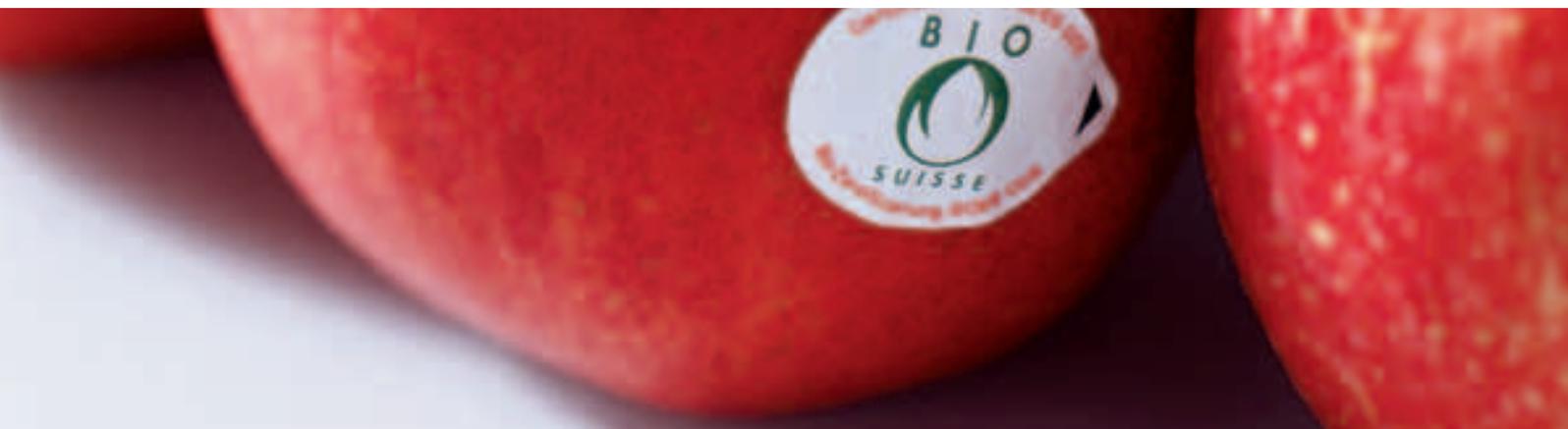


2002 Annual Report of the Coop Group



10 years of Coop Naturaplan.
That's just the beginning.



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The Coop Group at a glance

		2002	2001	Change	%
Key financial data consolidated (CHF m.)					
Sales of merchandise and services		14 540	13 565	+ 975	+ 7.2
Net sales		13 721	12 759	+ 962	+ 7.5
Operating cash flow (EBITDA)		1 181	1 066	+ 115	+ 10.8
Operating profit (EBIT)		593	521	+ 72	+ 13.9
Profit/loss for the financial year		331	302	+ 29	+ 9.6
Net financial debt		4 019	4 503	- 484	- 10.7
Equity incl. minority interests		3 625	3 223	+ 402	+ 12.5
Equity ratio in %		32.7	29.9		
Total assets		11 095	10 794	+ 300	+ 2.8
Cash flow from operating activities		1 255	832	+ 423	+ 50.8
Cash flow from investment activities		- 669	- 758	+ 89	- 11.7
Cash flow from financial transactions		636	43	+ 593	+ 1 379.1
Personnel					
Employees	(31.12.)	49 198	46 197	+ 3 001	+ 6.5
Full-time employees		40 493	37 417	+ 3 075	+ 8.2
Member households	(31.12.)	2 149 863	2 082 387	+ 67 476	+ 3.2
Retail trade					
Consolidated retail trade turnover (CHF m.)		13 715	12 795	+ 921	+ 7.2
Market shares (%)					
Basis: market volume acc. to BAK					
Food		21.9	21.0	+ 0.9	
Nonfood		10.0	9.0	+ 1.1	
Coop Group		15.6	14.6	+ 1.1	
Sales outlets					
Turnover (CHF m.)		13 366	12 411	+ 955	+ 7.7
Sales outlets	(31.12.)	1 649	1 597	+ 52	+ 3.3
Sales area (m ²)	(31.12.)	1 356 301	1 188 157	+ 168 144	+ 14.2

Foreword

In January 2001, 14 regional Coop societies and Coop Switzerland merged to form a single cooperative society, the new Coop. In 2002, Coop entered the second year of its CoopForte project, which is due to be completed in 2005. Shortly before the halfway mark, the project is on schedule. Under Coop's category management, new structures and processes have been introduced. Initial synergies in logistics, administration, IT and communications are already taking effect and producing noticeable cost savings. By harnessing the spirit of renewal generated by the launch of the new Coop, the company hopes to achieve its goal of completing its important strategic projects on target by 2005.

New points of sale meet changing customer needs

The overarching theme of 2002 was implementing the marketing strategy: many Coop points of sale were redesigned, modernized and rebranded as part of the new Coop concept. With their lively, spacious ambience and clear layout, the new retail outlets make shopping a pleasure. The introduction of the new retail outlets is further evidence of Coop's sensitivity to changing customer needs. On the one hand, Coop's new mega-stores offer everything the heart desires. At the same time, Coop now also caters to quick shopping by opening convenience stores with extended opening hours in locations with heavy pedestrian traffic.



Expansion through acquisitions

To achieve the expansion targets laid down in its marketing strategy, Coop embarked on a course of acquisition in 2002. The purchase of a 40% shareholding in EPA AG and the group's integration into the Coop City department stores business from 2003 on means

not only an increase in sales area, but also a quantum leap in synergies in sourcing and sales. Through TopTip's acquisition of the Lumimart specialist retail outlets, the Coop Group has significantly enhanced its position in the corresponding market segment. Coop has also made an offer for Waro AG, which, subject to the approval of the Swiss Competition Commission, will give it a solid investment in attractive large locations all over Switzerland.

Further gains in market share in a difficult environment

After a good start to the year, the economic environment of Switzerland's retail sector changed dramatically in the second quarter of 2002. For Switzerland as a whole, aggregated retail sales fell by 0.3% in nominal terms year-on-year. Coop also felt shoppers' growing reticence. By comparison, however, it grew faster than the overall market – even excluding acquisitions – and once again increased its market share. Consolidated turnover of the Coop Group increased by 7.2% to 14.54 billion Swiss francs. Thus, measured against the overall development in the retail sector, Coop posted a solid result.

In 2002, Coop's retail trade turnover was up by 7.2% to 13.72 billion Swiss francs.

Turnover of the sales outlets rose by 7.7% to 13.37 billion Swiss francs. In 2002, the Coop Group's

Total sales area of Coop retail outlets increased by 3.8% to 1 034 956 m², while the number of outlets fell by 12 to 1 093.

By the end of the year, the total selling area of the Coop Group as a whole, i.e., including EPA and Lumimart, had risen to 1 356 301 m², an increase of 14.2%. Coop increased its number of sales outlets on aggregate from 1 597 to 1 649, an increase of 52.

Good result for 2002

The earnings situation was better than ever. Operating cash flow (EBITDA) was up 10.8% to 1.18 billion Swiss francs. Both gross investment of 1.07 billion and net investment of 669 million Swiss francs were fully covered by the cash flow. Operating profit (EBIT) increased by 13.9% to 593 million Swiss francs, and the result for the year was up 9.6% to 331 million Swiss francs.

There was also a marked improvement in the balance sheet. Net financial debt (liquidity less interest-bearing liabilities) fell by almost 0.5 billion to 4 billion Swiss francs. Equity (including minority interests) rose by about 400 million to over 3.6 billion Swiss francs, representing 32.7% of total assets (previous year: 29.9%).



Anton Felder, Chairman of the Board of Directors

market share of the Swiss functional retail sector as a whole rose from 14.6% to 15.6%. Coop's share of the food sector is now 21.9% (+0.9 percentage points), as against 10.0% in the nonfood sector (+1.1 percentage points). The prices of Coop's product range rose modestly by 0.5%.

Stronger role of prices

Understandably, one effect of the worsening economic environment has been to make consumers more price-conscious. Coop countered fiercer price competition in the retail sector with a convincing range of special offers. By offering substantial price discounts last autumn, Coop made a crucial contribution to reducing Switzerland's expensive cheese mountain. It demonstrated its loyalty and solidarity with Swiss agriculture in the difficult period after Swiss Dairy Food was granted a debt restructuring moratorium. Not only did Coop not terminate any supply contracts, it also extended advances to individual suppliers, thereby enabling them to sell their products. Despite price discounts on a number of dairy products, Coop made a point of not cutting the price of organic milk, as it was not affected by the crisis. Coop remains committed to the principles of the market and ecology, and sees its future as a provider of quality and a leader in innovation, aiming to offer the best value for money.

The Coop flagship labels are important success factors

Despite the difficult economic environment, Coop's four flagship labels Coop Naturaplan, Coop Naturaline, Coop Oecoplan and Cooperación/Max Havelaar once again produced strong growth from a high base. In 2002, their sales rose by 15.0% to 1.17 billion Swiss

francs. Coop's motto for 2003 underlines its ambitious plans for these labels: "10 years of Coop Naturaplan. That's just the beginning." Another success factor is the range of high-quality Betty Bossi fresh convenience products which was

Outlook: implementing the market strategy and enhancing transparency

launched in mid-2002. This new venture opens up the great growth potential of a future-orientated market in which Coop can count on the trust that one of Switzerland's best-known labels enjoys among consumers. This trust has been impressively demonstrated by sales of 93.8 million Swiss francs in just six months, which far exceeded expectations.

Coop is taking a consistent and focused approach to implementing the strategies defined under CoopForte by 2005. This holds for the marketing strategy in particular. The acquisition of EPA AG is a crucial step in this direction. The purchase of Waro AG's large retail outlets (subject to the approval of the Swiss Competition Commission) will lay the basis for further expansion of the megastore, supermarket, building and hobby centres and TopTip formats. Besides growth through acquisitions, 13 large building projects, in particular the new distribution centre in Ticino, are also making good progress.

Neither the economy nor consumer sentiment is expected to show much improvement in 2003. Total retail-sector sales will remain virtually stagnant. In this environment Coop is determined to remain the leader in innovation by focusing on the quality of its excellent range of products. The benefits of improved efficiency



Hansueli Loosli, Chief Executive Officer

and effective sourcing will be passed on to the customer directly in the form of targeted price discounts in the standard range.

In 2003, Coop is celebrating the 10 years of Coop Naturaplan. Once again, it will do all in its power to ensure that its high-profile ecologically and socially

francs. Coop's motto for 2003 underlines its ambitious plans for these labels: "10 years of Coop Naturaplan. That's just the beginning."

responsible flagship labels enjoy the greatest possible degree of consumer confidence over the long term. For this reason, it is essential to monitor adherence to its social, ethical and ecological principles in sourcing and also to ensure that suppliers and their suppliers observe them as well. Coop is determined to offer its customers the highest degree of transparency and a fair price-benefit ratio, over the next ten years as well.

Improvements after opinion surveys

For the first time in its history, Coop carried out a survey of hundreds of thousands of its customers. The responses of 350 000 customers enabled the new Coop to make an important appraisal of its position in its second year. The results revealed significant problems in some areas, and Coop is taking the appropriate measures to deal with them.

Coop's restructuring is a huge challenge for its employees. Especially during this intensive process it is important to know where employees see potential for improvement and what they view as positive or negative. In 2002, Coop sent out a questionnaire to all its employees. The survey had a return rate of 45%. Coop is pleased to note that it received good marks overall, but that at the same time employees pointed out problem areas. Coop created project groups with the object of dealing with these problems, and the first decisions have already been implemented.

Acknowledgements

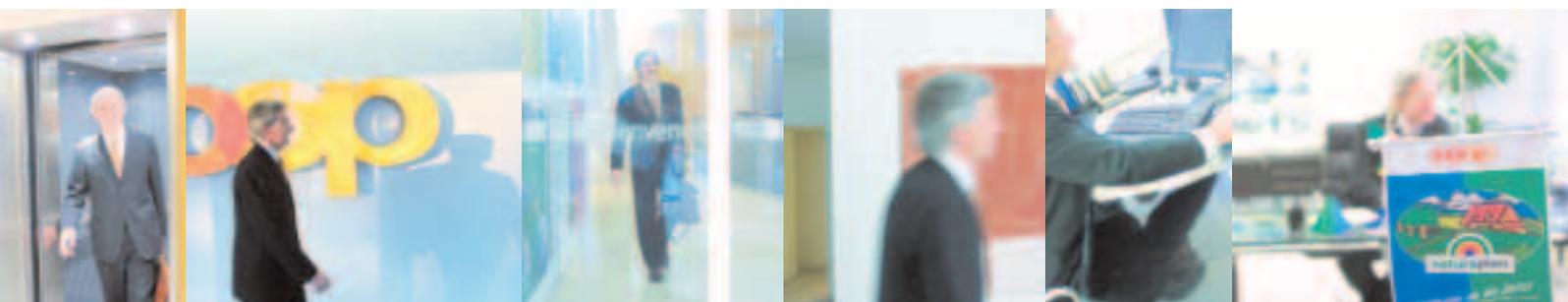
In the year under review, the Coop Group continued to make solid and rapid progress towards attaining the goals it had set in the previous year, and it also embarked on further future-orientated projects. These achievements were possible only thanks to the openness to innovation, the dedication and the flexibility of all our employees and business partners. For this we extend our heartfelt thanks to all of you!



Anton Felder
Chairman of the
Board of Directors



Hansueli Loosli
Chief Executive
Officer



Strategic projects

As the CoopForte project is implemented, important strategies have been redrafted and reformulated. The following extremely important insights and goals form the core of the marketing strategy:

1. As customer needs change, Coop sees growth opportunities in large points of sale. The purchase or construction of large sales areas is an important goal.
2. The department store will remain a strategically significant point-of-sale format for Coop. Coop has drawn up a consistent strategy of expansion to improve its market position.

The strategic projects highlight the measures that Coop is taking to achieve these and other goals:

EPA strengthens Coop's market position in the department store sector

The partnership between Coop and EPA was founded in spring 2002 to strengthen their position in the department store sector and share core competences. Since the beginning of 2003, the two partners have been managed as a single department store channel with a uniform concept. Coop City is positioning itself as the store of choice in the best inner city locations for superb quality products at attractive prices. The EPA branches will be refurbished in line with this concept by 2004 and after that will operate as Coop City stores. The new management team of proven executives from Coop and EPA reflects the mutual advantages of sharing competences. The new, expanded Coop City image will continue to benefit from the strong Coop umbrella brand, while allowing development of the specific department store focus.

Expansion through large sales areas

The trend to large sales areas offering a very broad selection of products in the food and nonfood segments remains unbroken. Coop's megastores fulfil this customer need. However, in Switzerland there is a limited supply of attractive existing sales areas and suitable locations for new buildings. The only way for Coop to expand without the laborious and complicated approval process and expensive construction is

by acquiring existing properties with large sales areas. This is the background to Coop's announcement in October 2002 of its intention to purchase Waro AG from Rast Holding (Denner Group) with a view to transforming the retail outlets of Waro AG into Coop megastores, supermarkets and other Group outlets. In February 2003 the Swiss Federal Competition Commission decided to initiate an investigation that will take four months at most.

Property for the core business

In the year under review, the Property Business Unit defined its role and its strategies. The core objective is the long-term focus on properties needed for the Group's business operations. The selective sale of property not required by business operations is freeing up financial resources for acquisitions and investments in refurbishing existing and building new retail outlets for the Coop Group.

The logistics strategy becomes reality

The implementation of the logistics strategy decided on in 2001 took centre stage in 2002. The strategy classifies deliveries of goods to Coop sales outlets into three categories: fresh goods (fruit, vegetables and bakery products), cold goods (dairy products and meat products) and general merchandise (general goods, beverages and nonfood). The distribution network of Coop Logistics was restructured along these lines. The breakdown includes national and regional distribution centres, hubs for local distribution, and separate distribution centres for frozen goods and building and hobby supplies. In the French-speaking part of Switzerland, contrary to the original plans, the logistics strategy will not use the existing facilities. These will be replaced by a new distribution centre in Aclens in the Canton of Vaud. In 2002, further rapid progress was made in consolidating and reassigning the functions of existing distribution centres. In addition, a number of large construction projects are approaching completion. The revamping of Coop's logistics necessitated far-reaching adjustments to the Group's IT systems.

Market leadership in fresh convenience goods

By forming a partnership with the most competent partner in Switzerland, Coop aims to become the market leader in the field of fresh convenience goods. To this end, Coop decided to acquire a financial interest in the Betty Bossi Verlag AG. In Switzerland the Betty Bossi brand is synonymous with successful cooking. Coop's venture with Betty Bossi has already added new ready-to-cook and ready-to-eat lines to its fresh convenience range. In 2002, Coop embarked on the development of a range of Betty Bossi fresh convenience goods. The first products appeared on shop shelves in June. The product line has taken off, and sales are running well ahead of expectations. Coop is currently already the market leader in certain retail groups (e.g. fresh fruit juices).

Points of sale

coop

coop
bau+hobby

coop
city

coop
vitality apotheke

coop
pronto

coop
mineraloel

coop
restaurant

IMPORT
PARFUMERIE

Inter
Discount

TopTip
mitnehmen und wohnen

Lumimart
MEHR ALS NUR LICHT

The trend towards retail outlets with an extensive sales area and range of food and nonfood articles under one roof is unbroken. In line with this trend, Coop is increasing the number of megastores and large supermarkets. On the other hand, Coop is also improving its customer focus by opening more of its increasingly popular convenience shops in new locations.

The trend towards retail outlets with an extensive sales area and range of food and nonfood articles under one roof is unbroken.

Food formats

Solid progress in the core supermarket business

Sales at Coop supermarkets rose by 0.8% to 8.85 billion Swiss francs. The sales area of the retail outlets rose by 1 867 m² to 699 568 m². A total of 17 new supermarkets were opened, and 60 were closed. Coop speeded up implementation of its new retail outlet concept in which all supermarkets are divided into one of three shop formats based on size of sales area: format A (250–600 m²), format B (800–1400 m²) and format C (1800–3000 m²). The new look has proven to be very popular with customers. These rewarded Coop for refurbishing its sales outlets by increasing sales across the board. To keep up with changing consumer needs, future Coop investment will be focused primarily on supermarkets with large sales areas (30 new supermarkets in the next five years).

Coop megastores: six now open in Switzerland

The megastores are the real flagship of the new Coop. The first Coop megastore was opened in Crissier in the Canton of Vaud, in 2001. Here customers can find everything their hearts desire in a sales area of more than 5 000 m². The range of more than 40 000 items includes fresh produce with a huge selection of fruit and vegetables, fresh bread from the store's own

bakery, a comprehensive choice of fresh meat and fish, a delicatessen with ready-to-eat meals, a beauty shop, a baby care centre and a huge selection of non-food articles. The remodelling of four existing outlets in Winterthur (Canton of Zurich), St. Gallen, Kriens (Canton of Lucerne) and Signy (Canton of Vaud) as megastores and the opening of a new megastore in La Praille (Geneva) brings the total of Coop sales outlets with this shop format to six. Coop has set itself the goal of increasing the number of megastores to 15 in the next five years.

In 2002, milestones for the Coop Pronto format included the opening of four Coop Pronto stand-alone shops along the A1 motorway.

Remote ordering expands

Sales via remote ordering – shopping via the Internet, fax or telephone – continued to rise in the second half of the year; sales in the Zurich region amounted to about 4.4 million Swiss francs for the whole of 2002. The average sales value per order came to about 180 Swiss francs. In 2003 Coop will also introduce remote ordering to the metropolitan areas of Berne, Basle, Geneva and Lausanne. Other areas will follow later. Customers can now order from a selection of 3 500 items drawn from all retail groups. 80% of the customers order via Internet and 20% by fax or telephone.

Four new Coop Pronto shops along the A1

In the past year, total sales of the Coop Pronto convenience shops soared by 37.4% year-on-year to 169 million Swiss francs. Besides five new Coop Pronto shops attached to petrol stations, another five were opened as new stand-alone shops. High customer frequencies reflect the popularity of a format that offers extended opening hours for uncomplicated shopping. In 2002, milestones for the Coop Pronto format included the opening of four Coop Pronto stand-alone shops along the A1 motorway in cooperation with Mövenpick Gastronomy, and the opening of the Canton of Graubünden's first Coop Pronto in Davos. During the Expo.02 a Coop Pronto shop at the railway station in Biel/Bienne catered to the specific needs of visitors to the Swiss National Exhibition. During peak periods, this Expo outlet recorded up to 7 400 purchases a day. Coop plans to open 20 new Coop Pronto shops in 2003.

Coop Restaurants: catering for new tastes with Biotavola

In 2002, sales of Coop Restaurants rose by 9.1% to 233 million Swiss francs. In 2002, 13 Coop Restaurants were opened.

Last year, more than 700 000 guests visited Coop's Biotavola Restaurant at the Neuchâtel "arteplage" during the Expo.02. This restaurant proved just how contemporary, delicious and diverse a cuisine that only uses ingredients bearing the BIO SUISSE organic bud emblem can be. The range of tasty Naturaplan menu choices also included specialities from Pro Specie Rara, such as blue potatoes and woolly-pig cutlets. But the culinary delights alone did not account for the restaurant's popularity with visitors to the Expo.02; the dining area with its four different ambiances and the large terrace overlooking the Lake of Neuchâtel were also huge attractions. Its success is borne out by the sales figures: in the short time the restaurant was in operation, it recorded record revenues of 8.6 million Swiss francs. The Biotavola restaurant concept will be replicated this year in Zurich (Coop City St. Annahof) and Basle (Coop City Pfauen). Certain leading Biotavola

dishes, such as soup in a bread crust, pasta and beer made from emmer wheat, will also be offered in all Coop restaurants.

The Biotavola restaurant concept will be replicated this year in Zurich (Coop City St. Annahof) and Basle (Coop City Pfauen).

Specialist retail formats

EPA becomes Coop City

Sales of the eleven Coop City department stores (excluding EPA) fell by 3.5% to 471 million Swiss francs. Factors for this modest decline include refurbishing work at a number of stores and the general weakness in consumer spending in the second half of the year under review.

The acquisition of a 40% interest in EPA in spring 2002 has strengthened Coop's position in the department store sector. Initially, Coop planned to run the EPA department stores under their old name, while reaping the benefits of synergies in purchasing and sales. In autumn, however, after studying the results of in-depth market analyses, Coop and EPA decided to redefine and refocus the close cooperation between the Coop City and EPA department store channels: since the beginning of 2003, Coop und EPA have been operating the department store channel together as a single unit on the basis of a uniform concept. In accordance with this concept, by the end of 2004 all EPA branches will have been remodelled and will operate under the Coop City name. The new department store strategy combines the strengths of Coop and EPA. The new Coop City design will continue to benefit from the popularity of the Coop umbrella brand, without restricting autonomy in respect of store-specific requirements. This forward-looking strategy is intended to make Coop the undisputed number two in the department store sector. The department store chain

will employ about 5000 people in 50 locations all around the country, including new outlets in Berne Wankdorf, Tenero (Canton of Ticino), Kriens (Canton of Lucerne) and Fribourg Gotteron.

In 2002, further progress was made in the enormous task of standardizing the appearance of all existing Coop City department stores. Coop City in Geneva was completely refurbished. The first phase in the modernization of Coop City St. Annahof in Zurich was also completed in the year under review.

The new department store strategy combines the strengths of Coop and EPA.

Expansion and future-orientated cooperation at Coop building and hobby centres

In 2002, sales at building and hobby centres increased by 8.1% to 568 million Swiss francs. Five new sales outlets were opened: Allaman (Canton of Vaud), Netstal (Canton of Glarus), Castione (Canton of Ticino), Kreuzlingen (Canton of Thurgau) and Mels (Canton of St. Gallen). In conjunction with the corresponding new openings, two old sales outlets in Bellinzona (Canton of Ticino) and Kreuzlingen (Canton of Thurgau) were closed. The total sales area was expanded by 19 138 m². These developments bring Coop closer to its goal of 90 building and hobby centres. As part of the new strategy, appearance, product range and services at all existing sales outlets have been revamped to take better account of customers' needs. In spring and autumn, customers were surprised by seasonal activities such as potting plants and painting with ecological paints. These activities demonstrated the range of possibilities for environmentally compatible DIY home and garden improvements using Coop Oecoplan products.

For sourcing purposes, Coop building and hobby centres have entered into novel, forward-looking cooperation agreements with three big European partners (toom and AVA in Germany and Baumax in Austria)

that will facilitate the bundling of volume orders and joint purchasing of own-label articles and branded products in Europe and the Far East.

Coop Mineraloel AG: rising market share in petrol station business

Despite an economically challenging environment, Coop Mineraloel AG, which comprises Coop petrol stations, Coop Pronto Shops and the heating oil business, continued its successful strategy of steady expansion. Net sales rose 8.9% year-on-year to 721 million Swiss francs. Despite fierce competition in the petrol station business, Coop increased its market share by 1.0 percentage points to 7.7%. On March 5, 2003, the 100th Pronto shop was opened in St. Gallen.

Coop Vitality launches new pharmacy concept at four locations

The new Coop Vitality concept was put into effect at four existing locations. Coop Vitality is focusing on the fields of healthcare and well-being, and is being re-branded as Coop Vitality Apotheken. To complement existing Coop sales formats, Coop Vitality Apotheken offer customers a full range of prescription and non-prescription medicines. In addition, the range of products includes natural remedies, sport, dietary and diabetic nutritional articles as well as child- and baby-care products. In addition, Coop Vitality has substantially expanded its sections for skincare and decorative cosmetics. After the outlets in St. Gallen, Zurich, Kriens (Canton of Lucerne) and Crissier (Canton of Vaud) had been refurbished along the lines of the new concept, all have registered an improvement in sales. Further Coop Vitality Apotheken are planned in other Coop shopping centres.

Retail companies

Interdiscount and Import perfumeries merge to form Coop Einzelhandels AG

Retroactive to January 1, 2002, the two retail companies Interdiscount AG and Import Parfümerien AG merged to form Coop Einzelhandels AG domiciled in Jegenstorf (Canton of Berne). The two retail chains will remain independent divisions within Coop Einzelhandels AG, which has the function of providing simplified, professional structures and back-office processes and exploiting potential synergies. Each division will continue to market its own well-known brands.

Customized service at Interdiscount

Although the overall market in this field shrank yet again in 2002, Interdiscount went ahead and implemented its new “The Discounter with Service” strategy. The positive effects of the merger between Interdiscount and Radio TV Steiner are apparent in the massive reduction in operating costs and an impressive improvement in results. Owing to the amalgamation of the two branch networks, 26 sales outlets were closed. Notwithstanding this, net sales fell by only 5.1% to 818 million francs, a result that was better than average for the sector. But as sales volumes in the overall market fell more steeply, Interdiscount once again managed to increase its market share.

Although the overall market in this field shrank yet again in 2002, Interdiscount went ahead and implemented its new “The Discounter with Service” strategy.

The remodelling of the Radio TV Steiner sales outlets was completed as of April 1, 2002. On the same date, Interdiscount launched a number of new services in all its stores. Customers can mix and match services to

suit their needs. After a slow start to the Christmas season, Interdiscount posted record sales in the days just before and after Christmas. Indeed, on December 23 Interdiscount registered its highest sales for any one day of the year.

Import Parfümerien optimize branch network

In 2002, the discounter optimized its branch network by opening eight new shops, moving two outlets to better locations, refurbishing another six and closing nine. Expansion focused on French-speaking Switzerland with the objective of building up a market position identical to that in German-speaking Switzerland. Net sales decreased by 7.9% year-on-year. The turnover of sales outlets, however, was increased by 4.4% to 137 million Swiss francs. Accordingly, Import perfumeries gained market share in 2002, despite stagnant results for the luxury goods and prestige perfumes market as a whole, a sector that is in the throes of enormous changes.

TopTip acquires Lumimart as a strategic business segment

In what was a very difficult environment, TopTip posted net sales of 206 million Swiss francs. Despite this result, TopTip gained market share, as the Swiss furniture market as a whole declined by 5% in 2002. A major highlight of the year was the expansion of the company's store at its head office in Oberentfelden (Canton of Aargau). The outlet also implemented the company's newly developed strategy of offering a more attractive selection of furniture items and greater breadth and depth of range. At the same time, the company launched its new logo, which will gradually be adopted by all branches. New branches were opened in Allaman (Canton of Vaud), Kreuzlingen (Canton of Thurgau) and Winterthur Rätterschen (Canton of Zurich). TopTip now operates a total of 44 stores throughout Switzerland.

Since October 1, 2002, Lumimart has operated as a strategic business segment of TopTip AG. After taking over the 15 retail outlets and the entire staff, TopTip AG has continued to operate the company under its

own name. In a first phase of corporate integration, half a dozen TopTip branches are now carrying Lumimart product range modules. This new acquisition not only enhances TopTip's professional competence in the lamp and lighting sector, but also creates synergies in the fields of logistics and purchasing.

Back-up for the sales outlets

Fewer distribution centres

Coop has started to implement its new Logistics Strategy 2005, which calls for one national distribution centre for general merchandise and eight centralized regional centres for fresh products. Supermarket orders will be processed through eight regional distribution centres. Orders will be delivered to all points of sale within

24 hours at most. Customers will feel the benefits of this system in the form of optimal freshness and the availability of all products at all times.

In spring 2002, the distribution centre in Gwatt (Canton of Berne) began operations as the national distribution centre supplying building and hobby outlets.

In 2003 and 2004, the distribution centre in Wangen (Canton of Solothurn) will take over the remaining regional distribution functions. The distribution centre in Pratteln (Canton of Basel-Landschaft) has already assumed the same function for wine. The distribution centres in Hinwil (Canton of Zurich) and Givisiez (Canton of Fribourg) already deliver frozen products directly to all retail outlets in Switzerland.

One IT system from purchasing to sales

In 2002, the new logistics system mastered the simultaneous introduction of several new IT solutions without any serious problems.

In the year under review, Coop also introduced group-wide supply chain management. From purchasing and category management to the point of sale, a single system (SAP R/3 Retail) keeps track of the registered articles. This facilitates detailed statistical analyses enabling Coop to respond faster to changes in the market. Coop has also installed a new warehouse management system in the national distribution centres at Wangen (Canton of Solothurn), Pratteln (Canton of Basel-Landschaft), Givisiez (Canton of Fribourg) and Hinwil (Canton of Zurich). This system permits order-picking by radio and pallet-based inventory management. A number of innovations have been integrated into the POS check-out system, e.g. stock mark-downs/write-downs at the POS and processing of bonus gifts for Supercard points. A new IT solution enabled Coop to realize the main objective of ECR (Efficient Consumer Response), i.e., the electronic exchange of data with all business partners. Coop's free web solution offers even small business partners with simple IT facilities all the advantages of EDI (Electronic Data Interchange).

The introduction of the intranet in sales outlets keeps outlet managers directly informed. In addition, they receive support in the form of useful tools for printing posters, planning employee rosters and time sheets.

From purchasing and category management to the point of sale, a single system (SAP R/3 Retail) keeps track of the registered articles.

Professional property management

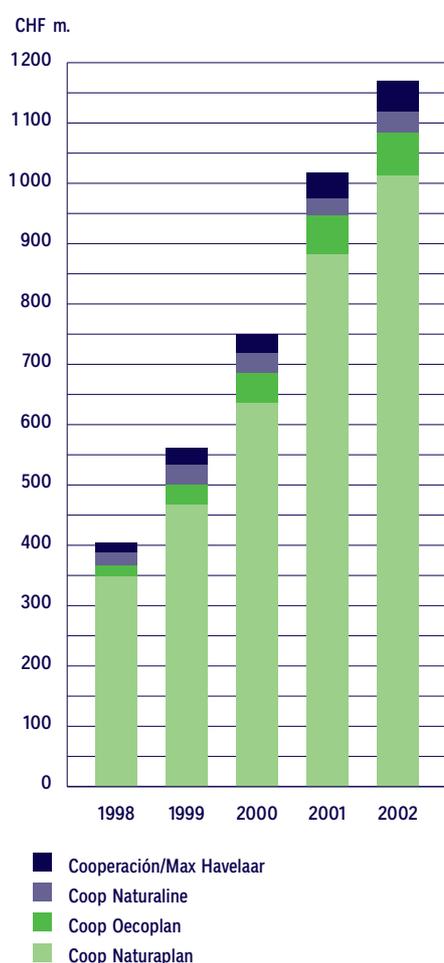
The Property Business Unit is Coop's service provider in the field of real estate, and as such is responsible for the functions of project development, building management, contract management, portfolio optimization and securing of locations. It professionally manages Coop's entire property portfolio in the interests of Coop's core business. In the course of 2002, the Property Business Unit implemented 16 new construction projects, including shopping centres in Allaman (Canton of Vaud), Payerne (Canton of Fribourg), Grenchen (Canton of Solothurn), Bottmingen (Canton of Basel-Landschaft) and Bischofszell (Canton of Thurgau) as well as the building and hobby centre in Castione (Canton of Ticino). At the end of 2002, 13 projects were under construction.

Products

Coop sees its future as the leading provider of quality and a leader in innovation. Thanks to its unique product mix, Coop has positioned itself successfully in the market with a distinctive profile. The Coop range of products comprises:

- the Coop Naturaplan, Coop Naturaline, Coop Oecoplan and Cooperación/Max Havelaar flagship labels, to which Betty Bossi has recently been added,
- leading, innovative and high-performance branded products, and
- own-label articles offering excellent value for money.

Turnover of Coop flagship labels



High-profile ecologically and socially responsible flagship labels

Anybody who thinks of Coop also thinks of Coop Naturaplan, Coop Naturaline, Coop Oecoplan and Cooperación/Max Havelaar. In the past decade, these flagship labels have played a fundamental role in shaping Coop's image. They have also driven sales and enabled Coop to grow faster than its competitors. Despite the challenging economic environment in 2002, sales increased 15.0% year-on-year to 1.17 billion Swiss francs. Today, the Naturaplan brand enjoys a prompted name-recognition factor of 86%. Coop has set itself an ambitious target: sales of two billion Swiss francs for its flagship labels by 2010 at the latest. For its 10th birthday celebrations in 2003, Coop Naturaplan has chosen the motto: "10 years of Coop Naturaplan. That's just the beginning".

Coop has set itself an ambitious target: sales of two billion Swiss francs for its flagship labels by 2010 at the latest.

Coop Naturaplan: growing choice of meat products

In the second half of the year under review, sales of Naturaplan products broke through the billion franc barrier for the first time, increasing by 14.9% year-on-

year to 1.01 billion Swiss francs. Since September 2002, Natura-Beef from organic production with the organic bud emblem has been available at the self-service counter. This development reflects the decision of Coop and the Swiss foster and suckler cow breeders' association (SVAMH) to provide a new solution for consumers' growing demand for natural meat products produced by humane animal husbandry. Natura-Beef is the most natural form of fattened beef available in Switzerland, as the young animals grow up with either the mother or a foster cow. Coop has been selling Natura-Beef for the past 25 years. It was the success of this brand that inspired Coop to launch the Coop Naturaplan programme in 1993. Today, Natura-Beef accounts for about 50% of Coop's overall range of beef products. In addition, in recent years Coop has successively increased the range of pork products available under the Naturaplan Porc label in counter-service as well as in self-service. Since January 2002, all points of sale have been offering free-range Swiss pork from humane animal husbandry. Besides meat, the range of dairy products has also been expanded. Recently launched products include longlife milk, yoghurt and ice-cream flavoured with organically grown vanilla. Special mention must also be made of the new Betty Bossi range of fresh convenience products, which meet Naturaplan standards of quality.

UNO environmental award for Coop Naturaline

In 2002, Naturaline's sales of textile and cosmetic products increased 16.8% year-on-year to reach 33.7 million Swiss francs.

At the World Summit in Johannesburg, Coop and Remei AG, a textile firm, were awarded the "World Summit Business Award for Sustainable Development Partnerships". The two companies received the award for developing the Coop Naturaline organic cotton project in India and Tanzania. This recognition honours the exemplary and committed cooperation between Remei AG and Coop to promote sustainable production at all stages, from cultivation and processing to trade. From more than 120 nominations, the

International Chamber of Commerce (ICC) and the United Nations Environmental Programme (UNEP) selected ten partnerships to honour for their sustainable and exemplary commitment to the environment. In its range of cosmetics, Coop replaced all conventionally produced cotton-wool products with Naturaline products using organic cotton. The most popular product in this line is Naturaline's cotton-wool pads.

At the World Summit in Johannesburg, Coop and Remei AG, a textile firm, were awarded the "World Summit Business Award for Sustainable Development Partnerships".

Coop Oecoplan: new products for garden and hobbies

Coop Oecoplan offers a wide range of ecological products for the household, garden, building and hobby supplies, and electrical appliances. Last year, this flagship label increased its sales by 12.2% year-on-year to 71.4 million Swiss francs. A noteworthy addition to the label's product range is Oecoplan Biorga liquid manure. This fertilizer carries the organic bud emblem for auxiliaries, which guarantees that it meets the BIO SUISSE standards for fertilizers and other auxiliaries that are particularly strongly recommended for organic agriculture. The Oecoplan Biorga liquid manure consists of natural raw materials; it is made exclusively from vegetable and mineral raw materials on the basis of residues of sugar and yeast production. It does not contain any animal products or preservatives. Since its launch in the building and hobbies supplies segment in March, charcoal sold under the FSC (Forest Stewardship Council) label – a guarantee of ecological, socially responsible forestry – has become a sales hit.

Coop's Cooperación/Max Havelaar label is a fair-trade leader

In 2002, Cooperación/Max Havelaar achieved the strongest growth of all four flagship labels. Sales rose by 20.5% year-on-year to 50.3 million Swiss francs. This makes Coop the undisputed market leader in Switzerland and one of the largest retailers of certified fair-trade products in the world. From the start, Coop has been a partner of the Max Havelaar Foundation, which was founded by a group of important aid organizations and celebrated its tenth anniversary in 2002. Coop gives unreserved support to what is the best-known label for social accountability in production and trade.

New products launched last year under the Max Havelaar label include rice and pineapples. Fair-trade roses from Kenya became the largest selling product under the Cooperación/Max Havelaar label. In 2002, they accounted for about 10% of all cut flowers and realized sales of about 20 million Swiss francs. In addition, Coop set an example for catering chains by putting Max Havelaar coffee on the menu in all Coop Restaurants.

Natura Prize for three innovative enterprises

Every two years Coop awards the Natura Prize to honour particularly worthy contributions from partners, producers and suppliers in the field of organic, socially responsible and humane animal husbandry projects. The prize carries an award of 100 000 Swiss francs, which the winner is expected to invest in sustainable projects.

In 2002, the prize was awarded for the second time and shared by three firms: the Molkerei Biedermann dairy in Bischofszell (Canton of Thurgau) played a courageous pioneering role in the industrial processing of organic milk. Agro-Tropic AG, Rümlang (Canton of Zurich), imports flowers from Africa and is partly responsible for Coop's decision to start selling roses under the Max Havelaar label in 2001. And Ostendorf AG in Zug developed environmentally friendly emulsion paints and varnishes for the Coop Oecoplan label.

Flagship label convenience foods

Since the beginning of 2002, Coop has held a 50% interest in Betty Bossi Verlag AG. The first Betty Bossi products appeared on Coop shelves in June. This product line of fresh convenience foods constitutes another Coop flagship label. Sales of 93.8 million Swiss francs substantially exceeded initial expectations. The product line is being expanded rapidly. In the current year alone, consumers can enjoy a range of fresh convenience foods that will expand in stages from 200 to 500 items. The products include salads, salad dressings, fruit, convenience vegetables, ready-to-eat meals, new juices, sandwiches, vegetarian dishes, tarts and desserts. Coop has set itself the goal of raising sales of the Betty Bossi flagship label to 450 million Swiss francs in the current year. Since 1956, no institution in Switzerland has enjoyed a higher degree of credibility and competence in cooking and baking than Betty Bossi. One in three households cooks and bakes with Betty Bossi. The Betty Bossi brand is synonymous with successful cooking, good food, taste and variety. The combination of competence in the choice of products with Coop's values of convenience and freshness is an ideal mix. Convenience products are more than quick meals: they bring enjoyment but do not force customers to do without gastronomic culture.

The first Betty Bossi products appeared on Coop shelves in June.

Branded products

In September 2002, Coop informed its business partners directly about its plans for the future. Together they discussed the high value Coop attaches to branded products. Leading branded products remain of great strategic and commercial significance for Coop, and it is one of Coop's goals to maintain the high percentage of branded products in its range. Coop expects branded products to offer high standards of quality, a distinctive profile that sets them apart from

the products of competitors, a pronounced innovative spirit and high level of name recognition. Coop in turn provides its business partners with a unique platform for positioning and marketing their brands and products. Moreover, the Swiss branded products industry produces the greater part of Coop's flagship label products and own-label articles. Coop has always been a reliable partner of the Swiss branded products industry, consistently supporting such products for more than 100 years. In 2002, new products launched with distinctive brands included Bertolli olive oils and Kitekat cat food.

Leading branded products remain of great strategic and commercial significance for Coop.

Own-label articles

Distinctive look

Coop's own-label articles play an important role in product differentiation, customer loyalty and guaranteeing outstanding value for money. They bear the Coop logo on a black background – a strong but concise label that sets them apart from competing products. This transparency and the freedom to choose between Coop's own-label articles and branded products gives Coop a powerful strategic advantage and a unique profile in terms of products and services.

Lifestyle: enjoyment and no regrets

Modern consumers who are watching their figure want light products, but without having to give up enjoyment. In 2002, Coop launched the Lifestyle line of products to meet this demanding requirement: enjoyment with no regrets! Lifestyle products are low in fat and sugar and, hence, ideally suited for light nourishment. Thanks to modern manufacturing processes, it is now possible to buy such foods without sacrificing taste and the enjoyment of eating. The Lifestyle label covers a range of about 70 items, mainly dairy prod-

ucts such as yoghurt, cottage cheese, milk, dessert creams and cheese. It also includes low-fat mayonnaise and foods preserved in oil with a lower oil content. A particular feature of the Lifestyle products is their suitability for diabetics. In 2002, Coop's Lifestyle range of products already posted sales of more than 40 million Swiss francs, and Coop plans to extend its Lifestyle line in the future. As an example of success in this field, Coop and the Aargau central dairy, AZM, together launched a Lifestyle fruit-and-whey drink that last year won the "Prix d'innovation agricole suisse", a prize that is awarded each year for innovative foods. In Düsseldorf, the German Agricultural Society singled out nine Lifestyle products for awards.

Product quality

Quality as a key criterion of the purchasing strategy

As part of its purchasing strategy, Coop defined new criteria of quality and included them in its quality agreements with business partners and manufacturers of Coop's own-label articles. Coop has declared its acceptance of the Global Food Safety Initiative, which sets the safety standard in food processing. Coop actively promotes the implementation of the EUREP-GAP standard for good agricultural practice in production, starting for the time being with suppliers of fruit and vegetables. It has also included the SA 8000 standard for social and ethical working conditions in a purchasing guideline.

The quality strategy is being consistently implemented

Coop intends to carry on sourcing its fresh products mainly in Switzerland and is making huge efforts in conjunction with producers and processing and packaging plants to improve product quality and service efficiency. Coop wants to provide its customers with Swiss products that offer good value for money. Consumers are increasingly aware of Coop's efforts in this respect.

One example of the consistent implementation of Coop's quality strategy was its definitive decision in February 2002 to stop buying frozen chicken from China after establishing that levels of antibiotics in two Coop products containing chicken from China exceeded the statutory limit. In addition to the articles that were the subject of the complaint, Coop removed from its shelves all goods containing chicken from China – all in all about 50 articles. Since then, Coop has been working with new European partners and has tightened standards:

- full traceability of final products
- high standards of animal husbandry (in line with Swiss regulations)
- no antimicrobial performance enhancers or animal protein in feed
- absolute quality and freshness

For Coop the proximity of partners is an important advantage. The shorter transport times are only one aspect. Coop has more in common with its European partners. Regular contact is possible, and production operations can be monitored more easily.

Coop intends to carry on sourcing its fresh products mainly in Switzerland.

Adjusting to the new food law

The partial revision of the Swiss Food Law in May 2002 triggered a great deal of information activity at Coop, and the manufacturers and suppliers of Coop's own-label articles had their hands full implementing the changes. Important Coop guidelines were adapted to comply with the new statutory requirements. The information on Coop's own-label articles includes details about the origin of the raw materials and special information for diabetics and vegetarians. Coop has introduced important mandatory changes such as declaring the quantities of ingredients and any allergenic components. During the transition period that lasts until April 2004, Coop will regularly examine all recipes and contents, develop new products and draft the correct product information for each article.

Prices and markets

Constructive dialogue between Coop and farmers

The debate about fair prices and the division of margins along the value-adding chain continued in 2002. Discussions with leading representatives of the Swiss Farmers Union and BIO SUISSE took place in a businesslike atmosphere of mutual understanding. This constructive dialogue with the farmers also helped the crisis in the milk market to be tackled in a spirit of solidarity. Through the summer there were growing signs of problems. The decline in cheese exports to Europe caused stocks of cheese, and therefore also of butter and milk powder, to rise rapidly. The largest Swiss milk processing organization, Swiss Dairy Food (SDF), was unable to bridge the economic crisis and was granted a moratorium on debt repayment. As SDF is an important supplier, Coop made great efforts to guarantee supplies. In this difficult situation, Coop maintained its loyal attitude of solidarity by refusing to terminate any contracts and providing advances to help finance day-to-day operations. This enabled the individual production centres to continue selling their products, thereby avoiding a serious debacle. By promoting very attractive special offers on cheese, Coop also made a decisive contribution to reducing costly cheese surpluses. Moreover, on November 1

Coop was the first retailer to cut its prices for conventional pasteurized and longlife milk. At the same time, Coop actively supported efforts to maintain the producer price for organic milk, which was not directly affected by the crisis in the milk market. Coop remains committed to market and ecological principles.

Crossborder shopping decreases

For the sixth time since 1990, Coop conducted a representative survey of crossborder shopping on the basis of questionnaires and internal price comparisons. After rising steadily since 1990, crossborder shopping showed a decline in volume from 1.6 billion to 1.4 billion Swiss francs in 2002. On the one hand, differences in the prices of alcoholic beverages and dairy products are narrowing and, on the other, price is no longer the only factor, as consumers are paying greater attention to quality. About two thirds of the consumers interviewed say they make a point of buying certain foodstuffs in Switzerland. The most important reasons mentioned for this behaviour are high quality and confidence in Swiss products. At the same time, very few are aware that the stricter production standards in Switzerland mean higher prices. This acknowledgement of the quality of Swiss products and their production methods is also a justified demand of Swiss farmers that is supported by Coop.

Pricing policy for price-conscious consumers

Apart from increased efforts to give products a distinctive profile, the struggle for market share in the Swiss retail trade in 2002 was fought out increasingly through harsher price competition. As the economy weakened, consumers became considerably more price-conscious.

Despite economic ups and downs, Coop sees itself primarily as a provider of quality products, both now and in the future. It does not seek to offer the lowest retail prices in Switzerland at all costs, but to be known as the large retailer that offers the best value for money, i.e. high-quality products at the best price. To achieve this goal, Coop made enormous efforts to improve both the quality and the prices of its products

and services. The core of its campaign strategy was about 2500 national food campaigns and 1000 non-food campaigns as well as about 500 additional regional special offers. Coop not only succeeded in making its price campaigns more attractive than ever, but its innovative special offers, such as the “lowest price of the month” and the “mega hit”, also proved extremely popular with consumers.

Besides its special offers, Coop also substantially discounted prices on selected high-consumption articles. Coop intends not only to continue, but also to increase the scale of its price discount programme in 2003. In this way it passes on savings from efficiency and purchasing directly to the consumer.

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Customer services

Customers are satisfied with Coop

About 350 000 Coop members from all parts of Switzerland participated in the first-ever Coop customer survey. In the second year after the merger between the regional Coop societies and Coop Switzerland to form a single cooperative society, the customer survey served the important purpose of enabling Coop to assess its position. The results show that the new Coop is on the right path and that its customers are by and large satisfied with it. However, the customers' responses also revealed some potential for improvements and drew attention to problems and weaknesses that have still not been adequately resolved. Some of the results in detail: The friendliness of Coop's personnel received high marks overall. The range of dairy products was accorded the absolute highest level of satisfaction, followed by wines and other beverages, ahead of general goods and meat products/cold cuts. The respondents see room for improvement in fruit and vegetables and in flowers and plants. A problem that needs urgent attention is the check-out queues. In response to questions on this topic, only half of the customers thought the situation satisfactory. A project group has been formed with the express purpose of drawing up proposals on improving this situation quickly. A noteworthy result is the regional differences in satisfaction values: Satisfaction was highest in the Ostschweiz-Ticino and Bern sales regions, with 88% and 86% respectively, followed by Nordwestschweiz at 84%, which is about the national average, while the Zürich-Zentralschweiz and Suisse Romande sales regions, with 81% and 79% respectively, were below the average for Switzerland.

The friendliness of Coop's personnel received high marks in a national customer survey.

Supercard bonus gifts more popular than ever

The purpose of the Coop Supercard is to gain customers and keep their loyalty. The figures in this respect are impressive: in Switzerland there are 2.2 million Supercard-holders, and 70% of all households regularly use the Supercard when they go shopping. Supercard sales accounted for almost 80% of all sales in Coop supermarkets, which is very high by both Swiss and international standards. In 2002, the number of bonus gifts increased by about 80% year-on-year. Take-away bonus gifts, which can be claimed and “paid” straight away with Supercard points, proved very popular. The response to the offer to exchange Supercard points for Qualiflyer miles was nothing less than sensational.

Statistics show that Supercard-holders are very good customers. They spend more than twice as much as those without a Supercard. Incidentally, customers are well aware of what happens to their Supercard data. Data protection allows Coop to collect only the total value of the sale and the time and place, but not the individual items on the shopping list. The Supercard terminal (Superbox) in each sales outlet allows customers to check their Supercard balance at any time, just as with a bank account. From autumn 2003 onwards, the Supercard point balance will be printed on the sales slip at every point of sale, not just at the customer's local branch.

Consumer Service: more and more queries about food safety

Besides providing information on a wide range of topics, the Consumer Service also functions as an important barometer of customer concerns. As such, it is an indispensable instrument for Coop in its efforts to ascertain shortcomings and improve services. It is also an important early indicator of new trends. In the year under review, the Consumer Service answered about 65 000 queries, an increase of 21.6% year-on-year. Customers took an active interest in what was going on at Coop, asking questions about corporate policy decisions, as well as Coop's range of products, of course. There was a noticeable trend towards more detailed information. Coop's Consumer Service also deals with a growing number of health-related queries. This development is closely tied to the discovery of new substances. More and more consumers are seeking information about allergies and diets, and there is a great interest in the information printed on Coop products. Last year, moreover, new and revamped television media communication vehicles such as “Telescoop” and “Coop Wednesday Studio” generated numerous additional – mostly positive – consumer reactions.

In Switzerland there are 2.2 million Supercard-holders, and 70% of all households regularly use the Supercard when they go shopping.

“Coop Wednesday Studio” – what’s on at the shop

Since summer 2002, Coop’s Wednesday Studio has been produced in the atmosphere of the contemporary shopping experience. The stage is the latest generation of Coop’s sales outlets. Working on the principle of “informed people shop better”, the television programme has become a shopping experience in itself. Wednesday Studio presents in-depth information that also entertains and stimulates. It takes up queries received by the Consumer Service. Carefully prepared film clips show how products are manufactured and where they come from. The popularity of the show among viewers demonstrates that the concept of “close to the supplier, closer to the customer” is an ideal platform for Coop’s core message of freshness and zest for life.

New TV format: “Telescoop”

On September 2, 2002, Coop’s first edition of “Telescoop” was broadcast. The TV magazine, which complements Coop’s traditional Wednesday Studio, is transmitted from Monday to Friday at midday in German (SF DRS 1) and French (TSR 1) and repeated during the afternoon.

The concept, based on the classic advertising programme, offers a consistent mix of information, advertising and entertainment. It offers viewers numerous benefits in the form of useful tips and fascinating background information from the worlds of shopping, cooking, household and recreation, all packaged in an entertaining programme.

By November, up to 25% of midday viewers in German-speaking Switzerland were already watching “Telescoop”. The figure for French-speaking Switzerland was up to 20%.

The combination of the two broadcasting formats, “Coop Wednesday Studio” and “Telescoop”, gives Coop a unique TV marketing presence in Switzerland.

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Reader analysis gives Coop Press high marks

In 2002, Coop Press, with its three language editions, was able to look back on a century of publishing, which it celebrated in style with a special edition of the Coop Press. Today, Coop Press is the most widely read newspaper in Switzerland, with a total circulation of more than 2 million copies catering to more than 3 million readers.

A qualitative readership survey conducted in 2002 demonstrated the current status of Coop Press as the number-one communication medium, and uncovered possibilities for further improvement. It showed that Coop Press had attracted new readers, in particular among young people and young families. A good 50% of all readers stated that the Coop Press helped them decide what to buy.

In view of the unprecedented growth in circulation and size of the newspaper in the past four years, Coop Press divided up its printing contract to obviate bottlenecks and provide a safety cushion. Besides its contracts with the Basler Zeitung printers and Edipress in Bussigny (Canton of Vaud), in 2004 Coop Press will also print part of its run on the presses of the St. Galler Tagblatt and at Ringier in Adligenswil (Canton of Lucerne) – a division of labour that will improve safety margins, reduce printing times, increase topicality and ensure four-colour printing throughout.

Customer-orientated Internet

Coop's Internet site added various new services in the year under review. The most obvious was the launch of the Internet edition of Coop Press. Other new links include the list of Coop stores with locations, opening times and other details and information about the services offered at each sales outlet, a job portal and useful information from "Telescoop", Coop's new TV format. Thanks in part to these improvements, the number of hits recorded by Coop's Internet site rose dramatically to about 3 000 000 a month.

In 2002, Coop Press, with its three language editions, was able to look back on a century of publishing.

Manufacturing



Chocolats Halba



Coop subsidiaries

Bell invests in Switzerland

The Bell Group has built up a sound position from which to meet the future demands of the market. For the first time, net sales exceeded 1.5 billion Swiss francs, increasing by 1.7% to 1.51 billion Swiss francs. Besides the solid performance in the traditional core meat and cold cuts businesses, this gratifying result reflects in particular the growth in convenience food products and the strong poultry sales. As of January 1, 2003, all independent legal entities merged, with a few exceptions, to form the new Bell AG. The new legal form will help to increase the Group's transparency, simplify management and reduce administration.

In contrast to recent years, 2002 did not bring any further incidents concerning the safety of meat and meat products, with the one exception of a temporary problem with antibiotics in poultry. This is no coincidence. Rather, it is the reward for years of efforts by all involved to promote the interests of food safety and the health of the general population.

The Bell Group remains strongly committed to Switzerland as a production centre and continues to invest in the processing and marketing of Swiss agricultural products. A state-of-the-art meat processing plant, the most modern in Switzerland, is under construction in Oensingen (Canton of Solothurn). Furthermore, Bell is investing in the expansion of poultry production in Zell (Canton of Lucerne). This is another step towards assuring the necessary infrastructure for the Group to maintain its leading position in the Swiss meat market.

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Chocolats Halba AG sells Coop Naturaplan/Max Havelaar Easter bunnies

As of January 1, 2002, Halba AG, the manufacturer of Coop chocolate products in Wallisellen (Canton of Zurich) was renamed Chocolats Halba AG. Net sales increased by 1.3% year-on-year to 80 million Swiss francs. In the year under review, Chocolats Halba AG marketed Easter bunnies under the Coop Naturaplan/Max Havelaar label for the first time. In spring, two types of organic chocolate bars (milk chocolate and crémant) were also launched under the same label. The revamped chocolate-coated sticks in modern, hygienically sealed aluminium foil wrappings also proved very popular.

In autumn, Chocolats Halba AG successfully applied for recertification to the 14001 environmental management system and the ISO 9001:2000 management system. Special mention must be made of the reduction in electricity consumption following the introduction of technological improvements to shorten the energy-intensive conching process.

CWK AG develops more discriminating product mix

Largely on the back of strong demand for cosmetics and bodycare products in particular, the Winterthur-based manufacturer of cosmetics and household and industrial cleaning products increased net sales by 2.3% year-on-year to 45 million Swiss francs. A marked improvement in sales of high-quality Coop own-label articles and in the business with third parties in Switzerland managed to offset a decline in exports. The Tonga line of products proved to be the hit of the year.

Thanks to new Coop Naturaline and Oecoplan products and successful acquisitions, the company was able to upgrade its product palate to meet the tastes of a broader and more discriminating public.

Expo.02 was the most prominent customer of Steinfels Cleaning Systems AG

Steinfels Cleaning Systems AG in Winterthur (Canton of Zurich) increased its net sales by 4.5% to 23 million Swiss francs. The company added a liquid laundry detergent to its range of ecological products, which have developed into an important field of business on the back of rapid growth, and now accounts for 10% of total sales. The most prominent customer in the year under review, Expo.02, used the environmentally compatible Maya line of products in 80% of its restaurants and snack bars.

Pasta Gala SA relaunches Coop pasta products

In 2002, net sales of Pasta Gala SA in Morges (Canton of Vaud) increased by 6.5% year-on-year to 33 million Swiss francs. More special campaigns by Coop, the company's largest customer, offset lower sales to customers outside the Group. The company met the deadline for its most demanding project in 2002: the relaunch of about 30 articles for the completely revamped range of Coop pasta products. The operation also included redesigning the packaging with the Coop own-label logo. After years of major expenditure to replace plant and increase capacity, Pasta Gala completely overhauled and modernized its existing plant in the year under review.

Nutrex AG: success with Coop Naturaplan

Although the vinegar market continues to shrink, the vinegar factory Nutrex AG in Busswil (Canton of Berne) achieved net sales of 42 million Swiss francs, virtually unchanged from the previous year. The company owes this success largely to the high-quality speciality products of the Coop Naturaplan line. In summer 2002, Nutrex successfully launched a speciality organic red wine vinegar with garlic. Picanta, a Coop own-label article, was revamped to give it a fresh, modern design incorporating the new Coop logo.

Reismühle Brunnen AG's environmentally friendly plant

Reismühle Brunnen's output of about 9900 tonnes fell just short of the previous year's record, with net sales remaining unchanged at 13 million Swiss francs. The refurbishing of the Reismühle plant was completed on schedule. The investment of almost 6 million Swiss francs in an efficient production facility was divided equally between the building and the technical equipment. These measures put the mill in a favourable position to better meet growing market pressure in the future. Even after this remodelling, Reismühle Brunnen AG will not use any fossil fuel at all. It has full confidence in the future of renewable energy and, as before, does not emit any CO₂ at all.

Argo AG closes its knitting and sewing operations

Net sales of the hosiery factory in Möhlin (Canton of Aargau) remained unchanged at 11 million Swiss francs. Although earnings rose modestly on the back of further cost cutting, by the end of 2002 it was clear that this would not suffice. As a result, in January 2003 Argo AG announced that it was closing its knitting and sewing operations. The factory's dyeing, forming and packaging operations will continue to operate.

Companies integrated into Coop

Swissmill looks to an ecological future

At its Zurich plant, Swissmill, the largest flour mill in Switzerland, produced 170 000 tonnes of flour for the food industry in 2002. Owing to low prices, net sales revenues of 77 million Swiss francs were 8.7% down on the previous year.

Investment in the year under review was focused on modernizing the plant and improving hygiene throughout the facility. This further contribution to food safety, which is becoming increasingly important in Europe, also ensures traceability. Certification to SA 8000 was another milestone for Swissmill, the first company in Switzerland to achieve this. Certification means that Swissmill will apply internationally recognized social and ethical standards.

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Cooperation with Hiestand AG

Up to now, the deep-frozen dough products that the retail outlets bake as end products have been produced for the most part in Coop's own bakeries. However, rapid expansion in this field has led to growing bottlenecks. Moreover, as Coop has decided that in the future its own bakeries will focus on the production of the baked goods that are delivered fresh to stores every day, it looked around for a professional supplier of frozen dough products. As a solution, Coop has signed a joint-venture agreement with Hiestand AG that provides for the construction and operation of a completely new factory for frozen dough products in Dagmersellen (Canton of Lucerne). This factory is scheduled to come on stream at the beginning of 2005.

Personnel

Personnel gives Coop good marks overall

In 2002, under the project name “Veritas”, Coop conducted a survey of the opinions of all its employees on the company and their work place. A total of 45% of all employees responded to the questionnaire and gave their employer good marks overall. Employees particularly liked the working climate and the new organization with its clear management structures. On the other hand, many respondents were critical of the effects that the new team structures had on trust between colleagues. These and other problems concerning pressure at work and company remuneration policy have been noted and new project groups have been formed to develop solutions for improvements.

New collective agreement and higher minimum wage

A new collective labour agreement was negotiated in summer 2002. In addition to the existing negotiating partners, VHTL (trade union for employees in the sales, trade, transport and food sectors), SKV (Swiss commercial association) and Coop’s own in-house association VdAC, this time Syna/OCST (Swiss employee associations) took part as a full member and signed the new agreement. Intensive negotiations resulted in further improvements for Coop staff. As a consequence of the personnel survey, for instance, the gross minimum wage was further raised to 3 300 Swiss francs per month. In addition, Coop increased maternity leave to 16 weeks and introduced early retirement for all employees on a monthly wage from the age of 63. Coop reached agreements with its negotiating partners on wage increases equal to 2% of its total payroll. Wage increases will be on an individual, performance-related basis. Together with the improvements in the new collective labour agreement, Coop’s overall wage bill will rise by about 4%.

Coop created new jobs

Last year, the Swiss labour market was extremely volatile. Whereas it opened the year on a fairly normal pattern, new jobs virtually disappeared after mid-year. Staff turnover at Coop dropped noticeably. As a result,

at the end of the year there were almost no vacancies at all in any Coop facilities, and job applications far outnumbered available positions. The opening of new retail outlets and the implementation of the logistics strategy enabled the Coop Group to create 3 001 new jobs in the year under review, despite the challenging economic environment.

Despite the challenging economic environment, Coop managed to create 3 001 new jobs.

The new training strategy supports the growth process

The new Coop training strategy was developed on the basis of a broad internal survey of managers and staff. The strategy bundles together the three main focuses: staff development, management development and organizational development. Whereas staff development is broken down into format-specific basic training, management and organizational development has been formulated on a groupwide basis. All training activities are concentrated on the success factors of customer focus, strategy orientation, implementation orientation, effectiveness and efficiency and are intended to support the development and growth of the new Coop.

Last year, the Coop Group employed more than 2000 apprentices in a total of 37 occupations. Under the guidance of the Swiss Federal Office for Professional Training and Technology, Coop has been helping to draw up a new three-year basic training as “Retail specialist” and a two-year basic training as “Retail assistant”. The goal is a practice-oriented training that will also bring new challenges for Coop.

In 2002, as part of Coop’s initiative to step up efforts to promote understanding between sales outlets and office administration, many administrative staff spent two days gathering practical experience in regional sales outlets.

“Coop Forte” magazine one of the best staff newspapers

After the staff magazine “Coop Forte” had been rated as the best staff newspapers in Switzerland in 2001, in the year under review the svik (Swiss association for internal communication) judged it to be the second-best in-house publication. “Coop Forte” appears six times a year and comprises 12 different special sections for the individual sales regions and Coop Group companies. In 2002, the staff newspaper had a circulation of 60 000.

Interest on retirement savings capital secure despite difficult environment

In 2002, the CPV/CAP, the pension fund organization of the Coop Group, reported total assets of about 5.1 billion Swiss francs (2001: 5.6 billion Swiss francs). The CPV/CAP has also been affected by the difficult situation in the financial markets. On the one hand, income from financial investments was inadequate and, on the other, the value of securities investments had to be marked down substantially. Finally, continuing uncertainty clouded the outlook for new investments. As a result of these developments, the CPV/CAP conducted a thorough review of its investment strategy. The necessary adjustments to balance the accounts had to be met out of reserves built up in the previous boom years. Increases in previous years exceeded the consumer price index by considerable margins. Despite the difficult conditions in the financial markets, the CPV/CAP was able to absorb the cost of covering current pensions without difficulty and make the necessary adjustments to the revised statutory provisions required by BVG 2000 (Swiss law governing occupational retirement). Notwithstanding the difficulty of achieving adequate returns in the current financial markets, interest of 4% was paid on the retirement savings capital of active members. The number of active members increased by 494, while the number of pensioners rose to 10 637.

Social commitment

Coop at the Expo.02 – a huge success with lasting effect

Coop made a significant contribution to the Expo.02, the Swiss National Exhibition, with the Manna exhibition and the Biotavola Restaurant, as well as acting as an Official Partner. At the Neuchâtel arteplage, the gigantic pudding that smelled of vanilla attracted more than 1.4 million visitors. The subject of the exhibition was “Between Nature and Design: Our Food and Drink”, an experience rich in sensory impressions for young and old alike. Both Manna and Biotavola aroused keen interest. For about 100 Coop employees, the job of hosting visitors in the pudding for several weeks proved to be an unforgettable experience. Naturaline organic cotton textiles also got into the act at the Swiss National Exhibition, with Coop supplying the official Expo.02 T-shirts. The Biotavola family restaurant, which was awarded the BIO SUISSE organic bud label, gave more than 700 000 guests a chance to see for themselves just how delicious, imaginative and affordable Naturaplan cooking can be for the whole family. In view of the short period of operation, sales revenue of 8.6 million Swiss francs can be classified as a record. All in all, the Expo.02 was a huge success with the public, a celebration by people from all sections of society, meeting and mixing in a happy mood in relaxed, care-free surroundings.

Coop made a significant contribution to the Expo.02, the Swiss National Exhibition, with the Manna exhibition and the Biotavola Restaurant, as well as acting as an Official Partner.

Lots of fun and energy at the 2002 Swiss Gymnastics Festival in Basel-Landschaft

As one of three main sponsors of the 2002 Swiss Federal Gymnastics Festival staged just outside Basle, Coop demonstrated its commitment to furthering sporting activities that draw broad participation. The event was an important contribution to improving people's health, to the valuable use of leisure time and to appreciation of life. These are values with which Coop as a business also identifies. No question, therefore, that Coop should support this unique major event that involved about a quarter of a million gymnasts, volunteers and visitors. And to provide energy at the start of the day, Coop offered the 60 000 gymnasts an organic Naturaplan breakfast every day of the festival.

As one of three main sponsors of the 2002 Swiss Federal Gymnastics Festival staged just outside Basle, Coop demonstrated its commitment to furthering sporting activities that draw broad participation.

Active sport all year round

In 2002, Coop once again demonstrated its deep commitment to beach volleyball by sponsoring the World Beach Tour in Gstaad, the European Beach Championships in Basle and various other beach volleyball events. For the second time, Coop supported the Swiss Alpine Marathon in Davos and continued its support for swimming in Switzerland through its direct sponsorship of the Swiss Swimming Association, on the one hand, and by promoting various local associations and events on the other. In addition, in 2002 Coop acted as main sponsor of the women's ski marathon in Engadine, which is held a week before the Engadine Ski Marathon. From 2003 onwards, Coop will be main sponsor of both Engadine events. With this

ideal sponsoring mix, Coop covers the entire range of recreational and professional sport spread out over the year and over all age groups.

Coop's cultural commitment: captivating entertainment

Coop's most recent cultural commitments are refreshing and exciting. Currently Coop is sponsoring the production of the new Swiss musical "Deep", with lyrics by the successful author Charles Lewinsky and music by the Swiss composer Markus Schönholzer. "Deep" is a romantic love story with breathtaking dance sequences that takes place in the setting of an underwater world. Since its world premiere on March 15, 2002 in the new Maag Music Hall in Zurich, more than 100 000 people have seen the musical. Coop was also the main sponsor of a number of attractive concerts and musicals in various towns and cities in French-speaking Switzerland. Patrick Bruel, Garou and Mireille Mathieu, among others, drew enthusiastic responses from their audiences.

Coop Sponsorship for Mountain Regions provides uncomplicated assistance

For more than 60 years, Coop Sponsorship for Mountain Regions has financed urgently needed redevelopment and renovation projects for people living in the Swiss mountains. In 2002, it raised 2.3 million Swiss francs for these concerns. Of this, about 2 million Swiss francs were paid out directly for urgent modernization projects. Coop also provided 200 000 Swiss francs for the victims of storms in the Canton of Graubünden. Most of the 400 requests received last year were for aid for the renovation of livestock sheds and liquid manure pits, followed by the modernization of dwellings and the installation of sanitation facilities or heating.

Environmental and social responsibility

Coop purchasing practices – socially, environmentally and ethically responsible

In its sourcing activities, Coop aims to take not only economic aspects, but also social, environmental and ethical concerns into account. On July 1, 2002, the Executive Committee approved a guideline that formulates minimum standards for the purchase of any products for the Coop Group.

Coop acts in a socially responsible manner:

Coop's business partners must pay their employees an adequate wage and provide decent working conditions. Forced labour, slave labour and exploitative child labour will not be tolerated. Workers must be free to organize themselves in trade unions and enjoy equality of opportunity, regardless of gender, race, colour or other characteristics.

Coop acts in an environmentally responsible manner:

Wherever possible, raw materials must be sourced from environmentally compatible production. In addition, no raw materials may be used that contribute to the destruction of tropical forests or to loss of biodiversity.

Coop acts in an ethically responsible manner:

No animal products are sold that originate from inhumane animal husbandry or practices involving cruelty to animals. Animal products sourced abroad must meet the minimum Swiss standards with regard to animal husbandry and animal feed.

With this guideline, Coop offers its customers transparency and the highest possible degree of credibility. In the products manufactured for its Naturaplan, Oecoplan, Naturaline and Cooperación/Max Havelaar flagship labels, Coop's environmental and social commitment goes far beyond this guideline.

In its sourcing activities, Coop aims to take not only economic aspects, but also social, environmental and ethical concerns into account.

Social code of conduct for fruit and vegetable growers

Coop has drawn the consequences of the social unrest near Almeria in Southern Spain. In 2002, it demanded that the fruit and vegetable producers and export firms in Spain provide information about themselves as well as declarations in writing that they would comply with social standards.

At the beginning of 2003, Coop joined EUREP (Euro Retailer Produce Working Group). As a first step, by 2004 all foreign suppliers of fruit and vegetables must have themselves certified to the internationally recognized EUREP-GAP (Good Agricultural Practice) standard, in which social standards have recently been included. This ensures coordination with other large European distributors and facilitates observance and efficient monitoring of the guidelines.

Code of Conduct for Textile Manufacturers

Coop's Code of Conduct for Textile Manufacturers has been in force for a good two years. It contains eight core conditions based on the norms of the International Labour Organization (ILO). Coop demands of all its suppliers and their suppliers that they observe the Code and apply it in their plants.

All suppliers of Coop Naturaline products have already been inspected two or three times. More than half the factories fulfil the conditions of the Code, and in the other factories controls have established mainly minor shortcomings. After signing the Code of Conduct, suppliers of conventional products were asked to assess their own observance of social standards. The evaluation showed that about 20% of the plants would have problems fulfilling the conditions. The next step will be

external controls. Factories in India and China, for instance, have problems observing the hours of work. In questions of discrimination, it is necessary to take account of different cultural structures and practices. Implementing social standards starts at the stage of raw-material production: Cotton farmers receive firm orders for their organic cotton, price premiums of 15–20% for their cotton, and other forms of support. Moreover, in the case of Naturaline products organic methods of cultivation and environmentally friendly processing methods ensure that textile workers have healthy, clean places of work.

Coop's Code of Conduct for Textile Manufacturers has been in force for a good two years.

Cotton Campaign: Coop motivates young people to take direct action

Although cotton is a natural fibre, conventional methods of growing and processing it have serious ecological consequences. In conjunction with Coop, "The Cotton Campaign" of WWF Switzerland provides information about these ecological problems and uses the example of organic cotton to present environmentally friendly alternatives and forms of direct action. The prize for a "Young people's ideas" competition went to six girls from Wädenswil who used a 24-hour shower marathon to demonstrate how much water was needed to produce one T-shirt. The prize was a two-week trip to India, including a visit to Maikaal to view the largest organic cotton project in the world, where the organic cotton used in Naturaline products is grown. The campaign, which was supported by Coop, also included a competition to design a T-shirt. The T-shirt designs of the two winners were added to the Coop Naturaline range of products, and have been on sale from this spring.

More recycling ...

Recycling projects dominated environmental activities last year. The groundwork had to be completed for the launch of two important projects: the advance recycling charge (vRG) on household appliances and the collection of milk-drink bottles made of polyethylene (PE). The advance recycling charge had already been introduced for electrical and electronic office machines and consumer electronic devices in the previous year. The idea is for all Swiss manufacturers and importers to introduce an advance recycling charge for such appliances on a voluntary basis. They will pass on the charge to dealers, who in turn will pass it on to the consumer. Coop shows the advance recycling charge as a separate amount on all shelf labels, customer receipts and in all advertisements. Customers can bring back their old appliances and devices for no extra charge, and have the guarantee that these will be disposed of in an environmentally compatible manner. Increasingly, PE plastic bottles are being used for liquid dairy products. These bottles are very easy to recycle and there is a strong demand for the recycled material. Therefore – and because more and more PE bottles are ending up in PET collection containers – collection containers for the white PE bottles were installed in all sales outlets at the beginning of 2003. The material collected is recycled in Switzerland. For the time being, Coop intends to bear the cost of this recycling and has no immediate plans to levy an advance recycling charge for it.

... and less waste

These collection concepts encourage customers to recycle more products and packaging. Sales outlets, distribution centres and manufacturing companies are also recycling more, and there has been a slight decrease in the amount of waste that needs to be disposed of. Most of the food plants have recycling quotas of between 70 and 99%. Almost 70% of this is waste that can be used for animal feed. The recycling quota of the distribution centres and points of sale has increased from 50 to 52%. The following categories of material account for biggest quantities of recycling by

far and rose yet again in the year under review: paper and cardboard makes up about 50%, and PET bottles and compostible green waste about 10% each; there are also considerable quantities of organic waste for animal feed and waste suitable for thermal recycling.

Sales outlets, distribution centres and manufacturing companies are also recycling more, and there has been a slight decrease in the amount of waste that needs to be disposed of.

Trash is culture

The “Trash is Culture” campaign focuses on a very different aspect of waste. Through information and activities it draws attention to the disturbing trend to simply discard trash anywhere and seeks to encourage people not to litter in public spaces. Coop supported the campaign with posters, rubbish-bin stickers and a broom campaign in sales outlets on Clean-up Day.

Coop's goal: reduce CO₂ emissions

In 2002, Coop continued its efforts to reduce its energy consumption. It is collaborating with the Business Energy Agency, an agency of SwissEnergy, the Swiss government programme to promote efficient use of energy and the use of renewable energies. The agency has been created to help business meet the goals of the Swiss law on CO₂ emissions. Otherwise the Swiss government may introduce the CO₂ levy in 2004. As a first step, Coop applied the new measures to its distribution centres and production plants. Coop is still examining the possibility of an agreement that will allow it to benchmark targets for its sales outlets. Electricity consumption in manufacturing was stable, while demand for heating oil decreased slightly. Thus, total energy consumption fell by almost one percent. A number of energy saving measures contributed to

this result, such as modernized lighting, improvements in processing and installations, and changing from oil to gas sources. The national distribution centres also produced solid results. Although the consumption of heating oil rose marginally, electricity consumption dropped appreciably.

At the regional distribution centres electricity consumption rose slightly and demand for heating oil considerably. However, it must be taken into account that under the new logistics strategy a number of restructurings are in progress. It is therefore difficult to draw up consumption analyses, set targets or plan energy-saving measures for the regional distribution centres at present. The crucial point is that this aspect has not been overlooked at this decisive point and that it is guaranteed by Coop in conjunction with the Business Energy Agency.

Electricity and heating oil consumption increased in the sales outlets. The main reason for this is the increase in refrigeration units to cope with the expanded range of fresh convenience products. New and refurbished points of sale have integrated energy data collection and evaluation systems. An evaluation of data from the first 20 outlets shows that the new concepts of standardized building technology use significantly less energy. Consumption of heating oil was reduced by 55% on average and electricity consumption by 6% on average.

New and refurbished points of sale have integrated energy data collection and evaluation systems.

New engines:

lower emissions, higher consumption

It is also necessary to analyse the higher specific consumption of diesel fuel used for local distribution to sales outlets. Part of the increase can be explained by the new EURO3 engines used in about 30% of all Coop lorries. These engines have low emission levels and thus are very clean, but they use more fuel.

Corporate governance

The activities of employees, management and the Board of Directors are focused on achieving Coop's long-term goals. In the final analysis, all of Coop's strategies seek to meet customer needs. It is they who are Coop's real shareholders.

At the same time, to ensure it is in a position to act in the best interests of its customers and to carry out significant long-term investments, Coop also relies on providers of capital. In the case of cooperative societies these providers are primarily banks.

However, Coop's long-term success depends not only on financial investments in the future, but to a great extent also on important intangible values, in particular on the trust of all stakeholders in Coop. The following information is intended to enhance openness and transparency for all groups interested in the company. Coop is providing this broad target group with a comprehensive report on corporate governance, i.e. on the organization and control of Coop's governing and executive bodies. The report follows the guidelines of the SWX Swiss Exchange, which were drawn up in accordance with the Swiss Federal Act on Stock Exchanges and Securities Trading, which has been in force for joint stock companies and companies that have issued participation certificates and non-voting dividend rights certificates since 1 July 2002.

As cooperatives are not included in the companies listed in the previous sentence, the guidelines are not binding on Coop. Nonetheless, as a significant enterprise in the Swiss economy, Coop sets great store by the disclosure of its corporate governance. Coop takes the requirements of materiality seriously and with the following information offers its readers the greatest possible clarity.

The only company in the Coop Group that has issued SWX-listed equities is Bell Holding AG, whose annual report publishes the appropriate specific details on corporate governance. For further information, please see the company's homepage: www.bell.ch.

Group structure

The Group structure can be seen in the list of Coop companies provided in the consolidated annual accounts. Changes in the consolidated Coop companies can be found on page 85.

There are no crossholdings between Coop companies.

Capital structure

The capital structure can be seen in the consolidated balance sheet (page 81) and the notes to the consolidated balance sheet (pages 88–92).

Board of Directors

See Coop Organs and Coop Delegate Assembly on p. 102–103.

At the end of 2002, Peter Amherd retired from the Board of Directors for reasons of age. In accordance with the articles of association, he was not replaced. Accordingly, the Board of Directors has 19 members at present. The Board Committee remained unchanged.

Anton Felder

Born 1948. Swiss.

Swiss diploma in accounting and controlling
Full-time Chairman of the Board of Directors of Coop
Member of Board Committee

Directorships:

- Coop Personalversicherung CPV/CAP, Basle (Chairman)
- Bell Holding AG, Basle
- National Versicherungs-Gesellschaft, Basle
- Betty Bossi Verlag AG, Zurich
- EPA AG, Zurich
- Coop Mineraloel AG, Allschwil
- Coop Immobilien AG, Berne (Chairman)
- Various directorships of Coop subsidiaries

Jean-Claude Badoux

Born 1935. Swiss.

Prof. Dr. Ing. ETH

Honorary President of the EPF Lausanne

Member of Board Committee

Directorships:

- Coop Immobilien AG, Berne
- Board of Directors, International Institute for Management Development (IMD), Lausanne
- Board of Directors, Swiss Centre for Electronics and Microtechnology (CSEM), Neuchâtel
- Board of Directors, Société des éditions techniques universitaires, Zurich

Other functions and offices:

- Chairman, Foundation Council, Swiss Network for Innovation, Berne
- President, Commission for Professional Standards, Swiss Society of Engineers and Architects (SIA), Zurich
- Honorary Consul of South Korea for Culture, Science and Technology
- Member of the Foundation Council, Swiss National Science Foundation, Berne

Stefan Baumberger

Born 1948. Swiss.

Dipl. Chem. HTL

Managing Director, Hänseler AG, Herisau

Member of Board Committee

Directorships:

- Bell Holding AG, Basle
- Coop Immobilien AG, Berne
- Hänseler Holding AG, Herisau

Silvio Bircher

Born 1945. Swiss.

lic. rer. publ. HSG

Former govt. and national councillor, consultant

Paul Flubacher

Born 1936. Swiss.

Retired management executive

Diego Giulieri

Born 1941. Swiss.

lic. oec. HSG

Retired bank director

Member of Board Committee

Directorship:

- Coop Immobilien AG, Berne

Felix Halmer

Born 1952. Swiss.
Commercial employee
Buyer
Employee representative on the Board of Directors

Other functions and offices:

- Chairman, Association of Salaried Employees of Coop
- Chairman, Association of Salaried Employees for Basle Region

Edgar Hofer

Born 1940. Swiss.
Retired trade union secretary

Walter Holderegger

Born 1943. Swiss.
Engine driver, BLS (Berne-Lötschberg-Simplon Railway)

Other functions and offices:

- Chairman, Vereinigung Cerebral (Swiss association for the cerebrally handicapped), Berne
- Board member, Gewerkschaftsbund Berner Oberland (Federation of trade unions of the Bernese Oberland)

Hansjürg Käser

Born 1956. Swiss.
Head, Transport Aid (THM) Pool
Employee representative on the Board of Directors

Other functions and offices:

VHTL Section Coop

Irene Kaufmann

Born 1955. Swiss.
Dr. oec. publ.
Corporate consultant
Vice Chairwoman of the Board of Directors
Member of Board Committee

Directorships:

- Bank Coop AG, Basle
- Coop Immobilien AG, Berne

Lillia Rebsamen

Born 1953. Swiss.
Businesswoman

Jean-Charles Roguet

Born 1942. Swiss.
Lawyer
Partner, Pestalozzi, Lachenal & Patry, Geneva
Various directorships

Eric Santschy

Born 1948. Swiss.
Commercial specialist

Edgar Spicher

Born 1934. Swiss.
Owner, GestInfo Spicher E., Fribourg

Directorships:

- C.T. Transports SA, Fribourg
- Sigur Holding AG, Fribourg
- Vimbel AG, Fribourg

Giampiero Storelli

Born 1938. Swiss.
Architect

Felix Truffer

Born 1962. Swiss.
lic. iur.
Lawyer and notary
Partner, Amherd, Carlen, Truffer Law Office, Brig-Glis

Giusep Valaulta

Born 1951. Swiss.
lic. iur.
Member of Board Committee

Directorship:

- Coop Immobilien AG, Berne

Franz Zumthor

Born 1933. Swiss.
Retired municipal administrator
Member of Board Committee

Directorship:

- Coop Immobilien AG, Berne

Other functions and offices:

- Chairman, Coop Sponsorship for Mountain Regions, Basle
- Chairman, Schweiz. Verband der Hypothekar – Bürgschaftsgenossenschaften (Swiss union of mortgage and lien cooperatives), Weinfelden
- Chairman, Hypothekar-Bürgschaftsgenossenschaft für Wohneigentumsförderung HBW (Mortgage and lien cooperative for the promotion of home ownership), Zurich

The following information about the Board of Directors includes references to Coop's articles of association. These can be accessed at www.coop.ch.

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 February 2005. The articles of association do not place any limits on re-election, but do place restrictions on the age of members (members must retire at the end of the year in which they celebrate their 70th or, from 2005, their 65th birthday).

Internal organization

As a result of the merger in 2001, the Board of Directors has 19 members at present, but from the beginning of the term of office starting on 1 May 2005 will have 11 members. Until the end of the current term of office, the Chairman of the Board of Directors and the chairmen of the six regional councils, who are also members of the Board of Directors, constitute the Board Committee.

Regulation of responsibilities

In accordance with the statutory regulations for joint stock companies, the basic functions of the Board of Directors are defined in Article 29 of the articles of association and those of the Executive Committee in Article 31. The organizational regulations drawn up 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 developments and important information on all business segments. In addition, every four months it submits reports and results in writing to the Board of Directors, which are also presented orally at meetings and discussed. The Chairman of the Board of Directors regularly attends the meetings of the Executive Committee. He is also responsible for internal auditing. Coop has an extensive rolling process of planning and target-setting, which also includes regular reporting to the Board of Directors.

Instruments of supervision and control over the auditors

As the auditors are appointed for one year, the Delegate Assembly elects the auditors each year. The full-time Chairman and the members of the Board Committee, the Chief Executive Officer and the Head of the Finances and 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 regularly assessed.

Executive Committee

See Management structure and Management on p. 104–106.

The management structure of the new Coop has proven itself. In the year under review, there were no changes in the composition of the seven-member Executive Committee and in the division of major responsibilities between the individual business units. Christoph Clavadetscher, Head of the Trading Business Unit, has been given responsibility for operational management of EPA AG. He is supported by an experienced team of EPA AG and Coop managers.

Hansueli Loosli

Born 1955. Swiss.

Swiss diploma in accounting and controlling
Chief Executive Officer
Head, Retail Business Unit

Directorships:

- Betty Bossi Verlag AG, Zurich
- EPA AG, Zurich
- Member of the Bank Council, Swiss National Bank
- Further directorships of Coop subsidiaries

Jörg Ackermann

Born 1958. Swiss.

Graduate in business management (HWV)
Head, Information Technology/Production Business Unit

Directorships:

- Bell Holding AG, Basle (Chairman)
- Eurogroup AG, Brussels
- Further directorships of Coop subsidiaries

Rudolf Burger

Born 1946. Swiss.

Commercial specialist
Head, Retail Companies Business Unit

Directorships:

- Coop Mineraloel AG, Allschwil (Chairman)
- Further directorships of Coop subsidiaries

Jean-Marc Chapuis

Born 1954. Swiss.

lic. en sciences économiques et sociales
Head, Property Business Unit

Directorships:

- Directorships of Coop subsidiaries

Christoph Clavadetscher

Born 1961. Swiss.

Swiss diploma in commerce and retailing
Head, Trading Business Unit

Directorships:

- Delegate to the Board of Directors of EPA AG, Zurich
- Further directorships of Coop subsidiaries

Hans Peter Schwarz

Born 1950. Swiss.

Swiss diploma in accounting and controlling
Head, Finance and Services Business Unit

Directorships:

- Bank Coop AG, Basle
- Bell Holding AG, Basle
- Schweizerische National Leben AG, Bottmingen
- Coop Mineraloel AG, Allschwil
- Further directorships of Coop subsidiaries

Hans Winiger

Born 1942. Swiss.

Dipl. Ing. ETH
Vice Chairman of the Executive Committee
Head, Logistics Business Unit

Directorships:

- Bell Holding AG, Basle
- Further directorships of Coop subsidiaries

Management agreement

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

Remuneration

In 2002, the Board of Directors (20 members) of Coop received an aggregate amount of 1.2 million Swiss francs in remuneration (2001: 1.2 million Swiss francs).

The gross salaries of the 7 members of the Executive Committee totalled 3.2 million Swiss francs in 2002 (2001: 2.6 million Swiss francs for 6 members).

In 2003, the gross salaries of the full-time Chairman of Coop's Board of Directors and the members of Coop's Executive Committee will range between a minimum of 400 000 Swiss francs and a maximum of 750 000 Swiss francs.

In addition, a performance-related bonus of up to 20% may be paid.

Coop is entitled to fees paid to the Chairman of the Board of Directors and the Members of the Executive Committee by Coop subsidiaries and non-Group companies. The Chairman of the Board of Directors and the members of Coop's Executive Committee do not enjoy 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 AG has been Coop's auditors since 1994. Daniel Suter and Ralph Maiocchi have been the responsible lead auditors since 1994 and 1997 respectively.

Auditing fee

The following auditing fees were billed for services performed for 2002:

Auditing services: 2.4 million Swiss francs

Other services: 1 million Swiss francs

The amount billed for auditing services includes the work undertaken by the auditing company for the examination of 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 auditing services also include tasks, for instance the examination of one-off transactions, that are performed exclusively by the group auditor.

Information policy

At the beginning of each year the previous year's sales figures will be announced. The annual results conference will take place in spring and the Delegate Assembly in May. The annual report will be published after the Delegate Assembly. A second Delegate Assembly will take place in autumn. In addition, the delegates will receive a report every four months informing them of the company's business development.

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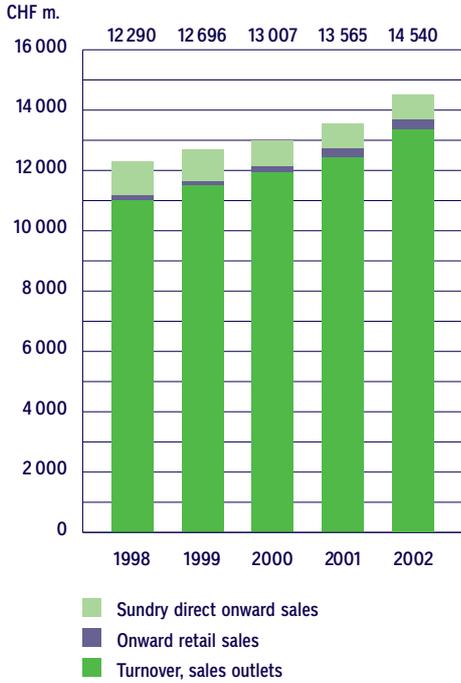
The Coop Group in figures

Sales of merchandise and services

		CHF m.	CHF m.	Change	Change
		2002	2001	CHF m.	%
<i>Megastores</i>	<i>4500–8000 m²</i>	376	314	+ 61	+ 19.6
<i>Supermarkets C</i>	<i>1800–3000 m²</i>	2 417	2 299	+ 118	+ 5.1
<i>Supermarkets B</i>	<i>800– 1400 m²</i>	2 615	2 603	+ 11	+ 0.4
<i>Supermarkets A</i>	<i>250– 600 m²</i>	3 817	3 876	– 59	– 1.5
Supermarkets		8 849	8 778	+ 71	+ 0.8
Megastores/supermarkets		9 225	9 092	+ 132	+ 1.5
Restaurants, cafés		233	213	+ 19	+ 9.1
Other		18	21	– 4	– 17.0
Coop Retail		9 475	9 327	+ 148	+ 1.6
Department stores		471	488	– 17	– 3.5
<i>Building & hobby centres</i>		568	525	+ 43	+ 8.1
<i>Other</i>		17	15	+ 1	+ 8.4
Superstores		584	541	+ 44	+ 8.1
Coop Trading		1 055	1 029	+ 27	+ 2.6
Hotels		29	31	– 2	– 7.3
Coop		10 559	10 387	+ 172	+ 1.7
Alcoba Distribution SA		68	73	– 6	– 7.7
Andréfleurs Assens SA		9	9	– 0	– 4.1
Bell-Gruppe (VST)		76	80	– 4	– 4.9
<i>Import Parfümerien</i>		137	131	+ 6	+ 4.4
<i>Interdiscount</i>		892	935	– 43	– 4.6
Coop Einzelhandels AG		1 028	1 066	– 38	– 3.5
<i>Coop Pronto at petrol stations</i>		139	115	+ 24	+ 20.6
<i>Coop Pronto stand-alone</i>		30	8	+ 21	+ 250.2
<i>Petrol stations</i>		475	442	+ 33	+ 7.4
Coop Mineraloel AG		644	566	+ 78	+ 13.7
Coop Vitality AG		10	2	+ 7	+ 285.0
EPA AG		736		+ 736	
Gonset Distribution SA (Lumimart)		11		+ 11	
TopTip AG		224	226	– 2	– 0.7
Wehrli & Co. AG		1	1	– 0	– 19.6
Turnover, sales outlets		13 366	12 411	+ 955	+ 7.7
Onward retail sales		349	383	– 34	– 9.0
Retail turnover		13 715	12 795	+ 921	+ 7.2
Sundry direct onward sales		825	770	+ 54	+ 7.0
Sales of merchandise and services		14 540	13 565	+ 975	+ 7.2

Sales/retail turnover

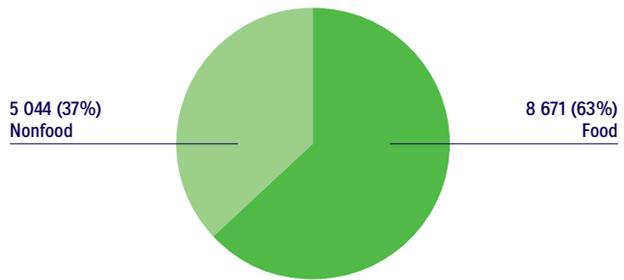
Sales of merchandise and services



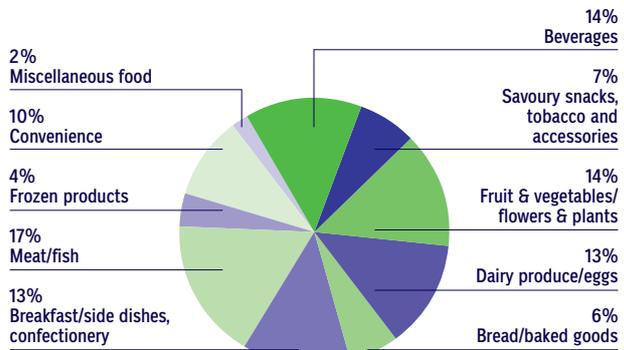
Retail turnover

By main categories

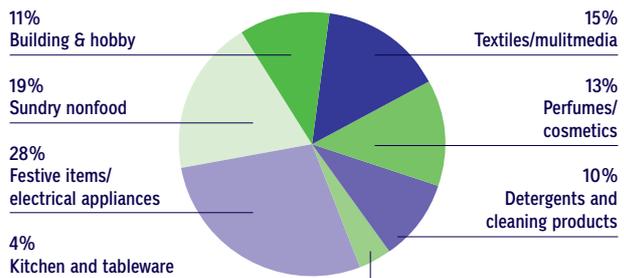
CHF m.



Food

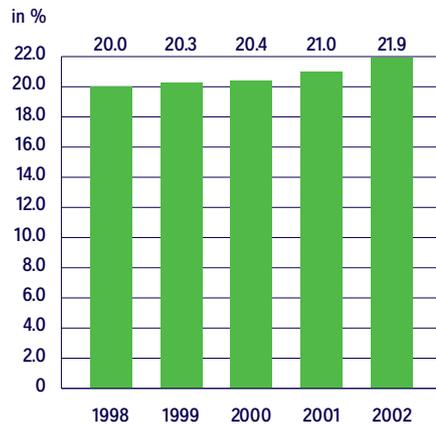


Nonfood

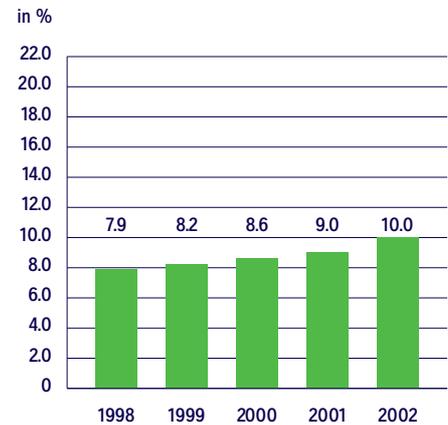


Market shares

Food



Nonfood



Coop Group



Change in %



- Coop retail trade turnover for market shares
- - - Market volume, food
- Market volume, nonfood
- - - Total volume acc. to BAK research

CHF m.	1997	1998	1999	2000	2001	2002
Retail turnover	10 856	11 169	11 651	12 154	12 795	13 715
./. Petrol stations, fuels	476	458	534	688	585	603
Coop retail trade turnover for market shares	10 380	10 710	11 117	11 467	12 210	13 112
Market volume, food	36 211	36 484	36 947	37 529	39 065	39 535
Market volume, nonfood	42 655	43 457	44 102	44 184	44 701	44 283
Total volume acc. to BAK research	78 866	79 941	81 049	81 713	83 766	83 818

Sales outlets

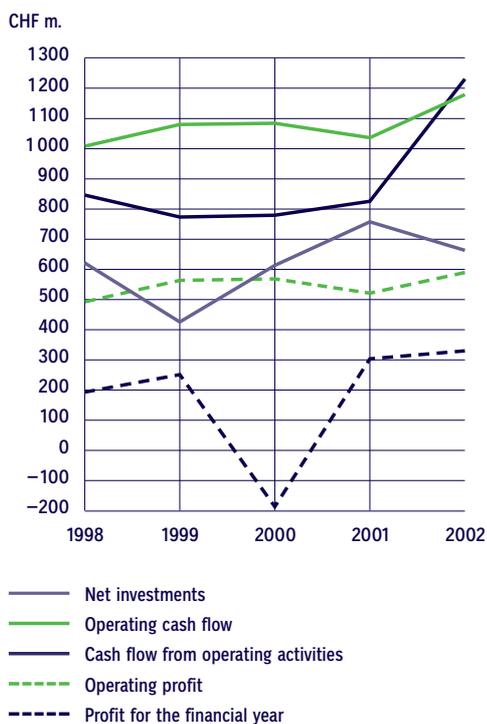
	Sales outlets		Sales area		Turnover of sales outlets				
	Number on 31.12.		m ² on 31.12.		CHF m.	CHF m.	%	%	
	2002	2001	2002	2001	2002	2001		Share	
<i>Megastores</i>	4500–8000 m ²	6	5	36 194	25 243	376	314	+ 19.6	2.8
<i>Supermarkets C</i>	1800–3000 m ²	81	73	206 320	191 406	2 417	2 299	+ 5.1	18.1
<i>Supermarkets B</i>	800–1400 m ²	156	148	207 210	203 463	2 615	2 603	+ 0.4	19.6
<i>Supermarkets A</i>	250– 600 m ²	609	662	286 038	302 832	3 817	3 876	– 1.5	28.6
Supermarkets		846	883	699 568	697 701	8 849	8 778	+ 0.8	66.2
Megastores/supermarkets		852	888	735 762	722 944	9 225	9 092	+ 1.5	69.0
Restaurants, cafés		159	133	45 473	35 357	233	213	+ 9.1	1.7
Other		6	10	1 300	2 814	18	21	– 17.0	0.1
Coop Retail		1 017	1 031	782 535	761 115	9 475	9 327	+ 1.6	70.9
Department stores		11	11	56 046	58 707	471	488	– 3.5	3.5
<i>Building & hobby centres</i>		55	53	193 446	174 308	568	525	+ 8.1	4.2
<i>Other</i>		7	7	2 929	2 724	17	15	+ 8.4	0.1
Superstores		62	60	196 375	177 032	584	541	+ 8.1	4.4
Coop Trading		73	71	252 421	235 739	1 055	1 029	+ 2.6	7.9
Hotels		3	3			29	31	– 7.3	0.2
Coop		1 093	1 105	1 034 956	996 854	10 559	10 387	+ 1.7	79.0
Alcoba Distribution SA		2	2	6 600	6 600	68	73	– 7.7	0.5
Andréfleurs Assens SA		1	1	10 918	10 918	9	9	– 4.1	0.1
Bell, butcher shops		40	40	3 923	3 810	76	80	– 4.9	0.6
<i>Import Parfümerien</i>		81	82	8 268	8 071	137	131	+ 4.4	1.0
<i>Interdiscount</i>		190	212	40 220	41 445	892	935	– 4.6	6.7
Coop Einzelhandels AG		271	294	48 488	49 516	1 028	1 066	– 3.5	7.7
<i>Coop Pronto at petrol stations</i>		(86)	(81)	6 080	5 440	139	115	+ 20.6	1.0
<i>Coop Pronto stand-alone</i>		12	7	1 613	888	30	8		0.2
<i>Petrol stations</i>		104	101			475	442	+ 7.4	3.6
Coop Mineraloel AG		116	108	7 693	6 328	644	566	+ 13.7	4.8
Coop Vitality AG		4	5	1 237	2 287	10	2	+ 285.0	0.1
<i>Department stores</i>		39		99 423		712			5.3
<i>Restaurants</i>		24		6 361		24			0.2
EPA AG		63		105 784		736			5.5
Gonset Distribution SA (Lumimart)		15		11 493		11			0.1
TopTip AG		44	41	125 210	111 544	224	226	– 0.7	1.7
Wehrli & Co. AG			1		300	1	1	– 19.6	0.0
Subsidiaries		556	492	321 345	191 303	2 807	2 024	+ 38.7	21.0
Sales outlets		1 649	1 597	1 356 301	1 188 157	13 366	12 411	+ 7.7	100.0

Subsidiaries

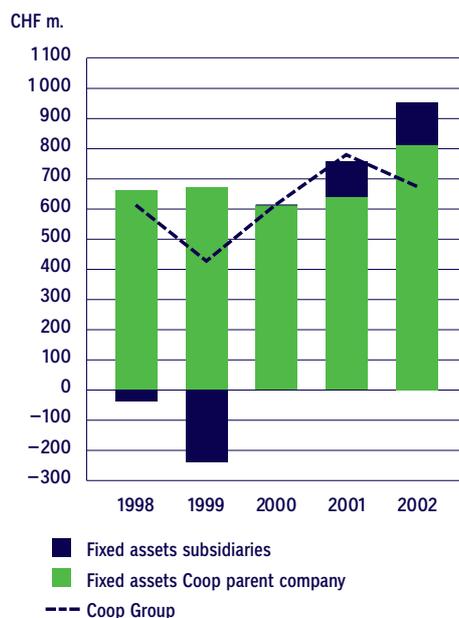
	Net sales		Full-time employees	Share capital at 31.12.2002	
	CHF m.	CHF m.		Coop holding	
	2002	2001	2002	CHF m.	%
Alcoba Distribution SA	60	65	170	4.4	50.0
Andréfleurs Assens SA	9	9	56	2.0	100.0
Argo AG	11	11	58	1.3	100.0
Bell Group	1 505	1 479	3 715	12.0	60.5
Chocolats Halba AG	80	79	260	6.0	100.0
Coop Bildungszentren Muttetz + Jongny	12	12	65	0.4	100.0
<i>Import Parfümerien</i>	128	139	493		
<i>Interdiscount</i>	818	862	1 663		
Coop Einzelhandels AG	946	1 001	2 156	5.0	100.0
Coop Mineraloel AG	721	662	46	10.0	51.0
Coop Switzerland Far East Ltd.	1	1	11	0.0	100.0
Coop Vitality AG	9	2	4	5.0	51.0
CWK AG	45	44	143	2.0	100.0
Decoramax SA	2	2	12	0.1	70.0
EPA AG	666		2 349	40.0	40.0
Fehr & Engeli AG	1	1	9	0.1	88.0
Gonset Distribution SA (Lumimart)	10		78	5.5	100.0
Nutrex AG	42	43	25	1.5	100.0
Pasta Gala SA	33	31	63	2.5	100.0
Reismühle Brunnen AG	13	13	18	1.0	100.0
Steinfels Cleaning Systems AG	23	22	46	0.5	100.0
TopTip AG	206	212	494	10.0	100.0
Miscellaneous		36		1.5	
Subsidiaries	4 395	3 726	9 778	184.7	
Consolidation	- 1 079	- 1 096			
Consolidated subsidiaries	3 316	2 629	9 778		

Key financial data / investments

Key financial data (consolidated)



Breakdown of net investments



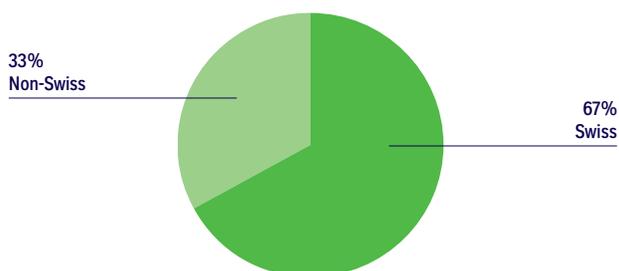
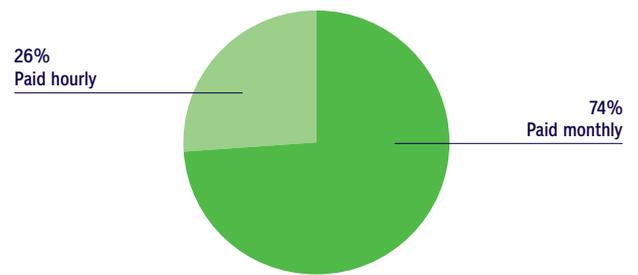
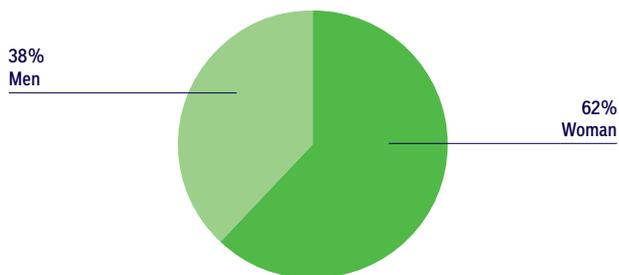
CHF m.	1998	1999	2000	2001	2002
Suisse Romande Region				82	40
Bern Region				32	74
Nordwestschweiz Region				113	103
Zentralschweiz-Zürich Region				78	79
Ostschweiz-Ticino Region				36	64
Headquarters				41	225
Coop Immobilien AG				259	244
Fixed assets Coop parent company	662	672	612	641	830
Fixed assets subsidiaries	- 38	- 238	1	117	118
Consolidated items/Financial investments					- 279
Net investments	624	434	613	758	669
Operating cash flow	1011	1084	1085	1066	1181
Cash flow from operating activities	854	777	781	832	1255
Operating profit	500	569	570	521	593
Profit for the financial year	197	255	- 198	302	331

Employees

	2002	2001	Change	%
<i>SRE Suisse Romande</i>	4 096	3 973	+ 123	+ 3.1
<i>SRE Bern</i>	3 544	3 558	- 14	- 0.4
<i>SRE Nordwestschweiz</i>	4 284	4 229	+ 55	+ 1.3
<i>SRE Zentralschweiz-Zürich</i>	4 331	4 222	+ 109	+ 2.6
<i>SRE Ostschweiz-Ticino</i>	4 467	4 380	+ 88	+ 2.0
<i>Corporate Services Retail</i>	651	586	+ 65	+ 11.1
Retail	21 373	20 947	+ 426	+ 2.0
<i>Department stores</i>	1 858	1 758	+ 101	+ 5.7
<i>Building & hobby centres</i>	1 240	1 107	+ 133	+ 12.0
<i>Corporate Services Trading</i>	41	38	+ 2	+ 5.7
Trading	3 139	2 903	+ 236	+ 8.1
Logistics	5 027	4 873	+ 154	+ 3.2
Other corporate services / Property Business Unit	1 031	1 071	- 40	- 3.7
Coop Headquarters	30 571	29 795	+ 776	+ 2.6
Retail companies	5 354	3 092	+ 2 262	+ 73.1
Manufacturing companies	4 349	4 331	+ 18	+ 0.4
Other companies	219	198	+ 21	+ 10.7
Full-time employees (incl. apprentices)	40 493	37 417	+ 3 075	+ 8.2
<i>SRE Suisse Romande</i>	5 024	5 061	- 37	- 0.7
<i>SRE Bern</i>	5 017	5 000	+ 17	+ 0.3
<i>SRE Nordwestschweiz</i>	5 145	5 202	- 57	- 1.1
<i>SRE Zentralschweiz-Zürich</i>	5 564	5 555	+ 9	+ 0.2
<i>SRE Ostschweiz-Ticino</i>	5 627	5 490	+ 137	+ 2.5
<i>Corporate Services Retail</i>	745	692	+ 53	+ 7.7
Retail	27 122	27 000	+ 122	+ 0.5
<i>Department stores</i>	2 238	2 322	- 84	- 3.6
<i>Building & hobby centres</i>	1 499	1 436	+ 63	+ 4.4
<i>Corporate Services Trading</i>	51	50	+ 1	+ 2.0
Trading	3 788	3 808	- 20	- 0.5
Logistics	5 447	5 427	+ 20	+ 0.4
Other corporate services / Property Business Unit	1 381	1 334	+ 47	+ 3.5
Coop Headquarters	37 738	37 569	+ 169	+ 0.4
Retail companies	6 320	3 533	+ 2 787	+ 78.9
Manufacturing companies	4 808	4 789	+ 19	+ 0.4
Other companies	332	306	+ 26	+ 8.5
Employees (incl. apprentices)	49 198	46 197	+ 3 001	+ 6.5

	2002	2001	Change	%
<i>SRE Suisse Romande</i>	189	177	+ 12	+ 6.8
<i>SRE Bern</i>	157	155	+ 2	+ 1.3
<i>SRE Nordwestschweiz</i>	223	225	- 2	- 0.9
<i>SRE Zentralschweiz-Zürich</i>	260	266	- 6	- 2.3
<i>SRE Ostschweiz-Ticino</i>	287	288	- 1	- 0.3
<i>Corporate Services Retail</i>	24	25	- 1	- 4.0
Retail	1 140	1 136	+ 4	+ 0.4
<i>Department stores</i>	137	135	+ 2	+ 1.5
<i>Building & hobby centres</i>	76	65	+ 11	+ 16.9
<i>Corporate Services trading</i>	1	4	- 3	- 75.0
Trading	214	204	+ 10	+ 4.9
Logistics	104	104	+ 0	+ 0.0
Other corporate services / Property Business Unit	45	38	+ 7	+ 18.4
Coop Headquarters	1 503	1 482	+ 21	+ 1.4
Retail companies	435	377	+ 58	+ 15.4
Manufacturing companies	87	81	+ 6	+ 7.4
Other companies			+ 0	+ 0.0
Apprentices (full-time)	2 025	1 940	+ 85	+ 4.4

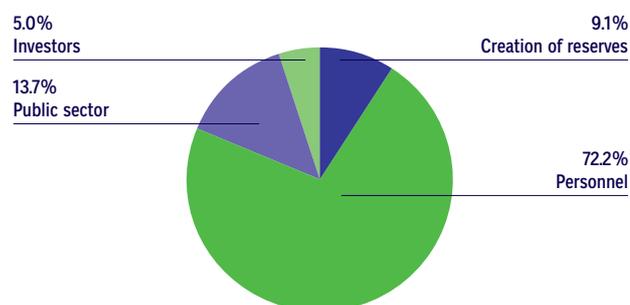
Personnel structure



Statement of added value

	CHF m. 2002	CHF m. 2001	Change %
Sales of merchandise and services	14 540	13 565	+ 7.2
<i>Merchandise expense</i>	- 8 981	- 8 455	+ 6.2
<i>Other expenses</i>	- 1 185	- 1 095	+ 8.2
Purchase of goods and services	- 10 166	- 9 550	+ 6.5
Gross added value	4 374	4 015	+ 8.9
Depreciation and provisions	- 724	- 610	+ 18.8
Net added value	3 650	3 405	+ 7.2
Wages and salaries	- 2 162	- 1 977	+ 9.3
Social security contributions	- 366	- 333	+ 9.9
Other personnel costs	- 67	- 67	- 0.0
Personnel benefits	- 39	- 33	+ 20.5
Personnel	- 2 635	- 2 411	+ 9.3
Taxes	- 70	- 45	+ 55.2
Operations-related taxes, charges and fees	- 27	- 24	+ 12.9
Customs duties	- 305	- 323	- 5.5
Value added tax	- 98	- 92	+ 6.0
Public sector	- 500	- 484	+ 3.3
Investors	- 184	- 208	- 11.7
Creation of (-)/withdrawal from reserves	- 331	- 302	+ 9.6
Distribution of added value	- 3 650	- 3 405	+ 7.2

Distribution 2002



Development of Coop Group

Year	Coop Group			Coop societies			Member
	Income consolidated	Retail turnover	Turnover sales outlets	Number	Number of sales outlets*	Sales area m ²	households Number
	CHF m.	CHF m.	CHF m.				
1890	–	–	13	43	–	–	32 666
1900	–	–	33	116	419	–	83 549
1910	–	–	101	328	1 008	–	213 018
1920	–	–	326	493	1 824	–	363 420
1930	–	–	297	523	2 232	–	362 953
1940	–	–	350	546	2 472	–	430 315
1950	–	–	728	572	2 916	–	548 293
1960	–	–	1 233	550	3 320	–	722 874
1970	3 432	2 893	2 752	296	2 305	390 000	899 320
1980	6 342	5 547	4 866	66	1 642	518 700	1 031 209
1990	9 570	8 582	7 699	28	1 431	706 600	1 306 714
1991	10 099	9 484	8 127	28	1 398	721 249	1 322 577
1992	10 339	9 473	8 311	28	1 175	725 886	1 271 969
1993	10 715	9 700	9 462	28	1 299	741 248	1 305 170
1994	10 940	9 902	9 684	21	1 263	763 666	1 311 623
1995	11 090	10 150	9 973	21	1 223	794 653	1 330 520
1996	11 717	10 670	10 485	17	1 258	836 921	1 382 014
1997	11 920	10 856	10 661	17	1 232	866 077	1 513 327
1998	12 290	11 169	11 011	16	1 228	912 204	1 789 478
1999	12 696	11 651	11 529	15	1 180	943 426	1 931 418
2000	13 007	12 154	11 935	14	1 140	961 932	2 033 545
2001	13 565	12 795	12 411	1	1 105	996 854	2 082 387
2002	14 540	13 715	13 366	1	1 093	1 034 956	2 149 863

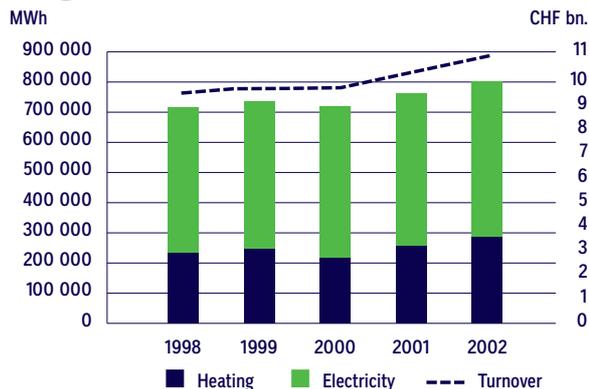
* includes restaurants, cafés, hotels and petrol stations from 1980

Key environmental figures

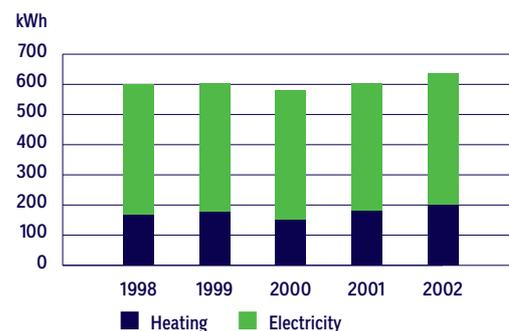
Survey period for energy data collection July–June

	2002	2001	%
5 regions ¹⁾			
Coop flagship labels			
Sales of Coop Naturaplan (CHF 1 000)	1 014 411	882 688	+ 14.9
Sales of Coop Naturaline (CHF 1 000)	33 653	28 801	+ 16.8
Sales of Coop Oecoplan (CHF 1 000)	71 353	63 603	+ 12.2
Sales of Cooperación/Max Havelaar (CHF 1 000)	50 273	41 725	+ 20.5
Sales (CHF 1000)	1 169 690	1 016 817	+ 15.0
Electricity			
Consumption sales outlets (MWh)	432 898	416 820	+ 3.9
Consumption distribution centres (MWh)	85 266	84 649	+ 0.7
Consumption (MWh)	518 164	501 469	+ 3.3
Consumption per CHF 1 000 of turnover (kWh)	47.7	48.3	- 1.4
Consumption per m ² of sales area (kWh)	434	419	+ 3.6
Heating			
Consumption sales outlets (MWh)	206 350	179 900	+ 14.7
Consumption distribution centres (MWh)	79 962	73 524	+ 8.8
Consumption (MWh)	286 312	253 424	+ 13.0
Consumption per CHF 1 000 of turnover (kWh)	26.3	24.4	+ 7.8
Consumption per m ² of sales area (kWh)	207	183	+ 13.1
Energy (electricity + heating)			
Consumption sales outlets (MWh)	639 248	596 720	+ 7.1
Consumption distribution centres (MWh)	165 228	158 173	+ 4.5
Consumption (MWh)	804 476	754 893	+ 6.6
Consumption per CHF 1 000 of turnover (kWh)	74.0	72.8	+ 1.7
Consumption per m ² of sales area (kWh)	641	602	+ 6.5
Diesel consumption by goods vehicles per 100 km (in litres)	32.1	31.5	+ 1.9
Percentage of waste recycled	52	50	+ 4.0

Total energy consumption, 5 regions



Energy consumption per m² of sales area, 5 regions



Headquarters²⁾	2002	2001	%
Electricity			
Consumption national distribution centres (MWh)	14 713	15 782	- 6.8
Consumption administration (MWh)	4 501	4 230	+ 6.4
Consumption (MWh)	19 214	20 012	- 4.0
Heating			
Consumption national distribution centres (MWh)	22 051	21 717	+ 1.5
Consumption administration (MWh)	3 928	3 970	- 1.1
Consumption (MWh)	25 979	25 687	+ 1.1
Energy (electricity + heating)			
Consumption national distribution centres (MWh)	36 764	37 499	- 2.0
Consumption administration (MWh)	8 429	8 200	+ 2.8
Consumption (MWh)	45 193	45 699	- 1.1
Percentage of waste recycled	71	64	+ 10.9
Manufacturing³⁾			
Electricity			
Consumption (MWh)	66 728	66 710	+ 0.0
Consumption per CHF 1000 of turnover (kWh)	60.9	66.7	- 8.7
Heating			
Consumption (MWh)	60 512	61 568	- 1.7
Consumption per CHF 1000 of turnover (kWh)	55.2	61.6	- 10.3
Energy (electricity + heating)			
Consumption (MWh)	127 240	128 278	- 0.8
Consumption per CHF 1000 of turnover (kWh)	116.1	128.3	- 9.5
Percentage of waste recycled	57	47	+ 21.3

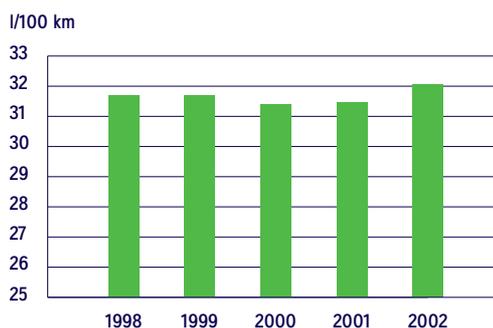
Year-back figure adapted to current structure

¹⁾ Suisse Romande, Bern, Nordwestschweiz, Zentralschweiz-Zürich and Ostschweiz-Ticino regions

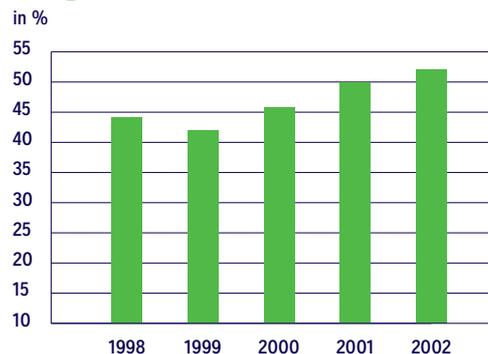
²⁾ Banana Ripening Plant in Kaiseraugst, Flower Centre in Pratteln, Purchasing and Distribution Centre in Wangen, Distribution Centre Building & Hobby in Gwatt, Production and Distribution Centre in Pratteln, Headquarters in Basel

³⁾ Argo AG, Bell AG, Chocolats Halba AG, CWK AG, Nutrex AG, Pasta Gala SA, Panofina, Reismühle Brunnen AG, Swissmill

Specific diesel consumption by goods vehicles, 5 regions



Percentage of waste recycled, 5 regions



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All values rounded up/down individually

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accounts of
Coop Group

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Consolidated profit and loss account

	Notes	CHF m. 2002	Share ¹⁾ %	CHF m. 2001	Share ¹⁾ %
Sales of merchandise and services		14 540		13 565	
Sales deductions		– 820		– 806	
Net sales	1	13 721	100.0	12 759	100.0
Merchandise expense		– 8 981		– 8 455	
Gross income		4 739	34.5	4 304	33.7
Other operating income	2	570		494	
Personnel costs	3	– 2 595		– 2 378	
Advertising costs		– 354		– 314	
Other operating expenses	4	– 1 179		– 1 040	
Operating cash flow (EBITDA)		1 181	8.6	1 066	8.4
Depreciation	5	– 587		– 545	
Operating profit (EBIT)		593	4.3	521	4.1
Financial income/expense	6	– 166		– 191	
Non-operating income from property transactions	7	– 5		22	
Off-balance-sheet income/expense	8	4		1	
Extraordinary income/expense	9	7		7	
Pre-tax profit/loss		435	3.2	360	2.8
Taxes	10	– 102		– 37	
Profit/loss after taxes		333	2.4	323	2.5
Minority interests in profit/loss		– 2		– 21	
Profit/loss for the financial year		331	2.4	302	2.4

¹⁾ Basis for percentages now net sales

Consolidated balance sheet

On 31 December

	Notes	CHF m. 2002	Share %	CHF m. 2001	Share %
Liquidity	11	445		495	
Trade debtors	12	290		320	
Other debtors	13	245		226	
Stocks	14	1 462		1 357	
Current assets		2 443	22.0	2 397	22.2
Intangible fixed assets	15	154		55	
Financial assets	16	344		497	
Furniture, vehicles, machinery	17	1 276		1 185	
Immovable property	18	6 878		6 660	
Fixed assets		8 652	78.0	8 397	77.8
Assets		11 095	100.0	10 794	100.0
Trade creditors	19	1 086		932	
Other liabilities	20	937		1 163	
Short-term liabilities		2 023	18.2	2 095	19.4
Long-term liabilities	21	2 310		2 380	
Liabilities secured by lien	22	1 959		2 032	
Provisions	23	1 178		1 065	
Long-term liabilities		5 447	49.1	5 477	50.7
Liabilities	24	7 470	67.3	7 572	70.1
Participation certificate capital					
Reserves		875		673	
<i>Revenue reserves</i>		2 175		2 070	
<i>Profit/loss for the financial year</i>		331		302	
Unappropriated profit/accumulated loss		2 506		2 372	
<i>Equity exclusive of minorities</i>		3 381	30.5	3 045	28.2
<i>Minorities</i>		243	2.2	178	1.6
Equity inclusive of minorities	25	3 625	32.7	3 223	29.9
Liabilities and equity		11 095	100.0	10 794	100.0

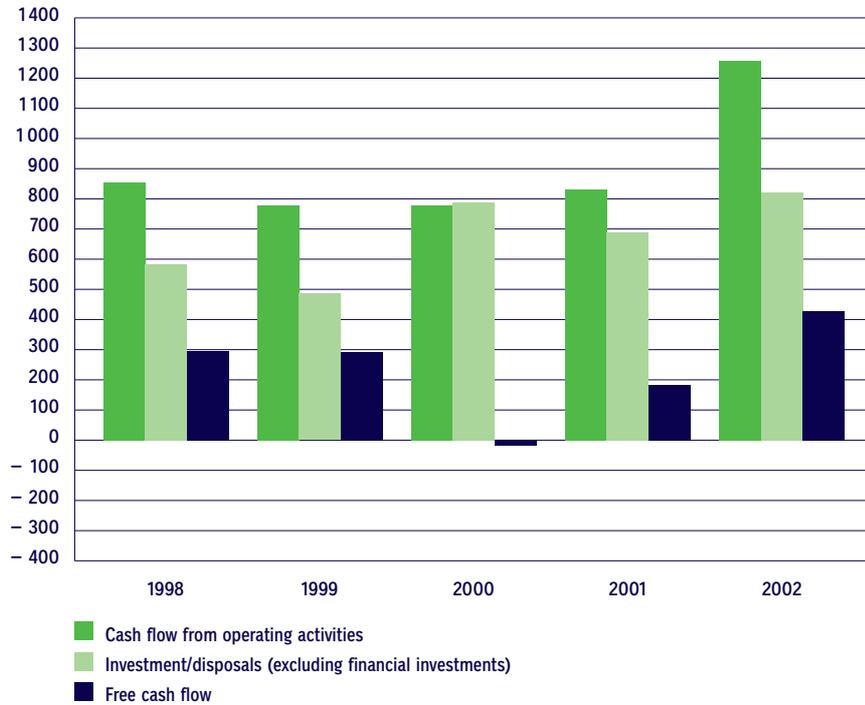
Consolidated cash flow statement

Source/application of liquidity

	Notes	CHF m. 2002	CHF m. 2001
Profit/loss for the financial year		331	302
Writedown of financial investments		64	15
Depreciation of intangible assets		30	81
Depreciation of furniture, vehicles and machinery		324	282
Depreciation of immovable property		259	276
Depreciation of non-operational plant			
Depreciation		677	654
Profit (-)/loss on sale of fixed assets		- 72	- 68
Results not impacting on liquidity		- 57	
Income (-)/expense on valuation of equity stake		- 2	
Increase/decrease in provisions		94	- 110
Cash flow before changes in net current assets		971	778
Increase/decrease (-) in current assets		50	- 98
Increase/decrease in interest-free liabilities		234	153
Cash flow from operating activities		1 255	832
Investments in intangible assets		- 15	- 29
Disposals of intangible assets			
Intangible assets reclassifications		- 100	
Intangible assets		- 115	- 29
Investments in furniture, vehicles and machinery		- 393	- 310
Disposals of furniture, vehicles and machinery		23	21
Furniture, vehicles and machinery		- 370	- 289
Investments in immovable property		- 715	- 493
Immovable property, own work capitalized		- 13	- 24
Disposals of immovable property		337	146
Immovable property		- 391	- 371
Investment in participating interests		63	
Disposal of participating interests			
Participating interests		63	
Financial investments			- 100
Disposal of financial investments		44	31
Reclassifications of financial investments		100	
Total financial investments		144	- 69
Cash flow from investment activities	26	- 669	- 758
Increase/decrease in interest-bearing liabilities		- 630	- 60
Increase/decrease in minority interests		- 6	17
Cash flow from financial transactions		- 636	- 43
Cash flow/cash drain (-)		- 50	31
Liquid funds at beginning of year		495	464
Cash flow/cash drain (-)		- 50	31
Liquid funds at end of year		445	495

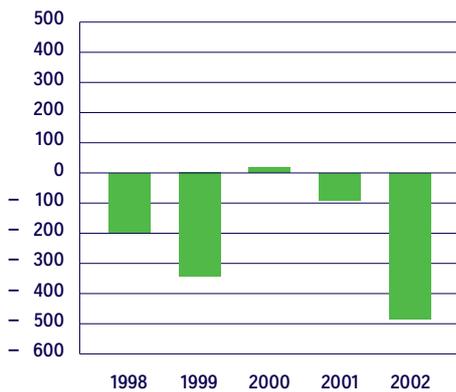
Free cash flow

CHF m.



Change in net financial debt

CHF m.



Net financial debt:
liquidity less interest-bearing liabilities

Notes to the consolidated annual accounts

Consolidation principles

Principles

The consolidated accounts of the Coop Group are in conformity with the Swiss GAAP FER. On this basis, internal classification, valuation and reporting principles have been defined and applied uniformly. The consolidated accounts are based on the internal, audited results of individual operations with a cut-off date of 31 December and constitute a true representation of the Group's assets, finances and income.

Fully consolidated companies

The Coop Group comprises the Coop cooperative society and its subsidiaries, plus all companies in Switzerland and abroad that it controls either directly or indirectly (with, as a rule, a Coop Group holding of more than 50% of voting rights). All assets, liabilities, expenses and earnings are fully consolidated. Any third-party interests in fully consolidated companies are stated separately as minority interests. Newly acquired companies are consolidated from the day of acquisition, and companies sold are excluded from the scope of consolidation from the date of sale. Only the Group portion of any surplus value in net assets acquired is capitalized.

All intragroup relations and transactions are eliminated. Capital is now consolidated according to the purchase method used in the English-speaking world, whereby a company's equity at the time of acquisition or establishment is offset against the carrying amount of the participation in the parent. Various investigations have indicated that interim profits may be regarded as insignificant.

Equity method

As a rule, interests in companies in which Coop Group holds 20–50% of voting rights are included in the accounts – where economically significant – in proportion to the percentage of equity held and are valued in proportion to the relevant share of their annual net earnings.

Other investments

All other investments, i.e. those in which a share of less than 20% is held, are stated at cost less necessary valuation adjustments, and are posted under financial assets or securities.

Scope of consolidation

The consolidated Coop companies are listed on pages 96 ff.

Valuation principles for selected items

Cash and cash equivalents

Cash and cash equivalents comprise cash, postal account and bank account balances. Securities and bonds are marketable instruments that can be easily realized. They are carried in the balance sheet at the lower of market and stockmarket value.

Trade debtors and other accounts receivable

Accounts receivable are posted at their net recoverable value. A general allowance of 1% is made for bad and doubtful debts after adjustment of individual items.

Stocks

Stocks are stated at cost, which corresponds to the net purchase price plus auxiliary costs. The value of merchandise is extrapolated to the purchase price by applying a computed margin to the retail price. Where the computed price of merchandise on the balance sheet date is below the cost price, the "lower of cost or market" principle is applied. Individual valuation adjustments are made for materials no longer serviceable.

Intangible fixed assets

Goodwill arising from the acquisition of investments is generally capitalized and depreciated over 5–8 years on a straight-line basis. Goodwill from acquisitions prior to 1 January 1993 was directly offset against accumulated profits. Other intangible assets are stated at their acquisition value and depreciated over 3–8 years on a straight-line basis. This group includes brand-name rights, which are subjected to a precise valuation every year.

Financial assets

Financial assets are carried in the balance sheet at cost, taking into account any necessary writedowns.

Tangible fixed assets

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

Shop fittings	8 years
Furnishings	5– 10 years
Machinery and plant	10– 15 years
Vehicles	3– 10 years
Temporary buildings	3– 20 years
Immovable property	50–100 years

Fixed assets financed by leasing agreements are capitalized in the same way as other assets and depreciated on a straight-line basis in accordance with the above table. The corresponding cash values (excluding interest) are posted to long-term liabilities under "leasing commitments".

In the 1998 reporting year, the Coop Group's real estate underwent a valuation. The book values of the larger properties examined are equivalent to around half of the real estate balance sheet positions. Taken as a whole, the market values of these properties are well above their book values, which means that on the basis of going concern values there are reserves left over. Overvaluations of the individual properties are negligible; the book value has therefore not been adjusted.

Debt

Short-term debt includes all deferrals and debt due within one year. Long-term debt comprises obligations with a maturity of more than one year. Liabilities are carried in the balance sheet at face value. Provisions are measured in accordance with commercial criteria.

Taxes

All taxes on income which are due on taxable profits in the business year are charged to the profit and loss account, regardless of the time at which they are due. In addition, taxes also result (deferred taxes) from differences in the timing of recording individual earnings and expenses in the consolidated accounts and in the accounts of the individual operations drawn up for tax purposes. The deferred taxes resulting from these differences are calculated at an average tax rate based on local tax rates and tax loss carryforwards.

Changes to the scope of consolidation of Coop Group

In the 2002 business year, the following changes occurred in the scope of consolidation at Coop compared with the previous year:

Interdiscount AG, Simeco Holding AG and IMPO Import Parfümerien AG are now part of Coop Einzelhandels AG.

As part of the amalgamation, IMPO Import Parfümerien AG was renamed Coop Einzelhandels AG, and its registered office was moved to Jegenstorf.

Simeco Holding AG merged with Interdiscount AG, which in turn was merged with Coop Einzelhandels AG.

Halba AG was renamed Chocolats Halba AG with effect as of January 1, 2002. TopTip (Rudolf Müller AG) was renamed TopTip AG.

On January 1, 2002, Betty Bossi Verlag AG was included as a 50% interest in the scope of consolidation and is now carried as a partially consolidated company.

A 40% holding in EPA AG was acquired in 2002. It was consolidated into the annual accounts of the Coop Group with effect from the date on which the benefit and risks were passed on as specified in the purchase agreement (February 1, 2002). The necessary agreement of the Swiss Competition Commission (WEKO) was given on August 17, 2002. The company is controlled by Coop and is thus fully consolidated.

Gonset Distribution SA (Lumimart) was wholly taken over into the Coop Group on October 1, 2002.

Coop sold H. Hahn-Rickli AG on January 1, 2002.

Coop Immobilien AG (Berne) and SI Renova SA merged with Coop Immobilien AG (Rickenbach) on September 1, 2002.

Notes to the consolidated profit and loss account

	CHF m. 2002	CHF m. 2001
Net sales food	8 811	8 235
Net sales nonfood	4 910	4 524
1 Net sales by sector¹⁾	13 721	12 759
<i>Suisse Romande Region</i>	<i>1 939</i>	<i>1 861</i>
<i>Berne Region</i>	<i>1 648</i>	<i>1 638</i>
<i>Nordwestschweiz Region</i>	<i>2 252</i>	<i>2 228</i>
<i>Zentralschweiz-Zürich Region</i>	<i>2 196</i>	<i>2 160</i>
<i>Ostschweiz-Ticino Region</i>	<i>1 957</i>	<i>1 913</i>
<i>Headquarters</i>	<i>353</i>	<i>283</i>
Coop	10 345	10 082
Production subsidiaries	764	685
Retail trade subsidiaries	2 611	1 991
1 Net sales¹⁾	13 721	12 759
¹⁾ Year-back figures partially restated for better comparability		
Other operating income	460	378
Operating rent income	101	89
Own work capitalized	13	24
Change in stocks of semi-manufactured and finished goods	– 3	3
2 Other operating income	570	494
"Other operating income" also includes revenues from the Toto (football pools), Lotto (lottery), car parks, advertising, dry cleaning facilities, film-processing laboratories and various agency commissions.		
Wages and salaries	– 2 162	– 1 977
Personnel welfare costs	– 366	– 333
Other personnel costs	– 67	– 67
3 Personnel costs	– 2 595	– 2 378
Rent	– 295	– 229
Office and administrative costs	– 175	– 177
Insurance premiums (nonlife) and charges	– 50	– 44
Maintenance and replacement costs	– 224	– 211
Energy and supplies	– 233	– 218
Miscellaneous expenses ¹⁾	– 202	– 161
4 Other operating expenses	– 1 179	– 1 040

¹⁾ See also comment to note 6

	CHF m. 2002	CHF m. 2001
Goodwill	– 13	– 24
Other investments in intangible assets	– 17	– 22
Furniture, vehicles and machinery	– 316	– 305
Immovable property	– 241	– 194
5 Depreciation	– 587	– 545
Cf. details in 7 “Non-operating income from property transactions” and 9 “Extraordinary income/expense”		
<i>Interest income and dividends</i>	16	17
<i>Investment income from equity-consolidated companies</i>	2	– 0
Financial income	18	17
<i>Interest expense</i>	– 169	– 196
<i>Unrealized losses on equities</i>	– 13	
<i>Other financial expenses</i>	– 2	– 12
Financial expenses	– 184	– 208
6 Financial income/expense	– 166	– 191
Adaptation of the previous year's interest expense to the 2002 presentation made it necessary to reclassify expenditure amounting to CHF 28 million from “Miscellaneous expenses”.		
Rental income	3	32
Non-operating depreciation	– 1	– 0
Other non-operating expenses	– 8	– 10
7 Non-operating income from property transactions	– 5	22
Income	9	4
Expenses	– 5	– 3
8 Off-balance-sheet income/expense	4	1
<i>Income from disposal of fixed assets</i>	72	68
<i>Other extraordinary income</i>	210	189
Extraordinary income	282	256
Extraordinary depreciation	– 23	– 93
Other extraordinary expenses	– 251	– 156
9 Extraordinary income/expenses	7	7
CHF 73 million from the release of the CoopForte provision is stated under “Extraordinary income”. The corresponding counterpositions are stated under “Extraordinary depreciation” and “Other extraordinary expenses”.		
Current tax expenses	– 57	– 37
Property transfer and property gains taxes	– 13	– 8
Deferred taxes	– 31	8
10 Taxes	– 102	– 37
Restatement had a positive effect on deferred taxes in 2001.		

Notes to the consolidated balance sheet

	CHF m. 2002	CHF m. 2001				
Cash at banks and in hand	349	404				
Term deposits at banks	41	28				
Shares	49	56				
Bonds	5	6				
11 Liquidity	445	495				
Trade debtors	286	320				
Sums due from partly consolidated companies	5	0				
12 Trade debtors	290	320				
Other debtors	67	75				
Prepaid expenses and deferred charges	179	151				
13 Other debtors	245	226				
Merchandise	1 204	1 112				
Semi-manufactured and finished goods (production)	103	93				
Raw material	134	133				
Auxiliary and packaging materials	21	19				
14 Stocks	1 462	1 357				
	Goodwill	Patents/ licences	Organiza- tional costs	Software		
Net book value on 1.1.	4	10	34	7	55	107
<i>Acquisition value on 1.1.</i>	<i>233</i>	<i>26</i>	<i>146</i>	<i>9</i>	<i>413</i>	<i>385</i>
<i>Changes to scope of consolidation</i>			<i>11</i>	<i>0</i>	<i>11</i>	<i>0</i>
<i>Investments</i>	<i>0</i>	<i>0</i>	<i>3</i>	<i>12</i>	<i>15</i>	<i>29</i>
<i>Disposals</i>	<i>- 1</i>		<i>- 1</i>	<i>- 0</i>	<i>- 2</i>	<i>- 1</i>
<i>Reclassifications</i>	<i>100</i>	<i>- 20</i>	<i>20</i>	<i>14</i>	<i>114</i>	<i>0</i>
Acquisition value on 31.12.	332	6	178	34	550	413
<i>Accumulated depreciation on 1.1.</i>	<i>- 228</i>	<i>- 16</i>	<i>- 112</i>	<i>- 2</i>	<i>- 358</i>	<i>- 278</i>
<i>Changes to the scope of consolidation</i>			<i>- 10</i>		<i>- 10</i>	
<i>Depreciation</i>	<i>- 14</i>	<i>- 0</i>	<i>- 11</i>	<i>- 5</i>	<i>- 30</i>	<i>- 46</i>
<i>Extraordinary depreciation</i>						<i>- 35</i>
<i>Accumulated depreciation on disposals</i>	<i>1</i>		<i>1</i>	<i>0</i>	<i>2</i>	<i>1</i>
<i>Reclassifications</i>		<i>10</i>	<i>- 10</i>			<i>0</i>
Accumulated depreciation on 31.12.	- 241	- 6	- 143	- 7	- 397	- 358
15 Intangible assets on 31.12.	91	0	35	27	154	55

No RD costs were capitalized.

	Financial assets held at banks	Other financial assets	Participations (Equity method)	CHF m. 2002	CHF m. 2001	
Net book value on 1.1.	170	326	1	497	411	
Addition		40	2	42	100	
Disposal	- 25	- 8		- 32	- 14	
Value adjustment		- 63		- 63		
Reclassifications	- 4	- 97	1	- 99		
16 Financial investments on 31.12.	142	199	4	344	497	
	Furniture/ tools	Vehicles	IT	Machinery/ plant	CHF m. 2002	CHF m. 2001
Net book value on 1.1.	649	57	146	334	1 185	1 173
<i>Acquisition value on 1.1.</i>	<i>1 435</i>	<i>147</i>	<i>367</i>	<i>789</i>	<i>2 737</i>	<i>2 758</i>
<i>Changes to scope of consolidation</i>	<i>117</i>	<i>6</i>	<i>65</i>	<i>1</i>	<i>189</i>	<i>1</i>
<i>Investments</i>	<i>202</i>	<i>24</i>	<i>38</i>	<i>129</i>	<i>393</i>	<i>304</i>
<i>Disposals</i>	<i>- 70</i>	<i>- 14</i>	<i>- 25</i>	<i>- 41</i>	<i>- 150</i>	<i>- 50</i>
<i>Reclassifications</i>	<i>29</i>	<i>- 0</i>	<i>28</i>	<i>- 67</i>	<i>- 9</i>	<i>- 276</i>
Acquisition value on 31.12.	1 713	162	473	811	3 159	2 737
<i>Accumulated depreciation on 1.1.</i>	<i>- 786</i>	<i>- 90</i>	<i>- 222</i>	<i>- 455</i>	<i>- 1 552</i>	<i>- 1 585</i>
<i>Changes to the scope of consolidation</i>	<i>- 85</i>	<i>- 6</i>	<i>- 53</i>	<i>- 0</i>	<i>- 144</i>	<i>0</i>
<i>Depreciation</i>	<i>- 170</i>	<i>- 15</i>	<i>- 72</i>	<i>- 60</i>	<i>- 316</i>	<i>- 281</i>
<i>Extraordinary depreciation</i>	<i>- 5</i>	<i>- 0</i>	<i>- 3</i>	<i>- 0</i>	<i>- 8</i>	<i>- 1</i>
<i>Accumulated depreciation on disposals</i>	<i>62</i>	<i>13</i>	<i>22</i>	<i>40</i>	<i>136</i>	<i>33</i>
<i>Reclassifications</i>	<i>- 5</i>	<i>0</i>	<i>- 1</i>	<i>6</i>	<i>0</i>	<i>282</i>
Accumulated depreciation on 31.12.	- 988	- 98	- 328	- 470	- 1 883	- 1 552
17 Furniture, vehicles, machinery on 31.12.	725	65	145	341	1 276	1 185

"Reclassifications" refers to transfers of down payments to another investment group.

	Vacant plots of land	Installations	Buildings	Properties not used for operational purposes	CHF m. 2002	CHF m. 2001
Net book value on 1.1.	81	772	5 650	157	6 660	6 499
<i>Acquisition value on 1.1.</i>	<i>87</i>	<i>1 379</i>	<i>7 331</i>	<i>223</i>	<i>9 020</i>	<i>8 733</i>
<i>Changes to scope of consolidation</i>	<i>– 3</i>	<i>10</i>	<i>53</i>		<i>61</i>	<i>2</i>
<i>Investments</i>	<i>3</i>	<i>215</i>	<i>509</i>	<i>1</i>	<i>728</i>	<i>517</i>
<i>Disposals</i>	<i>– 11</i>	<i>– 18</i>	<i>– 260</i>	<i>– 77</i>	<i>– 365</i>	<i>– 113</i>
<i>Reclassifications</i>	<i>12</i>	<i>– 4</i>	<i>– 23</i>	<i>10</i>	<i>– 4</i>	<i>– 119</i>
Acquisition value on 31.12.	88	1 582	7 611	157	9 439	9 020
<i>Accumulated depreciation on 1.1.</i>	<i>– 6</i>	<i>– 606</i>	<i>– 1 682</i>	<i>– 66</i>	<i>– 2 359</i>	<i>– 2 234</i>
<i>Changes to the scope of consolidation</i>		<i>– 6</i>	<i>– 29</i>		<i>– 35</i>	<i>– 1</i>
<i>Depreciation</i>		<i>– 87</i>	<i>– 153</i>	<i>– 3</i>	<i>– 243</i>	<i>– 219</i>
<i>Extraordinary depreciation</i>		<i>– 8</i>	<i>– 8</i>		<i>– 16</i>	<i>– 57</i>
<i>Accumulated depreciation on disposals</i>		<i>13</i>	<i>63</i>	<i>16</i>	<i>92</i>	<i>38</i>
<i>Reclassifications</i>	<i>– 2</i>	<i>1</i>	<i>1</i>	<i>– 0</i>	<i>– 0</i>	<i>113</i>
Accumulated depreciation on 31.12.	– 7	– 694	– 1 807	– 53	– 2 561	– 2 359
18 Immovable property on 31.12.	81	889	5 804	105	6 878	6 660

“Reclassifications” refers to transfers of down payments to another investment group.

Buildings under construction (in “Immovable property”)						
Net book value on 1.1.					148	154
<i>Acquisition value on 1.1.</i>					<i>152</i>	<i>156</i>
<i>Changes to scope of consolidation</i>					<i>0</i>	<i>1</i>
<i>Investments</i>					<i>282</i>	<i>102</i>
<i>Disposals</i>					<i>– 2</i>	<i>0</i>
<i>Reclassifications</i>					<i>– 153</i>	<i>– 107</i>
Acquisition value on 31.12.					279	152
<i>Accumulated depreciation on 1.1.</i>					<i>– 4</i>	<i>– 2</i>
<i>Changes to the scope of consolidation</i>						
<i>Depreciation</i>					<i>– 0</i>	<i>– 3</i>
<i>Extraordinary depreciation</i>						<i>– 0</i>
<i>Accumulated depreciation on disposals</i>						<i>0</i>
<i>Reclassifications</i>						<i>0</i>
Accumulated depreciation on 31.12.					– 4	– 4
Buildings under construction at 31.12.					275	148

Book value of assets pledged to secure own commitments ¹⁾	3 452	3 607
Secured liabilities ¹⁾	1 944	2 032

¹⁾ Year-back figure adapted to current structure

	CHF m.	CHF m.				
	2002	2001				
<i>Personnel welfare</i>	44	39				
<i>Replacements</i>	59	14				
<i>CoopForte</i>	200	273				
<i>Bank Coop</i>	120	128				
<i>Supercard bonus gifts</i>	174	136				
<i>Sundry items</i>	73	47				
Other provisions	670	637				
<i>Short-term interest-bearing liabilities</i>	195	586				
<i>Long-term interest-bearing liabilities</i>	4 269	4 412				
Interest-bearing liabilities	4 464	4 998				
Non-interest-bearing liabilities	3 006	2 574				
24 Liabilities	7 470	7 572				
Cash at banks and in hand	445	495				
Interest-bearing liabilities	– 4 464	– 4 998				
Net financial debt	– 4 019	– 4 503				
	Published reserves	Revenue reserves	Profit for the financial year	<i>Equity exclusive of minorities</i>	Minorities	Equity inclusive of minorities
Equity on 1.1.	673	2 070	302	3 045	178	3 223
Appropriation of profit/dividend	202	100	– 302	0	– 5	– 5
Changes to scope of consolidation					76	76
Profit for the financial year			331	331	2	333
Restatement		5		5	– 7	– 2
25 Equity on 31.12.	875	2 175	331	3 381	243	3 625

Notes to the consolidated cash flow statement

	CHF m. 2002	CHF m. 2001
<i>Investments in intangible assets</i>	– 15	– 29
<i>Investments in furniture, vehicles, machinery</i>	– 393	– 310
<i>Investments in immovable property</i>	– 715	– 493
<i>Reclassifications</i>	– 100	
<i>Own work</i>	– 13	– 24
Investments	– 1 236	– 856
<i>Disposals of intangible assets</i>		
<i>Disposals of furniture, vehicles, machinery</i>	23	21
<i>Disposals of immovable property</i>	337	146
Disposals	360	167
Net investment in fixed assets	– 876	– 689
<i>Investment in participating interests</i>	63	
<i>Financial investments</i>		– 100
Investment in participating interests/financial investments	63	– 100
<i>Disposal of participating interests</i>		
<i>Disposal of financial investments</i>	44	31
Disposal of participating interests/financial investments	44	31
<i>Reclassifications</i>	100	
26 Cash flow from investment activities	– 669	– 758
<i>Investments in intangible assets</i>	– 15	– 29
<i>Investments in furniture, vehicles, machinery</i>	– 393	– 310
<i>Investments in immovable property</i>	– 715	– 493
<i>Investment in participating interests</i>	63	
<i>Financial investments</i>		– 100
<i>Own work</i>	– 13	– 24
Investments	– 1 073	– 956
<i>Disposals of intangible assets</i>		
<i>Disposals of furniture, vehicles, machinery</i>	23	21
<i>Disposals of immovable property</i>	337	146
<i>Disposal of participating interests</i>		
<i>Disposal of financial investments</i>	44	31
Disposals	404	198
26 Cash flow from investment activities	– 669	– 758

Additional notes to the consolidated annual accounts

	CHF m. 2002	CHF m. 2001
Guarantees in favour of third parties	244	268
Commitments towards pension funds	580	692
<i>of which secured by lien</i>	570	659
The Coop Group assumes the costs of the occupational pension provision for all employees and their survivors as stipulated under law.		
All pension schemes of the Coop Group companies are defined-contribution plans.		
<i>Statutory employee contributions</i>	64	55
<i>Statutory employer contributions</i>	133	115
<i>Employer contribution reserve</i>	116	78
There are no commitments for future reductions in contributions or for the termination of employment agreements for which no provisions have been made.		
Insured value of movable property	12 074	11 919
Maturity structure of future operating lease payments:		
2002		2
2003		1
2004		1
2005	1	
Commitments from long-term rental agreements broken down by term:		
2002		52
2003	279	45
2004	261	86
2005	241	
2006–2010	718	
Currency conversion:		
For the purpose of translating annual accounts in foreign currencies the following exchange rates were used:		
Year-end rates for the balance sheet		
EUR	1	1.45
HKD	1	0.2125
USD	1	1.66
GBP	1	2.25
JPY	100	1.20
Average rates for the year for the profit and loss account		
EUR	1	1.4673
HKD	1	0.1996
USD	1	1.5576
GBP	1	2.3342
JPY	100	1.2433

Off-balance-sheet business	Contract value		Replacement value			
			positive		negative	
	2002	2001	2002	2001	2002	2001
Interest	87	37			3	
Currencies	136	139		1	2	
Other derivative financial instruments (commodities, equity securities)	379	188	4	9		5

The values stated contain all derivative financial instruments outstanding on the balance sheet date, valued at market prices. These are only included in the annual accounts on falling due.

Betty Bossi Verlag AG

On 1.1.2002 Coop acquired 50% of the shares in Betty Bossi Verlag AG.

From 1.1.2002 until 31.12.2011 Ringier AG, Zofingen, holds a put option for the remaining 50% of the shares at a predetermined price.

EPA AG

With retroactive effect to 1.2.2002 Coop acquired 40% of the shares in EPA AG.

An inseparable option agreement exists between the other shareholders of EPA and Coop concerning the sale or purchase of the remaining 60% of the shares.

Between 31.12.2003 and 31.12.2009, Coop is entitled to purchase (call option), and the other shareholders of EPA AG are entitled to sell (put option), the remaining 60% of the shares at a predetermined price.

Consolidated Coop companies

Situation on 31.12.2002

Coop	Basel	Percentage held by Group	Basis*
Alcoba Distribution SA	F-Strasbourg	50.00	F
Andréfleurs Assens SA	Assens	100.00	F
Argo AG	Möhlín	100.00	F
Bell Holding AG	Basel	60.54	F
Bell AG	Basel	100.00	F
Grande Boucherie du Molard	Genève	100.00	F
Bell Finance Limited	GB-Jersey	100.00	F
Cool Food AG	Rothenburg	100.00	F
Fleisch AG	Luzern	100.00	F
Frijo St. Johann AG	Basel	100.00	F
Gevag AG	Zell	100.00	F
Grieder AG	Oensingen	100.00	F
GZM Extraktionswerk	Lyss	19.90	–
GWI Geflügel- + Wildimport AG	Basel	100.00	F
Gallap AG	Bern	100.00	F
Gebr. Kaufmann AG	Luzern	100.00	F
Lobsinger AG	Bern	100.00	F
Maurer Frères SA	F-Kingersheim	50.00	F
SBA Schlachtbetrieb Basel AG	Basel	48.00	E
SEG Poulets AG	Zell	100.00	F
Top Toque SA	Basel	100.00	F
Vulliamy SA	Cheseaux-sur-Lausanne	100.00	F
Betty Bossi Verlag AG	Zürich	50.00	E
BG Buchiacker. Bützberg	Thunstetten	100.00	F
BG Rosengarten Solothurn AG	Solothurn	61.00	F
BGM Immobilien AG	Worb	100.00	F
Centre de formation «du Léman»	Jongny	100.00	F
Chocolats Halba AG	Wallisellen	100.00	F
Coop Einzelhandels AG	Jegenstorf	100.00	F
Coop Immobilien AG	Bern	100.00	F
Baugenossenschaft Hofegg	Gossau	55.28	F
Baugenossenschaft Regina	Hinwil	100.00	F
Brand Immobilien AG	Unterentfelden	100.00	F
Butzenbühl AG	Zürich	100.00	F
Complexe de Chêne-Bourg-A SA	Chêne-Bourg	100.00	F
Complexe de Chêne-Bourg-C SA	Chêne-Bourg	100.00	F
Complexe de Chêne-Bourg-D SA	Chêne-Bourg	100.00	F
Extensim SA	Satigny	100.00	F
Immobilien AG Coop Aargau	Lenzburg	100.00	F
SI Le Châtel	Genève	52.00	F
Servette Hall Holding SA	Satigny	100.00	F
Armanda SA	Satigny	100.00	F
Coop Bildungszentrum	Muttenz	100.00	F
Coop Mineraloel AG	Allschwil	51.00	F
Coop Switzerland Far East Ltd.	HK-Hongkong	100.00	F
Coop Vitality AG	Zürich	51.00	F
CWK AG	Winterthur	100.00	F
Decoramax SA	Lumina	70.00	F

		Percentage held by Group	Basis*
EPA AG	Zürich	40.00	F
Eurogroup SA	B-Bruxelles	25.00	E
Fehr & Engeli AG	Ueken	88.00	F
Gonset Distribution SA	Crissier	100.00	F
Konsumverein Zürich AG	Zürich	100.00	F
Könizer Siedlungs-AG	Liebefeld	76.00	F
Nutrex AG	Buswil	100.00	F
Panflor AG	Zürich	100.00	F
Pasta Gala SA	Morges	100.00	F
Reismühle Brunnen AG	Brunnen	100.00	F
Steinfels Cleaning Systems AG	Winterthur	100.00	F
TopTip AG	Oberentfelden	100.00	F
Wehrli & Co. AG	Münsingen	99.70	F

* F = Fully consolidated company E = Consolidated by the equity method

Report of the group auditors
to the general meeting of
Coop
Basel

As auditors of the group, we have audited the consolidated financial statements (income statement, balance sheet, statement of cash flows and notes) of the Coop Group reproduced on pages 80-97 for the year ended 31 december 2002.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the Swiss profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

PricewaterhouseCoopers Ltd


D. Suter


R. Maiocchi

Basel, April, 3 2003

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management

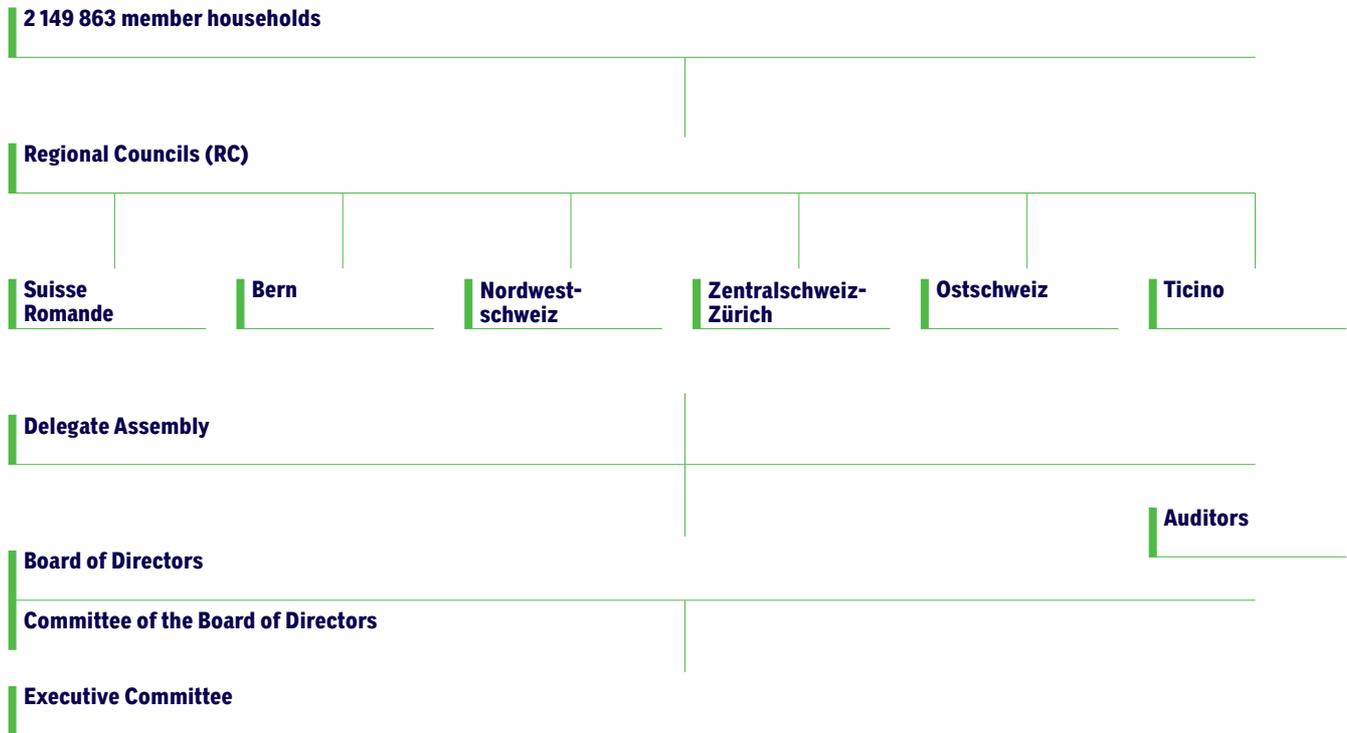
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addresses

Organs, management and addresses

Coop Organs

Status on January 1, 2003



Coop Delegate Assembly

The following members of the Regional Committees constitute the Coop Delegate Assembly. Status on January 1, 2003

Suisse Romande region

Maurice Balmat	Arlette Di Vetta	André Jordan	Jean-Marc Nicoulaz	Pierre Tissot
André Bollin	Adrien Dormond	Anne-Lyse Karlen	Jean-Maurice Paroz	Georges-Edouard Vacher
Edmond Bourguet	Hubert Ducry	Jean-Daniel Kramer	Christine Pasche	Martine Veillard
Claude Buillard	John Dupraz	Jean-Marc Kuhn	Aurèle Perrin	Christian Volken
Guy Cotter	Henri Fournier	Jacqueline Lugeon	Camille Rebord	Daniel Willi
Bernadette Crettol	Antonio Galera	Jacques Maurer	Jean-Marie Rime	Alain Winkelmann
René Curti	Gérard Gillioz	Marcel Maury	Jacques Robert	Renée Wüthrich
Monika Dash	Nicole Hosseini	Josiane Mayor	Jean-Claude Rosset	
Denis Desaulles	Philippe Jaton	Marie-Jeanne Meichtry	Dolly Saner	

Bern region

Annemarie Aeschlimann	Richard Gsponer	Karl Lauber	Hugo Schärer	Pierrette Zumwald
Fritz Bärtschi	Manfred Jakob	Walter Liniger	Fritz Schori	Emil Zurbrügg
Katharina Bieler-Heldner	Doris Kelterborn	Fritz Probst	Martin Schweizer	
Hans-Rudolf Blatter	Ernst Köhli	Denis Reber	Hans Sterchi	
Lily Frei	Ruth Läderach	Fritz Schärer	Jakob Zbinden	

Nordwestschweiz region

Paul Baur	Irmgard Fischli	Ernst Jordi	Greta Schindler	Jörg Vitelli
Fritz Bichsel	Samuel Gerber	Trudi Jost	Peter Schmid	Roland Zeller
Willi Buess	Christoph Gürtler	Peter Kohler	Urs Schneider	Eduard Zimmermann
Martin Burkard	Erich Heggendorf	Peter Meier	Charles Suter	
Hans Christen	Walter Heinemann	Theo Meyer	Erika Thoma	
Franz Duttweiler	Bruno Hess	Verena Reber	Peter Villiger	

Zentralschweiz-Zürich region

Hans Aepli	Renato Blum	Hans Frei	Hans Lustenberger	Ivo Schmid
Alfred Bartholet	Lorenz Bösch	Rudolf Gisler	Elisabeth Michel-Alder	Josef Schuler
Ruth Beck	Emil De-Boni	Marlis Hürlimann	Hans Rüegg	
Beatrice Bertschinger	Ernst Dubacher	Hans Kissling	Otto Rütter	

Ostschweiz region

Pia Eberle	Josef Hemmi	Peter Luck	Gerhard Riediker
Peter Fischer	René Huber	Tarzis Meyerhans	Leo Schönenberger
Heinz Flammer	Peter Keller	Henry Müller	Bruno Stacher
Peter Gloor	Maria Knecht	Roberto Pedrini	Martha Veraguth

Ticino region

Giovanni Balmelli	Carlo Crivelli	Marilena Fontaine-Macullo	Fiorangela Pusterla	Brunetto Vivalda
Daniele Bigger	Andrea Ferrari	Giancarlo Lafranchi	Gabriella Rossetti	

Coop Board of Directors

C = Chairman; VC = Vice Chairwoman; BC = Board Committee

Jean-Claude Badoux (BC)	Diego Giulieri (BC)	Irene Kaufmann (VC)	Giampiero Storelli	Internal Auditing: Franz Kessler, Head of Internal Auditing
Stefan Baumberger (BC)	Felix Halmer	Lillia Rebsamen	Felix Truffer	
Silvio Bircher	Edgar Hofer	Jean-Charles Roguet	Giusep Valaulta (BC)	
Anton Felder (C)	Walter Holderegger	Eric Santschy	Franz Zumthor (BC)	
Paul Flubacher	Hans-Jürg Käser	Edgar Spicher		

Management structure

Status on January 1, 2003

Chief Executive Officer

Hansueli Loosli

Members of the Executive Committee (EC)

Presidium of the EC Hansueli Loosli	Retail Hansueli Loosli	Trading Christoph Clavadetscher	Logistics Hans Winiger	IT/ Production Jörg Ackermann	Finance and Services Hans Peter Schwarz	Property Jean-Marc Chapuis	Retail Companies Rudolf Burger
Personnel/ Training	Sales Regions (SRE)	Building and Hobby	Logistics Regions (LRE)	Information Technology	Finance	Property Regions (PRE)	Coop Einzel- handels AG
General Secretariat	SRE Suisse Romande	Coop City	LRE Suisse Romande	Swissmill	Accounting	PRE Suisse Romande	Interdiscount Division
Communi- cations	SRE Bern	Expansion/ Total Store	LRE Bern	Manufacturing Companies	Controlling	PRE Bern	Import Parfümerien Division
	SRE Nordwest- schweiz	Personnel/ Training	LRE Nordwest- schweiz	Argo	Management Services	PRE Nordwest- schweiz	Coop Vitality Apotheken
	SRE Zentral- schweiz- Zürich	Subsidiaries Trading	LRE Zentral- schweiz- Zürich	Bell Holding	Projects	PRE Zentral- schweiz- Zürich	Coop Mineraloel
	SRE Ostschweiz- Ticino	EPA	LRE Ostschweiz- Ticino	Chocolats Halba		PRE Ostschweiz- Ticino	
	Coop Category Management (CCM)	TopTip	Central Functions for Logistics	CWK		Business Management/ Controlling	
	CCM Fresh Products		Central Functions for Bakeries	Nutrex			
	CCM Basic Foods Beverages		National Logistics Pratteln	Pasta Gala			
	CCM Nonfood		National Logistics Wangen	Reismühle Brunnen			
	CCM Restaurants		Panofina	SCS			
	CCM Business Support		Bälehotels				
	Total Store						
	Marketing						

Coop Management

Status on January 1, 2003

Executive Committee (EC)

Hansueli Loosli, Chief Executive Officer
Jörg Ackermann, Head of IT/Production
Rudolf Burger, Head of Retail Companies
Jean-Marc Chapuis, Head of Property

Christoph Clavadetscher, Head of Trading
Hans Peter Schwarz, Head of Finance and Services
Hans Winiger, Head of Logistics, VC of Executive Committee

Presidium of the Executive Committee (PEC) Business Unit

Hansueli Loosli, Chief Executive Officer
Peter Keller, Head of Personnel/Training National

Markus Schelker, Head of General Secretariat
Felix Wehrle, Head of National Communications

Retail Business Unit

Hansueli Loosli, Chief Executive Officer
Livio Bontognali, Head of OT Sales Region
Theo Jost, Head of ZZ Sales Region
Raymond Léchaire, Head of SR Sales Region
Oskar Sager, Head of NW Sales Region
Peter Schmid, Head of BE Sales Region

Samuel Meyer, Head of Total Store
Heino Peier, Head of Marketing
Jürg Peritz, Head of CCM Retail
Staff
Robert Joss, Head of Marketing Services
Benedikt Pachlatko, Head of Marketing Concepts/Supercard

Suisse Romande (SR) sales region

Raymond Léchaire, Head of Sales Region SR
Jean-Luc Ecuyer, Head of Personnel/Training
Rudolf Hägler, Head of Business Mgt/Controlling

André Mislin, Head of Sales 1
Michel Produit, Head of Sales 2, Head of Sales 3 Restaurants

Bern (BE) sales region

Peter Schmid, Head of Sales Region BE
Markus Aeschbacher, Head of Personnel/Training
Heinz Bigler, Head of Business Mgt/Controlling

Pierre-Alain Grichting, Head of Sales 1
Peter Hartmeier, Head of Sales 2

Nordwestschweiz (NW) sales region

Oskar Sager, Head of Sales Region NW
Hans Amacher, Head of Sales 2
Angelo Durante, Head of Business Mgt/Controlling

Peter Ruffin, Head of Sales 1, Head of Sales 4 Restaurants
Rolf Scheitlin, Head of Personnel/Training
Pierre Zinggeler, Head of Sales 3

Zentralschweiz-Zürich (ZZ) sales region

Theo Jost, Head of Sales Region ZZ
Walter Flessati, Head of Personnel/Training
Ulrich Lochmann, Head of Sales 3

Eduard Warburton, Head of Business Mgt/Controlling
Robert Weiss, Head of Sales 2, Head of Sales 4 Restaurants
Paul Zeller, Head of Sales 1

Ostschweiz-Ticino (OT) sales region

Livio Bontognali, Head of OT Sales Region
Mario Colatrella, Head of Sales 3
Hans Ernst, Head of Personnel/Training

Henry Stamm, Head of Business Mgt/Controlling
Karl Sturzenegger, Head of Sales 1
Bruno Veit, Head of Sales 2, Head of Sales 4 Restaurants

Coop Category Management (CCM)

Jürg Peritz, Head of CCM Retail
CCM Fresh Products (FP)
Ernst Seiler, Head of CCM FP
Marie-Claire Chepca Cordier, CCM Frozen Food
Christian Guggisberg, Head of Buying Pool (BP) FP 2
Marlies Hartmann, CCM Bread/Baked Goods
Renato Isella, CCM Dairy Produce/Eggs
Alfred Leder, CCM Fruit and Vegetables
Roland Lienhard, CCM Meat
Roberto Mentil, CCM Flowers and Plants
Lorenz Wyss, Head of BP FP 1
Philipp Wyss, CCM Fresh Convenience Foods and Fish

CCM Basic Foods/Beverages (BF/B)

Roland Frefel, Head of CCM BF/B
Pius Buchmann, CCM Wines/Sparkling Wines
Christoph Bürki, Head of BP BF/B 2
Christoph Hollenweger, CCM Confectionery

Daniel Noirjean, CCM Savoury Snacks/Tobacco Goods/Pet Supplies
Lorenzo Pelucchi, Purchasing Primary Products
Philipp Schenker, CCM Long-life Convenience Foods
Markus Schmid, CCM Breakfast/Garnishes/Baking Ingredients
Beat Seeger, CCM Soft Drinks/Spirits
Michael Sieber, Head of BP BF/B 1
Robert Trachsler, Head of Stock Mgt Pool BF/B

CCM Nonfood

Helmut Träris, Head of CCM Nonfood
Emanuel Büchlin, Head of BP Nonfood
Bruno Cabernard, CCM Festive/Electro/Stationery/Media
Daniel Gerber, CCM Textiles/Baby Products/Toys
Christian Kaufmann, Head of Stock Mgt Pool Nonfood
Helene Loeb, CCM Detergents and Cleaning Agents/Hygiene
Daniel Walker, CCM Kitchen and Tableware
Peter Willmann, CCM Perfumery/Cosmetics/Vita Shop

Coop Category Management (CCM), continued

CCM Restaurants

Hans Thurnheer, Head of CCM Restaurants

Staff

Karl Koller, Head of Sales Planning
Ilse Rollé Ditzler, Head of Business Support CCM
Anton Rütimann, Head of Projects CCM Retail
Walter Stutz, Head of Quality Centre

Trading Business Unit

Christoph Clavadetscher, Head of Trading Business Unit
Siegfried Bobst, Head of Support/QA Department Stores
Urs Jordi, Head of Building and Hobby Supplies (B+H)
Rolf Kuster, Head of Category Management Department Stores
Peter Meier, Head of Trading Expansion/Total Store
Jean-François Zimmermann, Head of Sales Department Stores

Coop Category Management B+H

Bruno Haberthür, Head of CCM B+H
Dieter Strub, CCM Sport/Camping
Walter Studer, CCM Home/Hobbies/Garden
Roland Todt, CCM Building Supplies
Matthias Wermuth, CCM DIY/Electrical

Logistics Business Unit

Hans Winiger, Head of Logistics Business Unit
Leo Ebnetter, Head of OT Logistics Region (LRE)
Marc Haubensak, Head of Bâlehotels
Hans Ludwig, Head of BE LRE
Rolf Müller, Head of ZZ LRE
Felix Ruckstuhl, Head of Panofina
Peter Schär, Head of Central Functions for Logistics

Andreas Schwab, Head of Central Functions for Bakeries
as of 1.2.03
Niklaus Stehli, Head of NW LRE
Guy Théoduloz, Head of SR LRE
Daniel Woodtli, Head of National Logistics Pratteln
Beat Zaugg, Head of National Logistics Wangen

IT/Production Business Unit

Jörg Ackermann, Head of IT/Production Business Unit
Josef Achermann, Head of Swissmill

August Harder, Head of IT

Finance and Services Business Unit

Hans Peter Schwarz, Head of Finance and Services Business Unit
Konrad Burkhalter, Head of Accounting
Björn Carow, Head of Projects

Michael Dober, Head of Management Services
Beat Leuthardt, Head of Finance
Rudolf Zurflüh, Head of Controlling

Property Business Unit

Jean-Marc Chapuis, Head of Property Business Unit
Armin Beutler, Head of NW Property Region (PRE)
Theo Frei, Head of ZZ PRE
Arthur Hauri, Head of Business Mgt/Controlling

Josef Hugentobler, Head of OT PRE
Bruno Riedo, Head of BE PRE
Etienne Rigolet, Head of SR PRE

Retail Companies Business Unit

Rudolf Burger, Head of Retail Companies Business Unit

Addresses of the Coop Group

Status on 1 January 2003

Coop headquarters

**Presidium of Executive Committee
Retail Business Unit**
Hansueli Loosli

Logistics Business Unit
Hans Winiger

IT/Production Business Unit
Jörg Ackermann

Finance and Services Business Unit
Hans Peter Schwarz

Coop
Thiersteinerallee 12
Postfach 2550
CH-4002 Basel
Tel. 061 336 66 66
Fax 061 336 60 40

Trading Business Unit
Christoph Clavadetscher

Coop
Postfach
CH-5600 Lenzburg 1
Tel. 062 885 91 91
Fax 062 885 92 16

Property Business Unit
Jean-Marc Chapuis

Coop Immobilien AG
Kasparstrasse 7
Postfach
CH-3027 Bern
Tel. 031 998 64 00
Fax 031 998 67 96

Retail Companies Business Unit
Rudolf Burger

Coop
Bernstrasse 90
CH-3303 Jegenstorf
Tel. 031 764 44 03
Fax 031 764 44 63

Coop regions

Suisse Romande

Coop
Région Suisse Romande
Chemin du Chêne 5
Case postale 518
CH-1020 Renens
Tel. 021 633 41 11
Fax 021 633 42 11

Bern

Coop
Region Bern
Riedbachstrasse 165
Postfach
CH-3001 Bern
Tel. 031 980 96 11
Fax 031 980 96 26

Nordwestschweiz

Coop
Region Nordwestschweiz
Güterstrasse 190
Postfach 2575
CH-4002 Basel
Tel. 061 327 75 00
Fax 061 327 75 10

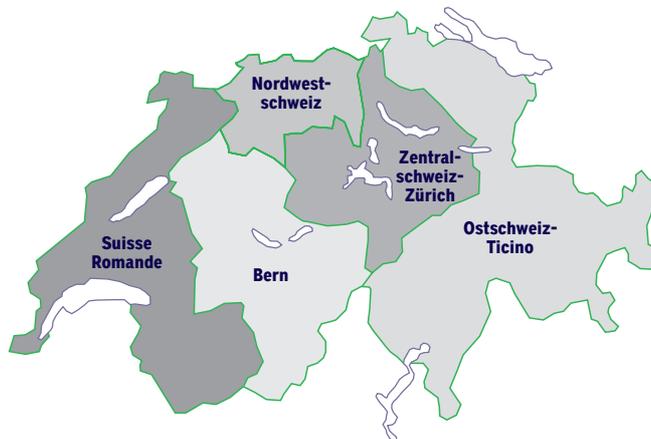
Zentralschweiz-Zürich

Coop
Region Zentralschweiz-Zürich
Turbinenstrasse 30
Postfach Sihlpost
CH-8021 Zürich
Tel. 01 275 44 11
Fax 01 275 40 13

Ostschweiz-Ticino

Coop
Region Ostschweiz
Industriestrasse 109
Postfach
CH-9201 Gossau SG 1
Tel. 071 388 44 11
Fax 071 388 44 39

Coop
Regione Ticino
Via Serrai
Casella postale
CH-6592 S. Antonino
Tel. 091 850 21 11
Fax 091 858 28 69



Trading

TopTip AG
Köllikerstrasse 80
5036 Oberentfelden
Tel. 062 737 11 11
Fax 062 737 11 12
www.toptip.ch
C: Christoph Clavadetscher
M: Urs Meister
Business:
Sale of upholstered
and wooden furniture
and soft furnishings,
incl. Casa Boutiques and
Lumimart shops

EPA AG (Coop City)
Bederstrasse 49
8027 Zürich
Tel. 01 287 11 11
Fax 01 287 11 01
www.epa.ch
C: Philipp Buhofer
M: Christoph Clavadetscher
Business:
Department Stores

Retail companies

Coop Einzelhandels AG
Bernstrasse 90
3303 Jegenstorf
Tel. 031 764 44 44
Fax 031 764 44 00
C: Hansueli Loosli
M: Rudolf Burger
Business:
Marketing of Interdiscount
and Import Parfümerien
brands

Interdiscount
Division
Coop Einzelhandels AG
Bernstrasse 90
CH-3303 Jegenstorf
Tel. 031 764 44 44
Fax 031 764 44 00
www.interdiscount.ch
HDM: Rudolf Burger
Business:
Consumer electronics

Import Parfümerien
Division
Coop Einzelhandels AG
Turbinenstrasse 24
Postfach 754
CH-8037 Zürich
Tel. 01 446 30 30
Fax 01 271 20 20
www.impo.ch
HDM: Johannes M. Trümpy
Business:
Discount perfumes and
bodycare products

Coop Vitality AG
Untermattweg 8
Postfach
CH-3001 Bern
Tel. 031 990 86 20
Fax 031 990 86 30
www.coop.ch/vitality
C: Rudolf Burger
M: Doris Schwizer
Business:
Pharmacy

Coop Mineraloel AG
Hegenheimermatt-
weg 65
CH-4123 Allschwil 1
Tel. 061 485 41 41
Fax 061 482 03 66
www.coop-mineraloel.ch
C: Rudolf Burger
M: Walter Eberle
Business:
Oil company,
convenience shops

Manufacturing companies

Argo AG
Bäumlimattstrasse
CH-4313 Möhlin
Tel. 061 855 99 00
Fax 061 855 99 09
C: Jörg Ackermann
M: Fredy Bietenhader
Business:
Hosiery production and
trade

Bell Holding AG
Elsässerstrasse 174
Postfach
CH-4002 Basel
Tel. 061 326 26 26
Fax 061 322 10 84
www.bell.ch
C: Jörg Ackermann
M: Adolphe R. Fritschli
Business:
Production and sale of
fresh meat, sausage meats
and delicatessen products

CWK AG
St. Gallerstrasse 180
Postfach 170
CH-8411 Winterthur
Tel. 052 234 44 44
Fax 052 234 43 43
www.cwk.ch
C: Jörg Ackermann
M: Walter Käser
Business:
Production of detergents,
cleaning agents, body-
care/haircare products and
cosmetics

Chocolats Halba AG
Alte Winterthurer-
strasse 1
Postfach 467
CH-8304 Wallisellen
Tel. 01 877 10 10
Fax 01 877 17 77
www.halba.ch
C: Jörg Ackermann
M: Felix Ruckstuhl
Business:
Production of chocolate
goods

Nutrex AG
Juraweg 5
CH-3292 Busswil
Tel. 032 386 79 11
Fax 032 386 79 19
essig.picanta@nutrex.ch
C: Jörg Ackermann
M: Thomas Flühmann
Business:
Vinegar production and
imported specialities

Pasta Gala SA
Rue du Dr Yersin 10
Case postale
CH-1110 Morges 1
Tel. 021 804 93 00
Fax 021 804 93 01
C: Jörg Ackermann
M: Philippe Gloor
Business:
Production and sale
of pasta

Reismühle Brunnen AG
Industriestrasse 1
Postfach 460
CH-6440 Brunnen
Tel. 041 825 30 00
Fax 041 825 30 09
info@reismuehle.ch
C: Jörg Ackermann
M: Karl Haf
Business:
Rice processing and
trade

Steinfels
Cleaning Systems AG
St. Gallerstrasse 180
Postfach 53
CH-8411 Winterthur
Tel. 052 234 44 00
Fax 052 234 44 01
www.scs-ag.ch
C: Jörg Ackermann
M: Walter Käser
Business:
Bulk and industrial
detergents and cleaning
agents

C =
Chairman of the Board of
Directors

M =
Managing Director

HDM =
Head of Divisional
Management

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 outside the company's control.

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