ORIOR

PREMIUM FOOD

ORIOR GROUP ANNUAL REPORT 2014

EXCELLENCE IN FOOD

ORIOR – Excellence in Food

ORIOR is an independent Swiss food group with a strong corporate culture that combines tradition with innovation. The Group specialises in fresh convenience food and refined meats. With its innovative products it occupies leading positions in fast-growing niches in the Swiss retail and food service markets, as well as in selected sales channels in other countries. ORIOR has built up a portfolio of extremely well established companies and brands including Rapelli, Ticinella, Albert Spiess, Möfag, Fredag, Pastinella and Le Patron.

ORIOR's aim is to create genuine value and achieve 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 lie at the heart of ORIOR's business model. Close customer relationships, innovation and a strong corporate culture form the pillars on which ORIOR's success is based. We sum up our philosophy as: Excellence in Food.

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Dear shareholder

It is a pleasure to present you with ORIOR AG's fifth annual report as a listed company. In 2014 we saw revenues rise above the prior year level and an improvement in earnings.

Rolf U. Sutter, Chairman of the Board of Directors, and Bruno de Gennaro, CEO a. i. ORIOR Group (until January 2015)

Revenue and earnings up thanks to strong second half

The ORIOR Group generated revenues of CHF 521.6 million in 2014, thus exceeding the prior-year figure despite lower export sales. In the main Swiss market there was revenue growth of 1.4 %. Thanks to a strong second half of the year, EBITDA rose 2.2 % to CHF 48.0 million. This represents a margin of 9.2 %, compared with 9.0 % in the previous year. At CHF 26.5 million, net profit was 5.1 % higher than the prior-year figure of CHF 25.2 million. As expected, operating cash flow fell from CHF 40.5 million in 2013 to CHF 28.6 million. The equity ratio rose again to 53.5 %. The Board of Directors is once again proposing a higher dividend of CHF 2.00 per share to the Annual General Meeting of 26 March 2015. This payment will be made from capital contribution reserves and so is not subject to Swiss withholding tax.

Segments operating at a good level

The ORIOR Convenience segment and its competence centres Fredag, Pastinella and Le Patron, which specialise in fresh convenience food, once again reported rises in both revenues and earnings. Ultra-fresh menus, poultry products and vegetarian specialities performed particularly well again. The vegetarian business was boosted by the acquisition of organic tofu specialist Noppa AG. An EBITDA margin of 14.3 % was achieved again.

The ORIOR Refinement segment and its competence centres Rapelli, Albert Spiess and Möfag have been through two challenging years characterised by high raw materials prices. The price situation eased for the first time toward the end of the year, which had a positive effect on the gross margin. Nevertheless at 7.1 %, EBITDA margin didn't quite match the prior year's 7.4 %. As explained in the 2014 half-year report, accrued liabilities relating to warehouse management had not been reported in previous years, so an adjustment had to be made retrospectively from 1 January 2013. This took the form of a restatement against shareholders' equity.

ORIOR's Corporate and Export segment was restructured during the year under review. ORIOR sold its logistics company Lineafresca to a longstanding transportation partner, and formed a strategic alliance with this partner. Exports of vegetarian and vegan products under the Nature Gourmet brand in Germany and Austria enjoyed good sales growth. Sales in France were disappointing. In addition to the generally difficult economic situation, the decline in revenue from France was also attributable to the bankruptcy of one of ORIOR's major distributors.

Management changes completed

In mid-2014 Bruno de Gennaro, who has worked at ORIOR for 20 years and is a longstanding member of the Management Board, took over the role of CEO on an interim basis from Remo Hansen, who left. Rolf U. Sutter, Chairman of the Board of Directors, says: "Thanks to great commitment, continuity and clear ideas about innovation and productivity improvements, Bruno de Gennaro achieved a lot during his time as interim CEO." In October 2014 the Board of Directors of ORIOR AG appointed Daniel Lutz as the new CEO. He took over at ORIOR in February 2015 and is now building on the changes initiated in the second half of 2014. In January 2015 the ORIOR Group announced that Ricarda Demarmels had been appointed by the Board of Directors as Chief Financial Officer and as a member of the Management Board. In April 2015 she takes over from the long-serving Hélène Weber-Dubi, who after more than 15 years as CFO has decided to step back a little. Hélène Weber-Dubi will still be available to ORIOR for special projects in the Management Services area.

Outlook

ORIOR has a core of outstanding product groups. On the one hand there are the evergreens of the Refinement segment that embody regional tradition and authenticity and that are becoming increasingly important precisely because of their solid heritage. On the other hand we have the very dynamic Convenience market, where fashions fall in and out of favour rapidly and there is always a demand for something new. We feel we are doing well in these two markets. Somewhere in between, though, there is a set of products that have to struggle in a very competitive environment. In this in-between area we will be rather more cautious, even if this means a slight decline in sales. We are focusing on our core markets and extending our offering here with more new products.

WE ARE ORIOR

We know that many things can be copied; we experience this every day. However ORIOR's spirit and our employees' underlying attitude cannot be replicated – they are unique. Under the title "We are ORIOR", this year's Annual Report highlights our employee policy and culture. We explore this theme in the individual chapters as well as on the photo pages.

Committed to our stakeholders

ORIOR Group's stakeholders have a wide variety of expectations. Customers demand constant innovation, high quality and a good price. Our employees want a good working environment, security and jobs they enjoy. Shareholders demand good results and a decent return on their investment. Finally, suppliers and partners expect binding and reliable cooperation. On behalf of the Board of Directors, we would like to thank our stakeholders for the high expectations they have of us. We are committed to fulfilling these expectations, and it is a commitment we take on very gladly.

Rolf U. Sutter
Chairman of the Board of Directors

Bruno de Gennaro
CEO a. i. ORIOR Group
(until January 2015)

Interview with the new Group CEO Daniel Lutz

Daniel Lutz, you took over as CEO of ORIOR at the start of February 2015. What was the attraction of the role?
ORIOR's story is unique. In my opinion it's been a successful story largely because of the quality of the Company's products, its culture of innovation and its unique spirit. I'm very pleased to be part of all this! In addition, the market for premium fresh convenience products is attractive, and I see great potential for sustainable growth.

Daniel Lutz, CEO ORIOR Group (from February 2015)

What was the first thing you tackled when you arrived? What are the priorities for the first month?
First of all I want to gain the fullest and most detailed picture possible of the ORIOR Group. I'm spending a lot of time in the market and I'm talking to customers, partners and investors. Within the Company, I've visited all the competence centres, got to know many of the employees, investigated the products, studied the manufacturing processes and analysed the marketing and sales strategies. I'll be preoccupied with all these things for the next few weeks too.

What goals do you want to achieve with ORIOR as its CEO?
My aim is to reinforce ORIOR's position as a leading company in the premium sector for fresh convenience and meat refinement. At the same time I want to continue developing our competence in vegetarian and vegan products, and I want us to take a lead in shaping this market. I also want to make the leap into international markets. If we continue to focus on strengthening the ORIOR brands, press ahead with innovation and keep developing the unique ORIOR spirit, we should be able to do this. And this will allow us to improve our profitability in the long term.

Where do you currently see challenges for the industry and the Company?
Things are changing faster and faster these days, and this includes consumer preferences. We have to keep up with the pace. We need to be close to the market, to our customers and to the end consumer. We must anticipate new needs. And we must respond to these needs quickly and flexibly. These challenges also bring us opportunities, however. ORIOR's employees are prepared to learn new things and take a critical look at established practices, which puts ORIOR in a great position as a company to adapt to new market conditions faster and better than our competitors.

Where do you think ORIOR still needs to improve?
It's too early to make that call. I need to get to know ORIOR better first. I'll be able to say more when I've been in the job for 100 days.

Where do you see the greatest growth potential?
Thanks to the strong brands, product quality and innovation, I believe that in principle there is potential in all segments of the market. There's been above-average growth in worldwide demand for differentiated premium products for years now, and the traditional specialities produced by the Refinement Segment are perfectly positioned to take advantage of this trend. But the Fresh Convenience sector is definitely at the forefront. Consumers want fresh and healthy products. This category is also very fast-moving and is driven by innovation. I see a lot of growth potential in the vegetarian sector too.

Convenience food – good or bad?
Generally good. Convenience food is the result of our modern lifestyles. Most people simply don't have the time to do a lot of cooking every day. Convenience foods take away that burden and give people more free time. We shouldn't forget that convenience has undergone tremendous development over the past several years. With its

ultra-fresh dishes and vegetarian products, ORIOR offers consumers convenience foods that not only taste very good, but that are healthy.

Speed, responsiveness, anticipating trends, satisfying ever-changing demand – the food industry is a very dynamic one. How do you see it?
You're absolutely right, it is incredibly dynamic. It's a challenge, but it's also very motivating, because in the food industry – perhaps more than in any other – you get very fast, direct and honest feedback: if consumers don't like something, they won't buy it. It's as simple as that. We see the results of our work every day.

You bring more than 30 years of experience in the food industry with you. Where does your passion for food come from?
Well to start with I was more or less brought up in the food industry. My parents ran a bakery and a restaurant, which obviously played a big role in my childhood. Secondly, food is not only essential to life in the truest sense, it is also a central element of our culture. The fact that my work revolves around such a fundamental need, and one that has such a multifaceted cultural impact, is a source of great fascination to me. And I have already mentioned the third reason – the industry's dynamism and directness.

Where will ORIOR be in five years?
In five years ORIOR will have expanded its leading position in the Swiss fresh convenience and meat refinement sectors still further and successfully made the leap into foreign markets. ORIOR will be one of the most important providers of vegetarian fresh convenience food across Europe. Thanks to its rapid growth and great ability to innovate, ORIOR will be able to increase its profitability and market share continuously. ORIOR will remain a modern and attractive company that creates sustainable added value for employees, business partners and for society as a whole.

A CEO always needs new impetus. Where do you get the inspiration for new ideas?
I get input and ideas from our customers and consumers, business partners and suppliers, friends and family. You get inspiration from everywhere; you just have to keep your eyes and ears open. Regular, honest dialogue with employees is also very important to me. After all, they deal with the products, the customers and the processes every day and possess an enormous amount of knowledge.

Talking of employees, what do you expect of ORIOR's staff?
To be prepared to contribute their knowledge, their ideas and their suggestions for improvements, because this will take the Company forward. I expect them to be open, to learn new things and to question established practices, because doing these things is the key to success in our industry. I need them to bring passion and enjoyment to their day-to-day work, because that's how great things are achieved. And finally they need to be respectful, tolerant and honest in their dealings with each other.

And what can employees expect from you?
First of all they can expect from me all the things I expect of them. Plus, I will give them the support they need to grow and keep developing in their jobs. I will do everything I can to ensure that employees enjoy coming to work and are able to do a good job.

"I'm very pleased to be part of the ORIOR story!"

What is your management philosophy?
Set an example for employees by living up to the values you expect from them. Always keep your promises. Be a passionate, happy and committed manager – these qualities are infectious!

What makes a good boss?
Good bosses support and develop their employees, are always fair, are always ready to listen, and constantly give feedback – whether positive or negative. Employees can rely on a good boss 100 percent.

Fürstenland club sandwich

Ingredients

30 g original Möfag "Mostbröckli"
(spiced dried beef)
20 g Möfag bacon
1 small Fredag chicken breast
1 egg
1 small onion
A few rocket leaves
A few leaves of batavia or lollo bianco lettuce
5 tablespoons tartar sauce
5 tablespoons cocktail sauce
1 tablespoon Appenzell herb schnapps
4 thin slices of toasted bread

Preparation

Put the cocktail sauce in a small bowl and pep it up with the schnapps and a little freshly ground pepper. Cut the chicken breast into strips and fry till golden brown. Fry the egg and bacon on both sides.

Spread one slice of toast with the cocktail sauce. Cover with the lettuce leaves and then the Mostbröckli and onions. Next another slice of toast. Spread this with the tartar sauce and add the rocket leaves and chicken breast. Then spread on a little more tartar sauce and cover with another slice of toast. Spread cocktail sauce on this and add the crispy bacon, egg and some more lettuce leaves. Finally add another spoon of cocktail sauce and finish off this culinary work of art with the last slice of toast.

Serve with the rest of the sauce and fries or a small salad. Enjoy!

WE ARE ORIOR

LENIE BOLDER
ADMINISTRATION AND BOOKKEEPING
MÖFAG

SPENDING TIME WITH FAMILY AND FRIENDS IS AS ESSENTIAL AS EATING AND BREATHING

Lenie Bolder relocated from the Netherlands to Eastern Switzerland 30 years ago. For more than half of this time – 17 years – she has worked at Möfag's administration and bookkeeping department. She has loved Appenzell specialities since her very first day in Switzerland. The Bolders do a lot of cooking at home and often invite friends round to eat and enjoy each other's company.

Whether you are vegetarian, or using eggs or meat, there are virtually no limits to what you can do with a club sandwich. From snack bars to fancy hotel room service, it must be one of the most popular dishes in the world. Lenie Bolder presents the special Fürstenland version of the club sandwich.

ORIOR Refinement

ORIOR Refinement is the Group's meat refining segment and consists of the three competence centres Rapelli, Albert 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 seven processing and refinement facilities in the cantons of Ticino, Grisons and St. Gallen.

Brands

Key figures

in CHF thousand	2014	Δ in %	2013 Restated[1]
External customer sales	301 054		302 318
Inter-segment sales	19 207		18 561
Sales of goods / rendering of services	**320 261**		**320 879**
Reduction in gross sales	– 3 971		– 4 208
Revenues	**316 290**	**– 0.1 %**	**316 671**
Segment EBITDA	**22 440**	**– 3.9 %**	**23 348**
as % of revenues	7.1 %		7.4 %
Depreciation – tangible assets	– 6 681		– 6 258
Amortisation – intangible assets	– 1 294		– 1 271
Segment profit (EBIT)	**14 465**	**– 8.6 %**	**15 819**
as % of revenues	4.6 %		5.0 %
Investments in non-current assets	**6 832**		**10 459**

[1] See Note 2 in the Financial Report

Overview

The Refinement segment and its three competence centres Rapelli, Albert Spiess and Möfag have been through two challenging years. Raw materials, especially pork, have been very expensive, which has put pressure on margins. Added to this is the limited supply of Swiss ingredients – especially beef – which has also kept prices high. The price situation for pork eased for the first time in autumn 2014, which had a positive effect on gross margins towards the end of the year. Beef prices remain just as high, however, which has affected the Albert Spiess competence centre especially.

Given the market conditions, the 2014 fiscal year was a good one overall for the Refinement segment. Thanks to the easing of pork prices, and to the additional measures initiated in the summer to improve processes and productivity, the Refinement segment saw results improve in the second half of the year.

As explained in the 2014 half-year report, certain accrued liabilities relating to warehouse management were not reported in previous years, so an adjustment had to be made retrospectively from 1 January 2013. This took the form of a restatement against shareholders' equity. ORIOR finalised its assessment of the matter in the second half of the year, leading to a CHF 0.5 million adjustment to the restatement to cover the missing accruals.

Business performance

Revenues at the Refinement segment for 2014 were slightly down on the previous year at CHF 316.3 million. High raw materials prices once again had a negative impact on the gross margin, resulting in a reduction in the EBITDA margin from 7.4% in the previous year to 7.1%. Thanks to the good product mix during the year under review, the segment did increase the volume of sales, but EBIT was still down on the previous year's CHF 15.8 million at CHF 14.5 million. The main drivers of growth throughout the year were the Rapelli and Möfag competence centres, with Möfag once again achieving record sales. In the second half of the year the Albert Spiess competence centre couldn't compensate entirely for the first-half results, which were slightly below expectations. High beef prices put pressure on margins, while a slightly reduced programme of promotional activity and the decision by another customer to insource resulted in lower sales.

Highlights

The Rapelli competence centre completed its major "Order-Picking Centre" investment project in the summer. The first positive effects of this investment became apparent in autumn 2014.

GLAUCO MARTINETTI
CEO RAPELLI SA

YOU ARE IN CHARGE OF ORIOR'S BIGGEST UNIT IN TERMS OF PERSONNEL. WHAT DO YOU ASK OF YOUR EMPLOYEES?

Whether you run a large team or a small one, the crucial thing is that you have the right people.

Rapelli was founded in 1929 and managed as a family firm for many years. You can still feel the history and tradition that was built up during this period. A couple of generations of employees have grown up with the company. The family feeling remains. Trust across all the levels of hierarchy also still plays a central role. This requires honest, respectful conduct, fairness and decency – in everything we do. This is what we ask of Rapelli employees.

To a certain extent, specialist skills are secondary, because these can be learnt and, it should be noted, they are very specific to each company. But character and underlying attitude are difficult to form if they're not there already.

The process optimisation goals set for the new cooked ham facility installed in 2012 were achieved in full during the year under review. Rapelli also undertook a comprehensive analysis of its organisational structure; the first measures derived from this have already been initiated.

In the first half of the year, Rapelli launched a full range of fresh lasagne products across Switzerland. The response from consumers was positive. Despite the poor weather, Ticinese barbecue specialities were much in demand. Sales of this product group were higher in 2014 than in 2013. "Rapelli" brand fresh tartare also did very well, with sales doubling compared with the prior year. Rapelli also saw consistently high levels of popularity for its salami. All salami activities and campaigns continued to do as well as ever. The same is true of the unique Ticino specialities sold under the "Ticinella" terroir brand, which once again enjoyed healthy demand.

The Albert Spiess competence centre, which focuses on Grisons specialities, started using state-of-the-art new slicing machinery in 2014. The new machine allows more flexible use of the facilities, makes the processes more efficient and facilitates more precise slicing and packing. The "Albert Spiess" brand has been present in retail outlets all over Switzerland since the start of the year under review. The broad-based roll-out was supported by new corporate design; packaging, delivery vans, administrative documents and all advertising material was altered accordingly. Customers and consumers have responded very positively to the rebranding. Consumers also very much liked our coated cured ham specialities. Albert Spiess's development team is already working on new flavours of coating. Another success came with the launch of mini-fresh trays in spring with handy small portions of Bündnerfleisch, cured ham and salami.

The Möfag competence centre brought a new packaging machine on line during the year under review to handle the much higher, demand-driven production volumes. In 2014 Möfag also further strengthened its operational structures. Quality management and sustainability in particular were given greater weight within the company. Möfag excelled itself in terms of innovation – never before have so many new products been presented and launched in one year. It is particularly pleasing that these included new products based on ideas proposed by employees. For example, an employee created a recipe for an Appenzell Sunday roast, and a few months later the roast with Mostbröckli crust was available in shops. The addition of new "Chips" products and the development of new regional products also proved successful.

BRUNO BÜRKI
CEO ALBERT SPIESS AG

HOW DO YOU MOTIVATE PEOPLE IN YOUR TEAM TO ACHIEVE THEIR BEST?

The whole package has to be right – for the employee and for the company. Give trust, get performance.

If a team is going to perform at its best, a variety of hard and soft factors have to be in place. The basic requirements are clear structures and processes, plus a working environment where the infrastructure all works smoothly and the mood is positive. We have a very lean organisation. Every person has to take responsibility for their own area, but also have to be committed across areas and functions so that absences can be covered. This means that responsibility has to be handed down to the appropriate level – and responsibility breeds motivation. The success of the team as a whole depends greatly on open, honest and respectful communication, and a culture in which mistakes are accepted as long as people learn from them.

These are the foundations on which you can build a genuine identification with the company, as well as enthusiasm and passion – the prerequisites for optimum performance.

URS MÖSLI
CEO MÖFAG FLEISCHWAREN AG

MÖFAG IS KNOWN FOR ITS STAFF EVENTS, LIKE THE MILAN – SAN REMO BIKE RACE. HOW IMPORTANT DO YOU THINK IT IS FOR A TEAM TO HAVE FUN?

Very important. If I have fun at work and enjoy what I do every day, I can work with full energy. I want to make this possible for my team too.

Our small team is made up mainly of long-serving employees. Thanks to a flat hierarchy, open communication and a participative management style, we have forged that team into a real Möfag family. This family is ready and willing to achieve exceptional things. Events outside the firm, often involving partners and children, have also helped us to become more close-knit. Having fun together helps forge bonds. And these bonds create stability and security. In our fast-moving times, these are absolutely fundamental requirements.

I see the employees as my orchestra: they make the music, and I just need to make sure they play well together. They do that best if they are enjoying themselves and if they feel proud to be part of the orchestra.

Outlook

The Refinement segment expects slight growth in the 2015 fiscal year. Lower pork prices should have a positive effect on profitability in the first few months of the year, but prices are then likely to be adjusted in the spring. For products that require maturing, like cured hams, the positive price effect is delayed by the relevant maturing time, i.e. by 12 to 18 months. Supplies of Swiss beef are likely to remain low this year, which will keep beef prices up.

Thanks to the structural optimisations made in 2014, the Rapelli competence centre expects a small but steady improvement in profitability from the first half of 2015. A series of activities are planned on the product side this year. For example, salami Chips are being presented for the first time under the “Rapelli” brand, while artisan products sold under the “Val Mara” brand are being launched in German-speaking Switzerland. In 2015 there will also be a focus on the catering operations supplied by Rapelli in Canton Ticino, which have seen continuous sales growth for five years now. At Möfag the new and more efficient slicing machine will lead to a slight improvement in productivity. Möfag will also continue where it left off in 2014 by presenting a wide variety of new products in 2015, widening its portfolio with more tasty Fürstenländer specialities. Albert Spiess is paying particular attention to the “Albert Spiess” brand and one of its priorities will be to continue strengthening the brand in Switzerland and abroad.

WE ARE ORIOR

NOPPA HELBLING
PRODUCT DEVELOPER VEGETARIAN
AT FREDAG

A PASSION FOR TOFU

Noppa Helbling is a co-founder of Noppa AG. Organic tofu specialist Noppa AG, which joined ORIOR in May 2014, has strengthened Fredag's vegetarian credentials. Noppa Helbling is always finding new things to do with tofu, with countless different flavours and different methods of preparation. Bursting with creativity and passion, she inspires new ideas in the development team – and not just in relation to tofu.

Tofu Thai green curry is one of the many tasty ways of preparing the tofu available in shops. Noppa Helbling tells us how she conjures up a taste sensation out of the flavour-neutral tofu.

Tofu Thai Green Curry

Ingredients

400 g Noppa tofu cubes
(or tofu block cut into cubes)
3 teaspoons green curry paste
½ litre coconut milk
2 kaffir lime leaves
1 tablespoon vegetable stock
2 teaspoons sugar
2 tablespoons rapeseed oil
200 g courgette
50 g sweet Thai basil (horapha)
3 – 4 red chilli peppers

Preparation

Heat the rapeseed oil, curry paste and kaffir lime leaves in a pan until the flavours are released. Add the tofu cubes, stir well and heat through for a short while. Add the coconut milk, vegetable stock and sugar, and simmer for 4 – 5 minutes. Meanwhile, cut the courgette and chillies into strips and stir into the pan with the Thai basil. Cook through briefly until the courgettes are slightly softened but still have a bite.

Serve with jasmine rice.

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 and vegan products, ready-to-cook poultry and meat products. The segment sells these products primarily through the food retail and food service channels, and operates six processing plants in German-speaking Switzerland.

Brands

Key figures

in CHF thousand	2014	Δ in %	2013
External customer sales	208 315		199 942
Inter-segment sales	3 055		3 053
Sales of goods / rendering of services	**211 370**		**202 995**
Reduction in gross sales	– 4 325		– 3 866
Revenues	**207 045**	**+ 4.0 %**	**199 129**
Segment EBITDA	**29 692**	**+ 3.9 %**	**28 572**
as % of revenues	14.3 %		14.3 %
Depreciation – tangible assets	– 5 077		– 5 505
Amortisation – intangible assets	– 40		– 62
Segment profit (EBIT)	**24 575**	**+ 6.8 %**	**23 005**
as % of revenues	11.9 %		11.6 %
Investments in non-current assets	**5 615**		**6 777**

Overview

ORIOR Convenience and its competence centres Fredag, Pastinella and Le Patron continued to perform well in the second half of 2014, improving on the already good results of the first half-year. With an uncompromising focus on fresh, natural ingredients, quality and enjoyment, the segment has succeeded in increasing its sales, accelerating the pace of innovation and gaining market share. Poultry-based convenience products, vegetarian and vegan specialities and seafood made a particularly good contribution to growth. The Convenience segment further enhanced its competence in producing vegetarian specialities by acquiring Noppa AG in May 2014. Noppa's product portfolio and customer base are strengthening ORIOR's position in the fast-growing market for vegetarian convenience products.

The raw materials situation for the Convenience segment was mixed during the period under review. The price of durum wheat was still low at the start of 2014, but failed harvests in the summer led to a sharp rise towards the end of the year. A similar thing happened with soya. The poor soya harvest in Switzerland and Europe in 2013 led to a supply shortage and higher prices. The harvest in autumn 2014 was good, but because of rising demand for tofu and other soya products, prices are unlikely to go down.

The demand for poultry products continues to rise and has now reached a volume that cannot be covered by Swiss poultry alone. Consequently Fredag has forged partnerships with producers in Germany. The prerequisite is that these producers are not only prepared to base their poultry rearing on Swiss animal welfare rules, but can also guarantee compliance with Switzerland's higher "BTS" (besonders tierfreundlichen Stallhaltung) standard.

Business performance

The Convenience Segment reported increased sales and earnings for 2014. Revenues rose from CHF 199.1 million in the previous year to CHF 207.0 million. EBITDA for 2014 amounted to CHF 29.7 million, up from CHF 28.6 million in the previous year. The EBITDA margin remained around the same at 14.3 %, mainly because of the product mix.

Within the segment, Fredag in particular performed outstandingly during the period under review. The competence centre reported higher sales in all product groups and channels. The Le Patron competence centre also achieved good results, thanks in particular to strong

BRUNO DE GENNARO
CEO A. I. ORIOR GROUP (UNTIL JANUARY 2015)
CEO CONVENIENCE SEGMENT

YOU WERE THE INTERIM CEO OF ORIOR GROUP FROM JUNE. WAS THIS A NEW TYPE OF MANAGEMENT CHALLENGE FOR YOU?

Without a doubt. Although I've worked for ORIOR for 20 years, during my time as interim CEO I was able to get to know the Company from a new perspective. It was an exciting time and a genuine challenge on many levels. The experiences I had during those months taught me a lot personally and as a manager – and I'm very grateful for that.

As CEO your view and the actions you take are focused on the Group as a whole rather on just one division. And the focus on strategy is much stronger. At the same time there are thousands of detailed issues to deal with. There are a wide variety of stakeholder groups and an equal variety of subjects to tackle. With all these additional demands, it wasn't always easy to dedicate enough attention to my established role as Head of Convenience.

Two factors helped a lot during this time: setting priorities and having a good team. I was able to count on my colleagues at all times – both those in the Convenience firms and those at ORIOR head office in Zurich. Without their support I wouldn't have been able to perform this challenging double role.

Christmas trading. The only competence centre to lose market share was Pastinella. The fresh pasta market in general shrank slightly, and more foreign providers are moving into this product category.

Highlights

In 2014 the Convenience segment once again proved it has a genuine culture of innovation. Numerous new products and concepts were presented for retail as well as for the food service (restaurants and catering) sector. The "Le Patron" retail brand, which was introduced in 2013 for premium convenience products made by Fredag, Pastinella and Le Patron, established itself at the national level and continued to grow in reputation and popularity.

In response to the saturation of the pâté and terrine market, during the year under review, the Le Patron competence centre brought innovative new products to market to meet the increasing demand for lighter products. New flavours were found for millefeuilles and terrinettes, and their portion sizes and shapes were adjusted. With its "be SMART" project, Le Patron helps restaurants and caterers with their planning. Dishes and their component parts, made using the tried-and-tested Le Patron methods, can be used to cope much more effectively with e. g. weather-dependent busy and slow periods. The idea and concept are unique and have met with great interest from food service customers.

In summer 2014 the Fredag competence centre imported its first mangrove shrimps from South Vietnam. These are black tiger shrimps bred in near-natural conditions. The shrimps grow in coastal mangrove swamps, feeding exclusively on the naturally available resources. This helps to protect the environmentally important mangrove forests. Fredag expects to receive the "Naturland" certificate for these products in the first half of 2015.

In response to the challenging environment in the fresh pasta market, during the year under review Pastinella focused on special recipes, creating pasta ranges for dieters and people with food intolerances. These product groups are sold to care homes and hospitals as well as through retail channels, and are being expanded all the time. Customers in these markets very much appreciate high quality cuisine, and this is the key to ORIOR's success in these niches. The ultra-fresh pasta sold under the "La Romagnola" brand continued to develop as successfully as ever. These high-end products can be found at "shop-in-shop" outlets in selected high-end department stores, as well as at first-class Italian restaurants.

MICHEL NICK
CEO LE PATRON

THE TEAM RULES STATE THAT "THE FUTURE LIES IN THE NEW". WHAT HAS THAT GOT TO DO WITH EMPLOYEES?

Le Patron depends on people who can work creatively with a wide variety of products and keep coming up with new ideas. The impetus to do this comes from an untiring passion to keep eyes and ears open everywhere and all the time. When our employees go shopping, go on trips or take holidays in foreign countries, they are always open to inspiration for our next great product. We are also helped by the fact that people from more than 25 countries work for Le Patron – from Albania, to the Congo to China, we have employees from all corners of the earth. For many years they have all enriched the pool of ideas with their culinary habits and preferences.

This "innovation culture", as we call it, can't be achieved by order or instruction – you just have to live it and promote it all the time across all areas. In this respect, Le Patron is the engine of the ORIOR Group. And we're proud of that.

BERNHARD PFULG
COO FREDAG / PASTINELLA
CFO CONVENIENCE SEGMENT

CFO OF THREE ORIOR UNITS AND SINCE JUNE 2014 INTERIM HEAD OF FREDAG AND PASTINELLA. HOW DO YOU ORGANISE YOURSELF WITH SO MANY ADDITIONAL DUTIES TO PERFORM?

The most important thing is knowing you have a good team behind you. This means you have to create a good working environment, build up trust, promote cooperation and personally live up to the values you want to establish.

We have a lean organisation, which means everyone has to be committed and take responsibility for their own area. Clear structures and processes also allow us to set clear priorities and thus focus on the most important things. In a team you have to move forward together towards the same goals.

Last but not least, I believe that the corporate culture sets the parameters for the attitudes and actions of each individual and the team as a whole.

Outlook

The fresh convenience and ultra-fresh convenience markets will continue to grow. More and more consumers are looking for quick and easy meals that offer top quality, health and variety. ORIOR occupies a leading position in these market segments, but competitors are catching up. ORIOR will continue to use its successful philosophy of regular innovation and uncompromising quality to reinforce its own position.

The market for vegetarian and vegan products will continue to grow particularly fast. The dynamism and development of these product ranges is enormous. Eating vegetarian and vegan food these days is as much about enjoyment and lifestyle. The acquisition of Noppa AG to round out our portfolio is delivering additional impetus in the ongoing development of the vegetarian and vegan product portfolio. ORIOR is very well positioned in this market, but expects the competitive pressure to rise. There is also growing consumer demand for a wider range of products that cater for specific nutritional requirements – e.g. diets and food intolerances. ORIOR is at the forefront of the development and response to these market trends.

As well as rounding out its portfolio with acquisitions like Noppa AG, ORIOR has made it clear that it wants to buy a convenience food company in another country. Despite an intensive search and evaluation process, it did not manage to do this during the year under review. ORIOR will continue to work on fulfilling this strategic aim.

WE ARE ORIOR

NADJA WITTMANN
EXECUTIVE ASSISTANT
AT ALBERT SPIESS

A CLASSIC REINTERPRETED

Nadja Wittmann has worked at Albert Spiess AG for nearly seven years. In her role as assistant to the management she sees and experiences the company's day-to-day business at first hand. A native of the Engadin, she loves to cook Grisons classics like capuns and barley soup.

Her recipe shows us how traditional products can be used in new and interesting ways: a marinaded carpaccio of Bündnerfleisch (air-dried beef) with asparagus salad.

Carpaccio of Bündnerfleisch with asparagus salad

Ingredients

150 g Bündnerfleisch
250 g fresh asparagus tips
1 carrot, ½ celery stick
6 caperberries with stalks
30 g Sbrinz cheese shavings
Juice of half an orange
½ tablespoon of lemon juice
1 teaspoon mustard
2 ½ tablespoons of olive oil
2 teaspoons balsamic vinegar
Freshly ground pepper

Preparation

Stir together the mustard, half a tablespoon of olive oil and one teaspoon of balsamic vinegar to make the marinade. 3 – 4 drops of water will soften the acidity. Put marinade to one side. Cook the asparagus in bouillon till al dente. Drain and quickly rinse under cold water. Put the asparagus tips together with the carrot and celery strips in a dish. Mix the remaining olive oil together with the balsamic vinegar and orange juice. Season with pepper and salt and pour over the asparagus salad. Carefully toss the salad and serve in a small bowl or in the middle of the plate.

Arrange the Bündnerfleisch on the plate, drizzle on the marinade, add the Sbrinz shavings, season with salt and pepper and decorate with the caperberries. Serve with rosemary focaccia or toast and butter.

ORIOR Corporate and Export

ORIOR Corporate and Export is responsible for exporting and marketing the Group's products in neighbouring EU countries. The segment operates a distribution centre for the European market in Haguenau, France. This segment also includes Group management functions and central services.

Brands

ORIOR PREMIUM FOOD

Albert Spiess OF SWITZERLAND

NATURE GOURMET

Key figures

in CHF thousand	2014	Δ in %	2013
External customer sales	20 700		26 102
Inter-segment sales	5 396		8 382
Sales of goods / rendering of services	**26 096**		**34 484**
Reduction in gross sales	– 143		– 255
Revenues	**25 953**	**– 24.2 %**	**34 229**
Segment EBITDA	**– 3 992**	**+ 21.2 %**	**– 5 067**
Depreciation – tangible assets	– 956		– 1 296
Amortisation – intangible assets	– 1 476		– 1 164
Segment profit (EBIT)	**– 6 424**	**+ 14.7 %**	**– 7 527**
Investments in non-current assets	**1 419**		**1 379**

Overview

ORIOR's Corporate and Export segment was restructured during the year under review. In May 2014 ORIOR sold its logistics company to the Murpf Group. Lineafresca was responsible within ORIOR for local distribution of fresh and chilled products. The established partnership with Murpf AG is being continued and deepened as part of a strategic alliance. As a result of the sale, since June 2014 the segment has consisted solely of the Corporate and Export areas.

During the 2014 fiscal year, the focus for IT was on improving operational efficiency. The existing SAP landscape was subjected to a benchmarking analysis which allowed us to formulate measures to reduce operating costs. The SAP system at ORIOR Group was upgraded to the latest release (EHP7) in order to ensure that our IT can cope with the ever-changing business requirements. The IT department also helped to optimise the use of systems by offering training on specific themes to around 200 users within the ORIOR Group.

Export performance

ORIOR's export business fell short of expectations in 2014. Sales fell from CHF 22.3 million in the previous year to CHF 19.5 million. The decline came in the first half of the year and could only be offset to a limited extent in the second half. This was because the main export market, France, continued to suffer under difficult economic conditions. Added to this, one of ORIOR's major distributors went bankrupt, leaving losses on accounts receivable of more than CHF 1.0 million. This put further pressure on EBITDA. The vegetarian and vegan products sold under the "Nature Gourmet" brand enjoyed healthy growth. Germany in particular saw sales increase.

The strong Swiss franc will undoubtedly make exporting more difficult, so ORIOR expects another slight decline in export business this year. Given the modest level of export sales, a strong Swiss franc will only have a minimal impact on the profitability of the Group as a whole. Taken together with the price of goods purchased by various parts of the business from other countries, we expect to see either no effect, or possibly even a slightly positive effect overall. The decisive factors will be the way the franc trends over the next few months, and the way the various market players react.

JOACHIM HUBER
CIO ORIOR GROUP

COMMUNICATION, WHETHER DIGITAL OR VERBAL, SEEMS TO BE CONSTANT AND UBIQUITOUS. WHAT TYPE OF COMMUNICATION DO YOU EXPECT AND ENCOURAGE IN YOUR TEAM?

IT is a service and a team sport – and communication is essential for both. Following this principle, I expect and encourage a communications culture. Talking and listening to people and forging relationships are essential components of this.

If there are issues and problems to discuss, I always prefer verbal communication. But when it comes to agreements, procedures and deals, the written word is best. For me, digital communications, such as e-mails and the like, are a supporting means to an end.

Every specialist area has its own "language", specific jargon, organisational units and legal requirements. Actively listening, asking questions if there is anything you don't understand, and cultivating a proper feedback culture – these are the things you need for good communication and they create the foundations for trusting cooperation.

WE ARE ORIOR

ANDREAS STADELMANN
PRODUCT DEVELOPER AT LE PATRON

"CHALLENGES MOTIVATE ME TO DO THE BEST I CAN"

As a trained chef with experience in various award-winning seasonal and year-round kitchens, Andreas Stadelmann has learnt from the very best creative chefs. He now works as a product developer at Le Patron where he is constantly working on new recipes and dishes for retailers and the food service sector.

Stuffed veal roll in marsala jus with saffron risotto

He says that it wouldn't be right to give away any of his recipes, because at Le Patron he develops ready meals that require nothing more than heating up. But Andreas Stadelmann does tell us about a great project.

Together with the Swiss national cooking team he has created a selection of starters and main courses for the Elvetino train restaurant. These had to meet very particular requirements, since cooking facilities on board a train are restricted. Offering dishes that are genuinely fresh but that can be prepared within the restricted confines of a train carriage is not easy.

He worked for weeks on the stuffed veal roll in marsala jus with saffron risotto. Two of the main difficulties were achieving the right consistency for the risotto, and stopping the peas from disintegrating. The filling for the rolled veal, which contained spinach, was also a challenge. The spinach needed to be properly mixed in, but not so finally chopped that it made the whole filling too green. He finally managed to develop a version of this great dish that fulfilled all the criteria and that met the highest standards in terms of taste and quality.

Corporate Governance Report

ORIOR Group is committed to best practices in corporate governance with a high level of transparency. Good corporate governance protects the interests of Company shareholders and other stakeholders while helping the Group achieve sustainable development. ORIOR Group's corporate governance policy is based on the Swiss Code of Best Practice for Corporate Governance (2014). The information disclosed hereinafter meets the current requirements of the "Directive Corporate Governance" (DCG) issued by SIX Swiss Exchange and last amended on 1 September 2014.

1 Group structure and shareholders

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

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

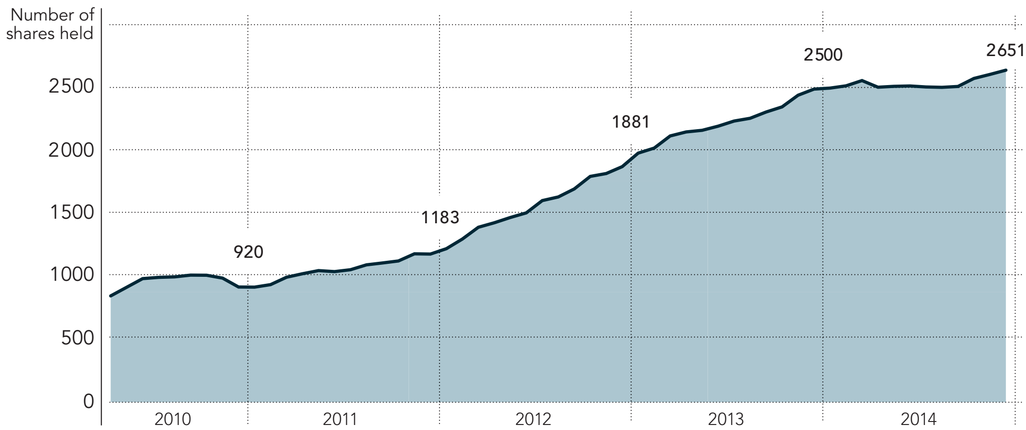
Group structure as at 31 December 2014

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

On 8 January 2015 ORIOR also announced that Ricarda Demarmels (Swiss citizen, 1979) had been appointed by the Board of Directors as the new CFO and Member of the Management Board. In April 2015 she takes over the role from long-serving CFO Hélène Weber-Dubi, who has decided to reduce her workload. Hélène Weber-Dubi will still be available to ORIOR for special projects in the Management Services area.

ORIOR shareholders

According to the share register, ORIOR had 2651 shareholders as of 31 December 2014, meaning there was a slight increase in the number of shareholders during the year under review. The growth in the number of shareholders entered in the share register since the IPO in April 2010 is depicted below:



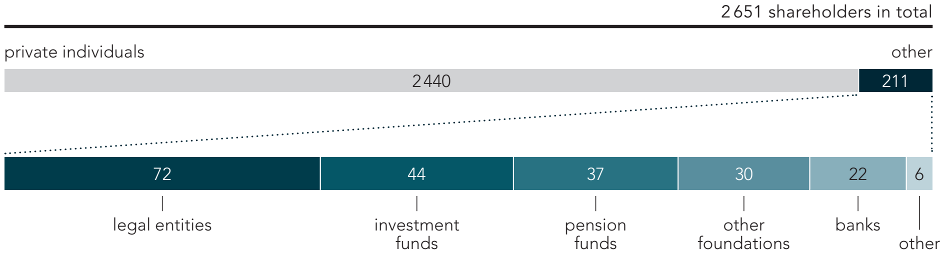
Distribution of shareholdings

The 2651 registered shareholders at 31 December 2014 held 80.4 % of total share capital. Information on the distribution of shareholdings as of 31 December 2014 by size of shareholding, by category of shareholder and by country is given below.

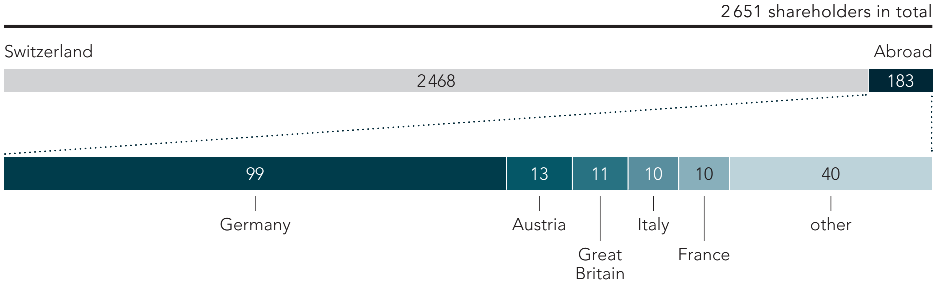
Number of shareholders entered in the share register as of 31 December 2014, by number of shares held:

Number of shares held	Number of shareholders	Total number of shares
1 – 10	162	1 059
11 – 100	634	41 548
101 – 1 000	1 590	615 162
1 001 – 10 000	225	710 181
10 001 – 100 000	33	1 076 642
100 001 – 5 925 000	7	2 317 414
Total	**2 651**	**4 762 006**

Number of shareholders entered in the share register as of 31 December 2014, by category:



Number of shareholders entered in the share register as of 31 December 2014, by country:



Major shareholders

According to notifications received, as of 31 December 2014 the following shareholders each own more than 3 % of ORIOR AG's share capital:

Shareholder	Number of shares	%	Source
Ernst Göhner Stiftung (CH)	620 000	10.46	Notification 05.10.2012
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
Schroders Plc (GB)	352 856	5.95	Notification 18.06.2014
Rolf U. Sutter (CH)	199 300	3.36	Notification 12.10.2012
Credit Suisse Funds AG (CH)	184 347	3.11	Notification 02.10.2014
Schroder Investment Management (Switzerland) AG (CH)	182 556	3.08	Notification 20.12.2012

During the period between 1 January 2014 and 31 December 2014 the following disclosure notifications were received and duly published on the website of the SIX Swiss Exchange:

Publication date	Shareholder	Reason for announcement	New shareholding
18.02.2014	Credit Suisse Funds AG (CH)	Sale	< 3 %
28.02.2014	Schroders Plc (GB)	Sale	2.99 %
18.06.2014	Schroders Plc (GB)	Consolidated disclosure	5.95 %
05.09.2014	Vanguard International Explorer Fund (USA)	Sale	2.93 %
10.09.2014	Credit Suisse Funds AG (CH)	Purchase	3.2 %
24.09.2014	Credit Suisse Funds AG (CH)	Sale	< 3 %
02.10.2014	Credit Suisse Funds AG (CH)	Purchase	3.11 %

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

On 3 February 2015 ORIOR AG was notified that Schroders Plc's shareholdings fell below the 5 % threshold as of 2 February 2015.

As of 10 February 2015, ORIOR AG was not aware of any other person or entity holding, directly or indirectly, 3 % or more of the Company's share capital. Neither is ORIOR AG aware of any significant agreements or arrangements among shareholders regarding their holdings of ORIOR AG registered shares.

Cross-shareholdings

There are no cross-shareholdings with other companies.

2 Capital structure

Share capital

in CHF	31.12.2014	31.12.2013	31.12.2012
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	712 388	470 965	582 408

Ordinary capital

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

Conditional capital

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

Authorised share capital

The Board of Directors may increase the share capital at any time up to 25 March 2016 by a nominal amount of a maximum of CHF 4 761 704 through the issue of a maximum of 1 190 426 registered shares with a par value of CHF 4.00 per share, which must be fully paid in. Partial increases of share capital within the above limit are permitted. The Board of Directors will decide the amount of share capital issued, the date of its entitlement 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.

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:

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

Participation certificates and non-voting equity securities

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

Restrictions on share transfer, registration of nominees

There are no restrictions on the transfer of the registered shares of ORIOR AG. The sole condition attaching to entry of a shareholder in the share register is a written statement signed by the person acquiring the shares that he is acquiring them in his own name and for his own account. There are no further restrictions on shareholder registration. Any persons not expressly stating in their application form that the shares have been acquired for their own account (Nominees) may be entered as shareholders in the share register with voting rights if the Nominee concerned is subject to recognised banking and financial market supervision and has entered into an agreement with the Board of Directors regarding its position. The total share capital held by the Nominee may not exceed 2 % of the issued share capital of the Company. In excess of this limit, the Board of Directors may register Nominees in the share register with voting rights, if the Nominees disclose the names, addresses, citizenship and shareholdings of those persons for which they hold 2 % or more of the issued share capital. No nominees with voting rights exceeding the 2 % limit were registered during the year under review.

Convertible bonds and warrants

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

3 The Board of Directors

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

Members of the Board of Directors

The Board of Directors consists of at least three and no more than nine members. The Board of Directors consisted of six directors as at 31 December 2014. All members of the Board of Directors are non-executive directors. None of the directors held an executive position with ORIOR Group during the three fiscal years preceding the period under review. Unless otherwise noted, the members of the Board of Directors do not have significant business relationships with ORIOR AG or with ORIOR Group. All of the directors are Swiss nationals.

Below is an overview of the current members of the Board of Directors as at 31 December 2014, their functions within the Board, their first year of election to the Board and their current term of office.

Name	Year of birth	Position	First term of office	Elected until AGM
Rolf U. Sutter	1955	Chairman of the Board of Directors, Member of the Nomination and Compensation Committee	2006[1]	2015
Rolf Friedli	1961	Vice Chairman of the Board of Directors, Member of the Nomination and Compensation Committee	2006	2015
Christoph Clavadetscher	1961	Member of the Board of Directors, Chairman of the Nomination and Compensation Committee	2007	2015
Edgar Fluri	1947	Member of the Board of Directors, Chairman of the Audit Committee	2010	2015
Dominik Sauter	1963	Member of the Board of Directors, Member of the Audit Committee	2013	2015
Monika Walser	1965	Member of the Board of Directors, Member of the Audit Committee	2013	2015

[1] Delegate to the Board of Directors from 2006 to 2011

Changes occurring in 2014

Anton Scherrer did not stand for re-election after having served on the Board for seven years. He officially relinquished his position on the Board at the end of the Annual General Meeting on 25 March 2014.

The Board of Directors of ORIOR AG

l. to r.	
Edgar Fluri	Member of the Board of Directors and Chairman of the Audit Committee
Monika Walser	Member of the Board of Directors and Member of the Audit Committee
Rolf U. Sutter	Chairman of the Board of Directors and Member of the Nomination and Compensation Committee
Christoph Clavadetscher	Member of the Board of Directors and Chairman of the Nomination and Compensation Committee
Rolf Friedli	Vice Chairman of the Board of Directors and Member of the Nomination and Compensation Committee
Dominik Sauter	Member of the Board of Directors and Member of the Audit Committee

Rolf U. Sutter

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

Rolf U. Sutter holds a bachelor degree from the Lausanne Hotel School and pursued a degree programme at Cornell University in Ithaca. 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 Chairman of the Board of Directors of Biella-Neher Holding AG, Biel, a member of the Board of Directors of Branchen Versicherung Schweiz, Zurich, a member of the Board of Directors of foroom.immobilien ag, Willisau, and a member of the Board of Directors of Schweizer Getränke AG, Meilen.

Rolf Friedli

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

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

Christoph Clavadetscher

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

Christoph Clavadetscher earned a degree in business studies. Up to 1991 he worked in sales and marketing at various retail companies. From 1992 to 2005 he held various positions at Coop. He was Head of the Coop Central Switzerland-Zurich sales region, Head of Trading operations and a member of the Management Board with responsibility for the "Coop-City" department stores and building supply stores as well as Chairman of the Board of TopTip AG and Importparfümerie AG. From 2005 to 2009 he served as managing director of Dohle Handelsgruppe, Siegburg (Germany). From 2009 to 2011 he served as CEO of Dolma Holding AG in Schlossrued (Switzerland). From 2011 to 2013 he was CEO of Möbel Hubacher AG. Since 2013 he has been owner and Managing Director of Christoph Clavadetscher Consulting GmbH, acting as a professional board member and taking on temporary CEO roles. He is currently CEO of Möbel Hubacher AG for 30% of the week.

Other activities and functions: Christoph Clavadetscher is Chairman of the Board of Directors of PEG Papeteristen-Einkaufsgenossenschaft, Aarburg, Chairman of the Board of Directors of Talsee AG, Hochdorf, Chairman of the Board of Directors of famoc AG, Zug, and member of the Board of Directors of companies affiliated to famoc (Bewilux AG, HOLCLA AG, Unicorn S.A.), Chairman of the Board of Directors of Pompidou Group 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 Convidis AG, Glattbrugg, and Delegate to the Board of Directors of Spirella AG, Embrach.

Edgar Fluri

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

Edgar Fluri earned a Doctorate in Economics from the University of Basel and is a Swiss Certified Public Accountant. From 1977 to 1998 he was with STG-Coopers & Lybrand, where he served from 1991 to 1996 as Deputy Chairman and from 1997 to 1998 as Chairman of the Management Committee and held a seat on the Coopers & Lybrand International and European Boards. After the merger to form PricewaterhouseCoopers, Edgar Fluri served from 1998 to 2008 as Chairman of the Board of Directors of PricewaterhouseCoopers Switzerland. From 1998 to 2001 he was also Head of Assurance and Business Advisory Services EMEA and from 2002 to 2005 a member of the Global Board of PricewaterhouseCoopers. Edgar Fluri was a part-time lecturer in public accounting and auditing at the University of Basel from 1987 to 2012 and was appointed titular professor in 1997.

Other activities and functions: Edgar Fluri is a member of the Board of Directors of Bank La Roche & Co AG, Basel, a member of the Supervisory Board of Brenntag AG, Muelheim an der Ruhr (Germany), a member of the Board of Trustees of the Beyeler Foundations, Basel, a member of the Board of Directors of Beyeler Museum AG, Basel, and a member of the Board of Directors of Galerie Beyeler AG, Basel.

Dominik Sauter

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

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

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

Monika Walser

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

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

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

Other activities and functions

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

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

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

Elections and organisation of the Board of Directors

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

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

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

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

The Board of Directors meets as often as business requires, but no less than six times a year. The Board of Directors convened eleven meetings between 1 January 2014 and 31 December 2014, two of which were telephone conferences. There was also a Board of Directors’ workshop. No resolution was adopted by means of circular letter. The meetings lasted approximately 4 hours each, the telephone conferences approximately 30 minutes, the workshop 1.5 days. Anton Scherrer 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 25 March 2014.

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

Function and powers

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

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

- Ultimate management of the Company and issuance of the necessary directives;
- Establishment of the organisation;
- Structuring of the accounting system, of the financial controls and of the financial planning;
- Appointment and removal of the persons entrusted with the management, and assignment of signing authority;
- Ultimate supervision of the persons entrusted with the management, in particular, in view of compliance with the law, the Articles of Association, regulations and directives;
- Preparation of the business report and the compensation report as well as preparation of the General Meeting and implementation of its resolutions;
- Passing of resolutions regarding the subsequent payment of capital with respect to not fully paid-in shares, and amendment of the Articles of Associations to that effect;
- Passing of resolutions regarding capital increases, to the extent that they are in the power of the Board of Directors (Art. 651 Para. 4 CO), recording of capital increases, preparation of the capital increase report, and amendment of the Articles of Association to that effect;
- Non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Merger Act and other laws;
- Notification of the court in case of over-indebtedness.

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

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

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

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

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

Audit Committee

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

The Audit Committee consists of at least three members of the Board of Directors. The Board of Directors appoints the members of the Audit Committee and its Chairman for a term of one year from among independent members of the Board of Directors who are not involved in operational management of the Company. At least one of the members of the committee possesses relevant, up-to-date knowledge of accounting and financial matters (Financial Expert). As of 31 December 2014, the Audit Committee consisted of Edgar Fluri (Chairman, Financial Expert), Dominik Sauter and Monika Walser. Hélène Weber-Dubi attends these meetings as CFO, albeit without voting rights.

The Audit Committee has the following responsibilities:

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

The committee has at least four regular meetings a year. It can convene additional meetings at its discretion. During the period from 1 January 2014 to 31 December 2014 the Audit Committee held five meetings, one of which was a telephone conference. Apart from Monika Walser, who did not attend the meeting of 11 August 2014, all members of the Audit Committee attended all meetings held during their term of office.

Nomination and Compensation Committee

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

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

More information about the organisation and the responsibilities and duties of the Nomination and Compensation Committee can be found under page 56 of the Compensation Report.

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

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

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

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

Reporting and control instruments in dealings with the Management Board

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

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

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

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

Furthermore, the Chairman of the Board of Directors maintains close contact with the CEO. The course of business and all major issues of corporate relevance are discussed at regular meetings scheduled at least twice a month. 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

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

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

Compliance with the ICS and its effectiveness is reviewed on a regular basis by internal auditors. The focus of their review in 2014 was the process surrounding the sale in the Food Service sector. The external auditors also perform appropriate test procedures to ascertain whether an ICS exists, which they must confirm in their audit report.

Internal auditing

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

The tasks of internal auditing include the following activities:

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

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

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

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

The internal auditors took part in one meeting of the Audit Committee in 2014. The internal auditors did not attend any meetings of the Board of Directors during the year under review.

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

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

4 Management Board

The Management Board is responsible for operational management of ORIOR and for all affairs which do not lie within the responsibility of the Board of Directors or another body according to the law, the Articles of Association or the Organisational Regulations. The delegation of duties and responsibilities by the Management Board to third parties or subordinate bodies is permitted. Ultimate responsibility for all Management Board tasks pursuant to point 6.2 of the Organisational Regulations of ORIOR AG rests with the CEO and the Management Board. The CEO issues the necessary regulations and arranges appropriate measures as required. The Management Board also holds regular institutionalised meetings with members of the Extended Management Team.

Members of the Management Board

The members of the Management Board are appointed by the Board of Directors upon recommendation by the CEO and a corresponding recommendation by the Nomination and Compensation Committee. There were two persons on the Management Board as of 31 December 2014.

The following table provides an overview of the members of the Management Board (MB) as at 31 December 2014, 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
Bruno de Gennaro	1957	CEO a. i. ORIOR Group, Head Convenience segment	1998
Hélène Weber-Dubi	1955	CFO ORIOR Group	1999

Changes in the Management Board

Bruno de Gennaro took over the leadership of ORIOR Group from Remo Hansen on an interim basis on 12 June 2014. After 16 years working for ORIOR, Remo Hansen left the Company.

On 1 August 2014 Stefan H. Jost, Head International, New Business and Export left the Company. The logistics unit was sold to a strategic partner in the spring, and export activities were brought back into the competence centres.

On 22 October 2014 ORIOR AG announced the appointment of Daniel Lutz (Swiss citizen, 1966) as the Group's new CEO. On 1 February 2015 Daniel Lutz took over as CEO of the ORIOR Group from Bruno de Gennaro, who had led the Group on an interim basis since June 2014. Bruno de Gennaro continues in his former role as Head of the ORIOR Convenience segment and Member of the Management Board.

On 8 January 2015 ORIOR also announced that Ricarda Demarmels (Swiss citizen, 1979) had been appointed by the Board of Directors as the new CFO and Member of the Management Board. In April 2015 she takes over the role from long-serving CFO Hélène Weber-Dubi, who has decided to reduce her workload. Hélène Weber-Dubi will still be available to ORIOR for special projects in the Management Services area.

Management Board (seated, as of 1 February 2015) with their colleagues from the Extended Management Team

seated, l. to r.	
Bruno de Gennaro	Head ORIOR Convenience segment and Head Fredag / Pastinella
Daniel Lutz	CEO ORIOR Group
Hélène Weber-Dubi	CFO ORIOR Group
standing, l. to r.	
Michel Nick	Head Le Patron
Bernhard Pfulg	COO Fredag / Pastinella and CFO Convenience segment
Joachim Huber	CIO ORIOR Group
Urs Mösli	Head Möfag
Glauco Martinetti	Head Rapelli
Bruno Bürki	Head Albert Spiess

Daniel Lutz
CEO ORIOR Group

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

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 been ORIOR Group's CFO since 1999. She is resigning from this position at the AGM on 26 March 2015. Hélène Weber-Dubi will remain at the Company to take on special projects in the Management Services area.

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

Bruno de Gennaro
Head of ORIOR Convenience segment and Head Fredag / Pastinella

Bruno de Gennaro has a degree in Business Administration. From 1986 to 1988 he was the product manager responsible for Moevenpick's ice cream operations. In 1988 he joined Hilcona, where he headed its food service division. In 1994 Bruno de Gennaro joined Rapelli as Head of Marketing and Sales and later assumed the same function for ORIOR Group. Bruno de Gennaro was appointed Head of Fredag in 1997 and remained in that position until 1998, when he was appointed Head of Rapelli. On 1 January 2012 Bruno de Gennaro assumed responsibility for the ORIOR Convenience segment. From June 2014 to January 2015 he headed the ORIOR Group as CEO ad interim.

Other activities and functions

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

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

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

Management contracts

There are no management contracts.

5 Shares held by members of governing bodies

As at 31 December 2014, the members of the Board of Directors and the Management Board held the following shares:

Name	Function	Number of shares as at 31.12.2014	in %
Rolf U. Sutter	Chairman of the Board of Directors	199 300	3.36 %
Rolf Friedli	Vice Chairman of the Board of Directors	0	–
Christoph Clavadetscher	Member of the Board of Directors	10 000	0.17 %
Edgar Fluri	Member of the Board of Directors	4 500	0.08 %
Dominik Sauter	Member of the Board of Directors	550	0.01 %
Monika Walser	Member of the Board of Directors	200	0.00 %
Bruno de Gennaro	CEO a. i. ORIOR Group	92 075	1.55 %
Hélène Weber-Dubi	CFO ORIOR Group	85 830	1.45 %
Total		**392 455**	**6.62 %**
Total ORIOR shares		5 925 000	100.00 %

The Shares held by members of the Board of Directors and the Management Board are not subject to a blocking period. Members of the Board of Directors and the Management Board are granted no special terms or rights when purchasing shares other than those offered under the share purchase offer.

6 Shareholders' rights of participation

Restriction of voting rights, voting by proxy

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

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

At the General Meeting, each share carries one vote. Voting rights can only be exercised if the shareholder is registered (with voting rights) in ORIOR AG's share register. A shareholder with voting rights can have himself represented at the General Meeting by written proxy, either by a representative appointed by him, or by the independent proxy. The Board of Directors ensures that shareholders can also use electronic means to give power of proxy and instructions to the independent proxy. All shares held by a shareholder can only be represented by one person.

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

Statutory quorum

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

Should the first ballot in any election fail to produce a valid result and if more than one candidate is standing for election, the Chair shall order a second ballot that is decided by a relative majority of the votes represented. Abstentions are disregarded for the purpose of establishing a majority.

Convening of General Meeting

Ordinary General Meetings are convened by the Board of Directors and must be held annually within six months of the close of the Company's fiscal year. Invitations must be sent not less than 20 days prior to the date of the meeting. Extraordinary General Meetings shall take place as necessary, in particular in those cases stipulated by law. General Meetings are called by the Board of Directors or, if necessary, by the auditors or a liquidator.

The Annual General Meeting on 25 March 2014 was attended by 458 shareholders. They represented 620 744 voting shares or 10.48 % of the total share capital of 5 925 000 issued shares. The independent proxy was asked to represent 2 948 081 registered shares on behalf of absent shareholders. Consequently, 60.23 % of the total share capital, i.e. 3 568 825 registered shares with a nominal value of CHF 14 275 300 were represented. All proposals submitted by the Board of Directors were approved by shareholders.

The annual report and the 2013 parent-company and consolidated financial statements were approved, and the acts of the Board of Directors and Management Board were discharged.

In the elections, existing Board members Rolf U. Sutter, as Chairman, Rolf Friedli, Christoph Clavadetscher, Edgar Fluri, Dominik Sauter and Monika Walser, as members, were all re-elected for another one-year term. Anton Scherrer did not stand for re-election. Christoph Clavadetscher, Rolf Friedli and Rolf U. Sutter were elected as members of the Compensation Committee. In addition, Ernst & Young AG, Basel, was confirmed as auditor for the 2014 financial year and Ines Pöschel was elected as independent proxy until the end of the Annual General Meeting in 2015.

Shareholders also approved the Board's proposal to pay out a net dividend of CHF 1.97 per registered share for 2013. The dividend payment was made from capital contribution reserves and was therefore not subject to Swiss withholding tax.

The amendments to the Articles of Association required by the Ordinance Against Excessive Pay at Publicly Listed Companies (OAEP) were also approved by the Annual General Meeting.

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 25 March 2014. Roger Müller, Partner, is the lead auditor and he has held this position since the audit of the 2011 financial statements. As stipulated under Art. 730a para. 2 CO the lead auditor is rotated at least every seven years.

Auditing fees / additional fees

in CHF thousand	2014	2013	2012
Auditing fees	326.5	323.5	339.0
Additional fees			
Tax advisory	60.6	53.2	36.3
Legal advisory	0.0	0.0	0.0
Transaction-related services	17.3	10.7	174.0
Other audit-related services	14.9	30.0	14.1
Total additional fees	92.8	93.9	224.4
Total	**419.3**	**417.4**	**563.4**

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

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 cooperation between the external auditors and the internal auditors.

As well as the audit report on the annual accounts and on the remuneration report, pages 59 – 62, the auditor draws up a comprehensive report for the Board of Directors pursuant to Art. 728b of the Swiss Code of Obligations and Art. 17 OAEP. This report contains the findings of its auditing activities (including an existence check on the internal control system) and its recommendations, as well as the status of findings and recommendations from previous audits. This report is discussed in detail with the Audit Committee. The Audit Committee also monitors whether and how the Management Board is implementing measures that have been approved on the basis of the external auditor's findings. To this end, the auditor will also draw up an annual status report for presentation to the Audit Committee. In addition the Audit Committee has regular meetings with the senior external auditors.

The external auditors were present at four meetings of the Audit Committee in 2014 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 Daniel Lutz, 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	26 March 2015
Publication of 2015 interim results	20 August 2015
Publication of Half Year Report 2015	20 August 2015

Salsiccia Ticinese with polenta

Ingredients

Rapelli Salsiccia Ticinese
500 g polenta
10 cl milk
18 g salt
10 g butter
A good chunk of gorgonzola

Preparation

The salsiccia sausage is rolled into a spiral and cooked on a pre-warmed barbecue or in a frying pan for around 10 minutes until nicely browned. To make the polenta, first bring 2 litres of water and 10 cl of milk to the boil with 18 g of salt and 10 g of butter. Then add 500 g of polenta and simmer for around 45 minutes. A good polenta requires attention; it has to be stirred constantly to give it a wonderfully consistent, glossy texture.

Serve with the salsiccia and the gorgonzola and enjoy a little Ticinese dolce vita!

WE ARE ORIOR

FERNANDO PREMAZZI
SALUMIERI AT RAPELLI

FERNANDO PREMAZZI HAS WORKED AT RAPELLI FOR ALMOST 23 YEARS

Fernando Premazzi has worked at Rapelli in Stabio for almost 23 years. As a "salumiere", or master salami maker, he helps to organise tastings and events. He is also always on the look-out for new specialities. For him food means enjoyment, sociability and a good quality of life.

Rapelli's Salsiccia Ticinese is curled into a round and tastes best direct from the barbecue. Fernando Premazzi recommends accompanying it with Ticinese polenta, served thick and creamy on a wooden board with a nice piece of gorgonzola. Or if you prefer you can stir crumbled gorgonzola into the polenta. It tastes wonderful!

Compensation Report

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

This Compensation Report gives an overview of compensation paid to and, where applicable, loans granted to 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 the Swiss Code of Best Practice for Corporate Governance (2014).

Otherwise the information on compensation paid to the Board of Directors and Management Board accords with IFRS Accounting Standards, Swiss Code of Obligations (Art. 663b^{bis} CO), the Ordinance Against Excessive Pay at Stock Exchange Listed Companies (OAEP), and the Company's Articles of Association.

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

Important current and future regulatory changes

The OAEP came into effect on 1 January 2014. This has required and will require a series of amendments and organisational changes. Where sensible and feasible, ORIOR has proactively implemented the new regulations.

Amendments / changes during the 2014 financial year:

- As well as electing the members of the Board of Directors, shareholders at the Annual General Meeting of 25 March 2014 elected the Chairman for the first time. Rolf U. Sutter, Chairman of ORIOR AG since 2011, was confirmed in his office as Chairman for a further term of one year.
- At the Annual General Meeting of 25 March 2014, shareholders elected the members of the Nomination and Compensation Committee for the first time. These are Christoph Clavadetscher, Rolf Friedli and Rolf U. Sutter. Following the Annual General Meeting, the Board of Directors appointed Chrisoph Clavadetscher as Chairman of the committee.
- Custodian and management representation were abolished.
- At the Annual General Meeting of 25 March 2014, shareholders elected the independent proxy for the first time.
- For votes on agenda items at the Annual General Meeting of 25 March 2014, shareholders could issue powers of proxy and instructions to the independent proxy online for the first time.
- At the Annual General Meeting of 25 March 2014, shareholders approved the amendments to the Articles of Association relating to the changes required by the OAEP.

- In autumn 2014 the Organisational Regulations, the Nomination and Compensation Committee Charter and the Audit Charter were amended in accordance with the changes to the law and the Articles of Association. The Board of Directors approved and issued these regulations on 11 November 2014. They can be found on ORIOR AG's website (http://www.orior.ch/en/corporate-governance/committees-of-the-board-of-directors/).
- For the 2014 financial year the Board of Directors has produced a Compensation Report for the first time.

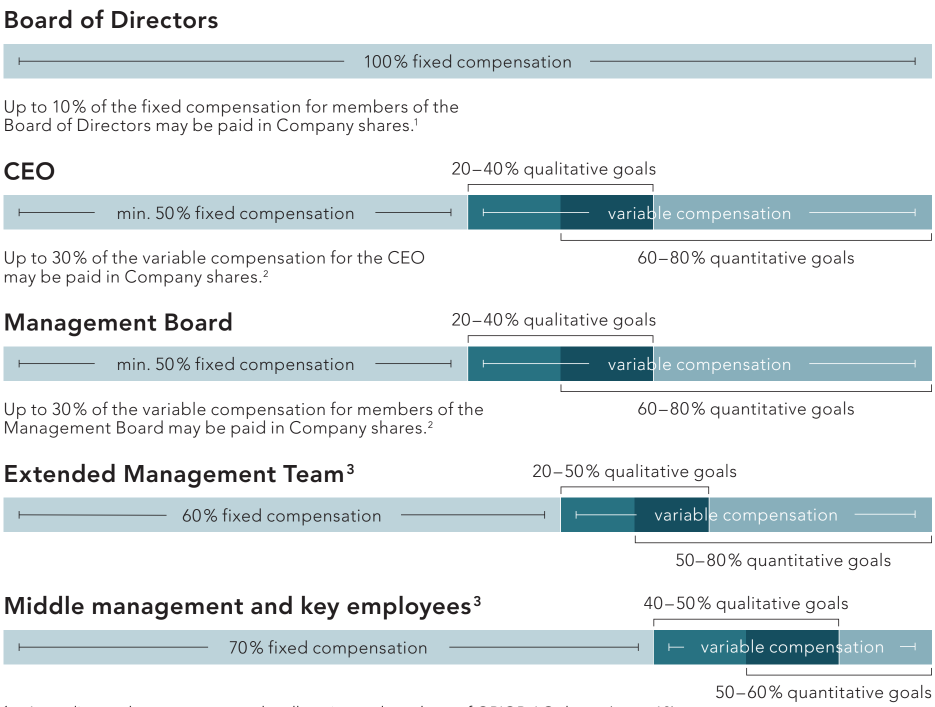
Future amendments / changes:

- At the Annual General Meeting of 26 March 2015, shareholders will vote on the compensation for members of the Board of Directors and Management Board for the first time.
- Alterations to the members of the Management Board's contracts and to any agreements with the Board of Directors and Management Board with regard to the new laws and Articles of Association were made during the 2015 financial year.

Compensation system

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

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



1 According to the agreement on the allocation and purchase of ORIOR AG shares (page 60).
2 According to the agreement on the allocation and purchase of ORIOR AG shares (page 61).
3 Guide values; individual figures may be different.

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

The level of variable compensation is linked to achievement of quantitative and qualitative targets. The quantitative targets are based on Company results. The qualitative compensation is based primarily on predetermined aspects of individual performance and the extent to which they meet the given expectations. At least one-fifth of the variable compensation is based on qualitative targets. Part of the variable compensation awarded to members of the Management Board can be paid in shares. In addition to the Management Board, members of the Company's Extended Management Team, other executives and key employees are entitled to receive variable compensation.

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

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 76 of the 2014 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. External experts are only used to help determine the compensation system in the event of a fundamental reorganisation. In the context of new appointments or promotions to Management Board level, function-specific benchmarks are used depending on the situation, with companies from the convenience food sector (to which the ORIOR Group belongs) forming the reference market.

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

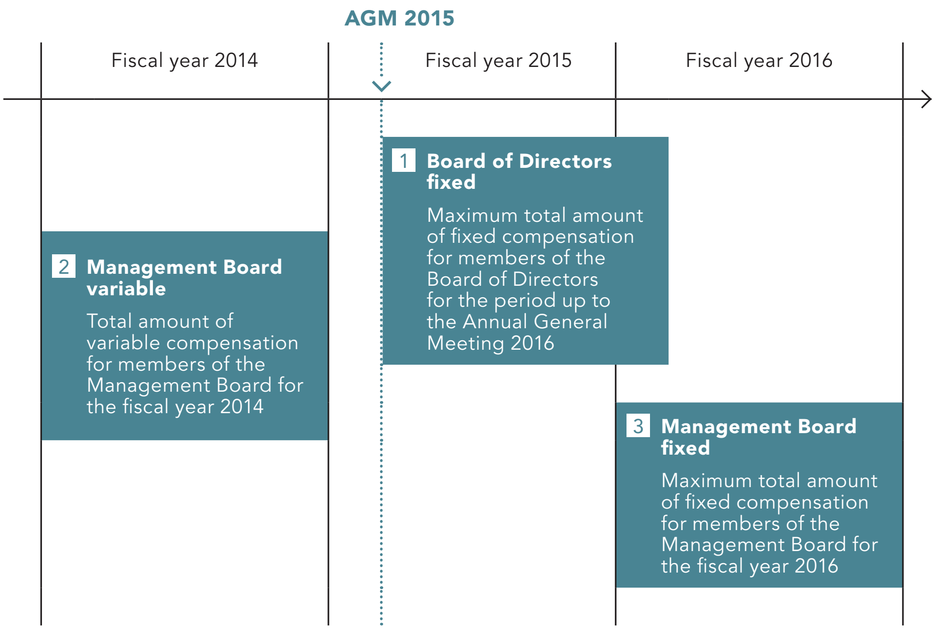
<table>
<tr><th>Recipient of compensation</th><th>Compensation recommendation</th><th>Compensation decision</th><th>Approval required from General Meeting</th></tr>
<tr><td>Member of the Board of Directors</td><td>Nomination and Compensation Committee</td><td>Board of Directors as recommended by the Nomination and Compensation Committee</td><td>Yes: maximum total amount of fixed compensation to be paid to the Board of Directors</td></tr>
<tr><td>CEO</td><td>Nomination and Compensation Committee</td><td>Board of Directors as recommended by the Nomination and Compensation Committee</td><td rowspan="2">Yes: maximum total amount of fixed compensation to be paid to the Management Board and total amount of variable compensation to be paid to the Management Board.</td></tr>
<tr><td>Members of Management Board (excl. CEO)</td><td>Nomination and Compensation Committee as proposed by CEO</td><td>Board of Directors as recommended by the Nomination and Compensation Committee</td></tr>
<tr><td>Extended Management Team and key employees reporting directly to CEO</td><td>CEO, line manager</td><td>Nomination and Compensation Committee as recommended by CEO</td><td>No</td></tr>
<tr><td>Senior managers</td><td>Line manager</td><td>Line manager in consultation with their line manager</td><td>No</td></tr>
</table>

At the request of the Nomination and Compensation Committee, the Board of Directors annually approves the compensation payable to each member of the Board of Directors and the compensation payable to individual members of the Management Board. Its proposals for salaries payable to the Management Board are prepared in advance by the CEO and submitted to the Nomination and Compensation Committee. Individual members of the Board of Directors abstain from voting on the resolution approving payment of their personal compensation. The Board of Directors decides on the overall amount of compensation paid to its members and members of the Management Board and then proposes this to the General Meeting for binding approval pursuant to Art. 18 OAEP and Art. 26 and Art. 29 of the Company's Articles of Association.

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

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

The following chart shows which components of compensation and for which periods the shareholders will be voting on at the Annual General Meeting of 26 March 2015.



Owing to the rules set out in the Articles of Association, there is no need for the General Meeting to approve the additional amount pursuant to Art. 19 OAEP. For more information about the additional amount, please see "Additional amount for new Management Board members" on page 59 of the Compensation Report.

10 Nomination and Compensation Committee

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

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

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

On 31 December 2014 Christoph Clavadetscher (Chair), Rolf Friedli and Rolf U. Sutter sat on the Nomination and Compensation Committee.

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

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

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

The Committee must hold not less than two regular meetings annually. It can call additional meetings at its own discretion. The CEO, members of the Management Board or other guests may be invited, but hold no voting rights. During the period from 1 January 2014 to 31 December 2014 the Nomination and Compensation Committee held six meetings. All members were present at these meetings.

11 Underlying principles for the Board of Directors' compensation

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

Components of compensation

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

For activities in legal entities directly or indirectly controlled by the Company, and for mandates performed as part of the member's position on the Board of Directors (Art. 19 Para. 4 of the Company's Articles of Association), the legal entity concerned may make payments to the member of the Board of Directors provided these payments are within the amount approved by the General Meeting.

Some of the payment may be made in Company shares. Members of the Board of Directors can also be offered the opportunity to purchase blocked shares in the Company at market value (including a discount to reflect the blocking and its length).

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

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

12 Underlying principles for the Management Board's compensation

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

Components of compensation

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

For activities in legal entities directly or indirectly controlled by the Company, and for mandates performed as part of the member's position on the Management Board (Art. 19 Para. 4 of the Company's Articles of Association), the legal entities concerned may make compensation payments to members of the Management Board provided these payments are within the amounts approved by the General Meeting.

Members of the Management Board may also be offered the opportunity to purchase blocked shares in the Company at market value (including a discount reflecting the blocking and the duration of the blocking period).

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

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

Variable compensation

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

Additional sum for new Management Board members

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

At the Annual General Meeting on 26 March 2015, shareholders will vote on the prospective fixed compensation to be paid to members of the Management Board for the 2016 fiscal year. Accordingly any compensation for newly appointed Management Board members from the additional amount cannot be paid until the 2016 fiscal year.

13 Compensation awarded to the Board of Directors

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

	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2014	Gross compen-sation	Post-employ-ment benefits	Other social costs	Total compen-sation 2013
Rolf U. Sutter Chairman	274 540	53 120	24 745	352 405	330 230	52 385	28 715	411 330
Rolf Friedli Vice Chairman	85 000	0	0	85 000	85 000	0	0	85 000
Erland Brügger[1] Member	n/a	n/a	n/a	n/a	17 755	0	1 440	19 195
Christoph Clavadetscher Member	71 110	0	0	71 110	53 335	0	1 440	54 775
Edgar Fluri Member	78 160	0	4 370	82 530	78 160	0	4 370	82 530
Dominik Sauter[2] Member	50 000	0	0	50 000	33 335	0	0	33 335
Anton Scherrer[3] Member	17 495	0	1 145	18 640	51 805	0	2 495	54 300
Monika Walser[2] Member	49 775	0	0	49 775	28 445	0	0	28 445
Total Board of Directors	**626 080**	**53 120**	**30 260**	**709 460**	**678 065**	**52 385**	**38 460**	**768 910**

[1] Left on 11.04.2013
[2] Nominated on 11.04.2013
[3] Left on 25.03.2014

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 2013 or 2014.

Compensation for the duration of the term of office

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

Term of office	AGM 2015 to AGM 2016	AGM 2014 to AGM 2015	AGM 2013 to AGM 2014
Number of Board members	6[1]	6	7
Overall payment to the Board of Directors in CHF	765 000[2]	702 655	779 160

[1] Subject to re-election of all members of the Board of Directors by the General Meeting of 26 March 2015.
[2] Subject to approval of the maximum total amount of fixed compensation to be paid to members of the Board of Directors by the General Meeting of 26 March 2015.

The Board of Directors is asking the General Meeting of 26 March 2015 to re-elect all existing members and to approve a maximum total amount of fixed compensation to be paid to members of the Board of Directors of CHF 765 000 for the period up to the next Annual General Meeting.

Shares allocated to the Board of Directors 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 2014 and 31 December 2014. 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 2014.

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 2014, 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.

14 Compensation paid to the Management Board

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

in CHF	Management Board excl. CEO	Remo Hansen (CEO)	Total compensation 2014	Management Board excl. CEO	Remo Hansen (CEO)	Total compensation 2013
Gross fixed compensation	803 510	538 790	1 342 300	1 093 305	394 875	1 488 180
Post-employment benefits	112 240	46 205	158 445	163 575	45 875	209 450
Other social contributions	70 245	45 865	116 110	98 525	33 645	132 170
Total fixed compensation	**985 995**	**630 860**	**1 616 855**	**1 355 405**	**474 395**	**1 829 800**
Gross variable compensation	365 000	170 000	535 000	249 400	150 000	399 400
Other social contributions	30 000	13 975	43 975	20 115	10 840	30 955
Total variable compensation	**395 000**	**183 975**	**578 975**[1]	**269 515**	**160 840**	**430 355**
Total compensation	**1 380 995**	**814 835**	**2 195 830**	**1 624 920**	**635 235**	**2 260 155**

[1] Subject to approval of the total amount of variable compensation to be paid to members of the Management Board by the General Meeting of 26 March 2015.

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.

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 2013 or 2014.

The Board of Directors proposes to the General Meeting of 26 March 2015 that it approve the total amount of variable compensation for the Management Board for the 2014 fiscal year at CHF 578 975, and approve the maximum total amount of fixed compensation for the Management Board for the 2016 fiscal year at CHF 1 275 000.

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 2014 and 31 December 2014. 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 2014.

Loans granted to governing bodies

Loans to members of the Management Board (if any) are granted on arm's length terms. In 2013 and 2014, ORIOR Group had not granted any loans to members of the Management Board nor to any related persons and had not received any collateral from them.

Contracts with Management Board members

In accordance with Art. 22 of the Company's Articles of Association, contracts with Members of the Management Board may be fixed-term or permanent. The maximum duration of fixed-term contracts is one year. The notice period for a permanent contract is one year.

15 Shares held by members of governing bodies

As at 31 December 2014, the members of the Board of Directors and the Management Board held the following shares:

Name	Function	Number of shares as at 31.12.2014	in %
Rolf U. Sutter	Chairman of the Board of Directors	199 300	3.36 %
Rolf Friedli	Vice Chairman of the Board of Directors	0	–
Christoph Clavadetscher	Member of the Board of Directors	10 000	0.17 %
Edgar Fluri	Member of the Board of Directors	4 500	0.08 %
Dominik Sauter	Member of the Board of Directors	550	0.01 %
Monika Walser	Member of the Board of Directors	200	0.00 %
Bruno de Gennaro	CEO a. i. ORIOR Group	92 075	1.55 %
Hélène Weber-Dubi	CFO ORIOR Group	85 830	1.45 %
Total		**392 455**	**6.62 %**
Total ORIOR shares		5 925 000	100.00 %

The Shares held by members of the Board of Directors and the Management Board are not subject to a blocking period. Members of the Board of Directors and the Management Board are granted no special terms or rights when purchasing shares other than those offered under the share purchase offer.

16 Employee stock ownership plan

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

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

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

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

The share purchase price corresponds to the 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.

No shares were sold to employees as part of the employee stock ownership plan during the year under review. Since the stock ownership plan started, a total of 16 630 shares have been issued to a group of 53 employees:

Year	Number of employees participating	Number of shares sold	Issue date	Blocking period ends
2012	9	4 150	3 January 2012	2 January 2015
2013	44	12 480	2 April 2013	1 April 2016
2014	–	–	–	–

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 2014 and 31 December 2014.

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

Transactions with members of the Board of Directors or the Management Board (if any) are made on arm's length terms.

Transactions with closely related entities and persons

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

Building a better working world

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To the General Meeting of

Orior Ltd, Zurich

Basle, 25 February 2015

Report of the statutory auditor on the remuneration report

We have audited the remuneration report dated 25 February 2015 of Orior Ltd for the year ended 31 December 2014. The audit was limited to the information according to articles 14 – 16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance) on pages 59 to 62 of the remuneration report.

Responsibility of the Board of Directors
The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

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

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

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

EY
Building a better working world

2

Opinion
In our opinion, the remuneration report for the year ended 31 December 2014 of Orior Ltd complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

Roger Müller Licensed audit expert (Auditor in charge)	Gianni Trog Licensed audit expert

Fettuccine alla Nursina

Ingredients

500 g Pastinella fettuccine
6 tablespoons olive oil
50 g morel mushrooms
1 clove of garlic
Some oregano leaves
2 anchovies from a can
Sea salt

Preparation

Heat the olive oil in a frying pan and fry the sliced morels for 5 minutes until you smell the distinctive morel aroma. Take the pan from the heat and stir in the finely sliced garlic and diced anchovy. Cook the fettuccine in simmering, lightly salted water until al dente. Meanwhile, put the pan with the morels and anchovies back on the heat, cook for a further 5 minutes and add freshly ground pepper and sea salt to taste. Drain the fettuccine well and put in a warm dish. Add the morel mixture and carefully stir into the fettuccine. Arrange on a plate, garnish with some fresh oregano leaves and serve with parmesan.

WE ARE ORIOR

ROLF STRUCH
PRODUCT DEVELOPER AT PASTINELLA

A FASCINATION FOR UNEXPECTED COMBINATIONS

Trained chef Rolf Struch has worked for over a decade in Pastinella's development team. Before that he worked for many years as a chef all over the world, including in New Zealand, Bermuda, Australia and Switzerland. The inspiration he found in these places still informs his work today.

True to the company's slogan "un amore di pasta", the development team at Pastinella keeps coming up with new kinds of pasta – filled and unfilled. Rolf Struch is fascinated by the mix of simple, everyday ingredients and those of more rarefied origin. Clever combinations help him find new ways of presenting evergreens like tagliatelle and fettuccine. Here he gives us his recipe for "fettuccine alla nursina": Delicious Pastinella fettuccine with morels mushrooms and anchovies.

Corporate Responsibility

Companies often find themselves navigating different interests. Shareholders, customers, employees and society at large have justifiable expectations of businesses. ORIOR is committed to showing equal regard for the interests of all stakeholders and to measuring its activities against principles of sustainability. A company committed to sustainability combines operational efficiency with environmental stewardship. It also integrates itself fully into its sociocultural surroundings. In 2014 ORIOR decided to unify sustainability management throughout the Group. At ORIOR, sustainability management divides into the following core themes: sustainable procurement, preserving resources, developing employees, and nutrition and health.

Sustainability management used to be handled mainly by the individual competence centres. During the year under review the Management Board decided to build up a Group-wide sustainability management system, and put together a team of specialists to carry out the task. The sustainability team and Management Board worked together intensively to define the content. Core themes were defined, indicators developed and test data collected. The resulting concept for data collection is being further refined in 2015. Data relating to the core themes has been recorded consistently across all the competence centres since 1 January 2015, so we expect much improved sustainability reporting for 2015 in terms of transparency and structure. ORIOR is committed to the further professionalisation of sustainability issues.

In future the Company will report on the latest developments in sustainability management under the following four core themes:

Core themes

- Sustainable procurement
- Preserving resources
- Developing employees
- Nutrition and health

1. Sustainable procurement: There is growing consumer demand in Switzerland for products made from local raw materials, and people are increasingly concerned about environmentally and socially acceptable production methods. ORIOR is constantly expanding its product portfolio through the addition of regional products and specialities that cover precisely such requirements, thus creating added value for consumers. Respect for the animal is a given at ORIOR. Consumers increasingly want to know about what is in a product and how it was made, so transparent and easily understood product labelling is essential. Certification provides information about the origin of raw materials, quality and production methods, making it easier for consumers to decide what to buy.
2. Preserving resources: ORIOR is aware of its environmental footprint. One of our declared aims is to manage resources in a responsible way, and this is given a high priority by all our competence centres. We have been working for many years on improving our energy intensity and reducing CO_2 emissions. All competence centres work with the Energieagentur der Wirtschaft (EnAW) to systematically implement measures in this area. ORIOR also continuously optimises its processes in order to reduce food waste still further.
3. Developing employees: During the year under review ORIOR employed an average of 1260 people. Its employees are one of the main keys to ORIOR's success. ORIOR offers an attractive working environment based on mutual respect, efficiency and effectiveness. Ongoing employee development is particularly important to ORIOR. Targets are agreed and then employees are given a high degree of autonomy as they work to meet them. The Company's forward-looking and participative management style is built on a foundation of open communication. ORIOR uses specialist and methodological training and development to help its employees' progress. Employees at all levels are deliberately encouraged to take an entrepreneurial approach. ORIOR views occupational health and safety as essential. Culinary art is at the centre of our work.
4. Nutrition and health: Consumers have justifiably high expectations of the food they buy, and ORIOR aims for the highest possible quality in all of its product categories. The measures it takes are often significantly more rigorous than food standards and the law require. ORIOR also works continuously to improve the nutritional value of its existing products and develop new products for people with food intolerances and special diets. With all these products, the focus always remains on high standards of cuisine.

Stakeholders

Achieving our corporate goals requires a good understanding of our stakeholder's expectations and an appropriate dialogue with these stakeholders. The following examples demonstrate how ORIOR encourages this dialogue:

– Employees: Ongoing staff development is one of the main topics of the annual employee appraisals. Measures to improve processes and individual training requirements are discussed and agreed. At the employee information events that are held at least once a year, staff are told about the results, goals and special events.

  A training and development programme is available to staff in management roles. This focuses on leadership, negotiation skills, staff recruitment, presentation technique and IT. Internal training courses on hygiene and health and safety are obligatory for staff at all levels. Moreover ORIOR publishes the "Fresh Appetizer" magazine for staff and customers in which it devotes space to the employees and the matters that affect them alongside articles on product development and projects.

"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."

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

– Customers: The Company's relationship with customers is based on modesty and exceeding expectations. Customer satisfaction is one of the fixed topics addressed at annual appraisals. The need for continuous improvement in this area is emphasised. Complaints and criticism are seen as an opportunity to improve performance and increase levels of customer satisfaction. Additional insights are gained from periodic customer satisfaction surveys and used to optimise services.

  Customer relationships and customer identification with products are additionally reinforced by invitations to workshops and visits to production facilities.

  Also the "Fresh Appetizer" magazine for customers and staff allows customers to learn more about the world of ORIOR.

– Consumers: ORIOR's job is to identify and anticipate needs early on, and then respond with high quality products. Positive sales trends confirm that consumers are happy with what we are doing. We pride ourselves on fast and professional handling of communications from customers. Complaints and feedback from consumers and trade customers are acknowledged and analysed. Resulting action is taken without delay and monitored using spot-tests.

  We also cultivate direct dialogue with consumers at product tasting events in shops and at our own sales outlets – i.e. our "shops in shops" in high-end department stores.

- Shareholders: The overriding priority is ORIOR Group's long-term existence and growth as a value-creating company. ORIOR aims to give its shareholders a good return on their investment. A focus on uncompromising quality, freshness and professionalism, and a concentration on market niches, forms a strong platform for this. Together with the unique culture of innovation cultivated among our employees, ORIOR has an excellent position in the market as a whole.

  In addition to the regular publications and communications required by law and its articles of association, ORIOR provides interested parties with plenty of additional information, including an investors' handbook and Company presentations. It also holds regular investor events, roadshows and meetings to provide even more in-depth information.

- Suppliers: ORIOR has a portfolio of outstanding suppliers. Its annual supplier assessments consistently produce good to very good results. Annual meetings are held with suppliers to discuss their performance and identify growth potential. Fair price negotiations as equal partners, and precise definitions of exactly what and how much is to be supplied form the basis for successful and sustainable co-operation with all suppliers. Long-term collaboration is the aim wherever possible.

- Associations: With its active involvement in trade associations, ORIOR is helping to shape and further the interests of the food industry. Much of this work focuses on good operating conditions for companies, successful social partnerships, technology sharing, and dealing with regulators.

  Glauco Martinetti, Head of Rapelli, is a member of the board of the Schweizer Fleischfach-Verband (SFF, the Swiss Meat Association), the Foederation der Schweizerischen Nahrungsmittel-Industrien (FIAL, the Federation of Swiss Food Industries) and the Ticino Chamber of Commerce. He also sits as a deputy on the board of the Proviande Cooperative.

  Michel Nick, Head of Le Patron, sits on the board of the Swiss Convenience Food Association (SCFA).

Sustainable procurement

Consumers in Switzerland – where ORIOR sells more than 90 % of its products – often choose regional products and expect meat products to be sourced from animals raised in a species-appropriate environment. We are, therefore, continuously expanding our range of regional products. With imported raw materials, we guarantee quality and sustainability by applying extremely strict controls and standards. Respect for the animal has long been a key criterion when buying raw materials. We also offer an attractive and constantly growing range of quality meat-free specialities for vegetarians, vegans and for "flexitarians" – people who like to have one or more days a week without meat.

"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")

Regional products

During the year under review ORIOR bought more than two-thirds of its pork and beef from Swiss producers. In principle ORIOR would like to buy even more Swiss meat, but availability, especially for poultry, is limited. Here are a few examples taken from the competence centres:

- Albert Spiess buys the entire available supply of Swiss-produced beef haunches. It sources its remaining requirements from EU and from South America, keeping in close contact with all suppliers and periodically going over to check compliance with its high quality standards.
- With the exception of one single product, Rapelli uses only Swiss pork and beef for its "Rapelli" and "Ticinella" brands. Wherever possible, herbs and spices from the Ticino are used in "Ticinella" products.
- Rapelli tries to keep transportation distances to a minimum when buying in raw materials. Its fresh meat procurement strategy defines Switzerland and neighbouring countries as potential sources for ingredients.
- Albert Spiess makes products under the "Geschützte Geografische Angabe" ("Protected Geographical Indication") label.
- Möfag, Le Patron, Pastinella, Fredag and Rapelli produce under the "Aus der Region. Für die Region." ("From the Region. For the Region") label. The animals are bred, raised and slaughtered entirely within the relevant Swiss region.

Certified products

It is essential these days that products are certified to indicate their origin, method of production and quality. Customers look for these certificates and base purchasing decisions on them. ORIOR sources and refines a wide range of products with such certificates. Here are some highlights from the year under review:

- Animal welfare is a high priority for ORIOR, and not just in Switzerland. In Germany, for example, Fredag has sought out partners who are not only prepared to base their poultry rearing on Swiss animal welfare rules, but who can also guarantee compliance with the higher BTS (besonders tierfreundlichen Stallhaltung) standard. The project is supported and monitored by Swiss animal welfare organisation Schweizer Tierschutz (STS).

- In August 2014 Fredag imported Mangrove Shrimps from Vietnam for the first time. These are black tiger shrimps from semi-natural extensive farming operations along the coastal mangrove swamps around Ca Mau in South Vietnam. The shrimps grow in an undisturbed environment feeding exclusively on the naturally available resources. This natural cycle helps to protect the environmentally important mangrove forests. The product carries the "Friend of the Sea" label – a certification system for fish and seafood from responsible sources. Fredag buys directly from the country of origin and knows the suppliers personally. Our partners have been audited by Swiss testing firm Société Générale de Surveillance (SGS). Fredag has also expanded its range of products certified by the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC). According to the WWF the MSC is currently the strictest label for sustainable fisheries, while ASC sets minimum standards for aquaculture and breeding of fish and other marine animals.
- More and more consumers are becoming "flexitarians", meaning that on one or more days of the week they only eat vegetarian food. The range of vegetarian alternatives is therefore growing all the time. All of the competence centres in the convenience sector carry the V label (European vegetarian label).
- Fredag mainly uses organic soya for its tofu products. By working with processors in Switzerland, the cultivated area in Switzerland was increased significantly for the 2014 harvest. Despite difficult farming conditions, the quantity of organic soya available to purchase was / will be more than doubled for the current season. In order to persuade more farmers to switch to organic production, producers, in collaboration with their customers, are guaranteed a fair selling price for the crop.
- The guidelines set out by the "Ticino" label are followed for the "I Nostrani" product line from Rapelli. For other Swiss beef and pork, the "Suisse Garantie" label is used.
- In 2012 the Convenience segment set a goal of gradually switching all its paper and cardboard packaging, office paper and tissue products to those made of pulp from sustainably managed forests or from eco-friendly recycled materials. Two-thirds of the segment's supplies should be certified by 2015. Today 80 % of the paper and cardboard sourced by Le Patron is already certified. The figure for Fredag and Pastinella is 68 %.

Preserving resources

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

Energy and CO_2 emissions

In order to ensure professional implementation of climate protection measures, all competence centres work with the Energieagentur der Wirtschaft (EnAW) energy agency. As a service platform for companies, the EnAW helps industrial firms reduce CO_2 emissions and increase energy efficiency. ORIOR's voluntary accession to the EnAW programme reflects its commitment to these goals. The associated objectives are audited by the Swiss government. All activities are geared to suit the particular company and follow the principle of cost-effectiveness. In addition, all new investments are reviewed in terms of their CO_2 footprint. Measures implemented by the competence centres in fiscal 2014 include the following:

- In 2014 Möfag and Le Patron were exempted from the CO_2 duty. Rapelli, Albert Spiess and Pastinella had already been exempted from this charge in previous years. To achieve this exemption, the competence centres have to commit to restricting their CO_2 emissions.
- In 2014 Le Patron carried out an energy study for its Böckten site using pinch analysis. The use of energy and water in operational processes was analysed and optimised. Based on the study, investments are being made in 2015 in, among other things, using the waste heat from refrigeration machines.
- The EnAW conducted an extensive energy analysis at Möfag in 2014, as a result of which two packages of measures have been agreed up to 2019. In the first phase, Möfag is upgrading the heating system for its office building, which in future will use waste heat from production processes.
- Fredag used process optimisations in its heat reclamation plant to reduce its consumption of fossil heating oil by more than 10 % and electricity consumption by 5 %. Better water management also led to a reduction in water consumption of more than 9 %.
- In 2014 Pastinella invested in expanding the osmosis system it uses to treat process water. This physically filters out minerals, which over the long term leads to more efficient thermal processes in hot water pasteurisation and a reduction in water consumption. In 2014 this led to a 4.5 % reduction in Pastinella's consumption of natural gas.

"It is our firm conviction that each one of us must assume full responsibility for ourselves and our work, and all our actions must be highly ethical, diligent and respectful, as well as efficient and effective."

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

Food waste

ORIOR is strongly committed to reducing food waste. For years now production processes and logistics have been optimised to cut the volume of waste. Sometimes, though, damaged packaging, short sell-by dates, over-production, etc. mean that products can't be brought to the market through normal sales routes. In these cases we work with our partners to find solutions that allow us to sell the still perfectly good food. Whatever is left is then recycled for animal feed or biogas production.

ORIOR Group's competence centres have forged various partnerships for the purpose of reducing food waste. For example, all ORIOR operations work with partners like "Tischlein deck dich" and "Schweizer Tafel". These two organisations collect food and distribute it to needy people in Switzerland.

During the year under review ORIOR also joined "United Against Food Waste". This association, which was founded in 2013, aims to halve the quantity of food lost in Switzerland by 2020. This new organisation is currently building up a network of companies committed to reducing food waste and is running pilot projects all along the value chain. It currently has around 30 members, which include many of Switzerland's best-known food manufacturers.

Environmental vision

- Environmental awareness is fundamental. ORIOR aims to conserve the planet's resources and treat the environment with respect.
- Corporate profitability and minimising a company's environmental impact are not contradictory concepts. In fact, they are increasingly becoming keys to ORIOR's success.
- ORIOR measures its environmental contribution by the progress it makes. This is assessed in the same way as productivity gains. Annual targets are continuously evaluated and appropriate measures 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.

Developing employees

Employees are crucial to the Company's success, which is why ORIOR strives to offer them an attractive working environment. Motivating and developing all of its employees are major priorities for ORIOR. In 2014 ORIOR employed an average of 1260 people. In addition there were, as every year, hundreds of temporary posts offered at peak times – especially around Christmas. All production staff at Le Patron, Albert Spiess and Möfag are covered by the Schweizer Fleischfach-Verband (SFF) and Metzgereipersonal-Verband der Schweiz (MPV) collective employment agreements. Rapelli and the MPV have a separate collective agreement. An internal minimum wage policy applies at every ORIOR production site.

In order to ensure good communication across the Group, ORIOR invites all managers and key personnel to an annual conference. More than 100 employees took part in the 2014 management conference at Rapelli's conference centre in the Ticino. After a guided tour, various talks were held and ongoing projects presented. The 2014 conference focused on innovation culture and strategy.

ORIOR is committed to continual development for its employees by means of joint target-setting, performance appraisals and a large training and development programme.

Training and development

ORIOR offers a wide programme of training and development opportunities. Each competence centre provides the appropriate specialist training and development, while managers and key employees are offered internal training and development at Group level. Each employee is individually encouraged to fulfil his or her potential.

1. Specialist training and language courses: Every competence centre offers internal training to keep employees up to date with the latest developments in food safety. Three of the competence centres additionally provide language courses. In 2014 Fredag, Pastinella and Rapelli organised free German courses. Rapelli employees could attend language courses at five different levels. Language courses were used by 17% of Fredag's foreign-language employees and 10% of Pastinella's. Language courses are planned for 2015 at Le Patron too. Employees also participate in external specialist training and development courses.
2. Group-level training: During the year under review, the Group-wide training programme was evaluated and revised by a committee of representatives from all the competence centres. The following priorities were established on the basis of requirements and feedback from the last set of courses:
    - Presentation / negotiation technique
    - Recruitment
    - Employee management
    - Exercise and nutrition management
    - Relaxation and sleep management
    - Excel user course

    The courses were led by external trainers and were aimed at managers and key personnel. A total of 88 internal training days were recorded.
3. Individual development: ORIOR also supports individual training and development measures either with money (fees paid) and / or time (days off). These include professional examinations to achieve specialist qualifications, management courses, IT training and language courses.

ORIOR also participates in "Bildungsfünfliber in der Fleischwirtschaft", a fund financed by employers and employees for training and development in the butchery trade.

Training for apprentices

In 2014 ORIOR employed 15 apprentices throughout the Group in butchery, logistics and commercial roles. With the training provided for young people, 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 areas where apprentices receive instruction in traditional production processes and make products independently under the supervision of an experienced expert. To give them even more experience, learners also complete an internship at a food retailing company.

"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")

Health and safety at work

ORIOR offers its employees a safe and healthy working environment. All the applicable regulations are fulfilled or exceeded. Compared with the previous year ORIOR reduced the injury rate – frequency of injuries in relation to time worked – by around 11 %.

ORIOR is also investing in further improvement and staff training. The competence centres have their own work safety teams or safety officers, who tend to all occupational health and safety matters. In addition, external safety experts are periodically consulted to explore possible areas of improvement. Safety at work also informs the assessment of operational managers.

A health management programme was introduced at the ORIOR Convenience segment in 2014. 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. It includes ergonomic evaluation of work processes in selected departments. Employees returning to work after an absence are welcomed by their line manager, asked briefly about the state of their health and integrated back into the work process. The ongoing absence management process was augmented by defined support and absence discussions. The aim of these measures is to identify stress early and take measures to reduce absences.

Nutrition and health

Quality management

When it comes to the quality and safety of the food they eat, customers rightly have very high standards. ORIOR's work in this area goes far beyond what food standards and other laws require. ORIOR has clear quality assurance processes and it rigorously adheres to them. Compliance is ensured by internal and external audits.

All ORIOR production sites meet the International Featured Standards (IFS) for food security or Food Safety System Certification (FSSC) 22000. These standards are reviewed periodically by an external accredited certification body.

The quality of processes was additionally controlled by standards and labels including "Suisse Garantie", "Bio Knospe", "IP-Suisse / Terra Suisse", "Sedex Members Ethical Trade Audit" (SMETA), "Aus der Region. Für die Region.", "Schweizer Allergie-Gütesiegel" (aha! certification) and the "Marine Stewardship Council" (MSC). A total of 25 external audits were carried out by certification organisations at the production facilities.

ORIOR conducts internal audits to monitor specific processes at Group companies. This guarantees continual 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 different processes at these companies.

Suppliers

ORIOR competence centres conduct regular supplier assessments. In addition to quality, other aspects ranked in these assessments include accuracy of labelled quantities, adherence to delivery schedules, general collaboration and service, and compliance with environmental standards. The vast majority of suppliers achieved good to very good scores. Suppliers who fall short are required to initiate corrective action immediately and are reaudited a short time later.

In addition, Fredag only allows suppliers to join its supplier pool after passing a defined admission procedure. This looks at environmental, sustainability and other issues. Fredag employees also go on regular visits to the abattoirs and cutting plants to see what goes on there. The process from delivery of the animals to the loading up of raw materials for Fredag is monitored. All Fredag suppliers have agreed to unannounced audits by customers and Fredag staff, which simplifies standards control and increases security.

Projects

ORIOR aspires to produce tasty and healthy food products. Key priorities are to reduce e-numbers and salt, achieve a good balance between proteins and carbohydrates, and to ensure vitamins are retained. The following examples illustrate this philosophy:

- In 2014, following a long development period, Albert Spiess launched an allergen-free game ragout. This is a sterilised product with a long shelf life that contains none of the following allergens: celery, soya, wheat or lactose. Neither does it contain any flavour enhancers.
- Rapelli uses no artificial flavour enhancers and only adds natural flavours where necessary. E-numbers and allergens are avoided as much as 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.
- Fredag is constantly developing innovative vegetarian and vegan dishes. It launched 10 products simultaneously on World Vegetarian Day in 2014. Further products based on ingredients that deliver optimum nutrition are planned for 2015.
- Fredag adds vitamin B12 to selected vegan products. This is a vitamin which is mainly found in meat and other animal products and which is important for cell building and the production of red blood corpuscles. In this way we offer a balanced alternative for vegans and vegetarians.
- Pastinella's gluten- and lactose-free range was expanded and improved. The consistency of the pasta is now more elastic, producing a perfect "al dente" finish. In 2015 further products, including spätzli, will be added to Pastinella's gluten- and lactose-free range.
- Fredag, Pastinella and Le Patron expanded the range of reduced fat, reduced salt "Care" products for the food service, which was launched in 2013. Other reduced fat and salt projects are in the pipeline. Fredag and Pastinella have generally not used hydrogenated fats for years now and avoid transfats wherever possible. When developing new products, the basic principle is to keep the salt content no higher than 1.2 g per 100 g. Most of the products have had their salt content reduced to the maximums recommended by our retail and food service customers without compromising the taste.
- We also work constantly to optimise the use of additives. At Fredag, Le Patron and Pastinella, as few as possible are used, and then only where necessary. Fredag and Le Patron have cut out glutamate completely and avoid yeast extract in many of their products. Pastinella does not use any preservatives, flavour enhancers or artificial flavourings.

WE ARE ORIOR

"It is our firm conviction that only motivated employees who enjoy their day-to-day work and are proud of being a member of our team can produce the required results."

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

You hear and read everywhere that employees are the most important asset. This is undoubtedly true, but we find it a rather banal statement. At ORIOR it's about much more – for example about the way employees live up to our culture of innovation, how they talk to each other and about the enjoyment they bring to their work. We have enshrined this basic idea in the ORIOR vision, in our strategy, in our corporate values and in our Team Rules.

"We are ORIOR" is a philosophy based on the 1 260 or so employees who write the ORIOR story every day. Directors, members of the Management Board and the heads of the companies are, of course, the strategists and leaders that steer the business towards its stated goals. But just as important, we believe, is having a strong foundation of countless employees who all strive together towards these goals day in, day out and thus drive the entire ORIOR Group forward. We would like to take this opportunity to thank them all very much.

"In order to achieve outstanding performance we aim to create and put into practice collaborative values – Team Rules."

(From ORIOR AG's "Team Rules")

Nearly 15 years ago the members of the Management Board gathered at a workshop to discuss the theme of "Achieving the extraordinary". They decided that the extraordinary could only be achieved if employees enjoy coming to work and if, in direct correlation to this, shared values are created and lived up to in practice. Based on this belief, a set of Team Rules were drawn up that still apply today. As well as basic behaviour and management principles, they define the style of communications, the openness and the enjoyment of day-to-day work that we see today. Living up to, passing on and promoting values – that is what we have always expected and continue to expect of all our employees.

ORIOR GROUP
FINANCIAL REPORT 2014

Commentary on the Financial Report

In 2014 the ORIOR Group generated slightly higher revenue than in the previous year. The company's consolidated margin rose thanks to a good second half. Consolidated earnings were higher than in 2013, but cash flow was lower. The company's funding and its equity ratio continue to provide a solid foundation for onward development.

In 2014 the ORIOR Group increased its revenues by 0.3 % compared with the prior year to CHF 521.6 million. Growth of 1.4 % was achieved in Switzerland (adjusted for disposal of Lineafresca). The main growth driver was the Convenience Segment with revenue growth of 4.0 %. In several product groups ORIOR Group was able to improve its market position again during the year under review. EBITDA and the operating margin were both better than in the previous year.

ORIOR segments

The Refinement Segment reported revenues of CHF 316.3 million for the year under review, which is about the same as in 2013 (CHF 316.7 million). Sales volumes were higher than in the prior year. After a long time of high raw materials prices, the price of pork eased for the first time from October 2014 onwards, which had a positive effect on the gross margin. The Rapelli and Möfag competence centres performed very well in the 2014 financial year; Albert Spiess remained slightly below expectations.

The Convenience Segment increased revenues by 4.0 % from CHF 199.1 million to CHF 207.0 million. Growth drivers were the innovative selection of vegetarian specialities, partly resulting from the Noppa acquisition, as well as poultry products and gluten and lactose-free products. Exports of vegetarian products to Germany continued to perform well, but sales of Bündnerfleisch to France were lower than in 2013. The decline in French sales was due to a generally difficult economic climate and the bankruptcy of one of ORIOR's major distributors.

HÉLÈNE WEBER-DUBI
CFO ORIOR

SHE STEPS DOWN FROM HER POSITION AS CHIEF FINANCIAL OFFICER IN MARCH 2015, BUT REMAINS AT THE COMPANY FOR SPECIAL PROJECTS. HOW DOES SHE SUM UP HER TIME AT ORIOR?

It's been great! My job has been enriched in every respect by many exciting and instructive years, unique projects, outstanding products and very special people. We've had highs and lows of course, and have sometimes had to get through turbulent and very challenging periods. But it's always been fun and I'm very happy and proud about everything we've done. I wouldn't have missed any of it. It's been a big part of my life and obviously over all these years ORIOR has grown close to my heart. That's why I'm so pleased that I can keep working at the Group and still contribute my knowledge.

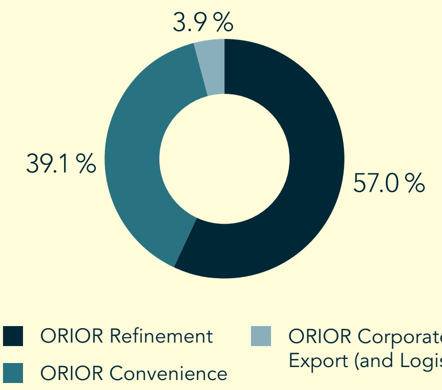
I wish my successor Ricarda Demarmels all the very best, and I hope she has much success and happiness as ORIOR's CFO. We know each other from when ORIOR went public and I am sure she is the right person for the job.

In May 2014 ORIOR sold Lineafresca, its logistics company, to a longstanding transportation partner. Following the sale, the Segment now consists of the Corporate and Export areas.

Operating results

ORIOR Group's gross margin fell 0.7% to 38.0%. This margin recovered slightly in the second half of the year owing to lower raw materials prices in the Refinement Segment. Staff costs were 2.3 % lower than in the prior year at CHF 93.7 million. This is partly due to higher productivity following investments in equipment in previous years, and partly to the deconsolidation of Lineafresca. Other operating expense remained at the prior-year level. Overall, these factors led to a 0.2% improvement in the EBITDA margin to 9.2%, i.e. from CHF 47.0 million to CHF 48.0 million.

REVENUE SPLIT
BY SEGMENTS



Following three years of heavy capital spending, investments in tangible and intangible assets went down to CHF 13.9 million (2013: CHF 18.6 million). This sum includes money spent on completing the order-picking centre and the lasagne production line at Rapelli, the slicing machinery at Albert Spiess and the packaging system at Möfag. Depreciation was at the same level as in 2013. Every year ORIOR subjects its intangible assets to an impairment test, including a sensitivity analysis. This showed no need for impairment during the year under review. EBIT for 2014 came to CHF 32.5 million, which is 3.5% higher than in the prior year (2013: CHF 31.4 million).

Net financial expense for the period under review was down to CHF 2.7 million from the CHF 3.0 million reported for 2013. The ORIOR Group benefited from low interest rates and a low level of debt, underlined by the debt factor of 1.46 ×. Owing to the revaluation of one particular investment, there were deferred taxes of CHF 1.7 million, which had a positive tax effect. Over the long term ORIOR expects an average tax rate of around 19%. Profit for the year came to CHF 26.5 million, an improvement of 5.1% on 2013. This translates into earnings per share of CHF 4.48 (2013: CHF 4.26 per share).

Cash flow and funding

Cash flow from operating activities in 2014 came to CHF 28.6 million, which as expected was lower than in the prior year (2013: CHF 40.5 million). The main reasons for the decline were changes in the terms and conditions for some suppliers and the payment of taxes from previous years. Inventories were worth slightly more than in the prior year. The average payment time by customers was the same as in 2013 at 35 days.

The investments of CHF 13.9 million made during the year under review were funded from cash flow from operating activities. Owing to the lower level of investment, free cash flow was only CHF 8.7 million lower than in the prior year despite the acquisition of Noppa for 2.1 million.

The ORIOR Group strengthened its equity base again and by the end of 2014 had a very solid equity ratio of 53.5% (2013: 50.3%).

Consolidated Income Statement

in CHF thousand	Note	2014	Δ in %	2013 Restated[1]
Revenues	7	**521 630**	**+0.3%**	**520 033**
Raw materials / goods and services purchased		– 326 742		– 321 210
Changes in inventories	8	3 247		2 568
Personnel expense	9	– 93 732		– 95 960
Other operating income	10	2 406		467
Other operating expense	11	– 58 777		– 58 919
EBITDA **Earnings before interest, taxes, depreciation and amortisation**		**48 032**	**+2.2%**	**46 979**
as % of revenues		9.2%		9.0%
Depreciation / impairment – tangible assets	21	– 12 714		– 13 059
Amortisation – intangible assets	23	– 2 810		– 2 497
EBIT **Earnings before interest and taxes**		**32 508**	**+3.5%**	**31 423**
as % of revenues		6.2%		6.0%
Financial income	12	803		1 806
Financial expense	13	– 3 456		– 4 851
Profit before taxes		**29 855**	**+5.2%**	**28 378**
as % of revenues		5.7%		5.5%
Income tax expense	14	– 3 360		– 3 176
Profit for the year		**26 495**	**+5.1%**	**25 202**
as % of revenues		5.1%		4.8%
Attributable to:				
Non-controlling interests		0		0
Shareholders of ORIOR		26 495		25 202
Earnings per share in CHF				
Basic earnings per share	15	4.48		4.26
Diluted earnings per share	15	4.48		4.26
Weighted Ø number of shares outstanding in ’000	15	5 914		5 915

[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	2014	Δ in %	2013 Restated[1]
Profit for the year	**26 495**	**+5.1 %**	**25 202**
Exchange differences on translation of foreign operations	72		– 38
Items that are or may be reclassified subsequently to income statement, net of tax	**72**		**– 38**
Revaluation of pension plan	2 408		10 526
Taxes on revaluation of pension plan	– 462		– 2 021
Items that will not be reclassified to income statement, net of tax	**1 946**		**8 505**
Other comprehensive income for the year, net of tax	**2 018**		**8 467**
Total comprehensive income for the year, net of tax	**28 513**	**– 15.3 %**	**33 669**
Attributable to:			
Non-controlling interests	0		0
Shareholders of ORIOR	28 513		33 669

[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	31.12.2014	in %	31.12.2013 Restated[1]	in %	01.01.2013 Restated[1]	in %
Cash and cash equivalents	16	29 201		25 883		24 083	
Current financial assets	17	276		281		937	
Trade accounts receivable	18	50 720		50 726		53 502	
Other current receivables	19	1 648		1 597		2 128	
Inventories and work in progress	20	72 253		71 119		65 237	
Current income tax assets		1 126		0		0	
Prepaid expenses / accrued income		1 096		955		595	
Current assets		**156 320**	**36.9 %**	**150 561**	**36.0 %**	**146 482**	**35.8 %**
Property, plant and equipment	21	84 227		86 875		80 787	
Investment property	21	0		0		214	
Intangible assets	23	181 220		180 200		181 765	
Long-term financial assets		10		10		10	
Deferred tax assets	29	1 859		129		111	
Non-current assets		**267 316**	**63.1 %**	**267 214**	**64.0 %**	**262 887**	**64.2 %**
Total assets		**423 636**	**100.0 %**	**417 775**	**100.0 %**	**409 369**	**100.0 %**
Derivative financial instruments		0		429		1 737	
Current financial liabilities	27	16		948		17 396	
Trade accounts payable	24	40 876		41 989		39 525	
Other current payables	25	4 117		4 254		3 597	
Current income tax liabilities		3 081		5 638		5 847	
Accrued liabilities	26	19 403		23 639		22 546	
Current portion of provisions	28	506		501		442	
Current liabilities		**67 999**	**16.1 %**	**77 398**	**18.5 %**	**91 090**	**22.3 %**
Non-current financial liabilities	27	99 144		99 360		90 509	
Other non-current payables	25	333		565		1 116	
Defined benefit obligations	36	4 764		7 729		16 130	
Provisions	28	3 042		2 364		2 269	
Deferred tax liabilities	29	21 697		20 419		20 475	
Non-current liabilities		**128 980**	**30.3 %**	**130 437**	**31.2 %**	**130 499**	**31.9 %**
Total liabilities		**196 979**	**46.5 %**	**207 835**	**49.7 %**	**221 589**	**54.1 %**
Share capital	30	23 700		23 700		23 700	
Additional paid-in capital		22 053		33 706		45 247	
Treasury shares	31	– 712		– 471		– 582	
Retained earnings		181 399		152 860		119 232	
Foreign currency translation		217		145		183	
Equity attributable to shareholders of ORIOR		**226 657**	**53.5 %**	**209 940**	**50.3 %**	**187 780**	**45.9 %**
Non-controlling interests		0		0		0	
Total equity		**226 657**	**53.5 %**	**209 940**	**50.3 %**	**187 780**	**45.9 %**
Total liabilities and equity		**423 636**	**100.0 %**	**417 775**	**100.0 %**	**409 369**	**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 01.01.2013		23 700	45 247	– 582	123 869	183	192 417	0	192 417
Restatement[1]		0	0	0	– 4 637	0	– 4 637	0	– 4 637
Balance as at 01.01.2013[1]		**23 700**	**45 247**	**– 582**	**119 232**	**183**	**187 780**	**0**	**187 780**
Profit for the year[1]		0	0	0	25 202	0	25 202	0	25 202
Other comprehensive income for the year		0	0	0	8 505	– 38	8 467	0	8 467
Total comprehensive income for the year[1]		**0**	**0**	**0**	**33 707**	**– 38**	**33 669**	**0**	**33 669**
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[1]		**23 700**	**33 706**	**– 471**	**152 860**	**145**	**209 940**	**0**	**209 940**
Profit for the year		0	0	0	26 495	0	26 495	0	26 495
Other comprehensive income for the year		0	0	0	1 946	72	2 018	0	2 018
Total comprehensive income for the year		**0**	**0**	**0**	**28 441**	**72**	**28 513**	**0**	**28 513**
Dividends / repayment of capital contributions	32	0	– 11 653	0	0	0	– 11 653	0	– 11 653
Share-based payments	37	0	0	0	72	0	72	0	72
Movement in treasury shares	31	0	0	– 241	26	0	– 215	0	– 215
Balance as at 31.12.2014		**23 700**	**22 053**	**– 712**	**181 399**	**217**	**226 657**	**0**	**226 657**

[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	2014	2013 Restated[1]
Profit for the year		26 495	25 202
Taxes	14	3 360	3 176
Depreciation / impairment / amortisation	21 / 23	15 524	15 556
Share-based payments	37	72	53
Change in value adjustments and provisions		704	– 16
Gain from disposal of fixed assets	10	– 448	– 114
Gain from disposal of subsidiary	5	– 1 729	0
Interest income	12	– 12	– 20
Dividend income	12	– 7	– 14
Interest expense	13	2 329	3 952
Change in accrued pension cost		864	2 126
Change in working capital		– 8 777	– 923
– Trade accounts receivable and other current receivables		– 956	3 408
– Inventories and work in progress		– 217	– 5 616
– Trade accounts payable and other current payables		– 2 128	2 914
– Other		– 5 476	– 1 629
Interest paid		– 1 910	– 3 040
Taxes paid		– 7 843	– 5 480
Cash flow from operating activities		**28 622**	**40 458**
Purchase of			
– property, plant and equipment	21	– 12 822	– 17 743
– intangible assets	23	– 1 044	– 872
Proceeds from sale of			
– property, plant and equipment		1 210	407
– financial assets		9	643
Acquisition of companies, net of cash acquired	5	– 2 112	0
Sale of subsidiaries, net of cash sold	5	377	0
Interest received		13	21
Dividends received	12	7	14
Cash flow from investing activities		**– 14 362**	**– 17 530**
Increase in financial liabilities		24 000	116 457
Repayment of financial liabilities		– 22 591	– 125 212
Repayment of finance lease liabilities	22	– 464	– 836
Dividends / repayment of capital contributions	32	– 11 653	– 11 541
Sale of treasury shares	31 / 37	1 324	1 504
Purchase of treasury shares	31	– 1 540	– 1 525
Cash flow from financing activities		**– 10 924**	**– 21 153**
Net increase (+) / decrease (–) in cash and cash equivalents		**3 336**	**1 775**
Foreign exchange differences on cash and cash equivalents		– 18	25
Cash and cash equivalents as at 01.01.	16	25 883	24 083
Cash and cash equivalents as at 31.12.	16	**29 201**	**25 883**

[1] See Note 2

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

Notes to the Consolidated Financial Statements 2014

1 General information

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

The Group is divided into three operating segments: ORIOR Refinement, ORIOR Convenience and ORIOR Corporate and Export. 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 25 February 2015 and are subject to shareholder approval at the Annual General Meeting of shareholders on 26 March 2015.

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 2014 financial statements:

- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities
- Amendment to IFRS 10, IFRS 12 and IAS 27 – Investment Entities
- IFRIC 21 – Levies
- Amendment to IAS 36 – Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
- Amendment to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting

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.

Restatement of the Consolidated Financial Statements 2013

ORIOR has noted that in the previous years, expenses have not been accrued correctly. This error was corrected retroactively with effect from January 1, 2013, in accordance with IAS 8. This resulted in an increase in accrued liabilities of kCHF 5 587 and in a decrease in equity of kCHF 4 637 after taxes.

In contrast to the figures published in the half-year report, there were some minor changes. The final impact 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 is shown below:

Income Statement 2013

in CHF thousand	Reported	Adjustment	Restated
Raw materials / goods and services purchased	– 320 535	– 675	– 321 210
EBITDA **Earnings before interest, taxes, depreciation and amortisation**	**47 654**	**– 675**	**46 979**
EBIT **Earnings before interest and taxes**	**32 098**	**– 675**	**31 423**
Profit before taxes	**29 053**	**– 675**	**28 378**
Income tax expense	– 3 290	114	– 3 176
Profit for the period	**25 763**	**– 561**	**25 202**
Earnings per share in CHF			
Basic earnings per share	4.36	– 0.10	4.26
Diluted earnings per share	4.36	– 0.10	4.26

Statement of Comprehensive Income 2013

in CHF thousand	Reported	Adjustment	Restated
Profit for the period	25 763	– 561	25 202
Total comprehensive income for the period, net of tax	**34 230**	**– 561**	**33 669**

Balance Sheet as per 31.12.2013

in CHF thousand	Reported	Adjustment	Restated
Accrued liabilities	17 377	6 262	23 639
Current liabilities	**71 136**	**6 262**	**77 398**
Deferred tax liabilities	21 483	– 1 064	20 419
Non-current liabilities	**131 501**	**– 1 064**	**130 437**
Total liabilities	**202 637**	**5 198**	**207 835**
Retained earnings	158 058	– 5 198	152 860
Total equity	**215 138**	**– 5 198**	**209 940**

Balance Sheet as per 1 January 2013

in CHF thousand	Reported	Adjustment	Restated
Accrued liabilities	16 959	5 587	22 546
Current liabilities	**85 503**	**5 587**	**91 090**
Deferred tax liabilities	21 425	– 950	20 475
Non-current liabilities	**131 449**	**– 950**	**130 499**
Total liabilities	**216 952**	**4 637**	**221 589**
Retained earnings	123 869	– 4 637	119 232
Total equity	**192 417**	**– 4 637**	**187 780**

Cash Flow Statement 2013

in CHF thousand	Reported	Adjustment	Restated
Profit for the period	25 763	– 561	25 202
Taxes	3 290	– 114	3 176
Movements in working capital	– 1 598	675	– 923
Cash flow from operating activities	**40 458**	**0**	**40 458**

Statement of Equity as at 31.12.2013

in CHF thousand	Reported	Adjustment	Restated
Equity attributable to shareholders of ORIOR as at 01.01.2013	**192 417**	**– 4 637**	**187 780**
Profit for the period	25 763	– 561	25 202
Balance as at 31.12.2013	**215 138**	**– 5 198**	**209 940**

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
Amendment to IAS 19	Defined Benefit Plans: Employee Contributions	***	1 Jul 2014	Financial year 2015
Amendments to IAS 16 and IAS 38	Clarification of Accountable Methods of Depreciation and Amortisation	*	1 Jan 2016	Financial year 2016
Amendment to IFRS 11	Accounting for Acquisition of Interests in Joint Operations	*	1 Jan 2016	Financial year 2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	*	1 Jan 2016	Financial year 2016
Amendment to IAS 27	Equity Method in Separate Financial Statements	*	1 Jan 2016	Financial year 2016
IFRS 15	Revenue from Contracts with Customers	*	1 Jan 2017	Financial year 2017
IFRS 9	Financial Instruments	**	1 Jan 2018	Financial year 2018
Annual Improvements to IFRSs	(December 2013)	*	1 Jul 2014	Financial year 2015
Amendments to IAS 28 and IFRS 10	Sales or contributions of assets between an investor and its associate / joint venture	*	1 Jan 2016	Financial year 2016
Amendments to IAS 1	Disclosure initiative	*	1 Jan 2016	Financial year 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception	*	1 Jan 2016	Financial year 2016

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

** IFRS 9 Financial Instruments includes requirements for recognition and measurement, derecognition and hedge accounting. The application of IFRS 9 is currently being 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 intends to maintain the risk-sharing. No impact on the consolidated financial statements is anticipated.

Consolidation

1) Subsidiaries

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

Business combinations

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

2) Associates

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

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

The associate's share of profit is shown in the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate. Changes in other comprehensive income of such equity holders are recognised in other comprehensive income of the Group. The Group's share of changes recognised directly in the associate's equity is recognised directly in equity by the Group and is disclosed in the statement of changes in equity.

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

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

3) Change in scope of consolidation

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

Foreign currency translation

1) Functional and presentation currency

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

2) Transactions and balances

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

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

3) Group companies

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

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

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

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

Cash and cash equivalents

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

Accounts receivable

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

Inventories and work in progress

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

Treasury shares

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

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Maintenance costs are charged to the income statement during the financial period in which they are incurred.

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

The individual useful lives are:

– Production equipment	3 to 10 years
– Furniture and office equipment	5 to 8 years
– IT equipment	3 to 5 years
– Vehicles	4 to 8 years
– Other mobile tangible assets	3 to 5 years
– Land	no depreciation
– Buildings	25 to 30 years
– Tangible assets under construction	no depreciation

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

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

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

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

Investment property

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

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

The individual useful lives are:

– Land	no depreciation
– Buildings	25 to 30 years

Intangible assets

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

Intangible assets with finite lives are amortised over 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 of employee benefits.

2) Bonus plans

A liability for employee benefits in the form of bonus plans is recognised under accrued liabilities when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

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

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

3) Other long-term employment benefits

Other long-term employment benefits include anniversary and other long-term service benefits. The measurement of these obligations differs from defined benefit plans in that all actuarial gains and losses are recognised immediately in profit or loss.

Management participation plan

The 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 above.

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

3) Interest income

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

4) Royalty income

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

5) Dividend income

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

Taxes

1) Income tax

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

2) Deferred tax

Deferred income tax is 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 0.6% (2013: 0.7%) of the Group's sales and 12.3% (2013: 9.9%) 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 10% (2013: 5%) weaker / stronger against the EUR and USD in 2014, with all other variables held constant, post-tax profit for the year would have been kCHF 4 414 (2013: kCHF 1743) higher / lower, mainly as a result of purchases denominated in foreign currencies. Equity would have been kCHF 343 (2013: kCHF 410) 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 % (2013: 0.2 %) shift of interest rates would have an impact of approximately kCHF 132 (2013: kCHF 58) 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 19 239 (2013: kCHF 19 414) of total receivables are due from these two clients. These customers have always proven to be quick payers of invoices and have an excellent image and financial reputation in the home market. Therefore, creditworthiness is not considered to be at risk.

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

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

4) Liquidity risk

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

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

in CHF thousand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
2014				
Current interest-bearing financial liabilities	168	0	0	0
Trade accounts payable	40 876	0	0	0
Other current payables[1]	1 551	167	166	0
Accrued liabilities[1]	10 895	0	0	0
Financial Leasing	16	0	0	0
Long-term interest-bearing financial liabilities	0	0	99 700	0
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]	1 515	565	0	0
Accrued liabilities[1]	10 983	0	0	0
Financial Leasing	1 023	951	1 494	159
Long-term interest-bearing financial liabilities	0	0	97 600	0

[1] Only those items that are accounted for under IAS 39.

5) Fair values of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements. The fair values, which are virtually identical to the carrying amounts, are not shown in the table.

	Carrying amount		**Fair value**	
in CHF thousand	2014	2013	2014	2013
Financial assets				
Cash and cash equivalents (LAR)	29 201	25 883	–	–
Current financial assets at FV through profit and loss (AFVTPL)	276	281	–	–
Trade accounts receivable (LAR)	50 720	50 726	–	–
Other current receivables (LAR)	479	420	–	–
Long-term financial assets (LAR)	10	10	–	–
Financial liabilities				
Derivative financial instruments (LFVTPL)	0	– 429	–	–
Current financial liabilities – financial leasing (OFL)	– 16	– 948	–	–
Trade accounts payable (OFL)	– 40 876	– 41 989	–	–
Other current payables (OFL)	– 1 551	– 1 515	–	–
Accrued liabilities (OFL)	– 10 895	– 10 983	–	–
Non-current financial liabilities – third parties (OFL)[1]	– 99 144	– 96 858	– 99 700	– 97 600
Non-current financial liabilities – financial leasing (OFL)	0	– 2 502	–	–
Other non-current payables (OFL)	– 333	– 565	–	–

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

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	0	0	0	0
Liability from earn-out agreement	– 1 189	0	0	– 1 189

The details about the fair value measurement of the liability from the earn-out agreement in the amount of kCHF 1 246 (2013: kCHF 1 189) are disclosed in Note 5.

During the reporting periods ending 31 December 2014 and 2013, 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	31.12.2014	31.12.2013 Restated[1]
Total equity	226 657	209 940
Total assets	423 636	417 775
Consolidated Equity Ratio	**53.5 %**	**50.3 %**

[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 2014 and was discussed and approved by the Board of Directors on 9 December 2014.

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 Changes in the scope of consolidation

Acquisition of Noppa AG

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

in CHF thousand	Fair value recognised on acquisiton
Current assets	564
Non-current assets	761
Assets	**1 325**
Current liabilities	– 1 014
Non-current liabilities	– 368
Liabilities	**– 1 382**
Net assets	**– 57**
Goodwill arising on acquisition	2 669
Total consideration	**2 612**

Total consideration:	
Cash paid	2 112
Liability from earn-out agreement	500
Total consideration	**2 612**

Purchase consideration:	
Cash paid (investing activities)	2 112
Cash and cash equivalents in subsidiary acquired (investing activities)	0
Transaction costs of the acquisition (operating activities)	103
Cash outflow on acquisition	**2 215**

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

Gross trade receivables amounted to kCHF 307 as at the acquisition date. It is expected that the full contractual amount can be collected.

From the date of acquisition, Noppa AG has generated revenues in the amount of kCHF 2548 and has contributed kCHF 57 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 –5 (loss) and revenue would have been around kCHF 3537.

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

Sale of Lineafresca Logistic AG

On 28 May, 2014, the Group sold 100% of its shares in Lineafresca Logistic AG based in Langenthal. This resulted in a net gain on disposal of kCHF 1729 based on net book values and is included in other operating income. Thereof, kCHF 1493 resulted from a curtailment gain under IAS 19R.

in CHF thousand	Carrying amounts on disposal
Current assets	1371
Non-current assets	3627
Assets	**4998**
Current liabilities	–1989
Non-current liabilities	–4037
Liabilities	**–6026**
Sold net assets	**–1028**
Net gain from the sale	1729
Total consideration	**701**

Cash received	701
Sold cash and cash equivalents	–324
Net Cash Flow from sale of subsidiary	**377**

6 Segment information

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

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

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

2014

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

2013

in CHF thousand	ORIOR Refinement[1]	ORIOR Convenience	ORIOR Corporate and Export	Adjustments and eliminations	Consolidated[1]
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)	**23 348**	**28 572**	**– 5 067**	**126**	**46 979**
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)	**15 819**	**23 005**	**– 7 527**	**126**	**31 423**
Net financial expense					– 3 045
Profit before taxes					**28 378**
Segment assets	**316 683**	**82 096**	**189 566**	**– 170 570** [2, 3]	**417 775**
Segment liabilities	**224 875**	**34 535**	**18 214**	**– 69 789** [2, 4]	**207 835**
Investments in non-current assets	**10 459**	**6 777**	**1 379**	**0** [5]	**18 615**

1 Restated, see Note 2

2 Inter-segment receivables in the amount of kCHF 11 251 and loans in the amount of kCHF 188 316 as per 31.12.2014 (kCHF 9 673 and kCHF 160 843 as per 31.12.2013), revenues as well as intercompany profits are eliminated on consolidation.

3 Segment assets do not include derivatives and investments. Investments in the amount of kCHF 352 318 (31.12.2014) and kCHF 352 548 (31.12.2013) 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 99 160 (31.12.2014) and kCHF 100 737 (31.12.2013) 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	2014	2013
Switzerland	501 505	496 926
France	15 404	17 789
Germany	1 921	1 648
Austria	1 492	1 966
Other	1 308	1 704
Revenues	**521 630**	**520 033**

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

Assets by country

in CHF thousand	2014	2013
Switzerland	265 081	266 634
France	320	363
Germany	46	78
Total assets	**265 447**	**267 075**

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

Sales of goods to the two major clients amounted to kCHF 227 763 and kCHF 72 667 respectively in 2014 (2013: kCHF 226 074 and kCHF 71 264). These sales were generated in the operating segments ORIOR Refinement and ORIOR Convenience.

Notes to the Consolidated Income Statement

7 Revenues

in CHF thousand	2014	2013
Sales of goods	528 945	524 852
Rendering of services	1 124	3 510
Gross sales	**530 069**	**528 362**
Reduction in gross sales	– 8 439	– 8 329
Total	**521 630**	**520 033**

8 Changes in inventories

in CHF thousand	2014	2013
Movement in value adjustment of inventories	725	194
Movement in finished products and work in progress	2 522	2 374
Total	**3 247**	**2 568**

9 Personnel expenses

in CHF thousand	2014	2013
Salaries and bonuses	– 78 235	– 79 386
Social security contributions	– 7 513	– 7 604
Pension fund contributions (defined benefit plan)	– 5 963	– 6 923
Other personnel expenses	– 1 949	– 1 994
Share-based payment transactions	– 72	– 53
Total	**– 93 732**	**– 95 960**

10 Other operating income

in CHF thousand	2014	2013
Other operating income	1 958	353
Gain from disposal of fixed assets	448	114
Total	**2 406**	**467**

11 Other operating expenses

in CHF thousand	2014	2013
Repair, maintenance & replacements	– 7 524	– 7 901
Operating expenses	– 3 555	– 3 961
Energy and waste disposal	– 9 492	– 10 346
Information and communication	– 2 772	– 2 608
Operational leasing	– 8 572	– 8 978
Insurances	– 968	– 972
Licences, duties & charges	– 454	– 469
Shipping	– 10 540	– 8 370
Marketing & sales	– 11 396	– 11 326
Board of Directors' compensation	– 652	– 735
Administration	– 2 852	– 3 253
Total	**– 58 777**	**– 58 919**

Product development costs of kCHF 2 170 (2013: kCHF 1 947) were recognised as an expense in the income statement during the period.

12 Financial income

in CHF thousand	2014	2013
Interest income – third parties (LAR)	12	20
Dividend income – third parties (AFVTPL)	7	14
Gain on fair value adjustment on derivative instruments (LFVTPL)	429	1 308
Gain on fair value adjustment on financial assets (AFVTPL)	5	12
Foreign exchange gains – realised (LAR / OFL)	204	225
Foreign exchange gains – unrealised (LAR / OFL)	140	215
Other financial income	6	12
Total	**803**	**1 806**

13 Financial expense

in CHF thousand	2014	2013
Interest expense	– 2 329	– 3 952
Bank charges and commissions – third parties (LAR / OFL)	– 390	– 388
Loss on fair value adjustment on financial assets (AFVTPL)	– 3	0
Adjustment of earn-out liability (OFL)	– 163	– 75
Foreign exchange losses – realised (LAR / OFL)	– 287	– 238
Foreign exchange losses – unrealised (LAR / OFL)	– 284	– 198
Total	**– 3 456**	**– 4 851**

Interest expense in the amount of kCHF 2 329 (2013: 3 952) includes interest expense for other financial liabilities (OFL) in the amount of kCHF 2 118 (2013: 3 551).

14 Income taxes

The major components of income tax expense are:

in CHF thousand	2014	2013 Restated [1]
Current income taxes	– 4 166	– 5 271
Current income tax charge	– 4 170	– 5 353
Adjustments of prior-year income tax	4	82
Movements of deferred taxes	806	2 095
Amount of deferred tax expense / income relating to the origination and reversal of temporary differences	– 835	539
Amount of deferred tax expense / income relating to changes in tax rates or the imposition of new taxes	– 27	61
Amount of deferred tax expense / income relating to the use and capitalisation of deferred tax assets from tax loss carryforwards	2 146	1 581
Amount of deferred tax expense relating to the valuation adjustment of deferred tax assets from tax loss carryforwards	– 478	– 86
Total	**– 3 360**	**– 3 176**

[1] See Note 2

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

in CHF thousand	2014	2013 Restated[1]
Profit before tax	29 855	28 378
Expected income tax rate (average weighted) of 18.3 % (2013: 15.1 %)	– 5 468	– 4 278
Income not subject to tax	358	0
Non-deductible expenses	0	– 33
Adjustments of prior-year income tax	– 4	– 82
Changes in value adjustments on deferred tax assets	– 365	– 679
Utilisation of previously unrecognised tax losses	136	0
Effect of changes in local tax rates	– 27	– 61
Effect of the revaluation of investments	2 010	1 957
Total	**– 3 360**	**– 3 176**

[1] See Note 2

The different profit and loss contributions of the individual Group companies in relation to the total Group profit and the different tax rates lead to an expected income tax rate of 18.3 % (2013: 15.1 %). 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	2014	2013 Restated[1]
Profit for the year attributable to shareholders of ORIOR	26 495	25 202
Weighted Ø number of ordinary shares in '000 for basic earnings per share	5 914	5 915
Basic earnings per share in CHF	4.48	4.26

[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	31.12.2014	31.12.2013
Cash, postal accounts and cheques	21	33
Cash at banks	29 180	25 850
Total	**29 201**	**25 883**

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	31.12.2014	31.12.2013
Current financial assets at FV through profit and loss	276	281
Total	**276**	**281**

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

The fair value of the current financial assets at fair value through profit and loss is based on the current market price (Level 1) or on a comparable financial asset in an active market (Level 2). Changes in the fair values are recorded under financial income / financial expenses in the income statement.

18 Trade accounts receivable

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

The ageing analysis of trade accounts receivable shows that 83.8 % (2013: 81.9 %) of the receivables are not yet due.

in CHF thousand	31.12.2014	31.12.2013
Not yet due	42 488	41 567
Overdue 1 – 30 days	6 593	6 654
Overdue 31 – 60 days	1 028	1 146
Overdue 61 – 90 days	256	287
Overdue 91 – 180 days	151	1 044
Overdue 181 – 360 days	61	28
Overdue more than 360 days	143	0
Total trade accounts receivable – net	**50 720**	**50 726**

At 31 December 2014, trade receivables with initial value of kCHF 1620 (2013: kCHF 762) 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 31.12.2012	**147**	**520**	**667**
Exchange differences	0	2	2
Additions	13	360	373
Utilisation	– 137	– 143	– 280
Balance 31.12.2013	**23**	**739**	**762**
Exchange differences	0	– 16	– 16
Additions	4	996	1 000
Utilisation	– 5	– 121	– 126
Balance 31.12.2014	**22**	**1 598**	**1 620**

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 2014, net trade accounts receivable of kCHF 42 499 (2013: kCHF 41 142) were pledged as security for the interest-bearing liabilities (see also Note 27).

19 Other current receivables

in CHF thousand	31.12.2014	31.12.2013
VAT receivables	1 053	968
Withholding tax receivables	0	43
Other current receivables – third parties	488	478
Other current receivables – related parties	0	2
Other current receivables – social security institutions	18	24
Prepayments – third parties	83	58
Prepayments – social security institutions	6	24
Total	**1 648**	**1 597**

"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 2014 includes financial assets in the amount of kCHF 479 (2013: kCHF 420).

20 Inventories and work in progress

in CHF thousand	31.12.2014	31.12.2013
Raw materials (at cost)	16 293	19 436
Trade products (at cost or net realisable value)	6 580	5 549
Semi-finished products / work in progress (at cost)	37 037	34 761
Finished products (at cost or net realisable value)	12 343	11 373
Total at the lower of cost or net realisable value	**72 253**	**71 119**

kCHF 1 588 (2013: kCHF 493) of the total amount of raw materials, trade and finished products recognised as of 31 December 2014 is carried at net realisable value.

The amount of write-downs of inventories recognised in the income statement is kCHF 813 (2013: kCHF 1 146) which is recognised in "raw material / goods and services purchased" and "changes in inventories".

At the end of 2014 there were purchase obligations for raw materials of kCHF 19 224 (2013: kCHF 19 535) and for trade products of kCHF 3 397 (2013: kCHF 5 221).

At the end of 2014 and 2013, 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 01.01.2013	**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**
Additions	5 462	1 522	521	1 299	2 535	2 244	220	13 803	0
Additions from acquisitions	483	73	0	8	10	80	0	654	0
Disposals	– 797	– 11	– 393	– 621	0	– 707	0	– 2 529	0
Disposals from sale of subsidiary	– 47	– 429	– 34	– 6 164	0	0	0	– 6 674	0
Reallocation within category	– 5 627	7 520		37	– 1 998	1 392	– 1 324	0	0
Exchange differences	– 7	– 1	0	– 1	0	– 5	0	– 14	0
Balance 31.12.2014	**81 792**	**27 494**	**4 743**	**6 074**	**2 878**	**38 466**	**235**	**161 682**	**0**
Accumulated depreciation									
Balance 01.01.2013	**– 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**
Depreciation	– 7 070	– 2 214	– 620	– 1 381	– 7	– 1 421	0	– 12 714	0
Disposals	792	10	393	578	0	0	0	1 773	0
Disposals from sale of subsidiary	37	337	31	2 642	0	0	0	3 047	0
Exchange differences	3	0	0	0	0	2	0	5	0
Balance 31.12.2014	**– 52 894**	**– 9 452**	**– 3 572**	**– 4 076**	**– 91**	**– 7 370**	**0**	**– 77 455**	**0**
Net balance 01.01.2013	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
Net balance 31.12.2014	**28 898**	**18 042**	**1 171**	**1 998**	**2 787**	**31 096**	**235**	**84 227**	**0**

The fire insurance value of property, plant and equipment amounts to kCHF 196 058 (2013: kCHF 189 004).

At the end of 2014 there were purchase obligations for property, plant and equipment of kCHF 1 215 (2013: kCHF 1 193).

Investments in property, plant and equipment resulted in a cash outflow of kCHF 12 822 (2013: kCHF 17 743).

Investment property is valued at historical cost less accumulated depreciation and accumulated impairment. As per end of 2014 there were no more investment properties on the balance sheet (2013: kCHF 0). Rental income related to investment property amounted to kCHF 0 in both years.

The net book value of leased vehicles amounts to kCHF 97 (2013: kCHF 3 431). Additional information on financial leasing is disclosed under Note 22.

22 Leases

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

in CHF thousand	31.12.2014	31.12.2013
Maturity within 1 year	16	1 024
Maturity between 1 and 5 years	0	2 444
Maturity over 5 years	0	159
Total	**16**	**3 627**
Interest portion	0	– 177
Total finance leasing	**16**	**3 450**

Finance lease liabilities in the amount of kCHF 464 (2013: kCHF 836) were repaid during the period.

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

Maturity structure of non-capitalised operating leasing contracts:

in CHF thousand	31.12.2014	31.12.2013
Maturity within 1 year	5 986	5 905
Maturity between 1 and 5 years	23 976	24 388
Maturity over 5 years	58 177	63 992
Total	**88 139**	**94 285**

The operating leasing expenses reported in the 2014 income statement amounted to KCHF 6 577 (2013: KCHF 6 851).

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

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

Fixed leasing instalments are paid on a monthly basis. The leasing contracts have pre-determined contract terms of between 10 and 24 years. The Group has the option to extend the leasing term by five years. This option can be executed four times. If the lessee does not give notice to quit the leasing contract 18 months before the contract term expires, the contract is automatically extended for five years, but only as long as the above mentioned option right exists.

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

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

Off balance sheet liabilities from operational leasing amounted to kCHF 88 139 as at the end of 2014 (2013: kCHF 94 285).

23 Intangible assets

in CHF thousand	Goodwill	Brands	Label	Customer base	Production patents	IT software	Total
At cost							
Balance 01.01.2013	**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**
Additions	0	0	0	0	0	1 161	1 161
Additions from acquisitions	2 669	0	0	0	0	0	2 669
Disposals	0	0	0	0	0	– 439	– 439
Disposals from sale of subsidiary	0	0	0	0	0	– 73	– 73
Exchange differences	0	0	0	0	0	– 1	– 1
Balance 31.12.2014	**92 166**	**26 868**	**28 660**	**35 023**	**7 680**	**11 732**	**202 129**
Accumulated depreciation							
Balance 01.01.2013	**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**
Amortisation	0	0	0	– 1 066	0	– 1 744	– 2 810
Disposals	0	0	0	0	0	439	439
Disposals from sale of subsidiary	0	0	0	0	0	73	73
Exchange differences	0	0	0	0	0	1	1
Balance 31.12.2014	**0**	**0**	**0**	**– 5 043**	**– 7 680**	**– 8 186**	**– 20 909**
Net balance 01.01.2013	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
Net balance 31.12.2014	**92 166**	**26 868**	**28 660**	**29 980**	**0**	**3 546**	**181 220**

Investments in intangible assets resulted in a cash outflow of kCHF 1 044 (2013: kCHF 872).

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	31.12.2014	31.12.2013
ORIOR Refinement	81 640	81 640
ORIOR Convenience	10 526	7 857
Total	**92 166**	**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. 1.3 percentage points (2013: 1.2 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 (2013: decrease of 0.2 percentage points) over the budget period was assumed.

Growth rates – Rates are based on published inflation rates. The growth rate used to extrapolate revenues beyond the budget period was 1.4 % (2013: 1.4 %) for all business units.

Discount rates – The discount rate was based on the average percentage of the weighted average cost of capital for the industry. As the market assessment of risks are very similar for all CGU, a pre-tax discount rate of 7.3 % (2013: 7.8 %) and post-tax discount rate of 6.2 % (2013: 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 2014; 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	31.12.2014	31.12.2013
Rapelli brand	13 700	13 700
Ticinella brand	5 500	5 500
Nature Gourmet brand	1 200	1 200
Spiess brand	4 857	4 857
Val Mara brand	79	79
Fürstenländer brand	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 %	(2013: 1.0 – 3.0 %)
– Growth rate*	1.4 %	(2013: 1.4 %)
– Discount rate (WARA)**	7.9 %	(2013: 8.1 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.3 % has been applied (2013: 8.6 %).

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 %	(2013: 1.4 %)
–	Discount rate (WARA)**	6.8 %	(2013: 7.0 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 7.1 % has been applied (2013: 7.3 %).

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

The recoverable amount of the label would still be higher than the carrying amount 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 (2013: kCHF 22 889) has an indefinite useful life whereas the other part (kCHF 7 091 as at 31 December 2014 and kCHF 8 157 as at 31 December 2013) is amortised over its useful life.

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

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

– Growth rate*	1.4 %	(2013: 1.4 %)
– Discount rate (WARA)**	7.9 %	(2013: 8.1 %)

* Growth rate used to extrapolate revenues beyond the budget period.
** A pre-tax discount rate (WARA) of 8.3 % has been applied (2013: 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 8.9 %.

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	31.12.2014	31.12.2013
Trade accounts payable – third parties	40 876	41 989
Total	**40 876**	**41 989**

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

25 Other payables

in CHF thousand	31.12.2014	31.12.2013
Other current payables – third parties	3 065	3 299
Other current payables – related parties	372	175
Other current payables – social security institutions	680	780
Other current payables	**4 117**	**4 254**
Other non-current payables – third parties	333	565
Total	**4 450**	**4 819**

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

The total balance of "other payables" as per 31 December 2014 includes financial liabilities of kCHF 1 884 (2013: kCHF 2 080).

The total liability from the earn-out agreement amounts to kCHF 1 246 (2013: kCHF 1 189). Of this, kCHF 913 is included (2013: kCHF 623) in other current payables.

26 Accrued liabilities

in CHF thousand	31.12.2014	31.12.2013 Restated[1]
Vacation / overtime	1 471	1 468
Bonus	2 781	2 757
Client reimbursements	3 808	3 827
Water, electricity	1 169	1 261
Marketing contributions	1 888	2 659
Repair & maintenance	199	317
Logistics & supply	413	516
Taxes & duties	3 059	6 845
Other	3 688	2 860
Vacation / overtime – related parties	27	39
Bonus – related parties	220	555
Other – related parties	279	247
Social security institutions	401	288
Total	**19 403**	**23 639**

[1] See Note 2

The total balance of accrued liabilities as per 31 December 2014 includes financial liabilities of kCHF 10 895 (2013: kCHF 10 983). Other accrued liabilities of kCHF 3 688 (2013: kCHF 2 860) include financial liabilities of kCHF 3 186 (2013: kCHF 2 179) 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	31.12.2014
Year ended 31 December 2014				
Current – third parties				
Short-term liabilities from finance leases	22	6.08 – 6.17 %	2015	16
Total				**16**
Non-current – third parties				
kCHF 99 700 secured bank loan		LIBOR + 1.2	31 / 12 / 18	99 144
kCHF 50 300 secured bank loan (not yet drawn)			31 / 12 / 18	0
Total				**99 144**

in CHF thousand	Note	Effective interest rate %	Maturity	31.12.2013
Year ended 31 December 2013				
Current – third parties				
Short-term liabilities from finance leases	22	2.07 – 2.74 %	2014	948
Total				**948**
Non-current – third parties				
kCHF 97 600 secured bank loan		LIBOR + 1.2	31 / 12 / 18	96 858
kCHF 52 400 secured bank loan (not yet drawn)			31 / 12 / 18	0
Long-term liabilities from finance leases	22	2.07 – 2.74 %	2015-2018	2 502
Total				**99 360**

The credit limit of the current Credit Facility Agreement is CHF 150 million (2013: CHF 150 million) which can be used up to the maturity date on 31 December 2018. As per the balance sheet date CHF 50.3 million (2013: CHF 52.4 million) has not yet been drawn. There are no annual repayments due. The interest rates applicable to the credit facility are based on the ratio of the Group's net debt to EBITDA and on LIBOR.

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

Bank loans are secured by pledged accounts receivable of kCHF 42 499 (2013: kCHF 41 142).

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 99.1 million (2013: CHF 99.4 million) is disclosed as non-current.

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

Amount	Carrying amount	Maturity	Interest rate
kCHF 16 100	kCHF 16 010	31/01/15	1.2

Amount	Carrying amount	Maturity	Interest rate
kCHF 70 000	kCHF 69 610	31/01/15	1.2

Amount	Carrying amount	Maturity	Interest rate
kCHF 13 600	kCHF 13 524	30/06/15	1.2

28 Provisions

in CHF thousand	Anniversary and other long-term service benefits	Others	Total
Balance 01.01.2013	**1980**	**731**	**2711**
Additions	276	182	458
Use	– 143	– 111	– 254
Reversal	0	– 50	– 50
Balance 31.12.2013	**2113**	**752**	**2865**
Of which short-term	284	217	501
Of which long-term	1829	535	2364
Additions	787	278	1065
Additions from acquisitions	0	97	97
Disposal from sale	– 20	0	– 20
Use	– 156	– 149	– 305
Reversal	– 59	– 95	– 154
Balance 31.12.2014	**2665**	**883**	**3548**
Of which short-term	185	321	506
Of which long-term	2480	562	3042

Anniversary and other long-term service benefits – This provision covers long-term employment benefits such as anniversary and other long-term service benefits. These are calculated annually by independent actuaries in accordance with IAS 19 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	31.12.2014	31.12.2013 Restated[1]
Deferred tax assets	– 1 859	– 129
Deferred tax liabilities	21 697	20 419
Net deferred tax (assets) / liabilities	**19 838**	**20 290**

[1] See Note 2

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

in CHF thousand	2014	2013 Restated[1]
Opening balance as at 01.01.	20 290	20 364
Additions from acquisitions	– 107	0
Charges / (discharges) to income statement	– 806	– 2 095
Taxes in other comprehensive income	462	2 021
Net deferred tax (assets) / liabilities as at 31.12.	**19 838**	**20 290**

[1] See Note 2

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

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. In 2014 deferred income tax assets in the amount of kCHF 3 724 (2013: kCHF 1 581) are capitalised.

The Group did not recognise deferred income tax assets of kCHF 163 (2013: kCHF 614) in respect of losses amounting to kCHF 460 (2013: kCHF 2 439) 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 (2013: kCHF 0)
- Expires in 4 to 7 years: kCHF 0 (2013: kCHF 1 417)
- No expiration: kCHF 460 (2013: kCHF 1 022)

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

in CHF thousand	31.12.2014	31.12.2013 Restated[1]
Receivables	601	542
Inventories and work in progress	3 791	3 686
Property, plant and equipment	4 804	4 694
Intangible assets	14 809	14 995
Liabilities	29	– 1 019
Subtotal deferred tax liabilities	**24 034**	**22 898**
Benefit from tax loss carryforwards	– 3 724	– 1 581
Liabilities	– 472	– 1 027
Subtotal deferred tax assets	**– 4 196**	**– 2 608**
Net deferred tax (assets) / liabilities	**19 838**	**20 290**
Reflected in the balance sheet as follows:		
deferred tax assets	– 1 859	– 129
deferred tax liabilities	21 697	20 419
Net deferred tax liabilities	**19 838**	**20 290**

[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 01.01.2013	**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 sale of treasury shares			– 132
Closing balance as at 31.12.2013	**9 305**	**50.60**	**471**
Opening balance as at 01.01.2014	**9 305**	**50.60**	**471**
Purchases 01.01.–31.12.14	28 690	53.66	1 540
Sales 01.01.–31.12.14	– 24 509	54.02	– 1 324
Losses / gains from the sale of treasury shares			25
Closing balance as at 31.12.2014	**13 486**	**52.78**	**712**

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

32 Dividends / repayment of capital contributions

The dividend for 2013 was paid in April 2014 in conformity with the decision taken at the Annual General Meeting on 25 March 2014. Shareholders approved the proposed dividend in the form of a repayment of capital contributions of CHF 1.97 (2013: CHF 1.95) per share, resulting in a total dividend of kCHF 11 653 (2013: kCHF 11 541). 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 2015 that the Group distribute a dividend of CHF 2.00 per share for the 2014 financial year. These financial statements do not reflect any dividend payable.

33 Cash flow statement

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

34 Derivative financial instruments

Forward currency contracts – There were no open forward currency contracts as at 31 December 2014 and 2013.

Interest rate swaps – The notional amounts of the outstanding interest rate swaps at 31 December 2014 were kCHF 0 (2013: kCHF 35 000).

35 Foreign exchange rates

	Unit	Average exchange rate		Closing exchange rate	
Currency		2014	2013	31.12.2014	31.12.2013
EUR	1	1.2144	1.2312	1.2027	1.2273
USD	1	0.9151	0.9270	0.9895	0.8930

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 2014 is 116.5 % (2013: 111 %).

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 19R. 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	31.12.2014	31.12.2013
Defined benefit obligation (Swiss plans)	– 4 749	– 7 714
Defined benefit obligation (foreign plan)	– 15	– 15
Total defined benefit obligation	**– 4 764**	**– 7 729**

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

in CHF thousand	31.12.2014	31.12.2013
Defined benefit obligation	– 142 475	– 134 060
Fair value of plan assets	138 244	126 346
Effect of asset ceiling	– 518	0
Funded status	**– 4 749**	**– 7 714**

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

in CHF thousand	2014	2013
Current service costs	– 5 959	– 6 368
Past service costs	1 489	– 554
Total service costs	**– 4 470**	**– 6 922**
Net interest employee benefits	– 166	– 358
Total pension expenses recorded in income statement	**– 4 636**	**– 7 280**

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

in CHF thousand	2014	2013
Changes in financial assumptions	– 14 330	5 912
Other actuarial gains / losses	4 958	1 952
Actuarial gains / losses on plan assets	12 298	2 663
Effect of asset ceiling	– 518	0
Total remeasurements recorded in other comprehensive income	**2 408**	**10 526**

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

in CHF thousand	31.12.2014	31.12.2013
Defined benefit obligation at 1 January	– 134 060	– 133 445
Current service costs	– 5 959	– 6 368
Past service costs	0	– 554
Interest costs	– 2 911	– 2 880
Actuarial gains / (losses)	– 9 372	7 864
Employee contributions	– 3 383	– 3 345
Benefit payments	5 889	4 668
Settlements	7 511	0
Acquisitions	– 190	0
Defined benefit obligation at 31 December	**– 142 475**	**– 134 060**

in CHF thousand	31.12.2014	31.12.2013
Fair value of plan assets at 1 January	126 346	117 328
Interest income	2 745	2 522
Return on plan assets (excluding interest based on discount rate)	12 298	2 663
Employee contributions	3 383	3 345
Employer contributions	5 265	5 156
Benefit payments	– 5 889	– 4 668
Settlements	– 6 022	0
Acquisitions	118	0
Fair value of plan assets at 31 December	**138 244**	**126 346**

The estimated company contribution to the pension plans for the financial year 2015 amounts to kCHF 5 318 (2014: kCHF 5 072).

The categories of plan assets are as follows:

Plan assets	31.12.2014	%	31.12.2013	%
Cash	13 732	9.9 %	12 424	9.8 %
Bonds	53 899	39.0 %	46 412	36.7 %
Shares	42 728	30.9 %	44 860	35.5 %
Real estate	20 180	14.6 %	19 105	15.1 %
Other	7 705	5.6 %	3 545	2.8 %
Assets quoted in active markets	**138 244**	**100.0 %**	**126 346**	**100.0 %**
Total plan assets	**138 244**	**100.0 %**	**126 346**	**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.

Other investments are covered by a tracker on the Hedge Fund Index HFRX and an investment in the Private Equity Fund of Partners Group.

Calculations are based on the following assumptions:

	31.12.2014	31.12.2013
Discount rate	0.80%	2.15%
Rate of future increase in compensation	1.00%	1.00%

Sensitivities of significant actuarial assumptions

The discount rate and the future increase in salaries have been identified as significant actuarial assumptions. Owing to the sharp drop in interest rates and the associated reduction in the discount rate, the fluctuation range for sensitivity analysis of this parameter was reduced from 0.5% to 0.25%. An adjustment was made in parallel for sensitivity analysis of expected wage growth. The following impacts on the defined benefit obligation are to be expected:

- An increase / decrease of 0.25% (2013: 0.5%) in the discount rate would lead to a decrease of kCHF 3741 (–2.6%) (2013: kCHF 11577 / –8.6%) / increase of kCHF 3978 (+2.8%) (2013: kCHF 13334 / +9.9%) in the defined benefit obligation.
- An increase / decrease of 0.25% (2013: 0.5%) in the rate of future increase in compensation would lead to an increase of kCHF 296 (+0.2%) (2013: kCHF 1285 / +1.0%) / decrease of kCHF 289 (–0.2%) (2013: kCHF 1225 / –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:

	2014	2013
Within the next 12 months	7248	6982
Between 2 and 5 years	23399	23967
Between 5 and 10 years	25429	29640
Total	**56076**	**60589**

The average duration of the defined benefit plan obligation at the end of the reporting period is 10.7 years (2013: 14.87 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 no shares were sold during the year 2014. In 2013 12480 shares were sold to plan participants at a price of CHF 37.65 per share, which made a total of kCHF 470. The recognised expense arising from share-based payment transactions for the financial year 2014 amounts to kCHF 72 (2013: kCHF 53).

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	31.12.2014	31.12.2013
Trade accounts receivable	Shareholders	0	2
Other current receivables	Pension fund	0	2

Liabilities	Partner	31.12.2014	31.12.2013
Other current payables	Pension fund	372	175
Accrued liabilities	Board of Directors	231	304
Accrued liabilities	Management	247	514
Accrued liabilities	Pension fund	48	23
Accrued pension cost	Pension fund	4764	7729

Expenses	Partner	2014	2013
Pension fund contributions	Pension fund	– 5963	– 6923
Board of Directors' compensation	Board of Directors	– 652	– 735
Interest expense	Shareholders	– 166	– 358

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

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

The Management Board of ORIOR AG receives performance-related compensation in addition to fixed compensation. The compensation payable to the members of the Board of Directors consists solely of a fixed component and is hence not associated with any profit components. The total amount of fixed and variable compensation in 2014 was kCHF 2 640 (2013: kCHF 2 828). The disclosed remuneration is reported on an accrual basis.

in CHF thousand	2014	2013
Short-term employee benefits	2 503	2 566
Post-employment benefits	212	262
	2 715	**2 828**

Further information regarding total compensation is disclosed in the compensation report 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 2014 and 31 December 2013 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

On 15 January 2015 the Swiss National Bank (SNB) announced that it was abandoning its CHF 1.20 minimum exchange rate against the euro, leading to a sharp rise in the value of the Swiss franc. This shouldn't have any direct effect on the ORIOR Group, since most of its products are manufactured and sold within Switzerland.

43 Legal structure of ORIOR Group

Company Name	Location	Country	Business activity	Currency	Share capital (in 1000)	%-share of capital and votes 2014	2013
Orior AG	Zurich	Switzerland	Parent Company	CHF	23 700		
Orior Management AG	Zurich	Switzerland	Services	CHF	100	100 %	100 %
Rapelli SA	Stabio	Switzerland	Premium Food	CHF	12 500	100 %	100 %
Salumi Val Mara SA	Maroggia	Switzerland	Premium Food	CHF	250	100 %	100 %
Orior Deutschland GmbH	Frankfurt a. M.	Germany	Premium Food	EUR	25	100 %	100 %
Orior Menu AG	Böckten	Switzerland	Premium Food	CHF	1 700	100 %	100 %
Fredag AG	Root	Switzerland	Premium Food	CHF	2 000	100 %	100 %
Fredag Holding AG	Root	Switzerland	Holding	CHF	100	100 %	100 %
Albert Spiess Holding AG	Schiers	Switzerland	Holding	CHF	1 000	100 %	100 %
Albert Spiess AG	Schiers	Switzerland	Premium Food	CHF	1 000	100 %	100 %
Spiess Europe SARL	Haguenau	France	Premium Food	EUR	1 130	100 %	100 %
Lineafresca Logistic AG	Langenthal	Switzerland	Services	CHF	200	0 %	100 %
Möfag, Mösli Fleischwaren AG	Zuzwil	Switzerland	Premium Food	CHF	200	100 %	100 %

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To the General Meeting of

Orior Ltd, Zurich

Basle, 25 February 2015

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Orior Ltd, which comprise the income statement, statement of comprehensive income, balance sheet, statement of equity, cash flow statement and notes (pages 84 to 150), for the year ended 31 December 2014.

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 2014 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

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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)

Gianni Trog
Licensed audit expert

ORIOR AG
FINANCIAL STATEMENTS 2014

Income Statement

in CHF thousand	2014		2013	
Licence fees		287		265
Interest income		2 809		2 726
– Subsidiaries	2 809		2 726	
Other financial income		26		18
Dividend income		26 344		27 880
Total income		**29 466**		**30 889**
Interest expense		– 832		– 868
– Third parties	– 336		– 378	
– Subsidiaries	– 496		– 490	
Other financial expense		– 314		– 705
Other expense		– 1 665		– 1 759
Depreciation and amortisation		– 3 837		– 2 979
Tax expense		– 48		– 41
Total expenses		**– 6 696**		**– 6 352**
Profit for the year		**22 770**		**24 537**

Balance Sheet

in CHF thousand	31.12.2014	31.12.2013
Cash and cash equivalents	573	6 482
Treasury shares	712	471
Other current receivables	1 717	2 037
– Third parties	4	18
– Subsidiaries	1 713	2 019
Prepaid expenses	30	112
Current assets	**3 032**	**9 102**
Investment in subsidiaries	64 210	64 410
Loans to subsidiaries	129 269	112 106
Intangible assets	10 427	12 323
Costs of capital increase	361	1 444
Non-current assets	**204 267**	**190 283**
Total assets	**207 299**	**199 385**
Other current payables	260	648
– Third parties	22	85
– Subsidiaries	238	563
Accrued liabilities	658	583
Current liabilities	**918**	**1 231**
Non-current financial liabilities	44 900	47 790
– Third parties	16 100	14 000
– Subsidiaries	28 800	33 790
Non-current liabilities	**44 900**	**47 790**
Total liabilities	**45 818**	**49 021**
Share capital	23 700	23 700
Statutory reserves	33 014	43 196
– Capital contribution reserves	27 853	39 506
– General legal reserves	4 449	3 219
– Reserve for treasury shares	712	471
Free reserves	4 288	4 529
Retained earnings	100 479	78 939
– Brought forward from previous year	77 709	54 402
– Profit for the year	22 770	24 537
Total equity	**161 481**	**150 364**
Total liabilities and equity	**207 299**	**199 385**

Notes to the Statutory Financial Statements

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

in CHF thousand	31.12.2014	31.12.2013
Joint and several liabilities for rent	**88 400**	**94 305**
In 2007, the production buildings of ORIOR Group were sold and rented back by the subsidiaries of the Group. ORIOR AG is jointly and severally liable with its subsidiaries for the outstanding rent instalments. The figure shown includes future rent payments up to the year 2031.		
Guarantee commitments in favour of subsidiaries	**70 200**	**70 493**

2 Restriction of title for own liabilities

in CHF thousand	31.12.2014	31.12.2013
Regarding the Credit Facility Agreement with Credit Suisse in the maximum amount of kCHF 150 000 (of which kCHF 99 700 has been drawn as per 31.12.2014).		
– Declaration of assignment for loans to subsidiaries	129 269	112 106

3 Subsidiaries

				%-share of capital and votes	
Company Name	Location	Business activity	Share capital (in kCHF)	2014	2013
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	0 %	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 2014 ORIOR AG purchased a total of 28 690 treasury shares at an average price of CHF 53.66 per share and sold 24 509 treasury shares at an average price of CHF 54.02. 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 shares at an average price of CHF 45.77. As per 31 December 2014, ORIOR AG holds 13 486 treasury shares in the amount of kCHF 712 (2013: 9 305 treasury shares in the amount of kCHF 471), valued at their purchase prices.

5 Authorised and conditional share capital

in CHF thousand	31.12.2014	31.12.2013
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 714256 through the issue of a maximum of 178564 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 pre-emptive 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 25 March 2016 by a nominal amount of a maximum of CHF 4761704 through the issue of a maximum of 1190426 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 2014 and was discussed and approved by the Board of Directors on 9 December 2014.

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 01.01.2013	**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
Issue of share capital	0	0	0	0	0	0	0	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**
Allocation of profits	0	0	1 230	0	0	23 307	– 24 537	0
Dividends / repayment of capital contributions	0	– 11 653	0	0	0	0	0	– 11 653
Reserve for treasury shares	0	0	0	241	– 241	0	0	0
Profit for the year	0	0	0	0	0	0	22 770	22 770
Balance as at 31.12.2014	**23 700**	**27 853**	**4 449**	**712**	**4 288**	**77 709**	**22 770**	**161 481**

[1] Of the capital contribution reserves as at 31.12.2014 of kCHF 27 853, kCHF 24 655 was confirmed by the Swiss Federal Tax Administration.

8 Share interests of Board of Directors and Management Board

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

	Number of shares as per 31.12.2014	Number of shares as per 31.12.2013
Rolf U. Sutter Chairman of the Board	199 300	199 300
Rolf Friedli Vice Chairman of the Board	0	0
Christoph Clavadetscher Member of the Board	10 000	10 000
Edgar Fluri Member of the Board	4 500	4 500
Dominik Sauter Member of the Board	550	550
Anton Scherrer[1)] Member of the Board	[3)]	2 000
Monika Walser Member of the Board	200	200
Total Board of Directors	**214 550**	**216 550**
Remo Hansen[2)] CEO	[3)]	85 710
Hélène Weber-Dubi CFO	85 830	85 830
Urs Aebi[4)] Head of Le Patron	[3)]	80 191
Bruno de Gennaro CEO a.i. ORIOR Group	92 075	92 075
Stefan H. Jost[2)] Head of International, New Business & Logistics	[3)]	1 925
Total Management Board	**177 905**	**345 731**

1 Left on 25.03.2014
2 Left on 31.08.2014
3 Not recorded
4 Head of Le Patron until 31.12.2013

9 Significant shareholders

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

Name	% of capital and votes 31.12.2014	31.12.2013
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 %
Schroder Plc (GB)	5.95 %	0.00 %

Proposal for the allocation of retained earnings as of 31 December 2014

Allocation of retained earnings

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

in CHF thousand	31.12.2014	31.12.2013
Brought forward from previous year	77 709	54 402
Profit for the year	22 770	24 537
Available retained earnings	**100 479**	**78 939**
Allocation to legal reserve	– 291	– 1 230
Balance brought forward	**100 188**	**77 709**

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

The Board of Directors is proposing to the 2015 Annual General Meeting of Shareholders that it pay a dividend of CHF 2.00 per share in the form of a repayment from capital contributions without deduction of withholding tax. If the shareholders approve this proposal, the total dividend payment will come to kCHF 11 823, and the distribution ratio as a percentage of the consolidated profit for the year will be 44.6 %. All shares rank for dividends except for the treasury shares (13 486 as per 31 December 2014).

in CHF thousand	31.12.2014	31.12.2013
Allocation from legal reserves (capital contribution reserves) to free reserves	11 823	11 654
Withholding tax-free distribution of CHF 2.00 per registered share	– 11 823	– 11 654

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To the General Meeting of

Orior Ltd, Zurich

Basle, 25 February 2015

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Orior Ltd, which comprise the income statement, balance sheet and notes (pages 154 to 160), for the year ended 31 December 2014.

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 2014 comply with Swiss law and the company's articles of incorporation.

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2

Report on other legal requirements

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

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of 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)

Gianni Trog
Licensed audit expert

ORIOR GROUP
SHARE INFORMATION

Share Information

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

Key figures

Number of shares at 31 December		2014	2013
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	13 486	9 305
Number of outstanding registered shares	Number	5 911 514	5 915 695

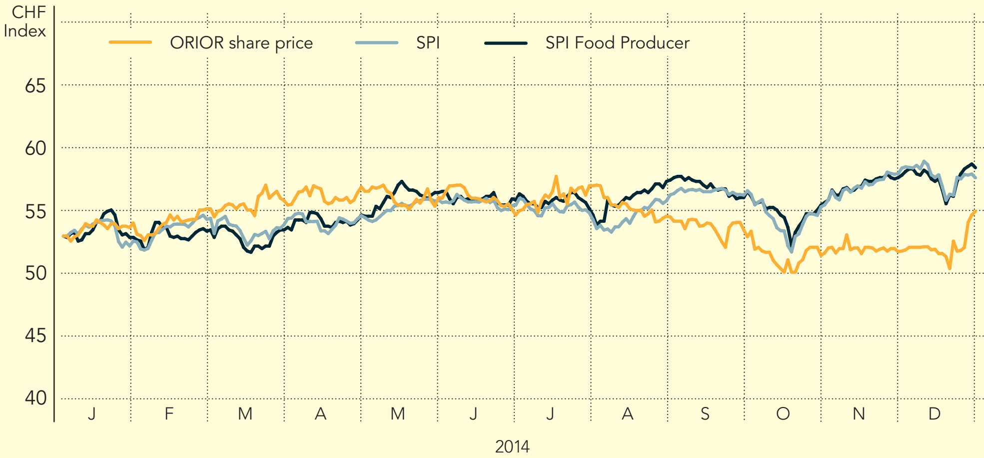
Stock exchange key figures		2014	2013
Year-end price	in CHF	54.90	52.00
Year high	in CHF	57.75	53.50
Year low	in CHF	49.25	46.75
Average trading volume per day	Number	4 661	7 242
Market capitalisation at year-end	in CHF m	325.3	308.1

Key figures		2014	2013 Restated[1]
Net result per share	in CHF	4.48	4.26
Net result per share (diluted)	in CHF	4.48	4.26
Operating cash flow per share	in CHF	4.84	6.84
Equity per share	in CHF	38.33	35.49
Dividend per share	in CHF	2.00	1.97
Dividend percentage	in %	44.6	46.2
P / E ratio after tax		12.25	12.21
Weighted Ø number of shares outstanding	in '000	5 914	5 915

[1] See Note 2 in the Financial Report

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 2.00 per share for 2014. The proposed dividend payout for fiscal 2014 corresponds to 44.6 % of net profit for the year.

Corporate calendar

Fifth Annual General Meeting, Maag Halle Zurich	26.03.2015
Half-year results 2015	20.08.2015
Publication of half-year report 2015	20.08.2015

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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 day-to-day work and are proud of being a member of our team can produce the required results;
- each one of us must assume full responsibility for ourselves and our work, and all our actions must be highly ethical, diligent and respectful, as well as efficient and effective;
- 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.

EXCELLENCE IN FOOD

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