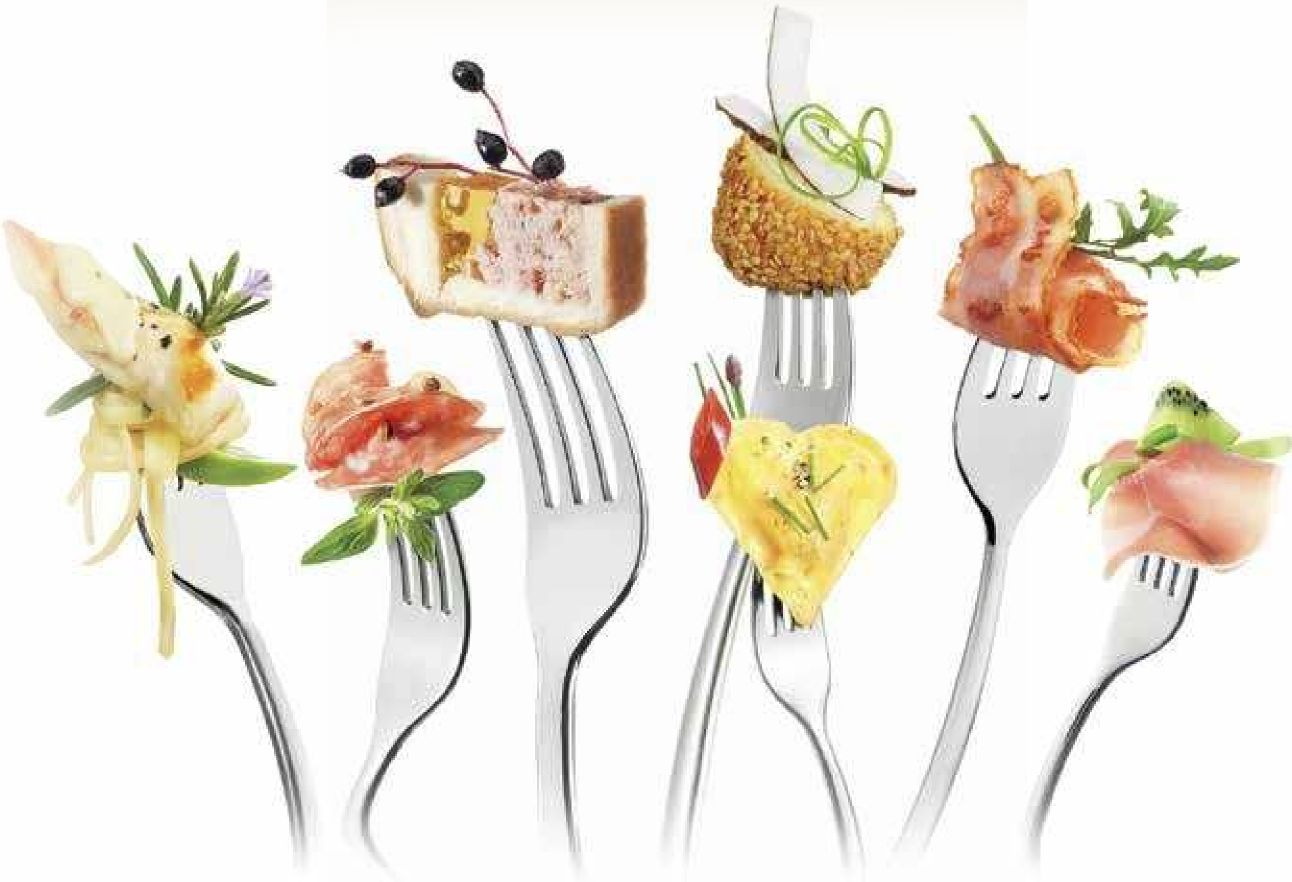
ORIOR GROUP
ANNUAL REPORT
2015



EXCELLENCE IN FOOD

Key figures

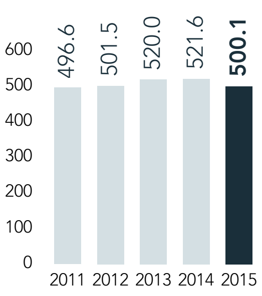
in CHF thousand	2015	Δ in %	2014
Revenues	**500 128**	–4.1 %	**521 630**
EBITDA	**48 655**	+ 1.3 %	**48 032**
as % of revenues	9.7 %		9.2 %
EBIT	**33 848**	+ 4.1 %	**32 508**
as % of revenues	6.8 %		6.2 %
Profit for the year	**25 563**	– 3.5 %	**26 495**
as % of revenues	5.1 %		5.1 %
Operating cash flow	**41 660**	+ 45.6 %	**28 622**
Shareholders' equity	233 643		226 657
Equity ratio	58.6 %		53.5 %
Net debt / EBITDA ratio	1.04		1.46
ROI	10.7 %		10.0 %
Avg. number of employees (FTE)	1 228		1 260
Earnings per share in CHF	4.32		4.48
Dividend per share in CHF	2.03		2.00
Payout ratio	47.0 %		44.6 %
Market capitalisation as per year-end	360 833		325 283

At a glance

- Revenues declined –4.1 % to CHF 500.1 million, or –3.6 % at constant exchange rates, from the previous year, mainly attributable to the strength of the Swiss franc and negative inflation, as well as the streamlining of the product portfolio
- EBITDA increased to CHF 48.7 million; EBITDA margin 52 basis points higher at 9.7 %
- Profit before tax increased 5.0 % to CHF 31.3 million; corresponding pre-tax margin 54 basis points higher at 6.3 %
- Slight decline of –1.4 % in net profit adjusted for currency effects to CHF 26.3 million; corresponding adjusted net profit margin 15 basis points higher at 5.3 %
- Operating cash flow increased 45.6 % to CHF 41.7 million; cash conversion rate of 86 % of EBITDA
- Equity ratio increased 5.1 percentage points to 58.6 %

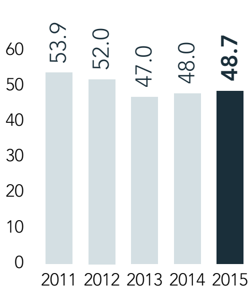
Revenues

in CHF m



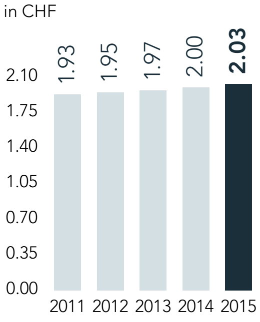
EBITDA

in CHF m



Dividend per share

in CHF



HIGHLIGHTS 2015

FEBRUARY 2015

LE PATRON

TERRINES AND PÂTÉS FOR EVERY SEASON

Le Patron introduces seasonal varieties of its highly popular terrines and pàtés, a wide selection of products featuring typical ingredients for every season: Pork tenderloin in the winter, fresh wild garlic and asparagus in the spring, light vitello tonnato and chicken lemon for hot summer days and, for the traditional fall hunting season, savoury mushroom recipes.

FEBRUARY 2015

ORIOR GROUP

DANIEL LUTZ TAKES CHARGE

On 1 February 2015 Daniel Lutz assumes the position of ORIOR Group CEO from Bruno de Gennaro, who had managed ORIOR on an ad interim basis since June 2014. Bruno de Gennaro resumes his former role as Head of ORIOR's Convenience segment and retains his seat on the Management Board.

MARCH 2015

ORIOR GROUP

ANNUAL GENERAL MEETING

The 5th Annual General Meeting of ORIOR AG is held in the Maag Halle, Zurich, on 26 March 2015. All proposals submitted by the Board of Directors are approved by shareholders.

APRIL 2015

ORIOR GROUP

RICARDA DEMARMELS APPOINTED NEW CFO

In April 2015 Ricarda Demarmels succeeds the long-serving CFO Hélène Weber-Dubi, who decided to scale back her professional obligations.

APRIL 2015

PASTINELLA

GLUCOSE- & LACTOSE-FREE SPAETZLE

Full enjoyment without limitations for everyone who must avoid food containing gluten or lactose due to an intolerance or allergy – Pastinella has made it possible with a special spaetzle recipe. Created in-house, these soft egg noodles have the same mouth-watering flavour and texture as their conventional counterpart but are completely gluten and lactose free.

SPRING 2015

MÖFAG | ALBERT SPIESS | RAPELLI

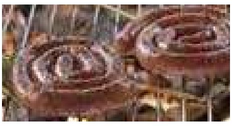
MEAT CHIPS IN ALL VARIATIONS

The Refinement segment adds more variety to its range of quick and tasty meat chips snacks: spicy Cavallo Chips and light turkey chips from Möfag, flavorful venison chips from Albert Spiess and tasty salami paprika chips from Rapelli.

JUNE 2015

TICINELLA

SPECIALITIES FOR THE GRILL



"Ticinella" adds more flavorsome highlights to its range of products for the grill season. Whether made with herbs from the nearby Alps or fresh wild garlic from the densely wooded Maggia Valley or special peppercorn varieties, there is one ingredient in the specialities crafted by "Ticinella" that will always be the same: Ticino's distinctive zest for life.

JULY 2015

FREDAG

VEGGIE INNOVATION

noppa's

Teriyaki tofu, falafel, lentil quinoa, and okra balls, not to mention veggie hotdogs, veggie bratwurst, mini veggie chili sausages or cauliflower patties – the list of vegetarian and vegan innovations that Noppa created and introduced to the market in 2015 is quite impressive.

AUGUST 2015

LE PATRON

TERRINES IN JARS

Le Patron creates terrines in practical glass jars: These tiny and tasty treats are ideal as a morning indulgence, an exquisite snack between meals or a special delicacy at suppertime.

SEPTEMBER 2015

PASTINELLA

FIORI TOFU THAI CURRY

Pastinella is well known for creating fascinating and trendy pasta novelties. One example of the special creations introduced in 2015 is a fresh Italian pasta product with an Asian filling of tofu and Thai curry. Pastinella's innovative staff are already working on the next pasta highlights.

SEPTEMBER 2015

ORIOR GROUP

ORIOR 2020 WORKSHOP

ORIOR'S new management launched a four-month, comprehensive strategy process headlined "ORIOR 2020" in May 2015. Besides the Board of Directors, the Management Board and the Extended Management Team, special effort was made to also have middle management and key employees involved in this project; more than 50 employees from all competence centres ultimately contributed to the ORIOR 2020 strategy. The Management Board presented the approved strategy to the top 100 employees of the Group at a big ORIOR 2020 Workshop held in September 2015. They are the ones who will play a decisive role in the successful execution of the new strategy.

AUTUMN 2015

ALBERT SPIESS

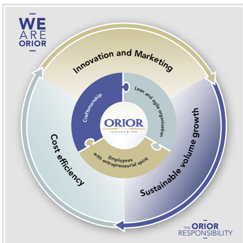
GOULASH AND SAUERBRATEN

Albert Spiess has long been known for its outstanding game specialities. These manufacturing processes are now also used for other types of meat and the results are quite successful. Chunks of tender meat with gravy are a highly popular product. Albert Spiess has the perfect recipes to address this trend – a traditional goulash and "Grandma style" beef sauerbraten.

NOVEMBER 2015

ORIOR GROUP

ORIOR 2020 STRATEGY



Upon conclusion of the four-month strategy process, "ORIOR 2020 – Embracing the future with an entrepreneurial spirit" is presented at a conference for the media, investors and the general public. The principal aim of the strategy is steady value creation. Consisting of five key pillars "House of Innovation", "Brand strengthening and expansion", "Agility and cost efficiency", "The ORIOR responsibility" and "We are ORIOR", the new strategy lays the foundation for the continuation of ORIOR's success story; This is the road map for the coming years.

DECEMBER 2015

FREDAG

PARTNERSHIP WITH VEGGIE PIONEER

NATURE GOURMET

TOFUTOWN

ORIOR and the German veggie pioneer Tofutown sign a licensing and cooperation agreement. Beginning 1 March 2016, "Nature gourmet" products for the Luxembourg, Austrian and German markets will be exclusively produced and marketed by Tofutown. Together with Tofutown, the "Nature gourmet" brand will also be positioned and marketed across the entire European continent.

ORIOR – Excellence in Food

ORIOR is an independent Swiss food producer that combines craftsmanship with a pioneering spirit and is thriving on entrepreneurship and strong values. A specialist for fresh convenience foods and refined meats, the Group claims leading positions in fast-growing niches within the retail and food service markets. With Rapelli, Ticinella, Albert Spiess, Fürstenländer Spezialitäten, Fredag, Pastinella and Le Patron, ORIOR has built an impressive portfolio of brands and companies.

ORIOR's goal is to steadily create value for all stakeholders. Market intimacy, strong partnerships and a lean, agile structure provide the framework from which ORIOR is shaping and driving the market landscape with innovative products, concepts and services. Motivated employees who take pride in their work and who assume responsibility for themselves and for what they do are the key for creating the extraordinary.

We are striving for uniqueness and offering best quality in order to surprise our consumers time and again with inimitable food moments. Our ambition is nothing less than **Excellence in Food.**

Contents

Dear shareholder

It is a pleasure to present ORIOR AG's sixth annual report as a listed company.

Higher operating profit, fifth consecutive increase in the dividend

ORIOR Group increased its EBITDA by 1.3 % to CHF 48.7 million and EBIT by 4.1 % to CHF 33.8 million. Revenues were 4.1 % lower at CHF 500.1 million, as anticipated and communicated. Revenues declined primarily because of the negative inflation in Switzerland and contracting markets, pronounced along the border and in tourism regions, attributable to the strength of the Swiss franc. Profit before tax rose by 5.0 % to CHF 31.3 million. Negative currency effects and higher taxes led to a slight 3.5 % decline in net profit to CHF 25.6 million. Operating cash flow surged by 45.6 % to CHF 41.7 million (2014: CHF 28.6 million). The equity ratio rose once again to 58.6 % at the end of the reporting period.

Rolf U. Sutter, Chairman of the Board of Directors, (right) and Daniel Lutz, CEO ORIOR Group (left)

The Board of Directors will propose a higher dividend of CHF 2.03 per share at the Annual General Meeting on 12 April 2016. This represents the fifth consecutive increase. The Group's new CEO Daniel Lutz has been at the helm since 1 February 2015. He was already spotlighted in the 2014 annual report. Ricarda Demarmels joined us as new Chief Financial Officer and member of the Management Board in April 2015.

Segments performing well

ORIOR Convenience, the specialist for fresh convenience food with its three centres of competence Fredag, Le Patron and Pastinella, was not able to attain the same level of revenues and profits as in the strong previous period. Its fresh ready-made dishes continued to sell well, as did its entire range of vegetarian and vegan products. Business with terrine specialities grew thanks to new creations such as terrines in jars and other novelties from the “Le Patron” brand. However, fresh pasta products encountered intense market pressure and these revenues showed another decline. The Convenience segment reported a slight 2.1 % decline in revenues to CHF 202.7 million. Segment EBITDA of CHF 27.7 million corresponds to a margin of 13.7 % compared to 14.3 % in the previous year.

The Refinement segment and its competence centres Rapelli, Albert Spiess and Möfag generated revenues of CHF 298.5 million, a decline of 5.6 % versus the previous year. The contraction in its revenues can be traced to lower raw material prices and the resulting price concessions as well as to portfolio streamlining with a focus on growth and margins. The low raw material prices had a positive impact on profitability. Intensified brand management activities and higher marketing investments lifted the revenues and increased awareness of our key brand. Segment EBITDA rose by 4.9 % to CHF 23.5 million, resulting in an EBITDA margin of 7.9 % (2014: 7.1 %).

Measured by volume, exports were higher year-on-year despite the appreciation of the Swiss franc. Due to substantial price markdowns and the deconsolidation of revenues from the divested logistics company Lineafresca, the reported revenues from the Corporate and Export segment declined to CHF 21.3 million from CHF 26.0 million in the previous year.

Important steps taken

Innovation is the core business and the core competence of ORIOR. Innovative power is crucial for future success and also for maintaining the pivotal role in selected market niches where ORIOR holds leading positions. Innovation goes beyond the product into new concepts, services and processes. With this goal in mind, ORIOR has nominated Oscar Marini as Group Innovation Manager managing innovation across all centres of competence. He will oversee and advance the pursuit of innovation along the whole value chain. He also assumed management responsibility for the pasta competence centre Pastinella at the beginning of 2016. ORIOR signed a licensing and cooperation agreement with the German veggie pioneer Tofutown. Beginning 1 March 2016, products carrying ORIOR's “Nature Gourmet” brand will be exclusively produced and marketed for the German, Austrian and Luxembourg markets by Tofutown.

Change in the Board of Directors

After many years of service as Vice Chairman of the Board of Directors of ORIOR AG, Rolf Friedli will not be standing for re-election at the next Annual General Meeting. He has been on the board for more than ten years and helped ORIOR to set important milestones along the way. His dedication, achievements and merits on behalf of the company are truly commendable. The Board of Directors, Management Board and the employees are grateful to Rolf Friedli for his extraordinary services.

The Board of Directors of ORIOR AG is proposing the entrepreneur Walter Lüthi for election to the Board of Directors as a new member at the Annual General Meeting on 12 April 2016.

OUR ORIOR 2020 STRATEGY

ORIOR’s new management launched a bottom-up strategy review process headlined “ORIOR 2020” in May 2015. In September the new strategy was presented and the execution phase began. The principal aim of the strategy is steady value creation. With its five strategic pillars “House of Innovation”, “Brand strengthening and expansion”, “Agility and cost efficiency”, “The ORIOR responsibility” and “We are ORIOR”, the new strategy lays the foundation for the continuation of ORIOR's success story. Read more about the ORIOR 2020 strategy on pages 6 and 7 of this annual report.

A word of thanks

ORIOR is proud of the cultural diversity of its competence centres. The strategic pillar “We are ORIOR” rests on true entrepreneurial values: That makes us strong and will facilitate the successful execution of the ORIOR 2020 strategy. It is with this in mind that we thank our employees for their hard work and loyalty. Particular thanks is also extended to our customers and business partners and, of course, to you, our shareholders, for your trust and confidence.

Rolf U. Sutter
Chairman of the Board of Directors

Daniel Lutz
CEO ORIOR Group

Interview with Daniel Lutz, CEO ORIOR Group

You joined ORIOR in February 2015, Mr. Lutz. Looking back, how would you summarize your first year in office?
I've settled in well in the world of ORIOR and I am full of ideas and energy.

When you assumed office, you said that you first wanted to get to know ORIOR's customers and competence centres. What did you discover during all these meetings and visits?
I was determined to get a thorough understanding of ORIOR and its general environment and I heard and saw a lot of positive things. ORIOR is

Daniel Lutz, CEO ORIOR Group

performing well in many respects. But the general business environment is forcing us to explore new paths so that we can also be successful in the long run. We need to become even more flexible and agile. That's why we're analysing all of our product groups and processes. Adjustments will be made if it makes sense and improves efficiency. The challenges that lie ahead are big, but so is ORIOR's potential.

Where do you see ORIOR's greatest potential?
When you look at all of today's major food trends, our core competencies are obviously in a perfect position to capture them. ORIOR also has a unique business model – a lean holding company with autonomous centres of competence. This basic philosophy will be strengthened further and it is a key enabler for a strong customer understanding and the market in general, which, in turn, allows us to focus intently on our main product groups. The appointment of Oscar Marini as CEO of Pastinella, our chilled pasta firm, underscores our effort here. Together with our strong innovation power, we have a good platform that enables us to capture new trends as they emerge and gives us the agility we need to address the needs of customers and consumers quickly and successfully. ORIOR embraces culinary craftsmanship and serves niche markets, even with low volumes, while offering consistently high levels of quality at competitive prices. That is an effective point of differentiation. I also see potential in the greater use of the Group's inherent strengths and resources; there are untapped synergies at ORIOR. And then there's ORIOR's highly skilled and dedicated workforce. I'm proud to be part of a team like this.

And where do you see the challenges?
The general environment is a challenge. The strong Swiss franc has put prices and margins under pressure. Business volumes at traditional retailers in Switzerland have declined, especially along the border regions. Sales in the restaurant and tourist industries are also difficult and raw material prices are volatile. These factors all have a direct or indirect impact on our business. They force ORIOR to keep strong focus on its operational efficiency.

What was the first action you took after assessing the general situation?
Together with my colleagues on the Management Board and the extended management team, I initiated a new strategy process in which the Board of Directors, Management and more than 50 employees from all units and various levels were involved. Under the heading "ORIOR 2020", we carefully analysed our business model and our activities and, based on the findings, we formulated our strategy for the next five years. In November 2015 we presented the ORIOR 2020 strategy to investors and the general public and we started its implementation.

What are the key points of ORIOR 2020?
The primary aim is steady value creation. Group sales and EBITDA growth in absolute terms serve as the key indicators of steady value creation. Value creation will be achieved through five strategic pillars: "House of Innovation" – which will help to bring innovation beyond the product

level into the areas of concepts, services and processes – "Brand strengthening and expansion"; "Agility and cost efficiency"; "The ORIOR responsibility" and "We are ORIOR" – which embodies our basic entrepreneurial values. Within the context of ORIOR 2020 we will strengthen the centre of competence philosophy and leverage the Group's potential even better.

A four-month strategy process involving more than 50 employees sounds like a lot of work. Was it really necessary?
We want to add a new chapter to ORIOR's success story. That is an ambitious proposition and everybody must contribute, giving all they can in a positive spirit. Collectively developing a strategy is a unifying process in itself and also raises commitment levels. Of course it was a lot of work. These processes are not always easy; we were challenged to leave our comfort zones. But it was a worthwhile exercise and the jointly developed strategy will now guide us through the coming years.

How will shareholders benefit from "Strategy 2020"?
ORIOR confirmed its attractive dividend policy of recent years in its 2020 strategy. Shareholders will benefit from ORIOR AG's growing value in the form of a steady increase in the absolute dividend.

So ORIOR 2020 entered the implementation phase in the fall of 2015. What has been achieved in the meantime?
A lot. Innovation is now being managed and driven along the whole value chain and across all competence centres by a Group Innovation Manager. We have already increased our marketing investments to advance the differentiation and development of our core brands. We will present the relaunch of the "Rapelli" brand during the course of 2016. Within the scope of a group-wide operational footprint analysis, the Churwalden site was closed to optimise capacity at the Davos-Frauenkirch meat drying facility. A procurement project was also launched to drive further cost-savings. The aim is to centralise the sourcing of raw material, packaging material and services that are required throughout the Group wherever possible.

A year ago you said that within the next five years ORIOR will have successfully established itself in foreign markets and be one of Europe's major suppliers of fresh convenience food. What progress has been made here?
First of all we made some organisational changes. We established an M&A committee and formulated our M&A strategy for the coming years. Acquisition targets must meet one of the following criteria: "Bolt-on acquisition", "Major new business area", "Foreign acquisition" or "Alternative business area". We are also actively seeking partnerships and collaborative arrangements in all of these areas. In Dezember 2015 ORIOR announced a licensing and cooperation agreement with the German veggie pioneer Tofutown. I see considerable potential here. Meanwhile we are actively pursuing opportunities in our other business areas, too, with the aim of becoming one of the major suppliers of fresh convenience food in Europe as confirmed in ORIOR 2020.

"The ORIOR 2020 strategy will now guide us through the coming years."

What can you say about the current fiscal year?
Profitable growth, innovation, brand strengthening, improving efficiency and cost management, in part through Group synergies, optimisation of the product portfolio – these are just a few of the challenges that we'll be tackling in the current year. In doing so, we will focus on and systematically implement the most important projects: We need to set priorities in order to be successful.


Rapelli


Albert Spiess


Möfag

OUR ORIOR 2020 STRATEGY

The process

ORIOR'S new management launched a comprehensive strategy process headlined "ORIOR 2020" in May 2015. Besides the Board of Directors, the Management Board and the Extended Management Team, special effort was made to also have middle management and key employees involved in this process; more than 50 employees from all competence centres ultimately contributed to the ORIOR 2020 strategy. With this jointly created strategic framework in place and augmented by an employee stock participation program, the implementation phase then commenced in the fall of 2015.

The overriding aim of the strategy is steady value creation. Consisting of five strategic pillars "House of Innovation", "Brand strengthening and expansion", "Agility and cost efficiency", "The ORIOR responsibility" and "We are ORIOR", the new strategy lays the foundation for the continuation of ORIOR's success story; it provides a clear roadmap for the coming years.

ORIOR in the year 2020

ORIOR remains a stable and financially strong food group.

ORIOR is generating solid long-term revenue growth of 1–2% in Switzerland.

ORIOR is steadily increasing the absolute EBITDA.

ORIOR continues to be the market leader in existing as well as new product niches and continues to actively shape the landscape of its core markets.

ORIOR is the most innovative food group in Switzerland and owns strong and unique brands.

ORIOR offers shareholders an attractive dividend yield and is steadily increasing its dividend.

ORIOR is European.

Steady value creation

The core capabilities of "craftsmanship", "lean and agile organisation" and "employees with an entrepreneurial spirit" are part of what makes ORIOR unique. There is a direct correlation and constant interaction between these capabilities and the drivers of "innovation and marketing", "sustainable volume growth" and "cost efficiency".

"The ORIOR responsibility" and "We are ORIOR"– our promise and our commitment to sustainable business practices – are binding across the entire strategic model. Only constantly working and advancing towards all premises stipulated in the model will enable steady value creation.

ORIOR
EXCELLENCE IN FOOD

Strategic pillars

HOUSE OF INNOVATION

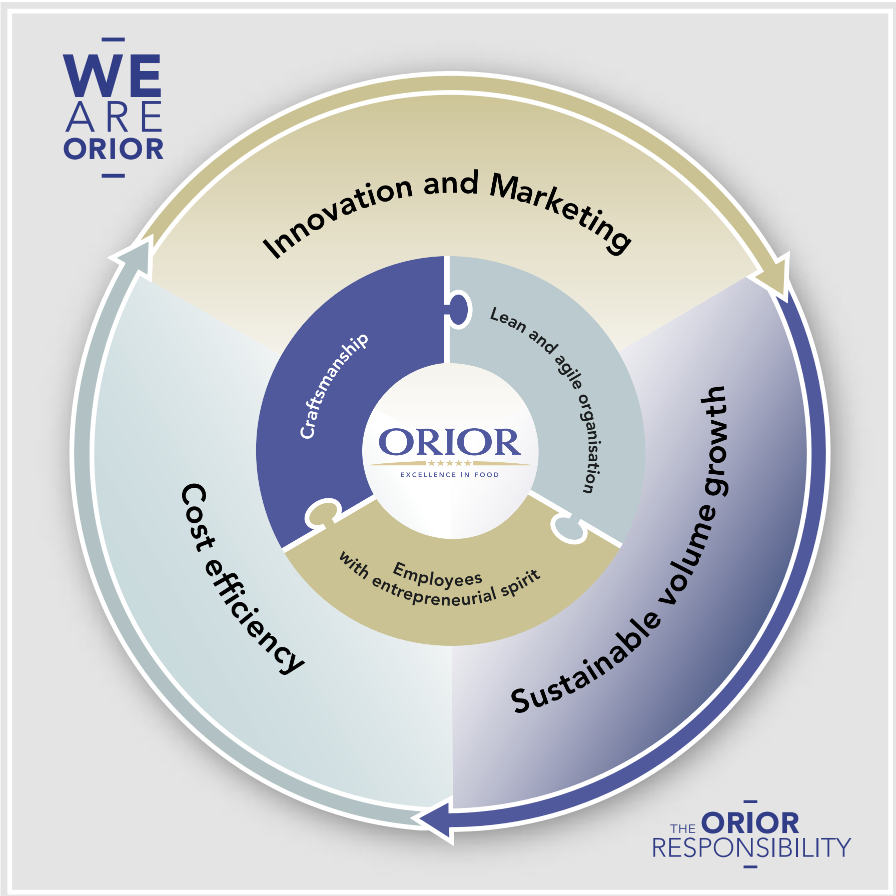
ORIOR is unique as a powerhouse of innovation for its brands and for private labels in Switzerland. ORIOR constantly seeks a better understanding of consumer preferences and consumption patterns and is striving to bring innovation beyond the actual product and into the areas of food concepts, services and processes. Achieving these goals will require steady advancements in terms of insights, flexibility and speed. The House of Innovation concept will foster innovation throughout the Group and along the whole value chain.

BRAND STRENGTHENING AND EXPANSION

Marketing investments will be increased to promote the differentiation and continuous development of the core brands; this will also entail the greater use of modern communications technology and selective point-of-sales activities. A greater focus will also be placed on in-store concepts. Internal marketing resources will be strengthened – with organisational changes geared towards the Champion model. Ultimately, the goal is to raise brand equity and thereby generate further growth.

AGILITY AND COST EFFICIENCY

Flat hierarchies ensure short decision-making and close contact with customers and consumers. Group strengths and economies of scale will be harnessed across all centres of competence to raise efficiency, enable knowledge transfer and steadily improve production and process workflows. Better cost efficiency is being targeted with the introduction of a operational footprint optimisation. Furthermore, a project for centralising sourcing activities, wherever practicable and economical, was launched.



Core values

We are convinced that...

...the company needs content employees, customers, suppliers and shareholders to achieve its goal of steady value creation;

...a steadfast focus on the constantly shifting needs and preferences of consumers and customers is a precondition for innovation and growth;

...motivated and competent employees who are happy and proud to celebrate craftsmanship day after day are the key to our success;

...each and every employee must assume full responsibility for their conduct and their work, and that our business conduct must be guided by high ethical standards and respect;

...unremitting efforts towards the attainment of superior quality and constant advancement in our daily work are a precondition for sustainable and profitable growth;

...open, honest and transparent communication is the basis for successful team work;

... sustainability is an integral part of our core business.

EXCELLENCE IN FOOD

THE ORIOR RESPONSIBILITY

Sustainability is part of our core business and a precondition for Excellence in Food. ORIOR assumes responsibility at every stage of the value chain, is attentive to the interests of all stakeholders and target groups, and balances its activities with the principles of sustainability. Key elements are the sustainable sourcing of raw materials, environmental stewardship, farm animal welfare, the continuous improvement of recipes and focused training and development programs for employees.

WE ARE ORIOR

ORIOR is proud of the cultural diversity of its competence centres. "We are ORIOR" is rooted in true entrepreneurial values: leadership, open, frank and honest communication, ethical and respectful conduct and behaviour, and the active encouragement for employees at all levels to take on responsibility. Employees who go about their daily work with a strong passion and commitment and who celebrate craftsmanship are important to us and part of what makes ORIOR unique.

ORIOR Refinement

ORIOR Refinement produces refined meat specialities at its three competence centres Rapelli, Albert Spiess and Möfag. Craftsmanship is combined with uncompromising quality to create traditional premium meat products as well as new interpretations in various categories from Bündnerfleisch and ham to salami and Mostbröckli. The segment operates six processing and refining facilities and sells its products to retailers and food service providers.

Brands

Key figures

in CHF thousand	2015	Δ in %	2014
External customer sales	286 017		301 054
Inter-segment sales	16 349		19 207
Sales of goods / rendering of services	**302 366**		**320 261**
Reduction in gross sales	–3 854		–3 971
Revenues	**298 512**	**–5.6%**	**316 290**
Segment EBITDA	**23 536**	**+4.9%**	**22 440**
as % of revenues	7.9%		7.1%
Depreciation – tangible assets	–6 571		–6 681
Amortisation – intangible assets	–1 296		–1 294
Segment profit (EBIT)	**15 669**	**+8.3%**	**14 465**
as % of revenues	5.2%		4.6%
Investments in non-current assets	**4 601**		**6 832**

Overview

After two years of very high raw material prices and margin pressure, prices fell sharply in the period under review, especially for pork. Prices for beef remained high because of ongoing supply constraints but the Refinement segment was still able to improve its operating results primarily thanks to Möfag, the "Rapelli" and "Ticinella" brands, and the successful relaunch of the "Albert Spiess" brand.

In addition to the appreciation of the Swiss franc, 2015 was characterised by a hot summer season and very mild autumn weather. That weather accelerated barbeque product sales, but diminished the sales of seasonal autumn products such as ham wrapped in dough or game specialities. The Christmas season also had a late start because of the mild winter weather till Christmas. Additionally, product portfolio optimisation and strong focus on sustainable and profitable growth also contributed to the contraction in revenues.

Business performance

The Refinement segment achieved revenues of CHF 298.5 million during the period under review, which corresponds to a 5.6 % decline (previous year: CHF 316.3 million). This contraction can mainly be traced to lower raw material prices and the resulting price concessions. Rapelli and Albert Spiess noticed the effects of the strong Swiss franc particularly in the second half of the year, which as expected led to a further deterioration in business in particular along the Swiss border and in the tourism regions. This situation exemplifies the importance of our strategic focus on uniqueness and the celebration of tradition and craftsmanship. Strong "Rapelli", "Ticinella" and "Albert Spiess" brands and the strong regional roots of all three centres of competence in their cantonal homes of Ticino, Graubünden and St. Gallen are equally important.

Negative inflation from the falling meat prices had a positive impact on profitability though. Portfolio streamlining with a focus on optimising the product mix also contributed to the margin improvement. Despite the much more frequent sales promotion activities during the second half of the year, EBITDA for the year as a whole improved by 4.9 % to CHF 23.5 million, which corresponds to a margin of 7.9 % (2014: 7.1 %).

Revenues of branded products were pleasingly higher, fuelled by more active brand management and higher marketing investments. Growth drivers were the "Rapelli" and "Ticinella" brands, which raised their already high recognition rates even more during the past year, and the successful relaunch of the "Albert Spiess" brand with listings at the national level. Gratifying growth was again generated at Möfag, where an agile, market-responsive approach with interesting innovations and strict portfolio management allowed maintaining a steady margin over the year in spite of the challenging business environment and pricing pressure.

Outlook

As for raw materials, prices for beef are expected to remain high due to persisting supply constraints. Pork prices could edge higher during the course of 2016. There is a certain delay before price movements feed through to operating results because of the time required to dry cure ham and Bündnerfleisch, so the general sourcing environment is expected to remain more or less unchanged in 2016.

The trend to authentic regional products will continue. The Refinement segment is ideally positioned to capture this trend given its core competencies and strong regional profiles. Increased marketing investments will be allocated to brand management and marketing activities in 2016. A major event in the first half of 2016 will be the roll-out of the new marketing concept for the "Rapelli" brand. During the course of the year the "Ticinella", "Albert Spiess" and "Fürstenländer Spezialitäten" brands will also be further strengthened, and innovation in the form of seasonal concepts and the optimisation of the product portfolio will continue.

Highlights

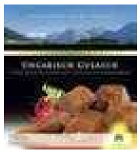
RAPELLI AND TICINELLA

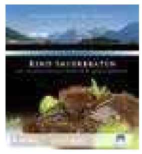
LIMITED EDITION

Rapelli launches the Ticino Limited Edition, a combination of unique culinary craftsmanship, exclusive ingredients and the region's hallmark zest and spirit. Limited Edition includes classic products as well as novel innovations such as a salami with Merlot and a salami with chestnuts.

ALBERT SPIESS

GOULASH AND SAUERBRATEN





Albert Spiess has long been known for its outstanding game specialities. During the year under review the very same manufacturing processes were used to process other types of meat for the very first time and successfully so, judging by the market response. Chunks of tender meat with gravy are a highly popular product. Albert Spiess has the perfect recipes to address this trend – a traditional goulash and "Grandma style" beef sauerbraten.

MÖFAG

MEAT CHIPS IN ALL VARIATIONS

The trendy range of quick and easy meat chips snacks is steadily growing. Consumers now have a wide variety of meat chips to choose from: spicy cavallo chips, light turkey chips, tender lamb chips and exotic ostrich chips from Möfag, flavourful game chips from Albert Spiess, and tasty salami paprika chips from Rapelli. Möfag has already taken another step forward and widened its selection of meat chips with various new products that are a direct offshoot of "Mostbröckli", its classic thinly sliced cured beef: Turkey Möckli, chicken Möckli and smoked Möckli are quickly gaining space in snack aisles.

ORIOR Convenience

ORIOR Convenience and its competence centres Fredag, Pastinella and Le Patron produce fresh convenience products ranging from ready-made dishes, pâtés and terrines, fresh pasta and vegetarian products to poultry and meat products and seafood. Strong innovation and a pioneering spirit allow the segment and its six production plants to actively shape the market landscape in its core target markets within the retail and food services channels.

Brands

Key figures

in CHF thousand	2015	Δ in %	2014
External customer sales	204 071		208 315
Inter-segment sales	3 166		3 055
Sales of goods / rendering of services	**207 237**		**211 370**
Reduction in gross sales	–4 532		–4 325
Revenues	**202 705**	–2.1%	**207 045**
Segment EBITDA	**27 676**	–6.8%	**29 692**
as % of revenues	13.7%		14.3%
Depreciation – tangible assets	–5 254		–5 077
Amortisation – intangible assets	0		–40
Segment profit (EBIT)	**22 422**	–8.8%	**24 575**
as % of revenues	11.1%		11.9%
Investments in non-current assets	**4 448**		**5 615**

Overview

The Convenience segment could not quite repeat its strong top-line and earnings performance from the previous fiscal year. Declining sales in the retail sector as a whole, fewer tourists in Switzerland's typical tourist regions, and competitive pressure in the fresh pasta business contributed to the decline in segment revenues of 2.1 % from the prior year.

Raw materials affected the segment in different ways last year: Prices of durum wheat semolina rose due to poor durum crops in Europe and Canada, while the strong Swiss franc reduced the procurement cost of other raw material imports. Unabatedly high prices for Swiss beef and depressed pork prices continued to have an impact on the sales of convenience meat products. The overall effect of the positive and negative factors on the procurement front was more or less neutral.

Business performance

Revenues in the Convenience segment declined by 2.1 % to CHF 202.7 million (previous year: CHF 207.0 million). This slight decline is attributed to the overall negative sales trend in the retail and food services sectors in the wake of the significant appreciation of the Swiss franc and to a general increase in competitive pressure, especially in the fresh pasta business. Deliberate sales losses stemming from ongoing portfolio optimisation also contributed to the contraction in revenues. EBITDA declined by CHF 2.0 million to CHF 27.7 million, resulting in an EBITDA margin of 13.7 % (2014: 14.3 %). This margin contraction is largely attributed to the decline in fresh pasta revenues, price concessions granted to customers and increased investments on marketing and sales operations.

Fresh ready-made dishes continued to sell well, increasing their share of overall segment sales. Strong growth also came from the entire line of vegetarian and vegan products, which reflects the ongoing trend toward vegetarian and flexitarian diets during the period under review. The integration of Noppa AG, acquired in 2014, was completed during the period under review and improved our innovation in the important tofu and vegetarian product category. An impressive array of new products was launched, for example specialities made with quinoa, okra or other trendy plant-based ingredients that were well received in both the retail and food services channels. Business with terrine specialities grew thanks to new creations such as terrines in glass jars and other novelties from the "Le Patron" brand. Poultry specialities nearly matched their performance from the previous year despite strong market headwinds. Fresh pasta products had to contend with intense market pressure and revenues from this category showed another year-on-year decline. The range of special pasta products free of gluten and lactose was successfully extended with a fresh spaetzle that is just as good as the classic product in terms of quality and taste. Le Patron's flexible concepts for food services providers – goLARGE and beSMART – were successfully introduced to more customers. These concepts target customer demand for high quality, easy to prepare, flexible meals at large events and seasonal restaurant outlets.

Outlook

Swiss retailers and food services providers will remain under pressure in the coming year. To address this situation, our attention in 2016 will stay focused on innovation and the launch of new, distinctive product and service concepts. We will continue to adapt and rejuvenate the product portfolio, too, to keep it aligned with constantly changing consumer eating habits and to maintain our position in the vanguard of market developments.

On the sourcing front, attention will be focused on sustainability, partnerships and collaboration. Demand for high quality, sustainably produced organic and/or regional ingredients – even or particularly in processed foods – is expected to continue growing. Special attention will be given to the sourcing of Swiss raw materials, as well as to the corresponding Swiss standards, as Swiss raw materials are already in tight supply today. Cooperation with foreign partners that comply with Swiss food production standards has already been maintained for years in order to alleviate this situation. Demand for certified poultry was met thanks to the timely launch of a corresponding farm animal welfare project (BTS) and will continue to be pursued going forward.

Highlights

FREDAG

VEGETARIAN AND VEGAN INNOVATIONS

Teriyaki tofu, falafel, lentil quinoa, and okra balls, not to mention veggie hotdogs, veggie bratwurst, mini veggie chili sausages or cauliflower patties – the list of vegetarian and vegan innovations that ORIOR created and introduced to the market in 2015 is quite impressive. The new trendsetting ingredients in this product category are quinoa, chia and okra – and they offer plenty of potential for a steady stream of innovations in 2016.

LE PATRON

CONTINUED DEVELOPMENT OF THE "LA PATRON" BRAND

Le Patron created and launched a number of highlights during the past year. For example, the terrines in a practical glass jar: These tasty treats are ideal as a morning indulgence, an exquisite snack between meals or a special delicacy at suppertime. Seasonal specialities were also launched under the "Le Patron" brand. Made with a variety of typical seasonal ingredients, Le Patron's new taste sensations impressed the market once again.

PASTINELLA

GLUCOSE- AND LACTOSE-FREE SPAETZLE

Full enjoyment without limitations for everyone who must avoid food containing gluten or lactose due to an intolerance or allergy – Pastinella has made that possible with a special spaetzle recipe. Created in-house, these soft egg noodles have the same mouth-watering flavour and texture as their conventional counterpart but are completely gluten and lactose free.

ORIOR Corporate and Export

The ORIOR Corporate and Export segment exports and markets the Group's products to neighbouring countries. ORIOR operates a distribution centre in Haguenau, France, for this purpose. Group management functions and central services are also included in this segment.

Brands

Key figures

in CHF thousand	2015	Δ in %	2014
External customer sales	18 573		20 700
Inter-segment sales	2 897		5 396
Sales of goods / rendering of services	**21 470**		**26 096**
Reduction in gross sales	–147		–143
Revenues	**21 323**	–17.8%	**25 953**
Segment EBITDA	**–2 638**	+33.9%	**–3 992**
Depreciation – tangible assets	–600		–956
Amortisation – intangible assets	–1 086		–1 476
Segment profit (EBIT)	**–4 324**	+32.7%	**–6 424**
Investments in non-current assets	**1 434**		**1 419**

Overview

As at the mid-year mark, the full-year results of the ORIOR Corporate and Export segment for 2015 were unable to match the figures from the preceding year. The appreciation of the Swiss franc is the main reason for the shortfalls, as this diminished the export chances of specialities made in Switzerland and led to a deterioration in the general business environment. Together with the absence of revenues from the logistics company Lineafresca, divested in May 2014, revenues in the Corporate and Export segment therefore declined from CHF 26.0 million in the previous year to CHF 21.3 million in 2015. At constant exchange rates and factoring out the deconsolidation of Lineafresca, revenues increased by 2.9 % despite the challenging export situation.

In the Corporate sub-segment, the new management team initiated the ORIOR 2020 strategy process during the year under review and introduced immediately effective group-wide growth initiatives and measures to improve profitability. The latter included a streamlining of the product portfolio, a far-reaching operational footprint plan encompassing all competence centres, and the centralisation of certain sourcing activities. The introduction of the Champion Model – which is intended to leverage the Group potential even better – was accompanied by the appointment of a Group Innovation Manager who is now promoting innovation efforts along the whole value chain and across all competence centres.

Export performance

Almost all of the value added to our exported products is created in Switzerland and the surge in the value of the Swiss franc made these products even more expensive for foreign buyers. Significant price markdowns were therefore necessary. Although export volumes increased compared to 2014, export revenues declined from CHF 19.5 million to CHF 18.4 million due to the strong Swiss franc and the price markdowns. In order to continue operating successfully in foreign markets despite the Swiss franc's overvaluation, partnerships are being pursued more actively and the plans to acquire foreign companies were given a higher priority. An initial important step on this front was the licensing and cooperation agreement covering vegetarian specialities under the "Nature Gourmet" brand that was announced by ORIOR and Tofutown, a pioneer of veggie products in Germany, in December 2015.

IT

Efforts here are focusing on further system harmonisation and process rationalisation as well as on supporting the business through digitalisation.

M&A

M&A strategy was also reviewed during the ORIOR 2020 exercise. M&A will be pursued to strengthen existing core business activities. Expansion of market positions, enhancement of innovation power, and the realisation of cost and efficiency gains are the key objectives of M&A strategy. Besides making smaller sized acquisitions in our home market, takeover candidates in foreign markets will also be targeted. Management's stated dividend policy will not be jeopardised by acquisition activity.

Outlook

The general environment for the export activities will remain difficult. Pricing realities and also the differing price sensitivity of consumers in our domestic and foreign markets pose veritable challenges. Establishing a strategic partnership with Tofutown represents an opportunity for us to market the "Nature Gourmet" brand across the European market and strengthen its market profile.

The ORIOR 2020 strategy creates a solid platform for the continuation of ORIOR's success story. Our aim is to generate steady value creation for all stakeholders. With this in mind, we reiterate our attractive dividend policy committed to a steady increase in the absolute dividend per share and have selected Group sales growth and a steady increase in absolute EBITDA as the key indicators of continuous value growth.

A high level of innovation is crucial to ORIOR's future success and it will be further strengthened, both at the product level and with regard to concepts, services and processes. Together with the new strategy and group-wide growth initiatives and measures to improve profitability, ORIOR laid a broad and sturdy foundation from which it can look to the future with confidence.

Highlights

ORIOR 2020 STRATEGY

STEADY VALUE CREATION

The core capabilities of "craftsmanship", "lean and agile organisation" and "employees with an entrepreneurial spirit" are part of what makes ORIOR unique. There is a direct correlation and constant interaction between the above core capabilities and the factors of "cost efficiency", "innovation and marketing" and "sustainable volume growth". "The ORIOR responsibility" and "We are ORIOR" – our promise and commitment to pursue sustainable business practices – are binding at all levels of the model. Only by constantly working towards and advancing all premises stipulated in the model will we succeed in generating steady value.

M&A

PARTNERSHIP WITH TOFUTOWN

ORIOR signed a licensing and cooperation agreement with Tofutown. Beginning in March 2016, products carrying the "Nature Gourmet" brand will be exclusively produced and marketed for the German, Austrian and Luxembourg markets by Tofutown, the German veggie pioneer. Together with Tofutown, the "Nature Gourmet" brand will also be positioned and marketed across the European continent.

CHAMPION MODEL

GROUP INNOVATION CHAMPION

As Group Innovation Manager, Oscar Marini will, via the Champion Model, oversee and advance the pursuit of innovation throughout the whole value chain and beyond the product level to include concepts, services and processes, and also across all competence centres. Through the Champion Model, the Group's potential will be leveraged even better in other areas as well.

MANAGEMENT WORKSHOP

ORIOR 2020 STRATEGY

The four-month bottom-up process of the "ORIOR 2020 strategy" was completed in autumn 2015 and subsequently entered the execution stage. The principal aim of the strategy is steady value creation. Management presented the jointly formulated strategy approved by the Board of Directors to the top 100 employees of ORIOR at a big ORIOR 2020 Workshop held in September 2015 and subsequently visited all units to inform the local teams in person. Braced by the common understanding of the objectives and strategic pillars, the project was cleared for implementation.

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 other stakeholders while helping the Group achieve sustainable development. ORIOR Group's corporate governance policy follows the guiding principles of the Swiss Code of Best Practice for Corporate Governance (2014). The information disclosed hereinafter meets the current requirements of the "Directive Corporate Governance" (DCG) issued by SIX Swiss Exchange and last amended on 1 September 2014.

1 Group structure and shareholders

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.

Group structure as at 1 January 2016

Board of Directors
Rolf U. Sutter, Chairman
Rolf Friedli, Vice Chairman
Christoph Clavadetscher
Edgar Fluri
Dominik Sauter
Monika Walser

Management Board / Extended Management Team
Daniel Lutz, CEO ORIOR Group*
Ricarda Demarmels, CFO ORIOR Group*
Bruno de Gennaro, Head Convenience segment and Head Fredag*
Glauco Martinetti, Head Rapelli
Bruno Bürki, Head Albert Spiess
Urs Mösli, Head Möfag
Michel Nick, Head Le Patron
Oscar Marini, Head Pastinella
Bernhard Pfulg, COO Fredag/Pastinella
Joachim Huber, CIO ORIOR Group

* Management Board

ORIOR Refinement segment
Head Rapelli: Glauco Martinetti
Head Albert Spiess: Bruno Bürki
Head Möfag: Urs Mösli

ORIOR Convenience segment
Head Fredag: Bruno de Gennaro
Head Le Patron: Michel Nick
Head Pastinella: Oscar Marini
COO Fredag/Pastinella: Bernhard Pfulg

ORIOR Corporate and Export segment
CIO ORIOR Group: Joachim Huber
Head IR and M&A: Milena Mathiuet

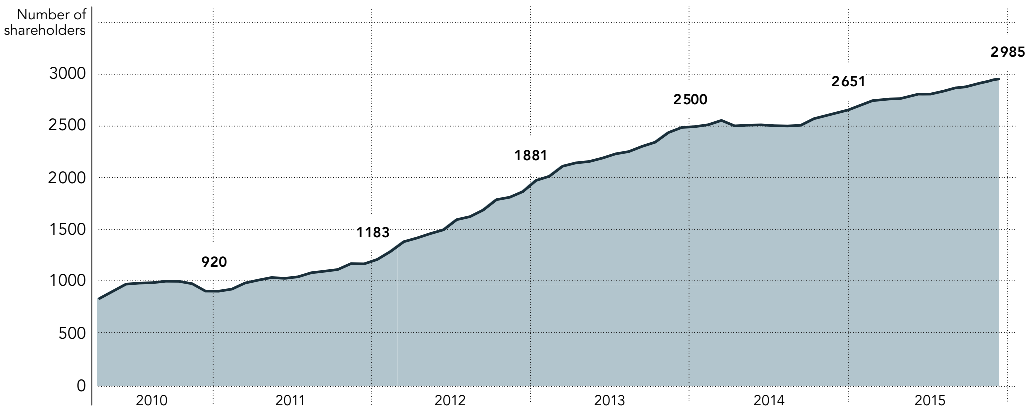
On 1 February 2015 Daniel Lutz took over as CEO of the ORIOR Group from Bruno de Gennaro, who had led the Group on an interim basis since June 2014. Bruno de Gennaro continues to serve in his former role as Head of the ORIOR Convenience segment and Member of the Management Board.

On 8 January 2015 ORIOR also announced that Ricarda Demarmels had been appointed by the Board of Directors as the new CFO and Member of the Management Board. In April 2015 she took over the role from long-serving CFO Hélène Weber-Dubi.

Effective 1 January 2016, Oscar Marini assumed management responsibility for Pastinella as well as the role of Innovation Manager of the entire ORIOR Group.

ORIOR shareholders

According to the share register, ORIOR had 2985 shareholders as of 31 December 2015, meaning there was again a slight increase in the number of shareholders during the year under review. The growth in the number of shareholders entered in the share register since the IPO in April 2010 is depicted below:



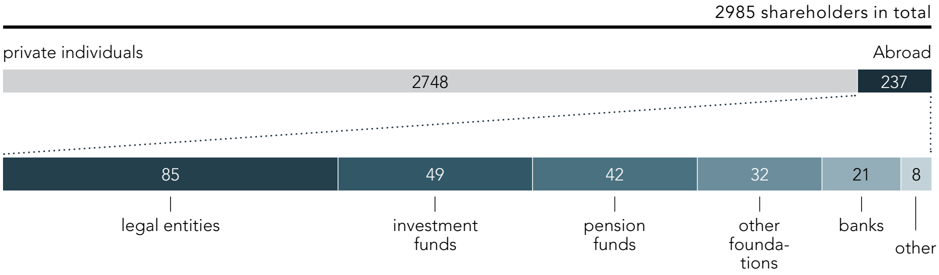
Distribution of shareholdings

The 2985 registered shareholders at 31 December 2015 held 78.0 % of total share capital. Information on the distribution of shareholdings as of 31 December 2015 by size of shareholding, by category of shareholder and by country is given below.

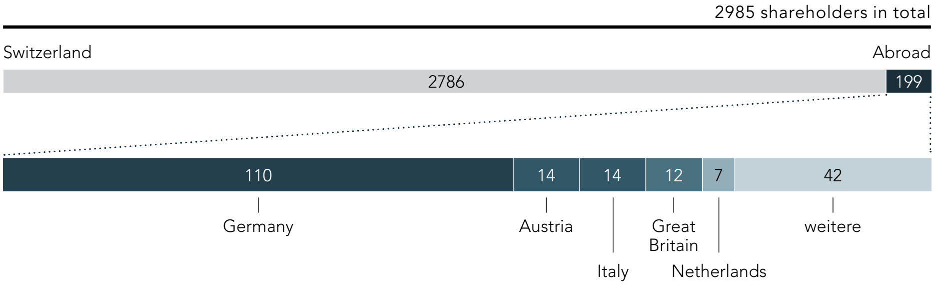
Number of shareholders entered in the share register as of 31 December 2015, by number of shares held:

Number of shares held	Number of shareholders	Total number of shares
1 – 10	191	1 210
11 – 100	729	48 394
101 – 1 000	1 760	684 362
1 001 – 10 000	255	762 476
10 001 – 100 000	44	1 348 303
100 001 – 5 925 000	6	1 775 022
Total	**2 985**	**4 619 767**

Number of shareholders entered in the share register as of 31 December 2015, by category:



Number of shareholders entered in the share register as of 31 December 2015, by country:



Major shareholders

According to notifications received, as of 31 December 2015 the following shareholders each own more than 3 % of ORIOR AG's share capital:

Shareholder	Number of shares	%	Source
Ernst Göhner Stiftung (CH)	620 000	10.46	Notification 05.10.2012
UBS Fund Management (Switzerland) AG (CH)	368 121	6.21	Notification 28.02.2012
Schroders Plc (GB)	288 856	4.88	Notification 05.02.2015
Rolf U. Sutter / Group (CH)	199 300	3.36	Notification 25.09.2015
Swisscanto Fondsleitung AG (CH)	194 429	3.28	Notification 24.06.2015
Credit Suisse Funds AG (CH)	184 347	3.11	Notification 02.10.2014
Schroder Investment Management (Switzerland) AG (CH)	182 556	3.08	Notification 20.12.2012

During the period between 1 January 2015 and 31 December 2015 the following disclosure notifications were received and duly published on the website of the SIX Swiss Exchange:

Publication date	Shareholder/Group	Reason for announcement	New shareholding
05.02.2015	Schroders Plc (GB)	Sale	4.88 %
24.06.2015	Swisscanto Fondsleitung AG (CH)	Merger, new company name	3.28 %
17.09.2015	The Capital Group Companies, Inc. (USA)	Sale	4.98 %
25.09.2015	Rolf U. Sutter (CH)	Establishment of shareholder group	< 3 %
25.09.2015	Rolf U. Sutter / Group (CH)	Establishment of shareholder group	3.36 %
21.11.2015	The Capital Group Companies, Inc. (USA)	Sale	< 3 %

Detailed information about these disclosures can be viewed at https://www.six-exchange-regulation.com/de/home/publications/significant-shareholders.html

As of 10 February 2016, ORIOR AG was not aware of any other person or entity holding, directly or indirectly, 3 % or more of the Company's share capital. Neither is ORIOR AG aware of any significant agreements or arrangements 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	31.12.2015	31.12.2014	31.12.2013
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	174 139	712 388	470 965

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 may 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 is 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 may increase the share capital at any time up to 25 March 2016 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 to 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.

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:

	2015	2014	2013	2012	2011	2010
Number of own shares bought on the market	46 750	28 690	30 068	2 100	5 635	8 510
Average share price in CHF	55.66	53.66	50.70	46.43	51.41	46.60

Participation certificates and non-voting equity securities

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. Any persons not expressly stating in their application form that the shares have been acquired for their own account (Nominees) may be entered as shareholders in the share register with voting rights if the Nominee concerned is subject to recognised banking and financial market supervision and has entered into an agreement with the Board of Directors regarding its position. The total share capital held by the Nominee may not exceed 2 % of the issued share capital of the Company. In excess of this limit, the Board of Directors may register Nominees in the share register with voting rights, if the Nominees disclose the names, addresses, citizenship and shareholdings of those persons for which they hold 2 % or more of the issued 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 consists of at least three and no more than nine members. The Board of Directors consisted of six directors as at 31 December 2015. All members of the Board of Directors are non-executive directors. None of the directors held an executive position with ORIOR Group during the three fiscal years preceding 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. All of the directors are Swiss nationals.

Below is an overview of the current members of the Board of Directors as at 31 December 2015, their functions within the Board, their first year of election to the Board and their current term of office.

Name	Year of birth	Position	First term of office	Elected until AGM
Rolf U. Sutter	1955	Chairman of the Board of Directors, Member of the Nomination and Compensation Committee	2006[1]	2016
Rolf Friedli	1961	Vice Chairman of the Board of Directors, Member of the Nomination and Compensation Committee	2006	2016
Christoph Clavadetscher	1961	Member of the Board of Directors, Chairman of the Nomination and Compensation Committee	2007	2016
Edgar Fluri	1947	Member of the Board of Directors, Chairman of the Audit Committee	2010	2016
Dominik Sauter	1963	Member of the Board of Directors, Member of the Audit Committee	2013	2016
Monika Walser	1965	Member of the Board of Directors, Member of the Audit Committee	2013	2016

1 Delegate to the Board of Directors from 2006 to 2011

Changes in the composition of the Board of Directors

There were no changes in the composition of the Board of Directors of ORIOR AG during the period from 1 January 2015 to 31 December 2015.

After serving on the Board for more than ten years, Rolf Friedli has decided not to stand for re-election to another term. He will step down from the board at the end of the Annual General Meeting on 12 April 2016.

The Board of Directors proposes that Walter Lüthi be elected as a new member of the Board of Directors at the Annual General Meeting on 12 April 2016.

Rolf U. Sutter

Chairman of the Board of Directors, Member of the Nomination and Compensation Committee

Rolf U. Sutter holds a bachelor degree from the Lausanne Hotel School and pursued a degree programme at Cornell University in Ithaca (USA). 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 Hongkong and Singapore), the Middle East and Europe. From 1997 to 1999, he was Managing Director of all food service operations within the Moevenpick Group. After assuming the position of CEO of ORIOR in 1999, Rolf U. Sutter was elected Executive Board delegate to the Board of Directors. He 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 Chairman of the Board of Directors of Biella-Neher Holding AG, Biel, a member of the Board of Directors of Branchen Versicherung Schweiz, Zurich, a member of the Board of Directors of foroom.immobilien ag, Willisau and a member of the Board of Directors of Schweizer Getränke AG, Meilen.

Rolf Friedli

Vice Chairman of the Board of Directors, Member of the Nomination and Compensation Committee

Rolf Friedli holds an MBS from the University of Chicago (USA). 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 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 RENA Technologies GmbH, Gütenbach (D), a member of the Board of Directors of SFC-Koenig AG, Dietikon, a member of the Advisory Board of Ondal Holding GmbH, Huenfeld (Germany), a member of the Global Advisory Board Booth School of Business of the University of Chicago (USA) and a member of the Global Council of Queen's School of Business, Kingston (Canada).

Christoph Clavadetscher

Member of the Board of Directors, Chairman of the Nomination and Compensation Committee

Christoph Clavadetscher earned a degree in business studies. Up to 1991 he worked in sales and marketing at various retail companies. From 1992 to 2005 he held various positions at Coop. He was Head of the Coop Central Switzerland-Zurich sales region, Head of 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 AG and Importparfümerie 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). From 2011 to 2013 he was CEO of Möbel Hubacher AG. Since 2013 he has been owner and Managing Director of Christoph Clavadetscher Consulting GmbH, acting as a professional board member and taking on temporary CEO roles. He is currently CEO of Möbel Hubacher AG for 30% of the week.

Other activities and functions: Christoph Clavadetscher is Chairman of the Board of Directors of PEG Papeteristen-Einkaufsgenossenschaft, Aarburg, and member of the Board of Directors of the company affiliated to PEG Papeteristen-Einkaufsgenossenschaft (OFFIX Holding AG), Chairman of the Board of Directors of Talsee AG, Hochdorf, Chairman of the Board of Directors of famoc AG, Zug, and member of the Board of Directors of companies affiliated to famoc (Bewilux AG, HOLCLA AG, Unicorn S.A.), Vice Chariman of the Board of Directors of Agrovision AG, Alberswil, 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, Zofingen, a member of the Board of Directors of Carl Heusser AG, Cham, a member of the Board of Directors of Convidis AG, Glattbrugg, and Delegate to the Board of Directors of Spirella AG, Embrach.

Edgar Fluri

Member of the Board of Directors, Chairman of the Audit Committee

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 from 1991 to 1996 as Deputy Chairman and from 1997 to 1998 as Chairman of the Management Committee and held a seat on the Coopers & Lybrand International and European Boards. After the merger to form PricewaterhouseCoopers, Edgar Fluri served from 1998 to 2008 as Chairman of the Board of Directors of PricewaterhouseCoopers Switzerland. From 1998 to 2001 he was also Head of Assurance and Business Advisory Services EMEA and from 2002 to 2005 a member of the Global Board of PricewaterhouseCoopers. Edgar Fluri was a part-time lecturer in public accounting and auditing at the University of Basel from 1987 to 2012 and was appointed titular professor in 1997.

Other activities and functions: Edgar Fluri is a member of the Board of Directors of LAROBA AG, Basel, 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, and a member of the Board of Directors of Galerie Beyeler AG, Basel.

Dominik Sauter

**Member of the Board of Directors,
Member of the Audit Committee**

Dominik Sauter holds a degree in engineering from the Swiss Federal Institute of Technology in Zurich (ETH). He worked as a process engineer at Ems-Chemie in Domat-Ems and in Japan until 1991. From 1991 to 2000 he worked for Sauter AG, a family-owned company in Sulgen, where he ultimately held the position of Head of Sales & Marketing and also served as Chairman of the Board of Directors. From 2000 to 2008 he worked for Belimed, a manufacturer of cleaning and sterilisation equipment marketed to hospitals, laboratories and pharmaceutical companies worldwide, as a member of the Group Executive Board in charge of sales, marketing and business development. Dominik Sauter is CEO of EGS Beteiligungen AG in Zurich, an investment company that belongs to the Ernst Göhner Foundation and is focused on Swiss industrial and services companies.

Other activities and functions: Dominik Sauter is Vice Chairman of the Board of Directors of Biella-Neher Holding AG, Biel, a member of the Board of Directors of Boucledor SA, Meyrin, and a member of the Board of Directors of Bauwerk Boen AG, St. Margrethen.

Monika Walser

**Member of the Board of Directors,
Member of the Audit Committee**

Monika Walser holds a master degree in rhetoric and technical communications from the University of Michigan (USA) and other educational credentials. In the years prior to 2000 she was mainly active in the field of marketing and sales. From 2000 to 2004 she served as Chief Communication Officer and a Member of the Executive Board of TDC Switzerland AG (sunrise). From 2005 to 2009 she was Head of Communications and Human Resources as well as Deputy CEO of Swissgrid AG and, from 2006 onward, concurrently Head of Communications and Political Affairs at UCTE, the Union for the Coordination of Transmission of Electricity, in Brussels. Since 2009 she has been a partner at WAEGA-Group AG, Zurich, in which capacity she was CEO of the Swiss bag and accessories maker Freitag lab AG, Zurich, until January 2014. In spring 2014 she became CEO and Delegate to the Board of Directors of de Sede AG.

Other activities and functions: Monika Walser is a member of the Board of Directors of Sanitas Beteiligungen AG, Zürich, a member of the Board of Directors of Carletto AG, Wädenswil, and a member of the Board of Directors of Kuhn-Rikon AG, Rikon.

Other activities and functions

The members of the Board of Directors may simultaneously carry out no more than five additional mandates outside the Group in the supreme managing or supervising body of other listed companies, and eight such mandates at unlisted entities that are obliged to be entered in the Swiss Commercial Register or a comparable foreign register. If a member does not reach the maximum number of mandates at listed companies, the number of mandates permitted at unlisted entities increases accordingly. Subject to approval by the Board of Directors, a member may exceed these limits for a short period of time.

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 organisation of the Board of Directors

The members of the Board of Directors are elected individually by the General Meeting for a term of office of one year up to the end of the next Annual General Meeting. Re-election is permitted.

The Chairman of the Board of Directors is elected by the General Meeting for a term of office of one year up to the end of the next Annual General Meeting. Re-election is permitted. If the Chairman is unable to perform his duties, the Board of Directors shall appoint one of its members as interim Chairman for the remaining term of office. If the Chairman is absent, the Vice Chairman or another member of the Board of Directors shall represent him.

The Board of Directors shall constitute itself subject to the provisions of the law and the Articles of Association. It shall appoint a Vice Chairman from among its members and may designate a secretary who need not be a member of the Board of Directors.

Even for non-delegable and inalienable duties, the Board of Directors may form committees from among its members and entrust these committees or their individual members with the preparation and execution of its resolutions, the supervision of transactions and related special duties. The main role of the committees is to help the Board of Directors prepare the decision-making process, prepare resolutions, and fulfil its supervisory obligations. The committees do not have the power to pass resolutions. Two specialist committees, the Audit Committee and the Nomination and Compensation Committee, are appointed by the Board of Directors as standing committees.

The Board of Directors meets as often as business requires, but no less than six times a year. The Board of Directors convened nine meetings between 1 January 2015 and 31 December 2015, one of which was a telephone conference. There was also a Board of Directors' workshop. Two resolutions were adopted by means of circular letter. The meetings lasted approximately 4 hours each, the telephone conference approximately 15 minutes, the workshop 1.5 days. Apart from Christoph Clavadetscher, who did not attend the meeting of 23 September 2015, all members of the Board of Directors attended all meetings held during their term of office.

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 Team.

The Board of Directors has a quorum if and as long as at least the majority of its members are present. Resolutions shall be passed by the majority of the votes of the members present. Each member shall have one vote. The Chairman shall have the casting vote.

Function and powers

The Board of Directors is, subject to the duties and powers of the General Meeting, the Company's supreme management body. The Board of Directors is further responsible for the ultimate supervision of the Company. The Board of Directors shall have the power to perform all acts that the business purpose of the Company may entail. The Board of Directors shall be authorised to pass resolutions on all matters that are not reserved to another corporate body by law or by the Company's Articles of Association.

According to Art. 18 of the Company's Articles of Association the Board of Directors has, in particular, the following non-delegable and inalienable duties:

- Ultimate management of the Company and issuance of the necessary directives;
- Establishment of the organisation;
- Structuring of the accounting system, of the financial controls and of the financial planning;
- Appointment and removal of the persons entrusted with the management, and assignment of signing authority;
- Ultimate supervision of the persons entrusted with the management, in particular, in view of compliance with the law, the Articles of Association, regulations and directives;
- Preparation of the business report and the compensation report as well as preparation of the General Meeting and implementation of its resolutions;
- Passing of resolutions regarding the subsequent payment of capital with respect to not fully paid-in shares, and amendment of the Articles of Associations 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.

According to Art. 3.4 of the Organisational Regulations, moreover, the Board has the following exclusive powers and duties:

- Approval of the business strategy, passing of resolutions on the commencement of new and cessation of existing business activities, as well as approval and adoption of the Company's budget;
- 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 of Directors, has to submit to the Board of Directors or voluntarily submits to the Board of Directors;
- Adoption and any amendment or modification of any employee incentive programme, such as share schemes, stock option plans, restricted stock purchase agreements etc.;
- Issuing bonds (including bonds with warrants and options) or other financial market instruments;
- Decisions on entering into any financial commitments or contingent liabilities exceeding CHF 2 million that are not within the budget approved by the Board of Directors.

In addition to the duties and powers specified in the Articles of Association and the Rules and Regulations of the Company, the Board of Directors evaluates its own performance and effectiveness at periodic intervals.

To the extent allowed by the law, and subject to the powers reserved for the Board of Directors by the Articles of Association and these Organisational Regulations, the Board of Directors delegates the entire management of the Company's operational business to the Management Board.

As detailed in Art. 3.5 of the Company's Organisational Regulations, the Board of Directors has delegated certain duties to the Chairman of the Board of Directors. The Chairman of the Board of Directors convenes and chairs Board meetings and General Meetings. He also represents the Board of Directors in dealings with the public, the authorities and shareholders. The Chairman ensures that all directors are informed in a timely and sufficient manner. He also monitors the implementation of resolutions adopted by the Board.

In the case of exceptional, very urgent events, the Chairman is authorised and obliged to order immediate measures even if they are within the competence of the Board of Directors as a whole. The Board of Directors must as soon as possible be informed and appropriately involved in the decision-making process.

Audit Committee

The Audit Committee is a standing committee pursuant to Art. 4.1 of the Organisational Regulations that is formally appointed by the Board of Directors. Its main role is to help the Board of Directors fulfil its supervisory obligations to the extent that this concerns the integrity of the financial statements, compliance with legal and regulatory guidelines (compliance), the performance of the internal control system and appraisal of the performance of the internal and external auditors.

The Audit Committee consists of at least three members of the Board of Directors. The Board of Directors appoints the members of the Audit Committee and its Chairman for a term of one year from among independent members of the Board of Directors who are not involved in operational management of the Company. At least one of the members of the committee possesses relevant, up-to-date knowledge of accounting and financial matters (Financial Expert). As of 31 December 2015, the Audit Committee consisted of Edgar Fluri (Chairman, Financial Expert), Dominik Sauter and Monika Walser. Hélène Weber-Dubi attended the meetings as CFO without the right to vote until her resignation as CFO in April 2015; Ricarda Demarmels attended the meetings as CFO without the right to vote since April 2015.

The Audit Committee has the following responsibilities:

– To review and assess the effectiveness of the external and internal auditors, in particular their independence;
– To review and assess the audit scope and plan, the examination process and the results of the external and internal audit, and to examine whether the recommendations of the external and internal auditors have been implemented;
– To review the auditors' reports and to discuss them with the auditors;
– To make recommendations about the appointment of the external auditor, which the Board of Directors can then put to shareholders for approval at the General Meeting;
– To approve the remuneration and terms of engagement of the external auditor;
– To assess internal controls as well as the risk management system and risk mitigation measures set up by management;
– To assess compliance with statutory and regulatory rules, Organisational Regulations and corporate governance within the Company;
– To review in cooperation with the auditors, the CEO and the CFO whether the accounting principles and financial control mechanisms of the Company and its subsidiaries are appropriate to the size and complexity of the business;
– To review and discuss with management and auditors the annual and interim statutory and consolidated financial statements and any other Company documents relating to the accounts, prior to submission to the Board of Directors;
– To consider any other matters as may be requested by the Board of Directors;
– To review its own performance and effectiveness, and recommend any necessary changes to the Board of Directors.

The committee has at least four regular meetings a year. It can convene additional meetings at its discretion. During the period from 1 January 2015 to 31 December 2015 the Audit Committee held five meetings, one of which was a telephone conference. Apart from Monika Walser, who did not attend the meeting of 2 February 2015, all members of the Audit Committee attended all meetings held during their term of office.

Nomination and Compensation Committee

The Nomination and Compensation Committee is a standing committee pursuant to Art. 4.2 of the Organisational Regulations that is formally appointed by the Board of Directors. Its main role is to help the Board of Directors prepare the decision-making process, prepare resolutions, and fulfil its supervisory obligations.

In terms of its organisation and duties, the committee meets all the requirements of a compensation committee as defined in Art. 7 OAEC and Art. 23 of the Company's Articles of Association.

More information about the organisation and the responsibilities and duties of the Nomination and Compensation Committee can be found in the "Compensation Report" of this annual report.

Division of powers 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 Management Board 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 ongoing strategic and operational projects and the results achieved during these discussions.

Besides the 3-year plan, the Board of Directors is also given a projection of the expected annual results twice a year.

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. 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 management

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

The Internal Control System (ICS) is constantly being expanded and improved. 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 focus of their review in 2015 was the process surrounding the working capital management at Albert Spiess AG. 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 that 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 did not attend any meetings of the Board of Directors in 2015. The internal auditors took part in one meeting of the Audit Committee 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.

From 2011 internal auditing has been 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 operational management of ORIOR and for all affairs which do not lie within the responsibility of the Board of Directors or another body according to the law, the Articles of Association or the Organisational Regulations. The delegation of duties and responsibilities by the Management Board to third parties or subordinate bodies is permitted. Ultimate responsibility for all Management Board tasks pursuant the Organisational Regulations of ORIOR AG rests with the CEO and the Management Board. The CEO issues the necessary regulations and arranges appropriate measures as required. The Management Board also holds regular institutionalised meetings with members of the Extended Management Team.

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 by the Nomination and Compensation Committee. There were three persons on the Management Board as of 31 December 2015.

The following table provides an overview of the members of the Management Board (MB) as at 31 December 2015, 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
Daniel Lutz	1966	CEO ORIOR Gruop	2015
Ricarda Demarmels	1979	CFO ORIOR Group	2015
Bruno de Gennaro	1957	Head Convenience segment and Head Fredag	1998

Changes in the Management Board

On 1 February 2015 Daniel Lutz assumed the position of ORIOR Group CEO from Bruno de Gennaro, who had managed ORIOR on an ad interim basis since June 2014. Bruno de Gennaro has resumed his former role as Head of ORIOR's Convenience segment and a member of the Management Board.

In April 2015 Ricarda Demarmels succeeded the long-serving CFO Hélène Weber-Dubi, who decided to scale back her professional obligations. Hélène Weber-Dubi will remain with the company to oversee special management services projects.

Daniel Lutz
CEO ORIOR Group

Daniel Lutz graduated from the Executive Development course at IMD Lausanne and has a Bachelor of Business Administration degree from the St. Gallen University of Applied Sciences. From 1992 to 2001 he worked for Nestlé Switzerland in various sales and marketing roles. Between 2002 and 2004 he was Marketing Manager at Nestlé for the development and strategic implementation of the ice cream market in Malaysia and Singapore. From 2004 to 2006 he did the same job for Nestlé in Mexico. In 2006 he was appointed as Marketing Director Nestlé Ice Cream Switzerland and one year later, in 2007, took charge of Nestlé Frisco Findus in Rorschach as Division Executive Manager. In 2011 Daniel Lutz moved to Nestlé China Ltd., where he was responsible for ice cream and frozen foods for two years. He then became Managing Director with overall responsibility for Nestlé Food & Beverage Greater China Region. In October 2014 the Board of Directors of ORIOR AG appointed him as CEO; he took over operational management of the Group in February 2015.

Ricarda Demarmels
CFO ORIOR Group

Ricarda Demarmels holds a Master's degree in Economics from the University of St. Gallen (lic. oec. HSG). Up to 2005, she worked at, among other places, the Swiss National Bank. Between 2005 and 2009, she worked at the strategy consulting firm Oliver Wyman Financial Services, in London and Zurich, where she led strategy, M&A and integration projects all over the world. In 2009, she moved to the private equity company Capvis Equity Partners, where she was in charge of various acquisitions and divestments and supported the strategic development of portfolio firms. In this role, Ricarda Demarmels was also involved in ORIOR's IPO in 2010. In addition to her work, she has published a number of industry and research papers. Ricarda Demarmels took over the position of the Chief Financial Officer in April 2015, succeeding the Group's long-standing CFO Hélène Weber-Dubi.

Bruno de Gennaro
Head Convenience segment and Head Fredag

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 food service 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 responsibility for the ORIOR Convenience segment. From June 2014 to January 2015 he headed the ORIOR Group as CEO ad interim.

Other activities and functions

According to the Articles of Association and subject to approval by the Board of Directors, members of the Management Board may simultaneously carry out no more than one additional mandate outside the Group in the supreme managing or supervisory body of another listed company, and four such mandates at unlisted entities that are obliged to be entered in the Swiss Commercial Register or a comparable foreign register. A member may exceed these limits for a short period of time.

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 contracts

There are no management contracts.

5 Shares held by members of governing bodies

As at 31 December 2015, the members of the Board of Directors and the Management Board held the following shares:

Name	Function	Number of freely disposable shares as at 31.12.2015	Number of restricted shares as at 31.12.2015[1]	Total Number of shares as at 31.12.2015	in %
Rolf U. Sutter	Chairman of the Board of Directors	199 300	500	199 800[2]	3.37 %
Rolf Friedli	Vice Chairman of the Board of Directors	0	500	500	0.01 %
Christoph Clavadetscher	Member of the Board of Directors	10 000	0	10 000	0.17 %
Edgar Fluri	Member of the Board of Directors	4 500	500	5 000	0.08 %
Dominik Sauter	Member of the Board of Directors	550	0	550	0.01 %
Monika Walser	Member of the Board of Directors	200	500	700	0.01 %
Daniel Lutz	CEO ORIOR Group	0	2 000	2 000	0.03 %
Ricarda Demarmels	CFO ORIOR Group	0	1 500	1 500	0.03 %
Bruno de Gennaro	Head Convenience segment	92 075	1 000	93 075	1.57 %
Total		**306 625**	**6 500**	**313 125**	**5.28%**
Total ORIOR Shares				5 925 000	100.00 %

[1] The members of the Board of Directors and the Management Board were given the opportunity to purchase ORIOR shares at a discount on 1 November 2015 within the framework of a stock ownership plan. The purchase price of CHF 41.45 per share corresponds to the volume-weighted average price of one ORIOR share traded on SIX during the preceding six months (1 April 2015 to 30 September 2015), less a discount of 25 % (16.03 % of which tax-exempt). The 6500 shares purchased within the scope of this offer are restricted until 31 October 2018.

[2] Establishment of a shareholder group (Rolf U. Sutter / Group) pursuant the notification dated 25 September 2015. Of which, held by group 199 300.

Members of the Board of Directors and the Management Board are granted no special terms or rights when purchasing shares other than those offered under the share purchase offer.

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 this 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.

At the General Meeting, each share carries one vote. 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 the independent proxy. The Board of Directors ensures that shareholders can also use electronic means to give power of proxy and instructions to the independent proxy. 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. Abstentions are disregarded for the purpose of establishing a majority.

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 is decided by a relative majority of the votes represented. Abstentions are disregarded for the purpose of establishing a majority.

Convening of General Meeting

Ordinary General Meetings are convened by the Board of Directors and must be held annually within six months of 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. General Meetings are called by the Board of Directors or, if necessary, by the auditors or a liquidator.

The Annual General Meeting on 26 March 2015 was attended by 552 shareholders. They represented 634 069 voting shares or 10.7 % of the total share capital of 5 925 000 issued shares. The independent proxy was asked to represent 3 255 966 registered shares on behalf of absent shareholders. Consequently, 65.65 % of the total share capital, i.e. 3 890 035 registered shares with a nominal value of CHF 15 560 140 were represented. All proposals submitted by the Board of Directors were approved by shareholders.

The annual report and the 2014 parent-company and consolidated financial statements were approved, and the acts of the Board of Directors and Management Board were discharged.

In the elections, existing Board members Rolf U. Sutter, as Chairman, Rolf Friedli, Christoph Clavadetscher, Edgar Fluri, Dominik Sauter and Monika Walser, as members, were all re-elected for another one-year term. Christoph Clavadetscher, Rolf Friedli and Rolf U. Sutter were elected as members of the Compensation Committee. In addition, Ernst & Young AG, Basel, was confirmed as auditor for the 2015 financial year and Ines Pöschel was elected as independent proxy until the end of the Annual General Meeting in 2016.

Shareholders also approved the Board's proposal to pay out a net dividend of CHF 2.00 per registered share for 2014. The dividend payment was made from capital contribution reserves and was therefore not subject to Swiss withholding tax.

In accordance with the Articles of Association of ORIOR AG and the provisions of the Ordinance Against Excessive Compensation in Public Corporations (OAEC), the Board of Directors for the first time held a binding vote on the maximum total amount of compensation to be paid to the members of the Board of Directors and the Management Board. Shareholders approved the maximum total compensation of CHF 765 000 for the members of the Board of Directors for the period up to the 2016 Annual General Meeting, the total variable compensation of CHF 578 975 for the members of the Management Board for 2014 fiscal year and the maximum total fixed compensation of CHF 1 275 000 for the members of the Management Board for the 2016 fiscal year.

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 the Swiss Financial Market Infrastructure Act (FMIA), shareholders or a group of shareholders acting in concert who 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. Although it is possible to opt out of this mandatory offer obligation by amending the Articles of Association ("opting-out", Art. 125 para. 3 FMIA) or to raise the minimum threshold for this mandatory offer obligation to as high as 49 % of the outstanding ORIOR shares ("opting-up", Art. 135, para. 1, FMIA), there are no such clauses in ORIOR's Articles of Association. Therefore, the aforementioned mandatory offer obligation is applicable without any restrictions in the case of ORIOR shares.

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, 4002 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 26 March 2015. 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 is rotated at least every seven years. In the 2015 fiscal year, however, Martin Gröli (Partner) assumed the function of lead auditor due to the absence of Roger Müller.

Auditing fees / additional fees

in CHF thousand	2015	2014	2013
Auditing fees	318.5	326.5	323.5
Additional fees			
Tax advisory	129.2	60.6	53.2
Legal advisory	0.0	0.0	0.0
Transaction-related services	0.0	17.3	10.7
Other audit-related services	8.3	14.9	30.0
Total additional fees	137.5	92.8	93.9
Total	**456.0**	**419.3**	**417.4**

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.

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 and scope as well as the results of the external audit. In addition the audit committee coordinates cooperation between the external auditors and the internal auditors.

As well as the audit report on the annual accounts and on the remuneration report, pages 44-49, the auditor draws up a comprehensive report for the Board of Directors pursuant to Art. 728b of the Swiss Code of Obligations and Art. 17 OAEC. 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 the external auditor's findings. 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 2015 and were in attendance at two of the meetings and one of the conference calls of the Board of Directors.

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.

The 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 processes 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 Daniel Lutz, CFO Ricarda Demarmels 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	12 April 2016
Publication of 2016 interim results	23 August 2016
Publication of Half Year Report 2016	23 August 2016

Compensation Report

ORIOR makes every endeavour to attract and retain talented, qualified and motivated executives and specialists. These endeavours are supported by a fair compensation system designed to match the levels of compensation offered by comparable corporations. With a view to facilitating sustainable corporate growth, due allowance is made for short-, medium- and long-term aspects.

This Compensation Report gives an overview of compensation paid to and, where applicable, loans granted to present and former members of the Board of Directors and the Management Board, and also of their holdings of shares in the Company. It also provides information on the compensation system and the basic principles of compensation, powers and duties, and the procedures for setting and approving compensation levels. This combination of quantitative and qualitative elements is designed to efficiently inform shareholders. The auditors examine the quantitative data only.

This report is based on the guiding principles given in the Swiss Code of Best Practice for Corporate Governance (2014). The information on compensation paid to the Board of Directors and the Management Board is also in accordance with IFRS Accounting Standards, Swiss law, the Ordinance Against Excessive Compensation in Public Corporations (OAEC), and the Company's Articles of Association.

The elements of compensation for the Board of Directors and the Management Board and the mechanisms by which they are approved, as well as other basic principles that apply to compensation are set out in the Articles of Association. These can be found on ORIOR AG's website (http://www.orior.ch/en/corporate-governance/articles-of-association/).

Amendments in connection with OAEC

The OAEC came into effect on 1 January 2014. This has required a series of amendments and organisational changes. Where sensible and feasible, ORIOR has proactively implemented the new regulations; all of the amendments required by OAEC in conjunction with the first-ever vote on the proposed compensation for the members of the Board of Directors and the Management Board at the Annual General Meeting on 26 March 2015 have been made.

Compensation system

The compensation paid by the ORIOR Group consists of three principal elements – basic or fixed compensation, variable compensation and employee stock ownership plans.

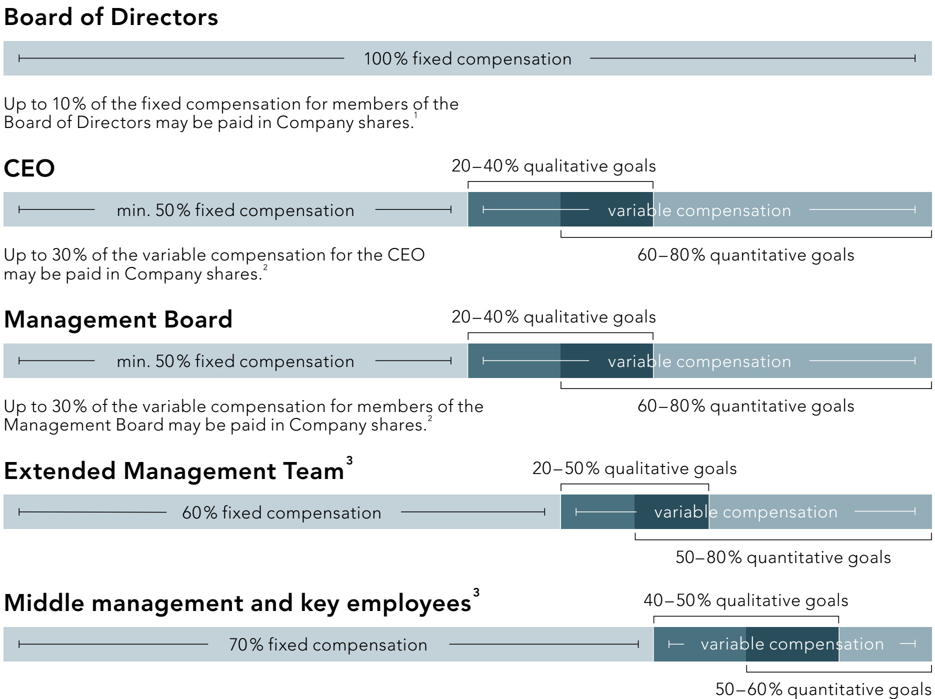
The fixed compensation is determined on the basis of reference salaries paid by comparable corporations, local market and wage standards and on the experience and ability of each individual employee. All persons whose employment contract with ORIOR is of unlimited duration receive fixed compensation equivalent to at least 50 % of their total compensation. The fixed compensation is paid in cash. Part of the fixed compensation awarded to members of the Board of Directors can, however, be paid in shares.

The level of variable compensation is linked to achievement of quantitative and qualitative targets. The quantitative targets are based on Company results. The qualitative compensation is based primarily on predetermined aspects of individual performance and the extent to which they meet the given expectations. At least one-fifth of the variable compensation is based on qualitative targets. Part of the variable compensation awarded to members of the Management Board can be paid in shares.

In addition to the Management Board, members of the Company's Extended Management Team, other executives and key employees are entitled to receive variable compensation.

The third compensation element is a stock ownership plan. Stock ownership plans are designed as performance incentives for employees possessing specialist and personal capabilities that are of importance to ORIOR with the aim of creating a stronger bond between these employees and the Company. The Board of Directors reviews which employees are to be included in these programmes on an annual basis; participants may include members of top management, executives and other key employees.

The following rules provide a guide to the split between fixed and variable compensation. According to the Company's Articles of Association, variable compensation paid to the CEO and members of the Management Board must not exceed 50% of the total compensation paid to the person in question.



[1] According to the agreement on the allocation and purchase of ORIOR AG shares (page 45).
[2] According to the agreement on the allocation and purchase of ORIOR AG shares (page 47 cont.).
[3] Guide values; individual figures may be different.

In addition to the above arrangements, employees at all levels are offered a wide range of training and development opportunities. Further information can be obtained in the section headed "Corporate Responsibility" of the 2015 Annual Report.

Responsibility and procedure for setting compensation levels

The Nomination and Compensation Committee is responsible for the design and the regular review and evaluation of the Company's compensation system. External experts are only used to help determine the compensation system 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.

Responsibilities for the various levels of the hierarchy are as follows:

Recipient of compensation	Compensation recommendation	Compensation decision	Approval required from General Meeting
Member of the Board of Directors	Nomination and Compensation Committee	Board of Directors as recommended by the Nomination and Compensation Committee	Yes: maximum total amount of fixed compensation to be paid to the Board of Directors
CEO	Nomination and Compensation Committee	Board of Directors as recommended by the Nomination and Compensation Committee	Yes: maximum total amount of fixed compensation to be paid to the Management Board and total amount of variable compensation to be paid to the Management Board.
Members of the Management Board (excl. CEO)	Nomination and Compensation Committee as proposed by CEO	Board of Directors as recommended by the Nomination and Compensation Committee	
Extended Management Team and key employees reporting directly to CEO	CEO	Nomination and Compensation Committee as recommended by CEO	No
Senior managers	Line manager	Line manager in consultation with their line manager	No

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 individual members of the Management Board. Its proposals for salaries payable to the Management Board (excl. CEO) 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.

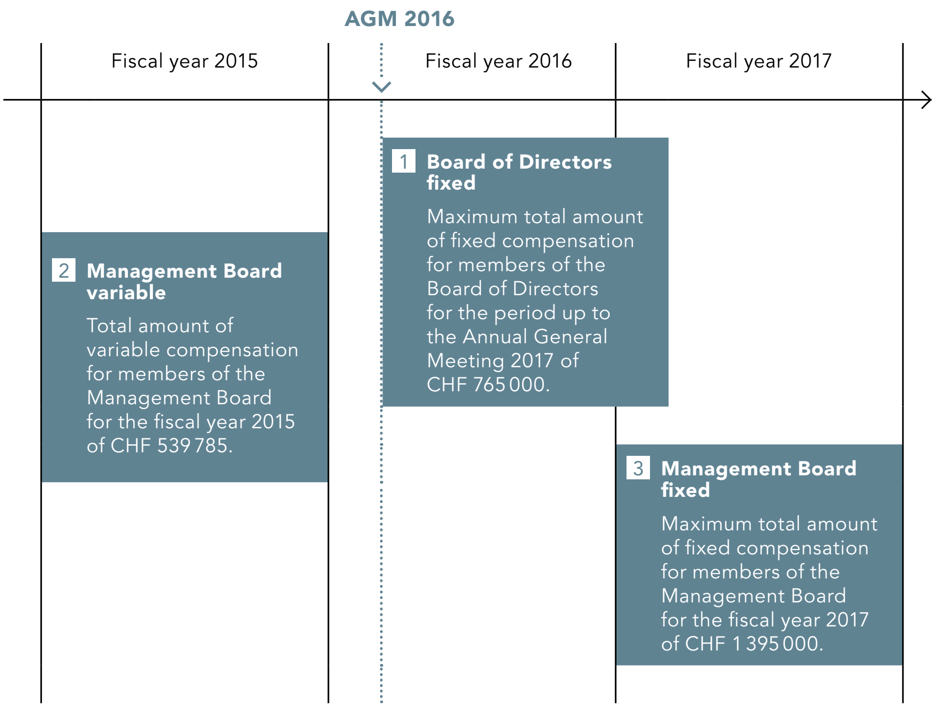
The Board of Directors decides on the amounts of compensation paid to its members and members of the Management Board and then proposes this to the General Meeting for binding approval pursuant to Art. 18 OAEC and Art. 26 and Art. 29 of the Company's Articles of Association.

The extent to which the targets of relevance for the calculation of variable compensation have been attained is determined, in the case of the CEO, by the Board of Directors based on a proposal submitted by the Nomination and Compensation Committee and, in the case of the other Management Board members, by the Nomination and Compensation Committee based on a proposal submitted by the CEO. The full Board of Directors will determine the total amount of variable compensation for the members of the Management Board for the last fiscal year and submit a corresponding resolution to the General Meeting for approval in a binding vote.

Approval mechanism for compensation paid to the Board of Directors and the Management Board

1. The General Meeting gives binding approval each year to the maximum total amount of fixed compensation to be paid to members of the Board of Directors for the period up to the next Annual General Meeting.
2. The General Meeting gives binding approval each year to the total amount of variable compensation to be paid to members of the Management Board for the last fiscal year.
3. The General Meeting gives binding approval each year to the maximum total amount of fixed compensation to be paid to members of the Management Board for the next fiscal year.

The following chart shows which components of compensation and for which periods the shareholders will be voting on at the Annual General Meeting of 12 April 2016.



Owing to the rules set out in the Articles of Association, there is no need for the General Meeting to approve the additional amount pursuant to Art. 19 OAEC. For more information about the additional amount, please see “Additional amount for new Management Board members” on page 46 of the Compensation Report.

Amounts of compensation approved by the Annual General Meeting of 26 March 2015:

Recipient of compensation	Type of compensation	Compensation period	Amount in CHF	Approved
Board of Directors	Maximum total amount of fixed compensation	AGM 2015 to AGM 2016	765 000	Yes; at AGM on 26 March 2015
Management Board	Total amount of variable compensation	2014 fiscal year	578 975	Yes; at AGM on 26 March 2015
Management Board	Maximum total amount of fixed compensation	2016 fiscal year	1 275 000	Yes; at AGM on 26 March 2015

1 Nomination and Compensation Committee

The Nomination and Compensation Committee is a standing committee that is formally appointed by the Board of Directors. Its main role is to help the Board of Directors prepare the decision-making process, prepare resolutions, and fulfil its supervisory obligations.

In terms of its organisation and duties, the committee meets all the requirements of a compensation committee as defined in Art. 7 OAEC and Art. 23 of the Company's Articles of Association.

The Nomination and Compensation Committee consists of at least three members of the Board of Directors. The members are elected singly by the General Meeting for a term of office of one year up to the end of the next Annual General Meeting. The majority of members are independent and non-executive. The Board of Directors appoints the chairman of the committee from among its members.

On 31 December 2015 Christoph Clavadetscher (Chairman), Rolf Friedli and Rolf U. Sutter sat on the Nomination and Compensation Committee.

The Nomination and Compensation Committee has the following responsibilities and duties according to Art. 23 of the Company's Articles of Association:

- To ensure long-term planning of appropriate appointments to positions on the Board of Directors and the Management Board; and more generally management development and succession planning to ensure the Company has the best possible leadership and management talent;
- To nominate candidates to fill vacancies on the Board of Directors or the position of CEO;
- To appoint candidates for the Management Board in response to proposals by the CEO;
- To make recommendations to the Board of Directors on the composition of the Board of Directors and to identify appropriate candidates;
- To make determinations regarding the independence of members of the Board of Directors;
- To recommend to the Board of Directors whether to reappoint a director at the end of their term of office;
- To recommend to the Board of Directors the terms of employment of the CEO and members of the Management Board;
- To submit proposals to the Board of Directors on the definition of principles for compensating the members of the Board of Directors and Management Board within the parameters of the law and the Articles of Association;
- Regularly to check the Company's compensation system for compliance with the compensation principles pursuant to the law, Articles of Association, Regulations and the remuneration-related resolutions of the General Meeting;
- To review matters related to the general compensation rules for employees as well as the Company's human resource practices;

- To submit proposals to the Board of Directors about the amounts of fixed compensation to be paid to members of the Board of Directors;
- To submit proposals to the Board of Directors on the assessment criteria for qualitative and quantitative targets for calculating variable compensation paid to members of the Management Board;
- To submit proposals to the Board of Directors about the amounts of fixed and variable compensation to be paid to the CEO;
- To recommend to the Board of Directors in response to a proposal by the CEO the amounts of fixed and variable compensation paid to members of the Management Board, all senior employees and key people that report directly to the CEO;
- To submit the proposed compensation report to the Board of Directors;
- To make recommendations to the Board of Directors about granting options or other securities, including employee share schemes, to employees of all levels;
- To consider any other matters as may be requested by the Board of Directors;
- To take all other actions required of it by the law, Articles of Association or Regulations;
- To review its own performance and effectiveness, and recommend any necessary changes to the Board of Directors.

The Committee must hold not less than two regular meetings annually. It can call additional meetings at its own discretion. The CEO, members of the Management Board or other guests may be invited, but hold no voting rights. During the period from 1 January 2015 to 31 December 2015 the Nomination and Compensation Committee held five meetings. All members were present at these meetings.

2 Underlying principles for the Board of Directors' compensation

The elements of compensation, the mechanisms by which these are approved, as well as other principles underlying the compensation paid to the Board of Directors are set out in the Company's Articles of Association.

Components of compensation

Members of the Board of Directors receive fixed compensation for their role. Additional payments may be made for membership of committees or for taking on special responsibilities or tasks.

For activities in legal entities directly or indirectly controlled by the Company, and for mandates performed as part of the member's position on the Board of Directors, the legal entity concerned may make payments to the member of the Board of Directors provided these payments are within the amount approved by the General Meeting.

Some of the payment may be made in Company shares. Members of the Board of Directors can also be offered the opportunity to purchase restricted shares in the Company at market value (including a discount reflecting the selling restriction and the mandatory holding).

Members of the Board of Directors also have their expenses reimbursed. Reimbursement of expenses does not count as compensation.

In addition and to the extent permitted by law, the Company may indemnify members of the Board of Directors for losses suffered in connection with lawsuits, trials or settlements relating to their work for the Company, or advance appropriate amounts or take out insurance. Such indemnities, advances and insurance do not count as compensation.

3 Compensation awarded to the Board of Directors

All compensation awarded to the Board of Directors is reported according to the accrual principal, which states that transactions are recorded in the period (i.e. fiscal year) in which they actually occur.

in CHF	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2015	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2014
Rolf U. Sutter Chairman	281 450	52 760	24 025	358 235	274 540	53 120	24 745	352 405
Rolf Friedli Vice Chairman	92 040	0	168	92 208	85 000	0	0	85 000
Christoph Clavadetscher Member	79 995	0	0	79 995	71 110	0	0	71 110
Edgar Fluri Member	85 175	0	4 453	89 628	78 160	0	4 370	82 530
Dominik Sauter Member	50 000	0	0	50 000	50 000	0	0	50 000
Anton Scherrer[1] Member	n/a	n/a	n/a	n/a	17 495	0	1 145	18 640
Monika Walser Member	60 370	0	168	60 538	49 775	0	0	49 775
Total Board of Directors	**649 030**	**52 760**	**28 814**	**730 604**[2]	**626 080**	**53 120**	**30 260**	**709 460**

1 Resigned as of 25 March 2014.
2 The net compensation paid to the Board of Directors includes the discount granted on the purchase price of shares within the framework of the stock ownership plan, which amounted to CHF 27 640 in total. This corresponds to a discount of 25 %; 16.03 % thereof is exempt from tax due to the mandatory three-year holding period. Further information is given on page 49 cont. of the 2015 Compensation Report.

Compensation for the duration of the term of office

The General Meeting gives binding approval each year to the maximum total amount of fixed compensation for members of the Board of Directors for the period up to the next Annual General Meeting. This period from General Meeting to General Meeting is not the same as the fiscal year period shown above, so the overall amounts paid to the Board of Directors for the actual terms of office for the last three years are shown below.

Term of office	AGM 2016 to AGM 2017	AGM 2015 to AGM 2016	AGM 2014 to AGM 2015
Number of Board members	6[1]	6	7
Maximum total amount of compensation to the Board of Directors in CHF	765 000[2]	765 000[3]	702 655

1 Subject to election of all members of the Board of Directors by the General Meeting of 12 April 2016.
2 Subject to approval of the maximum total amount of fixed compensation to be paid to members of the Board of Directors by the General Meeting of 12 April 2016.
3 Approved by the Annual General Meeting on 26 March 2015.

The Board of Directors proposes the re-election of Rolf U. Sutter as Chairman, the re-election of Christoph Clavadetscher, Edgar Fluri, Dominik Sauter and Monika Walser as members and the election of Walter Lüthi as a new member to the Board of Directors of ORIOR AG at the Annual General Meeting of 12 April 2016. After serving on the

Board for more than ten years, Rolf Friedli is not standing for re-election. The Board of Directors is asking the General Meeting to approve a maximum total amount of fixed compensation to be paid to members of the Board of Directors of CHF 765 000 for the period up to the next Annual General Meeting.

Shares allocated to the Board of Directors

Under the terms of the agreement on the allocation and purchase of Company shares, the members of the Board of Directors may receive 10 % of their fixed compensation in shares (allocation). The calculated price of the shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25 %. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares are subject to a holding period of three years beginning on the date of allocation. If a party to this agreement leaves the Board of Directors during the three-year holding period, the Board of Directors will decide whether to maintain or terminate the holding period.

No shares were allocated to members of the Board of Directors between 1 January 2015 and 31 December 2015. Compensation was paid entirely in cash.

Share purchase agreement for members of the Board of Directors

In addition to the other forms of compensation, the members of the Board of Directors can, by means of the share purchase agreement, be given the opportunity to purchase ORIOR shares at a discount. The number of shares that can be purchased at a discount is specified by the Board of Directors. The purchase price of these shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25 %. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares purchased will be subject to a holding period of three years beginning on the date of purchase.

During the period from 1 January 2015 to 31 December 2015, 2000 shares were sold to members of the Board of Directors for a total sum of CHF 82 900 (CHF 41.45 per share). The shares were transferred on 1 November 2015. The discount granted was 25 %.

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 in 2015.

Loans and credit facilities

In accordance with Art. 20 of the Company's Articles of Association, loans and credit facilities may be extended to members of the Board of Directors only in exceptional cases that are well justified. Moreover, the total amount of such loans and credit facilities must not exceed CHF 200 000 per member. All loans extended to members of the Board of Directors will be on market terms. ORIOR Group did not provide any loans, credit facilities, cash advances or credit to the members of the Board of Directors or parties closely related to them in 2014 and 2015.

Compensation paid to former members of the Board of Directors

In 2015 no compensation, fees or other additional remuneration were paid to former members of the Board of Directors. No loans, credit, cash advances or collateral were provided to former members of the Board of Directors in 2014 and 2015 and there are no such arrangements outstanding from previous periods.

4 Underlying principles for the Management Board's compensation

The elements of compensation, the mechanisms by which these are approved, as well as other principles underlying the compensation paid to the Management Board are set out in the Company's Articles of Association.

Components of compensation

Members of the Management Board receive fixed and variable compensation for their work. The fixed compensation for members of the Management Board is paid in cash, and the variable compensation can be, but does not have to be, paid partly in Company shares.

For activities in legal entities directly or indirectly controlled by the Company, and for mandates performed as part of the member's position on the Management Board, the legal entities concerned may make compensation payments to members of the Management Board provided these payments are within the amounts approved by the General Meeting.

Members of the Management Board may also be offered the opportunity to purchase restricted shares in the Company at market value (including a discount reflecting the selling restriction and the mandatory holding).

In addition the members of the Management Board also have their expenses reimbursed. Reimbursement of expenses does not count as compensation.

To the extent permitted by law, the Company may indemnify members of the Management Board for losses suffered in connection with lawsuits, trials or settlements relating to their work for the Company, or advance appropriate amounts or take out insurance. Such indemnities, advances and insurance do not count as compensation.

Variable compensation

The variable compensation for members of the Management Board is based on qualitative and quantitative goals, may account for no more than 50 % of overall compensation, and can be paid partly in Company shares. The percentage of this share-based compensation is set by the Board of Directors every year. The portion of this variable amount linked to achievement of the quantitative targets constitutes approximately 60 % to 80 % of the total variable amount and is calculated against Company parameters: e.g. revenues, EBITDA, capital expenditure, net working capital and cash flow. The qualitative performance component (approximately 20 % to 40 % of the variable amount) is payable for achievement of predefined individual targets (e. g. strategy, leadership qualities, innovation, value-enhancing initiatives). The weightings between the components are reviewed when performance objectives are set and adjusted as necessary. The assessment of the degree to which goals have been achieved is made for the CEO by the Board of Directors in response to a proposal by the Nomination and Compensation Committee, and for members of Management Board by the Nomination and Compensation Committee in response to a proposal by the CEO.

Additional amount for new Management Board members

If new members of the Management Board are appointed after approval has been given by the General Meeting, the additional amount per new member, according to Art. 29 Para. 4 of the Articles of Association, is 120 % pro rata of the highest fixed compensation paid to a member of the Management Board in the fiscal year preceded by the last Annual General Meeting. According to the Articles of Association, the General Meeting is not required to approve this additional compensation.

5 Compensation paid to the Management Board

Compensation paid to the Management Board members is reported according to the accrual principal, which states that transactions are recorded in the period (i.e. fiscal year) in which they actually occur.

in CHF	Management Board excl. CEO	Daniel Lutz (CEO)	Total compensation 2015	Management Board excl. CEO	Remo Hansen (CEO)	Total compensation 2014
Gross fixed compensation	622 347	400 237	1 022 584	803 510	538 790	1 342 300
Post-employment benefits	89 082	42 626	131 708	112 240	46 205	158 445
Other social contributions	51 848	32 330	84 178	70 245	45 865	116 110
Total fixed compensation	**763 277**	**475 193**	**1 238 470**[1]	**985 995**	**630 860**	**1 616 855**
Gross variable compensation	199 250	300 000	499 250	365 000	170 000	535 000
Other social contributions	16 177	24 358	40 535	30 000	13 975	43 975
Total variable compensation	**215 427**	**324 358**	**539 785**[2]	**395 000**	**183 975**	**578 975**
Total compensation	**978 704**	**799 551**	**1 778 255**	**1 380 995**	**814 835**	**2 195 830**

[1] Total fixed compensation paid to members of the Management Board includes the discount granted on the purchase price of shares within the framework of the stock ownership plan, which amounted to CHF 62 190 in total. This corresponds to a discount of 25 %; 16.03 % is exempt from tax due to the mandatory three-year holding period. Further information is given on page 49 ff of the 2015 Compensation Report.

[2] Subject to approval of the total amount of variable compensation for the members of the Management Board by the Annual General Meeting on 12 April 2016.

There is an executive pension plan for the members of the Management Board and other executives. The members of the Management Board and other executives also have a Company car at their disposal, including for personal use subject to certain rules. No other benefits in kind are granted.

The Board of Directors proposes to the General Meeting of 12 April 2016 that it approve the total amount of variable compensation for the Management Board for the 2015 fiscal year at CHF 539 785 , and approve the maximum total amount of fixed compensation for the Management Board for the 2017 fiscal year at CHF 1 395 000.

Shares allocated to the Management Board

Under the terms of the agreement on the allocation and purchase of Company shares, the members of the Management Board may receive between 10 % and 30 % of their individual variable compensation in shares (allocation). The calculated price of the shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25 %. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares are subject to a holding period of three years beginning on the date of allocation.

No shares were allocated to members of the Management Board between 1 January 2015 and 31 December 2015. Compensation was paid entirely in cash.

Share purchase agreement for members of the Management Board

In addition to the other forms of compensation, the members of the Management Board can, by means of the share purchase agreement, be given the opportunity to purchase ORIOR shares at a discount. The number of shares that can be purchased at a discount is specified by the Board of Directors. The purchase price of these shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25 %. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. The shares purchased will be subject to a holding period of three years beginning on the date of purchase.

During the period from 1 January 2015 to 31 December 2015, 4500 shares were sold to members of the Management Board for a total sum of CHF 186 525 (CHF 41.45 per share). The shares were transferred on 1 November 2015. The discount granted was 25 %.

Options

The Company has no stock option plans.

Additional compensation and remuneration

No additional compensation or remuneration was paid to members of the Management Board in 2015.

Loans and credit facilities

In accordance with Art. 20 of the Company's Articles of Association, loans and credit facilities may be extended to members of the Management Board only in exceptional cases that are well justified. Moreover, the total amount of such loans and credit facilities must not exceed CHF 200 000 per member. All loans extended to members of the Management Board will be on market terms. ORIOR Group did not provide any loans, credit facilities, cash advances or credit to the members of the Management Board or parties closely related to them in 2014 and 2015.

Contracts with Management Board members

In accordance with Art. 22 of the Company's Articles of Association, contracts with Members of the Management Board may be fixed-term or permanent. The maximum duration of fixed-term contracts is one year. The notice period for an unlimited term contract may not exceed one year.

Compensation paid to former members of the Management Board

In 2015 compensation in the amount of CHF 285 665 was paid to one former member of the Management Board in fulfilment of contractual obligations. This sum was paid in cash. Otherwise no additional fees or remuneration were paid to former members of the Management Board. No loans, credit, cash advances or collateral were provided to former members of the Board of Directors in 2014 and 2015 and there are no such arrangements outstanding from previous periods.

6 Shares held by members of governing bodies

As at 31 December 2015, the members of the Board of Directors and the Management Board held the following shares:

Name and function	Number of freely disposable shares as at 31.12.2015	Number of restricted shares as at 31.12.2015[1]	Total Number of shares as at 31.12.2015	in %	Number of shares as at 31.12.2014
Rolf U. Sutter Chairman of the Board of Directors	199 300	500	199 800[2]	3.37 %	199 300
Rolf Friedli Vice Chairman of the Board of Directors	0	500	500	0.01 %	0
Christoph Clavadetscher Member of the Board of Directors	10 000	0	10 000	0.17 %	10 000
Edgar Fluri Member of the Board of Directors	4 500	500	5 000	0.08 %	4 500
Dominik Sauter Member of the Board of Directors	550	0	550	0.01 %	550
Monika Walser Member of the Board of Directors	200	500	700	0.01 %	200
Daniel Lutz CEO ORIOR Group	0	2 000	2 000	0.03 %	n/a
Ricarda Demarmels CFO ORIOR Group	0	1 500	1 500	0.03 %	n/a
Bruno de Gennaro Head Convenience segment	92 075	1 000	93 075	1.57 %	92 075
Hélène Weber-Dubi[3] CFO ORIOR Group	n/a	n/a	n/a	n/a	85 830
Total	**306 625**	**6 500**	**313 125**	**5.28 %**	**392 455**
Total ORIOR-Aktien			5 925 000	100.00 %	5 925 000

1 The members of the Board of Directors and the Management Board were given the opportunity to purchase ORIOR shares at a discount on 1 November 2015 within the framework of a stock ownership plan. The purchase price of CHF 41.45 per share corresponds to the volume-weighted average price of one ORIOR share traded on SIX during the preceding six months (1 April 2015 to 30 September 2015), less a discount of 25 % (16.03 % of which tax-exempt). The 6500 shares purchased within the scope of this offer are restricted until 31 October 2018.
2 Held individually and by the group (Corporate Governance Report page 16).
3 Resigned as CFO and member of the Management Board effective 31 March 2015.

The members of the Board of Directors and the Management Board are granted no special terms or rights for the purchase of shares other than those detailed under the aforementioned share purchase offer.

7 Employee stock ownership plan

On 21 September 2011 the Board of Directors of ORIOR approved a stock ownership plan 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 plan 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 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 by 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 volume-weighted average price paid for ORIOR shares on SIX during the preceding six month, prior to the start of the two-month offer period, minus a discount of 25 %. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance.

During the year under review, a total of 20 240 shares were sold to 41 employees within the framework of the employee stock ownership plan. Below is an overview of the total number of shares issued pursuant to the employee stock option plan since the plan was established, the date of issue, the discount granted, and the mandatory holding period:

Year	Number of employees participating	Number of shares sold	Issue date/ Transfer	Discount granted	Blocking period ends
2012	9	4 150	3 January 2012	25 %	2 January 2015
2013	44	12 480	2 April 2013	25 %	1 April 2016
2014	–	–	–	–	–
2015	41	20 240	1 November 2015	25 %	31 October 2018
Total		**36 870**			

Share purchase agreement for members of the Board of Directors and the Management Board

In addition to the other forms of compensation, the members of the Board of Directors and the Management Board can, by means of the share purchase agreement, be given the opportunity to purchase ORIOR shares at a discount. The number of shares that can be purchased at a discount is specified by the Board of Directors. The purchase price of these shares corresponds to the volume-weighted average price paid for ORIOR shares on the SIX during the preceding six months, less a discount of 25 %. The Board of Directors is empowered to increase the aforementioned discount in the event of extraordinary performance. Under the share purchase agreement, a two-month purchase period will commence on the day the share purchase offer is made. The shares purchased will be subject to a holding period of three years beginning on the date of purchase. If a party to the share purchase agreement leaves the Company during the three-year holding period, the Board of Directors will decide whether to maintain or terminate the holding period.

During the period from 1 January 2015 to 31 December 2015 6500 shares were sold to members of the Board of Directors and the Management Board through the aforementioned stock ownership plan.

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.

Transactions with closely related entities and persons

The members of the Board of Directors of ORIOR AG, the members of the Management Board of ORIOR AG, shareholders exercising significant influence, and the Group’s pension plans “ORIOR Fonds de Prévoyance” and “ORIOR Fonds de prévoyance complémentaire” are regarded as closely related entities or persons. All transactions with closely-related entities and persons are conducted on the same market terms as with independent third parties.

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To the General Meeting of

Orior Ltd, Zurich

Basle, 23 February 2016

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Orior Ltd for the year ended 31 December 2015.The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) on pages 44 to 49 of the remuneration report.

Responsibility of the Board of Directors
The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

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

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

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

Building a better working world

2

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

Ernst & Young Ltd

Martin Gröli Licensed audit expert (Auditor in charge)	Gianni Trog Licensed audit expert

Corporate Responsibility

Sustainability – we call it "The ORIOR Responsibility" – is in our eyes at the core of Excellence in Food, an opportunity for differentiation and a promise we make for future generations. We assume this responsibility throughout the whole value chain and constantly seek a well-balanced improvement in our operating, environmental and social performance metrics. Sustainability is an integral part of our business activities and is therefore present in everything we do and in who we are.

The ORIOR Responsibility

Sustainability is an integral part of our core business.
Sustainability is at the core of Excellence in Food.
Sustainability is an opportunity for differentiation.
Sustainability is taking a stand for future generations.
Sustainability reflects respect.
Sustainability means taking responsibility and acting responsibly.

1 Embedding in our organisation

Our performance is measured by the progress we make. Annual targets are continuously evaluated and appropriate measures are drawn up. Our permanent value-creating efforts focus on the following four thematic areas:

1. Sustainable sourcing: We pride ourselves on knowing every link in our agricultural supply chain and on our ability to trace every major input to its origin. Sustainable agricultural raw materials are prioritised in our procurement policy; respect towards nature and farm animals is a must.
2. Preserving resources: ORIOR is aware of its environmental footprint. One of our declared aims is to manage resources in a responsible way, and this is given a high priority by all our competence centres. We have been working for many years on improving our energy intensity and reducing CO_2 emissions. ORIOR also continuously optimises its processes in order to reduce food waste still further.
3. Nutrition and health: ORIOR aspires to produce delicious and wholesome food. Its products are constantly improved from a nutritional and physiological as well as from a culinary perspective and new products are being developed for people with food intolerances or special dietary needs. ORIOR strives for superior quality in every product category it offers, usually far exceeding the applicable regulatory and statutory requirements for food products.
4. Employee training and development: Competent employees with an entrepreneurial mind-set are one of ORIOR's obvious strengths. They are the ones who have made ORIOR the company it is today and they lay the foundation for future success through their workmanship and entrepreneurial spirit. To retain our sharp competitive edge, employees at all levels of the organisation benefit from training and development.

"We source sustainable raw materials, we seek to minimise the environmental impact of our production activities, we are developing more natural and healthier recipes that give our customers a competitive advantage and that offer consumers eating pleasure with a clear conscience, and we promote employee training and development."

2 Sustainable procurement

Excellence in Food is derived from craftsmanship and the recipes and processes we use to make our products and in particular on the agricultural raw materials we start with. Demand for products made with locally sourced raw materials is steadily increasing. Consumers are displaying an increasing sensitivity to environmentally and socially responsible manufacturing practices. We are, therefore, continuously expanding our range of regional products. With imported raw materials, we guarantee quality and sustainability by applying extremely strict controls and standards. Respect towards farm animals is a non-negotiable criterion of our sourcing policy.

Consumers are showing greater interest in the origin of food products and the ingredients they are made with. Therefore ORIOR pledges highest transparency with regard to product certifications and the declaration of product information. It is essential these days that products are certified to indicate their origin, method of production and quality. Customers look for these certificates and base purchasing decisions on them. ORIOR sources and refines a wide range of products with such certificates.

Wherever possible and sourceable, the raw materials purchased by ORIOR Group's competence centres will come from regional or local producers. More than two-thirds of all the pork and beef we processed during the year under review was sourced from Swiss farmers. In principle ORIOR would like to buy even more Swiss meat, but availability, especially for poultry, is limited. ORIOR seeks partnerships with foreign producers who agree to comply with Swiss food production standards to alleviate this situation. Fredag for example has sought out partners who are not only prepared to base their poultry rearing on Swiss animal welfare rules, but who can also guarantee compliance with the higher BTS (Besonders Tierfreundlichen Stallhaltung) standard. The project is supported and monitored by Swiss animal welfare organisation Schweizer Tierschutz (STS).

Agricultural raw materials sourced from suppliers in foreign countries are subject to special inspections. Whenever possible, we will seek to establish strong ties with local producers through a partnership agreement which allows us to exert influence on their production standards. To ensure sustainability and quality, we audit all of our suppliers on a

EXAMPLE

REGIONAL SOURCING

As befits an organisation that embraces genuine tradition and craftsmanship, the ORIOR Refinement segment sources most of the raw materials it processes from Swiss producers. Albert Spiess, for example, buys the entire available supply of beef hindquarters produced in Switzerland; exclusively Swiss beef and pork is used for the "Rapelli" and "Ticinella" brands with the exception of one product, and Rapelli even uses herbs and spices from Ticino in many of its products. Möfag strengthened its "Fürstenländer Spezialitäten" brand and its commitment to the region by introducing many new recipes with a local touch.

regular basis. An immediate warning will be issued to any supplier that fails to attain or adhere to our strict guidelines and standards. Remedial action must be quickly taken, otherwise all sourcing from the supplier in question will be terminated.

3 Preserving resources

Sound policies on resources are part of ORIOR's corporate culture. One of the Company's declared aims is to make careful use of energy and to work continuously to reduce emissions and food waste even further

In order to ensure professional implementation of climate protection measures, all competence centres work with the Energieagentur der Wirtschaft (EnAW) energy agency. As a service platform for companies, the EnAW helps industrial firms reduce CO_2 emissions and increase energy efficiency. ORIOR's voluntary accession to the EnAW programme reflects its commitment to these goals. The associated objectives are audited by the Swiss 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 CO_2 footprint.

ORIOR is strongly committed to reducing food waste and is member of «United Against Food Waste». This association, which was founded in 2013, aims to halve the quantity of food lost in Switzerland by 2020. ORIOR AG's centres of competence have continuously optimised their production processes and logistics for years with the objective of reducing waste. Avoidance of production waste deserves utmost attention not only from a moral standpoint but also for reasons of cost efficiency. However, no matter how hard we try, food waste cannot be entirely eliminated; sometimes, due to damaged packaging, short use-by periods, excess production, etc., products cannot be brought to market through the normal sales channels. In such cases we collaborate with partners to find solutions for selling the food that is still safe to eat. For example, all ORIOR operations work with partners like "Tischlein deck dich" and "Schweizer Tafel". These two organisations collect discarded food and distribute it to needy people in Switzerland.

EXAMPLE

RAPELLI RECEIVES WWF AWARD FOR ITS COMMITMENT TO ENVIRONMENTAL PROTECTION

In 2015 Rapelli received the "Il sole sul tetto" award from the WWF for its exemplary commitment to nature and sustainability. WWF praised the company's investments in new, more efficient production systems that reduced energy consumption, the optimisation of operating parameters for production, the general reduction in electricity consumption for lighting and cooling, and the substitution of fossil fuels such as heating oil and natural gas. We are proud to have received this award from WWF and will continue to introduce a constant stream of measures at all ORIOR centres of competence, launch projects and make investments in fulfilment of our responsibility and, ultimately, to secure our long-term, sustainable existence.

4 Nurition and health

ORIOR aspires to produce tasty and healthy food products. All products undergo a constant process of improvement from a nutritional and physiological as well as from a culinary perspective. New products are also being developed for people with food intolerances or special dietary needs. When it comes to the quality and safety of the food they eat, customers rightly have very high standards. ORIOR's work in this area goes far beyond what food standards and other laws require. ORIOR has clear quality assurance processes and it rigorously adheres to them. Compliance is ensured by internal and external audits.

Recipes and production processes are continuously being improved at all centres of competence. Efforts here focus on retaining as much of the natural vitamins and other nutrients as possible and on reducing the added sodium and fat content as well as on strict avoidance of artificial additives wherever possible – which is standard policy for almost every ORIOR product. Current investment in plant, equipment and business processes enables us to produce top-quality products that meet demanding nutritional physiological standards and that are also pleasing to the palate. ORIOR has also shown a flair for creating food products for people with special dietary needs; for example Möfag's line of Wellness products, ORIOR Convenience's line of Care products, and Pastinella's range of gluten- and lactose-free fresh pasta specialities.

All ORIOR production sites meet the International Featured Standards (IFS) for food security or Food Safety System Certification (FSSC) 22000. These standards are reviewed periodically by an external accredited certification body. The quality of processes was additionally controlled by standards and labels including "Suisse Garantie", "Bio Knospe", "IP-Suisse / Terra Suisse", "Sedex Members Ethical Trade Audit" (SMETA), "Aus der Region. Für die Region.", "Schweizer Allergie-Gütesiegel" (aha! certification) and the "Marine Stewardship Council" (MSC). A total of about 30 external audits were carried out by certification organisations at the production facilities. Moreover, ORIOR monitors and controls certain processes at Group companies by conducting internal audits. This ensures a continuous improvement in the quality and cost efficiency of operating processes.

EXAMPLE

FRESHNESS, QUALITY AND EATING ENJOYMENT

A commitment to freshness and a pioneering spirit are obvious at the competence centres in ORIOR's Convenience segment. Enhancement of eating pleasure and nutritional value is made possible through constant recipe development and investment in new production technology and techniques. Efforts here center on retaining vitamins and minerals, reducing the amount of added sodium, sugar and fat, and completely avoiding the use of artificial flavours and additives wherever possible – which is the case with almost every product ORIOR makes.

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 vast majority of suppliers achieved good to very good scores. Suppliers who fall short are required to initiate corrective action immediately and are reaudited a short time later. Should there be any uncertainty, suppliers must undergo and successfully complete a verification process covering environmental and sustainability issues before being admitted to the pool of authorised suppliers.

5 Employee training and development

Competent employees with an entrepreneurial mind-set are one of ORIOR's obvious strengths. They are the ones who have made ORIOR the company it is today and they are laying the foundation for future success through their craftsmanship and the entrepreneurial spirit they display every day. To retain our sharp competitive edge, employees at all levels of the organisation receive training and development.

ORIOR attaches great importance to employee motivation and development at every level of the work force. ORIOR Group employed an average of 1228 people in 2015, about 15 of whom were apprentices in the fields of the butchery trade, logistics, and office administration. As in the past, temporary workers were also employed to handle peak periods, particularly during the Christmas season. An internal minimum wage policy applies at every ORIOR production site.

ORIOR promotes continual employee development through joint setting of targets, performance appraisals, and a wide choice of training and development opportunities. Each competence centre provides specific professional training while managers and key employees are also offered internal training and development inputs. Employee skills and resources are also promoted and developed on an individual basis. For 2016, a new group-wide training and development programme will be launched with a focus on leadership, strategy execution, change management and personal effectiveness.

ORIOR offers its employees a safe and healthy work environment. It also invests in targeted improvements as well as in courses on occupational safety and it periodically contracts external safety experts to examine additional ways of improving work safety.

EXAMPLE

SELECTIVE TRAINING AND DEVELOPMENT

ORIOR
EXCELLENCE IN FOOD

Various measures and projects pertaining to company personnel were outlined within the scope of the ORIOR 2020 strategy. Key employees were allowed to purchase Company shares at a discount within the scope of an employee stock ownership plan. Moreover, ORIOR plans to promote employee talent even more effectively through a systematic talent management process and will launch a new group-wide training programme for managers and key personnel. The main themes of this training programme will be leadership, strategy execution, change management and personal effectiveness.

"We promote diversity and dedication, support lifelong learning and development, offer an attractive work environment and ensure workplace safety."

ORIOR GROUP
FINANCIAL REPORT 2015

Financial Review

ORIOR Group performed well in the face of strong headwinds in 2015. Despite a decline in sales, operating profit and margins improved, operating cash flow increased significantly and the balance sheet metrics were strengthened once again. These results confirm that ORIOR successfully started its new chapter in the context of the new ORIOR 2020 strategy and – true to its commitment towards a strong financial profile – has created a sound basis for future growth and a continued attractive dividend policy.

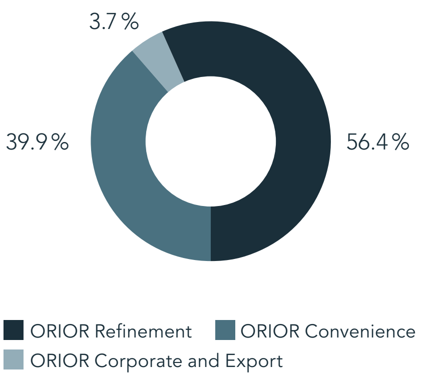
RICARDA DEMARMELS
CFO ORIOR GROUP

A CLEAR FINANCIAL PERFORMANCE FRAMEWORK UNDERPINS STEADY VALUE CREATION

We have much to accomplish under the ORIOR 2020 strategy. Priorities will be set and we will take action in a focused and responsible manner. Successful execution of our strategy also entails rigorous execution of our financial performance framework. We will be increasing our productivity and efficiency levels so we can invest more in innovation and in our brands and marketing, the ultimate objectives being long-term, sustainable growth and value creation.

ORIOR is focused on attractive market niches and we are making its portfolio stronger by actively driving the categories and improving the overall product mix with a constant focus on expanding niches that offer growth and high margins. Cost discipline is an essential part of our daily work, as are the measurement and betterment of our performance with regard to both profitability as well as capital efficiency. This is how we steadily create value for all of our stakeholders.

SPLIT BY SEGMENTS
REVENUE IN %



Sales performance

2015 was an extremely challenging year for Swiss retailers and food service players. It was marked by the discontinuation of the minimum EUR / CHF exchange rate on 15 January 2015, which led to sharp price markdowns, a surge in cross-border shopping, negative inflation and subdued consumer sentiment. ORIOR Group generated revenues of CHF 500.1 million in 2015, which represents a decline of 4.1 % or 3.6 % at constant exchange rates (previous year: CHF 521.6 million). This can be traced primarily to the contraction of the Swiss retail and food service markets, especially along the border and in the tourist regions. Portfolio optimisation in the context of a steadfast focus on sustainable and profitable growth was also a contributing factor; and represents an important investment in future growth and margins.

The Convenience segment achieved revenues of CHF 202.7 million during the period under review, which corresponds to a 2.1 % decline (previous year: CHF 207.0 million). Primary drivers were the general development of the food service market and competitive pressure from foreign-based fresh pasta manufacturers as well as the ongoing portfolio optimisation. The categories of vegetarian and vegan concepts, gluten and lactose-free products and fresh ready-made dishes continued to show strong growth.

The Refinement segment achieved revenues of CHF 298.5 million during the period under review, which corresponds to a 5.6 % decline (previous year: CHF 316.3 million). Primary drivers were negative inflation owing to low meat prices and the steadfast focus on margins and product mix. Growth drivers were the “Rapelli” and “Ticinella” brands and the successful relaunch of the “Albert Spiess” brand. A strong line of meat chips products as well as specialities for the grill and Limited Edition concepts were well received by the market and likewise made a positive top-line contribution.

The Corporate and Export segment reported a 17.8 % decline in revenues to CHF 21.3 million (previous year: CHF 26.0 million). At constant exchange rates and excluding the deconsolidation of Lineafresca in the previous year, revenues were up by 2.9 % in spite of the challenging export situation.

Operating results

The gross margin improved by 156 basis points to 39.5 %. This improvement is largely attributable to lower raw materials prices and the management's focus on margins and product mix. Thanks to the gross margin expansion as well as strict cost discipline and operational efficiency initiatives, ORIOR increased EBITDA to CHF 48.7 million and widened the corresponding margin by 52 basis points to 9.7 % (previous year: CHF 48.0 million). As a result of the higher EBITDA and thanks to slightly lower depreciation and amortisation, operating profit (EBIT) rose by 4.1 % to CHF 33.8 million and the EBIT margin advanced by 54 basis points to 6.8 % (previous year: CHF 32.5 million).

Negative currency effects arising from the revaluation of balance sheet items denominated in foreign currency had a negative net impact of CHF 0.8 million on the financial result for the period under review. Excluding this currency effect, profit before tax increased by 6.8 % to CHF 32.1 million and the corresponding margin rose by 66 basis points to 6.4 % (previous year: CHF 30.1 million).

Taxes amounted to CHF 5.8 million compared to CHF 3.4 million in the preceding year, which included non-recurring items with a positive impact. Adjusted for currency effects, profit for the year declined by 1.4 % to CHF 26.3 million due to the aforementioned non-recurring effects (previous year: CHF 26.7 million). The net profit margin increased by 15 basis points to 5.3 % thanks to the improvement in the operating margin.

Cash flow and balance sheet

ORIOR Group's operating cash flow for the period under review amounted to CHF 41.7 million, which represents an increase of 45.6 % and a cash conversion rate of 86 % of EBITDA. ORIOR's cash conversion rate since going public in 2010 has averaged 69 %. Net debt was reduced by CHF 19.6 million to CHF 50.4 million, which lowered the net debt / EBITDA ratio from 1.46 to 1.04. Shareholders' equity increased 3.1 % to CHF 233.6 million, resulting in a very solid equity ratio of 58.6 %.

Dividends

ORIOR's dividend policy is long-term-oriented, reliable and attractive. The Board of Directors is proposing for the fifth consecutive time an increase in the dividend for 2015 to CHF 2.03.

Outlook

We expect the business environment to remain challenging in 2016, particularly during the first half of the year. The pressure on Swiss retailers and food service providers will persist and weakening consumer confidence will be felt. In the retail channel we will continue to notice the impact of the strong Swiss franc in the form of cross-border shopping, import, pricing and cost pressure. Besides the strong Swiss franc, a soft winter season will also have an impact on business in the food services industry. We will diligently execute our 2020 strategy in the face of these challenges and focus on innovation, portfolio management and cost efficiency. Positive momentum should come from our new product and concept innovations, our strong brands, our long-standing partnerships with customers, and sharpened category strategies focused on attractive niches. At the same time we will continue to work on improving cost structures and agility to face the adverse market conditions.

Key Figures for 2015

REVENUES
CHF 500.1 m
down 3.6 % at constant exchange rates from the previous year

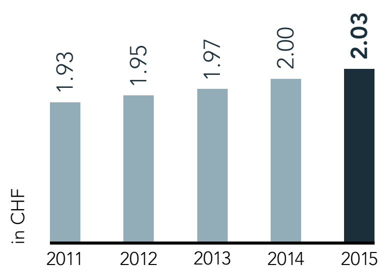
EBITDA
CHF 48.7 m
up 1.3 % from the previous year

PROFIT BEFORE TAX
CHF 31.3 m
up 6.8 % adjusted for currency effects from the previous year

PROFIT FOR THE YEAR
CHF 25.6 m
down 1.4 % adjusted for currency effects from the previous year

OPERATING CASH FLOW
CHF 41.7 m
Cash conversion rate of 86 %

DIVIDEND PER SHARE



Consolidated Income Statement

in CHF thousand	Note	2015	Δ in %	2014
Revenues	7	**500 128**	**–4.1 %**	**521 630**
Raw materials / goods and services purchased		–294 344		–326 742
Changes in inventories	8	–8 004		3 247
Personnel expense	9	–88 554		–93 732
Other operating income	10	278		2 406
Other operating expense	11	–60 849		–58 777
EBITDA **Earnings before interest, taxes, depreciation and amortisation**		**48 655**	**+1.3 %**	**48 032**
as % of revenues		9.7 %		9.2 %
Depreciation – tangible assets	21	–12 425		–12 714
Amortisation – intangible assets	23	–2 382		–2 810
EBIT **Earnings before interest and taxes**		**33 848**	**+4.1 %**	**32 508**
as % of revenues		6.8 %		6.2 %
Financial income	12	1 146		803
Financial expense	13	–3 655		–3 456
Profit before taxes		**31 339**	**+5.0 %**	**29 855**
as % of revenues		6.3 %		5.7 %
Income tax expense	14	–5 776		–3 360
Profit for the year		**25 563**	**–3.5 %**	**26 495**
as % of revenues		5.1 %		5.1 %
Earnings per share in CHF				
Basic earnings per share	15	4.32		4.48
Diluted earnings per share	15	4.32		4.48
Weighted Ø number of shares outstanding in '000	15	5 911		5 914

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

Consolidated Statement of Comprehensive Income

in CHF thousand	2015	Δ in %	2014
Profit for the year	**25 563**	**–3.5 %**	**26 495**
Exchange differences on translation of foreign operations	304		72
Items that are or may be reclassified subsequently to income statement, net of tax	**304**		**72**
Revaluation of pension plan	–8 894		2 408
Taxes on revaluation of pension plan	1 439		–462
Items that will not be reclassified to income statement, net of tax	**–7 455**		**1 946**
Other comprehensive income for the year, net of tax	**–7 151**		**2 018**
Total comprehensive income for the year, net of tax	**18 412**	**–35.4 %**	**28 513**

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

Consolidated Balance Sheet

in CHF thousand	Note	31.12.2015	in %	31.12.2014	in %
Cash and cash equivalents	16	22 883		29 201	
Current financial assets	17	296		276	
Trade accounts receivable	18	44 815		50 720	
Other current receivables	19	1 497		1 648	
Inventories and work in progress	20	64 723		72 253	
Current income tax assets		1 153		1 126	
Prepaid expenses / accrued income		1 212		1 096	
Current assets		**136 579**	**34.3 %**	**156 320**	**36.9 %**
Property, plant and equipment	21	80 498		84 227	
Intangible assets	23	179 958		181 220	
Long-term financial assets		10		10	
Deferred tax assets	29	1 402		1 859	
Non-current assets		**261 868**	**65.7 %**	**267 316**	**63.1 %**
Total assets		**398 447**	**100.0 %**	**423 636**	**100.0 %**
Current financial liabilities	27	0		16	
Trade accounts payable	24	30 572		40 876	
Other current payables	25	3 747		4 117	
Current income tax liabilities		3 677		3 081	
Accrued liabilities	26	18 313		19 403	
Current portion of provisions	28	465		506	
Current liabilities		**56 774**	**14.2 %**	**67 999**	**16.1 %**
Non-current financial liabilities	27	73 241		99 144	
Other non-current payables	25	167		333	
Defined benefit obligations	36	11 146		4 764	
Provisions	28	2 784		3 042	
Deferred tax liabilities	29	20 692		21 697	
Non-current liabilities		**108 030**	**27.0 %**	**128 980**	**30.4 %**
Total liabilities		**164 804**	**41.4 %**	**196 979**	**46.5 %**
Share capital	30	23 700		23 700	
Additional paid-in capital		10 235		22 053	
Treasury shares	31	–174		–712	
Retained earnings		199 361		181 399	
Foreign currency translation		521		217	
Total equity		**233 643**	**58.6 %**	**226 657**	**53.5 %**
Total liabilities and equity		**398 447**	**100.0 %**	**423 636**	**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	Total equity
Balance as at 01.01.2014		**23 700**	**33 706**	**– 471**	**152 860**	**145**	**209 940**
Profit for the year		0	0	0	26 495	0	26 495
Other comprehensive income for the year		0	0	0	1 946	72	2 018
Total comprehensive income for the year		**0**	**0**	**0**	**28 441**	**72**	**28 513**
Dividends / repayment of capital contributions	32	0	– 11 653	0	0	0	– 11 653
Share-based payments	37	0	0	0	72	0	72
Movement in treasury shares	31	0	0	– 241	26	0	– 215
Balance as at 31.12.2014		**23 700**	**22 053**	**– 712**	**181 399**	**217**	**226 657**
Profit for the year		0	0	0	25 563	0	25 563
Other comprehensive income for the year		0	0	0	– 7 455	304	– 7 151
Total comprehensive income for the year		**0**	**0**	**0**	**18 108**	**304**	**18 412**
Dividends / repayment of capital contributions	32	0	– 11 818	0	0	0	– 11 818
Share-based payments	37	0	0	0	66	0	66
Movement in treasury shares	31	0	0	538	– 212	0	326
Balance as at 31.12.2015		**23 700**	**10 235**	**– 174**	**199 361**	**521**	**233 643**

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

Consolidated Cash Flow Statement

in CHF thousand	Note	2015	2014
Profit for the year		25 563	26 495
Taxes	14	5 776	3 360
Depreciation / impairment / amortisation	21 / 23	14 807	15 524
Share-based payments	37	66	72
Change in value adjustments and provisions		– 1 129	704
Gain from disposal of fixed assets	10	– 33	– 448
Gain from disposal of subsidiary	5	0	– 1 729
Interest income	12	– 4	– 12
Dividend income	12	– 6	– 7
Interest expense	13	1 325	2 329
Change in accrued pension cost		– 2 512	864
Change in working capital		3 190	– 8 777
- Trade accounts receivable and other current receivables		6 759	– 956
- Inventories and work in progress		7 036	– 217
- Trade accounts payable and other current payables		– 9 674	– 2 128
- Other		– 931	– 5 476
Interest paid		– 1 072	– 1 910
Taxes paid		– 4 311	– 7 843
Cash flow from operating activities		**41 660**	**28 622**
Purchase of			
- property, plant and equipment	21	– 9 404	– 12 822
- intangible assets	23	– 1 079	– 1 044
Proceeds from sale of			
- property, plant and equipment		147	1 210
- intangible assets		4	0
- financial assets		0	9
Acquisition of companies, net of cash acquired	5	0	– 2 112
Sale of subsidiaries, net of cash sold	5	0	377
Interest received		4	13
Dividends received	12	6	7
Cash flow from investing activities		**– 10 322**	**– 14 362**
Increase in financial liabilities		13 400	24 000
Repayment of financial liabilities		– 39 500	– 22 591
Repayment of finance lease liabilities	22	– 16	– 464
Dividends / repayment of capital contributions	32	– 11 818	– 11 653
Sale of treasury shares	31 / 37	2 928	1 324
Purchase of treasury shares	31	– 2 602	– 1 540
Cash flow from financing activities		**– 37 608**	**– 10 924**
Net increase (+) / decrease (-) in cash and cash equivalents		**– 6 270**	**3 336**
Foreign exchange differences on cash and cash equivalents		– 48	– 18
Cash and cash equivalents as at 01.01.	16	29 201	25 883
Cash and cash equivalents as at 31.12.	16	**22 883**	**29 201**

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

Notes to the Consolidated Financial Statements 2015

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 and Export. The operating segments consist of 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 101, 8008 Zurich, Switzerland.

These consolidated financial statements were approved by the Board of Directors on 23 February 2016 and are subject to shareholder approval at the Annual General Meeting of shareholders on 12 April 2016.

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.

The figures shown in the consolidated annual financial statements are rounded up or down. The actual calculations are made with greater preceision, so small rounding differences can appear.

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 2015

The IASB has published the following new standards, interpretations and amendments to existing standards and interpretations that are effective for 2015 financial statements:

– Amendment to IAS 19 – Defined Benefit Plans: Employee Contributions
– Annual Improvements to IFRSs (December 2013)

The above revised IFRS standards did not have a significant impact on the accounting policies or the presentation of ORIOR Group's assets, liabilities, financial position and earnings.

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
Amendments to IAS 16 and IAS 38	Clarification of Accountable Methods of Depreciation and Amortisation	*	1 Jan 2016	Financial year 2016
Amendment to IFRS 11	Accounting for Acquisition of Interests in Joint Operations	*	1 Jan 2016	Financial year 2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	*	1 Jan 2016	Financial year 2016
Amendment to IAS 27	Equity Method in Separate Financial Statements	*	1 Jan 2016	Financial year 2016
IFRS 15	Revenue from Contracts with Customers	*	1 Jan 2018	Financial year 2018
IFRS 9	Financial Instruments	**	1 Jan 2018	Financial year 2018
Annual Improvements to IFRSs	(September 2014)	*	1 Jul 2016	Financial year 2016
Amendments to IAS 28 and IFRS 10	Sales or contributions of assets between an investor and its associate / joint venture	*	1 Jan 2016	Financial year 2016
Amendments to IAS 1	Disclosure initiative	*	1 Jan 2016	Financial year 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	*	1 Jan 2016	Financial year 2016
IFRS 16	Leases	***	1 Jan 2019	Financial year 2019
Amendment to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	*	1 Jan 2017	Financial year 2017

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

** IFRS 9 Financial Instruments includes requirements for recognition and measurement, derecognition and hedge accounting. The application of IFRS 9 is currently being analysed in detail. However, it is assumed that no material impact on classification and measurements of financial assets and liabilities will arise.

*** IFRS 16 specifies how to recognise, measure, present and disclose leases. The application of IFRS 16 is currently being analysed in detail. It is assumed that the leasing arrangements and underlying rights and obligations have to be recognised in the balance sheet, which leads to a higher balance sheet total.

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. Changes in other comprehensive income of such equity holders are recognised in other comprehensive income of the Group. The Group's share of changes recognised directly in the associate's equity is recognised directly in equity by the Group and is disclosed in the statement of changes in equity.

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

There weren't any changes in the scope of consolidation during the reporting year.

On 1 May 2014 the Group acquired 100 % of the shares of Noppa AG based in Rüti ZH. Following its acquisition, the company has been merged into Fredag AG. On 28 May 2014 the Group sold 100 % of its shares in Lineafresca Logistic AG based in Langenthal. For further details of the acquisition and sale, please see Note 5. Please see Note 43 for an overview of the legal structure of the Group.

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 (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. 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 10 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 their 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 are 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 consideration transferred over the 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.

After initial entry, goodwill is 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 written off by 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, provided they fall due within 12 months of the balance sheet date, and are classified in the balance sheet as trade and other receivables.

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 at the end of the reporting period. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using various 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 debtor or a group of debtors is experiencing significant financial difficulty; 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 or 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

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. 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.

Pension costs consist of three elements: service costs, net interest, and remeasurements of employee benefits. Service costs are part of personnel expenses and consist of current service costs, past service costs from plan amendments and from plan settlements. Net interest is recorded in the financial result and is determined by applying the discount rate to the net defined benefit liability or net defined benefit asset that exists at the beginning of the year. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are immediately recorded in other comprehensive income as remeasurements of employee benefits.

2) Bonus plans

A liability for employee benefits in the form of bonus plans is recognised under accrued liabilities 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.

3) 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 in profit or loss.

Management participation plan

The management participation plan is a share-based remuneration scheme. Equity-settled share-based payments are recognised in the income statement over the vesting period while equity is increased accordingly. On the day when the payment is granted (grant date), its fair value is determined based on the share price on that day minus the subscription price. Expenses for equity-settled stock-based payments are adjusted every year based on expected subscriptions, departures (participants who no longer meet the criteria and leave the plan) and advance subscriptions. If granted equity instruments are cancelled, they must be treated as if they were exercised on the date of cancellation; expense that has not yet been recognised for the granting is recognised immediately.

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 records sales revenue if this can be determined reliably and the future economic benefits are known. The Group bases its assessment of how collectable claims are on past results, taking account of the type of customer, type of business and the particularities of the specific contractual relationship.

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 is recognised in the accounting period in which the services are rendered and is 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 in force on the balance sheet date.

2) Deferred tax

Deferred income tax is recognised 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 used.

Deferred income tax is recognised 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, other than derivatives, comprise 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 forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations.

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 0.02 % (2014: 0.04 %) of the Group's sales and 11.0 % (2014: 12.3 %) 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 Swiss Franc had been 15 % (2014: 10 %) weaker / stronger against the EUR and USD in 2015, with all other variables held constant, post-tax profit for the year would have been kCHF 6 219 (2014: kCHF 4 414) higher / lower, mainly as a result of purchases denominated in foreign currencies. Equity would have been kCHF 393 (2014: kCHF 343) lower / higher.

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 bank deposits, the Group's income is substantially unaffected by changes in market interest rates. The Group's interest rate risk arises from borrowings. 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.

A 0.2 % (2014: 0.2 %) shift of interest rates would have an impact of approximately kCHF 163 (2014: kCHF 132) 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's credit risk is concentrated mainly on its two major clients, the largest retailers in Switzerland. As per reporting date, kCHF 17 837 (2014: kCHF 19 239) 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, creditworthiness 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
2015				
Current interest-bearing financial liabilities	74	0	0	0
Trade accounts payable	30 572	0	0	0
Other current payables[1]	1 132	167	0	0
Accrued liabilities[1]	12 816	0	0	0
Long-term interest-bearing financial liabilities	0	0	73 600	0
2014				
Current interest-bearing financial liabilities	168	0	0	0
Trade accounts payable	40 876	0	0	0
Other current payables[1]	1 551	167	166	0
Accrued liabilities[1]	10 895	0	0	0
Financial Leasing	16	0	0	0
Long-term interest-bearing financial liabilities	0	0	99 700	0

[1] 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. The fair values, which are virtually identical to the carrying amounts, are not shown in the table.

	Carrying amount		Fair value	
in CHF thousand	2015	2014	2015	2014
Financial assets				
Cash and cash equivalents (LAR)	22 883	29 201	-	-
Current financial assets at FV through profit and loss (AFVTPL)	296	276	-	-
Trade accounts receivable (LAR)	44 815	50 720	-	-
Other current receivables (LAR)	548	479	-	-
Long-term financial assets (LAR)	10	10	-	-
Financial liabilities				
Current financial liabilities – financial leasing (OFL)	0	– 16	-	-
Trade accounts payable (OFL)	– 30 572	– 40 876	-	-
Other current payables (OFL)	– 1 132	– 1 551	-	-
Accrued liabilities (OFL)	– 12 816	– 10 895	-	-
Non-current financial liabilities – third parties (OFL)[1]	– 73 241	– 99 144	– 73 600	– 99 700
Other non-current payables (OFL)	– 167	– 333	-	-

[1] Current and non-current financial liabilities are allocated to Fair Value level 2.

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	2015	Level 1	Level 2	Level 3
Assets measured at fair value				
Current financial assets at FV through profit or loss	296	74	222	0
Liabilities measured at fair value				
Liability from earn-out agreement	–333	0	0	–333

in CHF thousand	2014	Level 1	Level 2	Level 3
Assets measured at fair value				
Current financial assets at FV through profit or loss	276	54	222	0
Liabilities measured at fair value				
Liability from earn-out agreement	–1 246	0	0	–1 246

The details about the fair value measurement of the liability from the earn-out agreement in the amount of kCHF 333 (2014: kCHF 1 246) are disclosed in Note 5.

During the reporting periods ending 31 December 2015 and 2014, 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 Equity 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 50 % and 60 %.

in CHF thousand	31.12.2015	31.12.2014
Total equity	233 643	226 657
Total assets	398 447	423 636
Consolidated Equity Ratio	**58.6 %**	**53.5 %**

The Group also closely monitors covenants included in the Credit Facility Agreement for bank loans (see Note 27). These covenants focus on the equity ratio and on the 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 2014 and was discussed and approved by the Board of Directors on 9 December 2015.

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

Individual companies of the Group have 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, 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 Changes in the scope of consolidation

There were no acquisitions in the reporting period.

Changes in the scope of consolidation 2014

Acquisition of Noppa AG

The Group acquired 100 % of the shares of Noppa AG based in Rüti (ZH), with effect from 1 May 2014. Noppa AG is a leading Swiss producer of premium organic tofu. Its founders, Noppa and Jörg Helbling, have joined the ORIOR team. The Company's production facility in Rüti has continued to operate with its 15 employees.

in CHF thousand	Fair value recognised on acquisition
Current assets	564
Non-current assets	761
Assets	**1 325**
Current liabilities	–1 014
Non-current liabilities	–368
Liabilities	**–1 382**
Net assets	**–57**
Goodwill arising on acquisition	2 669
Total consideration	**2 612**
Total consideration:	
Cash paid	2 112
Liability from earn out agreement	500
Total consideration	**2 612**
Purchase consideration:	
Cash paid (Investing activities)	2 112
Cash and cash equivalents in subsidiary acquired (Investing activities)	0
Transaction costs of the acquisition (Operating activities)	103
Cash outflow on acquisition	**2 215**

The goodwill recognised above was attributed to the expected synergies and other benefits from combining business activities. Goodwill was allocated entirely to the Convenience segment. The goodwill was not tax deductible.

Gross trade receivables amounted to kCHF 307 as at the acquisition date. The full contractual amount could have been collected.

From the date of acquisition, Noppa AG generated revenues in the amount of kCHF 2 548 and contributed kCHF 57 to the net profit of the Group. If the combination had taken place at the beginning of the year 2014, the profit for 2014 would have been around kCHF – 5 (loss) and revenue would have been around kCHF 3 537.

The transaction costs of kCHF 103 were expensed and are included in other operating expenses. As part of the purchase agreement with the previous owners of Noppa AG, a contingent consideration has been agreed. Earn-out payments are based on the number of product developments, net sales growth as well as adherence to the non-compete agreement. The maximum achievable earn-out is kCHF 500. As at the acquisition date, the fair value of the contingent consideration was estimated to be kCHF 500. As per the balance sheet date, the contingent consideration amounts to kCHF 333.

Sale of Lineafresca Logistic AG

On 28 May, 2014, the Group sold 100 % of its shares in Lineafresca Logistic AG based in Langenthal. This resulted in a net gain on disposal of kCHF 1 729 based on net book values and is included in other operating income. Thereof, kCHF 1 493 resulted from a curtailment gain under IAS 19.

in CHF thousand	Carrying amounts on disposal
Current assets	1 371
Non-current assets	3 627
Assets	**4 998**
Current liabilities	– 1 989
Non-current liabilities	– 4 037
Liabilities	**– 6 026**
Sold net assets	**– 1 028**
Net gain from the sale	1 729
Total consideration	**701**
Cash received	701
Sold cash and cash equivalents	– 324
Net Cash Flow from sale of subsidiary	**377**

6 Segment information

For management purposes, the Group is structured along the three operating segments ORIOR Refinement, ORIOR Convenience and ORIOR Corporate and Export. 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 mainly produces premium products and operates seven processing and refining facilities in the cantons of Grisons, Ticino and St. Gallen. The products are mainly sold through retail and food service channels in Switzerland. The Refinement segment includes three main operating segments. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- 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 and ready to cook poultry and meat products. The ORIOR Convenience operating segment operates six processing facilities in the German part of Switzerland. Its products are mainly sold through retail and food service channels in Switzerland. The Convenience segment includes three operating segments. These operating segments have been aggregated because their long-term financial performance is similar. The type of product and the way these products are made as well as the client groups are also similar, and in some cases identical.
- ORIOR Corporate and Export: The Group's Corporate and Export operating segment is responsible for the export and commercialisation of the Group's products under the respective brands in the EU, focusing primarily on Switzerland's neighbours. 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.

2015

in CHF thousand	ORIOR Refinement	ORIOR Convenience	ORIOR Corporate and Export	Adjustments and eliminations		Consolidated
External customer sales	286 017	204 071	18 573			508 661
Inter-segment sales	16 349	3 166	2 897	– 22 412	[1]	0
Sales of goods / rendering of services	**302 366**	**207 237**	**21 470**	**– 22 412**		**508 661**
Reduction in gross sales	– 3 854	– 4 532	– 147			– 8 533
Revenues	**298 512**	**202 705**	**21 323**	**– 22 412**		**500 128**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**23 536**	**27 676**	**– 2 638**	**81**		**48 655**
Depreciation / impairment – tangible assets	– 6 571	– 5 254	– 600			– 12 425
Amortisation – intangible assets	– 1 296	0	– 1 086			– 2 382
Segment profit (EBIT)	**15 669**	**22 422**	**– 4 324**	**81**		**33 848**
Net financial expense						– 2 509
Profit before taxes						**31 339**
Segment assets	**304 201**	**88 455**	**197 690**	**– 191 899**	[1, 2]	**398 447**
Segment liabilities	**222 277**	**39 157**	**21 361**	**– 117 991**	[1, 3]	**164 804**
Investments in non-current assets	**4 601**	**4 448**	**1 434**	**0**	[4]	**10 483**

2014

in CHF thousand	ORIOR Refinement	ORIOR Convenience	ORIOR Corporate and Export	Adjustments and eliminations		Consolidated
External customer sales	301 054	208 315	20 700			530 069
Inter-segment sales	19 207	3 055	5 396	– 27 658	[1]	0
Sales of goods / rendering of services	**320 261**	**211 370**	**26 096**	**– 27 658**		**530 069**
Reduction in gross sales	– 3 971	– 4 325	– 143			– 8 439
Revenues	**316 290**	**207 045**	**25 953**	**– 27 658**		**521 630**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**22 440**	**29 692**	**– 3 992**	**– 108**		**48 032**
Depreciation / impairment – tangible assets	– 6 681	– 5 077	– 956			– 12 714
Amortisation – intangible assets	– 1 294	– 40	– 1 476			– 2 810
Segment profit (EBIT)	**14 465**	**24 575**	**– 6 424**	**– 108**		**32 508**
Net financial expense						– 2 653
Profit before taxes						**29 855**
Segment assets	**326 891**	**91 354**	**205 721**	**– 200 330**	[1, 2]	**423 636**
Segment liabilities	**240 163**	**42 281**	**14 970**	**– 100 435**	[1, 3]	**196 979**
Investments in non-current assets	**6 832**	**5 615**	**1 419**	**0**	[4]	**13 866**

[1] Inter-segment receivables in the amount of kCHF 8 355 and loans in the amount of kCHF 182 852 as per 31.12.2015 (kCHF 11 251 and kCHF 188 316 as per 31.12.2014), 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 352 180 (31.12.2015) and kCHF 352 318 (31.12.2014) 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 73 241 (31.12.2015) and kCHF 99 160 (31.12.2014) 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	2015	2014
Switzerland	481 553	501 505
France	15 207	15 404
Germany	1 868	1 921
Austria	748	1 492
Other	752	1 308
Revenues	**500 128**	**521 630**

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

Assets by country

in CHF thousand	2015	2014
Switzerland	260 204	265 081
France	252	320
Germany	0	46
Total assets	**260 456**	**265 447**

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

Sales of goods to the two major clients amounted to kCHF 218 224 and kCHF 73 055 respectively in 2015 (2014: kCHF 227 763 and kCHF 72 667). These sales were generated in the operating segments ORIOR Refinement and ORIOR Convenience.

Notes to the Consolidated Income Statement

7 Revenues

in CHF thousand	2015	2014
Sales of goods	508 661	528 945
Rendering of services	0	1 124
Gross sales	**508 661**	**530 069**
Reduction in gross sales	– 8 533	– 8 439
Total	**500 128**	**521 630**

8 Changes in inventories

in CHF thousand	2015	2014
Movement in value adjustment of inventories	– 294	725
Movement in finished products and work in progress	– 7 710	2 522
Total	**– 8 004**	**3 247**

9 Personnel expenses

in CHF thousand	2015	2014
Salaries and bonuses	– 76 848	– 78 235
Social security contributions	– 7 501	– 7 513
Pension fund contributions (defined benefit plan)	– 2 710	– 5 963
Other personnel expenses	– 1 429	– 1 949
Share-based payment transaction	– 66	– 72
Total	**– 88 554**	**– 93 732**

10 Other operating income

in CHF thousand	2015	2014
Other operating income	245	1 958
Gain from disposal of fixed assets	33	448
Total	**278**	**2 406**

11 Other operating expenses

in CHF thousand	2015	2014
Repair, maintenance & replacements	–7 363	–7 524
Operating expenses	–3 798	–3 555
Energy and waste disposal	–8 246	–9 492
Information and communication	–2 557	–2 772
Operational leasing	–8 645	–8 572
Insurances	–803	–968
Licences, duties & charges	–477	–454
Shipping	–11 810	–10 540
Marketing & sales	–12 568	–11 396
Board of Directors' compensation	–656	–652
Administration	–3 926	–2 852
Total	**–60 849**	**–58 777**

Product development costs of kCHF 2 144 (2014: kCHF 2 170) were recognised as an expense in the income statement during the period.

12 Financial income

in CHF thousand	2015	2014
Interest income – third parties (LAR)	4	12
Dividend income – third parties (AFVTPL)	6	7
Gain on fair value adjustment on derivative instruments (LFVTPL)	0	429
Gain on fair value adjustment on financial assets (AFVTPL)	21	5
Foreign exchange gains – realised (LAR / OFL)	469	204
Foreign exchange gains – unrealised (LAR / OFL)	646	140
Other financial income	0	6
Total	**1 146**	**803**

13 Financial expense

in CHF thousand	2015	2014
Interest expense	– 1 325	– 2 329
Bank charges and commissions – third parties (LAR / OFL)	– 427	– 390
Loss on fair value adjustment on financial assets (AFVTPL)	0	– 3
Adjustment of earn-out liability (OFL)	0	– 163
Foreign exchange losses – realised (LAR / OFL)	– 1 091	– 287
Foreign exchange losses – unrealised (LAR / OFL)	– 808	– 284
Other financial expense	– 4	0
Total	**– 3 655**	**– 3 456**

Interest expense in the amount of kCHF 1 325 (2014: 2 329) includes interest expense for other financial liabilities (OFL) in the amount of kCHF 1 271 (2014: 2 118).

14 Income taxes

The major components of income tax expense are:

in CHF thousand	2015	2014
Current income taxes	– 4 880	– 4 166
Current income tax charge	– 4 793	– 4 170
Adjustments of prior-year income tax	– 87	4
Movements of deferred taxes	– 896	806
Amount of deferred tax expense / income relating to the origination and reversal of temporary differences	1 505	– 835
Amount of deferred tax expense / income relating to changes in tax rates or the imposition of new taxes	– 113	– 27
Amount of deferred tax expense / income relating to the use and capitalisation of deferred tax assets from tax loss carryforwards	– 2 288	2 146
Amount of deferred tax expense relating to the valuation adjustment of deferred tax assets from tax loss carryforwards	0	– 478
Total	**– 5 776**	**– 3 360**

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

in CHF thousand	2015	2014
Profit before tax	31 339	29 855
Expected income tax rate (average weighted) of 16.2 % (2014: 18.3 %)	–5 063	–5 468
Income not subject to tax	24	358
Non-deductable expenses	–432	0
Adjustments of prior-year income tax	–87	–4
Effects from valuation of tax losses	–105	–365
Utilisation of previously unrecognised tax losses	0	136
Effect of changes in local tax rates	–113	–27
Effect of the revaluation of investments	0	2 010
Total	**–5 776**	**–3 360**

The different profit and loss contributions of the individual Group companies in relation to total Group profit and the different tax rates produced an expected income tax rate of 16.2 % (2014: 18.3 %). 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	2015	2014
Profit for the year attributable to shareholders of ORIOR	25 563	26 495
Weighted Ø number of ordinary shares in '000 for basic earnings per share	5 911	5 914
Basic earnings per share in CHF	4.32	4.48

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	31.12.2015	31.12.2014
Cash, postal accounts and cheques	28	21
Cash at banks	22 855	29 180
Total	**22 883**	**29 201**

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	31.12.2015	31.12.2014
Current financial assets at FV through profit and loss	296	276
Total	**296**	**276**

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 (Level 1) or on a comparable financial asset in an active market (Level 2). 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 85.3 % (2014: 83.8 %) of the receivables are not yet due.

in CHF thousand	31.12.2015	31.12.2014
Not yet due	38 226	42 488
Overdue 1 – 30 days	5 566	6 593
Overdue 31 – 60 days	690	1 028
Overdue 61 – 90 days	138	256
Overdue 91 – 180 days	118	151
Overdue 181 – 360 days	77	61
Overdue more than 360 days	0	143
Total trade accounts receivable – net	**44 815**	**50 720**

At 31 December 2015, trade receivables with initial value of kCHF 454 (2014: kCHF 1 620) 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 31.12.2013	**23**	**739**	**762**
Exchange differences	0	–16	–16
Additions	4	996	1 000
Utilisation	–5	–121	–126
Balance 31.12.2014	**22**	**1 598**	**1 620**
Exchange differences	0	–150	–150
Additions	83	112	195
Utilisation	–19	–1 192	–1 211
Balance 31.12.2015	**86**	**368**	**454**

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 2015, net trade accounts receivable of kCHF 38 483 (2014: kCHF 42 499) were pledged as security for the interest-bearing liabilities (see also Note 27).

19 Other current receivables

in CHF thousand	31.12.2015	31.12.2014
VAT receivables	853	1 053
Withholding tax receivables	1	0
Other current receivables – third parties	577	488
Other current receivables – social security institutions	4	18
Prepayments – third parties	58	83
Prepayments – social security institutions	4	6
Total	**1 497**	**1 648**

"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 2015 includes financial assets in the amount of kCHF 548 (2014: kCHF 479).

20 Inventories and work in progress

in CHF thousand	31.12.2015	31.12.2014
Raw materials (at cost)	16 803	16 293
Trade products (at cost or net realisable value)	6 543	6 580
Semi-finished products / work in progress (at cost)	30 288	37 037
Finished products (at cost or net realisable value)	11 089	12 343
Total at the lower of cost or net realisable value	**64 723**	**72 253**

kCHF 1 263 (2014: kCHF 1 588) of the total amount of raw materials, trade and finished products recognised as of 31 December 2015 is carried at net realisable value.

The amount of write-downs of inventories recognised in the income statement is kCHF 2 211 (2014: kCHF 813) which is recognised in "raw material / goods and services purchased" and "changes in inventories".

At the end of 2015 there were purchase obligations for raw materials of kCHF 21 492 (2014: kCHF 19 224) and for trade products of kCHF 3 073 (2014: kCHF 3 397).

At the end of 2015 and 2014, 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 construction	Total tangible assets
At cost								
Balance 01.01.2014	**82 325**	**18 820**	**4 649**	**11 516**	**2 331**	**35 462**	**1 339**	**156 442**
Additions	5 462	1 522	521	1 299	2 535	2 244	220	13 803
Additions from acquisitions	483	73	0	8	10	80	0	654
Disposals	–797	–11	–393	–621	0	–707	0	–2 529
Disposals from sale of subsidiary	–47	–429	–34	–6 164	0	0	0	–6 674
Reallocation within category	–5 627	7 520	0	37	–1 998	1 392	–1 324	0
Exchange differences	–7	–1	0	–1	0	–5	0	–14
Balance 31.12.2014	**81 792**	**27 494**	**4 743**	**6 074**	**2 878**	**38 466**	**235**	**161 682**
Additions	4 028	1 326	251	456	992	792	991	8 836
Disposals	–858	–126	–67	–819	0	–62	0	–1 932
Reallocation within category	2 054	56	0	40	–2 360	253	–43	0
Exchange differences	–32	–7	–2	–2	0	–27	0	–70
Balance 31.12.2015	**86 984**	**28 743**	**4 925**	**5 749**	**1 510**	**39 422**	**1 183**	**168 516**
Accumulated depreciation								
Balance 01.01.2014	**–46 656**	**–7 585**	**–3 376**	**–5 915**	**–84**	**–5 951**	**0**	**–69 567**
Depreciation	–7 070	–2 214	–620	–1 381	–7	–1 421	0	–12 713
Disposals	792	10	393	578	0	0	0	1 773
Disposals from sale of subsidiary	37	337	31	2 642	0	0	0	3 047
Exchange differences	3	0	0	0	0	2	0	5
Balance 31.12.2014	**–52 894**	**–9 452**	**–3 572**	**–4 076**	**–91**	**–7 370**	**0**	**–77 455**
Depreciation	–6 926	–2 605	–609	–748	–14	–1 522	0	–12 425
Disposals	824	124	67	747	0	62	0	1 824
Reallocation within category	–30	–12	2	0	0	40	0	0
Exchange differences	19	2	2	1	0	13	0	37
Balance 31.12.2015	**–59 007**	**–11 943**	**–4 110**	**–4 076**	**–105**	**–8 777**	**0**	**–88 018**
Net balance 01.01.2014	35 669	11 235	1 273	5 601	2 247	29 511	1 339	86 875
Net balance 31.12.2014	28 898	18 042	1 171	1 998	2 787	31 096	235	84 227
Net balance 31.12.2015	**27 977**	**16 800**	**815**	**1 673**	**1 405**	**30 645**	**1 183**	**80 498**

At the end of 2015 there were purchase obligations for property, plant and equipment of kCHF 729 (2014: kCHF 1 215).

Investments in property, plant and equipment resulted in a cash outflow of kCHF 9404 (2014: kCHF 12 822).

The net book value of leased vehicles amounts to kCHF 0 (2014: kCHF 97). Additional information on financial leasing is disclosed under Note 22.

22 Leases

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

in CHF thousand	31.12.2015	31.12.2014
Maturity within 1 year	0	16
Maturity between 1 and 5 years	0	0
Maturity over 5 years	0	0
Total	**0**	**16**
Interest portion	0	0
Total financial leasing	**0**	**16**

Finance lease liabilities in the amount of kCHF 0 (2014: kCHF 464) were repaid during the period.

Finance leases were mainly attributable to leased vehicles, which were sold as part of the sale of Lineafresca in 2014.

Maturity structure of non-capitalised operating leasing contracts:

in CHF thousand	31.12.2015	31.12.2014
Maturity within 1 year	6 846	5 986
Maturity between 1 and 5 years	23 676	23 976
Maturity over 5 years	52 360	58 177
Total	**82 882**	**88 139**

The operating leasing expenses reported in the 2015 income statement amounted to KCHF 6 584 (2014: KCHF 6 577).

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

During 2013 the minimum contract duration of the leasing contracts for the production buildings in Stabio and Böckten was extended by 6 years to the year 2031 and the leasing contract for the production building in Oberentfelden was extended by 3 years to the year 2028.

Fixed leasing instalments are paid on a monthly basis. The leasing contracts have pre-determined contract terms of between 10 and 24 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 amounted to kCHF 82 882 as at the end of 2015 (2014: kCHF 88 139).

23 Intangible assets

in CHF thousand	Goodwill	Brands	Label	Customer base	Production patent	IT software	Total
At cost							
Balance 01.01.2014	**89 497**	**26 868**	**28 660**	**35 023**	**7 680**	**11 084**	**198 812**
Additions	0	0	0	0	0	1 161	1 161
Additions from acquisitions	2 669	0	0	0	0	0	2 669
Disposals	0	0	0	0	0	–439	–439
Disposals from sale of subsidiary	0	0	0	0	0	–73	–73
Exchange differences	0	0	0	0	0	–1	–1
Balance 31.12.2014	**92 166**	**26 868**	**28 660**	**35 023**	**7 680**	**11 732**	**202 129**
Additions	0	0	0	0	0	1 124	1 124
Additions from acquisitions	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	–95	–95
Disposals from sale of subsidiary	0	0	0	0	0	0	0
Exchange differences	0	0	0	0	0	–2	–2
Balance 31.12.2015	**92 166**	**26 868**	**28 660**	**35 023**	**7 680**	**12 759**	**203 156**
Accumulated depreciation							
Balance 01.01.2014	**0**	**0**	**0**	**–3 977**	**–7 680**	**–6 955**	**–18 612**
Amortisation	0	0	0	–1 066	0	–1 744	–2 810
Disposals	0	0	0	0	0	439	439
Disposals from sale of subsidiary	0	0	0	0	0	73	73
Exchange differences	0	0	0	0	0	1	1
Balance 31.12.2014	**0**	**0**	**0**	**–5 043**	**–7 680**	**–8 186**	**–20 909**
Amortisation	0	0	0	–1 067	0	–1 315	–2 382
Disposals	0	0	0	0	0	90	90
Disposals from sale of subsidiary	0	0	0	0	0	0	0
Exchange differences	0	0	0	0	0	3	3
Balance 31.12.2015	**0**	**0**	**0**	**–6 110**	**–7 680**	**–9 408**	**–23 198**
Net balance 01.01.2014	89 497	26 868	28 660	31 046	0	4 129	180 200
Net balance 31.12.2014	92 166	26 868	28 660	29 980	0	3 546	181 220
Net balance 31.12.2015	**92 166**	**26 868**	**28 660**	**28 913**	**0**	**3 351**	**179 958**

Investments in intangible assets resulted in a cash outflow of kCHF 1 079 (2014: kCHF 1 044).

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	31.12.2015	31.12.2014
ORIOR Refinement	81 640	81 640
ORIOR Convenience	10 526	10 526
Total	**92 166**	**92 166**

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. 1.6 percentage points (2014: 1.3 percentage points) over the whole budget period was applied. For the business segment ORIOR Convenience an increase in EBIT margin of approx. 0.6 percentage points (2014: decrease of 0.2 percentage points) over the budget period was assumed.

Growth rates – Rates are based on published inflation rates. The growth rate used to extrapolate revenues beyond the budget period was 1.2 % (2014: 1.4 %) for all business units.

Discount rates – The discount rate was based on the average percentage of the 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 7.3 % (2014: 7.3 %) and post-tax discount rate of 6.1 % (2014: 6.2 %) was applied.

The recoverable amount of goodwill would still be higher than the carrying amount if:

- The average estimated EBIT margin had been 1.0 percentage point lower than management's estimates at 31 December 2015; 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	31.12.2015	31.12.2014
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	1 532
Total	**26 868**	**26 868**

Apart from the Natur Gourmet brand, 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 using 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 %	(2014: 1.0 – 3.0 %)
– Growth rate*	1.2 %	(2014: 1.4 %)
– Discount rate (WARA)**	7.7 %	(2014: 7.9 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.1 % has been applied (2014: 8.3 %).

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 if:

- The licence fees had been 0.5 – 2.0 %; or
- The growth rate had been 0.2 %; or
- The estimated post-tax discount rate applied to the discounted cash flows had been 1.0 percentage point 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 not been considered in either the impairment test or 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. The label 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*	1.2 %	(2014: 1.4 %)
– Discount rate (WARA)**	6.7 %	(2014: 6.8 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 7.0 % has been applied (2014: 7.1 %).

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 if:

– The growth rate had been 0.2 %; 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 0.7 percentage point 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 (2014: kCHF 22 889) has an indefinite useful life whereas the other part (kCHF 6 024 as at 31 December 2015 and kCHF 7 091 as at 31 December 2014) is amortised over its 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* 1.2 % (2014: 1.4 %)
– Discount rate (WARA)** 7.7 % (2014: 7.9 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.1 % has been applied (2014: 8.3 %).

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 if:

– The growth rate had been 0.2 %; 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 8.7 %.

Successful use of the customer base with an indefinite useful life is of crucial importance to 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	31.12.2015	31.12.2014
Trade accounts payable – third parties	30 572	40 876
Total	**30 572**	**40 876**

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

25 Other payables

in CHF thousand	31.12.2015	31.12.2014
Other current payables – third parties	2 521	3 065
Other current payables – related parties	591	372
Other current payables – social security institutions	635	680
Other current payables	**3 747**	**4 117**
Other non-current payables – third parties	167	333
Total	**3 914**	**4 450**

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

The total balance of "other payables" as per 31 December 2015 includes financial liabilities of kCHF 1 298 (2014: kCHF 1 884).

The total liability from the earn-out agreement amounts to kCHF 333 (2014: kCHF 1 246). Of this, kCHF 167 is included (2014: kCHF 913) in other current payables.

26 Accrued liabilities

in CHF thousand	31.12.2015	31.12.2014
Vacation / overtime	1 202	1 471
Bonus	2 777	2 781
Client reimbursements	3 770	3 808
Water, electricity	1 469	1 169
Marketing contributions	1 617	1 888
Repair & maintenance	203	199
Logistics & supply	369	413
Taxes & duties	244	3 059
Consultancy	1 646	539
	261	508
Vacation / overtime – related parties	17	27
Bonus – related parties	486	220
Other – related parties	278	279
Social security institutions	335	401
Other	3 639	2 641
Total	**18 313**	**19 403**

The total balance of accrued liabilities as per 31 December 2015 includes financial liabilities of kCHF 12 816 (2014: kCHF 10 895). Other accrued liabilities of kCHF 3 639 (2014: kCHF 2 641) include financial liabilities of kCHF 3 252 (2014: kCHF 2 140) and are in particular related to liabilities for IT, administrative expenses and other operating expenses. The non-financial liabilities included in other accrued liabilities involve mainly tax at source, property taxes and capital taxes.

27 Financial liabilities

in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2015
Year ended 31 December 2015				
Non-current – third parties				
kCHF 73 600 secured bank loan		LIBOR + 1.2	31/12/18	73 241
kCHF 76 400 secured bank loan (not yet drawn)			31/12/18	0
Total				**73 241**

in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2014
Year ended 31 December 2014				
Current – third parties				
Short-term liabilities from finance lease	22	6.08 - 6.17 %	2015	16
Total				**16**
Non-current – third parties				
kCHF 97 600 secured bank loan		LIBOR + 1.2	31/12/18	99 144
kCHF 52 400 secured bank loan (not yet drawn)			31/12/18	0
Total				**99 144**

The credit limit of the current Credit Facility Agreement is CHF 150 million (2014: CHF 150 million) which can be used up to the maturity date on 31 December 2018. As per the balance sheet date CHF 76.4 million (2014: CHF 50.3 million) has not yet been drawn. There are no annual repayments due. The interest rates applicable to the credit facility are based on the ratio of the Group's net debt to EBITDA 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.

Bank loans are secured by pledged accounts receivable of kCHF 38 483 (2014: kCHF 42 499).

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, the whole amount of CHF 73.2 million (2014: CHF 99.1 million) is disclosed as non-current.

28 Provisions

in CHF thousand	Restructuring	Anniversary and other long-term service benefits	Others	Total
Balance 01.01.2014	**0**	**2 113**	**752**	**2 865**
Additions	0	787	278	1 065
Disposal from sale	0	–20	0	–20
Use	0	–156	–149	–305
Reversal	0	–59	–95	–154
Balance 31.12.2014	**0**	**2 665**	**883**	**3 548**
Of which short-term		185	321	506
Of which long-term		2 480	562	3 042
Additions	152	239	226	617
Use	0	–193	–375	–568
Reversal	0	–303	–45	–348
Balance 31.12.2015	**152**	**2 408**	**689**	**3 249**
Of which short-term	152	186	127	465
Of which long-term	0	2 222	562	2 784

Restructuring – This provision covers the restructuring costs of a subsidiary company.

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 in accordance with 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	31.12.2015	31.12.2014
Deferred tax assets	–1 402	–1 859
Deferred tax liabilities	20 692	21 697
Net deferred tax (assets) / liabilities	**19 290**	**19 838**

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

in CHF thousand	2015	2014
Opening balance as at 01.01.	19 838	20 290
Additions from acquisitions	0	–107
Charges / (discharges) to income statement	896	–806
Taxes in other comprehensive income	–1 439	462
Exchange differences	–5	0
Net deferred tax (assets) / liabilities as at 31.12.	**19 290**	**19 838**

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 2015 deferred income tax assets in the amount of kCHF 1 436 (2014: kCHF 3 724) are capitalised.

The Group did not recognise deferred income tax assets of kCHF 844 (2014: kCHF 763) in respect of losses amounting to kCHF 3 914 (2014: kCHF 3 630) 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 (2014: kCHF 0)
– Expires in 4 to 7 years: kCHF 3 170 (2014: kCHF 3 170)
– No expiration: kCHF 744 (2014: kCHF 460)

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

in CHF thousand	31.12.2015	31.12.2014
Receivables	404	601
Inventories and work in progress	2 277	3 791
Property, plant and equipment	4 807	4 804
Intangible assets	14 622	14 809
Liabilities	432	29
Subtotal deferred tax liabilities	**22 542**	**24 034**
Benefit from tax loss carryforwards	–1 436	–3 724
Liabilities	–1 816	–472
Subtotal deferred tax assets	**–3 252**	**–4 196**
Net deferred tax (assets) / liabilities	**19 290**	**19 838**
Reflected in the balance sheet as follows:		
deferred tax assets	–1 402	–1 859
deferred tax liabilities	20 692	21 697
Net deferred tax liabilities	**19 290**	**19 838**

30 Shareholders' equity

Number of registered shares	31.12.2015	31.12.2014
Total outstanding shares	**5 922 080**	**5 911 514**
Treasury shares		
freely available	2 920	13 486
Total treasury shares	**2 920**	**13 486**
Total shares issued	**5 925 000**	**5 925 000**
Total shares	**5 925 000**	**5 925 000**

The registered shares have a nominal value of CHF 4 each. The share capital is fully paid-in and amounts to kCHF 23 700 (2014: kCHF 23 700).

31 Treasury shares

	Number	Ø price per share in CHF	Total in kCHF
Opening balance as at 01.01.2014	**9 305**	**50.60**	**471**
Purchases 01.01. – 31.12.14	28 690	53.66	1 540
Sales 01.01. – 31.12.14	– 24 509	54.02	– 1 324
Losses / Gains from the sales of treasury shares			25
Closing balance as at 31.12.2014	**13 486**	**52.78**	**712**
Opening balance as at 01.01.2015	**13 486**	**52.78**	**712**
Purchases 01.01. – 31.12.15	46 750	55.66	2 602
Sales 01.01. – 31.12.15	– 57 316	51.09	– 2 928
Losses / Gains from the sales of treasury shares			– 212
Closing balance as at 31.12.2015	**2 920**	**59.64**	**174**

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

32 Dividends / repayment of capital contributions

The dividend for 2014 was paid in April 2015 in conformity with the decision taken at the Annual General Meeting on 26 March 2015. Shareholders approved the proposed dividend in the form of a repayment of capital contributions of CHF 2.00 (2014: CHF 1.97) per share, resulting in a total dividend of kCHF 11 818 (2014: kCHF 11 653). 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 2016 that the Group distribute a dividend of CHF 2.03 per share for the 2015 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 contracts – There were no open forward currency contracts as at 31 December 2015 or 2014.

35 Foreign exchange rates

	Unit	Average exchange rate		Closing exchange rate	
Currency		2015	2014	31.12.2015	31.12.2014
EUR	1	1.0670	1.2144	1.0874	1.2027
USD	1	0.9710	0.9151	1.0008	0.9895

36 Employee benefit liabilities

ORIOR pension plan

Legal aspects of the pension plan (BVG)

Pension plans and their benefits are governed in Switzerland by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. Pension plans are regulated by a state supervisory body. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives.

Plan participants are insured against the financial consequences of old age, disability and death. The various insurance benefits are set out in regulations, though the BVG specifies the minimum benefits to be provided. The employer and employees pay contributions into the pension plan. If an underfunding arises, various measures can be taken such as adjusting the pension commitment by altering the conversion rates, or increasing current contributions. The employer may also be required to make additional restructuring contributions, though the BVG specifies how employees and employer have to jointly fund potential restructurings.

The Group operates three independent pension plans, which cover all employees. ORIOR's pension plans have the legal structure of foundations. All actuarial risks are either borne by the foundations or are reinsured. These risks consist of demographic risks (primarily life expectancy) and financial risks (primarily the discount rate, future increases in salaries, and the return on plan assets) and are regularly assessed by the Board of Trustees. An annual actuarial report is drawn up in accordance with the requirements of the BVG. The estimated funded status according to the BVG as per 31 December 2015 is 112.9 % (2014: 116.5 %).

The Boards of Trustees are responsible for the investment of assets. They continuously define the investment strategy, taking into account the foundations' objectives, benefit obligations and risk capacity. The Boards of Trustees delegate the implementation of the investment strategies to an external asset manager.

Retirement benefits are based on annual contributions, calculated as a percentage of salary, adjusted for the age of the employee and split approximately 41 % / 59 % between employee and employer. In addition to the pension contributions, yearly interest is credited to the savings account. The rate used for converting an individual savings account into a pension at retirement is fixed in the plans. The plans also provide death and long-term disability benefits for employees. The disability pension is defined as a percentage of annual salary. The spouse pension is defined as a percentage of the projected retirement pension (without future interest).

Technical accounting aspects of the pension plan (IFRS)

The pension plans qualify as defined benefit plans under IAS 19. Once a year, a report is prepared in accordance with IFRS requirements by an independent actuary. In this process, plan assets are valued at fair market values and liabilities are calculated according to the projected unit credit method.

The following table gives an overview of the pension obligation recognised in the balance sheet. The foreign plan also qualifies as a defined benefit plan under IAS 19. As this plan is not significant within the overall pension picture, it is not included in the information given below.

in CHF thousand	31.12.2015	31.12.2014
Defined benefit obligation (Swiss Plans)	– 11 131	– 4 749
Defined benefit obligation (Foreign Plan)	– 15	– 15
Total defined benefit obligation	**– 11 146**	**– 4 764**

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

in CHF thousand	31.12.2015	31.12.2014
Defined benefit obligation	– 145 975	– 142 475
Fair value of plan assets	138 924	138 244
Effect of asset ceiling	– 4 080	– 518
Funded status	**– 11 131**	**– 4 749**

The cost of the defined benefit plans are determined as follows:

in CHF thousand	2015	2014
Current service costs	– 4 675	– 5 959
Past service costs	1 969	1 489
Interest income on the asset ceiling part	– 4	0
Total service costs	**– 2 710**	**– 4 470**
Net interest employee benefits	– 33	– 166
Total pension expenses recorded in income statement	**– 2 743**	**– 4 636**

The remeasurements of employee benefits recorded in other comprehensive income are determined as follows:

in CHF thousand	2015	2014
Changes in financial assumptions	–1 484	–14 330
Other actuarial gains/losses	–3 596	4 958
Actuarial gains/losses on plan assets	–256	12 298
Effect of asset ceiling	–3 558	–518
Total remeasurements recorded in other comprehensive income	**–8 894**	**2 408**

The movements in the defined benefit obligation and fair value of plan assets are as follows:

in CHF thousand	31.12.2015	31.12.2014
Defined benefit obligation at 1 January	–142 475	–134 060
Current service costs	–4 675	–5 959
Past service costs	1 969	1 489
Interest costs	–1 144	–2 911
Actuarial gains/losses	–5 080	–9 372
Employee contributions	–3 357	–3 383
Benefit payments	7 663	5 889
Settlements	1 124	6 022
Acquisitions	0	–190
Defined benefit obligation at 31 December	**–145 975**	**–142 475**

in CHF thousand	31.12.2015	31.12.2014
Fair value of plan assets at 1 January	138 244	126 346
Interest income	1 111	2 745
Return on plan assets (excluding interest based on discount rate)	–256	12 298
Employee contributions	3 357	3 383
Employer contributions	5 255	5 265
Benefit payments	–7 663	–5 889
Settlements	–1 124	–6 022
Acquisitions	0	118
Fair value of plan assets at 31 December	**138 924**	**138 244**

The estimated Company contribution to the pension plans for the financial year 2016 amounts to kCHF 5 308 (2015: kCHF 5 072).

The past service costs in the amount of kCHF 1 969 are related to a reduction of the conversion rate, a plan amendment of two subsidiaries as well as the disposal of a part of the business of a subsidiary.

The categories of plan assets are as follows:

Plan assets	31.12.2015	%	31.12.2014	%
Cash	7 392	5.3 %	13 732	9.9 %
Bonds	57 724	41.6 %	53 899	39.0 %
Shares	42 449	30.6 %	42 728	30.9 %
Real estate	21 054	15.2 %	20 180	14.6 %
Other	10 305	7.4 %	7 705	5.6 %
Assets quoted in active markets	**138 924**	**100.0 %**	**138 244**	**100.0 %**
Total plan assets	**138 924**	**100.0 %**	**138 244**	**100.0 %**

The outflow of funds for pension payments can be planned reliably. The chosen investment strategies ensure that liquidity is maintained at all times. The Group does not use assets belonging to the pension funds.

The pension funds' assets are divided into the following classes: cash and cash equivalents, bonds, equities, real estate, and other investments.

Approximately 75 % of the cash is held at Credit Suisse and about 25 % at Banque Cantonale Vaudoise (BCV). Both institutions have an A rating.

The bonds are all held through respected funds. The overwhelming majority are denominated in Swiss francs and have investment grade ratings. Less than 5 % of total assets are invested in funds that concentrate on higher-interest debt. All investments are tradable daily.

Equity investments are also held through funds run by respected providers. Most of the equity portion is divided equally between Swiss and international equities. The rest is invested in equity paper from emerging economies. All investments are tradable daily.

Real estate investments are divided between real estate investment funds, investment foundations and one direct mandate. This direct mandate can be liquidated within two weeks. The other investments can be redeemed on any day. The real estate investment funds are tradable daily.

Other investments are covered by a daily traded Hedge Fund and an investment in two Private Equity Funds of Partners Group.

Calculations are based on the following assumptions:

	31.12.2015	31.12.2014
Discount rate	0.70 %	0.80 %
Rate of future increase in compensation	1.00 %	1.00 %

Sensitivities of significant actuarial assumptions

The discount rate and the future increase in salaries have been identified as significant actuarial assumptions. The fluctuation range for the sensitivity analysis amounts to 0.25 %. The following impacts on the defined benefit obligation are to be expected:

- An increase / decrease of 0.25 % (2014: 0.25 %) in the discount rate would lead to a decrease of kCHF 4 247 (– 2.9 %) (2014: kCHF 3 741 / – 2.6 %) / increase of kCHF 4 524 (+ 3.1 %) (2014: kCHF 3 978 / + 2.8 %) in the defined benefit obligation.
- An increase / decrease of 0.25 % (2014: 0.25 %) in the rate of future increase in compensation would lead to an increase of kCHF 331 (+ 0.2 %) (2014: kCHF 296 / + 0.2 %) / decrease of kCHF 324 (– 0.2 %) (2014: kCHF 289 / – 0.2 %) in the defined benefit obligation.

The following amounts are expected to be paid out in future years as part of the defined benefit plan obligation:

	2015	2014
Within the next 12 months	7 638	7 248
Between 2 and 5 years	30 374	23 399
Between 5 and 10 years	40 930	25 429
Total	**78 942**	**56 076**

The average duration of the defined benefit plan obligation at the end of the reporting period is 15.8 years (2014: 10.7 years).

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 volume-weighted average 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. In 2015 20 240 shares were sold to plan participants at a price of CHF 41.45 per share, which made a total of kCHF 839. The recognised expense arising from share-based payment transactions for the financial year 2015 amounts to kCHF 66 (2014: kCHF 72).

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" are treated as related parties.

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

in CHF thousand

Liabilities	Partner	31.12.2015	31.12.2014
Other current payables	Pension fund	591	372
Accrued liabilities	Board of Directors	231	231
Accrued liabilities	Management	503	247
Accrued liabilities	Pension fund	47	48
Accrued pension cost	Pension fund	11 146	4 764

Expenses	Partner	2015	2014
Pension fund contributions	Pension fund	–2 710	–5 963
Board of Directors' compensation	Board of Directors	–656	–652
Interest expense	Shareholders	–33	–166

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 of Directors or significant shareholders except for the amounts disclosed above.

The Management Board of ORIOR AG receives performance-related compensation in addition to 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 total amount of fixed and variable compensation in 2015 was kCHF 2 243 (2014: kCHF 2 640). The disclosed remuneration is reported on an accrual basis.

in CHF thousand	2015	2014
Short-term employee benefits	2 171	2 503
Post-employment benefits	184	212
	2 355	**2 715**

Further information regarding total compensation is disclosed in the compensation report in compliance with the law and the Ordinance against Excessive Compensation with respect to Listed Stock Corporations (OaEC).

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 2015 and 31 December 2014 there were 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 2015 annual financial statements.

43 Legal structure of ORIOR Group

Company Name	Location	Country	Business activity	Cur-rency	Share capital (in 1000)	%-share of capital and votes 2015	2014
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 %
Salumi Val Mara SA	Maroggia	Switzerland	Premium Food	CHF	250	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	1 130	100 %	100 %
Möfag, Mösli Fleischwaren AG	Zuzwil	Switzerland	Premium Food	CHF	200	100 %	100 %

Building a better working world

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To the General Meeting of

Orior Ltd, Zurich

Basle, 23 February 2016

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Orior Ltd, which comprise the income statement, statement of comprehensive income, balance sheet, statement of equity, cash flow statement and notes (pages 62 to 126), for the year ended 31 December 2015.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with IFRS and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation 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 of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

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2

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

Martin Gröli Licensed audit expert (Auditor in charge)	Gianni Trog Licensed audit expert

ORIOR AG
FINANCIAL STATEMENTS 2015

Income Statement

in CHF thousand	Note	2015	2014
Dividend income		20 262	26 344
Financial income		2 036	2 835
Other operating income		294	287
Total income		**22 592**	**29 466**
Financial expense		– 691	– 1 146
Other operating expense		– 2 106	– 1 665
Depreciation and amortisation	6	– 2 257	– 3 837
Total expenses		**– 5 054**	**– 6 648**
Ordinary earnings before taxes		**17 538**	**22 818**
Tax expense		– 51	– 48
Profit for the year		**17 487**	**22 770**

Balance Sheet

in CHF thousand	Note	31.12.2015	31.12.2014
Cash and cash equivalents		1 292	573
Other current receivables third parties		26	4
Other current receivables subsidiaries		242	1 713
Prepaid expenses		30	30
Total current assets		**1 590**	**2 320**
Loans to subsidiaries		132 855	129 269
Investments	1	64 210	64 210
Intangible assets	2	8 531	10 788
Total non-current assets		**205 596**	**204 267**
TOTAL ASSETS		**207 186**	**206 587**
Other current payables third parties		140	22
Other current payables subsidiaries		81	238
Accrued liabilities		789	658
Current liabilities		**1 010**	**918**
Other long-term interest bearing liabilities third parties		0	16 100
Other long-term interest bearing liabilities subsidiaries		39 200	28 800
Non-current liabilities		**39 200**	**44 900**
Total liabilities		**40 210**	**45 818**
Share capital	3	23 700	23 700
Statutory capital reserves	4	16 034	27 853
Capital contribution reserves		16 034	27 853
Statutory retained earnings		4 740	4 449
Voluntary retained earnings		122 677	105 481
Free reserve		5 000	5 000
Retained earnings		117 677	100 481
Brought forward from previous year		100 189	77 710
Profit for the year		17 487	22 770
Treasury Shares	5	– 174	– 712
Total equity		**166 977**	**160 770**
Total liabilities and equity		**207 186**	**206 587**

Notes to the Statutory Financial Statements

General information

ORIOR AG
Dufourstrasse 101
8008 Zürich

BID number / CHE-113.034.902
VAT number / CHE-113.034.902 MWSt

These annual financial statements were prepared in line with Swiss law, and in particular with the articles of the Swiss Code of Obligations concerning accounting and financial reporting (Art. 957ff OR).

The following principles are applied to the annual financial statements:

The 2015 annual financial statements were prepared for the first time in accordance with provisions of the new accounting law. To facilitate comparisons, the prior year's balance sheet and income statements have been adjusted to the new classification rules.

The figures shown in the annual financial statements are rounded up or down. The actual calculations are made with greater preceision, so small rounding differences can appear.

No cash flow statement and no additional information in the Notes

Because ORIOR AG prepares its consolidated financial statements in accordance with a recognised standard for financial accounting (IFRS), in these financial statements it has, as the law allows, omitted the additional information in the Notes and a cash flow statement from these financial statements.

Information about balance sheet and income statement items

1 Direct and major indirect investments

Company Name	Location	Investment	Business activity	Currency	Share capital (in 1000)	%-share of capital and votes 2015	2014
Orior Management AG	Zurich	direct	Services	CHF	100	100 %	100 %
Rapelli SA	Stabio	direct	Premium Food	CHF	12 500	100 %	100 %
Orior Menu AG	Böckten	direct	Premium Food	CHF	1 700	100 %	100 %
Fredag AG	Root	direct	Premium Food	CHF	2 000	100 %	100 %
Albert Spiess AG	Schiers	indirect	Premium Food	CHF	1 000	100 %	100 %
Möfag, Mösli Fleischwaren AG	Zuzwil	indirect	Premium Food	CHF	200	100 %	100 %

Investments are recognised in the balance sheet at cost, less the necessary value adjustments.

2 Intangible assets

This position includes goodwill from a transaction in 2006 and is being depreciated over a period of 15 years.

3 Share capital and authorised share capital

The share capital of TCHF 23 700 consists of 5 925 000 registered shares with a nominal value of CHF 4.00 each. At the Annual General Meeting on 25 March 2014, the Board of Directors was authorised to increase share capital by a maximum of kCHF 4 762, divided into 1 190 426 registered shares with a nominal value of CHF 4.00 each by no later than 25 March 2016.

Conditional share capital

The share capital of the Company may be increased by a maximum of kCHF 714 through the issue of a maximum of 178 564 registered shares with a nominal value of CHF 4.00 each, which must be fully paid-in.

in CHF thousand	31.12.2015	31.12.2014
Conditional share capital	714	714
Authorised share capital	4 762	4 762

4 Capital contribution reserves

The reserves from capital contributions include the premium from the capital increase in 2011, less distributions made to date.

A distribution from reserves from capital contributions is treated the same as a repayment of share capital. Of the capital contribution reserves in the amount of kCHF 16 034, kCHF 12 836 were confirmed by the Swiss Federal Tax Administration.

5 Treasury shares

	Number	Ø price per share in CHF	Total in kCHF
Opening balance as at 01.01.2014	**9 305**	**48.14**	**471**
Purchases 01.01. – 31.12.14	28 690	53.66	1 540
Sales 01.01. – 31.12.14	– 24 509	54.02	– 1 324
Losses / gains from sales of treasury shares			25
Closing balance as at 31.12.2014	**13 486**	**52.78**	**712**
Opening balance as at 01.01.2015	**13 486**	**52.78**	**712**
Purchases 01.01. – 31.12.15	46 750	55.66	2 602
Sales 01.01. – 31.12.15	– 57 316	51.09	– 2 928
Losses / gains from sales of treasury shares			– 212
Closing balance as at 31.12.2015	**2 920**	**59.64**	**174**

Own shares are stated at cost at the date of acquisition, and from the 2015 financial year are shown as negative items under equity. The profit or loss from subsequent resales is recognised in the income statement as financial income or expense.

6 Amortisation

in CHF thousand	2015	2014
Amortisation of intangible assets	1 896	1 896
Allowance for loan of subsidiary	0	858
Allowance for capital increase costs	361	1 083
Total depreciation and amortisation	**2 257**	**3 837**

Miscellaneous

Full-time positions

No employees were employed at ORIOR AG in the year under review or the prior year.

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

in CHF thousand	31.12.2015	31.12.2014
Joint and several liabilities for rent	**81 700**	**88 400**
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 figure shown includes future rent payments up to the year 2031.		
Guarantee commitments in favour of subsidiaries	**60 200**	**70 200**

Restriction of title for own liabilities

in CHF thousand	31.12.2015	31.12.2014
Regarding the Credit Facility Agreement with Credit Suisse in the maximum amount of kCHF 150 000 (of which kCHF 73 600 has been drawn as per 31.12.2015).		
Declaration of assignment for loans to subsidiaries	**132 855**	**129 268**

Significant shareholders

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

	% of capital and votes	
Name	31.12.2015	31.12.2014
Ernst Göhner Stiftung (CH)	10.46 %	10.46 %
UBS Fund Management (Switzerland) AG (CH)	6.21 %	6.21 %
Schroder Plc (GB)	< 5 %	5.95 %
The Capital Group Companies, Inc. (USA)	< 3 %	6.50 %

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:

	Number of shares as per 31.12.2015	Number of shares as per 31.12.2014
Rolf U. Sutter Chairman of the Board	199 800	199 300
Rolf Friedli Vice Chairman of the Board	500	0
Christoph Clavadetscher Member of the Board	10 000	10 000
Edgar Fluri Member of the Board	5 000	4 500
Dominik Sauter Member of the Board	550	550
Monika Walser Member of the Board	700	200
Total Board of Directors	**216 550**	**214 550**
Daniel Lutz CEO ORIOR Group	2 000	n/a
Ricarda Demarmels CFO ORIOR Group	1 500	n/a
Bruno de Gennaro Head of Convenience and Fredag	93 075	92 075
Hélène Weber-Dubi[1)] CFO ORIOR Group	n/a	85 830
Total Management Board	**96 575**	**177 905**

[1] Resigned as CFO ORIOR Group on 31.03.2015

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 volume-weighted average 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. In 2015 20 240 shares were sold to plan participants at a price of CHF 41.45 per share, which made a total of kCHF 839.

Subsequent events

No significant events occurred after the balance sheet date that had an influence on the book values of the reported assets or liabilities or that have to be disclosed here.

Proposal for the allocation of retained earnings as of 31 December 2015

Allocation of retained earnings

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

in CHF thousand	31.12.2015	31.12.2014
Brought forward from previous year	100 189	77 710
Profit for the year	17 487	22 770
Available retained earnings	**117 677**	**100 481**
Allocation to legal reserve	0	– 291
Balance brought forward	**117 677**	**100 189**

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

The Board of Directors is proposing to the 2016 Annual General Meeting of Shareholders that it pay a dividend of CHF 2.03 per share in the form of a repayment from capital contributions without deduction of withholding tax. If the shareholders approve this proposal, the total dividend payment will come to kCHF 12 022, and the distribution ratio as a percentage of the consolidated profit for the year will be 47.0 %. All shares rank for dividends except for the treasury shares (2 920 as per 31 December 2015).

in CHF thousand	31.12.2015	31.12.2014
Allocation from legal reserves (capital reserves) to voluntary retained earnings	12 022	11 823
Withholding tax-free distribution of CHF 2.03 per registered share	– 12 022	– 11 823

Building a better working world

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To the General Meeting of

Orior Ltd, Zurich

Basle, 23 February 2016

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Orior Ltd, which comprise the income statement, balance sheet and notes (pages 130 to 136), for the year ended 31 December 2015.

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

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

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

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

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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

Martin Gröli Licensed audit expert (Auditor in charge)	Gianni Trog 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

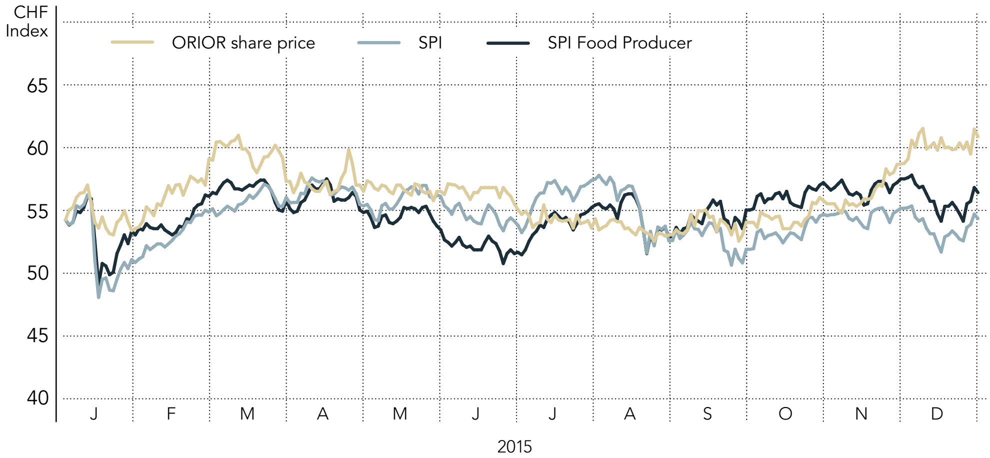
Number of shares at 31 December		2015	2014
Number of registered shares	Number	5 925 000	5 925 000
Nominal value per registered share	in CHF	4.00	4.00
of which treasury shares	Number	2 920	13 486
Number of outstanding registered shares	Number	5 922 080	5 911 514

Stock exchange key figures		2015	2014
Year-end price	in CHF	60.90	54.90
Year high	in CHF	62.00	57.75
Year low	in CHF	52.00	49.25
Average trading volume per day	Number	6 383	4 661
Market capitalisation at year-end	in CHF m	360.8	325.3

Key figures		2015	2014
Net result per share	in CHF	4.32	4.48
Net result per share (diluted)	in CHF	4.32	4.48
Operating cash flow per share	in CHF	7.05	4.84
Equity per share	in CHF	39.52	38.33
Dividend per share	in CHF	2.03	2.00
Dividend percentage	in %	47.0	44.6
P/E ratio after tax		14.11	12.25
Weighted Ø number of shares outstanding	in ‘000	5 911	5 914

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

Share price performance



For better comparability, ORIOR's share price was compared with dividend-adjusted indices.

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.

ORIOR's attractive dividend policy was confirmed in the ORIOR 2020 strategy; a further steady increase in the absolute dividend is targeted.

The Board of Directors is proposing a dividend of CHF 2.03 per share for 2015. The proposed dividend payout for fiscal 2015 corresponds to 47.0 % of net profit for the year.

Corporate calendar

6th Annual General Meeting, Maag Halle Zurich	12.04.2016
Half-year results 2016	23.08.2016
Publication of half-year report 2016	23.08.2016

Contact information

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CORE VALUES

We are convinced that…

…the company needs content employees, customers, suppliers and shareholders to achieve its goal of steady value creation;

…a steadfast focus on the constantly shifting needs and preferences of consumers and customers is a precondition for innovation and growth;

…motivated and competent employees who are happy and proud to celebrate craftsmanship day after day are the key to our success;

…each and every employee must assume full responsibility for their conduct and their work, and that our business conduct must be guided by high ethical standards and respect;

…unremitting efforts towards the attainment of superior quality and constant advancement in our daily work are a precondition for sustainable and profitable growth;

…open, honest and transparent communication is the basis for successful team work;

…sustainability is an integral part of our core business.

Brand Portfolio

Rapelli

Rapelli, a brand built on the tradition of the ancient "mastri salumieri". Authentic products and an uncompromising commitment to quality. Italian specialities in all its variations – interpreted in both a traditional and a modern manner since 1929.

Ticinella

Ticinella. La vita è bella! Typical Ticinese specialities, firmly rooted in the gastronomic culture of Switzerland's most southern canton. A journey of discovery into a unique world of flavours, with tastes that conjure up Ticino's mild climate and zest for life.

San Pietro

This raw ham undergoes a slow, curing process in the clean, fresh air of the Mendrisiotto region of Ticino for at least 12 months under the watchful eye and experienced hands of our specialists, giving it a unique and mouth-watering flavour.

Val Mara

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

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 Grisons 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.

Fürstenländer Spezialitäten

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

Fredag

Cook fine – gain time. Fredag is synonymous with high-quality convenience food. Its products range from poultry to meat convenience specialities, perfectly suited for delicious meals at home and in gastronomy.

Ocean's Best

Top-quality seafood. Frozen specialities from lakes, rivers and seas, and from countries near and far. Convenience products of impeccable quality for the restaurant and food service sectors. Fish and shellfish are mainly sourced directly from fisheries with sustainable practices.

Nature Gourmet

Vegetarian and vegan products for gourmets. Only the finest ingredients prepared according to Swiss quality standards are good enough for Nature Gourmet, a trendsetting brand for a new nutrition philosophy.

Noppa's

Swiss premium organic tofu creations. The wide range includes traditional tofu products, as well as innovative, vegetarian and vegan specialities for restaurants and the retail trade.

Pastinella

Pastinella, un amore di pasta. Chilled pasta in all possible variations and in many shapes: Gnocchi, tortellini, ravioli – Pastinella offers everything that is needed for a perfect Italian pasta meal, including appetising sauces.

Le Patron

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

Imprint
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Design hilda design matters, Zurich | **Photography** Petra Tschofen, Uster | **Printing** Neidhart + Schön Group, Zurich

Our ambition:

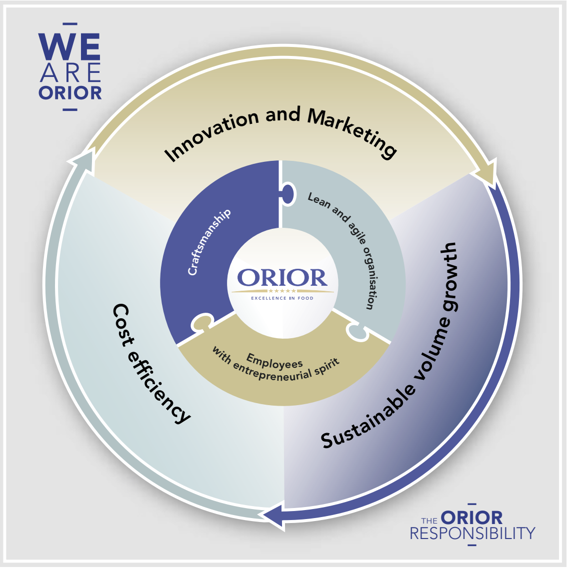
Excellence in Food

ORIOR is an independent Swiss food producer that combines craftsmanship with a pioneering spirit and is thriving on entrepreneurship and strong values. A specialist for fresh convenience foods and refined meats, the Group claims leading positions in fast-growing niches within the retail and food service markets. With Rapelli, Ticinella, Albert Spiess, Fürstenländer Spezialitäten, Fredag, Pastinella and Le Patron, ORIOR has built an impressive portfolio of brands and companies.

ORIOR's goal is to steadily create value for all stakeholders. Market intimacy, strong partnerships and a lean, agile structure provide the framework from which ORIOR is shaping and driving the market landscape with innovative products, concepts and services. Motivated employees who take pride in their work and who assume responsibility for themselves and for what they do are the key for creating the extraordinary.

We are striving for uniqueness and offering best quality in order to surprise our consumers time and again with inimitable food moments. Our ambition is nothing less than **Excellence in Food.**

Our model to create steady value creation
The core capabilities of "craftsmanship", "lean and agile organisation" and "employees with an entrepreneurial spirit" are part of what makes ORIOR unique. There is a direct correlation and constant interaction between these capabilities and the drivers of "innovation and marketing", "sustainable volume growth" and "cost efficiency". "The ORIOR responsibility" and "We are ORIOR"– our promise and our commitment to sustainable business practices – are binding across the entire strategic model. Only constantly working and advancing towards all premises stipulated in the model will enable steady value creation.



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