

2014 | **Vetropack Holding Ltd**
Annual Report and Remuneration Report



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Glass packaging protects what is kept inside, ensuring that it retains its vitamins and flavour – completely naturally and for a long, long time. That goes for any contents, from orange juice, jam, spices, vinegar and oil to beer, wine and spirits.

Life is one long celebration, full of moments both great and small. All you have to do is discover and enjoy them. There is always an occasion to celebrate, whether it be on your own, as a couple or with your friends – and, as the pictures in this Annual Report show, glass plays a part.



At a Glance

Key Figures 2014

		+/-	2013	2014
Gross Revenue	CHF millions	- 2.8%	621.0	603.7
EBIT	CHF millions	- 18.2%	60.0	49.1
Annual Profit	CHF millions	- 12.8%	56.4	49.2
Cash Flow	CHF millions	- 2.9%	110.4	107.2
Investments	CHF millions	32.0%	56.3	74.3
Production	1 000 metric tons	- 3.5%	1 281	1 236
Unit Sales	billions	4.5%	4.36	4.55
Exports (in unit terms)	%	-	38.1	43.5
Employees	number	- 1.0%	3 014	2 985

Agenda

2015

Annual General Assembly (St-Prex)

6 May 2015, 11:15

Semi-Annual Report

24 August 2015

2016

Press Conference (Bülach)

22 March 2016, 10:15

Annual General Assembly (Bülach)

11 May 2016, 11:15

Board of Directors' Report

Dear shareholders,

In the 2014 reporting year, Vetropack Group further increased both its sales and its consolidated revenue (adjusted for currency effects). All production capacity was essentially utilised and net liquidity reached an all-time high. Strategic investments in furnaces and production infrastructure have helped to improve efficiency and flexibility and secure the future of our plants.

Vetropack Group generated consolidated gross revenue of CHF 603.7 million in the 2014 fiscal year, which equates to a currency-adjusted increase of 4.2% from the previous year (2013: CHF 621.0 million). In nominal terms, however, negative exchange effects led to a 2.8% fall in revenue.

Performance of the Vetropack companies. The Ukrainian glassworks, JSC Vetropack Gostomel, reported a strong operating performance. In spite of this, however, its contribution to consolidated gross revenue was weakened by the substantial devaluation of the local currency, the hryvnia, and consequently fell to 11.0% (2013: 15.2%). The Swiss Vetropack company increased its contribution to revenue to 13.7% (2013: 13.4%), an improvement achieved thanks to the strength of the Swiss franc in a declining domestic market. The largest share of gross revenue (2014: 32.2%; 2013: 31.4%) was once again provided by Vetropack Austria GmbH with its two glassworks in Pöchlarn and Kremsmünster. The contribution from Vetropack Moravia Glass a.s. in the Czech Republic remained virtually constant at 12.9% (2013: 12.8%). Meanwhile, Vetropack Nemšová s.r.o. in Slovakia generated 8.3% (2013: 6.7%), attributing this positive result to a strategic shift towards direct customer business, with supplies to co-subsidiaries being reduced. The Croatian company, Vetropack Straža d.d., increased its percentage

of gross revenue to 19.9% (2013: 18.2%), thanks largely to the expansion of its export business.

Positive market trends. In Western Europe's highly developed consumer society, a new opportunity is emerging for glass packaging on the back of a trend towards health-conscious behaviour. The first signs of this are already starting to show in the market trend, with the entire European market recording a rise in demand of more than one per cent in the reporting year – the first time this has happened since 2009. This particularly affects glass packaging for food products, alcohol-free beverages and beer. Remarkably, the country-specific trends are superseding the trend at interregional level, with the only negative exception amongst the countries in which Vetropack operates being Ukraine. The political and economic crisis there and the collapse of the Ukrainian currency are having a restraining effect on consumer behaviour.

However, since there is still surplus production capacity in Europe in spite of the high degree of capacity utilisation, competition remains as intense as ever. Against this backdrop, the necessary price adjustments can only be implemented to a limited extent.

Increase in sales. Vetropack Group increased its sales of container glass for the food and beverage industry

by 4.5% (2014: 4.55 billion units of glass packaging; 2013: 4.36 billion units). This sales growth was achieved purely by stepping up export activities in neighbouring regions and markets. As expected, the peak level of domestic sales reached in 2013 – due to numerous domestic customers replacing their cylinder fleets – could not be repeated in the reporting year.

The domestic markets accounted for 56.5% (2013: 61.9%) of unit sales, and the export markets accounted for 43.5% (2013: 38.1%). All Vetropack plants operated essentially at full capacity.

Production capacity affected by furnace repairs. Scheduled maintenance work during the reporting year included the replacement of a furnace at the Czech Vetropack plant with a more energy-efficient regenerative model, while the associated glass-blowing machines and other supporting infrastructure were upgraded. In addition, the regenerative chambers of the furnace at the Swiss plant in St-Prex were repaired earlier than scheduled. This brought production to a temporary halt, but – as hoped – strategic sales of existing stock ensured that this did not lead to any loss of market share. Vetropack Gostomel in Ukraine responded to the country's politi-



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

cal and economic crisis by adjusting the production in favour of selling off stock. Due to the reasons mentioned above, the amount of glass packaging produced across the Group in 2014 was 3.5% lower than in the previous year (2014: 1,236,346 tons; 2013: 1,281,029 tons).

Inventory reduced. Stock levels, which were relatively high at the end of 2013, were cut back as planned in the reporting year (2014: CHF 110.9 million;

2013: CHF 130.0 million). This corresponds to a reduction of 14.7%, which had a positive impact on net short-term assets.

Lower EBIT. Vetropack Group's consolidated EBIT came to CHF 49.1 million (2013: CHF 60.0 million). This reduction was only partly due to currency effects; writing off the value of equipment, finished goods and spare parts and adjusting stocks of finished goods in line with the lower level of raw material and energy costs had a bigger impact. Higher export-related transport costs were another influential factor. The EBIT margin decreased to 8.1% (2013: 9.7%).

Annual profit. Consolidated annual profit amounted to CHF 49.2 million (2013: CHF 56.4 million). Unlike the previous year, when gains were achieved on exchange rates and a merger, lower interest rates and unrealised exchange losses – especially with regard to the Ukrainian hryvnia and the Czech koruna – weighed heavily on the result for the reporting year. However, the fiscal stimulus programmes for investments had a positive impact on annual profit, as did the sale of a property in Switzerland which was no longer required for operations, resulting in an effect on profit before taxes of around CHF 3.4 million.

Liquidity improved. At CHF 107.2 million, cash flow was 2.9% down on the previous year's figure of CHF 110.4 million. Although annual profit was considerably lower than in the previous year, cash flow remained very high. This is due to the exceptionally high proportion of non-cash expenses, such as the aforementioned write-offs of the residual value of stock, machinery and spare parts, etc. The cash flow margin was 17.8% of gross revenue (2013: 17.8%). Net liquidity was more than double the level recorded in the previous year, reaching an all-time high of CHF 54.5 million (2013: CHF 23.8 million).

Balance sheet structure remains strong. Compared to 2013, consolidated total assets remained more or less constant at CHF 792.1 million (2013: CHF 794.1 million). Thanks to a significant increase in liquid assets and receivables, short-term assets rose from CHF 299.3 million in the previous year to CHF 309.6 million. Due to currency effects, long-term assets fell by 2.5% to CHF 482.5 million (2013: CHF 494.8 million).

Higher accounts payable and other short-time liabilities pushed debt up to CHF 159.3 million (2013: CHF 151.5 million). As of the reporting date (31 December 2014), Vetropack Group's external debt, which includes mortgage loans for properties no longer required for operations, totalled CHF 31.6 million (2013: CHF 28.9 million). In operational terms, Vetropack Group is still debt-free. Shareholders' equity was also affected by the exchange rate, falling to CHF 632.8 million (2013: CHF 642.6 million). At 79.9% of total assets (2013: 80.9%), the equity ratio remained at a high level.

At the end of the reporting year, Vetropack Group employed a workforce of 2,985 persons (31 December 2013: 3,014 persons).

Investing in the future. Vetropack Group invested a total of CHF 74.3 million (2013: CHF 56.3 million) during the reporting year. The main investment was in early repairs to the regenerative chambers of the furnace at the Swiss Vetropack plant, which were carried out at the beginning of the reporting year along with further infrastructural renovation and optimisation work. The flint-glass furnace at the Czech glassworks was also replaced with a more energy-efficient version that produces less emissions and the associated production infrastructure was upgraded. All furnaces operated by Vetropack Group have therefore now been brought up to the latest technological standard.

Hard glass project. With the process validation, the project carried out in close cooperation with Bucher Emhart Glass to produce thermally tempered glass packaging reached an important phase in the reporting year. The next step will be to launch tempered glass containers on the local market in Austria, with the help of one of our customers there.

Vetropack share. The Vetropack share price failed to achieve the SPI's performance of 12.1% in the reporting year. In particular, from an investor's point of view, uncertainty surrounding the political and economic developments in Ukraine was a crucial factor in this.

Dividend. The Board of Directors will propose to the Annual General Assembly on 6 May 2015 that the dividend for the previous year be set at 77.0% of the nominal value. This equates to a gross dividend of CHF 38.50 per bearer share (2014: CHF 37.50) and a gross dividend of CHF 7.70 per registered share (2014: CHF 7.50).

Outlook for the 2015 fiscal year. As a general rule, it is safe to assume that the positive market trends in Europe that characterised the reporting year will continue. For Vetropack Group in particular, however, there are three other factors beyond our control which will have a decisive impact on the Group's performance.

The abolition of the Swiss franc's peg to the euro. Vetropack Group generates most of its revenue in European foreign currencies, but consolidates its figures in Swiss francs. Unless the monetary policy situation eases, the decision to scrap the minimum exchange rate with the euro will lead to lower consolidated results and unrealised book losses on the euro-denominated holdings of Vetropack Holding Ltd.

Vetropack Ltd in Switzerland

The Swiss company will come under even more pressure from competition. The price advantage that glass manufacturers and traders from the eurozone have suddenly gained in the Swiss market poses a huge challenge. The same goes for the Swiss glassworks' export activities.

JSC Vetropack Gostomel

It is still unclear how the political and economic crisis in Ukraine will unfold further and what impact this will have on Vetropack's most recently established company. Regardless of this, we expect JSC Vetropack Gostomel to continue making a positive contribution to added value. At Group level, however, the weakness of the local currency, the hryvnia, will have an adverse effect on results in Swiss francs.

Vetropack Group plans to fully utilise its capacity and is confident that it will be able to develop its export business even further. However, the three factors listed above will dampen the effect of the positive market trends across the entire Group, so lower consolidated revenue and profit figures are therefore expected in the 2015 fiscal year.

Thank you. On behalf of the Board of Directors, we would like to thank our employees for their outstanding commitment and hard work during 2014. 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

St-Prex, 18 March 2015



2014 in Retrospect: Increase in Sales and Efficiency

Mr Cornaz, when you look back on the 2014 fiscal year now, how would you sum it up? Now that the year is over, we can report that 2014 turned out rather better than we expected given the prevailing mood of uncertainty. We managed to achieve our planned sales increase and significantly improved our efficiency.

Can you give us an example? I can give you more than one. We have been using a triple-gob machine for production at our Swiss plant in St-Prex since the start of the year, which means that three bottles per cycle can now be formed at the hot end. But these are not just beer bottles – we have been making bottles for sparkling wine too, thus filling a gap in supply in the Swiss market. We have adopted a similar approach at our Czech plant, where we have replaced an old furnace with a modern regenerative end-fired one. Among other things, we have also installed two new glass-blowing machines there that are capable of triple- or double-gob production. And over at our site in Ukraine, we have modified a triple-gob machine so it can handle double-gob processing, which has boosted our flexibility. What's more, the multi-gob system at our Croatian plant in Straža has also proved its worth. Smaller quantities of custom-designed bottles are in very high demand, especially among spirits producers.

Is it worth investing in Ukraine given the political and economic developments there? We are keeping

faith with our site in Ukraine. Nothing has changed in that respect. We keep in regular contact with our local management team, assess the situation and – if necessary – take precautionary measures. The planning horizon is significantly shorter now and the production programme changes all the time, but our sales are doing surprisingly well considering the circumstances. An increasing number of customers in Ukraine are replacing Russian imports with products from local manufacturers, and we haven't suffered any stoppages in production due to shortages of gas or raw materials. Nevertheless, the challenging situation in Ukraine is not likely to go away in 2015.

That is one of the challenges you face; the other is the trend in the Swiss franc. What does this mean for Vetropack Group? The decision taken by the Swiss National Bank to unpeg the Swiss franc from the euro came as a surprise to all of us. Our protection against a falling currency has been taken away. It won't make much difference to our subsidiaries in other countries, as they largely produce and sell in foreign currencies. Since we consolidate our figures in Swiss francs, however, this removal of the euro peg will have a huge impact on us because our consolidated revenue in Swiss francs will drop, as will our earnings figures.

And what does that mean in practice for the Swiss plant in St-Prex? We are facing and will continue to



face tougher competition. The glass market is not regional, and our foreign competitors have gained a significant price advantage. The various measures we have taken to save costs have therefore been nullified in one fell swoop. And we now have to step up our efforts even more to find ways of making improvements.

Does your Swiss plant in St-Prex still offer any advantages over foreign manufacturers? Very much so. Our main strengths are our geographical location and the expertise of our specialists, who offer our customers face-to-face advice and guidance right on their doorstep. We can also work closely with them to design customised glass packaging if they wish. Our services cover the full range of processes from developing the initial product idea and carrying out packaging analyses through to assessing finishing options and providing filling and capping solutions.

Vetropack still has an ace up its sleeve with its innovative hard glass project. Development projects are challenging and the demands a new product is expected to meet are high. This applies as much to mastering the production process as it does to launching the product on the market. With Bucher Emhart Glass, we have a partner who, like us, has glass in its DNA. And we made good, steady progress in 2014, including the ongoing work on process validation, the risk assessment and the close cooperation with independent institutes in Italy and in Germany. Their test results show

that we are on the right track, confirming that we have successfully developed hard glass containers which are lighter in weight yet stronger too – a requirement that is in high demand, especially when it comes to multi-trip bottles. In 2015, we are aiming to launch our innovative glass packaging onto a local market in collaboration with a brewery.

To touch briefly on a completely different subject, Vetropack is publishing a sustainability report for the first time for the 2014 fiscal year... That's correct. Until now, we have included a section on sustainability in the Annual Report, but we have a lot more to say on this topic than we can fit into just two pages. What's more, an increasing number of customers and organisations are asking for more information about this aspect. We have now met this requirement by publishing a separate sustainability report to coincide with the 2014 Annual Report. We had already begun laying the foundations for this several years ago – after all, we have been analysing our environmental data internally for over 15 years, as well as information relating to occupational safety, quality and so on. It was therefore only logical for us to start publishing this information too.

Bülach, end of February 2015

Impressions 2014

1st Half Year

The new triple-gob glass-blowing machine goes into operation at the Vetropack plant in St-Prex, Switzerland, at the beginning of the year. With this machine, it is now possible for three bottles per cycle to be formed simultaneously at the hot end, instead of two per cycle as before. More bottles for sparkling wine are now being produced in Switzerland in addition to beer and regular wine bottles.

For the first time, Vetropack Nemšová s.r.o. has its very own stand at "Danubius Gastro", a prestigious trade fair for the catering, food and beverage industries in Bratislava.

Two Vetropack bottles enjoy a moment of glory: first of all, the flint glass vodka bottle with a swingstopper produced by JSC Vetropack Gostomel is awarded a "Ukrainian Packaging Star", which is presented at the



international "Pack Expo" exhibition in Kiev. Then, a few weeks later, the one-litre anniversary beer bottle with a swingstopper produced by Vetropack Nemšová s.r.o. in Slovakia wins a "WorldStar" packaging prize at the "Interpack" trade fair in Düsseldorf.

Vetropack and recycling glass: Vetropack Ltd celebrates with its customers, representatives from authorities and municipalities, special purpose associations and hauliers as it enters a fifth decade of recycling glass. Glass recycling activities in Switzerland prove a great success year after year, notching up a rate of around 95 per cent. This is closely followed by Austria, where Vetropack expands its recycling facility at the Kremsmünster site. It can now process 40 tonnes of used glass per hour for use in glass production instead of just 20. For the second year running, Vetropack Nemšová s.r.o. receives the "Slovak Gold" award in the category of "Services and the Provision of Services" in the area of glass recycling.

The Croatian plant, Vetropack Straža d.d., is presented with the "Golden Key" award as a supplier to the Serbian market. This prize is given to companies whose export activities make a significant contribution towards Croatia's economic development. Vetropack Straža d.d.

is also awarded the "Platinum Key" honour for its outstanding business activities.

The Vetropack plants are keen to find out what their customers think, so a satisfaction survey is carried out by the companies in Switzerland, Austria, Croatia, the Czech Republic and Slovakia during the reporting year. The results would stand up well to any comparison, with the vast majority of customers declaring themselves to be satisfied or extremely satisfied. Vetropack receives plenty of praise, but criticism is also important, as this offers an opportunity to improve even further.

An important decision is made: in 2015 – covering the 2014 reporting year – Vetropack will publish its first ever sustainability report. As a result, the Annual Reports will no longer feature a "Sustainability" section.



2nd Half Year

The "Internationale Weinprämierung Zürich" ("Zurich International Wine Awards") takes place for the 21st time. The coveted Prix Vetropack award goes to the "Villette Château de Montagny Grand Cru", a white wine from the Vins et Vignobles Les Tourelles winery in Puidoux in the canton of Vaud. Vetropack Ltd awards this prize each year to the most highly acclaimed red or white wine of a major Swiss varietal.

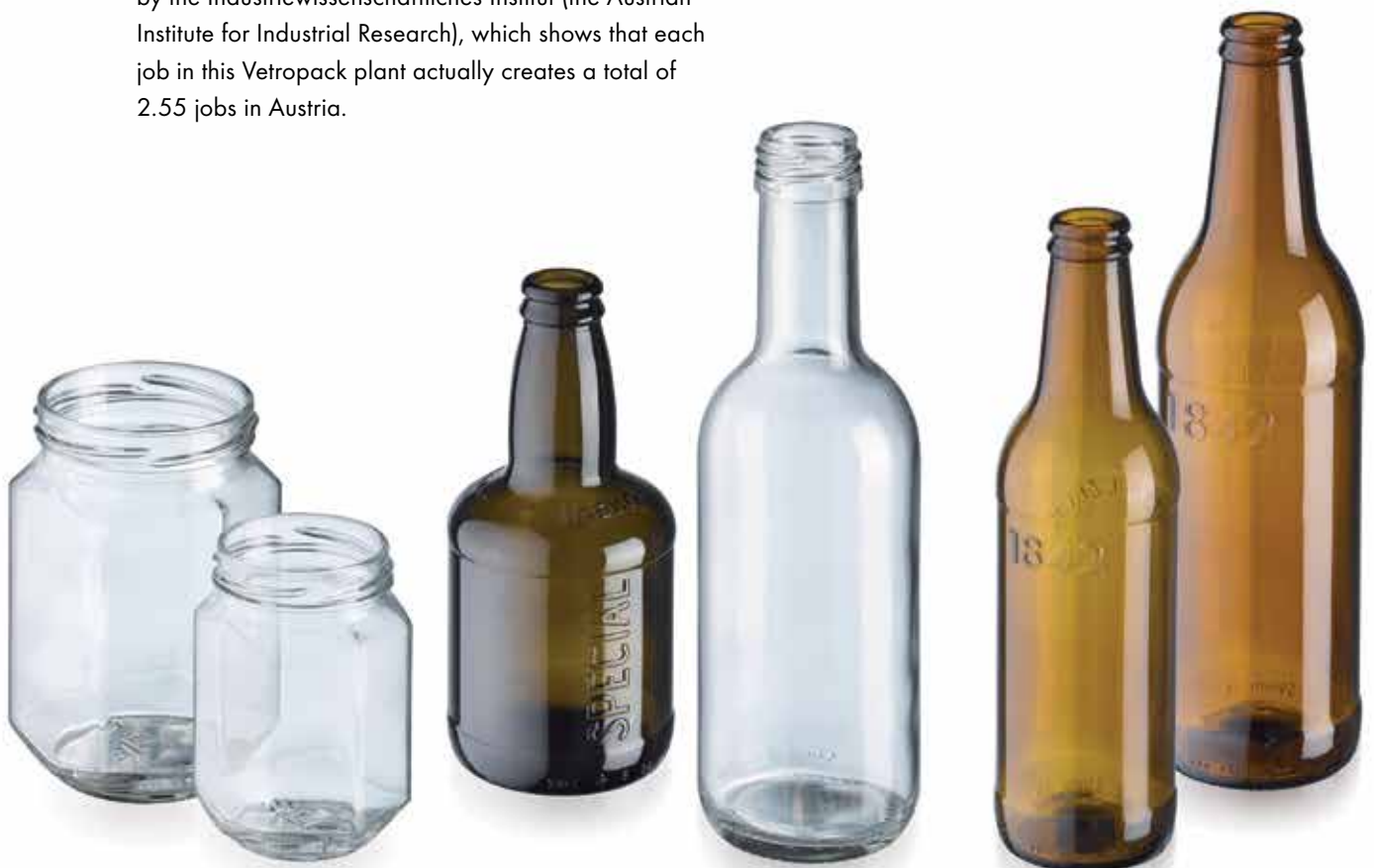
JSC Vetropack Gostomel in Ukraine takes part in the annual "Riga Food" trade fair for the food and drinks industry, where a total of 664 companies from 35 different countries exhibit their products to some 40,000 visitors.

The Czech glassworks Vetropack Moravia Glass replaces its flint-glass furnace. The new regenerative end-fired furnace uses significantly less energy and therefore generates lower CO₂ emissions. Meanwhile, two state-of-the-art production machines, each with 12 stations, are installed at the same time as the furnace project. The annealing furnaces and palletising system are also replaced to round off the renovation work. Vetropack's Austrian plant in Pöchlarn plays a key role in the regional economy, as demonstrated by a study by the Industriewissenschaftliches Institut (the Austrian Institute for Industrial Research), which shows that each job in this Vetropack plant actually creates a total of 2.55 jobs in Austria.

A third Vetropack plant obtains FSSC certification. The plant in Nemšová, Slovakia, now joins the sites in Humna Sutli (Croatia) and Pöchlarn (Austria) in being officially certified to FSSC standard, with more plants due to follow suit from 2015 onwards. The Food Safety System Certification (FSSC) is an internationally recognised standard for the food and packaging industry.

All Vetropack plants are represented by a joint stand at the "BraUBeviale" exhibition in Nuremberg. Visited by 37,000 industry experts from 128 countries, this trade fair for the production and marketing of drinks is one of the most important events of its kind in Europe.

Vetropack Straža d.d. builds a modern electrostatic precipitator system and a new chimney to purify the exhaust emissions from the three melting furnaces. The precipitator is to be connected up to the furnaces at the start of 2015 and the chimney during the first half of the year. A splash of bright turquoise adds extra colour to the world of glass, as the Vetropack plant in Croatia starts producing vibrant glass packaging using a feeder

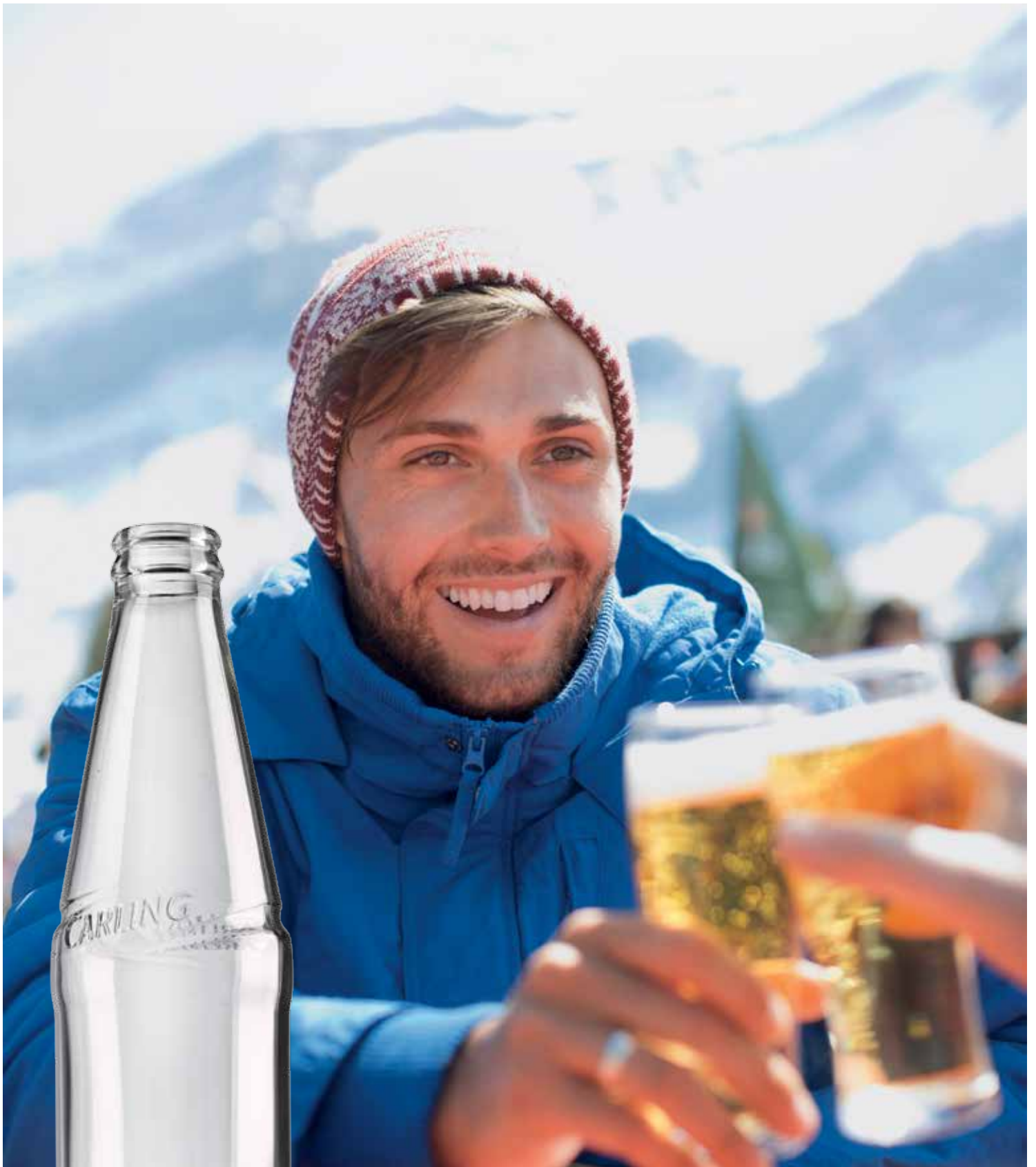


colouring process. Glass can now be supplied in virtually any shade. Ten special colours are already being produced in response to specific customer requests, including black and a bright lime green.

The industrial production processes developed in close collaboration with glassmaking machinery manufacturer Bucher Emhart Glass for making thermally tempered glass packaging are continuously optimised and validated. Tempered glass is ideal for multi-trip packaging, as it is approximately 30 per cent lighter than standard glass and up to 50 per cent stronger. Plans are in place to launch the first tempered glass containers on the market in 2015.

The Vetropack plant in Pöchlarn, Austria, increases its warehouse capacity. Construction of an 8,000 m² warehouse is completed and another 7,500 m² area is prepared for another new hall. There is now enough storage space for up to 8,500 or so Euro pallets in stacks of three.





15 January 2014. *"Finally, a chance to take a break after all the chaos. It's great to be here with you, so far away from the travails of everyday life. Let's raise a toast. There are plenty of things to drink to: the fantastic weather, the snow - which couldn't be better - or the next downhill run. Or even just because we can."*
Life is great - and glass plays a part.

Report on Group Companies

Vetropack Ltd (Switzerland). Vetropack Ltd generated revenue of CHF 87.6 million in the 2014 fiscal year, keeping revenue at the level of the previous year. A total of 495.5 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 generally stable, those in the beer product group grew. The company continued to pursue its strategy of reducing beer bottle sales in foreign markets, which resulted in a targeted decrease in export sales. Exports made up 15.4% of total sales.

	+/-	2013	2014
Sales in CHF millions	- 2.2%	89.6	87.6
Unit sales in millions	- 0.1%	496.1	495.5
Exports in unit terms		15.8%	15.4%
Production in tons	- 8.6%	106 713	97 514
Sales by Product Groups (in unit terms)			
Wine/spirits		41.0%	39.5%
Beer/mineral water/carbonated beverages/juice		43.0%	44.8%
Food		16.0%	15.7%

The St-Prex plant was the main beneficiary of the company's recycling activities, receiving the amount of used glass it required for production. However, regular supplies were also delivered to other Vetropack plants. At local level, the focus was once again on collaborating with organisations, municipalities, cities and authorities to ensure provision of the necessary quantity of cullet.

Additional investments and the unfavourable exchange rate between the Swiss franc and the euro again had a considerable negative impact on the financial results of Vetropack Ltd in 2014.

All capacity was fully utilised. At the end of the 2014 fiscal year, Vetropack Ltd employed 204 persons (2013: 197).

Vetropack Austria GmbH (Austria). Vetropack Austria GmbH's revenue for the 2014 fiscal year totalled EUR 176.0 million, an increase of 1.9% on the previous year. Unit sales rose to 1,573.6 million units.

The Austrian Vetropack company once again managed to surpass its already high level of revenue and sales. However, the trends in domestic business varied considerably: the wine product group decreased compared to the previous year as a result of a poor harvest, and sales of fruit juice bottles fell due to a customer moving its production activities abroad. Meanwhile, the food, mineral water and soft drinks product groups developed very positively in spite of difficult market conditions. The clear upward trend in the export markets continued thanks to the exceptionally well-established partnership with large international customers, with the beer and soft drinks product groups playing a key role here. Exports made up 42.9% of total sales.

Further investments were made in 2014 towards modernising the production facilities at the two plants in Pöchlarn and Kremsmünster. The cold-end zone in the Kremsmünster plant was also expanded as planned. A new warehouse was built on the Pöchlarn site, with a further storage facility due to be added in 2017. The Pöchlarn plant also successfully renewed its FSSC certification in November 2014.

	+/-	2013	2014
Sales in EUR millions	1.9%	172.8	176.0
Unit sales in millions	0.4%	1 567.2	1 573.6
Exports in unit terms		40.3%	42.9%
Production in tons	1.2%	336 864	340 883
1 EUR = CHF		1.231	1.215
Sales by Product Groups (in unit terms)			
Wine/spirits		14.0%	14.3%
Beer/mineral water/carbonated beverages/juice		58.8%	59.7%
Food		27.2%	26.0%

Both glassworks operated at full capacity. At the end of the reporting year, Vetropack Austria GmbH employed 658 persons (2013: 655).

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

Vetropack Moravia Glass a.s. generated revenue of CZK 2,098.0 million in the 2014 fiscal year, up 2.3% on the previous year. Sales of glass packaging totalled 853.4 million units, which equates to an increase of 1.2%. Exports amounted to 45.4% of total sales.

The Czech economy underwent a recovery during the reporting year, with purchasing power and private consumption stabilising and demand rising. Nevertheless, the food and beverage market remained highly competitive, although Vetropack Moravia Glass a.s. maintained its market position and increased its sales volume amid this environment. New projects in the soft drinks and beer product groups were implemented in close cooperation with customers from the Czech Republic and abroad. Several breweries also embraced the current popularity of apple cider in flint-glass bottles when updating their product ranges. Preserve jar production also played a prominent role, in spite of unseasonal weather conditions.

	+/-	2013	2014
Sales in CZK millions	2.3%	2 051.8	2 098.0
Unit sales in millions	1.2%	843.6	853.4
Exports in unit terms		42.0%	45.4%
Production in tons	- 13.7%	193 139	166 622
100 CZK = CHF		4.740	4.412
Sales by Product Groups (in unit terms)			
Wine/spirits		12.0%	11.1%
Beer/mineral water/carbonated beverages/juice		49.1%	51.3%
Food		38.9%	37.6%

The replacement of the old flint-glass furnace with a modern, energy-efficient end-fired model led to a three-month halt in production. The resulting shortfall in capacity was offset primarily through advance production and the sale of existing stock, thus enabling the company to keep supplying its customers. While the new furnace was being installed, investments were also made in upgrading the production infrastructure used to support the furnace.

Vetropack Moravia Glass a.s. was utilised to capacity. The Czech Vetropack plant employed 454 persons at the end of the reporting year (2013: 470).

Vetropack Nemšová s.r.o. (Slovakia). The revenue generated by Vetropack Nemšová s.r.o. in the 2014 reporting year increased by 7.1% to EUR 56.0 million. A total of 455.6 million units of glass packaging were sold, 4.5% more than the previous year. Exports amounted to 54.2%.

	+/-	2013	2014
Sales in EUR millions	7.1%	52.3	56.0
Unit sales in millions	4.5%	436.1	455.6
Exports in unit terms		47.5%	54.2%
Production in tons	- 3.7%	145 989	140 534
1 EUR = CHF		1.231	1.215
Sales by Product Groups (in unit terms)			
Wine/spirits		53.8%	49.0%
Beer/mineral water/carbonated beverages/juice		15.2%	25.9%
Food		31.0%	25.1%

The Slovakian Vetropack plant not only continued to maintain its leading position in the domestic market, but also managed to build on it even further for some product groups – particularly spirits. The prestigious customers that Vetropack Nemšová s.r.o. has been supplying in Slovakia successfully held their own in the market with their products and withstood the high level of pressure from competition and on prices. During the reporting year, the company continued to collaborate with customers in the wine and alcohol-free beverage product groups to develop exclusive and distinctive glass packaging designs and release them for production. In the food product group, further efforts were made to drive forward business activities involving milk products, glass packaging and baby and infant food.

The ongoing modernisation of production facilities and infrastructure once again helped to optimise production and quality in the reporting year.

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



24 February 2014. "Another pinch of salt, but not too much. Mmm, that smells so good! What do you think, do we need more olive oil? Let's taste it. I can't wait for dinnertime now." **Cooking together is fun – and glass plays a part.**



8 March 2014. "Meeting up again in Vienna, where we first met as students. Surrounded by friends, just like the old days. Do you remember our first lecture? And all the exam stress? And the graduation party of course! We were so happy we had made it." **Good times are worth remembering – and glass plays a part.**

Vetropack Straža d.d. (Croatia). In the reporting year, Vetropack Straža d.d. generated revenue of HRK 790.4 million, which equates to an increase of 6.0%. For the first time in its history, the Croatian plant sold over 1 billion (1011.6 million) units of glass packaging, including 34 new models developed and produced in collaboration with its customers.

The economic crisis, which has been going on for six years now, and the high rate of unemployment are still having a negative effect on purchasing power and consumer behaviour in Croatia and its neighbouring countries. This led to a decline in sales in the extended domestic market, which includes the former Yugoslavian countries in addition to Croatia. The domestic portion of total revenue fell to 34.0%, the figure for the previous year having been boosted by the complete replacement of two cylinder fleets.

Exports amounted to 76.0% of total revenue. The extended domestic market accounted for 44.6%. The EU export markets, particularly Italy and Belgium, recorded an increase in revenue.

All capacity was fully utilised. At the end of the reporting year, the Croatian Vetropack plant employed 578 persons (2013: 585).

	+/-	2013	2014
Sales in HRK millions	6.0%	745.6	790.4
Unit sales in millions	9.4%	924.8	1 011.6
Exports in unit terms		63.6%	76.0%
Production in tons	- 0.9%	248 519	246 298
100 HRK = CHF		16.240	15.911
Sales by Product Groups (in unit terms)			
Wine/spirits		16.4%	14.2%
Beer/mineral water/carbonated beverages/juice		70.8%	71.4%
Food		12.8%	14.4%

JSC Vetropack Gostomel (Ukraine). The Ukrainian Vetropack plant in Gostomel generated revenue of UAH 894.9 million in the reporting year, exceeding the previous year's figure by 9.5%. At 659.1 million units of glass packaging, unit sales remained largely steady.

In the reporting year, the political and economic crisis, the armed conflict and violent clashes in eastern Ukraine plunged the country into recession. Consumption and demand stagnated, especially in the regions affected by conflict. This hit the food and beverage industry hard, forcing it to reduce its production. For example, wine production alone dropped by about 30%. Other consumer goods followed a similar trend. As a result, JSC Vetropack Gostomel also had to scale down its production of glass packaging.

	+/-	2013	2014
Sales in UAH millions	9.5%	817.6	894.9
Unit sales in millions	2.6%	642.2	659.1
Exports in unit terms		7.1%	7.7%
Production in tons	- 2.1%	249 805	244 495
100 UAH = CHF		11.604	7.882
Sales by Product Groups (in unit terms)			
Wine/spirits		29.3%	22.7%
Beer/mineral water/carbonated beverages/juice		68.8%	74.9%
Food		1.9%	2.4%

However, JSC Vetropack Gostomel's operations received a boost from the sharp fall in glass packaging imports due to the strained relations with Russia. The Vetropack plant produced some of the amount of glass packaging required to make up for the shortfall in imported goods, thus offsetting the decline in demand, while expanding its export business. It also developed and manufactured 38 new bottle and jar designs to fulfil specific customer requests.

Capacity was almost fully utilised and no furnaces had to be shut down. At the end of the reporting year, JSC Vetropack Gostomel employed 640 persons (2013: 656).

Müller + Krempel Ltd (Switzerland). Vetropack Group's Bülach-based trading house, Müller + Krempel Ltd, generated revenue of CHF 14.0 million in the 2014 fiscal year. Of this amount, 51.6% was attributable to retail sales and 20.4% to glass and plastic packaging for the pharmaceutical and cosmetics industry. The glass packaging business unit, which serves the food and beverage industry, accounted for 28.0% of total revenue. On 1 August 2014, this unit was taken over by its Swiss co-subsidiary Vetropack Ltd, which also took on all of its staff. The purpose of this consolidation of industry activities under one roof was to improve customer service and avoid duplications.

The focus for Müller + Krempel Ltd in the 2014 fiscal year was on the retail and pharmaceutical and cosmetics industry business units, which performed successfully in the market.

At the end of the 2014 fiscal year, 13 persons were employed at Müller + Krempel Ltd (2013: 15).

	2013	2014
Revenue by Business Unit		
Retail Trade	45.4%	51.6%
Food & Beverage	31.1%	28.0%
Pharmaceutical & Cosmetics	23.5%	20.4%

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.

In the reporting year, significant progress was made in the purchasing of capital and industrial goods thanks to the introduction of a new Group-wide purchasing system.

The Technology division's main activities include planning and repair work for all Vetropack plants. During the reporting year, for example, the regenerative chamber of the furnace in the Swiss St-Prex plant was repaired and a highly efficient glass-blowing machine capable

of both double- and triple-gob production was installed on the same site. At the Czech plant in Kyjov, a furnace was converted into a regenerative end-fired version, which is helping to significantly reduce energy consumption and CO₂ emissions. The ambitious renovation programme was rounded off with the installation of two state-of-the-art 12-station production machines and the replacement of the annealing furnaces and palletising system. At the Slovakian plant in Nemšová, a pilot system for preheating glass batches and cullets successfully came through testing. The most distinctive feature of this compact system is its high heat transfer rate.

	2013	2014
Revenue by Division		
Technical	28.9%	29.1%
IT	71.1%	70.9%

Another area of focus was the hard glass project, on which Vetroconsult has been working very closely with the glassmaking machinery manufacturer Bucher Emhart Glass. The objective is to optimise the innovative technology developed for the thermal tempering of container glass for use in industrial production conditions and to prepare it for market launch. Extensive tests carried out by independent institutes during the reporting year have shown that thermally tempered glass bottles do not lose any of their strength despite their lighter weight. The market launch in Austria is scheduled for 2015.

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 brought to a successful close. All Vetropack Group sites have been working effectively with the new system since 2014.

Vetroconsult Ltd employed 34 persons at the end of 2014 (2013: 33).



13 April 2014. *"I think they like my paintings. So many people have come to the opening of the exhibition. I wasn't expecting this many! I'm still a little nervous. But the mood is good, I can see smiling faces everywhere, and there are some lively conversations going on."*
Whether it's the opening night or time to ring the curtain down – glass plays a part.

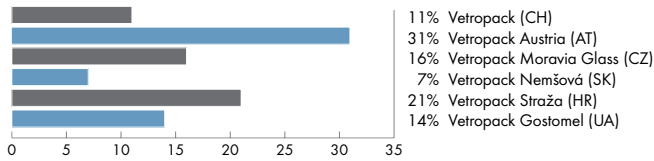


Vetropack Group

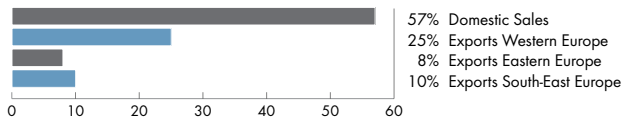
Vetropack is one of Europe's leading manufacturers of glass packaging for the food and beverage industry with group management in Bülach (Switzerland). It runs state-of-the-art production facilities, as well as sales and distribution centres in Switzerland, Austria, the Czech Republic, Slovakia, Croatia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

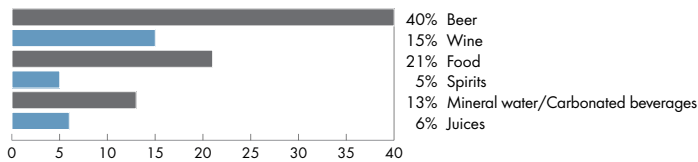
Sales by Group Company 2014
(total 4.55 billion units)



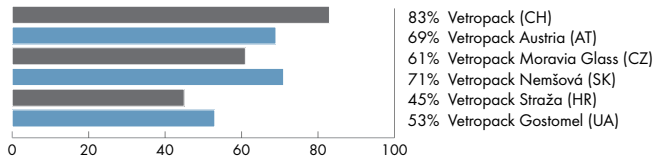
Sales by Markets 2014
(total 4.55 billion units)



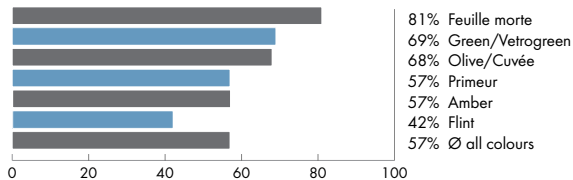
Sales by Product Groups 2014
(total 4.55 billion units)



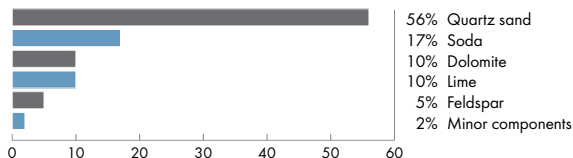
Cullet Ratio for Glass Production 2014
(by Group Company)



Cullet Ratio for Glass Production 2014
(by Colours)



Primary Raw Materials Ratio 2014
(excluding cullet)





30 May 2014. "When we get married, I want the wedding to be in May.' That's what she said to me a year ago. And today's the day - we've said 'I do' and now we're celebrating outside. The sun is shining, which is a good omen for our future together."
There's nothing like a wedding - and glass plays a part.

Financial Reporting – Vetropack Group

Consolidated Balance Sheet

CHF millions	Note	31.12.2013	31.12.2014
ASSETS			
Short-Term Assets			
Liquid assets		52.6	85.7
Marketable Securities		0.0	0.3
Accounts receivables	1	100.8	92.5
Other short-term receivables	2	10.7	14.3
Inventories	3	130.0	110.9
Accruals	4	5.2	5.9
Sub Total Short-Term Assets		299.3	309.6
Long-Term Assets			
Tangible assets	5	448.4	440.0
Financial assets	6	17.0	18.3
Intangible assets	7	29.4	24.2
Sub Total Long-Term Assets		494.8	482.5
Total Assets		794.1	792.1
LIABILITIES			
Liabilities			
Short-term liabilities			
- Accounts payables		41.7	57.1
- Other short-term liabilities	8	17.4	15.5
- Deferrals	9	21.0	15.2
- Short-term provisions	10	5.9	2.3
Long-term liabilities			
- Long-term financial debts	11	28.9	31.6
- Long-term provisions	12	36.6	37.6
Sub Total Liabilities		151.5	159.3
Shareholders' Equity			
Share capital	13	20.5	19.8
Capital reserves		0.3	0.3
Own Shares	13	- 31.1	0.0
Retained earnings		591.2	562.5
Consolidated annual profit		56.4	49.2
Sub Total Shareholders' Equity excl. Minorities		637.3	631.8
Minority interests	14	5.3	1.0
Sub Total Shareholders' Equity		642.6	632.8
Total Liabilities		794.1	792.1

Consolidated Income Statement

CHF millions	Note	2013	2014
Gross Revenues	15	621.0	603.7
Redemptions and transport costs	16	- 41.0	- 42.9
Net Revenues		580.0	560.8
Changes in inventories		8.3	- 10.2
Other operating income	17	10.3	9.9
Income		598.6	560.5
Raw materials and supplies costs	18	- 97.7	- 92.4
Energy costs		- 124.9	- 109.0
Personnel expenses	19	- 133.1	- 132.8
Other operating expenses	20	- 121.8	- 115.3
Depreciation of tangible assets	5	- 54.6	- 54.6
Amortisation of intangible assets	7	- 6.5	- 7.3
EBIT (Earnings Before Interests and Taxes)		60.0	49.1
Financial results	21	1.8	- 1.0
Earnings After Interest		61.8	48.1
Non-operating results *	22	8.5	3.7
Consolidated Profit Before Tax		70.3	51.8
Tax	23	- 12.8	- 5.0
Consolidated Annual Profit Before Minority Interests		57.5	46.8
Minority interest from Group companies		- 1.1	2.4
Consolidated Annual Profit		56.4	49.2

* This includes depreciation of CHF 1.5 million on non-operating real estate and buildings (2013: CHF 0.7 million).

Consolidated Cash Flow Statement

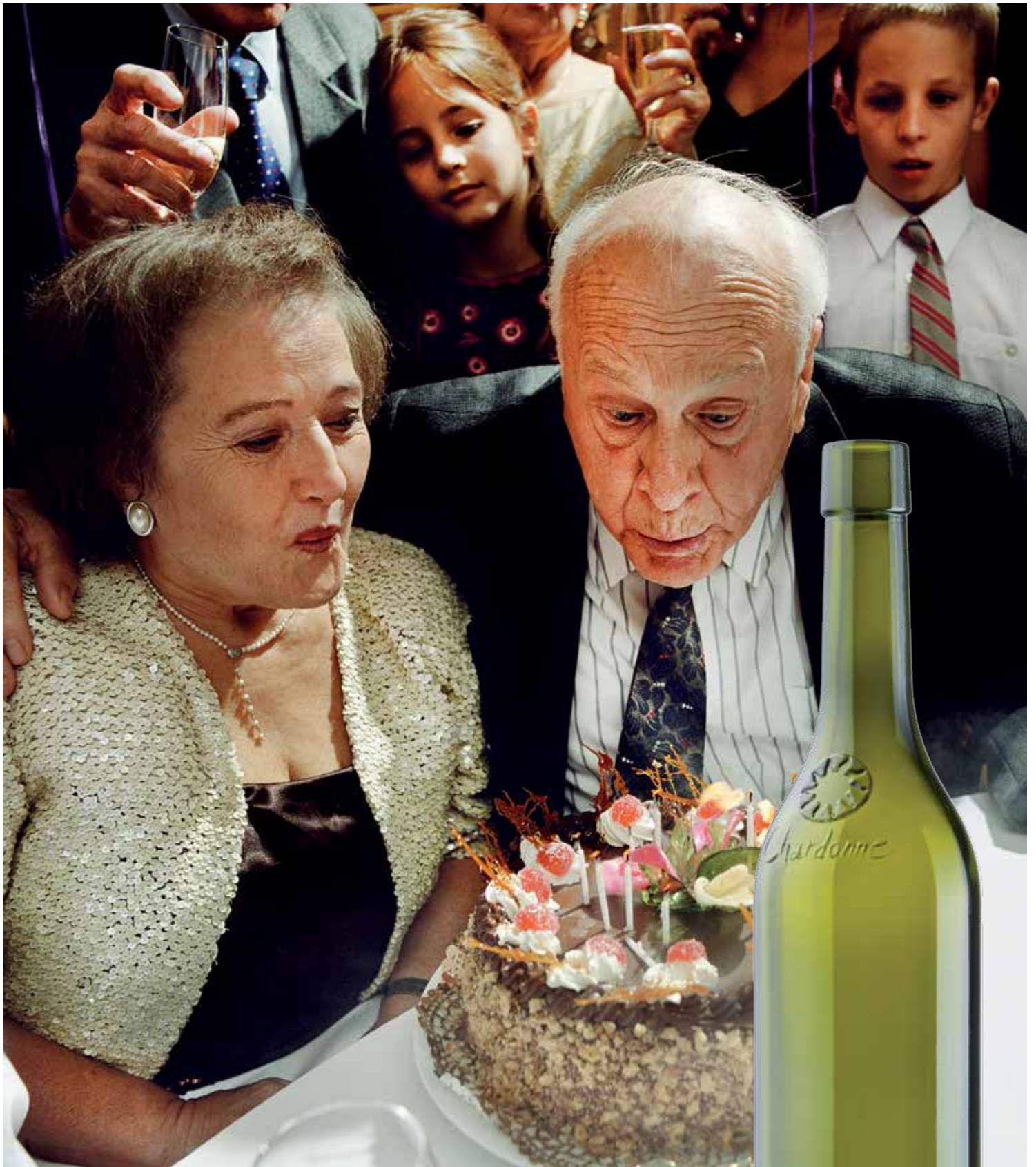
CHF millions	Note	2013	2014
Consolidated annual profit before minority interests		57.5	46.8
+ Asset depreciation		61.6	63.4
+/- Loss/gain from applying/removing impairments		0.2	0.0
+/- Increase/decrease in provisions		0.8	- 4.4
+/- Loss/gain from disposals of tangible assets		- 2.9	- 1.8
+/- Other changes in non-cash items		- 6.8	3.2
= Cash Flow		110.4	107.2
+/- Decrease/increase in inventories		- 1.6	- 2.0
+/- Decrease/increase in marketable securities		- 9.9	10.8
+/- Decrease/increase in other receivables and accruals		3.4	- 5.4
+/- Increase/decrease in accounts payable		- 3.7	17.7
+/- Increase/decrease in other short-term liabilities and deferrals		2.5	- 6.4
= Cash Flow from Operating Activities		101.1	121.9
- Cash-out for investments in tangible assets	24	- 50.5	- 72.1
+ Cash-in from sales of tangible assets		4.5	4.0
- Cash-out for investments in financial assets		- 0.1	- 0.1
- Cash-out for company acquisition		- 4.0	0.0
- Cash-out for acquisitions of consolidated companies		- 0.4	- 0.2
- Cash-out for investments in intangible assets		- 5.7	- 2.1
+/- Changes in marketable securities		0.0	- 0.3
= Cash Flow from Investment Activities		- 56.2	- 70.8
- Dividend distribution to shareholders and minority interests		- 14.4	- 14.9
- Purchase own shares	13	- 31.1	0.0
+/- Formation/repayment of short-term financial debts		- 9.6	0.0
+/- Formation/repayment of long-term financial debts		4.3	2.8
= Cash Flow from Financial Activities		- 50.8	- 12.1
Foreign Exchange Differentials		- 0.4	- 5.9
Changes in Liquid Assets		- 6.3	33.1
Liquid assets as per 1.1.		58.9	52.6
Liquid assets as per 31.12.		52.6	85.7
Changes in Liquid Assets		- 6.3	33.1
Cash-in from interest		0.7	1.0
Cash-out for interest		- 0.5	- 0.6
Cash-out for income taxes		- 17.4	- 12.0

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 1.1.2012	20.5	0.3	545.1	0.0	565.9	3.2	569.1
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				- 31.1	- 31.1		- 31.1
Accounting goodwill			- 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
Capital decrease	- 0.7		- 30.4	31.1	0.0		0.0
Acquisition of minority interests			- 0.2		- 0.2	- 0.1	- 0.3
Annual profit			49.2		49.2	- 2.4	46.8
Foreign exchange differentials			- 39.6		- 39.6	- 1.8	- 41.4
Dividends			- 14.9		- 14.9		- 14.9
Shareholders' Equity as per 31.12.2014	19.8	0.3	611.7	0.0	631.8	1.0	632.8

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 4.0 million (2013: CHF 35.2 million).



12 June 2014. "There were only the two of us to begin with. How time flies! Now we have a large family. It's my 80th birthday and we're celebrating with our children and grandchildren. Anna is by my side, as always." Birthdays are a time for celebration – and glass plays a part.



Consolidation Principles

Basis for the Consolidated Financial Statement

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 18 March 2015.

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.

An overview of companies within Vetropack Group and methods used to consolidate them into Group financial statements is found on page 51.

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	
	2013	2014	2013	2014
EUR	1.23082	1.21471	1.22590	1.20280
CZK	0.04740	0.04412	0.04461	0.04338
HRK	0.16240	0.15911	0.16077	0.15703
UAH	0.11604	0.07882	0.11103	0.06364

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 it is 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. Deferred tax assets are recorded in the balance sheet as financial assets and deferred tax liabilities as long-term provisions.

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.



4 July 2014. "It's my sixth birthday and everyone is here: Elena, Andrea, Nikola and Alex. But I'm the princess and I get to unwrap the presents. What's inside this cylinder here? Maybe it's a map leading to some enchanted treasure!"
Surprises add to the excitement – and glass plays a part.

Notes

1. Accounts Receivables

CHF millions	31.12.2013	31.12.2014
Gross receivables	104.2	95.2
Value adjustments	- 3.4	- 2.7
Net receivables	100.8	92.5

2. Other Short-Term Receivables

CHF millions	31.12.2013	31.12.2014
Advance payments to suppliers	0.0	3.4
VAT (value added tax) credit	3.5	5.0
Withholding tax credit	2.0	1.8
Receivables from subsidies	0.0	1.3
Other short-term receivables	5.2	2.8
Total	10.7	14.3

3. Inventories

CHF millions	31.12.2013	31.12.2014
Raw materials	9.2	7.7
Materials and supplies	44.6	41.6
Work-in-progress	2.8	3.0
Finished goods, merchandise	116.8	99.8
Advance payments	0.1	0.6
Value adjustments	- 43.5	- 41.8
Total	130.0	110.9

4. Accruals

CHF millions	31.12.2013	31.12.2014
Ongoing income tax (credit)	4.5	5.0
Other active accruals	0.7	0.9
Total	5.2	5.9

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 1.1.2013	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 1.1.2014	59.2	265.7	730.9	41.0	44.5	1 141.3
Additions	2.0	4.4	42.7	2.3	20.7	72.1
Disposals	- 1.6	- 1.8	- 21.4	- 4.3		- 29.1
Reclassifications	23.0	- 1.0	20.0	1.5	- 43.5	0.0
Foreign exchange differentials	- 0.2	- 11.9	- 38.6	- 1.4	- 0.5	- 52.6
As per 31.12.2014	82.4	255.4	733.6	39.1	21.2	1 131.7
Accumulated Depreciation						
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 1.1.2014	27.1	159.1	472.6	34.1	0.0	692.9
Ordinary depreciations 2014	1.5	7.5	44.4	2.7		56.1
Disposals	- 1.3	- 1.1	- 19.9	- 4.7		- 27.0
Reclassifications	2.4	- 2.7	0.1	0.2		0.0
Foreign exchange differentials	- 0.1	- 5.3	- 24.0	- 0.9		- 30.3
As per 31.12.2014	29.6	157.5	473.2	31.4	0.0	691.7
Book Value						
As per 1.1.2014	32.1	106.6	258.3	6.9	44.5	448.4
As per 31.12.2014	*52.8	*97.9	260.4	7.7	21.2	440.0

*This includes vacant real estate plots valued at CHF 3.7 million (2013: CHF 3.8 million).

As per 31.12.2014 payments on assets under construction amounted to CHF 1.8 million (2013: CHF 1.5 million).

6. Financial Assets

CHF millions	Note	31.12.2013	31.12.2014
Employer's contribution reserves	31	11.3	11.4
Assets from pension funds		1.2	1.3
Deferred taxes		2.7	3.9
Marketable securities		1.2	1.2
Participations in associated companies		0.5	0.3
Other financial investments		0.1	0.2
Total		17.0	18.3

Deferred Tax Assets: cp. note no. 23

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
As per 1.1.2014	0.3	35.9	6.5	1.2	43.9
Additions		1.3	0.8		2.1
Disposals		- 0.1	- 0.2		- 0.3
Reclassifications	- 0.3	4.0	- 3.7		0.0
Foreign exchange differentials		- 0.5	0.2		- 0.3
As per 31.12.2014	0.0	40.6	3.6	1.2	45.4
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
As per 1.1.2014	0.2	13.1	0.0	1.2	14.5
Ordinary amortisations 2014		7.3			7.3
Disposals		- 0.3			- 0.3
Reclassifications	- 0.2	0.2			0.0
Foreign exchange differentials		- 0.3			- 0.3
As per 31.12.2014	0.0	20.0	0.0	1.2	21.2
Book Value as per 1.1.2014	0.1	22.8	6.5	0.0	29.4
Book Value as per 31.12.2014	0.0	20.6	3.6	0.0	24.2

As part of an ongoing group-wide IT project, internal labour of CHF 0.7 million was capitalised in 2013, category software in development.

8. Other Short-Term Liabilities

CHF millions	31.12.2013	31.12.2014
Prepaid recycling fees	5.0	5.2
Advance payments	1.2	0.6
Liabilities to employees	3.7	3.8
Other short-term liabilities	7.5	5.9
Total	17.4	15.5

9. Deferrals

CHF millions	31.12.2013	31.12.2014
Ongoing liable income taxes	4.2	3.6
Unclaimed vacations and overtime compensations	5.0	5.1
Other deferrals	11.8	6.5
Total	21.0	15.2

10. Short-Term Provisions

CHF millions					Total
	Service Anniversaries	Legal Proceedings	Guarantee Warranty	Other	
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 1.1.2014	0.4	0.3	0.4	4.8	5.9
Reclassifications					0.0
Formations	0.3	0.1	0.1	1.0	1.5
Liquidations	- 0.1		- 0.2	- 0.8	- 1.1
Utilisations	- 0.1	- 0.1	- 0.2	- 3.6	- 4.0
Foreign exchange differentials					0.0
As per 31.12.2014	0.5	0.3	0.1	1.4	2.3

11. Long-Term Financial Debts

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

CHF millions	31.12.2013	31.12.2014
Residual period		
- 1 to 2 years	14.6	3.1
- 3 to 5 years	7.9	23.4
- > 5 years	6.4	5.1
Total	28.9	31.6

12. Long-Term Provisions

CHF millions	Deferred Tax Liabilities	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 1.1.2014	18.7	5.5	11.9	0.5	36.6
Reclassifications					0.0
Formations	3.7	0.7	1.6	0.5	6.5
Liquidations	- 3.1	- 0.1	- 0.2		- 3.4
Utilisations			- 0.9	- 0.1	- 1.0
Foreign exchange differentials	- 0.2	- 0.4	- 0.5		- 1.1
As per 31.12.2014	19.1	5.7	11.9	0.9	37.6

Deferred Tax Liabilities: cp. note no 23

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 16% (2013: 1% to 12%) as per balance sheet date.

13. Share Capital / Own Shares

The share capital is structured as follows:

CHF millions	31.12.2013	31.12.2014
220 480 Bearer Shares (2013: 233 837)		
nominal value CHF 50.00 (issued and paid in full)	11.7	11.0
880 000 Registered shares (2013: 880 000)		
nominal value CHF 10.00 (issued and paid in full)	8.8	8.8
Total	20.5	19.8

The bearer shares (Security no. 622 761) are listed on the SIX Swiss Exchange, Domestic Standard, with a year end closing price of CHF 1,585.00 (2013: CHF 1,821.00). Their total capitalisation equalled CHF 628.4 million (2013: CHF 746.3 million). Each registered and bearer share holds one voting right.

Major Shareholders with > 3% of Voting Rights

	31.12.2013	31.12.2014
Cornaz AG-Holding	64.0%	67.6%
Elisabeth Leon-Cornaz	5.1%	5.2%
La Licorne Holding SA	4.6%	4.6%

Shareholder's agreements exist between these and other persons and/or their shareholders (cp. page 63).

Own Shares

In accordance with the decision taken by the Annual General Assembly on 14 May 2014, all 13'357 own bearer shares were cancelled. As of 31 December 2014, there were no longer any own shares (2013: 13'357).

14. Minority Interests

The proportion of shareholders' equity held by minority shareholders of JSC Vetropack Gostomel equals 14.7% (2013: 15.2%).

15. Gross Revenue

Consolidated revenue increased 2.8% above the previous year. Foreign exchange differentials account for an increase of 6.9%. Therefore real organic revenue growth amounts to 4.1%. Vetropack Group consists of two business areas: glass packaging and specialty glass.

Revenue Breakdown

CHF millions	Change Previous year	Change Current year	2013	2014
Glass Packaging				
- Switzerland	1.2%	- 1.0%	83.3	82.5
- Austria	3.7%	- 0.4%	195.3	194.5
- Czech Republic	- 1.6%	- 2.1%	79.5	77.8
- Croatia	10.0%	5.8%	113.3	119.9
- Slovakia	1.5%	19.7%	41.7	49.9
- Ukraine	- 1.3%	- 30.0%	94.6	66.2
Specialty Glass	3.1%	- 3.0%	13.3	12.9
Total	2.7%	- 2.8%	621.0	603.7

16. Redemptions and Transport Costs

CHF millions	2013	2014
Transport costs	34.5	36.2
Discounts, deductions and commissions	5.5	6.0
Change in value adjustments for accounts receivables	- 1.4	- 0.6
Other redemptions	2.4	1.3
Total	41.0	42.9

17. Other Operating Income

CHF millions	2013	2014
Materials and energy sales	1.9	1.9
Ancillary services	1.3	0.4
Real estate management income	0.8	0.6
Internally produced additions to plant and equipment	1.0	0.4
Supplier commissions	1.2	1.1
Allocations disposal fees	0.6	0.6
Other income	3.5	4.9
Total	10.3	9.9

18. Cost of Raw Materials and Merchandise

CHF millions	2013	2014
Raw materials	89.1	83.1
Merchandise	8.6	9.3
Total	97.7	92.4

19. Personnel Expenses

CHF millions	2013	2014
Wages and salaries	102.3	101.1
Social benefits	26.9	28.1
Other personnel expenses	3.9	3.6
Total	133.1	132.8

Employee Headcount

	Change Previous year	Change Current year	31.12.2013	31.12.2014
Switzerland	- 0.7%	2.1%	284	290
Austria	2.3%	0.6%	659	663
Czech Republic	2.2%	- 3.4%	470	454
Croatia *	- 1.2%	- 1.2%	586	579
Slovakia	1.1%	0.0%	359	359
Ukraine	- 0.9%	- 2.4%	656	640
Total	0.5%	- 1.0%	3 014	2 985

*including 1 employee in Slovenia (2013: 1)

20. Other Operating Expenses

CHF millions	2013	2014
Maintenance and repairs	33.3	26.4
Moulds	17.8	15.8
Packaging material	27.9	26.7
Other administrative and operating expenses	42.8	46.4
Total	121.8	115.3

21. Financial Results

CHF millions	2013	2014
Interest income	1.2	1.6
Interest expenses	- 0.7	- 0.2
Currency exchange gains	15.9	11.8
Currency exchange losses	- 14.8	- 14.4
Other financial income	0.2	0.2
Total	1.8	- 1.0

22. Non-Operating Results

CHF millions	2013	2014
Non-operating real estate income	2.9	4.1
Profit from sale of non-operating real estate	2.8	3.4
Non-operating real estate expenses	- 1.6	- 2.5
Non-operating real estate depreciation / impairments	- 0.7	- 1.5
Other non-operating income	5.1	0.2
Total	8.5	3.7

23. Taxes

CHF millions	2013	2014
Ongoing income taxes	13.4	7.0
Deferred taxes	- 0.6	- 2.0
Total	12.8	5.0

Deferred Taxes: Loss carryforwards amounted to CHF 13.3 million (2013: none) in total at the end of the reporting year. Tax loss carryforwards of CHF 2.4 million were included in the calculation of the deferred tax assets (2013: none). The country-specific tax rates that apply to the calculation of the deferred taxes range from 7.8% to 25% (2013: 7.8% to 25.0%).

24. Investments

Investment Breakdown:

CHF millions	2013	2014
Switzerland	17.1	5.9
Austria	13.2	17.3
Czech Republic	7.7	36.0
Croatia	6.1	8.7
Slovakia	4.0	2.8
Ukraine	2.4	1.4
Total	50.5	72.1

Additional Information

25. Fire Insurance

Tangible assets are insured at their replacement value as follows:

CHF millions	31.12.2013	31.12.2014
Buildings	418.5	491.5
Furnaces, machinery and equipment, vehicles and furniture	1 032.8	983.5
Total	1 451.3	1 475.0

26. Off Balance Sheet Transactions

CHF millions	31.12.2013	31.12.2014
Recourse from drafts	4.4	5.1
Off balance sheet leasing	2.8	2.2
Total	7.2	7.3

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	31.12.2013	31.12.2014
Maturity		
- 1 to 2 years	0.6	0.4
- 3 to 5 years	2.2	0.2
- > 5 years	0.0	1.6
Total	2.8	2.2

27. 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.

28. Pledged Assets

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

CHF millions	31.12.2013	31.12.2014
Accounts receivables	7.8	7.6
Marketable securities	1.2	1.6
Real estate	7.5	6.9
Total	16.5	16.1

29. Derivative Financial Instruments

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

30. Transactions with Closely Associated Persons

CHF millions	31.12.2013	31.12.2014
Pension Funds		
Accounts receivables	0.0	0.0
Accounts payables	0.0	0.0
Interest expenses	0.0	0.0
Associated Companies		
Accounts receivables	0.0	0.0
Accounts payables	0.4	0.7
Capitalised services	0.0	0.0
Service income	0.0	0.0
Equity income	0.0	0.4
Glass cullet purchasing expenses	- 4.8	- 5.1
Maintenance and repairs expenses	- 0.3	- 0.3
Other service expenses	0.0	0.0
Equity valuation expenses	0.0	- 0.2
Other Closely Associated Persons		
Accounts receivables	0.0	0.0
Accounts payables	0.1	0.2
Investments in tangible assets	0.0	0.0
Distribution income	0.0	0.0
Packaging material expenses	- 0.5	- 0.2
Distribution expenses	0.0	0.0
Service expenses	- 0.1	0.0
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.

31. 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	2013	2014
Nominal value 31.12.	12.8	12.9
Utilisation waiver 31.12.	0.0	0.0
Other value adjustments 31.12.	0.0	0.0
Discounting effects 31.12	- 1.5	- 1.5
Book value 31.12.	11.3	11.4
Changes	1.7	0.1
<hr/>		
CHF millions	2013	2014
Key influential factors		
- Change in discount rate	1.7	0.0
- Interest effect	0.5	0.5
- Utilisation and other effects	- 0.5	- 0.4
Total Change in Employer's Contribution Reserves	1.7	0.1

Assets and Liabilities from Pension Funds

CHF millions					
	Company Sponsored Pension Funds	Pension Funds with Excess / Deficiency Cover	Pension Funds with Excess Cover	Pension Funds without Own Assets	Total
Excess / deficiency cover 31.12.2014	8.4	0.0	18.3	0.0	26.7
Economic utilisation / liabilities 31.12.2013	0.0	0.0	0.0	- 10.7	- 10.7
Economic utilisation / liabilities 31.12.2014	0.0	0.0	0.0	- 10.0	- 10.0
Changes 2014	0.0	0.0	0.0	- 0.7	- 0.7
Contributions restricted to *	- 0.1	0.0	2.2	0.2	2.3
Pension expenses 2013	- 1.7	2.2	0.0	0.5	1.0
Pension expenses 2014	- 0.1	0.0	2.2	- 0.6	1.5

* 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	2013	2014
Key influential factors		
- Changes in employer's contribution reserves	- 1.7	- 0.1
- Changes in economic utilisation / liabilities	0.2	- 0.7
- Pension fund contributions	2.5	2.3
Total Pension Fund Expenses	1.0	1.5

32. Events after the Reporting Date

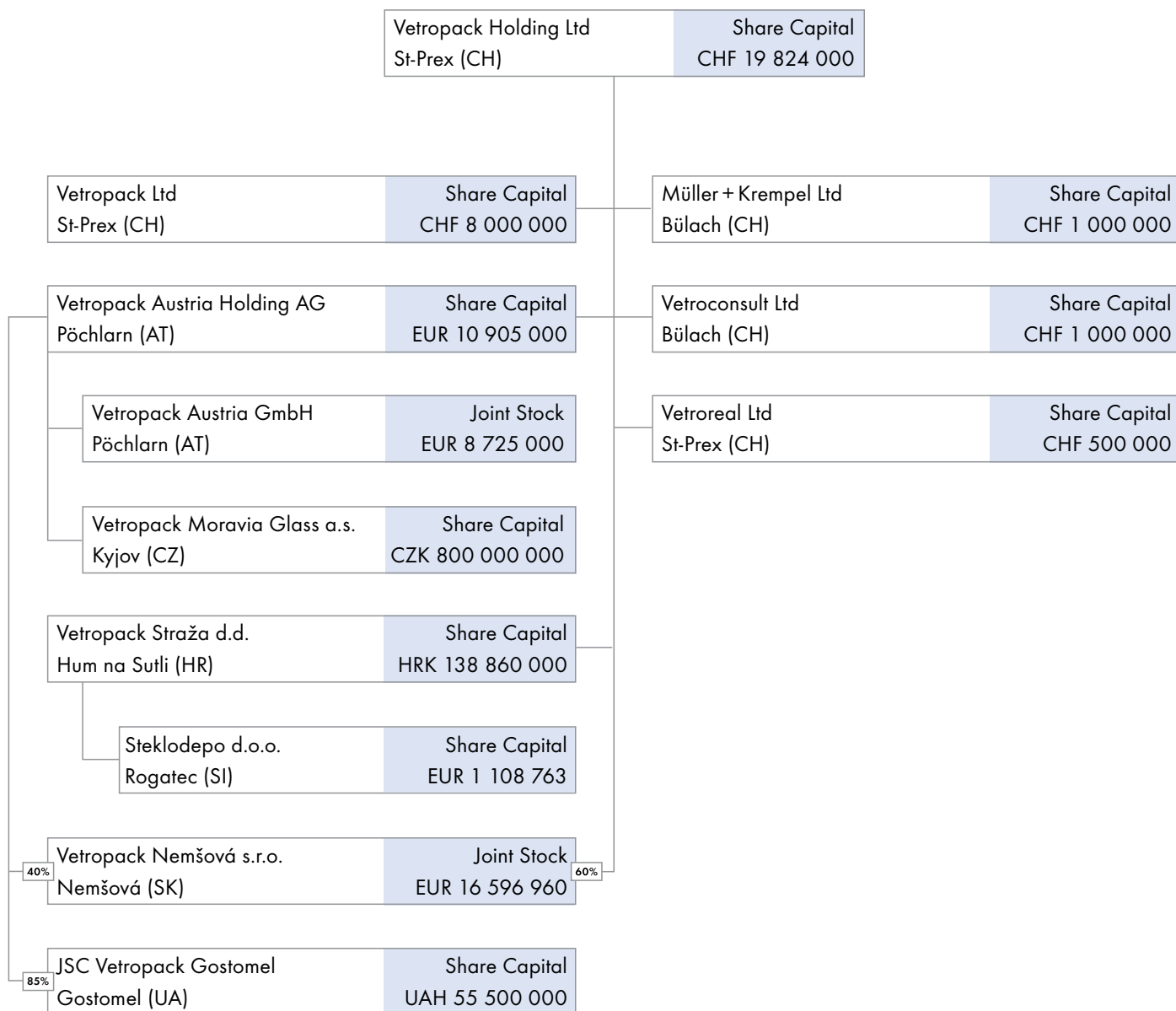
The Swiss National Bank announced its abandonment of the peg of CHF 1.20 to the euro on 15 January 2015. As the Swiss franc is the Vetropack Group currency, the strong Swiss franc can have a negative impact on the translation of future Group results. Changes in foreign exchange rates led to substantial losses in the 2015 Group results following the scrapping of the euro floor.



22 August 2014. "I love evenings like this. We spent the afternoon out on the lake and now we're having a barbecue in the garden. At least, Paul is doing the barbecue part. He's responsible for the meat and I'm taking care of the drinks. We're taking it easy today. Totally relaxed."

Warm summer evenings in the garden – and glass plays a part.

Ownership Structure



Company Participations

Company	Domicile	Currency	Share Capital	Share	Consolidation	Owner
Switzerland						
Vetropack Holding Ltd	St-Prex	CHF	*19 824 000		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 GmbH	Wien	EUR	50 000	**24.5%	E	VPA
PTP Pro Glas GmbH	Wien	EUR	35 000	***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	****85.3%	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, share capital was reduced by CHF 667'850.

** During the year under review, the stake was reduced from 50% to 24.5%.

*** During the year under review, a 50% stake was acquired.

**** During the year under review, the Group's stake increased from 84.8% to 85.3%.

As per 31 December 2014



16 September 2014. "An autumn camping trip, a chance to get away from the daily grind and enjoy pure, unadulterated adventure. The tent is up, and now I'm heading down to the beach with a ghetto blaster. Maybe I'll meet someone there who I know from back home. Who knows?" **Chilling out with some great tunes – and glass plays a part.**

To the General Meeting of Vetropack Holding Ltd, Saint-Prex
Zurich, 18 March 2015

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 26 to 51), for the year ended 31 December 2014.

Board of Directors' responsibility. The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 2014 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)

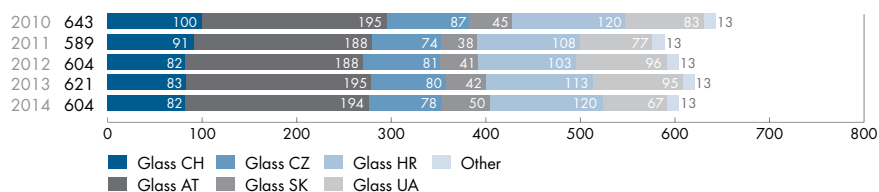
Gianni Trog
Licensed audit expert

Five Year Overview

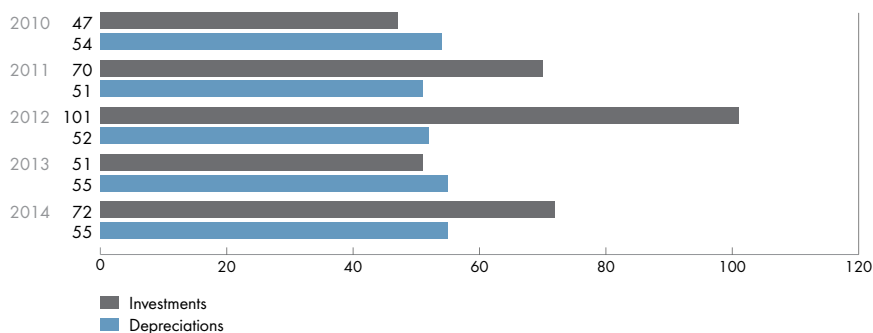
		2010	2011	2012	2013	2014
Consolidated Income Statement						
Revenue	Mio. CHF	642.6	589.4	604.4	621.0	603.7
Change from previous year	%	- 4.3	- 8.3	2.5	2.7	- 2.8
Number of employees	Anzahl	2 975	2'971	3 000	3 014	2 985
Revenue per employee	TCHF	216	198	201	206	202
Cash flow	Mio. CHF	122.6	117.3	98.0	110.4	107.2
Cash flow as % of gross revenue	%	19.1	19.9	16.2	17.8	17.8
Depreciations/ Impairments on tangible assets *						
	Mio. CHF	54.4	50.7	51.9	55.3	56.1
Taxes	Mio. CHF	15.3	14.3	22.6	12.8	5.0
Net profit	Mio. CHF	38.7	59.0	83.6	56.4	49.2
Consolidated Balance Sheet as per 31.12.						
Investments in tangible assets	Mio. CHF	47.2	69.4	100.8	50.5	72.1
Total assets	Mio. CHF	714.6	766.3	771.9	794.1	792.1
Short-term assets	Mio. CHF	315.0	345.3	298.1	299.3	309.6
Long-term assets	Mio. CHF	399.6	421.0	473.8	494.8	482.5
Liabilities	Mio. CHF	168.2	197.1	133.8	151.5	159.3
Shareholders' equity	Mio. CHF	546.5	569.1	638.1	642.6	632.8
Gearing ratio	%	76.5	74.3	82.7	80.9	79.9

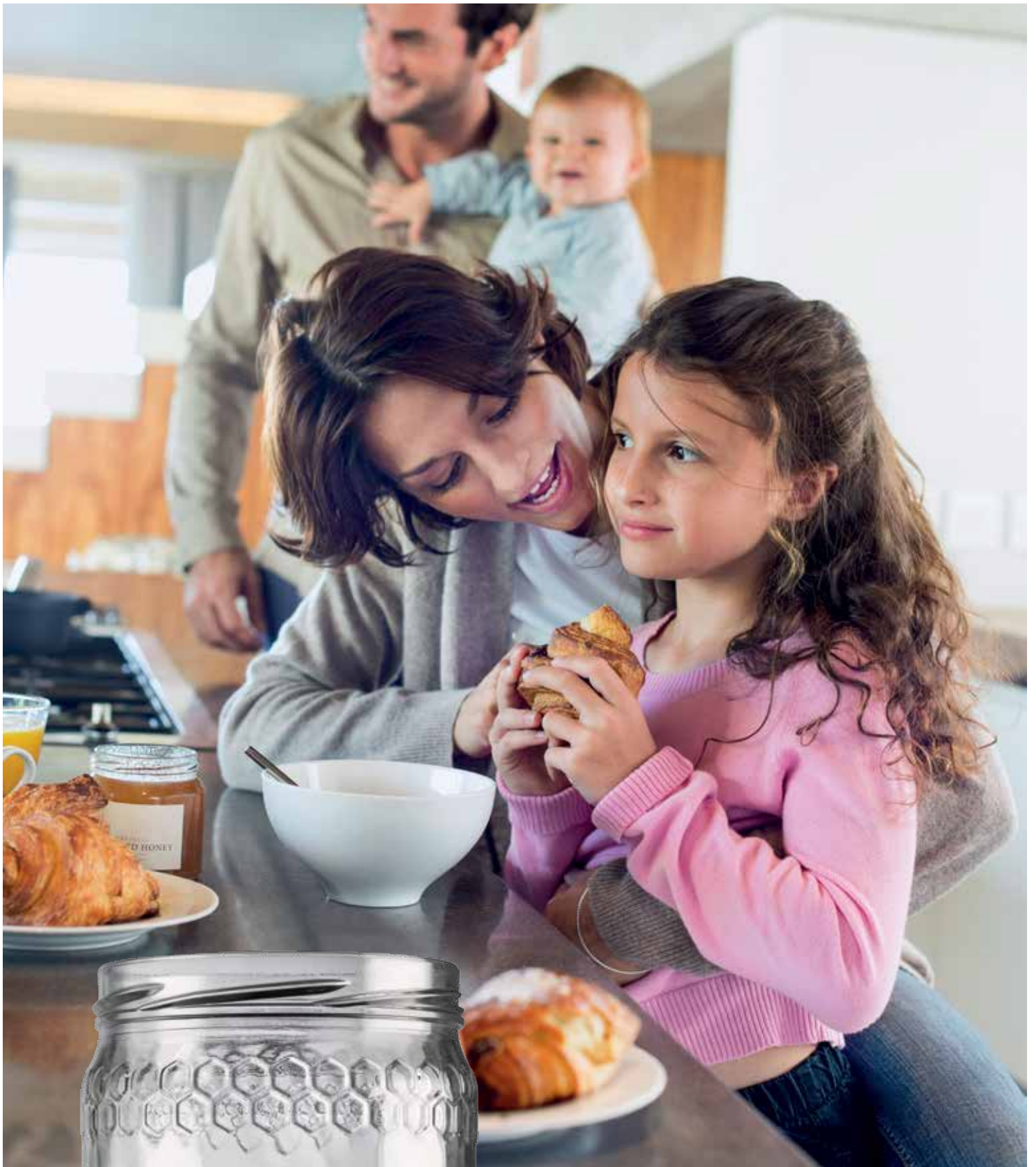
*This includes amortisation on non-operating real estate and buildings.

Consolidated Revenues 2010 – 2014 in CHF millions



Investments and Depreciations 2010 – 2014 in CHF millions





5 October 2014. "Fresh croissants, honey - what more could you want? It's a beautiful Sunday morning and we have the chance to spend some time together. The kids get to decide what we do. If they want, we could go on a trip to the countryside. I like that idea."
Getting the day off to a good start - and glass plays a part.

Financial Reporting – Vetropack Holding Ltd

Balance Sheet

CHF millions	Note	31.12.2013	31.12.2014
ASSETS			
Short-Term Assets			
Liquid assets		21.1	38.7
Accounts receivables from Group companies		116.0	77.8
Other receivables and accruals		0.1	0.1
Own shares	2	24.3	0.0
Sub-total short-term assets		161.5	116.6
Long-Term Assets			
Tangible assets		0.3	0.2
Participations	1	79.9	86.1
Loans to Group companies		94.5	135.9
Sub-total short-term assets		174.7	222.2
Total Assets		336.2	338.8
LIABILITIES			
Liabilities			
Short-term liabilities			
- Accounts payable to third parties		1.4	1.6
- Accounts payable to Group companies		8.0	12.0
- Provisions		1.0	2.0
Long-term liabilities			
- Provisions		0.1	0.7
Sub-total liabilities		10.5	16.3
Shareholders' Equity			
Share capital	2	20.5	19.8
General legal reserves		28.6	28.6
Legal reserves from capital investments		0.3	0.3
Reserve for own shares	2	31.1	0.0
Free reserves		146.9	184.3
Profits			
- Retained earnings brought forward from previous year		58.5	53.4
- Annual profit		39.8	36.0
Sub-total shareholders' equity		325.7	322.5
Total Liabilities		336.2	338.8

Income Statement

CHF millions	Note	2013	2014
Income			
Dividends and other income from Group companies	3	57.4	43.8
Interest and financial income		8.1	10.2
Other income		0.5	0.5
Total Income		66.0	54.5
Expenses			
Personnel expenses	4	8.6	8.3
Interest and financial expenses		9.3	6.6
Provisions and depreciation	1	0.1	- 6.2
Other operating expenses		7.2	8.0
Income taxes		1.0	1.8
Total Expenses		26.2	18.5
Annual Profit		39.8	36.0

Notes

1. Participations

The overview on page 51 provides a breakdown of the participations held directly or indirectly by Vetropack Holding Ltd. Impairments on participations of CHF 6.3 million were reversed in the reporting year (2013: none).

2. Share Capital/ Own Shares

Regarding detailed information on the share capital and regarding own shares, refer to Vetropack Group's financial reporting (cp. note no. 13, page 41).

3. Dividends and Other Income from Group Companies

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

4. Personnel Expenses

As per 31.12.2014 Vetropack Holding Ltd employed 29 individuals (2013: 29).

Additional Information

5. Fire Insurance Value

The value of fixed assets insured against fire equalled CHF 2.1 million (2013: 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. Release of Hidden Reserves

Hidden reserves of CHF 6.3 million were released in the reporting year (2013: none).

8. 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.

9. 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.

10. Disclosure in Accordance with Swiss Obligations Code 663c

The table lists the number of shares per member of the BoD and MB as of 31 December 2014. Shares held by closely associated persons are included in the total for the respective individual.

Voting Rights	Registered Shares 2013	Bearer Shares 2013	Registered Shares 2014	Bearer Shares 2014
Hans R. Rüegg *	0	100	0	100
Sönke Bandixen *	0	40	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	410	5 000	410
Claude R. Cornaz **	1 421	215	1 381	215
David Zak **	0	15	0	15
Günter Lubitz **	0	130	0	130
Marcello Montisci **	0	0	0	0
Johann Reiter **	0	0	0	0
Total	1 421	360	1 381	360

* BoD members; position see Corporate Governance, page 65

** MB members; position see Corporate Governance, page 68

List of Major Shareholders with Holdings > 5%

	31.12.2013	31.12.2014
Cornaz AG-Holding	64.0%	67.6%
Elisabeth Leon-Cornaz	5.1%	5.2%

Shareholder's agreements exist between these and other persons and/or their shareholders (cp. page 63).

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	2013	2014
Retained earnings brought forward from previous year	58.4	53.4
Annual profit	39.8	36.0
Total profit at the disposal of the AGA	98.3	89.5
Dividend distribution of 77% (2013: 75%) of dividend authorised capital	14.9	15.3
Allocation to free reserves	30.0	30.0
Retained earnings	53.4	44.2

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	38.50	13.48	25.02
Registered shares CHF 10.00 nominal value	7.70	2.70	5.00

The dividend payment is to be paid to registered shareholders on 13 May 2015 via the usual appointed paying agents. Payment to holders of bearer shares is to be made in exchange for coupon number 19 at the Swiss branch offices of the following banks: Banque Cantonale Vaudoise, UBS, Credit Suisse, Zürcher Kantonalbank.

To the General Meeting of Vetropack Holding Ltd, Saint-Prex
Zurich, 18 March 2015

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 56 to 59), for the year ended 31 December 2014.

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

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

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

Opinion. In our opinion, the financial statements for the year ended 31 December 2014 comply with Swiss law and the company's articles of incorporation.

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)

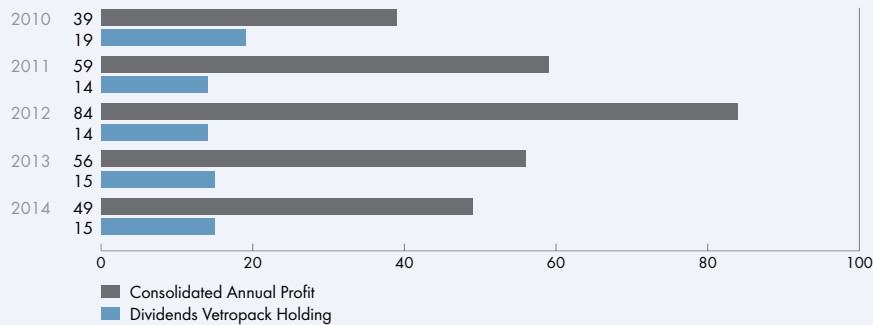
Gianni Trog
Licensed audit expert

Five Year Overview

	2010	2011	2012	2013	2014
Income Statement and Balance Sheet (in Mio. CHF)					
Dividends and other income from affiliated companies	64.3	50.8	53.6	57.4	43.8
Net profit	37.5	42.5	48.8	39.8	36.0
Total assets	284.6	311.9	325.7	336.2	338.8
Participations	73.8	79.9	79.9	79.9	86.1
Share capital	21.2	20.5	20.5	20.5	19.8
Shareholders' equity	266.5	265.7	300.2	325.7	322.5
Share Details (in CHF)					
Share prices					
- Bearer share high	2 055	1 980	1 875	1 990	1 933
- Bearer share low	1 525	1 296	1 581	1 660	1 495
Dividends					
- Bearer share	45.00	35.00	35.00	37.50	*38.50
- Registered share	9.00	7.00	7.00	7.50	*7.70
Distribution ratio in %	47.7	24.3	17.2	26.4	31.0

*motion for the AGA on 6 May 2015

Consolidated Annual Profit and Dividends 2010 – 2014 in CHF millions





30 November 2014. "Checkmate! Don't be a sore loser, I've always been better at strategy. You shouldn't have moved your bishop to b3. But it doesn't matter, playing is more important than winning anyway. Come on, let's drink to your revenge. Better luck next time." **Winners love to celebrate – and glass plays a part.**

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 1 September 2014.

Operational Group Structure

Refer to the illustration on page 78.

Group Companies

For Shareholdings and their Percentage Breakdowns, refer to the illustration on page 51.

Capital Structure

For details of the share capital, refer to note no. 13 on page 41. For details of changes in capital structure within the last three years, refer to table "Changes in Consolidated Shareholders' Equity" on page 29. 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%

	31.12.2013			31.12.2014		
	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	11 509	64.0	721 946	22 097	67.6
Elisabeth Leon-Cornaz						
St-Prex	56 868	0	5.1	56 868	0	5.2
La Licorne Holding SA						
Martigny	50 722	0	4.6	50 722	0	4.6

A shareholders' lock-in agreement exists between the shareholders of Cornaz AG-Holding. A further shareholders' agreement exists between Cornaz AG-Holding and the shareholders mentioned above, as well as three further shareholders (cf. the disclosure report dated 29 December 2011 published on the SIX Swiss Exchange website: http://www.six-swiss-exchange.com/shares/companies/major_shareholders_de.html?fromDate=19980101&issuer=2445).

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.

During the year under review, no disclosure reports were issued to the company within the meaning of Art. 20 of the Swiss Stock Exchange Act.

Board of Directors (BoD)

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

The members of the Board of Directors of Vetropack Holding Ltd are each elected by the Annual General Assembly of shareholders (AGA) on an annual basis. Re-election is permitted. Each year, the AGA elects the Chairman of the Board of Directors and the individual members of the Nomination and Compensation Committee (NCC), who must be members of the Board of Directors, as well as the independent proxy. Their term of office shall end upon the conclusion of the next AGA.

BoD Duties

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

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 are not reserved for the BoD in accordance with CO 716a 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 2014, 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 2014 internal audit were discussed and focal areas were defined for the 2015 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 (NCC) is responsible for checking the BoD and extended MB remuneration scheme. The working methods of the NCC are set out on page 72 of the Remuneration Report. With the exception of the NCC, 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	Nationality	Appointed	Elected till
Hans R. Rüegg	Chairman, non-executive	CH	1993	May 2015
Richard Fritschi *	Vice-Chairman, non-executive	CH	2005	May 2015
Claude R. Cornaz *	Delegate, executive	CH	1998	May 2015
Sönke Bandixen	Member, non-executive	CH	2012	May 2015
Pascal Cornaz	Member, non-executive	CH	2009	May 2015
Rudolf W. Fischer *	Member, non-executive	CH	2000	May 2015
Jean-Philippe Rochat	Member, non-executive	CH	2006	May 2015

*Members of the Nomination and Compensation Committee (NCC)

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. 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, Isolag 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 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, Buochs, Switzerland

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

Sönke Bandixen (1957, Stein am Rhein SH)

Dipl. Mechanical Engineer, ETH Zürich, Switzerland, PMD 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 - 2014 CEO, Landert Motoren AG, Bülach, 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
- 1996 - 2011 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. 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. Five 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 65 to 67 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 and Slovak Republics, Kyjov

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

Remuneration and Additional Information

The Remuneration Report on pages 72 to 74 and the disclosure pursuant to Art. 663 SCO on pages 58 to 59 provide details on the remuneration, shareholdings, loans and credits granted to members of the BoD and MB as well as closely associated persons.

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. In 2014, Ernst & Young also invoiced CHF 0.06 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)

Contact Address

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c/o Vetropack Holding Ltd
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Switzerland
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31 December 2014. "Working on New Year's Eve? Well, why not? I love my job no matter what day it is. It's great serving people who are celebrating. And when the clock strikes midnight I'm sure I'll find the time to drink in the New Year with a glass of sparkling wine." **A toast to a Happy New Year – and glass plays a part.**

Remuneration Report Vetropack Holding Ltd

1. Introduction

The strategy adopted by Vetropack Group is aimed at ensuring the company's sustainable long-term development, taking into account the interests of its stakeholders. Since Vetropack is firmly rooted in local markets, a high degree of importance is attached to the specific conditions at individual locations. Vetropack's remuneration principles have been drawn up with this in mind and include a fixed component aligned with local market conditions and an appropriate variable component, which is performance-related.

2. Principles of the Remuneration Scheme and its Components

Vetropack Group's remuneration scheme is geared towards its employees' level of responsibility and experience as well as local conditions.

Members of the Board of Directors (BoD) receive a fixed cash benefit with no variable components.

Members of the Management Board (MB) receive basic remuneration reflecting their individual responsibility and experience as well as a variable performance-related component. They are also awarded non-cash benefits in the form of supplementary pension contributions and a company car, which is also available for their private use.

All remuneration is paid in cash and there are no share or option plans.

3. Organisation and Authorities for Determining Remuneration

The BoD exercises its discretionary authority to determine the principles underlying its own remuneration scheme, including salary bands, as well as that of the MB. Remuneration for the BoD and the MB is set annually at the request of the Nomination and Compensation Committee (NCC).

The main task of the NCC is to regularly check the BoD's and MB's remuneration schemes. It also prepares the medium- and long-term human resources planning for the members of the BoD and the MB and submits its proposals to the entire BoD for resolution.

The NCC recommends remuneration proposals for the members of the BoD and the CEO to the entire BoD for resolution, with the CEO not taking part in discussions concerning his own remuneration. The committee takes independent decisions regarding the remuneration of the MB at the request of the CEO.

The NCC reports on its discussions and decisions and proposes any motions at the next meeting of the entire BoD. The committee was elected by the last Annual General Meeting for a term of one year and consists of the following members: Rudolf Fischer (Chairman), Richard Fritschi and Claude R. Cornaz.

The committee met three times in 2014: in January, March and November.

4. Description of the Remuneration Components

Board of Directors

Members of the BoD receive fixed remuneration in cash, with the Chairman, Vice-Chairman and ordinary members entitled to different amounts based on a graduated scale. There are no variable components. Remuneration is paid out after each Annual General Meeting.

Management Board

Members of the MB receive fixed basic remuneration, which is commensurate to the level of responsibility they have in their individual role, their experience and local conditions.

The variable components are calculated on the basis of an individual percentage of Vetropack Group's net profit after tax and, for the head of a business division, a percentage of the cash flow and EBIT of the relevant business division. The target value for variable component is 30% of the basic salary and the maximum payout is 60% of the basic salary. It is paid out in March after the Annual Report has been approved by the BoD.

5. Board of Director's (BoD) Remuneration

Only cash benefits were paid to members of the BoD in 2014. No shares, options, loans and credits, additional fees or remuneration of any other kind were disbursed to either members of the BoD, former members of the BoD or persons closely associated with them. There are also no outstanding credits or loans.

2013 BoD Remuneration

in CHF	Cash	Social Security Contributions	Total
Hans R. Rüegg, Chairman	115 060	6 180	121 240
Richard Fritschi, Vice-Chairman	82 667	6 109	88 776
Claude R. Cornaz, Delegate	55 644	3 778	59 422
Sönke Bandixen, Board Member	56 000	4 138	60 138
Pascal Cornaz, Board Member	56 000	4 138	60 138
Rudolf W. Fischer, Board Member	56 000	4 138	60 138
Jean-Philipp Rochat, Board Member	56 000	4 138	60 138
Total	477 371	32 619	509 990

2014 BoD Remuneration

in CHF	Cash	Social Security Contributions	Total
Hans R. Rüegg, Chairman	115 060	6 180	121 240
Richard Fritschi, Vice-Chairman	82 667	6 109	88 776
Claude R. Cornaz, Delegate	55 644	3 778	59 422
Sönke Bandixen, Board Member	56 000	4 138	60 138
Pascal Cornaz, Board Member	56 000	4 138	60 138
Rudolf W. Fischer, Board Member	56 000	4 138	60 138
Jean-Philipp Rochat, Board Member	56 000	4 138	60 138
Total	477 371	32 619	509 990

6. Management Board's (MB) Remuneration

Only cash benefits were paid to members of the MB in 2014. No shares, options, loans and credits, additional fees or remuneration of any other kind were disbursed to either members of the MB, former members of the MB or persons closely associated with them. There are also no outstanding credits or loans.

CHF millions					
	Basic Salary	Bonus	Pension/Social Security Contributions	** Non-cash Benefits	Total
2013 MB Remuneration					
Total 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
2014 MB Remuneration					
Total MB	2 018 290	506 512	662 551	28 723	3 216 076
Highest level of remuneration *	618 855	167 161	216 685	4 400	1 007 101

* Claude R. Cornaz, CEO

** Company car for personal use

7. Shareholdings

Information on shares held by members of the Board of Directors and the Management Board can be found in the Financial Report of Vetropack Holding Ltd on page 58.

To the General Meeting of Vetropack Holding Ltd, Saint-Prex
Zurich, 18 March 2015

Report of the statutory auditor on the remuneration report

We have audited the remuneration report dated 18 March 2015 of Vetropack Holding Ltd for the year ended 31 December 2014. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance) on pages 73 to 74 of the remuneration report.

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

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

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

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

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

Ernst & Young AG

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Gianni Trog
Licensed audit expert

Organisation

Extended Group Management as per
1 January 2015



Tihomir Premužak

Johann Reiter

Inge Jost



Andriy Girnyk

Gregor Gábel

Elisabeth Boner

David Zak

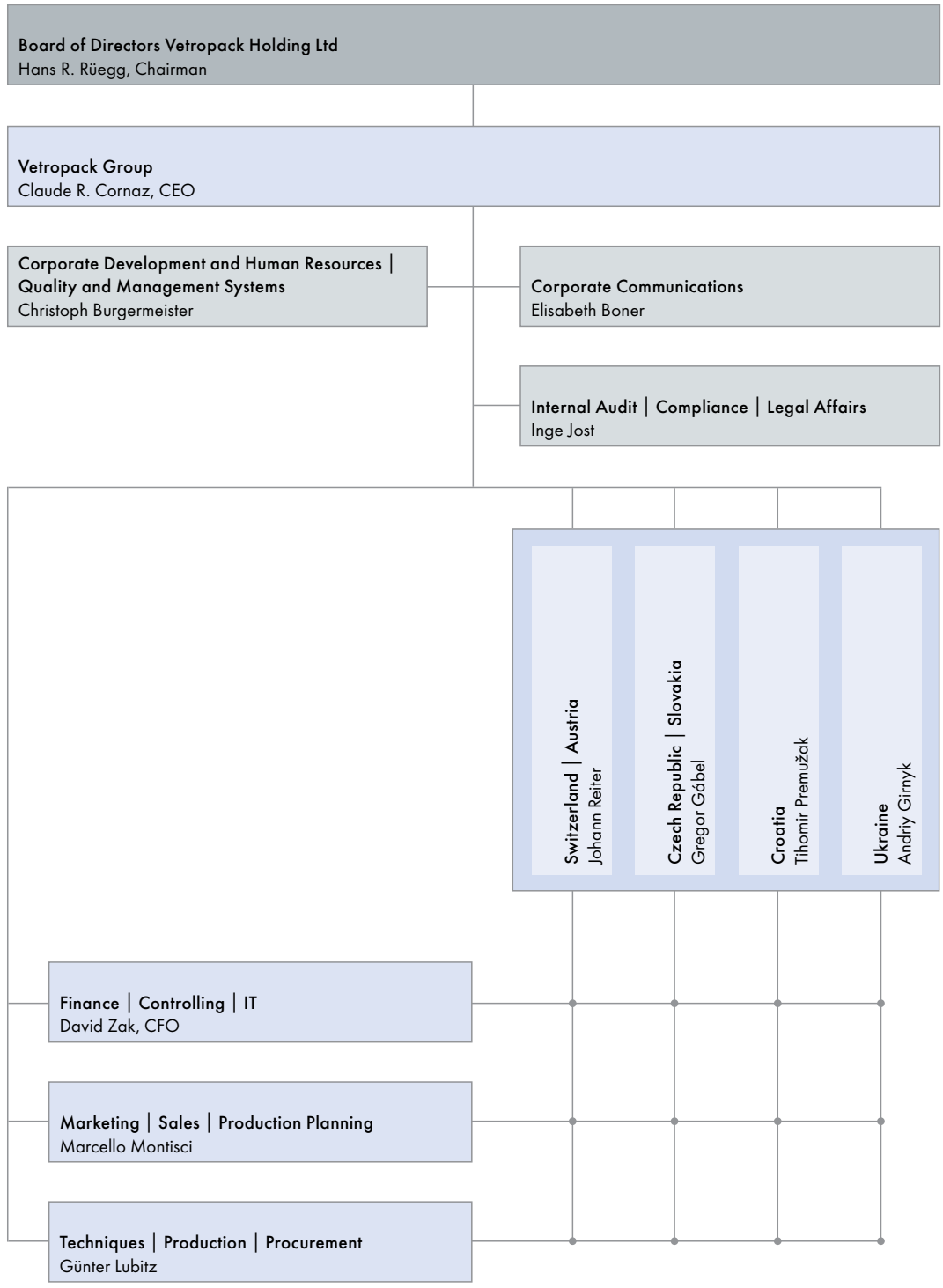
Günter Lubitz

Claude R. Cornaz

Christoph Burgermeister

Marcello Montisci

Organisation as per 1 January 2015



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

Supply Chain 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 Švejcarová

- Czech Republic Dana Švejcarová

- Slovakia Zuzana Hudecová

- Export Europe East Vlastimil Ostrezi

Logistics Jaroslav Mikliš

Kyjev 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

Personnel Viktor Sytnikov

Production Oleksandr Voznyuk

Techniques Mikola Marchenko

Group Companies

Vetroconsult Ltd Günter Lubitz

Müller + Krempel Ltd Mark Isler

Vetoreal Ltd Hans Fahrni



1 January 2015. "We couldn't stay up for New Year, which is something that's never happened before. So now we're celebrating it a day later instead - outside, by the camp fire. It's cold, but the fire is warming us up on the outside and the hot Jägertee is keeping us warm on the inside."
Time to welcome in the New Year – and glass plays a part.

Vetropack 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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