

ANNUAL REPORT | 2008

VETROPACK HOLDING LTD



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2008 AT A GLANCE

		2008	2007	+/-
Gross revenues	CHF millions	752.0	699.6	7.5%
EBIT	CHF millions	128.9	132.0	- 2.4%
Annual profit	CHF millions	78.5	100.9	- 22.2%
Cash flow	CHF millions	150.0	156.0	- 3.9%
Production	1000 metric tons	1 278	1 195	6.9%
Unit sales	billions	4.27	4.26	0.3%
Exports	in %	33.0	33.3	-
Employees		3 056	3 099	- 1.4%
Investments	CHF millions	96.6	86.9	11.1%

AGENDA

2009	Annual General Assembly (St-Prex)	13 th May 2009, 11.15 a.m.
	Semi-Annual Report	28 th August 2009
2010	Press Conference (Bulach)	24 th March 2010, 10.15 a.m.
	Annual General Assembly (Bulach)	12 th May 2010, 11.15 a.m.

Glass fascinates. Timeless, surprising, amusing. The illustrations within this annual report are based on new advertisements for the Vetropack Group (refer to pages 12, 15, 18 and 20). They also playfully illustrate ways in which the campaign could be developed.



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

Board of Directors' Report

DEAR SHAREHOLDERS:

The 2008 fiscal year was successful for the Vetropack Group. It was characterised by healthy growth and further strengthening of the Group's domestic markets. All production facilities operated at full capacity, allowing group wide productivity to rise in line with the market. The financial crisis in the fourth quarter only had minor impact on the consumer-oriented glass packaging business. Nevertheless, some markets did experience a slowdown in growth.

Increased Revenues. Vetropack Group's revenues continued to grow during the 2008 fiscal year. Consolidated gross revenues amounted to CHF 752.0 million (2007: CHF 699.6 million), representing an increase of 7.5% over the previous year. Due to foreign exchange differentials real growth amounted to 9.2%. This negative foreign exchange differential of 1.7% was particularly due to the strength of the Swiss franc.

The increase in consolidated gross revenues is the result of the combined efforts of all the Vetropack companies. The Swiss company contributed 14.1% to gross revenues by extending its domestic market positioning (2007: 13.8%). The St-Prex facility succeeded in attaining a marked increase in its glass container production. As manufacturers of high-quality glass packaging, the Austrian facilities in Pöchlarn and Kremsmünster both benefited from domestic market growth. This was primarily due to the increased national and international popularity of Austrian wine. With a share of 29.3%, Vetropack Austria GmbH was again the largest single contributor to gross revenues (2007: 29.7%). Vetropack Straža d.d. generated 19.9% of gross revenues (2007: 20.7%). This result is particularly pleasant considering the Croatian facility's cyclical furnace refurbishment and accompanying scheduled production interruptions. The Czech facility Vetropack Moravia Glass a.s. generated increa-

sed revenues during the fiscal year, but its contribution to gross Group revenues diminished from 16.0% in 2007 to 15.1% in 2008. This development was further influenced by the scheduled refurbishment of a melting furnace, and the accompanying interruption of part of its production capacity, which occurred during the first half of the year. Vetropack Nemšová s.r.o. in Slovakia contributed 8.3% to gross Group revenues (2007: 7.4%). This increase was achieved via targeted improvements in production efficiency, as well as growth in domestic market saturation. OJSC Vetropack Gostomel in Ukraine contributed 11.4% to gross Group revenues (2007: 10.4%). This capacity increase was achieved thanks to the new green-glass furnace that was set into operation during the fourth quarter of 2007.

Further Strengthening of Domestic Markets.

During the year under review, the Group's strategy of further strengthening its domestic markets was successfully pursued. Accordingly Vetropack Group expanded its position in these markets without neglecting its export markets. Unit sales increased by 0.3% (2007: 8.7%). In terms of domestic demand, the beer and wine segments represented the main growth areas. During the year under review, Vetropack Group sold a total of 4.27 billion units of glass packaging (2007: 4.26 billion). Domestic markets accounted for 67.0% of this figure (2007: 66.7%), with the remaining stock distributed to export markets.

Eased Market Situation. In comparison with the previous year, the European market was characterised by a slowdown in growth. The market situation, which had been governed by excess demand at the start of the year, eased off and reached equilibrium towards the end of the year. Thanks to investments and numerous efficiency building measures, Vetropack Group increased its total production capacity by 6.9% (2007: 15.0%),

corresponding to 1,277,958 saleable tons (2007: 1,195,265). Therewith Vetropack was not only in the position to fully meet its customer obligations, but also to systematically replenish its inventory, which had fallen critically low.

Solid Operational Earning Power. At CHF 128.9 million consolidated EBIT fell slightly short of the exceptionally high figure achieved last year (2007: CHF 132.0 million). This EBIT differential is based on three distinct factors. First, in contrast to the previous year, both the Czech and the Croatian facilities experienced production interruptions due to maintenance. Second, the cost of energy and raw materials rose again during the year under review. Finally, in 2007 EBIT was influenced by an extraordinary insurance claim. Considering all these influential factors, it is clear that Vetropack Group possesses very stable operational earning power. The EBIT margin reached a solid 17.1% of gross revenues (2007: 18.9%).

Negative Currency Differentials Hit Annual Profits. Consolidated annual profits reached CHF 78.5 million (2007: 100.9 million). During the fourth quarter, the extraordinary 60% devaluation of the Ukrainian currency (the hryvnia) against both the euro and the US dollar led to a fall in profits. The financing of the modernisation program aimed at enhancing OJSC Vetropack Gostomel's competitiveness was devised in US dollar loans, thus leading to a disproportionate increase in the level of debt in the domestic currency. Consequently the income statement was hit with a currency loss of approximately CHF 30 million, and cash flow fell by 3.9% to CHF 150.0 million (2007: CHF 156.0 million). Correspondingly, the cash flow margin was 19.9% of gross revenues (2007: 22.3%). Despite negative currency

differentials, net indebtedness fell by 35.7% to CHF 61.9 million (2007: CHF 96.3 million).

A Solid Balance Sheet. Consolidated total assets reached CHF 801.5 million (2007: CHF 859.6 million). The decrease of 6.7% is due to currency differentials. These differentials also explain why long-term assets fell by 8.3% to CHF 482.1 despite significant investment (2007: CHF 525.8 million). Short-term assets declined by 4.3% to CHF 319.4 million (2007: CHF 333.8 million). Thanks to the annual profit generated in 2008, shareholders' equity grew by CHF 18.0 million to CHF 532.0 million (2007: CHF 514.0 million). During the same period, liabilities were reduced by CHF 76.1 million to CHF 269.5 million (2007: CHF 345.6 million). The equity ratio rose to 66.4% (2007: 59.8%).

At fiscal year end, Vetropack Group employed a workforce of 3,056 (31st December 2007: 3,099).

Investments – The Basis for Long-Term Success. During the year under review, Vetropack Group made investments totalling CHF 96.6 million (2007: CHF 86.9 million). Most of this sum was invested during the first half of the year, and went primarily towards the cyclical furnace refurbishment at Vetropack Moravia Glass a.s. in the Czech Republic, as well as the replacement of a green-glass furnace at Vetropack Straža d.d. in Croatia. The latter led to a production capacity increase of 50 tons per day. Furthermore, two new warehouses were erected at the Croatian facility. Additional capacity increases were also made possible by commissioning high performance glass-blowing machines in the Czech Republic, Switzerland, Croatia, and Slovakia. In addition, Vetropack Nemšová s.r.o. in Slovakia replaced its existing recycling facility with new

state-of-the-art infrastructure, which can currently prepare up to 120,000 tons of glass cullets per annum for glass production.

Vetropack Share Price Development. Vetropack shares, which had been rising steadily in value over the years, continued on this path in the first few months of last year. On 19th May 2008, they eventually reached a historical high of CHF 2,710.00. However, as the year progressed, the looming financial and economic crisis inevitably began affecting Vetropack share prices. Despite Vetropack Group's excellent operational performance, its shares lost approximately half their market value during the fourth quarter as investor confidence drastically fell. During the same period, the SPI and SSCI indices registered a drop of approximately 30%.

Attractive Dividends. At the Annual General Assembly to be held on 13th May 2009, we shall propose setting the dividend distribution for the past year at 70% of the nominal value. This represents a gross dividend of CHF 35.00 per bearer share (2007: CHF 35.00), and CHF 7.00 (2007: CHF 7.00) per registered share.

Share Buyback Program. On 21st January 2009 Vetropack Holding Ltd launched a share buyback program with the aim of reducing share capital. The program covers a maximum of 7% of the issued share capital of bearer shares listed in the Local Caps segment of the SIX Swiss Exchange (maximum 17,601 bearer shares). At Vetropack Holding Ltd's respective ordinary General Assemblies in 2009, 2010 and 2011 the Board of Directors will propose a capital decrease by eliminating the buyback volume achieved each year.

Outlook for 2009. In recent months it became apparent that a market correction is also anticipated in the European glass packaging industry. Consumption and demand seem to have stabilised at a level below previous expectations. From the current perspective any attempt to assess the prospects for 2009 is very difficult and affected with uncertainty. We believe that Western European markets will show greater stability than those in Central and Eastern Europe. Recessionary trends in the global economy, coupled with the numerous planning uncertainties from our customers, imply that it will be a challenge in coming months to maintain full capacity as planned.

Vetropack Group is forecasting lower investment levels in 2009 than in previous years, since cyclical furnace revisions are not required during this period.

Thank You. On behalf of the Board of Directors, we would like to thank our employees for their commitment and hard work during 2008. We would also like to thank our customers, shareholders, and business partners for their support and for the confidence they have shown in us.

St-Prex, 17th March 2009


Hans R. Rüegg
Chairman of the
Board of Directors


Claude R. Cornaz
CEO

2008 – A Retrospective View



Claude R. Cornaz, CEO of the Vetropack Group: "We will face the challenges".

In brief, how would you summarise the 2008 fiscal year? First and foremost, 2008 was a good year for the Vetropack Group. We are on the right track. This is reflected not only in our key performance indicators, but also in our operational development. Vetropack Switzerland, for example, once again managed to hold its own in the profitability stakes, which is particularly gratifying as it shows that all our hard work has paid off. As a Group, we stuck to our strategy, and the result is healthy growth.

So it was business as usual? Yes and no, 2008 was a year of surprises as well. Recall the global financial crisis, which quickly became an economic crisis, despite all the efforts made to prevent it.

What impact did and does this crisis have on the Vetropack Group? On this note, I would first like to mention our Ukrainian facility, Vetropack Gostomel. Over the last two years we have used USD loans to finance the expansion of this operation. For years the Ukrainian hryvnia had for all intents and purposes been pegged to the US dollar, which explains why many companies took out loans in this currency. The extraordinary devaluation of the hryvnia against the dollar resulted in a major – unrealised – currency loss. Thereby explaining why this modern facility is now in the red despite operating at full capacity and delivering a positive operating profit. This came as a surprise, as it was unforeseeable.

Other companies in our Group have also suffered from negative currency differentials, but to nothing comparable to this magnitude.

Based on what we know today, was the decision to expand in Ukraine ill advised? No, because this country still has enormous potential. Consumption will increase over the long term, as will the need for glass packaging. Long-term upward trends regularly experience slowdowns or even setbacks. We experienced this in the Czech Republic for example. In addition – and perhaps this is one of the reasons behind the financial crisis – individuals are really only interested in seeing opportunities. Risks tend to be overlooked or in extreme cases, even disregarded. Yet since we entered the Ukrainian market, we have always spoken openly about the risks involved.

Were there any other surprises in 2008? No, because we were not surprised by the easing in demand. We noticed at a relatively early stage that there would be a slowdown in some of our markets and were therefore prepared for it. However, it's hard to forecast how things will develop in the future.

How do you deal with that? Even though the cycles in our consumer-oriented business are slower and less extreme than those in the



automotive industry for example, I believe that even those markets that have remained stable so far will demand our full attention in 2009. We face the challenge of maintaining full production capacity at our plants. We must think ahead and plan for different scenarios, so that we are prepared to deal with any recessionary developments or massive declines that may lie ahead. The high cost of electricity, raw materials, packaging, and transport is already an issue. That is unlikely to change in the future. Thus, we must forward these increased costs – over which we have little or no influence – to our customers.

At the start of 2009 you launched a share buyback program. Why now? Vetropack Group has a solid balance sheet. Its equity ratio is greater than two thirds. Furthermore, relatively little investment is planned for the coming years. Moreover, the current market price also makes buying back shares attractive. Therefore, it is currently the optimal time.

Won't that mean that your hands are tied when it comes to possible acquisitions? Absolutely not, acquisitions continue to remain a possibility. The buyback program is limited to seven percent of traded bearer shares and is spread over 2 years. If necessary, the program can be cancelled at any time. As things currently stand, the main challenge we face in terms of a possible acquisition is not so much in finding

financing, but much more in finding an ideal company that perfectly fits and complements the Vetropack Group.

What do you mean by “compliment”? The Vetropack Group has worked hard over the last 10 to 15 years to establish a solid position. We are one of Europe's leading glass manufacturers. As a family run business that is listed on the stock exchange, our focus is on sustainability. Maximising short-term profitability is not what we are about. Our strategy, which is based on security and stability, is to generate long-term, healthy growth in unison with our markets. We are sticking to these values.

Isn't that a bit old-fashioned? Perhaps, but for us our values are not just principles that we follow, but also the driving force behind what we do. Both are important when it comes to mastering future challenges. That is exactly what we intend to do.

Impressions 2008



1st Quarter

- In January of every other year, the Swiss town of Martigny hosts “Agrovina”, an international exhibition for viticulture and oenology, arboriculture, as well as special nursery cultivation. Vetropack Ltd exhibits glass packaging of the highest level to the interested public. Trading house Müller + Krempel Ltd, which is part of the Vetropack Group, also has its own exhibit at this exposition.
- The Croatian city of Split hosts “Gast”, an annual exhibition for the food and beverage industry, as well as for hotel and gastronomy equipment. The fair has a reputation extending far beyond its national borders. Vetropack Straža d.d. exhibits a selection of its glass packaging range at this exposition.
- Vetropack Moravia Glass a.s.: The flint glass furnace is refurbished as part of its regular maintenance cycle after an operating period of 3,933 days, during which it melted 1,184,853 tons of glass. The work is successfully completed on 13th April 2008, and glass flows once again. As part of the refurbishment, the existing 8-station glass blowing machine is replaced with a new 10-station version.
- Statistical Retrospective – Glass Recycling for the Environment's Sake: Recycled glass is a valuable commodity for glass production. Vetropack Group has been actively involved in glass recycling for decades, as well as processing glass cullets for its own production. In 2007, glass recycling quotas reached 95% in Switzerland, 80% in Austria and 59% in Croatia. Recycling accounted for 34% in Slovakia, 50% in the Czech Republic and 23% in Ukraine.



2nd Quarter

- Every three years the city of Düsseldorf hosts the “Interpack” exhibition, one of the world's most important showcases for the packaging industry. Under its “Added Value” motto, the Vetropack Group demonstrates to visitors the importance of exclusive design, refinement and special colours. Glass packaging both reinforces and enhances a product's image and intrinsic values.
- Honesty, commitment and transparency have long formed the foundations of Vetropack's corporate culture. These qualities are also incorporated in the Group's new mandatory “Code of Conduct” introduced at all locations. Our good reputation is inextricably linked with the ethical and professional conduct of each and every employee.
- Vetropack Straža d.d.: The Croatian facility installs a glass-blowing machine with 12 stations. This is Vetropack Group's first 12-station IS-machine. The remaining large machines used in our production facilities in St-Prex (Switzerland), Pöchlarn (Austria) and Kyjov (Czech Republic) are tandem combinations. In mid-May, just a few weeks later, a new modern 230-ton furnace becomes operable. It provides an increased production capacity of 50 tons per day compared to its predecessor.
- Business Division West: This includes the Swiss Vetropack Ltd, Vetropack Austria GmbH, and Export West. This business division requires precise information regarding customer satisfaction; therefore, it commissions external specialists to conduct a survey. Results indicate a high level of customer satisfaction. Particular strengths include competence, just-in-time delivery, collaborative planning, customer support, professionalism and geographical proximity. The challenge for the future is maintaining this high level of customer satisfaction, and wherever possible to improving it.



3rd Quarter

- The “Prix Vetropack” is awarded annually to the best Swiss red wine producer of a major grape variety. The winner is chosen by a panel of experts at the International Wine Awards in Zurich (IWPZ). In 2008, Vetropack Ltd awards the prize to Sacha Pelossi from Ticino winery Azienda Vitivinicola Pelossi & Co. for his Merlot Riserva 2005 Agra – Collina d’Oro. In addition to a trophy, the winner is also awarded an individually developed bottle design, which will be produced if a defined minimum order is placed.
- Glass has been manufactured in the Southern Moravia town of Kyjov for the past 125 years. Vetropack Moravia Glass s.a. celebrates this important anniversary with an open house. With proactive support from the glassworks, the Kyjov local history museum organises a special exhibition that includes historical documents and samples of glass packaging.
- Members of “Pack 12” – a consortium of key players in the Swiss packaging industry representing branches such as plastics, cardboard, metal and glass – as well as another business delegation travelling under the auspices of the Swiss Embassy in Kiev, visit the facility at OJSC Vetropack Gostomel to find out more about Ukraine as a business location.
- Glass recycling in Switzerland is organised primarily by municipalities. While working in close collaboration with Vetroswiss, Vetro-Recycling Ltd invite 1,005 municipal employees from 409 Swiss municipalities to the St-Prex glassworks for a demonstration on how high quality glass packaging is manufactured from collected recycled glass.



4th Quarter

- At the annual “Brau Bevale” exposition in Nuremberg, the Vetropack Group displays its wide range of glass packaging products. In recent years this Bavarian exposition has become an international meeting point for the entire beverages industry, where the focus is not just on packaging, but also on areas such as raw materials, technology, logistics and marketing.
- “One Brand – One Quality”: OJSC Vetropack Gostomel successfully passes its recertification audit in accordance with EN ISO 9001:2000. This certified management system guarantees compliance with Vetropack's exacting quality standards, irrespective of location.
- The Croatian Chamber of Commerce and Business Council for Sustainable Development presents Vetropack Straža d.d. with an award for its responsible corporate behaviour. Jointly with six other businesses, the Straža glassworks is recognised as a leader in the field of corporate social responsibility.
- Vetropack Nemšová s.r.o. opens a state-of-the-art recycling facility on its premises. The new facility can produce up to 120,000 tons of glass cullets per annum for glass manufacturing. Glass can be melted down and repeatedly reformed without any detriment to quality. Moreover, using glass cullets reduces energy consumption and helps save resources.
- Market driven capacity expansion: As at the end of 2008, Vetropack Group's melting capacity totals 4,250 tons of glass per day in its 16 furnaces across seven locations.



Design needs glass. Stylish, harmonious, perfect. Glass allows creativity free reign and gives the right shape to every content – our experts help you combine beauty and pleasure. Get your product into shape too. Design needs glass – and glass needs Vetropack.

Company Reports

VETROPACK LTD (SWITZERLAND)

During the 2008 fiscal year, Vetropack Ltd generated revenues of CHF 111.5 million, representing an increase of 10.8% over the previous year. In total 586.4 million units of glass packaging were sold. This positive trend was due to increased business activities in both domestic and export markets.

Domestically the wine and beer segments achieved most notable and satisfactory results. Customer relationships were intensified, and several new products were successfully launched. In comparison to last year, the company succeeded in expanding its export business by continually innovating, attracting new customers, and strengthening its existing customer relationships. Exports accounted for 14.9% of total sales.

There were no production interruptions at the St-Prex facility during 2008. Therefore, the glass packaging output increased considerably. The outstanding commitment shown by all employees had a very positive impact on the efficiency and market performance of the operation.

At the end of the 2008 fiscal year Vetropack Ltd employed a workforce of 200 individuals (2007: 204).

Vetropack Switzerland	2008	2007	+/-	Sales by Market Segment (in unit terms)	2008	2007
<i>Sales in CHF millions</i>	111.5	100.6	10.8%	<i>Wine/spirits</i>	34.0%	31.3%
<i>Unit sales in millions</i>	586.4	582.2	0.7%	<i>Beer/mineral water/carbonated beverages/juice</i>	49.6%	51.6%
<i>Exports in unit terms</i>	14.9%	14.2%	-	<i>Food/dairy</i>	16.4%	17.1%
<i>Production in tons</i>	108 835	103 568	5.1%			

VETROPACK AUSTRIA GMBH (AUSTRIA)

In 2008 Vetropack Austria GmbH generated revenues of EUR 156.5 million, representing an increase of 11.1% over the already very high level achieved in the previous year. Unit sales rose to 1,402.9 million.

The growth in sales and revenues was attributable to positive domestic and international business developments. The demand for glass packaging in the European market remained strong. Domestically the wine segment developed very positively. Moreover, other areas such as non-returnable beer bottles and vegetable jars also grew. In the export markets, increases were achieved across almost all segments, as well as all customer groups. Exports accounted for 30.2% of total sales.

Both Austrian facilities in Pöchlarn and Kremsmünster underwent production line refurbishments, as well as ongoing improvements in quality assurance equipment.

At the end of the 2008 fiscal year Vetropack Austria GmbH employed a workforce of 621 individuals (2007: 606).

Vetropack Austria	2008	2007	+/-	Sales by Market Segment (in unit terms)	2008	2007
Sales in EUR millions	156.5	140.9	11.1%	Wine/spirits	19.3%	19.3%
Unit sales in millions	1 402.9	1 360.3	3.1%	Beer/mineral water/carbonated beverages/juice	50.2%	51.2%
Exports in unit terms	30.2%	32.5%	-	Food/dairy	30.5%	29.5%
Production in tons	343 359	337 518	1.7%			
1 EUR = CHF	1.587	1.643				

VETROPACK MORAVIA GLASS A.S. (CZECH REPUBLIC)

Vetropack Moravia Glass a.s. generated revenues of CZK 2142.5 million, representing a decrease of 4.6% over the previous year. The total number of glass packaging units sold equalled 851.5 million.

The food segment remained essentially at the previous year's level. The wine and spirits segments achieved a unit sales growth of 17.3%, whereas the beer segment showed a decline, particularly in its export markets. The latter was primarily due to the strength of the Czech koruna against the euro. Nevertheless, the ratio of exports in relation to total sales remained virtually constant at 41.3%.

The flint glass furnace was refurbished during the year under review. Once again, Vetropack Moravia Glass a.s. succeeded in improving its production performance. Focal points included improving furnace capacity utilisation, as well as designing a program that increases production speed and efficiency. Implementation of these measures had a positive impact on production costs, as they helped to reduce both energy consumption and raw material expenditure.

At the end of the 2008 fiscal year Vetropack Moravia Glass a.s. employed a workforce of 440 individuals (2007: 428).

Vetropack Moravia Glass	2008	2007	+/-	Sales by Market Segment (in unit terms)	2008	2007
Sales in CZK millions	2 142.5	2 246.0	- 4.6%	Wine/spirits	16.1%	12.1%
Unit sales in millions	851.5	897.2	- 5.1%	Beer/mineral water/carbonated beverages/juice	45.2%	47.4%
Exports in unit terms	41.3%	42.1%	-	Food/dairy	38.7%	40.5%
Production in tons	196 508	201 042	- 2.3%			
100 CZK = CHF	6.366	5.923				



Vitamins need glass. Impermeable, neutral, inoffensive. Glass protects vitamins, flavouring and colour. Even after a long time in storage, the contents retain their original quality. Lock your products in a freshness vault. Vitamins need glass – and glass needs Vetropack.

VETROPACK NEMŠOVÁ S.R.O. (SLOVAKIA)

During the year under review Vetropack Nemšová s.r.o. generated revenues of SKK 1,754.7 million, representing an increase of 8.2% over the previous year. The new 10-station IS glass blowing machine, which is linked to the green-glass furnace, was set into operation in May 2008, thus helping to increase production capacity even further. Unit sales of glass containers reached 469.4 million.

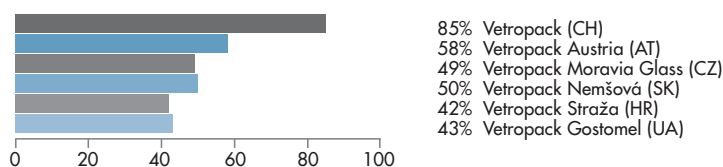
Domestic demand rose considerably in the wine and spirits segments. This rise was attributed to the close collaboration between several customers and the glassworks regarding their new product launches. Unit sales in both segments clearly exceeded the levels reached in the previous year. Concurrently, however, the introduction of deposit beer bottles led to a marked decline in domestic demand in this segment. Unit sales in the food segment remained stable at the previous year's level. Overall, the company further strengthened its position in the domestic market. Exports accounted for 41.7% of total sales.

With its two modern energy-efficient glass furnaces, and newly constructed warehouse, Vetropack Nemšová s.r.o. meets all the criteria for continued market success. Another positive factor is the new state-of-the-art recycling facility which can annually prepare up to 120,000 tons of glass cullets for glass production.

At the end of the 2008 fiscal year Vetropack Nemšová s.r.o. employed a workforce of 369 individuals (2007: 366).

Vetropack Nemšová	2008	2007	+/-	Sales by Market Segment (in unit terms)	2008	2007
Sales in SKK millions	1 754.7	1 621.8	8.2%	Wine/spirits	38.9%	35.0%
Unit sales in millions	469.4	454.8	3.2%	Beer/mineral water/carbonated beverages/juice	22.5%	26.4%
Exports in unit terms	41.7%	38.0%	-	Food/dairy	38.6%	38.6%
Production in tons	145 301	136 080	6.8%			
100 SKK = CHF	5.081	4.864				

Vetropack-Group: Cullet Ratio for Glass Production by Group Company



VETROPACK STRAŽA D.D. (CROATIA)

The revenues generated by Vetropack Straža d.d. amounted to HRK 702.0 million, representing an increase of 4.7% over the previous year. At 972.0 million, unit sales were 1.1% greater than the previous year.

During the year under review, high levels of demand, coupled with a shortfall in production associated with the construction of a new green-glass furnace, lead to the importation of 126.0 million units of glass packaging. Goods were imported from manufacturers both inside and outside Vetropack Group. With bottle park exchanges playing a significant role in the beer segment, the domestic market developed broadly in line with the previous year. Exports accounted for 56.1% of total sales, whereby 89.2% of exported goods were delivered to the countries of former Yugoslavia.

Moreover, construction of a new furnace resulted in increasing the facility's melting capacity from 180 to 230 tons per day. Further capacity increases were achieved by replacing a machine linked to the flint glass furnace. Two new warehouses with a combined area of 7,200 m² were also constructed.

At the end of the 2008 fiscal year Vetropack Straža d.d. employed a workforce of 594 individuals (2007: 584).

Vetropack Straža	2008	2007	+/-	Sales by Market Segment (in unit terms)	2008	2007
<i>Sales in HRK millions</i>	702.0	670.6	4.7%	<i>Wine/spirits</i>	15.8%	15.1%
<i>Unit sales in millions</i>	972.0	961.1	1.1%	<i>Beer/mineral water/carbonated beverages/juice</i>	73.0%	73.7%
<i>Exports in unit terms</i>	56.1%	55.8%	-	<i>Food/dairy</i>	11.2%	11.2%
<i>Production in tons</i>	227 749	223 354	2.0%			
<i>100 HRK = CHF</i>	21.974	22.390				



Wine needs glass. Emotional, durable, elegant. Wine is a promise – glass packaging keeps this promise for the nose, the palate, the eyes and the heart. Turn your wine into a total work of art. Wine needs glass – and glass needs Vetropack.

OJSC VETROPACK GOSTOMEL (UKRAINE)

OJSC Vetropack Gostomel generated revenues of UAH 415.2 million, thereby exceeding the previous year's figure by 35.6%. In total 582.3 million units of glass packaging were sold. Unit sales were almost exclusively conducted domestically. Exports accounted for merely 5.0% of total sales.

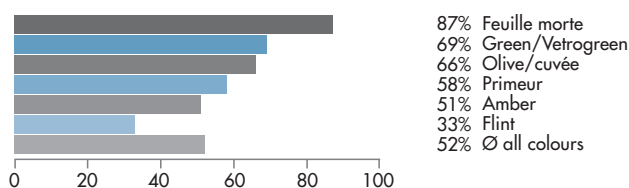
The first six months of the fiscal year were characterised by very high levels of domestic demand, which could only be met through drastic reductions in inventory. The second half of the year saw a fall in demand, as the recession triggered by the global financial crisis had a particularly hard impact on the country. All production facilities operated at full capacity in 2008. Economic trends during the second half of the year enabled the replenishment of inventories back to normal industry levels. In addition to the primary beer and spirits segments, the Ukrainian facility also established itself as a sought-after supplier of high-quality champagne styled bottles. Furthermore, it benefited from consolidations within the Ukrainian beverages industry, as well as from some of Vetropack's multinational customers expanding into Ukraine.

OJSC Vetropack Gostomel financed its expansion with US dollar denominated bank loans. The collapse of the hryvnia (UAH) against the USD led to losses that exceeded positive operational results.

At the end of the 2008 fiscal year OJSC Vetropack Gostomel employed a workforce of 743 individuals (2007: 826).

Vetropack Gostomel	2008	2007	+/-	Sales by Market Segment (in unit terms)	2008	2007
Sales in UAH millions	415.2	306.1	35.6%	Wine/Spirits	26.9%	21.1%
Unit sales in millions	582.3	571.8	1.8%	Beer/mineral water/carbonated beverages/juice	73.0%	73.1%
Exports in unit terms	5.0%	4.3%	-	Food/dairy	0.1%	5.8%
Production in tons	256 206	193 703	32.6%			
100 UAH = CHF	20.820	23.781				

Vetropack-Group: Cullet Ratio for Glass Production by Colours





Thirst quenchers need glass. Pristine, lovely, clear. Glass provides secure packaging for sparkling drinks. Drinks stay fresh, stable and fizzy. Protect your product with a taste barrier. Thirst quenchers need glass – and glass needs Vetropack.

MÜLLER + KREMPPEL LTD

The Bulach based trading house Müller + Krempel Ltd generated revenues of CHF 13.3 million during the 2008 fiscal year. Segmental breakdown is as follows: Retail trade 45.9%, glass packaging for the food and beverage industry 24.1%, glass and plastic packaging for the pharmaceutical and cosmetics industries 30.0%.

The satisfying overall results were attributed to positive trends in two business segments in particular, namely retail trade, as well as pharmaceuticals and cosmetics. Sales of glass packaging to the food and beverage industry fell short of the results achieved last year, due to delivery bottlenecks of certain external glass manufacturers. The company pressed ahead with its targeted expansion of new customer-oriented services. This involved, among other things, revising online catalogues, and designing an online shop, the latter is scheduled for implementation during the 2009 fiscal year.

At the end of the 2008 fiscal year Müller + Krempel Ltd employed 14 individuals (2007: 14).

<i>Müller + Krempel</i>	Revenue by Market Segment	2008	2007
	<i>Retail Trade</i>	45.9%	36.9%
	<i>Food & Beverage</i>	24.1%	32.6%
	<i>Pharmaceutical & Cosmetics</i>	30.0%	30.5%

VETROCONSULT LTD

Vetroconsult Ltd comprises three divisions, Technology, IT, and Consultancy. Technology and IT services are provided exclusively to Group companies, whereas consultancy services are also provided to third parties. The company's headquarters are situated in Bulach, and its consultancy services for Eastern Europe are based at Vetropack Moravia Glass a.s. in the Czech Republic.

Major activities carried out by the Technology division included the repair of a flint-glass furnace at the Czech production facility in Kyjov, as well as the design, construction and commissioning of a coloured-glass furnace at Vetropack Straža d.d. in Croatia. The construction of a new state-of-the-art recycling facility at Vetropack Nemšová s.r.o. in Slovakia enables it to significantly improve the



Nature needs glass. Sustainable, clean, environmentally friendly. Glass protects nature, because it is recycled after usage, and returnable bottles are brought back into circulation – a cycle without any loss of quality. You too can package your product naturally. Nature needs glass – and glass needs Vetropack.

quality of processed cullets, whilst simultaneously increasing its processing capacity. Within the IT division, focus was geared towards supporting the IT infrastructure across the Group.

At the end of the 2008 fiscal year Vetroconsult Ltd employed 28 individuals (2007: 24).

Vetroconsult	Revenue by Market Segment	2008	2007
	<i>Technical</i>	46.6%	41.9%
	<i>IT</i>	48.2%	45.9%
	<i>Consultancy</i>	5.2%	12.2%

VETRO-RECYCLING LTD

Thanks to its efficient collection system, Vetro-Recycling Ltd ensured that the Swiss glass industry was securely supplied with recycled glass. It also supported the work carried out by various authorities and organisations within the realm of glass recycling.

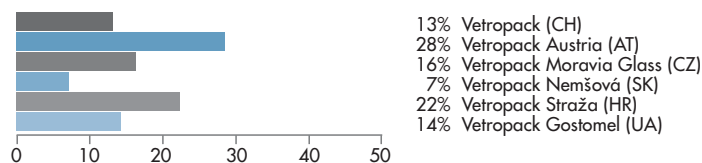
During the year under review, Vetro-Recycling Ltd sold 78.0% of its collected glass to the St-Prex facility (2007: 79.0%). The remaining 22.0% was either exported or used for other purposes (2007: 21.0%). The proportion of glass cullets utilised in domestic packaging production equalled 84.3% (2007: 82.2%).

At the end of the 2008 fiscal year Vetro-Recycling Ltd employed 4 individuals (2007: 5).

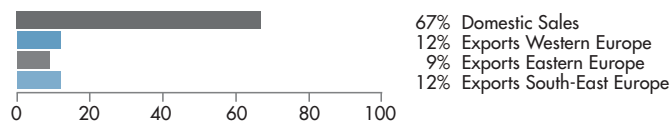
THE VETROPACK GROUP

Vetropack is one of Europe's leading manufacturers of container glass for the beverage and food industry with group management in Bulach (Switzerland). It produces in state-of-the-art production facilities in Switzerland, Austria, Czech Republic, Slovakia, Croatia and Ukraine. As a customer orientated company, Vetropack guarantees innovative packaging solutions, reliable product quality and just-in time deliveries. Tailor-made glass from Vetropack gives a basis for a successful market performance of our customer's products.

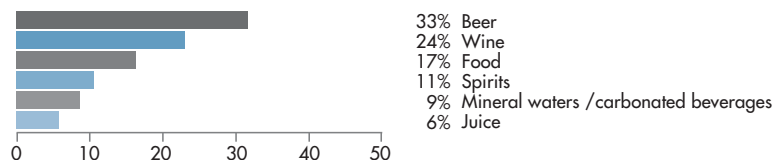
Sales by Group Company (total 4.27 billion units)



Sales by Markets (total 4.27 billion units)



Sales by Market Segments (total 1 223 846 tons)





Pick-me-ups need glass. Sealable, individual, useful. Glass is neutral and preserves the good taste and colour of the product, every day right down to the last drop. Simply open – help yourself – and reseal tightly. Pick-me-ups need glass – and glass needs Vetropack.

VETROPACK GROUP

Financial Reporting

CONSOLIDATED BALANCE SHEET

CHF millions	Notes	31.12.2008	31.12.2007
ASSETS			
Short-Term Assets			
Liquid assets		75.5	87.0
Marketable securities		1.5	9.1
Accounts receivables	1	109.7	115.5
Other short-term receivables		9.7	14.8
Inventories	2	122.5	106.7
Accruals		0.5	0.7
Sub Total Short-Term Assets		319.4	333.8
Long-Term Assets			
Tangible assets	3	465.2	510.0
Financial assets	4	15.6	14.7
Intangible assets	5	1.3	1.1
Sub Total Long-Term Assets		482.1	525.8
Total Assets		801.5	859.6
LIABILITIES			
Liabilities			
Short-term liabilities			
– Accounts payables		49.5	57.9
– Short-term financial liabilities	6	73.6	71.1
– Other short-term liabilities	7	18.6	18.2
– Deferrals	8	17.2	32.9
– Short-term provisions	9	10.9	10.7
Long-term liabilities			
– Long-term financial liabilities	10	65.5	122.4
– Other long-term liabilities		0.0	0.2
– Long-term provisions	11	34.2	32.2
Sub Total Liabilities		269.5	345.6
Shareholders' Equity			
Share capital	12	21.4	21.4
Capital reserves		6.5	6.5
Retained earnings		425.2	376.0
Consolidated annual profit		78.5	100.9
Sub Total Shareholders' Equity excl. Minorities		531.6	504.8
Minority interests	13	0.4	9.2
Sub Total Shareholders' Equity		532.0	514.0
Total Liabilities		801.5	859.6

CONSOLIDATED INCOME STATEMENT

CHF millions	Notes	2008	2007
Gross Revenues	20	752.0	699.6
Redemptions and transport costs	21	- 54.2	- 47.3
Net Revenues		697.8	652.3
Changes in inventories		23.7	3.7
Other operating income	22	14.2	18.4
Income		735.7	674.4
Raw materials and supplies costs	23	- 140.8	- 121.5
Energy costs		- 134.8	- 100.1
Personnel expenses	24	- 139.7	- 136.8
Other operating expenses	25	- 128.9	- 128.0
Depreciation of tangible assets		- 62.2	- 55.6
Amortisation of intangible assets		- 0.4	- 0.4
EBIT (Earnings Before Interest and Tax)		128.9	132.0
Financial results	26	- 42.2	- 5.8
Earnings After Interest		86.7	126.2
Non-operating results	27	1.9	- 1.6
Consolidated Profit Before Tax		88.6	124.6
Tax	28	- 18.0	- 23.5
Consolidated Annual Profit Before Minority Interests		70.6	101.1
Minority interest from Group Companies		7.9	- 0.2
Consolidated Annual Profit		78.5	100.9

CONSOLIDATED CASH FLOW STATEMENT

CHF millions	Notes	2008	2007
Cash Flow from Operating Activities			
		70.6	101.1
+ Asset depreciation		69.5	56.0
+/- Loss/gain from applying/removing impairments		- 0.1	2.1
+/- Loss/gain from applying the equity method		- 0.2	- 0.1
+/- Increase/decrease in provisions		3.1	- 1.7
+/- Loss/gain from disposals of tangible assets		- 11.7	- 0.8
+/- Other changes in non-cash items		18.8	- 0.6
= Cash Flow		150.0	156.0
+/- Decrease/increase in accounts receivables		3.1	- 8.6
+/- Decrease/increase in inventories		- 6.5	- 7.3
+/- Decrease/increase in other receivables and accruals		5.2	- 9.5
+/- Increase/decrease in accounts payable		- 3.4	1.5
+/- Increase/decrease in other short-term liabilities and deferrals		- 6.4	13.8
= Cash Flow from Operating Activities		142.0	145.9
Cash Flow from Investment Activities			
- Cash-out for investments in tangible assets	29	- 96.6	- 86.9
+ Cash-in from sales of tangible assets		17.3	1.9
- Cash-out for investments in financial assets		0.0	- 1.2
- Cash-out for acquisitions of consolidated companies		0.0	0.0
+ Cash-in from sales of financial investments		0.4	2.6
- Cash-out for investments in intangible assets		- 0.6	- 0.4
= Cash Flow from Investment Activities		- 79.5	- 84.0

CHF millions	Notes	2008	2007
Cash Flow from Financial Activities			
+	Cash-in from minorities for capital increase	0.0	0.0
-	Cash-out for dividend distribution	- 15.0	- 6.8
+/-	Formation/repayment of short-term financial liabilities	- 42.9	3.8
+/-	Formation/repayment of long-term financial liabilities	- 1.9	- 15.8
=	Cash Flow from Financial Activities	- 59.8	- 18.8
	Foreign Exchange Differentials	- 14.2	5.0
	Changes in Liquid Assets	- 11.5	48.1
	Liquid assets as per 01.01.07	87.0	38.9
	Liquid assets as per 31.12.07	75.5	87.0
	Changes in Liquid Assets	- 11.5	48.1
	Cash-in from Interest	4.2	3.2
	Cash-in from financial investments	0.0	0.1
	Cash-out for Interest	- 8.4	- 8.4
	Cash-out for Income taxes	- 31.3	- 11.5

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

CHF millions	Share Capital	Capital Reserves (Agio)	Retained Earnings	Sub Total excl. Minority Share Interests	Minority Share Interests	Sub Total incl. Minority Share Interests
Shareholders' Equity as per 01.01.2007	21.4	6.5	371.2	399.1	9.7	408.8
Goodwill				0.0		0.0
Change in consolidation scope				0.0		0.0
Capital Increase				0.0		0.0
Annual Profit			100.9	100.9	0.2	101.1
FX Differentials			11.6	11.6	- 0.7	10.9
Dividends			- 6.8	- 6.8		- 6.8
Shareholders' Equity as per 31.12.2007	21.4	6.5	476.9	504.8	9.2	514.0
Annual Profit			78.5	78.5	- 7.9	70.6
FX Differentials			- 36.7	- 36.7	- 0.9	- 37.6
Dividends			- 15.0	- 15.0		- 15.0
Shareholders' Equity as per 31.12.2008	21.4	6.5	503.7	531.6	0.4	532.0

The legally non-distributable reserves of Vetropack Holding Ltd amount to CHF 4.3 million (2007: CHF 4.3 million).



Indulgence needs glass. High-class, sensuous, precious. Glass transmits joie de vivre and brings exclusivity and individuality to each and every product – through shape, colour and finish. You too can draw attention to your product. Indulgence needs glass – and glass needs Vetropack.

CONSOLIDATION PRINCIPLES

Basic Principles for Group Consolidation

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 the financial statements for the year, and are prepared in accordance with the applicable national laws of each of the companies concerned. They are then converted in accordance with internal Group valuation and formatting principles. The consolidated 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 the accounting prescriptions set out in the regulations for companies listed on the Swiss Stock Exchange. The new accounting standards, as defined in Swiss GAAP ARR 2007, have been applied for the annual financial statements as per 31.12.2008. The regulations are applied in full.

The consolidated financial statements were approved by the Board of Directors during its meeting on 17th March 2009.

Consolidation Scope

The 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, the "Full Consolidation Method" is applied, i.e. assets, liabilities, expenses and incomes of the 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 the Group accounts, and are carried out according to the "Equity Method". The Group's percentage share of the net assets is reported in the balance sheet under Financial Assets. The 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 the companies within the Vetropack Group and the methods used to consolidate them into the Group financial statements is found on page 51.

Capital Consolidation

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

Foreign Currency Conversions

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

- The balance sheet figures are converted according to the exchange rate valid at year end.
- The income statement figures are converted according to the average annual exchange rate.
- The cash flow statement figures are converted 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	
	2008	2007	2008	2007
EUR	1.58700	1.64280	1.48880	1.65871
CZK	0.06366	0.05923	0.05515	0.06218
HRK	0.21974	0.22390	0.20362	0.22663
SKK	0.05081	0.04864	0.04967	0.04943
UAH	0.20820	0.23781	0.13784	0.22379

VALUATION PRINCIPLES

The financial statements for the individual companies are consolidated into the Group's financial statements and valued in accordance with principles that are uniform 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% – 15%) are applied to the other risks.

<i>Inventories</i>	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 in 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.										
<i>Tangible Assets</i>	<p>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:</p> <table border="0"> <tr> <td style="padding-left: 20px;">– Buildings</td> <td style="padding-left: 40px;">15 – 50 years</td> </tr> <tr> <td style="padding-left: 20px;">– Production facilities</td> <td style="padding-left: 40px;">10 – 20 years</td> </tr> <tr> <td style="padding-left: 20px;">– Machinery and furnaces</td> <td style="padding-left: 40px;">5 – 16 years</td> </tr> <tr> <td style="padding-left: 20px;">– Vehicles</td> <td style="padding-left: 40px;">5 – 7 years</td> </tr> <tr> <td style="padding-left: 20px;">– Office and other equipment</td> <td style="padding-left: 40px;">5 – 10 years</td> </tr> </table> <p>Assets of insubstantial value are directly expensed in the income statement upon acquisition. Intermediate profits arising from intra-Group asset transfers are eliminated.</p>	– 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
– 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										
<i>Leasing</i>	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 the cash value is applied if 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.										
<i>Financial Assets</i>	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.										
<i>Intangible Assets</i>	<p>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.</p> <table border="0"> <tr> <td style="padding-left: 20px;">– Licences, patents, brands</td> <td style="padding-left: 40px;">5 years</td> </tr> <tr> <td style="padding-left: 20px;">– Software</td> <td style="padding-left: 40px;">3 – 5 years</td> </tr> <tr> <td style="padding-left: 20px;">– Other intangible assets</td> <td style="padding-left: 40px;">5 years</td> </tr> </table> <p>Assets of insubstantial value are directly expensed in the income statement upon acquisition.</p>	– Licences, patents, brands	5 years	– Software	3 – 5 years	– Other intangible assets	5 years				
– Licences, patents, brands	5 years										
– Software	3 – 5 years										
– Other intangible assets	5 years										
<i>Asset Impairment</i>	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.										

<i>Liabilities</i>	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.
<i>Provisions</i>	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.
<i>Taxes</i>	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. If there are changes to the relevant tax rates, deferred taxes are adjusted accordingly.
<i>Derivative Financial Instruments</i>	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.



Spices need glass. Sound, practical, harmonious. That certain something comes out of the glass. Unmistakeably aromatic and apportionable in exact quantities. So that the culinary voyage of discovery doesn't end in a shipwreck. We produce the glass for your recipe for success. Spices need glass – and glass needs Vetropack.

NOTES

All figures are in millions of Swiss francs unless otherwise indicated.

<i>1. Accounts Receivables</i>	CHF millions	31.12.2008	31.12.2007
	Gross receivables	125.0	132.5
	Value adjustments	- 15.3	- 17.0
	Net receivables	109.7	115.5
<i>2. Inventories</i>	CHF millions	31.12.2008	31.12.2007
	Raw materials	13.1	9.7
	Materials and supplies	26.9	32.4
	Work-in-progress	0.9	0.9
	Finished goods, merchandise	100.4	84.5
	Advance payments	0.4	0.5
	Value adjustments	- 19.2	- 21.3
	Total	122.5	106.7

3. 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 01.01.2008	100.5	293.4	771.8	41.8	25.7	1 233.2
Additions		13.2	69.0	2.2	12.2	96.6
Disposals	- 11.7	- 2.9	- 32.0	- 1.8		- 48.4
Reclassifications		5.4	13.5	0.2	- 19.3	- 0.2
Foreign currency conversions	- 0.4	- 31.9	- 93.8	- 3.5	- 2.3	- 131.9
As per 31.12.2008	88.4	277.2	728.5	38.9	16.3	1 149.3
Accumulated Depreciation						
As per 01.01.2008	69.1	155.8	463.9	34.4	0.0	723.2
Depreciations 2008	6.8	10.1	48.1	3.0		68.0
Disposals	- 7.2	- 2.2	- 30.9	- 1.6		- 41.9
Reclassifications		0.2		- 0.2		0.0
Asset impairments						0.0
Foreign currency conversions		- 14.5	- 48.0	- 2.7		- 65.2
As per 31.12.2008	68.7	149.4	433.1	32.9	0.0	684.1
Book Value						
As per 01.01.2008	31.4	137.6	307.9	7.4	25.7	510.0
As per 31.12.2008	19.7	127.8	* 295.4	6.0	16.3	**465.2

* This includes financial leases of CHF 0.4 million (2007: CHF 0.8 million).

** This includes vacant real estate plots valued at CHF 4.9 million (2007: CHF 5.1 million).

As per 31.12.2008 payments on assets under construction amount to CHF 0.9 million (2007: CHF 7.9 million). Consistent implementation of legal requirements for the classifications of accounts resulted in certain tangible assets being reclassified as intangible assets.

4. Financial Assets

CHF millions	Notes	31.12.2008	31.12.2007
Employer's contribution reserves	19	10.3	8.7
Assets from pension funds	19	1.3	1.3
Deferred taxes		1.9	2.1
Marketable securities		0.8	1.2
Participations in associated companies		0.9	0.9
Other financial investments		0.4	0.5
Total		15.6	14.7

5. Intangible Assets

CHF millions	Licences	Patents	Brands	Software	Other Intangible Assets	Total
Acquisition Value						
As per 01.01.2008	0.0	0.0	0.0	4.4	1.5	5.9
Additions				0.6		0.6
Reclassifications				0.2		0.2
Foreign currency conversions				-0.2	-0.2	-0.4
As per 31.12.2008	0.0	0.0	0.0	5.0	1.3	6.3
Accumulated Amortisation						
As per 01.01.2008	0.0	0.0	0.0	3.4	1.4	4.8
Amortisations 2008				0.4		0.4
Reclassifications						0.0
Asset impairments						0.0
Foreign currency conversions				-0.1	-0.1	-0.2
As per 31.12.2008	0.0	0.0	0.0	3.7	1.3	5.0
Book Value						
As per 01.01.2008	0.0	0.0	0.0	1.0	0.1	1.1
As per 31.12.2008	0.0	0.0	0.0	1.3	0.0	1.3

No internally generated intangible assets were reported in the balance sheet.

The effects of theoretically adding goodwill to the balance sheet as per 31.12.2008, and amortising it over a period of 5 years would produce shareholders' equity of CHF 549.0 million (2007: CHF 538.7 million), and an annual profit of CHF 70.6 million (2007: CHF 93.1 million).

6. Short-Term Financial Liabilities	CHF millions	31.12.2008	31.12.2007
	Credits and loans	73.4	70.8
	Short-term leasing	0.2	0.3
	Total	73.6	71.1

7. Other Short-Term Liabilities	CHF millions	31.12.2008	31.12.2007
	Prepaid recycling fees	6.2	6.0
	Advance payments	1.1	1.1
	Other short-term liabilities	11.3	11.1
Total	18.6	18.2	

8. Deferrals	CHF millions	31.12.2008	31.12.2007
	Ongoing income taxes	0.8	17.1
	Unclaimed vacations and overtime compensations	4.6	6.2
	Other deferrals	11.8	9.6
Total	17.2	32.9	

9. Short-Term Provisions	CHF millions	Service Anniversaries	Redevelop- ment of Bulach Site	Legal Proceedings	Guarantee/ Warranty	Other	Total
	As per 01.01.2008	0.4	2.8	0.4	1.4	5.7	10.7
	Reclassifications						0.0
	Formations	0.1	2.2	0.6	1.7	1.2	5.8
	Liquidations					- 2.8	- 2.8
	Utilisations	- 0.1	- 0.2	- 0.1	- 1.3	- 0.8	- 2.5
	Foreign currency conversions				- 0.2	- 0.1	- 0.3
	As per 31.12.2008	0.4	4.8	0.9	1.6	3.2	10.9

Redevelopment of the Bulach site: During the year under review, the provision for completely demolishing buildings and disposing contaminated materials was increased by CHF 2.2 million. These activities will be completed during the 3rd quarter of 2009.

10. Long-Term
Liabilities

CHF millions	31.12.2008	31.12.2007
Credits and loans	65.2	121.7
Long-term leasing	0.3	0.7
Total	65.5	122.4

These are due for repayment as follows:

CHF millions	31.12.2008	31.12.2007
Residual period		
– 1 to 2 years	39.1	74.0
– 3 to 5 years	26.0	30.0
– > 5 years	0.4	18.4
Total	65.5	122.4

The credits are bound to the financial covenants of their loan agreements.

11. Long Term
Provisions

CHF millions	Deferred Taxes	Service Anniversaries	Pensions	Other	Total
As per 01.01.2008	12.7	5.2	12.5	1.8	32.2
Reclassifications					0.0
Formations	6.6	0.3	1.6	0.1	8.6
Liquidations	– 2.9			– 0.1	– 3.0
Utilisations		– 0.1	– 0.4	– 0.2	– 0.7
Foreign currency conversions	– 0.6	– 0.5	– 1.7	– 0.1	– 2.9
As per 31.12.2008	15.8	4.9	12.0	1.5	34.2

Deferred Taxes: As per fiscal year end losses carried forward amounted to a total of CHF 31.9 million (2007: CHF 29.0 million). The calculation of active deferred taxes includes losses carried forward in the sum of CHF 8.0 million (2007: CHF 3.6 million). This can be offset against tax. The calculation of deferred taxes is based on country-specific tax rates ranging from 3.8% to 25.0% (2007: 3.8% to 25.0%).

Service Anniversaries: As set out in the employment regulations, the provisions are made for employee service anniversaries containing remuneration for long-term service to the company. These provisions are reduced by applying a country-specific correction factor for fluctuation, and discounted at the discount rate for the country in question as per the balance sheet date.

Pension-Related Liabilities: Refer to Note 19.

12. Share Capital

CHF millions	Issued	31.12.2008	31.12.2007
Bearer shares, CHF 50 nominal value	251 438	12.6	12.6
Registered shares, CHF 10 nominal value	880 000	8.8	8.8
Total Share Capital		21.4	21.4

The bearer shares (Security 622 761) are listed on the SIX Swiss Stock Exchange (Local Caps) with a year end closing price of CHF 1,250 their total capitalisation equalled CHF 534.3 million (2007: CHF 2,080 and 889.1 million respectively). Each registered and bearer share holds a voting right.

Major shareholders with > 3% of voting rights	31.12.2008	31.12.2007
Cornaz AG-Holding	61.8%	61.1%
Paul-Henri Cornaz	5.4%	5.4%
Elisabeth Leon-Cornaz	5.0%	5.0%
Claude Maurice Cornaz	4.5%	4.5%

13. Minority Interest

The proportion of shareholders' equity held by minority shareholders of OJSC Vetropack Gostomel is 24.9% (2007: 24.9%).

14. Fire Insurance

Tangible assets are insured at their replacement value as follows:

CHF millions	31.12.2008	31.12.2007
Buildings	506.1	532.2
Furnaces, machinery and equipment, vehicles and furniture	1 009.5	1 129.3
Total	1 515.6	1 661.5

The main reduction is due to currency effects.

15. Off Balance Sheet Transactions

CHF millions	31.12.2008	31.12.2007
Recourse from drafts	6.5	6.1
Off balance sheet leasing	0.5	0.8
Other off balance sheet liabilities	3.3	2.5
Total	10.3	9.4

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	31.12.2008	31.12.2007
Maturity		
– 1 to 2 years	0.2	0.6
– 3 to 5 years	0.3	0.2
– > 5 years	0.0	0.0
Total	0.5	0.8

16. Pledged Assets

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

CHF millions	31.12.2008	31.12.2007
Accounts receivables	12.5	17.0
Inventories	0.0	1.1
Marketable securities	1.6	1.3
Real estate	10.3	10.3
Total Pledged Assets	24.4	29.7

17. Derivative Financial Instruments

CHF millions	Purpose	31.12.2008	Purpose	31.12.2007
Interest Instruments				
Positive value		–	Hedging	–
Negative value		–		–
Currency Instruments				
Positive value		–		–
Negative value		–	Hedging	–
Shareholders' Equity Instruments				
Positive value	Other	0.0	Other	0.0
Negative value	Other	0.0	Other	0.0
Other Financial Instruments				
Positive value		–		–
Negative value	*Hedging	14.2		–

* The Hedging relates to energy supplies.

18. Transactions with
Closely Associated
Persons

CHF millions	31.12.2008	31.12.2007
Pension Funds		
Accounts receivables	0.2	0.0
Accounts payables	0.0	3.1
Interest expenses	- 0.2	- 0.1
Associated Companies		
Accounts receivables	0.1	0.0
Accounts payables	0.5	0.9
Service income	0.1	0.0
Equity income	0.2	0.1
Glass cullets purchasing expenses	- 6.2	- 6.3
Maintenance and repairs expenses	- 3.0	- 0.6
Other service expenses	- 0.3	- 0.5
Other Closely Associated Persons		
Accounts receivables	0.1	0.1
Accounts payables	0.2	1.1
Distribution income	0.1	0.1
Packaging material expenses	- 1.1	- 0.8
Distribution expenses	- 0.2	- 0.1
Service expenses	- 0.2	- 0.6
Interest expenses	0.0	- 0.1
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 which 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.

19. Pension Fund

Various pension schemes, based on the regulations of the respective countries, exist within the Group. 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

CHF millions	Company Sponsored Pension Funds
Nominal value 31.12.2008	13.9
Utilisation waiver 31.12.2008	0.0
Other value adjustments 31.12.2008	0.0
Discounting effects 31.12.2008	- 3.6
Book value 31.12.2008	10.3
Book value 31.12.2007	8.7
Changes 2008	1.6
Changes 2007	0.4

CHF millions	2008	2007
Key influential factors		
- Interest effect	1.6	0.4
- Utilisation	0.0	0.0
Total Change in Employer's Contribution Reserves	1.6	0.4

Assets and Liabilities from Pension Funds

CHF millions	Company Sponsored Pension Funds	Pension Funds with Excess Cover	Pension Funds without Own Assets	Total
Excess / deficiency cover 31.12.2008	- 0.1	- 5.0	0.0	- 5.1
Economic utilisation / liabilities				
31.12.2007	0.0	0.0	- 11.2	- 11.2
Economic utilisation / liabilities				
31.12.2008	0.0	0.0	- 10.6	- 10.6
Changes 2008	0.0	0.0	- 0.6	- 0.6
Pension fund contributions 2008	- 1.4	1.9	0.0	0.5
Pension expenses 2008	- 1.4	1.9	- 0.6	- 0.1
Pension expenses 2007	- 0.2	1.8	1.5	3.1

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

CHF millions	2008	2007
Key influential factors		
- Changes in employer's contribution reserves	- 1.6	- 0.4
- Changes in economic utilisation / liabilities	- 0.6	1.5
- Pension fund contributions	2.1	2.0
Total Pension Fund Expenses	- 0.1	3.1

20. Gross Revenues

Consolidated revenues increased 7.5% over the previous year. Currency differentials account for a decrease of 1.7%. Therefore real organic revenue growth amounts to 9.2%. Vetropack Group consists of three business areas: glass packaging, speciality pharmaceutical glass, and other areas.

Revenue Breakdown	Change			
	2008	2007	Current Year	Previous Year
CHF millions				
Glass Packaging				
- Switzerland	105.9	96.4	9.9%	17.7%
- Austria	220.5	208.0	6.0%	12.4%
- Czech Republic	113.9	112.2	1.5%	8.3%
- Croatia	149.7	145.1	3.2%	23.7%
- Slovakia	62.2	51.8	20.1%	12.1%
- Ukraine	85.6	72.5	18.1%	50.7%
Specialty & Pharmaceutical Glass	13.2	12.9	2.3%	12.2%
Other Areas	1.0	0.7	42.9%	- 30.0%
Total	752.0	699.6	7.5%	17.6%

21. <i>Redemptions and Transport Costs</i>	CHF millions	2008	2007
	Transport costs	43.2	43.7
	Discounts, deductions and commissions	6.2	5.1
	Change in value adjustments for accounts receivables	- 0.1	- 2.7
	Other redemptions	4.9	1.2
	Total	54.2	47.3

22. <i>Other Operating Income</i>	CHF millions	2008	2007
	Materials and energy sales	4.2	4.1
	Ancillary services	3.3	3.1
	Real estate management income	1.2	1.0
	Internally produced additions to plant and equipment	0.4	0.8
	Other income	5.1	9.4
	Total	14.2	18.4

23. <i>Cost of Raw Materials and Merchandise</i>	CHF millions	2008	2007
	Raw materials	120.0	99.7
	Merchandise	20.8	21.8
	Total	140.8	121.5

24. <i>Personnel Expenses</i>	CHF millions	2008	2007
	Wages and salaries	110.0	107.2
	Social benefits	25.0	25.5
	Other personnel expenses	4.7	4.1
	Total	139.7	136.8

	Employee Headcount		Change	
	31.12.2008	31.12.2007	Current Year	Previous Year
- Switzerland	285	285	0.0%	2.2%
- Austria	625	610	2.5%	- 1.1%
- Czech Republic	440	428	2.8%	- 0.2%
- Croatia	594	584	1.7%	0.7%
- Slovakia	369	366	0.8%	- 0.8%
- Ukraine	743	826	- 10.0%	- 4.3%
Total	3 056	3 099	- 1.4%	- 1.2%

25. Other Operating Expenses	CHF millions	2008	2007
	Maintenance and repairs	35.6	33.5
	Moulds	21.6	23.5
	Packaging material	34.0	33.8
	Other administrative and operating expenses	37.7	37.2
	Total	128.9	128.0

26. Financial Results	CHF millions	2008	2007
	Interest income	3.6	3.5
	Interest expenses	- 7.4	- 9.8
	Currency income	- 40.0 *	- 0.4
	Results from associated companies	0.2	0.1
	Other financial income	1.4	0.8
	Total	- 42.2	- 5.8

* The negative currency income is primarily the result of loans taken out by OJSC Vetropack Gostomel.

27. Non-Operating Results	CHF millions	2008	2007
	Non-operating property income	3.4	4.3
	Sale of non-operating property	9.2	0.1
	Non-operating property expenses	- 1.9	- 1.7
	Redevelopment of Bulach site provision formations	- 2.2	- 2.2
	Non-operating property depreciation / impairments	- 6.8	- 2.2
	Other non-operating income	0.2	0.1
	Total	1.9	- 1.6

28. Taxes	CHF millions	2008	2007
	Ongoing income taxes	14.8	22.5
	Deferred taxes	3.2	1.0
	Total	18.0	23.5

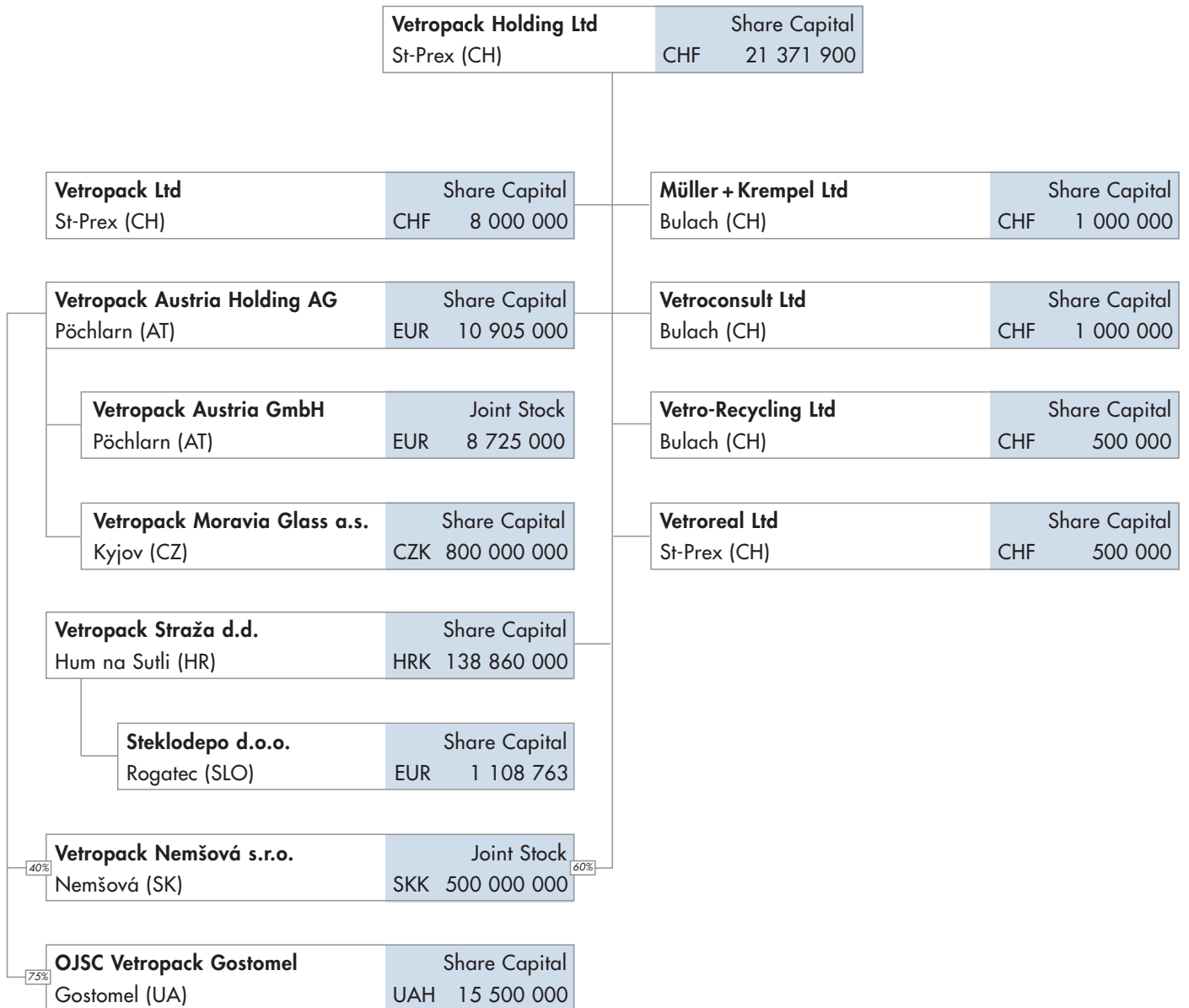
29. Investments	Investment Breakdown		
	CHF millions	2008	2007
	- Switzerland	5.2	2.9
	- Austria	9.6	6.3
	- Czech Republic	14.5	2.4
	- Croatia	44.4	14.4
	- Slovakia	17.5	1.6
	- Ukraine	1.9	59.3
	- Slovenia	3.5	0.0
	Total	96.6	86.9



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Diversity needs glass. Unrivalled, multi-faceted, timeless. Packaging trends and alternatives come and go. For centuries, glass has been at the centre of innovations. And yet has always remained glass. Your customers value this. Diversity needs glass – and glass needs Vetropack.

OWNERSHIP STRUCTURE



COMPANY PARTICIPATIONS

Company	Domicile	Currency	Share Capital	% Share	Consolidation	Owner
Switzerland						
Vetropack Holding Ltd	St-Prex	CHF	21 371 900		K	Public
Vetropack Ltd	St-Prex	CHF	8 000 000	100	K	VPH
Vetroconsult Ltd	Bulach	CHF	1 000 000	100	K	VPH
Vetropack (International) Ltd	Bulach	CHF	100 000	100	K	VPH
Müller + Krempel Ltd	Bulach	CHF	1 000 000	100	K	VPH
Vetro-Recycling Ltd	Bulach	CHF	500 000	100	K	VPH
Vetoreal Ltd	St-Prex	CHF	500 000	100	K	VPH
GVZ Glasverbund Zentralschweiz AG	Dagmersellen	CHF	140 000	25	E	RECY
Austria						
Vetropack Austria Holding AG	Pöchlarn	EUR	10 905 000	100	K	VPH
Vetropack Austria GmbH	Pöchlarn	EUR	8 725 000	100	K	VAH
Austria Glas Recycling Ges.m.b.H	Vienna	EUR	50 000	*50	E	VPA
Czech Republic						
Vetropack Moravia Glass, a.s.	Kyjov	CZK	800 000 000	100	K	VAH
Croatia						
Vetropack Straža d.d.	Hum na Sutli	HRK	138 860 000	100	K	VPH
Straža-Imo d.o.o.	Hum na Sutli	HRK	855 031	25.1	E	VST
Slovenia						
Steklodepo d.o.o.	Rogatec	EUR	** 1 108 763	100	K	VST
Slovakia						
Vetropack Nemšová, s.r.o.	Nemšová	SKK	500 000 000	60/40	K	VPH/VAH
Natur-Pack, a.s.	Bratislava	SKK	1 000 000	34	E	VPN
Ukraine						
OJSC Vetropack Gostomel	Gostomel	UAH	15 500 000	75.1	K	VAH

* During the year under review the Group's stake was increased from 44.5% to 50.0%.

** During the year under review the share capital was increased by EUR 1,100,000.

As per 31st December 2008

C = Fully consolidated companies
E = Equity method

VPH = Vetropack Holding Ltd
VAH = Vetropack Austria Holding AG
VPA = Vetropack Austria GmbH
VST = Vetropack Straža d.d.
VPN = Vetropack Nemšová s.r.o.
RECY = Vetro-Recycling Ltd

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the General Meeting of Vetropack Holding AG, St-Prex

As statutory auditor, we have audited the consolidated financial statements of Vetropack Holding AG, which comprise the balance sheet, income statement, cash flow statement, statement of changes in equity and notes for the year ended 31 December 2008 (published on pages 26 to 51).

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 2008 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.

Zurich, 17th March 2009, Ernst & Young Ltd

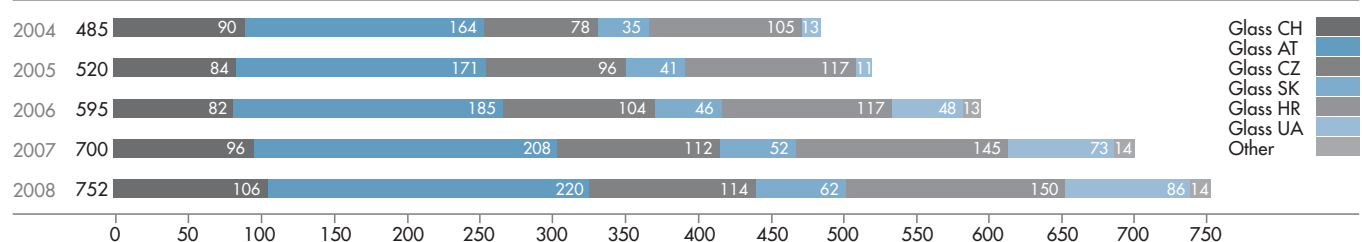
Markus Oppliger
Licensed audit expert
(Auditor in charge)

Christian Krämer
Licensed audit expert

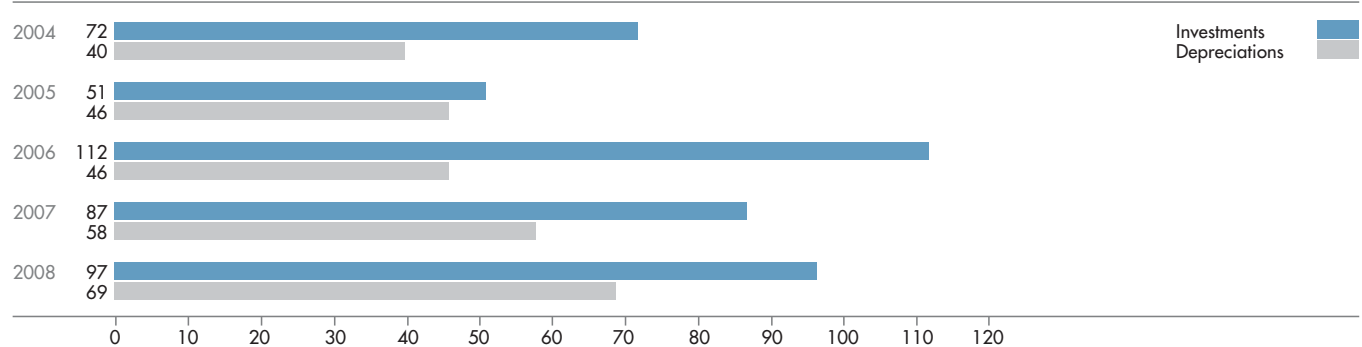
FIVE YEAR OVERVIEW

		2008	2007	2006	2005	2004
Consolidated Income Statement						
Revenues	CHF millions	752.0	699.6	594.7	519.8	485.4
Change from prior year	%	7.5	17.6	14.4	7.1	1.3
Number of employees	Positions	3 056	3 099	3 137	2 405	2 639
Revenues per employee	TCHF	246.0	226	190	216	184
Cash flow	CHF millions	150.0	156.0	97.2	97.2	84.7
Cash flow as % of gross revenues	%	19.9	22.3	16.3	18.7	17.5
Depreciation	CHF millions	69.0	57.7	46.3	45.8	40.3
Taxes	CHF millions	- 18.0	- 23.5	- 17.9	- 11.2	- 12.2
Net Profit	CHF millions	78.5	100.9	43.2	50.9	41.7
Consolidated Balance Sheet as per 31.12.2008						
Investments in tangible assets	CHF millions	96.6	86.9	112.4	50.7	72.2
Total assets	CHF millions	801.5	859.6	750.3	627.5	564.2
Short-term assets	CHF millions	319.4	333.8	257.9	263.6	215.9
Long-term assets	CHF millions	482.1	525.8	492.4	363.9	348.3
Liabilities	CHF millions	269.5	345.6	341.5	238.8	235.4
Shareholders' equity	CHF millions	532.0	514.0	408.8	388.7	328.5
Gearing ratio	%	66.4	59.8	54.5	61.9	58.2

Consolidated Revenues 2004 – 2008 in CHF millions



Investments and Depreciations 2004 – 2008 in CHF millions





Valuables need glass. Unsurpassed, unique, unlimited. Whatever is important and valuable to you, we package in glass. From sparkling wine and vintage brandy right through to mineral water; from exotic chutney and truffles right through to baby food. Valuables need glass – and glass needs Vetropack.

VETROPACK HOLDING LTD

Financial Reporting

BALANCE SHEET

CHF millions	Notes	31.12.2008	31.12.2007
ASSETS			
Short-Term Assets			
Liquid assets		22.5	6.3
Accounts receivables from Group companies	1	46.0	46.8
Other receivables	2	0.9	0.4
Sub Total Short-Term Assets		69.4	53.5
Long Term Assets			
Tangible assets		0.1	0.1
Participations	3	66.9	71.9
Loans to Group companies	1	60.1	27.9
Sub Total Long-Term Assets		127.1	99.9
Total Assets		196.5	153.4
LIABILITIES			
Liabilities			
Short-Term Liabilities			
– Short-term financial debt	4	0.0	10.0
– Accounts payable to third parties	5	3.4	3.1
– Accounts payable to Group companies	1	1.2	2.6
– Provisions		1.1	0.9
Medium and Long-Term Liabilities			
– Other liabilities	6	0.0	2.7
– Provisions		0.3	0.3
Sub Total Liabilities		6.0	19.6
Shareholders' Equity			
Share capital	7	21.4	21.4
General legal reserves		28.6	28.6
Free reserves		58.5	54.5
Profits			
– Retained earnings brought forward from prior year		10.3	11.7
– Annual profit		71.7	17.6
Sub Total Shareholders' Equity		190.5	133.8
Total Liabilities		196.5	153.4

INCOME STATEMENT

CHF millions	Notes	2008	2007
Income			
Dividends and other income from Group companies	8	90.6	34.3
Interest and financial income		7.4	4.6
Other income		1.6	0.6
Total Income		99.6	39.5
Expenses			
Personnel expenses	9	7.2	6.4
Interest and financial expenses		8.1	0.6
Provisions and depreciation	10	5.1	10.1
Other operating expenses		6.5	4.5
Income taxes		1.0	0.3
Total Expenses		27.9	21.9
Annual Profit		71.7	17.6

REMARKS CONCERNING CLOSING FIGURES

1. *Receivables and Liabilities amongst Group Companies* The changes in the current account and lending relationships reflect the current financial requirements of subsidiaries.

2. <i>Other Receivables</i>	CHF millions	31.12.2008	31.12.2007
	Reclaimable tax payments	0.45	0.16
	Accruals	0.14	0.09
	Other receivables	0.26	0.12
	Total	0.85	0.37

3. *Participations* The change is due to the revaluation of a shareholding. The composition of the share capital held directly or indirectly by Vetropack Holding Ltd is depicted in the summary on page 51.

4. *Financial Debt* Financial debt provides financing for the subsidiaries.

5. <i>Accounts Payable to third parties</i>	CHF millions	31.12.2008	31.12.2007
	Suppliers	1.23	0.87
	Shareholders' current account	0.00	0.04
	Deferrals	0.98	0.93
	Other liabilities	1.16	1.30
	Total	3.37	3.14

6. *Other Long-Term Liabilities* This position consists of liabilities towards company sponsored pension funds.

7. *Share Capital* Share capital remained unchanged during the year under review. Details concerning this position can be found in the "Notes" to the Consolidated Balance Sheet, Note 12, page 42.

8. *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. The growth in earnings is due to the revised dividend policy within the group.

9. *Personnel Expenses* As per 31.12.2008 Vetropack Holding Ltd employed 31 individuals (2007: 31).

10. *Provisions and Depreciation* This position contains value adjustments on receivables and participations by CHF 5.0 million (2007: CHF 10.0 million).

ADDITIONAL INFORMATION

11. *Fire Insurance Value* The value of fixed assets insured against fire equalled 1.6 million (2007: CHF 1.6 million).

12. *Contingent Liabilities* In order to guarantee bank credits made to foreign subsidiaries, letters of comfort in the amount of CHF 116.7 million were signed (2007: CHF 133.9 million).

13. *Risk Assessment* The risk assessment was carried out at Group level. For the definition of the principle of risk assessment please refer to page 66 in the Corporate Governance section.

14. *Disclosure in Accordance with Swiss Obligations Code 663 b bis* The process by which remuneration levels are defined is found in the Corporate Governance section on page 73.

BOARD OF DIRECTORS' (BOD) REMUNERATION

Only cash benefits were paid to members of the BoD in 2008. During the year under review, no shares, options, loans, additional fees and emoluments, severance payments nor remuneration of any other kind were disbursed neither to members of the BoD, former members of the BoD, nor persons closely associated with them.

2008 BoD Remuneration in CHF	Cash	Social Security Contributions	FAK / Administrative Costs	Total Social Security Contributions	Total
Hans R. Rüegg, Chairman	106 440	6 440	1 245	7 685	114 125
Richard Fritschi, Vice-Chairman	55 348	3 349	648	3 997	59 345
Claude R. Cornaz, CEO	47 393	2 393	554	2 947	50 340
Paul-Henri Cornaz, Board Member	46 499	1 499	347	1 846	48 345
Werner Degen, Board Member	46 499	1 499	347	1 846	48 345
Rudolf W. Fischer, Board Member	47 897	2 897	560	3 457	51 354
Jean-Philippe Rochat, Board Member	47 897	2 897	560	3 457	51 354
Total	397 973	20 974	4 261	25 235	423 208

2007 BoD Remuneration in CHF

Hans R. Rüegg, Chairman	106 449	6 439	1 267	7 706	114 155
Richard Fritschi, Vice-Chairman	55 348	3 348	659	4 007	59 355
Claude R. Cornaz, CEO	47 393	2 393	564	2 957	50 350
Paul-Henri Cornaz, Board Member	46 499	1 499	364	1 863	48 362
Werner Degen, Board Member	46 499	1 499	364	1 863	48 362
Rudolf W. Fischer, Board Member	47 897	2 897	570	3 467	51 364
Jean-Philippe Rochat, Board Member	47 897	2 897	570	3 467	51 364
Total	397 982	20 972	4 358	25 330	423 312

MANAGEMENT BOARD'S (MB) REMUNERATION

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

	Basic Salary	Bonus	Pension / Social Security Contributions	Payments in Kind	Total
2008 MB Remuneration in CHF					
Total for MB	2 227 656	1 346 748	633 413	62 015	4 269 832
Highest level of remuneration: Rudolf Schraml, Board Member Head of Business Area Switzerland/Austria					
	466 578	570 132	162 985	11 426	1 211 121
2007 MB Remuneration in CHF					
Total for MB	2 064 736	1 336 003	618 605	62 357	4 081 701
Highest level of remuneration: Rudolf Schraml, Board Member Head of Business Area Switzerland/Austria					
	443 326	459 559	155 253	11 828	1 069 966

15. Disclosure in
Accordance with
Swiss Obligations
Code 663c

The table below lists the number of shares held by members of the BoD and MB as per 31.12.2008. Shares held by closely associated persons are included in the total for the respective individual.

	2008 Registered shares (Voting Rights)		2008 Bearer shares (Voting Rights)		2007 Registered shares (Voting Rights)		2007 Bearer shares (Voting Rights)	
Hans R. Rüegg	0	(-)	60	(< 0.1 %)	0	(-)	40	(< 0.1 %)
Paul-Henri Cornaz	60 167	(5.36 %)	648	(< 0.1 %)	60 167	(5.36 %)	532	(< 0.1 %)
Werner Degen	0	(-)	30	(< 0.1 %)	0	(-)	10	(< 0.1 %)
Rudolf Fischer	0	(-)	10	(< 0.1 %)	0	(-)	10	(< 0.1 %)
Richard Fritschi	0	(-)	237	(< 0.1 %)	0	(-)	40	(< 0.1 %)
Jean-Philippe Rochat	0	(-)	10	(< 0.1 %)	0	(-)	10	(< 0.1 %)
Total	60 167	(5.36 %)	995	(< 0.1 %)	60 167	(5.36 %)	642	(< 0.1 %)
Claude R. Cornaz	1 381	(0.1 %)	215	(< 0.1 %)	1 381	(0.1 %)	215	(< 0.1 %)
David Zak	0	(-)	90	(< 0.1 %)	0	(-)	93	(< 0.1 %)
Günter Lubitz	0	(-)	75	(< 0.1 %)	0	(-)	48	(< 0.1 %)
Marcello Montisci	0	(-)	0	(-)	0	(-)	0	(-)
Rudolf Schraml	0	(-)	0	(-)	0	(-)	0	(-)
Dragutin Špiljak	0	(-)	0	(-)	0	(-)	0	(-)
Total	1 381	(0.1 %)	380	(< 0.1 %)	1 381	(0.1 %)	356	(< 0.1 %)

THE BOARD OF DIRECTORS' PROPOSAL FOR CORPORATE PROFIT APPROPRIATION

The Board of Directors proposes the following appropriation of profits to the general assembly of shareholders:

CHF millions	2008	2007
Retained earnings brought forward from prior year	10.3	11.7
Annual profit	71.7	17.6
Total profit at the disposal of the AGA	82.0	29.3
Dividend Distribution of 70%	15.0	15.0
Allocation to free reserves	30.0	4.0
Retained earnings	37.0	10.3

Acceptance of this proposal results in the following dividend payments:

CHF	Gross Dividend	35% Withholding Tax	Net Dividend
Bearer shares, CHF 50 nominal value	35.00	12.25	22.75
Registered shares, CHF 10 nominal value	7.00	2.45	4.55

The dividend payment is to be paid to registered shareholders on 20th May 2009 via the usual appointed paying agents. Payment to holders of bearer shares is to be made in exchange for coupon number 12 at the Swiss branch offices of the following banks:

Banque Cantonale Vaudoise
Credit Suisse
UBS
Zürcher Kantonalbank



Winners need glass. On your marks, get set, go! Glass packaging from Vetropack brings your product into the desired form and makes it stand out. A decisive head start that is well worth it. You too can lift your product on to the podium. Winners need glass – and glass needs Vetropack.

REPORT OF THE STATUTORY AUDITOR ON THE FINANCIAL STATEMENTS

To the General Meeting of Vetropack Holding Ltd, St-Prex

As statutory auditor, we have audited the accompanying financial statements of Vetropack Holding Ltd, which comprise the balance sheet, income statement and notes for the year ended 31 December 2008.

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 2008 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 (Art. 728 Code of Obligations (CO) and Art. 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.

Zurich, 17th March 2009, Ernst & Young Ltd

Markus Oppliger
Licensed audit expert
(Auditor in charge)

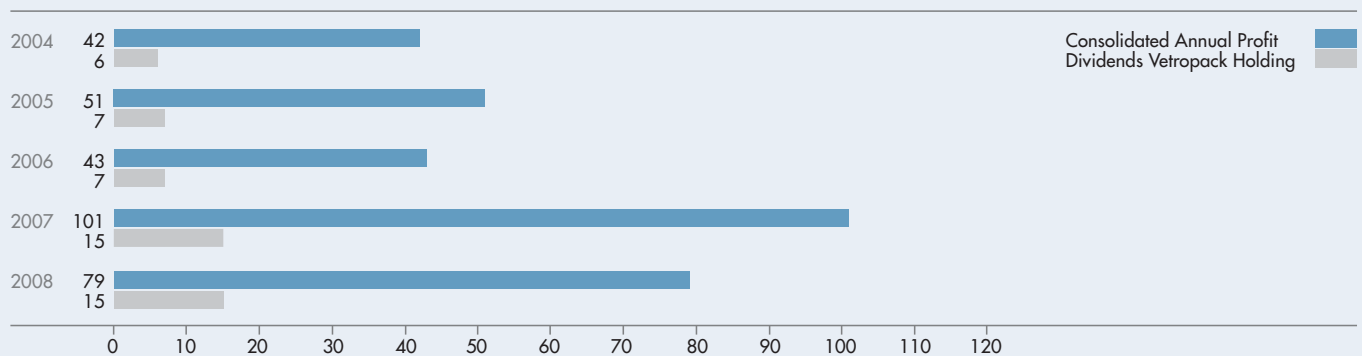
Christian Krämer
Licensed audit expert

FIVE YEAR OVERVIEW

	2008	2007	2006	2005	2004
Income Statement and Balance Sheet in CHF millions					
Dividends and other income from affiliated companies	90.6	34.3	26.6	23.9	22.4
Net profit	71.7	17.6	12.9	11.6	10.5
Total assets	196.5	153.4	153.1	139.3	135.2
Participations	66.9	71.9	73.4	78.8	82.6
Share capital	21.4	21.4	21.4	21.4	21.4
Shareholders' equity	190.5	133.8	123.0	116.9	111.3
Share Details in CHF					
Share prices					
– Bearer share high	2 710	2 439	1 475	979	760
– Bearer share low	1 180	1 350	866	742	461
Dividends					
– Bearer share *	35.00	35.00	16.00	16.00	14.00
– Registered share *	7.00	7.00	3.20	3.20	2.80
Distribution ratio in %	19.1	14.8	15.7	13.4	14.3

* Motion for the AGA on 13th May 2009

Consolidated Annual Profit and Dividends 2004 – 2008 in CHF millions





Jam needs glass. Appetising, decorative, handy. From the jar straight to your slice of toast, no other containers necessary. Glass packaging can adorn any table and is easy to handle for both large and small hands. You too can fulfil your customers' desires for convenience. Jam needs glass – and glass needs Vetropack.

VETROPACK HOLDING LTD

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 1st July 2002, resp. 1st January 2008.

Operational Group Structure

Refer to the illustration on page 78.

Group Companies

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

Capital Structure

For details of the share capital, refer to note 12 on page 42. 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%

	31.12.2008			31.12.2007		
	No. of Registered Shares	No. of Bearer Shares	Voiting Rights in %	No. of Registered Shares	No. of Bearer Shares	Voiting Rights in %
Cornaz Ltd-Holding Oberrieden	678 629	20 347	61.78	677 154	13 542	61.05
Paul-Henri Cornaz Luzern	60 167	648	5.38	60 167	532	5.36
Elisabeth Leon-Cornaz St-Prex	56 868		5.03	56 868		5.03
Claude Maurice Cornaz Les Monts de Corsier	50 722		4.48	50 722		4.48

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

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

Board of Directors (BoD)

Principles Underlying the Voting Procedure for Members of the Board of Directors and their Terms of Office. BoD members are elected by the Annual General Assembly of shareholders (AGA) for a period of three years. The BoD constitutes itself and elects from amongst its members a President, a Vice President and one or more Delegates. It also elects a Secretary, who need not be a BoD member.

BoD Duties. The BoD performs its duties as laid out in the Swiss Code of Obligations (CO) 716a items one to five. The BoD Chairman has the following additional main duties:

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

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

Working Methods. The BoD forms no committees. The BoD carries out its overall supervisory and monitoring role by receiving oral and written reports from the MB at four regular quarterly meetings, by consulting amongst its members, and by reaching decisions in relation to any motions raised. Extraordinary BoD meetings may be held as necessary. Meetings normally last at least four hours. The head auditor is invited to the March meeting to report on the audit and its results. Moreover, a two-day strategy meeting is held every year in August. Additionally, at least nine meetings involving exclusively the BoD Chairman, the CEO and the CFO are held every year to discuss operational topics, preparations for the ordinary meetings, as well as reports from Internal Audit. The BoD is regularly informed about the Group's commercial situation and planning via written Monthly, Quarterly, Semi-Annual and Annual Reports, as well as dossier planning at both company and Group levels (three year plans). Moreover, the BoD approves the appointment of an external company to support the Group's Internal Audit unit. Internal Audit is organised on the basis of specialist areas within the company and covers all of the glass-producing companies. The BoD delegates the implementation of any necessary measures to the MB and verifies that these have been implemented by means of periodic feedback via internal auditing.

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 drawing up 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.

Members of the Board of Directors (BoD)

	Position	Nationality	Appointed	Elected till
Hans R. Rüegg	Chairman, non-executive	CH	1993	May 2009
Richard Fritschi	Vice-Chairman, non-executive	CH	2005	May 2009
Claude R. Cornaz	Delegate, executive	CH	1998	May 2009
Paul-Henri Cornaz	Member, non-executive	CH	1985	May 2009
Werner Degen	Member, non-executive	CH	1997	May 2009
Rudolf W. Fischer	Member, non-executive	CH	2000	May 2009
Jean-Philippe Rochat	Member, non-executive	CH	2006	May 2009

Elections for fiscal years 2006 – 2008 were held at the 2006 AGA.

Hans R. Rüegg (1946, Rüti ZH)

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

1983 – present	BoD Delegate, Baumann Federn AG, Rueti
1993 – present	BoD President and Delegate, Baumann Federn AG
2005 – present	Chairman of the BoD of Vetropack Holding Ltd

Governing Mandates: VP Dätwyler Holding AG / President of the Audit Committee, Dätwyler Holding AG, Altdorf

Richard Fritschi (1960, Oberrieden ZH)

Dipl. Commercial Controller SIB

1979 – 1985	Various functions for Luwa AG in Zurich and England
1985 – 1987	Project Controller, Airchal-Luwa SA, Paris
1987 – 1991	Head of Finance and Administration, Isolag AG, Zurich
1991 – 1999	Head of Finance, Allo Pro/Sulzer Orthopädie, Baar/Winterthur
1999 – 2001	Head of Sales, Sulzer Orthopädie/Sulzermedica, Winterthur
2001 – 2003	President Europe/Asia/South America, Sulzer Orthopädie/Sulzermedica, Winterthur
2003 – 2005	President Europe/Australasia, Zimmer, Winterthur
2006 – present	CEO, Ypsomed AG, Burgdorf

Governing Mandates: Member of Cornaz AG-Holding, Oberrieden / President and BoD member of several companies within Ypsomed Group and in other non-listed companies

Claude R. Cornaz (1961, Bulach ZH)

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

1987 – 1989	Management Services Contraves AG, Zurich
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
2000 – present	CEO of Vetropack Holding Ltd

Governing Mandates: BoD Member, Bucher Industries AG, Niederweningen / VP H. Goessler AG, Zurich / Vice President, Cornaz Holding Ltd, Oberrieden

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

Paul-Henri Cornaz (1938, Lucerne LU)

Dipl. Electrical Engineering, HTL Technikum, Geneva, Switzerland

1962 – 2001	Various functions within Controlling, including 25 years as Head of Price Calculation, Schindler Lifts, Ebikon
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Werner Degen (1941, Liestal BL)

Dipl. Electrical Engineering, ETH Zurich, Switzerland

1979 – 1988	Various functions within the chemicals industry: CEO and Delegate, Plüss-Staufner AG, Oftringen COO and Head of Plastics Division, EMS Group Delegate, EMS-Chemie Holding, Herrliberg
1989 – present	Independent Industry Consultant

Governing Mandates: President, Dolder AG, Basel

Rudolf W. Fischer (1952, Walchwil ZG)

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

1982 – 1991	Various management positions in Human Resources and Trade Marketing, Jacobs Suchard, Switzerland and Belgium
1991 – 1994	CEO Jockey (Switzerland), part of the Austrian Huber Tricot Group, Uster (91/92), and Hanro AG, Liestal (93/94)
1994 – 1995	Partner Bjørn Johansson Associates, Executive Search, Zurich
1996 – present	Group Management Member, responsible for Personnel and Training, Schindler Lifts + Escalators, Ebikon

Governing Mandates: BoD Member for several companies within Schindler Group

Jean-Philippe Rochat (1957, Lausanne VD)

Lic. iur. Law, University of Lausanne, Switzerland

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

Governing Mandates: Chairman BoD, Beaulieu Exploitation SA, Lausanne / BoD Member, Banque Bénédict Hentsch SA, Geneva / BoD Member, PKB Privatbank, Lugano / BoD Member, Gétaz Romang Holding AG, Vevey / BoD Member, Investissements Fonciers SA – La Foncière, Lausanne / BoD Member, Kessler Prévoyance Ltd, Geneva

Offices: President of “Commission des Appellations des Vins Vaudois” / Member of the Strategy Council “Chambre Vaudoise du Commerce et de l’Industrie” (CVCI), Lausanne / Honorary consul of Finland in Lausanne

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. Four BoD members (Claude R. Cornaz, Werner Degen, Jean-Philippe Rochat and Hans R. Rüegg) also act as directors of other listed companies as set out on pages 67 to 69 of this report.



Spirit needs glass. Natural, refined, pure. Often distilled to a secret recipe – but always with great care and intuition – and stored in glass bottles until the right moment. This is not just a distillate, this is culture. Spirit needs glass – and glass needs Vetropack.

Members of the Management Board (MB)			
	Position	Nationality	Appointed
Claude R. Cornaz	CEO	CH	1.5.1993
David Zak	CFO	CH	1.5.2002
Günter Lubitz	GM Technology and Production	DE	1.6.2003
Rudolf Schraml	GM Business Division Switzerland/Austria	AT	1.7.1986
Marcello Montisci	GM Business Division Czech & Slovak Republics an GM Sales/Marketing/Production Planning	IT	1.3.2005
Dragutin Špiljak	GM Business Division Croatia	HR	5.9.1996

Claude R. Cornaz (1961)

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

1987 – 1989	Management Services, Contraves AG, Zurich, 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
2000 – present	CEO of Vetropack Holding Ltd

David Zak (1965)

BSc., Business Administration, Boston University, USA

1989 – 1997	Various international Finance and Management positions within the ABB Group, including Controller for ABB Holding AG, Zurich, Switzerland VP ABB, s.r.o., Prague, Czech Republic
1998 – 2001	CFO, Studer Professional Audio AG, Regensdorf, Switzerland
2002 – present	CFO, Vetropack Holding Ltd MB Member, Vetropack Group

Günter Lubitz (1953)

Dipl. Engineer, Glass and Ceramics engineer, University of 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
2003 – present	Head of Technology and Production for the Vetropack Group MB Member, Vetropack Group

Rudolf Schraml (1950)

Dipl. Mechanical Engineer, Technical University of Vienna,
(Dept. of Engineering & Business Administration), Austria

1976 – 1977	Management Assistant, Böhler Bohr- und Drucklufttechnik, Vienna, Austria
1977 – 1978	Delegate, Iran Böhler Pneumatic, Teheran, Iran
1979 – 1983	Head of Controlling, Böhler Bohr- und Drucklufttechnik, Vienna, Austria
1983 – 1986	Head of Group Controlling and Accounting, Stölzle Oberglas AG (Vetropack Group acquired Stölzle Oberglas AG, Pöchlarn in 1986)
1986 – present	General Director, Vetropack Austria GmbH, Pöchlarn
2000 – present	Responsible of Business Division West, Vetropack Group, Pöchlarn MB Member, Vetropack Group

Marcello Montisci (1954)

PhD., Electrical Engineering, University of Rome, 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
2005 – present	Head of Marketing/Sales/Production Planning, Vetropack Group
2006 – present	Division Head, Czech and Slovak Republics, Kyjov MB Member, Vetropack Group

Dragutin Špiljak (1947)

Dipl. Mechanical Engineering, University of Zagreb, Zagreb, Croatia

1972 – 1986	Head of Production, Straža Glassworks, Straža, Croatia
1986 – 1990	Major of the municipality of Pregrada, Croatia Croatian Member of Parliament (MP)
1990 – 1992	Technical Director, Straža Glassworks, Straža, Croatia
1992 – present	MD, Straža Glassworks, Straža (taken over by Vetropack Group in 1996)
1996 – present	MD, Vetropack Straža d.d., Straža, Croatia Extended MB member, Vetropack Group
1.2.2006 – present	Division Head, Croatia MB Member, Vetropack Group

There are no management agreements between Vetropack Holding Ltd and companies or individuals outside the Group.

*Remuneration,
Shareholdings
and Loans*

Content and Method of Determining Remuneration. The level of remuneration to members of the BoD is determined by the BoD as a whole. Only cash benefits are paid. No share or option plans exist. The level of remuneration to the members of the MB is determined by the Chairman of the BoD. In addition to a basic level of remuneration that reflects the responsibility borne by an individual, there is a variable performance related component based on the results of the business unit and/or the Group. Remuneration will not be made in the form of shares or options, nor are there any loans. Details relating to remuneration and disclosure, as specified in CO 663b and 663c, can be found on pages 58 and 59.

*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 to 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 the share capital can demand the 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 be 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 or 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" or "opting-up". There are no clauses on changes of control in favour of members of the BoD or 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 2006. The head auditor is changed every seven years.

Fees. During the year under review, Ernst & Young Ltd invoiced the Vetropack Group the sum of CHF 0.25 million for auditing services for accounts of individual Group companies and consolidated accounts. Some of the Group companies are audited by other auditors. Moreover, Ernst & Young Ltd also charged Vetropack Holding Ltd a fee in the sum of CHF 0.19 million for services relating to tax advice, due diligence and other advisory services.

Supervisory and Control Instruments Vis-à-Vis the Auditors. At the ordinary March meeting all BoD members will be informed in writing (Auditor's Report, Group Auditor's Report, Management Letter, Explanatory Notes) and verbally (the lead auditor attends the BoD's March meeting) regarding the results of the audit. The main points and results of the audits carried out at the subsidiaries are also discussed with the auditors at the ordinary meeting of the governing body of each subsidiary. A member of the board of directors is present at these meetings. The BoD will assess the performance, remuneration and independence of the auditors and the group auditor on an annual basis.

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.

Contact Address

Shareholders' Office
c/o Vetropack Holding Ltd
PO Box
CH-8180 Bulach
Switzerland
Phone +41 (44) 863 32 02
Fax +41 (44) 863 31 25



Glass needs glass. Consistent, ecological, sensible. Waste glass is the most important raw material for glass production. Either independently or in collaboration with partners, Vetropack has been collecting waste glass since the 1970s for systematic recycling in the company's plants. Glass needs glass – and glass needs Vetropack.

GROUP VETROPACK | VETROPACK HOLDING LTD

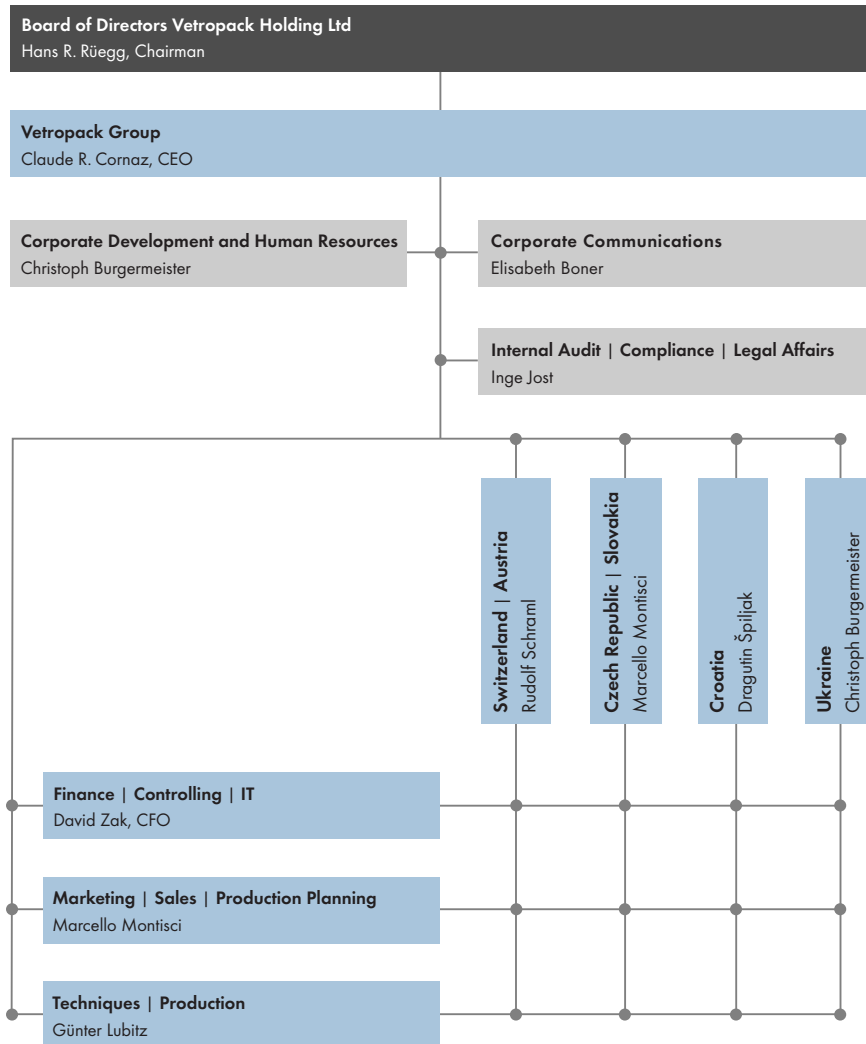
Organisation





Extended Group Management as per 1st January 2008. From top left to bottom right:
Claude R. Cornaz, Dragutin Špiljak, David Zak, Rudolf Schraml, Elisabeth Boner, Inge Jost,
Marcello Montisci, Günter Lubitz, Christoph Burgermeister

ORGANISATION AS PER 1st JANUARY 2009



Group Management Board

Claude R. Cornaz, CEO
David Zak, CFO
Günter Lubitz
Rudolf Schraml
Marcello Montisci
Dragutin Špiljak

Finance, Controlling and IT

David Zak	
- Shared Service Centre	
Switzerland	Florian Ibig
- Group Controlling and	
Accounting	Adriano Melchiorretto
- IT	Bruno Hennig

Marketing, Sales and Production Planning

Marcello Montisci

Techniques and Production

Günter Lubitz

Corporate Development and Human Resources

Christoph Burgermeister

Corporate Communications

Elisabeth Boner

Internal Audit, Compliance, Legal Affairs

Inge Jost

Business Division Switzerland/Austria

Rudolf Schraml	
Marketing + Sales	Herbert Kühberger
- Switzerland	Christine Arnet
- Austria	Herbert Kühberger
- Export Europe West	Leopold Siegel
Finance + Administration	Eduard Steininger
Logistics	Helmut Artacker
Techniques	Knut Ludwig
- St-Prex Plant	
- Technical Management	Samuel Thirion
- Administrative Management	Dieter Schellhammer
- Pöchlarn Plant	Franz Kendl
- Kremsmünster Plant	Knut Ludwig

Business Division Czech Republic/Slovakia

Marcello Montisci	
Marketing + Sales	Dana Švejarová
- Czech Republic	Dana Švejarová
- Slovakia	Zuzana Hudecová
- Export Europe East	Vlastimil Ostrezi
Logistics	Jaroslav Mikliš
Kyjev Plant	
- Production	Attila Hosszú
- Techniques	Miloš Kostýlek
- Finance	Adriano Melchiorretto
Nemšová Plant	Gregor Gábel
- Production	Róbert Adamčík
- Techniques	Miroslav Šebík
- Finance	Eva Vanková

Business Division Croatia

Dragutin Špiljak	
Marketing + Sales	Darko Šlogar
Logistics	Josip Debeljak
Finance	Marija Špiljak
Personnel + IT	Damir Gorup
Production	Josip Šolman
Techniques	Tihomir Premužak

Business Division Ukraine

Christoph Burgermeister	
General Management	Andriy Girnyk
Marketing + Sales	Sergey Isaenko
Logistics	Vladimir Lysenko
Finance	Nadezhda Solodovnik
Controlling	Julia Solodovnik
Personnel	Viktor Sytnikov
Production	Joachim Witt
Techniques	Stepan Girnyk

Group Companies

Vetroconsult Ltd	Günter Lubitz
Müller + Krempel Ltd	Jürg Mossdorf
Vetro-Recycling Ltd	Jürg Mossdorf
Vetroreal Ltd	Hans Fahrni



Our daily bread. Around the clock, every day for almost 100 years. Glass and Vetropack are inseparable. We shape the glass and it shapes us. The result is clear: packaging glass recycled over and over again. Visions need glass – and glass needs Vetropack.

VETROPACK – OUR GLASSWORKS

*St-Prex Plant
(Switzerland)*



*Pöchlarn Plant
(Austria)*



*Kremsmünster Plant
(Austria)*



*Kyjov Plant
(Czech Republic)*



*Nemšová Plant
(Slovakia)*



*Hum na Sutli Plant
(Croatia)*



*Gostomel Plant
(Ukraine)*



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Design needs glass.



Vitamins need glass.



Wine needs glass.



Pick-me-ups need glass.



Indulgence needs glass.



Spices need glass.



Winners need glass.



Jam needs glass.



Spirit needs glass.



Thirst quenchers need glass.



Nature needs glass.



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Diversity needs glass.



Valuables need glass.



Glass needs glass.



Our daily bread.

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