ORIOR
PREMIUM FOOD

ORIOR GROUP
ANNUAL REPORT 2013

EXCELLENCE IN FOOD

Key figures for ORIOR Group

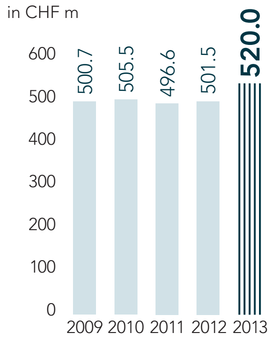
in CHF thousand	2013	Δ in %	2012 Restated[1]
Revenues	**520 033**	+ 3.7 %	**501 493**
EBITDA	**47 654**	– 8.4 %	**52 031**
as % of revenues	9.2 %		10.4 %
EBIT	**32 098**	– 10.3 %	**35 781**
as % of revenues	6.2 %		7.1 %
Profit for the year	**25 763**	– 5.5 %	**27 264**
as % of revenues	5.0 %		5.4 %
Net debt, third parties	74 854	– 12.5 %	85 559
Net debt / EBITDA ratio	1.57		1.64
Shareholders' equity	215 138	+ 11.8 %	192 417
Equity ratio	51.5 %		47.0 %
ROI	10.0 %		11.2 %
Avg. number of employees (FTE)	1 300	+ 2.1 %	1 273
Earnings per share in CHF	4.36		4.61
Dividend per share in CHF	1.97		1.95
Payout ratio	45.2 %		42.3 %
Market capitalisation as per year-end	308 100		303 360

[1] See Note 2 in the Financial Report

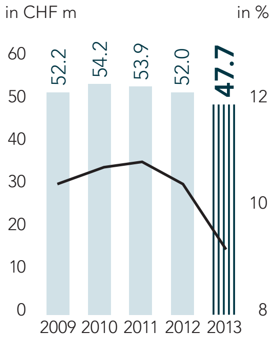
At a glance

- Revenues up 3.7 % from CHF 501.5 million to CHF 520.0 million
- Convenience Segment grows by 4.5 % and gains market share
- EBITDA margin down year-on-year from 10.4 to 9.2 % owing to higher raw materials prices
- Profit for the year down from previous year's CHF 27.3 million to CHF 25.8 million
- Operating cash flow up sharply from CHF 31.5 million to CHF 40.5 million
- Solid balance sheet structure with equity ratio of 51.5 %
- More work done on product innovation and optimising the brand portfolio
- Further investment in improving productivity

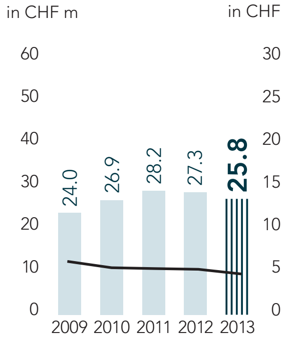
Revenues



EBITDA and EBITDA margin



Net profit and earnings per share



HIGHLIGHTS 2013

SPRING 2013

ALBERT SPIESS

A FESTIVAL OF HAM

Albert Spiess kicks off a "Festival of Ham": A succession of theme-based ham products, each offering a distinctive taste. Pirate's ham seasoned with mango and cinnamon and Maya the Bee ham glazed with honey are but two examples of these delicious, exclusive creations.

SPRING 2013

TICINELLA

NEW ADVERTISING CAMPAIGN

Ticinella's commercials were shot where its typical local products are made. An exceptional eye for detail has created a perfect showcase for these Ticinese specialities.

SPRING 2013

LE PATRON

MORE PRODUCTS ADDED TO ULTRA FRESH LINE

Le Patron's line of ultra fresh products continues to grow. Perfectly timed for the spring season, Le Patron introduces a new selection of chilled ready-made salads to retailer shelves. The success of this launch confirms that consumer demand for fresh and nutritious ready-made menus is strong.

APRIL 2013

ORIOR AG

ANNUAL GENERAL MEETING

The Annual General Meeting of ORIOR AG takes place in the Maag Halle, Zurich, on 11 April 2013. Shareholders approve all proposals submitted by the Board of Directors:

- Approval of the annual report and the financial statements for the year
- Allocation of profit for the year
- Distribution of a dividend of CHF 1.95 per share
- Granting of discharge to the Board of Directors and the Management Board
- Re-election of Board Members: Rolf U. Sutter, Rolf Friedli, Edgar Fluri, Anton Scherrer, Christoph Clavadetscher
- Election of new Board Members: Monika Walser, Dominik Sauter
- Re-election of auditors

APRIL 2013

ORIOR AG

MANAGEMENT CONFERENCE

CEO Remo Hansen welcomes more than 100 executive officers from across ORIOR Group to the Seedamm Plaza on the shores of Lake Zurich. A major topic at the conference is the "Whatever it takes" initiative that has been rolled out group-wide. Additional input comes from two invited speakers and there are plenty of opportunities to exchange thoughts and network with colleagues during the conference breaks.

MAY 2013

LINEAFRESCA

INTRODUCTION OF SAP

ORIOR continues to implement its uniform corporate IT strategy in 2013. SAP was deployed at Lineafresca in May. The ultimate objective is to create an integrated IT platform to harmonize and simplify all group-wide processes.

SUMMER 2013

INTERNATIONAL

REBRANDING OF NATURE GOURMET

Nature Gourmet, ORIOR's popular brand for vegetarian specialities, is given a new logo and a new package design in the summer of 2013. A fresh, modern look and strong visuals attract shoppers' attention and ensure high recognition.

JUNE 2013

INVESTOR RELATIONS

INVESTORS' DAY AT ALBERT SPIESS

About 30 institutional investors travel to Albert Spiess AG for the 2013 Investors' Day on 6 June 2013. This much appreciated event is just one example of ORIOR's investor relations activities, which include an Investor Lunch in October 2012 and management roadshows in Zurich, Geneva, London, Paris and other cities.

JULY 2013

ALBERT SPIESS

EAT MEAT CHIPS

Underlying the "Eat Meat Chips" slogan is an appealing innovation directed at meat lovers. Albert Spiess launches a variety of dried meat products to cater to the meat snacks trend.

AUTUMN 2013

ALBERT SPIESS OF SWITZERLAND

REBRANDING

ORIOR's Bündnerfleisch is sold across Europe under the "Albert Spiess of Switzerland" brand and this will now be the case in Switzerland, too: The name and logo of the former "Spiess Schiers" brand in Switzerland will be assimilated into the export brand's name and logo. The new classy packaging for "Albert Spiess of Switzerland" underscores the tradition, authenticity and quality of these Bündner specialities.

AUTUMN 2013

LE PATRON

NEW MANAGEMENT ANNOUNCED

Urs Aebi, member of the Management Board of ORIOR Group, steps down as head of the Le Patron competence centre. Michel Nick succeeds him on 1 January 2014.

SEPTEMBER 2013

SEGMENT CONVENIENCE

LE PATRON – THE NEW BRAND

ORIOR Convenience introduces a new brand for the Swiss retail market. "Le Patron" is the designated brand for the premium convenience products made by the Le Patron, Fredag and Pastinella competence centres. The brand is aimed at consumers who want quick and easy meals without forgoing quality, taste and enjoyment.

SEPTEMBER 2013

PASTINELLA

GLUTEN AND LACTOSE FREE PASTA

Pastinella launches a world's first: The first pre-cooked, refrigerated fresh pasta with no gluten or lactose – and with no compromise on quality or flavour. This product line includes low-carb pasta and extra healthy pasta made with milled sprouted grains. These new products have been available on retail shelves since the autumn of 2013.

NOVEMBER 2013

NATURE GOURMET

NATURE GOURMET INTRODUCED AT TEGUT (DE)

Nature Gourmet's vegetarian specialties are added to German retailer tegut's product line-up. Initial reactions are very positive and there are already plans to stock more of Nature Gourmet's products on its shelves.

ORIOR – Excellence in Food

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

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

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

Content

Dear Shareholders

It is a pleasure to present you with ORIOR AG's fourth annual report as a company quoted on the stock market. 2013 was a year of pleasing revenue growth but earnings were lower due to high raw material prices.

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

Organic growth – high raw materials prices reduce profits

ORIOR Group increased its revenues by 3.7% to CHF 520.0 million in the 2013 financial year. Almost every area of its business reported organic top-line growth. EBITDA decreased 8.4% to CHF 47.7 million, lowering the corresponding margin to 9.2% compared to 10.4% in the previous year. Profit for the year amounted to CHF 25.8 million, which was less than the CHF 27.3 million reported in the previous year. Operating cash flow increased significantly, though, from CHF 31.5 million in 2012 to CHF 40.5 million in the year under review. The equity ratio rose as well and now stands at 51.5%, which underscores the company's solid financial position. The Board of Directors will propose a dividend of CHF 1.97 per share at the Annual General Meeting on 25 March 2014. The corresponding payout ratio of 45.2% is in line with ORIOR's policy of paying out approximately 40% of net profit to shareholders as dividends. This payment will be made from capital contribution reserves and is not subject to Swiss withholding tax.

Convenience grows, Refinement steady

The three ORIOR segments Refinement, Convenience and Corporate, Export and Logistics showed divergent developments in the past year: ORIOR Convenience, the specialist for fresh convenience food with three competence centres – Fredag, Pastinella and Le Patron – reported both higher revenues and profits. Its revenues rose from CHF 190.6 million in the previous year to CHF 199.1 million. Growth drivers were its ultra fresh menus, vegetarian specialities, chicken products and the new gluten and lactose-free fresh pasta products. The segment EBITDA margin was only slightly lower at 14.3% compared to 14.6% in the previous year. The ORIOR Refinement segment with the competence centres Rapelli, Spiess and Möfag also grew its top line last year. Revenues rose by 2.1% to CHF 316.7 million but the very high prices for raw materials weighed on the segment's gross margin. As a result, despite productivity gains, the EBITDA margin narrowed from 9.1% in the previous year to 7.6% in the year under review.

ORIOR's Corporate, Export and Logistics segment fell short of expectations. Its revenues fell 5.2% to CHF 34.2 million. Export volumes of Bündnerfleisch to France experienced a sharp downturn as French consumers continued to rein in spending. In some cases, export opportunities were deliberately turned down rather than make further price concessions and perhaps incur a loss on accounts receivable. Export volumes to Germany and Austria, in contrast, showed pleasing growth. This business trend was largely driven by the successful relaunch of the Nature Gourmet brand.

Continued expansion of market position

During the year under review ORIOR was able to defend if not expand its market position in virtually all of its product categories. Switzerland is a good market for ORIOR but a saturated one. Consequently, besides maintaining or growing its positions in Switzerland, ORIOR is also seeking to develop new sources of revenues as well as new customer target groups in this market. With this in mind the Convenience segment, for example, developed special products for people with food allergies, as well as for hospitals and providers of institutional care. These are products that have low or no sodium and fats, or are gluten and lactose free. Lastly, ORIOR Group invested CHF 18.6 million in existing and new plant and equipment and in its business processes during the period under review in its quest for state-of-the-art production across all areas of operation. Constant innovation, the expansion and development of market niches, continual productivity gains – these factors have been a big part of ORIOR's success over the years.

The cornerstones of ORIOR strategy

We review our business focus annually. The ultimate aim is to ensure an appropriate response to ever-changing customer wants while also setting true market trends. This basic stance is firmly anchored in our company's strategy.
On the picture pages of this year's annual report we use concrete examples to showcase the cornerstones of our strategy.

"Our aim is to constantly adapt to changing customer needs and wants while also setting market trends."

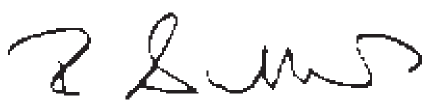
Rolf U. Sutter

Outlook: Positive developments in 2014

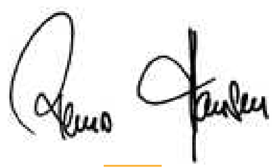
In the year ahead we expect the markets of relevance to ORIOR to perform positively. Sales volumes and revenues should continue to grow. Margins will improve only slowly, however, especially in Refinement. ORIOR will introduce new lines of convenience products in the retail channel during the first half of the year. It will also continue to develop both new and existing products and concepts. ORIOR is quite capable of fully satisfying consumers' desire for freshness and regionality. In addition, ORIOR will cultivate its market niches, thereby selectively reinforcing and expanding its strong overall market position.

Thank you

The fact that ORIOR achieved growth last year in a challenging market environment is due first and foremost to our employees. Their untiring efforts and identification with the company deserve special mention. We also thank our customers for their appreciation of our products and we thank you, our valued shareholders for your trust.



Rolf U. Sutter
Chairman of the Board of Directors



Remo Hansen
CEO

Strong sales growth and high raw materials prices weigh down margins and earnings

Remo Hansen, how would you summarize ORIOR Group's 2013 fiscal year?
It was not an entirely satisfying year. We did manage to grow sales by 3.7% to CHF 520 million thanks to our popular products and innovations but margins suffered, especially in the Refinement segment, owing to higher raw materials costs.

Remo Hansen, CEO ORIOR Group

2013 was characterized by high raw material prices. How is ORIOR dealing with this challenge?
ORIOR has high standards regarding the origins of the raw materials it uses. Our sourcing activities are focused on Switzerland. Therefore we must contend with fluctuations in market prices, which were particularly volatile from 2011 to 2013. When prices rise it is always difficult to offset this quickly through efficiency gains and price adjustments.

ORIOR Group widened its share of the market again, having grown by 3.7% during the past year. Where did this growth come from?
We were pleased that both the Refinement and Convenience segments grew in terms of sales revenues and volumes. ORIOR took a greater share of the market not only in the retail segment but also in the food service sector. We are especially happy with the sales growth of our chicken and vegetarian products in Switzerland.

What measures were taken to counter the margin pressure you mentioned?
Product quality and the origins of the raw materials we buy are of utmost importance to us. We don't make any compromises here. To counter margin pressure, ORIOR invests several million francs each year to improve productivity. In 2013 we were unable to offset all of the increase in raw material costs in this way. However, various major projects targeting efficiency gains have been initiated in the recent past. These will be completed in 2014, which is also when we expect their positive effects to show through.

You have repeatedly stressed the importance of innovation. What innovations did ORIOR produce last year?
On the one hand we launched innovative new products and on the other hand we upgraded our brand portfolio by redesigning the Albert Spiess and Nature Gourmet brands. Two examples of the numerous new products we introduced to the market in 2013 are gluten and lactose free fresh pasta – a world premiere – and ultra fresh refrigerated menus. Both products have great potential in the market.

ORIOR flagged convenience products as a major trend during its IPO. What's your take on convenience products now and in the future?
Convenience food, which basically means food that is easy and fast to make but still nutritious and tasty, will remain a major trend. With the growing number of one-person households and today's 24/7 society, people's eating habits are inevitably becoming more individualized while meal times are becoming shorter and less tied to a fixed schedule. But consumers are also demanding healthy and nutritious food. ORIOR has the just right products for this market segment.

ORIOR sees growth potential beyond its domestic market. How did the company's export business do in the year under review?
We are seeing positive market developments in

Germany and Austria and believe there is good potential in Scandinavia. In France, our main export market, we were unable to shake off the grip of recession and revenues drifted slightly lower. Our outlook for 2014 is very positive though. With gluten and lactose free fresh pasta we have added a new product line to our portfolio that could become a blockbuster in our export markets.

One of ORIOR's stated strategic goals is the acquisition of foreign companies but no such transactions were made last year. Why not?
We looked closely at several firms, but none met all our criteria. The criteria for an acquisition abroad are very clear: Any candidate must be of a certain size so that it can be integrated into ORIOR Group as a separate competence centre. Strong brands and a wide distribution network are essential, and financial aspects such as profitability and price are just as important. Finally we look at the corporate culture to see whether it would fit with ORIOR.

Turning to the current year, what are ORIOR's priorities for 2014?
We will continue to work hard on our productivity in 2014 and we will also be actively screening possible acquisition candidates. At the same time we plan to surprise the market and top consumer expectations with many more ideas and innovations.

Strategy

Category pioneer

Ongoing analysis to identify market opportunities

Be the first to exploit new market niches

Operational excellence and profitability

Achieve above average returns for shareholders

Leverage ORIOR's leading position in the Swiss market

Continuous and quantifiable improvements in processes and productivity

Shared services where efficient

Organic and external growth

Growth through market penetration in Switzerland

Expansion of food service

Export unique products and strong brands

Selective acquisitions and partnerships in Switzerland and abroad

Management structure/synergies

Lean management structure and decision making process

Drive market and cost synergies through cross-fertilisation across segments

Continuous investment in human capital to maintain well-trained and motivated workforce

Product innovation and brand management

Permanent reinforcement of product innovation culture as a growth driver – first mover advantage

Capitalise on rapidly growing food product segments (e.g. meat substitutes, etc.)

Intensify brand management to further each brand's value

Bespoke product premiumisation culture

Risk management

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

Strategy element:

CATEGORY PIONEER

ORIOR keeps its finger on the pulse of the market through continuous analysis of customer needs. Being the first to respond to new needs and occupy niche markets is the topmost goal – and that includes creating new trends to show customers what's possible here and now.

Specific examples 2013

GLUTEN AND LACTOSE FREE FRESH PASTA

PASTINELLA
UN AMORE DI PASTA

ORIOR's Pastinella competence centre scored a global first in the autumn of 2013 with the launch of the world's first gluten and lactose free precooked, refrigerated fresh pasta. This product range also includes low-carb pasta and a sprouted-grain pasta creation containing a blend of seven ground and dried sprouted-grains. This innovation has enabled ORIOR to address increasing consumer demand for healthy, wholesome foods with a premium quality, deliciously flavoursome range of products.

"CARE" LINE

Le Patron
CRÉATIONS CULINAIRES

ORIOR Convenience has developed a dedicated product line specially designed for hospitals and care providers. Great effort goes into reducing or leaving out salt and fat in particular, and gluten and lactose too. Despite these restrictions, Care line products meet the highest culinary standards.

Care

These examples illustrate ORIOR's strategic ambition to be the first to tap into new niche markets with unique products and concepts.

Pictured: gluten and lactose free Mezzalune Pomodori Secchi.

ORIOR Refinement

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

Brands

Key figures

in CHF thousand	2013	Δ in %	2012
External customer sales	302 318		290 806
Inter-segment sales	18 561		24 405
Sales of goods / rendering of services	**320 879**		**315 211**
Reduction in gross sales	–4 208		–4 907
Revenues	**316 671**	**+2.1 %**	**310 304**
Segment EBITDA	**24 023**	**–15.1 %**	**28 283**
as % of revenues	7.6 %		9.1 %
Depreciation – tangible assets	–6 258		–6 191
Amortisation – intangible assets	–1 271		–2 785
Segment profit (EBIT)	**16 494**	**–14.6 %**	**19 307**
as % of revenues	5.2 %		6.2 %
Investments in non-current assets	**10 459**		**7 585**

Overview

The Refinement business segment, with its three centres of competence Rapelli, Albert Spiess and Möfag, performed well in fiscal 2013 despite higher raw material prices and stiff market competition. Both sales revenues and sales volumes increased. The Möfag competence centre achieved record revenues in the year under review, thanks not least to the opportunities emerging from new projects and greater cooperation with ORIOR Group's other competence centres.

Switzerland is the main source of the raw materials ORIOR buys. The prices of pork sourced by the Refinement segment have been at consistently high levels since 2012. In some cases the resulting rise in raw material costs could only be absorbed by the market after a time lag. This delay pressured profit margins, especially in the first half. Furthermore, a decline in the number of beef cattle in Switzerland led to higher procurement prices and tight supply conditions.

Business performance

The Refinement segment increased its revenues by 2.1 % to CHF 316.7 million during the year under review but high raw material prices weighed on the profit margin. Although the actions taken in the previous year to improve productivity, such as the installation of a new line for cooked ham at Rapelli, produced the intended effects, the EBITDA margin nevertheless receded from 9.1 % in the previous year to 7.6 % in the year under review. Extensive sales promotion activities with low margins also had an adverse effect in the second half.

Highlights

During the period under review the Refinement segment significantly increased its market share in selected product groups. ORIOR managed to strengthen its market share again year-on-year, particularly in the salami and mortadella product categories. This growth is clearly attributable to the introduction of regional specialities such as "Salame dei Castelli di Bellinzona" and a seasonal offering of mortadella products. Another of last year's successful new launches was "Eat Meat Chips" – dried chips of pork or beef that are rich in protein and low in fat. "Eat Meat Chips" have become a trendy new alternative in the snacks market as consumer response has

GLAUCO MARTINETTI
CEO RAPELLI SA

RAPELLI AND TICINELLA ACHIEVED TOP SCORES AGAIN IN THE LATEST CUSTOMER SURVEY CONDUCTED IN 2013. WHAT IS YOUR RECIPE FOR SUCCESS IN BRAND MANAGEMENT?

The objective of our brand management strategy is to create a brand universe that is coherent and consistent and that gives the brand stability, credibility and strength. We have a completely open mind in the pursuit of that objective. We identify and screen ideas and trends to see whether they would fit in well with our brand universe. Demanding criteria are applied here, which is essential since a good brand has a personality of its own and a strong character.

The continual strengthening and development of our brands especially means putting the core brand values – the distinctive Ticino spirit, tradition and regionality – at the very centre of everything we do. In today's age of information overload, continuity and presence are also vital to maintain and strengthen confidence in a brand.

During the past year we implemented numerous campaigns and communications measures. For example, a new TV campaign was launched for Ticinella and its homepage was redesigned. For our Rapelli brand, we organised Father's Day events, social media activities and sponsored youth sport programmes, among other measures.

been resoundingly positive. At Albert Spiess, a "Festival of Ham" deserves special mention: A festive succession of theme-based ham products, each offering a distinctive taste. "Pirate's ham" seasoned with mango and cinnamon and "Maya the Bee" ham glazed with honey are but two examples of these delicious, exclusive creations. More exciting innovations will be introduced for this product line during the course of 2014.

ORIOR's Bündnerfleisch is sold across Europe under the "Albert Spiess – Best of Switzerland" brand and last year ORIOR replaced the "Spiess Schiers" brand which had previously been used in the domestic Swiss market with the export brand. The redesigned, high-end packaging for "Albert Spiess of Switzerland" introduced in the autumn of 2013 underscores the tradition, authenticity and quality of these Bündner specialities.

BRUNO BÜRKI
CEO ALBERT SPIESS AG

YOU'VE BEEN IN CHARGE OF ALBERT SPIESS AG SINCE JUNE 2012. LOOKING BACK, WHAT ARE YOUR KEY IMPRESSIONS?

Time has flown by! I was welcomed at Albert Spiess by highly motivated professionals who are totally dedicated to what they're doing. I could tell right from the start that tradition and quality are not merely hollow words here. It was a perfect setting that helped me to quickly grasp my new responsibilities.

Albert Spiess is more closely integrated into ORIOR Group today thanks to the roll-out of SAP last year. From a technical and human resources standpoint, Albert Spiess is now in an ideal position to meet market challenges. That instils a sense of confidence and serves as a good stepping stone for innovation. We have some great ideas and are now moving forward with their realization.

The Rapelli competence centre has successfully pursued a dual brand strategy for its "Rapelli" and "Ticinella" brands for many years. A number of projects strengthened the reputation and popularity of both brands in 2013. A TV advertising campaign was realized for "Ticinella" and its website was redesigned. The brand recognition rating for "Rapelli" was further increased from an already high level and now stands at 85%. Rapelli's popular Father's Day events headlined by the "Bravo Papà!" slogan were an important factor behind this achievement.

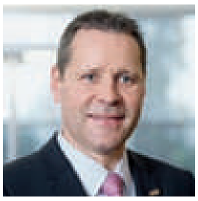
Progress was made on the construction of the new order picking facility at the Stabio location. Rapelli is significantly expanding its order dispatch capacity with this investment. The project will also result in substantial efficiency gains on the back of work flow optimization and process automation. During the year under review, Albert Spiess invested in state-of-the-art packaging and cutting technology as well as in the alteration and extension of office space, among other projects.

Once again all competence centres met the highest level of quality standards specified under "International Featured Standards" (IFS). IFS are uniform international standards that ensure food and production safety as well as production quality. IFS certification is based on the quality management principles embodied in the ISO norm 9001 and specifies additional standards for individual production processes within the food supply chain. There are also clear rules on allergens and genetically modified organisms.

Outlook

In its outlook for the current year the Refinement segment expects raw material prices to remain high, especially for beef, where prices are not expected to start declining until the second half of the year, if at all. Factoring in the long aging process for Bündnerfleisch, input costs for this particular product cannot be expected to decline until 2015. On the other hand, the situation for pork prices should slowly change

URS MÖSLI
CEO MÖFAG FLEISCHWAREN AG



EVERYONE IS FULL OF PRAISE FOR THE WAY MÖFAG WAS INTEGRATED INTO ORIOR GROUP. HOW DID YOU DO IT?

We approached each other with honesty and openness – that was basically the gist of it all. Of course, it also helped that we had already known ORIOR Group before the transaction was announced and had maintained close contact with the company. I spoke openly with my team about the possibilities and opportunities ORIOR offered. Employees were surprised by the news, of course, but that was only at the beginning and it wasn't long before everyone understood and supported this deal. Möfag would have eventually reached its limits as a stand-alone company.

In ORIOR we have found a parent company with a strong entrepreneurial culture whose values we share. The scale and structure of ORIOR's professional organization creates and promotes business opportunities that we, too, can now tap. I believe this is a great step towards a bright future, both for Möfag and for ORIOR.

for the better. Despite these challenges, the Refinement segment is confident regarding the new fiscal year. High order backlogs and the proven innovation skills at each competence centre are expected to translate into solid operating results for the current year. Moreover, investment in new plant and equipment will have a favourable impact on efficiency and, by extension, on profitability. The investment project "order picking and dispatch centre Rapelli" that has been under way since 2012 is scheduled for completion in the summer. Initial savings are expected to materialise in the second half of 2014.

Strategy element:

ORGANIC AND EXTERNAL GROWTH

ORIOR aims to achieve organic growth through higher market penetration. To achieve this, ORIOR unceasingly promotes product innovation while developing tailored concepts for the food service segment. The company is steadily increasing its market share in other European countries with unique products and brands.

ORIOR is also seeking external growth opportunities and is continuously screening smaller and larger acquisition candidates.

Specific examples 2013

DOMESTIC AND INTERNATIONAL GROWTH

The trend in favour of vegetarian and vegan products continues unabated, and the number of flexitarians – people who make a point of doing without meat one or several days a week – is on the rise too. ORIOR has extensive experience in developing vegetarian specialities. Vegetarian products are significantly boosting ORIOR Group's growth in Switzerland and abroad. One of ORIOR's acquisitions in recent years that further expanded and reinforced its expertise in this field was a small company that produces vegetarian specialities. Its activities have been integrated into the group's existing production operations.

ORIOR accomplishes its goal of generating organic and external growth by developing new vegetarian specialities on an ongoing basis, consolidating its own position through the acquisition of smaller suppliers, and operating effective distribution channels at home and abroad.

Pictured: vegan chicken nuggets, a successful new launch.

ORIOR Convenience

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

Brands

Key figures

in CHF thousand	2013	Δ in %	2012
External customer sales	199 942		191 056
Inter-segment sales	3 053		3 392
Sales of goods / rendering of services	**202 995**		**194 448**
Reduction in gross sales	–3 866		–3 835
Revenues	**199 129**	**+4.5 %**	**190 613**
Segment EBITDA	**28 572**	**+2.9 %**	**27 770**
as % of revenues	14.3 %		14.6 %
Depreciation – tangible assets	–5 505		–5 128
Amortisation – intangible assets	–62		–79
Segment profit (EBIT)	**23 005**	**+2.0 %**	**22 563**
as % of revenues	11.6 %		11.8 %
Investments in non-current assets	**6 777**		**8 165**

Overview

The Convenience business segment, consisting of the Fredag, Pastinella and Le Patron competence centres, offers a wide variety of products. Success in the hotly contested market for convenience products is, as ORIOR sees it, driven by freshness, natural ingredients, quality, and eating enjoyment.

Freshness at ORIOR means that only the very best raw materials, primarily Swiss in origin and delivered daily for maximum freshness, are used in the production process. Immediate processing of the raw materials into end products and direct distribution to customers require speed and considerable flexibility.

The commitment to all-natural ingredients is reflected in the product recipes. Artificial additives are avoided whenever possible while expenditure on top-of-the-line plant and equipment facilitates gentle cooking and processing methods.

ORIOR has maintained quality at the highest possible levels for years. This would not have been possible without sustainable procurement practices, stringent minimum specifications for every product and a continual process of internal and external control. Ultimately it is the eating enjoyment associated with these products, which consistently meet the most demanding of culinary standards, that makes ORIOR products so unique.

Business performance

ORIOR Convenience earned higher revenues and profits in fiscal 2013. Revenues rose from CHF 190.6 million in the previous year to CHF 199.1 million. Growth drivers were the ultra fresh menus, vegetarian specialities, chicken products and the new gluten and lactose free fresh pasta.

Operating profit (EBITDA) for 2013 amounted to CHF 28.6 million, up from CHF 27.8 million in the previous year. The EBITDA margin was slightly lower at 14.3 % compared to 14.6 % in the preceding year. This is primarily attributable to greater sales promotion activity, persistently high raw material prices in certain product groups and the growth in lower margin items. Fredag reported very good sales and topped the comparable figures for the previous year in all of its product categories.

Stagnation in the fresh pasta market and the insourcing of certain products at several customers put a damper on sales at Pastinella. On the positive side, Pastinella achieved a world's first in the spring of 2013 when it announced the development of gluten and lactose free fresh pasta, which was successfully launched in the autumn months. Le Patron generated slightly higher results, thanks in particular to good sales during the holiday season.

BRUNO DE GENNARO
CEO CONVENIENCE SEGMENT AND
CEO FREDAG AG

CONVENIENCE FOOD IS A BROAD THEME. WHAT EXACTLY DOES IT MEAN FOR ORIOR?

For ORIOR, it is all about freshness. Convenience has undergone tremendous development over the past several years. Ultra fresh is the name of the game today. Customers want convenience products to save them time but they don't want to make any sacrifices when it comes to food quality or nutrition and eating pleasure. Spotting market needs across all product groups within the fresh convenience segment at the right time and then bringing the right products to the market is both a challenge and an opportunity. ORIOR has a strong culture of innovation. That allows us to meet ever more complex and demanding needs.

Highlights

As in previous years, the Convenience segment launched a steady stream of new products for the retail and food service markets during the course of 2013. Constant innovation is crucial for ORIOR to secure its leading market position.

In the sub-markets of vegetarian convenience products, chicken and ready-made meals, it was even able to capture a significantly higher share of the Swiss retail market. The line of ultra fresh meals showed above-average growth in terms of both sales volumes and product line extension, an example of the latter being the addition of chilled, prepared salads in the spring. The market success with ultra fresh meals underscores consumer demand for fresh, wholesome meals free of preservatives. In another move targeting consumers who want quick and easy food products without sacrificing quality and overall eating enjoyment, ORIOR Convenience introduced the new brand of "Le Patron" in the year under review. It serves as the master brand for all premium convenience products that the Le Patron, Fredag und Pastinella competence centres make for Swiss retailers.

URS AEBI
CEO LE PATRON

YOU'VE GIVEN UP YOUR POSITION AS HEAD OF LE PATRON BUT WILL CONTINUE TO WORK FOR ORIOR GROUP AS A FOOD SCOUT. HOW WOULD YOU DESCRIBE YOUR NEW DUTIES?

As a food scout, I'll be on the lookout for new markets and trends. This means going beyond the normal routine, seeking and encouraging inspiration, and then developing new ideas and projects for ORIOR. Market feasibility will be evaluated in a second stage, and than the ideas that have potential will be firmed up.

I will not concentrate on any particular field as a food scout. Instead, I will try to be completely open and unbiased for all signals the market is sending and then take a pragmatic approach to finding new opportunities for ORIOR. Besides innovation, my activities could certainly lead to novel product formats, new concepts, strategic opportunities or new services.

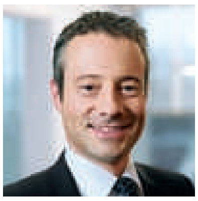
ORIOR vegetarian specialities achieved strong sales growth in domestic and foreign markets. And following the revision of these product recipes in the previous year, when some were converted into vegan recipes, a new customer segment was opened up. "Nature Gourmet", ORIOR's popular brand for vegetarian specialities, was given a new logo and a new package design in the summer of 2013. Its fresh, modern appeal and strong visuals are even more effective in attracting shopper attention and ensuring high recognition.

Highlights of the past year include the launch of the world's first pre-cooked, chilled fresh pasta free of gluten and lactose – with no compromise on quality or taste. This product category extended the Convenience segment's reach into a new market niche. Low-carb pasta and extra healthy pasta made with milled sprouted grains were also launched.

In the food service segment ORIOR Convenience continued to build on its strong market position. A number of new meals and meal components were introduced in 2013 to expand its offering for food service providers as well as for institutional care providers and hospitals. Furthermore, the business prospects of its successful shop-in-shop concept for premium, ultra fresh pasta sold over the counter under the "La Romagnola" brand have been secured for the coming years.

The Le Patron competence centre concluded its "Move 100" project to upgrade infrastructure as

MICHEL NICK
CEO PASTINELLA



YOU BECAME HEAD OF LE PATRON IN BÖCKTEN ON 1 JANUARY 2014. WHAT ARE YOU MOST EXCITED ABOUT?

Convenience is a veritable motor of growth in today's day and age. At Le Patron, the convenience aspect is approached from every angle and in great detail. That is incredibly exciting. I'm looking forward to creating new convenience products and concepts hand in hand with the entire team at Le Patron.

Urs Aebi, my predecessor, has given me a solid platform to build on. I'm thinking here of the company's innovation skills, for example, or the "Move 100" process optimization project that was just recently completed. Having worked for ORIOR Group for many years, I am familiar with its various competence centres. My change of position within the Convenience segment will bring the competence centres even closer together than before. That clears the way for more jointly planned and executed projects – something else I am very excited about.

planned in the spring of 2013. New production halls, the enlargement of dispatch and delivery infrastructure, and the expansion of cooling capacity allowed Le Patron to raise the bar even higher on hygiene and further improve the efficiency of its production flows.

At Fredag the expansion project for the meat processing department was completed, which likewise resulted in production process improvements and greater efficiency. Moreover, employees have a more pleasant environment to work in thanks to the redesigned work flows and the new, light-flooded production facility. Both projects will have a positive effect on segment productivity going forward.

Outlook

Fresh convenience and ultra fresh convenience will remain fast growing markets going forward. More and more consumers are looking for quick and easy meals that offer top quality and good nutrition and they want a wide choice too. ORIOR Convenience is anticipating a rise in demand for such products, especially in urban areas. Its offering of vegetarian and vegan specialities will also be continually expanded. After the successful launch of the gluten and lactose free fresh pasta in Switzerland, ORIOR Convenience is now preparing to launch this novel product in Germany, Austria and Scandinavia. In view of the positive market developments witnessed, the well filled innovation pipeline and the investments made in plant, equipment and processes, the Convenience segment expects another good business performance in the current year.

Strategy element:

PRODUCT INNOVATION AND BRAND MANAGEMENT

Product innovation is the basis for ORIOR's continued success. Keeping a finger on the pulse of market trends and discerning the needs of tomorrow gives first mover advantage. ORIOR concentrates its energies on above-average growth areas and unoccupied niches. A constant focus is kept on uncompromising quality – the culture of refinement.

ORIOR also pays special attention to brand management. Consistently nurturing and strengthening company brands is crucial to building up a loyal customer base.

Specific examples 2013

AN INNOVATIVE SPIN ON TRADITION

Albert Spiess OF SWITZERLAND

The Albert Spiess name stands for tradition and top quality. Creativity and passion constantly generate new ideas for ways to put a new spin on traditional specialities. Take for instance the Festival of Ham line launched by Albert Spiess featuring a variety of dry-cured hams with a seasonal coating. One example is the air-dried ham encrusted in an orange-flavoured coating composed of a finely balanced composition of oranges, herbs and spices.

REBRANDING OF THE SPIESS BRAND

The "Spiess Schiers" brand name was changed to match that of the export brand, "Albert Spiess of Switzerland." New packaging with a classy upmarket design was introduced to emphasize the tradition, authenticity and quality of these Bündner air-dried ham specialities.

DUAL BRAND STRATEGY

A number of projects are set to further consolidate the reputation and popularity of the Rapelli and Ticinella brands. A TV advertising campaign was launched for Ticinella and the website was revamped. The Rapelli company has successfully pursued a dual branding strategy for its Rapelli and Ticinella brands for many years now.

Rapelli   TICINELLA LA VITA È BELLA

The Festival of Ham line, Albert Spiess rebranding, Ticinella TV campaign and the now traditional Rapelli events – marking Father's Day, for example – are evidence of continuous advances in branding and innovation.

Pictured: dry-cured ham specialities with a wild garlic crust and an orange-flavoured crust.

ORIOR Corporate, Export and Logistics

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

Brands

Key figures

in CHF thousand	2013	Δ in %	2012 Restated[1]
External customer sales	26 102		28 725
Inter-segment sales	8 382		7 721
Sales of goods / rendering of services	**34 484**		**36 446**
Reduction in gross sales	–255		–352
Revenues	**34 229**	–5.2 %	**36 094**
Segment EBITDA	**–5 067**	–27.7 %	**–3 968**
Depreciation – tangible assets	–1 296		–1 340
Amortisation – intangible assets	–1 164		–727
Segment profit (EBIT)	**–7 527**	–24.7 %	**–6 035**
Investments in non-current assets	**1 379**		**2 104**

[1] See Note 2 in the Financial Report

Corporate

Harmonisation of IT landscape

IT harmonization across the ORIOR Group landscape is an important factor for increasing operating efficiency. After the roll-out of SAP at Albert Spiess in the previous reporting period, attention in the period under review turned to the migration of the food service and Lineafresca IT platforms. ORIOR is thus resolutely executing its strategy of harmonizing IT systems architecture and transferring functionalities to SAP standard business applications wherever appropriate.

ORIOR Group processes most of the orders it receives and subsequently invoices electronically. In fiscal 2013 approximately 1.6 million electronic purchase orders and an equal number of invoices were processed fully automatically, an increase of about 10 % from the previous year. As this service is of considerable significance to customers, all required systems have been connected to an electronic trading platform. The migration to this new platform was executed in close collaboration with customers and without any disruptions. The new system has simplified the corresponding processes and new customers can dock into it at little cost.

The management information system that went into operation during the previous fiscal year was expanded during the past year. Expansion centred on quantity-related production data. The system provides valuable analyses and reports that support decision-makers at both line and management levels.

Annual General Meeting

ORIOR AG's third Annual General Meeting of shareholders took place on 11 April 2013. 495 shareholders (347 in the previous year) congregated at the Maag Halle in Zurich and were informed about the company's results for fiscal 2012. Shareholders approved the dividend proposal of CHF 1.95 per share, which corresponded to a payout ratio of 42.3 % (restated). All other proposals from the Board of Directors were also approved by an overwhelming majority and all directors were re-elected to another one-year term of office except for Erland Brügger, who did not stand for re-election. Monika Walser and Dominik Sauter were elected to the Board of Directors for the first time, likewise for a one-year term.

Investors' Day 2013

About 30 institutional investors travelled to Albert Spiess AG on 6 June 2013 to attend ORIOR's 2013 Investors' Day This was ORIOR's second Investors' Day as a listed company. ORIOR executives provided the attendees with insights into the Albert Spiess centre of competence, Switzerland's leading producer of exquisite meat specialities such as Bündnerfleisch and cured ham. The group of investors toured the production site at Schiers in the canton of Graubünden and then visited the meat curing facility in Davos-Frauenkirch, the highest such facility in Europe. Besides the production facilities, the investors were given presentations on company strategy and an update on the latest developments.

Implementation of new rules on compensation

In November 2013 the Federal Council issued the Ordinance Against Excessive Compensation at Public Corporations (known in German as VegüV), thus implementing the provisions of the Minder Initiative that had previously been passed by popular vote. The Board of Directors of ORIOR AG has devoted much attention to these new rules. The necessary adjustments will be made gradually and several of the new requirements will be met already in 2014 although the transitional provisions give companies more time to comply. For example, it should already be possible for shareholders to vote on the required amendments to the Articles of

Association and grant proxies or send instructions to the independent voting rights representative by electronic means in time for the Annual General Meeting on 25 March 2014. ORIOR AG also intends to publish a preliminary version of the compensation report already for fiscal 2013. A fully compliant and audited Compensation Report will be published for the first time in the annual report for the 2014 fiscal year.

The initial shareholder vote on the compensation paid to the Board of Directors and the Management Board will take place at the Annual General Meeting in 2015.

Rolf U. Sutter, the Chairman of the Board of Directors, will provide information on when and how the various changes will be made to ensure full compliance with VegüV at the Annual General Meeting on 25 March 2014.

Export

Business performance

ORIOR's export business fell short of expectations in 2013. Export revenues declined by 10 % to CHF 22.3 million. This reflects the sharply lower volumes of Bündnerfleisch exports to France due to economic headwinds in that country. In some cases, export contracts were deliberately turned down rather than make further price concessions and perhaps incur a loss on accounts receivable. The general environment in the export business remains challenging. ORIOR can cope with this situation. However, slim margins and the intricate logistics required put a damper on operating results from the export business.

Growth remained pleasing in Germany and Austria, especially in the vegetarian segment. "Nature Gourmet", ORIOR's popular brand for vegetarian specialities, was given a new logo and a new package design in the summer of 2013, which proved to be an additional catalyst for sales. For example, a well known German retailer decided to stock Nature Gourmet's vegetarian specialities on its shelves during the past year. Preparations to enter the Scandinavian market commenced during the second half of 2013.

Outlook

ORIOR expects demand for top quality vegetarian and vegan products to continue growing. ORIOR is also negotiating the distribution of the world's first chilled fresh pasta free of gluten and lactose through various channels and in several countries. Market entry in Scandinavia will

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

CHALLENGES ARE ALWAYS MENTIONED IN THE EXPORT BUSINESS. WHAT EXACTLY ARE THE EXPORT CHALLENGES ORIOR FACES?

There are various aspects here and they are indeed challenging but ORIOR is coping well with them thanks to the unique and premium qualities of its export products and a focus on market niches. The singularity of our products enables us to earn adequate margins even in the surrounding, more price-sensitive EU countries. Before a new product is launched in a foreign market, local food attitudes and flavour preferences will first be analysed and the research findings will be taken into consideration during the product development process. ORIOR, as we know, is a specialist for fresh convenience food, so getting these products to the shelves of foreign retailers is also quite a logistical achievement.

Everyone must work hand in hand. Decision-making and communications channels are short and uncomplicated. A good team spirit and a strong desire to reach the export goals that have been set are evident at ORIOR – and that includes all our colleagues at the centres of competence. This really makes me happy and I would say it is one of the key factors for our success.

mark an additional extension of the potential market.

ORIOR will continue to pursue its strategy of offering only unique, premium quality products in foreign niche markets. In view of the cost of new product launches and the entry into new markets, management expects operating results for the current year to be flat or slightly positive.

Logistics

Business performance

ORIOR's Logistics unit also fell short of expectations in 2013. Insourcing at three major accounts is mainly to blame for the sharp contraction in business volumes and the unit was unable to offset this downturn by securing new contracts during the past year.

Lineafresca began using SAP software in May 2013. This means the logistics unit is now connected to ORIOR Group's integrated IT platform, which simplifies group-wide shared processes significantly.

Strategy element:

OPERATIONAL EXCELLENCE AND PROFITABILITY

ORIOR is constantly working to improve its processes and its productivity. Thanks to the unique structure of its competence centres, ORIOR occupies a leading position in the Swiss market for several product categories. The subsidiaries within each competence centre are given a high degree of operational independence. Business processes are consolidated and centralized only when conducive to higher efficiency.

Specific examples 2013

FLEXIBILITY AND SPEED

Several cross-competence-centre projects completed within a few short months of Möfag's acquisition by ORIOR demonstrated how fast and smooth the integration process had been. The quick launch of the ham en croute product developed in collaboration with Le Patron is just one example.

Möfag offers exceptionally high levels of process flexibility. That is evident in its highly scalable production quantities. Möfag's infrastructure is ideal for producing both large and small volumes.

Möfag is also capable of quickly adapting its processes, as its recent development of E number-free cubed ham shows. There was no such ham in the marketplace, so Pastinella asked Möfag if it was possible to produce it. After just a few weeks of development time, the first shipments were already under way.

Flexibility and speed are vital in today's complex and ever-changing demand dynamics and competitive landscape. Operating at a profit in such an environment also means embracing change and constantly striving for improvement.

Pictured: ham baked en croute.

Corporate Governance Report

ORIOR Group is committed to best practices in corporate governance with a high level of transparency. Good corporate governance protects the interests of company shareholders and stakeholders while helping the Group achieve sustainable development. ORIOR Group's corporate governance policy is based on the Swiss Code of Best Practice for Corporate Governance (2008). The information disclosed hereinafter meets the current requirements of the "Directive on Information Relating to Corporate Governance" (DIRCG) issued by SIX Swiss Exchange and last amended on 29 October 2008. Unless otherwise stated, all information is applicable as at the closing balance sheet date of 31 December 2013.

1 Group structure and shareholders

Group structure as at 31 December 2013

Board of Directors

Rolf U. Sutter, Chairman
Rolf Friedli, Vice Chairman
Christoph Clavadetscher
Edgar Fluri
Dominik Sauter
Anton Scherrer
Monika Walser

Standing committees of the Board of Directors

Nomination and Compensation Committee
Rolf U. Sutter, Chairman
Rolf Friedli
Anton Scherrer

Audit Committee
Edgar Fluri, Chairman
Christoph Clavadetscher
Dominik Sauter

Management Board

Remo Hansen, CEO
Hélène Weber-Dubi, CFO
Urs Aebi
Bruno de Gennaro
Stefan H. Jost

ORIOR Refinement

Head Refinement segment: Remo Hansen*

Head Rapelli: Glauco Martinetti
Head Spiess: Bruno Bürki
Head Möfag: Urs Mösli

ORIOR Convenience

Head Convenience segment: Bruno de Gennaro*

Head Fredag: Bruno de Gennaro*
Head Pastinella: Michel Nick
Head Le Patron: Urs Aebi*

ORIOR Corporate, Export and Logistics

Head International, New Business and Logistics: Stefan H. Jost*

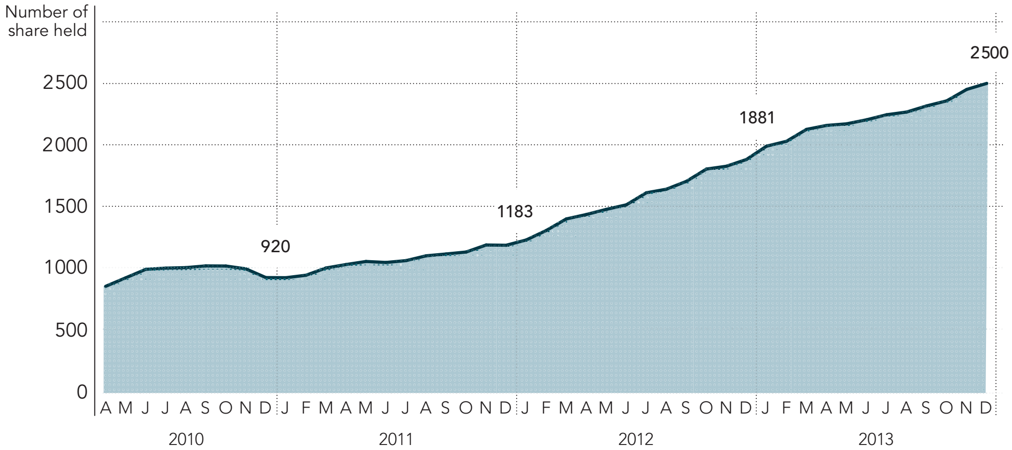
* Member of the Management Board

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

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

ORIOR shareholders

According to the entries in the share register, ORIOR had exactly 2 500 shareholders on record as of 31 December 2013. This represents a renewed increase in the number of shareholders. The growth in the number of shareholders entered in the share register since the IPO in April 2010 is depicted below:



Distribution of shareholdings

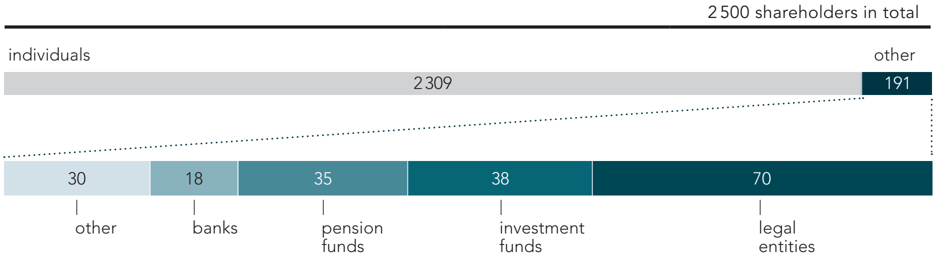
The 2 500 shareholders of record at 31 December 2013 held 83.7 % of total share capital. Information on the distribution of shareholdings as of 31 December 2013 by size of shareholding, by category of shareholder and by country is given below.

Number of shareholders entered in the share register as of 31 December 2013, by number of shares held:

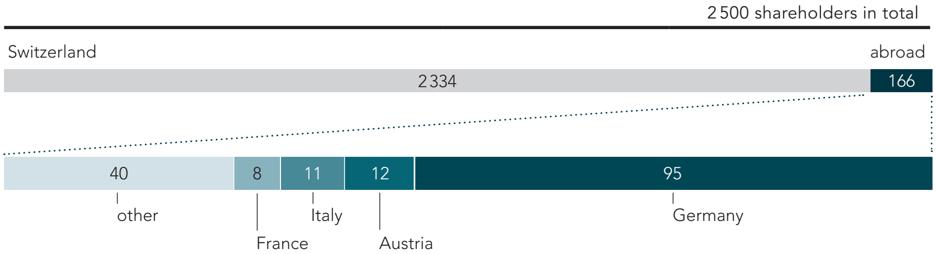
Number of shares held	Number of shareholders
1 – 10	139
11 – 100	608
101 – 1 000	1 486
1 001 – 10 000	227
10 001 – 100 000	34
100 001 – 1 000 000	5
1 000 001 – 5 925 000	1[1]
Total	**2 500**

[1] Chase Nominees Ltd., London (represents various beneficial owners)

Number of shareholders entered in the share register as of 31 December 2013, by category:



Number of shareholders entered in the share register as of 31 December 2013, by country:



Major shareholders

According to the entries in the Company's share register as of 31 December 2013 and the notifications received, the following shareholders each own more than 3 % of ORIOR AG's share capital:

Shareholders	Number of shares	%	Source
Ernst Göhner Stiftung (CH)	620 000	10.46	Notification 05.10.2012
The Capital Group Companies, Inc. (USA)	385 000	6.50	Notification 24.02.2012
UBS Fund Management (Switzerland) AG (CH)	368 121	6.21	Notification 28.02.2012
Rolf U. Sutter (CH)	199 300	3.36	Notification 12.10.2012
Schroder Investment Management (North America) Limited (GB)	196 712	3.32	Notification 23.12.2010
Credit Suisse Funds AG (CH)	186 072	3.14	Notification 19.03.2013
Schroder Investment Management (Switzerland) AG (CH)	182 556	3.08	Notification 20.12.2012
Vanguard International Explorer Fund (USA)	179 304	3.03	Notification 11.05.2010

During the period between 1 January 2013 and 31 December 2013 the following disclosure notifications were received and duly published on the website of the SIX Swiss Exchange:

Publication date	Shareholder	Reason for announcement	New interest
15 January 2013	Balfidor Fondsleitung AG	Sale	<3 %
03 March 2013	Balfidor Fondsleitung AG	Purchase	3.01 %
19 March 2013	Credit Suisse Funds AG	Purchase	3.14 %
26 September 2013	Balfidor Fondsleitung AG	Sale	<3 %

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

As of 13 February 2014, ORIOR AG was not aware of any other person or entity holding, directly or indirectly, 3 % or more of the Company's share capital.

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

Cross-shareholdings

There are no cross-shareholdings with other companies.

2 Capital structure

Share capital

in CHF	31.12.2013	31.12.2012	31.12.2011
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	470 965	582 408	686 239

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

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

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

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

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

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

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

Changes in capital

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

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

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

ORIOR AG has purchased own shares through numerous transactions on the open market. In 2010 a total of 8 510 registered shares were purchased at an average price of CHF 46.60, in 2011 a total of 5 635 registered shares were purchased at an average price of CHF 51.41, in 2012 a total of 2 100 registered shares were purchased at an average price of CHF 46.43 and in 2013 a total of 30 068 registered shares were purchased at an average price of CHF 50.70. 12 480 shares were sold under the employee share plan. On 31 December 2013 ORIOR AG held 9 305 treasury shares with a carrying value of CHF 470 965, recorded at cost.

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. Nominees will be entered in the share register with corresponding voting rights, provided that the relevant nominee is subject to a recognised bank and financial market supervisory authority and has signed an agreement on his status with the Company's Board of Directors. The total number of shares held by the nominee must not exceed 2 % of the Company's outstanding share capital. The Board of Directors is entitled to register nominees with shareholdings exceeding this limit in the share register with corresponding voting rights, provided that the nominees disclose the names, addresses, nationalities and shareholdings of those persons for whose account they are holding 2 % or more of the Company's outstanding share capital. No nominees with voting rights exceeding the 2 % limit were registered during the year under review.

Convertible bonds and warrants

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

3 The Board of Directors

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

Members of the Board of Directors

The Board of Directors (BoD) consisted of seven directors as at 31 December 2013. All seven members of the Board of Directors are non-executive directors. With the exception of Rolf U. Sutter, who served as ORIOR Group CEO from 1999 to April 2011, none of the directors held an executive position with ORIOR Group during the three fiscal years 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.

Changes occurring in 2013

Erland Brügger did not stand for re-election after having served on the Board for six years. He officially relinquished his position on the Board at the end of the Annual General Meeting on 11 April 2013.

Monika Walser and Dominik Sauter were elected as new members of the Board of Directors at the Annual General Meeting on 11 April 2013 for a term of one year.

Below is an overview of the current members of the Board of Directors as at 31 December 2013, their functions within the Board, their first year of election to the Board and their current term of office. All of the directors are Swiss nationals.

Name	Year of birth	Position	First term of office	Elected until AGM
Rolf U. Sutter	1955	Chairman of the Board of Directors, Chairman of the Nomination and Compensation Committee	2006[1]	2014
Rolf Friedli	1961	Vice Chairman of the Board of Directors, Member of the Nomination and Compensation Committee	2006	2014
Christoph Clavadetscher	1961	Member of the Board of Directors, Member of the Audit Committee	2007	2014
Edgar Fluri	1947	Member of the Board of Directors, Chairman of the Audit Committee	2010	2014
Dominik Sauter	1963	Member of the Board of Directors, Member of the Audit Committee	2013	2014
Anton Scherrer	1942	Member of the Board of Directors, Member of the Nomination and Compensation Committee	2007	2014
Monika Walser	1965	Member of the Board of Directors	2013	2014

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

Dominik Sauter Christoph Clavadetscher Monika Walser Edgar Fluri
Rolf Friedli Rolf U. Sutter Anton Scherrer

Rolf U. Sutter

Chairman of the Board of Directors,
Chairman 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. From 1981 to 1989 he held various positions at Railway Buffet, Zurich and Moevenpick Holiday Inn, Moevenpick Hotel and Moevenpick / Marché Schweiz. From 1989 to 1997 he served as Managing Director / CEO of Moevenpick / Marché International. From 1993, he was also a member of the Executive Board of Moevenpick Holding AG. During this time, he worked in Germany for three years, established several companies in several countries, opened and developed various restaurants in North America, Asia (with registered offices in Hong Kong and Singapore), the Middle East and Europe. From 1997 to 1999, he was Managing Director of all 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 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 U. Sutter is also standing for election to the Board of Directors of Biella-Neher Holding AG as a new member at its Annual General Meeting on 28 April 2014. Rolf U. Sutter would assume the position of Chairman upon election.

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. 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 Board of Directors of Stadler Rail AG, Bussnang, a member of the Board of Directors of nicko tours AG, Zurich, a member of the Board of Directors of KVT-Koenig AG, Dietikon, a member of the Advisory Board of Ondal Holding GmbH, Huenfeld (Germany), a member of the Global Advisory Board of the University of Chicago (USA) and a member of the Global Council of Queen's School of Business, Kingston (Canada).

Christoph Clavadetscher

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

Christoph Clavadetscher earned a degree in business studies and held various positions at Coop from 1992 to 2005. He was Head of the Coop Central Switzerland-Zurich sales region, Head of 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). In February 2011 Christoph Clavadetscher assumed management responsibility for Moebel Hubacher ad interim. On 1 July 2011 he became CEO of Moebel Hubacher AG, as of 1 January 2014 with a reduced engagement of 60%.

Other activities and functions: Christoph Clavadetscher is Chairman of the Board of Directors of PEG Papeteristen-Einkaufsgenossenschaft, Aarburg, Chairman of the Board of Directors of Talsee AG, Hochdorf, Chairman of the Board of Directors of famoc AG, Zug, 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 Agrovision AG, Alberswil, a member of the Board of Directors of Carl Heusser AG, Cham, a member of the Board of Directors of Bewilux AG, Hünenberg, a member of the Board of Directors of Unicorn S.A., Fischbach-Göslikon and a member of the Board of Directors of HOLCLA AG, Zug.

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 as Deputy Chairman (1991–1996) and Chairman of the Management Committee (1997–1998) and held a seat on the Coopers & Lybrand International and European Boards. After the merger to form PricewaterhouseCoopers, Edgar Fluri served as Chairman of the Board of Directors of PricewaterhouseCoopers Switzerland (1998–2008). He was also Head of Assurance and Business Advisory Services EMEA (1998–2001) and a member of the Global Board of PricewaterhouseCoopers (2002–2005). Edgar Fluri 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 Nobel Biocare Holding AG, Zurich, a member of the Supervisory Board of Brenntag AG, Muelheim an der Ruhr (Germany), a member of the Board of Trustees of the Beyeler Foundations, Basel, a member of the Board of Directors of Beyeler Museum AG, Basel 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 Chairman of the Board of Directors of Biella-Neher Holding AG, Biel, a member of the Board of Directors of Biketec AG, Huttwil and a member of the Board of Directors of Bauwerk Parkett AG, St. Margrethen.

Anton Scherrer

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

Anton Scherrer earned a Master's degree and a Doctorate in agricultural engineering from the Swiss Federal Institute of Technology Zurich (ETH). From 1968 to 1991, he held various research, consulting and managerial positions in a variety of industrial and brewing companies in Switzerland and abroad, which included a seat on the Board of Directors of Huerlimann Holding AG. From 1991 on he held various executive positions for the Migros-Genossenschafts-Bund, with responsibility for 14 industrial enterprises and the entire logistics operation. In 2001 he was appointed Chairman of the Board of Directors of Migros-Genossenschafts-Bund and Chairman of the Retail Trade Committee of the Migros Genossenschaften, as well as Chairman of the Magazine zum Globus, Migros Bank and Hotelplan, an international travel agency. In 2005 Anton Scherrer assumed the position of Vice-Chairman and then from 2006 to 2011 served as Chairman of the Board of Directors of Swisscom AG in Bern.

Other activities and functions: Anton Scherrer is a member of the Innovation Promotion Agency (CTI), Bern within the Federal Department of Economic Affairs, a member of the Board of Directors of Agrovision AG, Alberswil, a member of the Board of Directors of Ginesta Immobilien AG, Küsnacht and a member of the Capvis Industry Advisory Board of Capvis Equity Partners AG, Zurich.

Monika Walser

Member of the Board of Directors

Monika Walser holds a master degree in rhetoric and technical communications from the University of Michigan 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, and managing director of Freitag lab AG, Zurich, a Swiss bag and fashion accessory manufacturer.

Other activities and functions: Monika Walser is a member of the Board of Directors of Sanitas Beteiligungen AG.

Other activities and functions

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

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

Elections and terms of office

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

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

Duties and powers

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

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

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

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

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

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

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

The Board of Directors meets as often as business requires, but no less than six times a year. The Board of Directors convened ten meetings between 1 January 2013 and 31 December 2013, one of which was a telephone conference. There was also a Board of Director workshop. One resolution was adopted by means of circular letter. The meetings lasted approximately 4.5 hours each, the telephone conferences approximately 30 minutes, the workshop 1.5 days. Erland Brügger attended two board meetings and participated in one telephone conference and relinquished his position on the Board of Directors at the conclusion of the Annual General Meeting on 11 April 2013. Dominik Sauter and Monika Walser were elected as new directors at the Annual General Meeting on 11 April 2013 and they attended all of the board 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 Board.

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

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

Audit Committee

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

The Audit Committee consists of three independent members of the Board of Directors. The Board of Directors must verify that at least one of the members of the committee possesses relevant, up-to-date knowledge of accounting and financial matters (Financial Expert). As of 31 December 2013, the Audit Committee consisted of Edgar Fluri (Chairman, Financial Expert), Christoph Clavadetscher and Dominik Sauter. Hélène Weber-Dubi attends these meetings as CFO, albeit without voting rights.

The Audit Committee has the following responsibilities:

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

- examination of the statutory and consolidated annual and interim financial statements and of the formal statements issued by the Company and discussion of these with the management and the auditors prior to their submission to the Board of Directors;
- examination of other matters at the Board of Directors' request;
- disclosure of the Audit Committee Charter, audit of its own performance and efficacy and submission to the Board of Directors of recommendations for any necessary changes.

The Committee must hold not less than four regular meetings annually. It can call additional meetings at its own discretion. During the period from 1 January 2013 to 31 December 2013 the Audit Committee held five meetings, one of which was a telephone conference. 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 specialist body that is formally appointed by the Board of Directors. Its principal responsibility is to provide support to the Board of Directors in the exercise of its supervisory duties.

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

The Nomination and Compensation Committee has the following responsibilities:

- long-term planning and action to ensure availability of suitable candidates for positions on the Board of Directors and the Management Board, and introduction of appropriate systems for management development and succession planning, which will ensure that the Company will have the best leadership and management talents available to it at all times;
- nomination of candidates for vacant positions on the Board of Directors and for the position of CEO; nomination of candidates proposed by the CEO for positions on the Management Board;
- recommendations to the Board of Directors on composition of the Board of Directors and search for suitable candidates, verification that members of the Board of Directors are independent agents;
- recommendations to the Board of Directors on re-election of members of the Board of Directors on termination of their term of office;
- regular examination and appraisal of the Company's system of remuneration, including stock-option incentive programmes;
- recommendations to the Board of Directors on employment terms of the CEO, in particular, the remuneration package, and recommendations on remuneration of the Board of Directors;

- recommendations to the Board of Directors on the CEO's proposals for employment terms of members of the Management Board and other leading executives reporting directly to the CEO;
- examination of matters connected with general remuneration arrangements for employees and of the Company's personnel management practices;
- recommendations to the Board of Directors on granting of stock options or other securities under incentive programmes to the Company's management;
- examination of other matters at the Board of Directors' request;
- disclosure of the Nomination and Compensation Committee Charter, audit of its own performance and efficacy, and submission to the Board of Directors of recommendations for any necessary changes.

The Committee must hold not less than two regular meetings annually. It can call additional meetings at its own discretion. During the period from 1 January 2013 to 31 December 2013 the Nomination and Compensation Committee held seven meetings. All members were present at these meetings.

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

The Board of Directors bears ultimate responsibility for the business activities and affairs of the Company and the Group. The Board of Directors has delegated responsibility for operational management of the Company to the 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 on-going 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. There is also an intensive exchange of information on an informal basis. The Chairman of the Board of Directors is closely involved with the Company and focuses his attention primarily on strategic issues and projects. Each member of the Board of Directors can request information on the course of the Company's business from persons entrusted with management of the Company.

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

Risk 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

ORIOR expanded and improved its Internal Control System (ICS) in 2013. 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 2013 was on various IT processes. The external auditors also perform appropriate test procedures to ascertain whether an ICS exists, which they must confirm in their audit report.

Internal auditing

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

The tasks of internal auditing include the following activities:

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

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

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

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

The internal auditors took part in one meeting of the Audit Committee in 2013. The internal auditors took part in one meeting of the Board of Directors during the year under review.

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

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

4 Management Board

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

Members of the Management Board

The members of the Management Board are appointed by the Board of Directors upon recommendation by the CEO and a corresponding recommendation from the Nomination and Compensation Committee. There were five persons on the Management Board (MB) as of 31 December 2013. Urs Aebi stepped down from the Management Board and relinquished his position as Head of the Le Patron competence centre on 1 January 2014. He will continue to be engaged by ORIOR Group on a part-time basis as a food scout.

Changes in the Management Board

Effective 1 January 2014, Michel Nick assumed the position of Head of Le Patron from Urs Aebi. Michel Nick was previously Head of Pastinella.

On 1 January 2014 Bruno de Gennaro assumed management responsibility for the Pastinella competence centre in addition to his duties as Head of the ORIOR Convenience segment and the Fredag competence centre.

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

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

Name	Year of birth	Position	Year of appointment to MB
Remo Hansen	1962	CEO ORIOR Group, Head of ORIOR Refinement segment	2001
Hélène Weber-Dubi	1955	CFO ORIOR Group	1999
Urs Aebi[1]	1956	Head of Le Patron	2006
Bruno de Gennaro[2]	1957	Head of ORIOR Convenience segment, Head of Fredag	1998
Stefan H. Jost	1963	Head of International, New Business and Logistics	2010

1 Leaving as at 01.01.2014
2 Also Head of Pastinella as of 01.01.2014

Bruno de Gennaro, Remo Hansen, Hélène Weber-Dubi, Stefan H. Jost, Urs Aebi

Remo Hansen
CEO ORIOR Group

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

Hélène Weber-Dubi
CFO ORIOR Group

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

Other activities and functions: Hélène Weber-Dubi is a member of the Board of Directors of Medela Holding AG, Baar and Medela AG, Baar.

Urs Aebi
Head of Le Patron

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

Bruno de Gennaro

Head of ORIOR Convenience segment
Head of 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 gastro division. In 1994 Bruno de Gennaro joined Rapelli as Head of Marketing and Sales and later assumed the same function for ORIOR Group. Bruno de Gennaro was appointed Head of Fredag in 1997 and remained in that position until 1998, when he was appointed Head of Rapelli. On 1 January 2012 Bruno de Gennaro assumed overall responsibility for the ORIOR Convenience segment and also serves as Head of the Fredag competence centre.

Other activities and functions: Bruno de Gennaro is a member of the Governing Board of FIAL (Federation of Swiss Food Industries); a member of the Governing Board of the Swiss Meat Association (SFF) and deputy member of the Board of Directors of Proviande.

Stefan H. Jost

Head of International, New Business and Logistics

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

Other activities and functions: Stefan H. Jost is a member of the Governing Body of the Swiss Convenience Food Association (SCFA).

Other activities and functions

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

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

Management agreements

There are no management agreements.

5 Shares held by members of governing bodies

As at 31 December 2013, the members of the Board of Directors and the Management Board held the following shares:

Name	No. of shares on 31.12.2013	in %	No. of shares on 31.12.2012	in %
Rolf U. Sutter	199 300	3.36 %	199 300	3.36 %
Rolf Friedli	0	-	0	-
Erland Brügger[1]	[3]	[3]	14 175	0.24 %
Christoph Clavadetscher	10 000	0.17 %	14 515	0.25 %
Edgar Fluri	4 500	0.08 %	4 000	0.07 %
Dominik Sauter[2]	550	0.01 %	[3]	[3]
Anton Scherrer	2 000	0.03 %	2 000	0.03 %
Monika Walser[2]	200	0.00 %	[3]	[3]
Remo Hansen	85 710	1.45 %	85 710	1.45 %
Hélène Weber-Dubi	85 830	1.45 %	85 830	1.45 %
Urs Aebi	80 191	1.35 %	85 000	1.43 %
Bruno de Gennaro	92 075	1.55 %	92 075	1.55 %
Stefan H. Jost	1 925	0.03 %	1 925	0.03 %
Total	**562 281**	**9.49 %**	**584 530**	**9.87 %**
Total ORIOR shares	5 925 000	100.00 %	5 925 000	100 %

1 Leaving as at 11.04.2013
2 Nominated on 11.04.2013
3 Not available

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 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.

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

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

Statutory quorum

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

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

Convening of General Meeting

Ordinary General Meetings are convened by the Board of Directors and must be held annually within six months 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. Shareholders representing a total of not less than 10 % of the share capital are entitled to demand an Extraordinary General Meeting at any time, which must be in writing and state grounds and agenda items, motions for resolution and, in the case of elections, names of proposed candidates. General Meetings are called by the Board of Directors or, if necessary, by the auditors or a liquidator.

The Annual General Meeting on 11 April 2013 was attended by 495 shareholders. They represented 4 001 629 voting shares or 67.54 % of the total share capital of 5 925 000 issued shares. All proposals submitted by the Board of Directors were approved by shareholders:

The annual report and the 2012 parent-company and consolidated financial statements were approved, and the acts of the Board of Directors and Management Board were discharged.

All previous Board Members were re-elected to a one-year term of office except Erland Brügger, who did not stand for re-election. Monika Walser and Dominik Sauter were elected to the Board of Directors for the first time, likewise for a one-year term. In addition, Ernst & Young AG, Basel, was re-elected as auditor for the 2013 financial year.

Shareholders also approved the Board's proposal to pay out a net dividend of CHF 1.95 per registered share for 2012. The dividend payment will be made from capital contribution reserves and is therefore not subject to Swiss withholding tax.

Inclusion of agenda items proposed by shareholders

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

Entries into share register

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

7 Changes of control and defence measures

Obligation to make an offer

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

Clauses on changes of control

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

8 Auditors

Duration of mandate and term of office of Head Auditor

Ernst & Young AG, Aeschengraben 9, 4051 Basel, Switzerland, have acted as auditors for ORIOR AG since 2006. Ernst & Young, Basel, were re-elected as Company auditors for another term of one year by the General Meeting on 11 April 2013. Roger Müller, Partner, is the lead auditor and he has held this position since the audit of the 2011 financial statements. As stipulated under Art. 730a para. 2 CO the lead auditor will be rotated at least every seven years.

Auditing fees / additional fees

in CHF thousand	2013	2012	2011
Auditing fees	323.5	339.0	325.0
Additional fees			
Tax advisory	53.2	36.3	31.0
Legal advisory	0.0	0.0	0.0
Transaction-related services	10.7	174.0	53.0
Other audit-related services	30.0	14.1	9.5
Total additional fees	93.9	224.4	93.5
Total	**417.4**	**563.4**	**418.5**

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.

Costs incurred in 2012 for transaction-related services include audit costs for acquisition projects.

Supervision and control of auditors

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

In addition to the audit report on the annual accounts, the auditor draws up a comprehensive report for the Board of Directors pursuant to Art. 728b of the Swiss Code of Obligations. This report contains the findings of its auditing activities (including an existence check on the internal control system) and its recommendations, as well as the status of findings and recommendations from previous audits. This report is discussed in detail with the Audit Committee. The Audit Committee also monitors whether and how the Management Board is implementing measures that have been approved on the basis of 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 all meetings of the Audit Committee in 2013 and were in attendance at one of the meetings 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 Remo Hansen, CFO Hélène Weber-Dubi and Head of Investor Relations Milena Mathiuet. E-mails can be sent to investors@orior.ch at any time.

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

Events calendar

Annual General Meeting	25 March 2014
Publication of 2014 interim results	21 August 2014
Publication of Half Year Report 2014	21 August 2014
Investors' day 2014	Autumn 2014

Strategy element:

MANAGEMENT STRUCTURE / SYNERGIES

ORIOR has lean leadership structures and short chains of command. Although the competence centres are operationally independent entities, they cooperate closely with each other and always act in the best interests of ORIOR Group. Dialogue and collaborative learning are actively encouraged. ORIOR invests continuously in employee training. That's because a motivated and highly qualified workforce is essential to the organization's success.

Specific examples 2013

EXPLORING NEW PATHS TOGETHER

ORIOR Convenience presented its new Le Patron brand in the autumn of 2013. ORIOR centres of excellence frequently collaborate on joint projects. The three convenience firms Fredag, Le Patron and Pastinella have recently joined forces on a long-term project. Convenience products for retailers will be launched in future under the new Le Patron brand. This move creates a consistent market presence and captures both market and group synergies.

THE ULTRA FRESH CONVENIENCE TREND

Le Patron ultra fresh menus are a huge success. The existing range saw significant expansion in 2013 and development of new creations is set to forge ahead in 2014. The ultra fresh line's selling points are unbeatable freshness and the use of natural ingredients. The menus are freshly prepared and delivered the same day. The concept relies on short chains of command and a flexible production system.

Designing effective leadership structures and capturing synergies also requires thinking beyond competence centres and acting for the benefit of the organization as a whole. ORIOR and its competence centres are ideally structured to exploit business opportunities swiftly and flexibly.

Pictured: the Le Patron menu Piccata Milanese with spaghetti and vegetables.

Compensation Report

This Compensation Report gives an overview of compensation paid to and, where applicable, loans granted to members of the Board of Directors and the Management Board, and also of their holdings of shares in the company. In addition, the elements of compensation that apply throughout the Group as a whole are presented. The report is based on the principles contained in wthe "Swiss Code of Best Practice for Corporate Governance".

In accordance with IFRS Accounting Standards and Swiss law (Art. 663b^{bis} OR), the data on compensation paid to the Board of Directors and the Management Board are presented in Item 8 of the Notes to the financial statements of ORIOR AG.

The Ordinance Against Excessive Compensation At Public Corporations (VegüV) requires Swiss listed companies to publish a Compensation Report as from fiscal year 2014. The present report summarizes the current elements of management compensation for the year under review. Shareholders at the Annual General Meeting on 25 March 2014 will be asked to vote on amendments to the Articles of Association affected by the VegüV. The Articles of Association contain the regulations governing the elements of compensation for the Board of Directors and the Management Board and the mechanisms by which they are approved, as well as the basic principles that apply with regard to compensation. Consequently, the compulsory Compensation Report required under the new rules and examined by the auditors will appear for the first time in the Annual Report for fiscal 2014.

Compensation system

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.

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 will be 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 attainment 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-third 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, other executives and key staff 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 programs on an annual basis; participants may include members of top management, executives and other key employees. Further details can be obtained in the section headed “Employee stock ownership plan” on page 60 of the 2013 Annual Report.

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” on page 73 of the 2013 Annual Report.

Responsibility for compensation

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

10 Nomination and Compensation Committee

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

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

The Nomination and Compensation Committee has the following responsibilities:

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

The Committee must hold not less than two regular meetings annually. It can call additional meetings at its own discretion. During the period from 1 January 2013 to 31 December 2013 the Nomination and Compensation Committee held seven meetings. All members were present at these meetings.

11 Compensation awarded to the Board of Directors

The compensation payable to the members of the Board of Directors consists solely of a fixed component and is therefore not coupled with any profit-based components. Compensation is paid in cash, provided the option to receive payment in shares is not exercised. All compensation awarded to the Board of Directors is reported according to the accrual principal, which states that transactions are recorded in the period in which they actually occur.

	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2013	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2012
Rolf U. Sutter Chairman of the Board of Directors	330 230	52 385	28 715	411 330	450 430	54 810	36 030	541 270
Rolf Friedli Vice Chairman of the Board of Directors	85 000	0	0	85 000	91 670	0	0	91 670
Erland Brügger [1] Member of the Board of Directors	17 755	0	1 440	19 195	53 335	0	4 385	57 720
Christoph Clavadetscher Member of the Board of Directors	53 335	0	1 440	54 775	53 335	0	4 385	57 720
Edgar Fluri Member of the Board of Directors	78 160	0	4 370	82 530	80 000	0	6 580	86 580
Dominik Sauter [2] Member of the Board of Directors	33 335	0	0	33 335	0	0	0	0
Anton Scherrer Member of the Board of Directors	51 805	0	2 495	54 300	51 805	0	2 495	54 300
Monika Walser [2] Member of the Board of Directors	28 445	0	0	28 445	0	0	0	0
Total Board of Directors	**678 065**	**52 385**	**38 460**	**768 910**	**780 575**	**54 810**	**53 875**	**889 260**

1 Leaving as at 11.04.2013
2 Nominated on 11.04.2013

ORIOR AG and its subsidiaries did not provide any collateral, loans, cash advances or credit to the members of the Board of Directors or persons closely related to them in 2012 or 2013.

Shares allocated to the Board of Directors of ORIOR AG

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 average weighted 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 2013 and 31 December 2013. Compensation was paid entirely in cash.

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 2013.

Loans granted to governing bodies

Loans to members of the Board of Directors (if any) are granted at arm's length terms. As at 31 December 2013, ORIOR Group had not granted any loans to members of the Board of Directors nor to any related persons and had not taken delivery of any collateral from them.

12 Compensation paid to the Management Board

Compensation payable to the members of the Management Board consists of a fixed component and a variable amount (of approximately 35 % to 50 %), the level of which is conditional on attainment of qualitative and quantitative targets. The share of this variable amount linked to attainment of the quantitative targets constitutes approximately 60 % to 80 % of the total variable amount and is calculated against Company parameters: e.g. revenues, EBITDA, capital expenditure and net working capital. The qualitative performance component (approximately 20 % to 40 % of the variable amount) is payable for attainment of preset individual targets (e.g. leadership qualities, innovation, value-enhancing initiatives). The weightings between the components are reviewed when performance objectives are set and adjusted as necessary.

Fixed compensation is paid in cash. Between 10 % and 30 % of the variable compensation can be paid in shares. The exact percentage of this share-based compensation will be set by the Board of Directors every year.

No shares were allocated to members of the Management Board between 1 January 2013 and 31 December 2013. Compensation was paid entirely in cash. Details of the share allocation and share purchase agreements with the Management Board are detailed in the following section headed "Shares allocated to the Management Board of ORIOR AG".

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.

All compensation awarded to the Management Board is reported according to the accrual principal, which states that transactions are recorded in the period in which they actually occur.

	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2013	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2012
Remo Hansen CEO	544 875	45 875	44 485	635 235	642 320	46 805	50 365	739 490
Key Management[1]	1 342 705	163 575	118 640	1 624 920	1 697 805	178 700	141 540	2 018 045
Total Management Board	**1 887 580**	**209 450**	**163 125**	**2 260 155**	**2 340 125**	**225 505**	**191 905**	**2 757 535**

[1] Albert Spiess retired on 30.06.2012

ORIOR AG and its subsidiaries did not provide any collateral, loans, cash advances or credit to the members of the Management Board or persons closely related to them in 2012 or 2013.

Shares allocated to the Management Board of ORIOR AG

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 will correspond to the average weighted 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 2013 and 31 December 2013. Compensation was paid entirely in cash.

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 2013.

Loans granted to governing bodies

Loans to members of the Management Board (if any) are granted on arm's length terms. As at 31 December 2013, ORIOR Group had not granted any loans to members of the Management Board nor to any related persons and had not taken delivery of any collateral from them.

13 Shares held by members of governing bodies

As at 31 December 2013, the members of the Board of Directors and the Management Board held the following shares:

Name	Number of shares as at 31.12.2013	in %	Numbers of shares as at 31.12.2012	in %
Rolf U. Sutter	199 300	3.36 %	199 300	3.36 %
Rolf Friedli	0	–	0	–
Erland Brügger [1]	[3]	[3]	14 175	0.24 %
Christoph Clavadetscher	10 000	0.17 %	14 515	0.25 %
Edgar Fluri	4 500	0.08 %	4 000	0.07 %
Dominik Sauter [2]	550	0.01 %	[3]	[3]
Anton Scherrer	2 000	0.03 %	2 000	0.03 %
Monika Walser [2]	200	0.00 %	[3]	[3]
Remo Hansen	85 710	1.45 %	85 710	1.45 %
Hélène Weber-Dubi	85 830	1.45 %	85 830	1.45 %
Urs Aebi	80 191	1.35 %	85 000	1.43 %
Bruno de Gennaro	92 075	1.55 %	92 075	1.55 %
Stefan H. Jost	1 925	0.03 %	1 925	0.03 %
Total	**562 281**	**9.49 %**	**584 530**	**9.87 %**
Total ORIOR shares	5 925 000	100.00 %	5 925 000	100 %

[1] Leaving as at 11.04.2013
[2] Nominated on 11.04.2013
[3] Not available

The shares held by the members of the Board of Directors and the Management Board are not subject to any holding periods with the exception of those held by Stefan H. Jost, who received 1500 shares on 3 January 2012 under the terms of the employee stock ownership plan.

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 offered under the aforementioned share purchase offer.

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

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

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

On 2 February 2013, 12 480 shares were sold to a group of 44 employees as part of the employee stock ownership plan. These shares are subject to a 3-year holding period that began on the date of allocation (2 April 2013). The shares were distributed on a voluntary basis and do not form a fixed part of employee compensation.

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 average weighted 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.

A share purchase offer was not made to any members of the Board of Directors or the Management Board between 1 January 2013 and 31 December 2013.

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

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

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 Fondation 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.

RISK MANAGEMENT

ORIOR actively monitors risk at every level throughout the procurement, production and distribution processes. As a food manufacturer, ORIOR is uncompromising when it comes to quality and freshness, and the application of rigorous product inspection practices and standardized processes. Potential risks are detected well in advance through regular monitoring and the analytical application of "what if" scenarios.

Specific examples 2013

FRESH PRODUCTS REDUCE RISK

Rapelli's launch of lasagne with the "Suisse Garantie" label extended its presence to a new product category and counters the saturation in the Swiss market for delicatessen meats. Consumers can trust the product's high quality standards and the strict internal controls that are used to monitor and verify raw material flows. All ORIOR subsidiaries must meet demanding specifications. For its Suisse Garantie lasagne product, this means that certified Swiss beef must be supplied as whole cut. Only after delivery are these cuts processed into ground beef. Strict enforcement of these rules precludes any errors or deficiencies with regard to quality.

FRESHLY HARVESTED RAVIOLI INGREDIENTS

Pastinella and Le Patron make all the fillings for their stuffed pasta products themselves. Daily deliveries of fresh and mostly Swiss grown foodstuffs are carefully inspected and processed into savoury pasta fillings. We gladly go through the extra trouble to produce these fillings in-house to ensure that our stringent quality and product safety standards are always met.

These examples show how freshness and quality in the procurement and production processes limit risk at ORIOR right from the start.

Pictured: Lasagne Suisse Garantie.

Corporate Responsibility

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

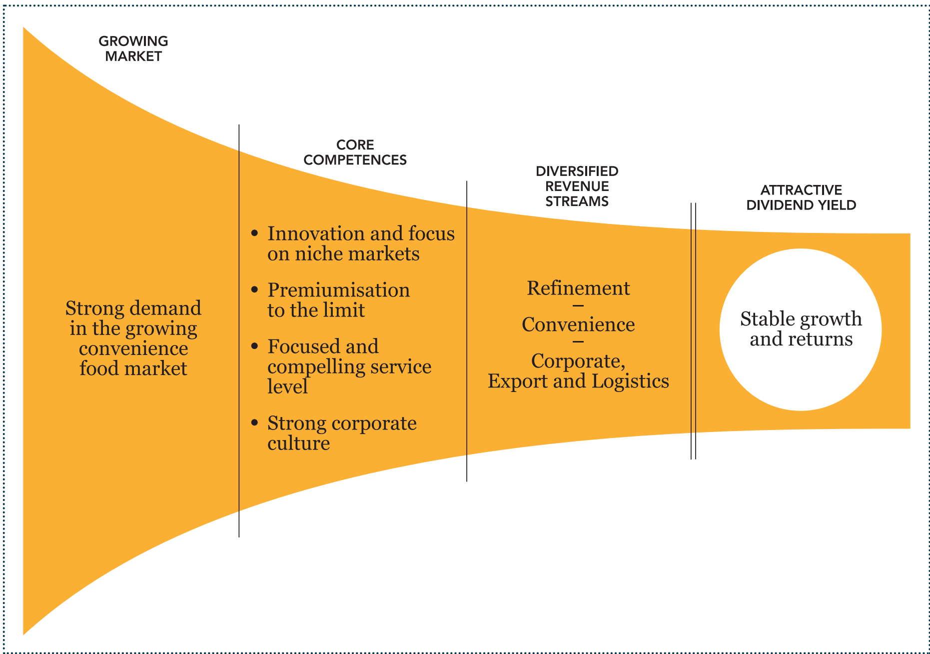
Economy

BUSINESS MODEL

ORIOR ...

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

This model shapes the product offering and corporate culture:



Quality management

When it comes to the quality and safety of the food they eat, customers rightly have very high standards which far exceed food quality requirements and other legal provisions. That is why all ORIOR Group production facilities have Global Food Safety Initiative certification (IFS, BRC, etc.). These standards are reviewed periodically by an external accredited certification body. All Refinement and Convenience segment competence centres were audited in 2013, and all of them passed at the highest level.

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

Procurement

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

"It is our firm conviction that responsibility for our environment and respect for animals are key criteria when it comes to procuring raw materials."

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

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

In 2013 ORIOR again raised the overall percentage of raw materials sourced in Switzerland. Below are a few examples taken from the competence centres:

- ORIOR Refinement launched Switzerland's very first lasagne with a Suisse Garantie label through its Ticinella brand. The tomatoes and the durum wheat used to make the sheets of pasta are grown in Ticino while the meat, cheese and eggs are sourced from other parts of Switzerland.
- Rapelli's bresaola and carne secca products are made exclusively from Swiss beef.
- Rapelli partnered with a major account to launch a regional line of fresh meat products made with Ticino meat. The farm animals are exclusively bred, raised and slaughtered in Ticino. Afterwards the meat is processed into fresh meat products by Rapelli or its Val Mara subsidiary. Rapelli's "I Nostrani" line of regional specialities also includes cured specialities such as salametti, salami and dried ham.
- Albert Spiess buys out the entire available supply of Swiss raw materials for the production its Bündnerfleisch. It also imports beef from Ireland and South America. Albert Spiess maintains close contact with all of its suppliers and conducts periodic onsite checks to ensure supplier adherence to its high quality standards.

- Fredag has acknowledged consumer demand for European and Swiss poultry. Domestic and foreign suppliers are audited periodically to ensure they are in compliance with animal-protection provisions and the requirements of the Food Safety Initiative. In collaboration with the Swiss Animal Welfare Society and a German abattoir, Fredag was able to persuade numerous farmers to raise and slaughter their poultry in compliance with Swiss BTS guidelines (ensuring a humane farm animal environment).
- Fredag has more than doubled the percentage of organic Swiss soybeans used in the production of its vegetarian products
- Marine Stewardship Council (MSC) standards for sustainable fishing practices are among of the most stringent in the world. Fredag has been MSC certified since May 2013; the range of products with this label is being steadily expanded. In additional Fredag has been a "Friends of the Sea" alliance partner since January 2010. "Friends of the Sea" is an independent, not-for-profit wildlife protection organisation whose objective is to protect marine life and fish stocks. All of Fredag's suppliers of Vietnamese shrimp successfully passed the "Friends of the Sea" audits.
- Le Patron teams up with other ORIOR competence centres when sourcing various raw materials, which results in better procurement terms and conditions. Le Patron has also revised all of its aspic product recipes. This led to an improvement in the quality of the end products.

Customer satisfaction

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

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

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

In the ORIOR Refinement segment the Rapelli and Möfag units conducted customer satisfaction surveys in 2013 and very high scores were achieved. Albert Spiess plans to conduct the next customer survey during the course of 2014.

Below are a few of the main findings of Rapelli's survey, which elicited responses from two-thirds of the customers contacted:

- Nearly 90 % of the customers surveyed said they were either satisfied or very satisfied with Rapelli. The survey results were slightly better than the already very positive scores from previous surveys. Customers gave high scores for employee contactability, politeness and professionalism and were very satisfied with Rapelli's customer service.
- The satisfaction index for the two largest customers rose to 90.2 % and 96.6 %, respectively. That represents an increase of more than 3.5 percentage points from the previous survey. A top score of 100 % was achieved with regard to employee contactability and politeness.
- The satisfaction index reading for customers in the food service sector was more than 86 %. Nearly half of the customers surveyed in this segment said innovation could be intensified.

The survey results and suggestions were evaluated in-house and presented to the respective departments. Afterwards team projects and action plans were initiated to maintain the high satisfaction levels and capture potential gains where possible. Scope for the latter was seen by the respondents in areas such as innovation power, packaging and design and, to a lesser extent, in delivery reliability and complaint management.

In the Convenience segment both Fredag and Pastinella conducted customer satisfaction surveys in 2013. Both centres of competence achieved very good scores again, higher than in virtually any category of the 2011 survey. Le Patron also achieved very good results in its survey conducted in 2011. Its next survey has not yet been planned.

Lineafresca's next survey is scheduled for early 2014.

Brand management

ORIOR has a number of well-known brands in its portfolio. Some of these – "Rapelli", "Ticinella", "Nature Gourmet", "Fürstenländer Spezialitäten" and "Le Patron", for example – are well known in all sales channels, while others are known mainly in one particular channel, for example Fredag in the food service sector. In addition ORIOR produces products for the commercial brands and private labels of its customers. The brands of the ORIOR Group are well positioned with consumers, and consumer feedback surveys show that the quality of the products is highly regarded. The highest brand awareness level is achieved by the Rapelli brands. The most recent survey showed that Rapelli has a supported brand awareness of 85 %.

In fiscal 2013 ORIOR modified several of its brands:

- ORIOR has long sold Bündnerfleisch under the "Albert Spiess of Switzerland" brand throughout the European market. That brand name is now being used for the domestic Swiss market, too, as of autumn 2013 when the name and logo of the former domestic "Spiess Schiers" brand was changed to match that of the export brand. The new classy packaging for "Albert Spiess of Switzerland" underscores the tradition, authenticity and quality of these Bündner specialities.

- The “Nature Gourmet” brand, which stands for high-end vegetarian specialities, was completely revised. Both the logo and the packaging were given a new look. The restyled brand was introduced during the summer of 2013. A fresh, modern look and strong visuals attract shoppers’ attention and ensure high recognition.
- ORIOR Convenience introduced a new brand for the Swiss retail market in 2013. Previously this business segment offered its products under various brands. Now the premium convenience products made by the Le Patron, Fredag and Pastinella competence centres are marketed under the common “Le Patron” brand. Consumers who want quick and easy meals without forgoing quality, taste and enjoyment are addressed by this new brand.

Brand management at ORIOR is centrally controlled. A mix of coordinated marketing measures is implemented for advertising and positioning of brands, ranging from TV commercials, print advertisements, posters and billboards, POP presence, promotions, tastings and trade fair appearances.

An overview of all ORIOR brands is given in the “Brand portfolio” section of the back cover foldout page of this annual report. A brief description of the core elements of each brand is also provided.

ORIOR’s brands, grouped by business segment and competence centre, are shown below:

ORIOR Refinement			ORIOR Convenience			ORIOR Corporate, Export and Logistics	
Rapelli Group	Spiess Group	Möfag	Fredag Group	Le Patron Group	Pastinella Group	Lineafresca	Export

Ecology

Environmental vision

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

Conserving resources

ORIOR attaches great importance to the sparing use of natural resources. All ORIOR Group production companies collaborate with the Energy Agency for Industry (EnAW) as partners in climate protection. As a service platform for companies, the EnAW supports industry players in reducing their CO2 emissions and raising energy efficiency. ORIOR endorses these goals with its voluntary accession to the EnAW programme. The associated objectives are audited by federal government. All activities are geared to suit the particular company and follow the principle of cost-effectiveness. In addition, all new investments are reviewed in terms of their CO2 footprint. ORIOR Group's centres of competence profit from this collaboration with EnAW in two ways: Their environmental credentials are strengthened through the reduction of their energy consumption in a process overseen by specialists, and the measures taken have a positive effect on costs.

Sound energy policies are part of ORIOR's Group's corporate culture. Employees of every rank receive training on how to save energy in their everyday working lives to help the environment. Examples of energy-saving tips are diligently switching off lights when not needed or correctly turning off employee-controlled radiators and computer equipment.

ORIOR Group has significantly reduced CO2 emissions at every one of its competence centres in recent years, bringing exemption from CO2 levies. Rapelli and Spiess have been exempt from Swiss carbon tax since 2008, Pastinella since 1 January 2010. Fredag signed a voluntary CO2 reduction agreement with the EnAW but has not yet been granted an exemption from the carbon tax. Möfag is not yet exempt from the CO2 levies either. During the year under review Möfag signed a CO2 universal target agreement with the responsible authorities. Action plans are still being implemented and exemption is expected to be granted during the course of 2014. Le Patron filed for exemption from the CO2 levies in 2013, having conducted a potential study and recorded detailed information on the current energy efficiency of its production sites and infrastructure. This analysis revealed that waste heat recovery and refrigeration systems were two areas with energy-savings potential. An action plan for capturing this potential will be drawn up in 2014. Moreover, an analysis will be conducted in the current year to compare the energy performance of existing systems and potential new systems and measures for improvement will then be mapped out.

In 2012 the Convenience segment set a goal of using only certified materials for all its paper or cardboard packaging as well as office paper and tissue products. Certification by the FSC (Forest Stewardship Council) or PEFC (Programme for the Endorsement of Forest Certification Schemes) ensures that these materials are sourced from sustainably managed forests or are eco-friendly recycling products. The FSC is a non-profit organisation that is engaged in campaigns throughout the world for a greener, socially responsible and economically viable forestry. Two-thirds of the segment's material supplies should be certified by 2015. Today 35 % of the paper and cardboard sourced by the Convenience segment is already FSC certified. For example, all cardboard tabs at Pastinella and all covering boxes at Fredag are now produced from sustainable raw materials.

Measures implemented by the competence centres in fiscal 2013 include the following:

- Rapelli was able to reduce its consumption of fossil fuels by 10 % and electricity consumption by 3 % although sales volumes were virtually unchanged in a year-on-year comparison. Rapelli stopped consuming petroleum in 2012.
- Albert Spiess lowered its electricity consumption by more than 12 % and its consumption of heating oil by nearly 10 %. These savings have been achieved through numerous measures large and small, for example by upgrading the windows of an office building and replacing a boiler at the company's main office in Schiers. Master compressor controls were also installed to extract heat that is used for the hot water supply system.
- Möfag has been recovering unutilised waste heat from production processes since 2012. By mid-2014 the heating system for Möfag's office building will be fully decoupled from fossil fuel combustion and supplied instead with heat recovered from its production lines. If at all possible, it will not buy meat that has been airfreighted into Switzerland. This policy significantly reduces its CO2 footprint. Returnable bins are used whenever possible for the dispatch of goods. Cardboard volumes are steadily declining. Dispatch processes have also been optimized, resulting in another reduction of empty runs.
- Fredag has made a complete switch to natural refrigerants. Waste heat from technical systems is recovered help heat the building, heat cleaning water and support other thermal processes. The installation of the new refrigeration system and the heat recovery system reduced electricity consumption by 13 % and heating oil consumption by 8 %. Optimisation of production and cleaning processes led to a 15 % reduction in both water consumption and food waste. The remaining food waste that cannot be used for animal feedstuffs is delivered to a biogas plant, where it is converted into green energy.

- Pastinella reduced its electricity consumption by 4 % and its food waste by more than 10 % through a variety of optimisation measures. All food waste that cannot be used as animal feed is likewise converted into biogas.
- Le Patron has for a number of years sourced its electricity from hydropower stations and from the production waste that it delivers to a biogas plant. During the year under review the company switched all of its secondary packaging and labelling materials to FSC "Forest Stewardship Council" certified materials.
- Lineafresca invests in new vehicle technology on a continual basis. Its entire fleet of vehicles meets the Euro 5 emission standards, making Lineafresca one of the greenest freight logistics companies in the Swiss market. Its drivers also attend eco-driving courses to enhance fuel efficiency and reduce their environmental impact. The greenest drivers at Lineafresca are rewarded with a bonus.

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

Society

Human resources policy

ORIOR Group employed on average 1 300 people from around 40 countries in 2013, not including hundreds of temporary staff taken on every year at peak times.

ORIOR is aware that motivated employees are crucial to the company's success. The company therefore offers an attractive working environment where people feel appreciated and have room for personal development. Responsibility and mutual respect coupled with efficiency and effectiveness are the guiding principles. Staff members receive individual guidance through personal performance targets and the delegation of tasks, areas of accountability and responsibility. An internal minimum wage policy applies at every ORIOR production site.

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

"It is our firm conviction that each individual must assume full responsibility for him / herself and his / her work, and all our actions must be characterised by a high degree of ethics, duty of care and respect, as well as efficiency and effectiveness."

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

Basic training and continuing professional development

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

Responsibility for the ORIOR basic training and continuing professional education programme is assigned to a dedicated management training team. The team includes representatives from every ORIOR competence centre to ensure that the needs of all the competence centres are addressed. The panel met at the start of 2012 and the current programme was developed in the spring of 2012 from the resulting ideas and proposals.

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

The courses offered as part of the ORIOR basic training and continuing professional education programme in 2013 included the following:

- Optimising leadership: The objective of this course is to optimize interaction and collaboration with staff. Specialist knowledge on its own merely forms the basis. Personal behavioural patterns, communication skills and a mastery of the main management tools are important too. Another essential aspect is the ability to provide direction and motivate other people to achieve goals and results.
- Promoting confident body language and public speaking: Attendees give presentations to colleagues followed by analysis and discussion of performance in plenary sessions. Core elements are making the right impression at the right time, getting right to the point about what matters and playing to your strengths. The aims of the course are two-fold: to help people improve their own effectiveness, and to practice a feedback culture by raising personal impressions to a level of objectivity and discussing them on that basis.
- Balance, well-being and top performance: Physical and mental well-being are closely related. The right diet and plenty of exercise are essential elements in achieving the right balance. The ORIOR “Fit at Work” programme teaches participants simple ways to enhance their personal well-being and performance.
- Effective use of the new Office suite: Following the upgrade to Office 2010 throughout the ORIOR group, user seminars pitched to a variety of skill levels were offered.

These courses will continue into the summer of 2014. Planning for the new course programme is under way and emphasis will be given to segment-specific issues. Examples here are food hygiene or workplace safety courses. The first new courses will be offered in the autumn of 2014.

Individual training and continuing professional education

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

A variety of specific instruction and training programmes are also offered at each centre of competence. Fredag and Pastinella, for example, have organised free German courses in 2013 and 2014 for all employees who are not native speakers. This offer had been taken up by 16 % of the workforce at the end of 2013. Rapelli SA has for many years offered similar courses to its employees. At Albert Spiess AG external training courses were offered in 2013 with a focus on food safety. These were likewise well attended.

Apprenticeship training

A high value is placed on the training and development of young people at ORIOR. The Group offers apprenticeships for meat specialists, equipment technicians, laboratory technicians and logistics experts, as well as general office administration apprenticeships. With the training ORIOR provides for junior staff, the Group is investing in its own future and also fulfilling its corporate social responsibility.

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

Occupational health and safety

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

A health management programme was introduced at the ORIOR Convenience segment in 2013. Employees with health problems are now receiving better support and assistance from ORIOR. This programme is also expected to reduce sickness-related absences over the long term. Ergonomic evaluation of work processes in selected departments is another part of the health management program. Initial corrective measures have already been implemented or initiated as a result of these evaluations.

A significant decline in the number of workplace accidents and leaves of absences at ORIOR Group level was achieved during the year under review. At Albert Spiess alone, leaves of absences were reduced by more than 10 % in 2013.

Internal communication

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

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

Diet and health

ORIOR invests significant effort in producing healthy and nutritious food products. The organisation's innovative capacity is geared in that direction too. 2013 saw the launch of a host of new products that meet the criteria for wholesome food. ORIOR very carefully selects natural ingredients and allows their full flavour to develop.

"It is our firm conviction that a participative, future- and goal-oriented style of leadership, coupled with an open and dynamic form of communication, promotes entrepreneurship at all levels."

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

The following examples illustrate this philosophy:

- Rapelli uses no artificial flavour enhancers and adds natural flavours only if necessary from a sensory point of view. E numbers and allergens have been eliminated wherever possible. For example, Rapelli's San Pietro cured ham contains none of the E number preservatives typically found in cured meats and only sea salt is used in its production.
- Albert Spiess products are based on traditional recipes that have been passed down for generations. In 2013 Albert Spiess launched several innovative new products, for example, "Eat Meat Chips" – dried chips made of pork and beef that are a healthy and protein-rich alternative to other snacks and appetizers. Other new products with a strong regional profile and that tap the resources of nature are in the pipeline.
- Möfag has reviewed all of its recipes in recent years and made changes where appropriate. All products in its portfolio have now been updated to the latest standards. Thanks to this project, which will be repeated going forward, Möfag reduced the use of E numbers and the salt content of its products. Möfag products are completely free of allergens and artificial flavour enhancers.
- In 2013 demand for the vegan products launched by Fredag during the previous year was strong, especially in Germany and Austria. More and more people today consider themselves part-time vegetarians (or flexitarians), which means that they do without meat one or two days a week. Fredag has proven time and again with its innovative new products that vegetarian and/or vegan food can provide a very well-balanced and highly varied diet.

- Pastinella has also made it a point to sharply reduce its use of E numbers. Any additives in its products can be traced to natural raw materials such as pork or lemon peel. Pastinella began to revise its recipes in 2012 and continued to do so in 2013, further reducing the salt content of its products, for example. Cooperation with other ORIOR competence centres, most recently with Möfag, which is now supplying E-number-free cubed ham for further processing, is also helping Pastinella to reduce its use of artificial ingredients. Many E numbers are therefore no longer needed in its recipes. Pastinella met a major customer need when it launched the world's first lactose and gluten free fresh pasta in 2013. The same product line also includes so-called low carb products that are rich in fibre and particularly low in carbohydrates, which likewise address the themes of good health and well-being.
- Le Patron uses no artificial E numbers whatsoever in its ultra fresh menus. These menus are so fresh because they are always produced to order and delivered immediately afterwards. Another thing that makes these menus special is the high vegetable content of at least 20 %. Furthermore, Le Patron has not used any artificial flavour enhancers in any of its products for more than three years now. All artificial flavours have been replaced with natural flavours such as celery. In 2013 Le Patron introduced a line of new menus to the market. Especially in the areas of ultra fresh menus and chilled salads, consumers were treated to a variety of new product innovations.
- The ORIOR Convenience segment offers hospitals and care providers a wide range of meals and dishes for people with special dietary needs. These solutions are the result of collaboration between the competence centres.

Convincing – Bio Suisse

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

ORIOR GROUP
FINANCIAL REPORT 2013

Commentary on financial report

ORIOR Group achieved solid revenue growth of 3.7 % in 2013. Growth was driven by the Refinement and Convenience segments, both of which widened their market share in various product groups. Gross profit and the gross profit margin were pressured by high raw material prices. Cash flow grew more than 28 % from the prior-year level. The equity ratio came to 51.5 % and provides a solid base for the company's future development.

ORIOR Group increased its revenues by 3.7 % year-on-year to CHF 520.0 million in 2013. Higher sales volumes accounted for most of the growth. Price mark-ups in the Refinement segment had a very minor impact in comparison. Positive volume growth was fuelled by substantially higher volumes in the Convenience segment. The decrease in gross profit and the gross profit margin is solely due to high raw material prices in the Refinement segment, which could only be passed through to customers after a certain time lag.

HÉLÈNE WEBER-DUBI
CFO ORIOR

NEVER STOP STRIVING FOR IMPROVEMENT

ORIOR is firmly committed to creating value for its stakeholders. This entails far more than just achieving top-line growth and having a solid balance sheet. Constant productivity gains are a key ingredient in ORIOR's recipe for success too. That's why our motto is, "never stop striving for improvement!" No sooner is one efficiency-enhancing project completed than a new one is started. Improvement is a continuous process. Through it all, what is important is the realization that out-of-the-box thinking is a stepping stone to new ideas and many small steps can add up to a big leap forward.

ORIOR segments

As a result of the Möfag acquisition, ORIOR Refinement reported revenues of CHF 316.7 million, which corresponds to an increase of 2.1 %. Very good turnovers were achieved at the Rapelli and Möfag competence centres, both of which raised their sales volumes. ORIOR Convenience increased its revenues by 4.5 % from CHF 190.6 million in the previous year to CHF 199.1 million. Its growth was driven by ultra fresh menus, vegetarian specialities, chicken products, and the new gluten and lactose-free fresh pasta products. In the export business, vegetarian specialities delivered higher revenues in Germany and Austria but the sales volumes of Bündnerfleisch in France declined once again, mainly because of the economic headwinds in that country. Consequently, ORIOR Group's share of total Swiss exports of Bündnerfleisch declined to just under 50 %.

Operating results

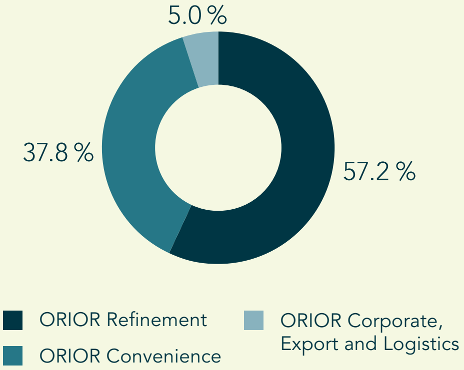
ORIOR Group's gross margin narrowed by 1.8 % from 40.7 % in 2012 to 38.9 % in 2013. Raw material prices in the Refinement segment were mainly to blame for the margin contraction. Prices for pork have been at peak levels for an unusually long period and this is creating quite a problem for the entire meat market. The lower gross margin led to a likewise lower EBITDA margin of 9.2 % compared to 10.4 % in the previous year. The remeasurement of pension plan liabilities in accordance with IAS 19R resulted in the recognition of an additional CHF 0.8 million in employee cost items, which further reduced the EBITDA figure.

As in previous years, ORIOR Group invested considerable resources in brand maintenance activities during the past financial year, especially for its "Ticinella" and "Albert Spiess of

Switzerland" brands and its export brand "Nature Gourmet". Efforts to save energy produced pleasing results. Energy costs were reduced from the previous year despite the increase in production volumes. Expenditure on maintenance and repairs was likewise lower, which is a corollary of the investments made in plant and equipment during previous years.

Capital expenditure of around CHF 18 million resulted in greater depreciation compared to the previous year. Conversely, amortisation of intangible assets declined because the production patent at Albert Spiess AG had been written down completely at the end of 2012. ORIOR Group tests intangible assets for impairment on an annual basis, which includes sensitivity analyses. No impairment was indicated during the year under review. EBIT for the 2013 financial year amounted to CHF 32.1 million compared to CHF 35.8 million in the previous year.

REVENUE SPLIT
BY SEGMENTS



Net financial expense of CHF 3.0 million was slightly less than the CHF 3.2 million reported in the previous year. Interest expenditure remained low as ORIOR Group continued to benefit from the low level of borrowing rates. The revaluation of a shareholding led to the formation of deferred tax assets in the amount of CHF 1.6 million, which had a corresponding positive tax effect. From a long-term perspective, ORIOR Group expects its tax rate to average about 19 %. Profit for the year amounted to CHF 25.8 million, which is less than the prior-year figure of CHF 27.3 million. Earnings per share amounted to CHF 4.36.

Cash flow and financing activities

Operating cash flow in the 2013 financial year amounted to CHF 40.5 million, an increase of more than 28 % from the CHF 31.5 million reported in 2012. Working capital was unchanged from the year-ago level thanks to effective capital management. Higher inventories at year end are attributable to the increase in raw material prices as well as promotional activities planned for early 2014.

The CHF 18 million in capital expenditure on plant and equipment during the past year was once again funded entirely through the company's operating cash flow. The two most important projects involved the optimisation of production processes at Le Patron and the renovation of Rapelli's order picking and dispatching centre. These and other investments will improve productivity in the 2014 financial year.

ORIOR Group entered into a new Credit Facility Agreement amounting to CHF 150 million for a term of five years, thus securing its funding needs for the coming years. ORIOR Group strengthened its capital position again and ended the year with a very solid equity ratio of 51.5 % (2012: 47 %).

Consolidated Income Statement

in CHF thousand	Note	2013	Δ in %	2012 Restated[1]
Revenues	7	**520 033**	**+3.7 %**	**501 493**
Raw materials / goods and services purchased		– 320 535		– 295 358
Changes in inventories	8	2 568		– 1 789
Personnel expense	9	– 95 960		– 94 237
Other operating income	10	467		481
Other operating expense	11	– 58 919		– 58 559
EBITDA **Earnings before interest, taxes, depreciation and amortisation**		**47 654**	**– 8.4 %**	**52 031**
as % of revenues		9.2 %		10.4 %
Depreciation / impairment – tangible assets	21	– 13 059		– 12 659
Amortisation – intangible assets	23	– 2 497		– 3 591
EBIT **Earnings before interest and taxes**		**32 098**	**– 10.3 %**	**35 781**
as % of revenues		6.2 %		7.1 %
Financial income	12	1 806		2 125
Financial expense	13	– 4 851		– 5 307
Profit before taxes		**29 053**	**– 10.9 %**	**32 599**
as % of revenues		5.6 %		6.5 %
Income tax expense	14	– 3 290		– 5 335
Profit for the year		**25 763**	**– 5.5 %**	**27 264**
as % of revenues		5.0 %		5.4 %
Attributable to:				
Non-controlling interests		0		0
Shareholders of ORIOR		25 763		27 264
Earnings per share in CHF				
Basic earnings per share	15	4.36		4.61
Diluted earnings per share	15	4.36		4.61
Weighted Ø number of shares outstanding in '000	15	5 915		5 914

[1] See Note 2

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

Consolidated Statement of Comprehensive Income

in CHF thousand	2013	Δ in %	2012 Restated[1]
Profit for the year	**25 763**	**– 5.5 %**	**27 264**
Exchange differences on translation of foreign operations	– 38		13
Items that are or may be reclassified subsequently to income statement, net of tax	**– 38**		**13**
Revaluation of pension plan	10 526		1 319
Taxes on revaluation of pension plan	– 2 021		– 253
Items that will not be reclassified to income statement, net of tax	**8 505**		**1 066**
Other comprehensive income for the year, net of tax	**8 467**		**1 079**
Total comprehensive income for the year, net of tax	**34 230**	**+20.8 %**	**28 343**
Attributable to:			
Non-controlling interests	0		0
Shareholders of ORIOR	34 230		28 343

[1] See Note 2

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

Consolidated Balance Sheet

in CHF thousand	Note	31.12.2013	in %	31.12.2012 Restated[1]	in %	01.01.2012 Restated[1]	in %
Cash and cash equivalents	16	25 883		24 083		35 293	
Current financial assets	17	281		937		204	
Trade accounts receivable	18	50 726		53 502		45 579	
Other current receivables	19	1 597		2 128		2 791	
Inventories and work in progress	20	71 119		65 237		65 587	
Prepaid expenses / accrued income		955		595		640	
Current assets		**150 561**	36.0 %	**146 482**	35.8 %	**150 094**	38.0 %
Property, plant and equipment	21	86 875		80 787		73 103	
Investment property	21	0		214		214	
Intangible assets	23	180 200		181 765		171 968	
Long-term financial assets		10		10		0	
Deferred tax assets	29	129		111		40	
Non-current assets		**267 214**	64.0 %	**262 887**	64.2 %	**245 325**	62.0 %
Total assets		**417 775**	100.0 %	**409 369**	100.0 %	**395 419**	100.0 %
Derivative financial instruments		429		1 737		2 909	
Current financial liabilities	27	948		17 396		13 460	
Trade accounts payable	24	41 989		39 525		45 603	
Other current payables	25	4 254		3 597		2 919	
Current income tax liabilities		5 638		5 847		5 029	
Accrued liabilities	26	17 377		16 959		18 841	
Current portion of provisions	28	501		442		289	
Current liabilities		**71 136**	17.0 %	**85 503**	20.9 %	**89 050**	22.5 %
Non-current financial liabilities	27	99 360		90 509		92 048	
Other non-current payables	25	565		1 116		0	
Defined benefit obligations	36	7 729		16 130		15 539	
Provisions	28	2 364		2 269		2 120	
Deferred tax liabilities	29	21 483		21 425		21 247	
Non-current liabilities		**131 501**	31.4 %	**131 449**	32.1 %	**130 954**	33.1 %
Total liabilities		**202 637**	48.5 %	**216 952**	53.0 %	**220 004**	55.6 %
Share capital	30	23 700		23 700		23 700	
Additional paid-in capital		33 706		45 247		56 663	
Treasury shares	31	– 471		– 582		– 686	
Retained earnings		158 058		123 869		95 568	
Foreign currency translation		145		183		170	
Equity attributable to shareholders of ORIOR		**215 138**	51.5 %	**192 417**	47.0 %	**175 415**	44.4 %
Non-controlling interests		0		0		0	
Total equity		**215 138**	51.5 %	**192 417**	47.0 %	**175 415**	44.4 %
Total liabilities and equity		**417 775**	100.0 %	**409 369**	100.0 %	**395 419**	100.0 %

[1] See Note 2

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

Consolidated Statement of Equity

in CHF thousand	Note	Share capital	Additional paid-in capital	Treasury shares	Retained earnings	Foreign currency translation	Equity attributable to shareholders of ORIOR	Non-controlling interests	Total equity
Balance as at 01.01.2012		23 700	56 663	– 686	107 133	170	186 980	0	186 980
Restatement[1]		0	0	0	– 11 565	0	– 11 565	0	– 11 565
Balance as at 01.01.2012[1]		**23 700**	**56 663**	**– 686**	**95 568**	**170**	**175 415**	**0**	**175 415**
Profit for the year[1]		0	0	0	27 264	0	27 264	0	27 264
Other comprehensive income for the year[1]		0	0	0	1 066	13	1 079	0	1 079
Total comprehensive income for the year[1]		**0**	**0**	**0**	**28 330**	**13**	**28 343**	**0**	**28 343**
Dividends / repayment of capital contributions	32	0	– 11 416	0	0	0	– 11 416	0	– 11 416
Share-based payments	37	0	0	0	11	0	11		11
Movement in treasury shares	31	0	0	104	– 39	0	65	0	65
Balance as at 31.12.2012[1]		**23 700**	**45 247**	**– 582**	**123 869**	**183**	**192 417**	**0**	**192 417**
Profit for the year		0	0	0	25 763	0	25 763	0	25 763
Other comprehensive income for the year		0	0	0	8 505	– 38	8 467	0	8 467
Total comprehensive income for the year		**0**	**0**	**0**	**34 268**	**– 38**	**34 230**	**0**	**34 230**
Dividends / repayment of capital contributions	32	0	– 11 541	0	0	0	– 11 541	0	– 11 541
Share-based payments	37	0	0	0	53	0	53	0	53
Movement in treasury shares	31	0	0	111	– 132	0	– 21	0	– 21
Balance as at 31.12.2013		**23 700**	**33 706**	**– 471**	**158 058**	**145**	**215 138**	**0**	**215 138**

[1] See Note 2

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

Consolidated Cash Flow Statement

in CHF thousand	Note		2013		2012 Restated[1]
Profit for the year			25 763		27 264
Taxes	14		3 290		5 335
Depreciation / impairment / amortisation	21 / 23		15 556		16 250
Share-based payments	37		53		11
Change in value adjustments and provisions			– 16		– 785
Gain from disposal of fixed assets	10		– 114		– 149
Interest income	12		– 20		– 105
Dividend income	12		– 14		– 17
Interest expense	13		3 952		4 129
Change in accrued pension cost			2 126		1 365
Change in working capital			– 1 598		– 11 333
– Trade accounts receivable and other current receivables		3 408		– 4 701	
– Inventories and work in progress		– 5 616		3 482	
– Trade accounts payable and other current payables		2 914		– 6 481	
– Other		– 2 304		– 3 633	
Interest paid			– 3 040		– 3 067
Taxes paid			– 5 480		– 7 441
Cash flow from operating activities			**40 458**		**31 457**
Purchase of					
– property, plant and equipment	21	– 17 743		– 16 133	
– intangible assets	23	– 872		– 1 721	
Proceeds from sale of					
– property, plant and equipment		407		179	
– financial assets		643		18	
Acquisition of companies, net of cash acquired	5		0		– 14 536
Interest received			21		111
Dividends received	12		14		17
Cash flow from investing activities			**– 17 530**		**– 32 065**
Increase in financial liabilities			116 457		19 762
Repayment of financial liabilities			– 125 212		– 18 219
Repayment of finance lease liabilities	22		– 836		– 790
Dividends / repayment of capital contributions	32		– 11 541		– 11 416
Sale of treasury shares	31 / 37		1 504		162
Purchase of treasury shares	31		– 1 525		– 97
Cash flow from financing activities			**– 21 153**		**– 10 598**
Net increase (+) / decrease (–) in cash and cash equivalents			**1 775**		**– 11 206**
Foreign exchange differences on cash and cash equivalents			25		– 4
Cash and cash equivalents as at 01.01.	16		24 083		35 293
Cash and cash equivalents as at 31.12.	16		**25 883**		**24 083**

[1] See Note 2

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

Notes to the Consolidated Financial Statements 2013

1 General information

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

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

ORIOR AG (the “Company”) is a limited liability company incorporated and domiciled in Zurich. The address of its registered office is Dufourstrasse 101, 8008 Zurich, Switzerland.

These consolidated financial statements were approved by the Board of Directors on 24 February 2014 and are subject to shareholder approval at the Annual General Meeting of shareholders scheduled for 25 March 2014.

2 Summary of significant accounting policies

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

Basis of preparation

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

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

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

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

Standards, amendment and interpretations effective in 2013

The IASB has published the following new standards, interpretations and amendments to existing standards and interpretations that are effective for 2013 financial statements:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 – Separate Financial Statements
- IAS 28 – Investments in Associates and Joint Ventures
- IAS 19 Revised – Employee Benefits
- Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine
- Amendment to IFRS 7 – Offsetting Financial Assets and Financial Liabilities
- Annual Improvements to IFRSs

With the exception of IAS 19 Revised, 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.

Adoption of IAS 19 Revised

The material impacts of the adoption of IAS 19 Revised on ORIOR Group's financial reporting are as follows:

- Elimination of the corridor approach: It is no longer possible to defer recognition of actuarial gains and losses using the corridor approach. They must now be recognised immediately in other comprehensive income.
- Calculation of pension costs: The previous practice of recognising the expected return on plan assets and of calculating the interest expense on the defined benefit obligation are now replaced by the recognition of net interest on the net defined benefit liability (asset).
- Past service costs are recognised immediately through profit or loss when they occur.
- Risk sharing: The new provision on sharing risk between employees and the employer has various impacts on the defined benefit obligation and the allocation of service costs.

Upon the adoption of IAS 19 Revised, the presentation of the income statement was adapted to reflect these changes. Net interest is now shown under the financial result (previously under personnel expenses). This presentation is a better reflection of the nature of net interest since it corresponds to the compounding effect of the long-term net defined benefit liability (asset). In the past, the expected return on plan assets reflected the individual performance of the plan assets, which were regarded as part of the operating activities. The change was applied retrospectively in accordance with IAS 8.

The adoption of IAS 19 Revised as well as the change in the presentation of the income statement led to the restatement of prior periods. The impacts on the relevant positions in the income statement, statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity, and earnings per share for prior periods are shown below:

Income Statement 2012

in CHF thousand	Reported	Adjustment	Restated
Personnel expense	– 93 933	– 304	– 94 237
EBIT **Earnings before interest and taxes**	**36 085**	**– 304**	**35 781**
Financial expense	– 4 860	– 447	– 5 307
Profit before taxes	**33 350**	**– 751**	**32 599**
Income tax expense	– 5 500	165	– 5 335
Profit for the period	**27 850**	**– 586**	**27 264**
Earnings per share in CHF			
Basic earnings per share	4.71	– 0.10	4.61
Diluted earnings per share	4.71	– 0.10	4.61

Statement of Comprehensive Income 2012

in CHF thousand	Reported	Adjustment	Restated
Profit for the period	27 850	– 586	27 264
Revaluation of pension plan	0	1 319	1 319
Taxes on other comprehensive income	0	– 253	– 253
Exchange differences on translation of foreign operations	13	0	13
Other comprehensive income for the period	**13**	**1 066**	**1 079**
Total comprehensive income for the period, net of tax	**27 863**	**480**	**28 343**

Balance Sheet as per 31.12.2012

in CHF thousand	Reported	Adjustment	Restated
Defined benefit obligations	2 384	13 746	16 130
Deferred tax liabilities	24 086	– 2 661	21 425
Total equity	203 502	– 11 085	192 417

Balance Sheet as per 1.01.2012

in CHF thousand	Reported	Adjustment	Restated
Defined benefit obligations	1 226	14 313	15 539
Deferred tax liabilities	23 995	– 2 748	21 247
Total equity	186 980	– 11 565	175 415

Cash Flow Statement 2012

in CHF thousand	Reported	Adjustment	Restated
Profit for the period	27 850	– 586	27 264
Taxes	5 500	– 165	5 335
Interest expense	3 683	446	4 129
Movement of accrued pension cost	614	751	1 365
Movements in working capital	– 10 887	– 446	– 11 333
Cash flow from operating activities	**31 457**	**0**	**31 457**

Statement of Equity as at 31.12.2012

in CHF thousand	Reported	Adjustment	Restated
Equity attributable to shareholders of ORIOR as at 01.01.2012	**186 980**	**– 11 565**	**175 415**
Profit for the period	27 850	– 586	27 264
Other comprehensive income for the period	13	1 066	1 079
Total comprehensive income for the period	27 863	480	28 343
Balance as at 31.12.2012	**203 502**	**– 11 085**	**192 417**

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

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

Standard / interpretation	Name	Implication	Enters into force	Group plans to introduce in
IFRS 9	Financial instruments	**	1 Jan 2017 at the earliest	Financial year 2017 at the earliest
Amendment to IAS 32	Offsetting Financial Assets and Financial Liabilities	*	1 Jan 2014	Financial year 2014
Amendment to IFRS 10, IFRS 12 and IAS 27	Investment Entities	*	1 Jan 2014	Financial year 2014
IFRIC 21	Levies	*	1 Jan 2014	Financial year 2014
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	*	1 Jan 2014	Financial year 2014
Amendments to IAS 39	Novation of derivatives and continuation of Hedge Accounting	*	1 Jan 2014	Financial year 2014
Amendments to IFRS 9, IFRS 7 and IAS 39	General Hedge Accounting	*	not yet set	not yet set
Amendments to IAS 19	Employee Contributions to Defined Benefit Plans	***	1 Jul 2014	Financial year 2015

* 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 IASB is adding to the standard as it completes the various phases of its comprehensive project on financial instruments, and so it will eventually form a complete replacement for IAS 39. IFRS 9 was originally issued in November 2009, reissued in October 2010, and then amended in November 2013. The current version of IFRS 9 does not include a mandatory effective date but is available for adoption. An effective date will be added when all phases of the project are complete and a final version of IFRS 9 is issued. The application of IFRS 9 is currently being analyzed in detail. However, it is assumed that no material impact on classification and measurements of financial assets and liabilities will arise.

*** The management of the group has not yet decided about the application of this option.

Consolidation

1) Subsidiaries

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

Business combinations

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

2) Associates

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

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

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

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

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

3) Change in scope of consolidation

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

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

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

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

1) Goodwill

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

Revenue recognition

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

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

Revenue is recognised as follows:

1) Sales of goods

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

2) Rendering of services

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

3) Interest income

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

4) Royalty income

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

5) Dividend income

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

Taxes

1) Income tax

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

2) Deferred tax

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

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

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

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

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

3) Sales tax

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

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

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

Leases

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

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

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

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

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

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

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

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

3 Financial and business risk management

Financial risk factors

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

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

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

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

1) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to EUR and USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. Approximately 0.7 % (2012: 0.6 %) of the Group's sales and 9.9 % (2012: 12.4 %) 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 5 % (2012: 5 %) weaker / stronger against the EUR and USD in 2013, with all other variables held constant, post-tax profit for the year would have been kCHF 1 743 (2012: kCHF 2 136) higher / lower, mainly as a result of purchases denominated in foreign currencies. Equity would have been kCHF 410 (2012: kCHF 292) 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. The Group's policy is to manage its interest cost using a mix of fixed and variable rate facilities.

To manage the risk of changing market interest rates – mainly on borrowings within the Group's Credit Facility Agreement – the Group enters into interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from variable rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and variable-rate interest amounts calculated by reference to the agreed notional amounts.

A 0.2 % (2012: 0.2 %) shift of interest rates would have an impact of approximately kCHF 58 (2012: kCHF 74) 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 19 414 (2012: kCHF 20 200) of total receivables are due from these two clients. These customers have always proven to be quick payers of invoices and have an excellent image and financial reputation in the home market. Therefore, recoverability is not considered to be at risk.

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

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

4) Liquidity risk

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

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

in CHF thousand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2013				
Derivative financial instruments	429	0	0	0
Current interest-bearing financial liabilities	182	0	0	0
Trade accounts payable	41 989	0	0	0
Other current payables *	1 515	565	0	0
Accrued liabilities *	10 983	0	0	0
Financial Leasing	1 023	951	1 494	159
Long-term interest-bearing financial liabilities	0	0	97 600	0
2012				
Derivative financial instruments	684	1 053	0	0
Current interest-bearing financial liabilities	18 392	0	0	0
Trade accounts payable	39 525	0	0	0
Other current payables *	1 441	586	583	0
Accrued liabilities *	9 530	0	0	0
Financial Leasing	820	695	1 390	0
Long-term interest-bearing financial liabilities	0	89 930	0	0

* 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	2013	2012	2013	2012
Financial assets				
Cash and cash equivalents (LAR)	25 883	24 083	–	–
Current financial assets at FV through profit and loss (AFVTPL)	281	937	–	–
Trade accounts receivable (LAR)	50 726	53 502	–	–
Other current receivables (LAR)	420	721	–	–
Long-term financial assets (LAR)	10	10	–	–
Financial liabilities				
Derivative financial instruments (LFVTPL)	– 429	– 1 737	–	–
Current financial liabilities (OFL) [1]	0	– 16 638	0	– 16 712
Current financial liabilities – financial leasing (OFL)	– 948	– 758	–	–
Trade accounts payable (OFL)	– 41 989	– 39 525	–	–
Other current payables (OFL)	– 1 515	– 1 441	–	–
Accrued liabilities (OFL)	– 10 983	– 9 530	–	–
Non-current financial liabilities – third parties (OFL) [1]	– 96 858	– 88 506	– 97 600	– 88 900
Non-current financial liabilities – financial leasing (OFL)	– 2 502	– 2 003	–	–
Other non-current payables (OFL)	– 565	– 1 116	–	–

[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	2013	Level 1	Level 2	Level 3
Assets measured at fair value				
Current financial assets at FV through profit or loss	281	60	221	0
Liabilities measured at fair value				
Derivative financial instruments	– 429	0	– 429	0
Liability from earn-out agreement	– 1 189	0	0	– 1 189

in CHF thousand	2012	Level 1	Level 2	Level 3
Assets measured at fair value				
Current financial assets at FV through profit or loss	937	90	847	0
Liabilities measured at fair value				
Derivative financial instruments	– 1 737	0	– 1 737	0
Liability from earn-out agreement	– 1 887	0	0	– 1 887

The details about the fair value measurement of the liability from the earn-out agreement are disclosed in Note 5.

During the reporting periods ending 31 December 2013 and 2012, 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 45 % and 55 %.

in CHF thousand	31.12.2013	31.12.2012 Restated[1]
Total equity	215 138	192 417
Total assets	417 775	409 369
Consolidated Equity Ratio	**51.5 %**	**47.0 %**

[1] See Note 2

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 2013 and was discussed and approved by the Board of Directors on 12 December 2013.

4 Significant accounting estimates and judgements

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

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

Operating lease commitments – Group as a lessee

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

Estimated impairment of goodwill

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

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

Estimated impairment of other intangible assets with an indefinite life

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

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

Pension Liabilities

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

5 Business combinations

There were no acquisitions in the reporting period.

Acquisition of Möfag, Mösli Fleischwaren AG

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

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

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

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

Gross trade receivables amounted to kCHF 2 973 as at the acquisition date. The full contractual amount has been collected during the reporting period.

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

The transaction costs of kCHF 145 have been expensed and are included in other operating expenses. As part of the purchase agreement with the previous owner of Möfag, a contingent consideration has been agreed. The business plan, designed for the years 2012-2014, forms the basis for earn-out payments. The earn-out payments depend on achievement of specified target parameters such as revenues and gross margin. The maximum achievable earn-out is kCHF 3 500. As at the acquisition date, the fair value of the contingent consideration was estimated to be kCHF 1 660. This amount corresponds to the present value of estimated future cash payments. In view of the very pleasing earnings performance of the company and due to the ongoing addition of accrued interest, the contingent consideration had to be increased by kCHF 227 to an amount of kCHF 1 887 as per 31 December 2012. The increase is included in the financial result. In 2013, a first tranche of the earn-out was paid in the amount of kCHF 827. Due to the ongoing addition of accrued interest in the amount of kCHF 54 and due to the adjustment of the earn-out liability in the amount of kCHF 75, the contingent consideration increased to kCHF 1 189 as per 31 December 2013 (see Notes 13 and 25).

6 Segment information

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

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

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

2013

in CHF thousand	ORIOR Refinement	ORIOR Convenience	ORIOR Corporate, Export and Logistics	Adjustments and eliminations	Consolidated
External customer sales	302 318	199 942	26 102		528 362
Inter-segment sales	18 561	3 053	8 382	– 29 996 [2]	0
Sales of goods / rendering of services	**320 879**	**202 995**	**34 484**	**– 29 996**	**528 362**
Reduction in gross sales	– 4 208	– 3 866	– 255		– 8 329
Revenues	**316 671**	**199 129**	**34 229**	**– 29 996**	**520 033**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**24 023**	**28 572**	**– 5 067**	**126**	**47 654**
Depreciation / impairment – tangible assets	– 6 258	– 5 505	– 1 296		– 13 059
Amortisation – intangible assets	– 1 271	– 62	– 1 164		– 2 497
Segment profit (EBIT)	**16 494**	**23 005**	**– 7 527**	**126**	**32 098**
Net financial expense					– 3 045
Profit before taxes					**29 053**
Segment assets	**316 683**	**82 096**	**189 566**	**– 170 570** [2, 3]	**417 775**
Segment liabilities	**219 677**	**34 535**	**18 214**	**– 69 789** [2, 4]	**202 637**
Investments in non-current assets [5]	**10 459**	**6 777**	**1 379**	**0**	**18 615**

2012

in CHF thousand	ORIOR Refinement	ORIOR Convenience	ORIOR Corporate, Export and Logistics [1]	Adjustments and eliminations	Consolidated
External customer sales	290 806	191 056	28 725	0	510 587
Inter-segment sales	24 405	3 392	7 721	– 35 518 [2]	0
Sales of goods / rendering of services	**315 211**	**194 448**	**36 446**	**– 35 518**	**510 587**
Reduction in gross sales	– 4 907	– 3 835	– 352	0	– 9 094
Revenues	**310 304**	**190 613**	**36 094**	**– 35 518**	**501 493**
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**28 283**	**27 770**	**– 3 968**	**– 54**	**52 031**
Depreciation / impairment – tangible assets	– 6 191	– 5 128	– 1 340	0	– 12 659
Amortisation – intangible assets	– 2 785	– 79	– 727	0	– 3 591
Segment profit (EBIT)	**19 307**	**22 563**	**– 6 035**	**– 54**	**35 781**
Net financial expense					– 3 182
Profit before taxes					**32 599**
Segment assets	**311 132**	**80 635**	**183 927**	**– 166 325** [2, 3]	**409 369**
Segment liabilities	**210 188**	**34 639**	**28 660**	**– 56 535** [2, 4]	**216 952**
Investments in non-current assets [5]	**7 585**	**8 165**	**2 104**	**0**	**17 854**

[1] See Note 2
[2] Inter-segment receivables in the amount of kCHF 9 673 and loans in the amount of kCHF 160 843 as per 31.12.2013 (kCHF 13 556 and kCHF 152 589 as per 31.12.2012), revenues as well as intercompany profits were eliminated on consolidation.
[3] Segment assets do not include derivatives and investments. Investments in the amount of kCHF 352 548 (31.12.2013) and kCHF 351 076 (31.12.2012) are managed at Group level.
[4] Segment liabilities do not include interest-bearing financial liabilities and derivative financial instruments from third parties. Financial liabilities in the amount of kCHF 100 737 (31.12.2013) and kCHF 109 642 (31.12.2012) are managed at Group level.
[5] Cash outflow from investments in property, plant and equipment as well as intangible assets.

Segment information by country – external customer sales

in CHF thousand	2013	2012
Switzerland	496 926	476 048
France	17 789	21 001
Germany	1 648	1 472
Austria	1 966	1 476
Other	1 704	1 496
Revenues	**520 033**	**501 493**

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

Assets by country

in CHF thousand	2013	2012
Switzerland	266 634	262 354
France	363	296
Germany	78	116
Total assets	**267 075**	**262 766**

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

Sales of goods to the two major clients amount to kCHF 226 074 and kCHF 71 264 respectively in 2012 (2012: kCHF 220 622 and kCHF 71 180). These sales were generated in the operating segments ORIOR Refinement and ORIOR Convenience.

Notes to the Consolidated Income Statement

7 Revenues

in CHF thousand	2013	2012
Sales of goods	524 852	506 844
Rendering of services	3 510	3 743
Gross sales	**528 362**	**510 587**
Reduction in gross sales	– 8 329	– 9 094
Total	**520 033**	**501 493**

8 Changes in inventories

in CHF thousand	2013	2012
Movement in value adjustment of inventories	194	1 202
Movement in finished products and work in progress	2 374	– 2 991
Total	**2 568**	**– 1 789**

9 Personnel expenses

in CHF thousand	2013	2012 Restated[1]
Salaries and bonuses	– 79 386	– 78 316
Social security contributions	– 7 604	– 7 924
Pension fund contributions (defined benefit plan)	– 6 923	– 5 858
Other personnel expenses	– 1 994	– 2 128
Share-based payment transaction	– 53	– 11
Total	**– 95 960**	**– 94 237**

[1] See Note 2

10 Other operating income

in CHF thousand	2013	2012
Other operating income	353	332
Gain from disposal of fixed assets	114	149
Total	**467**	**481**

11 Other operating expenses

in CHF thousand	2013	2012
Repair, maintenance & replacements	– 7 901	– 8 499
Operating expenses	– 3 961	– 2 817
Energy and waste disposal	– 10 346	– 10 813
Information and communication	– 2 608	– 2 737
Operational leasing	– 8 978	– 9 081
Insurances	– 972	– 941
Licences, duties & charges	– 469	– 407
Shipping	– 8 370	– 8 596
Marketing & sales	– 11 326	– 10 430
Board of Directors' compensation	– 735	– 908
Administration	– 3 253	– 3 330
Total	**– 58 919**	**– 58 559**

Product development costs of kCHF 1 947 (2012: kCHF 1 896) were recognised as an expense in the income statement during the period.

12 Financial income

in CHF thousand	2013	2012
Interest income – third parties (LAR)	20	105
Dividend income – third parties (AFVTPL)	14	17
Gain on fair value adjustment on derivative instruments (LFVTPL)	1 308	1 129
Gain on fair value adjustment on financial assets (AFVTPL)	12	627
Foreign exchange gains – realised (LAR / OFL)	225	179
Foreign exchange gains – unrealised (LAR / OFL)	215	68
Other financial income	12	0
Total	**1 806**	**2 125**

13 Financial expense

in CHF thousand	2013	2012 Restated[1]
Interest expense	– 3 952	– 4 130
Bank charges and commissions – third parties (LAR / OFL)	– 388	– 437
Adjustment of earn-out liability (OFL)	– 75	– 227
Foreign exchange losses – realised (LAR / OFL)	– 238	– 378
Foreign exchange losses – unrealised (LAR / OFL)	– 198	– 135
Total	**– 4 851**	**– 5 307**

[1] See Note 2

Interest expense in the amount of kCHF 3 952 (2012: 4 130) includes interest expense for other financial liabilities (OFL) in the amount of kCHF 3 551 (2012: 3 683).

14 Income taxes

The major components of income tax expense are:

in CHF thousand	2013	2012 Restated[1]
Current income taxes	– 5 271	– 7 321
Current income tax charge	– 5 353	– 7 326
Adjustments of prior-year income tax	82	5
Movements of deferred taxes	1 981	1 986
Amount of deferred tax expense / income relating to the origination and reversal of temporary differences	425	1 690
Amount of deferred tax expense / income relating to changes in tax rates or the imposition of new taxes	61	234
Amount of deferred tax expense / income relating to the use and capitalisation of deferred tax assets from tax loss carryforwards	1 581	62
Amount of deferred tax expense relating to the valuation adjustment of deferred tax assets from tax loss carryforwards	– 86	0
Total	**– 3 290**	**– 5 335**

[1] See Note 2

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

in CHF thousand	2013	2012 Restated[1]
Profit before tax	29 053	32 599
Weighted Average Group Tax Rate of 15.1 % (2012: 19.1 %)	– 4 392	– 6 224
Income not subject to tax	0	33
Non-deductable expenses	– 33	– 28
Adjustments of prior-year income tax	– 82	5
Changes in value adjustments on deferred tax assets	– 679	– 177
Effect of changes in local tax rates	– 61	234
Changes of group internal temporary differences	0	795
Effect of the revaluation of investments	1 957	0
Other	0	27
Total	**– 3 290**	**– 5 335**

[1] See Note 2

The Group expects that the long-term Group tax rate will be around 19.0 %. 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	2013	2012 Restated[1]
Profit for the year attributable to shareholders of ORIOR	25 763	27 264
Weighted Ø number of ordinary shares in '000 for basic earnings per share	5 915	5 914
Basic earnings per share in CHF	4.36	4.61

[1] See Note 2

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	31.12.2013	31.12.2012
Cash, postal accounts and cheques	33	42
Cash at banks	25 850	24 041
Total	**25 883**	**24 083**

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	31.12.2013	31.12.2012
Current financial assets at FV through profit and loss	281	937
Total	**281**	**937**

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

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

18 Trade accounts receivable

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

The ageing analysis of trade accounts receivable shows that 81.9 % (2012: 77.0 %) of the receivables are not yet due.

in CHF thousand	31.12.2013	31.12.2012
Not yet due	41 567	41 223
Overdue 1 – 30 days	6 654	9 321
Overdue 31 – 60 days	1 146	1 911
Overdue 61 – 90 days	287	534
Overdue 91 – 180 days	1 044	421
Overdue 181 – 360 days	28	92
Overdue more than 360 days	0	0
Total trade accounts receivable – net	**50 726**	**53 502**

At 31 December 2013, trade receivables with initial value of kCHF 762 (2012: kCHF 667) 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 31.12.2011	**23**	**208**	**231**
Additions	142	344	486
Utilisation	– 18	– 32	– 50
Balance 31.12.2012	**147**	**520**	**667**
Exchange differences	0	2	2
Additions	13	360	373
Utilisation	– 137	– 143	– 280
Balance 31.12.2013	**23**	**739**	**762**

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 2013, net trade accounts receivable of kCHF 41 142 (2012: kCHF 41 225) were pledged as security for the interest-bearing liabilities (see also Note 27).

19 Other current receivables

in CHF thousand	31.12.2013	31.12.2012
VAT receivables	968	1 121
Withholding tax receivables	43	7
Other current receivables – third parties	478	743
Other current receivables – related parties	2	52
Other current receivables – social security institutions	24	112
Prepayments – third parties	58	93
Prepayments – social security institutions	24	0
Total	**1 597**	**2 128**

"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 2013 includes financial assets in the amount of kCHF 420 (2012: kCHF 721).

20 Inventories and work in progress

in CHF thousand	31.12.2013	31.12.2012
Raw materials (at cost)	19 436	17 267
Trade products (at cost or net realisable value)	5 549	6 162
Semi-finished products / work in progress (at cost)	34 761	31 083
Finished products (at cost or net realisable value)	11 373	10 725
Total at the lower of cost or net realisable value	**71 119**	**65 237**

kCHF 493 (2012: kCHF 1 531) of the total amount of raw material, trade and finished products recognised as of 31 December 2013 is carried at net realisable value.

The amount of write-downs of inventories recognised as an expense is kCHF 1 146 (2012: kCHF 361) which is recognised in "raw material / goods and services purchased" and "changes in inventories".

At the end of 2013 there were purchase obligations for raw materials of kCHF 19 535 (2012: kCHF 11 397) and for trade products of kCHF 5 221 (2012: kCHF 2 410).

At the end of 2013 and 2012, 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	Investment properties
At cost									
Balance 01.01.2012	**63 121**	**13 164**	**4 525**	**8 939**	**7 240**	**23 349**	**1 331**	**121 669**	**214**
Additions	5 538	1 732	639	1 131	2 791	335	1 176	13 342	0
Additions from acquisitions	387	70	0	98	0	6 480	0	7 035	0
Disposals	– 679	– 74	– 664	– 426	– 83	– 80	0	– 2 006	0
Reallocation within category	2 369	348	0	0	– 2 717	178	– 178	0	0
Exchange differences	– 1	0	0	0	0	– 2	0	– 3	0
Balance 31.12.2012	**70 735**	**15 240**	**4 500**	**9 742**	**7 231**	**30 260**	**2 329**	**140 037**	**214**
Additions	8 510	1 807	719	2 357	1 916	3 149	758	19 216	0
Disposals	– 801	– 862	– 570	– 587	0	0	0	– 2 820	– 214
Reallocation within category	3 877	2 634	0	4	– 6 816	2 049	– 1 748	0	0
Exchange differences	4	1	0	0	0	4	0	9	0
Balance 31.12.2013	**82 325**	**18 820**	**4 649**	**11 516**	**2 331**	**35 462**	**1 339**	**156 442**	**0**
Accumulated depreciation									
Balance 01.01.2012	**– 32 674**	**– 5 481**	**– 3 307**	**– 3 333**	**– 139**	**– 3 632**	**0**	**– 48 566**	**0**
Depreciation	– 7 582	– 1 280	– 725	– 1 750	– 14	– 1 180	0	– 12 531	0
Disposals	587	22	664	411	83	80	0	1 847	0
Reallocation within category	0	– 9	9	0	0	0	0	0	0
Balance 31.12.2012	**– 39 669**	**– 6 748**	**– 3 359**	**– 4 672**	**– 70**	**– 4 732**	**0**	**– 59 250**	**0**
Depreciation	– 7 773	– 1 692	– 587	– 1 775	– 14	– 1 218	0	– 13 059	0
Disposals	787	855	570	532	0	0	0	2 744	0
Exchange differences	– 1	0	0	0	0	– 1	0	– 2	0
Balance 31.12.2013	**– 46 656**	**– 7 585**	**– 3 376**	**– 5 915**	**– 84**	**– 5 951**	**0**	**– 69 567**	**0**
Net balance 01.01.2012	30 447	7 683	1 218	5 606	7 101	19 717	1 331	73 103	214
Net balance 31.12.2012	31 066	8 492	1 141	5 070	7 161	25 528	2 329	80 787	214
Net balance 31.12.2013	**35 669**	**11 235**	**1 273**	**5 601**	**2 247**	**29 511**	**1 339**	**86 875**	**0**

The fire insurance value of property, plant and equipment amounts to kCHF 189 004 (2012: kCHF 186 516).

At the end of 2013 there were purchase obligations for property, plant and equipment of kCHF 1 193 (2012: kCHF 7 223).

Investments in property, plant and equipment resulted in a cash outflow of kCHF 17 743 (2012: kCHF 16 133).

By the end of 2013 there were no more mortgage bonds deposited at banks as security for financial liabilities (2012: kCHF 9 207).

Investment property is valued at historical cost less accumulated depreciation and accumulated impairment. As per end of 2013 there were no more investment properties on the balance sheet (2012: kCHF 214). Rental income related to investment property amounted to kCHF 0 in both years.

The net book value of leased vehicles amounts to kCHF 3 431 (2012: kCHF 2 691). Additional information on financial leasing is disclosed under Note 22.

22 Leases

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

in CHF thousand	31.12.2013	31.12.2012
Maturity within 1 year	1 024	820
Maturity between 1 and 5 years	2 444	2 084
Maturity over 5 years	159	0
Total	**3 627**	**2 904**
Interest portion	– 177	– 143
Total financial leasing	**3 450**	**2 761**

Finance lease liabilities in the amount of kCHF 836 (2012: kCHF 790) were repaid during the period.

Financial leasing is mainly attributable to leased vehicles.

Maturity structure of non-capitalised operating leasing contracts:

in CHF thousand	31.12.2013	31.12.2012
Maturity within 1 year	5 905	6 893
Maturity between 1 and 5 years	24 388	26 265
Maturity over 5 years	63 992	41 169
Total	**94 285**	**74 327**

The operating leasing expenses reported in the 2013 income statement amounted to KCHF 6 851 (2012: KCHF 7 066).

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 were 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.

As a result of the above mentioned lease extensions, off balance sheet liabilities from operational leasing increased to kCHF 94 285 as at the end of 2013 (2012: kCHF 74 327).

23 Intangible assets

in CHF thousand	Goodwill	Brands	Label	Customer base	Production patent	IT software	Total
At cost							
Balance 01.01.2012	**83 668**	**25 336**	**28 660**	**30 627**	**7 680**	**8 856**	**184 827**
Additions	0	0	0	0	0	1 632	1 632
Additions from acquisitions	5 829	1 532	0	4 396	0	0	11 757
Disposals	0	0	0	0	0	– 29	– 29
Balance 31.12.2012	**89 497**	**26 868**	**28 660**	**35 023**	**7 680**	**10 459**	**198 187**
Additions	0	0	0	0	0	932	932
Disposals	0	0	0	0	0	– 307	– 307
Balance 31.12.2013	**89 497**	**26 868**	**28 660**	**35 023**	**7 680**	**11 084**	**198 812**
Accumulated depreciation							
Balance 01.01.2012	**0**	**0**	**0**	**– 1 935**	**– 6 063**	**– 4 861**	**– 12 859**
Amortisation	0	0	0	– 975	– 1 617	– 999	– 3 591
Disposals	0	0	0	0	0	28	28
Balance 31.12.2012	**0**	**0**	**0**	**– 2 910**	**– 7 680**	**– 5 832**	**– 16 422**
Amortisation	0	0	0	– 1 067	0	– 1 430	– 2 497
Disposals	0	0	0	0	0	307	307
Balance 31.12.2013	**0**	**0**	**0**	**– 3 977**	**– 7 680**	**– 6 955**	**– 18 612**
Net balance 01.01.2012	83 668	25 336	28 660	28 692	1 617	3 995	171 968
Net balance 31.12.2012	89 497	26 868	28 660	32 113	0	4 627	181 765
Net balance 31.12.2013	**89 497**	**26 868**	**28 660**	**31 046**	**0**	**4 129**	**180 200**

Investments in intangible assets resulted in a cash outflow of kCHF 872 (2012: kCHF 1 721).

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	31.12.2013	31.12.2012
ORIOR Refinement	81 640	81 640
ORIOR Convenience	7 857	7 857
Total	**89 497**	**89 497**

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. 1.2 percentage points (2012: 0.8 percentage points) over the whole budget period was applied. For the business segment ORIOR Convenience a decrease in EBIT margin of approx. 0.2 percentage points (2012: decrease of 0.3 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 1.4 % (2012: 1.4 %) for all business units.

Discount rates – The discount rate was based on the average percentage of a weighted average cost of capital for the industry. As the market assessment of risks are very similar for all CGU, a pre-tax discount rate of 7.8 % (2012: 7.9 %) and post-tax discount rate of 6.6 % (2012: 6.6 %) 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 2013; 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	31.12.2013	31.12.2012
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 %	(2012: 1.0 – 3.0 %)
–	Growth rate*	1.4 %	(2012: 1.4 %)
–	Discount rate (WARA)**	8.1 %	(2012: 8.2 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.6 % has been applied (2012: 8.7 %).

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 0.4 %; 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*	1.4 %	(2012: 1.4 %)
– Discount rate (WARA)**	7.0 %	(2012: 7.1 %)

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

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 0.4 %; or
- The price difference in % of revenues had been lower by 0.5 percentage points; or
- The estimated post-tax discount rate applied to the discounted cash flows had been 1.0 percentage 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 (2012: kCHF 22 889) has an indefinite useful life whereas the other part (kCHF 8 157 as at 31 December 2013 and kCHF 9 224 as at 31 December 2012) is amortised over its respective useful life.

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

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

– Growth rate*	1.4 %	(2012: 1.4 %)
– Discount rate (WARA)**	8.1 %	(2012: 8.2 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.6 % has been applied (2012: 8.6 %).

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 0.4 %; or
– The EBITDA margin in % of revenues had been lower by 0.5 – 1.0 percentage points; or
– The estimated post-tax discount rate applied to the discounted cash flows had been 9.1 %.

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	31.12.2013	31.12.2012
Trade accounts payable – third parties	41 989	39 525
Total	**41 989**	**39 525**

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

25 Other payables

in CHF thousand	31.12.2013	31.12.2012
Other current payables – third parties	3 299	2 571
Other current payables – related parties	175	332
Other current payables – social security institutions	780	694
Other current payables	**4 254**	**3 597**
Other non-current payables – third parties	565	1 116
Total	**4 819**	**4 713**

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

The total balance of "other payables" as per 31 December 2013 includes financial liabilities of kCHF 2 080 (2012: kCHF 2 557).

The total liability from the earn-out agreement amounts to kCHF 1 189 (2012: kCHF 1 887). Of this, kCHF 623 is included (2012: kCHF 771) in other current payables.

26 Accrued liabilities

in CHF thousand	31.12.2013	31.12.2012
Vacation / overtime	1 468	2 013
Bonus	2 757	2 756
Client reimbursements	3 827	3 415
Water, electricity	1 261	1 294
Marketing contributions	2 659	2 274
Repair & Maintenance	317	367
Logistics & Supply	516	518
Other	3 443	3 217
Vacation / overtime – related parties	39	30
Bonus – related parties	555	668
Other – related parties	247	200
Social security institutions	288	207
Total	**17 377**	**16 959**

The total balance of accrued liabilities as per 31 December 2013 includes financial liabilities of kCHF 10 983 (2012: kCHF 9 530). Other accrued liabilities of kCHF 3 443 (2012: kCHF 3 217) include financial liabilities of kCHF 2 179 (2012: kCHF 1 462) and are in particular related to liabilities for consulting activities, IT, administrative expenses and invoices not yet received. 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	31.12.2013
Year ended 31 December 2013				
Current – third parties				
Short-term liabilities from finance lease	22	2.07 % – 2.74 %	2014	948
Total				**948**
Non-current – third parties				
kCHF 100 000 secured bank loan		LIBOR + 1.2	31/12/18	96 858
kCHF 50 000 secured bank loan (not yet drawn)			31/12/18	0
Long-term liabilities from finance lease	22	2.07 % – 2.74 %	2015 – 2018	2 502
Total				**99 360**

in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2013
Year ended 31 December 2012				
Current – third parties				
kCHF 62 overdraft bank facility		11.00 %		62
kCHF 13 250 secured bank loan		LIBOR + 1.5	30/06/13 31/12/13	13 191
kCHF 3 400 secured bank loan		LIBOR + 1.5	30/06/13 31/12/13	3 385
Short-term liabilities from finance lease	22	2.30 % – 5.69 %		758
Total				**17 396**
Non-current – third parties				
kCHF 7 000 secured bank loan		LIBOR + 1.5	30/09/14	6 969
kCHF 70 000 secured bank loan		LIBOR + 1.5	30/09/14	69 690
kCHF 25 000 secured bank loan (not yet drawn)			30/09/14	0
kCHF 11 900 secured bank loan		LIBOR + 1.5	30/09/14	11 847
Long-term liabilities from finance lease	22	2.30 % – 5.69 %	2014 – 2017	2 003
Total				**90 509**

On 31 December 2013 a new credit facility was signed that replaced the previous agreement. Its credit limit was CHF 150 million which can be used up to the maturity date on 31 December 2018. As per the balance sheet date CHF 52.4 million has not yet been drawn. Under the new Facility Agreement, in contrast to the old one, 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 41 142 (2012: kCHF 41 225).

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 97.6 million is disclosed as non-current.

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

Amount	Carrying amount	Maturity	Interest rate
kCHF 14 000	kCHF 13 893	31/01/14	1.20000

Amount	Carrying amount	Maturity	Interest rate
kCHF 70 000	kCHF 69 468	31/01/14	1.20000

Amount	Carrying amount	Maturity	Interest rate
kCHF 13 600	kCHF 13 497	30/06/14	1.27840

28 Provisions

in CHF thousand	Anniversary and other long-term service benefits	Others	Total
Balance 01.01.2012	**1 738**	**671**	**2 409**
Additions	386	210	596
Additions from acquisitions	52	100	152
Reclassification	0	0	0
Use	– 196	0	– 196
Reversal	0	– 250	– 250
Balance 31.12.2012	**1 980**	**731**	**2 711**
Of which short-term	226	216	442
Of which long-term	1 754	515	2 269
Additions	276	182	458
Use	– 143	– 111	– 254
Reversal	0	– 50	– 50
Balance 31.12.2013	**2 113**	**752**	**2 865**
Of which short-term	284	217	501
Of which long-term	1 829	535	2 364

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

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	31.12.2013	31.12.2012 Restated[1]
Deferred tax assets	– 129	– 111
Deferred tax liabilities	21 483	21 425
Net deferred (assets) / liabilities	**21 354**	**21 314**

[1] See Note 2

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

in CHF thousand	2013	2012 Restated[1]
Opening balance as at 01.01.	21 314	21 207
Additions from acquisitions	0	1 840
Charges / (discharges) to income statement	– 1 981	– 1 986
Taxes in other comprehensive income	2 021	253
Net deferred (assets) / liabilities as at 31.12.	**21 354**	**21 314**

[1] See Note 2

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

The Group did not recognise deferred tax liabilities in respect of temporary differences in the amount of kCHF 18 548 in relation to investments in subsidiary companies.

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 2013 deferred income tax assets in the amount of kCHF 1 581 (2012: kCHF 86) were capitalised.

The Group did not recognise deferred income tax assets of kCHF 614 (2012: kCHF 1 302) in respect of losses amounting to kCHF 2 439 (2012: kCHF 3 521) that can be carried forward against future taxable income. The expiration of those losses is as follows:

- Expires in 1 to 3 years: kCHF 0
- Expires in 4 to 7 years: kCHF 1 417
- No expiration: kCHF 1 022

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

in CHF thousand	31.12.2013	31.12.2012 Restated[1]
Receivables	542	686
Inventories and work in progress	3 686	3 446
Property, plant and equipment	4 694	4 796
Intangible assets	14 995	15 161
Liabilities	45	0
Subtotal deferred tax liabilities	**23 962**	**24 089**
Benefit from tax loss carryforwards	– 1 581	– 86
Liabilities	– 1 027	– 2 689
Subtotal deferred tax assets	**– 2 608**	**– 2 775**
Net deferred tax (assets) / liabilities	**21 354**	**21 314**
Reflected in the balance sheet as follows:		
deferred tax assets	– 129	– 111
deferred tax liabilities	21 483	21 425
Net deferred tax liabilities	**21 354**	**21 314**

[1] See Note 2

30 Shareholders' equity

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

31 Treasury shares

	Number	Ø price per share in CHF	Total in kCHF
Opening balance as at 01.01.2012	**14 145**	**48.51**	**686**
Purchases 01.01. – 31.12.12	2 100	46.43	97
Sales 01.01. – 31.12.12	– 4 150	39.11	– 162
Losses / Gains from the sales of treasury shares			– 39
Closing balance as at 31.12.2012	**12 095**	**48.14**	**582**
Opening balance as at 01.01.2013	**12 095**	**48.14**	**582**
Purchases 01.01. – 31.12.13	30 068	50.70	1 525
Sales 01.01. – 31.12.13	– 32 858	45.77	– 1 504
Losses / Gains from the sales of treasury shares			– 132
Closing balance as at 31.12.2013	**9 305**	**50.60**	**471**

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

32 Dividends / repayment of capital contributions

The dividend for 2012 was paid in April 2013 in conformity with the decision taken at the Annual General Meeting on 11 April 2013. Shareholders approved the proposed dividend in the form of a repayment of capital contributions of CHF 1.95 (2012: CHF 1.93) per share, resulting in a total dividend of kCHF 11 541 (2012: kCHF 11 416). 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 March 2014 that the Group distribute a dividend of CHF 1.97 per share for the 2013 financial year. These financial statements do not reflect any dividend payable.

33 Cash flow statement

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

34 Derivative financial instruments

Forward currency contract – There were no open forward currency contracts as at 31 December 2013 and 2012.

Interest rate swaps – The notional amounts of the outstanding interest rate swaps at 31 December 2013 were kCHF 35 000 (2012: kCHF 70 000).

At 31 December 2013, the fixed interest rate was 1.59 % (2012: between 1.59 % and 1.83 %). The variable rate used is 1-month CHF-LIBOR.

35 Foreign exchange rates

	Unit	Average exchange rate		Closing exchange rate	
Currency		2013	2012	31.12.2013	31.12.2012
EUR	1	1.2312	1.2051	1.2273	1.2071
USD	1	0.9270	0.9377	0.8930	0.9150

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 2013 is 111 % (2012: 108.5 %).

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 Revised. 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 19R. As this plan is not significant within the overall pension picture, it is not included in the information given below.

in CHF thousand	31.12.2013	31.12.2012
Defined benefit obligation (Swiss Plans)	– 7 714	– 16 117
Defined benefit obligation (Foreign Plan)	– 15	– 13
Total defined benefit obligation	**– 7 729**	**– 16 130**

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

in CHF thousand	31.12.2013	31.12.2012
Defined benefit obligation	– 134 060	– 133 445
Fair value of plan assets	126 346	117 328
Funded status	**– 7 714**	**– 16 117**

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

in CHF thousand	2013	2012 Restated[1]
Current service costs	– 6 368	– 5 901
Past service costs	– 554	0
Total service costs	**– 6 922**	**– 5 901**
Net interest employee benefits	– 358	– 402
Total pension expenses recorded in income statement	**– 7 280**	**– 6 303**

[1] See Note 2

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

in CHF thousand	2013	2012 Restated[1]
Changes in financial assumptions	5 912	– 5 223
Other actuarial gains / losses	1 952	5 214
Actuarial gains / losses on plan assets	2 663	1 328
Total remeasurements recorded in other comprehensive income	**10 526**	**1 319**

[1] See Note 2

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

in CHF thousand	31.12.2013	31.12.2012 Restated[1]
Defined benefit obligation at 1 January	– 133 445	– 119 984
Current service costs	– 6 368	– 5 901
Past service costs	– 554	0
Interest costs	– 2 880	– 3 152
Actuarial gains / (losses)	7 864	– 10
Employee contributions	– 3 345	– 3 229
Benefit payments	4 668	4 875
Acquisitions	0	– 6 044
Defined benefit obligation at 31 December	**– 134 060**	**– 133 445**

[1] See Note 2

in CHF thousand	31.12.2013	31.12.2012 Restated[1]
Fair value of plan assets at 1 January	117 328	104 457
Interest income	2 522	2 749
Return on plan assets (excluding interest based on discount rate)	2 663	1 328
Employee contributions	3 345	3 229
Employer contributions	5 156	4 939
Benefit payments	– 4 668	– 4 875
Acquisitions	0	5 501
Fair value of plan assets at 31 December	**126 346**	**117 328**

[1] See Note 2

The estimated company contribution to the pension plans for the financial year 2014 amounts to kCHF 5 072.

The categories of plan assets are as follows:

Plan assets	31.12.2013	%	31.12.2012	%
Cash	12 424	9.8 %	7 091	6.0 %
Bonds	46 412	36.7 %	52 611	44.8 %
Shares	44 860	35.5 %	29 082	24.8 %
Real estate	12 205	9.7 %	14 270	12.2 %
Other	3 545	2.8 %	7 453	6.4 %
Assets quoted in active markets	**119 446**	**94.5 %**	**110 507**	**94.2 %**
Real estate	6 900	5.5 %	6 821	5.8 %
Unquoted assets	**6 900**	**5.5 %**	**6 821**	**5.8 %**
Total plan assets	**126 346**	**100.0 %**	**117 328**	**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 80 % of the cash is held at Credit Suisse and about 20 % 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 whereas the direct mandate is valued annually by an independent expert.

Other investments are invested in physically backed gold funds and in a commodities fund. They are used mainly for risk diversification purposes. These investments are tradable daily. No leveraged financial instruments are used.

Calculations are based on the following assumptions:

	31.12.2013	31.12.2012 Restated[1]
Discount rate	2.15 %	2.15 %
Rate of future increase in compensation	1.00 %	1.00 %

[1] See Note 2

Sensitivities of significant actuarial assumptions

The discount rate and the future increase in salaries have been identified as significant actuarial assumptions. The following impacts on the defined benefit obligation are to be expected:

– An increase / decrease of 0.5 % in the discount rate would lead to a decrease of kCHF 11 577 (– 8.6 %) / increase of kCHF 13 334 (+ 9.9 %) in the defined benefit obligation.
– An increase / decrease of 0.5 % in the rate of future increase in compensation would lead to an increase of kCHF 1 285 (+ 1.0 %) / decrease of kCHF 1 225 (– 0.9 %) 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:

	2013	2012
Within the next 12 months	6 982	6 977
Between 2 and 5 years	23 967	23 345
Between 5 and 10 years	29 640	30 557
Total expected payments	**60 589**	**60 879**

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.87 years (2012: 14.94 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.

Within the framework of this plan, 12 480 shares (2012: 4 150 shares) were sold to plan participants in 2013 at a price of CHF 37.65 (2012: CHF 39.08) per share, which makes a total of kCHF 470 (2012: kCHF 162).

The recognised expense arising from share-based payment transactions for the financial year 2013 amounts to kCHF 53 (2012: kCHF 11).

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

Assets	Partner	31.12.2013	31.12.2012
Trade accounts receivable	Shareholders	2	0
Other current receivables	Pension fund	2	52

Liabilities	Partner	31.12.2013	31.12.2012 Restated[1]
Other current payables	Pension fund	175	332
Accrued liabilities	Board of Directors	304	303
Accrued liabilities	Management	514	595
Accrued liabilities	Pension fund	23	0
Accrued pension cost	Pension fund	7 729	16 130

Expenses	Partner	2013	2012 Restated[1]
Pension fund contributions	Pension fund	– 6 923	– 5 858
Board of Directors' compensation	Board of Directors	– 735	– 908
Interest expense	Shareholders	– 358	– 402

[1] See Note 2

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

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

The Management Board of ORIOR AG receives performance related compensation in addition to a fixed compensation. The compensation payable to the members of the Board of Directors consists solely of a fixed component and is hence not associated with any profit components. The exception is Rolf U. Sutter, Chairman of the Board of ORIOR Group. The total amount of fixed and variable compensation in 2013 was kCHF 2 925 (2012: kCHF 3 401). The disclosed remuneration is reported on an accrual basis.

in CHF thousand	2013	2012
Short-term employee benefits	2 663	3 121
Post-employment benefits	262	280
	2 925	**3 401**

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

39 Contingencies

Contingent liabilities

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

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

Contingent assets

Nothing to report in the reporting period.

40 Pledges for obligations

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

41 Commitments

As of 31 December 2013 and 31 December 2012 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 2013 annual financial statements.

43 Legal structure of ORIOR Group

Company Name	Location	Country	Business activity	Currency	Share capital (in 1000)	%-share of capital and votes 2013	2012
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 %
Rapelli Italia S.R.L. *	Varese	Italy	Premium Food	EUR	25	0 %	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 %
Lineafresca Logistic AG	Langenthal	Switzerland	Services	CHF	200	100 %	100 %
Möfag, Mösli Fleischwaren AG	Uzwil	Switzerland	Premium Food	CHF	200	100 %	100 %

* Rapelli Italia S.R.L. was liquidated.

Building a better working world

Ernst & Young Ltd
Aeschengraben 9
P.O. Box
CH-4002 Basle

Phone +41 58 286 86 86
Fax +41 58 286 86 00
www.ey.com/ch

To the General Meeting of

Orior Ltd, Zurich

Basle, 24 February 2014

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Orior Ltd, Zurich, which comprise the income statement, statement of comprehensive income, balance sheet, statement of equity, cash flow statement and notes (pages 80 to 148), for the year ended 31 December 2013.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation 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 2013 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.

EY
Building a better working world

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Roger Müller Licensed audit expert (Auditor in charge)	Tobias Meyer Licensed audit expert

ORIOR AG
FINANCIAL STATEMENTS 2013

Income Statement

in CHF thousand	2013	2012
Licence fees	265	266
Interest income	2 726	2 058
– Subsidiaries	2 726	2 058
Other financial income	18	0
Dividend income	27 880	20 260
Total income	**30 889**	**22 584**
Interest expense	– 868	– 801
– Third parties	– 378	– 480
– Subsidiaries	– 490	– 321
Other financial expense	– 705	– 373
Other expense	– 1 759	– 2 227
Depreciation and amortisation	– 2 979	– 2 979
Tax expense	– 41	– 34
Total expenses	**– 6 352**	**– 6 414**
Profit for the year	**24 537**	**16 170**

Balance Sheet

in CHF thousand	31.12.2013	31.12.2012
Cash and cash equivalents	6 482	3 937
Treasury shares	471	582
Other current receivables	2 037	1 162
– Third parties	18	12
– Subsidiaries	2 019	1 150
Prepaid expenses	112	47
Current assets	**9 102**	**5 728**
Investment in subsidiaries	64 410	64 410
Loans to subsidiaries	112 106	99 413
Intangible assets	12 323	14 219
Costs of capital increase	1 444	2 527
Non-current assets	**190 283**	**180 569**
Total assets	**199 385**	**186 297**
Current financial liabilities	0	13 250
– Third parties	0	13 250
Other current payables	648	188
– Third parties	85	15
– Subsidiaries	563	173
Accrued liabilities	583	581
Current liabilities	**1 231**	**14 019**
Non-current financial liabilities	47 790	34 910
– Third parties	14 000	7 000
– Subsidiaries	33 790	27 910
Non-current liabilities	**47 790**	**34 910**
Total liabilities	**49 021**	**48 929**
Share capital	23 700	23 700
Statutory reserves	43 196	54 038
– Capital contribution reserves	39 506	51 047
– General legal reserves	3 219	2 409
– Reserve for treasury shares	471	582
Free reserves	4 529	4 418
Retained earnings	78 939	55 212
– Brought forward from previous year	54 402	39 042
– Profit for the year	24 537	16 170
Total equity	**150 364**	**137 368**
Total liabilities and equity	**199 385**	**186 297**

Notes to the Statutory Financial Statements

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

in CHF thousand	31.12.2013	31.12.2012
Joint and several liabilities for rent	**94 305**	**74 427**
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. During the year 2013, three subsidiaries extended their leasing contracts for three to six years. The figure shown includes future rent payments up to the year 2031.		
Guarantee commitments in favour of subsidiaries	**70 493**	**70 493**

2 Restriction of title for own liabilities

in CHF thousand	31.12.2013	31.12.2012
Regarding the Credit Facility Agreement with Credit Suisse in the maximum amount of kCHF 150 000 (of which kCHF 97 600 has been drawn as per 31.12.2013).		
– Declaration of assignment for loans to subsidiaries	112 106	99 413

3 Subsidiaries

Company Name	Location	Business activity	Share capital (in kCHF)	%-share of capital and votes 2013	2012
Rapelli SA	Stabio	Premium Food	12 500	100 %	100 %
Fredag AG	Root	Premium Food	2 000	100 %	100 %
Orior Menu AG	Böckten	Premium Food	1 700	100 %	100 %
Lineafresca Logistic AG	Langenthal	Services	200	100 %	100 %
Orior Management AG	Zurich	Services	100	100 %	100 %

4 Treasury shares

ORIOR AG has purchased treasury shares on the market in several transactions. During 2013 ORIOR AG purchased a total of 30 068 treasury shares at an average price of CHF 50.70 per share and sold 32 858 treasury shares at an average price of CHF 45.77. During 2012 ORIOR AG purchased a total of 2 100 treasury shares at an average price of CHF 46.43 per share and sold 4 150 shares at an average price of CHF 39.11. As per 31 December 2013, ORIOR AG holds 9 305 treasury shares in the amount of kCHF 471 (2012: 12 095 treasury shares in the amount of kCHF 582), valued at their purchase prices.

5 Authorised and conditional share capital

in CHF thousand	31.12.2013	31.12.2012
Conditional share capital	714	714
Authorised share capital	4762	4762

Conditional share 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 option rights granted to the members of the Board of Directors and employees of the Company and subsidiaries under one or more share-based compensation plans. The issue price for the new shares and the terms of the share-based compensation plans will be determined by the Board of Directors. The subscription rights and preemptive rights of shareholders are excluded with respect to this conditional capital increase. The acquisition of registered shares through the exercise of option rights and every subsequent transfer are subject to the restrictions on entry in the share register stipulated in Articles 5 and 6 of the Articles of Association.

Authorised share capital

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

6 Risk management

The Group has an internal control system in place for all Group companies. Periodically, a risk identification process is carried out. The materiality and probability of the identified risks are assessed, and measures to reduce or eliminate those risks are determined by the Board of Directors. Besides these periodical risk assessments, the Group cultivates an active "What if" risk management. "What if" scenarios are integrated into the budget and forecast process of all Group companies. The last risk assessment was carried out by the Management Board in the fourth quarter of 2013 and was discussed and approved by the Board of Directors on 12 December 2013.

7 Share capital

in CHF thousand	Share capital	Capital contribution reserves[1]	General legal reserves	Reserve for treasury shares	Free reserves	Brought forward from previous year	Profit for the year	Equity
Balance as at 01.01.2012	**23 700**	**62 463**	**1 569**	**686**	**4 314**	**23 114**	**16 768**	**132 614**
Allocation of profits	0	0	840	0	0	15 928	– 16 768	0
Issue of share capital	0	0	0	0	0	0	0	0
Dividends / repayment of capital contributions	0	– 11 416	0	0	0	0	0	– 11 416
Reserve for treasury shares	0	0	0	– 104	104	0	0	0
Profit for the year	0	0	0	0	0	0	16 170	16 170
Balance as at 31.12.2012	**23 700**	**51 047**	**2 409**	**582**	**4 418**	**39 042**	**16 170**	**137 368**
Allocation of profits	0	0	810	0	0	15 360	– 16 170	0
Dividends / repayment of capital contributions	0	– 11 541	0	0	0	0	0	– 11 541
Reserve for treasury shares	0	0	0	– 111	111	0	0	0
Profit for the year	0	0	0	0	0	0	24 537	24 537
Balance as at 31.12.2013	**23 700**	**39 506**	**3 219**	**471**	**4 529**	**54 402**	**24 537**	**150 364**

[1] Of the capital contribution reserves in the amount of kCHF 39 506, kCHF 36 308 were confirmed by the Swiss Federal Tax Administration

8 Compensation

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

	Gross compen-sation	Post-em-ployment benefits	Other social costs	Total compen-sation 2013	Gross compen-sation	Post-em-ployment benefits	Other social costs	Total compen-sation 2012
Rolf U. Sutter Chairman of the Board	330 230	52 385	28 715	411 330	450 430	54 810	36 030	541 270
Rolf Friedli Vice Chairman of the Board	85 000	0	0	85 000	91 670	0	0	91 670
Erland Brügger[1)] Member of the Board	17 755	0	1 440	19 195	53 335	0	4 385	57 720
Christoph Clavadetscher Member of the Board	53 335	0	1 440	54 775	53 335	0	4 385	57 720
Edgar Fluri Member of the Board	78 160	0	4 370	82 530	80 000	0	6 580	86 580
Dominik Sauter[2)] Member of the Board	33 335	0	0	33 335	0	0	0	0
Anton Scherrer Member of the Board	51 805	0	2 495	54 300	51 805	0	2 495	54 300
Monika Walser[2)] Member of the Board	28 445	0	0	28 445	0	0	0	0
Total Board of Directors	**678 065**	**52 385**	**38 460**	**768 910**	**780 575**	**54 810**	**53 875**	**889 260**
Remo Hansen CEO	544 875	45 875	44 485	635 235	642 320	46 805	50 365	739 490
Key Management[3)]	1 342 705	163 575	118 640	1 624 920	1 697 805	178 700	141 540	2 018 045
Total Management Board	**1 887 580**	**209 450**	**163 125**	**2 260 155**	**2 340 125**	**225 505**	**191 905**	**2 757 535**

[1] Leaving as at 11.04.2013
[2] Nomination as per 11.04.2013
[3] Departure of Albert Spiess as per 30.06.2012

Neither ORIOR AG nor any of its subsidiaries provided any collateral, loans, cash advances or credit to any of the members of the Management Board or the Board of Directors or to persons closely related to them during the years 2013 and 2012.

9 Share interests of Board of Directors and Management Board

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

	Number of shares 31.12.2013	Number of shares 31.12.2012
Rolf U. Sutter Chairman of the Board	199 300	199 300
Rolf Friedli Vice Chairman of the Board	0	0
Erland Brügger Member of the Board	[3]	14 175
Christoph Clavadetscher Member of the Board	10 000	14 515
Edgar Fluri Member of the Board	4 500	4 000
Dominik Sauter[2] Member of the Board	550	[3]
Anton Scherrer Member of the Board	2 000	2 000
Monika Walser[2] Member of the Board	200	[3]
Total Board of Directors	**216 550**	**233 990**
Remo Hansen CEO	85 710	85 710
Hélène Weber-Dubi CFO	85 830	85 830
Urs Aebi Head of Le Patron	80 191	85 000
Bruno de Gennaro Head of Convenience and Fredag	92 075	92 075
Stefan H. Jost Head of International, New Business & Logistics	1 925	1 925
Total Management Board	**345 731**	**350 540**

1 Leaving as at 11.04.2013
2 Nomination as at 11.04.2013
3 not recorded

10 Significant shareholders

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

Name	% of capital and votes 31.12.2013	31.12.2012
Ernst Göhner Stiftung (CH)	10.46 %	10.46 %
The Capital Group Companies, Inc. (USA)	6.50 %	6.50 %
UBS Fund Management (Switzerland) AG (CH)	6.21 %	6.21 %

Proposal for the allocation of retained earnings as of 31 December 2013

Allocation of retained earnings

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

in CHF thousand	31.12.2013	31.12.2012
Brought forward from previous year	54 402	39 042
Profit for the year	24 537	16 170
Available retained earnings	**78 939**	**55 212**
Allocation to legal reserve	– 1 230	– 810
Balance brought forward	**77 709**	**54 402**

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

The Board of Directors is proposing to the 2014 Annual General Meeting of Shareholders that it pay a dividend of CHF 1.97 per share in the form of a repayment from capital reserves without deduction of withholding tax. If the shareholders approve this proposal, the total dividend payment will come to kCHF 11 654, and the distribution ratio as a percentage of the consolidated profit for the year will be 45.2 %. All shares rank for dividends except for the treasury shares (9 305 as per 31 December 2013).

in CHF thousand	31.12.2013	31.12.2012
Allocation from legal reserves (capital reserves) to free reserves	11 654	11 530
Withholding tax-free distribution of CHF 1.97 per registered share	– 11 654	– 11 530

Ernst & Young Ltd
Aeschengraben 9
P.O. Box
CH-4002 Basle

Phone +41 58 286 86 86
Fax +41 58 286 86 00
www.ey.com/ch

To the General Meeting of

Orior Ltd, Zurich

Basle, 24 February 2014

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Orior Ltd, Zurich, which comprise the income statement, balance sheet and notes (pages 152 to 158), for the year ended 31 December 2013.

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 2013 comply with Swiss law and the company's articles of incorporation.

Building a better working world

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Roger Müller
Licensed audit expert
(Auditor in charge)

Tobias Meyer
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

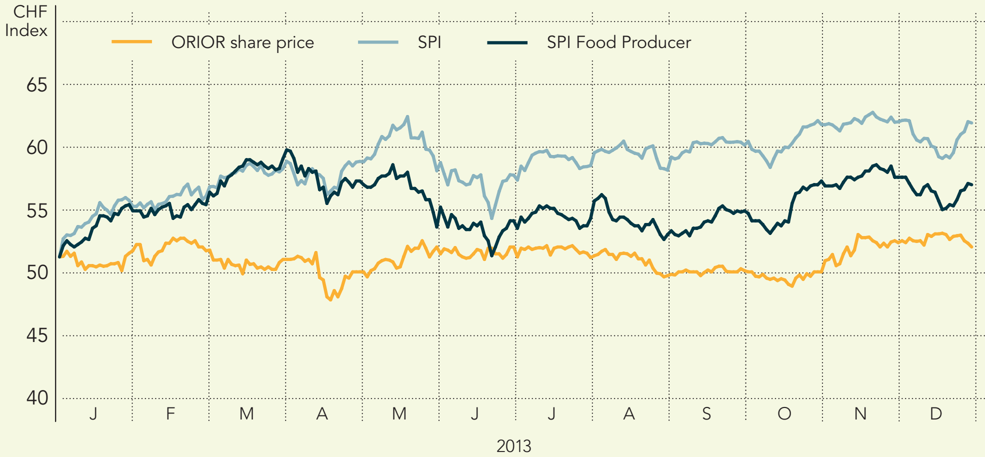
Number of shares at 31 December		2013	2012
Number of registered shares	Number	5 925 000	5 925 000
Nominal value per registered share	in CHF	4.00	4.00
of which treasury shares	Number	9 305	12 095
Number of outstanding registered shares	Number	5 915 695	5 912 905

Stock exchange key figures		2013	2012
Year-end price	in CHF	52.00	51.20
Year high	in CHF	53.50	52.90
Year low	in CHF	46.75	43.15
Average trading volume per day	Number	7 242	8 866
Market capitalisation at year-end	in CHF m	308.1	303.4

Key figures		2013	2012
Net result per share	in CHF	4.36	4.61
Net result per share (diluted)	in CHF	4.36	4.61
Operating cash flow per share	in CHF	6.84	5.32
Equity per share	in CHF	36.37	32.54
Dividend per share	in CHF	1.97	1.95
Dividend percentage	in %	45.2	42.3
P / E ratio after tax		11.94	11.11
Weighted Ø number of shares outstanding	in ’000	5 915	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.

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

The Board of Directors is proposing a dividend of CHF 1.97 per share for 2013. The proposed dividend payout for fiscal 2013 corresponds to 45.2 % of net profit for the year.

Corporate calendar

Fourth Annual General Meeting, Maag Halle Zurich	25.03.2014
Half-year results 2014	21.08.2014
Publication of half-year report 2014	21.08.2014
Investors' Day	Autumn 2014

Contact information

Company address

ORIOR AG
Dufourstrasse 101
CH-8008 Zurich
Mail: investors@orior.ch
www.orior.ch

Investor Relations

Milena Mathiuet
Tel: +41 44 308 65 13
Mail: investors@orior.ch

COMPANY VALUES

It is our firm conviction that …

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

Brand Portfolio

Rapelli

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

Ticinella

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

San Pietro

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

Val Mara

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

Albert Spiess

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

Spiess Gastro

Spiess Gastro supplies high-end restaurants and hotels with its own Bündner specialities and other exquisite products from Switzerland and neighbouring countries.

Tradition & Quality

Albert Spiess – Switzerland's Finest

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

Fürstenländer Spezialitäten

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

Fredag

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

Nature Gourmet

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

Ocean's Best

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

Pastinella

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

Le Patron Créations Culinaires

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

Le Patron

Le Patron stands for premium convenience products from Le Patron, Fredag and Pastinella in the Swiss retail market. Its brands address consumers who want quick and easy meals without forgoing quality, taste and enjoyment.

La Romagnola

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

Lineafresca

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

Imprint
This annual report is published in German and English. The binding version of the ORIOR annual report 2013 is in German.
Publisher ORIOR AG, Dufourstrasse 101, CH-8008 Zurich | **Design** hilda design matters, Zurich | **Photography** IST Werbeteam AG, Tenniken | **Setting and Printing** Neidhart + Schön Group, Zurich

Vision

ORIOR is a great Swiss fresh food company which is operating successfully and highly profitably internationally, with an incomparable spirit.

Profitability is the key to continuously increasing the value of the company.

ORIOR is a leading, value creating international force in the processed food industry, specialising in branded and non-branded "chilled/frozen premium gourmet and convenience" products.

We will be recognised by our shareholders, clients and competitors alike as the benchmark company in terms of innovation, quality and efficiency.

Working for ORIOR will be both challenging and fun for our employees, who will take pride in knowing that employment with us will be considered by other companies as being one of the best references, given our commitment to outstanding performance and personal growth.

And we will never forget, you can copy anything but the spirit.

ORIOR
PREMIUM FOOD

EXCELLENCE IN FOOD

ORIOR AG
Dufourstrasse 101
CH-8008 Zurich
Tel: +41 44 308 65 00
info@orior.ch
www.orior.ch

Rapelli SA
Via Laveggio 13
CH-6855 Stabio
Tel: +41 91 640 73 00
info@rapelli.com
www.rapelli.com

Albert Spiess AG
Hauptstrasse
CH-7220 Schiers
Tel: +41 81 308 03 08
office@albert-spiess.ch
www.albert-spiess.ch

Mösli Fleischwaren AG
Industriestrasse 9
CH-9524 Zuzwil
Tel: +41 71 944 11 11
admin@moefag.ch
www.moefag.ch

Salumeria Keller SA
Viale Baldassarre Longhena
CH-6817 Maroggia
Tel: +41 91 649 73 79
salkeller@ticino.com
www.valmara.ch

Fredag AG
Oberfeld 7
CH-6037 Root
Tel: +41 41 455 57 00
info@fredag.ch
www.fredag.ch

ORIOR Menu AG Pastinella
Industriestrasse 40
CH-5036 Oberentfelden
Tel: +41 62 737 28 28
info@pastinella.ch
www.pastinella.ch

ORIOR Menu AG Le Patron
Rohrmattstrasse 1
CH-4461 Böckten
Tel: +41 61 985 85 00
info@lepatron.ch
www.lepatron.ch

ORIOR / Spiess Europe
2, Allée Joseph Bumb
F-67500 Haguenau
Tel: +33 3 889 06 990
spiess-europe@wanadoo.fr
www.albert-spiess.ch

Lineafresca Logistic AG
Dammstrasse 2
CH-4901 Langenthal
Tel: +41 62 919 80 80
info@lineafresca.ch
www.lineafresca.ch