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Glass remains glass

The refrigerator is a mysterious place. As soon as the door is closed and it gets dark inside, the glass bottles begin to talk. And anyone who listens closely discovers a new world. Because nobody knows the story of glass and its recycling loop better than the bottles themselves. And they pass this knowledge on: from generation to generation, from the biggest to the smallest bottles.

Vetropack listened and, two years ago, made the animated film "Glass remains glass". A film that fascinates viewers and has already won numerous awards: from Cannes to Hamburg, from Chicago to Los Angeles. The 2013 annual report is also illustrated with drawings from this film. They are a feast for the eyes, even in static form. Anyone who prefers animated pictures, though, can follow the QR code path to animation.

At a Glance

Key Figures 2013

		+/-	2012	2013
Gross Revenue	CHF millions	2.7%	604.4	621.0
EBIT	CHF millions	- 2.4%	61.5	60.0
Annual Profit	CHF millions	- 32.5%	83.6	56.4
Cash Flow	CHF millions	12.7%	98.0	110.4
Investments	CHF millions	- 49.9%	112.3	56.3
Production	1 000 metric tons	3.1%	1 242	1 281
Unit Sales	billions	1.5%	4.29	4.36
Exports (in unit terms)	%	-	38.3	38.1
Employees	number	0.5%	3 000	3 014

Agenda

2014

Annual General Assembly (Bülach)

14 May 2014, 11:15

Semi-Annual Report

25 August 2014

2015

Press Conference (Bülach)

24 March 2015, 10:15

Annual General Assembly (St-Prex)

6 May 2015, 11:15

QR codes. You will find QR codes on various pages in this annual report. They enable you to view Vetropack's animated film "Glass remains glass" on your smartphone or tablet. Simply open the software to scan barcodes and point the camera at the QR code. The smart phone or tablet will automatically connect to the animated film. If you do not own a smartphone or tablet, please use the website address listed under each QR code. Enjoy!

Board of Directors' Report

Dear shareholders,

In the 2013 reporting year, Vetropack Group recorded a pleasing result in a difficult economic environment. All production capacity was fully utilised. Nevertheless, the margins remained under pressure due to rising production costs and the strong presence of international competitors.

Vetropack Group generated consolidated gross revenue of CHF 621.0 million in the 2013 fiscal year, an increase of 2.7% from the previous year (2012: CHF 604.4 million). This gratifying development is primarily attributable to three factors: full utilisation with no routine furnace repair, positive exchange effects and the balanced mix/price structure. The currency-adjusted increase in revenue was 2.0%.

The Swiss Vetropack company was able to improve its product mix and thus maintain its contribution to consolidated gross revenue at an almost constant level (2013: 13.4%, 2012: 13.6%). Vetropack Austria GmbH developed in a likewise stable manner with its two glassworks in Pöchlarn and Kremsmünster. At 31.4% (2012: 31.2%), the Austrian subsidiary again made the largest contribution to gross revenue in 2013. The percentage of total revenue contributed by Vetropack Moravia Glass a.s. in the Czech Republic decreased to 12.8% (2012: 13.4%) due to lower sales as a result of storms. The Slovakian plant, Vetropack Nemšová s.r.o., contributed 6.7% (2012: 6.8%) of revenue. Vetropack Straža d.d. in Croatia generated 18.2% of gross revenue (2012: 17.0%). The cylinder fleet replacement commissioned by three breweries was an important factor in this regard. The Ukrainian Vetropack Gostomel plant contributed to consolidated revenue with 15.2% (2012: 15.9%). In an economically tense environment,

the company was unable to completely implement the necessary price adjustments. The weakening of the national currency also had a negative impact.

Market trends. Unlike the packaging market for glass containers, which is growing worldwide, the glass market in Europe has been trending negatively since 2012. Regional differences in purchasing power and consumer behaviour have also affected this trend. In the Eastern European countries, it is primarily declining purchasing power that is increasingly causing consumers to turn to cheaper products in alternative packaging. Consumer behaviour is changing in Western Europe as well, but for other reasons: a greater awareness linked to the consumption of alcoholic beverages is leading to stagnation in sales in those areas that are traditionally among the core markets for glass packaging. The result of this trend has been intensified competition for the European container glass industry.

High level of production flexibility for customers.

Overall, Vetropack Group sold 4.36 billion units of glass packaging (2012: 4.29 billion units), 1.5% more than in the previous year. Thanks to efficient and flexible production in the competitive market environment, Vetropack Group was able to develop new and established customer relationships.



Claude R. Cornaz, CEO (left), Hans R. Rüegg, Chairman of the Board of Directors (right)

The domestic markets accounted for 61.9% (2012: 61.7%) of unit sales, and the export markets accounted for 38.1% (2012: 38.3%). All Vetropack plants operated at full capacity.

Full production capacity. Because no scheduled furnace repairs were carried out during the reporting year, Vetropack Group had its full production capacity available in 2013. A total of 1,281,029 tons of saleable glass packaging was manufactured (2012: 1,242,094 tons). This equates to an increase of 3.1% compared to the previous year, in which two furnace refurbishments were carried out.

Growing inventory. The increase in sales achieved in the reporting year in the previously outlined com-

petitive economic environment did not completely absorb the unrestricted production capacity. This led to an expansion of inventory, which, in terms of value, increased by 7.1%, to CHF 130.0 million (2012: CHF 121.5 million).

Higher costs – lower EBIT. Vetropack Group achieved consolidated EBIT of CHF 60.0 million (2012: CHF 61.5 million). The higher production costs in the areas of personnel, raw materials, packaging materials and depreciation and amortisation could not be absorbed by the price adjustments realisable in the market. Consequently, the EBIT margin decreased to 9.7% (2012: 10.2%).

Positive impact on annual profit once again. Consolidated annual profit was CHF 56.4 million (2012: CHF 83.6 million) in the reporting year. In addition to positive exchange effects and the sale of a property no longer required for operations in St-Prex, Vaud, (the effect on profit before taxes totalled approximately CHF 2.8 million) the purchase of the remaining shares and subsequent merger of a property company had a positive impact on annual profit. For its part, the same period of the previous year was positively affected by a sale of land in the amount of CHF 35.0 million.

Cash flow increased. At CHF 110.4 million, cash flow was 12.7% higher than the previous year's figure of CHF 98.0 million. The cash flow margin was 17.8% of gross revenue (2012: 16.2%). Although CHF 31.1 million was invested in a share buyback programme during the reporting year, Vetropack Group's net liquidity remained at the high level of CHF 23.8 million (2012: CHF 44.1 million).

Balance sheet structure. Consolidated total assets increased to CHF 794.1 million (2012: CHF 771.9 million). At CHF 299.3 million (2012: CHF 298.1 million), short-term assets remained nearly constant. As a result of the aforementioned purchase of the remaining shares and subsequent merger of a property company, long-term assets rose by 4.4%, to CHF 494.8 million (2012: CHF 473.8 million). Due to the takeover of long-term property financing, debt increased to CHF 151.5 million (2012: CHF 133.8 million). As of the reporting date, 31 December 2013, Vetropack Group's external debt had increased by 95.0% and totalled CHF 28.9 million (2012: CHF 14.8 million). Shareholders' equity was CHF 642.6 million (2012: CHF 638.1 million). Although the equity ratio decreased, at 80.9% of total assets (2012: 82.7%), it continued to be at a high level.

At the end of the reporting year, Vetropack Group employed a workforce of 3,014 persons (31 December 2012: 3,000 persons).

Investing in the future. Vetropack Group invested a total of CHF 56.3 million during the reporting year (2012: CHF 112.3 million). Because no furnaces were refurbished during the reporting year, the focus was on the modernisation and replacement of glass-blowing machines and the associated infrastructure and on preparatory work for the new construction and retrofitting of furnaces in 2014 and 2015. Particularly worthy of mention is the conversion of the furnace heating of the St-Prex Vetropack plant from heavy fuel oil to natural gas. This conversion is enabling the further reduction of CO₂ emissions. In addition, preparations were made in the Swiss plant for the installation of a 12-station AIS glass-blowing machine, which was put into operation at the beginning of 2014 after the last-minute repair work performed on the regenerative chambers. This new AIS machine can be used in double- or triple-gob processes. The final investments for the internal PRISMA project were also of consequence.

Vetropack share. Analysts, investors and shareholders agree that the Vetropack share has a safe value, although there was a lack of positive recommendations. As a result, although the share price increased during the fiscal year by 8.0%, it did not achieve the SPI's high performance of 24.6%.

Successful conclusion of share buyback programme. The share buyback was carried out from 15 to 29 May 2013 by means of put options that could be traded on the SIX Swiss Exchange. A total of 13,357 bearer shares were repurchased. This equated to 3.26% of share capital and 1.20% of voting rights. The Board of Directors of Vetropack Holding Ltd will propose to the Annual General Assembly of 14 May 2014 that the repurchased shares be cancelled.

Increased dividend. In view of the condensation of share capital through the share buybacks of recent years, the Board of Directors will propose to the Annual General Assembly on 14 May 2014 that the dividend for the previous year be set at 72.6% of the nominal value. This equates to a gross dividend of CHF 37.50 per bearer share (2013: CHF 35.00) and a gross dividend of CHF 7.50 per registered share (2013: CHF 7.00).

PRISMA – the final milestone. The implementation of the internal PRISMA IT project, which was started in 2010, has almost been completed. During the reporting year, activity focused on preparatory work for the roll-out at the Ukrainian Gostomel plant. This took place soon after the turn of the year, on 8 January 2014. As a result, all Vetropack sites have now been integrated into the new process and SAP landscape. The successful Group-wide implementation of this time- and investment-intensive project was and is of great strategic importance, because it enables Vetropack Group to design its internal processes to be even more uniform and efficient.

Outlook for the 2014 fiscal year. The more or less flat market trends of the 2013 reporting year will continue in the 2014 fiscal year. No signs are detectable that point to a broad recovery of demand and consumption. Although the decreases in raw material and energy costs announced by suppliers could bring an element of relief, price pressure on the sales markets will continue unchanged, particularly since no capacity adjustments are evident in the European packaging glass industry. Vetropack Group plans to continue to fully utilise its production capacities and will therefore work the export markets even more actively.

Vetropack's plant in Gostomel, Ukraine, has so far remained virtually unaffected by the political crisis gripping the country. However, it is difficult to assess what will happen next. Precautionary measures have therefore been taken and the situation is being monitored on an ongoing basis.

Thank you. On behalf of the Board of Directors, we would like to thank our employees for their outstanding commitment and hard work during 2013. We would also like to thank our customers, shareholders and business partners for their support and the confidence that they have shown in us.



Hans R. Rüegg
Chairman of the Board of Directors



Claude R. Cornaz
CEO

Bülach, 19 March 2014



2013 in retrospect: Alleviating pressure on margins through innovative projects

Mr Cornaz, what changed in the 2013 fiscal year?

Changes usually sneak up on you. This was also true last year, when the trend of the previous year continued.

Which trend? Our increasing production costs are up against price pressure on the customer side. It's true that packaging plays an important marketing role for them, but our customers also need to control costs. What's more, the European market currently has an ample supply of glass packaging. There were no changes in capacity in 2013, which meant no relief of the pressure on margins.

What stayed the same? I'd first like to mention our company strategy. We are convinced that we are heading in the right direction. There is potential for growth in the Central and Eastern European markets, even though the economic situation in these countries is temporarily difficult. Glass bottle sales in Western Europe have stabilised at a high level.

What does this mean for the pressure on margins?

There are two key areas where adjustments can be made: increasing efficiency and reducing costs. We're

working in parallel, by moving forward with innovative projects, for example. Hard glass is the best known. Exclusively internal projects include our work with suppliers to develop a glass batch and cullet preheater. When the glass batches and cullets are preheated by the flue gas derived, the actual melting process requires less energy – which lowers costs. We carried out a pilot project in the Vetropack Straža plant in Croatia in 2012 and another in 2013 in the Nemšová plant in Slovakia, which was somewhat different technologically. In addition, we strategically pooled the procurement of goods across the Group. And the conversion of all plants to the new process and SAP landscape through the PRISMA project is now also as good as finished. The investment costs needed for this project were substantial, which negatively impacted the income statement. The roll-out at the Vetropack Gostomel plant in Ukraine took place on 8 January 2014, which means that all sites now have the new system.

Let's stay with the JSC Vetropack Gostomel plant in Ukraine for a moment. The country frequently experiences difficult times. How are you handling this?

The political upheaval, paired with short-notice legislative changes without transitional periods, in short, the uncertainties at many levels, do not make it easy to conduct business in this country. On the other hand, we believe, as I have already said, in the potential of this country. We have very good local management and employees whom we trust and who depend on us. We hope and wish that this great country will find an orderly, forward-looking path as soon as possible.

...and in Switzerland, how are things going at the Vetropack plant in St-Prex?

The economic situation is tense here. We are challenged and at the same time full of ideas we want to implement to improve our cost structures and actively take on the future. We recently completed the installation of a triple-gob glass-blowing machine. With this machine, three bottles per cycle are formed simultaneously at the hot end. This increases production efficiency. The conversion of the fuelling of the melting furnace from oil to natural gas in the autumn of 2013 will also have a very positive impact.

The regenerative chamber of the melting furnace is currently being repaired... Yes, at the end of 2013 we discovered loose stones that had fallen into the

regenerative chamber and immediately got under way with the necessary and expensive repair. Obviously, this is hitting us at a bad moment, and it doesn't make the situation in St-Prex any easier. The path to the future is a rocky one, in the truest sense of the word. We are trying to make the best of it and have therefore combined the repair work with the installation of the new planned infrastructure, including the triple-gob glass-blowing machine mentioned previously. I should also mention that the interruption in production made necessary by this work did not lead to any supply bottlenecks.

You mentioned the innovative hard glass project at the beginning. How is this project coming along?

In the hard glass project, we are working closely with glassmaking machinery manufacturer Bucher Emhart Glass. They are providing the technology, and we are providing the industrial production know-how. Industrial requirements are very different from the hardening of small batches in an experimental laboratory. Optimisation work and the very time-consuming process validation therefore entirely characterised 2013. Both are essential requirements for series production. If everything goes as planned, a filling-cycle pilot production commissioned by a customer will be tested in 2014.

Bülach, end of February 2014





Impressions 2013

1st Half Year

The new green-glass furnace with its three modernised production lines is put into operation at the beginning of January at the Vetropack plant in Pöchlarn, Austria.

JSC Vetropack Gostomel, Ukraine, wins a "Ukrainian Packaging Star" with the "Bordolese Light" wine bottle. The jury lauds the advantages of this 410-gram light bottle, whose low weight enables the conservation of

raw materials and energy. This reduces CO₂ emissions and transport costs. The 75-cl lightweight glass bottle is available in the colours *feuille morte*, *cuvée* and *olive*.

The Croatian Chamber of Economy and the Croatian Business Council for Sustainable Development honour Vetropack Straža d.d. with the "Socially Responsible Business" prize for its commitment to sustainability. In addition to the company's active environmental protection initiatives, this award also acknowledges, among other things, its business strategy, exemplary human resources development and broad social commitment.



The wine and spirits trade show “ExpoVin Moldova”, which takes place every February, is characterised by the diversity of products and technologies. This is also true of the “WorldFood Azerbaijan” exhibition, which takes place in May in Baku. It is an important and prominent event in the food and beverage industry in Southwest Asia. JSC Vetropack Gostomel makes use of both opportunities to present its product line to a very interested public.

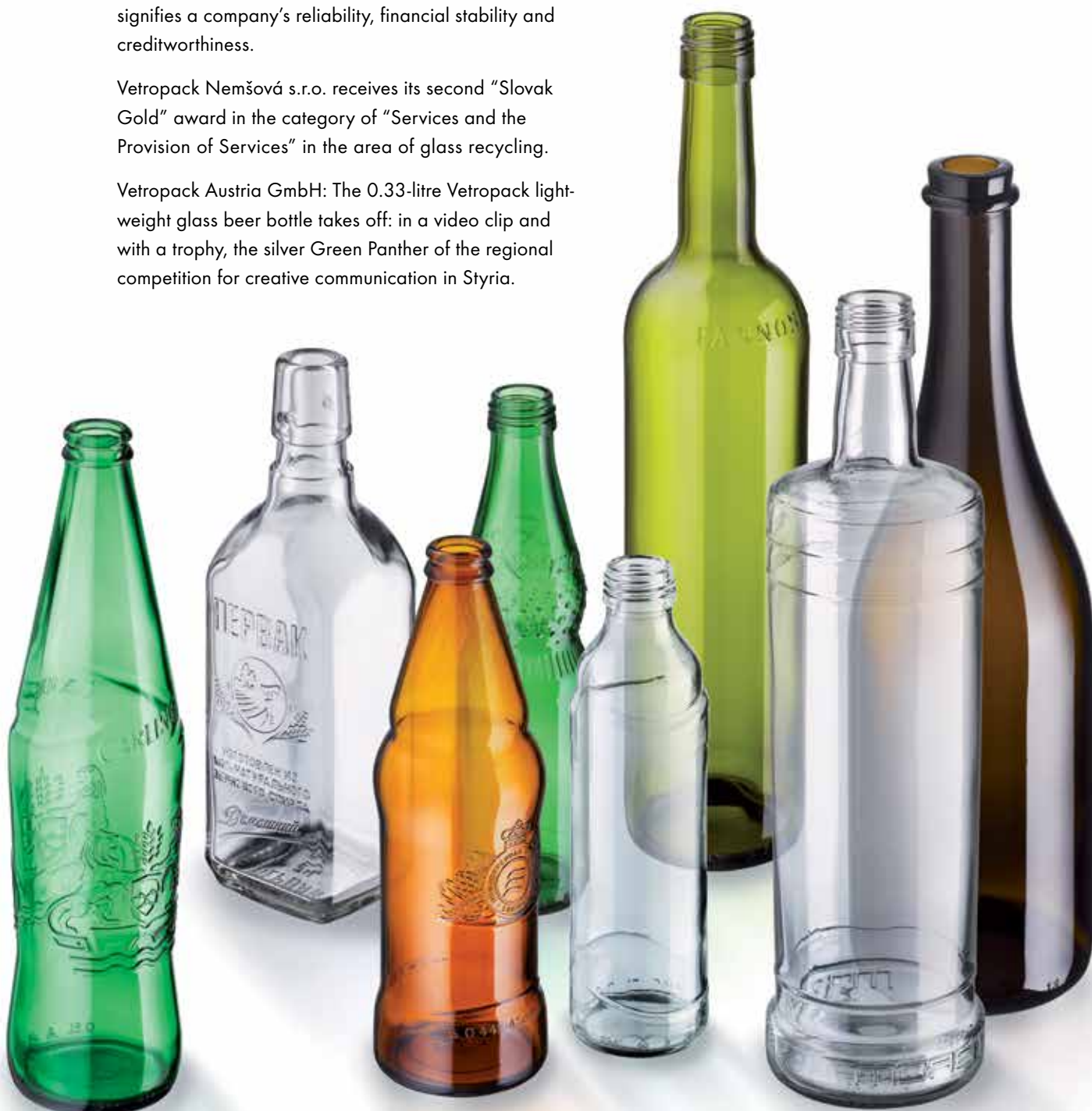
The international business information agency, Dun & Bradstreet, awards the top “1” rating to Vetropack Moravia Glass a.s., the Czech glassworks. The Dun & Bradstreet rating is the economic badge of quality and signifies a company’s reliability, financial stability and creditworthiness.

Vetropack Nemšová s.r.o. receives its second “Slovak Gold” award in the category of “Services and the Provision of Services” in the area of glass recycling.

Vetropack Austria GmbH: The 0.33-litre Vetropack light-weight glass beer bottle takes off: in a video clip and with a trophy, the silver Green Panther of the regional competition for creative communication in Styria.

The award is presented on 6 June during a festive gala at the theatre in Graz.

On 7 June, the Croatian plant, Vetropack Straža d.d., produces the two billionth bottle for Italian beverage producer San Benedetto. The successful partnership began in 1975. It lasted through the years of war in the 1990s and the associated political and economic uncertainties. Good business and pioneering partnerships flourish when people have common goals and stand together in a sustainable relationship.



2nd Half Year

Committed to tradition and therefore modern: JSC Vetropack Gostomel introduces the first flint-glass bottle with a swingstopper to the Ukrainian market for the well-known vodka brand "Pervak". The glassworks also resumes production of wide-mouth glass containers for milk products after an interruption of several years.

Vetropack honours Swiss companies: The special prize endowed by Vetropack Ltd, Prix Vetropack, is one of the coveted awards of the Internationale Weinprämierung Zürich, IWPZ [Zurich International Wine Awards]. It is awarded each year to the highest-rated wine of a major Swiss varietal. The 2013 prize-winner is the Merlot Nadia Mathier 2009 from the Salgesch family winery of the same name.

Vetropack Group's Swiss trading house, Müller + Krempel Ltd, makes the initial endowment of a special prize for a domestic spirit chosen by Distisuisse as the brandy of the year. The Lauerzkerkirsch 2005 of the distillery Etter Söhne AG receives this new special prize as the highest-graded Swiss distillate.

Vetropack Straža d.d. installs a multi-job system at a flint-glass furnace. The new system allows a line to simultaneously produce two glass containers of different shapes and weights. A likewise newly equipped sorting machine facilitates this flexible production and automatically routes the different glass products to the correct, product-specific quality inspection.

One bottle - two prizes: Vetropack Nemšová s.r.o., Slovakia, produced a one-litre beer bottle with a swingstopper for the SAB Urquell brewery. This special beer bottle, with which the brewery celebrated its 170-year anniversary in 2012, wins the "Design Touch 2013" award of the Czech packaging association SYBA. As if that were not enough, on 7 November, the anniversary bottle wins a WorldStar from the World Packaging Organisation in Barcelona. The prize will be awarded at the international trade fair Interpack in Dusseldorf in May 2014.





The first two Vetropack Group glassworks, those in Croatia and in Pöchlarn, Austria, successfully conclude FSSC-22000 certification audits at the end of November. FSSC stands for Food Safety System Certification and is an internationally recognised management system for ensuring the safety of food products. The standard is directed towards all companies involved in the food chain.

With the integration of JSC Vetropack Gostomel, the internal PRISMA project to harmonise processes and the IT/SAP landscape nears its conclusion. Preparations

for the rollout in Ukraine move forward at full speed, and the project goes live on 8 January 2014.

In close collaboration with glassmaking machinery manufacturer Bucher Emhart Glass, Vetropack makes preparations for the industrial production of tempered packaging glass at the plant in Pöchlarn, Austria. 2013 milestones: The tempering equipment delivered from the USA is installed in the new tempered-glass hall, tested, and continuously optimised for industrial pilot production. The innovative thermal tempering process allows even tougher glass packaging to be made. During 2014, preparations will be made for introduction to the market, on a local level for the time being, for test purposes. These include evaluations of multiple filling cycles.





Sustainability at Vetropack Committed to the future

Vetropack is committed to the transparent “three-pillar model” of sustainability, which – in keeping with its corporate philosophy – is symbolised by three globes encased in protective glass bottles. The model encompasses social, environmental and economic responsibility.

Working together to boost sustainability. Vetropack constantly strives to enhance the sustainability of its business activities and works closely with its business partners to put this into practice. This is why all of Vetropack’s suppliers and their staff are obliged to adhere to the basic principles listed in the code of conduct for suppliers. The key elements of this code of conduct

are honesty, commitment and transparency, as well as ethical behaviour, respect for human rights, compliance with environmental standards and socially acceptable working conditions. Suppliers also have a responsibility to monitor the fulfilment of the requirements specified in the code of conduct within their own supply chains.

Less is more. Manufacturing a natural product such as glass is extremely energy-intensive. In other words, the amount of energy consumed during production has significant environmental implications. By making targeted improvements to the production process, and particularly the melting process, energy efficiency can

be continuously improved and emissions reduced. In the 2013 fiscal year, for example, the system for fueling the melting furnace at the Swiss Vetropack plant in Saint-Prex was converted so that the raw materials are now melted using natural gas at approximately 1,600 degrees Celsius. This generates around 15 per cent less carbon dioxide (CO₂) than burning oil, but with the same melting output. All 16 melting furnaces in the Vetropack Group are now fuelled by natural gas.

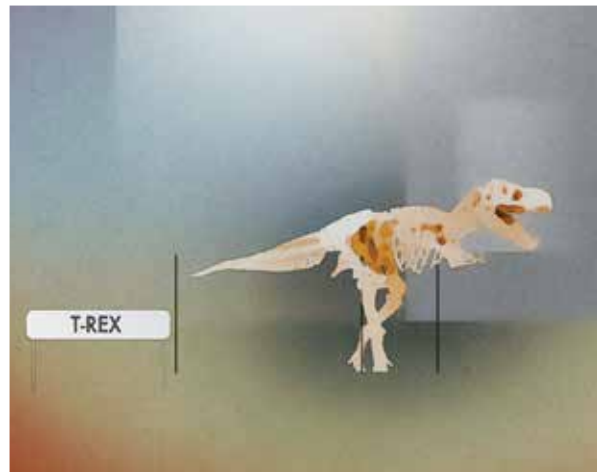
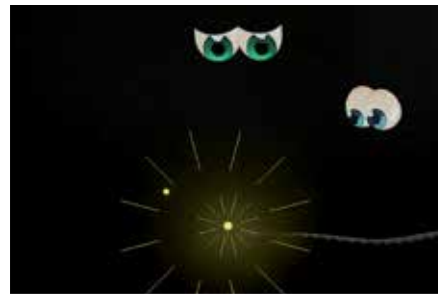
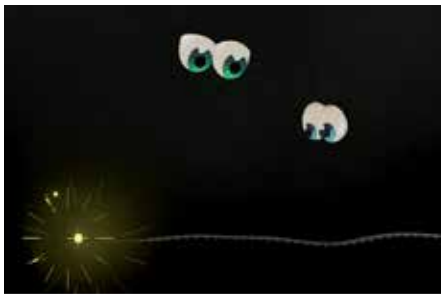
Targeted reduction of energy consumption. Every time a scheduled melting furnace or production plant refurbishment is carried out, Vetropack uses state-of-the-art technology to ensure that its energy consumption is continuously reduced and harmful emissions are minimised. Even in those rare years when no melting furnaces are due for refurbishment, energy-reducing ideas and schemes are always on the agenda for Vetropack's technical specialists. They work with suppliers to further develop existing systems or explore new, innovative options.

Following an evolutionary approach. Preheating the raw materials and cullets before the actual melting process helps keep energy consumption down. At its Straža plant in Croatia, Vetropack has therefore laid the foundations for retrofitting a melting material preheater in line with the indirect preheating principle. In preparation for this, the system has been further developed in cooperation with the manufacturer and based on an evolutionary approach, and geared towards the specific requirements of the glassworks.

Impressively simple innovation. The prototype for a new, innovative type of melting material preheater, which was developed at Vetropack's Nemšová plant in Slovakia in collaboration with a plant manufacturer, is based on a minor paradigm shift rather than step-by-step further development. The idea behind this preheating concept is as simple as it is impressive: cullets and glass batches are conveyed to the melting furnace through a vibrating fluidised bed dryer. Meanwhile, the flue gases are also fed through this to preheat the melting material. The result is an extremely compact system which can be integrated into the melting furnace and is now undergoing testing.

Sustainable thinking – firmly ingrained. Alongside the implementation of new activities, work naturally also continued on existing sustainability projects in 2013. These included the production of lightweight glass packaging, processing used glass as a secondary raw material and – last but not least – using the innovative thermal hardening process to produce tempered glass. The plan is to roll this out to market in 2014, initially at a local level, for test purposes.

**“For Vetropack, responsibility means achieving financial success
in a socially and environmentally responsible way.”**



3500 🐦 |||

How bottles explain themselves the world. A long, long time ago, when nothing existed, not even bottles, there was a tremendous crash in the universe – the big bang. And that created the elements, of which everything is made. Also bottles and all things living. One of these beings is man. He was so clever that he started to make glass over 3,500 years ago.

The QR code leads you to the German version of Vetropack’s animated film “Glass remains glass”.
Der QR-Tag führt Sie zum deutschsprachigen Vetropack-Animationsfilm «Glas bleibt Glas».

Company Reports

Vetropack Ltd (Switzerland). Vetropack Ltd generated revenue of CHF 89.6 million in the 2013 fiscal year and was thus able to keep revenue at the level of the previous year in a difficult environment. A total of 496.1 million units of glass packaging were sold.

The primary factors contributing to this trend were increases in domestic sales. While sales in the wine and food product groups remained largely stable, the one of beer grew. Export sales decreased slightly as part of a strategic adjustment to reduce beer bottle sales. Exports made up 15.8% of total sales.

	+/-	2012	2013
Sales in CHF millions	- 0.3%	89.9	89.6
Unit sales in millions	- 1.8%	505.2	496.1
Exports in unit terms		18.5%	15.8%
Production in tons	- 4.7%	111 927	106 713
Sales by Product Groups (in unit terms)			
Wine/spirits		41.6%	41.0%
Beer/mineral water/carbonated beverages/juice		42.4%	43.0%
Food		16.0%	16.0%

The fuelling of the melter at the St-Prex plant was successfully converted from heavy fuel oil to gas in September 2013.

Vetropack Ltd's activities in the area of recycling continued to focus on intensifying collaboration with organisations, municipalities, cities and authorities. This collaboration included, among other things, the expansion of cullet returns and the optimisation of process flows. The St-Prex plant was provided with the amount of used glass it required for production.

Additional investments and the unfavourable exchange rate between the Swiss franc and the euro each had a considerable negative impact on the financial results of Vetropack Ltd in 2013.

At the end of the 2013 fiscal year, Vetropack Ltd employed 197 persons (2012: 198). All capacity was fully utilised.

Vetropack Austria GmbH (Austria). Vetropack Austria GmbH's revenue for the 2013 fiscal year totalled EUR 172.8 million, an increase of 2.6% on the previous year. Unit sales rose by 2.9%, to 1,567.2 million units.

The gratifying sales volume and revenue trend represented a new record in the history of Vetropack Austria. Domestic business took various courses, however. The wine and beer product groups decreased compared to the previous year due to harvest and weather conditions. The food product group developed quite positively despite the flooding in the early summer. The export markets continued to excel compared to the previous year with their clear upward trend. In addition, the well-established partnership with large international customers resulted in growth in the beer, soft drinks and food product groups. Exports made up 40.3% of total sales.

As planned, the new green-glass furnace at the Pöchlarn plant was put into operation at the beginning of the reporting year. The test production for hard glass, also at the Pöchlarn plant, went well and will be gradually developed further.

	+/-	2012	2013
Sales in EUR millions	2.6%	168.5	172.8
Unit sales in millions	2.9%	1 523.0	1 567.2
Exports in unit terms		38.3%	40.3%
Production in tons	5.8%	318 418	336 864
1 EUR = CHF		1.205	1.231
Sales by Product Groups (in unit terms)			
Wine/spirits		14.5%	14.0%
Beer/mineral water/carbonated beverages/juice		58.8%	58.8%
Food		26.7%	27.2%

At the end of the reporting year, Vetropack Austria GmbH employed 655 persons (2012: 640). Both glassworks operated at full capacity.

Vetropack Moravia Glass a.s. (Czech Republic).

Vetropack Moravia Glass a.s. generated revenue of CZK 2,051.8 million in the 2013 fiscal year, which was 2.2% lower than the previous year's figure. Sales of glass packaging totalled 843.6 million units, 5.9% fewer than in the previous year. Exports amounted to 42.0%.

The decline in sales volume in the domestic and export markets is attributable to changing consumer behaviour. The decrease in purchasing power contributed to lower demand for bottled beverages. The beer and spirits product groups were particularly affected by this trend. In addition, the sale of mixed beer drinks, which had previously been growing steadily, stagnated at the level of the previous year. In the wine product group, the cancellation or non-renewal of risky export contracts affected the sale of glass packaging to neighbouring countries. Although the food market is highly competitive, Vetropack Moravia Glass a.s. succeeded in expanding collaboration with existing and new customers.

	+/-	2012	2013
Sales in CZK millions	- 2.2%	2 096.9	2 051.8
Unit sales in millions	- 5.9%	896.8	843.6
Exports in unit terms		42.4%	42.0%
Production in tons	- 2.0%	197 013	193 139
100 CZK = CHF		4.793	4.740
Sales by Product Groups (in unit terms)			
Wine/spirits		14.4%	12.0%
Beer/mineral water/carbonated beverages/juice		46.3%	49.1%
Food		39.3%	38.9%

With the replacement of an IS machine with a modern AIS machine, not only did the Czech glassworks increase its production quality and capacity, the new technical capabilities are also facilitating production planning.

Vetropack Moravia Glass a.s. was utilised to capacity and employed 470 persons (2012: 460) at the end of the 2013 fiscal year.

Vetropack Nemšová s.r.o. (Slovakia). The revenue generated by Vetropack Nemšová s.r.o. in the 2013 reporting year increased by 1.4%, to EUR 52.3 million. A total of 436.1 million units of glass packaging were sold, 1.8% less than the previous year. Exports amounted to 47.5%.

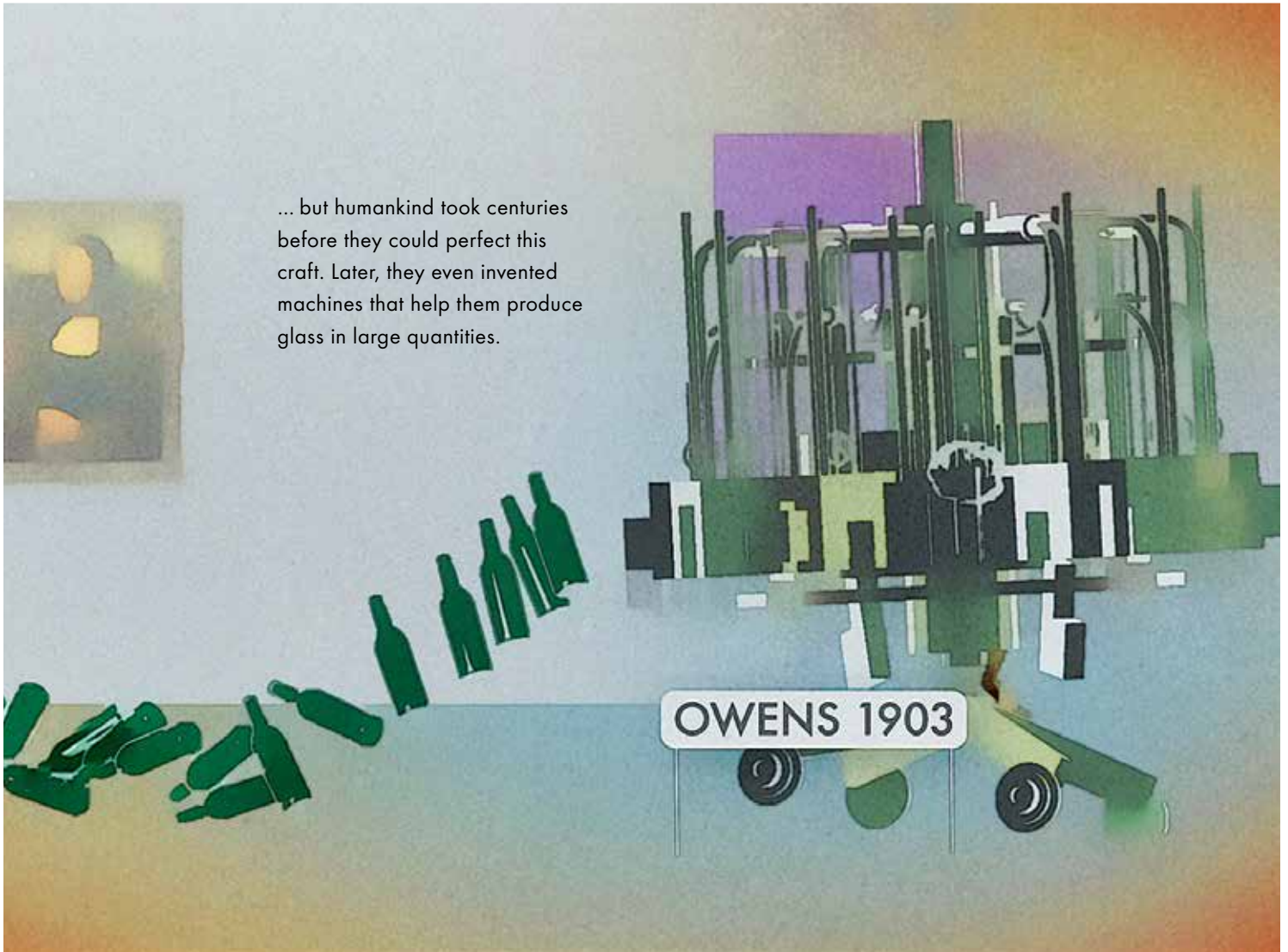
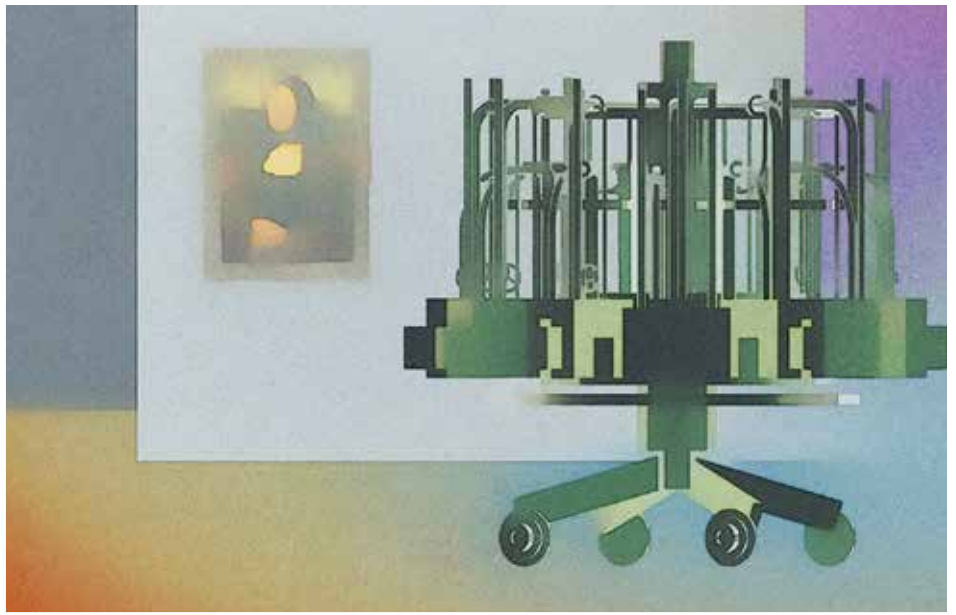
	+/-	2012	2013
Sales in EUR millions	1.4%	51.6	52.3
Unit sales in millions	- 1.8%	444.1	436.1
Exports in unit terms		42.0%	47.5%
Production in tons	2.8%	142 004	145 989
1 EUR = CHF		1.205	1.231
Sales by Product Groups (in unit terms)			
Wine/spirits		52.2%	53.8%
Beer/mineral water/carbonated beverages/juice		16.3%	15.2%
Food		31.5%	31.0%

The Slovakian company was able to maintain its domestic and export market positions and even expand certain product groups. Although the Slovakian market was affected by the importation of filled glass packaging, price pressure from major distributors and decreased consumption, the Vetropack company intensified its collaboration with prestigious customers in the spirits and wine product groups. Numerous new projects were successfully carried out, including the trend-setting development of new bottle designs and the expansion of the standard range of lightweight glass. The sales reduction in the beer product group reflected the decrease in sales.

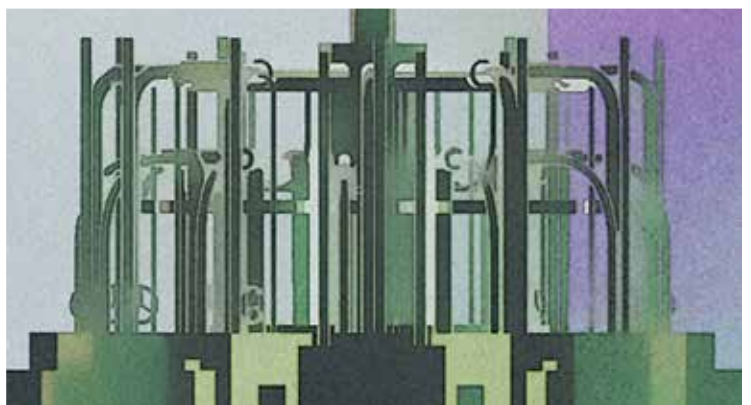
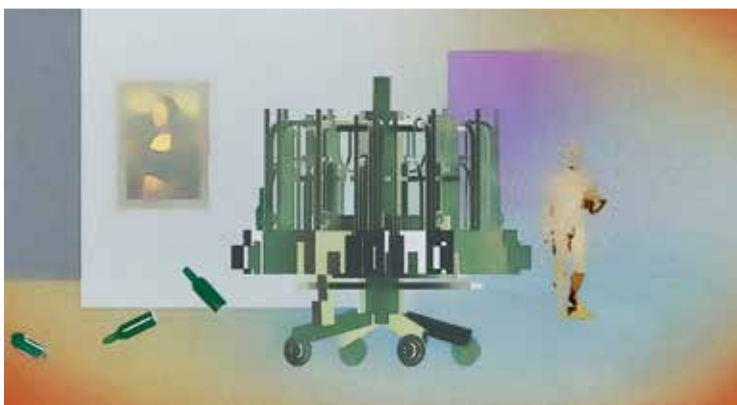
In the alcohol-free beverage and food product groups, collaboration with domestic customers was intensified. Initial business activities with new customers for milk products were also successfully realised.

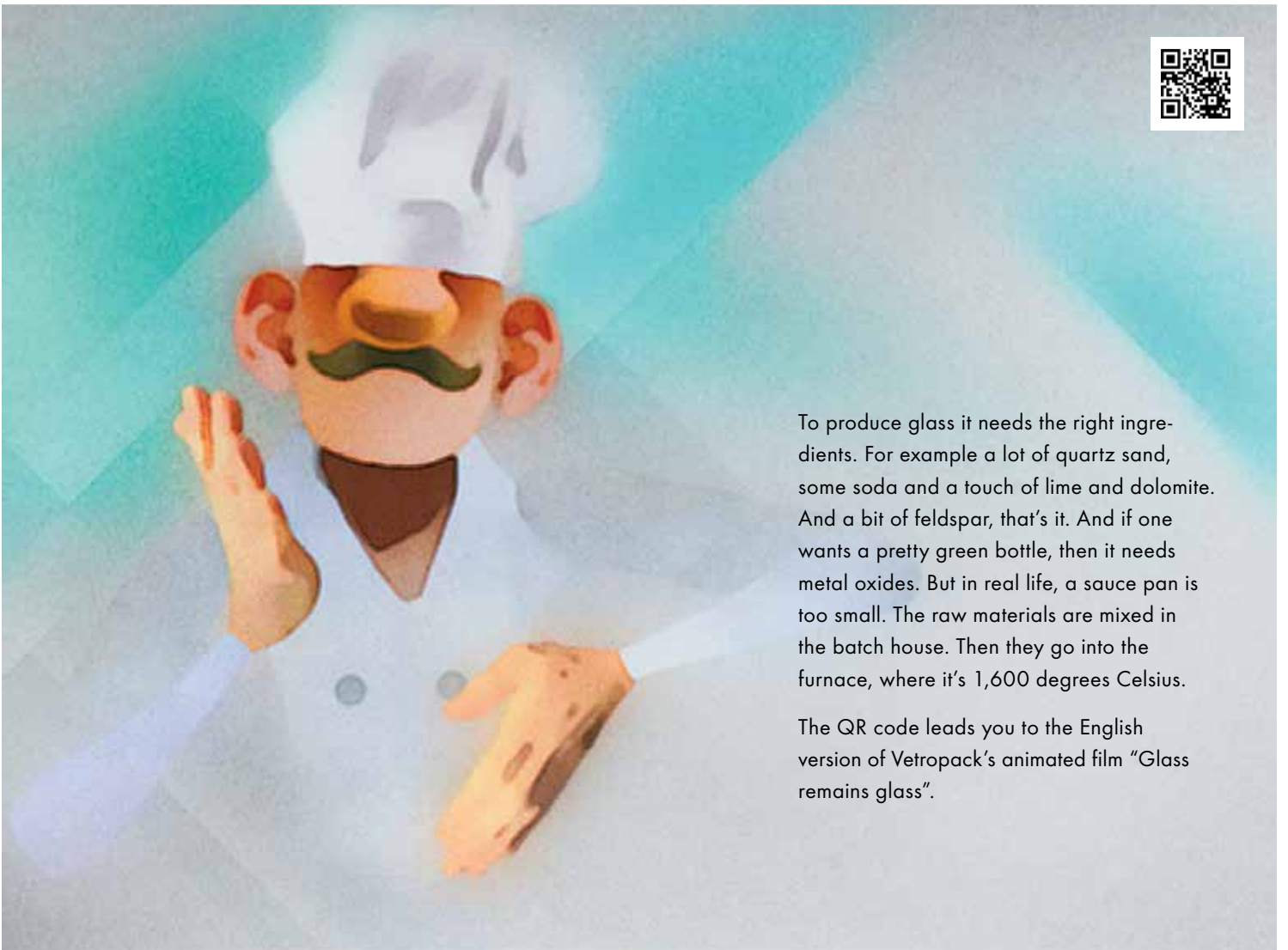
Thanks to the ongoing implementation of modernisation programmes, operational reliability and efficiency were also increased during the reporting year.

Vetropack Nemšová s.r.o. operated at full capacity and employed 359 persons (2012: 355) at the end of the 2013 fiscal year.



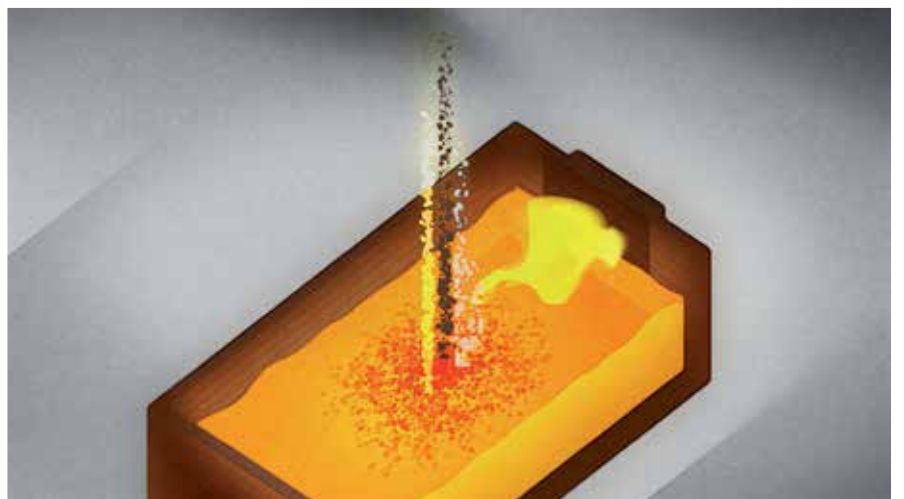
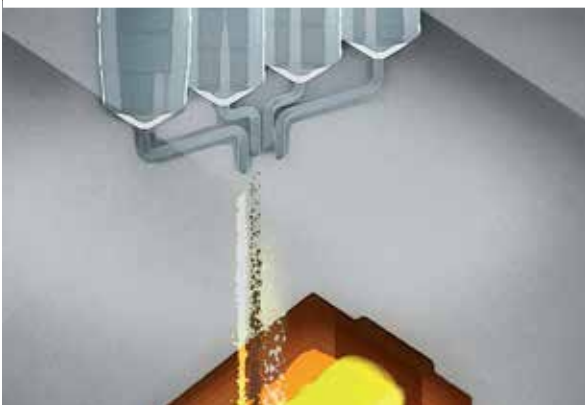
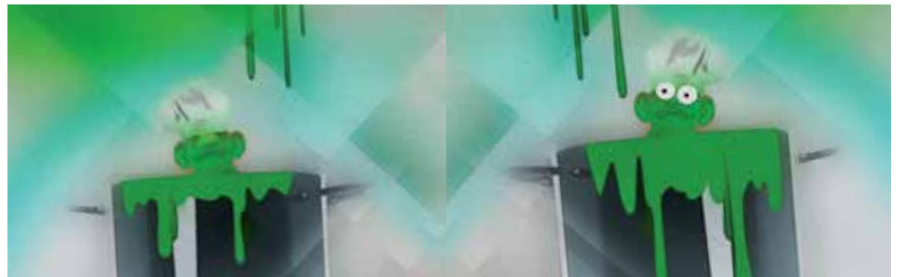
... but humankind took centuries before they could perfect this craft. Later, they even invented machines that help them produce glass in large quantities.





To produce glass it needs the right ingredients. For example a lot of quartz sand, some soda and a touch of lime and dolomite. And a bit of feldspar, that's it. And if one wants a pretty green bottle, then it needs metal oxides. But in real life, a sauce pan is too small. The raw materials are mixed in the batch house. Then they go into the furnace, where it's 1,600 degrees Celsius.

The QR code leads you to the English version of Vetropack's animated film "Glass remains glass".



Vetropack Straža d.d. (Croatia). Vetropack Straža d.d. generated revenue of HRK 745.6 million in the reporting year, which equates to an increase of 6.2% compared to the previous year. A total of 924.8 million units of glass packaging were sold.

The effects of the crisis continue to be ever-present in Croatia. Bankruptcies, insolvency and unemployment still dominated the economy in 2013. Due to this difficult economic environment and low consumer purchasing power, sales in the extended domestic market decreased. The extended domestic market includes the former Yugoslavian countries in addition to Croatia.

Thanks to the complete replacement of the cylinder fleets of two breweries in Croatia, sales in the beer product group increased significantly compared to the previous year. The Italian export market also contributed to this trend, however, with additional revenue in the beer product group.

The domestic portion of total revenue increased to 36.4%. Exports amounted to 63.6%. The extended domestic market accounted for 48.8% of this. The EU export markets recorded a slight increase in revenue.

All production capacity was fully utilised. At the end of the 2013 fiscal year, Vetropack Straža d.d. employed 585 persons (2012: 592).

	+/-	2012	2013
Sales in HRK millions	6.2%	702.0	745.6
Unit sales in millions	3.4%	894.1	924.8
Exports in unit terms		67.9%	63.6%
Production in tons	11.1%	223 754	248 519
100 HRK = CHF		16.024	16.240
Sales by Product Groups (in unit terms)			
Wine/spirits		17.4%	16.4%
Beer/mineral water/carbonated beverages/juice		68.7%	70.8%
Food		13.9%	12.8%

JSC Vetropack Gostomel (Ukraine). JSC Vetropack Gostomel, in Ukraine, generated revenue of UAH 817.6 million in the reporting year, 2.5% lower than in the previous year. At 642.2 million units of glass packaging, unit sales remained largely steady. Exports amounted to 7.1%.

The fragile economic situation in Ukraine had a negative impact on the consumption of domestically produced alcoholic beverages. While Ukrainian wine sales were stagnant, this trend caused beer and wine manufacturers to reduce production. At the same time, low-cost imports from Russia and Belarus increased rapidly.

	+/-	2012	2013
Sales in UAH millions	- 2.5%	838.8	817.6
Unit sales in millions	- 0.2%	643.5	642.2
Exports in unit terms		8.5%	7.1%
Production in tons	0.3%	248 978	249 805
100 UAH = CHF		11.745	11.604
Sales by Product Groups (in unit terms)			
Wine/spirits		32.8%	29.3%
Beer/mineral water/carbonated beverages/juice		66.0%	68.8%
Food		1.2%	1.9%

During the reporting year, JSC Vetropack Gostomel developed and produced 31 new glass packaging products and introduced the first vodka bottle with a swing stopper to the Ukrainian market.

Milk and milk products are very popular in Ukraine. The milk product group reflects this. Wide-mouth glass containers for milk products, which are produced in Gostomel, were successfully introduced to the market for the first time in 2013. However, sales of milk bottles also showed a gratifying development with a slight increase.

All capacity was fully utilised during the reporting year. At the end of the 2013 fiscal year, the Vetropack Gostomel plant employed 656 persons (2012: 662).

Müller + Krempel Ltd (Switzerland). Vetropack Group's Bülach-based trading house, Müller + Krempel Ltd, generated revenue of CHF 13.3 million in the 2013 fiscal year. Of this amount, 45.4% was attributable to retail sales, 31.1% to glass packaging for the food and beverage industry and 23.5% to glass and plastic packaging for the pharmaceutical and cosmetics industry.

All three business units increased their revenue compared to the previous year. Internally, attention was focused on the implementation of a new IT system, which will enable the optimisation of data updates and links around the eShop. The new IT solution, SAP Business by Design, has been successfully in use since 1 November.

At the end of the 2013 fiscal year, 15 persons were employed at Müller + Krempel Ltd (2012: 15).

	2012	2013
Revenue by Business Unit		
Retail Trade	46.8%	45.4%
Food & Beverage	29.5%	31.1%
Pharmaceutical & Cosmetics	23.7%	23.5%

Vetroconsult Ltd (Switzerland). Vetroconsult Ltd, Bülach, comprises the Technology, Production and IT divisions, as well as the purchasing of all capital and industrial goods. These services are performed for all Vetropack Group companies.

The Technology and Purchasing divisions' main activities include planning and repair work for all Vetropack plants. During the reporting year, among other things, the furnace heating of the Swiss St-Prex plant was converted from oil to gas, and preparations were made for the unexpected repair of the regenerative chamber of this furnace, which will be completed along with the renovation of a production line in the first quarter of 2014. The Group-wide modernisation programme, which is being implemented on an ongoing basis, and

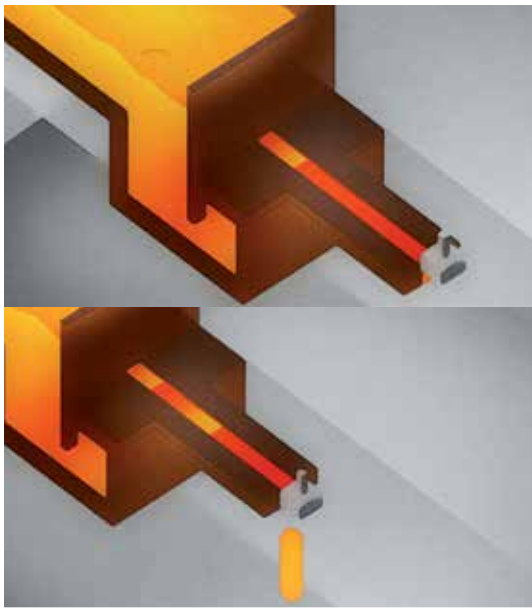
the routine replacement of production lines and accompanying infrastructure rounded off these activities. Thanks to these measures, production capacities were further optimised during the 2013 fiscal year. Energy is being used more efficiently and emissions are being reduced.

	2012	2013
Revenue by Division		
Technical	33.3%	28.9%
IT	66.7%	71.1%

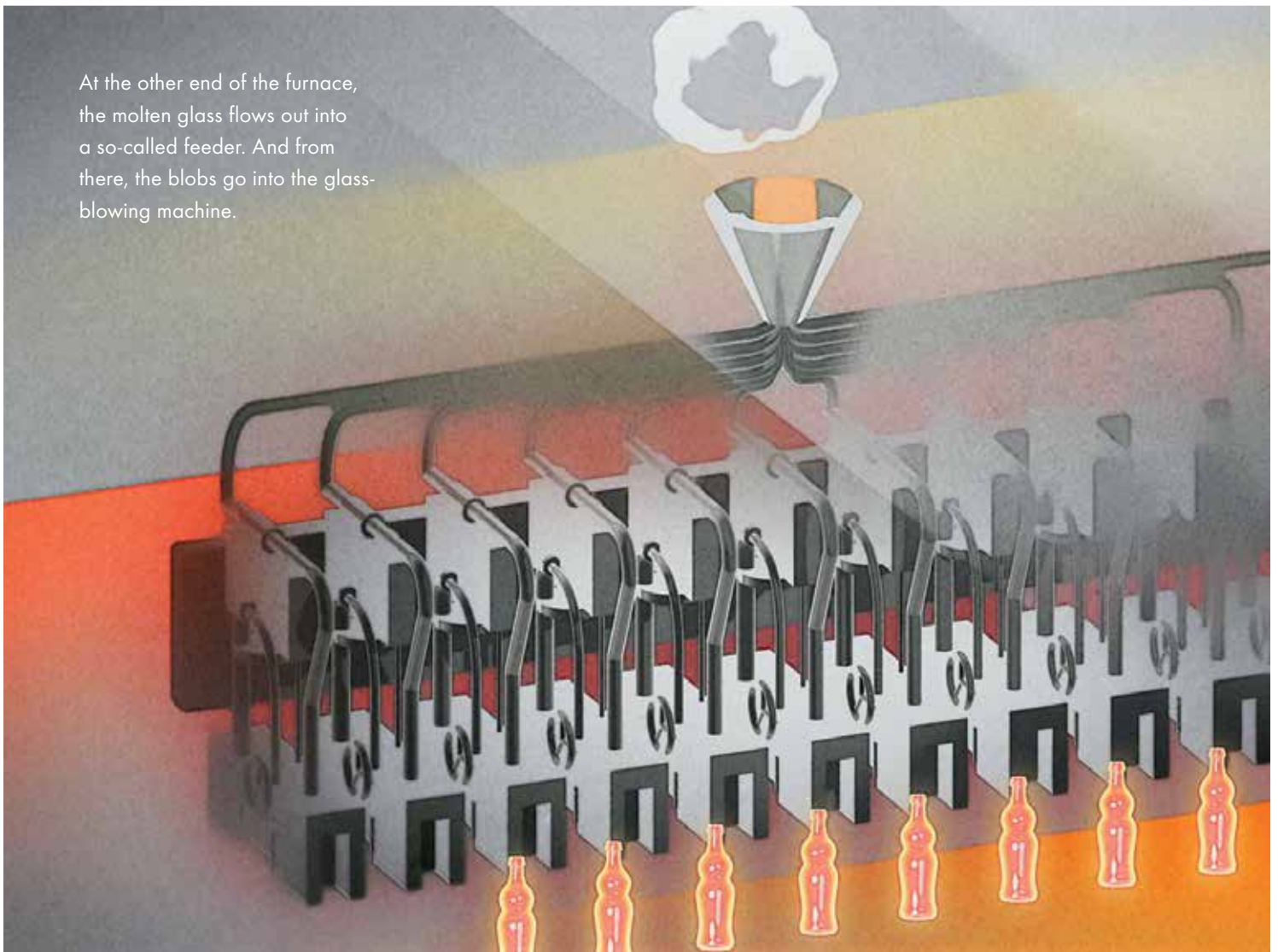
Another area of focus was the hard glass project, with which Vetroconsult Ltd is continuing to make progress in close collaboration with glassmaking machinery manufacturer Bucher Emhart Glass. The objective is to test a technology for the thermal tempering of container glass under industrial production conditions and to introduce it to the market. The innovative tempering plant was constructed for this purpose in a newly built production hall at the Vetropack Pöchlarn plant in Austria, and small initial test production runs were performed. Comprehensive pilot production is planned for the second quarter of 2014, after the process optimisation and validation are completed.

In the IT division, the focus was on supporting IT infrastructure across the Group. In addition, the Group-wide PRISMA project for the harmonisation and standardisation of the IT landscape was completed. During the reporting year, preparations were made for the implementation of the new system at the JSC Vetropack Gostomel plant in Ukraine, which was scheduled for the beginning of January 2014. After it has been completed successfully, all Vetropack Group sites are working with the new system.

Vetroconsult Ltd employed 33 persons at the end of 2013 (2012: 31).



At the other end of the furnace, the molten glass flows out into a so-called feeder. And from there, the blobs go into the glass-blowing machine.

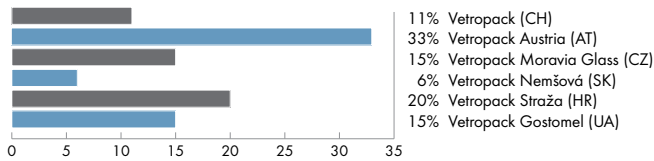


Vetropack Group

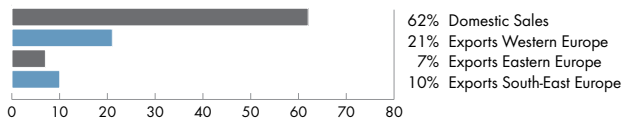
Vetropack is one of Europe's leading manufacturers of glass packaging for the food and beverage industry with group management in Bülach (Switzerland). It runs state-of-the-art production facilities, as well as sales and distribution centres in Switzerland, Austria, the Czech Republic, Slovakia, Croatia and Ukraine.

As a customer orientated company, Vetropack guarantees innovative packaging solutions, reliable product quality and on-time deliveries. Tailor-made glass from Vetropack gives a basis for a successful market performance of our customers' products.

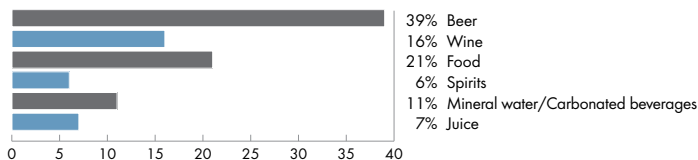
Sales by Group Company 2013
(total 4.36 billion units)



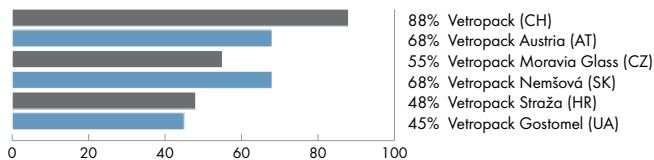
Sales by Markets 2013
(total 4.36 billion units)



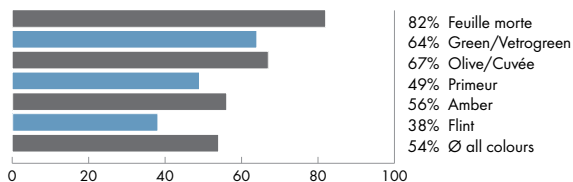
Sales by Product Groups 2013
(total 4.36 billion units)



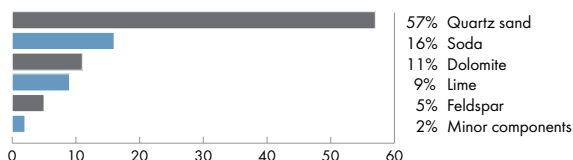
Cullet Ratio for Glass Production 2013
(by Group Company)

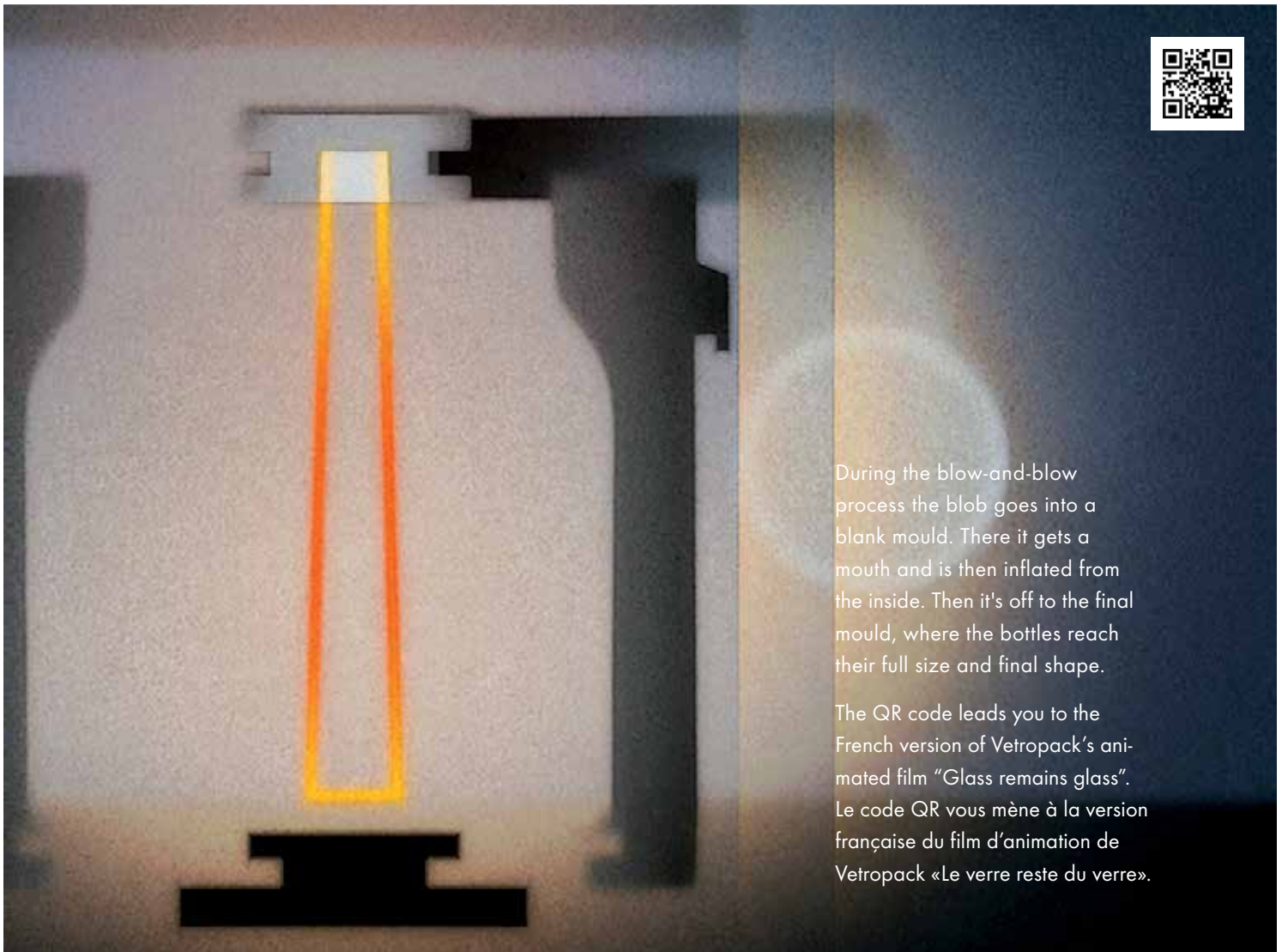
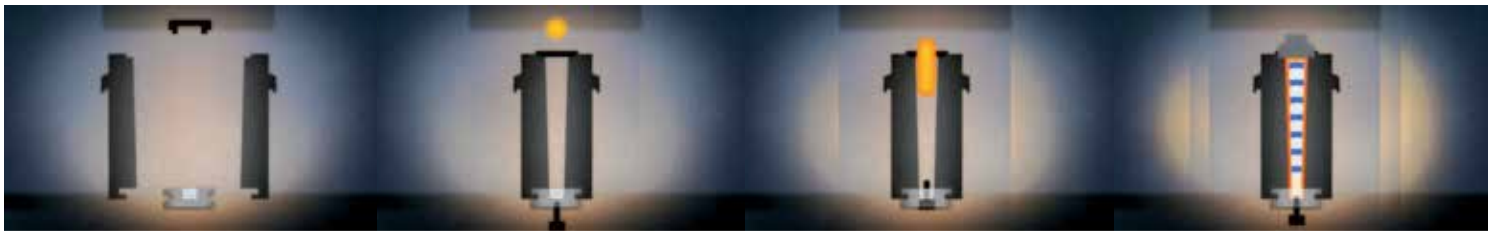


Cullet Ratio for Glass Production 2013
(by Colours)



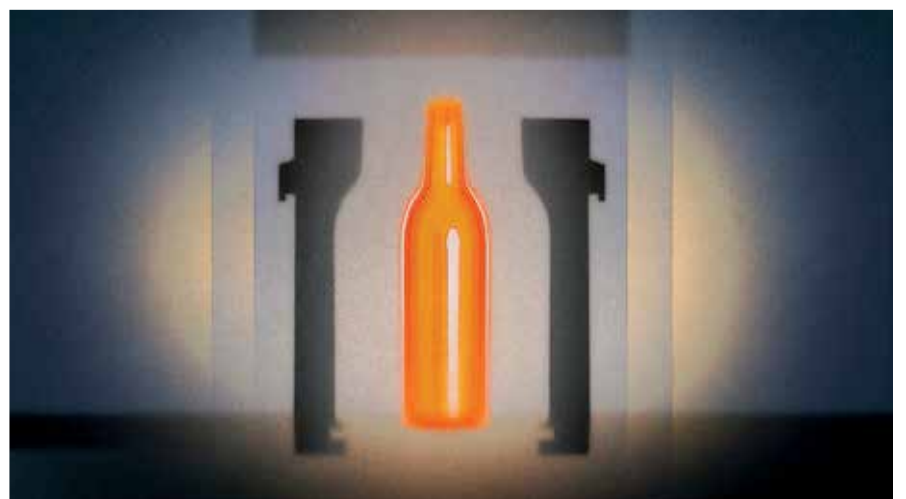
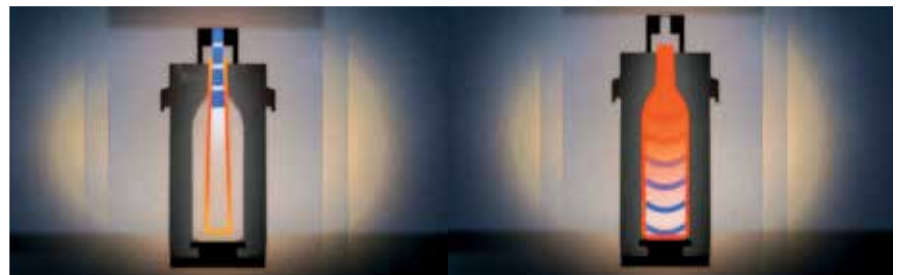
Primary Raw Materials Ratio 2013
(excluding Cullet)





During the blow-and-blow process the blob goes into a blank mould. There it gets a mouth and is then inflated from the inside. Then it's off to the final mould, where the bottles reach their full size and final shape.

The QR code leads you to the French version of Vetropack's animated film "Glass remains glass". Le code QR vous mène à la version française du film d'animation de Vetropack «Le verre reste du verre».



Financial Reporting – Vetropack Group

Consolidated Balance Sheet

CHF millions	Note	31.12.2012	31.12.2013
ASSETS			
Short-Term Assets			
Liquid assets		58.9	52.6
Accounts receivables	1	98.9	100.8
Other short-term receivables	2	11.4	10.7
Inventories	3	121.5	130.0
Accruals	4	7.4	5.2
Sub Total Short-Term Assets		298.1	299.3
Long-Term Assets			
Tangible assets	5	428.2	448.4
Financial assets	6	15.4	17.0
Intangible assets	7	30.2	29.4
Sub Total Long-Term Assets		473.8	494.8
Total Assets		771.9	794.1
LIABILITIES			
Liabilities			
Short-term liabilities			
- Accounts payables		45.9	41.7
- Short-term financial debts	8	9.4	0.0
- Other short-term liabilities	9	14.1	17.4
- Deferrals	10	20.3	21.0
- Short-term provisions	11	4.0	5.9
Long-term liabilities			
- Long-term financial debts	12	5.4	28.9
- Long-term provisions	13	34.7	36.6
Sub Total Liabilities		133.8	151.5
Shareholders' Equity			
Share capital	14	20.5	20.5
Capital reserves		0.3	0.3
Own Shares	14	0.0	- 31.1
Retained earnings		529.2	591.2
Consolidated annual profit		83.6	56.4
Sub Total Shareholders' Equity excl. Minorities		633.6	637.3
Minority interests	15	4.5	5.3
Sub Total Shareholders' Equity		638.1	642.6
Total Liabilities		771.9	794.1

Consolidated Income Statement

CHF millions	Note	2012	2013
Gross Revenues	16	604.4	621.0
Redemptions and transport costs	17	- 37.1	- 41.0
Net Revenues		567.3	580.0
Changes in inventories		3.0	8.3
Other operating income	18	12.2	10.3
Income		582.5	598.6
Raw materials and supplies costs	19	- 97.9	- 97.7
Energy costs		- 122.5	- 124.9
Personnel expenses	20	- 129.5	- 133.1
Other operating expenses	21	- 116.8	- 121.8
Depreciation of tangible assets	5	- 51.4	- 54.6
Amortisation of intangible assets	7	- 2.9	- 6.5
EBIT (Earnings Before Interests and Taxes)		61.5	60.0
Financial results	22	0.1	1.8
Earnings After Interest		61.6	61.8
Non-operating results *	23	46.0	8.5
Consolidated Profit Before Tax		107.6	70.3
Tax	24	- 22.6	- 12.8
Consolidated Annual Profit Before Minority Interests		85.0	57.5
Minority interest from Group companies		- 1.4	- 1.1
Consolidated Annual Profit		83.6	56.4

* This includes depreciation of CHF 0.7 million on non-operating real estate and buildings (2012: CHF 0.5 million).

Consolidated Cash Flow Statement

CHF millions	Note	2012	2013
Cash Flow from Operating Activities			
Consolidated annual profit before minority interests		85.0	57.5
+ Asset depreciation		53.7	61.6
+/- Loss/gain from applying/removing impairments		1.1	0.2
+/- Increase/decrease in provisions		- 0.8	0.8
+/- Loss/gain from disposals of tangible assets		- 41.5	- 2.9
+/- Other changes in non-cash items		0.5	- 6.8
= Cash Flow		98.0	110.4
+/- Decrease/increase in inventories		1.4	- 1.6
+/- Decrease/increase in marketable securities		- 6.0	- 9.9
+/- Decrease/increase in other receivables and accruals		0.7	3.4
+/- Increase/decrease in accounts payable		- 1.8	- 3.7
+/- Increase/decrease in other short-term liabilities and deferrals		0.0	2.5
= Cash Flow from Operating Activities		92.3	101.1
Cash Flow from Investment Activities			
- Cash-out for investments in tangible assets	25	- 100.8	- 50.5
+ Cash-in from sales of tangible assets		45.2	4.5
- Cash-out for investments in financial assets		0.0	- 0.1
+ Cash-in from sales of financial investments		0.1	0.0
- Cash-out for company acquisition	26	0.0	- 4.0
- Cash-out for acquisitions of consolidated companies		0.0	- 0.4
- Cash-out for investments in intangible assets		- 11.5	- 5.7
= Cash Flow from Investment Activities		- 67.0	- 56.2

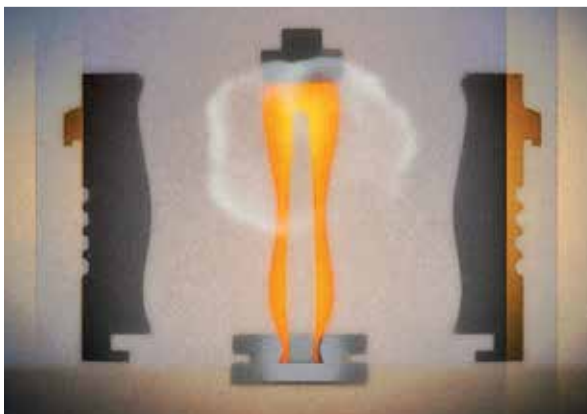
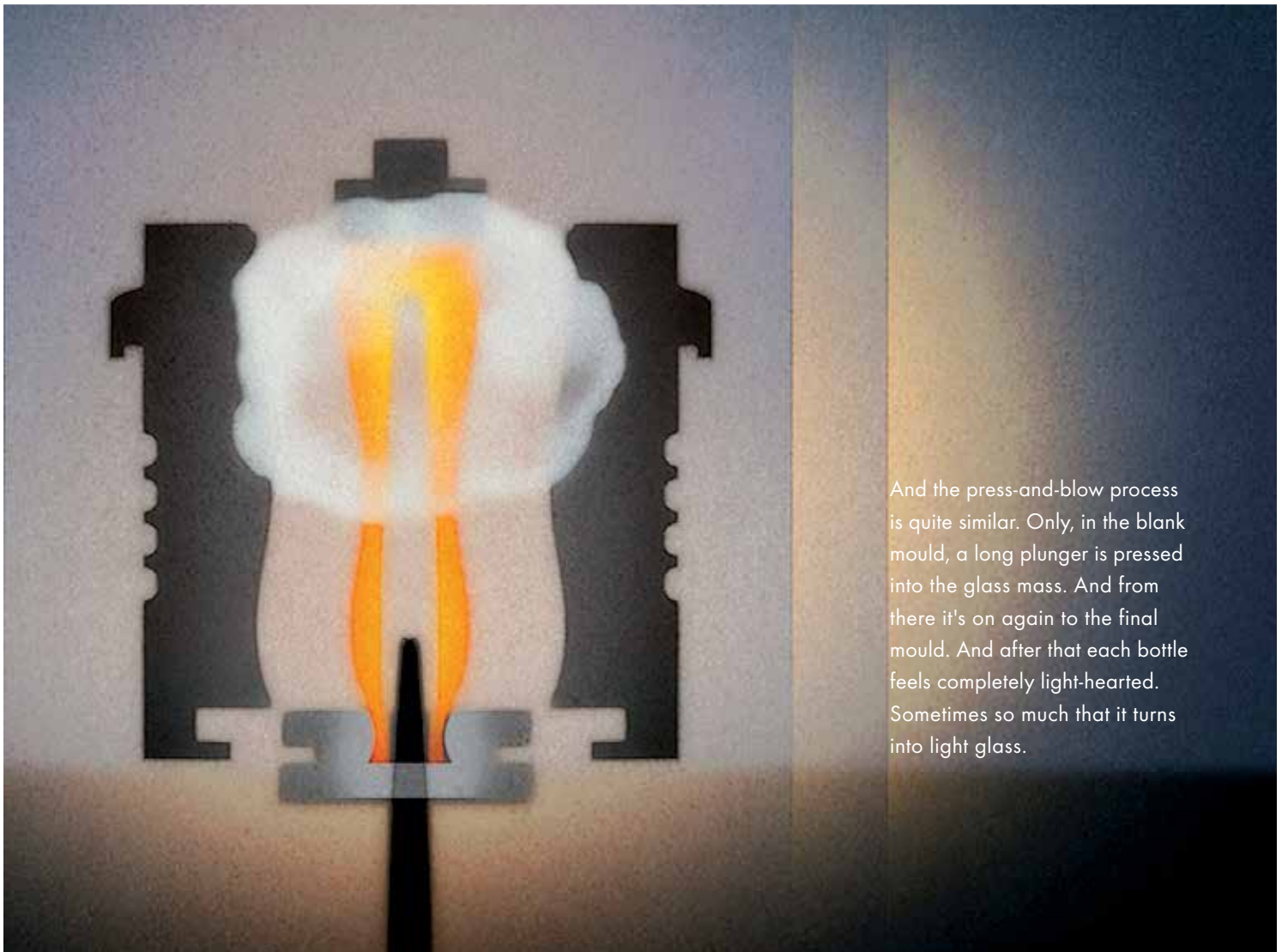
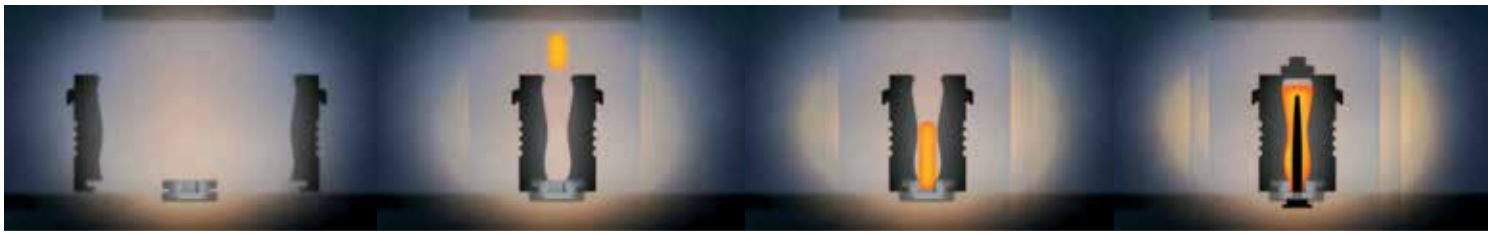
CHF millions	Note	2012	2013
Cash Flow from Financial Activities			
- Dividend distribution to shareholders and minority interests		- 14.4	- 14.4
- Purchase own shares	14	0.0	- 31.1
+/- Formation/repayment of short-term financial debts		- 45.2	- 9.6
+/- Formation/repayment of long-term financial debts		- 19.7	4.3
= Cash Flow from Financial Activities		- 79.3	- 50.8
Foreign Exchange Differentials			
		- 0.5	- 0.4
Changes in Liquid Assets			
		- 54.5	- 6.3
Liquid assets as per 1.1.		113.4	58.9
Liquid assets as per 31.12.		58.9	52.6
Changes in Liquid Assets		- 54.5	- 6.3
Cash-in from interest		1.5	0.7
Cash-out for interest		- 0.7	- 0.5
Cash-out for income taxes		- 25.6	- 17.4

Changes in Consolidated Shareholders' Equity

CHF millions

	Share Capital	Capital Reserves (Agio)	Retained Earnings	Own Shares	Sub Total excl. Minority Share Interests	Minority Share Interests	Sub Total incl. Minority Share Interests
Shareholders' Equity as per 1.1.2011	21.2	6.5	533.1	-16.3	544.5	2.0	546.5
Purchase of own shares				- 8.5	- 8.5		- 8.5
Capital decrease	- 0.7		- 24.1	24.8	0.0		0.0
Capital increase					0.0		0.0
Acquisition of minority interests			- 0.2		- 0.2	- 0.1	- 0.3
Annual profit			59.0		59.0	1.3	60.3
Foreign exchange differentials			- 10.4		- 10.4	0.1	- 10.3
Dividends		- 6.2	- 12.3		- 18.5	- 0.1	- 18.6
Shareholders' Equity as per 31.12.2011	20.5	0.3	545.1	0.0	565.9	3.2	569.1
Purchase of own shares					0.0		0.0
Capital decrease					0.0		0.0
Capital increase					0.0		0.0
Acquisition of minority interests			- 0.0		- 0.0	- 0.0	- 0.0
Annual profit			83.6		83.6	1.4	85.0
Foreign exchange differentials			- 1.5		- 1.5	- 0.1	- 1.6
Dividends			- 14.4		- 14.4	- 0.0	- 14.4
Shareholders' Equity as per 31.12.2012	20.5	0.3	612.8	0.0	633.6	4.5	638.1
Purchase of own shares (note 14)				- 31.1	- 31.1		- 31.1
Capital decrease					0.0		0.0
Capital increase					0.0		0.0
Accounting goodwill (note 26)			- 2.1		- 2.1		- 2.1
Acquisition of minority interests			- 0.4		- 0.4	- 0.3	- 0.7
Annual profit			56.4		56.4	1.1	57.5
Foreign exchange differentials			- 4.7		- 4.7		- 4.7
Dividends			- 14.4		- 14.4	- 0.0	- 14.4
Shareholders' Equity as per 31.12.2013	20.5	0.3	647.6	- 31.1	637.3	5.3	642.6

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 35.2 million (2012: CHF 4.1 million).



Consolidation Principles

The consolidation of the group's financial statements provides a picture of the group's assets, finances and income, which corresponds to the actual relationships between them and regards the Vetropack Group as a single business entity.

Consolidated Group statements are based on financial statements for the year and are prepared in accordance with applicable national laws of each of the companies concerned. They are then converted in accordance with internal Group valuation and formatting principles. Financial statements conform to the regulations of Swiss equity law, as well as the principles of Swiss GAAP ARR (Swiss Accounting and Reporting Recommendations) in addition to accounting prescriptions set out in regulations for companies listed on the Swiss Stock Exchange.

Consolidated financial statements were approved by the Board of Directors during their meeting on 19 March 2014.

Consolidation Scope

Consolidated Group statements include Vetropack Holding Ltd, as well as all domestic and foreign subsidiaries in which Vetropack Holding Ltd has a direct or indirect interest of more than 50%. In such cases, "Full Consolidation Method" is applied, i.e. assets, liabilities, expenses and incomes of consolidated companies are consolidated 100%. Whereby all intra-Group transactions are eliminated (accounts receivables and payables, incomes and expenses). Minority interests are posted separately in the balance sheet and income statement.

Holdings between 20% and 50% are included in Group accounts, and are carried out according to the "Equity Method". The Group's percentage share of net assets is reported in the balance sheet under Financial Assets. Percentage share of net income is stated in the Consolidated Income Statement.

Holdings below 20% are posted in the consolidated balance sheet at acquisition cost less any necessary value adjustments.

For information on the acquisition of the Industrie-Baugenossenschaft Bülach (IBG) refer to note 26.

An overview of companies within Vetropack Group and methods used to consolidate them into Group financial statements is found on page 55.

Capital Consolidation

Capital consolidation is carried out according to the "Purchase Method", whereby acquisition cost of an acquired company is charged against its net assets according to Group principles at the time of purchase. Any goodwill paid at the time of acquisition is charged directly to Group's reserves in acquisition year.

Foreign Exchange (FX) Differentials

Financial statements produced by foreign companies within the Group in their respective currencies are converted into Swiss francs as follows:

- Balance sheet figures according to the exchange rate valid at year end.
- Income statement figures according to the average annual exchange rate.
- Cash flow statement figures according to average and year end rates respectively.

Exchange rate differentials resulting from such foreign currency conversions are charged to Group reserves. Exchange rate differentials caused by converting transactions and balance sheet items in foreign currencies are recorded in the books of the respective Group company. Exchange rate differentials arising from Group loans in foreign currencies that have equity characteristics are debited or credited to the shareholders' equity.

	Average Exchange Rate		Year End Exchange Rate	
	2012	2013	2012	2013
EUR	1.20525	1.23082	1.20800	1.22590
CZK	0.04793	0.04740	0.04805	0.04461
HRK	0.16024	0.16240	0.16000	0.16077
UAH	0.11745	0.11604	0.11464	0.11103

Valuation Principles

Financial statements for individual companies are consolidated into the Group's financial statements, and valued in accordance with uniform principles across the Group. The most important valuation methods for the individual balance sheet positions are as follows:

Liquid Assets

Liquid assets include cash, current account balances at banks and other financial institutions, as well as fixed term deposits with maturity of no more than 90 days. Liquid assets are valued at their nominal rate.

Marketable Securities

Short-term securities include marketable and easily realisable securities investments and term deposits with a maturity of three to twelve months. Securities are valued at market prices. Term deposits are valued at their nominal rate.

Receivables

Receivables are valued at their nominal rate. Value adjustments are carried out for identifiable individual risks. Experienced based country-specific value adjustments (2% to 15%) are applied to other risks.

Inventories

Inventories are valued at either their acquisition or manufacturing costs. However, if the market price is lower, this figure is applied instead. Manufacturing costs include the cost of raw materials, individual production costs and a portion of allocated general overhead costs. The values used for items whose marketability is limited, are partially or entirely corrected according to their recognisable risks of loss. Inventories of intra-Group distribution are not assigned an intermediate profit. Discounts are recorded as reductions in the cost of goods.

Tangible Assets

Tangible assets are valued at their acquisition or manufacturing cost less any applicable depreciation. Depreciation is linear over the expected useful life of the asset, taking residual values into account. The relevant depreciation periods are as follows:

- Buildings	15 - 50 years
- Production facilities	10 - 20 years
- Machinery and furnaces	5 - 16 years
- Vehicles	5 - 7 years
- Office and other equipment	5 - 10 years

Assets of insubstantial value are directly expensed in the income statement upon acquisition. Intermediate profits arising from intra-Group asset transfers are eliminated.

Leasing

Leased assets (financial leases) are reported as assets in the balance sheet. At the beginning of the contract, leasing payments are established by applying either the leased goods' purchase value or market value respectively. Alternatively cash value is applied if it is lower. The corresponding liability toward the leasing grantor is carried as liabilities from financial leasing. Cost from rental agreements and operational leasing are recorded in the income statement.

Financial Assets

Non-consolidated participations are recorded in the balance sheet at their proportionate equity or purchase values. Loans and marketable securities are recorded at their nominal values or purchase prices respectively less any applicable value adjustments.

Intangible Assets

Intangible assets include brands, patents, licences, software and other intangibles. Acquired intangible assets are reported in the balance sheet at acquisition cost and are subject to linear amortisation over their estimated useful life. If it is impossible to determine the useful life of an intangible asset, it is generally amortised over a period of five years.

- Licences, patents, brands	5 years
- Software	3 - 5 years
- Other intangible assets	5 years

Assets of insubstantial value are directly expensed in the income statement upon acquisition.

Asset Impairment

If there is evidence that the value of an asset has been impaired, an "Impairment Test" is carried out. If the test reveals that there is indeed an impairment of assets, the book value is reduced with a net income effect on the attainable value.

Liabilities

Short-term a.k.a. current liabilities are debts that are repayable within one year. When the due dates are beyond one year they are posted in the balance sheet under long-term liabilities. Liabilities are recorded in the balance sheet at nominal value.

Provisions

Provisions are formed when a legal or de facto obligation from past events has arisen. The outflow of funds to meet this obligation is likely, and provisionally its possible to estimate its' amount reliably. The future outflow of funds is reported in the balance sheet at nominal value. If necessary, it is discounted as per the balance sheet date.

Taxes

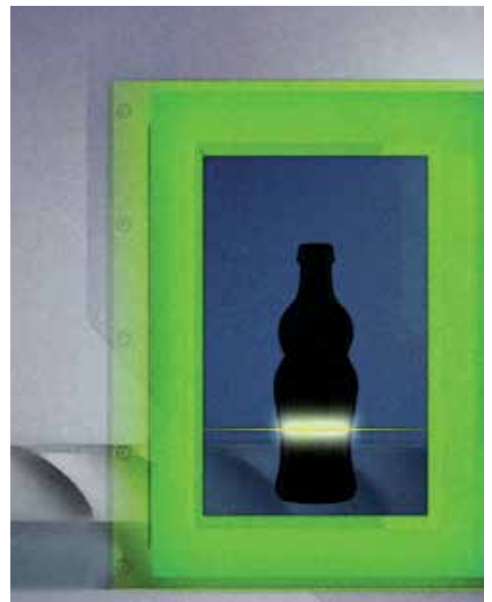
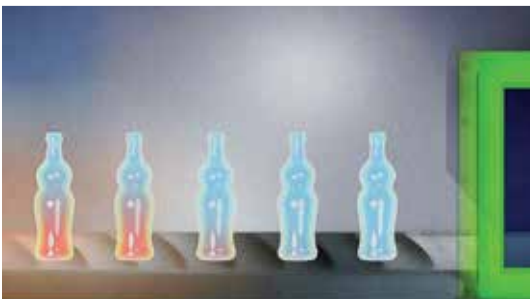
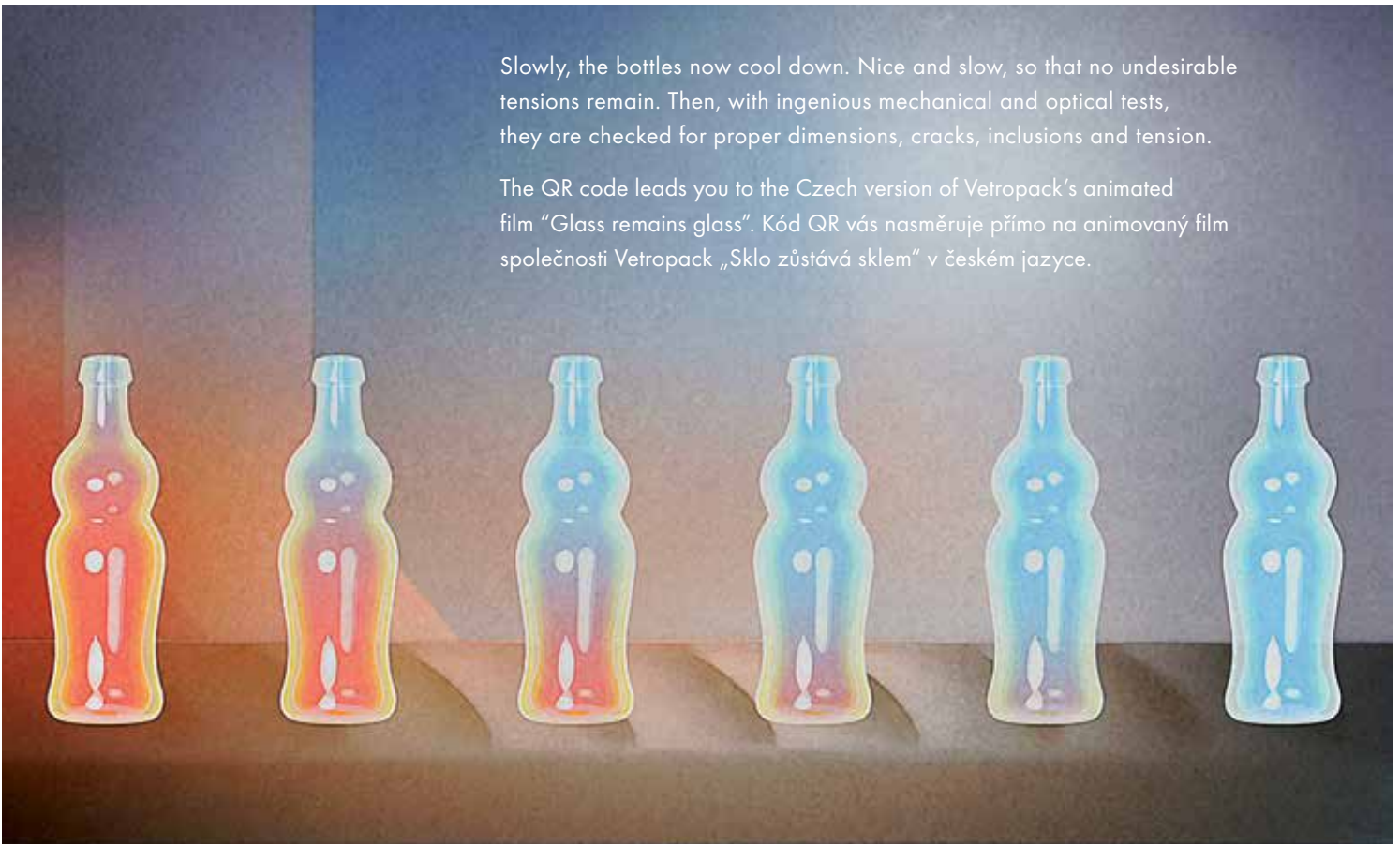
All tax obligations, irrespective of their due dates, are set aside. Ongoing income taxes are calculated on the basis of taxable income and reported in the balance sheet under Liabilities. Deferred taxes are calculated based on all temporary differences between the values from the tax statement and the operating values. Tax relevant losses carried forward are only taken into account if it seems possible to offset them against income. The country specific tax rates are applied when calculating deferred taxes.

Derivative Financial Instruments

Derivative financial instruments are valued for trading and hedging purposes at their current value. Derivative financial instruments that are held for other purposes are reported in the balance sheet according to the "lowest value" principle. Balance sheet relevant derivatives are reported under Other short-term receivables or Other short-term liabilities. Valuation changes are reported in the income statement.

Slowly, the bottles now cool down. Nice and slow, so that no undesirable tensions remain. Then, with ingenious mechanical and optical tests, they are checked for proper dimensions, cracks, inclusions and tension.

The QR code leads you to the Czech version of Vetropack's animated film "Glass remains glass". Kód QR vás nasměruje přímo na animovaný film společnosti Vetropack „Sklo zůstává sklem“ v českém jazyce.



Notes

1. Accounts Receivables

CHF millions	31.12.2012	31.12.2013
Gross receivables	104.2	104.2
Value adjustments	- 5.3	- 3.4
Net receivables	98.9	100.8

2. Other Short-Term Receivables

CHF millions	31.12.2012	31.12.2013
VAT (value added tax) credit	5.6	3.5
Withholding tax credit	2.4	2.0
Other short-term receivables	3.4	5.2
Total	11.4	10.7

3. Inventories

CHF millions	31.12.2012	31.12.2013
Raw materials	8.3	9.2
Materials and supplies	39.6	44.6
Work-in-progress	1.5	2.8
Finished goods, merchandise	106.2	116.8
Advance payments	0.1	0.1
Value adjustments	- 34.2	- 43.5
Total	121.5	130.0

4. Accruals

CHF millions	31.12.2012	31.12.2013
Ongoing income tax (credit)	6.4	4.5
Other active accruals	1.0	0.7
Total	7.4	5.2

5. Tangible Assets

CHF millions

	Real Estate & Buildings Non- Operating	Real Estate & Buildings Operating	Furnaces Equipment Production Facilities	Other Tangible Assets	Advance Payments for Assets Under Construction	Total
Acquisition Value						
As per 1.1.2012	66.9	253.8	654.2	36.4	37.7	1 049.0
Additions	1.7	4.4	36.9	2.4	55.4	100.8
Disposals	- 23.3	- 0.3	- 41.3	- 1.4		- 66.3
Reclassifications	0.4	4.6	43.1	- 4.7	- 43.4	0.0
Foreign exchange differentials		- 0.7	- 1.2	- 0.2	- 0.2	- 2.3
As per 1.1.2013	45.7	261.8	691.7	32.5	49.5	1 081.2
Change consolidation scope	15.3				13.6	28.9
Additions		4.0	15.3	1.9	29.3	50.5
Disposals	- 3.0	- 0.1	- 6.5	- 2.0		- 11.6
Reclassifications	1.0	1.5	37.4	8.6	- 48.5	0.0
Foreign exchange differentials	0.2	- 1.5	- 7.0		0.6	- 7.7
As per 31.12.2013	59.2	265.7	730.9	41.0	44.5	1 141.3
Accumulated Depreciation						
As per 1.1.2012	48.6	145.2	440.7	30.3	0.0	664.8
Ordinary depreciations 2012	0.5	7.5	40.1	2.7		50.8
Disposals	- 20.8	- 0.3	- 39.8	- 1.8		- 62.7
Reclassifications		0.1	4.5	- 4.6		0.0
Asset impairments **			1.1			1.1
Foreign exchange differentials		- 0.4	- 0.6	- 0.0		- 1.0
As per 1.1.2013	28.3	152.1	446.0	26.6	0.0	653.0
Ordinary depreciations 2013	0.7	7.9	43.9	2.6		55.1
Disposals	- 1.4	- 0.1	- 6.5	- 1.9		- 9.9
Reclassifications	- 0.5	- 0.3	- 6.0	6.8		0.0
Asset impairments **			0.1	0.1		0.2
Foreign exchange differentials		- 0.5	- 4.9	- 0.1		- 5.5
As per 31.12.2013	27.1	159.1	472.6	34.1	0.0	692.9
Book Value						
As per 1.1.2013	17.4	109.7	245.7	5.9	49.5	428.2
As per 31.12.2013	* 32.1	* 106.6	258.3	6.9	44.5	448.4

* This includes vacant real estate plots valued at CHF 3.8 million (2012: CHF 4.7 million).

** These impairments concern mainly the overstated useful life of obsolete production facilities.

As per 31.12.2013 payments on assets under construction amounted to CHF 1.5 million (2012: CHF 3.9 million).

6. Financial Assets

CHF millions	Note	31.12.2012	31.12.2013
Employer's contribution reserves	33	9.6	11.3
Assets from pension funds		1.1	1.2
Deferred taxes		3.0	2.7
Marketable securities		1.2	1.2
Participations in associated companies		0.5	0.5
Other financial investments		0.0	0.1
Total		15.4	17.0

7. Intangible Assets

CHF millions	Lizences, Patents, Brands	Software	Software in Development	Other Intangible Assets	Total
Acquisition Value					
As per 1.1.2013	0.0	20.8	16.3	1.2	38.3
Additions		3.2	2.5		5.7
Disposals		- 0.1			- 0.1
Reclassifications	0.3	12.0	- 12.3		0.0
Foreign exchange differentials					0.0
As per 31.12.2013	0.3	35.9	6.5	1.2	43.9
Accumulated Amortisation					
As per 1.1.2013	0.0	6.9	0.0	1.2	8.1
Ordinary amortisations 2013		6.5			6.5
Disposals		- 0.1			- 0.1
Reclassifications	0.2	- 0.2			0.0
Asset impairments					0.0
Foreign exchange differentials					0.0
As per 31.12.2013	0.2	13.1	0.0	1.2	14.5
Book Value					
As per 1.1.2013	0.0	13.9	16.3	0.0	30.2
As per 31.12.2013	0.1	22.8	6.5	0.0	29.4

In the framework of an ongoing group-wide IT project, internal labour in the sum of CHF 0.7 million (2012: CHF 2.2 million) was booked under the Software in development category.

Regarding the goodwill of CHF 2.1 million acquired in the acquisition of the Industrie-Baugenossenschaft Bülach (IBG) in the year 2013 refer to note 26.

8. Short-Term Financial Debts

CHF millions	31.12.2012	31.12.2013
Credits and loans	9.4	0.0
Total	9.4	0.0

9. Other Short-Term Liabilities

CHF millions	31.12.2012	31.12.2013
Prepaid recycling fees	4.8	5.0
Advance payments	0.8	1.2
Liabilities to employees	3.9	3.7
Other short-term liabilities	4.6	7.5
Total	14.1	17.4

10. Deferrals

CHF millions	31.12.2012	31.12.2013
Ongoing liable income taxes	7.8	4.2
Unclaimed vacations and overtime compensations	4.6	5.0
Other deferrals	7.9	11.8
Total	20.3	21.0

11. Short-Term Provisions

CHF millions	Service Anniversaries	Legal Proceedings	Guarantee Warranty	Other	Total
As per 1.1.2013	0.4	0.2	0.2	3.2	4.0
Reclassifications					0.0
Formations	0.2	0.1	0.4	4.3	5.0
Liquidations	- 0.1		- 0.1	- 0.5	- 0.7
Utilisations	- 0.1		- 0.1	- 2.2	- 2.4
Foreign exchange differentials					0.0
As per 31.12.2013	0.4	0.3	0.4	4.8	5.9

12. Long-Term Financial Debts

This category comprises loans that fall due for repayment as follows:

CHF millions	31.12.2012	31.12.2013
Residual period		
- 1 to 2 years	5.4	14.6
- 3 to 5 years	0.0	7.9
- > 5 years	0.0	6.4
Total	5.4	28.9

13. Long-Term Provisions

CHF millions					
	Deferred Taxes	Service Anniversaries	Pensions	Other	Total
As per 1.1.2013	18.2	5.1	11.1	0.3	34.7
Change consolidation scope	1.6				1.6
Reclassifications					0.0
Formations	0.9	0.6	1.6	0.6	3.7
Liquidations	- 1.8	- 0.2	- 0.3		- 2.3
Utilisations			- 0.6	- 0.4	- 1.0
Foreign exchange differentials	- 0.2		0.1		- 0.1
As per 31.12.2013	18.7	5.5	11.9	0.5	36.6

Deferred Taxes: As per fiscal year no end losses were carried forward. As in the past year the calculation of deferred taxes includes no losses carried forward. The country-specific tax rates used in calculating deferred taxes range from 7.8% to 25.0% (2012: 7.8% to 25.0%).

Service Anniversaries: Provisions are formed in respect to remuneration for long service to the company as defined in the Employment Regulations. These provisions, which take into account country-specific corrective factors for the staff turnover, were discounted between 1% to 12% (2012: 1% to 11%) as per balance sheet date.

14. Share Capital / Own Shares

The share capital is structured as follows:

CHF millions	31.12.2012	31.12.2013
233 837 Bearer shares (2012: 233 837)		
nominal value CHF 50.00 (Issued and paid in full)	11.7	11.7
880 000 Registered shares (2012: 880 000)		
nominal value CHF 10.00 (Issued and paid in full)	8.8	8.8
Total	20.5	20.5

The bearer shares (Security no. 622 761) are listed on the SIX Swiss Exchange, Domestic Standard, with a year end closing price of CHF 1,821.00 (2012: CHF 1,686.00). Their total capitalisation equalled CHF 746.3 million (2012: CHF 691.0 million). Each registered and bearer share holds one voting right.

Major shareholders with > 3% of voting rights

	31.12.2012	31.12.2013
Cornaz AG-Holding	65.0%	64.0%
Elisabeth Leon-Cornaz	5.1%	5.1%
La Licorne Holding SA	4.6%	4.6%
Paul-Henri Cornaz	3.6%	3.6%
Total	78.3%	77.3%

Own Shares

In the year under review Vetropack Holding Ltd acquired in the course of a share buyback programme 13,357 own bearer shares with a par value of CHF 50.00 at a price of CHF 2,325.00 per share. The share buyback was carried out from 15 May to 29 May 2013 by means of put options that could be traded on the SIX Swiss Exchange. By 31 December 2013 thus 13,357 (2012: 0) own bearer shares were in the inventory of Vetropack Holding Ltd. The Board of Directors of Vetropack Holding Ltd will propose to the Annual General Assembly of 14 May 2014 that the repurchased shares be cancelled.

15. Minority Interests

The proportion of shareholders' equity held by minority shareholders of JSC Vetropack Gostomel equals 15.2% (2012: 16.0%).

16. Gross Revenue

Consolidated revenue increased 2.7% above the previous year. Foreign exchange differentials account for an increase of 0.7%. Therefore real organic revenue growth amounts to 2.0%. Vetropack Group consists of two business areas: glass packaging and specialty glass.

Revenue Breakdown

CHF millions	Change Previous Year	Change Current Year	2012	2013
Glass Packaging				
- Switzerland	- 9.3%	1.2%	82.3	83.3
- Austria	- 0.1%	3.7%	188.4	195.3
- Czech Republic	8.5%	- 1.6%	80.8	79.5
- Croatia	- 4.5%	10.0%	103.0	113.3
- Slovakia	7.0%	1.5%	41.1	41.7
- Ukraine	24.7%	- 1.3%	95.8	94.6
Specialty Glass	3.2%	2.3%	13.0	13.3
Total	2.5%	2.7%	604.4	621.0

17. Redemptions and Transport Costs

CHF millions	2012	2013
Transport costs	33.0	34.5
Discounts, deductions and commissions	5.3	5.5
Change in value adjustments for accounts receivables	- 3.4	- 1.4
Other redemptions	2.2	2.4
Total	37.1	41.0

18. Other Operating Income

CHF millions	2012	2013
Materials and energy sales	2.7	1.9
Ancillary services	0.6	1.3
Real estate management income	1.1	0.8
Internally produced additions to plant and equipment	2.7	1.0
Supplier commissions	1.3	1.2
Allocations disposal fees	0.7	0.6
Other income	3.1	3.5
Total	12.2	10.3

19. Cost of Raw Materials and Merchandise

CHF millions	2012	2013
Raw materials	87.1	89.1
Merchandise	10.8	8.6
Total	97.9	97.7

20. Personnel Expenses

CHF millions	2012	2013
Wages and salaries	99.1	102.3
Social benefits	24.3	26.9
Other personnel expenses	6.1	3.9
Total	129.5	133.1

Employee Headcount

	Change Previous Year	Change Current Year	31.12.2012	31.12.2013
Switzerland	1.4%	- 0.7%	286	284
Austria	3.7%	2.3%	644	659
Czech Republic	- 0.2%	2.2%	460	470
Croatia *	1.0%	- 1.2%	593	586
Slovakia	1.1%	1.1%	355	359
Ukraine	- 1.0%	- 0.9%	662	656
Total	1.0%	0.5%	3 000	3 014

* including 1 employee in Slovenia (2012: 1)

21. Other Operating Expenses

CHF millions	2012	2013
Maintenance and repairs	31.4	33.3
Moulds	17.5	17.8
Packaging material	26.7	27.9
Other administrative and operating expenses	41.2	42.8
Total	116.8	121.8

22. Financial Results

CHF millions	2012	2013
Interest income	1.6	1.2
Interest expenses	- 1.2	- 0.7
Currency income	- 0.8	1.1
Other financial income	0.5	0.2
Total	0.1	1.8

23. Non-Operating Results

CHF millions	2012	2013
Non-operating real estate income	2.3	2.9
Profit from sale of non-operating real estate	45.7	2.8
Non-operating real estate expenses	- 1.5	- 1.6
Non-operating real estate depreciation / impairments	- 0.5	- 0.7
Other non-operating income	0.0	5.1
Total	46.0	8.5

24. Taxes

CHF millions	2012	2013
Ongoing income taxes	20.7	13.4
Deferred taxes	1.9	- 0.6
Total	22.6	12.8

25. Investments

Investment Breakdown:

CHF millions	2012	2013
Switzerland	8.0	17.1
Austria	42.7	13.2
Czech Republic	9.0	7.7
Croatia	31.4	6.1
Slovakia	5.4	4.0
Ukraine	4.3	2.4
Total	100.8	50.5

26. Acquisition of Industrie-Baugenossenschaft Bülach (IBG), Bülach, Switzerland

With effect from 1 July 2013, the Group acquired all the shares in the Bülach-based Industrie-Baugenossenschaft Bülach (IBG) that it did not already own (51%). IBG owned residential properties in Bülach, which it rented out and managed. IBG was fully consolidated for the first time as at 1 July 2013.

The fair values of IBG's identified assets and liabilities were as follows as at the time of acquisition:

CHF millions	1. 7. 2013
Liquid assets	1.6
Short-term receivables	0.3
Real estate	28.9
Assets	30.8
Financial debts	- 19.2
Deffered tax liabilities	- 1.6
Liabilities	- 20.8
Purchased net assets at market value	10.0
Goodwill from the acquisition	2.1
Total	12.1
Cash outflow as a result of the acquisition:	
Amount paid in the year 2013 (investment) *	5.6
Cash acquired with subsidiary (investment)	- 1.6
Effective cash outflow as a result of the acquisition	4.0

* A further CHF 1.7 million will be due for payment in 2014.

The difference between the net assets acquired and total consideration (goodwill) was directly offset against equity as of the date of acquisition. Because it is assumed that neither synergies nor other advantages will result from the goodwill acquired, an impairment loss for the full amount would be recorded in the case of a theoretical capitalisation.

After the acquisition, IBG was merged into Vetreal Ltd, St-Prex.

Other Information

27. Fire Insurance

Tangible assets are insured at their replacement value as follows:

CHF millions	31.12.2012	31.12.2013
Buildings	459.0	418.5
Furnaces, machinery and equipment, vehicles and furniture	1 160.2	1 032.8
Total	1 619.2	1 451.3

28. Off Balance Sheet Transactions

CHF millions	31.12.2012	31.12.2013
Recourse from drafts	5.3	4.4
Off balance sheet leasing	0.7	2.8
Total	6.0	7.2

Contingent liabilities are stated at their maximum amounts (full sum of liability).

The repayment structure of the off balance sheet leasing liabilities is as follows:

CHF millions	31.12.2012	31.12.2013
Maturity		
- 1 to 2 years	0.3	0.6
- 3 to 5 years	0.4	2.2
- > 5 years	0.0	0.0
Total	0.7	2.8

29. Contingent liabilities

Vetropack Group operates a cash pooling system for which Vetropack Holding Ltd performs the function of pool master. As a result of the cash pooling agreements with the banks, the pool master has a liability for possible negative balances in the participating pool accounts.

30. Pledged Assets

The following assets' book values are used as collateral to secure bank credits and mortgages:

CHF millions	31.12.2012	31.12.2013
Accounts receivables	8.3	7.8
Marketable securities	1.1	1.2
Real estate	9.3	7.5
Total	18.7	16.5

31. Derivative Financial Instruments

As in the previous year there are no derivative financial instruments.

32. Transactions with Closely Associated Persons

CHF millions	31.12.2012	31.12.2013
Pension Funds		
Accounts receivables	0.1	0.0
Accounts payables	0.0	0.0
Interest expenses	0.0	0.0
Associated Companies		
Accounts receivables	0.0	0.0
Accounts payables	0.3	0.4
Capitalised services	0.2	0.0
Service income	0.0	0.0
Equity income	0.0	0.0
Glass culets purchasing expenses	- 4.4	- 4.8
Maintenance and repairs expenses	- 0.4	- 0.3
Other service expenses	0.0	0.0
Other Closely Associated Persons		
Accounts receivables	0.0	0.0
Accounts payables	0.1	0.1
Investments in tangible assets	0.0	0.0
Distribution income	0.0	0.0
Packaging material expenses	0.0	- 0.5
Distribution expenses	- 0.7	0.0
Service expenses	- 0.7	- 0.1
Interest expenses	0.0	0.0
Tangible assets sales	0.0	0.0

The classification of "Other Closely Associated Persons" includes transactions with the following natural persons and legal entities, irrespective of the Vetropack Company in which they occurred: shareholders with voting rights of more than 20%, BoD members, MB members and all companies that are directly or indirectly controlled by these persons.

Transactions with closely associated persons and companies are handled on the basis of normal market terms and conditions.

33. Pension Fund

There exist various pension schemes within the Group, which are based on regulations of their respective countries. In Switzerland, these are contributor funded schemes in accordance with Swiss pension fund law; abroad they are state-guaranteed contribution-based pension schemes. The schemes are financed either through contributions to legally independent institutions and trusts or by registering the pension fund liability in the financial statements of the Group companies.

Employer's Contribution Reserves	Company Sponsored Pension Funds	
CHF millions	2012	2013
Nominal value 31.12.	12.8	12.8
Utilisation waiver 31.12.	0.0	0.0
Other value adjustments 31.12.	0.0	0.0
Discounting effects 31.12	- 3.2	- 1.5
Book value 31.12.	9.6	11.3
Changes	0.1	1.7
<hr/>		
CHF millions	2012	2013
Key influential factors		
- Change in discount rate	0.0	1.7
- Interest effect	0.5	0.5
- Utilisation and other effects	- 0.4	- 0.5
Total Change in Employer's Contribution Reserves	0.1	1.7

Assets and Liabilities from Pension Funds

CHF millions	Company Sponsored Pension Funds	Pension Funds with Excess / Deficiency Cover	Pension Funds without Own Assets	Total
Excess / deficiency cover 31.12.2013	4.7	0.0	0.0	4.7
Economic utilisation / liabilities 31.12.2012	0.0	0.0	- 10.5	- 10.5
Economic utilisation / liabilities 31.12.2013	0.0	0.0	- 10.7	- 10.7
Changes 2013	0.0	0.0	0.2	0.2
Contributions restricted to 2013 *	- 1.7	2.2	0.3	0.8
Pension expenses 2012	0.0	2.1	1.9	4.0
Pension expenses 2013	- 1.7	2.2	0.5	1.0

* including changes in employer's contribution reserves

The values for pension funds of Swiss companies are based on previous years' financial statements, whereby all substantive decisions in the current fiscal year are taken into account.

CHF millions	2012	2013
Key influential factors		
- Changes in employer's contribution reserves	- 0.1	- 1.7
- Changes in economic utilisation / liabilities	1.4	0.2
- Pension fund contributions	2.7	2.5
Total Pension Fund Expenses	4.0	1.0

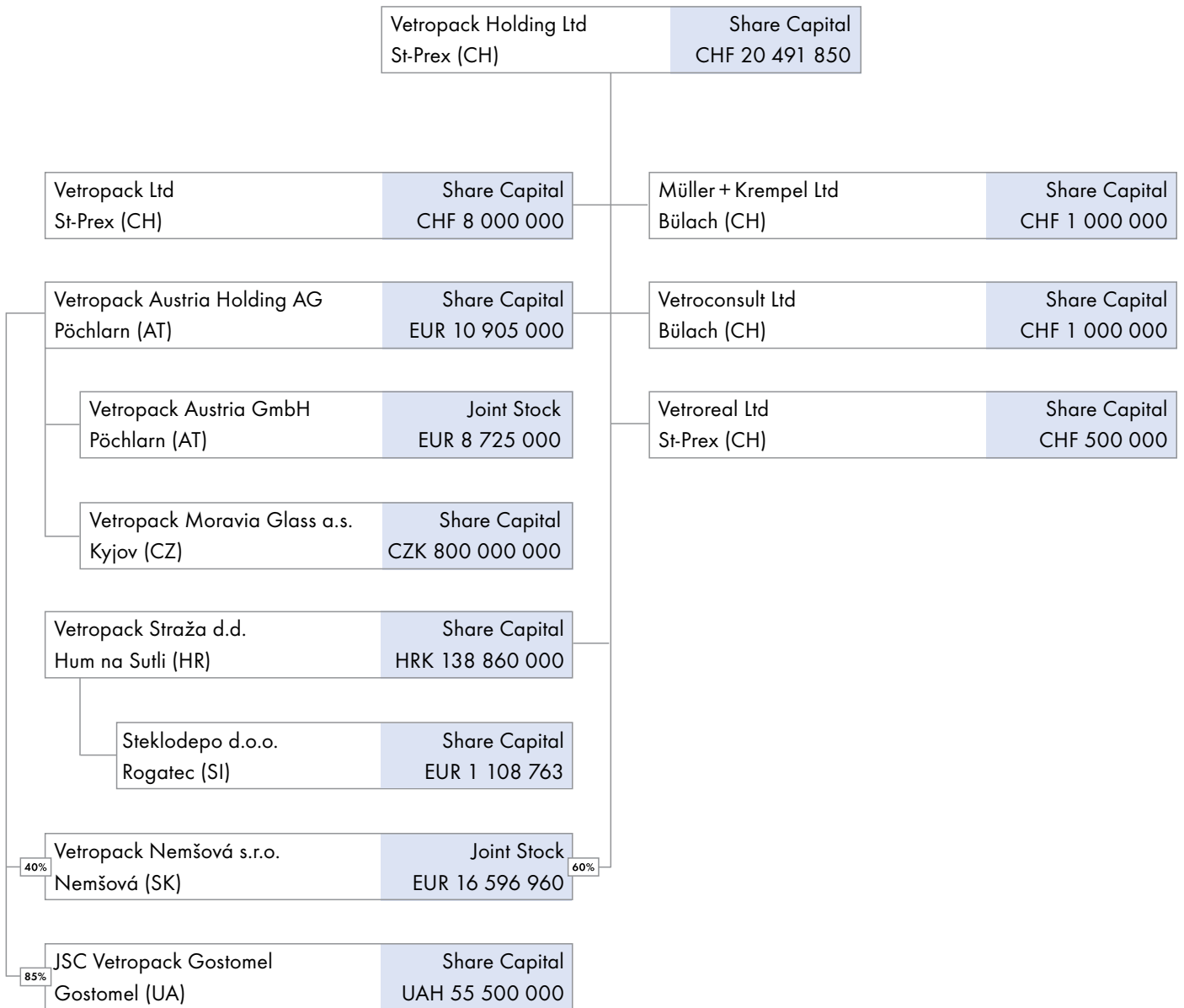


All bottles which live up to the high quality standards are stacked, packaged, transported...

The QR code leads you to the Slovakian version of Vetropack's animated film "Glass remains glass". Kód QR vás nasmeruje priamo na animovaný film spoločnosti Vetropack „Sklo zostáva sklom“ v slovenskom jazyku.



Ownership Structure



Company Participations

Company	Domicile	Currency	Share Capital	Share	Consolidation	Owner
Switzerland						
Vetropack Holding Ltd	St-Prex	CHF	20 491 850		K	the public
Vetropack Ltd	St-Prex	CHF	8 000 000	100%	K	VPH
Vetroconsult Ltd	Bülach	CHF	1 000 000	100%	K	VPH
Vetro-Recycling Ltd	Bülach	CHF	100 000	100%	K	VPH
Müller + Krempel Ltd	Bülach	CHF	1 000 000	100%	K	VPH
Vetoreal Ltd	St-Prex	CHF	500 000	100%	K	VPH
Austria						
Vetropack Austria Holding AG	Pöchlarn	EUR	10 905 000	100%	K	VPH
Vetropack Austria GmbH	Pöchlarn	EUR	8 725 000	100%	K	VAH
Austria Glas Recycling Ges.m.b.H.	Wien	EUR	50 000	50%	E	VPA
Czech Republic						
Vetropack Moravia Glass a.s.	Kyjov	CZK	800 000 000	100%	K	VAH
Croatia						
Vetropack Straža d.d.	Hum na Sutli	HRK	138 860 000	100%	K	VPH
Straža-Imo d.o.o.	Hum na Sutli	HRK	855 031	25.1%	E	VST
Slovenia						
Steklodepo d.o.o.	Rogatec	EUR	1 108 763	100%	K	VST
Slovakia						
Vetropack Nemšová s.r.o.	Nemšová	EUR	16 596 960	60/40%	K	VPH/VAH
Ukraine						
JSC Vetropack Gostomel	Gostomel	UAH	55 500 000	* 84.8%	K	VAH

K = Fully consolidated companies

E = Equity method

VPH = Vetropack Holding Ltd

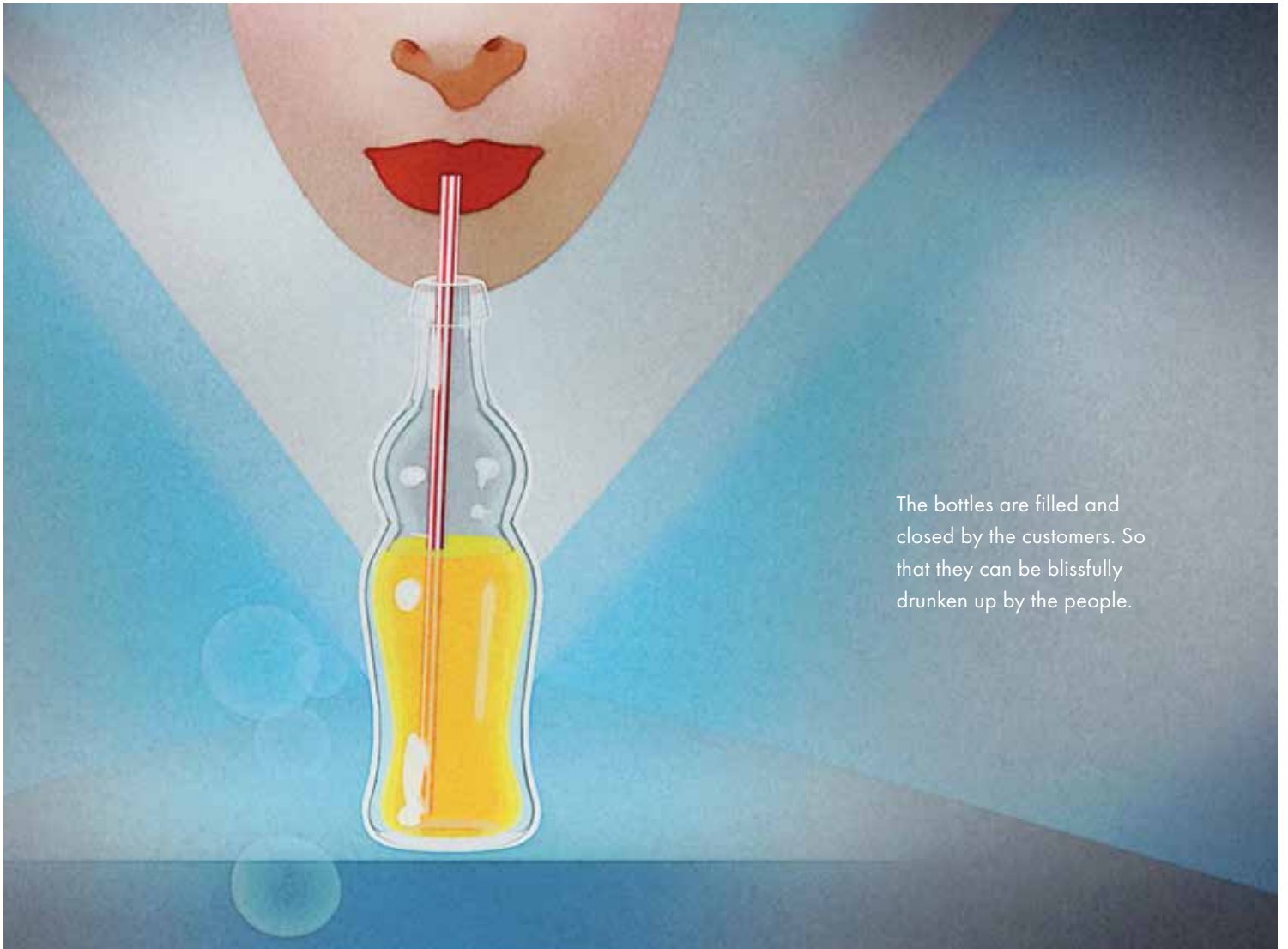
VAH = Vetropack Austria Holding AG

VPA = Vetropack Austria GmbH

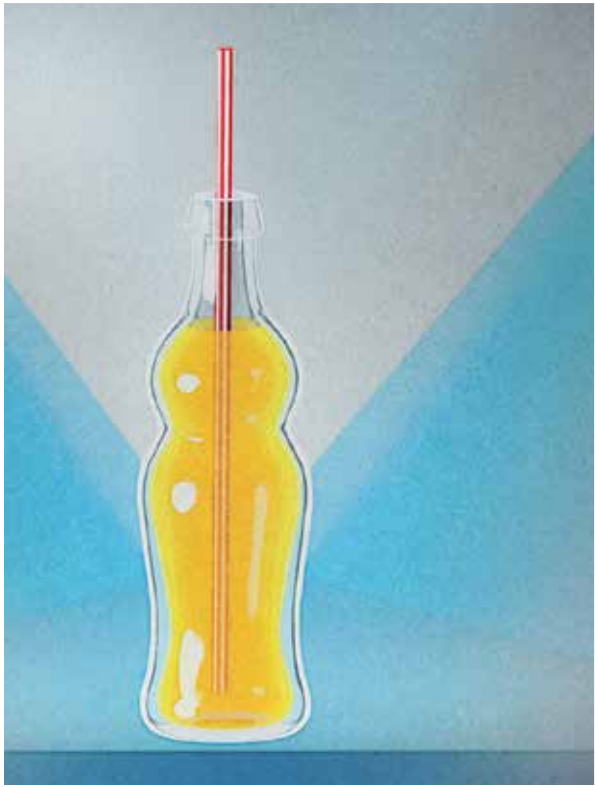
VST = Vetropack Straža d.d.

* During the year under review the Group's stake increased from 84.0% to 84.8%

As per 31 December 2013



The bottles are filled and closed by the customers. So that they can be blissfully drunken up by the people.



To the General Meeting of Vetropack Holding Ltd, Saint-Prex
Zurich, 19 March 2014

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Vetropack Holding Ltd, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes (pages 28 to 55), for the year ended 31 December 2013.

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

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

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

Opinion. In our opinion, the consolidated financial statements for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

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

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

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

Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

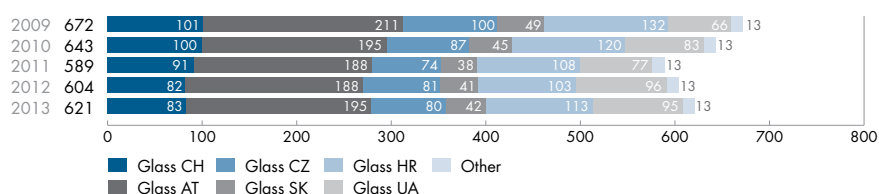
Gianni Trog
Licensed audit expert

Five Year Overview

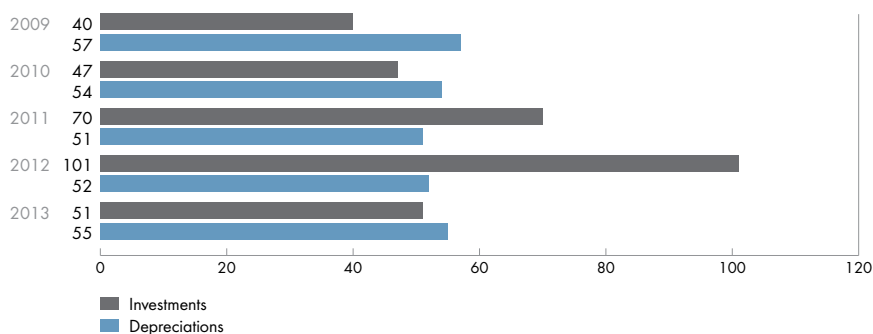
		2009	2010	2011	2012	2013
Consolidated Income Statement						
Revenue	CHF million	671.5	642.6	589.4	604.4	621.0
Change from previous year	%	- 10.7	- 4.3	- 8.3	2.5	2.7
Number of employees	Positions	3 000	2 975	2'971	3 000	3 014
Revenue per employee	TCHF	224	216	198	201	206
Cash flow	CHF million	137.9	122.6	117.3	98.0	110.4
Cash flow as % of gross revenue	%	20.5	19.1	19.9	16.2	17.8
Depreciations/ Impairments on tangible assets *	CHF million	56.7	54.4	50.7	51.9	55.3
Taxes	CHF million	19.0	15.3	14.3	22.6	12.8
Net profit	CHF million	78.4	38.7	59.0	83.6	56.4
Consolidated Balance Sheet as per 31.12.						
Investments in tangible assets	CHF million	39.8	47.2	69.4	100.8	50.5
Total assets	CHF million	804.8	714.6	766.3	771.9	794.1
Short-term assets	CHF million	345.2	315.0	345.3	298.1	299.3
Long-term assets	CHF million	459.6	399.6	421.0	473.8	494.8
Liabilities	CHF million	221.9	168.2	197.1	133.8	151.5
Shareholders' equity	CHF million	582.9	546.5	569.1	638.1	642.6
Gearing ratio	%	72.4	76.5	74.3	82.7	80.9

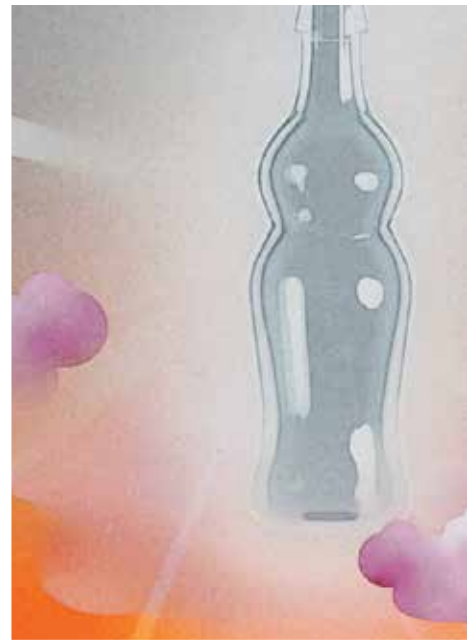
* This includes amortisation on non-operating real estate and buildings.

Consolidated Revenues 2009 – 2013 in CHF millions



Investments and Depreciations 2009 – 2013 in CHF millions





The people know: glass bottles protect and preserve the taste and the freshness of their favourite drinks, like no other container can.

The QR code leads you to the Croatian version of Vetropack's animated film "Glass remains glass". QR-kod vas vodi hrvatskoj verziji Vetropackovog animiranog filma "Staklo ostaje staklo".



Financial Reporting – Vetropack Holding Ltd

Balance Sheet

CHF millions	Note	31.12.2012	31.12.2013
ASSETS			
Short-Term Assets			
Liquid assets		28.4	21.1
Accounts receivables from Group companies		90.6	116.0
Other receivables and accruals		1.0	0.1
Own shares	2	0.0	24.3
Sub Total Short-Term Assets		120.0	161.5
Long-Term Assets			
Tangible assets		0.3	0.3
Participations	1	79.9	79.9
Loans to Group companies		125.5	94.5
Sub Total Long-Term Assets		205.7	174.7
Total Assets		325.7	336.2
LIABILITIES			
Liabilities			
Short-Term Liabilities			
- Financial debts		0.0	0.0
- Accounts payable to third parties		1.4	1.4
- Accounts payable to Group companies		22.6	8.0
- Provisions		1.5	1.0
Long-Term Liabilities			
- Provisions		0.0	0.1
Sub Total Liabilities		25.5	10.5
Shareholders' Equity			
Share capital	2	20.5	20.5
General legal reserves		28.6	28.6
Legal reserves from capital investments		0.3	0.3
Reserve for own shares	2	0.0	31.1
Free reserves		148.0	146.9
Profits			
- Retained earnings brought forward from previous year		54.0	58.5
- Annual profit		48.8	39.8
Sub Total Shareholders' Equity		300.2	325.7
Total Liabilities		325.7	336.2

Income Statement

CHF millions	Note	2012	2013
Income			
Dividends and other income from Group companies	3	53.6	57.4
Interest and financial income		4.9	8.1
Other income		0.5	0.5
Total Income		59.0	66.0
Expenses			
Personnel expenses	4	8.0	8.6
Interest and financial expenses		2.9	9.3
Provisions and depreciation		- 9.9	0.1
Other operating expenses		7.9	7.2
Income taxes		1.3	1.0
Total Expenses		10.2	26.2
Annual Profit		48.8	39.8

Notes

1. Participations

For details concerning the listing of Vetropack Holding Ltd's direct or indirect shareholdings refer to page 55.

2. Share Capital/ Own Shares

Regarding detailed information on the share capital and regarding own shares refer to Vetropack Group's financial reporting, note 14.

3. Dividends and Other Income from Group Companies

In addition to dividend income from subsidiaries this position also contains income generated from brand licences, as well as from services rendered by the Holding company.

4. Personnel Expenses

As per 31.12.2013 Vetropack Holding Ltd employed 29 individuals (2012: 31).

Additional Information

5. Fire Insurance Value

The value of fixed assets insured against fire equalled CHF 2.1 million (2012: CHF 2.1 million).

6. Risk Assessment

The risk assessment was carried out at Group level. For the definition of principle of risk assessment, please refer to Corporate Governance section.

7. Joint Liability

In the framework of VAT group taxation, all affiliated Swiss companies within the Vetropack Group are solitarily liable for total debt owed to the federal tax authorities.

8. Contingent liabilities

Vetropack Group operates a cash pooling system for which Vetropack Holding Ltd performs the function of pool master. As a result of the cash pooling agreements with the banks, the pool master has a liability for possible negative balances in the participating pool accounts.

9. Disclosure in Accordance with Swiss Obligations Code 663b^{bis}

For information concerning the process by which remuneration levels are defined refer to the Corporate Governance section.

Board of Directors' (BoD) Remuneration

Only cash benefits were paid to members of the BoD in 2013. During the year under review, no shares, options, loans, additional fees and emoluments, severance payments nor remuneration of any other kind were disbursed neither to members of the BoD, former members of the BoD, nor persons closely associated with them.

CHF					
	Cash	Social Security Contributions	FEF */Administrative Costs	Total Social Security Contributions	Total
2012 BoD Remuneration					
Hans R. Rüegg, Chairman	115 060	5 060	1 120	6 180	121 240
Richard Fritschi, Vice-Chairman	82 667	5 167	942	6 109	88 776
Claude R. Cornaz, Delegate	55 351	2 851	631	3 482	58 833
Sönke Bandixen, Board Member	56 000	3 500	638	4 138	60 138
Pascal Cornaz, Board Member	56 000	3 500	638	4 138	60 138
Rudolf W. Fischer, Board Member	56 000	3 500	638	4 138	60 138
Jean-Philippe Rochat, Board Member	56 000	3 500	638	4 138	60 138
Total	477 078	27 078	5 245	32 323	509 401
2013 BoD Remuneration					
Hans R. Rüegg, Chairman	115 060	5 060	1 120	6 180	121 240
Richard Fritschi, Vice-Chairman	82 667	5 167	942	6 109	88 776
Claude R. Cornaz, Delegate	55 644	3 144	634	3 778	59 422
Sönke Bandixen, Board Member	56 000	3 500	638	4 138	60 138
Pascal Cornaz, Board Member	56 000	3 500	638	4 138	60 138
Rudolf W. Fischer, Board Member	56 000	3 500	638	4 138	60 138
Jean-Philippe Rochat, Board Member	56 000	3 500	638	4 138	60 138
Total	477 371	27 371	5 248	32 619	509 990

* Family Equalisation Fund

Management Board's (MB) Remuneration

During the year under review, no shares, options, loans, additional fees and emoluments, severance payments nor remuneration of any other kind were disbursed neither to members of the MB, former members of the MB, nor persons closely associated with them.

CHF					
	Basic Salary	Bonus	Pension/ Social Security Contributions	Payments in Kind	Total
2012 MB Remuneration					
Total for MB	1 982 267	706 879	682 225	28 653	3 400 024
Highest level of remuneration *	612 080	256 525	215 540	4 282	1 088 427
2013 MB Remuneration					
Total for MB	2 004 643	581 339	634 265	24 015	3 244 262
Highest level of remuneration *	618 240	218 827	203 269	714	1 041 050

* Claude R. Cornaz, CEO

10. Disclosure in Accordance with Swiss Obligations Code 663c

The table below lists the number of shares held by members of the BoD and MB as per 31.12.2013. Shares held by closely associated persons are included in the total for the respective individual.

Voting Rights	Registered Shares 2012	Bearer Shares 2012	Registered Shares 2013	Bearer Shares 2013
Hans R. Rüegg	0	100	0	100
Sönke Bandixen	0	0	0	40
Pascal Cornaz	5 000	0	5 000	0
Rudolf Fischer	0	10	0	10
Richard Fritschi	0	250	0	250
Jean-Philippe Rochat	0	10	0	10
Total	5 000	370	5 000	410
Claude R. Cornaz	1 421	215	1 421	215
David Zak	0	50	0	15
Günter Lubitz	0	120	0	130
Marcello Montisci	0	0	0	0
Johann Reiter	0	0	0	0
Total	1 421	385	1 421	360

Board of Directors' (BoD) Proposal for the Corporate Profit Appropriation

The Board of Directors proposes the following appropriation of profits to the annual general assembly of shareholders (AGA):

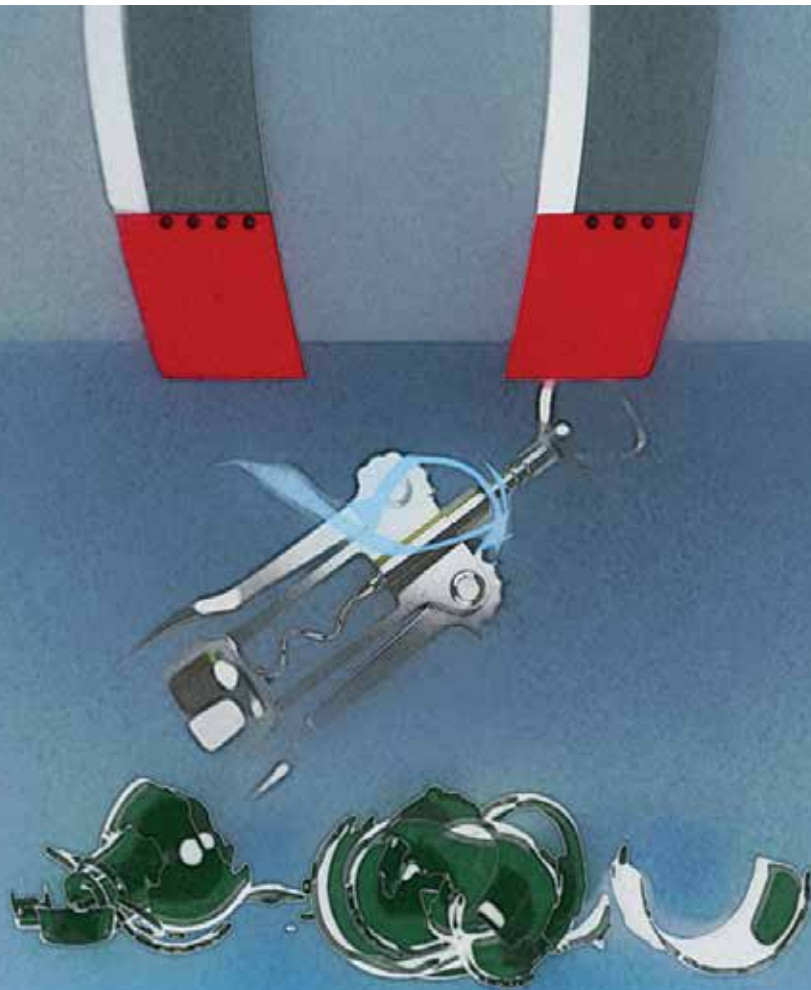
CHF millions	2012	2013
Retained earnings brought forward from previous year	54.0	58.4
Annual profit	48.8	39.8
Total profit at the disposal of the AGA	102.8	98.3
Dividend distribution of 75% (2012 70%) of dividend authorised capital *	14.4	14.9
Allocation to free reserves	30.0	30.0
Retained earnings	58.4	53.4

* No dividend is paid on treasury shares (page 44).

Acceptance of this proposal results in the following dividend payments:

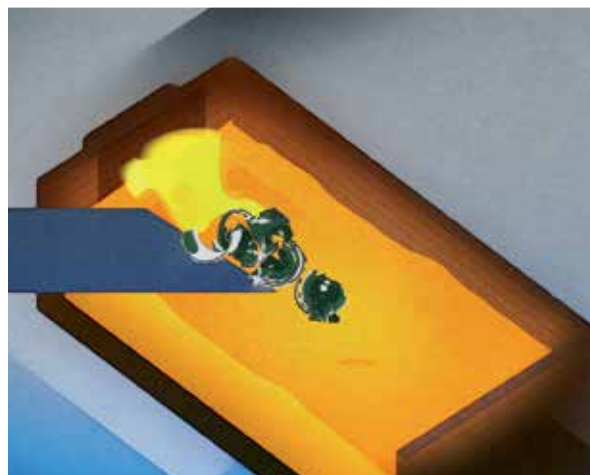
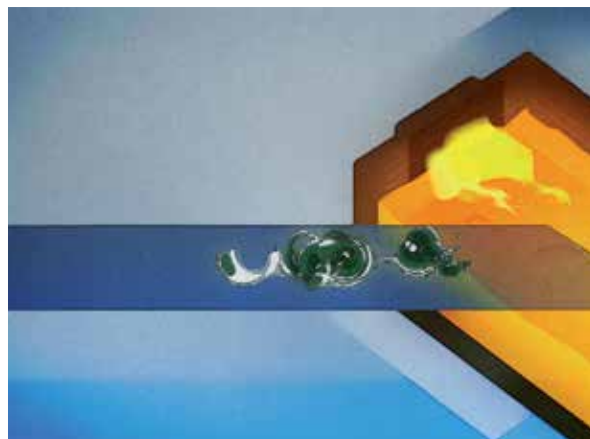
in CHF	Gross Dividend	35% Withholding Tax	Net Dividend
Bearer shares CHF 50.00 nominal value	37.50	13.13	24.37
Registered shares CHF 10.00 nominal value	7.50	2.63	4.87

The dividend payment is to be paid to registered shareholders on 22 May 2014 via the usual appointed paying agents. Payment to holders of bearer shares is to be made in exchange for coupon number 18 at the Swiss branch offices of the following banks: Banque Cantonale Vaudoise, UBS, Credit Suisse, Zürcher Kantonalbank.



Why glass bottles aren't afraid of being drunken up. In the 1970s, a couple of masterminds at Vetropack invented recycling. Meanwhile the whole world is joining in... well almost. Everything that disrupts recycling is sorted out. And from there, it's back to the furnace where new bottles are made. Again and again.

The QR code leads you to the Ukrainian version of Vetropack's animated film "Glass remains glass". QR-код приведе Вас до української версії мультфільму Ветропак «Скло залишається склом».



To the General Meeting of Vetropack Holding Ltd, Saint-Prex
Zurich, 19 March 2014

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Vetropack Holding Ltd, which comprise the balance sheet, income statement and notes (pages 60 to 66), for the year ended 31 December 2013.

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

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

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

Opinion. In our opinion, the financial statements for the year ended 31 December 2013 comply with Swiss law and the company's articles of incorporation.

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

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

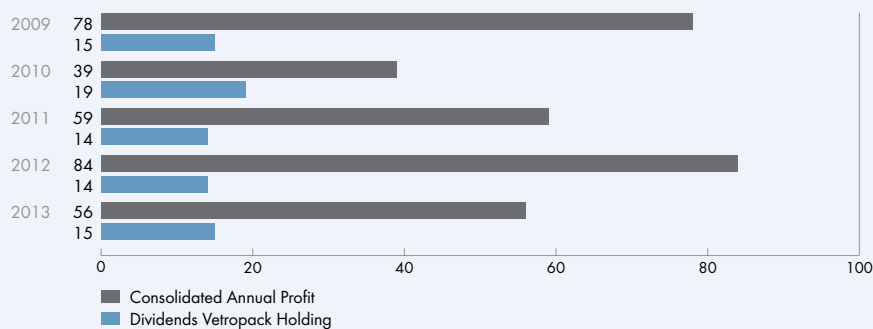
Gianni Trog
Licensed audit expert

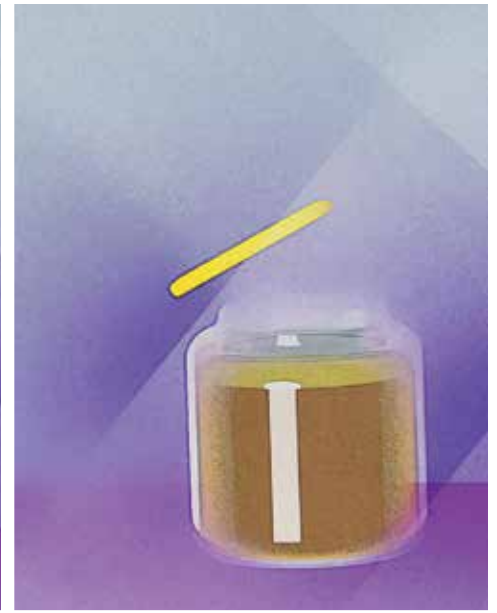
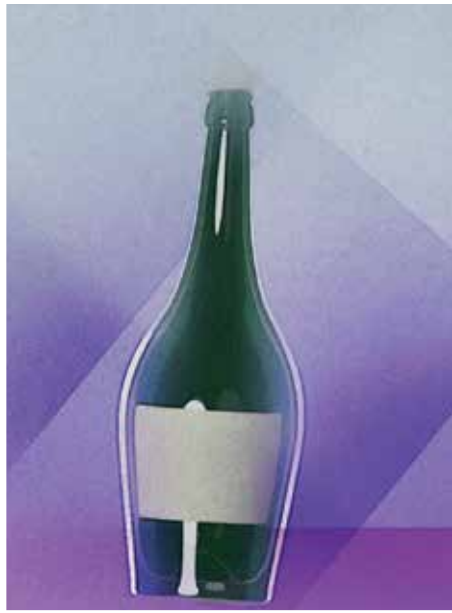
Five Year Overview

	2009	2010	2011	2012	2013
Income Statement and Balance Sheet (in Mio. CHF)					
Dividends and other income from affiliated companies	79.9	64.3	50.8	53.6	57.4
Net profit	68.5	37.5	42.5	48.8	39.8
Total assets	248.3	284.6	311.9	325.7	336.2
Participations	66.9	73.8	79.9	79.9	79.9
Share capital	21.2	21.2	20.5	20.5	20.5
Shareholders' equity	239.8	266.5	265.7	300.2	325.7
Share Details (in CHF)					
Share prices					
- Bearer share high	1 860	2 055	1 980	1 875	1 990
- Bearer share low	1 032	1 525	1 296	1 581	1 660
Dividends					
- Bearer share	35.00	45.00	35.00	35.00	* 37.50
- Registered share	7.00	9.00	7.00	7.00	* 7.50
Distribution ratio in %	18.8	47.7	24.3	17.2	26.4

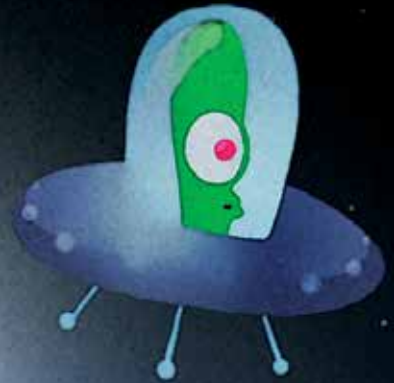
* motion for the AGA on 14 May 2014

Consolidated Annual Profit and Dividends 2009 – 2013 in CHF millions





Thanks to recycling mineral water bottles turn into honey jars, and beer bottles start a career as champagne bottles. And it all happens many thousands of millions of times. After all, Vetropack produces around four and a half billion bottles yearly. That makes almost three towers from here to the moon.



Corporate Governance

The following explanations contain fundamental information for the Vetropack Group as laid out in the Corporate Governance Guidelines defined by the SIX Swiss Exchange as per 29 October 2008.

Operational Group Structure

Refer to the illustration on page 82.

Group Companies

For Shareholdings and their Percentage Breakdowns, refer to the illustration on page 55.

Capital Structure

For details of the share capital, refer to commentary 14 on page 43. For details of changes in capital structure within the last three years, refer to table "Changes in Consolidated Shareholders' Equity" on page 32. Vetropack Holding Ltd does not issue options on participation rights.

Dividends

Registered and bearer shares are dividend bearing.

List of Major Shareholders with Holdings > 3%

	31.12.2012			31.12.2013		
	No. of Registered Shares	No. of Bearer Shares	Voting Rights in %	No. of Registered Shares	No. of Bearer Shares	Voting Rights in %
Cornaz AG-Holding						
Oberrieden	701 686	22 427	65.0	701 686	11 509	64.0
Elisabeth Leon-Cornaz						
St-Prex	56 868	0	5.1	56 868	0	5.1
La Licorne Holding SA						
Martigny	50 722	0	4.6	50 722	0	4.6
Paul-Henri Cornaz						
Luzern	40 000	648	3.6	40 000	648	3.6

A shareholders' lock-in agreement exists between the shareholders of Cornaz AG-Holding. A shareholders' agreement exists between Cornaz AG-Holding, and the shareholders mentioned above, as well as two further shareholders. The core elements of both agreements are:

- Uniform exercise of voting rights at the AGA.
- Mutual obligation to offer shares to parties to the agreement.

Board of Directors (BoD)

Principles Underlying the Voting Procedure for Members of the Board of Directors and their Terms of Office

Each BoD member has been individually elected by the Annual General Assembly of shareholders (AGA 2012) for a statutory period of three years. Within the framework of the implementation of the Swiss Ordinance against Excessive Compensation in Listed Companies (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften – VegüV), the members of the BoD shall, from 2014 onwards, be re-elected annually. In addition, the AGA shall also elect the Chairman of the Board of Directors, the members of the Nomination and Compensation Committee and the independent proxy.

BoD Duties

The BoD performs its duties as laid out in the Swiss Code of Obligations (CO) 716a items one to five.

The BoD Chairman has the following additional main duties:

- Preparing and drawing up the invitations to the AGA jointly with the CEO.
- Drawing up the agenda for BoD meetings, and issuing invitations and relevant documentation jointly with the CEO.
- Chairing the AGA and the BoD meetings.
- Monitoring the implementation of resolutions passed by the AGA and the BoD.
- In urgent cases, the BoD Chairman can conclude transactions that fall within the competence of the BoD by executive decision. Any such actions are communicated in writing without delay to the BoD.

Respective Areas of Responsibility for the BoD and Management Board (MB)

The duties that the BoD has not reserved to itself as laid out in CO 716a items one to five are delegated to the MB. This means that the MB can act freely within the guidelines laid down by the BoD, but it is also fully responsible for the operational management of the Group.

Working Methods

In 2013 the BoD exercised its overall supervisory and monitoring role by receiving oral and written reports from the MB at five regular annual meetings, by consulting amongst its members, and by reaching decisions in relation to any motions raised. Ordinary BoD meetings normally last at least four hours. The head auditor was invited to the March meeting to disclose the results of the external audit. Moreover, a two-day strategy meeting was held in August. During the November meeting, the results of the 2013 internal audit were discussed and focal areas were defined for the 2014 internal audit. A further ten annual meetings were held, exclusively involving the BoD Chairman, the CEO, and the CFO. They discussed operational topics, preparations for ordinary meetings, as well as reports from internal audit. The BoD is regularly informed regarding the Group's commercial state of affairs and planning via written Monthly, Semi-Annual and Annual Reports, and receives a planning dossier at both company and Group levels (three year plan). The nomination and compensation committee, whose main task is to regularly check the BoD and extended MB's remuneration scheme and to recommend concrete compensation proposals for the members of the BoD and the CEO to the entire BoD for resolution, had a session in August and November 2013. The committee takes independent decisions regarding the remuneration of the extended MB. In addition, the committee prepares the medium and long term human resources planning for the members of the BoD and the MB. The committee is formed of the following members: Rudolf Fischer (Chairman), Richard Fritschi and Claude R. Cornaz. The term of office was a period of one year and the members were elected by the entire BoD. With the exception of this compensation committee, the BoD forms no committees.

Risk Assessment

Vetropack Holding Ltd utilises a risk management system that enables the identification, early recognition, and analysis of risks in order for the company to take appropriate action. The system's scope includes strategic, operational, financial, and compliance risks. It covers not only Vetropack Holding Ltd's risks, but also the key risks of its subsidiaries. All systematically identified risks are listed according to rank. This risk ranking system is formulated from a risk probability matrix. Management is actively involved in checking annually the matrix and in keeping it up to date. During the year under review, the Board of Directors dealt with the topic of risk assessment in its August meeting.

BoD Members

	Position	Appointed	Eintritt	Elected till *
Hans R. Rüegg	Chairman, non-executive	CH	1993	Mai 2015
Richard Fritschi	Vice-Chairman, non-executive	CH	2005	Mai 2015
Claude R. Cornaz	Delegate, executive	CH	1998	Mai 2015
Sönke Bandixen	Member, non-executive	CH	2012	Mai 2015
Pascal Cornaz	Member, non-executive	CH	2009	Mai 2015
Rudolf W. Fischer	Member, non-executive	CH	2000	Mai 2015
Jean-Philippe Rochat	Member, non-executive	CH	2006	Mai 2015

* From 2014 onwards, the members of the BoD are to be re-elected each year in accordance with the statutory regulations that came into force on 1 January 2014.

Hans R. Rüegg (1946, Rüti ZH)

Dipl. El. Ing., ETH, Zürich, Switzerland/MBA, University of Florida, Gainesville, USA

- 1983 - 1993 Delegate of the BoD, Baumann Federn AG, Rüti, Switzerland
- 1993 - 2011 Chairman and Delegate of the BoD, Baumann Federn AG, Rüti, Switzerland
- 2005 - present Chairman of the BoD, Vetropack Holding Ltd
- 2011 - present Chairman of the BoD, Baumann Federn AG, Rüti, Switzerland

Governing Mandates: Vice-Chairman, Dätwyler Holding AG, Altdorf, Switzerland / Chairman of the Audit Committee, Dätwyler Holding AG, Switzerland

Richard Fritschi (1960, Oberrieden ZH)

Dipl. Commercial Controller, SIB; Zürich, Switzerland

- 1979 - 1985 Various functions for Luwa SA, in Zürich, Switzerland and England
- 1985 - 1987 Project Controller, Airchal-Luwa SA, Paris, France
- 1987 - 1991 Head of Finance and Administration, Isolog AG, Zürich, Switzerland
- 1991 - 1999 Head of Finance, Allo Pro / Sulzer Orthopädie, Baar / Winterthur, Switzerland
- 1999 - 2001 Head of Sales, Sulzer Orthopädie/Sulzermedica, Winterthur, Switzerland
- 2001 - 2003 President Europe / Asia / South America, Sulzer Orthopädie / Sulzermedica, Winterthur, Switzerland
- 2003 - 2005 President Europe / Australasia, ZIMMER, Winterthur, Switzerland
- 2006 - 8/2011 CEO, Ypsomed AG, Burgdorf, Switzerland
- 9/2011 - present Executive Director of Biodenta Holding Corp., Taipei/Taiwan

Governing Mandates: Member of Biodenta Corp., Taiwan / Chairman, Cornaz AG-Holding, Oberrieden, Switzerland / Chairman, Bibus Holding AG, Fehraltorf, Switzerland / Member, Fromm Holding AG, Cham, Switzerland

Claude R. Cornaz (1961, Bülach ZH)

Dipl. Mechanical Engineering, ETH / BWI, Zürich, Switzerland

- 1987 - 1989 Management Services Contraves AG, Zürich, Switzerland
- 1989 - 1993 Project Engineer, Nestec in Vevey Switzerland and Thailand
- 1993 - 1999 Head of Corporate Development and Head of Technology & Production Vetropack Group
- 1996 - present MB Member, Vetropack Group
- 1/2000 - present CEO of Vetropack Holding Ltd

Governing Mandates: Member, Bucher Industries AG Niederweningen, Switzerland / Vice-Chairman, H. Goessler AG, Zürich, Switzerland / Vice-Chairman, Cornaz AG-Holding, Oberrieden, Switzerland / Member, Glas Trösch Holding AG, Bützberg, Switzerland

Offices: BoD Member of the European Federation for Glass Packaging (FEVE), Brussels, Belgium / Chairman of the Swiss Packaging Institute (SVI), Bern, Switzerland

Sönke Bandixen (1957, Stein am Rhein SH)

Dipl. Mechanical Engineer, ETH Zürich, Switzerland, Harvard Business School, USA

- 1984 - 1993 Various functions for SIG AG, as of 1990 MB Division Packaging Machines, Neuhausen am Rheinfall, Switzerland
- 1994 - 1996 Vice President Marketing, Cosatec AG, Dübendorf, Switzerland
- 1997 - 2003 CEO Division Door Systems, Kaba Holding AG, Rümlang, Switzerland
- 2004 - 2007 Partner, AMC Account Management Center AG, Zürich, Switzerland
- 2007 - 2010 CEO, Orell Füssli Holding AG, Zürich, Switzerland
- 2010 - 2011 Self-employed Management Consultant
- 2012 - present CEO, Landert Motoren AG, Bülach, Switzerland

Governing Mandates: Member, Axon Active AG, Lucerne, Switzerland

Offices: Member Advisory Board, CGAM Center for Global Account Management, HSG St. Gallen, Switzerland

Pascal Cornaz (1971, Les Paccots FR)

Dipl. Purchaser, Switzerland

- 1995 - 2005 Various functions in technical customer support, purchasing, and logistics, Switzerland
- 2005 - 2007 Member of the Executive Board of Giovanni Holding SA, Clarens, Switzerland
- 2008 - 2011 Member of the Executive Board and Head of Customer Service of Ginox SA, Clarens, Switzerland
- 2012 - present CEO Diamcoupe SA, Cheseaux s. Lausanne, Switzerland

Rudolf W. Fischer (1952, Walchwil ZG)

PhD. Economics. publ., University of Zürich, Switzerland

- 1982 - 1991 Various management positions in HR and Trade Marketing, Jacobs Suchard, Switzerland and Belgium
- 1991 - 1994 CEO Jockey (Switzerland), Uster, Switzerland part of the Austrian Huber Tricot Group (91 & 92), and Hanro AG, Liestal (93 & 94), Switzerland
- 1994 - 1995 Partner Bjørn Johansson Associates, Executive Search, Zürich, Switzerland
- 1/1996 - present Group Management Member, responsible for HR and Training Schindler Lifts + Escalators, Ebikon, Switzerland
- 3/2012 - present BoD Member full-time of Schindler Holding Ltd, Member of the Supervisory and Nomination Committee, Member of Compensation Committee, Switzerland

Jean-Philippe Rochat (1957, Lausanne VD)

Lic. iur. Law, University of Lausanne, Switzerland

- 1980 - 1984 Publicitas Ltd, Lausanne, Bern and Basel, Switzerland
- 1984 - 1985 Fiduciaire Fidinter Ltd, Lausanne, Switzerland
- 1985 - 1987 Legal internship in Geneva, Switzerland
- 1987 - 1989 Lawyer, Pfyffer, Argand, Troller & Associates, Geneva, Switzerland
- 1989 - 2007 Partner Lawyer at Carrard, Paschoud, Heim et Associés, Lausanne, Switzerland
- 2008 - present Partner Lawyer at Carrard et Associés, Lausanne, Switzerland

Governing Mandates: Chairman, MCH Beaulieu Lausanne SA, Lausanne, Switzerland / Member, PKB Privatbank, Lugano, Switzerland / Member, Investissements Foncières SA - La Foncière, Lausanne, Switzerland / Member, Vaudoise Holding SA, Lausanne, Switzerland

Offices: Member of the Strategy Council "Chambre Vaudoise du Commerce et de l'Industrie" (CVCI), Lausanne, Switzerland / Honorary consul of Finland in Lausanne, Switzerland

Members of the BoD for Vetropack Holding Ltd do not sit with other BoD members on the boards of other listed companies, nor are there any business relationships between the BoD members and Vetropack Holding Ltd. The BoD members Claude R. Cornaz, Richard Fritschi, Rudolf W. Fischer, Jean-Philippe Rochat and Hans R. Rüegg also act as directors of other listed companies as set out on pages 73 to 75 of this report.

MB Members

	Position	Nationality	Appointed
Claude R. Cornaz	CEO	CH	1.5.1993
David Zak	CFO	CH	1.5.2002
Günter Lubitz	GM Techniques/Production/Procurement	DE	1.6.2003
Johann Reiter	GM Business Division Switzerland/Austria	AT	1.11.2010
Marcello Montisci	GM Marketing/Sales/Production Planning	IT	1.3.2005

Claude R. Cornaz (1961)

Dipl. Mechanical Engineer, ETH / BWI, Zürich, Switzerland

- 1987 - 1989 Management Services, Contraves AG, Zürich, Switzerland
- 1989 - 1993 Project Engineer, Nestec in Vevey Switzerland and Thailand
- 1993 - 1999 Head of Corporate Development for Technology and Production, Vetropack Group
- 1996 - present MB Member, Vetropack Group
- 1/2000 - present CEO of Vetropack Holding Ltd

David Zak (1965)

BSc., Business Administration, Boston University, Boston, USA

- 1989 - 1997 Various international Finance and Management positions within the ABB Group, including Controller for ABB Holding AG, Zürich, Switzerland
Vice-Chairman, ABB s.r.o., Prague, Czech Republic
- 1998 - 2002 CFO, Studer Professional Audio AG, Regensdorf, Switzerland
- 5/2002 - present CFO, Vetropack Holding Ltd / MB Member, Vetropack Group

Günter Lubitz (1953)

Dipl. Engineer, Glass and Ceramics Engineer, University of Duisburg, Duisburg, Germany

- 1977 - 1985 Management Positions as Production Engineer and Head of Production within the German glass packaging industry
- 1985 - 1988 Production Manager and Technical Director at Bangkok Glass Industry, Bangkok, Thailand
- 1989 - 2003 Technical and Works Manager at various glass packaging companies in Germany
- 6/2003 - present Head of Techniques/Production/Procurement for the Vetropack Group / MB Member, Vetropack Group

Johann Reiter (1960)

Dipl. Industrial & Mechanical Engineer, HTL, Kapfenberg, Austria

- 1976 - 2010 Diverse functions at Böhler Edelstahl GmbH & Co KG, Kapfenberg, Austria, including business area manager for freeform forge and casting parts
- 11/2010 - present GM Business Division Switzerland/Austria / MB member, Vetropack Group

Marcello Montisci (1954)

PhD., Electrical Engineer, University of Rome, Italy, MBA, Università Commerciale Luigi Bocconi, Milan, Italy

1980 - 1985	Technical Sales, VARIAN, Turin, Italy
1985 - 1991	Various management functions, AXIS Spa, Florence, Italy Including four years in the USA
1991 - 2001	Commercial Director, AVIR Spa, Milan (O.I.), Italy
2001 - 2005	MD, United Hungarian Glass, (O.I.), Oroshaza, Hungary
3/2005 - present	Head of Marketing/Sales/Production Planning, Vetropack Group
2/2006 - present	MB Member, Vetropack Group
2006 - 2009	Division Head, Czech Republic and Slovakia, Kyjov

There are no management agreements between Vetropack Holding Ltd and companies, nor individuals outside the Group.

Remuneration, Shareholdings and Loans

Content and Method of Determining Remuneration: The BoD exercise their discretionary authority to determine the principles underlying their own remuneration concept, including salary bands, as well as that of the MB.

The remuneration level allocated to BoD members is determined by the BoD as a whole, within the framework of the remuneration concept. Only fixed cash benefits are paid. No share nor option plans exist.

The remuneration of the MB members is set by the Nomination and Compensation Committee (NCC) at the request of the CEO and that of the CEO by the BoD at the request of the NCC, within the framework of the remuneration concept. The remuneration level is determined to a basic remuneration level reflecting the responsibility borne by an individual, there is a variable performance related component of up to 60% of basic remuneration, which is based on the results of the business unit and/or the Group.

Remuneration is not made in the form of shares, options, nor loans. Details relating to remuneration and disclosure, as specified in CO Art. 663b^{bis} and 663c, can be found on pages 64 and 65.

Shareholders' Participation Rights

Voting Rights, Voting Rights Restrictions and Representation: Each registered or bearer share has one voting right. There is no representation restriction in respect of bearer shares. Registered shares can only be represented by other holders of registered shares (persons or legal entities).

Statutory Quorums: The Articles of Association of Vetropack Holding Ltd specify only the statutory requirements as laid out in Articles 703 and 704 of the Code of Obligations.

Convocation of the AGA: The invitation is issued at least 20 days prior to proposed date of the assembly. Within the invitation the shareholders are informed of business items to be negotiated during the assembly, as well as motions proposed by the BoD, and by shareholders who have demanded that a given business item be placed on the agenda. Extraordinary General Assemblies (EGAs) are convened as necessary and as defined by legal precedent. Shareholders representing at least one tenth of total share capital can demand convocation of an EGA at any time.

Composition of the Agenda for the AGA: Shareholders who represent shares with a nominal value of CHF 1,000,000 can demand that a business item is placed on the agenda. This request must be submitted in writing to the Chairman of the BoD at least 40 days prior to AGA.

Transfer Provisions: There are no ownership nor transfer restrictions for registered or bearer shares. Transfers of registered shares must be reported to the Shareholders' Office of Vetropack Holding Ltd.

Registrations in the Share Register: For the voting right to be exercised, registration must take place at least 20 days prior to the AGA.

Changes of Control and Defence Measures: There is no statutory regulation in relation to "opting-out" nor "opting-up". There are no clauses on changes of control in favour of members of the BoD nor the MB.

Auditors

Mandate: Ernst & Young Ltd have been auditors for Vetropack Holding Ltd since 1995. The head auditor has been responsible for the auditing mandate since 2013. The head auditor is changed every seven years.

Fees: During the year under review, Ernst & Young invoiced Vetropack Group the sum of CHF 0.3 million for auditing services regarding accounts of individual Group companies as well as consolidated accounts. Ernst & Young also invoiced CHF 0.01 million for services relating to auditing activities. Some of the Group companies are audited by other auditors.

Supervisory and Control Instruments Vis-à-Vis the External Auditors: At the ordinary November meeting, the entire BoD reviews the scope and key aspects of the external audit, including key aspects for auditing the internal control system of the current year. At the ordinary March meeting all BoD members are informed of audit results both in writing (Auditor's Report, Group Auditor's Report, Management Letter, Explanatory Notes) and verbally (the lead auditor attends the BoD's March meeting). In February, the main points and results of audits carried out at subsidiaries are also discussed with auditors at the ordinary meetings of the governing body of each subsidiary. A member of the BoD is present at these meetings. With the help of the above-mentioned information sources, the BoD annually assesses both the statutory auditors' and group auditors' performance and independence during the March meeting. The BoD annually analyses the development of external audit costs (multiple year comparison).

Information Policy

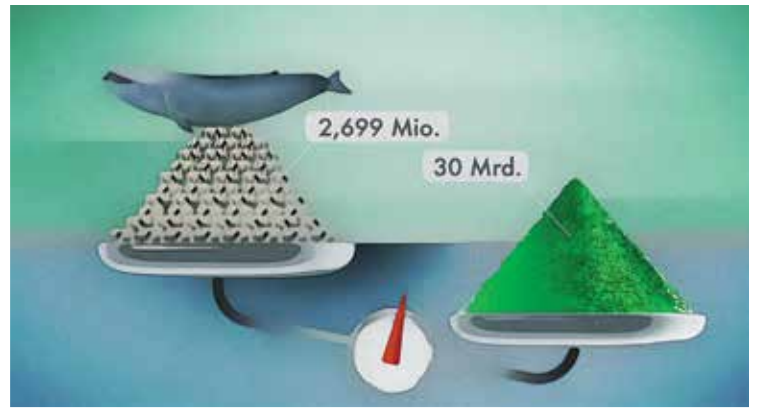
Vetropack Holding Ltd Provides Information Through the Following Channels: Annual Report, Annual Press Conference, Annual General Assembly and Semi-Annual Report. Current information is available via the company's website at www.vetropack.com.

Press releases are published under the "News" header. (http://www.vetropack.com/htm/presse_list_3.htm) Under the "Investor Relations" header (http://www.vetropack.com/htm/investorrel_3.htm) key figures, financial agenda, news subscription, articles of association, minutes of the last AGA and contact information are published.

By registering for the newsletter (push mail), one automatically receives an e-mail directing to newly released investor relations information pages on the company's website. (http://www.vetropack.com/htm/newsletter_3.htm)

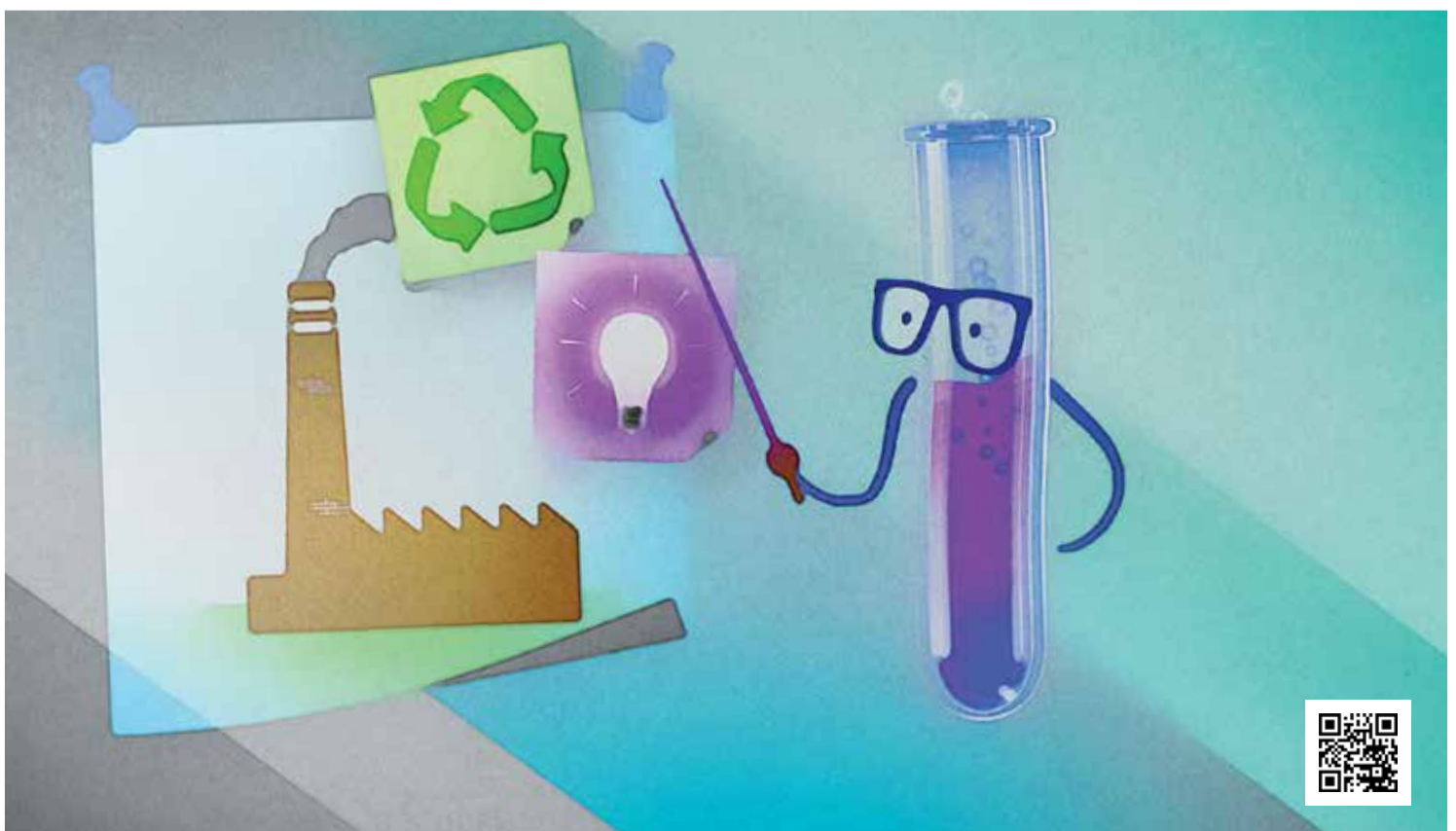
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"Today, across Europe, already two thirds of all glass bottles are recycled. That's about 30 billion bottles a year. That's the weight of 2.699 million elephants, plus a blue whale" explains a really nifty test tube. And as Vetropack mixes around 60% recycling glass into their production, they decrease emissions and energy consumption.

The QR code leads you to the Russian version of Vetropack's animated film "Glass remains glass". QR-код приведет Вас к русской версии мультфильма Ветропак «Стекло остается стеклом».





Tihomir Premužak

Marcello Montisci

Johann Reiter

Inge Jost

Claude R. Cornaz



Günter Lubitz

Gregor Gábel

Elisabeth Boner

Andriy Girnyk

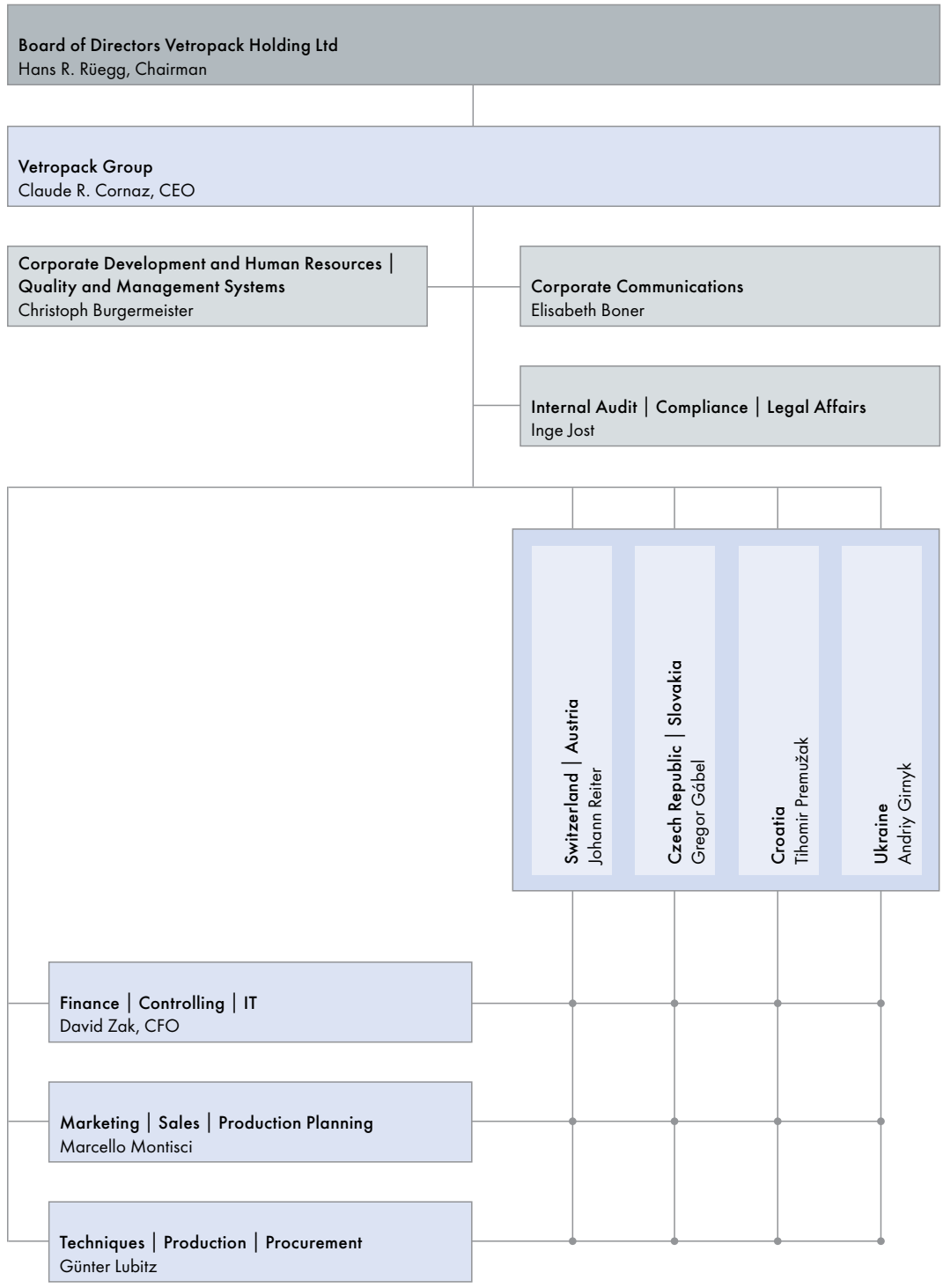
David Zak

Christoph Burgermeister

Organisation

Extended Group Management as per 1 January 2014

Organisation as per 1 January 2014



Group Management Board

Claude R. Cornaz, CEO

David Zak, CFO

Günter Lubitz

Johann Reiter

Marcello Montisci

Finance, Controlling and IT

David Zak

- Shared Service Centre Switzerland Christian Trösch

- Group Controlling and Accounting Adriano Melchiorretto

- IT Bruno Hennig

Marketing, Sales and Production Planning

Marcello Montisci

Techniques, Production and Procurement

Günter Lubitz

- Procurement Ulrich Ruberg

Corporate Development and Human Resources

Quality and Management Systems

Christoph Burgermeister

Corporate Communications

Elisabeth Boner

Internal Audit, Compliance, Legal Affairs

Inge Jost

Business Division Switzerland/Austria

Johann Reiter

Marketing + Sales Herbert Kühberger

- Switzerland Christine Arnet

- Austria Herbert Kühberger

- Export Europe West Leopold Siegel

Finance + Administration Eduard Steininger

Logistics Werner Schaumberger

Techniques Knut Ludwig

- St-Prex Plant Philippe Clerc

- Pöchlarn Plant Franz Kendl

- Kremsmünster Plant Knut Ludwig

Business Division Czech Republic/Slovakia

Gregor Gábel

Marketing + Sales Dana Švejcárová

- Czech Republic Dana Švejcárová

- Slovakia Zuzana Hudecová

- Export Europe East Vlastimil Ostrezi

Logistics Jaroslav Mikliš

Kyjov Plant

- Production Antonín Pres

- Techniques Miloš Kostýlek

- Finance Milan Kucharčík

Nemšová Plant

- Production Roman Fait

- Techniques Miroslav Šebík

- Finance Eva Vanková

Business Division Croatia

Tihomir Premužak

Marketing + Sales Darko Šlogar

Logistics Josip Debeljak

Finance Marija Špiljak

Personnel + IT Damir Gorup

Production Josip Šolman

Techniques Velimir Mrkus

Business Division Ukraine

Andriy Girnyk

Marketing + Sales Sergey Isaenko

Logistics Vladimir Lysenko

Finance Nataliia Bukreieva

Controlling Andriy Konoval

Personnel Viktor Sytnikov

Production Oleksandr Voznyuk

Techniques Mikola Marchenko

Group Companies

Vetroconsult Ltd Günter Lubitz

Müller + Krempel Ltd Mark Isler

Vetoreal Ltd Hans Fahrni

What is the link
between the natural
products wine and
beer, milk and honey, spices
and vegetables? – Glass
packaging, of course.

Glass bottles symbolise a wine's quality. They protect and preserve its flavour and allow it to mature and age safely. Glass bottles nestle comfortably into the hand, which is a source of pleasure whether pouring or not. Their elegant neck controls the interplay between air and liquid and provides support for the stopper. No wonder wine lovers like to keep them, even when they are already empty.

This is why Vetropack devoted the cover of its 2013 semi-annual report, 2013/2014 Christmas card and 2013 annual report to the theme of glass bottles for wine. For sustainability and nature are linked.



Vetropack – Our Glassworks

St-Prex Plant
Switzerland



Pöchlarn Plant
Austria



Kremsmünster Plant
Austria



Kyjov Plant
Czech Republic



Nemšová Plant
Slovakia



Hum na Sutli Plant
Croatia



Gostomel Plant
Ukraine



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