



Hansueli Loosli and Joos Sutter

Foreword

Coop Group continues to grow

Coop can look back on a successful financial year. With growth of 5%, our sales topped 30 billion francs for the first time in 2018. Our commitment to sustainability was highly instrumental in this success: in the 25th anniversary year of our own-label sustainability brand Coop Naturaplan, our sales from sustainable products in retail grew by 7.2% to 4.1 billion francs. We therefore remain a sustainability leader in Switzerland.

Retail developed well, with net sales increasing 1.9% to 17.7 billion francs. We gained more new customers in our supermarkets and increased footfall by 3.1%.

In the food and non-food segments, we again put all our efforts into responding even better to our customers' needs. In 2018 alone, we converted 42 sales outlets to the new 2025+ store concept, bringing the total of new-style stores to around 75. We launched our new concept for Coop shopping centres in the Coop Rhy Markt shopping centre in Feuerthalen and unveiled our new food court concept in the Wankdorf Center in Bern. A variety of events were staged and product innovations launched to mark the 25th anniversary of Coop Naturaplan. Digitalization was an ever-present theme in the Non-Food area in 2018: with Livique, our new furnish-

ings store, we set the standard for furnishings, with over 100 million customizable furniture options. In Jegenstorf, we opened our new logistics centre for home electronics, which is Switzerland's most cutting-edge online delivery platform. From here, we will in future be able to deliver to customers of Interdiscount and Microspot even faster and more efficiently.

We acquired full ownership of online marketplace Siroop and integrated it entirely into the Microspot platform. Together with Interdiscount, Microspot will be developed into the Coop's main e-commerce platform for non-food products. Online supermarket Coop@home further expanded its range, with services including an online patisserie and the facility to order catering platters, resulting in 6.7% growth in net sales. Coop again increased its Group-wide net sales in the online trading by 20.6% to 2.3 billion francs.

The Coop Group's second pillar, Wholesale/Production, also continued to develop exceptionally well in 2018. Net sales were up 9% to 14.2 billion francs. The Transgourmet Group grew by 6.9% and further consolidated its position as the second-largest European wholesale supplies and cash & carry company.

Transgourmet was committed in 2018 to even greater integration of its services and specialists, enabling it to act as a single-source provider to its catering trade customers of the full wholesale catering and beverages spectrum. With this in mind, Transgourmet established a joint venture with the Oetker Group, steadily expanded the network of stores in the Transgourmet countries and continually added to its ranges in all countries. Fresh meat, seafood and other fresh products were the key areas in which the Transgourmet Group added to its multi-country expertise, gained new partners and further expanded its range.

At the start of the year, the Bell Food Group acquired long-life convenience product specialist Hügli. Along with the fresh and ultra-fresh convenience products by Hilcona and Eisberg, this means that the Bell Food Group supplies the entire range of convenience products, which now account for around a quarter of the company's consolidated sales and are divided among the Bell, Eisberg, Hilcona and Hügli business areas.

The even closer and more extensive integration between physical stores and the online business means that we are now even closer to our customers than ever before. This proximity gives us an even better understanding of our customers' needs and enables us to make the crucial difference in terms of quality and customer satisfaction. Equally important in making that difference are our approximately 90 000 employees, to whom we would like to express our sincere thanks here.



Hansueli Loosli
Chairman of the Board of Directors



Joos Sutter
Chairman of the Executive Committee