capital and votes	
Company Name	Location	Business activity	Share capital (in kCHF)	2012	2011
Rapelli SA	Stabio	Premium Food	12 500	100%	100%
Fredag AG	Root	Premium Food	2 000	100%	100%
Orior Menu AG	Böckten	Premium Food	1 700	100%	100%
Lineafresca Logistic AG	Langenthal	Services	200	100%	100%
Orior Management AG	Zurich	Services	100	100%	100%

4 Treasury shares

ORIOR AG has purchased treasury shares on the market in several transactions. During 2011 ORIOR AG purchased a total of 5 635 treasury shares at an average price of CHF 51.41 per share. During 2012 ORIOR AG purchased a total of 2 100 treasury shares at an average price of CHF 46.43 per share and sold 4 150 shares at an average price of CHF 48.51. As per 31 December 2012, ORIOR AG holds 12 095 treasury shares in the amount of kCHF 582, valued at their purchase prices.

5 Authorised and conditional share capital

in CHF thousand	31.12.2012	31.12.2011
Conditional share capital	714	714
Authorised share capital	4 762	4 762

Conditional share capital

The share capital of the Company will be increased by a maximum of CHF 714 256 through the issue of a maximum of 178 564 registered shares with a par value of CHF 4.00 each, which must be fully paid-in, upon exercise of options rights granted to the members of the Board of Directors and employees of the Company and subsidiaries under one or more share-based compensation plans. The issue price for the new shares and the terms of the share-based compensation plans will be determined by the Board of Directors. The subscription rights and preemptive rights of shareholders are excluded with respect to this conditional capital increase. The acquisition of registered shares through the exercise of option rights and every subsequent transfer are subject to the restrictions on entry in the share register stipulated in Articles 5 and 6 of the Articles of Association.

Authorised share capital

The Board of Directors is authorised to increase the share capital at any time up to 27 March 2014 by a nominal amount of a maximum of CHF 4 761 704 through the issue of a maximum of 1 190 426 registered shares with a par value of CHF 4.00 per share, which must be fully paid in. Partial increases of share capital are permitted. The Board of Directors will decide the amount of the share capital issue, the date of its entitlement for dividend payments and the form of subscription to be used. After their acquisition, the new registered shares will be subject to the restrictions on entry in the share register stipulated in Articles 5 and 6 of the Articles of Association.

6 Risk management

The Group has an internal control system in place for all Group companies. Periodically, a risk identification process is carried out. The materiality and probability of the identified risks are assessed, and measures to reduce or eliminate those risks are determined by the Board of Directors. Besides these periodical risk assessments, the Group cultivates an active “What if” risk management. “What if” scenarios are integrated into the budget and forecast process of all Group companies. The last risk assessment was carried out by the Management Board in the fourth quarter of 2012 and was discussed and approved by the Board of Directors on 12 December 2012.

7 Share capital

in CHF thousand	Share capital	Capital contribution reserves	General legal reserves	Reserve for treasury shares	Free reserves	Brought forward from previous year	Profit for the year	Equity
Balance as at 01.01.2011	**23 700**	**73 700**	**1 020**	**397**	**4 603**	**12 689**	**10 974**	**127 083**
Allocation of profits	0	0	549	0	0	10 425	–10 974	0
Issue of share capital	0	0	0	0	0	0	0	0
Dividends / repayment of capital contributions	0	–11 237	0	0	0	0	0	–11 237
Reserve for treasury shares	0	0	0	289	–289	0	0	0
Profit for the year	0	0	0	0	0	0	16 768	16 768
Balance as at 31.12.2011	**23 700**	**62 463**	**1 569**	**686**	**4 314**	**23 114**	**16 768**	**132 614**
Allocation of profits	0	0	840	0	0	15 928	–16 768	0
Dividends / repayment of capital contributions	0	–11 416	0	0	0	0	0	–11 416
Reserve for treasury shares	0	0	0	–104	104	0	0	0
Profit for the year	0	0	0	0	0	0	16 170	16 170
Balance as at 31.12.2012	**23 700**	**51 047**	**2 409**	**582**	**4 418**	**39 042**	**16 170**	**137 368**

8 Compensation

The remuneration of the Board of Directors and the Management Board is reported on an accrual basis.

	Gross compensation	Post–employment benefits	Other social costs	Total compensation 2012	Gross compensation	Post–employment benefits	Other social costs	Total compensation 2011
Rolf U. Sutter Chairman of the Board	450 430	54 810	36 030	541 270	673 230	57 225	58 140	788 595
Rolf Friedli Vice Chairman of the Board	91 670	0	0	91 670	83 335	0	0	83 335
Erland Brügger Member of the Board	53 335	0	4 385	57 720	53 335	0	4 385	57 720
Christoph Clavadetscher Member of the Board	53 335	0	4 385	57 720	53 335	0	4 385	57 720
Anton Scherrer Member of the Board	51 805	0	2 495	54 300	51 805	0	2 495	54 300
Edgar Fluri Member of the Board	80 000	0	6 580	86 580	80 000	0	6 580	86 580
Total Board of Directors	**780 575**	**54 810**	**53 875**	**889 260**	**995 040**	**57 225**	**75 985**	**1 128 250**
Remo Hansen CEO	642 320	46 805	50 365	739 490	591 790	45 145	46 785	683 720
Key Management[1]	1 697 805	178 700	141 540	2 018 045	2 026 060	229 790	181 745	2 437 595
Total Management Board	**2 340 125**	**225 505**	**191 905**	**2 757 535**	**2 617 850**	**274 935**	**228 530**	**3 121 315**

1 Departure of Albert Spiess as per 30.06.2012

Neither ORIOR AG nor any of its subsidiaries provided any collateral, loans, cash advances or credit to any of the members of the Management Board or the Board of Directors or to persons closely related to them during the years 2011 and 2012.

9 Share interests of Board of Directors and Management Board

The members of the Board of Directors and the Management Board owned the following shareholdings in ORIOR AG:

	Total number of shares 2012	Total number of shares 2011
Rolf U. Sutter Chairman of the Board	199 300	199 300
Rolf Friedli Vice Chairman of the Board	0	0
Erland Brügger Member of the Board	14 175	14 175
Christoph Clavadetscher Member of the Board	14 515	14 515
Edgar Fluri Member of the Board	4 000	4 000
Anton Scherrer Member of the Board	2 000	2 000
Total Board of Directors	**233 990**	**233 990**
Remo Hansen CEO	85 710	85 710
Hélène Weber – Dubi CFO	85 830	85 830
Urs Aebi Head of Le Patron	85 000	85 000
Bruno de Gennaro Head of Convenience and Fredag	92 075	92 075
Stefan H. Jost Head of International, New Business & Logistics	1 925	425
Albert Spiess[1)] Head of Spiess	[3)]	0
Bruno Höltschi[2)] Head of International & New Business	[3)]	85 287
Total Management Board	**350 540**	**434 327**

[1] Departure of Albert Spiess as per 30.06.2012
[2] Departure of Bruno Höltschi as per 31.12.2011
[3] not recorded

10 Significant shareholders

The significant shareholders of the Company were the following (> 5 %):

Name	% of capital and votes 31.12.2012	31.12.2011
Ernst Göhner Stiftung (CH)	10.46%	0.00%
The Capital Group Companies, Inc. (USA)	6.50%	0.00%
UBS Fund Management (Switzerland) AG (CH)	6.21%	5.76%
Capvis General Partner II Ltd. (Jersey)	< 3%	17.94%
Deutsche Bank AG (D)	< 3%	9.96%

Proposal for the allocation of retained earnings as of 31 December 2012

Allocation of retained earnings

The Board of Directors is proposing the following allocation of retained earnings:

in CHF thousand	31.12.2012	31.12.2011
Brought forward from previous year	39 042	23 114
Profit for the year	16 170	16 768
Available retained earnings	**55 212**	**39 882**
Allocation to legal reserve	–810	–840
Balance brought forward	**54 402**	**39 042**

Allocation from legal reserves (capital reserves) to free reserves and withholding tax-free distribution from free reserves

The Board of Directors is proposing to the 2013 Annual General Meeting of Shareholders that it pay a dividend of CHF 1.95 per share in the form of a repayment from capital reserves without deduction of withholding tax. If the shareholders approve this proposal, the total dividend payment will come to kCHF 11 530, and the distribution ratio as a percentage of profit for the year will be 41.4 %. All shares rank for dividends except for the treasury shares (12 095 as per 31 December 2012).

in CHF thousand	31.12.2012	31.12.2011
Allocation from legal reserves (capital reserves) to free reserves	11 530	11 408
Withholding tax – free distribution of CHF 1.95 per registered share	–11 530	–11 408

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To the General Meeting of

Orior Ltd, Zurich

Basel, 27 February 2013

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Orior Ltd, Zurich, which comprise the income statement, balance sheet and notes (pages 138 to 144), for the year ended 31 December 2012.

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.

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2

Opinion
In our opinion, the financial statements for the year ended 31 December 2012 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.

Ernst & Young Ltd

Roger Müller
Licensed audit expert
(Auditor in charge)

Andreas Blank
Licensed audit expert

ORIOR GROUP
SHARE INFORMATION

Share Information

Listing	SIX Swiss Exchange
Security number	11167736
ISIN code	CH0111677362
Ticker symbol	ORON
Shares entitled to dividend	All, except for treasury shares
Voting rights	All registered shares have full voting rights.
Major shareholders	See Corporate Governance Report, Note 1

Key figures

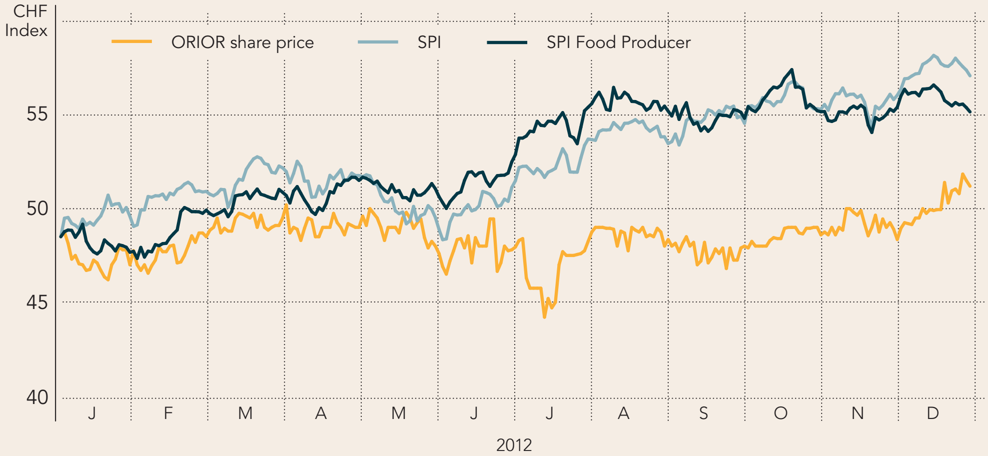
Number of shares at 31 December		2012	2011
Number of registered shares	Number	5 925 000	5 925 000
Nominal value per registered share	in CHF	4.00	4.00
of wich treasury shares	Number	12 095	14 145
Number of outstanding registered shares	Number	5 912 905	5 910 855

Stock exchange key figures		2012	2011
Year-end price	in CHF	51.20	48.50
Year high	in CHF	52.90	57.50
Year low	in CHF	43.15	43.00
Average trading volume per day	Number	8 866	6 033
Market capitalisation at year-end	in CHF m	303.4	287.4

Key figures		2012	2011
Net result per share	in CHF	4.71	4.76
Net result per share (diluted)	in CHF	4.71	4.76
Operating cash flow per share	in CHF	5.32	5.28
Equity per share	in CHF	34.41	31.62
Dividend per share	in CHF	1.95	1.93
Dividend percentage	in %	41.4	40.5
P / E ratio after tax		10.87	10.19
Weighted Ø number of shares outstanding	in ‘000	5 914	5 914

The “per share” benchmark figures are calculated on the basis of the weighted average number of shares.

Share price performance



Dividend policy and dividend proposal

Orior AG's dividend policy is congruent with the Group's long-term financial development. The dividend policy takes the expected vagaries of the economy, the market situation and other factors such as liquidity needs and capital expenditure requirements as well as tax, regulatory and other legal considerations into account.

The Board of Directors generally aims for a payout ratio of 40 % (total dividend payout as a percentage of net profit for the fiscal year).

The Board of Directors is proposing a dividend of CHF 1.95 per share for 2012. The proposed dividend payout for fiscal 2012 corresponds to 41.4 % of net profit for the year.

Corporate calendar

	Date	Place
Annual General Meeting	11.04.2013, 10.00 am	Zurich, Maag Event Hall
Investor's Day	06.06.2013	Schiers, Albert Spiess AG
Publication of 2013 interim results	22.08.2013	tbd

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Investor Relations

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Strategy

Category pioneer

- Ongoing analysis to identify market opportunities
- Be the first to exploit new market niches

Organic and external growth

- Growth through market penetration in Switzerland
- Expansion of food service
- Export unique products and strong brands
- Selective acquisitions and partnerships in Switzerland and abroad

Product innovation and brand management

- Permanent reinforcement of product innovation culture as a growth driver – first mover advantage
- Capitalise on rapidly growing food product segments (e.g. meat substitutes, etc.)
- Intensify brand management to further each brand's value
- Bespoke product premiumisation culture

Operational excellence and profitability

- Achieve above average returns for shareholders
- Leverage ORIOR's leading position in the Swiss market
- Continuous and quantifiable improvements in processes and productivity
- Shared services where efficient

Management structure/synergies

- Lean management structure and decision making process
- Drive market and cost synergies through cross-fertilisation across segments
- Continuous investment in human capital to maintain well-trained and motivated workforce

Risk management

- Proactive risk management to identify and address potential issues early ("What-if" scenario analysis)

Brand Portfolio

Rapelli

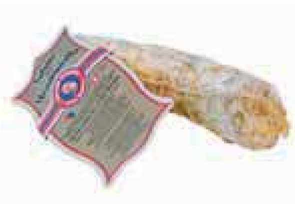
Rapelli, a brand imbued with the spirit of the Mediterranean. Authentic products and an uncompromising commitment to quality. Italian delicatessen meats in all variations, traditional style as well as modern interpretations since 1929.

Ticinella

Ticinella… e la vita è bella. Beautiful scenery, cheerful people and a warm, sunny climate, all reasons why Ticino truly engenders a sense of light-heartedness. Ultra-high standards of product innovation. Ticinella's products range from modern creations to typical salumi shop items and polenta dishes à la Ticinese.

San Pietro

San Pietro raw ham undergoes a slow, dry curing process of at least 12 months in the clean, crisp air of the Mendrisiotto region of Ticino under the watchful eye and experienced hands of our specialists, giving it a distinct and mouth-watering flavour that consumers have come to love.



Val Mara

Recipes for Val Mara salami and salametti have been passed down for many generations. Made by hand with utmost care, these Ticino products are truly authentic and unique.

Spiess

Albert Spiess sees itself as the keeper of the age-old tradition of hanging meat to dry in clean, fresh mountain air. The higher elevations of Canton Grisons with their unique mountain climate are ideal for air-drying meat. That and a deep passion for perfection are what make these top-of-the-line meat specialities so unique.

Tradition & Quality

Albert Spiess - Best of Switzerland

Bündnerfleisch from Europe's highest meat drying facility. This venerable Swiss product sold under the "Albert Spiess – Switzerland's Finest" brand is winning friends all around the world.

Fürstenländer Spezialitäten

Fürstenland, a region in eastern Switzerland, is home to a wide variety of meat specialities ranging from smoked delicacies to ham and poultry products. Fürstenländer's Appenzeller Mostbröckli has become a cult product that is known and loved well beyond its regional borders.

Fredag

Cook fine – gain time. Fredag is synonymous with high-quality convenience food. Its products range from chicken and meat convenience meals to seafood and a wide range of vegetarian specialities.

Nature Gourmet

Vegetarian food for gourmets. Only the best selected ingredients prepared according to Swiss quality standards are good enough for Nature Gourmet, a trendsetting brand for a new philosophy of nutrition.

Ocean's Best

Top-quality seafood. Frozen specialities from fresh and salt water, and countries near and far. Convenience products of impeccable quality for the restaurant trade. Fish and crustaceans are mainly sourced directly from fisheries with sustainable practices.

Pastinella

Pastinella, un amore di Pasta. Pasta fresca in all possible variations and in many ways unique. Gnocchi, tortellini, ravioli and much more. Pastinella offers everything one needs for a perfect meal of Italian pasta, including, of course, a line of tasty sauces.

Le Patron

Le Patron – créations culinaires. From appetizers to dessert, Le Patron offers traditional, exclusive and exotic dishes of uncompromising quality that delight the palate.

La Romagnola

Hand-made, wafer-thin dough and exquisite, creamy fillings – this premium pasta is prepared fresh every day. La Romagnola products can be bought at exclusive shop-in-shops in premium retail outlets and at high-end Italian speciality stores.

Lineafresca

Lineafresca, the fresh food logistics specialist, operates a unique and dense distribution network for delivering refrigerated and frozen food throughout Switzerland.

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