

Coop Group
ANNUAL REPORT
2008



KEY FIGURES

	2008	2007	Change	%
Key financial data consolidated in CHF m				
Retail turnover	18 150	15 755	+2 395	+15.2
Cash turnover/direct sales	19 269	16 669	+2 600	+15.6
Net sales from goods and services	18 271	15 812	+2 459	+15.6
Operating cash flow (EBITDA)	1 563	1 383	+181	+13.1
Operating result (EBIT)	659	572	+87	+15.3
Financial result incl. result of associated organizations	-121	-39	-83	+212.9
Profit/loss for the year	390	350	+40	+11.4
Interest-bearing liabilities	3 971	3 534	+437	+12.4
Net financial liabilities	3 395	3 219	+176	+5.5
Equity incl. minority interests	5 675	5 324	+351	+6.6
Equity ratio in %	43.9	45.1	-1.2	-2.7
Total assets	12 932	11 810	+1 122	+9.5
Cash flow before change in net current assets	1 445	1 254	+191	+15.2
Cash flow/drain from operating activities	1 515	1 155	+360	+31.2
Cash flow/drain from investing activities	-1 476	-1 351	-125	+9.3
Cash flow/drain from financing activities	250	231	+19	+8.2
Employees				
Employees at 31.12	53 880	48 200	+5 680	+11.8
Full-time employees	41 550	38 230	+3 320	+8.7
Market shares in % (basis: market volume according to BAK)				
Food	21.9	21.5	+0.4	
Non Food	12.8	10.6	+2.2	
Coop Group	17.2	15.7	+1.5	
Sales outlets				
Number of sales outlets at 31.12	1 885	1 739	+146	+8.4
Sales area in m ² at 31.12	1 707 189	1 624 047	+83 142	+5.1
Annual average sales area in m ²	1 686 926	1 550 155	+136 771	+8.8
Cash turnover in CHF m	17 645	15 390	+2 255	+14.7
Members¹				
Number of members at 31.12	2 536 544	2 502 100	+34 444	+1.4

¹Member households up to 2007, members as from 2008

FLAGSHIP LABELS



For uncompromisingly organic products.



For animal-friendly husbandry.



For fashion and fairness.



For the eco-friendly home.

Betty Bossi

For fresh ideas.



For those who consider others too.



For our mountains.
For our farmers.



For heirloom breeds and varieties rediscovered.



For real taste true to tradition.



For the shape of your life.

OWN BRANDS



For value and quality 5000 times over.



For your lowest-price guarantee.



For special moments.



For kids living life to the full.



For deliciously carefree nourishment.

Délicorn

For the pleasure of meals without meat.



For now.

SALES FORMATS



TRAVEL OFFERS



MANUFACTURING COMPANIES



CASH & CARRY / FOODSERVICE



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Foreword

The 2008 business year was the most successful in Coop's history. Cash turnover grew by 15.6 % to 19.27 billion francs. Coop increased its overall share of the Swiss retail market from 15.7 to 17.2 %. Total sales of organic foodstuffs rose 9 % to 722 million francs in 2008. The workforce increased year-on-year by 5,680 to 53,880. Our thanks go to all of them for their immense dedication and their contribution to our success.

Hansueli Loosli, Chief Executive Officer, and Anton Felder, Chairman of the Board of Directors.



The Coop Group can look back on a very successful 2008 business year in which it posted strong growth and further increased market share by a significant amount. Coop is firmly on the right course, and was not diverted from it by the turbulence that the financial and economic crisis caused in the second half of 2008. The year just ended was a record one. Thanks to our highly motivated employees, whose dedication goes beyond the normal call of duty, we can safely navigate today's rough seas.

Coop's cash turnover amounts to 19.27 billion Swiss francs, 2.6 billion or 15.6 % more than in 2007. Coop's share of the market as a whole thus showed a further gratifying rise. According to BAK Economics Basel research, its share of the retail food trade is now 21.9 %, compared with 12.8 % of the non-food sector.

We are particularly pleased with our results in the fresh products segment. While the Swiss market as a whole grew by a total of 6.4 % according to GfK research, our sales rose by an average of 9 %. We were also able to lift sales in the basic foods segment by a substantial 9.2 %.

Coop's finances are in a healthy state. It raised its equity to 5.68 billion francs, a good 6.6 % higher than the year-back figure.

In 2008, Coop further expanded its role of pace-setter in efforts to promote sustainability. We took the decision to become CO₂-neutral within 15 years. This means that, by making savings and offsetting emissions in areas in which we can exert a direct influence, we will lower CO₂ emissions to such an extent that we achieve a neutral corporate CO₂ footprint. And we motivate our business partners to reduce their CO₂ emissions along the entire value chain.

We gave our organic labels, Naturaplan and Naturaline, a new look in 2008. These two flagship labels today stand for pioneering promotion of agriculture and for exemplary Lohas products. They appeal to customers who care as much about their own health as about sustainable treatment of the environment. The new look and a further expansion of the ranges paid off for the labels. Total sales of organic foodstuffs grew by 9 %, compared with the previous year.

At the end of March 2008, the Swiss Competition Commission approved Coop's takeover of Carrefour's Swiss outlets. This enabled us to close the gaps in the large-store sector of our network of outlets. We remodelled every Carrefour store in the record time of only two weeks. With the 27 megastores that we now operate, we have flagship stores at top locations.

International cooperation and partnerships are a cornerstone of successful and sustainable business development. In the procurement sector we benefit from the valuable Coopernic purchasing alliance. As a further step in this direction, we decided at the end of October 2008 to expand our cooperation with the Rewe Group in the wholesale catering market. We founded a new joint venture, transGourmet Holding S.E., in which Coop and Rewe each hold a 50 % stake. The enterprises comprising the joint venture, which has a workforce numbering a good 21,000, generated sales of about ten billion francs in 2008. transGourmet Holding S.E. operates in Germany, Poland, Romania, Russia, France and Switzerland and expects to benefit from good growth opportunities.

We should like to take this opportunity of expressing our gratitude to our customers: thanks to their loyalty, Coop enjoyed a further very successful business year. Our particular thanks go out to all our employees: without their enormous dedication this success would not have been possible. And we thank our business partners for the inspiring and fruitful cooperation that we value so greatly.



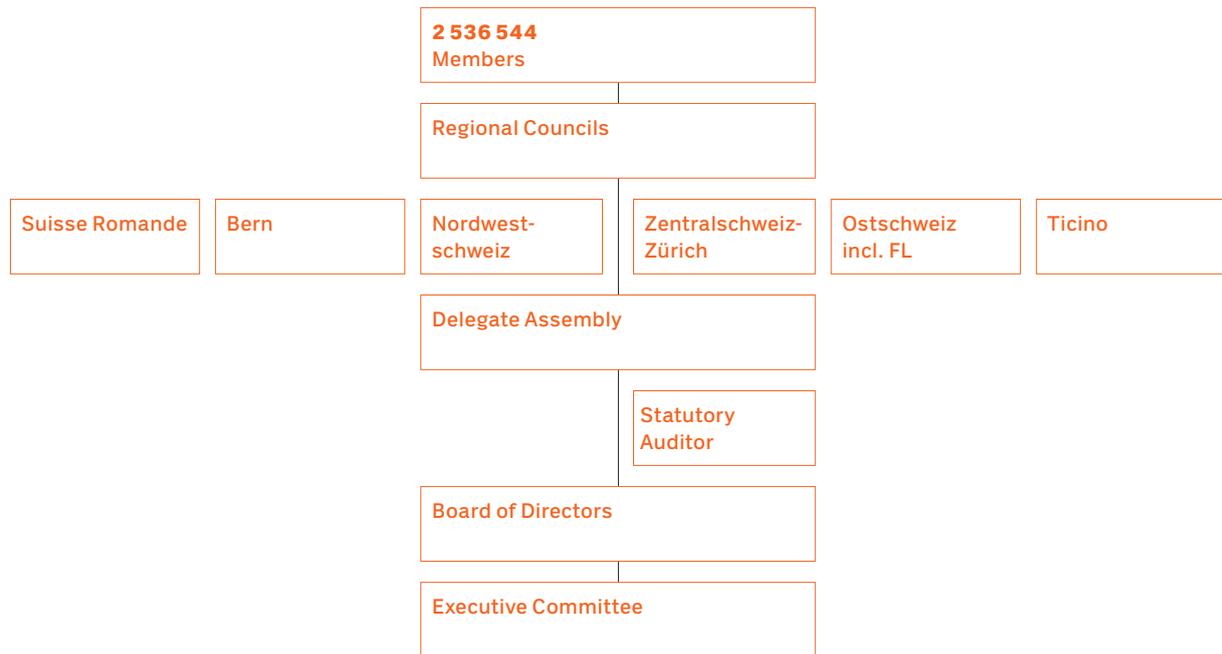
Anton Felder
Chairman of the Board of Directors



Hansueli Loosli
Chief Executive Officer

THE COOP GROUP

As at 31 december 2008



Board of Directors

Stefan Baumberger
Michela Ferrari-Testa
Beth Krasna

Silvio Bircher
Felix Halmer
Jean-Charles Roguet

Anton Felder (Chairman)
Irene Kaufmann (Vice-Chairwoman)
Giusep Valaulta

Internal Auditing

Franz Kessler, Head of Internal Auditing



Strategic projects

Coop invested some 100 million Swiss francs in improving its pricing performance. The expansion of the joint venture with the Rewe Group in the wholesale catering market and the takeover of Carrefour's Swiss supermarkets were focal points of the year. Moreover, Coop agreed specific targets with the Federal Government for reducing CO₂ emissions.

Enormous investments in pricing performance

In 2008, Coop responded to consumers' growing price awareness and to the arrival of foreign discounters on the Swiss market by investing around 100 million Swiss francs to improve its pricing performance. After massively cutting prices on a total of 120 Prix Garantie items Coop has, since September 2008, guaranteed rock-bottom prices across the entire Prix Garantie range. This means that all items on this value label will cost as little as, or less than, the lowest-price products offered by the competition. This guarantee from Coop gives customers complete certainty about prices in the low-price segment while also genuinely helping them maintain their purchasing power. The lowest-price guarantee is underpinned by monthly price-monitor surveys undertaken by the independent market research company ACNielsen, while Coop itself also conducts weekly checks of its price competitiveness.

transGourmet and tooMax-x: massively expanded commitment in Europe

Coop decided to expand its cooperation with Germany's Rewe Group in the wholesale catering business. The two groups set up a joint venture called transGourmet Holding S.E. in which they each hold a 50 % stake. Domiciled in Neu-Isenburg, Germany, transGourmet Holding S.E. operates throughout Europe and has a workforce of more than 21,000. This makes it the second-largest cash & carry and food-service enterprise in Europe, and its annual sales are expected to be around 10 billion francs. The Rewe Group's contribution to the new holding company was Fegro/Selgros, which is active in the cash & carry wholesale business in Germany, Poland, Romania and Russia, and the wholesale supplies company Rewe GVS/Stöver, which operates in Germany. transGourmet Schweiz AG was also integrated into the holding company. Coop and the Rewe Group each holds a 50 % stake in this joint venture. In addition, the purchasing cooperation of Coop, the

Rewe Group und Baumax, is being expanded to include Finland's Rautakesko. If it goes ahead, this will make tooMax-x the third-largest buyer of building supplies in Europe. The expansion is a further important step in Coop's efforts to increase its international cooperation activities.

Coop vision: CO₂-neutral in 15 years

Coop underpinned its role as a pioneer and pace-setter in efforts to promote sustainability by significantly extending its activities in the field of climate protection. In spring 2008, it took the decision – unique in the Swiss retail sector – to become CO₂-neutral in 15 years. Wherever it can influence CO₂ emissions directly, Coop aims to lower them so that it achieves CO₂-neutrality through savings and carbon offsetting. This target does not apply to Coop alone. The Group is also cooperating with business partners to reduce CO₂ emissions throughout the entire value chain. With the Federal Government it agreed on specific reduction targets that will be regularly audited. The corresponding programme of measures was drawn up in cooperation with the Business Energy Agency (EnAW). It includes mandatory equipping of all Coop's new-build or remodelled sales outlets to the "Minergie" low-energy standard, a rapid shift of freight transport from road to ship and rail, carbon offsetting and a substantial reduction in air freight. Looking forward, Coop is investing 2 million francs in a study of the potential value of wind power in Switzerland, involving the construction of ten wind measurement masts. A project to achieve CO₂-neutral production of all items made from Coop Naturaline organic cotton by the end of 2012 is also an integral part of Coop's vision. CO₂ emissions remaining after the reduction measures take effect will be offset solely by projects implemented within the production chain.

Takeover of Carrefour sales outlets in Switzerland

Following the consent of the Swiss Competition Commission, Coop took over Carrefour's Swiss stores in spring 2008. Approval of the takeover was subject to a range of conditions. The conversion of the twelve large Carrefour outlets into Coop megastores and the opening of an additional one in St. Gallen mean that Coop currently operates 27 megastores in Switzerland – twice as many as in 2007. This major project made enormous demands in terms of both logistical and human resources. After liquidating the existing Carrefour range, the stores were brought up to the high Coop standard and stocked with the Coop product range within a matter of days. At the same time, the look of the outlets was brought into line with that of Coop megastores. Because particularly popular Carrefour specialities continued to be stocked after the takeover, the diversity of the range on offer to customers was greatly enhanced. Coop took action to enable the approximately 2,000 former Carrefour employees to stay on within the framework of the Coop collective employment agreement – an option that almost all of them accepted.

Economic environment

Fluctuating prices of raw materials and the global financial crisis left their mark on the year under review. The interests of consumers and retailers clashed with those of the pharmaceutical industry in relation to parallel imports. The general public took a growing interest in issues such as water consumption, CO₂ emissions, utilization of land and biodiversity.

MARKET AND PRICES

Global financial crisis and increased pressure on prices

Despite the turbulence on the financial markets in the second half of the year, the Swiss retail sector again posted substantial sales growth in 2008. This good result was due in large part to the low unemployment rate, the positive immigration balance and the year-on-year rise in wages. Another major factor in the Swiss retail trade's overall sales was the trend in the food, beverages and tobacco segment, in which the negative effects of the financial crisis had so far had hardly any impact on consumption. The appeal by the banks for government support and the huge losses reported by financial institutions stimulated discussion about ethics, sustainability and long-term thinking in business. This could have a positive effect by raising awareness and demand with respect to products offering ecological, social and ethical added value. For all that, the continuing advance of foreign discounters in the Swiss retail sector is constantly rekindling discussions of the price issue. Reinforced by the worldwide economic crisis, consumers are becoming increasingly price-conscious. Coop therefore had to take further steps to safeguard its competitiveness in all price segments and across the entire range. Thanks to further efficiency gains in logistics and purchasing, the Group created the leeway it needed to lower prices. It introduced the lowest-price guarantee on the Prix Garantie label and implemented over 500 price cuts on a wide spectrum of branded articles and its own brands. In 2008, Coop invested a total of about 100 million francs in lowering prices. In addition, it further expanded its position as the retailer with the greatest range diversity in Switzerland. This action was due to changed customer needs, which are becoming increasingly specific and individual from year to year and call for innovative products and concepts.

PURCHASING AND POLITICAL ISSUES

Widely fluctuating raw-material and energy prices

The retail trade had to struggle with rapidly rising prices for raw materials and energy at the beginning of 2008. In many segments Coop was able to limit the extent to which higher cost prices were passed on to customers. This achievement was due to further efficiency gains and to tough negotiations with suppliers, partly in the framework of the European sourcing alliance Coopernic. In mid-year, Swiss milk producers threatened to boycott deliveries on account of the high oil prices and higher transport costs. Coop averted a boycott by raising its milk prices, but had to pass the rise on to customers. Since margins on milk, cereals and cocoa have narrowed considerably in the last few years, there was no leeway here for absorbing any price increases resulting from higher raw-material costs. Towards the end of the year under review, prices on agricultural products trended down as a result of good harvests, while energy prices began to fall on account of the recession, bringing considerable relief on the price front. A substantial increase in milk production volumes resulted in large milk surpluses at the end of 2008. To promote milk sales, Coop lowered the price of UHT full-cream and low-cream milk at its own expense in November. The effects of the worldwide turbulence in markets on consumer sentiment, consumer behaviour and purchasing power as a result of the financial crisis were not yet obvious at the end of 2008. However, Coop assumes that consumer price awareness will increase in 2009.

Call for market liberalization

Besides the turbulence on the product and financial markets, attention in 2008 focused on efforts to achieve greater deregulation and liberalization of the markets. In early November specific negotiations for a free-trade agreement on agriculture and health

between Switzerland and the EU got underway. Coop prepared for this discussion by joining IGAS, an association representing the interests of Switzerland as a centre of agriculture. IGAS comprises all supporters of an agricultural agreement, ranging from farmers and the food processing industry to retailers and consumers. The negotiating mandate focuses on a well balanced package of measures in which consumer interests are strongly represented. As a flanking measure benefiting farmers and the food industry, Coop advocates time-limited activities aimed at cushioning these groups during the transition period and permanent measures to create equally favourable operating conditions. The liberalization of markets throughout the EU was also an aim of the political struggle for authorization of parallel imports of patent-protected goods. In this struggle the interests of consumers and the retail trade clashed with other interests, particularly those of the pharmaceutical industry. It was only the preparation of a referendum that persuaded parliament in December 2008 to agree to a change of system.

Avoiding over-regulation

Growing pressure on costs means that the retail sector has to rely on avoiding over-regulation of product safety, environmental and transport policy and preventive health. Particularly in the framework of the Swiss retailers' association IG DHS, Coop's efforts were aimed at ensuring that the benefits accruing to consumers and the retail trade from the legal provisions were not outweighed by the bureaucracy and expense involved. In the last few years, the Swiss retail trade has demonstrated that it can satisfy society's expectations efficiently and on its own responsibility by finding voluntary sector-specific solutions and systems. On the initiative of Coop, IG DHS approved the Nanotechnology Code of Conduct at the beginning of the year. This Code obliges retailers to provide unsolicited and

unrestricted information on all products involving nanotechnology and to market such products only if they do not entail any risk to health or the environment as determined by the current state of the art.

SUSTAINABILITY

Sustainable consumption

Private consumption of food and consumer goods also has negative impacts on the environment. They occur along the entire value chain, from production or cultivation of raw materials through to processing, transport, storage, preparation and disposal. These environmental impacts vary in their nature and are by no means confined to the problem of greenhouse gases. Water consumption, land utilization and biodiversity are further important issues. In 2008, Coop played a large part in boosting public interest in sustainable consumption and in stimulating greater discussion of the issues and measures involved. From Coop's viewpoint, the CO₂ product declarations currently being considered in many countries do not go far enough. If products are to be more sustainable, full life cycle assessments (LCA) that take all ecological aspects of the product into account are required. Then, for instance, preference could already be given in the sourcing process to variants that make better ecological sense. Products with a strong environmental impact would not be included in the range in the first place. To fulfil its obligation to customers, Coop launched the "By Air" label, the first Swiss retailer to do so. This label identifies all products that are transported by air, and the carbon emissions caused by this air transport are offset. Such measures enable customers to exercise their share of responsibility for the environment and make an informed choice in favour of particularly sustainable products.



→



**From Irish organic
salmon to Naturaplan
salmon fillets**







Coop Naturaplan's organic salmon is bred in open seas off the west coast of Ireland. In the mornings or evenings – depending on the weather – the fishermen sail to the net cages anchored out at sea in order to feed the fish. Organic fish farming means complying with strict guidelines regarding rearing methods, feed, processing and transport. Before an organic salmon is removed from the sea, it has to weigh at least 4 kg.

Products and services

Coop guaranteed the lowest prices with Prix Garantie and geared its offering of products with ecological and social added value even more closely to new consumer trends. The 3.315 million readers of the Coop member press (Coopzeitung) make it Switzerland's biggest weekly.

PRICE

Guarantee of lowest prices helps maintain purchasing power

Against the backdrop of growing competition in the Swiss retail sector, Coop focused on improving its pricing performance in 2008. It also took action to maintain and improve its price competitiveness compared with its rivals. Over 500 additional price cuts on branded products and Coop own-brand items lowered prices by 10 %. In February, Coop reduced prices by an average of 12 % on 120 items of the lowest-price label, Prix Garantie. The lowest-price guarantee announced in September was an important contribution towards maintaining purchasing power. In conjunction with a price cut on 50 additional items, Coop issued an assurance that Prix Garantie articles would henceforth cost at least as little as comparable low-price products stocked by competitors. As a control tool, prices are monitored in regular price comparisons carried out by the independent market research institute ACNielsen on the one hand and by Coop itself on the other. The investments in price cuts came to around 100 million francs in 2008. Owing to the enormous fluctuations in raw-material and energy prices and their much higher average level, however, the Coop Group's prices rose overall by 0.9 %. The Retail division alone reported an overall price rise of about 1.3 %.

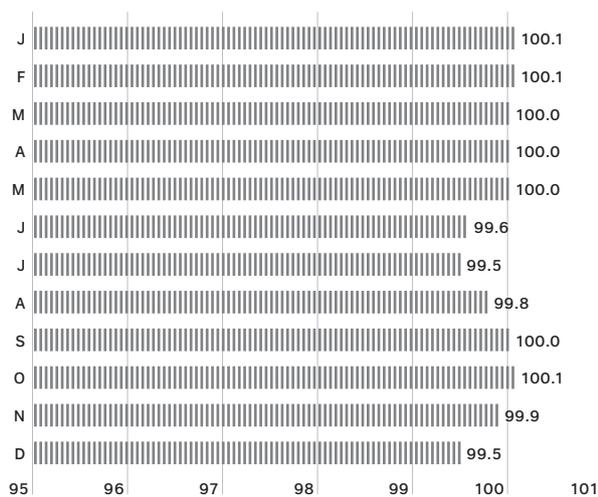
Wider use of price monitor

ACNielsen's price comparisons are the most comprehensive in Switzerland. Coop uses them to keep an eye on its competitiveness and now also to monitor its lowest-price guarantee. ACNielsen regularly determines the prices of the same defined basket of goods at Switzerland's biggest retailers. The basket of goods currently comprises at least 2,100 items of everyday use from the lowest-price label, own brands or branded articles. Since autumn 2008, the selection from the

Coop price monitor overview 2008

The Coop price monitor is drawn up each month on behalf of Coop by the independent market research institute ACNielsen, which surveys the prices of at least 2,100 everyday articles at Coop and its main competitors. The products compared are those with national prices, i.e. prices for products available throughout Switzerland (brands, own brands, lowest-price ranges).

Index in % (main competitor = 100 %)
Index less than 100 = Coop less expensive
Index 100 = Coop equally inexpensive
Index over 100 = main competitor less expensive



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

lowest-price segment now comprises all items that are directly comparable in terms of objective criteria such as quality, content and quantity. The findings are communicated to the public in the price monitor published monthly in the Coop member press and on the Internet. The findings both underpin Coop's lowest-price guarantee and confirm that Coop is no more expensive than its main rivals with regard to its own brands and to branded articles and is thus absolutely competitive in all price segments.

DIVERSITY

Unique brand mix to satisfy individual customer needs

Consumer behaviour has changed greatly in the last few years. Customer needs are becoming both increasingly specific and more comprehensive. Against this backdrop, Coop has stepped up its efforts to satisfy the different consumer trends. With its lowest-price label, its own brands, flagship brands and the range of branded articles it stocks, Coop further strengthened its position in 2008 as the retailer with the greatest range diversity in all price segments. Targeting the younger generation in particular, Coop launched "Plan B", an own-brand label that offers low-price products for rapid consumption, in August 2008. Coop responded to the current Lohas trend (lifestyle of health and sustainability) by redesigning and expanding the Coop Naturaplan and Coop Naturaline flagship labels. For customers who buy products with ecological, social and ethical added value, the factors enjoyment, modernity and attractive design are becoming increasingly important. Coop therefore adapted the formulations and packaging of the Coop Naturaline body and face-care range in 2008 to take this into account.

ECOLOGICALLY AND SOCIALLY RESPONSIBLE FLAGSHIP LABELS

New look for Coop Naturaplan

Sales of the Coop Naturaplan organics label in the 16th year of its existence grew by 8 % compared with 2007, amounting to 678 million francs. Since April 2008, Switzerland's most successful organics label has been given a new and dynamic look, a new logo, modern packaging and an expanded range of products. The 90 or so newly developed items largely comprise modern and at the same time healthy products targeting the

current Lohas consumer trend. Coop commissioned the Nutrition Unit to determine the nutritional value of the products, it revised the recipes and, in cooperation with Betty Bossi, improved the culinary qualities of the organic products. The total of 1,600 products certified with the organic bud label will be gradually given new packaging, but stocks wrapped in the old packaging will not be destroyed. As part of the label's new look, in September Coop launched the organics magazine "Verde" in a print-run of 1.4 million.

Sales of Coop Naturafarm return to growth

Coop Naturafarm stands for clearly defined added value: Swiss production, humane animal husbandry with access to range, independent monitoring and a ban on genetically modified feed. With sales of 467 million francs, the label is second only to Coop Naturaplan as an environmentally and socially responsible, animal-friendly flagship label. Following several years of stagnation, it returned to growth in 2008, with sales up 3 %. Coop Naturafarm accounted for approximately 30 % of total meat and eggs sales. With beef and pork Coop Naturafarm accounted for a much higher share with 70 % and 65 % respectively. Coop is again taking a pioneering role, this time in connection with the ban on methods of piglet castration that are not pain-free. The ban will be implemented in the Coop Naturafarm label before the end-of-June 2009 deadline set by the Federal Government.

Coop Naturaline: CO₂ neutral by 2012

The fair-trade Naturaline textiles made from organic cotton were again very successful in 2008. In spring, Coop launched a CO₂ project that was the only one of its kind in the world. The goal is to achieve CO₂-neutrality by the end of 2012 for all Coop Naturaline products made from organic cotton. Any residual CO₂ emissions will be offset solely by projects implemented within the production chain. As a start, 80,000 T-shirts made from

pure organic cotton and bearing the imprint "CO₂-neutral" were produced. Since 2008, Swiss celebrity Melanie Winiger has acted as ambassador for the sustainable fashion label. In 2008, Coop Naturaline increased sales of textile and cosmetic items by 5 % to 67 million francs. The range of cosmetics made from natural raw materials generated sales growth of around 20 %. As of this year it has been marketed under the Naturaline Natural Cosmetics label and given a new look. Coop revamped both the formulations and the packagings of the body and face-care label.

Coop Oecoplan: success with organic house plants

In 2008, Coop Oecoplan posted a fall of 2 % in sales and thus failed to capitalize on the previous year's very good growth. The reason for the decline was the switchover of the popular Coop own-brand paper to FSC quality, making it hard for Coop Oecoplan's 100 % recycled paper to hold its own against the standard range. Sales of organic house plants rose by 21 % and those of natural plant protection agents by 23 %, while garden items made with wood from sustainable forestry were up 12 % on the previous year.

Innovative products from Max Havelaar

Since March 2008, Coop products with the Max Havelaar quality label have been marketed with the standard logo of the umbrella Fairtrade Labelling Organizations International (FLO). In addition, the Max Havelaar-certified fresh items bananas, pineapples and roses are now labelled with an FLO ID number. Items bearing the Max Havelaar quality label generated sales of 135 million francs at Coop in 2008. The 4 % growth on the year-back figure was due in part to the many innovative new products that had been added to the range. For instance, Coop launched pre-cooked rice dishes under the Max Havelaar label, the first retailer in Switzerland to do so.

Highly successful first year for Pro Montagna

The Pro Montagna label celebrated its first anniversary in 2008, in which it achieved sales of 20 million francs. This range of food products sourced from Swiss mountain regions is enjoying growing popularity. In choosing Pro Montagna products, customers help ensure that farmers benefit from a solidarity payment and that the added value created remains in the mountain regions. 2.1 % of the sales figure – 500,000 francs – flows back directly to mountain farmers or producers through the Coop Sponsorship for Mountain Regions. In 2008, Coop raised the number of Pro Montagna products from 60 to 90. The new items included a novel hay bread, two kinds of wine, an organic beer and a large number of meat specialities from the Swiss mountains. A further new feature that rounded off the range were 60 alpine cheeses produced on different alpine meadows in Switzerland in the course of the summer. Alpine cheese is a completely natural product, and its availability varies according to the season and region.

Sale of Pro Specie Rara seedlings

For Pro Specie Rara, 2008 was focused entirely on looking after the product range. Rain and lack of resistance to diseases created difficult growing conditions during the high season of Pro Specie Rara tomatoes, causing sales to stagnate. There was a gratifying demand for Pro Specie Rara seedlings at Coop Building & Hobby centres. The seedlings markets are increasing in popularity from year to year. Next year they will therefore feature additional services relating to the Pro Specie Rara range of plants.

Slow Food establishes five new presidia groups

The aim of the international non-profit organization Slow Food is to preserve traditional regional products, original production methods and customs passed down over generations. Coop has been supporting this unique project through the Coop Sustainability Fund

since 2007. In the year under review, the particular focus was on developing products from seven Slow Food “presidia” groups in Switzerland. There are now 300 of these interest groups worldwide, each one dedicated to preserving a particular speciality. One of the Swiss presidia groups supports “farina bona”, traditional Indian flour from the Onserno valley in Ticino. Changes in eating habits put an end to production of this product in the 1960s. Coop stocked the flour for a short time and added biscuits made with “farina bona” to the permanent items in the Slow Food range. Next year the 40 or so permanent and 40 or so seasonal items will be extended to include further specialities from Swiss presidia groups.

HEALTH AND CONVENIENCE FLAGSHIP LABELS

Coop steps up cooperation with Betty Bossi

The total of more than 600 fresh convenience products developed jointly by Coop and Betty Bossi achieved growth in 2008, rising 3.5 % to a total of 450 million francs. Good Food, the new generation of ready-made meals from Idee Betty Bossi, combines quick preparation with a balanced nutritional content. The dishes do not contain any flavour enhancers, synthetic colouring or flavouring substances and they cover one-fifth of the daily requirements of both fruit and vegetables. In 2008, Coop stepped up its gastronomic cooperation with Betty Bossi. The newly established Betty Bossi test kitchen in Basel will henceforth focus on the joint development of new product ideas and on identifying consumer trends.

Seasonal products from Weight Watchers

With its 300 or so low-sugar, low-fat products, the range of the Coop flagship label Weight Watchers covers all nutritional categories. In 2008, it added seasonal products to the range. Coop and Weight Watchers checked

the nutritional value and flavour of all the products and improved some of the recipes. The Weight Watchers organization offers the world's most successful weight-loss and weight-maintenance programme. One highlight of 2008 was the vote – being organized for the second time – to find the Weight-Watchers Member of the Year on the website of the Coop member press, which attracted a lot of attention.

BRANDED ARTICLES

Exclusive range of branded articles with added value

Branded articles are an important component of Coop's diverse offering of food and non-food products. They round out the offering in the medium and higher price segments and ensure that additional customer needs can be satisfied. Coop continues to offer by far the largest variety of branded articles in Switzerland, generating some 44 % of its sales with them. When selecting branded articles, Coop has to make sure that they are as unique as possible and have added value. They have to satisfy consumers' needs and offer genuine customer value. After all, it is the beneficial added value of its offering that sets a retailer apart from the competition and enables it to acquire new customers.

Martello – the cost-efficient coffee capsule system

In November 2008, Coop launched the innovative Martello coffee capsule system on the Swiss market. The coffee machine and the requisite capsules are available exclusively at all Coop stores and at Interdiscount and Dipl. Ing. Fust AG. Martello is the least expensive coffee capsule system in the Swiss market and is easy to use, has good energy efficiency and the coffee quality is very high. In the first three months since the launch, Coop sold 17,000 units of the new product line. Demand is so great that the range is to be further expanded in 2009.

OWN BRANDS

Coop Qualité et Prix: new look completed

In 2008, the introduction of Coop's own-brand redesigned packaging was completed. Henceforth, it will additionally bear the text "Qualité et Prix" (quality and price). The range offers over 5,000 high-quality items at low prices and targets the food, near-food and non-food sectors. Particular attention is paid to clear layout of the article descriptions and additional information on the packaging, a need that Coop satisfies with its food profiles.

Lowest-price guarantee from Prix Garantie

Customers buying Prix Garantie products can henceforth be absolutely certain that the prices are the lowest on offer. After Coop had lowered prices on a total of 120 items by an average of 12 %, it issued a lowest-price guarantee in September 2008. This guarantee states that products sold under the Prix Garantie own label cost at least as little as comparable lowest-price lines stocked by competitors in the Swiss market. In the year under review, Prix Garantie generated sales of 381 million francs, which is in line with the previous year's level in terms of Coop's overall sales. The label currently comprises over 400 items.

Steady expansion of Fine Food products

The Coop premium label Fine Food, Switzerland's first gourmet label marketed in the large-retailer channel, posted further marked growth in 2008. Sales totalled 85 million francs, up 18 % on the previous year. Fine Food enables consumers to enjoy good food for special occasions all the year round. The 400 or so products – about 50 more than in 2007 – stand for optimum quality and enjoyment at affordable prices. Besides introducing further choice food specialities, Coop concentrated in 2008 above all on expanding the Fine Food Design line. A large number of new kitchen aids

now round out the range of cookware, china, glassware and cutlery.

Children's line Jamadu celebrates first anniversary

After a highly successful year, the Coop own brand, Jamadu, celebrated its first anniversary in April 2008. This label, which is geared specifically to the needs of children, was extended from 40 products at the end of 2007 to its present total of 130, and generated sales of over 22 million francs in the year under review. This is double the 2007 figure. What counts in particular for Coop – besides the taste of the food products, which is regularly judged by a jury of children – is that Jamadu products have to be compatible with a healthy, balanced diet. They therefore have to satisfy requirements ranging from low fat and sugar content to absence of flavour enhancers. The seven different near-food items such as toothpaste, shower gel or sun-lotion have to satisfy strict specifications regarding dermatological safety. Coop responded to the wishes of many parents and children by substantially expanding the label in the non-food sector.

Free From for people with food intolerances

More than one million people in Switzerland suffer from a lactose, gluten or other form of food intolerance. Coop launched its own brand, Free From, to meet their needs. The label includes 25 gluten-free products from DS (Dietary Specials), 22 lactose-free products and 4 items that are also geared to specific food allergies. A total of 46 Coop restaurants throughout Switzerland now also offer three gluten-free pasta dishes from DS.

Délicorn and Valess merge

In order to create greater transparency in its vegetarian range, Coop merged the Valess und Délicorn lines in June 2008. All 29 items, which include ready-to-heat products, are now marketed under the Délicorn label and provide customers with a varied and healthy range of meatless dishes. They are based either on condensed fresh milk enriched with herbs and spices, or on soya, wheat or millet. The entire Délicorn range bears the European V label for vegetarian products and is suitable for vegetarians whose diet includes eggs and milk.

Low-price food and drink for people on the move: Plan B

The new Plan B own brand was launched at the end of August 2008. It is geared in particular to young people who want fast, uncomplicated and in particular attractively priced food. Plan B offers delicious meals, snacks and beverages for both small and large appetites. The choice of a total of 50 food products includes snacks such as nut and fruit mixes, bigger meals such as ready-to-heat noodle dishes and crisp salads or exotic fruit smoothies. The range is rounded out with a changing non-food item.

SERVICES AND SPONSORSHIP

Coop Supercard – now also for tickets and holiday breaks

The option of paying for non-food products at Coop City department stores entirely or in part with Superpoints continues to enjoy great popularity. In 2008, some 13 % of non-food sales in the department stores were cash-free, i.e. paid for with Superpoints. All in all, the approximately 2.6 million users of Coop Supercard claimed points to the value of 147 million francs. The new Coop Supercard Ticket was launched in early

December. It can be used as a data storage medium both for admission tickets to concerts and other events and for day passes in over 50 skiing regions of Switzerland. The new bonus gift "Supercard Hotels" enables customers to purchase a holiday break for two in return for 900 Superpoints and a payment of CHF 249. Over 7,600 Supercard users have already taken advantage of this special offer.

Elegant, black design for Supercard plus

Since May 2008, Supercard plus has been issued in a new, black design. This change was Coop's response to the customers' wish for a design that was both elegant and striking. The credit card has also been fitted with a chip that now enables the PIN code to be used for payments worldwide. In collaboration with its partner Swisscard AECS AG, Coop had issued a total of 281,000 Supercard plus Mastercard by the end of 2008. With a growth rate of 31 %, it is still far and away the leader in Switzerland's free credit card market.

ITS Coop Travel exceeds expectations

ITS Coop Travel, the travel agency set up by Coop and Rewe Touristik, more than achieved its target for its second year of business. The tour operator raised sales to some 65 million francs, 85 % up on the previous year. It sent a total of 53,000 customers off on their travels and proved to be particularly popular with families. By taking advantage of synergies, Coop and Rewe Touristik achieved price leadership in Switzerland in the beach holiday segment. The most popular destinations were Spain, Egypt and Greece, with Asia and the Caribbean in first place among long-distance destinations. ITS Coop Travel achieved the bulk of its turnover through direct sales: 55 % of bookings were made by phone and 23 % via the Internet on the website www.itscoop.ch. The remaining 22 % of bookings were handled by other travel agencies.

CoopMobile friends now even more attractive

CoopMobile posted a huge increase in the number of users. At the end of 2008, the prepaid Prix Garantie offer in mobile telephony had approximately 380,000 customers – up 110,000 year-on-year. CoopMobile friends, the postpaid offer launched at the end of 2007, has been even more attractive since mid-2008. Whereas originally a group of five predefined persons could phone each other at the low rate of 5 centimes per minute, this offer now applies to all 1.5 million customers in the Orange Mobile network.

Further gift voucher cards on offer

Coop's credit card-shaped gift voucher card enjoyed huge popularity in 2008. It can now be used at Dipl. Ing. Fust AG as well. Coop sold voucher cards worth a total of about 66 million francs, including 6 million francs' worth to businesses, which often use them as gifts for employees or customers.

Coop at Euro 08

Under the motto "For the Champion in You", Coop presented additional promotions and services connected with the 2008 European football championships at all sales outlets in the year under review. In the host cities, Coop stores demonstrated their commitment by extending their opening times, opening on Sundays and running special food & drink offers along the fan boulevards and in the proximity of the stadiums. Coop Supercard added 58 items related to the European championships to the range of bonus gifts. Under the heading "Our Football Guest – From the Host Country", Coop and Betty Bossi collaborated in creating country-specific recipes that could be picked up at the sales outlets. Coop also had exclusive rights to the advanced sale of covered seats for the public-viewing project UBS Arena, which reported a total of 960,000 visitors. Working together with Bell AG, Coop met the food & drink needs of the football fans at all UBS Arenas.

Sponsorship brings Coop close to its customers

Coop's sponsorship activities can be broken down into the categories "environmental & social", "nutrition & physical activity", "culture & entertainment" and "sport & leisure". In the year under review, Coop approved its new approach to sponsorship for the next four years. The sponsorship activities engaged in together with the Jamadu own brand were substantially expanded in 2008. In addition, Coop is increasingly taking on responsibilities in matters relating to diet, focusing particularly on projects concerning nutrition & physical activities.

INFORMATION AND MEDIA

Growing readership for Coop member press

One year after being given a new look and undergoing a far-reaching restructuring of its contents, the Coop member press has, as a result, gained many new readers, particularly among younger people. The MACH Basic joint study of coverage conducted for the press and cinema in Switzerland has confirmed this trend. With a current readership of 3.315 million readers and a print-run of 2,457,161, the Coop member press even slightly expanded its position as Switzerland's most widely read weekly. The number of members also continued to grow, totalling 2,536,544 at the end of 2008. To take account of changing readership habits, the Coop member press is increasingly adding multimedia and cross-media elements to the contents of all three language versions. Readers benefit from numerous videos, podcasts and other innovative services and can thus engage in a closer and more direct dialogue with the Coop member press.

Rapidly growing importance of Coop's website

Coop's website www.coop.ch is one of the most popular corporate websites in Switzerland. In 2008, Coop

further expanded the communication and service platform features of its website. The focus was on stepping up the operational and strategic integration of online media into Coop's communication activities, above all by concentrating on online use in the systematic support it provides for advertising and information campaigns. In 2008, for instance, Coop increased its use of the Internet to draw attention to the launch of the organic magazine "Verde" and the new Plan B label. In 2009, it will concentrate on expanding the website's multimedia content.

Coop Consumer Service: 158,000 queries

The Coop Consumer Service handled around 158,000 customer queries and wishes in 2008, about 12 % more than in the previous year. The general increase in customer concerns was due to the launch of new product lines and services. All these offers generated a need for information. In 2008, the TicketCorner offering and the launch of the new product line Plan B aroused great interest among customers. Queries were also received in connection with the new megastores, the expansion of the Passabene self-scanning system and Coop's numerous prize draws. Customer suggestions and wishes are recorded in a comprehensive reporting system and passed on to the responsible departments. Coop then gives them careful consideration and may, if necessary, use them as a basis for new measures. For instance in 2008, following a pilot trial the previous year, Coop implemented the system of equipping shopping trolleys with magnifying glasses all over Switzerland.



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From grains to
fresh bread made at
Coop's bakeries







Coop's seven bakeries produce over 800 specialities: many different kinds of bread, biscuits, tarts, cakes and pastries, including seasonal and regional items. Almost all the flour used comes from Coop's own cereal mill, Swissmill. The bakeries mostly operate at nights and in the morning. The bakeries are located within Coop's regional distribution centres. This reduces transport distances and ensures that the first bread deliveries reach the stores early in the morning.

Sales formats

Coop's takeover of Carrefour sales outlets doubled the number of megastores in Switzerland. Passabene and a magnifying glass made shopping easier. coop@home began delivering all over Switzerland. Coop received certification for building stores to the Minergie low-energy standard. Coop City launched a new menswear label.

SALES OUTLETS: RETAIL

Marked growth in Coop supermarkets and megastores

Coop opened eleven supermarkets and 13 megastores in 2008, the latter resulting from the takeover of the Carrefour outlets in Switzerland, which were converted into Coop megastores in a matter of weeks. Coop closed nine supermarkets in 2008. The sales area increased by 8.4 % to 926,350 m². Sales of all 818 supermarkets and megastores amounted to approximately 11 billion francs, an increase of 7.5 % year-on-year. Of this, Coop megastores accounted for about 11 %. In October 2008, the sales outlet completed in Schönenwerd in December 2007 was awarded the first official Swiss-wide Minergie certificate.

Magnifying glass makes labels easier to read

As part of Coop's cooperation with the Pro Senectute organization for the elderly, it launched a special shopping-trolley magnifying glass in autumn 2008. This innovation is unique in Europe and shows Coop responding particularly to the needs of older customers. The magnifying glass is attached to the shopping trolley and makes it easier for people with poor eyesight to read the small print on labels. By late spring 2009, Coop will have equipped all its 120,000 or so shopping trolleys with the reading aid.

Self-scanning now available in over 70 stores

In May 2008, Coop successfully completed the launch of the Passabene self-scanning system throughout Switzerland. Using the handy scanning device, shoppers can now enter their purchases themselves in a total of 70 sales outlets. Over 235,000 customers already benefit from the self-scanning system, the first of its kind in the Swiss retail sector.

Coop restaurants offer gluten-free pasta dishes

By launching a programme that meets today's nutritional requirements, the 193 Coop restaurants are stepping up their efforts to promote the consumption of vegetables and fruit, diversity of meat-free options, natural products and seasonal offers. In April, they expanded their offering of low-calorie items and launched Lifestyle as an independent label. A total of 46 restaurants have been featuring three gluten-free dishes a day since June 2008. In a pilot project, Coop opened the first originally Italian gelateria "Cre-mamore". Coop restaurants are the only restaurant chain in Switzerland to be certified by Bio Suisse for cuisine based primarily on organic ingredients.

ONLINE SHOPPING

coop@home delivers all over Switzerland

Coop's online shop coop@home posted sales of 54 million francs in 2008, around 16 % more than in the previous year. The number of deliveries totalled 229,000 and their average value was approximately 212 francs. Since March 2008, the online shop has been supplying goods to the most remote valleys all over the Switzerland. Swiss Post is responsible for the actual deliveries. Since November 2008, it has also been possible to dispatch refrigerated goods in insulated parcel boxes, using a special cooling system. This means that over 10,000 food products and items of everyday use can now be ordered online in parts of the country that had not previously been supplied. The only items not delivered to these regions are frozen goods. In the conurbations already being supplied, coop@home's own service will continue to be responsible for deliveries. Customers in these areas can choose from the full range of over 11,000 items.

microspot.ch expands its product range

microspot.ch, the Internet provider for consumer electronics established last year, almost quintupled its sales in 2008, which came to 41 million francs. In addition to the lowest-price strategy and the expansion of the product range, the integration of the online shop netto24 contributed to this result. Customers are benefiting from this cooperation in the form of a choice of over 65,000 consumer electronics and household items.

SALES OUTLETS: TRADING

TicketCorner and Code of Casual at Coop City

Despite the financial crisis and fears of recession, Coop City department stores posted a rise in sales to 1.05 billion francs, 4 % up on the year-back figure. Sales increased in both the non-food and the food sector and also in Coop restaurants. Since November 2008, all 33 Coop City department stores have a TicketCorner for advance ticket sales. Customers can choose from the entire programme of TicketCorner, whether for musicals, concerts or football matches. Instead of receiving an actual ticket, customers can have it loaded onto the new Supercard Ticket. Coop City also launched the Code of Casual own brand as a counterpart to the successful nulu ladieswear label. This menswear line offers comfortable yet fashionable and affordable clothing that can be easily combined. The sales outlet in Sion was completely refurbished in 2008. Menswear, stationery and Naturaline Shop have been given an attractive new look in all the department stores. Customers continue to take advantage of the option – the only one of its kind in Switzerland – of using Superpoints to pay for their purchases of non-food products. This accounts for about 13 % of non-food sales at Coop City department stores.

Coop Building & Hobby expands range of services

Coop Building & Hobby lifted sales by 5 % to 720 million francs, which means that its 69 centres are still the market leader in Switzerland. In 2008, it focused particularly on expanding sustainable ranges and services. The range of water-saving products grew from 34 to some 52 items. Autumn saw the start of a broad-based information campaign to show that “proper insulation saves on heating”. In this connection, Building & Hobby was the first provider in Switzerland to offer customers thermographic pictures of their houses, together with an evaluation report. If desired, Coop Building & Hobby then arranged for the necessary insulating material to be installed by “the house professionals”. At the beginning of 2008 Coop expanded its market share in the DIY, hobby and garden segment and acquired Hobby AG, based in Heimberg. Hobby AG generates annual sales of over CHF 18 million and will continue to operate under the same name for the time being.

Interdiscount – low prices and professional advice

Thanks to a marked rise in customer numbers year-on-year, Interdiscount raised sales by almost 8 % to 1.07 billion francs in 2008. The increase in sales was due above all to the systematic focus on discount prizes, as well as to the many activities relating to the European football championships. After opening 16 and closing four stores, Interdiscount currently operates 197 outlets, including 17 XXL stores with a sales area of up to 4,000 m².

Toptip and Lumimart rely on SAP and WAMAS

Toptip and Lumimart were just about able to maintain the good year-back result, ending the 2008 fiscal year with sales of 261 million francs. Given the economic downturn in the furniture and home accessories sector and the closure of the Lumimart outlets in Suhr and Morges as part of a location reorganization, this can be deemed a success. The strategically important Toptip

stores in Dübendorf and Altendorf were refurbished to bring them into line with the new sales-outlet concept. Minor remodelling at a further five locations made them more attractive for customers. Taken together, Toptip and Lumimart operate 59 stores throughout Switzerland. The switchover of the supply chain and logistic systems to SAP and WAMAS was a major project in the year under review.

Continued success of Import Parfumerie

Import Parfumerie achieved a further rise in sales, which were up 6 % to 164 million francs. Implementation of its new sales-outlet concept proceeded apace in 2008: after 27 further refurbishments 52 stores now boast the new look. The L'Oréal Prestige range was introduced at all 97 Import Parfumerie stores. In cooperation with the Coty Group, Premium Beauty Points – a shop-in-shop with well-known branded fragrances – were set up for the first time in the stores in Berne, Lucerne, Zurich-Oerlikon and Spreitenbach.

High growth rates at Coop Vitality pharmacies

Coop Vitality pharmacies posted growth of 34 % in 2008, generating sales of 88 million francs. Prescription drugs accounted for 37 % of sales, up on the year-back figure of 33 %. Six of the total of 31 Coop Vitality pharmacies were opened in 2008, including the first one in Valais. Heart checks and bone-density measurement were added to the advisory services offered by the pharmacies. The only concern is the acute shortage of trained pharmacy staff throughout Switzerland.

Clear positioning of Christ Watches & Jewellery

In its second year as part of the Coop Group, Christ Watches & Jewellery increased sales by 6.5 % to 114 million francs. After opening two new stores in St. Gallen and Sion and closing two other stores, it now operates a total of 84 sales outlets. As part of the ongoing store-design project, 19 remodellings were complet-

ed. A total of 41 Christ outlets have now been given the new look. This did a great deal to position Christ Watches & Jewellery effectively as a specialist jeweller in the middle price segment. A clear range strategy and staff training in customer and sales service have strengthened Christ's positive image on the Swiss market. Since 1 January 2008, all Christ employees have been included in the Coop collective employment agreement.

Increased focus on computers at Dipl. Ing. Fust AG

Dipl. Ing. Fust AG posted good results following the takeover by Coop in November 2007. The electrical household appliances, consumer electronics and computer departments gained market share and, thanks particularly to synergies within the Coop Group, achieved a substantial rise in profitability. The computer and computer accessories department reported particularly vigorous growth. Now a further seven stores offer an extensive IT department, bringing the total to 70. Under the motto "PC ready to use", computers are sold in a ready-for-use state, having already been configured by specialist staff. With offers such as this, Dipl. Ing. Fust AG will continue to stand out from the competition as a specialist discounter that provides a wide range of technical services.

PETROL STATIONS AND CONVENIENCE SHOPS

Coop Mineraloel raises market share

The price turbulence on the global crude-oil markets generated intense competition among mineral oil companies in 2008. Against this backdrop, Coop Mineraloel AG increased the market share of its 176 Coop petrol stations – of which 164 have a Pronto shop – by 2.1 percentage points. Coop petrol stations were thus able to consolidate their position as the market leader in Switzerland. The Coop Pronto shops and the

heating-oil divisions also enjoyed substantial growth. In total, Coop Mineraloel AG lifted its net income by around 25 % year-on-year to 2.08 billion francs.

First Pronto shop built to Minergie standard

Coop Pronto shops generated sales of 548 million francs in 2008. This represents an increase of 17 % year-on-year. Coop Mineraloel AG opened 20 new convenience shops, either stand-alone or at a petrol station, thus bringing the total Coop Pronto shops throughout Switzerland to 208 at the end of 2008. The upward sales trend and the steady expansion of locations confirm that the convenience market in Switzerland is continuing to flourish. The proportion of fresh products in the overall range was further increased. Fresh fish is now available at selected locations. The first Coop Pronto shop to be built to the Minergie standard opened its doors at the end of August. Coop will henceforth apply the low-energy standard to all new stand-alone shops at its petrol stations.

Online ordering of heating oil on the increase

The number of people using the website www.coop-heizoel.ch grew in 2008. Visitors benefit particularly from the opportunity to order their heating oil straight from the website in a simple and convenient way. As a result, online ordering accounted for 22 % of heating oil sales, up 9 percentage points year-on-year. Coop Mineraloel AG is also committed to promoting sustainability. In cooperation with a partner company, it launched a large-scale promotion of Coop's low-sulphur heating oil. Consumption of this ecological oil leaves virtually no residues, thereby reducing harmful emissions to a minimum. Currently, some 24 % of Coop Mineraloel's customers use this sustainable heating-oil variant.

CASH & CARRY AND FOODSERVICE

Number two in Europe: transGourmet

transGourmet Schweiz AG, a joint venture of Coop and the Rewe Group, has developed extremely well in the last few years. The company operates in the cash & carry and wholesale supplies business for restaurants and bulk customers and is a sector leader in both Switzerland and France. The 24 Swiss-wide outlets of its Cash & Carry Division are aimed at the professional catering business. They increased sales by 8.4 % to 1.2 billion francs in 2008. The Foodservice Division, which is represented in Switzerland by Howeg and in France by transGourmet France, operates mainly as a wholesale supplier for bulk customers such as restaurant chains, hospitals and nursing homes. Its sales grew by 4.7 % to 2.3 billion francs. Coop and the Rewe Group decided to expand their collaboration in the wholesale catering market, and set up transGourmet Holding S.E. for this purpose. This new company is domiciled in Neu-Isenburg, Germany, and has a workforce of over 21,000 throughout Europe. With annual sales of some 10 billion francs, transGourmet Holding S.E. is the second-biggest cash & carry and food-service company in Europe.



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From wood
to Toptip upholstered
furniture







Much of Toptip's upholstered furniture is produced by the furniture manufacturers ADA, which is headquartered in Austria. They also produce made-to-order items designed to meet individual customer wishes. All sofa frames are made by hand. Coverings are also produced entirely according to individual needs. Customers can choose from 1,000 different fabrics and 53 different leather coverings.

Employees

Coop employed a much higher number of apprentices and raised the total payroll by 3.25 %. The new Personnel Strategy 2012+ is geared to future developments and their impact on Swiss retailing.

More apprentices and rising wages

Owing to the takeover of Carrefour's sales outlets in Switzerland, the Coop Group's workforce increased to 53,880 in 2008, a rise of 12 % year-on-year. Almost all former employees of Carrefour took up Coop's offer of continuing their employment following the takeover, making the Coop Group Switzerland's second-biggest employer. In 2008, the number of apprenticeships was increased by over 9 % year-on-year. The Coop Group employed a total of 2,974 apprentices at the end of 2008, 246 more than in 2007. Apprentices now account for 5.5 % of the total workforce. Despite the worldwide financial crisis, Coop – in contrast to many other companies – increased its total payroll, which rose 3.25 % as from 1 January 2009. This was the outcome of negotiations between Coop and its contractual partners KV Schweiz (Swiss commercial association), SYNA/OCST and UNIA (trade unions), and VdAC (Association of Salaried Employees of Coop). All full-time employees who receive a gross monthly wage of up to 4,000 francs and who joined the Group before 1 July 2008 benefit from a pay rise of at least 100 francs gross a month. With this decision, Coop provided a further guarantee of systematic improvement of the lower-pay segment and of female employees' pay in general. Employees paid by the hour were awarded an increase of at least 40 centimes an hour. In January 2009, all employees covered by the Coop collective employment agreement received a gift voucher worth between 200 and 500 francs, depending on whether they worked part- or full-time.

PERSONNEL STRATEGY

New Personnel Strategy 2012+

The new "Personnel Strategy 2012+" came into effect at the start of 2008. It is geared to future developments and their effects in Swiss retailing. For instance,

it takes account of the demographic changes ahead of us and the consequences of the free movement of people within Europe. The steady internationalization of retailing and the growing competitive pressure on the markets also had an influence on different aspects of the strategy. Generally speaking, Coop seeks to ensure that its employees are specially prepared and well equipped to deal with the challenges that lie ahead.

Regional and divisional successor pools

By the end of 2008, Coop had almost achieved its target of 75 % for internal promotions based on staff development measures. This success was due primarily to the regional and divisional successor pools that had been in existence for 5 years. In the sales and logistics fields, for instance, particularly promising employees are continually encouraged to take part in career-development courses that prepare them for promotion to, for instance, the position of store manager. About 5 % of all Coop employees currently belong to a successor pool. They include employees in management positions, whose potential is generally determined with the help of assessments. Coop aims to expand the successor pools in all sales regions and business units by a further of 5 % by 2012.

Employee exchanges

To ensure that Coop employees satisfy the demands of an increasingly international Group, they have to be trained specifically to meet future requirements. Since 1 January 2008, apprentices who have successfully completed their training are given an opportunity to take part in a nationwide language exchange programme. Alongside working in a Coop plant or store, participants attend language courses which are paid for by Coop. At the managerial level, Coop aims to further expand the existing exchanges of store managers with executives from the Rewe Group in Germany. The project is eventually to include

the supermarkets and megastores, Building & Hobby, Interdiscount, Import Parfumerie and Christ Watches & Jewellery. Besides the Rewe Group, the project will be extended to other partners in the Coopernic, tooMax-x and Eurogroup organizations.

PENSION FUND

Difficult year for CPV/CAP

The crisis on the financial markets also left a clear mark on the 2008 results of the CPV/CAP. Although the CPV/CAP had not invested directly in problematic subprime lending, it was unable to escape the impact of the global stock market trend. Its performance was as good as could be expected in the light of the investment strategy and market trend. The reserve ratio thus fell from 108.5 % to 90.3 %. This has no effect on pension security, which is the long-term purpose of the CPV/CAP. The lowering of the actuarial interest rate to 3.5 % took effect on 1 January 2008 as planned, as did the lowering of the conversion rate to 6.4 %. These actuarial changes were carried out without any problems. Initial practical experience shows that the revision of the insurance regulations also meets the goals set the previous year and that implementation proceeded smoothly. Coop incorporated the employees of Christ Watches & Jewellery and of the former Carrefour stores into the CPV/CAP, thereby increasing the total number of insured active members to 34,867. The number of pensioners also changed in 2008, rising from 16,274 to 16,694.

Logistics, IT, real estate and manufacturing

Coop completed its logistics restructuring with the opening of the distribution centre in Dietikon. Sales-based ordering improved utilization of truck loading surfaces. Manufacturing companies gained a strong foothold in new international markets.

STRUCTURES AND PROCESSES

Greater efficiency thanks to concentration of logistics

The distribution centre of the Zentralschweiz-Zürich Sales Region in Dietikon came on stream in June 2008. It is the outcome of the simultaneous closure and merger of the distribution centres in Zurich and Kriens. The distribution centre employs a workforce of 450 on a logistics area of 35,000 m². The bakery of the Coop distribution centre at La Chaux-de-Fonds closed down at the beginning of 2008. Production was transferred to Aclens, where the bakery has the necessary capacity. From this minor restructuring alone, Coop will achieve an efficiency gain worth over one million francs a year.

SBO reduces logistics costs and helps reduce CO₂

Over 30 % of all orders for goods at the sales outlets are now executed with the help of the sales-based ordering (SBO) system. SBO enables Logistics to plan deliveries at a much earlier stage, resulting in improvements in the deployment of staff and, above all, in the utilization of trucks. Combined with adjustment of delivery times, this change led to improvements throughout all logistic processes. Consequently, Coop was able to reduce its fleet of trucks from the previous year by 35 vehicles in 2008. This is not only an efficiency gain for Coop – it also brings about a significant reduction in CO₂ emissions.

New computer centre in Berne

In September 2008, Coop completed the construction of the new computer centre in the premises of the distribution centre in Berne. The computer centre supplements the two existing facilities in Basel and will serve as a back-up in the event of serious incidents such as earthquakes. When planning the building, Coop paid particular attention to sustainability and ensured an energy-efficient design.

PROPERTY

31 shopping centres throughout Switzerland

After several months of remodelling, the shopping centre in Rickenbach opened its doors in November 2008. This was one of many projects for which Coop's Property Business Unit was responsible in the year under review. The Property Business Unit handles Coop's entire property portfolio and, hence, portfolio management, building management, contract management and project development. The new supermarkets in Heiden, Muri and Langnau are still under construction. The remodelling of the Karussell shopping centre in Kreuzlingen is scheduled for completion by mid-2009. A further 25 or so projects are in the planning phase. At the end of December 2008, the Property Business Unit was managing 31 shopping centres throughout Switzerland, in which other companies are represented besides Coop.

BELL GROUP

Bell Group growing internationally

Despite the unfavourable price trend of raw materials, the Bell Group was able to build on the good year-back result. All divisions posted significant growth in sales. Net sales from goods and services grew by 18 % to 1.94 billion francs. About half of this increase was volume-related. Owing to higher purchasing costs, the Group's operating result did not keep pace with sales growth. While margins on fresh meat and cooked meats fell short of the year-back figures, the poultry, seafood and convenience-food divisions fared better. All in all, the Bell Group posted a greater profit of 59 million francs, 4.4 % up on the year-back figure. In addition, it systematically implemented measures relating to its internationalization strategy. The aim of this strategy is to gain footholds in the cooked meats segment of ad-

ditional markets in neighbouring countries. Following the takeover of the Polette Group in France and ZIMBO in Germany and the acquisition of a majority stake in the German ham specialist Abraham, the Bell Group now has a strong foothold in Europe. With its solid position in the domestic market and its exploration of the market potential outside Switzerland, the company is ready for the expected liberalization of the market.

MANUFACTURING COMPANIES

Swissmill

Products: flours, flour mixtures, durum wheat semolina, polenta, oat flakes, extruder products
Certifications: ISO 9001:2000, ISO 14001, SA 8000, IFS/BRC, Bio Suisse

Despite saturation of the flour and semolina market, Swissmill raised its sales volume in 2008 by about 2 % from an already high level. Important industrial customers consider Swissmill to be one of the most modern and innovative grain mills in Europe. It further expanded its sustainability-related activities in the year under review. For instance, it reduced CO₂ emissions by over 200 tonnes and kept energy consumption per tonne of processed material at the year-back level despite increasing sales. Swissmill's own three solar-energy plants generated some 62,500 kWh of green electricity in 2008. Organic production was also further increased and now accounts for 14 % of overall production.

Chocolats Halba

Products: chocolate bars, pralines, festive assortments, chocolate for industrial purposes (couverture, fillings)

Certifications: ISO 9001:2000, ISO 14001:2004, IFS / BRC, Bio Suisse, Max Havelaar

Chocolats Halba posted strong growth in 2008, particularly in the export market. The company supplied new customers in France, Germany, Italy, the Netherlands and Canada with Swiss Premium chocolate and organic/fair-trade products. Exports thus accounted for about 10 % of sales in 2008, compared with less than 2 % in the previous year. This rise was also due in part to the Coopernic international sourcing alliance. Conad in Italy and Rewe's bulk customer business in Germany are among Chocolats Halba's new customers. In 2008, Chocolats Halba launched over 70 innovative products on the market, half of which are certified by Bio Suisse and Max Havelaar. Direct contacts with cocoa producers in the country of origin and investments in logistics and process control enabled the company to build up its own organic/fair-trade range. In addition, all existing and newly developed recipes are now entirely free of trans fatty acids.

Nutrex

Products: vinegar and vinegar specialities for retailing, gastronomy and industry

Certifications: ISO 9001:2000, IFS, Bio Suisse

As one of the leading Swiss manufacturers of vinegar, Nutrex produced about 6.5 million litres of vinegar in 55 different variants in 2008. Investment packages and restructuring measures gave the company an additional boost. Nutrex achieved substantial cost savings by ending its logistics service for third-party products.

CWK / Steinfels Cleaning Systems (SCS)

CWK products: cosmetics, household cleaning products, industrial cleaners

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

CWK certifications:

ISO 9001:2000, ISO 14001:2004, Cosmetics GMP, EKAS 6029:2004, ISO 22716:2007, SA 8000

SCS certifications:

ISO 9001:2000; ISO 14001:2004

In 2008, CWK and SCS were merged under new management. After a number of challenging years, the companies are now back on track. CWK launched a large number of new products, mainly for Coop Naturaline and Jamadu and for the export market. In addition, CWK gained certification from two further organizations, including social standards. Steinfels Cleaning Systems posted a 15 % increase in sales in the health-care sector. The Maya eco-line grew by around 25 % year-on-year.

Pasta Gala

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

Certifications: ISO 9001:2000, IFS, Bio Suisse

With production capacity amounting to 18,000 tonnes a year, Pasta Gala is one of the two biggest pasta producers in Switzerland. Rewe Germany, Rewe Austria and transGourmet are among the customers it supplies. The increased collaboration with Rewe generated very gratifying sales for this division of the Coop Group in 2008. Sales to the export market alone were up by about 10 %.

Reismühle Brunnen

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

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

Compared with the previous year, Reismühle Brunnen increased its exports by 65 %. To this end, it extended its range in the fair-trade and convenience sector. In 2008, Reismühle Brunnen launched a quick rice under the Max Havelaar label, the first company anywhere in the world to do so.

Sunray

Products: sugar, edible oils, spices, dried fruit, vegetables, nuts, pulses, baking ingredients, dessert and cake mixtures

Certifications: ISO 9001:2000, IFS / BRC, Bio Suisse, Max Havelaar

Production of over 60 million product packs again enabled Sunray to post gratifying growth in 2008. In addition to expectations of optimum quality, highly volatile raw material markets constitute a major challenge. Thanks to the creation of innovative mixtures, sales of roasted products were gratifying. In 2009, Sunray will focus in particular on boosting its exports.

HOTELS

BâleHotels on the right path

The BâleHotels Victoria, Baslertor and Mercure Hotel Europe again achieved sales targets in excess of 32 million francs in the 2008 financial year. The good result was due in large part to the European football championships held in June. Because St. Jakob Park in Basel was the venue for one of the semi-finals as well as earlier matches, large numbers of international guests booked rooms with BâleHotels over the period of the championships. Growth in the catering-events and restaurant sectors stagnated to some extent in 2008. BâleHotels completed the first preliminary studies for the Hotel Europe 2012 project. The project is linked to the plans to modernize Basel's trade fair and convention centre by early 2012.

Corporate Governance

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

As a cooperative society, Coop voluntarily applies the provisions of the Swiss Federal Stock Exchange Law Coop wherever possible and largely follows the guidelines of the SWX Swiss Exchange on corporate governance. These apply to joint-stock companies and companies that have issued participation certificates or non-voting dividend rights certificates, which does not apply to Coop as a cooperative society. The only company in the Coop Group that has issued SWX-listed equities is Bell Holding AG. Specific details on this company's corporate governance may be found in its annual report and on its website, www.bell.ch.

EXECUTIVE BODIES

Regional Councils

See Art. 18–20 of the Articles of Association.

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

Delegate Assembly

See Art. 21–26 of the Articles of Association.

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

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

>> www.coop.ch/organization

GROUP STRUCTURE

The Group structure can be seen in the list of Coop companies provided in the annual consolidated financial statements of the Coop Group (pages 86–87). The changes to the scope of consolidation at Coop can be found on page 72. There are no crossholdings between Coop companies.

CAPITAL STRUCTURE

The capital structure can be seen in the consolidated balance sheet (page 67) and the notes to the consolidated balance sheet (pages 77–81).

BOARD OF DIRECTORS

See Board of Directors and Management structure on page 47.

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

The Delegate Assembly will elect the Board of Directors for the new term of office in April 2009. A new Chairman of the Board of Directors will also be appointed. The position is currently held by Anton Felder, who is retiring from Coop after 32 years of service. Until April 2009, the Board of Directors was constituted as follows:

Anton Felder

Born 1948, Swiss

Swiss diploma in accounting and controlling

Full-time Chairman of the Board of Directors of Coop

Directorships:

- Coop Personalversicherung CPV/CAP, Basel (Chairman)
- Coop Immobilien AG, Bern (Chairman)
- Bell Holding AG, Basel
- Betty Bossi Verlag AG, Zürich
- Coop Mineraloel AG, Allschwil
- Dipl. Ing. Fust AG, Oberbüren
- Further directorships of Coop subsidiaries

Other functions and offices:

- Board member of ETH Zürich Foundation

Stefan Baumberger

Born 1948, Swiss
Dipl. Chem. HTL

Directorships:

- Bell Holding AG, Basel
- Coop Immobilien AG, Bern

Silvio Bircher

Born 1945, Swiss
Lic. rer. publ. HSG
Consultant and publicist
Former local government and national councillor

Directorships:

- Coop Immobilien AG, Bern
- Other functions and offices:**
- Vice-Chairman, Swiss Landscape Foundation (FLS)
- Board member, Swiss Scouting Foundation

Michela Ferrari-Testa

Born 1963, Swiss.
Lawyer and notary

Directorships:

- Coop Immobilien AG, Bern
- Helsana AG, Dübendorf
- Helsana Unfall AG, Dübendorf
- Helsana Versicherungen AG, Dübendorf
- Helsana Zusatzversicherungen AG, Dübendorf
- Progrès Versicherungen AG, Dübendorf
- avanex Versicherungen AG, Dübendorf
- sansan Versicherungen AG, Dübendorf
- Other functions and offices:**
- Member of Helvetia Sana Foundation Board

Felix Halmer

Born 1952, Swiss
Commercial employee
Buyer

Employee representative on the Board of Directors

Directorships:

- Coop Immobilien AG, Bern
- Other functions and offices:**
- Chairman, Association of Salaried Employees of Coop
- Chairman, Association of Salaried Employees Basel

Irene Kaufmann

Born 1955, Swiss.
Dr. oec. publ.

Corporate consultant
Vice-Chairwoman of the Board of Directors

Directorships:

- Coop Immobilien AG, Bern
- Bank Coop AG, Basel
- Other functions and offices:**
- Board member, Juventus Schools, Zürich

Beth Krasna

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

Directorships:

- Coop Immobilien AG, Bern
- Banque Cantonale Vaudoise, Lausanne
- Bonnard & Gardel Holding SA, Lausanne
- Ecole Nouvelle de la Suisse Romande SA, Lausanne
- Raymond Weil SA, Grand-Lancy
- Other functions and offices:**
- Member of ETH Board
- Board member, Fondation en faveur de l'Art Chorégraphique, Lausanne

Jean-Charles Roguet

Born 1942, Swiss

Lawyer

Partner, Pestalozzi, Lachenal & Patry, Genève

Directorships:

- Coop Immobilien AG, Bern
- Arn, Wüthrich et Frigerio SA, Genève
- Artrivium SA, Genève
- ATC Aviation Services AG, Opfikon
- Citerne Invest SA, Lausanne
- C.M.D. Corporate Management Development SA, Genève
- Coges Corratierie Gestion SA, Genève
- COGIN Compagnie de Gestion Internationale SA, Genève
- Dipan SA, Carouge
- Finasma Financial Asset Management SA, Cologne
- Kessler Gestion SA, Genève
- Mirrair Holding AG, Zug
- Publipartner SA, Plan-les-Ouates
- Puig SA, Fribourg
- Sarp Industries (Suisse) SA, Genève
- Schroder & Co. Banque AG, Zürich and Genève
- Tech Value SA, Genève
- Veolia Service à l'environnement Suisse SA, Bern

Giusep Valaulta

Born 1951, Swiss

Lic. iur.

Directorships:

- Coop Immobilien AG, Bern

Election and term of office of the Board of Directors

The members of the Board of Directors are elected by the Delegate Assembly in accordance with the principles set out in Art. 27 of the Articles of Association. The term of office for all members is four years. The current term of office ends in spring 2009. The Articles of Association limit a member's term in office to 20 years and also limit the age of members (members must retire at the end of the year in which they celebrate their 65th birthday).

Internal organization

The Board of Directors is self-constituting and has a full-time Chairman. The members assume equal responsibility for exercising the functions of the Board of Directors.

Regulation of responsibilities

The Board of Directors is responsible for the general direction (strategic leadership) of Coop's business and oversees operational management of the Group. The duties and powers vested in it under Art. 29 of the Articles of Association correspond to the regulations laid down for joint stock companies (Swiss Code of Obligations 716 a), which are stricter than Swiss law on cooperatives. The organizational regulations 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 infor-

mation on all business segments. In addition, reports and results are submitted in writing to the Board of Directors every four months and presented and discussed at the Board meetings. The Chairman of the Board of Directors regularly attends the meetings of the Executive Committee. He is also responsible for Internal Auditing. Coop has a comprehensive and continuous planning and goal-setting process in place, which also features regular reporting to the Board of Directors, including “balanced scorecard” reports. Coop also operates a systematic risk management and internal audit system.

Instruments of supervision and control over the auditors

As the auditors are appointed for one year, the Delegate Assembly elects them each year. The full-time Chairman, the members of the Board of Directors, the Chief Executive Officer and the Head of the Finances/ Services Business Unit maintain regular contact with the auditors. In particular, they discuss the results of the audit.

Furthermore, the work of the auditors and their independence are assessed annually.

EXECUTIVE COMMITTEE

See Management structure and Management on pages 47–49.

For the operational management of the Group, the Board of Directors appoints an Executive Committee (EC), which acts on its own responsibility as the executive body; its duties and powers are laid down in the organizational regulations by the Board of Directors. The Executive Committee is headed by a CEO, who is entitled to issue directives to the other EC members. For reasons of health and following a long period of convalescence, Jörg Ackermann, Vice-Chairman of the Executive Committee, resigned from the Executive Committee and the business operations of the Coop Group with effect from 1 April 2008. He is currently exercising a number of mandates on behalf of Coop. The Logistics/IT/Manufacturing Business Unit previously headed by Jörg Ackermann was partially reorganized on 1 July 2007 with the establishment of a separate Logistics Business Unit (headed by Leo Ebnetter). In spring 2008, the remaining areas of responsibility – IT, Manufacturing and Bâlehotels – were integrated into the Presidium of the Executive Committee Business Unit, reporting to August Harder, who was a member of the Executive Committee on an interim basis. Since 1 April 2008, Jürg Peritz has been Vice-Chairman of the Executive Committee, a position he had previously held on an interim basis from August 2006. On 31 May 2009 Hansueli Loosli will hand over management of the Retail Business Unit for which he has been jointly responsible since 2001. Philipp Wyss will take over as Head of the Retail Business Unit and will thus become a Member of the Executive Committee on 1 June 2009. He has worked for Coop Group for eleven years and will also take on the management of the Zentralschweiz-Zürich sales region.

Until 31 May 2009 the Executive Committee is constituted as follows:

Hansueli Loosli

Born 1955, Swiss
Swiss diploma in accounting and
controlling
Chief Executive Officer
Head of Retail Business Unit

Directorships:

- transGourmet Group, Basel (Chairman)
- Betty Bossi Verlag AG, Zürich
- Coopernic SCRL, Bruxelles
- Coop-ITS-Travel AG, Wollerau (Chairman)
- Dipl. Ing. Fust AG, Oberbüren
- Palink UAB, Lithuania/Palink SIA, Latvia
- Further directorships of Coop subsidiaries

Rudolf Burger

Born 1946, Swiss
Commercial specialist
Head of Trading Business Unit

Directorships:

- Coop Mineraloel AG, Allschwil (Chairman)
- Coop Vitality AG, Bern (Chairman)
- Dipl. Ing. Fust AG, Oberbüren (Chairman)
- Further directorships of Coop subsidiaries

Jean-Marc Chapuis

Born 1954, Swiss
lic. en sciences économiques et sociales
Head of Property Business Unit

Directorships:

- Various directorships of Coop subsidiaries

Leo Ebnetter

Born 1954, Swiss
Commercial specialist
Head of Logistics Business Unit

Directorships:

None

Jürg Peritz

Born 1947, Swiss
Commercial specialist
Head of Marketing/Purchasing Business Unit
Vice-Chairman of the Executive Committee

Directorships:

- Eurogroup Far East Ltd, Hong Kong (Chairman)
- Coopernic SCRL, Bruxelles
- Coop Switzerland Far East Ltd., Hong Kong
- Dipl. Ing. Fust AG, Oberbüren
- Palink UAB, Lithuania/Palink SIA, Latvia
- tooMax-x Handelsgesellschaft m.b.H., Köln
- bioRe Foundation, Rotkreuz

Hans Peter Schwarz

Born 1950, Swiss
Swiss diploma in accounting and
controlling
Head of Finances & Services Business Unit

Directorships:

- Coop Personalversicherung CPV/CAP, Basel
- Bell Holding AG, Basel
- Coop Mineraloel AG, Allschwil
- Coop Vitality AG, Bern
- Dipl. Ing. Fust AG, Oberbüren
- transGourmet Group, Basel
- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Gettnau
- Bank Coop AG, Basel
- Further directorships of Coop subsidiaries

Management agreements

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

REMUNERATION

In 2008, the Board of Directors of Coop received an aggregate amount of 1.2 million francs in remuneration (previous year: 1.2 million francs).

The gross salaries of the Executive Committee totalled 3.7 million Swiss francs for six members in 2008 (previous year: 4.1 million francs for seven members).

In addition, a performance-related bonus of no higher than 20 % of gross salary is paid to the Chairman of the Board of Directors and the members of the Executive Committee.

Coop is entitled to any fees paid to the Chairman of the Board of Directors and the members of the Executive Committee for activities performed as members of the Boards of Directors of Coop subsidiaries and non-Group companies. The Chairman of the Board of Directors and the members of the 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 (PwC) has been Coop's auditors since 1994. Rodolfo Gerber (lead auditor) and Matthias Rist have been in office since 2004 and 2005 respectively.

Auditing fee

The following auditing fees were billed for services performed for 2008:

- Auditing services: 1.8 million francs
- Other services: 2.2 million francs

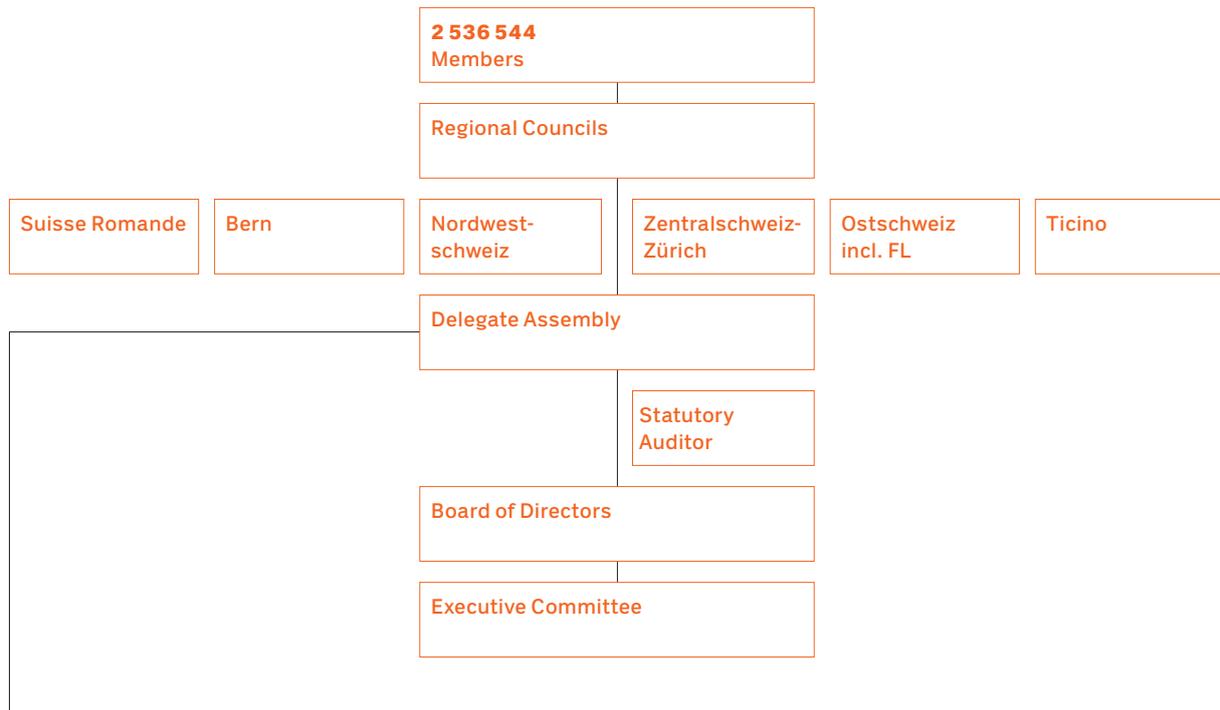
The amount billed for auditing services includes the work undertaken by the auditing company for the examination of the consolidated financial statements. This work is performed every year to enable an opinion to be expressed on the consolidated financial statements and reports to be prepared on the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

INFORMATION POLICY

The previous year's sales are announced at the beginning of each year. The annual results conference takes place in February and the Delegate Assembly in the spring. The annual report is published in April. A second Delegate Assembly takes place in the autumn. In addition, the delegates receive a report every four months informing them of the company's business development.

EXECUTIVE BODIES AND DELEGATE ASSEMBLY

As at 31 December 2008



Members of the Regional Committees constitute the Coop Delegate Assembly

Suisse Romande Region

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

Nordwestschweiz Region

Willi Buess
 Erika Haefelè-Thoma
 Bruno Hess
 Trudi Jost
 Luciana Maggetti
 Verena Reber
 Greta Schindler
 Peter Schmid
 Charles Suter
 Peter Villiger
 Jörg Vitelli

Ostschweiz Region

Maria Bieri
 Suzanne Blaser
 Peter Fischer
 Michael Fuhrer
 Peter Gloor
 Josef Hemmi
 Tarzis Meyerhans
 Roberto Pedrini
 Gerhard Riediker
 Bruno Stacher
 Martha Veraguth

Bern Region

Katharina Bieler
 Hans-Rudolf Blatter
 Lily Frei
 Manfred Jakob
 Doris Kelterborn
 Ruth Läderach
 Karl Lauber
 Martin Schweizer
 Felix Truffer
 Pierrette Zumwald

Zentralschweiz-Zürich Region

Hans Aepli
 Ruth Beck
 Beatrice Bertschinger
 Renato Blum
 Markus Eugster
 Kurt Feubli
 Ronald Hauser
 Hans Kissling
 Lillia Rebsamen
 Otto Rütter
 Ivo Schmid

Ticino Region

Carlo Crivelli
 Lucia Gianoli
 Giancarlo Lafranchi
 Marco Lucchini
 Gabriella Rossetti

BOARD OF DIRECTORS AND MANAGEMENT STRUCTURE

As at 31 December 2008

Board of Directors

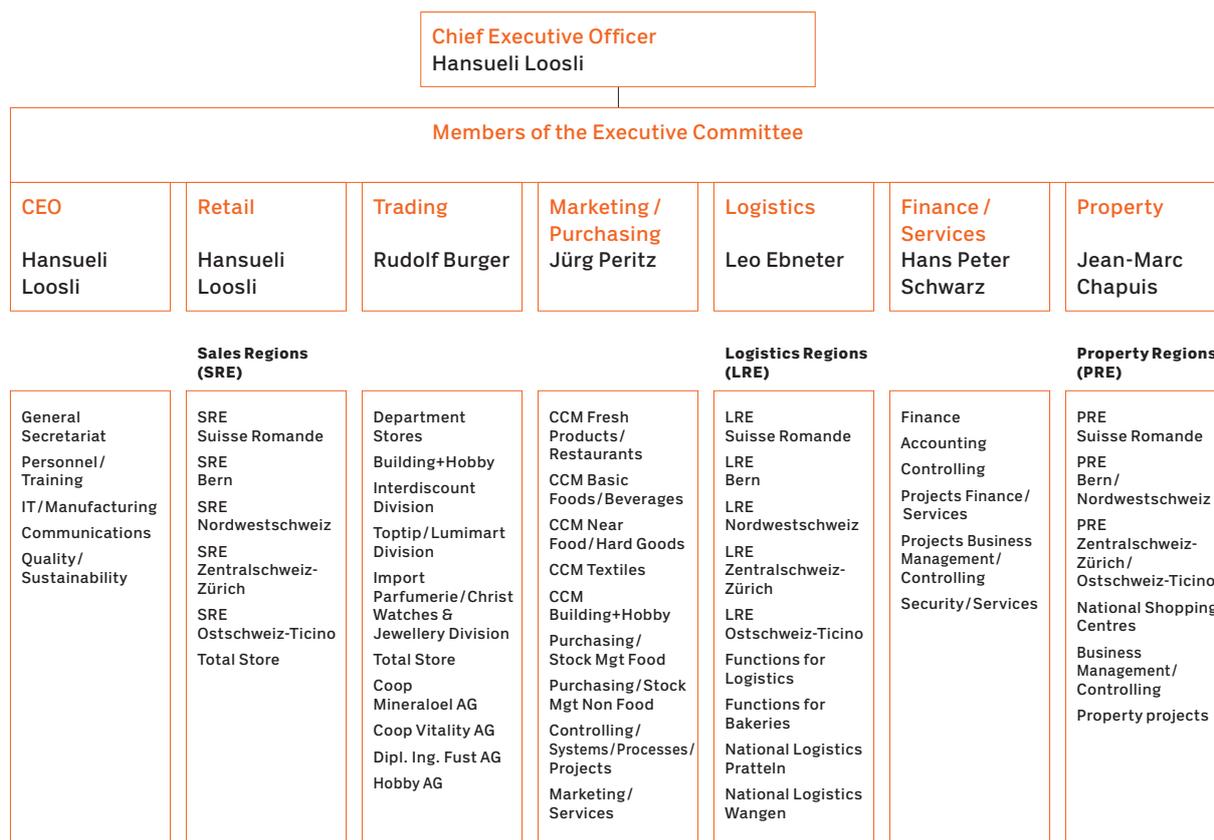
Stefan Baumberger
Michela Ferrari-Testa
Beth Krasna

Silvio Bircher
Felix Halmer
Jean-Charles Roguet

Anton Felder (Chairman)
Irene Kaufmann (Vice-Chairwoman)
Giusep Valaulta

Internal Auditing

Franz Kessler, Head of Internal Auditing



MANAGEMENT

As at 1 April 2009

Executive Committee (EC)

Hansueli Loosli, Chief Executive Officer
Rudolf Burger, Head of Trading Business Unit
Jean-Marc Chapuis, Head of Property Business Unit
Leo Ebnetter, Head of Property Business Unit
Jürg Peritz, Head of Marketing/Purchasing Business Unit
Hans Peter Schwarz, Head of Finance and Services Business Unit

Presidium of the Executive Committee Business Unit

Hansueli Loosli, Chief Executive Officer
Sibyl Anwander Phan-huy, Head of Quality/Sustainability
August Harder, Head of IT/Manufacturing
Alfred Hubler, Head of General Secretariat
Peter Keller, Head of Personnel/Training
Felix Wehrle, Head of Communication

Josef Achermann, Head of Manufacturing
Jörg Ackermann, Special Mandates
Marc Haubensak, Head of BâleHotels
Lorenzo Pelucchi, Head of Sunray Division
Walter Stutz, Head of Quality Centre
Anton von Weissenfluh, Head of Chocolats Halba

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
André Mislin, Head of NW Sales Region
Peter Schmid, Head of BE Sales Region
Herbert Zaugg, Head of Total Store

Suisse Romande (SR) Sales Region

Raymond Léchaire, Head of SR Sales Region
Stéphane Bossel, Head of Business Management/Controlling
Jean-Claude Chapuisat, Head of Personnel/Training
Patrick Fauchère, Head of Sales 1
Sissigno Murgia, Head of Sales 2

Bern (BE) Sales Region

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

Nordwestschweiz (NW) Sales Region

André Mislin, Head of NW Sales Region
Angelo Durante, Head of Business Management/Controlling
Rolf Gurtner, Head of Sales 1
Stephan Rauch, Head of Sales 2
Rolf Scheitlin, Head of Personnel/Training

Zentralschweiz-Zürich (ZZ) Sales Region

Theo Jost, Head of NW Sales Region
Walter Flessati, Head of Personnel/Training
Eduard Warburton, Head of Business Management/Controlling
Philipp Wyss, Head of Sales 2
Paul Zeller, Head of Sales 1

Ostschweiz-Ticino (OT) Sales Region

Livio Bontognali, Head of OT Sales Region
Mario Colatrella, Head of Sales 2
Ivo Dietsche, Head of Business/Controlling
Hans Ernst, Head of Personnel/Training
Karl Sturzenegger, Head of Sales 1

Trading Business Unit

Rudolf Burger, Head of Trading Business Unit
Jürg Berger, Head of Total Store
Andreas Frischknecht, Head of Building+Hobby
Urs Jordi, Head of Department Stores
Markus Schärer, Head of Business Management/Controlling
Daniel Stucker, Head of Import Parfumerie /
Christ Watches & Jewellery Division
Joos-Rudolf Sutter, Head of Interdiscount Division
Bruno Veit, Head of Toptip/Lumimart Division
Martin von Bertrab, Head of Personnel/Training

Pierre Pfaffhauser, Head of Personnel Marketing

Department Stores

Urs Jordi, Head of Department Stores
Jürg Birkenmeier, Head of Sales, Region Centre
Michel Produit, Head of Sales Region West
Philipp Sigrist, Head of Sales Region East

Interdiscount

Joos-Rudolf Sutter, Head of Interdiscount Division
Vito Armetta, Head of Sales
Daniel Hintermann, Head of Logistics/IT/Services
Pierre Wenger, Head of CCM Interdiscount

Marketing/Purchasing Business Unit

Jürg Peritz, Head of Marketing/Purchasing Business Unit
Jörg Ledermann, Head of Controlling/Systems/Processes/Projects
Mauro Manacchini, Head of Supply Chain Management
Thomas Schwetje, Head of Marketing/Services

Benedikt Pachlatko, Head of Customer Programmes

CCM Fresh Products/Restaurants

Lorenz Wyss, Head of CCM Fresh Products/Restaurants
Marie-Claire Chepca Cordier, CCM Dairy Produce/Eggs/Ice-cream
Marc Muntwyler, CCM Meat
Theodor Schärer, CCM Bread/Baked Goods
Fabian Schneider, CCM Fresh Convenience/Frozen Convenience
Christoph Widmer, CCM Fruit/Vegetables

CCM Basic Foods/Beverages

Roland Frefel, Head of CCM Basic Foods/Beverages
Pius Buchmann, Direct Wine Sales
Christoph Bürki, CCM Wines/Sparkling Wines
Markus Schmid, CCM Breakfast/Garnishes/Baking Ingredients/
Pet Supplies
Bernhard Studer, CCM Soft Drinks/Spirits/Tobacco Goods
Susanne Urech, CCM Confectionery/Savoury Snacks

CCM Near Food/Hard Goods

Helmut Träris-Stark, Head of CCM Near Food/Hard Goods
Bruno Cabernard, CCM Festive/Press/Consumer/Electronics
Kerstin Czermak, CCM Detergents and Cleaning Agents/Hygiene
Manuel Gonzalez, CCM Stationery/Cards/Books/Travel Supplies
Daniel Walker, CCM Kitchen/Electrical Appliances
Peter Willimann, CCM Perfumery/Bodycare/Vitashop

CCM Textiles

Sandro Corpina, Head of CCM Textiles
Daniel Gerber, CCM Children's Wear/Baby Products/Toys
Simone Gössling, CCM Tableware/Homestyle
Valentin Lüthi, CCM Women's Outerwear/Lingerie
Andrea Ruhland, CCM Menswear/Men's Underwear/
Leisure/Sport
Sonya Suscetta, CCM Accessoires/Watches/Jewellery/Shoes/
Leather Goods/Hosiery

CCM Building+Hobby

Christoph Theler, Head of CCM Building+Hobby
Fredri Altermatt, CCM Building/Sanitary
Bruno Haberthür, CCM DIY/Electrical
Rainer Pietrek, CCM Plants
Walter Studer, CCM Garden

Purchasing/Stock Management Food

Christian Guggisberg, Head of Purchasing/
Stock Management Food
Philipp Allemann, Buying Pool (BP) Meat/Meat Products/
Poultry/Delicatessen/Convenience
Beat Seeger, BP Basic Foods/Beverages
Robert Trachsler, Stock Management Pool Food
Peter Zürcher, BP Bread/Dairy/Cheese/Frozen Products/Fish

Ernst Seiler, Managing Director of Eurogroup SA

Purchasing/Stock Management Non Food

Philipp Schenker, Head of Purchasing/
Stock Management Non Food
Gerhard Beutler, BP Hard Goods
Emanuel Büchlin, BP Clothing/Accessoires
Christian Kaufmann, Stock Management Pool Non Food
Stefan Mundwiler, BP Building+Hobby
Olivier Schwegler, BP Near Food

Logistics Business Unit

Leo Ebnetter, Head of Logistics Business Unit
Domenico Repetto, Head of Bern Logistics Region
Niklaus Stehli, Head of Nordwestschweiz Logistics Region
Guy Théoduloz, Head of Suisse Romande Logistics Region
Beat Zaugg, Head of National Logistics Wangen
Josef Zettel, Head of Zentralschweiz-Zürich Logistics Region
Daniel Woodtli, Head of National Logistics Pratteln

Business Unit Finance/Services

Hans Peter Schwarz, Head of Finance/Services Business Unit
Xavier Buro, Head of Projects Finance/Services
Hansjörg Klossner, Head of Accounting
Beat Leuthardt, Head of Finance
Heinrich Stamm, Head of Projects Business Management/Controlling
Adrian Werren, Head of Controlling

Property Business Unit

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

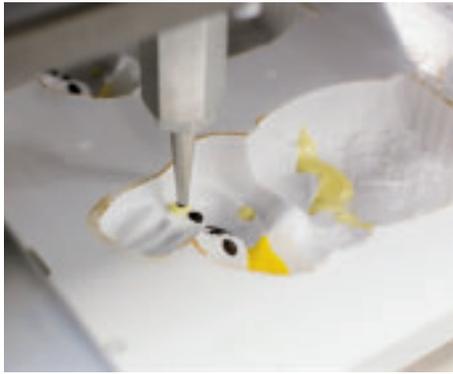


→



From the cocoa bean
to Coop chocolate







Most of Coop's own-brand chocolate range, including organic and fair-trade items, is produced at the Chocolats Halba plant in Switzerland. The cocoa beans are sourced in West Africa and South America. They are cleaned, roasted, ground and then mixed with cocoa butter. The mixture is then stirred for hours to create the couverture, the raw mass from which all other chocolate specialities are formed.

The Coop Group in figures

- 54** Cash turnover / Direct sales
- 55** Cash turnover / Direct sales / Retail turnover
- 56** Market shares
- 57** Sales outlets
- 58** Subsidiaries / Divisions / Bank loans
- 59** Key financial data / Investments
- 60** Employees
- 62** Statement of added value
- 63** Development of the Coop Group
- 64** Key environmental data

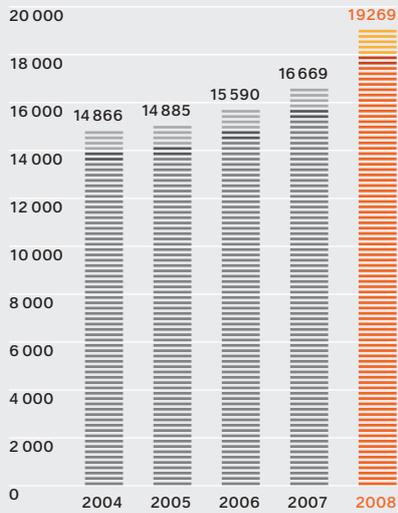
All values rounded up / down individually

CASH TURNOVER / DIRECT SALES

		CHF m	CHF m	Change CHF m	Change %
		2008	2007		
Supermarkets A	250–600 m ²	3 671	3 540	+131	+3.7
Supermarkets B	800–1400 m ²	3 177	3 057	+119	+3.9
Supermarkets C	1800–3 000 m ²	2 947	2 794	+153	+5.5
Supermarkets		9 796	9 392	+404	+4.3
Megastores	4 500–8 000 m ²	1 239	875	+364	+41.5
Supermarkets / megastores		11 035	10 267	+768	+7.5
Other		2	2	+0	+1.1
Coop Retail		11 036	10 269	+768	+7.5
Department stores		1 050	1 009	+41	+4.1
Building & Hobby (incl. Hobby AG)		720	685	+35	+5.2
Interdiscount		1 025	976	+49	+5.0
Toptip and Lumimart		261	262	–1	–0.4
Christ Watches & Jewellery		114	107	+7	+6.5
Import Parfumerie		163	154	+9	+6.0
Other		4	3	+0	+8.5
Coop Trading		3 335	3 195	+140	+4.4
Carrefour liquidation		6			
Distributis (formerly Carrefour)		131			
Hotels		32	32	+0	+0.7
Coop		14 540	13 496	+1 044	+7.7
Alcoba Distribution SA		59	76	–16	–21.4
Bell Group (sales outlets)		27	17	+9	+54.7
Petrol stations		1 440	1 163	+277	+23.8
Coop Pronto at petrol stations		383	330	+52	+15.9
Coop Pronto stand-alone		165	140	+25	+17.8
Coop Mineraloel AG		1 988	1 634	+354	+21.7
Coop Vitality AG		88	66	+22	+33.9
Dipl. Ing. Fust AG		943	102	+841	
Cash turnover of sales outlets		17 645	15 390	+2 255	+14.7
Internet shops		141	86	+55	+64.2
Onward retail sales to third parties		363	279	+84	+30.1
Retail turnover		18 150	15 755	+2 395	+15.2
Sales to large customers		1 119	914	+206	+22.5
Cash turnover / direct sales		19 269	16 669	+2 600	+15.6

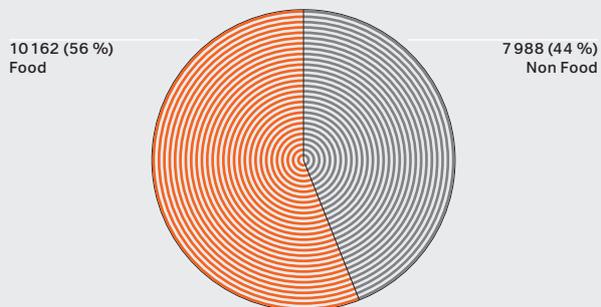
CASH TURNOVER / DIRECT SALES / RETAIL TURNOVER

Cash turnover/Direct sales CHF m

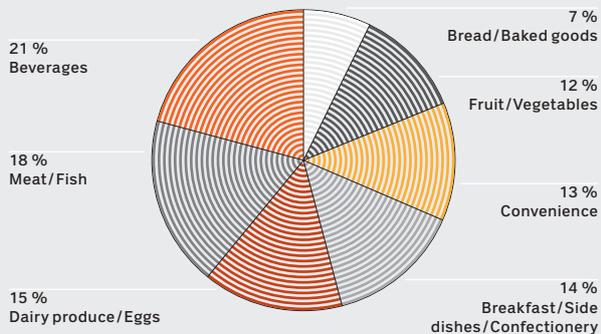


- Sales to large customers
- Onward retail sales to third parties
- Cash turnover of sales outlets

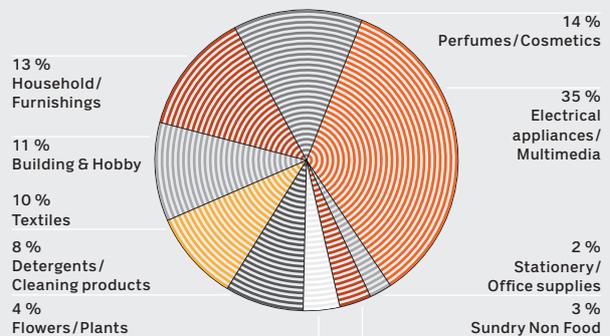
Retail turnover by main categories CHF m



Food

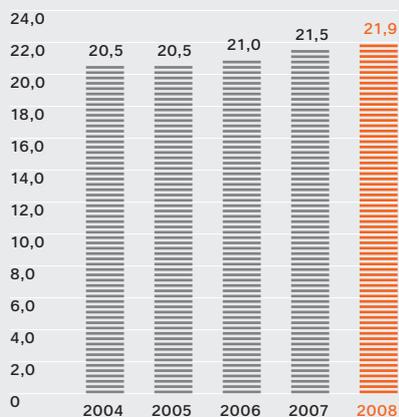


Non Food

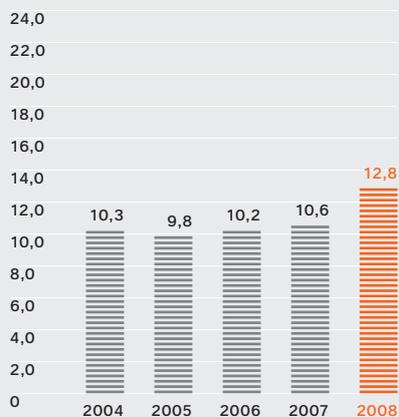


MARKET SHARES

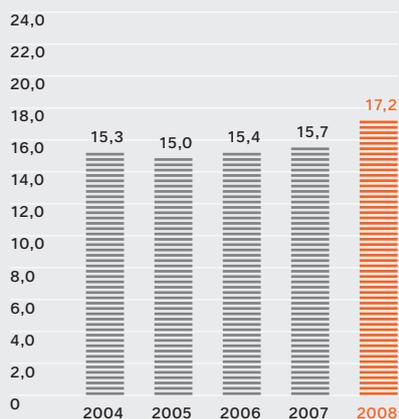
Food in %



Non Food in %



Coop Group in %



	CHF m 2004	CHF m 2005	CHF m 2006	CHF m 2007	CHF m 2008
Retail turnover	13 983	14 049	14 709	15 755	18 150
minus petrol stations, fuels, hotels	874	1 066	1 241	1 342	1 710
Coop retail turnover for market shares	13 109	12 983	13 467	14 413	16 440
Market volume Food	41 324	41 407	41 856	43 076	46 436
Market volume Non Food	44 524	45 557	46 039	48 460	49 219
Total volume acc. to BAK¹	85 848	86 964	87 896	91 536	95 655

¹Data basis: BAK Basel Economics, BAK Flash 2008 edition (status: 20.2.2009)

Prior-year figures restated

SALES OUTLETS

	Sales outlets		Sales area		Cash turnover of sales outlets			
	Number at 31.12		m ² at 31.12		CHF m	CHF m	%	Share %
	2008	2007	2008	2007	2008	2007		
Supermarkets A 250–600 m ²	527	529	286 487	284 881	3 671	3 540	+3.7	20.8
Supermarkets B 800–1 400 m ²	174	171	249 035	247 607	3 177	3 057	+3.9	18.0
Supermarkets C 1 800–3 000 m ²	89	88	247 836	244 092	2 947	2 794	+5.5	16.7
Supermarkets	790	788	783 358	776 580	9 796	9 392	+4.3	55.5
Megastores 4 500–8 000 m ²	27	14	142 702	77 492	1 239	875	+41.5	7.0
Supermarkets / megastores	817	802	926 060	854 072	11 035	10 267	+7.5	62.5
Other	1	1	290	290	2	2	+1.1	0.0
Coop Retail	818	803	926 350	854 362	11 036	10 269	+7.5	62.5
Department stores	33	33	138 078	138 418	1 050	1 009	+4.1	5.9
Building & Hobby (incl. Hobby AG)	69	68	285 246	280 428	720	685	+5.2	4.1
Interdiscount	197	185	68 137	61 957	1 025	976	+5.0	5.8
Toptip and Lumimart	59	60	158 690	159 339	261	262	–0.4	1.5
Christ Watches & Jewellery	84	84	6 082	6 094	114	107	+6.5	0.6
Import Parfumerie	97	96	8 682	8 701	163	154	+6.0	0.9
Other	2	1	550	150	4	3	+8.5	0.0
Coop Trading	541	527	665 465	655 087	3 335	3 195	+4.4	18.9
Carrefour liquidation					6			0.0
Distributis (formerly Carrefour)					131			0.7
Hotels	3	3			32	32	+0.7	0.2
Coop	1 362	1 333	1 591 815	1 509 449	14 540	13 496	+7.7	82.4
Alcoba Distribution SA		2		9 002	59	76	–21.4	0.3
Bell Group (sales outlets)	115	26	3 536	829	27	17	+54.7	0.2
Petrol stations	176	163			1 440	1 163	+23.8	8.2
Coop Pronto at petrol stations	(164)	(151)	15 895	14 186	383	330	+15.9	2.2
Coop Pronto stand-alone	44	38	7 177	6 208	165	140	+17.8	0.9
Coop Mineraloel AG	220	201	23 072	20 394	1 988	1 634	+21.7	11.3
Coop Vitality AG	31	25	7 975	6 537	88	66	+33.9	0.5
Dipl. Ing. Fust AG	157	152	80 791	77 836	943	102		5.3
Subsidiaries	523	406	115 374	114 598	3 105	1 894	+63.9	17.6
Sales outlets	1 885	1 739	1 707 189	1 624 047	17 645	15 390	+14.7	100.0

SUBSIDIARIES / DIVISIONS / BANK LOANS

Subsidiaries	Net sales		Full-time- employees	Share capital at 31.12	
				Scope of consolidation	
	CHF m	CHF m		CHF m	%
	2008	2007	2008	2008	2008
Alcoba Distribution SA	53	67	174	0.2	50.0
Bell Group	1 940	1 636	3 794	2.0	66.3
Coop training centres MuttENZ and Jongny	14	13	71	0.4	100.0
Coop Mineraloel AG	2 078	1 664	68	10.0	51.0
Coop Vitality AG	85	64	276	5.0	51.0
Dipl. Ing. Fust AG	901	98	1 726	10.0	100.0

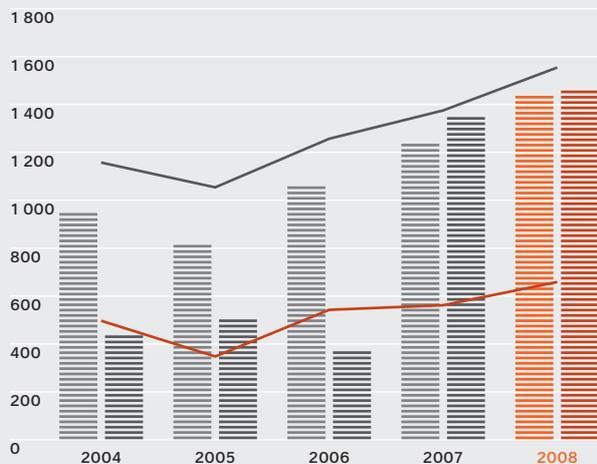
Divisions			Change	Change
	CHF m	CHF m	CHF m	%
	2008	2007		
Cash turnover	1 025	976	+49	+5.0
Onward retail sales to third parties	50	20	+30	+147.7
Interdiscount Division	1 074	996	+78	+7.9
Cash turnover Toptip	233	233	-0	-0.1
Cash turnover Lumimart	28	29	-1	-3.3
Onward retail sales to third parties				
Toptip and Lumimart Division	261	262	-1	-0.4
Cash turnover	114	107	+7	+6.5
Onward retail sales to third parties	0	1	-1	-71.1
Christ Division Watches & Jewellery	114	108	+6	+5.8
Cash turnover	163	154	+9	+6.0
Onward retail sales to third parties	1	1	+0	+41.6
Import Parfumerie Division	164	155	+10	+6.3

Bank loans	Credit line		Used		Unused credit line	
	2008	2007	2008	2007	2008	2007
at 31.12						
Big banks	611	551	143	91	468	460
Cantonal banks	615	528	309	177	306	351
Regional banks	57	31	57	31		
Bank Coop	100	110	35	70	65	40
Foreign banks in Switzerland	250	250	100		150	250
Foreign banks	514	673	146	283	368	390
Banks	2 147	2 143	790	652	1 356	1 491
Short-term bank loans			381	489		
Long-term bank loans			397	132		
Bank mortgages			13	32		
Bank loans			790	652		

KEY FINANCIAL DATA / INVESTMENTS

Key financial data

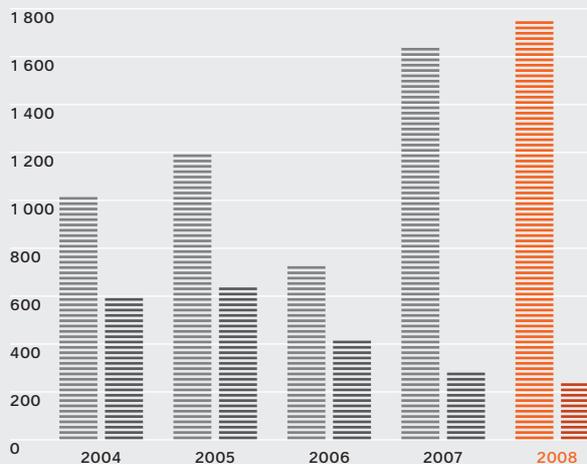
CHF m



— Operating cash flow (EBITDA)
 — Operating result (EBIT)
 — Cash flow before change in net current assets
 — Net investments

Investments

CHF m



— Gross investments
 — Disposals

	CHF m				
	2004	2005	2006	2007	2008
Suisse Romande Region	129	107	137	91	134
Bern Region	134	141	75	77	110
Nordwestschweiz Region	326	316	205	188	211
Zentralschweiz-Zürich Region	273	137	90	120	120
Ostschweiz-Ticino Region	116	50	108	80	107
Gross investments in tangible fixed assets	979	752	615	556	681
Disposals of tangible fixed assets	-559	-599	-385	-152	-178
Net investments in tangible fixed assets	420	153	230	404	503
Other net investments	11	344	147	947	973
Net investments	431	497	377	1 351	1 476
Operating cash flow (EBITDA)	1 171	1 039	1 237	1 383	1 563
Operating result (EBIT)	491	348	553	572	659
Profit / loss for the year	320	270	310	350	390
Cash flow before change in net current assets	936	818	1 068	1 254	1 445

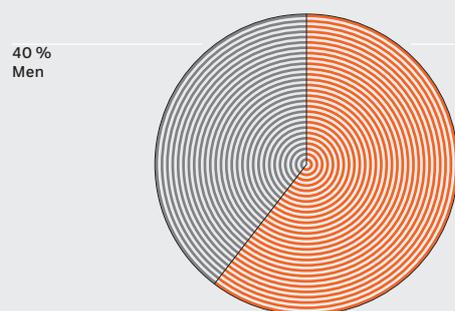
Prior-year figures restated

EMPLOYEES

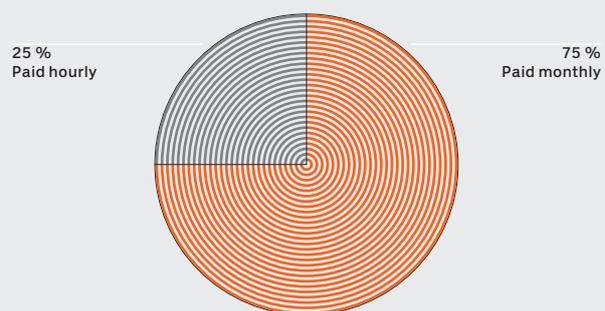
	2008	2007	Change	%
SRE Suisse Romande	4 637	4 245	+392	+9.2
SRE Bern	3 220	3 022	+198	+6.5
SRE Nordwestschweiz	3 704	3 651	+52	+1.4
SRE Zentralschweiz-Zürich	4 567	4 297	+270	+6.3
SRE Ostschweiz-Ticino	4 061	3 909	+152	+3.9
Corporate Services Retail	19	18	+1	+5.5
Retail	20 207	19 142	+1 065	+5.6
Department stores	2 732	2 765	-33	-1.2
Building & Hobby (incl. Hobby AG)	1 428	1 427	+1	+0.0
Interdiscount	1 773	1 678	+95	+5.7
Toptip and Lumimart	637	646	-9	-1.4
Christ Watches & Jewellery	385	470	-85	-18.2
Import Parfumerie	410	396	+14	+3.5
Corporate Services Trading	180	175	+5	+2.7
Trading	7 544	7 557	-14	-0.2
Logistics	4 371	4 303	+68	+1.6
Production	696	724	-27	-3.8
Other corporate services / Real Estate Business Unit	2 623	2 530	+93	+3.7
Coop parent company	35 441	34 256	+1 185	+3.5
Bell Group	3 794	3 312	+483	+14.6
Coop Mineraloel AG	68	61	+7	+11.8
Coop Vitality AG	276	218	+58	+26.6
Dipl. Ing. Fust AG	1 726	148	+1 578	
Other companies	245	236	+9	+3.9
Full-time employees (incl. trainees)	41 550	38 230	+3 320	+8.7
SRE Suisse Romande	6 473	5 694	+779	+13.7
SRE Bern	4 534	4 186	+348	+8.3
SRE Nordwestschweiz	4 706	4 590	+116	+2.5
SRE Zentralschweiz-Zürich	6 200	5 752	+448	+7.8
SRE Ostschweiz-Ticino	5 510	5 208	+302	+5.8
Corporate Services Retail	19	18	+1	+5.6
Retail	27 442	25 448	+1 994	+7.8
Department stores	3 398	3 398		
Building & Hobby (incl. Hobby AG)	1 721	1 740	-19	-1.1
Interdiscount	1 906	1 800	+106	+5.9
Toptip and Lumimart	734	768	-34	-4.4
Christ Watches & Jewellery	516	549	-33	-6.0
Import Parfumerie	564	533	+31	+5.8
Corporate Services Trading	197	195	+2	+1.0
Trading	9 036	8 983	+53	+0.6
Logistics	4 907	4 758	+149	+3.1
Production	844	858	-14	-1.6
Other corporate services / Real Estate Business Unit	2 230	2 104	+126	+6.0
Coop parent company	44 459	42 151	+2 308	+5.5
Bell Group	6 810	3 435	+3 375	+98.3
Coop Mineraloel AG	71	65	+6	+9.2
Coop Vitality AG	387	310	+77	+24.8
Dipl. Ing. Fust AG	1 875	1 953	-78	-4.0
Other companies	278	286	-8	-2.8
Employees (incl. trainees) at 31.12	53 880	48 200	+5 680	+11.8

	2008	2007	Change	%
SRE Suisse Romande	359	346	+13	+3.8
SRE Bern	259	203	+56	+27.6
SRE Nordwestschweiz	369	370	-1	-0.3
SRE Zentralschweiz-Zürich	435	386	+49	+12.7
SRE Ostschweiz-Ticino	298	294	+4	+1.4
Corporate Services Retail				
Retail	1 720	1 599	+121	+7.6
Department stores	175	177	-2	-1.1
Building & Hobby (incl. Hobby AG)	120	124	-4	-3.2
Interdiscount	372	355	+17	+4.8
Toptip and Lumimart	33	20	+13	+65.0
Christ Watches & Jewellery	30	29	+1	+3.4
Import Parfumerie	63	60	+3	+5.0
Corporate Services Trading	6	6		
Trading	799	771	+28	+3.6
Logistics	111	95	+16	+16.8
Production	39	37	+2	+5.4
Other corporate services / Real Estate Business Unit	68	60	+8	+13.3
Coop parent company	2 737	2 562	+175	+6.8
Bell Group	109	50	+59	+118.0
Coop Mineraloel AG	3	3		
Coop Vitality AG	69	54	+15	+27.8
Dipl. Ing. Fust AG	54	56	-2	-3.6
Other companies	2	3	-1	-33.3
Trainees (full-time) at 31.12	2 974	2 728	+246	+9.0
Prior-year figures restated				
School-leaver internships	57	81	-24	-29.6

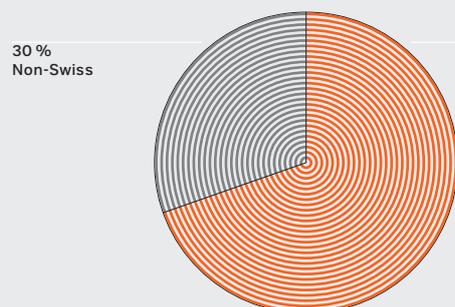
Gender



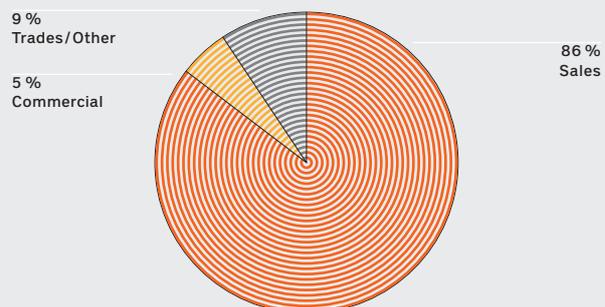
Type of employment



Nationality



Trainees

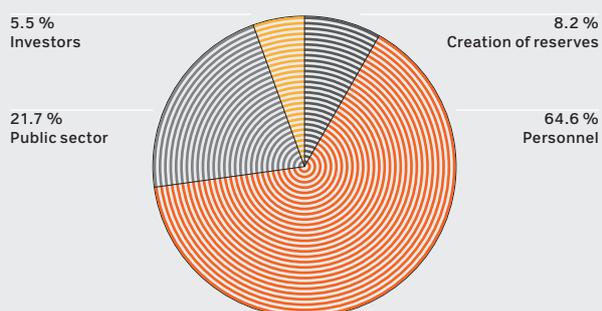


STATEMENT OF ADDED VALUE

	CHF m	CHF m	Change %
	2008	2007	
Cash turnover / direct sales	19 269	16 669	+15.6
Merchandise	-11 499	-9 891	+16.3
Other	-1 914	-1 971	-2.9
Upstream services	-13 413	-11 862	+13.1
Gross added value	5 856	4 807	+21.8
Depreciation and amortization / provisions	-1 101	-731	+50.6
Net added value	4 755	4 076	+16.6
Wages and salaries	-2 391	-2 132	+12.2
Social security contributions	-518	-451	+15.0
Other personnel costs	-108	-94	+15.3
Personnel discounts incl. personnel Supercard points	-54	-51	+4.6
Employees	-3 071	-2 727	+12.6
Taxes	-132	-74	+78.6
Operations-related taxes, charges and fees	-16	-13	+25.9
Customs duties	-718	-623	+15.2
Value-added tax	-165	-131	+26.1
Public sector	-1 031	-841	+22.6
Investors	-263	-159	+66.0
Creation of (-) / withdrawal from (+) reserves	-390	-350	+11.4
Distribution of added value	-4 755	-4 076	+16.6

Prior-year figures restated

Distribution of added value



DEVELOPMENT OF THE COOP GROUP

	2004	2005	2006	2007	2008
Key financial data consolidated in CHF m					
Retail turnover	13 983	14 049	14 709	15 755	18 150
Cash turnover / direct sales	14 866	14 885	15 590	16 669	19 269
Net sales from goods and services	14 127	14 133	14 785	15 812	18 271
Operating cash flow (EBITDA)	1 171	1 039	1 237	1 383	1 563
Operating result (EBIT)	491	348	553	572	659
Financial result incl. result of associated organizations	-103	-91	-69	-39	-121
Profit / loss for the year	320	270	310	350	390
Interest-bearing liabilities	4 360	3 980	3 297	3 534	3 971
Net financial liabilities	4 049	3 701	3 017	3 219	3 395
Equity incl. minority interests	4 264	4 602	4 931	5 324	5 675
Equity ratio in %	37.8	40.9	44.8	45.1	43.9
Total assets	11 290	11 249	10 999	11 810	12 932
Cash flow before change in net current assets	936	818	1 068	1 254	1 445
Cash flow / drain from operating activities	512	957	1 089	1 155	1 515
Cash flow / drain from investing activities	-431	-552	-377	-1 351	-1 476
Cash flow / drain from financing activities	-102	-397	-711	231	250
Employees					
Employees at 31.12	47 158	44 916	45 428	48 200	53 880
Full-time employees	39 292	37 370	37 271	38 230	41 550
Market shares in % (basis: market volume according to BAK)					
Food	20.5	20.5	21.0	21.5	21.9
Non Food	10.3	9.8	10.1	10.6	12.8
Coop Group	15.3	15.0	15.3	15.7	17.2
Sales outlets					
Number of sales outlets at 31.12	1 433	1 437	1 546	1 739	1 885
Sales area in m ² at 31.12	1 464 070	1 480 907	1 518 242	1 624 047	1 707 189
Sales area in m ² (average)			1 497 395	1 550 155	1 686 926
Cash turnover in CHF m	13 649	13 690	14 309	15 390	17 645
Members¹					
Number of members at 31.12	2 323 602	2 316 223	2 461 462	2 502 100	2 536 544

¹ Member households up to 2007, members as from 2008

KEY ENVIRONMENTAL DATA

Survey period for energy data July to June, calendar year for other data	2008	2007	Change %
Turnover from environmentally and socially responsible flagship labels			
Coop Naturaplan, Coop Naturafarm, Coop Naturaline, Coop Oecoplan, Max Havelaar, Pro Specie Rara, Slow Food, Pro Montagna			
Turnover in CHF m	1 477	1 400	+5.5
Electricity consumption			
Total consumption in MWh	684 880	703 662	-2.7
Consumption, sales outlets per m ² of sales area in kWh ¹	432	448	-3.5
Consumption, sales outlets per thousand CHF of turnover in kWh ¹	43	47	-8.7
Energy consumption for heating purposes			
Total consumption in MWh	276 467	275 052	+0.5
Consumption, sales outlets per m ² of sales area in kWh ¹	126	128	-1.7
Consumption, sales outlets per thousand CHF of turnover in kWh ¹	13	13	-7.0
Energy consumption (electricity and heating)			
Total consumption in MWh	961 347	978 714	-1.8
Consumption, sales outlets per m ² of sales area in kWh ¹	559	576	-3.1
Consumption, sales outlets per thousand CHF of turnover in kWh ¹	56	61	-8.3
Carbon dioxide (CO₂) emissions			
Total emissions in t	54 560	53 971	+1.1
Water consumption			
Total consumption in m ³	479 201	503 526	-4.8
Consumption of diesel by trucks			
Consumption per tonne-kilometre in litres	0.012	0.012	-1.6
Waste recycling			
Total waste recycled in %	67	70	-4.3

¹ Supermarkets, department stores, Building & Hobby

Annual consolidated financial statements of the Coop Group

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All values rounded up / down individually

CONSOLIDATED INCOME STATEMENT

	Notes	CHF m	Share %	CHF m	Share %
		2008		2007	
Net sales from goods and services	1	18 271	100.0	15 812	100.0
Merchandise expense		-12 217		-10 514	
Operating income		6 054	33.1	5 298	33.5
Other operating income	2	684		656	
Personnel costs	3	-3 017		-2 676	
Advertising costs		-424		-354	
Other operating expenses	4	-1 734		-1 542	
Operating cash flow (EBITDA)		1 563	8.6	1 383	8.7
Amortization of intangible assets	5	-263		-138	
Depreciation of tangible fixed assets	5	-641		-672	
Operating result (EBIT)		659	3.6	572	3.6
Result of associated organizations		7		-16	
Financial result	6	-129		-23	
Ordinary result		538	2.9	533	3.4
Non-operating result	7	31		22	
Extraordinary result	8	4		-86	
Profit / loss before taxes (EBT)		572	3.1	469	3.0
Taxes	9	-132		-74	
Profit / loss after taxes		441	2.4	395	2.5
Minority interests in profit / loss		-51		-45	
Profit / loss for the year		390	2.1	350	2.2

Prior-year figures restated

CONSOLIDATED BALANCE SHEET

	Notes	CHF m	Share %	CHF m	Share %
at 31.12		2008		2007	
Cash and cash equivalents	10	576		315	
Securities		84		75	
Receivables from goods and services	11	501		434	
Other short-term receivables	12	134		137	
Prepayments and accrued income	13	219		224	
Inventories	14	1 865		1 788	
Current assets		3 378	26.1	2 973	25.2
Intangible assets	15	1 279		1 017	
Financial assets	16	584		384	
Furniture, vehicles, machinery	17	1 330		1 293	
Real estate	18	6 361		6 143	
Non-current assets		9 554	73.9	8 837	74.8
Assets		12 932	100.0	11 810	100.0
Payables from goods and services	19	1 096		988	
Short-term financial liabilities	20	2 006		1 445	
Other short-term liabilities	21	401		361	
Short-term provisions	22	160		149	
Accrued liabilities and deferred income	23	550		505	
Short-term liabilities		4 213	32.6	3 449	29.2
Long-term financial liabilities	24	1 966		2 089	
Long-term provisions	25	1 078		948	
Long-term liabilities		3 044	23.5	3 037	25.7
Liabilities	26	7 257	56.1	6 485	54.9
Participation certificate capital					
Capital reserves		2 350		2 132	
Retained earnings		2 645		2 539	
Profit/loss for the year		390		350	
Unappropriated profit/accumulated loss		3 035		2 889	
Equity excluding minority interests		5 385	41.6	5 021	42.5
Minority interests		290	2.2	304	2.6
Equity including minority interests		5 675	43.9	5 324	45.1
Liabilities and equity		12 932	100.0	11 810	100.0

Prior-year figures restated

CONSOLIDATED CASH FLOW STATEMENT

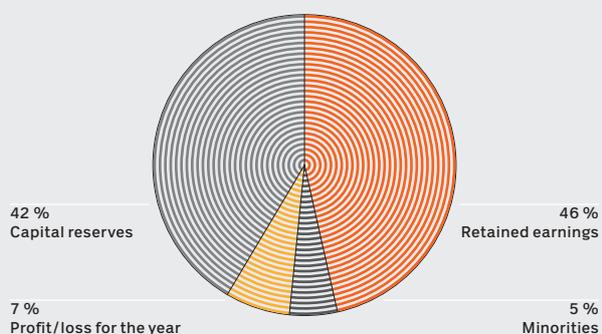
Fund: cash and cash equivalents

	Notes	CHF m 2008	CHF m 2007
Profit / loss for the year before minority interests		441	395
Amortization of financial assets (excl. associated organizations)		0	15
Amortization of intangible assets		263	138
Depreciation of furniture, vehicles, machinery		288	269
Depreciation of real estate		352	403
Depreciation of non-operating assets		3	7
Profit (-) / loss on disposal of fixed assets		-46	-35
Result non-cash items		27	47
Income (-) / expense from application of the equity method for investments		-7	16
Increase / decrease in long-term provisions		125	-1
Cash flow before change in net current assets		1 445	1 254
Increase (-) / decrease in receivables from goods and services		-7	-79
Increase (-) / decrease in other receivables, prepayments and accrued income		57	46
Increase (-) / decrease in inventories		21	-74
Increase (-) / decrease in payables from goods and services		2	-95
Increase / decrease in other short-term liabilities, accrued liabilities and deferred income		20	55
Increase / decrease in short-term provisions		-23	47
Cash flow / drain from operating activities		1 515	1 155
Investments in intangible assets		-24	-24
Disposals of intangible assets		0	0
Reclassifications of intangible assets		-2	-24
Investments in furniture, vehicles, machinery		-299	-253
Disposals of furniture, vehicles, machinery		3	3
Reclassifications of furniture, vehicles, machinery		-3	-250
Investments in real estate		-382	-302
Real estate, own work capitalized		-1	-1
Disposals of real estate		175	149
Reclassifications of real estate		5	-153
Outflows for acquisition of consolidated organizations		-833	-973
Inflows from disposal of consolidated organizations		7	14
Investments in financial assets		-82	-43
Disposals of financial assets		10	7
Reclassifications of financial assets		0	0
Investments in securities		-118	-43
Disposals of securities		68	114
Reclassifications of securities		0	71
Cash flow / drain from investing activities	27	-1 476	-1 351
Borrowings (+)		150	175
Repayment of borrowings (-)		-325	-200
Dividends to minority shareholders		-26	-5
Increase / decrease in short-term financial liabilities		542	513
Increase / decrease in long-term financial liabilities		-84	-251
Own shares Bell		-7	-1
Cash flow / drain from financing activities		250	231
Cash inflow / cash outflow (-)		290	36
Cash and cash equivalents at beginning of year		315	280
Cash inflow / cash outflow (-)		290	36
Impact of changes in currency exchange rates		-29	-1
Cash and cash equivalents at end of year		576	315

STATEMENT OF CHANGES IN EQUITY

CHF m	Capital reserves	Own shares Bell	Retained earnings	Profit/Loss for the year	Equity excluding minorities	Equity Minorities	Equity including minorities
Equity at 1.1.2007	1 829	0	2 533	310	4 672	259	4 931
Change in scope of consolidation / stake						4	4
Appropriation of profit / dividend	304		6	-310	0	-5	-5
Acquisition / disposal of own Bell shares		-1			-1		-1
Profit / loss for the year				350	350	45	395
Currency translation differences	0	0	-1	-0	-0		-0
Equity at 31.12.2007	2 133	-1	2 538	350	5 021	304	5 324
Equity at 1.1.2008	2 133	-1	2 538	350	5 021	304	5 324
Change in scope of consolidation / stake			-6		-6	-29	-34
Appropriation of profit / dividend	224		126	-350	0	-26	-26
Acquisition / disposal of own Bell shares		-7			-7	-4	-11
Profit / loss for the year				390	390	51	441
Currency translation differences			-13		-13	-5	-19
Equity at 31.12.2008	2 357	-7	2 645	390	5 385	290	5 675

Equity at 31.12.2008



NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Consolidation principles

Basis

The consolidated financial statements of the Coop Group are in conformity with all Swiss GAAP ARR 2007 (Accounting and Reporting Recommendations). On this basis, internal classification, valuation and disclosure principles have been defined and applied uniformly. The consolidated financial statements are based on the audited individual accounts at 31 December and present a true and fair view of the financial position, results of operations and cash flows.

Full consolidation

The Coop Group comprises the Coop cooperative society and its subsidiaries, plus all companies in Switzerland and abroad that it controls either directly or indirectly (with a Coop Group holding of more than 50 % of the voting rights). Under full consolidation, all assets, liabilities, expenses and income are fully included in the consolidated financial statements. Any third-party interests in fully consolidated companies are presented separately as minority interests. Newly acquired companies are consolidated from the first day that control takes effect, and companies sold are excluded from the scope of consolidation from the date of sale. Only the Group's share of any surplus of net assets acquired is capitalized.

All intercompany relationships and transactions are eliminated. Capital is consolidated according to the purchase method, whereby a company's equity at the date of acquisition or establishment is eliminated against the carrying amount of the investment at the parent. The intercompany profits may be regarded as insignificant.

Equity method

As a rule, investments in companies in which the Coop Group holds 20 % to 50 % of the voting rights are recognized – where economically significant – in proportion to the share of equity held and the relevant share of their net profit or loss for the year. Any surplus of acquisition cost is recognized as goodwill and amortized systematically. The amounts are carried in the income statement within the result of associated organizations and amortization of intangible assets respectively. The financial statements of these companies, which are prepared in accordance with the true and fair view principle (incl. according to IFRS / IAS), are used to evaluate the proportionate equity.

Currency conversion

Local assets and liabilities are converted into Swiss francs at the exchange rate at the balance sheet date. The local income

statements and the cash flow statement are converted at the average rates for the year. Any differences arising from the use of these two different conversion methods are taken directly to equity. The exchange rates for the most important currencies are listed in the section "Additional notes to the consolidated financial statements".

Scope of consolidation

The consolidated Coop companies are listed on pages 86 and 87.

Valuation principles for selected items

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. They comprise cash on hand, postal and bank account balances, short-term deposits and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value (note 10).

Securities

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

Receivables from goods and services and other short-term receivables

Receivables are stated at nominal value less extraordinary depreciation. A flat-rate allowance of 1 % is recognized for general credit risks (notes 11 and 12).

Inventories

Inventories are stated at cost, which comprises the net purchase price and incidental charges. Semi-manufactured and finished goods are valued at no more than production cost. Where the computed value of merchandise at the balance sheet date is less than cost, the lower of cost or market principle is applied. Individual value adjustments are recognized for materials that are no longer serviceable (note 14).

Intangible assets

With the acquisition of investments, the goodwill is determined based on the difference between the paid purchase price and the acquired net assets evaluated according to current values. Goodwill is generally capitalized and amortized on a straight-line basis over a period of 5 to 8 years. Goodwill from acquisitions prior to 1 January 1993 was directly offset against retained earnings. Other intangible assets are stated at acquisition cost and amortized on a straight-line basis over a period of 3 to 8 years.

Brand-name rights and similar intangible assets are amortized over a period of up to 20 years. In addition, all intangible assets undergo an annual impairment test. No research and development costs are capitalized (note 15).

Financial assets

Financial assets are carried in the balance sheet at acquisition cost less any necessary write-downs. Loans and long-term financial assets where the share of the voting rights is less than 20 % are also recognized at cost less any necessary write-downs (note 16).

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

Furniture, vehicles, machinery, real estate

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

Shop fittings	10 years
Furniture	5 – 10 years
Plant and machinery	10 – 15 years
Vehicles	3 – 10 years
Temporary buildings	3 – 20 years
Real estate	50 – 100 years

Tangible fixed assets financed through finance leases are capitalized in the same way as other assets and depreciated on a straight-line basis in accordance with the table above. The corresponding present values excluding interest are recognized within long-term liabilities as leasing commitments. The market values of Coop's real estate are determined internally. Taken as a whole, the market value of these properties exceeds their carrying amount, which means that on the basis of going concern values there are substantial reserves left over (notes 17 and 18).

Liabilities

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

Liabilities are carried in the balance sheet at nominal value (notes 19 to 21, 23 and 24).

Provisions

The amount of the provisions is determined at the balance sheet date on the basis of the probable outflow of resources. In doing so, sufficient account is taken of the risks. The provisions represent legal or constructive obligations (notes 22 and 25).

Other operating income

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

Non-operating items

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

Extraordinary items

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

Taxes

All income taxes due on the taxable profits for the business year are charged to the income statement, regardless of their due date. Furthermore, additional taxes on income result from temporary differences between items of income and expense entered in the consolidated financial statements and individual statements for tax purposes (deferred taxes). The deferred taxes for these differences between the carrying amounts in the financial statements and the values for tax purposes are calculated at an average tax rate of up to 25 % based on local tax rates and tax loss carry-forwards (note 9).

Operations-related taxes

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

Reclassifications

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

Cash flow statement

The fund comprises cash and cash equivalents, excluding securities. These items are convertible into cash at any time and subject to an insignificant risk of changes in value.

Related parties

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

Related party transactions were conducted at market conditions.

The items with associated organizations are shown under the corresponding headings in the Notes.

There are also reciprocal delivery and supply agreements in place. Market conditions apply, with transaction volumes being factored in (additional notes to the consolidated financial statements).

Supplementary information

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

Notes to the 2008 consolidated financial statements (general information)

Swiss GAAP ARR 2007

The Swiss GAAP ARR framework was applied as of 1 January 2006 and the other recommendations as of 1 January 2007.

Changes to the scope of consolidation

In the 2008 business year, the following changes occurred in the scope of consolidation at Coop compared with the previous year:

The acquisition of Distributis AG and Distributis Moncor SA was completed following a positive decision by the competition authorities. The two companies, which operated the Carrefour outlets, were wholly acquired and fully consolidated as of 1 April 2008.

In May 2008, Bell France SAS, which took over the businesses of the Polette Group, Clermont-Ferrand, as an investment was founded as part of Bell Holding AG. The companies Val de Lyon SAS, Le Saloir de Virieu SAS, Maison de Savoie SAS and Saloir de Mirabel Sarl. were also fully taken over by Bell France SAS.

Under the newly founded subgroup Bell Deutschland GmbH, the Bell Group acquired a 100 % interest in Bochum-based Zimbo Fleisch- und Wurstwaren GmbH & Co. KG. On 29 December 2008, Bell Deutschland GmbH acquired a 75 % interest in the Abraham Group, domiciled in Seevetal bei Hamburg.« This interest was carried in the balance sheet under financial assets and reclassified in 2009.

In the course of 2008, the stake in Bell Holding AG was raised by 5.75 % to 66.29 %.

A 100 % interest was acquired in Hobby AG, Heimberg, on 1 June 2008.

Karussell Apotheke and Drogerie AG were acquired on 1 July 2008 together with Galenicare AG. The company was subsequently merged with Coop Vitality AG.

The two online shops microspot.ch and netto24.ch, which are already part of the Coop Group, have used a joint corporate identity since mid-March 2008. netto24 AG was renamed Eschenmoser AG and its domicile was changed from Baar to Basel.

Alcoba Distribution SA (Coop interest of 50 %) was sold on 10 December 2008.

Palink UAB (IKI Group) in Lithuania was acquired with the Cooper- nic partners. It was included in the Group's consolidated financial statements as of 1 March 2008 on the basis of a 20 % stake.

In the 2007 business year, the following changes occurred in the scope of consolidation at Coop compared with the previous year:

AX4 Holding AG and Epa AG merged with Coop on 1 January 2007. On the same date, CI Tessin AG merged with Coop Immobilien AG.

Sale of Complexe de Chêne-Bourg A SA, Complexe de Chêne-Bourg C SA and Complexe de Chêne-Bourg D SA on 30 November 2007.

Dipl. Ing. Fust AG was acquired on 1 December 2007 following a decision by the Swiss Competition Commission. The majority stake in Service 7000 AG has been integrated into this acquiree. netto24 AG was acquired on the same date.

A 40 % stake was acquired in Tropenhaus Frutigen AG on 1 January 2007, and a 40 % stake in Tropenhaus Wolhusen AG on 24 July 2007.

Amortization of intangible assets

On the basis of the annual impairment test, goodwill positions were amortized to the amount of CHF 63 million. As a result of the takeover of the Carrefour sales outlets, it was noted that the expected earnings were not yet being achieved. Extraordinary depreciation was applied to these sales outlets.

In 2007, any amortization of intangible assets was taken to the ordinary result. Taking a higher risk assessment of the market environment in France into account, extraordinary depreciation of associated organizations was booked under "Amortization of intangible assets" to the amount of CHF 53 million.

Pension fund obligations

The trend on the financial markets also had financial implications for the CPV / CAP. At its meeting of 1 December 2008, the Board of Directors of the CPV / CAP decided not to initiate any measures to

rehabilitate the pension fund that oblige the employer to finance said measures. The cover deficit amounted to CHF 615 million on 31 December 2008, corresponding to a reserve ratio of 90.3 %. For 2007, in terms of Swiss GAAP ARR, there were no cover surpluses or deficits in the staff pension funds of the companies comprising the Coop Group which require entry in the Group's annual consolidated financial statements. There were no waivers of use or value impairments in the Employer Contribution Reserve (ECR). A total of CHF 84 million was used to finance the reduction of the pension conversion rate at the age of 65 from 6.9 % to 6.4 %. The amount was booked to extraordinary expenses (additional notes to the consolidated financial statements). The Coop Group assumes the pro-rated costs of the occupational pension funds for all employees and their dependents in accordance with the corresponding regulations. The latter provide for benefits that go well beyond the statutory minimum under Swiss law. The contributions are included in personnel costs under "Social security contributions" (additional notes to the consolidated financial statements).

Off-balance-sheet transactions

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

On 1 January 2002, Coop acquired 50 % of the shares in Betty Bossi Verlag AG. From 1 January 2002 until 31 December 2011, Ringier AG, Zofingen holds a put option for the remaining 50 % of the shares at a pre-determined price.

For Dipl. Ing. Fust AG a buy option exists from 2013 to 2023 for 49.94 % of Service 7000 AG at a price geared to future earnings (additional notes to the consolidated financial statements).

Special notes

Restatement of year-back figures

Coop has restated the following positions in the 2008 consolidated financial statements. The following items were reclassified accordingly in the previous year. Commissions to third parties amounting to CHF 22 million, which had been booked in previous years as personnel costs, are reclassified as miscellaneous expenses.

Receivables from rental agreements for appliances of Dipl. Ing. Fust AG amounting to CHF 11 million in the previous year were charged to goodwill.

Extraordinary depreciations amounting to CHF 72 million were reclassified as operating depreciation of real estate. Thus the EBIT margin of 4.1 % posted in 2007 fell to 3.6 %.

Commissions to suppliers amounting to CHF 82 million were reclassified from other operating income to "Cost of sales".

Miscellaneous expenses

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

Results of associated organizations accounted for using the equity method

The share of the net result of the associated organizations amounts to CHF 7 million (previous year: CHF -16 million). In addition, the pro-rated result of one investment was included in intangible assets, since the corresponding value is already written off in full.

Extraordinary depreciation

On the basis of a new valuation, a long-term rental agreement was re-assessed and a corresponding deferral was charged to the income statement to the amount of CHF 20 million.

Owing to the refined calculation under the discounted earnings method, individual value adjustments were recognized in the previous year for each of the property holdings to the amount of CHF 72 million.

Taxes

Deferred taxes amounting to CHF 17 million were capitalized for tax loss carry-forwards.

Tax loss carry-forwards amounting to CHF 38 million (previous year: CHF 34 million) were not capitalized (note 16).

Goodwill

The goodwill paid in connection with the 5.75 % increase in the interest in Bell Holding AG was directly offset against equity.

The share of goodwill relating to associated organizations amounts to CHF 118 million (previous year: CHF 65 million). The increase is due primarily to the acquisition of Palink UAB.

Notes on risk assessment

The Coop Group operates a standardized risk management system. The risk situation of the Group is reassessed at three-year intervals. At the last basic reassessment in 2006, in the presence of the Chairman of the Board of Directors the Coop Executive Committee identified, analysed and assessed the main risks and the main risk scenarios and defined the corresponding measures to be taken. The findings of this risk assessment and the measures were approved at a meeting of the Board of Directors on 26 September 2006.

The measures resulting from this risk assessment are subject to a controlling process. Each year, the Executive Committee considers the progress made in implementing the measures, in conjunction with an assessment of the current risk situation. The Board of Directors is subsequently informed of the outcome. In the framework of the institutionalized annual assessment of the quality of the internal audit system at the business-process level, an assessment of operational risks and risks associated with financial reporting and compliance is carried out. A number of Coop subsidiaries and associated companies implemented their own internal audit systems.

Events after the balance sheet date

The Board of Directors approved the consolidated financial statements on 11 February 2009. They are also subject to approval by the Delegate Assembly on 23 April 2009 (Swiss GAAP ARR Framework/28).

Coop and the Rewe Group are expanding their collaboration in the wholesale catering market and have agreed to set up a joint venture under the name of transGourmet Holding S.E., which will be domiciled in Neu Isenburg, Germany, and in which they will each hold a 50 % stake. The joint venture's transGourmet Management AG will be based in Dietikon, Switzerland. In addition to the existing transGourmet Switzerland Group, the inclusion of the two companies FEGRO / SELGROS and Rewe GVS / Stöver in the joint venture is also envisaged. The Swiss and EU competition authorities have approved this joint venture. The agreement was completed on 8 January 2009. Coop will acquire a 100 % stake in Parking Pré Bournoud SA in mid-January 2009.

A decision was taken on an assurance that Coop, as the main partner of Tropenhaus Wolhusen AG, could participate in an increase in the equity capital. The limit for subscription is early 2009.

Notes to the consolidated income statement

	CHF m	CHF m
	2008	2007
Net sales Food	10 642	9 591
Net sales Non Food	7 629	6 221
1 Net sales from goods and services by division	18 271	15 812
Suisse Romande Region	3 837	3 279
Bern Region	2 529	2 146
Nordwestschweiz Region	3 187	2 916
Zentralschweiz-Zürich Region	4 013	3 436
Ostschweiz-Ticino Region	3 293	2 880
Headquarters/ Production	1 413	1 155
1 Net sales from goods and services	18 271	15 812
Other operating income	534	502
Operating rental income	149	149
Own work capitalized	1	1
Changes in inventories of semi-manufactured and finished goods	-0	4
2 Other operating income	684	656
Wages/salaries	-2 391	-2 132
Social security contributions	-518	-451
Social security contributions as %	21.7	21.1
Other personnel costs	-108	-94
3 Personnel costs	-3 017	-2 676
Rent	-560	-488
Office and administrative costs	-162	-140
Charges and insurance premiums (non-life)	-67	-61
Operations-related taxes	-16	-13
Maintenance and replacement costs	-235	-223
Energy and supplies	-291	-254
Miscellaneous expenses	-402	-363
4 Other operating expenses	-1 734	-1 542
Goodwill	-215	-109
Other intangible assets	-48	-29
Amortization of intangible assets	-263	-138
Furniture, vehicles, machinery	-288	-269
Real estate	-352	-403
Depreciation of tangible fixed assets	-641	-672
Financial assets	-0	-0
5 Depreciation and amortization	-904	-810

	CHF m	CHF m
	2008	2007
Gains on securities and dividends	11	58
Losses on securities	-46	-16
Net valuation gain / loss	-35	42
Currency exchange gains	97	55
Currency exchange losses	-91	-50
Net currency exchange gain / loss	6	5
Other interest income	26	22
Interest and other financial expenses	-126	-92
Net interest income / expense	-100	-70
6 Financial result	-129	-23
Gains on securities and dividends	11	58
Currency exchange gains	97	55
Other interest income	26	22
Financial income	135	136
Losses on securities	-46	-16
Currency exchange losses	-91	-50
Interest and other financial expenses	-126	-92
Financial expenses	-263	-159
6 Financial result	-129	-23
Rental income	5	8
Gain on the disposal of fixed assets	46	35
Reversal of provisions no longer required		
Reversal of restructuring and integration provisions		
Other non-operating income	16	2
Non-operating income	68	44
Creation of restructuring and integration provisions		
Creation of provisions	-0	
Non-operating expenses	-31	-12
Other non-operating property expenses	-6	-10
Non-operating expenses	-37	-22
7 Non-operating result	31	22
Extraordinary income	5	
Extraordinary expenses	-2	-86
8 Extraordinary result	4	-86
Taxes on income	-95	-54
Deferred taxes on income	-37	-20
9 Taxes	-132	-74

Notes to the consolidated balance sheet

	CHF m						
	2008	2007					
Cash and cash equivalents	430	241					
Reka cheques	21	21					
Term deposits	125	53					
10 Cash and cash equivalents	576	315					
Receivables from goods and services	494	424					
minus 1 % allowance	-5	-4					
Amount due from associated organizations	13	14					
11 Receivables from goods and services	501	434					
Other receivables	114	92					
Prepayments to suppliers	15	19					
Other receivables from associated organizations	6	26					
12 Other short-term receivables	134	137					
Prepayments and accrued income	199	216					
Prepaid expenses and accrued income, associated organizations	19	9					
13 Prepayments and accrued income	219	224					
Merchandise	1 689	1 650					
Finished goods (production)	98	74					
Semi-manufactured goods, work in progress	34	33					
Raw materials	98	86					
Supplies and packaging materials	27	17					
Prepayments to suppliers	13	17					
Value adjustment on inventories	-95	-89					
14 Inventories	1 865	1 788					
	Goodwill	Patents / Licences	Brands	Software	Other intan- gible assets	CHF m	CHF m
						2008	2007
Net carrying amount at 1.1	537	0	419	48	13	1 017	378
Cost at 1.1	870	2	483	132	71	1 559	797
Changes to the scope of consolidation	0	0	13	7	1	21	1
Investments	495	0		20	5	520	775
Disposals				-14	-0	-14	-17
Impact of changes in currency exchange rates	-9	-0	-1	-0		-9	0
Reclassifications	0			-1	-1	-2	2
Cost at 31.12	1 358	2	495	144	76	2 075	1 559
Accumulated amortization at 1.1	-334	-2	-64	-84	-58	-542	-419
Changes to the scope of consolidation		-0		-5	-0	-6	-0
Amortization	-152	-0	-24	-22	-2	-200	-86
Extraordinary depreciation	-63					-63	-53
Accumulated amortization on disposals				14	0	14	17
Impact of changes in currency exchange rates	0	0	0	0	0	0	-0
Reclassifications				-0	0		-1
Accumulated amortization at 31.12	-548	-2	-89	-97	-60	-796	-542
15 Intangible assets at 31.12	809	0	407	47	16	1 279	1 017

	Employer contribution reserve	Financial assets held at banks	Other financial assets	Deferred tax assets	Associated organi- zations	CHF m 2008	CHF m 2007
Net carrying amount at 1.1	20	0	326		38	384	455
Changes to the scope of consolidation			0	2		2	7
Additions	0	0	88	15	121	224	56
Disposals	-4		-6			-10	-114
Value adjustments			-0		2	2	-20
Impact of changes in currency exchange rates		-0	-18	-0	0	-18	
Reclassifications							
16 Financial assets at 31.12	16	0	389	17	162	584	384

Loans to associated organizations	288	223
Amounts secured by lien due from third parties	1	2
Loans to third parties	34	35
Other financial assets, third parties	66	66
Other financial assets	389	326

	Furniture/ Tools	Vehicles	IT	Plant and machinery	CHF m 2008	CHF m 2007
Net carrying amount at 1.1	797	67	103	325	1 293	1 245
Cost at 1.1	1 626	163	316	837	2 941	2 792
Changes to the scope of consolidation	29	4	20	96	149	87
Investments	161	28	47	67	303	253
Disposals	-146	-19	-34	-35	-234	-199
Impact of changes in currency exchange rates	-2	-0	-0	-8	-10	0
Reclassifications	2	1	7	-14	-5	8
Cost at 31.12	1 669	177	355	943	3 144	2 941
Accumulated depreciation at 1.1	-828	-97	-212	-512	-1 649	-1 548
Changes to the scope of consolidation	-22	-3	-17	-75	-119	-45
Depreciation	-167	-19	-46	-56	-288	-269
Extraordinary depreciation						
Accumulated depreciation on disposals	145	18	34	36	232	196
Impact of changes in currency exchange rates	2	0	0	6	8	-0
Reclassifications	1	-0	0	0	1	17
Accumulated depreciation at 31.12	-870	-101	-242	-601	-1 814	-1 649
17 Furniture, vehicles, machinery at 31.12	799	76	113	342	1 330	1 293

	Undeveloped plots of land	Installations	Land and buildings	Land and buildings not used for op. purposes	CHF m 2008	CHF m 2007
Net carrying amount at 1.1	39	955	4 995	155	6 143	6 400
Cost at 1.1	42	1 736	7 476	292	9 546	9 458
Changes to the scope of consolidation	0	46	468		514	-4
Investments	5	108	263	3	378	303
Disposals	-0	-78	-147	-141	-365	-216
Impact of changes in currency exchange rates	-0	-2	-13	-0	-15	1
Reclassifications		21	-17	2	6	5
Cost at 31.12	47	1 831	8 031	155	10 064	9 546
Accumulated depreciation at 1.1	-4	-781	-2 482	-137	-3 403	-3 058
Changes to the scope of consolidation	0	-23	-162		-185	-5
Depreciation		-118	-215	-4	-337	-322
Extraordinary depreciation			-18		-18	-87
Accumulated depreciation on disposals		73	95	68	235	101
Impact of changes in currency exchange rates	0	1	4	0	5	-0
Reclassifications		0	0	-1	-1	-31
Accumulated depreciation at 31.12	-4	-848	-2 778	-74	-3 704	-3 403
18 Real estate at 31.12	44	984	5 253	81	6 361	6 143

Buildings under construction (included in "Land and buildings")	CHF m 2008	CHF m 2007
Net carrying amount at 1.1	29	61
Cost at 1.1	29	61
Changes to the scope of consolidation	9	
Investments	50	24
Disposals		-3
Impact of changes in currency exchange rates	-0	0
Capitalization	-20	-53
Reclassifications		
Cost at 31.12	67	29
Accumulated depreciation at 1.1		
Changes to the scope of consolidation		
Depreciation		
Extraordinary depreciation		
Accumulated depreciation on disposals		
Reclassifications		
Accumulated depreciation at 31.12		
Buildings under construction at 31.12	67	29
Carrying amount of assets pledged to secure own commitments	132	259
Secured liabilities	16	31

	CHF m	CHF m
	2008	2007
Payables from goods and services	1 078	975
Amount due to associated organizations	18	13
19 Payables from goods and services	1 096	988

Bank current accounts	17	14
Bank loans	381	489
Other short-term financial liabilities	647	295
Other short-term liabilities to associated organizations		1
Short-term portion of long-term financial liabilities	961	647
20 Short-term financial liabilities	2 006	1 445

Vouchers in circulation	11	13
Prepayments from customers	169	158
Other taxes	193	170
Other short-term liabilities	28	21
21 Other short-term liabilities, non-interest-bearing	401	361

	Pension funds	Restructu-rings	Supercard	Other provisions	CHF m	CHF m
					2008	2007
Short-term provisions at 1.1.	26	3	85	36	149	100
Changes to the scope of consolidation	6			22	28	
Creation of provisions	24		73	24	120	139
Use of provisions	-26	-2	-73	-21	-122	-96
Reversal of provisions no longer required		-1		-4	-5	-4
Reclassifications	3		-12	1	-8	10
Impact of changes in currency exchange rates	-0			-1	-2	
22 Short-term provisions at 31.12	32	0	73	55	160	149

	CHF m	CHF m
	2008	2007
Accrued liabilities and deferred income	546	502
Accrued liabilities and deferred income, associated organizations	4	4
23 Accrued liabilities and deferred income	550	505

			CHF m	CHF m
			2008	2007
Deposit and investment accounts			755	788
Medium-term notes			517	365
Coop	1999–2009	4 %	250	
Coop	2004–2011	2¾ %	250	
Coop	2005–2012	2½ %	250	
Coop	2007–2010	3⅛ %	175	
Coop	2008–2013	3½ %	150	
Bonds			1 075	1 250
Bank loans			397	132
Mortgages			13	42
Other loans			169	159
Pension fund obligations			0	0
Short-term portion of long-term financial liabilities			-961	-647
24 Long-term financial liabilities			1 966	2 089

	Pension funds	Restructurings	Deferred taxes	Super-card	Other provisions	CHF m	CHF m
						2008	2007
Long-term provisions at 1.1	61		642	148	97	948	929
Changes to the scope of consolidation	-0		17		6	22	23
Creation of provisions	12		64	84	38	199	121
Use of provisions	-0			-74	-12	-87	-111
Reversal of provisions no longer required			-9		-2	-12	-4
Reclassifications	-2			12	-2	8	-10
Impact of changes in currency exchange rates	-0		-0		-1	-1	0
25 Long-term provisions at 31.12	71		714	170	124	1 078	948

	CHF m	CHF m
	2008	2007
Personnel	6	5
Value-added tax	45	53
Sales outlets	39	34
Legal cases	7	5
Miscellaneous	82	35
Other provisions (short- and long-term)	179	132
Other provisions short-term	55	36
Other provisions long-term	124	97
Other provisions (short- and long-term)	179	132
Short-term financial liabilities	2 006	1 445
Long-term financial liabilities	1 966	2 089
Financial liabilities	3 971	3 534
Non-interest-bearing liabilities	3 286	2 951
26 Liabilities	7 257	6 485
Financial liabilities	3 971	3 534
Cash and cash equivalents	-576	-315
Net financial liabilities	3 395	3 219

Notes to the consolidated cash flow statement

	CHF m 2008		CHF m 2007	
Investments in intangible assets	-24		-24	
Investments in furniture, vehicles, machinery	-299		-253	
Investments in real estate	-382		-302	
Own work	-1	-707	-1	-579
Disposals of intangible assets				
Disposals of furniture, vehicles, machinery	3		3	
Disposals of real estate	175	178	149	152
Reclassifications of intangible assets	-2			
Reclassifications of furniture, vehicles, machinery	-3			
Reclassifications of real estate	5	-0		
Net investments in tangible fixed assets		-529		-427
Investments in participating interests	-833		-973	
Investments in financial assets / securities	-200	-1 033	-86	-1 059
Disposals of participating interests	7		14	
Disposals of financial assets / securities	79		121	
Reclassifications of financial assets / securities		86		135
27 Cash flow / drain from investing activities		-1 476		-1 351

Investments in intangible assets	-24		-24	
Investments in furniture, vehicles, machinery	-299		-253	
Investments in real estate	-382		-302	
Investments in participating interests	-833		-973	
Investments in financial assets / securities	-200		-86	
Own work	-1	-1 740	-1	-1 638
Disposals of intangible assets				
Disposals of furniture, vehicles, machinery	3		3	
Disposals of real estate	175		149	
Disposals of participating interests	7		14	
Disposals of financial assets / securities	79	264	121	288
Reclassifications of intangible assets	-2			
Reclassifications of furniture, vehicles, machinery	-3			
Reclassifications of real estate	5			
Reclassifications of financial assets / securities		-0		
27 Cash flow / drain from investing activities		-1 476		-1 351

Further essential information according to Swiss GAAPARR 4/7

Outflow in respect of interest		108	84
Inflow in respect of interest		74	37
Inflow in respect of income from investments		88	10
Outflow in respect of taxes on income		64	34

Additional notes to the consolidated financial statements

Pension fund obligations	Nominal value	Balance		Changes in expense	
		31.12.2008	31.12.2007	2008	2007
Employer contribution reserve (ECR)					
Patronage funds / patronage pension funds	2	2	4	2	10
Pension funds	13	13	10	2	73
ECR	15	15	14	4	83
Surplus / deficit	Surplus / deficit	Coop's share	Coop's share		
Patronage funds / patronage pension funds		6	9	0	10
Pension funds without surplus / deficit					182
Pension funds with cover deficit	-615			218	
Pension funds with surplus			3		2
Economic benefit / economic obligation and pension fund expenses	-615	6	12	218	194
				CHF m	CHF m
				2008	2007
Contributions to pension funds					
Statutory employee contributions				101	85
Statutory employer contributions				218	184
Pension fund obligations				0	0
of which secured by lien					0
Guarantees					
Bank guarantees in favour of third parties				38	42
Fire insurance values					
Tangible fixed assets				12 581	11 788
Commitments from long-term rental and right-to-build agreements broken down by term					
2008					438
2009				492	429
2010				486	406
2011				454	315
2012–2014				1 163	931
> 2014				2 763	1 722
Currency conversion				2008	2007
The following exchange rates were used for the purposes of converting financial statements in foreign currencies:					
Closing rates for the balance sheet					
EUR 1				1.490	1.655
HKD 1				0.138	0.145
USD 1				1.070	1.125
GBP 1				1.560	2.260
JPY 100				1.175	1.010
Average rates for the year for the income statement					
EUR 1				1.579	1.646
HKD 1				0.138	0.153
USD 1				1.077	1.194
GBP 1				1.978	2.398
JPY 100				1.052	1.016

Off-balance-sheet transactions		Contract values			Assets		Liabilities	
	Purpose	CHF m	CHF m	CHF m	CHF m	CHF m	CHF m	
Outstanding derivatives		2008	2007	2008	2007	2008	2007	
Foreign exchange	Hedging	1 520	150	8		-8	1	
Interest rates	Hedging / trading	150		15	0			
Equity instruments	Other purposes	145	109					
Other underlying assets	Hedging	400	665	3	2	-2	1	

Related party transactions (included in the income statement)	CHF m	CHF m
Equity method-accounted companies	2008	2007
Net sales	204	189
Operating rental income	3	4
Other operating income	30	23
Interest income	17	11
Merchandise expense	193	126
Office and administrative costs	1	5
Fees		11
Rental costs		
Advertising costs	2	3
Miscellaneous expenses	16	1

Most significant components of acquired organizations

Coop

Distributis AG		
Inventories	68	
Tangible fixed assets	108	
Short-term liabilities	55	
Long-term liabilities	105	
Distributis Moncor SA		
Inventories	18	
Tangible fixed assets	14	
Short-term liabilities	30	
Palink UAB (IKI Group)		
Inventories	63	
Tangible fixed assets	120	
Short-term liabilities, non-interest-bearing	137	
Dipl. Ing. Fust AG		
Inventories		202
Tangible fixed assets		46
Short-term liabilities, non-interest-bearing		151
Hobby AG		
Cash and cash equivalents	5	
Inventories	4	
Tangible fixed assets	14	
Liabilities	6	

	CHF m	CHF m
	2008	2007
Bell Holding AG		
ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG		
Cash & cash equivalents and receivables	46	
Inventories	16	
Tangible fixed assets	116	
Financial liabilities	27	
SAS Salaison Polette & Cie		
Cash & cash equivalents and receivables	15	
Inventories	11	
Tangible fixed assets	31	
Financial liabilities	19	
Most significant components of sold organizations		
Complexe de Chêne Bourg SA (A, C and D)		
Real estate		-14
Alcoba Distribution SA		
Inventories	-5	
Tangible fixed assets	-9	
Liabilities	-18	

Coop scope of consolidation

at 31.12		Interest held	Share capital	Method of
		by the Group	31.12.2008	inclusion ¹
		%	CHF m	
Coop	Basel			
Bell Holding AG	Basel	66.29	2.0	F
Bell AG	Basel	100.00	20.0	F
Bell Deutschland GmbH	DE-Bochum	100.00	€ 0.0	F
ZIMBO Fleisch- und Wurstwaren GmbH & Co. KG	DE-Bochum	100.00	€ 28.1	F
Feine Kost Böttcher GmbH & Co. KG	DE-Bochum	100.00	€ 2.8	F
ZIMBO International GmbH	DE-Bochum	100.00	€ 1.8	F
ZIMBO Polska Sp. z o.o.	PL-Wolsztyn	100.00	PLN 0.5	F
ZIMBO Húsipari Termelő Kft.	HU-Perbal	99.50	HUF 200.0	F
Interfresh Food Retail Easteuropa GmbH	DE-Bochum	100.00	€ 0.1	F
ZIMBO Czechia s.r.o.	CZ-Reg	70.00	CZK 10.0	F
Árpád Hentesaru Kft.	HU-Perbal	90.00	HUF 192.5	F
Abraham GmbH	DE-Seevetal	75.00	€ 0.1	P
Abraham Schinken GmbH & Co. KG	DE-Seevetal	100.00	€ 0.4	P
Gebr. Abraham GmbH & Co. KG	DE-Seevetal	100.00	€ 1.8	P
Abraham Benelux S.A.	BE-Libramont-Chevigny	100.00	€ 0.3	P
Abraham Polska Sp. z o.o.	PL-Warschau	100.00	PLN 0.1	P
Sanchez Alcaraz S.L.	ES-Casarrubios	80.00	€ 0.6	P
Bell France SAS	FR-Kingersheim	100.00	€ 10.0	F
SAS Salaison Polette & Cie	F-Teilhède	100.00	€ 2.6	F
SARL Saloir de Mirabel	FR-Riom	100.00	€ 0.2	F
SAS Val de Lyon	FR-Saint-Symphorien-sur-Coise	100.00	€ 0.8	F
SAS Saloir de Virieu	FR-Virieu-Le-Grand	100.00	€ 1.2	F
SAS Maison de Savoie	FR-Aime	100.00	€ 1.6	F
Centravo AG	Zürich	29.80 ²	2.4	E
Frigo St. Johann AG	Basel	100.00	2.0	F
Maurer Frères SA	FR-Kingersheim	50.00	€ 1.0	F
SBA Schlachtbetrieb Basel AG	Basel	48.00	0.3	E
Betty Bossi Verlag AG	Zürich	50.00	0.2	E
BG Rosengarten Solothurn AG	Solothurn	62.00	0.1	F
CAG Verwaltungs AG	Basel	100.00	1.0	F
Centre de formation «du Leman»	Jongny	100.00	0.0	F
Coop Bildungszentrum	MuttENZ	100.00	0.4	F
Coop Immobilien AG	Bern	100.00	855.4	F
Coop-ITS-Travel AG	Wollerau	50.00	0.5	E
Coop Mineraloel AG	Allschwil	51.00	10.0	F
Tanklager Rothenburg AG	Rothenburg	33.33	1.7	E
Coop Switzerland Far East Ltd.	HK-Hongkong	100.00	HKD 0.1	F
Coop Vitality AG	Bern	51.00	5.0	F
Coopernic SCRL	BE-Bruxelles	20.00	€ 0.8	E
Dipl. Ing. Fust AG	Oberbüren	100.00	10.0	F
Service 7000 AG	Netstal	50.10	1.6	F
Distributis AG	Dietlikon	100.00	7.5	F
Distributis Moncor SA	Villars-sur-Glâne	100.00	3.0	F
Eschenmoser AG	Basel	100.00	0.1	F
Eurogroup SA	BE-Bruxelles	50.00	€ 0.2	E
Eurogroup S.r.L.	IT-Scafati	25.00	€ 0.0	E
Eurogroup Far East Ltd.	HK-Hongkong	33.30	HKD 0.0	E
HiCoPain AG	Dagmersellen	40.00	20.0	E
Hobby AG	Heimberg	100.00	0.3	F
Palink UAB	LT-Vilnius	20.00	LT 12.4	E
Panflor AG	Zürich	100.00	0.1	F
PG Immobilien SA	Basel	100.00	2.5	F
Swisscare GmbH	DE-Konstanz	100.00	€ 0.0	F
tooMax-x Handelsgesellschaft m.b.H.	DE-Köln	25.00	€ 0.3	E

at 31.12		Interest held	Share capital	Method of
		by the Group	31.12.2008	inclusion ¹
		%	CHF m	
transGourmet Schweiz AG	Basel	50.00	66.5	E
Grossopanel AG	Stans	39.80	0.1	E
Valentin Pontresina AG	Pontresina	50.00	0.5	E
Howag Gastroservice Zermatt AG	Zermatt	35.00	0.1	E
growa.com ag	Basel	100.00	0.1	F
howeg.com ag	Basel	100.00	0.1	F
prodega.com ag	Basel	100.00	0.1	F
transGourmet.com ag	Basel	100.00	0.1	F
transGourmet France SAS (Gruppe)	FR-Orly	100.00	€ 252.5	F
Tropenhaus Frutigen AG	Frutigen	40.00	5.0	E
Tropenhaus Wolhusen AG	Gettnau	40.00	3.3	E
TT Immobilien AG	Oberentfelden	100.00	10.0	F
Waro AG	Basel	100.00	0.1	F

¹ F = Fully consolidated company

E = Company consolidated by the equity method

P = Financial investment in current year, reclassification and consolidation in subsequent year

² Share of the shares in circulation

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

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Coop Cooperative, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes, reproduced on pages 66 – 87, for the year ended December 31, 2008.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2008 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP AAR and comply with Swiss law.

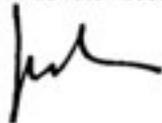
Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 906 CO in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

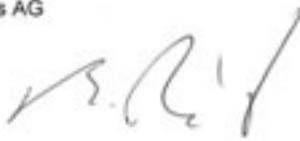
In accordance with article 906 CO in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG



Dr. Rodolfo Gerber
Audit expert
Auditor in charge



Matthias Rist
Audit expert

Basel, February 11, 2009

ADDRESSES

As at 1 April 2009

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