



Coop Group
Annual Report

2011



Key figures →

Key figures

	2011	2010	Change	Index %	
Key financial data in CHF million					
Cash turnover of sales outlets	17 897	18 106	-209	98.8	
Onward retail sales to third parties	547	502	+45	108.9	
Retail turnover	18 444	18 608	-164	99.1	
Wholesale turnover in Switzerland	1 823	614	+1 209		
Wholesale turnover abroad	7 460	785	+6 675		
Total sales	27 727	20 007	+7 720	138.6	
Net sales from goods and services	26 640	18 965	+7 675	140.5	
EBITDA – operating cash flow	1 917	1 955	-38	98.1	
EBIT – operating income	713	709	+4	100.5	
Profit / loss	432	470	-38	91.9	
Financial liabilities	5 080	4 686	+394	108.4	
Net financial liabilities	4 638	2 925	+1 714	158.6	
Equity incl. minority interests	6 786	6 412	+375	105.8	
Total assets	16 492	14 624	+1 868	112.8	
Cash flow before change in net current assets	1 701	1 744	-43	97.5	
Cash flow from operating activities	1 761	1 709	+52	103.1	
Cash flow from investing activities	-3 116	-653	-2 463		
Cash flow from financing activities	40	211	-171	18.9	
Relative indicators in %					
Quick ratio	32.6	73.3	-40.6	44.5	
Ratio of equity and long-term liabilities to non-current assets	96.5	114.6	-18.2	84.2	
Debit ratio	58.9	56.2	+2.7	104.8	
EBITDA margin	7.2	10.3	-3.1	69.8	
EBIT margin	2.7	3.7	-1.1	71.6	
Profit margin	1.6	2.5	-0.9	65.4	
Cash flow margin	6.6	9.0	-2.4	73.4	
Debt coverage ratio	Target value: < 3.0	2.4	1.5	+0.9	161.7
Interest coverage ratio	Target value: > 8.0	10.9	22.9	-11.9	47.8
Equity ratio	Target value: > 40.0	41.1	43.8	-2.7	93.9
Employees					
Employees at 31.12	75 296	53 559	+21 737	140.6	
Full-time equivalents	64 507	43 925	+20 582	146.9	
Sales outlets retail					
Number of sales outlets retail at 31.12	1 991	1 920	+71	103.7	
Sales area retail in m ² at 31.12	1 761 173	1 741 914	+19 259	101.1	
Sales area retail in m ² (annual average)	1 752 284	1 732 128	+20 156	101.2	
Members					
Number of members at 31.12	2 895 062	2 666 242	+228 820	108.6	
Markets CC cash & carry					
Number of markets CC cash & carry at 31.12	109				
Sales area of markets CC cash & carry in m ² at 31.12	894 327				

Prior-year figures restated

Retail

Manufacturing

Wholesale



Coop own-label brands

Coop own-label standard brands Coop own-label target-group brands

 Qualité & Prix For value and quality 5000 times over.	 For your lowest-price guarantee.	 For special moments.	 For freshness and convenience.	 For well-balanced enjoyment.
 For clever nutrition.	 For the pleasure of meals without meat.	 For deliciously carefree nourishment.	 For now.	

Coop own-label sustainability brands and quality labels

 For uncompromisingly organic products.	 For animal-friendly husbandry.	 For a green alternative.	 For fashion and fairness.	 For our mountains. For our farmers.	

Coop own-label non-food brands

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Coop Group
Annual Report

2011

Coop takes on social responsibility. This brings benefits and added value “for the people behind it all”. The Coop Group Annual and Sustainability Reports 2011 take a look behind the scenes and tell the personal stories of “the people behind it all” in the form of eight photomontages.

4 Foreword

6 Company structure

- 6 Board of Directors
- 7 Executive Committee

8 Milestones in 2011

10 Operating environment

- 10 Economic environment
 - 10 Debt crisis puts a damper on consumption
 - 10 Shopping tourism due to strong franc
 - 10 Tough negotiations with suppliers
 - 11 Huge cost disadvantages for Swiss retailers
 - 11 Different price trends of raw materials
- 11 Political environment
 - 11 Labelling of ecological and social impacts
 - 11 Parallel imports to combat high Swiss prices

Retail

12 Sales formats

- 12 Supermarkets and megastores
 - 12 816 retail outlets throughout Switzerland
 - 12 For the highest standards of freshness in Switzerland
- 13 Specialist formats
 - 13 Coop City gains market share
 - 13 Building & Hobby holds its ground
 - 13 Interdiscount opens its 21st XXL store
 - 13 Toptip and Lumimart: online shops of their own
 - 14 Import Parfumerie: 122 stores throughout Switzerland
 - 14 Christ Watches & Jewellery: gratifying result
 - 14 Dipl. Ing. Fust AG: 45 years of guaranteed satisfaction
 - 14 Coop Vitality pharmacies continue to grow
 - 14 The Body Shop Switzerland: new online shop
 - 15 Coop Mineraloel AG strengthens its market leadership
 - 15 Coop Pronto shops expand range of fresh products
- 15 Online formats
 - 15 Coop@home: innovative shopping opportunities
 - 15 Microspot.ch grows, and opens first showroom
 - 15 Online convenience: ordering heating oil
 - 15 ITS Coop Travel: more online bookings
 - 16 Coop launches four further online shops
- 16 Restaurant and hotel business
 - 16 Coop catering: something to suit all tastes
 - 16 BâleHotels: good growth of catering business
 - 16 Tropenhaus Frutigen and Tropenhaus Wolhusen offer exceptional delights

20 Offering and pricing performance

- 20 Pricing
 - 20 For the benefit of customers
 - 21 Coop price monitor: credibility confirmed
- 21 Product range diversity
 - 21 Coop satisfies all customer needs
- 21 Coop own-label sustainability brands and quality labels
 - 21 Naturaplan: sales grow despite price cuts
 - 22 Naturafarm: humane animal husbandry is standard
 - 22 A world premiere from Oecoplan
 - 22 Naturaline increases CO₂-neutral production
 - 22 Pro Montagna continues to grow
 - 22 Pro Specie Rara expands its range
 - 22 Slow Food: a successful 2011
 - 23 Max Havelaar quality label to become standard
 - 23 Organic bud label on more and more products
 - 23 MSC: innovative project with yellowfin tuna
 - 23 FSC quality label for sustainable forestry
 - 23 Topten: much broader range
- 24 Own-label target-group brands
 - 24 Prix Garantie offers certainty about prices
 - 24 Fine Food enlivens the premium segment
 - 24 New look for Betty Bossi
 - 24 Weight Watchers – enjoying your food doesn't mean going without
 - 24 Jamadu: physical activity, play, fun and nutrition
 - 24 Délicorn: flavoursome meat-free meals
 - 24 Free From – for carefree enjoyment
 - 25 Plan B promotes apprentice skills
- 25 Own-label standard brands
 - 25 Qualité & Prix: quality need not be expensive
- 25 Manufacturer brands
 - 25 Widest choice in Switzerland
- 25 Supply chain management
 - 25 Cost savings thanks to supply chain management

26 Additional services

- 26 Services
 - 26 Coop Consumer Service: more queries than ever before
 - 26 Pricing policy a focus of media interest
 - 26 One year of Hello Family Club
 - 26 Over four million Supercard users
 - 27 Added value with Supercardplus and Verdecard
 - 27 Coop Mobile: rates now much better
 - 27 Coop Depositenkasse: euro much in demand
- 27 Quality management
 - 27 Comprehensive approach to quality
 - 27 Quality management in purchasing
 - 28 Quality management in logistics and sales
- 28 Advertising/communication
 - 28 Focus: "For the people behind it all"
 - 28 Coop member press expands multimedia services
 - 28 Coop Internet presence grows and goes mobile
 - 29 Close to people through sponsorship

30 Logistics, IT and Property

- 30 Logistics**
- 30 Logistics and Bakeries Strategy 2015+
- 30 Environmentally friendly freight shipments by Railcare
- 30 Improving driving behaviour
- 31 New approaches to order-picking
- 31 Crisis simulation at Coop distribution centres
- 31 IT**
- 31 Successful implementation of the new cash-register system
- 31 Transgourmet project
- 31 Increased use of sales-based ordering
- 31 Property**
- 31 Property management, project development and realization

Manufacturing

37 Manufacturing

- 37 Bell Group**
- 37 The Bell Group boosts sales volumes
- 37 Solid development in Switzerland
- 37 Progress at Bell International
- 38 Bell and Hilcona merge their fresh convenience food units
- 38 Coop manufacturing companies**
- 38 Swissmill
- 38 Chocolats Halba
- 39 Pasta Gala
- 39 CWK-SCS
- 39 Reismühle Brunnen
- 39 Nutrex
- 40 Sunray
- 40 Pearlwater Mineralquellen
- 40 Cave
- 40 Banana Ripening Plant
- 40 Coop Bakeries

Wholesale

42 Transgourmet Group

- 42 Transgourmet Holding AG**
- 42 Takeover of the Transgourmet Group
- 42 Sales growth in all countries
- 42 Cash & carry business**
- 42 Fegro/Selgros: operating in four countries
- 43 Prodega/Growa: market leader in Switzerland
- 43 Wholesale supplies**
- 43 Rewe Foodservice: growing the catering business
- 43 Transgourmet France for professional advice
- 43 Howeg breaks new ground

48 Employees

- 48 Coop's personnel strategy**
- 48 Apprentices are the mainstay
- 48 Coop "Info-Bus": an innovative approach
- 48 Successful implementation of talent management programme
- 49 Comprehensive training and professional development
- 49 Investment in competitiveness at Coop Pronto
- 49 Social partnership at Coop**
- 49 Integration of Pearlwater into the CEC
- 49 No agreement reached in pay negotiations
- 49 Coop pension fund**
- 49 CPV/CAP: setting the course for the future
- 50 Transgourmet Group**
- 50 Different challenges in Europe
- 50 Focus on staff development

51 Corporate governance

- 51 Regional Councils**
- 51 Delegate Assembly**
- 51 Group structure**
- 52 Capital structure**
- 52 Board of Directors**
- 53 Election and term of office of the Board of Directors
- 53 Internal organization
- 53 Regulation of responsibilities
- 53 Instruments of information and control over the Executive Committee
- 54 Instruments of supervision and control over the auditors
- 54 Executive Committee**
- 55 Management agreements
- 55 Remuneration**
- 55 Rights of participation**
- 55 Auditors**
- 55 Duration of mandate and term of office of lead auditor
- 55 Auditing fee
- 55 Information policy**
- 56 Executive bodies and Delegate Assembly**
- 57 Board of Directors and management structure**
- 58 Management**

64 Coop Group Management Report

67 The Coop Group in figures

81 Annual consolidated financial statements of the Coop Group

110 Financial section glossary



Strong and healthy growth on solid foundations

Coop takes over full control of the Transgourmet Group and posts a gratifying 27.7 billion francs in total sales. This result puts the Coop Group in first place among Swiss retailers. Coop invests in large numbers of long-term price cuts in response to the growth in shopping tourism triggered by the devaluation of the euro.

Hansueli Loosli and Joos Sutter

The Coop Group posted a gratifying 27.7 billion francs in total sales in 2011 – despite a difficult operating environment. We had to contend with marked exchange rate fluctuations, shrinking markets and deteriorating consumer sentiment. The total sales figure of the Coop Group consists of the nominal cash turnover from the retail sector and revenue from the wholesale sector. Compared with the previous year, total sales grew by 38.6%, owing largely to the complete takeover of the Transgourmet Group in January 2011.

Coop focused very much on its pricing policy in 2011. The debt crisis of a number of EU member states and the strength of the franc and falling value of the euro posed major challenges for Coop. Ever since the currency crisis began, we have fought to ensure that international suppliers pass on any currency gains they make as a result of the low euro exchange rate to customers. In our efforts on behalf of consumers, we took a step that is unique in the history of Coop: we delisted branded articles from multinational producers that were not passing on their currency gains. This action proved effective in the subsequent negotiations: the suppliers acquiesced and Coop was able to pass on the resulting price cuts to its customers in full. We also undertook long-term price cuts on many of our own-label brand products throughout the year. In 2011, we made price cuts on Coop own-label brand and manufacturer brand products totalling 350 million francs. However, there is also a downside to the many price cuts. The resulting fall in sales figures is having negative effects on employment.

In view of the difficult economic situation, it is particularly gratifying to note that there is no let-up in the growing demand for organic products. Sales of our own-label sustainability brand Naturaplan, for instance, were around 3% higher than the previous year's figure.

We were singled out by rating agency Oekom Research as the world's most sustainable retailer and were the first-ever Swiss company to receive the European food industry's greatest award, the "Goldener Zuckerhut" (Golden Sugarloaf) from the "Lebensmittel Zeitung" newspaper, providing further confirmation of our role as pioneers of sustainability. We took a further step forwards by gradually switching strong-selling ranges of our *Qualité & Prix* own-label standard brand to Fairtrade raw materials, a move that affected Asian rice, chocolate bars, exotic fruit and coffee. This action

brings Coop a little closer to its vision of making fair trade the standard for own-label brand products from the world's southern countries.

The complete takeover of the Transgourmet Group on 1 January 2011 was of great importance for Coop. Europe's second-largest cash & carry and food service company is now part of the Coop Group; it operates in France, Germany, Poland, Romania and Russia as well as Switzerland. Thanks to the European network of the Transgourmet Group and the Bell Group, we can strengthen our international business and take advantage of highly promising opportunities. This was already demonstrated in 2011 – for instance in Bell's takeover of German convenience food specialist Hoppe GmbH, in the 49% stake acquired by Bell in Hilcona, including the transfer of its Convenience business unit and an envisaged increase in the stake to 51% in the next four years, and the takeover of Dortmund-based Vreiksen Foodservice GmbH & Co. KG by Rewe Foodservice.

The Coop Group also expanded in Switzerland in the year under review. The takeover of Pearlwater Mineralquellen AG in Valais will make us independent in terms of mineral water purchasing.

In 2011, we marked the tenth anniversary of Coop-Forte, the merger of 14 regional societies and Coop Switzerland to form a single cooperative society. Thanks to the efficiency gains we have achieved in these ten years, our clear strategy centred on diversity, sustainability and pricing performance, our motivated, performance-oriented and highly customer-focused employees, we are well prepared for whatever challenges the future may bring. We shall tackle these with great confidence at both strategic and operational level in our new positions as Chairman of the Board of Directors and CEO respectively. We would like to say a big thank-you to all our employees for their great dedication and especially to our customers for the loyalty they have shown us despite the difficult economic situation.



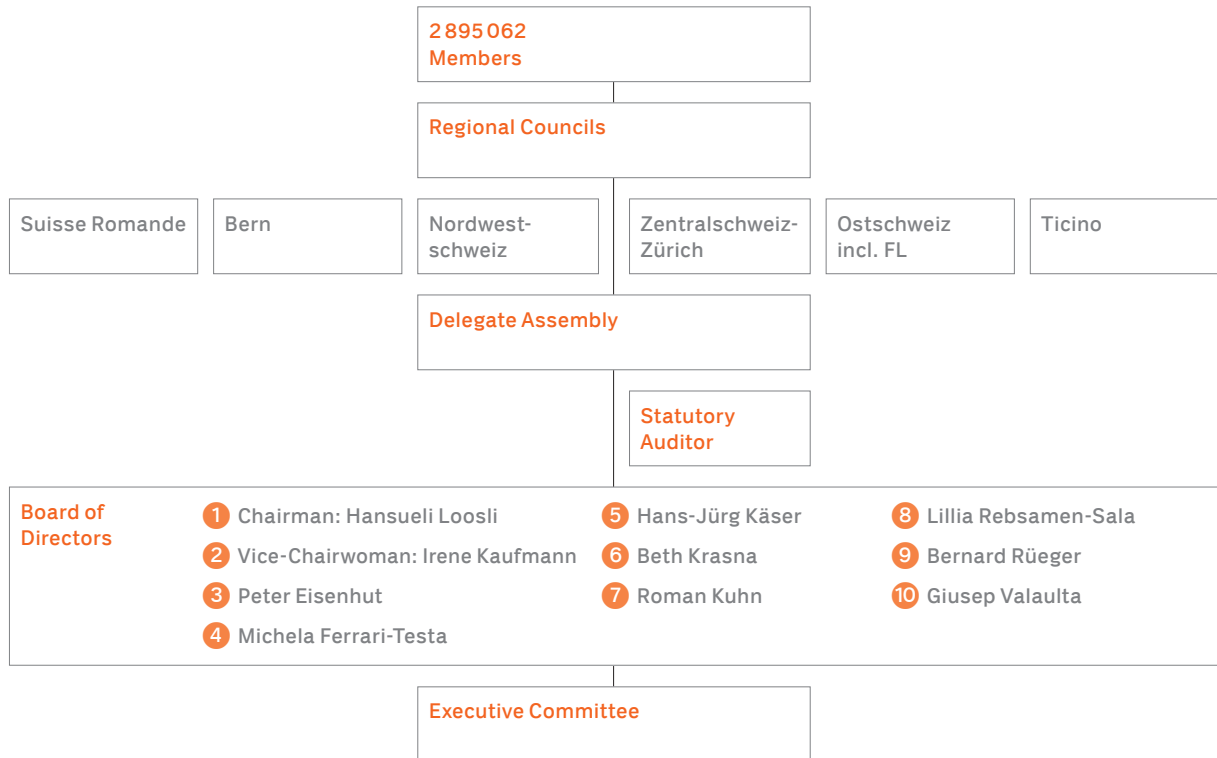
Hansueli Loosli
Chairman of the Board of Directors



Joos Sutter
Chairman of the Executive Committee

Company structure

As at 31 December 2011



Board of Directors



Executive Committee

Chief Executive Officer
 Joos Sutter 1

Members of the Executive Committee						
CEO Joos Sutter	Retail Joos Sutter	Trading Daniel Stucker 2	Marketing/ Purchasing Jürg Peritz 3 from 1.4.2012: Philipp Wyss 4	Logistics Leo Ebnetter 5	Finance/ Services a. i. Joos Sutter	Property Jean-Marc Chapuis 6



Milestones in 2011

1 January

Complete takeover of the Transgourmet Group

Coop takes over full control of the Transgourmet Group on 1 January, thereby strengthening its Swiss and international commitment in the cash & carry and wholesale supplies business.

Coop takes over Pearlwater

The takeover of Pearlwater Mineralquellen AG in Termen, Valais, makes Coop independent with regard to sourcing mineral water.

2 February

Price cuts at Building & Hobby

Coop Building & Hobby passes on cost savings from efficiency gains and from improved purchasing conditions to customers and slashes the long-term prices of over 550 items with immediate effect.

3 March

Bell and Hilcona merge their fresh convenience food units

The cooperation between Bell and Hilcona in the field of fresh convenience food announced in January is implemented with retroactive effect as of 1 January 2011 following the approval of the competition authorities.

More flowers and plants

The first Coop Building & Hobby Garden Paradise outlets open at Winterthur Töss and Kreuzlingen on 15 March. They are the outcome of cooperation with Dehner, Europe's biggest garden centre chain.

4 April

Hansueli Loosli elected Chairman of the Board of Directors

The Delegate Assembly elects the long-standing CEO, Hansueli Loosli, to the Board of Directors, which appoints him as Chairman as of 1 September 2011. The Board of Directors also appoints Joos Sutter as the new CEO as of 1 September 2011 and Philipp Wyss as his deputy as of 1 April 2012.

Fairtrade is to be the standard

Coop begins switching strong-selling ranges of its *Qualité & Prix* own-label brand to Fairtrade raw materials. This move affects Asian rice, chocolate bars, exotic fruit and coffee.

5 May

For the people behind it all

Coop launches the campaign "For the people behind it all", which showcases the achievements and commitment of the men and women who produce sustainable products for Coop.

Coop launches four further online shops

The online shops of Toptip, Lumimart, Import Parfumerie and The Body Shop are launched.

Takeover of Vreriksen Foodservice

Rewe Foodservice takes over Vreriksen Foodservice GmbH & Co. KG, which has annual sales of over 41 million euros and is one of Germany's large specialists in catering supplies.

6 June

Coop is the world's most sustainable retailer

The independent Munich-based rating agency Oekom Research announces the results of its 2010/2011 Retail Ranking: Coop receives by far the highest rating, making it the most sustainable retailer in the world.

EHEC crisis: support for vegetable producers

Swiss producers suffer enormous falls in the sale of cucumbers owing to the EHEC crisis. Coop initiates a nationwide campaign in its sales outlets to underscore the safety of eating Swiss-grown vegetables.

Further long-term price cuts

Coop cuts the long-term prices of over 400 additional articles by an average of 6.5%. More than 2000 items have been subjected to long-term price cuts since the start of the major price offensive in December 2010.



7 July

Coop expands its bakeries

A new concept for the Coop bakeries comes on-stream: the bread and baked goods ranges are revised, recipes are reviewed, new equipment is purchased and working processes are improved. Freshly baked goods are produced all day long directly at the points of sale, using traditional methods.

8 August

Coop de-lists manufacturer brands

Currency-related developments force Coop to lower the prices of over 700 own-label brand products sourced in the euro zone. Because multinational groups refuse to pass on their enormous currency gains despite tough negotiations, Coop starts removing manufacturer brands from its offering. This de-listing is effective and enables Coop to pass on price cuts to its customers in full.

Fresh young talent for Coop

1 102 young people start apprenticeships at Coop. As one of Switzerland's largest employers, Coop makes an important contribution to vocational training.

9 September

Coop under new management

Joos Sutter becomes CEO and Head of the Retail Business Unit. His start is overshadowed by the sudden and unexpected death of Hans Peter Schwarz, Head of the Finance/Services Business Unit and long-standing member of Coop's Executive Committee.

10 October

Full transparency for organic fruit and vegetables

Thanks to the Naturaplan ID, the producers of Coop's organic apples or organic tomatoes can be identified online at any time. This unique level of transparency is now also guaranteed for organic fruit and vegetables sourced outside Switzerland.

11 November

"Goldener Zuckerhut" award

For its pioneering work on sustainability and its entrepreneurial courage, Coop is singled out for the most important distinction in the European food sector, the "Goldener Zuckerhut" (Golden Sugarloaf) awarded by the "Lebensmittel Zeitung" newspaper.

More stringent guidelines for counter sales of meat

Coop introduces Switzerland's strictest guidelines on counter sales of meat and has the service counters in the fresh food sections certified by an external organization.

Innovations at Coop@home

Coop@home creates greater flexibility for time-pressed commuters by launching services unique in Switzerland. Among other innovations, customers can now pick up their online purchases themselves at a Drive In station, the first of which opens in Zurich.

12 December

Energy from wood and the sun

At the Coop distribution centre in Gossau, the first wood-burning furnace for an industrial bakery in Switzerland is commissioned, as is the biggest photovoltaic system in eastern Switzerland.



Operating environment

The year 2011 is dominated by the weakness of the euro and the debt crises of a number of EU member states. Shopping tourism increases despite currency gains being passed on to the customer, and the Swiss retail trade struggles to cope with cost disadvantages compared with the international competition.

Economic environment

Debt crisis puts a damper on consumption

The year 2011 was shaped by uncertainties due to weakening of the global economy, political unrest and the debt crises of various EU member states. There were fears of a double-dip recession, and the strong Swiss franc and the falling value of the euro and the US dollar were very much in people's minds. These factors put a brake on growth of the European economy. Although the situation in the EU still varies from country to country, Germany – previously the engine of growth – no longer seems entirely immune to the downtrend, which looks set to continue in 2012.

The Swiss economy still performed satisfactorily in the first half of the year. In the second half, however, there was a growing downturn in consumer sentiment and retail turnover. In particular, the rise in shopping tourism due to the strength of the Swiss franc caused problems for retailers. Consumer spending of private households also fell. Inflation was very low in 2011 and retail prices tended downwards. It is therefore likely that growth of the gross domestic product in 2012 will be much weaker and unemployment will rise slightly, though still at a relatively low level. There is likely to be a further decline in economic growth and private consumption.

Shopping tourism due to strong franc

Before the currency crisis, price differentials between Switzerland and neighbouring EU member

states had, according to BAK Basel Economics, been moving towards zero for non-food items and been hovering around the 12% mark for food products. This trend towards harmonization with international prices was the outcome of long-term efficiency gains. In the year under review, the huge rise in the value of the Swiss franc in relation to the euro resulted in the immediate erosion of hard-earned progress. The assumption that retailers were not passing on any currency gains in full to Swiss consumers dominated discussions in political circles and the media in the summer of 2011. Consumers felt positively compelled to shop abroad. Coop passed on cost-price improvements obtained from direct imports to customers in full. However, shopping tourism was not the sole factor dampening Swiss consumption. The decline in tourists from the rest of Europe as a result of the strong franc appreciably reduced turnover of Coop outlets, particularly in tourist regions.

Tough negotiations with suppliers

In 2011, Coop engaged in intensive follow-up negotiations with its multinational suppliers to persuade them that they too should systematically pass on their currency gains. Importantly, politicians recognized that, on account of the must-stock products on which retailers depend, interbrand competition was not functioning. This is an area in which multinational providers enjoy a lot of leeway with regard to cost prices, which in turn encourages shopping tourism. Thanks to recognition of this fact by the

competition authorities, Coop was able to temporarily de-list articles from market-dominant suppliers who were refusing to pass on their currency gains to consumers. This measure would not have been possible in the past because of the likelihood of sanctions being imposed by the competition authorities. Together with other retailers, Coop is lobbying for more stringent action to be taken by the competition authorities to deal with abuse of a dominant market position by suppliers of must-stock products.

Huge cost disadvantages for Swiss retailers

There are also downsides to the price cuts that consumers appreciate so much. The fall in sales reported by the entire retail sector is having negative effects on employment that will gradually make themselves felt. Compared with international competitors, the Swiss retail trade will also face significant cost disadvantages in the future, for instance in the areas of human resources, logistics, infrastructure and rent. Good operating conditions are therefore all the more important. But Swiss retailers are also at a disadvantage compared with the competition in neighbouring countries with regard to shop opening times, nighttime shipments, mandatory parking and labelling regulations. Together with other retailers, Coop calls for existing regulations to be examined to see whether they fulfil the efficiency requirement laid down in the Federal Constitution.

Different price trends of raw materials

The prices of most raw materials traded worldwide persisted at a high level in 2011. For fruit & vegetables, pork, milk, cream and butter, however, they fell or even plummeted on account of subdued demand triggered by the economic crisis and very good harvests in Europe and Switzerland. In the wake of the EHEC crisis in Germany, consumption of cucumbers and other fresh vegetables fell from the end of May, in some cases drastically.

Political environment

Labelling of ecological and social impacts

On balance, there has been no falling-off in demand for greater transparency concerning the ecological and social impacts of individual products and of consumption as a whole. Various political projects calling for full ecological product labelling to persuade the public to opt for sustainable consumption are currently in progress in both Europe and Switzerland. These considerations assume that purely rational human beings will always choose the environmentally friendly option even if it is not in

their own interest in the short term. This approach has been shown to be unrealistic. In addition, there is systematic underestimation of the methodological uncertainties and gaps in recording the ecological impact of individual products, and of the expense involved in making such data available. Coop voluntarily sets high standards for labelling of its products, but is opposed to mandatory declaration of their social and ecological impact because of the considerable uncertainties involved.

Parallel imports to combat high Swiss prices

Parallel imports are an important tool for combating Switzerland's high prices. They depend on the application of the Cassis de Dijon principle, under which products that are authorized for sale in the EU can also be sold in Switzerland, even though they may deviate from specifically Swiss technical specifications. Food products have to be checked by the Federal Office of Public Health before receiving authorization. Although only a small number of items have been authorized for sale under the Cassis de Dijon principle and many exceptions have been declared, there have already been demands from politicians to make all food products exempt from the principle. Such demands ignore the fact that the Cassis de Dijon principle was created specifically for food products. Besides authorization procedures for food products, parliament also issued regulations governing exceptions to the principle. The most important concerns the declaration of the country of production for all products. The refusal of foreign suppliers to provide the declarations of origin required under customs law is also a hindrance to parallel imports.

Sales formats

Implementation of the “Excellence in freshness” project starts in Coop supermarkets and megastores. Coop launches four further online shops. Coop Pronto shops are number one in the convenience market. Building & Hobby pursues a systematic policy of price cuts and special offers. Fust showcases numerous offers to mark its 45th anniversary.

Supermarkets and megastores

816 retail outlets throughout Switzerland

Coop operated 784 supermarkets and 31 megastores across Switzerland at the end of 2011. A total of 14 new outlets were opened and 14 closed.

Among others, a new Coop supermarket with a sales area of approximately 2 800 m² opened in Martigny in April. It is located in the Cristal Centre, the “most beautiful shopping centre in Valais”, which also houses a Coop restaurant, a Fust store and an Interdiscount store. Basel’s largest Coop supermarket was inaugurated in June 2011. The Basel Südpark store is located next to the main railway station. The Rhein Shoppingcenter Rafzerfeld in Hüntwangen, which was opened in September and accommodates a Coop supermarket and a Building & Hobby centre, also enjoys a customer-friendly location. Like all newly built or remodelled Coop outlets, the interior of the bright and modern supermarket was executed to Minergie (low-energy) standard. The remodelling of Coop’s Visp Eyholz supermarket was also completed in September. The highlight of this sales outlet located in the Coop Bern Sales Region is its wine department, which stocks approximately 860 different wines. Since November 2011, customers of the newly built Chur City West shopping centre have enjoyed an attractive Coop brand mix. Besides a 3 600 m² megastore and a restaurant, Coop is also represented by Interdis-

count, Import Parfumerie, Christ Watches & Jewellery, Coop Vitality pharmacy, Dipl. Ing. Fust AG and The Body Shop. With 816 retail outlets on a total sales area of 951 142 m² at the end of 2011, Coop posted retail sales of 11.0 billion francs in the year under review.

For the highest standards of freshness in Switzerland

Most customers’ choice of supermarket is dictated by the freshness of the product range. Coop set itself the five-year goal of becoming the best retailer in Switzerland for freshness and had already initiated the “Excellence in freshness” programme in 2010. With this project, Coop aims on the one hand to increase customer satisfaction with the freshness of Coop products and thus enhance its market profile in this area. On the other hand, it seeks to reduce the amount of produce thrown away by improving its planning of merchandise ordering. To achieve these goals, Coop has implemented a large number of measures that concern all steps in the sales process. For instance, staff now receive – among other information – forecasts of the right quantities at the right time on the order list for fruit and vegetables. Staff are being intensively trained in how to use the new tools – by the end of 2011, the sales managers had already trained over 2 000 sales outlet employees. Coop regards the “Excellence in freshness” campaign as an ongoing chal-

lenge rather than a one-off task. Achievement of the goals is continually monitored, any divergences are analyzed and new measures drawn up on the basis of the findings. A steering committee supervises the “Excellence in freshness” programme nationwide, while the individual Coop Sales Regions are responsible for implementing the measures drawn up.

Specialist formats

Coop City gains market share

The year 2011 saw further remodelling and modernization of numerous store elements in Coop City's total of 33 department stores in Switzerland. Special sales have been made more eye-catching and the entrance areas are brighter and are decorated in lighter colours. Since March 2011, all department stores include a shop-in-shop Import Parfumerie in place of the previous City Parfümerie. In addition, products from The Body Shop are now sold in all Coop City outlets. In the year under review, Coop City again acquired new market share – even though the transfer of the perfumes business to Import Parfumerie and the many price cuts in the food and non-food ranges did not generate the kind of sales figures that had been envisaged for 2011. Taken as a whole, the department stores posted sales of approximately 1.0 billion francs. Demand for Coop Naturaline's organic cotton textile products is still rising, with Coop City boosting sales by over 3%. And customers were not slow to use the option of paying with Coop Superpoints, which now accounts for about 13% of non-food sales.

Building & Hobby holds its ground

Coop Building & Hobby responded to the strength of the franc in 2011 by pursuing a systematic policy of slashing prices and organizing campaigns such as the “Buy now” days. A total of over 2 600 articles were subjected to long-term price cuts. Posting sales of 736 million francs, Building & Hobby held its ground as the leading Swiss provider of building supplies and gained further market share. One highlight of 2011 was the inauguration of the new Garden Paradise outlets in Winterthur/Töss and Kreuzlingen, a concept devised jointly by Coop and Dehner, Europe's biggest garden centre chain. Coop is thus expanding its excellence in the flowers and plants business. In the “International Year of Forests 2011”, Building & Hobby engaged in a wide range of activities in its 72 stores, thereby underlining its leading position among Swiss building supplies centres with regard to range and sale of wood products from sustainable forestry. Innovative

products such as FSC-certified rattan baskets or the procurement of solar panels for customers additionally help underpin Building & Hobby's standing as Switzerland's most sustainable building supplies retailer.

Interdiscount opens its 21st XXL store

In 2011, Interdiscount, Switzerland's number one consumer electronics chain, opened its first branch in the Principality of Liechtenstein. In addition, it inaugurated its 21st XXL store in the new City West shopping centre in Chur. Interdiscount now operates 201 stores throughout Switzerland. Since August 2011, customers of the revamped online shop can now choose from almost the entire Interdiscount range. The online shop provides detailed information and even films on many of the items on sale. Since October, Interdiscount has also offered a free iPhone app for shopping via mobile phone. Interdiscount continues to attach great importance to continuing education and the promotion of young talents: at the end of 2011 it employed a total of 377 apprentices. Despite plummeting prices in a rapidly shrinking market, Interdiscount was again able to maintain market share in the year under review. However, at 995 million francs, total sales fell short of the previous year's figure. Because of the strength of the franc, customers benefited from currency gains in the form of price cuts and additional special offers on over 1 150 articles.

Toptip and Lumimart: online shops of their own

Home furnishers Toptip and the number one in Switzerland's lighting market Lumimart now have new websites and online shops of their own, offering approximately 3 500 Toptip and 1 000 Lumimart articles. In October 2011, Coop's Board of Directors approved the Toptip/Lumimart 2015+ sales market strategy. In line with the new store design concept, which has top priority, the Toptip store in Geneva Carouge was completely refurbished and extended to include an integrated Lumimart. With the opening of two new stand-alone Lumimarts in Oftringen and Winterthur, Toptip and Lumimart had a total of 56 stores at the end of 2011. Owing to the market downtrend and the growing interest of customers in shopping in neighbouring EU countries, the two specialist retail formats were also compelled to step up their pricing policy. Currency-related price advantages were passed on to customers in full on an ongoing basis, with the long-term prices of over 450 articles being lowered. Posting total sales of 242 million francs, Toptip and Lumimart exceeded the previous year's figure by a small amount and gained market share.

Import Parfumerie: 122 stores throughout Switzerland

Import Parfumerie, Switzerland's leading specialist discount chain in the perfume, bodycare and cosmetics market, was on an expansion course in 2011. After opening 21 new outlets throughout Switzerland, 18 of them in Coop City department stores, and closing two, Import Parfumerie was operating a total of 122 branches at the end of 2011. The modern new shop design was applied for the first time to the sales outlet in Chur. Because of the weakness of the euro, Import Parfumerie also implemented price cuts and additional promotions across a broad front. Nevertheless, total sales rose to 179 million francs, over 2% higher than the previous year's figure. In spring, Import Parfumerie launched the new online shop, which offers a range of over 3500 products and – unique in Switzerland – the perfume finder. This application uses various attributes such as age, sex and preferred fragrances to determine customers' favourite perfumes.

Christ Watches & Jewellery: gratifying result

In 2011, Christ Watches & Jewellery generated total sales of 114 million francs, over 2% up on the year-back figure. This result is all the more gratifying in light of the numerous price cuts implemented by Christ on account of the weak euro. After opening five new stores and closing two, Christ Watches & Jewellery was operating 82 outlets at the end of 2011. It thus continues to be the largest jewellery chain in Switzerland. Christ's jewellery range underwent a thorough revamp in 2011. In addition, Christ focused on drawing up the new Sales Market Strategy 2015+ and on further implementing the training scheme instituted in 2010. This scheme is designed to bring about a steady improvement in the staff's specialist knowledge and sales skills over the next few years.

Dipl. Ing. Fust AG: 45 years of guaranteed satisfaction

In 2011, Dipl. Ing. Fust AG, which has belonged to the Coop Group since 2007, celebrated the 45th anniversary of its founding. Under the motto of "45 years of guaranteed satisfaction", it provided its customers with a wide range of attractive anniversary offers and its "Win-a-million" competition. A damper was put on Fust's successful growth in the year under review by the strong market downturn and plummeting prices, particularly of consumer electronics. Fust continually passed on currency gains and therefore customers benefited from substantial price cuts in all sections of the business. The specialist retailer generated total sales of 983 million francs in 2011. The acquisition of addi-

tional market share in the core business of electrical household appliances in which Fust has been a leader for years was particularly gratifying. In the computer hardware segment, Fust now offers a broader range of Apple products. As is usual at Fust, these are also sold with the complete "ready to use" service package.

Coop Vitality pharmacies continue to grow

Despite market stagnation, Coop Vitality grew sales to a gratifying 132 million francs in 2011, a year-on-year increase of about 8%. It therefore continues to be the pharmacy chain with the highest sales growth in Switzerland, even though it had to implement price cuts on account of the strong franc. In the year under review Coop Vitality, together with the telemedicine provider Medgate, launched the tick check, a service that is unique in Switzerland. It enables people with suspicious tick bites to be examined free of charge at 47 Coop Vitality pharmacies throughout Switzerland and administered the necessary medication on the spot. A total of 21 pharmacy assistants completed their apprenticeship at Coop Vitality in 2011. In addition, three young pharmacists were trained and several students employed as trainees in 2011. These training schemes enable Coop Vitality to help counter the prevailing shortage of pharmacists.

The Body Shop Switzerland: new online shop

After opening seven new stores and closing one, The Body Shop Switzerland Ltd was operating 44 branches across Switzerland at the end of 2011. In addition, free-standing shelf elements displaying a number of its best-selling products were set up in all Coop City department stores. In April, The Body Shop launched an online shop for customers in Switzerland. It stocks approximately 750 products, and thus the entire range is accessible. The website also provides background information on the products and tips on how to use them. The international campaign initiated in 2009, "Stop Sex Trafficking of Children and Young People" is the most successful social campaign in the history of The Body Shop. Over seven million signatures were collected worldwide, including 95 000 in Switzerland. The petition was handed over to the Human Rights Council of the United Nations in Geneva on 29 September. In its first full financial year as part of the Coop Group, The Body Shop Switzerland Ltd posted total sales of 39 million francs. The weakness of the euro enabled The Body Shop to lower numerous prices.

Coop Mineraloel AG strengthens its market leadership

The already keen competition among mineral oil companies was further stepped up in 2011 by declining market volume, dwindling growth of the economy and weakness of the euro. In addition, the strength of the Swiss franc slowed down fuel tourism. Coop Mineraloel AG, with its total of 200 Coop filling stations – 186 of them with Coop Pronto shops – nevertheless held on to its position as market leader and gained further market share. Together with Coop Pronto shops and sales of heating oil, Coop Mineraloel AG posted net sales of 2.3 billion francs. This represents an increase of almost 11% year on year.

Coop Pronto shops expand range of fresh products

Thanks to Coop Pronto shops, Coop Mineraloel AG has been the number one in the Swiss convenience market for years. In 2011, nine filling stations with Pronto shops and two stand-alone Pronto shops were opened. The 239 Coop Pronto shops generated sales of 898 million francs, 9% more than in the previous year. The number of customer contacts including fuel sales totalled over 103 million at the end of the year under review. The focus of the convenience shops in 2011 was again on expanding the range of fresh products in order to satisfy growing demand, particularly for fruit and vegetables. “Coffee to go” is now offered in 47 shops throughout Switzerland. The Coop Pronto Newsletter was very much in demand in 2011; its 42 000 new customers boosted the total number of subscribers to 258 000.

Online formats

Coop@home: innovative shopping opportunities

In 2011, the online supermarket Coop@home posted sales of 86 million francs, which is 10% up on the previous year's figure. With deliveries totalling 345 000, the average value of each online shopping session, including other transactions such as flowers and prepaid credit for mobile phones, amounted to 247 francs. A total of 13 000 articles of everyday use and 1 200 wines are currently available from Coop@home. Coop@home added further options for mobile shopping in 2011 in the shape of apps for the iPhone, iPad and Android smartphones. Over 10% of customers already use a mobile device to do their shopping. Coop@home also created greater flexibility for time-pressed commuters by launching new types of service unique in Switzerland. Among other innovations, customers can now pick up their online purchases themselves at a Drive In station,

the first of which opened in Zurich. The installation of a vertical conveyer plant at the logistics centre in Spreitenbach improved the order-picking process. In 2011, Coop@home equipped all delivery vehicles with wind deflectors, which resulted in savings of 37 000 litres of motor fuel and 108 tonnes of CO₂.

Microspot.ch grows, and opens first showroom

Despite a shrinking market, Microspot.ch, Switzerland's leading online provider of consumer electronics and household appliances, continued to grow. With an offering of over 100 000 articles, Microspot.ch posted sales of 73 million francs in 2011 – a year-on-year increase yet again. This success was due in part to the systematic continuation of the low-price strategy, including the attractive “Happy Hour” and “Happy Weekend” promotions. Microspot.ch's first showroom, inaugurated in Moosseedorf near Bern at the end of August, has proved to be particularly popular. Here customers can view the merchandise and benefit from professional advice. If desired, they can also pick up ordered articles at Moosseedorf.

Online convenience: ordering heating oil

Customers who order their heating oil simply and conveniently from the www.coop-heizoel.ch website benefit not only from low prices but also from the opportunity to place their order at any time of the day. A total of 24% of orders for heating oil at Coop Mineraloel AG were already placed online in 2011. There is also steadily growing demand for high-quality, low-sulphur ecological heating oil. In 2011, over 40% of customers ordered the environmentally friendly and low-pollutant ecological heating oil.

ITS Coop Travel: more online bookings

There was a marked drop in demand for ITS Coop Travel's most important destinations, Egypt and Tunisia, in 2011. However, the travel agency run jointly by Coop and Rewe Touristik was able to offset this setback thanks to high growth rates of travel to other destinations, particularly Southern Turkey and Majorca. With its “Holiday Hits”, which change six times a year, ITS Coop Travel now also offers cruises and city breaks. The tour operator achieved a customer base of 55 400 in 2011, mirroring the previous year's figure. The bulk of bookings were made by phone, while 22% of trips were arranged by travel agencies. Online bookings increased to 27% of the total. Since prices were down about 9% on those of the previous year as a result of the low exchange rate of the euro, ITS Coop Travel posted sales of 59 million francs, a decline on the year-back figure.

Coop launches four further online shops

Online shopping from home is becoming increasingly popular. The Coop Group opened four new online shops to accommodate this customer need. Since spring 2011, Import Parfumerie, Toptip, Lumimart and The Body Shop have also been selling their products over the Internet. These online shops supplement the actual sales outlets, and there is no difference in prices. They enable customers who do not live near any actual stores or prefer to shop from home to have their purchases delivered straight to their doorsteps. The daily average of 6000 visits to each of the online shops underscores public acceptance of these virtual sales outlets.

Restaurant and hotel business

Coop catering: something to suit all tastes

Coop catering operates five different formats comprising a total of 197 restaurants and a total surface area of 56 421 m². It generated net sales of 256 million francs in 2011. The largest format are Coop restaurants, with 150 locations throughout Switzerland. Their focus in the year under review was on fresh, seasonal and, above all, balanced cuisine. A new feature is the stamped pass for the Jamadu children's menu. The pass can be exchanged for a ten-franc toy voucher after five restaurant visits. The Da Giovanni restaurants, associated with the Italian Giovanni Rana pasta empire, also form part of Coop catering. At the end of September, Coop opened the fifth and largest Da Giovanni restaurant at the Prime Tower site in Zurich. Coop's catering portfolio is rounded off by the Take-it shops at high-footfall locations, the original Italian CremAmore ice cream parlour and Ca'Puccini coffee bars.

BâleHotels: good growth of catering business

In 2011, the three BâleHotels Victoria, Baslertor and Mercure Hotel Europe benefited once more from the Baselworld and ART fairs and from the Basel Tattoo. Growth of the catering business was also good, with the Swiss Indoors tennis competition, the annual Palazzo Colombino gourmet theatre and air carriers featuring among its clients. Nevertheless, 2011 was a year of challenges. For instance, the competitive situation was tightened by a further increase in the number of hotel beds in Basel. In addition, Switzerland is becoming less and less attractive as a destination for tourists from the EU on account of the continued strength of the franc. In the end, BâleHotels fell short of its year-back result, posting sales of 28 million francs. May 2012 will bring challenges of a different kind when the complete refurbishment of Mercure Hotel Europe begins.

Tropenhaus Frutigen and Tropenhaus Wolhusen offer exceptional delights

The restaurants of the Tropic Houses at Frutigen and Wolhusen, in which Coop is the largest shareholder, are replete with tropical vegetation and offer a unique atmosphere. Tropenhaus Frutigen, which puts warm mountain water from the Lötschberg railway tunnel to good use, operates fish-breeding and plant cultivation facilities. The food it produces, together with seasonal and regional produce, is served in the on-site restaurants Terrasserie and Esturgeon. The first bananas grown at Tropenhaus Frutigen were harvested at the beginning of 2011, followed in November by the first Swiss caviar obtained from sturgeon bred on site. In 2011, Tropenhaus Frutigen posted net sales of 6 million francs.

Tropenhaus Wolhusen also produces tropical fruit and warm-water fish in greenhouses heated with industrial waste heat. The facility's own tropical products along with regional specialities are served in the Mahoi restaurant, which seats approximately 100. Tropenhaus Wolhusen posted net sales totaling 3 million francs in 2011.

Ramtu Bai

Organic cotton farmer from India

Coop Naturaline

Coop is setting new standards with its fashionable Naturaline textiles made from fair trade organic cotton. Over 7 100 organic cotton farmers and their families in India and Tanzania benefit from purchases.



For **Ramtu Bai**, growing organic cotton for Coop Naturaline makes good sense. She and her husband enjoy better prices and a purchase guarantee from the organic cotton company Biore India. These benefits secure the whole family's livelihood.



1 Thanks to Naturaline, some 4 300 farmers and their families in India alone can look forward to a secure future. The organic farmers benefit from the agricultural advice, purchase guarantee and organic premium of up to 15% on the local market price.

2 In 2005, Biore India inaugurated the world's first ginnery certified to SA8000 social standard, which guarantees fair and humane working conditions.

3 The Biore Foundation established by Coop and the Swiss-based yarn trading company Remei AG supports social projects aimed at improving local living and production conditions. 17 village schools educating a total of 750 schoolchildren have already been set up.

4 Every farmer undergoes training in organic farming at least once a year. In 2011, a total of 732 farmers attended the training centre in Kasrawad and 4 008 farmers took part in courses at the Farmer Field School.

5 The Coop-funded mobile health centre provides a wide range of medical treatment and services for people in the region. It has already treated over 26 000 patients.

6 There are many advantages to cooking with biogas: no time is lost gathering firewood and the house is not filled with harmful smoke. The Biore Foundation provides financial support for building biogas plants.



“As former Head of Non Food at Coop, I saw the deplorable conditions in textile production in Asia at first hand. Having influence means taking responsibility. It was obvious to me that something had to be done. Working together with Remei AG, we realized our vision, developed Naturaline and supported social projects by the Biore Foundation. Today, Coop is by far the world's leading company in marketing fair trade organic cotton.”

Jürg Peritz

*Head of Marketing/Purchasing Business Unit
Vice-Chairman of the Executive Committee*



Offering and pricing performance

Coop cuts the long-term prices of 4 500 articles. As large international companies are not passing on currency gains, Coop removes manufacturer brands from its offering. According to the price monitor, Coop prices are lower than those of its main competitor every month of the year. Coop switches strong-selling ranges to Fairtrade raw materials.

Pricing

For the benefit of customers

Coop focused very much on its pricing policy in 2011. It had already initiated its biggest ever price offensive in the last week of 2010, rewarding customers for their loyalty by undertaking a massive and transparent round of long-term price cuts, starting with some 500 articles across the whole spectrum of Coop own-label brands. This price offensive was continued systematically in the year under review. By the end of 2011, Coop had completed seven rounds of price cuts, lowering the long-term prices of a total of 1 639 own-label brand products, including numerous organic items, by an average of 10%. Coop ensures transparency by providing information on the individual price cuts on the shelves, in advertisements and on the Internet at www.coop.ch/preis. Coop finances the price cuts by improving productivity and efficiency and lowering profit margins. In addition, it passes on to customers any currency profits it makes from direct sourcing of products abroad as a result of the weaker euro and US dollar. In particular, fruit and vegetables that Coop itself had imported cost up to 15% less than in the previous year. Moreover, good harvests in 2011 reduced purchasing costs and therefore retail prices as well.

But it was not only in Coop's own-label brand range that prices tumbled. In the course of the year under review, Coop also lowered the prices of numerous

manufacturer brand products. This started with Switzerland's largest-ever round of price cuts on manufacturer brands in August 2011: over 700 products from 55 popular brands became up to 20% cheaper at Coop. These price reductions were the outcome of tough negotiations with multinational groups. Ever since the currency crisis began, Coop has fought to ensure that international suppliers pass on any currency gains they make as a result of the low euro exchange rate. In turn, Coop passes on the price cuts to Swiss consumers in full. But a number of large manufacturing groups and importers initially refused to meet this demand. Acting for the benefit of its customers, in summer 2011 Coop took a bold step that was unique in the history of the cooperative: it removed 95 manufacturer brand products belonging to multinational groups from its offering. This measure attracted a lot of attention throughout Europe and produced results within a few days of the first de-listings. International suppliers gradually agreed to substantial price cuts, which Coop passed on to its customers in full.

In 2011, Coop carried out price cuts totalling 350 million francs on 4 500 Coop own-label brand and manufacturer brand products. By steadily cutting prices, Coop offers its customers the best possible value for money and makes a further active contribution to strengthening purchasing power in Switzerland. In 2011, Coop cut prices by 2.4% across the whole range in retail.

Coop price monitor: 2011 overview

The survey for the Coop price monitor is conducted each month by an independent, global market research institute on behalf of Coop. The prices of an average of 2 200 everyday articles at Coop and its main competitor are compared.

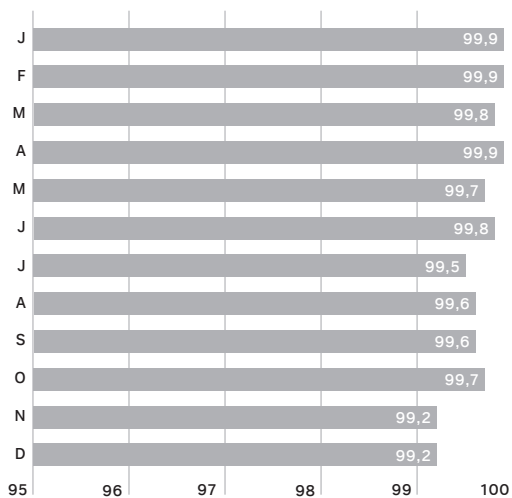
The articles compared are those with nationwide prices, i.e. prices of products available throughout Switzerland (manufacturer brands, own-label brands, lowest-price range).

Index in % (main competitor = 100%)

Index less than 100 = Coop charges less

Index 100 = Coop charges the same

Index over 100 = main competitor charges less



Source: Coop price monitor (monthly key-date survey)

Coop price monitor: credibility confirmed

The many other price cuts undertaken also bore fruit in 2011: for the second consecutive year, Coop prices in all price segments were lower than those of its main competitor every single month of the year. This finding stems from the Coop price monitor, for which Coop has had the prices of around 2 200 articles of everyday use at Coop and its main competitor compared every month since 2008. The comparisons are carried out by an independent market research institute that ensures both correct selection and product comparability. Products in four categories are compared: lowest-price articles, own-label brands, manufacturer brands and discounted manufacturer brands. The latter category was added at the beginning of 2009 after Coop had slashed the long-term prices of over 600 manufacturer brands to discount level. Retail experts and Comparis.ch, Switzerland's largest comparison website, testify to the optimum credibility of the methods the Coop price monitor uses, for instance because it excludes temporary price cuts, i.e. special offers. The Coop price monitor is thus the most long-term, comprehensive and reliable price comparison system in Switzerland. Coop publishes the findings every month in the Coop member press and on the Internet.

Product range diversity

Coop satisfies all customer needs

With its own-label sustainability brands and quality labels, own-label target-group brands, own-label standard brands and numerous manufacturer brands, Coop offers the greatest product range diversity in the Swiss retail sector. It has led the market in animal-friendly and environmentally and socially compatible products for many years – every second organic product sold in Switzerland is purchased at Coop. The organic regional range marketed under the Coop Naturaplan label offers a particularly wide choice of regional, organically produced Swiss products. Coop supports Swiss upland farmers by marketing products produced in mountain regions under its own-label sustainability brand Pro Montagna. In 2011, Coop began the gradual process of switching a number of strong-selling ranges of its own-label standard brand Coop Qualité & Prix to Fairtrade raw materials, thereby moving closer to its vision of making fair trade the standard for own-label brand products sourced in the world's southern countries. Coop itself carries the additional costs incurred by purchasing Fairtrade products. Coop also made further important progress in its efforts to protect the seas: it now offers MSC-certified tinned white tuna fish under the Coop Qualité & Prix label. By the end of 2012, Coop will be offering, under its Qualité & Prix label, only tinned fish sourced from environmentally compatible, sustainable fisheries.

Coop own-label sustainability brands and quality labels

Naturaplan: sales grow despite price cuts

Switzerland's leading organic brand posted further growth in 2011, with Coop Naturaplan generating sales of 779 million francs – a year-on-year rise of 3%. This is all the more impressive given that prices across the entire Naturaplan range were cut by 3% on average in 2011. In 2011, Coop introduced over 140 new, excellent-tasting products bearing the Bio Suisse quality label, including innovative cake mixtures and ice lollies. With over 1 600 Naturaplan products in the range, there are hardly any food items at Coop that are not available in organic quality. The Naturaplan range of organic products is to be further extended in 2012. The tastings of regional organic produce at Coop stores in the presence of the producers attracted a great deal of consumer interest.

Naturafarm: humane animal husbandry is standard
Coop Naturafarm stands for high-quality meat and egg products from humane access-to-range or free-range husbandry methods. Naturafarm animal husbandry programmes are much more stringent than the legal specifications. Independent monitoring organizations such as Swiss Animal Protection (STS) conduct checks of farms, transport and slaughtering unannounced and at regular intervals. In addition, Coop seeks to ensure that additives are used responsibly in the processing of products. At 450 million francs, sales of Naturafarm meat and egg products in 2011 were slightly lower than in the previous year. The very low prices on the pork market as a whole and the growing shopping tourism trend had a dampening effect. As a proportion of overall sales, the animal-friendly own-label brand accounted for around 30% of meat and egg products and even around 60% of beef and pork.

A world premiere from Oecoplan

Coop Oecoplan, the own-label brand for ecologically compatible non-food and near-food products, had a successful 2011. Posting sales of 121 million francs, Oecoplan grew by 3% compared with the previous year. The range was further expanded in 2011, particularly in the organic garden supplies and domestic hard goods segments, and now comprises approximately 1 700 products. In the “International Year of Forests 2011” Coop demonstrated its broad commitment to sustainable forestry both at the communication level and by introducing innovative new products. The rattan baskets launched in September are a world premiere. The raw material is sourced from a forest in Laos that is the first in the world to be awarded the FSC quality label for rattan. Five years of development work by WWF lie behind the project, which guarantees a steady income for 300 workers and protects the highly endangered tropical forest from overexploitation.

Naturaline increases CO₂-neutral production

Naturaline, the own-label brand for sustainable textile and cosmetic products, makes Coop the world leader in the marketing of fair trade organic cotton. The long-standing partnership with Swiss textile trading company Remei AG has led to the establishment of a transparent production chain. The organic cotton is produced in direct cooperation with over 7 100 small-scale farmers in India and Tanzania. Naturaline farmers benefit from higher prices and a purchase guarantee, in addition to further services from the Biore Foundation such as interest-free, upfront financing of agricultural infrastructure projects. Coop generated sales of 66 million francs with Naturaline in 2011. Soaring raw-material prices

had a negative effect on the operating environment, and therefore the prices of Naturaline textiles also had to be raised. Coop made great progress towards its goal of achieving CO₂ neutrality for all Naturaline cotton textiles and cotton-wool products: in 2011, the production of all socks, underwear, nightwear and outerwear from Europe and India was CO₂ neutral.

Pro Montagna continues to grow

Despite the unfavourable economic climate, products from Swiss mountain regions marketed under the own-label sustainability brand Pro Montagna met with rapidly growing popularity in 2011. Pro Montagna posted sales of over 32 million francs, which represents a year-on-year increase of around 7%. Production and processing of the products in Swiss mountain regions promotes both farms and processing facilities located there. The added value thus stays in the mountain regions, jobs are preserved and new ones created. The Pro Montagna range is being constantly expanded and now comprises around 120 mountain products, including a new organic, semi-hard buffalo cheese from Schangnau, sliced “Mostbröckli” (smoked beef loin) from Appenzell and double-cream ice cream from the Bernese Simmental. The range also includes approximately 80 seasonal and regional mountain cheeses. For every Pro Montagna product sold, Coop makes a contribution to the non-profit organization Coop Aid for Mountain Regions. In 2011 alone, this amounted to around 840 000 francs, which were donated entirely for the benefit of the inhabitants of the mountain regions.

Pro Specie Rara expands its range

Pro Specie Rara products generated a massive 15% increase in sales in 2011. Coop has been working for over ten years with the Pro Specie Rara Foundation to protect the biodiversity of endangered native crop plants and livestock. The range of Pro Specie Rara fruit and vegetables in Coop sales outlets was substantially expanded in 2011. In particular, record harvests meant that lovers of rare varieties of apples were spoiled for choice. The new greeting cards with Pro Specie Rara flower seeds proved very popular. Tasting of Pro Specie Rara products in the Coop sales outlets and the seedling markets held at Coop Building & Hobby centres continued to be popular.

Slow Food: a successful 2011

Coop has been supporting the non-profit organization Slow Food with funding from the Coop Sustainability Fund since 2006. The focus is on developing Swiss “presidia” (speciality promotion groups) aimed at supporting small producers, their products and traditional production methods. By selling Slow

Food products, Coop opens up new sales channels and increases the added value generated at the place of production. Slow Food had a successful 2011, with sales of the traditional products growing by 16% year on year. Gotthelf Emmentaler, a cheese whose flavour is quite distinctive from industrially produced Emmentaler, is particularly popular. There were a total of 24 presidia in Switzerland at the end of 2011. In the Swiss retail sector, Slow Food presidia products are available only at Coop.

Max Havelaar quality label to become standard

In 2011, Coop posted sales of 158 million francs with products bearing the Max Havelaar quality label – a year-on-year rise of 12%. Coop is thus by far the largest marketer of Fairtrade products in Switzerland. It has a vision of fair trade becoming the standard for own-label brand products sourced from the world's southern countries. 98% of cut roses and 88% of bananas at Coop currently bear the Max Havelaar quality label. In 2011, further strong-selling ranges of the own-label standard brand *Qualité & Prix* were gradually switched over to Max Havelaar raw materials: Asian rice is already fully Max Havelaar-certified, most chocolate bars are, and the range of exotic fruit with the Max Havelaar quality label has doubled. Coop now stocks a total of around 250 Max Havelaar products – 65 more than in 2010.

Organic bud label on more and more products

The Bio Suisse bud emblem is one of the world's strictest and best monitored quality labels for organic products. Not only does it require production to comply with high standards, it also guarantees gentle processing of the foodstuffs. In 2011, Coop sold organic foodstuffs bearing the bud label to the value of about 829 million francs – 4% more than in the previous year. Total sales of organic products at Coop amounted to 894 million francs. Coop therefore continues to be the clear leader for organic products. Most of the over 2 300 bud-labelled products available at Coop are marketed under the own-label sustainability brand *Naturaplan*. But numerous organic *Pro Montagna* products from mountain regions, *Fine Food* organic products and *Oecoplan* products for organic gardens also bear the Bio Suisse quality label.

MSC: innovative project with yellowfin tuna

Coop has been supporting the independent organization Marine Stewardship Council (MSC) for over ten years. The MSC quality label stands for fish and seafood products from low-impact, sustainable wild catch and guarantees that only as many fish may be caught as will breed again naturally. In 2000, Coop

was the first retailer in Switzerland to market MSC-certified seafood products. At the end of 2011, around 66% of fish and seafood products from wild catch bore the MSC quality label. Thanks to systematic application of the sustainability strategy to the fish range, sales of MSC products amounted to 56 million francs at the end of 2011, a rise of 32% on the previous year. Together with Bell Seafood, WWF and the German investment and development company DEG, Coop initiated an innovative project focusing on yellowfin tuna fisheries in the Philippines. Its aim is to ensure that fishing of tuna stocks in the region is geared to long-term sustainability and to achieve the world's first MSC certification of yellowfin tuna.

FSC quality label for sustainable forestry

In its wood and paper ranges, Coop focuses on recycled raw materials and the quality label of the Forest Stewardship Council (FSC) for environmentally and socially responsible forest management. In 2011, FSC International singled out Coop as one of twelve flagship companies to participate in the FSC's campaign "Tree in the middle". The aim of the campaign is to celebrate the achievements of the last twenty years and to win over other committed companies to the FSC. At Coop, about 70% of wood products sold are FSC, while some product categories such as wooden toys have been switched over completely to FSC. In Coop's paper range, over 50% of products are either FSC-certified or made entirely from recycled paper. In addition, the packaging of Coop's own-label brands of flour, sugar, chocolate and bread bear the FSC quality label. In 2011, Coop's sales formats posted sales of FSC products amounting to 130 million francs.

Topten: much broader range

Topten is the Swiss quality label for products and services with the lowest energy consumption and low environmental impact. It is sponsored by S.A.F.E. (Swiss agency for efficient energy use). Electrical appliances and lamps bearing the Topten quality label also have to demonstrate good serviceability, very good quality and good value for money and be harmless to health. Coop greatly expanded its Topten range in 2011. With a total of 573 products bearing the Topten quality label, Coop's sales formats provide consumers shopping for energy saving products with the best possible assistance. In 2011, sales of Topten products in Coop's sales formats amounted to approximately 242 million francs – 7% more than in 2010.

Own-label target-group brands

Prix Garantie offers certainty about prices

Coop's Prix Garantie label guarantees lowest prices, thus giving customers complete certainty in this respect. The lowest-price guarantee ensures that the long-term prices of all Prix Garantie products are at least as low as the lowest-priced equivalents offered by Coop's main competitor and by discounters on the Swiss market. It applies as much to the Prix Garantie range in supermarkets and megastores as to that of Coop Building & Hobby centres. Sales of the approximately 400 Prix Garantie products amounted to around 340 million francs in 2011.

Fine Food enlivens the premium segment

The Coop own-label brand Fine Food stands for gourmet food at affordable prices. The range also includes high-quality kitchen aids and creative tableware marketed under the Fine Food Design label. Fine Food posted sales of over 82 million francs in 2011, which means that the own-label brand slightly exceeded its year-back level despite consumers' growing price awareness. Numerous additional products were launched in 2011: 39 innovative new items now enliven the Fine Food range, raising it to a total of approximately 400 products. The ambassador of this Coop own-label brand is star chef Ivo Adam, who plays the leading role in the new Fine Food TV commercial.

New look for Betty Bossi

Betty Bossi, Coop's fresh convenience food brand, posted sales of around 445 million francs in 2011. Along with the change of logo, the Betty Bossi products have gradually been switched to a new, fresh-looking packaging design since September. The novel design ensures that the different product lines are easier to distinguish. In parallel, Coop revised the range, improving recipes where possible and introducing numerous new items. The Betty Bossi range of over 600 products now offers greater choice than ever before.

Weight Watchers – enjoying your food doesn't mean going without

Weight Watchers is not a diet but a comprehensive nutritional programme. The product range is varied, extending from ready-to-eat meals and beverages to dairy products, sausage meat and other meat products and to baked goods and desserts. Coop develops and markets the low-fat, low-sugar and/or low-calorie food products in Switzerland on an exclusive basis. The partnership with the Weight Watchers organization has existed since 2005 and is the only

one of its kind in the world. In 2011, Coop posted sales of around 70 million francs with Weight Watchers products. The new campaign "Für die Form meines Lebens" (Getting into the shape of my life) is designed to underpin the core values of the nutritional programme while also boosting the attractiveness of Weight Watchers.

Jamadu: physical activity, play, fun and nutrition

The Coop own-label brand Jamadu offers 110 food, near-food and non-food items, some of them seasonal, that use playful elements to communicate the benefits of a balanced diet and an active lifestyle to children. The range is limited to products that have been pre-tested by children and parents for their sensory characteristics and general acceptance. In addition, Jamadu supports numerous projects focusing on nutrition and physical activity. The Jamadu magazine, which is published three times a year, presents interesting information about physical activity and nutrition in a playful manner. Sales of Jamadu products exceeded 20 million francs in 2011. Since strict nutritional regulations apply to all foodstuffs, the development of new Jamadu products has proved to be something of a challenge.

Délicorn: flavoursome meat-free meals

Under the vegetarian label Délicorn, Coop markets 35 high-quality culinary products made from soya, wheat or millet. New additions to the range include three tofu specialities bearing the Bio Suisse bud quality label. The tofu products are produced in Switzerland but based on Japanese recipes. They can be served in many different ways and therefore offer variety as well as enjoyment. They have been developed in close collaboration with Valais-based Fabian Zurbriggen, who lived as a monk in a Buddhist monastery in Japan for seven years, during which he acquired a thorough knowledge of the production and uses of tofu. In the year under review, Coop achieved further growth with Délicorn, generating sales of around 14 million francs.

Free From – for carefree enjoyment

Coop's own-label brand Free From is designed specifically to meet the needs of people who suffer from a form of food intolerance. It comprises over 60 products that do not contain any lactose (milk sugar), gluten (cereal protein) or other specific allergens. The gluten-free range includes products from the Schär brand and DS-Food (Dietary Specials). Sales of Free From (excluding Schär and DS-Food) topped 15 million francs in 2011, a rise of around 19% on the previous year. In May, Coop launched the cookery book "Glutenfrei geniessen" (Enjoying

gluten-free meals), which contains recipes and tips on preparing delicious dishes that do not contain gluten.

Plan B promotes apprentice skills

With its approximately 50 products for fast, uncomplicated and, above all, attractively priced meals, Plan B is ideally geared to the carefree lifestyle of young adults. The Coop own-label brand generated sales of over 12 million francs in 2011, approximately 15% more than the previous year. Under the motto "Plan B for all", Coop apprentices create a new Plan B sandwich every year. Their 2011 contribution to the range was the chicken curry sandwich "Curry Bengeli". For the second year in succession, third-year apprentices took over the complete management of the Plan B range at selected sales outlets.

Own-label standard brands

Qualité & Prix: quality need not be expensive

The Coop own-label brand Qualité & Prix stands for wide choice and top quality at low prices. The food, near-food and non-food products cover the entire spectrum of everyday needs in full – from basic foods through cleaning products, beverages and cosmetics to kitchen utensils. Transparency of information is an essential attribute of the product packaging. The packaging texts of all Coop own-label brands are drawn up by a team of skilled specialists and checked constantly, also for intelligibility. In addition, most of the food products display a food profile, i.e. detailed labelling of their nutritional values. Coop posted sales of just over 2 billion francs with Qualité & Prix products in 2011. The slight decline on the year-back figure was due primarily to the numerous price-cutting rounds in Coop's range.

Manufacturer brands

Widest choice in Switzerland

Coop stocks by far the largest range of manufacturer brands in Switzerland. Manufacturer brands account for over 46% of Coop's overall sales, making Coop the most important partner of the Swiss branded article industry. In order to lower prices in 2011, Coop did not confine its repeated price-cutting rounds to its own-label brands. In the interests of consumers, it fought to ensure that multinational groups passed on any currency gains. Coop customers thus also benefited from lower prices on manufacturer brands.

Supply chain management

Cost savings thanks to supply chain management

Owing to numerous improvement projects, supply chain management at Coop brought about cost savings of 4 million francs at national level in 2011. Since the nationwide introduction of supply chain management, a total of 12.7 million francs in long-term savings has been achieved. Supplier performance has improved, warehouse stocks have been reduced and delivery availability has improved by 1.0 percentage points in the food sector and 0.7 percentage points in non-food. Introducing supply chain management means instituting changes. Anyone who strays from existing paths must also be able to cope with uncertain and unexplained situations over long periods and yet retain their ability to take action. Both tailored courses and on-the-job training have helped stock management staff to strengthen interdisciplinary cooperation and address new challenges. In autumn 2011, the Executive Committee approved the implementation of supply chain management at regional level. This entails closer integration and the exploitation of synergies between national and regional stock management and the optimization of regional warehouse stocks.

Additional services

Coop introduces further measures to improve quality assurance of fresh products. The Coop Consumer Service answers over 190 000 customer queries. The Hello Family Club welcomes the 250 000th family as members and over four million Supercard users now collect points.

Services

Coop Consumer Service: more queries than ever before

The Coop Consumer Service received 192 797 customer queries in the year under review – around 12% up on the 2010 figure. The growing number of queries reflects Coop's dynamic character. As a result of offers such as Hello Family, the Coop "Win-a-million" competition and the many price cuts due to the low exchange rate of the euro, customers are increasingly contacting the Consumer Service. Their opinions are greatly valued at Coop. For instance, demand for Coca-Cola Vanilla was so great that it was put back in Coop's range. The software harmonization carried out in the Consumer Service in 2010 has proved very useful, and customer concerns can now be dealt with even more quickly and efficiently.

Pricing policy a focus of media interest

Price developments were a dominant theme of 2011 in the Swiss retail sector as a whole. The low exchange rate of the euro and the subsequent passing on of currency gains to consumers triggered a lot of activity on the pricing front that aroused a great deal of interest, not least that of the media. The particular focus of media interest at Coop was on the many rounds of price cuts and the de-listing measures taken by Coop to step up the pressure on multinational producers to engage in negotiations. The nuclear disaster at Fukushima, the emergence

of the EHEC pathogen and last autumn's debate about counter sales of meat at Coop meant consumer queries also focused on food safety. An additional topic of interest to the media was the change of management at the top of the Coop Group. The Coop Media Unit answered approximately 2 500 media enquiries, issued a total of 77 media releases and organized eight media events in 2011.

One year of Hello Family Club

Just in time to celebrate its first anniversary, the Hello Family Club welcomed its 250 000th family as members. Coop founded the free-of-charge club in September 2010 in order to relieve pressures on tight family budgets. The Hello Family Club offers a broad selection of products and promotions geared specifically to the needs of families with children. The selection includes monthly discount offers on entire product categories such as fruit or meat. In 2011, the Hello Family Club expanded its range of family discounts on events and leisure activities in cooperation with external partners. Special Hello Family events such as the exclusive pre-premiere of the feature film "Cars 2" proved to be very popular. The 3 500 special-price tickets were sold within a few hours.

Over four million Supercard users

Coop Supercard is the most successful customer loyalty programme in Switzerland. Over four million active users collected Superpoints in 2011. The number of Supercard accounts totalled approxi-

mately 3 million. Most of the accumulated points were used to purchase non-food products at Coop City department stores and to benefit from the changing Supercash ranges at Coop supermarkets. In addition, customers used Superpoints to obtain loyalty bonus gifts, admission to attractive events and prepaid credit for Coop Mobile. All in all, customers used Superpoints to obtain goods and loyalty bonus gifts to the value of approximately 194 million francs in 2011. Every week, the new, four-page Supercard section in the Coop member press provides a useful overview of Supercard's many benefits. Since April 2011, the card has also been available in key ring format. Over 60 000 of these mini-cards had already been ordered by the end of the year under review.

Added value with Supercardplus and Verdecard

Almost 400 000 Supercardplus cards were in circulation in 2011 – around 30 000 more than in 2010. Coop, together with Swisscard AECS, launched Supercardplus five years ago as Switzerland's first free credit card. It is available either as Mastercard or a Visa card, and it automatically accumulates Coop Superpoints each time it is used. Coop also offers customers Coop Verde American Express, a credit card that combines cashless payments with the sustainability principle. With this regular American Express credit card, 0.5% of the value of each purchase is donated to sustainable projects such as WWF's River Dolphin Conservation programme in Cambodia.

Coop Mobile: rates now much better

Coop Mobile, the prepaid Prix Garantie mobile phone offering, was decisively improved in 2011. Previously, phone calls cost 30 centimes a minute regardless of which network they were made to. Now, Coop Mobile customers can call all 1.5 million Orange and Coop Mobile subscribers free of charge. Calls to other networks cost 30 centimes a minute as before. Customers continue to have the attractive option of paying for their SIM card or mobile phone and their prepaid mobile phone credit with Coop Superpoints.

Coop Depositenkasse: euro much in demand

For over a hundred years, Coop Depositenkasse has enabled Coop to offer its members a profitable investment alternative in the form of charge-free deposit accounts and medium-term notes with attractive interest rates. Members' deposits make a contribution towards financing the Coop Cooperative. In 2011, the plummeting exchange rate of the euro triggered higher-than average demand in the currency exchange business of the 25 Swiss-wide

branches of Coop Depositenkasse. Thanks to skilfully planned provision of the branches with foreign currency, however, the majority of customer needs were satisfied. The customer base was enhanced by a survey in the business magazine "Cash", which revealed that Coop Depositenkasse offered the best franc/euro rate of exchange.

Quality management

Comprehensive approach to quality

Coop regards quality assurance as a process that encompasses the entire product chain – from the production of raw materials through to the sale of the finished product. In terms of its organization, Coop Quality Management is central and independent. It bundles and controls the different activities and is geared to the core processes of purchasing, logistics and sales. New insights on quality and product safety are constantly evaluated by Coop's own experts using in-depth risk analyses. Coop works closely with the authorities and scientific circles. This means that urgent problems concerning quality such as the outbreak of EHEC in Germany, radioactivity from Fukushima or mineral oils in cardboard packaging can be assessed and addressed as they occur. For quality control purposes, Coop carries out risk-related product checks in its own laboratory, plant audits on suppliers' premises, supervision of the cold chain and regular, unannounced checks of the sales outlets. In 2011, Coop conducted a total of 456 241 tests on approximately 19 000 samples.

Quality management in purchasing

In its purchasing activities, Coop sets great store by cooperating with reliable and professional business partners that comply not only with product quality standards but also with social, ethical and ecological specifications. In particular, a contractual agreement requires Coop's business partners to maintain a quality management system of their own that ensures compliance with "good manufacturing practice", and to conduct regular quality checks on products they supply to Coop. In addition, Coop obtains a comprehensive self-assessment from each business partner and reaches agreement with the partner on product specifications. Coop also concludes contractual agreements on compliance with official standards such as those of the Global Food Safety Initiative (GFSI), and this compliance is guaranteed by recognized, impartial monitoring organizations. With regard to goods purchased in the Far East, Eurogroup Far East Ltd., in which Coop has a stake, is responsible for performing important quality assurance tasks in the actual country of origin.

Quality management in logistics and sales

Coop also monitors all relevant aspects of post-production compliance with quality standards. In the case of perishable goods, it particularly monitors compliance with the cold chain – from storage, order preparation and transport right through to display in the sales outlets. The key component of quality assurance at Coop is self-monitoring. This is mandatory in all Coop sales outlets and restaurants, and comprises checks on, for instance, the sell-by dates of products and all aspects of hygiene. Sales staff undergo periodic training in workplace, staff and product hygiene and receive a manual with precise instructions concerning quality assurance. Regular shop inspections and hygiene checks by the regional quality officers and tests conducted in accredited laboratories enable Coop to ensure that all specifications are fully complied with. In the year under review, irregularities nevertheless occurred in the meat sector that threatened to undermine consumer confidence. The Executive Committee therefore took decisive action, imposing a zero tolerance policy on unpacking goods from the self-service department, ordering external certification of fresh product departments and establishing an ombudsman to which employees can report (also anonymously) any infringements of the rules.

Advertising / communication

Focus: “For the people behind it all”

Coop has always set great store by partnership-based relations with its suppliers all over the world. It placed these people at the very heart of its communication activities in the year under review, and gave them a face in the advertising campaign “For the people behind it all”. Consumers were able to put together their own Naturaline organic cotton t-shirts displaying the faces and names of selected producers. Coop donated 10% of the price of each t-shirt sold and a considerable sum of money to a project being run by the Helvetas development organization in Honduras. In addition to the focus campaign “For the people behind it all”, Coop engaged in numerous other advertising activities in 2011. In the spring and winter, it promoted an attractive special offer every day in a TV commercial during the popular Easter and Christmas periods. In August, as part of the “Super Freshness Game”, customers received a scratchcard for every 20 francs worth of purchases at a Coop supermarket. There were attractive prizes to be won, for instance free fruit and vegetables for a whole year. The Coop “Win-a-million” competition launched in March 2011 met with such an enthusiastic response that it

was repeated in November. For several weeks, a win code with a chance of winning a million francs in cash and a range of attractive prizes was printed on each customer receipt for purchases in excess of 20 francs. At the beginning of December, communication of special offers in the Coop member press was completely revamped. There is now a 20-page insert that also includes the special offers of the megastores that had previously been advertised in separate leaflets.

Coop member press expands multimedia services

With an overall circulation of 2 495 554 and approximately 3.4 million regular readers, the three weekly newspapers Coopzeitung (German), Coop ration (French) and Cooperazione (Italian) are by far the most widely read print products in Switzerland. They are perused by an average of six out of ten households. This was confirmed once again by the annual survey carried out by the independent Swiss media research company Wemf AG. While Coopzeitung in the German-speaking part of Switzerland and Cooperazione in Ticino have been reaching many more readers than the competition for a number of years now, Coop ration in the French-speaking region succeeded for the second year running in achieving readership levels identical to those of its closest competitor. Despite a slight downtrend in the advertising market, advertising sales for the three newspapers continued to rise, resulting in considerable upscaling of volume and enabling editorial content to be expanded. Coop member press has been using a new content management system since 2011 – a multichannel process in which content can be placed not only in printed newspapers but also on other channels such as the Internet and the iPad. This enabled Coop member press to expand its multimedia services and launch a further iPad magazine on leisure-related topics. For the first time ever in Swiss newspaper printing, Coop member press successfully used mineral-oil-free inks for a print run of over 1 million copies in summer 2011. The four inks used contain vegetable and synthetic oils. This prevents any potential hazard posed by cardboard produced from recycled newspaper. By committing itself to mineral-oil-free printing inks, Coop is helping to make newspaper printing more sustainable.

Coop Internet presence grows and goes mobile

In 2011, Coop's website www.coop.ch received over two million hits every month, a rise of approximately 34% over the previous year. Besides the very successful promotions, particularly intensive use is made of the site's online services. There was strong growth in mobile use of the Coop website, which

was six times greater than in 2010. Coop's range of apps proved to be particularly popular, with a total of almost 300 000 installations on iPhone, iPad and Android devices. Coop has thus built up a strong position not only in traditional but also in mobile Internet services; this will be further expanded in 2012.

Close to people through sponsorship

Coop's sponsorship commitments continued to cover a wide range of activities in 2011. New projects included the Swiss Yodelling Festival in Interlaken, the Swiss Folk Music Festival in Chur and the children's musicals "Heidi", "Der kleine Eisbär" and "Prinzessin Lillifee". Karl's kühne Gassenschau, a theatre group that Coop supported for the second year in succession, staged their new show "Fabrikk" in Winterthur to great success. The legendary stage company Mummenschanz celebrated its 40th anniversary by starting a tour of the whole of Switzerland – with Coop as presenting sponsor. These projects round off Coop's ongoing sponsorship of beach volleyball, cross-country skiing, gymnastics and ski cross in the sports field, open-air cinema, musicals, comedy tours and children/family-oriented events in the cultural sector and projects promoting physical activity and a balanced diet for children and the population as a whole. Coop sponsored a total of approximately 220 regional and national projects in 2011, thus helping ensure many exciting moments for its customers across Switzerland.

Logistics, IT and Property

Coop implements the first measures in its Logistics and Bakeries Strategy 2015+. Railcare sets the course for more rail shipments. Coop IT initiates a project to integrate Transgourmet and introduces a uniform cash register system in all food outlets.

Logistics

Logistics and Bakeries Strategy 2015+

In 2010, Coop approved the Logistics and Bakeries Strategy 2015+, which represented a long-term change of direction. Coop is pursuing three goals that underpin the strategy: ensuring the support essential for the Group's sustainability targets, further cost optimization and constant improvement of Coop's baked goods. Implementation of the new strategy entails Coop investing some 575 million francs in Switzerland as a business location. To offset this, Coop anticipates recurrent annual savings of around 72 million francs. The comprehensive Logistics and Bakeries Strategy 2015+ project comprises the following activities: restructuring logistics and bakeries especially in the Zentralschweiz-Zürich and Nordwestschweiz regions, centralization of frozen food logistics, investment in the national distribution centre in Pratteln, improving quality in Coop Bakeries and shifting more freight shipments from road to rail. In 2011, Coop Logistics focused primarily on specific planning and devising of these major changes. For instance, the outline plan for expansion of the existing distribution centre at Schafisheim, including a new building at the same site, was approved. In addition, Coop examined and defined the space requirements for transforming the distribution centre at Dietikon into a national distribution centre for Coop Pronto shops and Coop@home. Furthermore, freight shipments were shifted from road to UCT (unaccompanied combined transport).

Environmentally friendly freight shipments by Railcare

When Coop took over Railcare AG in autumn 2010, it set the course for increased use of rail shipments. Railcare AG specializes in unaccompanied combined transport (UCT), a combination of road and rail. UCT is a flexible yet efficient and environmentally friendly method of transporting goods. Travel times and costs are comparable with those incurred when road transport alone is used. Since Railcare trains travel at the same speed and as reliably as express passenger trains, they can be deployed in the railway network as flexibly as regional trains. Since 2011, Railcare has been responsible for supplying Coop megastores along the Lake of Geneva and in the Ostschweiz-Ticino region, using UCT from the national distribution centre at Wangen. Freight shipments to the French-speaking part of Switzerland are round trips: on the return journey, Railcare transports pasta from Coop's manufacturing company Pasta Gala in Morges to Wangen, using the same combination of road and rail. In addition, Railcare has been supplying a total of 29 Building & Hobby stores from the distribution centre at Gwatt since June 2011. Since October 2011, Railcare has also been responsible for delivering frozen goods to 155 sales outlets in the Nordwestschweiz region and five outlets in the Bern region.

Improving driving behaviour

Transport-related CO₂ emissions are influenced not only by the choice of transport but also by driving

behaviour. In 2011, Coop therefore equipped a total of 270 lorries, i.e. around 60% of the entire fleet, with the Fleetboard telematics system. The data generated by this system enable drivers to analyse their personal driving behaviour. For instance, they can check whether they are driving in a forward-thinking manner, using the right gear and at a steady speed. Such an improvement in driving behaviour can reduce fuel consumption by up to 10%, which saves costs while also lowering CO₂ emissions.

New approaches to order-picking

Coop piloted its first "Pick'n'Go" system for order picking of dairy products at the distribution centre in Aclens in 2011. This technology is otherwise used only in Sweden. "Pick'n'Go" is a driverless transport system that supports workers in the picking process by enabling the forklift to move automatically to the different picking positions. The picker controls the system by giving orders through a "Pick by Voice" headset. Using "Pick'n'Go", Coop aims to improve order picking by 30% while also optimizing ergonomic conditions for the pickers. Thanks to the pilot at Aclens, order picking of dairy products in 2011 was improved by 20% over the previous year. The target is an improvement of 30% by mid-2012. If this is achieved, Coop is also considering applying "Pick'n'Go" to order picking for other product categories.

Crisis simulation at Coop distribution centres

Coop Logistics regularly determines the conditions at Coop distribution centres that could cause a breakdown of core systems such as the bakery or the high-rise warehouse or, in the worst-case scenario, a total breakdown. An occurrence of this kind was simulated at all Coop distribution centres in 2011. The crisis teams at each centre were mobilized and their deployment tested under realistic conditions. Coop Logistics conducted the simulation exercises in close cooperation with Coop security services. It then evaluated the results and is now incorporating them into its preventative measures.

IT

Successful implementation of the new cash-register system

In 2011, Coop IT also realized a variety of projects aimed at supporting Group processes. For instance, a new cash-register system was introduced in all food outlets of the Retail and Trading Business Units in the course of one year. In addition to the actual cash registers, peripheral systems such as scales

and self-scanning with Passabene were integrated into the software. The next step for Coop IT is the switchover in 2012 of the cash-register systems at Building & Hobby, Import Parfumerie and the non-food departments of Coop City department stores. This means that, in addition to around 1 000 sales outlets equipped to date, a further 250 sales outlets will be fitted with the same cash-register software, which will be individually configured to match the different types of outlet.

Transgourmet project

One of the largest projects now in progress is the integration of the Transgourmet Group's IT systems. The Transgourmet systems currently hosted by Rewe Informations-Systeme GmbH (RIS) are to be migrated to a new Coop system. In 2011, Coop IT defined the future structures of this system and set about developing it. Transfer of Transgourmet systems from the previous host RIS will be completed by the end of 2013. Over and above this, Coop IT installed a video conference system linking Coop and the individual Transgourmet units and set up a new Transgourmet website.

Increased use of sales-based ordering

In 2011, Coop extended the sales-based ordering (SBO) system to further product categories in the food and non-food sectors. The entire Building & Hobby range at Coop supermarkets and megastores is now managed using SBO. The next step is to extend SBO to the fresh convenience food and fresh fish categories. For these categories it has been shown that management of fresh items requires a daily forecast. The basis for improved forecasting for fresh products was therefore drawn up in 2011. It will be introduced in mid-2012.

Property

Property management, project development and realization

The Property Business Unit is responsible for portfolio, building, asset, facility and shopping centre management and professionally managing the entire property portfolio for Coop's core business. With the acquisition of the two retail properties "EKZ Volkiland" and "Coop Building & Hobby" in Volketswil in November, the Property Business Unit was managing or administering a total of 37 shopping centres throughout Switzerland at the end of 2011. Other companies besides Coop are also represented in these shopping centres. The Property Business Unit is also responsible for project development and realization. In Château d'Oex, for

instance, a refurbished and expanded Coop supermarket was reopened on 23 March 2011. In Dielsdorf, the grand opening of the modernized and now more attractive Center Dielsdorf took place on 14 April, after a phased refurbishment lasting just over a year. This was followed in autumn by the opening of the modernized Coop supermarkets in Porrentruy and in Buchs (St. Gallen). The expanded Coop sales outlet in Frick opened its doors on 30 November. Finally, the new building of Pearlwater Mineralquellen AG in Termen for the expanded production of mineral water was completed at the end of the year under review. Three projects were still under construction at the end of 2011: the new Toptip store in Pratteln, the phased refurbishment of the Coop supermarket in Canobbio and the expansion and modernization of the Tägipark shopping centre in Wettingen. A further 32 projects are in the planning stage or are just about to be realized.

Regina Fuhrer & Urs Brändli

Former and current presidents
of Bio Suisse

Coop Naturaplan

Coop, together with Bio Suisse, the umbrella organization of Swiss organic farmers, helped achieve a breakthrough for organic farming in Switzerland with the launch of the Naturaplan label. Farmers benefit from new sales opportunities and consumers from a broad range of organic produce in the shops.



Naturaplan was the beginning of the partnership between Coop and Bio Suisse, which has resulted in numerous exciting projects.

Regina Fuhrer has experienced and helped shape Naturaplan's development at first hand. In 2011, she handed over to **Urs Brändli**.

1993 Coop launches Naturaplan, the brand for organic food products bearing the Bio Suisse bud label. The traditional farming sector and the press are sceptical: will this business pay off in the long term?

1997 From the very beginning, Coop works closely with the Research Institute of Organic Agriculture (FiBL), for instance in organic wine growing. The aim is to find suitable organic varieties and improve growing conditions and product quality. Only in this way can long-term market opportunities be created.

1994/95 There are still too few organic farmers, which means that the demand for Naturaplan products cannot be met. Coop becomes proactive: in an advertising campaign, it calls for farmers to switch to organic production methods.



1993



1994/95

1997



2000 One of the most important projects involving FiBL focuses on improving the organic production of fruit, particularly apples. This involves working closely with organic farmers to promote varieties of apple that are suitable for organic production, resistant to disease, tasty and visually appealing.

2006 Bio Suisse celebrates its 25th anniversary. The number of Bio Suisse-certified farms grows to 6 114. The “planète bio suisse” caravan goes on tour for the third time, enabling young people to experience natural organic production cycles at first hand.

2008 Naturaplan’s image is revamped and the product range is improved and expanded. The brand is increasingly geared to the Lohas (lifestyle of health and sustainability) consumer trend, which combines enjoyment with a sense of environmental responsibility.

2010 In the UN Year of Biodiversity, Bio Suisse, FiBL and Coop organize numerous public events demonstrating the importance of preserving biodiversity. They start with the “Organic Farms Open Day” at over 50 farms throughout Switzerland.

2011 Coop Naturaplan launches over 140 new products, including numerous innovations such as organic liqueur chocolates. In 2011, the former niche organic market generates sales of 829 million francs at Coop – 9% of its food turnover.



Manufacturing

Bell and Hilcona merge their skills in the fresh convenience food sector. Coop takes over Pearlwater Mineralquellen. Reliability of cereal supplies is a major challenge for Swisssmill, and Reismühle Brunnen starts work on a project to purchase Fairtrade rice from India and Thailand.

Bell Group

The Bell Group boosts sales volumes

As Switzerland's largest meat processor, Bell supplies meat, poultry, cold meats, seafood and convenience products to both the retail and the wholesale trade and to restaurants, hotels and the food industry. In Europe, the Bell Group includes France's Polette Group and the German companies Zimbo and Abraham. Bell employs a total workforce of 6 470, about 3 000 of them outside Switzerland. In 2011, the Bell Group held its ground well in both Switzerland and the rest of Europe. After a hesitant start to the year, sales developed well, with volume increasing by 1.9% up to 224 318 tonnes. This positive development was partly due to good weather conditions that greatly boosted seasonal activities. Costs soared in 2011 as a result of an up to 15% rise in raw material prices in the important European production markets Germany and France and higher prices for packaging materials, energy and transport. At the end of 2011, turnover from the sale of goods amounted to 2.5 billion francs, falling short of the previous year's figure. Adjusted to take account of changes in the scope of consolidation and the lower euro exchange rate, sales of the Bell Group grew by 1.8%.

Solid development in Switzerland

Sales from goods of Bell Schweiz AG totalled 1.7 billion francs in 2011, 3.4% less than in the previous year. Adjusted to take account of the deconsolidation

of Bell Convenience, however, sales from goods grew by 1.2%. Overall, the adjusted production volume grew by 2.1%, or 2 488 tonnes, to 120 768 tonnes. This rise was due particularly to the growing demand for Swiss meat and the strong demand for poultry. Owing to the largely successful barbecue season, Bell's sales of sausage-meat products also increased. In Bell's seafood range, sustainable products from aquaculture and label programmes posted above-average growth. Effective on 1 January 2011, Bell Schweiz took over the Churwalden-based meat curer Kocherhans und Schär AG, which has a capacity of around 1 000 tonnes of raw material a year. This means that Bell now has its own meat-curing capacity for producing Graubünden specialities, thus reducing its dependence on third parties for both its domestic and export business in this field. Meat-curing operations are to be expanded in 2012. Bell is also investing around 32 million francs in expanding the Cheseaux site in the French-speaking region of Switzerland. It will house a modern facility for the production of cold meat specialities. Scheduled for completion at the end of 2013, the facility will combine the production volumes of Cheseaux and Lausanne.

Progress at Bell International

The economic environment and consumer sentiment in Bell International's key European markets improved in 2011. As a result, the sales volume was increased by 5 189 tonnes to 103 550 tonnes. Sales

from goods fell by 4.8% to 771 million francs owing to exchange rates.

In Germany, despite continuing tight competition Bell International was able to considerably grow its sales volume and win new market share. It took over the German convenience food specialist Hoppe GmbH at the beginning of the year under review.

This acquisition enables Bell to bundle the entire production of meat-based convenience food at the Hoppe GmbH site, which has a modern production facility and sufficiently large production area. This move means that growth opportunities can be exploited and manufacturing procedures improved. The economic upturn also made itself felt in Eastern Europe. However, prices in general settled at a lower level, making price adjustments difficult on the whole. In addition, high raw material prices and currency devaluation had a negative impact on the result in Poland and Hungary. While business is progressing satisfactorily in Poland, the branches in the Czech Republic and Slovakia continue to perform very well, with the number of new outlets totalling 23. The situation in Hungary is showing signs of stabilizing.

In France, consumer sentiment continues to be very reticent and the competitive environment is still tough. High-priced products are attracting fewer customers, which impacts negatively on sales of certain Bell speciality ranges. Nevertheless, the sales volume and turnover remained stable.

In Spain, Bell posted further growth in exports, and domestic sales also began to improve again. While business in Belgium was maintained at a high level, Bell further expanded its market position in the Netherlands.

Bell and Hilcona merge their fresh convenience food units

Effective on 1 January 2011, Bell and Hilcona merged their complementary activities in the fresh convenience food sector under the Hilcona AG umbrella.

The aim of this cooperation is to speed up further growth and profitability in Switzerland and Europe. The transaction involves Bell transferring the Convenience business unit to the Hilcona Group. In return, Bell took out a 49% stake in Hilcona and will acquire a further 2% of the capital in four years' time. This strategic participation will entrench Bell even more firmly in the rapidly growing area of fresh convenience food. In turn, Hilcona will become a full-range provider of fresh convenience food, thereby strengthening its product range skills. Hilcona retains its autonomy and will continue to supply food retailers, discount stores, the impulse purchase sector, hotels, restaurants and industry in its domestic market Switzerland and in neighbouring EU countries.

Coop manufacturing companies

Swissmill

Products: flours, flour mixtures, durum wheat semolina, polenta, oat flakes, extruder products
Certifications: ISO 9001, ISO 14001, OHSAS 18001, IFS/BRC, Bio Suisse, IP Suisse, NOP, Suisse Garantie

Swissmill, Switzerland's largest grain mill, enjoyed another successful financial year in 2011. On 13 February, the electorate of the city of Zurich voted by a large majority to go ahead with the private design plan for the Swissmill grain store. This decision enables Swissmill to raise the height of its grain warehouse to 118 metres and thus achieve the necessary storage capacity at the processing site. Also of strategic importance is the decision to target, under the Panflor flagship label, the market segment of large industrial bakers, offering a dedicated website, product range and professional service. The entire year under review was overshadowed by major uncertainty regarding the quality and quantity of harvests. The dry spring and rainy harvest season made prices an issue in both Switzerland and abroad. An important milestone was reached with the sourcing of organic cereals in Austria through a strategic partnership with Rewe and BGA (Bio Getreide Austria). Investment in a further Sortex sorting plant and replacement of the existing extruder plant for more complex products had beneficial effects on the achievement of quality targets and on flexibility and efficiency in production.

Chocolats Halba

Products: chocolate bars, pralines, festive assortments, chocolate for industrial purposes (couverture, fillings)
Certifications: ISO 9001:2008, ISO 14001:2004, IFS 5/BRC 5, Bio Inspecta

Chocolats Halba had a successful 2011, posting around 9.5% sales growth and gaining additional market share in Switzerland and the export market. As part of Coop's Fairtrade offensive, a total of 17 varieties of chocolate bar and various seasonal items for Coop were switched to Fairtrade. In the export market, Chocolats Halba acquired new bulk customers in England, Israel, Canada and America. Cooperation with cocoa producers in the countries of origin continues to develop along very positive lines. For instance, Chocolats Halba now confines its sourcing of cocoa beans to Fairtrade-certified cooperatives. As of 2012, Chocolats Halba is the first chocolate manufacturer in Switzerland to use entirely Fairtrade cocoa beans. Chocolats Halba

continues to apply its growth strategy systematically, making numerous investments in rationalization, quality improvement and volume gains.

Pasta Gala

Products: pasta, semi-finished products for ready made meals and soups

Certifications: ISO 9001, ISO 14001, OHSAS 18001, IFS, Soil Association, Bio Suisse

The focus of Pasta Gala's activities in 2011 was the switch from eggs from deep litter systems to free-range eggs for all Coop products. The core business with Coop developed very successfully in 2011, with Pasta Gala generating volume growth of 2.0% with Coop. In addition, efforts in the business with third-party customers were stepped up severalfold. The new own-label brand concepts for organic, ancient grain and speciality products proved successful, particularly in Germany. For instance, the own-label brand range of Rewe Foodservice and Rewe now includes new Pasta Gala creations. To promote sustainability, Pasta Gala shifted further freight shipments from road to rail and now entrusts Railcare with all Coop deliveries.

CWK-SCS

CWK products (Retail): cosmetics, natural cosmetics, bodycare products, household cleaning products, ecological cleaning products

SCS products (Professional): detergents, cleaning and hygiene products for bulk and industrial users

Certifications: ISO 9001, ISO 14001, ISO 22716, ISO 26000, IFS HPC, Ecocert

CWK-SCS implemented two major projects in the field of sustainability in 2011: it will henceforth use only sustainable palm oil in production, and a solar panel system of around 650 m² generating 92 000 kilowatt hours of electricity a year was installed on the roof of the production plant.

In 2011, the CWK Division launched a new natural cosmetics line called Formula Fiorina in Germany and Switzerland. It immediately won the "red dot design award" for the excellence of its product design. In addition, CWK further expanded the Sherpa Tensing sunscreen brand and the range of items marketed under Coop's own-label sustainability brand Oecoplan.

In 2011, SCS Steinfels Cleaning Systems again achieved gratifying sales growth with ecological product lines. This was due in part to the launch of new ecological products for the textile cleaning sector. SCS's latest innovation is the patented laundry disinfection system for use in the hospital and nursing home sector. Starting from ecological

detergents, SCS has succeeded in developing two new, very efficient thermochemical laundry disinfection processes that are effective even against the dreaded norovirus and the swine flu virus H1N1.

Reismühle Brunnen

Products: rice varieties from all over the world, rice blends, ready made meals

Certifications: ISO 9001:2000, ISO 14001, SA 8000, IFS/BRC, Bio Suisse, Max Havelaar, Kosher, Halal

In 2011, Reismühle Brunnen achieved a gratifying sales increase of 115% in the export business. In Switzerland, the sales volume fell slightly short of the previous year's level. The share of Fairtrade products in overall sales rose from 12% to 27%. This increase was due particularly to the complete switch of all Asian varieties of rice sold at Coop to Fairtrade and the acquisition of new customers for Fairtrade rice. In 2011, Reismühle Brunnen initiated a project supported by the Coop Sustainability Fund aimed at comprehensively sourcing rice from India and Thailand. The goal is to build up sustainable value chains for rice that will benefit both the environment and rice farmers' income and living conditions. A new solar panel system on the roof of the company's premises that generates around 100 000 kilowatt hours of electricity a year came on stream in October. This means that hot water is now provided entirely by solar energy.

Nutrex

Products: vinegar and vinegar specialities for retail, catering and industry

Certifications: ISO 9001:2000, IFS, Bio Suisse, ISO 14001

Thanks to the acquisition of new customers in the Swiss retail sector, Nutrex's share of Swiss-wide vinegar production rose to just under 50% in 2011. At the same time, expansion of the range resulted in further growth in sales of organic products. These now account for 13.2% of overall Nutrex sales, 4.5 percentage points up on the year-back level. In 2011, Nutrex again focused specifically on boosting its production volume. With the Picanto brand, the manufacturing company is pursuing a new range strategy, and is planning further activities in both the catering segment and retail. In addition, the speciality range was extended to include rarities from organic production and wooden cask ageing.

Sunray

Products: baking ingredients, dessert and cake mixtures, spices, pulses, herbs, nut kernels, savoury snacks, edible oils, dried fruit and vegetables, sugar for retail, catering and industry

Certifications: ISO 9001:2008, Bio Suisse, IFS

Posting a production volume of 51 000 tonnes and an output of 56 million packs, Sunray had another successful year in 2011. By drawing up a new corporate strategy for the next five years, Sunray will be even better equipped to meet future challenges. Focal points will be sourcing and gearing production to the export market in the retail sector, using targeted own-label brand concepts. A total of six new organic and Fairtrade products were launched in 2011. Sunray is breaking new ground with the launch of its first own brand called "Sunny Day". A great deal of attention was also given in 2011 to targeted modernization of production systems and continual upgrading of process controls.

Pearlwater Mineralquellen

Products: bottling of mineral water and carbonated soft drinks

Certifications: ISO 9001:2008, IFS 5

Coop took over Pearlwater Mineralquellen AG on 1 January 2011. The well-springs of the Valais municipality Termen supply high-quality mineral water. This acquisition makes Coop independent with regard to sourcing mineral water. Pearlwater had previously posted an annual output of three million litres. Coop's large-scale investment in the site will gradually raise bottling capacity to 140 million litres a year. The company's workforce will also be substantially increased, enabling Coop in spring 2012 to start bottling its own-label brands "Swiss Alpina" and "Prix Garantie" from different mineral springs in Termen. This concentration on springs in Valais offers ecological as well as economic advantages. For instance, transport of the goods from Termen to Coop's regional distribution centres will be by rail.

Cave

Services: vinification of Swiss musts and young wines; management, ageing and bottling of wines; bottling of aromatized, wine-containing beverages

Certifications: ISO 9001:2008, Bio Suisse, IFS 5

Given the difficult economic situation, Cave had a good 2011, posting sales of 41 million units in terms of volume. In the year under review, Cave successfully launched around 30 new items, bringing the total offering to 400 different articles. A very gratifying foothold in the Chinese market was

obtained with two established wines from the retail segment. In addition, Cave extended cooperation with Transgourmet to include a number of additional items. A total of 700 000 litres of grape juice were vinified and bottled to AOC quality in Coop's own winery. By using unaccompanied combined transport (UCT) for packed shipments, Cave made a further contribution towards reducing Coop's CO₂ emissions.

Banana Ripening Plant

Services: sourcing, ripening and packaging of bananas; storage and order picking of dried fruit

Certifications: ISO 9001:2008, Bio Suisse, IFS 5, FLO-CERT

Delivery volumes of Coop's Banana Ripening Plant amounted to 22 022 tonnes of bananas and 1 617 tonnes of dried fruit in 2011. A total of seven varieties of banana and 29 varieties of dried fruit were stored and order picked in the Banana Ripening Plant and shipped to the regional distribution centres. Organic and Max Havelaar products now account for approximately 85% of the total, a rise of almost 2%. Having replaced the entire air-conditioning system, controls and ripening cells in 2010 and 2011, the Banana Ripening Plant will henceforth save 40 000 litres of heating oil a year and operate without recourse to fossil fuels. In addition, a new cold storage warehouse is to be built in 2012, enabling exotic produce such as avocados, mangoes and pineapples to be stored and order picked. This will increase the volume of produce to be managed by 8 000 tonnes a year.

Coop Bakeries

Products: fresh bread products (loaves, rolls, braided bread), frozen bread products, cakes and biscuits, tarts and pastries, seasonal items, regional specialities and commercial doughs

Certifications: ISO 9001:2008, Bio Suisse, IFS 5

Coop operates seven industrial bakeries of its own. They produced around 56 500 tonnes of baked goods in 2011. Coop also currently operates 37 bakeries and confectioners that are located within a Coop supermarket or Coop megastore and produce goods exclusively for that store. Coop Bakeries started 2011 by implementing the new 2015+ production strategy. For instance, new production systems for processing very soft doughs were installed at the facilities in Aclens and Gossau. This new technology enables rustic-style, airy bread to be produced. All Betty Bossi ready to use doughs are now produced using only sustainable, RSPO-certified palm oil – an absolute premiere in the Swiss

marketplace. For Coop, this change is a first important step towards realizing its vision of switching all its own-label brands to sustainable palm oil by 2013. Sales of bread rolls and sausages to mark the Swiss national holiday on 1 August resulted in a donation of 300 000 francs as a token of solidarity to Coop Aid for Mountain Regions in 2011.

Transgourmet Group

On 1 January 2011, Coop takes over full control of the Transgourmet Group, Europe's second-largest cash & carry and food service company, which supplies Switzerland, France, Germany, Poland, Romania and Russia.

Transgourmet Holding AG

Takeover of the Transgourmet Group

On 1 January 2011, Coop took over full control of the Transgourmet Group, Europe's second-largest cash & carry and food service company. Coop and Germany's Rewe Group had set up the joint venture Transgourmet Schweiz AG, with each holding a 50% stake, in 2005. The cooperation was expanded in 2009 to include the companies Fegro/Selgros Cash+Carry and Rewe GrossverbraucherService/Stöver (now Rewe Foodservice). With the 100% takeover, Coop has strengthened its participation in the domestic and international wholesale supplies business and can now complement its retail business by focusing on a second, related mainstay with good prospects for the future. Transgourmet Holding AG is domiciled in Basel. It is active in both the cash & carry and wholesale supplies business and operates in Switzerland, France, Germany, Poland, Romania and Russia. Its formats include Fegro/Selgros, Prodega/Growa, Rewe Foodservice, Transgourmet France and Howeg.

Sales growth in all countries

The Transgourmet Group had a workforce of 22 818 all over Europe in 2011. It posted overall sales of approximately 8.2 billion francs, with cash & carry accounting for around 4.9 billion francs and wholesale supplies for almost 3.3 billion francs. Adjusted for currency movements, sales grew by 5.4% year on year.

Cash & carry business

Fegro/Selgros: operating in four countries

At the end of 2011, Fegro/Selgros Cash+Carry was operating a total of 82 cash & carry outlets in Germany, Poland, Romania and Russia with a workforce of 14 265.

In Germany, Fegro/Selgros has over 2.7 million customers, making it a key player in the cash & carry business. The 44 wholesale outlets stock more than 25 000 food and 28 000 non-food articles on sales areas of up to 11 000 m². The ranges are geared to the needs of caterers, newsstands, retailers and other businesses. In the year under review, Fegro/Selgros Germany increasingly added products from Bell affiliates Zimbo and Abraham and from the Coop manufacturing company Chocolats Halba to its offering. The Fegro outlet in Eschborn was awarded the "Seafood Star 2011" for the best fish counter in the cash & carry segment by Germany's trade journal "Fischmagazin". Following a complete refurbishment, the Fegro outlets in Rodgau and Mannheim have, since November 2011, been operating with redesigned sales areas and state-of-the-art technology.

Selgros Cash+Carry has operated as a wholesale supplier in Poland since 1997. At the end of 2011, its network of locations comprised 14 outlets in the eleven biggest cities. Selgros Poland offers its 800 000 business customers over 45 000 articles on a total sales area of 140 000 m². The second Selgros store given the new look opened its doors

in Wroclaw in March 2011. In addition, the Posen hypermarket underwent a complete remodelling with newly designed fresh-produce departments. In the Romanian market, Selgros Cash+Carry is one of the biggest chain stores and customers particularly appreciate the variety and the large range of services it offers. Selgros Romania celebrated its tenth anniversary in 2011 to the accompaniment of all-year-round special offers and prize draws. As part of the step-by-step modernization of the Romanian stores since 2009, the hypermarkets in Brasov and Constanta were refurbished in 2011. In addition, a second store opened in Constanta in December, taking the total number of Selgros Romania hypermarkets to 19.

The efficient wholesale supplies outlets of Selgros Russia stock more than 23 000 food and 22 000 non-food articles on sales areas of up to 10 000 m². In 2011, its fourth wholesale supplies outlet was opened in Moscow, bringing the total of Selgros Russia hypermarkets to five.

Prodega/Growa: market leader in Switzerland

The Swiss company Prodega/Growa Cash+Carry headquartered in Moosseedorf gained further market share in 2011. Prodega/Growa thus remains the clear leader in the Swiss cash & carry business. Prodega/Growa offers its more than 60 000 customers in the catering, retail and industrial sectors a comprehensive and very varied range of around 35 000 items, including a wide selection of fresh products such as meat, fruit and vegetables. In 2011, the outlets in Rüslikon und Bellach were modernized and a substitute store was set up in St. Blaise. This means that all 27 outlets – 19 Prodega and eight Growa stores – now possess a “Cool Way”, i.e. a cooled fresh-produce area. Since June 2011, a delivery service for customers in Ticino has been offered at the Quartino store in addition to the traditional cash & carry method. The complete range is available for delivery, including meat, fruit and vegetables. In 2011, the strong franc posed a challenge for the hotel and catering business and thus also for Prodega/Growa. Intensive negotiations with international brand manufacturers resulted in price cuts that were passed on to customers in full. Customers also benefited from lower cost prices, particularly for fruit and vegetables and meat products. Prodega/Growa had a workforce of 1 318 in Switzerland at the end of 2011.

Wholesale supplies

Rewe Foodservice: growing the catering business

Rewe Foodservice GmbH, which operates in Germany from 15 locations, supplies bulk customers in the hotel, restaurant, corporate catering and social service sectors with foodstuffs, consumer goods and industrial kitchen equipment. With over 35 000 customers and a workforce of 3 323, Rewe Foodservice is a key player in the wholesale supplies business. In 2011, Rewe Foodservice focused very much on accelerating growth of the catering business and hence the expansion of its fresh produce ranges and their depth and breadth. For instance, the storage and cooling capacity of Transgourmet Seafood GmbH, the company's processing and logistics centre for fish and seafood in Bremerhaven, was increased from 2 500 m² to almost 5 000 m². At the same time, Rewe Foodservice further developed its own-label brands “Honneurs” and “be smart!” and launched a new premium brand. The opening of a second call centre in Berlin with round-the-clock availability and the acquisition of Dortmund-based catering supplier Vreriksen Foodservice GmbH & Co. KG also contributed to growth of the catering business.

Transgourmet France for professional advice

Transgourmet France stocks a selection of 17 000 different articles and its fleet of 625 lorries supplies not only catering and social service facilities but also bakeries and confectioners. Its over 60 000 customers make it the number two in France's wholesale supplies sector. The companies All Fresh Logistique and Pro Hygiène Service also belong to Transgourmet France. All Fresh Logistique specializes in supplying restaurants with fruit, vegetables, fish and seafood in the greater Paris area and is the market leader in this business. Pro Hygiène Service offers some 2 800 articles in the cleaning agents and accessories business. A core competence of Transgourmet France's 3 550-strong workforce is providing professional advice and support to customers in making their purchasing decisions. The company's own training centre organized a total of 1 863 training days in 2011.

Howeg breaks new ground

Howeg is the leading player in the wholesale catering supplies business in Switzerland and a partner for supplying hotels, restaurants, homes, hospitals, staff canteens and schools. With a total workforce of 362 and a fleet of 115 vehicles, it provides around 5 500 customers with a comprehensive range of some 9 000 articles. As well as a varied product range, Howeg also provides high-quality

advice, particularly on meat and wines. In addition, the Swiss company is committed to encouraging and supporting young chefs. Since September 2011, Howeg and Prodega have been breaking new ground together, conducting a six-month pilot scheme on exploiting synergies within the Transgourmet Group. The scheme provides selected Howeg customers in the Graubünden region with the option of also placing orders for items from a supplementary range of more than 5 000 Prodega articles, including fruit and vegetables. As usual, Howeg delivers all items straight to the customer. In addition, Howeg was the first nationwide wholesale supplier to add around 40 fresh fish items to its product range in October 2011. Around a quarter of the products are organic or MSC-certified.

Mario Albin

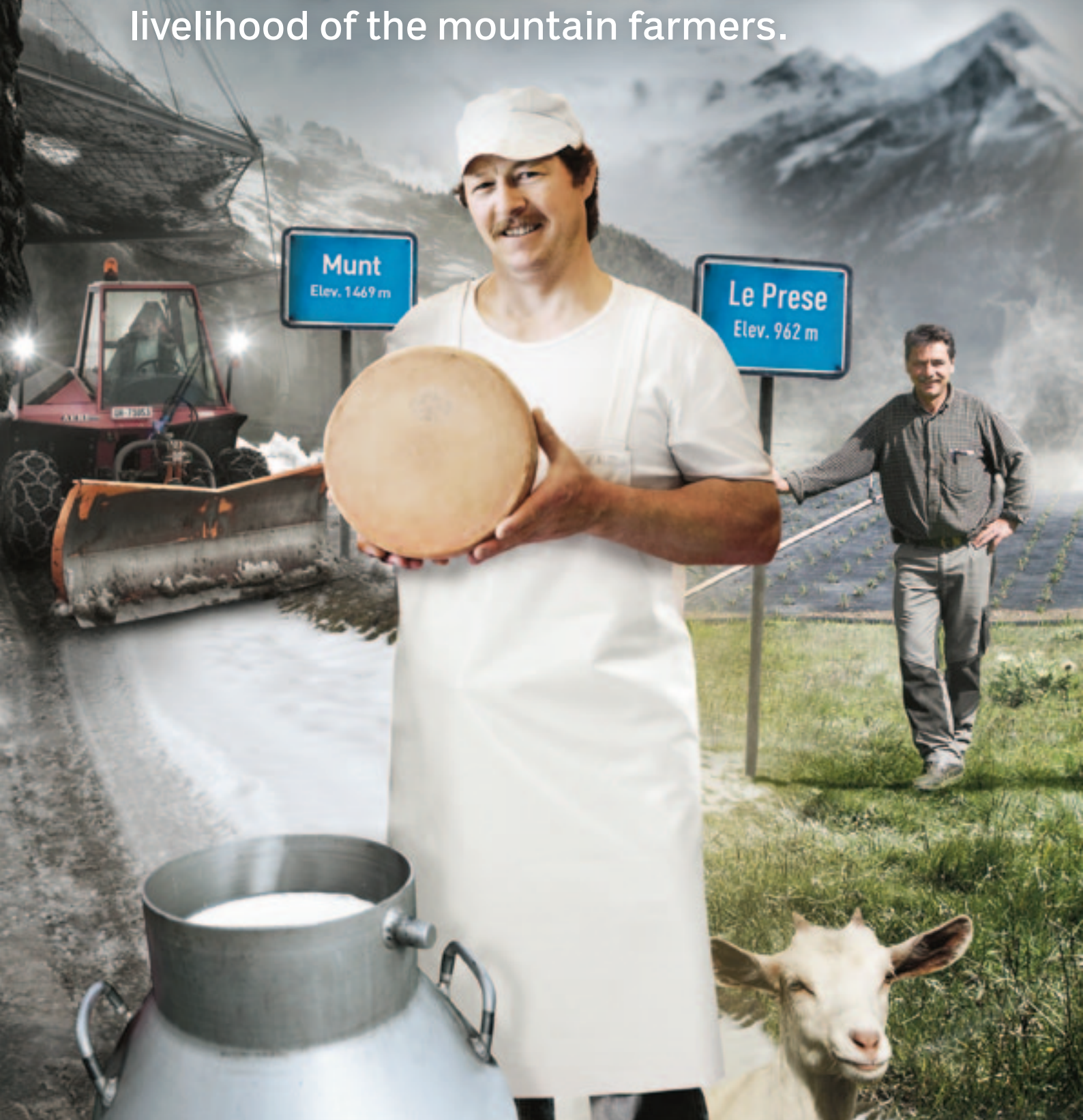
Cheese maker from Lumbrein, Graubünden

Pro Montagna

Pro Montagna stands for totally authentic, high-quality products produced and processed in Swiss mountain regions. It safeguards existing jobs and creates new ones. For each product sold, Coop makes a donation to Coop Aid for Mountain Regions, which invests the entire amount in forward-looking projects in these regions.



Mario Albin's award-winning Graubünden organic mountain cheese is produced in Lumbrin, 1 405 metres above sea level. Thanks to support from Coop Aid for Mountain Regions, the dairy was refurbished and equipped for future needs – an essential investment for the livelihood of the mountain farmers.



Tiefencastel This is where baker Claudio Stgier makes his organic Patatti mountain bread for Pro Montagna. The 18 jobs at the bakery are very important for the small mountain village of just under 300 inhabitants in the Albula valley.

Le Prese In southern Graubünden's sunny Val Poschiavo, Reto Raselli has been successfully farming herbs for over 30 years, which are used to produce fine organic mountain herb teas.

Munt The road from St. Martin to Traversasch via Munt is narrow, winding and steep. With support from Coop Aid for Mountain Regions, its safety has been improved by measures to protect against rockfall and avalanches.

Monstein Europe's highest brewery opened here in 2001. It provides a sales channel for mountain farmers such as Beat Rieder, who supplies organic brewing barley from which Monstein organic SteinBock beer is brewed.

Pawig High above Furna, herdsman Andreas Heinz-Thöni watches over around 150 suckler cows, calves and other cattle each summer. The delicate air-cured Graubünden beef is produced in nearby Churwalden.



Employees

Filling all apprenticeship vacancies

– particularly in sales – proves to be a challenging task. Coop deploys an information bus to recruit apprentices. The strategic talent management programme is put into practice. Transgourmet helps its staff across Europe to develop.

Coop's personnel strategy

Apprentices are the mainstay

A total of 1 102 young people began their apprenticeships at Coop in the summer of 2011. The total number of apprentices at the end of the year was 2 989, slightly fewer than in the previous year. Filling all apprenticeship vacancies, particularly in sales, is proving to be a challenge. However, according to the "Apprenticeship Barometer" survey of young people and companies commissioned by the Federal Office for Professional Education and Technology (OPET), this development reflects the general Swiss trend. The 2011 survey findings showed that the number of available apprenticeships in Switzerland as a whole (around 81 000) exceeded the number of young people looking for such positions (around 77 000). The difference is due mainly to demographic change and the resulting fall in the number of school-leavers. Although Coop Group companies operating in Switzerland received more applications than in 2010, their quality had declined and therefore rejections were up 7% on the previous year. At Coop, today's successful apprentices are the mainstay of the talent pool for tomorrow's executive staff. With 65% of successful apprentices continuing to be employed at Coop, the Group was again able in 2011 to exceed the quota targeted in the personnel strategy thanks to far-sighted planning.

Coop "Info-Bus": an innovative approach

The next few years will see increased competition to recruit suitable apprenticeship candidates for all occupations, particularly in the retail sector. School-leavers are already showing more interest in training in fields other than retail, particularly IT and healthcare. This situation calls for creative solutions such as the Coop "Info-Bus" targeting young apprenticeship-seekers. Coop apprentices themselves transformed a seven-metre long Coop lorry into a mobile information bus. Since autumn 2011, the bus has been travelling all over Switzerland, parking in front of sales outlets and schools to recruit new apprentices. With this innovative measure, Coop aims to make vocational training at Coop even more attractive and to stand out from other companies offering apprenticeships.

Successful implementation of talent management programme

In order to ensure systematic, transparent and uniform support and professional development for its employees, Coop drew up the "Talent Management 2015+" strategic programme in 2010 and put it into practice a year later. This round-the-year process comprises standardized employee, target and performance-based appraisals and assessments of employee potential. It enables differentiated feedback to be obtained on the performance of every employee, and measures promoting their existing potential to be taken. The first round of performance appraisals using the new forms was

successful. The response both from the employees being assessed and their supervisors was positive.

Comprehensive training and professional development

Employees and their know-how are the key factors for success in a personnel-intensive business such as retail. True to the principle enshrined in the Corporate Profile, "We are a learning organization", Coop again carried out over 100 internal courses for its employees and financed a total of 59 429 internal training days in 2011. It also arranged a large number of external training days. These included two training days for sales managers organized in cooperation with the Coop Training Centres, at which participants gained new insights into entrepreneurial practice, personal impact and communication.

Investment in competitiveness at Coop Pronto

Coop Mineraloel AG too is investing in the competitiveness of Coop Pronto shops by organizing targeted training and professional development for its employees. Given the growing range of fresh products on the shelves, all staff are being trained to comply with the guidelines on freshness and hygiene. Emphasis is also being put on friendliness and customer focus. In 2011, Coop Mineraloel conducted one-day courses for employees of all Coop Pronto shops. Over and above this, special training is being provided for Coop Pronto shop licensees, particularly on shop management, communication and conducting discussions.

Social partnership at Coop

Integration of Pearlwater into the CEC

At the end of 2011, around 36 500 employees were covered by Coop's Swiss-wide collective employment contract (CEC). They now include the 15 employees of Pearlwater Mineralquellen AG in Termen, who were integrated into the CEC. Coop had taken over the Valais company on 1 January 2011. The planned expansion of bottling volume means that a further 30 jobs will be created at this new site in the medium term. Employees who are currently working at the Lostorf bottling plant and would be affected by any job cutbacks there will be offered comparable positions by Coop.

No agreement reached in pay negotiations

The downtrend in consumer sentiment and the increased pressures caused by cross-border shopping put strong brakes on retail growth in 2011. Coop does not anticipate any significant change in this

trend in 2012. Retail is a personnel-intensive sector with low returns. In the interests of a sustainable business policy, Coop's Board of Directors and Executive Committee have therefore decided that, following an overall pay rise of 15% in the 2001–2011 period in real terms, no increase will be awarded for 2012. However, 0.3% of the payroll will be made available for structural adjustments to wages of up to 6000 francs a month. As a token of appreciation for their commitment even in difficult times, Coop gave its employees a gift card worth between 300 and 500 francs, depending on whether they worked full time or part time. All retired Coop employees received a gift card to the value of 200 francs.

Coop pension fund

CPV/CAP: setting the course for the future

In mid-2011, the Board of the CPV/CAP Coop Pension Fund decided to switch the Fund's actuarial basis to "BVG 2010" (the 2010 Federal Law on Occupational Pensions), which anticipates a further rise in life expectancy. Effective on 1 January 2012, the CPV/CAP is also adapting further actuarial parameters to current demographic changes and the situation on the financial markets. The CPV/CAP will invest a total of around 340 million francs on these changes and on largely maintaining the same level of benefits for the insured active members. This sum will be taken from the provisions created. The situation on the financial markets was also extremely difficult in 2011. The debt crises of a number of countries had a negative impact on stock markets and interest levels alike. Interest rates were at a record low, which is very worrying in the long term for the CPV/CAP, as for all pension funds. The 0.5% return was therefore well below the 3.2% required by the Fund's obligations. The reserve ratio thus fell from 100.1% to 98.8%. Nevertheless, the Board kept the 2% interest rate on members' pension-fund assets for 2012 – 0.5% higher than the minimum rate set by the Federal Council. The Board's goal in this respect is, as far as possible, to maintain stable interest rates and treat insured active members and pensioners equally. It was therefore decided not to increase pensions in 2012. The number of active members declined by 535 in 2011, and now totals 36 287. The number of pensioners rose from 17 617 in 2010 to 17 925 at the end of 2011.

Transgourmet Group

Different challenges in Europe

Since the complete takeover of the Transgourmet Group on 1 January 2011, its 22 818 employees are now also part of the Coop Group. The companies of the Europe-wide Transgourmet Group are facing different situations and challenges on the labour market in their respective countries. Fegro/Selgros Germany, for instance, is having difficulty recruiting appropriately trained staff. Selgros Russia has to deal with an excessively high staff turnover at its Moscow headquarters. This is due to Moscow's low unemployment rate of 1.7%, which is well below the average rate of around 7.5% for Russia as a whole.

Focus on staff development

All Transgourmet Group companies are attaching growing importance to staff development and the encouragement of potential successors. Owing to the scarcity of specialist staff, Fegro/Selgros Germany sets great store by professional development measures. For Russian employees, the development of their own career is a strong motivating factor. This is why a great number of managers are developed from among the company's own workforce. In the year under review, Selgros Russia initiated its first development programme for plant manager posts, while Selgros Romania introduced special training courses to promote talent. The German company Rewe Foodservice reported a total of 3 033 training days in 2011. These employ a specially developed approach that helps members of the field service cope with operational challenges. At Howeg in Switzerland, all employees earmarked for development are registered by the personnel department and specially trained for internal management positions. The training courses preparing candidates for the new challenge are generally conducted externally but receive funding from Howeg. Transgourmet also attaches great importance to apprenticeships. At the end of 2011, the Transgourmet Group was employing a total of 396 apprentices in Germany, France and Switzerland. Poland, Romania and Russia, countries in which Transgourmet also operates, do not practice the dual system of education, i.e. apprenticeship in a company and vocational training at a school.

Corporate governance

The aim of the corporate governance report is to provide all interested parties with clear and transparent information on Coop as a cooperative society and company.

Coop Cooperative is committed to openness and transparency in the operational management of the Group and it acts to ensure good corporate governance in the interests of its members, customers, employees and other stakeholders. Its governance largely follows the guidelines of SIX Swiss Exchange regarding information on corporate governance. These apply to joint-stock companies and companies that have issued participation certificates or non-voting dividend rights certificates, which does not apply to Coop as a cooperative society. The only company in the Coop Group that has issued SIX-listed equities is Bell AG. Specific details on this company's corporate governance may be found in its Annual Report and on its website, www.bell.ch.

Regional Councils

See Art. 18–20 of the Articles of Association. Coop comprises six regions (Suisse Romande, Bern, Nordwestschweiz, Zentralschweiz-Zürich, Ostschweiz incl. Principality of Liechtenstein, and Ticino), which maintain contact with members of Coop and with the public. These regions do not constitute separate legal entities, however, but are part of Coop's cooperative-based organizational structure. In each region, members of Coop elect a Regional Council consisting of 60 to 120 members (Ticino: maximum of 30). Each Regional Council appoints a Committee of twelve (Ticino: six) from among its members. Each Committee is self-constituting and submits a proposal to the Board of Directors for the attention of the Delegate Assembly for one of its members to be appointed to the Board of Directors; if elected, the member becomes President of both the Regional Council (RC) and its Committee (RCC). The other members of each Regional Council

Committee represent the members of the corresponding region at the Coop Delegate Assembly.

Delegate Assembly

See Art. 21–26 of the Articles of Association. The Delegate Assembly is endowed with the legal powers vested in the Annual General Meeting and the duties assigned to it in the Articles of Association. In particular, it is responsible for laying down the Articles of Association, electing and dismissing the Board of Directors and the Auditors, approving the Annual Report, discharging the Board of Directors and dissolving the cooperative society. In addition, the Board of Directors can submit other business to it for a decision. Voting rights in the Delegate Assembly reflect the number of Coop members in the corresponding regions.

The Articles of Association and further information on Coop's governing bodies are available online.

 www.coop.ch/organization

Group structure

The Group structure can be seen in the list of Coop companies provided in the annual consolidated financial statements of the Coop Group (pages 105–107). The changes to the scope of consolidation at Coop can be found on pages 88 and 89. There are no crossholdings between Coop companies.

Capital structure

The capital structure can be seen in the consolidated balance sheet (page 83) and the corresponding notes (pages 93–100).

Board of Directors

See Board of Directors and Management structure on page 57.

According to the Articles of Association, the Board of Directors consists of the six members nominated by the regions and a maximum of five further members, including a representative from the French-speaking part of Switzerland and an employee representative. The members of the Board of Directors are proposed by the Board of Directors and elected by the Delegate Assembly. The Board of Directors includes four further members at present, i.e. it has a total of ten members. With the exception of the employee representative, the members of the Board of Directors may not be employed by Coop or by any enterprise controlled by Coop (strict division of powers).

At the Delegate Assembly of 1 April 2011, Hansueli Loosli was elected as an additional member of the Board of Directors as of 1 September 2011. On that date, he stepped down of his own accord as Chief Executive Officer. At the constituent meeting, the Board of Directors appointed Hansueli Loosli as Chairman and Irene Kaufmann as Vice-Chairwoman, effective on 1 September 2011.

As at 31 December 2011, the Board of Directors comprised the following members:

Hansueli Loosli

Born 1955, Swiss
Swiss diploma in accounting and controlling
Chairman of the Board of Directors
Directorships:
– Coop Immobilien AG, Berne (Chairman)
– Bell AG, Basel (Chairman)
– Swisscom AG, Ittigen (Chairman)
– Transgourmet Holding AG, Basel (Chairman)
– Coop Mineraloel AG, Allschwil (Chairman)

Peter Eisenhut

Born 1955, Swiss
Lic. oec. HSG
Managing partner, Ecolpol AG, Reute
Directorships:
– Coop Immobilien AG, Berne
– Säntis-Schwebebahn AG, Schwägalp
– Rofima Holding AG, Horn
Other functions and offices:
– Lecturer at the Executive School, University of St. Gallen
– Chairman of the Supporters' Association and member of the Executive Board, Swiss Research Institute of Small Businesses and Entrepreneurship, University of St. Gallen

Michela Ferrari-Testa

Born 1963, Swiss
Lawyer and notary
Directorships:
– Coop Immobilien AG, Berne
– Helsana AG, Dübendorf
– Helsana Unfall AG, Dübendorf
– Helsana Versicherungen AG, Dübendorf
– Helsana Zusatzversicherungen AG, Dübendorf
– Progrès Versicherungen AG, Dübendorf
– avanex Versicherungen AG, Dübendorf
– sansan Versicherungen AG, Dübendorf
Other functions and offices:
– Board member, Fondation Sana

Hans-Jürg Käser

Born 1956, Swiss
Head, Transport Aids Pool
Employee representative on the Board of Directors
Directorships:
– Coop Immobilien AG, Berne
Other functions and offices:
– Coop Section of Unia

Irene Kaufmann-Brändli

Born 1955, Swiss
Dr. oec. publ.
Vice-Chairwoman of the Board of Directors
Directorships:
– Coop Immobilien AG, Berne
– Bank Coop AG, Basel
– Bell AG, Basel
– Coop Mineraloel AG, Allschwil
– Dipl. Ing. Fust AG, Oberbüren
– Transgourmet Holding AG, Basel
Other functions and offices:
– Member of Foundation Board, CPV/CAP Pensionskasse Coop
– Member of Foundation Board, ETH Zurich Foundation
– Member of Foundation Board, Juventus Schools, Zurich

Beth Krasna

Born 1953, Swiss and US citizen
Dipl. Chem. Ing. ETH Zurich, MBA Sloan School at MIT, Cambridge, USA

Directorships:

- Coop Immobilien AG, Berne
- Banque Cantonale Vaudoise, Lausanne
- BG Bonnard & Gardel Holding SA, Lausanne
- Raymond Weil SA, Grand-Lancy

Other functions and offices:

- Member, ETH Board
- Chairman of the Board, Fondation en faveur de l'Art Chorégraphique, Lausanne

Roman Kuhn

Born 1955, Swiss
Executive MBA, University of Zurich
Member of Senior Management, Aargauische Kantonbank

Directorships:

- Coop Immobilien AG, Berne
- Circus Monti AG, Wohlen

Other functions and offices:

- Chairman, Swiss Finance Institute Alumni Association
- Chairman, Offene Hand (“Swisshand”) Foundation
- Chairman, Förderverein Schloss Hallwyl (Friends of Hallwyl Castle)

Lillia Rebsamen-Sala

Born 1953, Swiss
Businesswoman

Directorships:

- Coop Immobilien AG, Berne
- Rebsamen Technocasa AG, Lucerne

Bernard Rüeger

Born 1958, Swiss
MBA, Lausanne
General Manager, Rüeger S.A., Crissier

Directorships:

- Coop Immobilien AG, Berne
- Rueger Holding S.A., Paudex (Chairman)
- Alpsens Technologies S.A., Crissier (Chairman)
- Jaquet S.A., Vallorbe
- Socorex Isba S.A., Ecublens
- Lyncée Tec S.A., Ecublens
- Lienhard Office Group AG, Degersheim
- Initiative Capital Romandie S.A., Lausanne

Other functions and offices:

- Chairman, Vaud Chamber of Commerce
- Member, Committee of the Board of Directors, Economiesuisse
- Board member, Fondation de Beaulieu, Lausanne

Giusep Valaulta

Born 1951, Swiss
Lic. iur.
Economic advisor, SECO

Directorships:

- Coop Immobilien AG, Berne

Election and term of office of the Board of Directors

The members of the Board of Directors are elected by the Delegate Assembly in accordance with the principles set out in Art. 27 of the Articles of Association. The term of office for all members is four years. The current term of office ends in spring 2013. The Articles of Association limit a member's term in office to 20 years and also limit the age of members (members must retire at the end of the year in which they celebrate their 65th birthday).

Internal organization

The Board of Directors is self-constituting, appointing a Chairman and Vice-Chairman from among its members. The members assume equal responsibility for exercising the functions of the Board of Directors.

Regulation of responsibilities

The Board of Directors is responsible for the general direction (strategic leadership) of Coop's business and oversees operational management of the Group. The duties and powers vested in it under Art. 29 of the Articles of Association correspond to the regulations laid down for joint stock companies (Swiss Code of Obligations 716 a), which are stricter than Swiss law on cooperatives. The organizational regulations enacted by the Board of Directors provide for a strict division of responsibilities between the Board of Directors and the Executive Committee in all fundamental matters such as finance, corporate strategy, human resources and organization. The Executive Committee has drawn up regulations that define in detail the operational responsibilities of the individual management levels.

Instruments of information and control over the Executive Committee

Every month the Executive Committee submits a written report to the Board of Directors with key figures on current business performance and important information on all business segments. In addition, reports and results are submitted in writing to the Board of Directors every four months and presented and discussed at the Board meetings. The Chairman of the Board of Directors regularly attends the meetings of the Executive Committee. He is also responsible for Internal Auditing. Coop has a comprehensive and continuous planning and goal-setting process in place, which also features regular reporting to the Board of Directors, including balanced scorecard reports. Coop also implements systematic risk management and an internal control system.

Instruments of supervision and control over the auditors

As the auditors are appointed for one year, the Delegate Assembly elects them each year. The Chairman and the members of the Board of Directors, the Chief Executive Officer and the Head of the Finance/Services Business Unit maintain regular contact with the auditors. In particular, they discuss the results of the audit. Furthermore, the work of the auditors and their independence are assessed annually.

Executive Committee

See Management structure and Management on pages 57–60.

For the operational management of the Group, the Board of Directors appoints an Executive Committee (EC), which acts on its own responsibility as the executive body; its duties and powers are laid down in the organizational regulations by the Board of Directors. The Executive Committee is headed by a CEO, who is entitled to issue directives to the other EC members.

On 1 September 2011, Hansueli Loosli became Chairman of the Board of Directors of Coop. He stepped down of his own accord as Chief Executive Officer after 15 years in the post. Joos Sutter has been the new Chief Executive Officer since 1 September 2011. On that date he also became Head of the CEO Business Unit and the Retail Business Unit. Joos Sutter has been a member of the Executive Committee since 1 January 2010 and was Head of the Trading Business Unit until the end of April 2011.

Daniel Stucker has been a new member of the Executive Committee and the new Head of the Trading Business Unit since 1 May 2011. He began his career at Coop in 1999 and was most recently Head of the Import Parfumerie/Christ Watches & Jewellery Division.

Philipp Wyss handed over the position of Head of the Retail Business Unit to Joos Sutter at the end of August 2011. He will become Head of the Marketing/Purchasing Business Unit and Vice-Chairman of the Executive Committee on 1 April 2012.

Hans Peter Schwarz, Head of the Finance/Services Business Unit, died suddenly and unexpectedly on 3 September 2011. In Hans Peter Schwarz, the Executive Committee has lost a member of many years' standing. He had been Head of Finance and

Accounting at Coop Switzerland from 1991 to 1998. From 1998 onwards, Hans Peter Schwarz was Head of the Finance/Services Business Unit and a member of the Executive Committee of Coop Cooperative. Joos Sutter, Chief Executive Officer, was appointed interim Head of the Finance/Services Business Unit.

As at 31 December 2011, the Executive Committee comprised the following members:

Joos Sutter

Born 1964, Swiss
Lic. oec. HSG, Swiss diploma in auditing
Chairman of the Executive Committee (CEO)
Head of Retail Business Unit
Interim Head of Finance/Services Business Unit
Directorships:
– Coop Vitality AG, Berne
– Coop ITS-Travel AG, Wollerau (Chairman)
– Coopernic SCRL, Brussels
– Palink UAB, Lithuania/Palink SIA, Latvia

Jean-Marc Chapuis

Born 1954, Swiss
Lic. ès sciences économiques et sociales
Head of Property Business Unit
Directorships:
– BG Rosengarten Solothurn AG, Solothurn (Chairman)
– Pearlwater Mineralquellen AG, Termen (Chairman)

Leo Ebnetter

Born 1954, Swiss
Commercial specialist
Head of Logistics Business Unit
Directorships:
– Railcare AG, Härkingen (Chairman)
– Kühlhaus Neuhof AG, Gossau

Jürg Peritz

Born 1947, Swiss
Commercial specialist
Vice-Chairman of the Executive Committee
Head of Marketing/Purchasing Business Unit
Directorships:
– Betty Bossi AG, Zurich
– Eurogroup Far East Ltd., Hong Kong (Chairman)
– Coopernic SCRL, Brussels
– Coop Switzerland Far East Ltd., Hong Kong
– Palink UAB, Lithuania/Palink SIA, Latvia
– Eurobuy GmbH, Cologne-Rodenkirchen, Germany
– Biore Foundation, Rotkreuz

Daniel Stucker

Born 1964, Swiss

Dipl. Ing. in business informatics, Executive MBA

Head of Trading Business Unit

Directorships:

- Coop Vitality AG, Berne (Chairman)
- Dipl. Ing. Fust AG, Oberbüren (Chairman)
- The Body Shop Switzerland Ltd, Uster (Chairman)
- Service 7000 AG, Netstal

Philipp Wyss

Born 1966, Swiss

Commercial specialist

Designated Head of Marketing/Purchasing Business Unit

Directorships:

- Hilcona AG, Schaan, Principality of Liechtenstein
- Tropenhaus Frutigen AG, Frutigen (Chairman)
- Tropenhaus Wolhusen AG, Wolhusen (Chairman)

Management agreements

Members of the Executive Committee do not perform any operational management tasks for companies outside the scope of consolidation.

Remuneration

In 2011, the Board of Directors received an aggregate amount of 1.3 million francs in remuneration for their services (previous year: 1.3 million francs). The gross salaries of the Executive Committee in 2011 totalled 4.3 million francs for seven members (previous year: 4.3 million francs for seven members). Coop is entitled to any set fees paid to the members of the Executive Committee for activities performed as members of the Boards of Directors of Coop subsidiaries and non-Group companies. The Chairman of the Board of Directors, the Vice-Chairwoman of the Board of Directors and the members of the Executive Committee do not have any special pension rights.

Rights of participation

The rights of participation are defined in Coop's Articles of Association.

Auditors**Duration of mandate and term of office of lead auditor**

PricewaterhouseCoopers (PwC) has been Coop's auditor since 1994. Lead auditor Daniel Suter has been in office since 2010.

Auditing fee

The following auditing fees were billed for services performed for 2011:

auditing services: 3.3 million francs

other services: 0.3 million francs


The amount billed includes the work undertaken by the auditing company to audit the consolidated financial statements. This work is performed every year to enable an opinion to be expressed on the consolidated financial statements and reports to be prepared on the statutory annual accounts as required by local legislation. The auditors also provide services by, for instance, auditing one-off transactions.

Information policy

Coop Cooperative keeps its members informed through the weekly Coop member press and the Coop website. In addition, members can order printed versions of the Annual Report, which can also be viewed on, or downloaded from, the website.

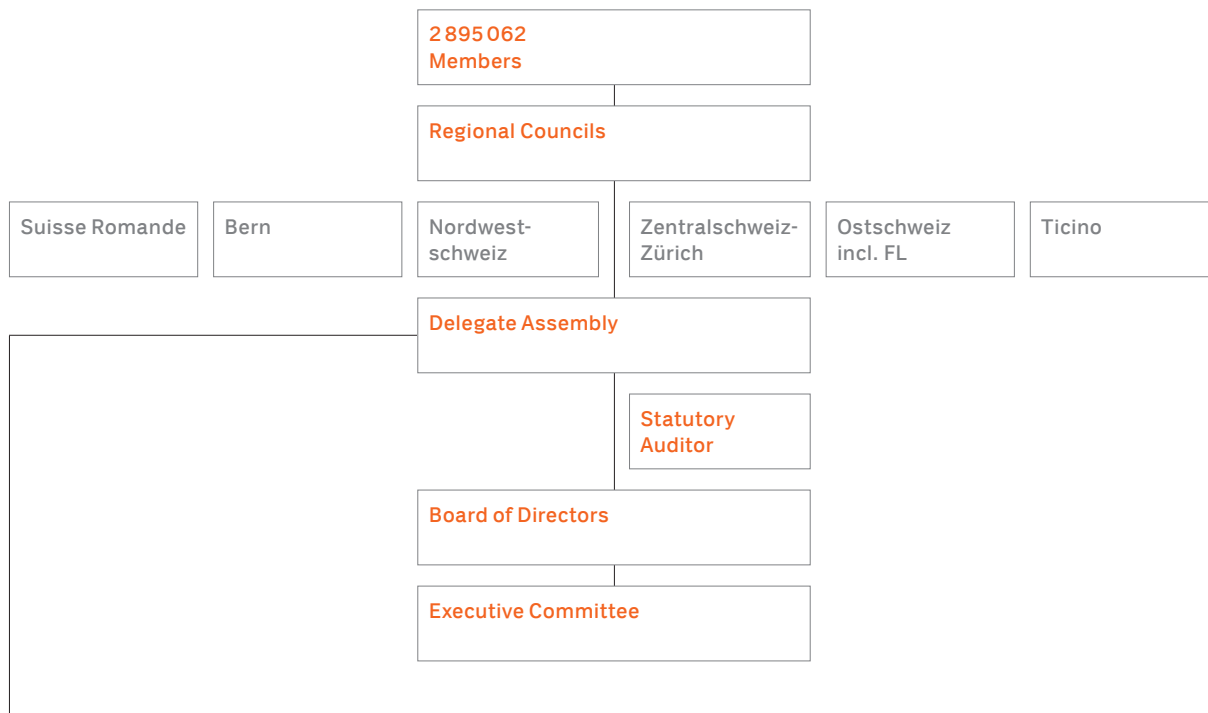
In spring and autumn, the delegates attend Delegate Assemblies at which information about ongoing business developments is provided and current topics are discussed in depth. They receive a copy of the Annual Report along with the invitation to the spring Delegate Assembly. In addition, they receive a written report every four months informing them of Coop's business performance.

The previous year's sales figures are announced at the beginning of each year, and the annual results conference takes place in February. Regular media releases keep the public informed of other important developments.

 www.coop.ch/report

Executive bodies and Delegate Assembly

As at 31 December 2011



Members of the Regional Committees constitute the Coop Delegate Assembly

Suisse Romande Region

Maurice Balmat
Monika Dash
Nicole Hosseini
Josiane Mayor
Christine Pasche
Jacques Robert
Eric Santschy
Pierre Tissot
Georges-Edouard Vacher
Christian Volken

Nordwestschweiz Region

Evelyn Borer
Therese Ischi
Pascal Konrad
Luciana Maggetti
Sibylle Miescher
Verena Reber
Greta Schindler
Heidi Straumann
Charles Suter
Peter Villiger
Jörg Vitelli

Ostschweiz incl. FL Region

Stefan Baumberger
Maria Bieri
Suzanne Blaser
Michael Fuhrer
Peter Gloor
Josef Hemmi
Leonardo Longaretti
Tarzis Meyerhans
Roberto Pedrini
Gerhard Riediker
Gabi Senn

Bern Region

Hans-Rudolf Blatter
Chantal Gagnebin
Sandra Ghisoni Schenk
Manfred Jakob
Jürg Kradolfer
Karl Lauber
Felix Truffer
Bruno Wasserfallen
Annette Wisler Albrecht
Pierrette Zumwald

Zentralschweiz-Zürich Region

Hans Aepli
Silvia Banfi Frost
Beatrice Bertschinger
Renato Blum
Markus Eugster
Kurt Feubli
Ronald Hauser
Otto Rütter
Willy Rüegg
Alex Rutz
Liliane Waldner

Ticino Region

Mauro Bazzi
Carlo Crivelli
Lucia Gianoli
Marco Lucchini
Gabriella Rossetti

Board of Directors and management structure

As at 31 December 2011

Board of Directors

Peter Eisenhut	Michela Ferrari-Testa	Hans-Jürg Käser
Irene Kaufmann (Vice-Chairwoman)	Beth Krasna	Roman Kuhn
Hanusueli Loosli (Chairman)	Lillia Rebsamen-Sala	Bernard Rüeeger
Giusep Valaulita		

Internal Auditing Heinrich Stamm, Head of Internal Auditing



Management

As at 1 March 2012

Executive Committee (EC)

Joos Sutter, Chief Executive Officer
Jean-Marc Chapuis, Head of Property Business Unit
Leo Ebnetter, Head of Logistics Business Unit
Jürg Peritz, Head of Marketing/Purchasing Business Unit
(until 31.03.2012)
Daniel Stucker, Head of Trading Business Unit
Philipp Wyss, Head of Marketing/Purchasing Business Unit
(from 01.04.2012)

CEO Business Unit

Joos Sutter, Chief Executive Officer
Nadine Gemblar, Head of Personnel/Training (National)
August Harder, Head of IT/Manufacturing
Alfred Hubler, Head of General Secretariat
Jörg Ledermann, Head of Communication/Quality/Sustainability

Marc Haubensak, Head of BâleHotels
Romeo Sciaranetti, Head of Swissmill/Pasta Gala Divisions
Anton von Weissenfluh, Head of Chocolats Halba Division

Retail Business Unit

Joos Sutter, Head of Retail Business Unit
Livio Bontognali, Head of OT Sales Region
André Mislin, Head of NW Sales Region
Sissigno Murgia, Head of SR Sales Region
Peter Schmid, Head of BE Sales Region
Roger Vogt, Head of ZZ Sales Region
Herbert Zaugg, Head of Total Store

Suisse Romande (SR) Sales Region

Sissigno Murgia, Head of SR Sales Region
Patrick Angéloz, Head of Sales 1
Stéphane Bossel, Head of Business Management/Controlling
Jean-Claude Chapuisat, Head of Personnel/Training

Bern (BE) Sales Region

Peter Schmid, Head of BE Sales Region
Rico Bossi, Head of Sales 2
Bernhard Friedli, Head of Business Management/Controlling
Bruno Piller, Head of Personnel/Training
Stephan Rauch, Head of Sales 1

Nordwestschweiz (NW) Sales Region

André Mislin, Head of NW Sales Region
Ivo Dietsche, Head of Sales 2
Angelo Durante, Head of Business Management/Controlling
Rolf Gurtner, Head of Sales 1
Stefan Tschumi, Head of Personnel/Training

Zentralschweiz-Zürich (ZZ) Sales Region

Roger Vogt, Head of ZZ Sales Region
Stefano Alberucci, Head of Sales 1
Luc Pillard, Head of Personnel/Training
Eduard Warburton, Head of Business Management/Controlling
Paul Zeller, Head of Sales 2

Ostschweiz-Ticino (OT) Sales Region

Livio Bontognali, Head of OT Sales Region
Mario Colatrella, Head of Sales 2
Christine Noichl, Head of Personnel/Training
Karl Sturzenegger, Head of Sales 1
Dominique Vela, Head of Business Management/Controlling

Trading Business Unit

Daniel Stucker, Head of Trading Business Unit
Jürg Berger, Head of Total Store/Expansion
Andreas Frischknecht, Head of Import Parfumerie/Christ Divisions
Urs Jordi, Head of Coop City
Erich Mäder, Head of Building & Hobby
Markus Schärer, Head of Business Management/Controlling
Bruno Veit, Head of Toptip/Lumimart Divisions
Martin von Bertrab, Head of Personnel/Training
Pierre Wenger, Head of Interdiscount Division

Coop City

Urs Jordi, Head of Coop City
Jürg Birkenmeier, Head of Sales Region Centre
Michel Produit, Head of Sales Region West

Interdiscount

Pierre Wenger, Head of Interdiscount Division
Vito Armetta, Head of Sales
Constantin Hilt, Head of Logistics/IT/Services
Peter Späni, Head of Category Management/
Purchasing Interdiscount

Marketing/Purchasing Business Unit

Jürg Peritz, Head of Marketing/Purchasing Business Unit
(until 31.03.2012)

Philipp Wyss, Head of Marketing/Purchasing Business Unit
(from 01.04.2012)

Thomas Schwetje, Head of Marketing/Services
Helmut Träris, Head of Marketing Projects

Benedikt Pachlatko, Head of Customer Services

CCM Fresh Produce/Catering

Roland Frefel, Head of CCM Fresh Produce/Catering
Silvio Baselgia, CCM Fresh Convenience/Frozen Convenience
Marie-Claire Chepca Cordier, CCM Dairy Produce/Eggs/Ice Cream
Matthias Kunz, Catering
Marc Muntwyler, CCM Meat
Christoph Widmer, CCM Fruit/Vegetables

CCM Basic Foods/Beverages

Philipp Schenker, Head of CCM Basic Foods/Beverages
Marco Bertoli, CCM Long-life Convenience
Pia Bracher, CCM Confectionery/Savoury Snacks
Simone Gössling, CCM Breakfast/Garnishes/Baking Ingredients/
Pet Supplies
Markus Heiniger, CCM Soft Drinks/Spirits/Tobacco Goods

Pius Buchmann, Head of Direct Wine Sales

CCM Near-Food/Hard Goods

Regina Diethalm, Head of CCM Near-Food/Hard Goods
Olivier Compagnon, CCM Detergents/Cleaning Agents/Hygiene
Kerstin Czermak, CCM Perfumery/Body Care/Vita Shop
Manuel Gonzalez, CCM Stationery/Press/Travel Supplies
Daniel Walker, CCM Kitchen/Electrical Appliances/Household
Appliances/Consumer Electronics/E-Communication

CCM Textiles

Gerhard Beutler, Head of CCM Textiles
Beatrix Kessler, CCM Tableware/Homestyle/Festive
Oliver Krüsi, CCM Children's Clothing/Baby/Toys
Sandra Odermatt, CCM Accessories/Watches/Jewellery/Shoes
Leather Goods/Hoisery

CCM Building & Hobby

Christoph Theler, Head of CCM Building & Hobby
Bruno Haberthür, CCM Building/Sanitary
Rainer Pietrek, CCM Plants
Walter Studer, CCM Garden
Joe Wyss, CCM Homestyle/Leisure

Food Purchasing

Christian Guggisberg, Head of Food Purchasing
Philipp Allemann, Meat/Poultry/Fish/Convenience Buying Pool (BP)
Michael Sieber, Basic Foods/Beverages BP
Christian Sohm, Fruit/Vegetables/Flowers/Plants BP
Peter Zürcher, Bread/Dairy/Cheese/Frozen Products BP

Ernst Seiler, Head of Eurogroup SA (until 30.04.2012)
Tammo Hintz, Head of Eurogroup SA (from 01.05.2012)

Non-Food Purchasing

Peter Hauser, Head of Non-Food Purchasing
Emanuel Büchlin, Clothing/Accessories BP
Stefan Mundwiler, Building & Hobby BP
Petra Schönenberger, Hard Goods BP
Olivier Schwegler, Near-Food BP

Supply Chain Management/Stock Management

Mauro Manacchini, Head of Supply Chain Management/
Stock Management
Peter Bolliger, Stock Management Pool Non-Food
Markus Schmid, Stock Management Pool Food

Logistics Business Unit

Leo Ebnetter, Head of Logistics Business Unit
Daniel Hintermann, Head of NW Logistics Region
Sébastien Jacquet, Head of SR Logistics Region
Domenico Repetto, Head of BE Logistics Region
Daniel Woodtli, Head of National Logistics Pratteln
Beat Zaugg, Head of National Logistics Wangen
Josef Zettel, Head of ZZ Logistics Region

Lorenzo Pelucchi, Head of Sunray Division

Finance/Services Business Unit

Joos Sutter, interim Head of Finance/Services Business Unit
Reto Conrad, Head of Finance/Services Business Unit
(from 01.06.2012)
Xavier Buro, Head of Finance/Services Projects
Hansjörg Klossner, Head of Accounting
Beat Leuthardt, Head of Finance
Adrian Werren, Head of Controlling

Property Business Unit

Jean-Marc Chapuis, Head of Property Business Unit
Heinrich Beer, Head of National Property Projects
Stefano Donzelli, Head of Business Management/Controlling
Nicolas Kirsch, Head of SR Property Region
Philippe Sublet, Head of National Shopping Centres
Fritz Ulmann, Head of ZZ/OT Property Region
Danilo Zampieri, Head of BE/NW Property Region

Subsidiaries

Ivan C. Levy, Head of The Body Shop Switzerland Ltd
(until 31.05.2012)

Roland Ebner, Head of The Body Shop Switzerland Ltd
(from 01.06.2012)

Pius Marti, Head of Tropenhaus Wolhusen AG

Beat Schmidt, Head of Tropenhaus Frutigen AG (until 31.03.2012)

Marcel Baillods, Head of Tropenhaus Frutigen AG
(from 01.04.2012)

Doris Schwizer, Head of Coop Vitality AG

Philipp Wegmüller, Head of Railcare AG

Dipl. Ing. Fust AG

Thomas Giger, Chief Executive Officer, Head of Retail Sales

Silvio Cioffi, Head of Novacasa General Contractor Division

Giovanni De Mieri, Head of Multimedia Division

Markus Gauch, Head of Technical Division

Marc Haselbach, Head of Electronics Division

Manfred Spiller, Head of Kitchen/Bathroom Division

Rolf Wilhelm, Head of Finance & Services Division

Transgourmet Group

Prodega/Growa CC

Philipp Dautzenberg, Chief Executive Officer

Gregor Bärtschi, Head of Construction & Real Estate

Walter Fankhauser, Head of Sales

Frank Furrer, Head of Strategic Purchasing,
Marketing & Category Management

Erich Joss, Head of HR

Benjamin Jtten, Head of Marketing Services

Andrea Pellizzari, Head of Finance/Controlling

Claude Schnider, Head of IT

Howeg

Daniel Böhny, Chief Executive Officer/Head of Sales

Ueli Niederer, Head of Logistics

Martin Wullschleger, Head of Category Management/Marketing

Rewe Foodservice

Frank Seipelt, Spokesman of Executive Board/

Distribution, Category Management

Thomas Wallrabenstein, Managing Director/

Administration, Logistics

Transgourmet France

Jean-Christophe Adouritz, Chief Executive Officer

Philippe Guyot, Head of Operations, Purchasing & Marketing

Edith Hertz, Head of Finance/Controlling

Serge Rey, Head of Technical & Logistics

Fegro/Selgros Group

John Matthew, Managing Director/CEO

Fegro/Selgros Germany

John Matthew, Managing Director/CEO

Rainer Brohl, Managing Director/Administration

Holger Penndorf, Managing Director/Distribution, Purchasing,
Category Management & Marketing

Holger Schmied, Managing Director/IT, Organization,
Technical & Material Purchasing

Selgros Poland

Alexander Orłowski, Managing Director/CEO

Piotr Kolodziejczak, Managing Director/Administration

Piotr Skłodowski, Managing Director/Purchasing,
Category Management & Marketing

Selgros Romania

Edith Lenga-Balk, Managing Director/CEO

Alexandru Vlad, Managing Director/Administration & Expansion

Selgros Russia

Uwe Rößler, Managing Director/CEO

Patricia Ruster, Managing Director/Purchasing,

Category Management & Marketing

Przemyslaw Switakowski, Managing Director/Administration

Bell Group

Bell AG

Lorenz Wyss, Chairman of the Group Executive Board,

also Head of Bell International Business Unit,

interim Head of Bell Switzerland Business Unit

Martin Gysin, Deputy Chairman of the Group Executive Board,

Head of Finance/Services Business Unit

Bell Schweiz AG

Lorenz Wyss, interim Head of Bell Schweiz Business Unit

Markus Bänziger, Head of Convenience Division

Josef Dähler, Head of Fresh Meat Division

Martin Gysin, Head of Finance/Services Business Unit

Adolf Maassen, Head of Charcuterie Division

Christine Schlatter, Head of Poultry Division

Zimbo Fleisch- und Wurstwaren GmbH & Co. KG

Christof Queisser, Chief Executive Officer,

Managing Director Marketing and Distribution

Manfred Dahmen, Deputy Chairman of the Executive Board,

Managing Director Finance and Controlling

Uwe Ginkel, Managing Director Production and Logistics

Abraham Schinken GmbH

Christian Schröder, Spokesman of Executive Board,

Managing Director Distribution and Marketing

Markus von der Pütten, Managing Director Production
and Technical

SAS Salaison Polette & Cie

Philippe Polette, Chief Executive Officer

Ludovic Jouanneau, Head of Administration and Finance

Gilles Patient, Head of Sales

Seth Ganu

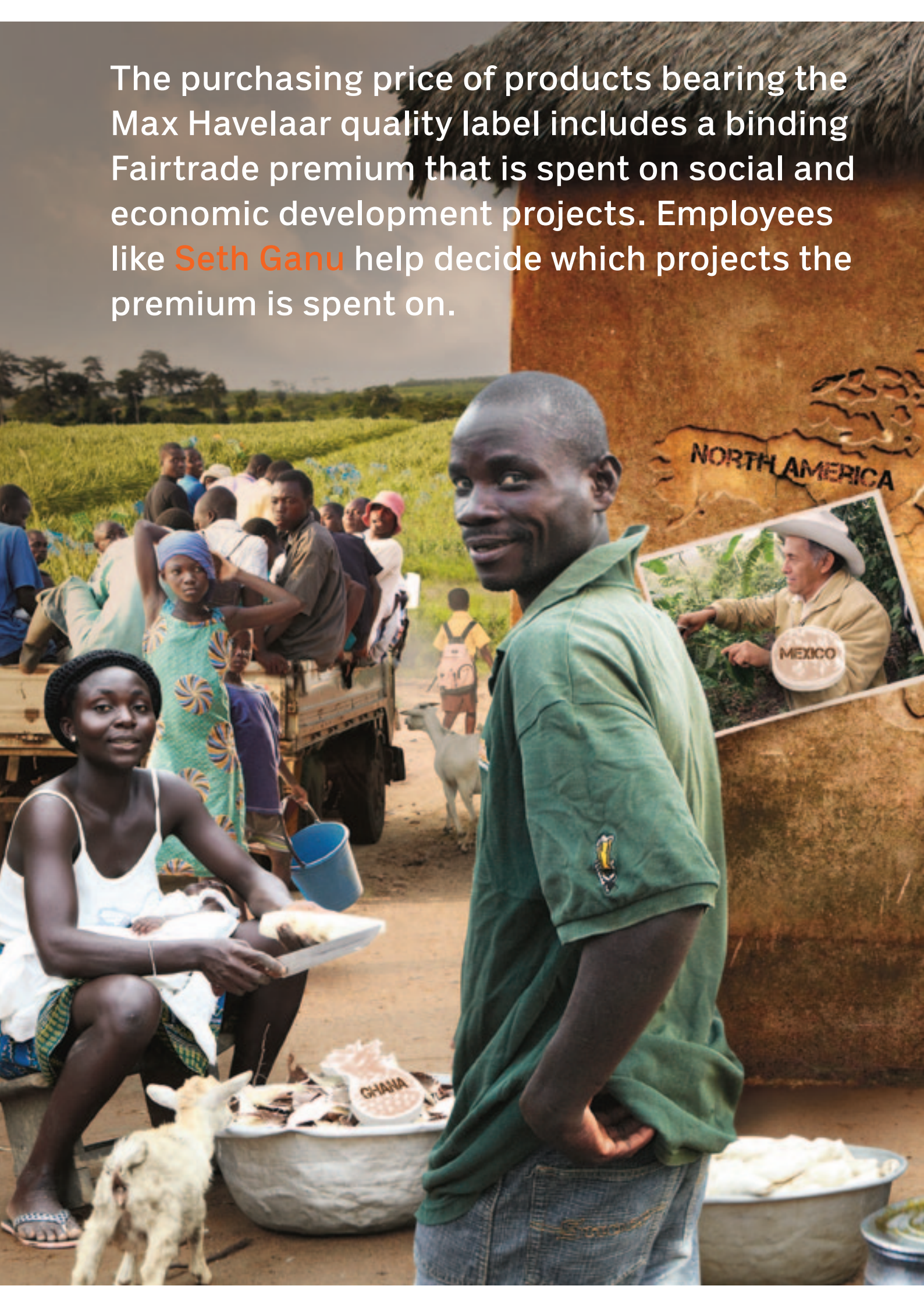
Crop worker from Ghana

Max Havelaar

Coop stocks by far the largest range of Fairtrade Max Havelaar products in Switzerland. It started its Fairtrade offensive in 2011, switching further strong-selling own-label brand ranges to Max Havelaar.



The purchasing price of products bearing the Max Havelaar quality label includes a binding Fairtrade premium that is spent on social and economic development projects. Employees like **Seth Ganu** help decide which projects the premium is spent on.



Pineapples from Ghana For Seth Ganu, working on a Fairtrade-certified plantation means earning a secure income. Thanks to Fairtrade, he can take out a microloan and enlarge his home.

Coffee from Mexico This cooperative spends the money earned from the Fairtrade premium on further training. Eladio Gomez Peres is learning how to produce organic fertilizer and thereby increase the yield of coffee plants.

Bananas from Ecuador Farmer Paolino has been a member of El Guabo banana cooperative for seven years. This means that he can use the services of the doctor provided by El Guabo.

Roses from Ecuador Mother of three Juliana Ataballia works on a Max Havelaar rose farm. She has received educational grants for her children.

Cocoa from Ghana Sarah Andoh's village has neither running water nor electricity. The villagers have used the Fairtrade premium to pay for a drinking-water well.

Rice from Thailand As a member of the Max Havelaar cooperative, Patson Wongpha has been lent money to buy a cow. Now he has enough manure to grow rice organically.



Coop Group Management Report

Overview of the Coop Group

The Coop Group comprises Coop Cooperative and its divisions, the Transgourmet Group, the Bell Group and the other subsidiaries. In 2011, the Coop Group generated total sales of over CHF 27 billion, putting itself in pole position among Swiss retailers.

Coop Cooperative

In financial year 2011, Coop Cooperative and its divisions with around 34 400 FTEs (full-time equivalents) generated a cash turnover of CHF 11.0 billion in the Retail sales outlets, a cash turnover of CHF 3.2 billion in the Trading outlets and a turnover of CHF 0.2 billion in the online shops.

Transgourmet Group

Coop Cooperative acquired 100% of the Transgourmet Group retroactively with effect from 1 January 2011. The Transgourmet Group is Europe's second-largest cash & carry and wholesale supplies business in terms of sales. It has 109 cash & carry markets, over 21 100 FTEs and generated nominal sales of CHF 8.2 billion in 2011. The Transgourmet Group includes the following companies: in the wholesale supplies segment, Rewe Foodservice in Germany, Transgourmet France in France and Howeg in Switzerland, and in the cash & carry segment, Prodega/Growa CC in Switzerland and Fegro/Selgros in Germany, Poland, Romania and Russia.

Bell Group

Adjusted for currency movements and acquisitions, the Bell Group and its over 6 000 FTEs increased its turnover from the sale of goods by 1.8% to CHF 2.5 billion in 2011, thereby building seamlessly on the successful previous year. The largest Swiss meat processor, the Bell Group generates its sales mostly in Switzerland: these rose by 1.2% to CHF 1.7 billion in 2011. Abroad, the Bell Group has a presence in Germany, Spain, France, Denmark, the Czech Republic, Poland, Belgium, the Netherlands, Hungary, Romania and Slovakia. Here, it generated sales from goods of CHF 0.8 billion in 2011, a decline of 4.8% on the previous year due to exchange rate movements. The Bell Group carries a range of brands in its portfolio and produces branded and own-label brand goods for various customers. The most important brands are Bell, Zimbo, Abraham and Polette.

Other subsidiaries

In financial year 2011, the sales outlets and filling stations of the other fully consolidated subsidiaries generated a cash turnover of around CHF 3.7 billion. Other significant subsidiaries of the Coop Group include Coop Mineraloel AG, which with 65 FTEs and franchise holders generated a cash turnover of almost CHF 2.5 billion, and Dipl. Ing. Fust AG, which has over 1 800 FTEs and sales of around CHF 0.9 billion.

General economic and industry trends

The Coop Group's retail sales fell by 0.9% in nominal terms to CHF 18.4 billion. In real terms, however, sales increased by 1.5%, with prices falling by 2.4% across the range as a whole. This marginal decline in performance compared with the previous year is due primarily to the sharp rise in shopping tourism resulting from the exceptional strength of the Swiss franc, and the clear downturn in consumer sentiment in the second half of the year. Adjusted for currency movements, wholesale business grew by 5.4%. The unfavourable economic environment abroad and the high valuation of the Swiss franc cast a shadow over the general economic outlook. The negative effects on exports and corporate investment will likely remain a drag on economic growth in Switzerland. However, Eastern Europe in particular boasts stronger economic growth than Switzerland and the rest of the euro zone. The Coop Group is able to capitalize on this as a result of its increased international presence.

Business and operating conditions

Having taken over the Transgourmet Group in its entirety, the Coop Group is Switzerland's number one retailer by sales. In 2011, Coop achieved price cuts through tough negotiations conducted successfully and fairly with international brand manufacturers and passed those cuts on to customers. In various segments, Swiss retailing continues to be more strictly regulated than competitors' markets abroad. Coop therefore faces the challenge of having to maintain its position in its traditional area of business going forward. The Transgourmet Group has established itself as a large market player in Europe's B2B sector. The Bell Group was also able to increase its market share abroad.

Position of the Coop Group

Significant changes in the results of operations and in the financial position and cash flows result primarily from the takeover of the Transgourmet Group.

Results of operations

In 2011, the Coop Group's total sales increased by 38.6% to CHF 27.7 billion. This results in consolidated net sales from goods and services of CHF 26.6 billion, an increase of some 40% on the prior-year figure. With a margin of 28.9%, gross profit stood at CHF 7.7 billion. Personnel expense rose by CHF 0.9 billion (+27.3%) to almost CHF 4 billion, and other operating expenses by CHF 0.5 billion (+28.4) to CHF 2.3 billion. This results in slightly lower EBITDA of CHF 1.9 billion (-1.9%) compared to the previous year. Amortization of intangible assets

of CHF 324 million (previous year: CHF 503 million) primarily comprised goodwill amortization of CHF 259 million and amortization of CHF 65 million on other intangible assets. Depreciation of tangible fixed assets of CHF 881 million (previous year: CHF 742 million) was mainly due to changes to the scope of consolidation. Operating income was CHF 713 million, which equates to an EBIT margin of 2.7%. The result of associated organizations was CHF 13 million, which was mainly impacted on by the non-inclusion of the Transgourmet Group (now fully consolidated) and the inclusion of the Hilcona Group. In 2011, a positive result from foreign currencies totalling CHF 16 million was achieved. At CHF -175 million, the financial result was down on the previous year (CHF -71 million) owing to a CHF 67 million increase in financial expenses and a CHF 37 million decrease in financial income. After adjustment for taxes of CHF 122 million and minority interests in profit of CHF 71 million, the resulting profit is CHF 432 million (previous year: CHF 470 million).

Financial position and cash flows

The Coop Group's total assets increased by almost CHF 1.9 billion year on year. On the assets side, real estate (fixed assets) increased by around CHF 2.1 billion over the previous year to a total of CHF 8.3 billion. At CHF 4.7 billion, current assets were almost unchanged in comparison to the previous year. On the equity and liabilities side, short-term liabilities increased by CHF 1.7 billion and long-term liabilities by CHF 0.2 billion. Financing activities within the Coop Group are carried out partly by issuing bonds, of which CHF 250 million were repaid. As at 31 December 2011, the equity ratio (41.1%) remained well over 40% (previous year: 43.8%). The equity ratio will increase again thanks to a healthy financial structure and future profits.

Significant opportunities and risks

The Coop Group operates a standardized risk management system in which the main risks and risk scenarios are identified, analyzed and assessed and appropriate measures defined. During the firmly established annual quality evaluation of the internal control system at business process level, operational risks are assessed as well as risks associated with financial reporting and compliance.

Each year, the Executive Committee considers the progress made in implementing the measures while assessing the current risk situation. In financial year 2011, currency risks in particular needed to be re-evaluated as well as economic risks. Overall, the assessment of the current risk situation showed that there are no risks that threaten the company's continued existence as a going concern and no identifiable future going-concern risks.

Opportunities stem from leveraging economic potential in Eastern Europe and from optimizing coverage in Switzerland and abroad. Added value and synergies can be created through the continuous exchange of experience between the individual formats and countries within the Coop Group. The Coop Group also achieves this by consolidating and optimizing existing ranges.

Events after the balance sheet date

A legal action is underway at the investee Palink UAB, the outcome of which cannot currently be estimated. The Coop Group is not aware of any other significant events after the balance sheet date that could have a substantial impact on its position.

Outlook

In 2012, the Coop Group's business performance will continue to be impacted by a combination of the general economic environment, instable consumer sentiment and the ongoing erosion of prices as a result of the strong Swiss franc.

Thanks to the European network of the Transgourmet Group and Bell Group, the Coop Group will continue to strengthen its operations abroad.

The Coop Group expects prices and the outflow of purchasing power to remain at current levels. Price wars will continue to exert pressure on earnings both in Switzerland and internationally, as a result of which competition will become no less intense. Despite the subdued economic outlook, the Coop Group intends to continue growing both internationally in markets with considerable market potential and in the national market by increasing productivity in retail. It is upbeat about financial year 2012.

The Coop Group in figures

- 68 Total Sales**
- 70 Income statement by division
(not consolidated)**
- 71 Sales outlets retail / Markets CC cash & carry**
- 72 Subsidiaries / Divisions / Bank loans**
- 73 Key financial data / Investments**
- 74 Statement of added value**
- 75 Employees**
- 79 Development of the Coop Group**

All values rounded up/down individually

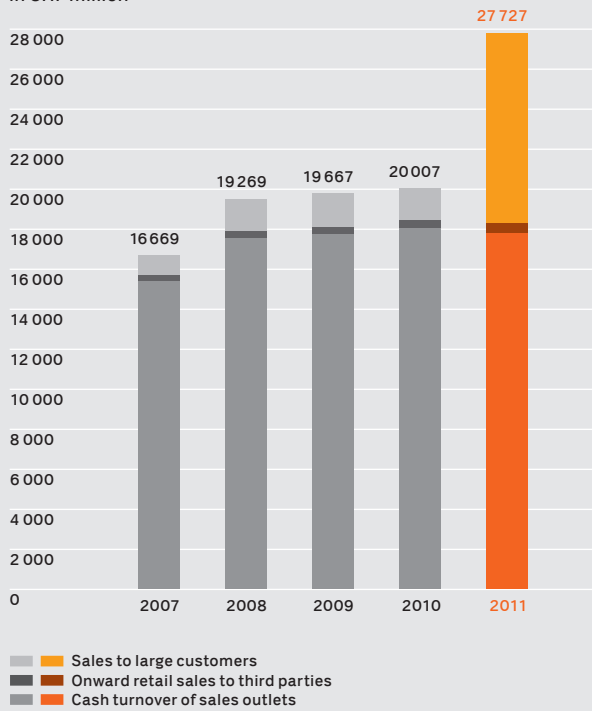
You can find further key figures in
the Coop Group **Sustainability Report**.

Total sales

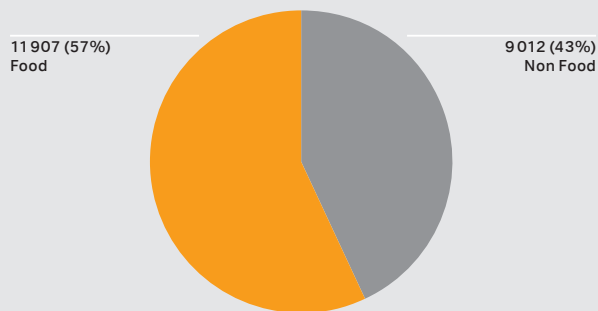
in CHF million	2011	2010	Change	Index %
Supermarkets A < 980 m ²	3 426	3 531	-106	97.0
Supermarkets B 980-1 890 m ²	3 171	3 243	-72	97.8
Supermarkets C 1 890-3 500 m ²	2 792	2 872	-80	97.2
Supermarkets	9 389	9 646	-257	97.3
Megastores > 3 500 m ²	1 616	1 654	-38	97.7
Supermarkets / Megastores	11 005	11 299	-295	97.4
Other	2	2	-0	98.5
Coop Retail	11 006	11 301	-295	97.4
Department stores	1 011	1 058	-47	95.6
Interdiscount	912	995	-83	91.7
Building & Hobby	736	742	-7	99.1
Toptip / Lumimart	241	239	+2	100.7
Import Parfumerie	177	173	+3	101.9
Christ Watches & Jewellery	114	112	+3	102.3
Other	3	3	-0	96.2
Coop Trading	3 194	3 323	-129	96.1
Restaurants Da Giovanni	3	3	-0	98.5
Hotels	28	29	-1	96.2
Coop	14 232	14 656	-424	97.1
Filling stations	1 582	1 403	+179	112.8
Coop Pronto at filling stations	624	577	+47	108.1
Coop Pronto stand-alone	274	245	+29	111.8
Coop Mineraloel AG	2 480	2 225	+255	111.5
Dipl. Ing. Fust AG	938	994	-56	94.4
Coop Vitality AG	132	123	+9	107.7
Bell Group (sales outlets)	75	76	-1	98.3
The Body Shop Switzerland AG	38	31	+7	123.0
Tropenhaus Frutigen AG	1			
Cash turnover of sales outlets	17 897	18 106	-209	98.8
Internet shops	204	185	+19	110.5
Onward retail sales to third parties	343	317	+25	108.0
Retail turnover	18 444	18 608	-164	99.1
Markets CC cash & carry	4 946			
Wholesale supplies	3 218			
Other sales to large customers	1 118	1 399	-280	80.0
Wholesale turnover	9 283	1 399	+7 884	
Total sales	27 727	20 007	+7 720	138.6
of which total sales abroad	7 460	785	+6 675	

Prior-year figures restated

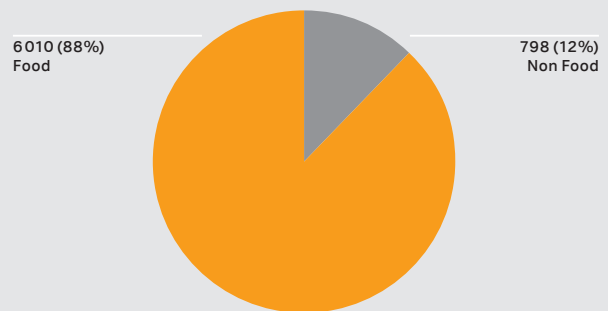
Total sales
in CHF million



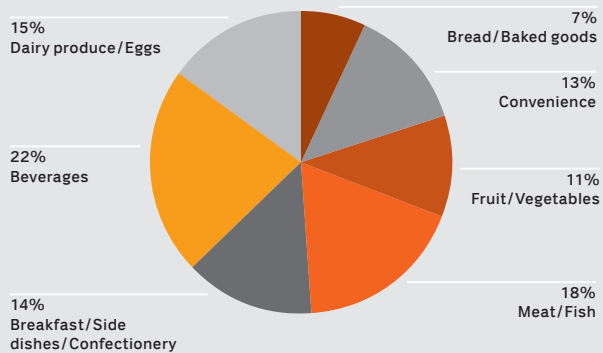
Total sales in Switzerland by main category
in CHF million



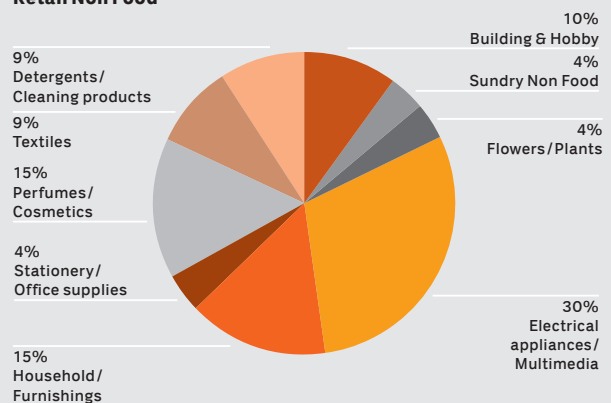
Total sales abroad by main category
in CHF million



Retail Food



Retail Non Food



Income statement by division (not consolidated)

in CHF million	Retail		Wholesale and Production	
	2011	Share %	2011	Share %
Production output			11 496	
Net sales from goods and services	17 685	100.0	10 951	100.0
Merchandise expense	12 627		8 414	
Gross profit/loss	5 057	28.6	2 537	23.2
Other operating income	902		253	
Personnel expense	2 620		1 369	
Advertising expense	377		95	
Other operating expenses	1 560		800	
Depreciation of tangible fixed assets	903		294	
EBIT – operating income	501	2.8	233	2.1

"Wholesale and Production" comprises the Transgourmet Group, the Bell Group and the production operations of the Coop parent company.

Sales outlets retail / Markets CC cash & carry

	Cash turnover of sales outlets				Sales outlets		Sales area	
	in CHF million		Index %	Share %	Number at 31.12		m ² at 31.12	
	2011	2010			2011	2010	2011	2010
Supermarkets A < 980 m ²	3 426	3 531	97.0	19.1	509	512	283 673	282 990
Supermarkets B 980–1 890 m ²	3 171	3 243	97.8	17.7	184	182	260 246	257 785
Supermarkets C 1 890–3 500 m ²	2 792	2 872	97.2	15.6	91	90	247 854	244 835
Supermarkets	9 389	9 646	97.3	52.5	784	784	791 773	785 610
Megastores > 3 500 m ²	1 616	1 654	97.7	9.0	31	31	159 079	160 585
Supermarkets / Megastores	11 005	11 299	97.4	61.5	815	815	950 852	946 195
Other	2	2	98.5	0.0	1	1	290	290
Coop Retail	11 006	11 301	97.4	61.5	816	816	951 142	946 485
Department stores	1 011	1 058	95.6	5.7	33	33	140 817	140 956
Interdiscount	912	995	91.7	5.1	201	200	71 394	69 635
Building & Hobby	736	742	99.1	4.1	72	70	292 428	287 072
Toptip / Lumimart	241	239	100.7	1.3	56	54	150 576	148 434
Import Parfumerie	177	173	101.9	1.0	122	103	9 863	9 096
Christ Watches & Jewellery	114	112	102.3	0.6	82	79	6 240	6 048
Other	3	3	96.2	0.0	1	1	150	150
Coop Trading	3 194	3 323	96.1	17.8	567	540	671 468	661 391
Restaurants Da Giovanni	3	3	98.5	0.0	5	4	1 775	1 566
Hotels	28	29	96.2	0.2	3	3		
Coop	14 232	14 656	97.1	79.5	1 391	1 363	1 624 385	1 609 442
Filling stations	1 582	1 403	112.8	8.8	200	194		
Coop Pronto at filling stations	624	577	108.1	3.5	(186)	(178)	19 037	17 961
Coop Pronto stand-alone	274	245	111.8	1.5	53	51	9 117	8 809
Coop Mineraloel AG	2 480	2 225	111.5	13.9	253	245	28 154	26 770
Dipl. Ing. Fust AG	938	994	94.4	5.2	161	161	88 757	88 815
Coop Vitality AG	132	123	107.7	0.7	47	42	11 430	10 424
Bell Group (sales outlets)	75	76	98.3	0.4	94	71	5 886	4 356
The Body Shop Switzerland AG	38	31	123.0	0.2	44	38	2 561	2 107
Tropenhaus Frutigen AG	1			0.0	1			
Subsidiaries	3 663	3 448	106.3	20.5	600	557	136 788	132 472
Sales outlets retail	17 897	18 106	98.8	100.0	1 991	1 920	1 761 173	1 741 914

Prior-year figures restated

	Net sales of markets CC				Markets CC		Sales area	
	in CHF million		Index %	Share %	Number at 31.12		m ² at 31.12	
	2011	2010			2011	2010	2011	2010
Germany	1 762			35.6	44		419 236	
Switzerland	1 207			24.4	27		112 531	
Romania	960			19.4	19		178 821	
Poland	820			16.6	14		139 215	
Russia	197			4.0	5		44 524	
Markets CC cash & carry	4 946			100.0	109		894 327	

Subsidiaries / Divisions / Bank loans

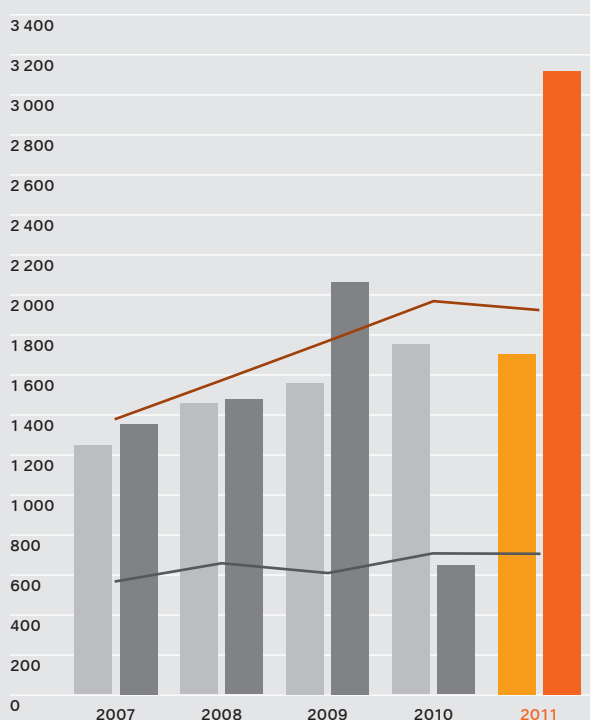
Subsidiaries in CHF million	Net sales		Full-time	Equity at 31.12	
	2011	2010	equivalents	Group share in capital	
			Number	CHF m	%
			2011	2011	2011
Transgourmet Group	8 233		21 187	2 041.0	100.0
Bell Group	2 483	2 584	6 059	626.6	66.3
Coop Mineraloel AG	2 311	2 084	65	210.4	51.0
Dipl. Ing. Fust AG	905	959	1 854	179.9	100.0
Coop Vitality AG	126	117	411	20.3	51.0
The Body Shop Switzerland AG	36	29	172	9.1	100.0
Railcare AG	18	14	59	0.2	100.0
Coop training centres MuttENZ and Jongny	14	14	75	7.9	100.0
Tropenhaus Frutigen AG	6		51	-2.5	69.2

Divisions in CHF million	2011	2010	Change	Index %
Cash turnover	912	995	-83	91.7
Onward retail sales to third parties	83	80	+3	103.1
Interdiscount Division	995	1 075	-80	92.5
Cash turnover Toptip	213	213	+0	100.2
Cash turnover Lumimart	28	26	+1	104.7
Onward retail sales to third parties	1		1	
Toptip / Lumimart Division	242	239	+3	101.1
Cash turnover	177	173	+3	101.9
Onward retail sales to third parties	2	2	-0	88.3
Import Parfumerie Division	179	175	+3	101.8
Cash turnover	114	112	+3	102.3
Onward retail sales to third parties	0	0	-0	88.5
Christ Watches & Jewellery Division	114	112	+3	102.3

Bank loans in CHF million	Credit line		Used		Unused credit line	
	2011	2010	2011	2010	2011	2010
Big banks	249	386	51	1	198	385
Cantonal banks	432	285	89	33	342	252
Regional banks	29	39	1	4	28	35
Bank Coop	153	153	18	0	135	153
Foreign banks in Switzerland	150	300	0	0	150	300
Foreign banks	770	426	283	62	488	364
Banks	1 783	1 588	442	100	1 341	1 487
Consortium loan Bell	225	118	175	118	50	
Bank loans	2 008	1 705	617	218	1 391	1 487
Short-term bank loans			192	47		
Long-term bank loans			229	164		
Bank mortgages			196	6		
Bank loans			617	218		

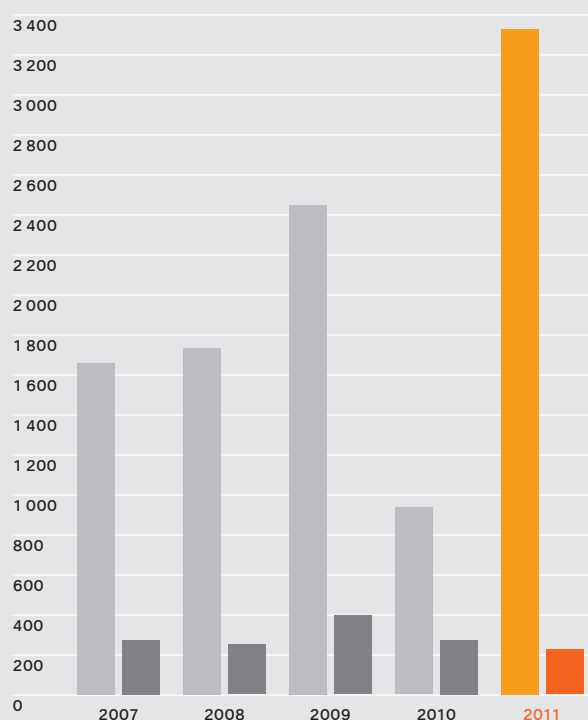
Key financial data / Investments

Key financial data in CHF million



— EBITDA – operating cash flow
— EBIT – operating income
█ Cash flow before change in net current assets
█ Net investments

Investments in CHF million



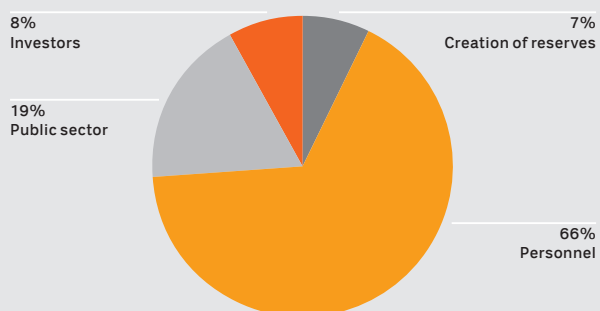
█ Gross investments
█ Disposals

in CHF million	2007	2008	2009	2010	2011
Suisse Romande Region	91	134	121	43	141
Bern Region	77	110	136	34	92
Nordwestschweiz Region	188	211	265	236	251
Zentralschweiz-Zürich Region	120	120	127	238	403
Ostschweiz-Ticino Region	80	107	85	113	101
Germany					188
France					30
Romania					38
Poland					33
Russia					84
Gross investments in tangible fixed assets	556	681	733	664	1 360
Disposals of tangible fixed assets	152	178	191	103	152
Net investments in tangible fixed assets	404	503	542	561	1 208
Other net investments	947	973	1 513	92	1 908
Net investments	1 351	1 476	2 055	653	3 116
EBITDA – operating cash flow	1 383	1 563	1 760	1 955	1 917
EBIT – operating income	572	659	614	709	713
Profit / loss	350	390	430	470	432
Cash flow before change in net current assets	1 254	1 445	1 555	1 744	1 701

Statement of added value

in CHF million	2011	2010	Index %
Total sales	27 727	20 007	138.6
Merchandise	18 114	11 667	155.3
Other	2 291	2 033	112.7
Upstream services	20 405	13 700	148.9
Gross added value	7 322	6 307	116.1
Depreciation and amortization / provisions	1 207	1 217	99.2
Net added value	6 115	5 090	120.1
Wages and salaries	3 056	2 492	122.6
Social security contributions	756	548	138.0
Other personnel expense	185	101	183.1
Personnel discounts incl. personnel Supercard points	49	53	93.3
Employees	4 047	3 194	126.7
Income taxes	122	144	85.1
Operations-related taxes, charges and fees	30	15	
Customs duties	827	813	101.7
Value-added tax	151	157	95.9
Public sector	1 130	1 129	100.1
Investors	506	297	170.3
Creation of reserves	432	470	91.9
Distribution of added value	6 115	5 090	120.1

Distribution of added value



Employees

	2011	2010	Change	Index %
SRE Suisse Romande	4 688	4 805	-117	97.6
SRE Bern	2 998	3 110	-112	96.4
SRE Nordwestschweiz	3 545	3 629	-84	97.7
SRE Zentralschweiz-Zürich	4 483	4 587	-104	97.7
SRE Ostschweiz-Ticino	3 814	3 925	-112	97.2
Corporate Services Retail	23	24	-1	94.2
Retail	19 551	20 079	-528	97.4
Department stores	2 529	2 668	-139	94.8
Interdiscount	1 666	1 711	-45	97.4
Building & Hobby	1 473	1 468	+5	100.3
Toptip / Lumimart	593	596	-3	99.5
Import Parfumerie	467	432	+35	108.0
Christ Watches & Jewellery	370	368	+2	100.6
Corporate Services Trading	170	179	-9	95.1
Trading	7 268	7 421	-153	97.9
Logistics	4 178	4 270	-92	97.9
Production	703	688	+15	102.2
Other corporate services / Property Business Unit	2 068	2 088	-20	99.0
Long-term absences	794	661	+133	120.2
Coop parent company	34 563	35 208	-645	98.2
Bell Switzerland	3 093	3 297	-204	93.8
Bell abroad	2 966	2 883	+83	102.9
Bell Group	6 059	6 180	-121	98.0
Coop Mineraloel AG	65	70	-5	92.7
Coop Vitality AG	411	360	+51	114.0
Dipl. Ing. Fust AG	1 854	1 845	+9	100.5
The Body Shop Switzerland AG	172	136	+36	126.5
Germany	6 996			
France	3 546			
Switzerland	1 506			
Romania	4 237			
Poland	3 740			
Russia	1 161			
Transgourmet Group	21 187			
Other companies	196	126	+70	155.8
Full-time equivalents (incl. trainees)	64 507	43 925	+20 582	146.9

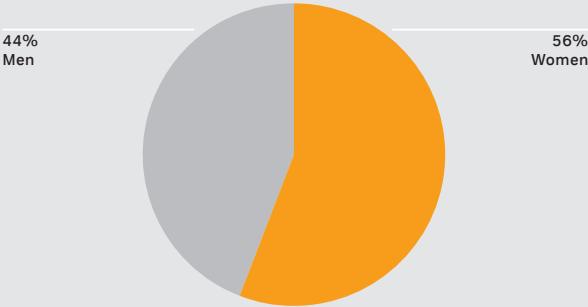
Employees

	2011	2010	Change	Index %
SRE Suisse Romande	6 221	6 583	-362	94.5
SRE Bern	4 225	4 348	-123	97.2
SRE Nordwestschweiz	4 492	4 733	-241	94.9
SRE Zentralschweiz-Zürich	5 895	6 167	-272	95.6
SRE Ostschweiz-Ticino	5 263	5 344	-81	98.5
Corporate Services Retail	23	24	-1	95.8
Retail	26 119	27 199	-1 080	96.0
Department stores	3 132	3 344	-212	93.7
Interdiscount	1 768	1 835	-67	96.3
Building & Hobby	1 862	1 828	+34	101.9
Toptip / Lumimart	700	703	-3	99.6
Import Parfumerie	679	613	+66	110.8
Christ Watches & Jewellery	510	506	+4	100.8
Corporate Services Trading	185	194	-9	95.4
Trading	8 836	9 023	-187	97.9
Logistics	4 621	4 695	-74	98.4
Production	834	812	+22	102.7
Other corporate services / Property Business Unit	2 336	2 327	+9	100.4
Coop parent company	42 746	44 056	-1 310	97.0
Bell Switzerland	3 324	3 497	-173	95.1
Bell abroad	3 146	2 991	+155	105.2
Bell Group	6 470	6 488	-18	99.7
Coop Mineraloel AG	74	73	+1	101.4
Coop Vitality AG	574	490	+84	117.1
Dipl. Ing. Fust AG	2 117	2 111	+6	100.3
The Body Shop Switzerland AG	225	199	+26	113.1
Germany	7 946			
France	3 550			
Switzerland	1 680			
Romania	4 547			
Poland	3 930			
Russia	1 165			
Transgourmet Group	22 818			
Other companies	272	142	+130	191.5
Employees (incl. trainees) at 31.12	75 296	53 559	+21 737	140.6

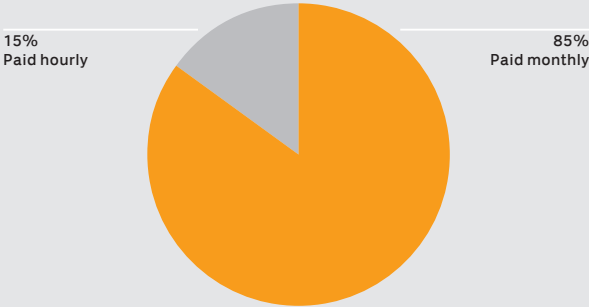
	2011	2010	Change	Index %
SRE Suisse Romande	408	426	-18	95.8
SRE Bern	260	266	-6	97.7
SRE Nordwestschweiz	312	323	-11	96.6
SRE Zentralschweiz-Zürich	411	402	+9	102.2
SRE Ostschweiz-Ticino	300	307	-7	97.7
Retail	1 691	1 724	-33	98.1
Department stores	182	182	+0	100.0
Interdiscount	377	374	+3	100.8
Building & Hobby	133	129	+4	103.1
Toptip / Lumimart	32	34	-2	94.1
Import Parfumerie	54	57	-3	94.7
Christ Watches & Jewellery	39	36	+3	108.3
Corporate Services Trading	8	8	+0	100.0
Trading	825	820	+5	100.6
Logistics	113	124	-11	91.1
Production	34	35	-1	97.1
Other corporate services / Property Business Unit	69	69	+0	100.0
Coop parent company	2 732	2 772	-40	98.6
Bell Switzerland	49	49	+0	100.0
Bell abroad	34	27	+7	125.9
Bell Group	83	76	+7	109.2
Coop Mineraloel AG	2	3	-1	66.7
Coop Vitality AG	90	76	+14	118.4
Dipl. Ing. Fust AG	68	73	-5	93.2
The Body Shop Switzerland AG	12	12	+0	100.0
Germany	308			
France	19			
Switzerland	69			
Transgourmet Group	396			
Other companies	2	2	+0	100.0
Trainees (employees) at 31.12	3 385	3 014	+371	112.3
School-leaver internships	118	123	-5	95.9

Employees

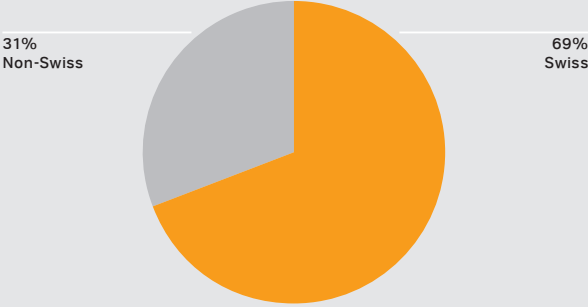
Gender



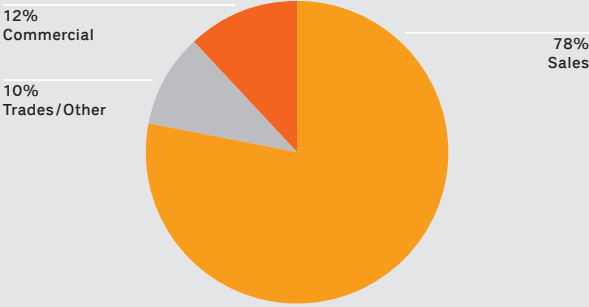
Type of employment



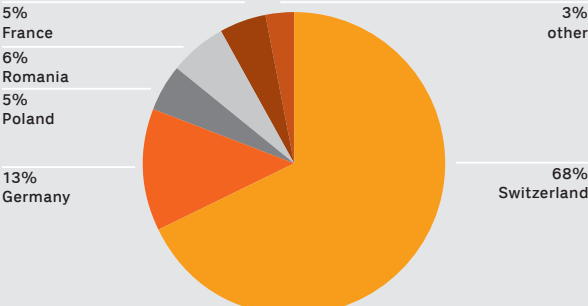
Nationality¹



Trainees



Countries



¹ Only for employees working in Switzerland.

Development of the Coop Group

	2007	2008	2009	2010	2011	
Key financial data in CHF million						
Cash turnover of sales outlets	15 506	17 782	17 758	18 106	17 897	
Onward retail sales to third parties	365	504	486	502	547	
Retail turnover	15 871	18 287	18 244	18 608	18 444	
Wholesale turnover in Switzerland				614	1 823	
Wholesale turnover abroad				785	7 460	
Total sales	16 669	19 269	19 667	20 007	27 727	
Net sales from goods and services	15 812	18 271	18 660	18 965	26 640	
EBITDA – operating cash flow	1 383	1 563	1 760	1 955	1 917	
EBIT – operating income	572	659	614	709	713	
Profit/loss	350	390	430	470	432	
Financial liabilities	3 534	3 971	4 422	4 686	5 080	
Net financial liabilities	3 219	3 395	3 925	2 925	4 638	
Equity incl. minority interests	5 324	5 675	6 098	6 412	6 786	
Total assets	11 810	12 981	13 933	14 624	16 492	
Cash flow before change in net current assets	1 254	1 445	1 555	1 744	1 701	
Cash flow from operating activities	1 155	1 515	1 626	1 709	1 761	
Cash flow from investing activities	-1 351	-1 476	-2 055	-653	-3 116	
Cash flow from financing activities	231	250	350	211	40	
Relative indicators in %						
Quick ratio	26.5	28.4	34.9	73.3	32.6	
Ratio of equity and long-term liabilities to non-current assets	94.7	91.3	98.9	114.6	96.5	
Debit ratio	54.9	56.3	56.2	56.2	58.9	
EBITDA margin	8.7	8.6	9.4	10.3	7.2	
EBIT margin	3.6	3.6	3.3	3.7	2.7	
Profit margin	2.2	2.1	2.3	2.5	1.6	
Cash flow margin	7.3	8.3	8.7	9.0	6.6	
Debt coverage ratio	Target value: < 3.0	2.3	2.4	2.2	1.5	2.4
Interest coverage ratio	Target value: > 8.0	35.5	12.9	24.3	22.9	10.9
Equity ratio	Target value: > 40.0	45.1	43.7	43.8	43.8	41.1
Employees						
Employees at 31.12	48 200	53 880	52 974	53 559	75 296	
Full-time equivalents	38 230	41 550	44 154	43 925	64 507	
Sales outlets retail						
Number of sales outlets retail at 31.12	1 739	1 885	1 864	1 920	1 991	
Sales area retail in m ² at 31.12	1 624 047	1 707 189	1 725 604	1 741 914	1 761 173	
Sales area retail in m ² (annual average)	1 550 155	1 686 926	1 719 187	1 732 128	1 752 284	
Members						
Number of members at 31.12	2 502 100	2 536 544	2 518 056	2 666 242	2 895 062	
Markets CC cash & carry						
Number of markets CC cash & carry at 31.12					109	
Sales area of markets CC cash & carry in m ² at 31.12					894 327	

Prior-year figures restated

Annual consolidated financial statements of the Coop Group

82	Consolidated income statement
83	Consolidated balance sheet
84	Consolidated cash flow statement
85	Statement of changes in equity
86	Notes to the annual consolidated financial statements
86	Consolidation principles
86	Valuation principles
88	Notes to the annual consolidated financial statements 2011 (general information)
89	Special notes
91	Notes to the consolidated income statement
93	Notes to the consolidated balance sheet
101	Notes to the consolidated cash flow statement
101	Additional notes to the consolidated financial statements
105	Coop scope of consolidation
108	Report of the statutory auditor on the annual consolidated financial statements

All values rounded up/down individually

Consolidated income statement

in CHF million	Notes	2011	Share %	2010	Share %
Net sales from goods and services	1	26 640	100.0	18 965	100.0
Merchandise expense		18 941		12 480	
Gross profit / loss		7 699	28.9	6 485	34.2
Other operating income	2	975		788	
Personnel expense	3	3 998		3 141	
Advertising expense		463		389	
Other operating expenses	4	2 296		1 788	
EBITDA – operating cash flow		1 917	7.2	1 955	10.3
Amortization of intangible assets	5	324		503	
Depreciation of tangible fixed assets	5	881		742	
EBIT – operating income		713	2.7	709	3.7
Result of associated organizations		13		29	
Result from foreign currencies	6	16		-15	
Financial result	7	-175		-71	
Ordinary result		566	2.1	653	3.4
Non-operating result	8	59		17	
Extraordinary result	9	-0		7	
EBT – profit / loss before taxes		625	2.3	677	3.6
Income taxes	10	122		144	
Profit / loss after taxes		503	1.9	533	2.8
Minority interests in profit / loss		71		63	
Profit / loss		432	1.6	470	2.5

Consolidated balance sheet

at 31.12					
in CHF million					
	Notes	2011	Share %	2010	Share %
Cash and cash equivalents	21	442		1 762	
Securities		130		110	
Receivables from goods and services	22	951		552	
Other short-term receivables	23	283		217	
Prepayments and accrued income	24	329		294	
Inventories	25	2 581		1 942	
Current assets		4 715	28.6	4 878	33.4
Intangible assets	26	1 634		1 101	
Financial assets	27	261		1 170	
Furniture, vehicles, machinery	28	1 553		1 285	
Real estate	29	8 330		6 191	
Non-current assets		11 777	71.4	9 746	66.6
Assets		16 492	100.0	14 624	100.0
Payables from goods and services	30	2 224		1 326	
Short-term financial liabilities	31	1 529		1 005	
Other short-term liabilities	32	478		421	
Short-term provisions	33, 37	304		140	
Accrued liabilities and deferred income	34	598		562	
Short-term liabilities		5 133	31.1	3 454	23.6
Long-term financial liabilities	35	3 551		3 681	
Long-term provisions	36, 37	1 022		1 078	
Long-term liabilities		4 574	27.7	4 759	32.5
Liabilities	38	9 706	58.9	8 213	56.2
Participation certificate capital					
Retained earnings		6 004		5 610	
Profit / loss		432		470	
Equity excluding minority interests		6 436	39.0	6 080	41.6
Minority interests		350	2.1	331	2.3
Equity including minority interests		6 786	41.1	6 412	43.8
Liabilities and equity		16 492	100.0	14 624	100.0

Consolidated cash flow statement

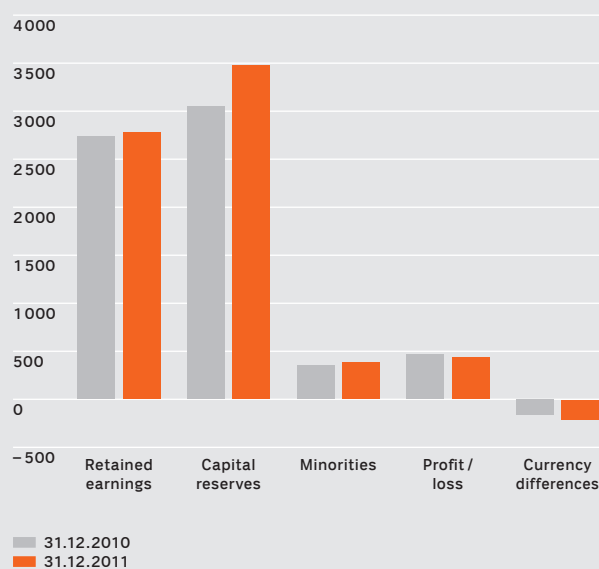
Fund: cash and cash equivalents

in CHF million	Notes	2011	2010
Profit / loss after taxes		503	533
Amortization of financial assets (excl. associated organizations)	12		-0
Amortization of intangible assets	324		503
Depreciation of furniture, vehicles, machinery	371		332
Depreciation of real estate	510		410
Depreciation of non-operating assets	16	1 233	2
Profit (-) / loss on disposal of fixed assets		-43	-20
Result non-cash items		8	18
Income (-) / expense from application of the equity method for investments		-13	-29
Dividends received from associated organizations		14	22
Increase / decrease (-) in long-term provisions		-2	-27
Cash flow before change in net current assets		1 701	1 744
Increase (-) / decrease in receivables from goods and services	10		-9
Increase (-) / decrease in other short-term receivables, prepayments and accrued income	104		-43
Increase (-) / decrease in inventories	7		-106
Increase / decrease (-) in payables from goods and services	95		183
Increase / decrease (-) in other short-term liabilities, accrued liabilities and deferred income	-118		-43
Increase / decrease (-) in short-term provisions	-38	60	-18
Cash flow from operating activities		1 761	1 709
Investments in intangible assets	-39		-29
Disposals of intangible assets	4	-35	0
Investments of furniture, vehicles, machinery	-391		-286
Disposals of furniture, vehicles, machinery	14	-377	3
Investments in real estate	-954		-364
Real estate, own work capitalized	-15		-14
Disposals of real estate	137	-831	100
Payment for the acquisition of consolidated organizations	-1 842		-60
Receipts from the disposal of consolidated organizations	0	-1 842	0
Investments in financial assets	-1		-122
Disposals of financial assets	37	37	129
Investments in securities	-109		-47
Disposals of securities	41	-68	35
Cash flow from investing activities	41	-3 116	-653
Inflows from bonds issuance (+)			750
Outflows for bonds – repayments (-)		-250	-175
Dividend to minority shareholders		-42	-35
Increase / decrease (-) in short-term financial liabilities		526	-289
Increase / decrease (-) in long-term financial liabilities		-198	-43
Increase / decrease (-) own shares Bell		4	1
Cash flow from financing activities		40	211
Cash inflow / cash outflow (-)		-1 315	1 266
Cash and cash equivalents at beginning of year		1 762	497
Cash inflow / cash outflow (-)		-1 315	1 266
Impact of changes in currency exchange rates		-5	-2
Cash and cash equivalents at 31.12		442	1 762

Statement of changes in equity

in CHF million	Capital reserves	Own shares Bell	Currency differences	Retained earnings	Profit / loss	Equity excluding minorities	Equity minorities	Equity including minorities
Equity at 1.1.2010	2 681	-6	-14	2 682	430	5 773	326	6 098
Change in the scope of consolidation / stake							-4	-4
Appropriation of profit / dividends	380			50	-430		-36	-36
Acquisition (-) / disposal of own shares Bell		1				2	1	2
Profit / loss					470	470	63	533
Currency differences			-165			-165	-19	-185
Equity at 31.12.2010	3 061	-5	-179	2 734	470	6 080	331	6 412
Equity at 1.1.2011	3 061	-5	-179	2 734	470	6 080	331	6 412
Change in the scope of consolidation / stake							-9	-9
Appropriation of profit / dividends	434			36	-470		-42	-42
Acquisition (-) / disposal of own shares Bell		4				4	2	6
Profit / loss					432	432	71	503
Reclassification	-13	-1		14				
Currency differences			-79			-79	-3	-82
Equity at 31.12.2011	3 483	-2	-258	2 782	432	6 436	350	6 786

Changes in equity in CHF million



Notes to the annual consolidated financial statements

Consolidation principles

Basis

The consolidated financial statements of the Coop Group comply with all Swiss GAAP ARR 2010/11 (Accounting and Reporting Recommendations). On this basis, internal classification, valuation and disclosure principles have been defined and applied consistently. The consolidated financial statements are based on the audited individual accounts at 31 December and present a true and fair view of the financial position, results of operations and cash flows.

Full consolidation

The Coop Group comprises Coop Cooperative and its subsidiaries, plus all organizations in Switzerland and abroad that it controls either directly or indirectly (with a Coop Group holding of more than 50% of the voting rights). Under full consolidation, all assets, liabilities, expenses and income are fully included in the consolidated financial statements. Any third-party interests in fully consolidated organizations are presented separately as minority interests. Newly acquired organizations are consolidated from the first day that control takes effect, and organizations sold are excluded from the scope of consolidation from the date of sale. Only the Group's share of any surplus of net assets acquired is capitalized. All intercompany relationships and transactions are eliminated. Acquisition accounting uses the purchase method, whereby an organization's equity at the date of acquisition or establishment is eliminated against the carrying amount of the investment at the parent. The intercompany profits were estimated and regarded as insignificant.

Equity method

Investments in organizations in which the Coop Group holds 20% to 50% of the voting rights are recognized – where economically significant – in proportion to the share of equity held and the relevant share of their net profit or loss for the period. Any surplus of acquisition cost is recognized as goodwill and amortized systematically. The amounts are carried in the income statement within the result of associated organizations and amortization of intangible assets respectively. The financial statements of these organizations, which are prepared in accordance with the true and fair view principle, are used to value the proportionate equity.

Currency conversion

Local assets and liabilities are converted into Swiss francs at the exchange rate at the balance sheet date. The local income statements and the cash flow statement are converted at the average rates for the period. Any differences arising from the use of these two different conversion methods are taken directly to equity. The exchange rates for the most important currencies are listed in the section "Additional notes to the consolidated financial statements".

Scope of consolidation

The Coop scope of consolidation is listed on pages 105 to 107.

Valuation principles

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. They comprise cash on hand, postal and bank account balances, short-term deposits and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value (note 21).

Securities

Securities are marketable instruments that can be easily realized. They are carried in the balance sheet at market value.

Receivables from goods and services and other short-term receivables

Receivables are stated at nominal value less any necessary write-downs (notes 22 and 23).

Inventories

Inventories are stated at cost, which comprises the net purchase price and incidental charges. Unfinished and finished goods are valued at no more than production cost. If the net fair value at the balance sheet date is less than cost, the lower of cost or market principle is applied. Individual value adjustments are recognized for goods that are no longer serviceable (note 25).

Intangible assets

On the acquisition of an equity investment, goodwill is determined based on the difference between the purchase price paid and the net assets acquired, measured at fair value. Goodwill is generally capitalized and amortized on a straight-line basis over a period of 8 years. Other intangible assets are stated at acquisition cost and amortized on a straight-line basis over a period of 3 to 8 years. Trademarks and similar intangible assets are amortized over a period of up to 20 years. In addition, all intangible assets undergo an annual impairment test. No research and development costs are capitalized (note 26).

Financial assets

Financial assets are carried in the balance sheet at acquisition cost less any necessary write-downs. Loans and long-term financial assets where the share of the voting rights is less than 20% are also recognized at cost less any necessary write-downs (note 27).

All investments representing a holding of less than 20% are carried at cost less any necessary write-downs and recognized as financial assets or securities.

Furniture, vehicles, machinery, real estate

Tangible fixed assets are stated at cost less any necessary depreciation, which is applied on a straight-line basis over the useful life of the asset. The useful lives are as follows:

Sales outlets	10 years
Markets CC cash & carry	15 years
Furniture	3 – 10 years
Plant and machinery	3 – 30 years
Vehicles	3 – 15 years
Installations	15 – 30 years
Temporary buildings	3 – 20 years
Real estate	40 – 100 years

In connection with the acquisition of the second 50% of the Transgourmet Group, the depreciation categories and ranges were extended in line with changes in economic conditions.

Tangible fixed assets financed through finance leases are capitalized in the same way as other assets and depreciated on a straight-line basis in accordance with the table above. The corresponding present values are recognized within long-term liabilities as leasing commitments. The fair value of real estate is determined internally. Taken as a whole, the fair values of these properties exceed their carrying amount and underpin the going concern values (notes 28 and 29).

Liabilities

Short-term liabilities include all liabilities due within one year, accrued liabilities and deferred income, and short-term provisions. Long-term liabilities comprise obligations with a maturity of more than one year.

Liabilities are carried in the balance sheet at nominal value (notes 30 to 32, 34 and 35).

Provisions

The amount of the provisions is determined at the balance sheet date on the basis of the probable outflow of resources. In doing so, sufficient account is taken of the risks. The provisions represent legal or factual obligations (notes 33, 36 and 37).

Other operating income

“Other operating income” includes income from the Toto (football pools), Lotto (lottery), car parks, advertising and telephone cards (note 2).

Miscellaneous expenses

The “Miscellaneous expenses” item mostly comprises transport costs. It also includes uncovered damage/losses on receivables, unscheduled closure costs and miscellaneous operating costs.

Non-operating items

The non-operating result comprises income and expenses arising from events or transactions which clearly differ from the ordinary operations of the Coop Group. These items also include non-operating tangible fixed assets.

Extraordinary items

Extraordinary items are income and expenses which arise extremely rarely in the context of the ordinary operations and are not predictable.

Income taxes

All income taxes due on the taxable profits for the financial year are charged to the income statement, regardless of their due date. Furthermore, additional taxes on income result from temporary differences between items of income and expense entered in the consolidated financial statements and individual statements for tax purposes (deferred taxes). The deferred taxes for these differences between the carrying amounts in the financial statements and the values for tax purposes are calculated at an average tax rate of up to 35% based on local tax rates and tax loss carry-forwards (note 10).

Operations-related taxes

Capital and property transfer taxes, duties on the issue of securities and other fiscal levies are carried in the income statement under “Other operating expenses” (note 4).

Reclassifications

“Reclassifications” in the statements of changes in fixed assets and provisions refers primarily to transfers of down payments to another category of asset as well as to reclassifications.

Cash flow statement

The fund comprises cash and cash equivalents. Cash flow from operating activities is calculated using the indirect method.

Related parties

Organizations consolidated by the equity method are considered to be related parties, as are natural persons – such as Executive Committee members or members of the Board of Directors – and pension funds.

Related party transactions are conducted at market conditions. The financial statement items with associated organizations are shown under the corresponding headings in the notes. There are also reciprocal delivery and supply agreements in place. Market conditions apply, with transaction volumes being factored in (Additional notes to the consolidated financial statements).

Remuneration

In 2011, the Board of Directors of Coop received an aggregate amount of CHF 1.3 million in remuneration for their services (previous year: CHF 1.3 million). The gross salaries of the Executive Committee totalled CHF 4.3 million for seven members in 2011 (previous year: CHF 4.3 million for seven members). Coop is entitled to any set fees paid to the members of the Executive Committee for activities performed as members of the Boards of Directors of Coop subsidiaries and non-Group companies. The Chairman of the Board of Directors, the Vice-Chairwoman of the Board of Directors and the members of the Executive Committee do not enjoy special pension rights.

Supplementary information

Guarantees and other extraordinary pending transactions are measured at nominal value and disclosed.

Notes to the annual consolidated financial statements 2011 (general information)

Swiss GAAP ARR 2010/11

The amendments under Swiss GAAP ARR 2010/11 do not result in the need for any adjustments to the annual consolidated financial statements.

Changes to the scope of consolidation

In financial year 2011, the following changes occurred in Coop's scope of consolidation compared with the previous year:

The second 50% of the Transgourmet Group was acquired on 10 January 2011. The entity was consolidated retrospectively as of 1 January 2011, with the 69.16%-owned Tropenhaus Frutigen AG being consolidated as of the same date. Until December 2010, both organizations were accounted for using the equity method.

98.5% of Pearlwater Mineralquellen AG was acquired on 1 January 2011.

Waro AG merged with Coop Cooperative on 1 January 2011. Horlogerie-Bijouterie Eden S.A. and Distributis Moncor S.A. merged with Distributis AG on the same date.

Capco AG in Vaduz, in which Coop Cooperative holds a 100% interest, was established on 19 January 2011.

Toomax-x Handelsgesellschaft mbH was renamed Eurobuy GmbH and Betty Bossi Verlag AG was renamed Betty Bossi AG.

At the associate Eurogroup SA, Eurogroup Deutschland GmbH and Eurogroup Italia S.R.L. were included in the financial statements starting in 2011.

In the Bell Group, Bell Convenience AG was transformed into Hilcona Convenience AG and sold to Hilcona AG. In addition, 49% of Hilcona AG was acquired on 20 January 2011 after the relevant authorities gave their approval. With effect from 7 April 2011, Bell AG was renamed Bell Schweiz AG and Bell Holding AG renamed Bell AG. The meat curer Fleischtrocknerei Kocherhans und Schär AG was acquired on 21 April 2011 and subsequently merged with Bell Schweiz AG. On 1 May 2011, convenience food company Hoppe GmbH was acquired by ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG. In July 2011, Bell AG acquired the remaining shares in Schlachtbetrieb Basel AG (SBA). Abraham GmbH was renamed Abraham Schinken GmbH and the interest increased to 100% (previously 75%). The Bell Group merged and/or renamed other companies within the Abraham and ZIMBO Group.

In the Transgourmet Group, Vreriksen Verwaltungsgesellschaft mbH, Dortmund was acquired with effect from 1 July 2011. Further mergers and restructurings also took place within the Transgourmet Group.

In financial year 2010, the following changes occurred in Coop's scope of consolidation compared with the previous year:

CAG Verwaltungs AG, Basel, Hobby AG, Heimberg, Parking Pré Bournoud S.A., Prilly, PG Immobilien S.A., Basel, and TT Immobilien AG, Oberentfelden, were merged with Coop Cooperative, Basel on 1 January 2010.

The following companies were taken over at 100% (date of purchase contract):

- 26 April 2010 The Body Shop Switzerland Ltd, Uster,
- 30 August 2010 Railcare AG, Härkingen,
- 1 September 2010 Horlogerie-Bijouterie Eden S.A., Geneva.

Two companies were established: Goldie AG on 15 October 2010 and Goldie D AG on 18 October 2010, both in Basel. All of the above-mentioned companies are fully consolidated.

In the Bell Group, the Marco Polo Group was acquired on 31 December 2009. The amount paid was reclassified out of financial assets on 1 January 2010.

In 2010, Stastnik Sp. z o.o. was merged with Zimbo Polska Sp. z o.o. and Stuyckberg Business Center N.V. was merged with Marco Polo N.V. The remaining 20% stake in Sanchez Alcaraz S.L. was acquired.

Amortization of intangible assets

At Coop Group, the recoverability of intangible assets is assessed on an annual basis using the capital asset pricing model and taking into account updated assumptions from the multi-year plan regarding the expected business trend.

Pension fund obligations

The Coop Group assumes the pro-rated costs of the occupational pension funds for all employees and their dependents in accordance with the corresponding regulations. The latter provide for benefits that go well beyond the statutory minimum under Swiss law. The contributions (Additional notes to the consolidated financial statements) are included in personnel expense under "Social security contributions".

The reduced interest rate for the old-age pension assets of active CPV/CAP members was retained in 2011. The deficit at 31 December 2011 amounted to CHF 81.4 million. This corresponds to a coverage ratio of 98.8% (previous year: 100.1%).

Off-balance-sheet transactions

The amounts stated in the group "Derivative financial instruments" contain all derivative financial instruments outstanding at the balance sheet date, measured at market value. These are recognized in the financial statements only on falling due.

Dipl. Ing. Fust AG holds a call option from 2012 to 2023 for 49.94% of Service 7000 AG at a price based on earnings over the previous three years.

Special notes

Auditors' fees

The total fee of CHF 3.6 million paid to PwC consists of CHF 3.3 million for financial statement audit services and CHF 0.3 million for other services.

Results of associated organizations accounted for using the equity method

The share of the net result of the associated organizations amounts to CHF 13 million (previous year: CHF 29 million).

Impairment

In connection with the annual review of the recoverability of goodwill items, an impairment of CHF 15.6 million was recognized at Coop Cooperative and an impairment of CHF 20.0 million recognized in the Bell Group.

As part of the review of the real estate portfolio, extraordinary depreciation totalling CHF 109.7 million was recognized in respect of individual properties and extraordinary depreciation of CHF 8.0 million recognized in respect of furniture, vehicles and machinery.

Taxes

No deferred taxes were recognized for loss carry-forwards of CHF 1 131 million (previous year: CHF 73 million).

Goodwill

The share of goodwill relating to associated organizations amounts to CHF 17 million (previous year: CHF 241 million).

Details of risk evaluation

The Coop Group operates a standardized risk management system. The Coop Group's risk situation is reassessed every three years. At the basic reassessment in 2009, in the presence of the Chairwoman of the Board of Directors, the Coop Executive Committee identified, analysed and assessed the main risks and the main risk scenarios and defined the corresponding measures to be taken. The results of this risk assessment and the measures were approved at the Board of Directors' meeting on 1 July 2009.

The measures resulting from this evaluation are subject to a controlling process. Each year, the Executive Committee considers the progress made in implementing the measures, in conjunction with an assessment of the current risk situation. The Board of Directors is subsequently informed of the outcome.

In the framework of the institutionalized annual assessment of the quality of the internal audit system at the business-process

level, an assessment of operational risks and risks associated with financial reporting and compliance is carried out. A number of Coop subsidiaries and associated companies implemented their own internal audit system.

Events after the balance sheet date

The Board of Directors approved the consolidated financial statements on 8 February 2012. They have to be approved by the Delegate Assembly on 29 March 2012.

A legal action is underway at the investee Palink UAB, the outcome of which cannot currently be estimated.

Notes to the consolidated income statement

in CHF million	2011	2010
Net sales Food	18 242	11 461
Net sales Non Food	8 398	7 505
1 Net sales from goods and services by division	26 640	18 965
Suisse Romande Region	4 205	4 017
Bern Region	2 756	2 512
Nordwestschweiz Region	3 499	3 205
Zentralschweiz-Zürich Region	4 441	4 075
Ostschweiz-Ticino Region	3 347	3 276
Headquarters / Production Switzerland	941	1 104
Net sales Switzerland	19 188	18 189
Germany	3 556	
France	1 584	
Romania	991	
Poland	938	
Russia	203	
Czech Republic	66	
Belgium	40	
Netherlands	27	
Hungary	22	
Other countries	26	
Net sales abroad	7 451	776
1 Net sales from goods and services	26 640	18 965
Other income	839	660
Operating rental income	122	114
Own work capitalized	15	14
2 Other operating income	975	788
Wages / salaries	3 056	2 492
Social security contributions	756	548
Social security contributions as %	24.8	22.0
Other personnel expense	185	101
3 Personnel expense	3 998	3 141
Coop Group full-time equivalents ¹	64 507	43 925
Rent	674	561
Office and administrative costs	231	180
Charges and insurance premiums (non-life)	109	76
Operations-related taxes	30	15
Maintenance and replacement costs	321	263
Energy and supplies	417	321
Miscellaneous expenses	515	373
4 Other operating expenses	2 296	1 788

¹ A breakdown of full-time equivalents by group is shown in "The Coop Group in figures" on page 75.

in CHF million	2011	2010
Goodwill	259	457
Other intangible assets	65	47
Amortization of intangible assets	324	503
Furniture, vehicles, machinery	371	332
Real estate	510	410
Depreciation of tangible fixed assets	881	742
5 Depreciation and amortization	1 205	1 246
Currency exchange gains	315	142
Currency exchange losses	299	157
6 Result from foreign currencies	16	-15
Dividends and gains on securities	15	40
Other interest income	17	29
Financial income	32	69
Losses on securities	55	17
Interest and other financial expenses	140	123
Amortization of financial assets	12	-0
Financial expenses	207	140
7 Financial result	-175	-71
Rental income	1	3
Profit on the disposal of fixed assets	43	20
Reversal of provisions no longer required	0	
Other non-operating income	42	10
Non-operating income	87	33
Creation of restructuring and integration provisions	3	
Creation of provisions	3	
Non-operating expenses	5	13
Non-operating property expenses/depreciation	17	3
Non-operating expenses	27	16
8 Non-operating result	59	17
Extraordinary income		7
Extraordinary expenses	0	
9 Extraordinary result	-0	7
Creation of income tax reserves, current year	136	111
Deferred income taxes	-14	33
10 Income taxes	122	144

Notes to the consolidated balance sheet

in CHF million	2011	2010
Cash and cash equivalents	421	854
Reka cheques	20	27
Term deposits	1	881
21 Cash and cash equivalents	442	1 762
Swiss franc	169	1 697
Euro	208	53
Other currencies	66	12
21 Cash and cash equivalents by currency	442	1 762
Receivables from goods and services	951	538
Minus 1% allowance	9	5
Amount due from associated organizations	9	19
22 Receivables from goods and services	951	552
Other receivables	280	119
Prepayments to suppliers	2	3
Other receivables from associated organizations	0	96
23 Other short-term receivables	283	217
Prepaid expenses and accrued income	329	270
Prepaid expenses and accrued income, associated organizations		25
24 Prepayments and accrued income	329	294
Merchandise	2 352	1 723
Finished goods (production)	128	85
Unfinished goods, work in progress	69	92
Raw materials	111	82
Supplies and packaging materials	35	34
Prepayments to suppliers	33	16
Value adjustment on inventories	147	90
25 Inventories	2 581	1 942

in CHF million	Goodwill	Patents/ licences	Trademarks	Software	Other intan- gible assets	2011	2010
Net carrying amount at 1.1.2010	1 071	0	381	47	17		1 517
Cost at 1.1.2010	2 004	2	496	162	43		2 707
Changes to the scope of consolidation	12	-0		-0	-0		12
Investments	45	0		26	2		73
Disposals	8			4	0		12
Impact of changes in currency exchange rates (gain (+)/loss (-))	-21	-0	-2	-1	-0		-24
Reclassifications	37	0		-6	7		38
Cost at 31.12.2010	2 069	2	494	178	51		2 794
Accumulated amortization at 1.1.2010	933	2	114	115	26		1 190
Changes to the scope of consolidation	0	-0		-0	-0		0
Amortization	197	0	23	20	3		244
Extraordinary amortization	260						260
Accumulated amortization on disposals	-0			4	0		5
Impact of changes in currency exchange rates (gain (+)/loss (-))	-6	-0	-0	-1	-0		-7
Reclassifications	11	0		-0	-0		11
Accumulated amortization at 31.12.2010	1 395	2	137	130	28		1 693
26 Intangible assets at 31.12.2010	674	0	356	48	22		1 101
Net carrying amount at 1.1	674	0	356	48	22	1 101	1 517
Cost at 1.1	2 069	2	494	178	51	2 794	2 707
Changes to the scope of consolidation		11	23	79	9	122	12
Investments	799	1		37	1	839	73
Disposals	3	1		5	1	9	12
Impact of changes in currency exchange rates (gain (+)/loss (-))	-22	-0	-1	-2	-0	-25	-24
Reclassifications	-1	-0		-1	3	1	38
Cost at 31.12	2 843	13	516	287	63	3 721	2 794
Accumulated amortization at 1.1	1 395	2	137	130	28	1 693	1 190
Changes to the scope of consolidation		10	3	61	4	78	0
Amortization	223	0	25	29	5	281	244
Extraordinary amortization	36		6	1		43	260
Accumulated amortization on disposals		1		4	1	5	5
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1	-0	-0	-1	-0	-3	-7
Reclassifications	0	-0		0	0	-0	11
Accumulated amortization at 31.12	1 652	12	171	216	36	2 087	1 693
26 Intangible assets at 31.12	1 191	1	345	71	26	1 634	1 101

in CHF million	Employer contribution reserve	Financial assets held at banks	Other financial assets	Deferred tax assets	Associated organi- zations	2011	2010
Net carrying amount at 1.1.2010	16		409		846		1 271
Changes to the scope of consolidation	1		0				1
Additions	3		118		9		129
Disposals	1		128		0		129
Value adjustments			-0		1		0
Impact of changes in currency exchange rates (gain (+)/loss (-))			-32		-125		-157
Reclassifications	0		75		-20		55
27 Financial assets at 31.12.2010	18		442		710		1 170

Net carrying amount at 1.1	18		442		710	1 170	1 271
Changes to the scope of consolidation			0		3	3	1
Additions	0		4		60	64	129
Disposals	1		36		0	37	129
Value adjustments			12		-3	9	0
Impact of changes in currency exchange rates (gain (+)/loss (-))			-0		-1	-1	-157
Reclassifications			-291		-639	-930	55
27 Financial assets at 31.12	18		107		137	261	1 170

Loans to associated organizations						11	341
Loans to third parties						31	34
Amounts secured by lien due							1
Miscellaneous financial assets						65	66
Other financial assets						107	442

in CHF million	Furniture	Vehicles	IT	Plant and machinery	Finance leases	2011	2010
Net carrying amount at 1.1.2010	807	83	108	343			1 341
Cost at 1.1.2010	1 770	183	348	1 010			3 312
Changes to the scope of consolidation	4	0	0	0			5
Investments	176	21	34	55			286
Disposals	38	17	6	24			85
Impact of changes in currency exchange rates (gain (+)/loss (-))	-6	-1	-0	-26	-1		-34
Reclassifications	-2	0	1	-11	9		-1
Cost at 31.12.2010	1 905	186	378	1 005	9		3 482
Accumulated depreciation at 1.1.2010	964	100	241	667			1 971
Changes to the scope of consolidation	2	0	0	0			3
Depreciation	177	20	44	91			332
Extraordinary depreciation			0				0
Accumulated depreciation on disposals	38	15	6	24			83
Impact of changes in currency exchange rates (gain (+)/loss (-))	-5	-1	-0	-19	-1		-25
Reclassifications	0	-0	-0	-7	7		-0
Accumulated depreciation at 31.12.2010	1 101	104	279	708	6		2 197
28 Furniture, vehicles, machinery at 31.12.2010	804	82	99	297	3		1 285
Net carrying amount at 1.1	804	82	99	297	3	1 285	1 341
Cost at 1.1	1 905	186	378	1 005	9	3 482	3 312
Changes to the scope of consolidation	335	133	111	122	5	706	5
Investments	174	57	57	102	0	391	286
Disposals	211	35	54	57	4	361	85
Impact of changes in currency exchange rates (gain (+)/loss (-))	-11	-4	-4	-9	-0	-29	-34
Reclassifications	34	4	14	-52	0	1	-1
Cost at 31.12	2 226	341	502	1 112	9	4 190	3 482
Accumulated depreciation at 1.1	1 101	104	279	708	6	2 197	1 971
Changes to the scope of consolidation	207	68	89	67	4	435	3
Depreciation	201	38	58	64	1	362	332
Extraordinary depreciation	6	0	2	1		8	0
Accumulated depreciation on disposals	209	32	54	50	4	348	83
Impact of changes in currency exchange rates (gain (+)/loss (-))	-7	-2	-4	-5	-0	-18	-25
Reclassifications	14	1	0	-15	0	1	-0
Accumulated depreciation at 31.12	1 313	178	370	770	7	2 637	2 197
28 Furniture, vehicles, machinery at 31.12	913	164	131	342	2	1 553	1 285

in CHF million	Undeveloped plots of land	Installations	Real estate	Real estate not used for op. purposes	Finance leases	2011	2010
Net carrying amount at 1.1.2010	57	979	5 210	70	9		6 325
Cost at 1.1.2010	61	1 868	8 223	132	13		10 297
Changes to the scope of consolidation			4				4
Investments	8	156	213	1			378
Disposals	0	16	164	41			222
Impact of changes in currency exchange rates (gain (+)/loss (-))		-1	-33		-2		-37
Reclassifications	-2	-2	-67	71			1
Cost at 31.12.2010	67	2 004	8 177	163	11		10 422
Accumulated depreciation at 1.1.2010	4	889	3 013	62	5		3 973
Changes to the scope of consolidation			0				0
Depreciation		122	236	2	0		361
Extraordinary depreciation	0	0	50	1			51
Accumulated depreciation on disposals		14	110	18			141
Impact of changes in currency exchange rates (gain (+)/loss (-))		-1	-12		-1		-13
Reclassifications		-7	-29	36			1
Accumulated depreciation at 31.12.2010	4	990	3 150	84	4		4 232
29 Real estate at 31.12.2010	63	1 014	5 027	79	7		6 191
Net carrying amount at 1.1	63	1 014	5 027	79	7	6 191	6 325
Cost at 1.1	67	2 004	8 177	163	11	10 422	10 297
Changes to the scope of consolidation	11	229	2 143	13	89	2 485	4
Investments	4	96	868	0		969	378
Disposals	0	119	192	101		412	222
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-6	-111		-1	-118	-37
Reclassifications	0	34	-40	4		-2	1
Cost at 31.12	81	2 239	10 846	79	99	13 344	10 422
Accumulated depreciation at 1.1	4	990	3 150	84	4	4 232	3 973
Changes to the scope of consolidation	0	97	463	3	34	596	0
Depreciation		139	274	1	3	417	361
Extraordinary depreciation		3	92	15		110	51
Accumulated depreciation on disposals	0	116	140	60		316	141
Impact of changes in currency exchange rates (gain (+)/loss (-))		-3	-20		-0	-23	-13
Reclassifications		2	-13	9		-1	1
Accumulated depreciation at 31.12	4	1 111	3 807	52	40	5 015	4 232
29 Real estate at 31.12	77	1 127	7 039	27	59	8 330	6 191

Buildings under construction (included in "Real estate")		
in CHF million	2011	2010
Net carrying amount at 1.1	49	126
Cost at 1.1	50	126
Changes of the scope of consolidation	41	
Investments	122	13
Disposals	5	2
Impact of changes in currency exchange rates (gain (+)/loss (-))	-3	-0
Capitalization	75	87
Cost at 31.12	128	50
Accumulated depreciation at 1.1	1	
Changes to the scope of consolidation	1	
Depreciation	0	
Extraordinary depreciation		1
Accumulated depreciation on disposals	-0	
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	
Reclassifications	-1	0
Accumulated depreciation at 31.12	1	1
Buildings under construction at 31.12	127	49
Payables from goods and services	2 202	1 296
Amount due to associated organizations	22	30
30 Payables from goods and services	2 224	1 326
Bank current accounts	65	13
Bank loans	192	47
Other short-term financial liabilities	43	30
Pension fund obligations	200	200
Other short-term liabilities due to associated organizations	4	0
Short-term portion of long-term financial liabilities	1 025	714
31 Short-term financial liabilities	1 529	1 005
Vouchers in circulation	12	9
Prepayments from customers	203	211
Other taxes	195	161
Other short-term liabilities	67	39
32 Other short-term liabilities	478	421

in CHF million	Pension funds	Restructurings	Supercard	Other provisions	2011	2010
Short-term provisions at 1.1.2010	30	0	73	50		153
Changes to the scope of consolidation				0		0
Creation of provisions	22	1		20		43
Use of provisions	23	0		29		52
Reversal of provisions no longer required	5			4		9
Reclassifications	-2			7		5
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0			-0		-0
33 Short-term provisions at 31.12.2010	21	1	73	45		140

Short-term provisions at 1.1	21	1	73	45	140	153
Changes to the scope of consolidation	0	24		39	63	0
Creation of provisions	27	3		38	68	43
Use of provisions	23	23		54	100	52
Reversal of provisions no longer required	1			5	6	9
Reclassifications	0	-1	117	24	141	5
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-0		-1	-1	-0
33 Short-term provisions at 31.12	24	5	190	85	304	140

Accrued liabilities and deferred income	598	562
Accrued liabilities and deferred income, associated organizations		0
34 Accrued liabilities and deferred income	598	562

in CHF million		2011	2010
Deposit accounts		1 415	1 265
Medium-term notes		379	395
Coop	2005–2012 2½ %	250	
Coop	2008–2013 3½ %	150	
Coop	2009–2014 3½ %	500	
Coop	2009–2015 3¼ %	500	
Coop	2010–2016 2 %	500	
Coop	2010–2017 2 %	250	
Bonds		2 150	2 400
Bank loans		229	164
Mortgages		196	6
Finance leases		57	7
Other loans		151	157
Short-term portion of long-term financial liabilities		-1 025	-714
35 Long-term financial liabilities		3 551	3 681

in CHF million	Pension funds	Restructuring	Deferred taxes	Supercard	Other provisions	2011	2010
Long-term provisions at 1.1.2010	84		755	176	92		1 107
Changes to the scope of consolidation			0				0
Creation of provisions	10		56	187	9		262
Use of provisions	0		2	219	21		242
Reversal of provisions no longer required	0		16		26		43
Reclassifications	-1			0	-4		-5
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1		-1		-1		-2
36 Long-term provisions at 31.12.2010	92		792	144	50		1 078
Long-term provisions at 1.1	92		792	144	50	1 078	1 107
Changes to the scope of consolidation	6		30		55	90	0
Creation of provisions	12		104	190	40	347	262
Use of provisions	0		27	192	6	225	242
Reversal of provisions no longer required	1		117	3	3	124	43
Reclassifications	-0			-117	-24	-141	-5
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0		-0		-2	-3	-2
36 Long-term provisions at 31.12	108		781	21	111	1 022	1 078
Provisions at 1.1.2010	114	0	755	249	142		1 260
Changes to the scope of consolidation			0		0		1
Creation of provisions	32	1	56	187	30		306
Use of provisions	23	0	2	219	50		295
Reversal of provisions no longer required	5		16		30		52
Reclassifications	-3			0	3		
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1		-1		-1		-3
37 Provisions at 31.12.2010	113	1	792	217	95		1 218
Provisions at 1.1	113	1	792	217	95	1 218	1 260
Changes to the scope of consolidation	6	24	30		94	153	1
Creation of provisions	39	3	104	190	78	415	306
Use of provisions	23	23	27	192	59	325	295
Reversal of provisions no longer required	2		117	3	8	131	52
Reclassifications		-1			1		
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-0	-0		-3	-4	-3
37 Provisions at 31.12	132	5	781	211	197	1 326	1 218
Personnel						49	13
Value-added tax						9	10
Sales outlets						69	31
Legal cases						5	6
Miscellaneous						64	35
Other provisions						197	95
Short-term financial liabilities						1 529	1 005
Long-term financial liabilities						3 551	3 681
Financial liabilities						5 080	4 686
Non-interest-bearing liabilities						4 626	3 526
38 Liabilities						9 706	8 213
Financial liabilities						5 080	4 686
Cash and cash equivalents						442	1 762
Net financial liabilities						4 638	2 925

Notes to the consolidated cash flow statement

in CHF million	2011		2010	
Investments in intangible assets	-39		-29	
Investments in furniture, vehicles, machinery	-391		-286	
Investments in real estate	-954		-364	
Real estate, own work capitalized	-15	-1 399	-14	-692
Disposals of intangible assets	4		0	
Disposals of furniture, vehicles, machinery	14		3	
Disposals of real estate	137	156	100	103
Net investments in tangible fixed assets		-1 243		-589
Investments in consolidated organizations	-1 842		-60	
Investments in financial assets / securities	-109	-1 952	-169	-228
Disposals of consolidated organizations	0		0	
Disposals of financial assets / securities	78	78	164	164
41 Cash flow from investing activities		-3 116		-653

Investments in intangible assets	-39		-29	
Investments in furniture, vehicles, machinery	-391		-286	
Investments in real estate	-954		-364	
Investments in consolidated organizations	-1 842		-60	
Investments in financial assets / securities	-109		-169	
Real estate, own work capitalized	-15	-3 350	-14	-921
Disposals of intangible assets	4		0	
Disposals of furniture, vehicles, machinery	14		3	
Disposals of real estate	137		100	
Disposals of consolidated organizations	0		0	
Disposals of financial assets / securities	78	234	164	267
41 Cash flow from investing activities		-3 116		-653

Additional notes to the consolidated financial statements

Pension institutions (in CHF million)	Nominal value	Balance sheet	Balance sheet	Changes in expense	
	31.12.2011	31.12.2011	31.12.2010	2011	2010
Employer contribution reserve (ECR)					
Patronage funds / patronage pension institutions	4	4	4	0	2
Pension institutions	14	14	14	-0	1
ECR	18	18	18	-0	3

Economic benefit / obligation	Surplus / deficit	Coop's economic share			
	31.12.2011	31.12.2011	31.12.2010		
Patronage funds / patronage pension institutions	5	5	5	0	
Pension funds without surpluses / deficit				0	
Pension funds with deficits	-81			262	
Pension funds with surpluses	10			7	234
Economic benefit / economic obligation and pension benefit expenses	-66	5	5	270	234

in CHF million	2011	2010
Contributions to pension institutions		
Statutory employee contributions	120	99
Statutory employer contributions	269	234
Pension institutions obligation	200	200
secured with a guarantee from a bank	200	200
Contingent liabilities		
Guarantees, guarantee obligations	55	37
Carrying amount of pledged assets	353	47
Secured liabilities	205	27
Fire insurance values		
Tangible fixed assets	16 788	13 289
Obligations from non-capitalized operating lease by due date		
2011		3
2012	29	2
2013	19	1
2014	15	1
2015–2017	33	
> 2017	46	
Commitments from long-term rental and right-to-build agreements broken down by term		
2011		576
2012	664	555
2013	654	535
2014	626	503
2015–2017	1 612	1 224
> 2017	3 289	2 295
Foreign currencies		
The following exchange rates were used for the purposes of translating financial statements in foreign currencies:		
Closing rates for the balance sheet		
EUR 1	1.220	1.250
GBP 1	1.460	1.450
HKD 1	0.120	0.120
HUF 100	0.390	0.450
JPY 100	1.216	1.150
PLN 1	0.273	0.315
RON 1	0.282	0.290
RUB 1	0.029	0.031
USD 1	0.940	0.935
Average rates for the income statement		
EUR 1	1.233	1.370
GBP 1	1.415	1.598
HKD 1	0.113	0.134
HUF 100	0.443	0.497
JPY 100	1.109	1.190
PLN 1	0.300	0.343
RON 1	0.291	0.325
RUB 1	0.030	0.034
USD 1	0.880	1.038

Off-balance-sheet transactions (in CHF million)		Contract values		Assets		Liabilities	
Outstanding derivatives	Purpose	2011	2010	2011	2010	2011	2010
Foreign exchange	Hedging	377	2 131	2	2	1	78
Interest rates	Hedging / trading	150	150	11	14		
Equity instruments	Other purposes	9	115				
Other underlying assets	Hedging	721	625	0	3	0	0

Related party transactions (included in the income statement)

Equity method-accounted organizations:

in CHF million	2011	2010
Net sales	24	206
Operating rental income	1	3
Other operating income	53	13
Interest income	3	52
Merchandise expense	364	190
Office and administrative expense	5	5
Fees		
Rental expense		
Advertising expense	1	2
Miscellaneous expenses	20	18

Most significant components of acquired organizations

Coop

Pearlwater Mineralquellen AG

Tangible fixed assets	8
Real estate	16
Financial liabilities	19

Tropenhaus Frutigen AG

Cash and cash equivalents	3
Real estate	25
Financial liabilities	30
Other liabilities	3

Transgourmet Holding AG

Cash and cash equivalents	137
Receivables	604
Inventories	633
Tangible fixed assets	258
Real estate	1 826
Financial liabilities	1 139
Other liabilities	1 198

Railcare AG

Receivables	3
Financial liabilities	2
Other liabilities	2

in CHF million	2011	2010
The Body Shop Switzerland AG		
Cash and cash equivalents		9
Receivables		2
Inventories		2
Financial assets		2
Other liabilities		5
Horlogerie-Bijouterie Eden S.A.		
Current assets		1
Bell AG		
Hoppe GmbH		
Receivables	4	
Tangible fixed assets	14	
Payables	3	
Financial liabilities	6	
Hilcona AG (consolidated at equity)		
Cash and cash equivalents	21	
Receivables	40	
Inventories	51	
Tangible fixed assets	191	
Payables	30	
Financial liabilities	114	
Marco Polo Group		
Receivables		16
Inventories		2
Tangible fixed assets		4
Liabilities		23

Coop scope of consolidation

at 31.12.2011			Interest held	Share capital	Method	
			by the Group	31.12.2011	of inclu-	
			%	CHF m	sion ¹	
Coop Genossenschaft	CH-Basel	Retail				
Bell AG	CH-Basel	Holding	66.29	CHF	2.0	F
Bell Deutschland GmbH	DE-Bochum	Sub-holding	100.00	EUR		F
Abraham Schinken GmbH	DE-Seevetal	Sub-holding	100.00	EUR		F
Abraham Benelux S.A.	BE-Libramont-Chevigny	Raw ham	100.00	EUR		F
Abraham France SARL	FR-Bussy Saint Georges	Cold cuts	100.00	EUR		F
Abraham Polska Sp. z o.o.	PL-Warszawa	Wholesale	100.00	PLN		F
Abraham Schwarzwälder Schinken GmbH	DE-Schiltach	Ham production	51.00	EUR		F
Gebr. Abraham GmbH & Co. KG	DE-Seevetal	Raw ham	100.00	EUR		F
Abraham Verwaltungs GmbH	DE-Seevetal	Real estate	100.00	EUR		F
Sanchez Alcaraz S.L.	ES-Casarrubios del Monte	Raw ham	100.00	EUR		F
FreshCo. Vertriebsgesellschaft mbH	DE-Bochum	Trade in meat products	100.00	EUR		F
ZIMBO Fleisch- und Wurstwaren GmbH & Co.KG	DE-Bochum	Meat and sausage products	100.00	EUR		F
Feine Kost Böttcher GmbH	DE-Bochum	Management	100.00	EUR		F
Hoppe GmbH	DE-Bad Wünnenberg	Convenience products	100.00	EUR		F
Interfresh Food Retail Easteurope GmbH	DE-Bochum	Trade in meat products	100.00	EUR		F
Novak Carne – Mezeluri S.r.L.	RO-Timosoara	Retail	90.00	RON		F
Novak Mäso – údeniny s.r.o.	SK-Nitra	Trade in meat products	90.00	EUR		F
ZIMBO Czechia s.r.o.	CZ-Praha	Retail	70.00	CZK		F
ZIMBO International GmbH	DE-Bochum	Trade in meat products	100.00	EUR		F
Marco Polo N.V.	BE-Zellik	Sub-holding	99.90	EUR		F
Coldlog N.V.	BE-Zellik	Warehouse operations	99.90	EUR		F
The Fresh Connection N.V.	BE-Zellik	Trade in meat products	99.90	EUR		F
The Fresh Connection Nederland B.V.	NL-Dr Houten	Trade in meat products	76.00	EUR		F
S.C. ZIMBO Romania s.r.l.	RO-Romania	Trade in meat products	100.00	RON		F
ZIMBO Húsipari Termelő Kft.	HU-Perbal	Meat and sausage products	99.70	HUF		F
ZIMBO Polska Sp. z o.o.	PL-Niepolomice	Trade in meat products	100.00	PLN		F
ZIMBO Verwaltungs-Gesellschaft mbH	DE-Bochum	Management company	100.00	EUR		F
Bell France SAS	FR-Teilhède	Sub-holding	100.00	EUR		F
Maison de Savoie SAS	FR-Aime Cedex	Raw sausage	100.00	EUR		F
Salaison Polette & Cie SAS	FR-Teilhède	Raw sausage	100.00	EUR		F
Saloir de Mirabel SARL	FR-Riom	Raw ham	100.00	EUR		F
Saloir de Virieu SAS	FR-Virieu-Le-Grand	Raw ham	100.00	EUR		F
St-André SAS	FR-St-André-sur-Vieux-Jonc	Raw sausage	100.00	EUR		F
Val de Lyon SAS	FR-Saint-Symphorien-sur-Coise	Raw sausage	100.00	EUR		F
Bell International AG	CH-Basel	Holding	100.00	CHF		F
Bell Schweiz AG	CH-Basel	Meat, convenience, seafood	100.00	CHF		F
Centravo Holding AG	CH-Zürich	Processing of by-products	29.80 ²	CHF		E
Frigo St. Johann AG	CH-Basel	Equity investment company	100.00	CHF		F
GVFI International AG	CH-Basel	Meat trade	17.70	CHF		E
Hilcona AG	FL-Schaan	Fresh convenience foods	49.00	CHF		E
FPH Trust Ltd.	FL-Schaan	Asset management	100.00	CHF		F
Gusto GmbH	DE-Stuttgart	Equity investment company	100.00	EUR		F
Hilcona Convenience AG	CH-Schafisheim	Convenience products	100.00	CHF		F
Hilcona Feinkost GmbH	DE-Leinfelden-Echterdingen	Convenience products	100.00	EUR		F
Hilcona Fresh Express	CH-Lupfig	Convenience products	100.00	CHF		F
Hilcona France SARL	FR-Montelimar	Convenience products	100.00	EUR		F
Hilcona Gourmet SA	CH-Orbe	Convenience products	100.00	CHF		F
Kamina Handels AG	FL-Schaan	Asset management	100.00	CHF		F

at 31.12.2011			Interest held		Share capital	Method
			by the Group		31.12.2011	of inclu-
			%		CHF m	sion ¹
SBA Schlachtbetrieb Basel AG	CH-Basel	Abattoir	100.00	CHF		F
Betty Bossi AG	CH-Zürich	Magazine publisher	50.00	CHF		E
BG Rosengarten Solothurn AG	CH-Solothurn	Real estate	62.00	CHF	0.1	F
Capco AG	FL-Vaduz	Insurance company	100.00	CHF	5.0	F
Centre de formation "du Léman"	CH-Jongny	Training	100.00	CHF	0.0	F
Coop Bildungszentrum	CH-Muttenz	Training	100.00	CHF	0.4	F
Coop Immobilien AG	CH-Bern	Real estate	100.00	CHF	555.4	F
Coop-ITS-Travel AG	CH-Wollerau	Travel agency	50.00	CHF		E
Coop Mineraloel AG	CH-Allschwil	Filling stations with shops	51.00	CHF	10.0	F
Tanklager Rothenburg AG	CH-Rothenburg	Maintenance of filling stations	33.33	CHF		E
Coop Switzerland Far East Ltd.	HK-Hongkong	Purchasing company	100.00	HKD	0.1	F
Coop Vitality AG	CH-Bern	Pharmacies	51.00	CHF	5.0	F
Coopernic SCRL	BE-Bruxelles	Purchasing cooperative	20.00	EUR		E
Dipl. Ing. Fust AG	CH-Oberbüren	Electrical appliances, multimedia	100.00	CHF	10.0	F
Service 7000 AG	CH-Netstal	Repairs service	50.06	CHF		F
Distributis AG	CH-Dietlikon	Real estate	100.00	CHF	7.5	F
Eurobuy GmbH	DE-Köln	Purchasing alliance	25.00	EUR		E
Eurogroup Far East Ltd.	HK-Hongkong	Purchasing company	41.66	HKD		E
Eurogroup SA	BE-Bruxelles	Purchasing company	50.00	EUR		E
Eurogroup Deutschland GmbH	DE-Langenfeld	Purchasing alliance	100.00	EUR		F
Eurogroup España Frutas y Verduras S.A.	ES-Valencia	Purchasing alliance	100.00	EUR		F
Eurogroup Italia S.R.L.	IT-Verona	Purchasing alliance	100.00	EUR		F
HiCoPain AG	CH-Dagmersellen	Frozen baked goods	40.00	CHF		E
Palink UAB	LT-Vilnius	Retail	20.00	LTL		E
Panflor AG	CH-Zürich	Cereals and ground products	100.00	CHF	0.1	F
Pearlwater Mineralquellen AG	CH-Termen	Mineral waters	98.50	CHF	22.4	F
railCare AG	CH-Härkingen	Railway company operations	100.00	CHF	0.1	F
Swisscare GmbH	DE-Konstanz	Distribution company	100.00	EUR	0.0	F
The Body Shop Switzerland AG	CH-Uster	Beauty and cosmetic products	100.00	CHF	0.4	F
transGourmet Holding AG	CH-Basel	Holding	100.00	CHF	520.1	F
transCoop GmbH	DE-Neu-Isenburg	Sub-holding	100.00	EUR		F
Senaro Verwaltung GmbH & Co. I	DE-Pullach	Real estate	100.00	EUR		F
transGourmet Foodservice Immobilien GmbH	DE-Mainz	Real estate	100.00	EUR		F
transGourmet Beteiligungs GmbH	AT-Wiener Neudorf	Sub-holding	100.00	EUR		F
OOO Garant-Vozrogdenije	RU-Kotelniki (Ljuberezkij)	Real estate	100.00	RUB		F
OOO Mikotrans	RU-Moskau	Real estate	100.00	RUB		F
OOO Selgros	RU-Moskau	Cash & carry	100.00	RUB		F
OOO Selgros Immobilien	RU-Moskau	Real estate	100.00	RUB		F
OOO Veritable	RU-Moskau	Real estate	100.00	RUB		F
transGourmet Deutschland AG	CH-Basel	Sub-holding	100.00	CHF		F
OHG FEGRO/SELGROS Cash&Carry GmbH & Co.	DE-Neu-Isenburg	Cash & carry	99.90	EUR		F
OHG REWE-Foodservice GmbH & Co.	DE-Mainz	Wholesale supplies	99.90	EUR		F
Geo-Marketing GmbH	DE-Mainz	Marketing	25.00	EUR		E
TRANSGOURMET seafood GmbH	DE-Bremerhaven	Seafood	100.00	EUR		F
Vreiksen Verwaltungsgesellschaft mbH	DE-Dortmund	Management	100.00	EUR		F
Vreiksen Food-Service GmbH & Co. KG	DE-Dortmund	Wholesale supplies	100.00	EUR		F
Schönau Foodservice GmbH & Co. KG	DE-Dortmund	Wholesale supplies	30.00	EUR		E
Schönau Verwaltungsgesellschaft mbH	DE-Dortmund	Wholesale supplies	30.00	EUR		E
transGourmet Deutschland GmbH	DE-Neu-Isenburg	Holding	100.00	EUR		F
SELGROS CASH & CARRY S.R.L.	RO-Brasov	Cash & carry	99.99	RON		F
SELGROS Sp. z o.o.	PL-Poznan	Cash & carry	100.00	PLN		F

at 31.12.2011			Interest held		Share capital	Method
			by the Group		31.12.2011	of inclu-
			%		CHF m	sion ¹
TransGourmet France SAS	FR-Orly	Wholesale supplies	100.00	EUR		F
Aldis Sud Est 2 SAS	FR-Saint Martin de Crau	Wholesale supplies	100.00	EUR		F
All Fresh Logistique SA	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
Delta logistic SAS	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
La Goele SAS	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
Locafresh	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
Locagroup SAS	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
Mantes Primeurs SAS	FR-Mantes la jolie	Wholesale supplies	100.00	EUR		F
Sodiexval SAS	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
Neva Food SAS	FR-Chilly Mazarin	Wholesale supplies	100.00	EUR		F
L'Océanic	FR-Chilly Mazarin	Wholesale supplies	100.00	EUR		F
SPEIR SAS	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
COFIDA SAS	FR-Rungis Cedex	Wholesale supplies	100.00	EUR		F
ASP 5 SAS	FR-Orly	Wholesale supplies	100.00	EUR		F
ASP 6 Sarl	FR-Orly	Wholesale supplies	100.00	EUR		F
BSP SAS	FR-Orly	Wholesale supplies	100.00	EUR		F
ETS HOLDI CRENO SA	FR-ChateauRenard	Holding	19.08	EUR		E
Hygedis SAS	FR-Orly	Wholesale supplies	100.00	EUR		F
Anaxis SA	FR-Le Mans Cedex 02	Wholesale supplies	100.00	EUR		F
GAP SAS	FR-Villepinte	Wholesale supplies	100.00	EUR		F
Monsieur clean SAS	FR-Nice	Wholesale supplies	100.00	EUR		F
NES SAS	FR-Lezennes	Wholesale supplies	100.00	EUR		F
PHS Aquitaine SAS	FR-Orly	Wholesale supplies	100.00	EUR		F
PHS Côte d'Azur SCA	FR-Nice	Wholesale supplies	100.00	EUR		F
PHS Méditerranée Sarl	FR-Vitrolles	Wholesale supplies	100.00	EUR		F
PHS Rhône-Alpes Sarl	FR-Pont de l'Isere	Wholesale supplies	100.00	EUR		F
Pro Hygiène Service EST SAS	FR-Fegersheim	Wholesale supplies	100.00	EUR		F
Pro Hygiène Service Sarl	FR-Orly	Wholesale supplies	82.16	EUR		F
Synergies SAS	FR-Levernois	Wholesale supplies	100.00	EUR		F
TG OPERATIONS	FR-Orly	Wholesale supplies	100.00	EUR		F
MESMIN SARL	FR-Limoges	Wholesale supplies	100.00	EUR		F
Transgourmet Immobilier France SAS	FR-Orly	Wholesale supplies	100.00	EUR		F
Transgourmet Finance SAS	FR-Orly	Wholesale supplies	100.00	EUR		F
Transgourmet Management Cie	FR-Orly	Wholesale supplies	100.00	EUR		F
Transgourmet Services Gie	FR-Orly	Wholesale supplies	100.00	EUR		F
transGourmet Holding GmbH	DE-Köln	Holding	100.00	EUR		F
transGourmet Management AG	CH-Basel	Management	100.00	CHF		F
transGourmet Schweiz AG	CH-Basel	Wholesale	100.00	CHF		F
Grossopanel AG	CH-Stans	Market research	39.80	CHF		E
Valentin Pontresina AG	CH-Pontresina	Trade, import, export	50.00	CHF		E
WINE AG VALENTIN & VON SALIS	CH-Pontresina	Beverages trade	50.00	CHF		E
Tropenhaus Frutigen AG	CH-Frutigen	Tropical products/ aquaculture	69.16	CHF	1.4	F
Tropenhaus Wolhusen AG	CH-Wolhusen	Tropical products/ aquaculture	40.66	CHF		E

¹ F = Fully consolidated company

E = Organization consolidated by the equity method

² Share of the shares in circulation



Report of the statutory auditor
to the assembly of delegates of
Coop Cooperative
Basel

Report of the statutory auditor on the annual consolidated financial statements

As statutory auditor, we have audited the annual consolidated financial statements of Coop Cooperative, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes, reproduced on pages 82 - 107, for the year ended 31 December 2011.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the annual 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 annual 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 annual 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 annual consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the annual consolidated financial statements for the year ended 31 December 2011 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 906 CO in connection with article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 906 CO in connection 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 annual consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers Ltd

Dr. Daniel Suter
Audit expert
Auditor in charge

Pascal Bucheli
Audit expert

Basel, 8 February 2012

Financial section glossary

A

Associated organizations

Investments that are significant but not controlled (20–50%) are carried in the consolidated balance sheet at the investor's share of the investee company's equity. In the consolidated income statement, the investor enters its proportionate share of the investee company's net profit or loss for the year.

C

Cash flow from operating activities

An indicator used to assess a company's financial position and profitability.

Formula:

- Profit
- + Depreciation and amortization
- + Non-cash expenses
- Non-cash income
- +/- Change in operating assets and liabilities

Cash flow margin

The cash flow margin indicates the proportion of the company's cash inflows from sales revenue that remains in the company.

Formula: $\frac{\text{Cash flow}}{\text{Net sales from goods and services}} \times 100$

Cash turnover

Net sales from goods and services plus value-added tax and Superpoints.

D

Debt coverage ratio

Formula: $\frac{\text{Net financial liabilities}}{\text{EBITDA}} \times 100$

Target Coop Group strategy value: ≤ 3.0

Debt ratio

Ratio of liabilities to total capital.

Formula: $\frac{\text{Liabilities}}{\text{Total assets}} \times 100$

Deferred taxes

Items illustrating differences in measurements for tax purposes. Deferred taxes are recognized for temporary differences between the tax base and the amounts in the consolidated balance sheet so as to reconcile tax expense to consolidated profit.

E

EBIT – Earnings before interest and taxes

Earnings before the financial result, non-operating result, extraordinary result and taxes.

EBITDA – Earnings before interest, taxes, depreciation and amortization

Earnings before the financial result, non-operating result, extraordinary result, taxes, depreciation and amortization.

EBIT margin

The EBIT margin expresses the ratio of EBIT to net sales from goods and services.

Formula: $\frac{\text{EBIT}}{\text{Net sales from goods and services}} \times 100$

EBITDA margin

The EBITDA margin expresses the ratio of EBITDA to net sales from goods and services.

Formula: $\frac{\text{EBITDA}}{\text{Net sales from goods and services}} \times 100$

Equity method

A method of accounting for investments in associates and joint ventures, under which the reporting company recognizes an investment at its share of the investee company's net assets (equity).

Equity ratio

Ratio of equity to total capital.

Formula: $\frac{\text{Equity}}{\text{Total assets}} \times 100$

I

Interest coverage ratio

Formula: $\frac{\text{EBITDA}}{\text{Financial result}} \times 100$

Target Coop Group strategy value: ≥ 8.0

N

Net debt

Formula: Financial liabilities – cash and cash equivalents

Net financial liabilities

Formula: Financial liabilities – cash and cash equivalents – securities

Net sales from goods and services

Net sales from goods and services are the income, excluding value-added tax, which the Coop Group generates in its core business.

O

Operating lease

An operating lease is a short-term contract that may be terminated by either of the two parties at any time within a certain period and does not stipulate a fixed lease term.

Other operating income

Other operating income is income from ancillary business conducted on a regular basis, i.e. income indirectly related to core business.

P

Profit margin

Ratio of profit to sales.

Formula: $\frac{\text{Profit}}{\text{Net sales from goods and services}} \times 100$

Put option

An option, or the contract underlying an option, through which the buyer of the option acquires the right to sell a particular asset for an agreed price within a set period.

Q

Quick ratio

An indicator of a company's liquidity used to assess the company's creditworthiness.

Formula: $\frac{\text{Cash and cash equivalents} + \text{receivables}}{\text{Short-term liabilities}} \times 100$

R

Ratio of equity and long-term liabilities to non-current assets

Indicates the percentage of non-current assets financed through long-term liabilities and equity.

Formula: $\frac{\text{Equity} + \text{long-term liabilities}}{\text{Non-current assets}} \times 100$

Retail turnover

Formula: Cash turnover at points of sale + turnover from direct sales

S

Scope of consolidation

The subsidiaries of a group that are included in the consolidated financial statements.

Publishing details

Any statements in this report that do not refer to historical facts relate to the future and do not constitute guarantees of future products and services. They incorporate risks and uncertainties including, but not exclusively, future global economic conditions, exchange rates, statutory regulations, market conditions, competitors' activities and other factors beyond the company's control.

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An online version can be downloaded from
www.coop.ch/report

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