



Coop Group  
**ANNUAL REPORT**  
**2009**



## KEY FIGURES

	2009	2008	Change	%
<b>Key financial data consolidated in CHF m</b>				
Retail turnover	18 149	18 150	-0	-0.0
Cash turnover / direct sales	19 729	19 269	+460	+2.4
Net sales from goods and services	18 717	18 271	+446	+2.4
Operating cash flow (EBITDA)	1 760	1 563	+197	+12.6
Operating result (EBIT)	614	659	-45	-6.9
Financial result incl. result of associated organizations	-63	-121	+58	-48.1
Profit / loss	430	390	+40	+10.3
Interest-bearing liabilities	4 422	3 971	+451	+11.4
Net financial liabilities	3 925	3 395	+529	+15.6
Equity incl. minority interests	6 098	5 675	+423	+7.5
Equity ratio in %	43.6	43.7	-0.1	-0.2
Total assets	13 974	12 981	+993	+7.6
Cash flow before change in net current assets	1 555	1 445	+110	+7.6
Cash flow from operating activities	1 626	1 515	+111	+7.3
Cash flow from investing activities	-2 055	-1 476	-579	+39.2
Cash flow from financing activities	350	250	+100	+40.2
<b>Employees</b>				
Employees at 31.12	52 974	53 880	-906	-1.7
Full-time employees	44 154	41 550	+2 605	+6.3
<b>Market shares in % (basis: market volume according to BAK)</b>				
Food	21.9	21.7	+0.2	
Non Food	12.7	12.7	+0.0	
Coop Group	17.2	17.1	+0.1	
<b>Sales outlets</b>				
Number of sales outlets at 31.12	1 864	1 885	-21	-1.1
Sales area in m <sup>2</sup> at 31.12	1 725 604	1 707 189	+18 415	+1.1
Sales area in m <sup>2</sup> (annual average)	1 723 745	1 686 926	+36 819	+2.2
Cash turnover in CHF m	17 663	17 645	+18	+0.1
<b>Members</b>				
Number of members at 31.12	2 518 056	2 536 544	-18 488	-0.7

## FLAGSHIP LABELS



For uncompromisingly organic products.



For animal-friendly husbandry.



For fashion and fairness.



For a green alternative.

**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 the pleasure of meals without meat.



For deliciously carefree nourishment.



For now.



For dermatologically tested skin care.

## SALES FORMATS



## TRAVEL OFFERS



## MANUFACTURING COMPANIES



## CASH & CARRY / FOODSERVICE



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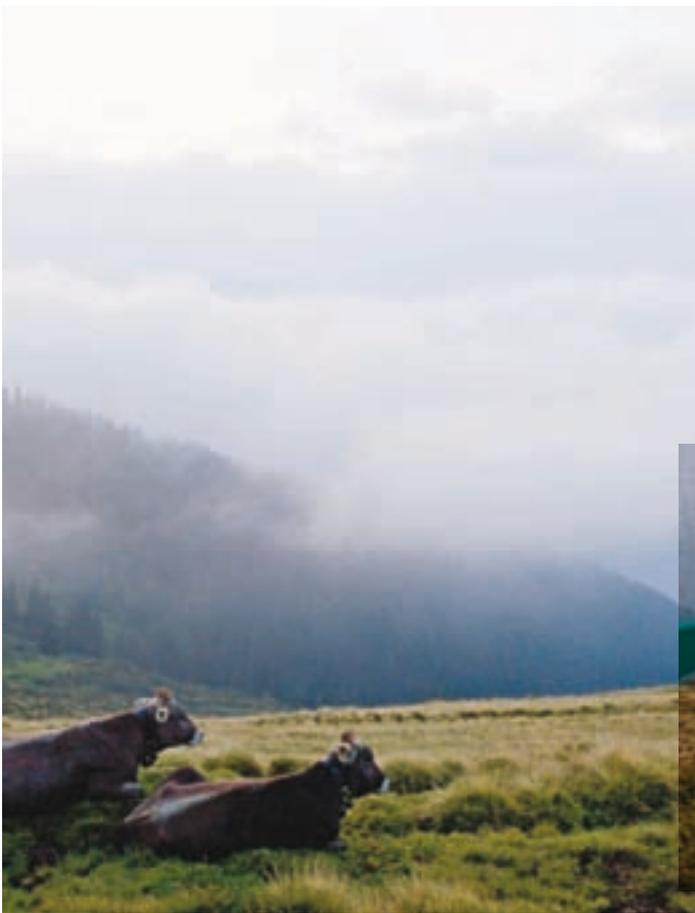
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## ON THE RIGHT COURSE

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The Coop Group achieves a cash turnover of 19.7 billion francs in 2009. It acquires more customers and further increases its market share. Its overall sales of organic food are up 6%, and its international business grows in importance. Its success is due above all to its 52,974 employees.



Irene Kaufmann and Hansueli Loosli at Coop's Gundeli store in Basel.

The global economic crisis and the biggest business downturn since the 1930s has also left clear marks on Switzerland. Though the Swiss retail sector has so far proved to be surprisingly robust, another cornerstone of the Swiss economy, the export industry, experienced a substantial fall in business in 2009. Rising unemployment will make the consequences felt even more strongly in the immediate future.

The Coop Group nonetheless performed well in this difficult operating environment. We gained not only market share but also new customers. We are particularly proud that, in the crisis year 2009, we not only matched the previous year's net sales but even improved on them by 2,4%.

In 2009, the Coop Group reported a cash turnover of 19.7 billion francs – 460 million up on the previous year. According to BAK Basel Economics, we increased our share of the overall market by 0.1 percentage points to 17.2%. We were able to raise our share of the retail food trade by 0.2 percentage points to 21.9%. Our Trading unit is now a fivefold market leader through Building & Hobby, Interdiscount, Import Parfumerie, Coop filling stations and Coop Pronto shops. Coop Group equity is 6.1 billion francs, 7.5% above the year-back figure.

Coop invested over 130 million Swiss francs in lowering prices in 2009. At the beginning of the year, we carried out the biggest round of price cuts ever by permanently lowering the prices of over 600 branded articles to discount level. In addition, we extended the lowest-price guarantee to the Prix Garantie articles sold at Building & Hobby centres. We also carried out various price cuts on own-brand products.

But our customers are not just interested in prices. In these unsettling times they are again attaching importance to quality, environmental protection and social considerations. Thus, total sales of organic foodstuffs were up 6% in 2009. In the field of sustainability, Coop again played a pioneering role. We began implementing our vision of achieving "CO<sub>2</sub> neutrality by 2023", drawing up specific targets for the different business segments. We also further expanded our ranges – in the energy-saving sector among others. Our eight ecologically and socially responsible flagship labels Naturaplan, Naturafarm, Naturaline, Oecoplan, Max Havelaar, Pro Montagna, Pro Specie Rara and Slow Food have been doing a great deal to help sustain biodiversity for years. And over and above our products and services, we also

engage in numerous activities that promote biodiversity, as the illustrations in this year's annual and sustainability reports show.

The importance of our international business for us has grown substantially in recent years. Our manufacturing companies – especially Chocolats Halba and Reismühle Brunnen – were able to considerably expand their exporting activities. Chocolats Halba, for instance, lifted its exports by about 60%. Coop is now also active in the international wholesale catering market through its interest in Transgourmet Holding S.E., which it jointly founded with Germany's Rewe Group in January 2009. TransGourmet Holding S.E. employs over 22,000 people in six countries and has its registered office in Cologne. It posted sales of over 5.8 billion euros (about 8.7 billion francs) in 2009, making it the number two in the European cash & carry and wholesale supplies business.

We are particularly pleased that, despite gloomy business forecasts and increasingly keen competition, we were able to promise a flat-rate monthly pay rise for employees in the lower wage segments in 2010. It is thanks particularly to the dedication of our 52,974 employees that the Coop Group was so successful in 2009. We also take this opportunity of thanking our 3,018 apprentices and several thousand business partners for their commitment and all our customers for their loyalty.

Together we are strong enough to also overcome the obstacles predicted for the coming year and can therefore look to the future with optimism.



Irene Kaufmann

Chairwoman of the Board of Directors



Hansueli Loosli

Chairman of the Executive Committee

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## STRATEGIC PROJECTS

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Coop invests over 130 million Swiss francs in price cuts and maintains its absolute competitiveness. It opens new small-format stores in cities. Its Supply Chain Management keeps merchandise-flow costs low. By 2023, Coop will have saved 70 million francs by reducing CO<sub>2</sub> emissions and energy consumption.

### **Biggest price cuts ever**

Coop began 2009 by undertaking the biggest price cuts ever: it permanently lowered the prices of over 600 popular branded articles of everyday use to discount level. This means that Coop now offers range diversity in five different price segments: Prix Garantie with its guaranteed lowest prices, the Qualité & Prix own brand that offers outstanding value for money, branded products sold at discount prices, the full range of branded articles, and the premium range. Coop largely financed the average 12% price cut on branded articles from its own resources, enabling customers to share in the commercial success the Group enjoyed in 2008. In addition, it carried out various routine price cuts in the branded and own-brand ranges and extended the lowest-price guarantee to Prix Garantie items sold at Building & Hobby centres. Having invested a total of over 130 million francs in price cuts, Coop continues to be highly competitive in all price segments and is making a valuable contribution to maintaining consumers' purchasing power.

### **Sales market strategy defines new Coop mission values**

In the year under review, Coop approved the new Sales Market Strategy 2015+, to be based on a comprehensive "Retail scenario Switzerland 2015". In this strategy, Coop assumes that factors such as worldwide environmental protection, limited reserves

of fossil fuels and growing overpopulation, particularly in emerging countries, will increase in importance. Thanks to the trend towards small households and ageing of the population, Coop reckons with an increase in the number of Swiss households. At the economic-policy level, Coop expects to see further liberalization measures in Switzerland. Coop's five mission values constitute the focus of its Sales Market Strategy 2015+, which applies to all Coop-branded sales formats. The mission values are basic, generally valid statements of corporate goals and shape the "Strategic Programmes" and the strategies of the different formats. In 2009, Coop defined the three new mission values of diversity, sustainability and pricing competency, thereby specifying the areas in which it seeks to position itself. The mission values of enthusiasm and dynamism remain unchanged. In the years to come, Coop will continue to meet regional and particularly neighbourhood needs for supplies and to operate small-format stores. In cities, Coop will open supermarkets with a sales area of at least 300 m<sup>2</sup> in addition to Coop Pronto shops. Outlets greater than 3,500 m<sup>2</sup> will in future be designed as Coop megastores. The new sales market strategy additionally envisages a marked expansion of fresh produce in all sales formats.

### **Lean supply chain thanks to Supply Chain Management**

Excellent supply chain management means optimum stock management of Coop's point-of-sale shelves combined with minimum costs for capital tie-up and merchandise flow. Conventional strategies for enhancing transparency, and cost and risk management no longer suffice on their own to achieve efficiency-oriented goals. In spring 2009, Coop created the new organizational unit "Supply Chain Management" within the Marketing/Purchasing Business Unit. Coop's supply chain can be accurately described as customer-focused, lean, results-oriented and consistent. The effectiveness and efficiency potential has to be identified and improved throughout the supply chain – from article listing to shelf stocking. After all, modern retailing means that everyone involved, from producers to suppliers and intermediaries right through to retailers, has to pursue a common goal: to put the end customer and his or her needs at the very centre of their efforts. This assumes that all players think in terms of the broader picture and "interact" with one another on objectives and processes in order to work together on improving merchandise flows and information transfer. Supply Chain Management takes its lead from Coop's Corporate Strategy and combines performance goals and business components. Thus, the Supply Chain Strategy feeds seamlessly into Coop's Logistics Strategy, for instance, and defines additional operating conditions for it. In an initial phase extending until 2015, Coop's Supply Chain Management will concentrate on optimizing the value chain in the Retail, Department Store and Building & Hobby channels.

### **New strategic approach to sustainability**

For Coop, sustainability is a source of innovation and business success. In 2009, the Group restructured its diverse efforts in the field of sustainability. The new strategic approach is based on three pillars: sustainable products & services, resource efficiency & climate protection, and employees & society. By providing sustainable products and services, Coop seeks to promote sustainable consumption and help reduce the private consumer's ecological footprint. In the area of resource efficiency and climate protection, Coop has to address its own commercial activities – from logistics and manufacturing to administration and points of sale. As Switzerland's third-largest employer, after all, Coop has a great responsibility towards its employees and towards society.

### **Innovative approach to implementing the Energy/CO<sub>2</sub> Vision**

Coop considerably expanded its climate-protection activities in 2008 when it took the strategic decision to achieve CO<sub>2</sub> neutrality by 2023 wherever it could influence such emissions directly. In 2009, it subsequently approved a specific package of measures for reducing its energy requirements by almost 20% and its CO<sub>2</sub> emissions by over 50% by 2023, compared with 2008. Only CO<sub>2</sub> emissions that can be avoided solely at disproportionately high cost or cannot be avoided at all will be offset. Coop applies innovative principles to evaluating its investments in implementing the Energy/CO<sub>2</sub> Vision. On the one hand, the measures must exhibit long-term cost efficiency and take account of any tightening of the regulatory framework and of rising energy prices. They must take account of sustainability, i.e. investments are written down in line with their actual useful life. On the other hand, Coop examines what is financially more viable in the long term – undertaking reduction measures of its own or engaging in offsetting projects – and thus already includes possible future costs of carbon offsetting in present-day decisions. Coop currently expects the package of efficient measures for implementing the Energy/CO<sub>2</sub> Vision to achieve overall cost savings of about 70 million francs by 2023.

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## ECONOMIC ENVIRONMENT

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Despite the economic crisis, the Swiss retail sector still benefits from surprisingly robust private consumption in 2009. Liberalization of Swiss law brings some relief for purchasing departments. A study of shopping tourism shows that the Swiss are shopping less in neighbouring countries.

### MARKET AND PRICES

#### **Global economic crisis leaves its mark on Switzerland**

2009 was shaped by the worst global economic downturn since the 1930s. Though less seriously affected than other countries, Switzerland was not left unscathed by it. The Swiss retail sector benefited in 2009 from surprisingly robust private consumption which, unlike exports, underpinned the Swiss economy. Good pay agreements and falling inflation resulted in a boost to purchasing power that sustained consumption well beyond mid-year. Even though the Swiss economy is now in the early days of an upturn, restructuring measures and the ensuing rise in unemployment have had an impact on the retail sector. The key question at present is: how badly and for how long will growing unemployment depress private consumption? Various falling sales figures were, as expected, posted in the non-food sector. Generally speaking, consumer expenditure is likely to stagnate in 2010.

### PURCHASING AND POLITICAL ISSUES

#### **Some easing on the raw-material markets**

In contrast to the previous year, prices in the markets for various raw materials and products fell in 2009.

The downward price trend affected milk, pigs bred for meat, but also cereals and most vegetables, resulting in corresponding adjustments to retail prices. Coop had been pressing for several years for the establishment of a milk industry organization to which not only producers but also processors and retailers would belong and therefore take responsibility. This organization came on stream in summer 2009. The non-food sector was not left unscathed either by the falls in prices, some of them drastic, though customers benefited throughout the year from lower prices in the consumer electronics sector, especially for computers and televisions. The general easing on the raw-materials markets was felt not only in cost prices but also in fuel costs and, at the very end of the chain, the lower earnings obtained from recycling of waste and reusable materials.

#### **Liberalized legislation**

Coop also pressed for lower prices and costs in the year under review. A long fought-for breakthrough was achieved when parallel imports – though excluding medicines – were authorized. Even more important than the effect of this decision on product prices was the political signal it sent out, i.e. that all sectors had to compete on the international market and that only such liberalization could secure Switzerland's long-term competitiveness. The acceptance of the "Cassis de Dijon" principle (unrestricted import of

products produced under less stringent conditions in the EU) means that EU products that are legally marketed there can now be imported into Switzerland without further regulatory scrutiny. Switzerland can independently exclude products from the principle on grounds of environmental protection or animal welfare. The regulations governing labelling of the origins of foodstuffs were tightened up, and an authorization requirement was introduced. A product safety law similar to that of the EU and applicable to all non-food products came into force. Producers and importers are now obliged to monitor the safety of products throughout the products' useful lives and, if necessary, to recall them. Coop substantially expanded its quality assurance in the non-food sector, partly to take this change in the law into account. The renewal of the heated debate on the introduction of a flat rate for VAT constitutes a serious threat to the lower prices achieved. For social reasons, Coop – through the Swiss retailers' association IG DHS – actively supports the retention of the reduced VAT rate on food.

#### **Clear fall in cross-border shopping**

The latest Coop study on shopping tourism shows that the efforts of Coop and other retailers to increase productivity and lower costs are paying off, as are measures aimed at boosting quality and variety. The number of regular cross-border shoppers has fallen substantially compared with 2005. The value of food and everyday articles purchased abroad fell from 2.1 billion Swiss francs in 2005 to 1.8 billion in 2009. This fall was due to the decline in the subjective perception and objective experience of price differences compared with neighbouring countries, the better quality and more attractive ranges in Switzerland and the arrival of foreign discounters on the Swiss market. The 2009 Coop study on shopping tourism was the eighth of its kind and was carried out in collaboration with independent market research institutes.

## **SUSTAINABILITY**

#### **Improved general conditions for promoting sustainability**

Coop lobbied politically in 2009 to achieve good general conditions for its efforts to promote sustainability. The focus was on its commitment to a responsible and forward-looking policy on climate change. On the basis of its own calculations for its vision of achieving "CO<sub>2</sub> neutrality by 2023", Coop considers that the reduction of 20% in CO<sub>2</sub> emissions by 2020, as proposed by the Swiss government, falls well short

of the technically and economically feasible potential for emission savings. In the run-up to the UN Conference on Climate Change in Copenhagen, Coop therefore publicly advocated more ambitious targets. The call for efficiency of any measures taken, as approved by Parliament in summer 2009, is hugely important here. This principle means first reaching agreement on what constitutes the main problems and then selecting an approach to resolving them that promises the greatest benefits and lowest costs. Coop also expects to see such a discussion at the Round Table on Sustainable Consumption that the Federal Office for the Environment is organizing.

#### **Position on the new Spatial Development Act**

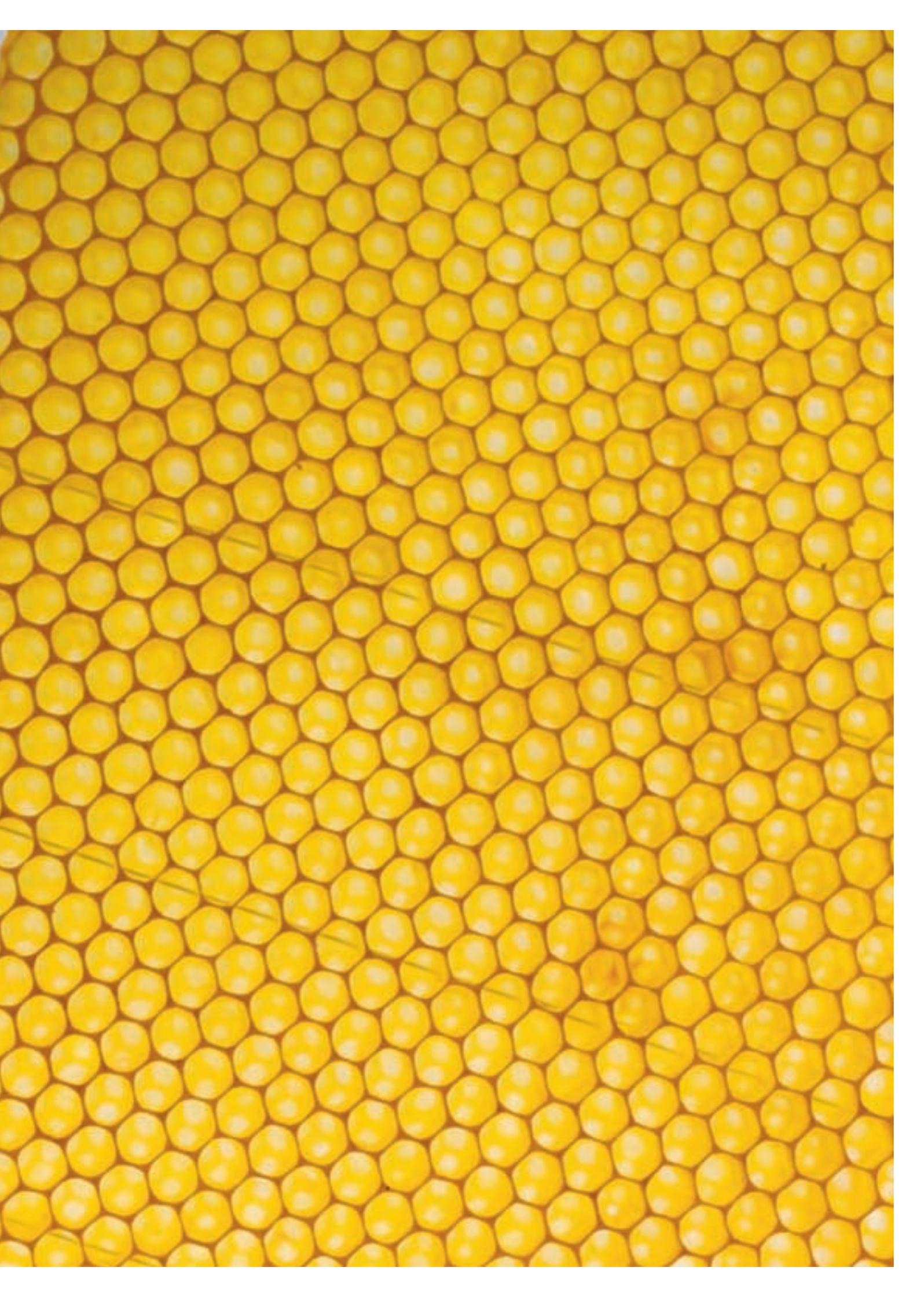
As a member of *espace.mobilité*, an interest group of leading Swiss retail and property businesses, Coop has stated its position on the revision of the Spatial Development Act. Spatial development affects Coop's search for and implementation of new locations. The more efficiently a canton's spatial development is managed, the earlier any problems regarding development of settlements and traffic and the provision of supplies by the retail trade can be coordinated. On the other hand, Coop also has an interest in productive agriculture and therefore understands concerns about urban sprawl and the loss of contiguous fertile arable land. It therefore supports the farming sector's call for better protection of cultivated land.

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BY PROMOTING HONEY FROM  
SWISS BEES, COOP AND  
SLOW FOOD HELP PROTECT AND  
CONSERVE THE DARK BEE.

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**THE GENETICS OF THE DARK BEE ARE UNIQUE – WHICH MAKES ITS CONSERVATION ALL THE MORE IMPORTANT. THE GREATER THE GENETIC DIVERSITY OF A BREED, THE GREATER ARE ITS CHANCES OF SUCCESSFULLY ADAPTING TO CHANGING ENVIRONMENTAL CONDITIONS.**

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Balser Fried from Azmoos in the St. Gallen Rhine Valley is a passionate beekeeper and master of about 20 colonies of bees. There would be nothing unusual about this were it not for the very special bees that Balser Fried keeps. He only breeds the traditional, indigenous race of honeybee, *Apis mellifera mellifera* or dark European bee, which has been increasingly displaced from its natural habitats over the past 150 years.

The dark bee is so called on account of its distinctive outer colouring. It has existed in Switzerland since the Ice Age and was still the only honeybee north of the Alps until just a few generations ago. Over the years, the dark honeybee has adapted perfectly to the Swiss climate and the forage plants this country offers. It also forages in cool weather and is an important pollinator of large numbers of native wild and cultivated plants. The dark bee is therefore of great ecological value.

In 1993, the “Verein Schweizerischer Mellifera Bienenfreunde”, an association of Swiss beekeepers for the protection of the dark honeybee, was founded for the specific purpose of breeding and conserving this industrious pollen collector. Then two years ago, Slow Food and the Pro Specie Rara Foundation joined forces to set up a presidia group to promote the “Swiss Dark Bee”. Slow Food is an international non-profit organization that works worldwide to preserve biodiversity and therefore also diversity of taste. Since 2006, Coop has helped Slow Food to set up its presidia groups for the development of traditional artisanal products in Switzerland and to sell specialities sourced from presidia all over the world. Coop now markets some 50 Slow Food products, and one of them is Swiss honey from indigenous dark bees, Some of this honey comes from Balser Fried’s hives.



THE DARK HONEYBEE MAKES A STOP AT MANY DIFFERENT VARIETIES OF PLANT, AND THEREFORE ITS HONEY BOASTS PARTICULAR DIVERSITY OF CHARACTER.







“ FOR US BEEKEEPERS,  
THE SALE OF OUR HONEY AT COOP  
IS AN INCENTIVE TO BREED AND  
CONSERVE THE DARK BEE. ”

BALSER FRIED, VEREIN SCHWEIZERISCHER  
MELLIFERA BIENENFREUNDE

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## PRODUCTS AND SERVICES

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Coop slashes the prices of over 600 branded articles to discount level and thus carries out the biggest round of price cuts ever. Pro Montagna, the brand for products from Swiss mountain regions, enjoys growing popularity. Sales of organic products grow substantially, despite the difficult economic situation.

### PRICE

#### Five price segments under one roof

Coop invested over 130 million Swiss francs in price cuts in 2009, thereby guaranteeing continued price parity with its main competitor. In addition, it sent out a clear signal at the beginning of the year when it permanently lowered the prices of over 600 popular branded everyday products to discount level. With these branded articles at discount prices, Coop now offers customers a total of five price segments under one roof: Prix Garantie with its guaranteed lowest prices, the Qualité & Prix own brand that offers outstanding value for money, branded products sold at discount prices, the full range of branded articles, and the premium range. In May, Coop extended the 2008 lowest-price guarantee to the Prix Garantie range sold at Building & Hobby centres. Coop also carried out various price cuts on own-brand products in 2009 and, wherever possible, avoided passing on any increases in raw-material prices to customers. Because of lower cost prices, Coop was able consistently to pass on the drop in the prices of milk and dairy products, sausage and deli meat products, fruit and vegetables, and bread to customers. The Coop Group's prices fell by 3.7% overall in 2009. Thanks to the lowest-price guarantee on the Prix Garantie range and the routine price cuts in

the own-brand segment and on branded articles, Coop did a great deal to strengthen its competitiveness in all price segments and to maintain customer purchasing power.

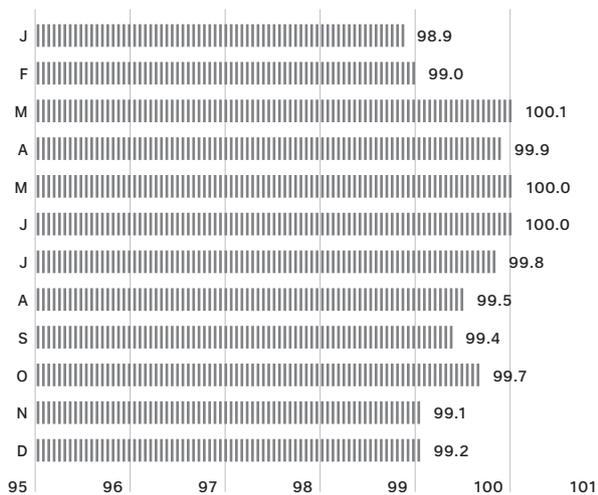
#### Price monitor: SGS confirms accuracy

Coop engages an independent market research institute to make regular comparisons of the prices it charges for a defined basket of goods with those of its main competitor, Migros. The basket now comprises some 2,200 everyday products. Articles from value labels, own brands and branded articles that are equivalent in terms of quality and quantity are compared. The scope of Coop's price comparisons is the most comprehensive in Switzerland. The findings of the price monitor are published every month in the Coop member press and on the Internet. They confirm Coop's lowest-price guarantee for the Prix Garantie label and repeatedly demonstrate the competitiveness of Coop's prices in the most important price segments. The method used for comparing prices was checked and approved by SGS, an internationally recognized inspection and certification company. Implementation was verified on the basis of random samples in January 2009.

### Coop price monitor: 2009 overview

The survey for the Coop price monitor is conducted each month by an independent, global market research institute on behalf of Coop. The prices of an average of 2,200 everyday articles at Coop and its main competitor are compared. The articles compared are those with nationwide prices, i.e. prices of products available throughout Switzerland (brands, own brands, lowest-price range).

Index in % (main competitor = 100%)  
Index less than 100 = Coop charges less  
Index 100 = Coop charges the same  
Index over 100 = main competitor charges less



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

### DIVERSITY

#### Range diversity in all price segments

Coop further strengthened its position in 2009 as the retailer with the broadest brand mix. With its lowest-price range, own brands and flagship labels, discount-price branded articles, branded products and premium products, Coop offers diversity in all price segments. In 2009, it launched the dermatologically tested skin cleansing and care line *Dermasens*, which is designed particularly to meet the needs of people with sensitive, easily irritated skin. Demand was especially great for Coop's 2,000 or so organic products certified with the Bio Suisse bud label and sold primarily under Coop Naturaplan. Particularly in unsettled times, consumers increasingly opt for values they can count on, such as environmental compatibility, authenticity or traceability. The reorientation of Naturaplan to the Lohas (lifestyle of health and sustainability) consumer trend proceeded apace with the further addition of articles to the label. The range of products from Swiss mountain regions sold under the Pro Montagna label was also expanded in 2009, meeting with a very positive response among customers.

### ECOLOGICALLY AND SOCIALLY RESPONSIBLE FLAGSHIP LABELS

#### Coop Naturaplan posts substantial sales growth

Despite the difficult economic climate, Coop Naturaplan, the organic food label, did very well in 2009. Its sales of 726 million francs and growth of 5% on the previous year make it far and away Switzerland's most successful organic brand. In the range as a whole, Coop sales of organic food amounted to approximately 764 million francs in 2009, 6% more than in the previous year. The reorientation, initiated in 2008, of Naturaplan to the current Lohas consumer trend was systematically continued in 2009. Around 100 new products such as organic pasta made from ancient varieties of cereal will henceforth round out the 1,600 Bio Suisse bud-certified Naturaplan products. "Verde", the organics and sustainability magazine launched in 2008, had a very successful year, taking silver in the competition for the "Best of Corporate Publishing 2009".

#### Animal podcasts from Coop Naturafarm

Coop Naturafarm insists on humane animal-husbandry practices in its operations, for instance regular access to range and fresh air, or feed appropriate to the animals' needs. These practices are essential for achieving the outstanding quality of the products. Naturafarm increased sales to 478 million francs in 2009, which is slightly more than in the previous year, and so it continues to be the second biggest of Coop's ecologically and socially responsible flagship labels. In the year under review, the animal-friendly label accounted for approximately 30% of Coop's overall sales of meat and eggs (and as much as 65% in the case of both beef and pork). Ten podcasts featuring on Naturafarm's website attracted attention. They involve an animal reporter investigating the question of what "animal-friendly" means for the everyday life of chickens, cows and pigs on one of the label's farms.

#### CO<sub>2</sub>-neutral textiles from Coop Naturaline

Coop Naturaline textile and cosmetic products posted sales of 68 million francs in 2009, 2% more than in the previous year. 2009 was the UN International Year of Natural Fibres, and so Coop and Helvetas, the Swiss Association for International Cooperation, jointly launched the campaign "Also ask for fair trade when you buy a T-shirt". Twenty thousand brightly coloured, CO<sub>2</sub>-neutral T-shirts were produced as part of the drive for CO<sub>2</sub> neutrality of all Naturaline textiles made with organic cotton. For the first time, the shirts were produced entirely in Tanzania. Since autumn 2009, the old-established firm of Traxler

has been making CO<sub>2</sub>-neutral knitwear for the new Naturaline collection, the first Swiss company to do so. Coop Naturaline Natural Cosmetics expanded its range to include, among other items, a delicate body butter. The most important ingredients of the cosmetic products and the cotton used in cotton-wool products are obtained from organic cultivation. They are processed gently, are guaranteed not to have been tested on animals and are particularly kind to the skin.

### **20 years of Coop Oecoplan**

In the year of its 20th anniversary, Coop Oecoplan generated sales of 112 million francs – 9% more than in the previous year. In particular, the readily biodegradable detergents and cleaning agents posted significant growth. Following on from Naturaplan and Naturaline, Oecoplan, too, has now been given a new look and a modern logo. The packaging of the 1,400 or so products such as detergents and cleaning agents, recycled paper, wood articles or organic gardening products is being changed gradually. The Oecoplan watering can made entirely from recycled plastic from Switzerland is a new addition to the range. Coop is setting standards in the energy-saving sector with new Oecoplan energy-saving lamps that have an average useful life of 15 years and consume up to 80% less energy.

### **Pro Montagna continues to grow**

The Pro Montagna range of products from Swiss mountain regions continued to enjoy growing popularity three years after being launched. New items were added, including numerous innovative cheese products, mountain spice mixtures, speciality pastas from the Goms region and aromatic organic beer. The label now also features a peppermill, a cheese slicer and a hard cheese grater made from FSC-certified Swiss sycamore. Each of the 100 or so products is not only produced in mountain regions but also processed there. This label helps to maintain family-run artisanal and other small businesses and to secure jobs in the mountain regions. By way of solidarity, a portion of the retail price of every product sold is donated to the non-profit organization Coop Aid for Mountain Regions and benefits the mountain farmers and their families in full by being used to finance projects. Pro Montagna generated sales of over 25 million francs in 2009. Of this sum, over 700,000 francs went to Coop Aid for Mountain Regions.

### **Additions to Max Havelaar range**

With fairtrade products, Coop posted sales of 198 million francs in 2009 – much the same as in the

previous year. Coop products bearing the Max Havelaar quality label alone accounted for 133 million francs. So Coop continues to be Switzerland's leading retailer of fair trade products. Customers have also been able to buy Max Havelaar-certified house plants, peppercorns and aromatic teas since 2009. Engaging in a joint process of innovation with Max Havelaar Switzerland, Coop laid the foundation stone for greater strategic cooperation in the future.

### **Successful year for Pro Specie Rara harvests**

Good 2009 harvests had a positive impact on sales of fresh Pro Specie Rara lettuce and tomatoes. The seedling markets held in numerous Coop Building & Hobby centres were very successful. They enable customers to discover seedlings from over 15 almost forgotten varieties and to obtain advice from experts. The Pro Specie Rara framework agreement was presented at the organization's 2009 Producers Meeting. It states that, in future, a development fund will cushion the risk of loss of earnings in connection with growing trials and test sales. In addition, work is in progress on further developing the range so that a selection of Pro Specie Rara fruit and vegetables can eventually be offered all year round.

### **Slow Food: partnership extended to 2011**

By promoting the non-profit organization Slow Food and its "presidia" development groups, Coop is opening up new markets for small producers and their traditional products. This partnership has now been extended to 2011. The focus in 2009 was on developing additional presidia in Switzerland, especially for cheese production. In autumn, for instance, Coop launched three new cheeses supported by Slow Food: a traditional Emmental cheese, a Vacherin Fribourgois d'alpage and a Toggenburg goat cheese. The traditional Emmental cheese immediately won a gold medal at the Mountain Cheese Olympics. Switzerland now has a total of 17 Slow Food presidia set up with support from Coop and each dedicated to preserving a food speciality. In addition to the presidia, Coop supports the "slow.ch" magazine, which highlights current developments in such areas as cookery, biodiversity, regional food cultures, flavours and well-being.

## **HEALTH AND CONVENIENCE FLAGSHIP LABELS**

### **New Betty Bossi line: "it's tasty!"**

Betty Bossi, Switzerland's best known fresh convenience food brand, gained further market share in 2009, posting sales of approximately 460 million francs. Since spring 2009, numerous unusual and

delicious “it’s tasty!” products have supplemented the Betty Bossi range. The ready-made salads, juices, yoghurts and sandwiches are prepared from particularly fresh ingredients and are the ideal snack whatever the time of day. Betty Bossi is constantly working on improving the nutritional qualities of its products and on reducing the use of additives in them to an absolute minimum. For example, in connection with the “actionsanté” drive by the Federal Office of Public Health (FOPH), all ready-to-serve meals, ready-made salads and salad dressings are, by 2010, to be switched over to production using the “healthier” rapeseed oil.

#### **Well-balanced enjoyment with Weight Watchers**

Coop has been collaborating since 2005 with the Weight Watchers organization, which offers a programme – currently the most successful in the world – for controlling weight and improving eating habits. Within the framework of this cooperation, Coop expanded its range of low-sugar, low-fat and low-calorie food in 2009 to include seasonal products and innovative novelties. The selection of the Weight Watchers Member of the Year on the website of the Coop member press once again attracted a great deal of attention. In 2010, Weight Watchers will be replacing the familiar Points® with the innovative ProPoints™ plan, thereby prompting Coop to review all products for their culinary qualities and improve them where necessary.

### **BRANDED ARTICLES**

#### **Switzerland’s largest range of branded articles**

Coop is the most important partner of Swiss brand manufacturers, with branded articles accounting for about 45% of its overall sales. Coop thus stocks the largest selection of branded products in Switzerland. At the beginning of the year under review, it slashed the prices of over 600 branded articles to discount level. To differentiate itself from the competition, Coop is determined to ensure that its branded articles are as unique as possible and offer genuine customer value. In 2009, it extended its range of branded articles to include a Portuguese and a southern European range, thus taking the needs of growing numbers of foreign residents in Switzerland into account.

### **OWN BRANDS**

#### **Coop Qualité & Prix: broad range with brand quality**

Coop’s Qualité & Prix own brand range comprises high-quality food, near-food and non-food products that cover the entire spectrum of everyday needs – and offer excellent value for money. The packaging of Coop Qualité & Prix items is designed primarily to ensure transparency. Positioned in the middle price segment, Qualité & Prix provides clearly structured article descriptions and additional information such as the food profile, a full nutritional value labelling system, on the packaging.

#### **Prix Garantie: continued guarantee of lowest prices**

Coop supplements the middle and higher price segments with its Prix Garantie label comprising lowest-price products of good quality, thus enabling Coop to offer diversity in all price segments. The label’s 400-plus articles generated sales of 380 million francs in the year under review. The lowest-price guarantee in force since September 2008 means that customers can be absolutely certain that the prices are the lowest on offer. The guarantee states that all items sold under the Prix Garantie own brand cost no more than the corresponding lowest-price articles offered by Coop’s main competitor and discounters on the Swiss market. In May 2009, Coop extended the lowest-price guarantee to the Prix Garantie range sold at its Building & Hobby centres.

#### **Great interest shown in Fine Food online voting**

Fine Food, Coop’s premium label, proved resistant to the 2009 crisis, achieving an increase in sales compared with the previous year despite the difficult economic circumstances. Generating sales of 86 million francs, it posted growth of approximately 2%. This range of affordable fine food products is being constantly expanded. And besides the 325 food products, over 90 high-quality kitchen aids and creative tableware are available under the Fine Food Design label. A TV commercial featuring Ivo Adam in which consumers were able to vote online on what its outcome would be was a highlight of 2009.

#### **Jamadu now available at Building & Hobby**

The Jamadu children’s line was considerably expanded in 2009. Numerous non-food articles such as plant sets for children, kites or a customizable board game are now also available at Building & Hobby centres. The total of 130 partly seasonal food, near-food and non-food Jamadu articles generated sales of 23 million francs in 2009 – 3% more than in the pre-

vious year. The food products sold under the Jamadu label have to be well-balanced and appeal particularly to children. All products are therefore tested and rated by a jury of children before being launched. The first Jamadu handicraft courses were held at the Building & Hobby centres in October 2009.

#### **My Baby: new baby care line**

Numerous baby-care articles such as a cream, lotion, oil and shampoo were added to Coop's My Baby own brand in 2009. The products do not contain any mineral oils, and the use of preservatives and perfume additives is also largely dispensed with. Instead, My Baby Sensitive relies on natural aromas used in moderate quantities. These particularly mild products thus protect babies' sensitive skin from further stress on top of the growing impact of environmental factors. Nappy pants were added to the existing range of variously sized nappies. In 2009, My Baby generated sales of around 11 million francs.

#### **Dermasens – affordable care for problem skin**

Coop launched Dermasens, a new dermatologically tested skin cleansing and care line, in April 2009. The current range of twelve products for the face, body and hair is designed particularly for people with sensitive, easily irritated skin that needs special care. The medically high-grade products were developed and tested in close collaboration with well-known Swiss pharmaceutical companies and the Dermatology Clinic of Zurich University Hospital. Coop's Dermasens own brand bears the seal of quality "Successfully tested at the Dermatology Clinic of Zurich University Hospital", the first cosmetic label to do so, and costs much less than comparable products available from specialist stores.

#### **New look for Délicorn packaging**

Délicorn, Coop's vegetarian label, has grown at an above-average rate in the last twelve months and is gaining in recognition. According to a current survey carried out by the GfK Switzerland AG institute, 28% of the Swiss population are already familiar with Délicorn products, which are made from natural raw materials such as soya, wheat, millet and milk protein. Since World Vegetarian Day on 1 October 2009, Délicorn has been available in modern, more clearly labelled packaging, and includes eight new products, two of which are organic. The range of 30 or so products extends from oriental-style couscous balls and falafel to cutlets and organic vegetable patties, and offers consumers meat-free, yet varied and tasty meals.

#### **Schär brand added to the Free From label**

The 21 lactose-free and 32 gluten-free products of the Free From own brand are Coop's response to the needs of people with lactose or gluten intolerance or allergies. In addition to the DS (Dietary Specials) brand, the gluten-free range now includes Schär products. A further highlight was the series of courses on gluten-free cooking organized in cooperation with Betty Bossi in autumn 2009. These courses enabled people with such needs to discover at first hand the products and dishes they could enjoy without problems and how they could add variety to their everyday diet.

#### **Successful first year for Plan B**

Plan B, Coop's own brand for fast, uncomplicated and, above all, attractively priced food for people on the move, celebrated its first anniversary in August 2009. The 50 food products are designed particularly for the younger generation. The Plan B website underwent a complete overhaul in autumn. A large-scale online competition and the "Fake or not" Internet campaign were initiated concurrently. In addition, Plan B was represented at various open-air events in the form of a remodelled ship's container from which products were sold. As a highlight of 2009, Plan B's packaging design was singled out for the "red dot award: communication design", for which a total of 6,112 specimens from 42 countries had been submitted.

### **SERVICES AND SPONSORSHIP COMMITMENTS**

#### **Food now payable with Superpoints**

The number of Coop Supercard card accounts again rose substantially in 2009 to the current total of 2.8 million. This corresponds to around four million active users. Points amounting to a total of 161 million francs were claimed, either as loyalty bonus gifts or as purchases with Supercard in Coop City department stores, Coop supermarkets or at Coop Building & Hobby centres. As much as 15% of the non-food sales of the department stores was paid for with Superpoints in 2009, about 2% more than in the previous year. Since November 2009, Coop has also offered the option of using Superpoints to pay, partly or in full, for a changing selection of items, the "Supercash ranges", in Coop supermarkets or Coop Building & Hobby centres, with 100 Superpoints being equivalent to one franc. The new service has been popular from the outset.

### **Supercardplus rated as best credit card**

There were around 320,000 free Supercardplus credit cards in circulation at the end of 2009, 40,000 more than in 2008. The credit card – for which no annual fee is required – was launched by Coop in collaboration with its partner Swisscard AECS AG. In 2009 it was, for the first time, rated as Switzerland's best credit card. This was the result of a representative survey on customer satisfaction with credit cards that was carried out by the Internet comparison site [comparis.ch](http://comparis.ch). Supercardplus was made even more attractive for customers in mid-November when it became available not only as a Mastercard, but also as a Visa credit card.

### **Trophy – a “thank you” for loyalty**

Coop's launches of a “Trophy” stamp-card campaign for glassware in April 2009 and one in September for pots and pans were very successful. In the 13th Trophy programme, the equivalent of every household in Switzerland exchanged a full Trophy stamp card for an item from the THOMAS® collection of pots and pans. The customers taking part received a Trophy stamp for every ten francs' worth of purchases at Coop supermarkets, Coop City department stores, Building & Hobby centres and [coop@home](mailto:coop@home). Once they had collected 30 stamps, they were able to purchase the current Trophy products, e.g. pans or glasses, at preferential prices. Alternatively, they could exchange the stamps for Miles & More air miles.

### **Another good year for ITS Coop Travel**

ITS Coop Travel continued to grow in 2009 and also to expand its market share. This achievement was all the more remarkable when the marked downturn in the overall market is considered. The travel agency set up by Coop and Rewe grew by 3%, posting sales of around 67 million francs generated by a good 54,000 customers. Spain, Egypt and Greece were among the most popular destinations in 2009. ITS Coop Travel also reported impressive growth rates for the destinations Tunisia, Cyprus and Turkey. The bulk of bookings – 52% – were made by phone and 23% via the website [www.itscoop.ch](http://www.itscoop.ch), while 25% were handled by independent travel agencies.

### **Attractive investment options at Coop Depositenkasse**

Coop Cooperative members and both active and retired employees of Coop can invest money at attractive conditions with Coop Depositenkasse. They have a choice of two investment options: deposits for shorter-term investments, and medium-term notes with a maturity of two to eight years for the longer term. As investors benefit from highly com-

petitive interest rates and enable Coop to refinance itself on favourable terms, these services create a win-win situation. The funds acquired through the Depositenkasse account for about a third of the Coop Group's financial liabilities. The funds invested have grown steadily in recent years. Since the 24 Coop Depositenkasse branches in Switzerland are mostly located in a Coop City department store, customers benefit from relatively long opening hours as well as from excellent terms and conditions for charge-free currency-exchange transactions.

### **Coop Mobile: prepaid Internet offer**

Coop Mobile, the prepaid Prix Garantie mobile phone offering, acquired 80,000 new customers in 2009, bringing the total to more than 460,000 at the end of the year. It launched a particularly affordable prepaid Internet offer in the year under review: a monthly surfing volume of 100 megabytes for CHF 9.90 a month. Anyone who has a SIM card from Coop Mobile and an Internet-enabled mobile phone can benefit from the offer. Since September 2009, Coop Mobile prepaid credit has been available around the clock from all Swiss Federal Railway (SBB) ticket machines in Switzerland.

### **Customized gift voucher cards from Coop**

Coop's credit-card format gift vouchers are growing in popularity. Sales of the vouchers in 2009 amounted to about 80 million francs – 21% more than in the previous year. They are now also available in customized form, which is particularly suitable for companies that wish to use the voucher cards as gifts for employees or customers. The value of the card can be chosen by the company and, if so desired, its company logo can be printed in it. Corporate customers can design and order the individual cards on a B2B website specially set up for this purpose. Demand was strong for the iTunes gift voucher cards launched in 2008. Using the code on the card, the owner can download iTunes offers on the Internet such as songs, albums or audio books simply and safely.

### **Joint Coop and Pro Senectute projects**

As part of the strategic partnership with Pro Senectute, an organization that promotes the interests of the elderly, Coop is expanding its offers and services targeting senior citizens. A total of three projects were launched in the year under review. The Memofit brain-training CD-ROM with eight memory exercises is a contribution by Coop towards helping people maintain mental performance in all areas of life. To promote dialogue between the generations, Coop Building & Hobby organized a Swiss-wide competition entitled “Handicrafts for Young and Old”. The

aim is to employ creative handiwork to develop a family-friendly game that brings grandparents and grandchildren together. As a special offer for former Coop employees, retirees receive a year's subscription to the magazine "Zeitlupe", which is published by Pro Senectute Switzerland.

### **Systematic implementation of new sponsorship concept**

Coop worked intensively in 2009 on implementing its new approach to sponsorship. New commitments included the increasingly popular sport of ski cross, open-air cinemas and comedy tours. With the new "Coop Municipality Duel" project, Coop now supports a nationwide physical activity programme in which 144 municipalities took part in 2009. Besides many other commitments, Coop actively sponsored the following events in 2009:

#### **Sport:**

- Beach volleyball: Grand Slam in Gstaad and Coop Beach Tour in seven cities attracting a total of some 180,000 spectators, plus additional projects to promote talented young players and the sport at the top level.
- Ski cross: Coop Ski Cross Tour (new series of races instituted together with Swiss Ski), promotion of the sport at the top level and of Coop Ski Cross Parks (training runs in skiing regions).
- Cross-country skiing: Engadin Skimarathon (mass-participation event involving some 10,000 skiers) and regional cross-country events.
- Gymnastics: cantonal gymnastics festivals and projects involving cooperation with the Swiss Gymnastics Association.

#### **Culture:**

- Open-air cinema: Luna open-air cinema at 21 locations throughout Switzerland and support for regional open-air cinemas.
- Musicals and shows: musicals such as "Jesus Christ Superstar" (Thun lakeside musical productions), "West Side Story", "Elisabeth" and shows such as "Blue Man Group".
- Comedy tours: "Ursus und Nadeschkin", "Edelmais", "Divertimento".
- Children/families: Swiss-wide tour "Erlebnismittage Kinderland" (fun afternoons in Kinderland), "Schellenursli" tour, "Kindercity Volketswil", "La Fête des Enfants" in Lausanne and many other events.

#### **Nutrition and physical activity:**

- Projects for adults and children: "Coop Municipality Duel", together with the Federal Office for Sport

and the Swiss Foundation for Health Promotion.

- Projects for children: Fit-4-future (raising awareness about fitness among primary schoolchildren).
- Projects for teenagers: Schtifti (foundation for young people)/Freestyle Tour – school project.

## **INFORMATION AND MEDIA**

### **Coop member press publishes the most widely read weeklies**

With approximately 3.4 million regular readers – a good 1% more than in the previous year – the three weeklies Coopzeitung, Coopération and Cooperazione are still the most widely read publications in Switzerland, reaching around 56% of all inhabitants over the age of 14. This was the finding of the annual survey carried out by the independent Swiss media research company Wemf AG. At the same time, the print run of the Coop member press rose by 71,360 to a total of 2,528,521. In autumn 2008 and for the second time since 2006, Coop member press conducted an electronic survey of utilization of the articles and advertisements in the newspapers. The publisher's own study "Reader Scan" showed that the volume of utilized content had increased by over 20% and reading time by about 10%. This finding is impressive, particularly in view of the growing presence of new media in the marketplace. Coop member press also continued systematically to step up the development of multimedia content such as videos and online services in 2009. This had a gratifying effect on the number of people using the Web pages. The important click rate per user, for instance, rose from the previous year's average of four clicks to over six per user in 2009. The CoopForte staff magazine also posted a success in 2009: in the Veritas employee survey, it was given an overall rating of 5.0 (maximum: 6.0) by employees, and thus improved on its 2006 rating.

### **Overhaul of Coop website**

The Coop website was modernized and restructured in the first half of 2009. The changes were aimed primarily at improving customer benefit. With input from customers, the content was restructured, and intuitive navigation and a highly sophisticated search system were added. In addition, the use of a new technology created a solid platform for the company for the new few years. In terms of content, the highlights are the new web pages of Coop Building & Hobby and Coop City, which were not only given a new look but also benefited from added material on many new topics and new services. Even in the dynamic Internet environment, customers

showed great interest in the Coop website in 2009. The Coop Web pages are among the 20 most visited websites in Switzerland and the number one in the retail sector.

**Coop Consumer Service: rise in queries**

Reporting a total of 177,291 customer contacts, the Coop Consumer Service received 13% more customer queries and requests in 2009 than in the previous year. This increase was due in part to the price cuts affecting over 600 branded articles at the beginning of the year. The numerous special offers such as the Coop Trophy campaigns also generated a need among customers for information. The Consumer Service benefited from the overhaul of Coop's website, which sometimes directed customers faster to the desired pages than formerly. The introduction of a new software specially tailored to the Consumer Service will ensure that customers' concerns are dealt with even sooner in future.

**Coop Media Unit kept busy**

Coop was again a frequent focus of media attention in 2009. Media representatives were interested primarily in pricing policy and sales trends, Coop's commitment to sustainability, in product quality and, of course, a large number of specific products. The Coop Media Unit issued a total of 62 media releases and responded to some 2,500 media enquiries in the year under review, thus generating well over 8,000 reports in the print media, 160 or so radio interviews and about 30 TV statements.



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COOP SUPPORTS MOUNTAIN  
FARMING – EVEN IN THE MOST  
REMOTE AREAS

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**MOUNTAIN FARMING HAS CREATED UNIQUE DIVERSITY OF PLANTS AND ANIMALS. COOP MAKES AN IMPORTANT CONTRIBUTION TO PRESERVING THIS DIVERSITY THROUGH COOP AID FOR MOUNTAIN REGIONS AND THE PRODUCTS OF ITS PRO MONTAGNA LABEL.**

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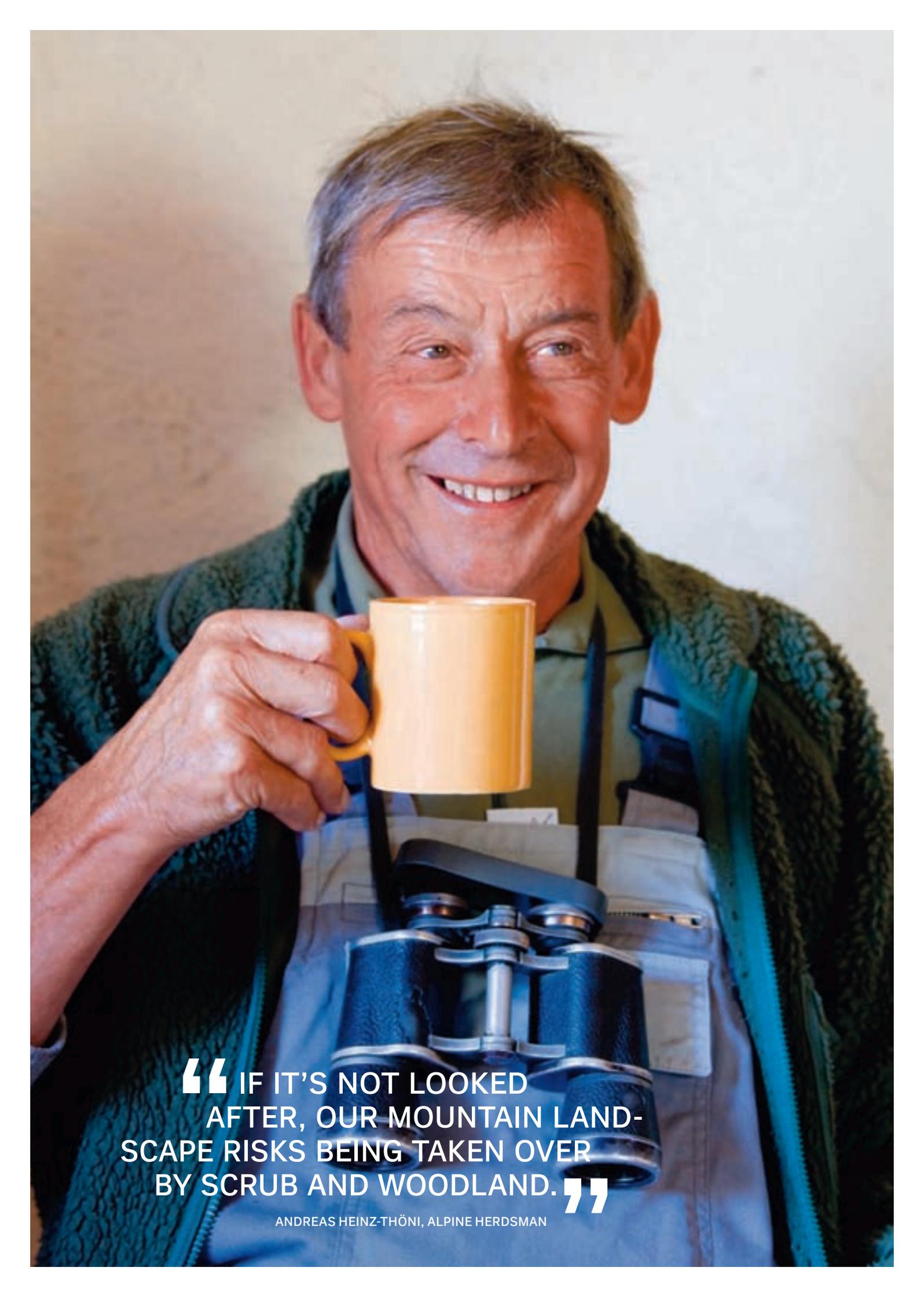
Today, the 150 suckler cows, calves and other cattle that spend their summers on the Graubünden mountain pasture Alp Pawig are nowhere to be seen. It rained heavily yesterday, and the animals have sought shelter in the nearby woodland. Armed with binoculars, Andreas Heinz-Thöni goes in search of them.

The alpine herdsman and his wife Fida are constant witnesses to the unique biological diversity that flourishes almost 2,000 metres above sea level. Here, countless varieties of plant afford habitats for numerous forms of animal life. This biodiversity depends very much on the different forms of commercial exploitation and the different uses to which the land is put – dairy farming or cultivation of feed and other crops for instance – that have defined mountain farming, in some cases for hundreds of years. By their work, the inhabitants ensure that this beautiful natural landscape is protected against the encroachment of scrub and woodland.

To counter the threat of depopulation in mountainous areas, Coop founded Coop Aid for Mountain Regions 68 years ago. This non-profit organization supports the efforts of inhabitants to bring about sustainable improvements in their basic working and living conditions. In addition, Coop sells high-quality products from Swiss mountain regions under its Pro Montagna label, a portion of whose retail price is donated to Coop Aid for Mountain Regions as a token of solidarity. This enables products such as Pro Montagna air-cured Graubünden beef to benefit both people and the natural environment alike.



THESE COWS SPEND THE WHOLE SUMMER HIGH UP IN THE FRESH MOUNTAIN AIR OF THE ALPINE PASTURES – IDEAL CONDITIONS FOR PRODUCING THE PRO MONTAGNA LABEL'S CHOICE AIR-CURED GRAUBÜNDEN BEEF.

A close-up portrait of a middle-aged man with short, light brown hair, smiling warmly. He is wearing a dark green, textured fleece jacket over a light-colored collared shirt. He holds a bright yellow mug in his right hand and a pair of blue binoculars in his left hand. The background is a plain, light-colored wall.

“ IF IT'S NOT LOOKED  
AFTER, OUR MOUNTAIN LAND-  
SCAPE RISKS BEING TAKEN OVER  
BY SCRUB AND WOODLAND. ”

ANDREAS HEINZ-THÖNI, ALPINE HERDSMAN

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## SALES FORMATS

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The Cluster project enables Coop to vary ranges at the points of sale to meet specific customer needs. Da Giovanni restaurants round out the existing catering portfolio. Building & Hobby offer exclusive turnkey houses built to Minergie P standard.

### SUPERMARKETS AND MEGASTORES

#### **816 retail outlets nationwide**

Coop was operating 785 supermarkets and 30 megastores throughout Switzerland at the end of 2009. It closed 13 supermarkets and opened 11 in the year under review. As before, all newly built or remodelled stores complied with the Minergie low-energy standard. In March, Coop inaugurated, in Muri (Canton Aargau), the first Swiss shopping centre built to the Minergie standard; it operates a supermarket, restaurant and Vitality pharmacy in the centre. The Coop supermarket has a sales area of some 2,500 m<sup>2</sup> and offers a wide selection of fresh products and counter service for meat, fish and cheese. The Coop supermarket in Feldmeilen opened its doors at a new location in October. It has a much bigger sales area (just under 1,000 m<sup>2</sup>) and is now also open over lunchtime. The Coop megastore in Heimberg was the first of the twelve former Carrefour outlets to be remodelled in November 2009. Besides the megastore with its sales area of 5,000 m<sup>2</sup>, the centre in Heimberg also accommodates a Coop restaurant, a Ca'Puccini coffee bar and a range of other businesses in leased premises. The overall sales area of Coop's 816 supermarkets and megastores grew by 1% to 936,663 m<sup>2</sup> in 2009. Their sales amounted to 11.3 billion francs, about 2% up on the previous year's figure. Coop megastores accounted for around 17% of sales.

#### **Greater customer focus thanks to store clusters**

In western Switzerland, August 2009 saw the re-opening of the first Coop store in which the offering had been selectively improved with the help of the cluster method. The "Cluster" project launched in 2007 is a further major step for Coop towards achieving better customer proximity. Previously, ranges had been selected in line with specific sales format requirements and – apart from regional products – there had therefore been hardly any differences between similarly sized stores. The Cluster project now enables variations in demand to be reflected increasingly in the offerings of the individual Coop supermarkets. Following an analysis of anonymized sales, competition and sociodemographic data on the people living in the proximity of points of sale, all supermarkets with a similar clientele and customer potential were grouped into clusters. On the basis of these clusters, Coop can gear the offerings to the specific wishes of local customers in a differentiated and effective way and gradually adapt the ranges accordingly. The result is subtly varied ranges that differentiate between typically urban, rural or tourist areas and therefore meet the needs of their consumers more effectively. At the same time, Coop continues to offer a complete range of products with a strong focus on freshness in all clusters and supermarkets.

## RESTAURANTS

### **Coop Restaurants: expanded range of sustainable products**

Coop's total of 188 restaurants were very active in promoting sustainability in 2009. They took part in the World Fair Trade Day on 9 May 2009 and added further products bearing the Max Havelaar seal of quality to their menus. They switched their range of dishes featuring fish, molluscs and crustaceans to sustainable products from MSC-certified wild catch or organic fish farms. The pilot project for the originally Italian Gelateria CremAmore was extended to four locations in 2009.

### **Coop launches Da Giovanni in Switzerland**

To round out its catering portfolio, Coop and its Italian partner Pastificio Rana opened the first Da Giovanni restaurant at Center Eleven in Zurich Oerlikon on 18 June 2009. Further openings are scheduled for Geneva, Winterthur and Kriens at the end of the year. This was the first time that the Da Giovanni catering concept had been applied outside Italy. The restaurants are notable for the freshness of their products and the rapid, uncomplicated preparation of their meals. Guests order their meal at the counter and can see it being freshly prepared for them.

## ONLINE SHOPPING

### **Countless new products obtainable from coop@home**

Sales at the coop@home online shop rose to 67 million francs, a 22% increase on 2008. Deliveries numbered 310,000 – also much higher than in the previous year. The average value of each shopping session, including other transactions such as flowers, downloads or prepaid credit for mobile phones, amounted to 214 francs, and in the case of coop@home deliveries, as much as 240 francs. As a world first, it has been possible since June 2009 to shop at coop@home with iPhone, using a specially developed application available free of charge. Thanks to a special box system and dry ice, deep-frozen products can now be delivered anywhere in Switzerland. In addition, the online supermarket expanded its fleet of delivery vans by 14 and introduced evening deliveries in almost all regions of Switzerland.

### **Strong sales growth at microspot.ch**

Microspot.ch, the online provider of over 65,000 consumer electronics and household articles, posted a further substantial increase in sales in its third year of operations. Sales in 2009 amounted to 58 million

francs, a rise of 41% compared with 2008. This success was due primarily to the systematic application of the lowest-price strategy, the breadth of the range and the introduction of extended guarantee periods.

## TRADING OUTLETS

### **Reopening of Coop City in Berne**

Coop City's biggest department store, Ryfflihof, was reopened in Berne in October following a complete overhaul. The total sales area is now about 1,000 m<sup>2</sup> larger. Coop City focused in 2009 on the redesign of numerous store elements. This resulted in a new look for the lingerie and men's underwear departments and also for Naturaline shops. New shops were also set up, including the Fine Food Design Shop and shops for well-known brands such as Street One or Lerros. The successful integration of sales-based ordering in the non-food sector led to a marked improvement in efficiency. Despite the difficult economic situation, Coop City's total of 33 department stores lifted sales in comparison with the previous year to a total of 1.1 billion francs. The option of paying for non-food items with Superpoints was again very popular with customers in 2009.

### **Building & Hobby sets standards in energy-saving**

Coop Building & Hobby maintained its position as the Swiss market leader in 2009. Benefiting from a striking rise in customer frequency compared with the previous year, Building & Hobby increased sales by 3% to 742 million francs. With a new centre having been opened at Letzipark, Zurich, and one closed in Grancia, the number of Building & Hobby centres is an unchanged 69. Sustainability was very much the theme of 2009. Coop Building & Hobby is setting standards in energy saving by entering the energy-efficient homes business. The two exclusive turnkey houses built to the Minergie P low-energy standard are attractive not only because of the comfort and convenience they offer but also because they are good value for money. In addition, 23 larger Building & Hobby centres set up special stands for providing information on how to save energy with thermal insulation measures. Building & Hobby also played a pioneering role by introducing the first series of Coop Oecoplan energy-saving lamps.

### **Interdiscount still market leader**

Fiercer price competition and falling prices characterized the consumer electronics sector in 2009. In a market clearly shrinking in terms of value, Interdiscount underpinned its position as leader and posted sales

of 1.1 billion francs. This success continues to be due to highly competitive discount prices and a steady improvement in its product-range competency and advisory skills. As an additional service, Interdiscount will also place special orders for all branded electronic items, thus expanding to over 60,000 the number of items that can be ordered in every branch. The new website, interdiscount.ch, with its own online shop, was launched in November. Interdiscount currently operates 199 sales outlets, including 19 XXL stores with a sales area of up to 4,000 m<sup>2</sup>.

#### **Branch network reorganization at Toptip and Lumimart**

On account of the continuing economic downturn, which particularly impacted furniture and home accessories, Toptip and Lumimart posted a fall of approximately 6% in sales. In line with sales outlet planning, the relocation of the Jona store to a new site was completed, and the branches in Montagny and Hinwil were remodelled. Despite closing three stores, Toptip and Lumimart were able to retain their market share. The switchover of the sales, supply chain and logistics systems to SAP and WAMAS was also completed by the end of 2009.

#### **101 Import Parfumerie stores throughout Switzerland**

Import Parfumerie consolidated its presence throughout Switzerland in 2009. The 100th point of sale opened in Thalwil in August, accompanied by a large-scale special campaign. After opening an additional store, Import Parfumerie was operating 101 points of sale at the end of 2009. Of these, 62 have a new look after being refurbished in accordance with a modern and attractive shop design concept. Import Parfumerie posted sales of 171 million francs in 2009, around 4% more than in the previous year. This growth was due in part to an extension of body care lines and professional advice.

#### **Coop Vitality pharmacies on a growth trajectory**

Coop Vitality pharmacies surpassed the 100 million franc mark for the first time in 2009, posting an increase of 25% on the previous year and cash turnover of 111 million francs. This success was due in part to the further expansion of the branch network, which grew by eight pharmacies to a total of 39 in 2009. A customer survey conducted in spring showed that 91% of customers were more satisfied with their Coop Vitality pharmacy than with any other pharmacy. In particular, the friendly, professional staff, the closeness of the pharmacies to where customers lived and to other shops, and the possibility of accumulating Superpoints were rated positively.

Besides heart checks and bone density measurements, the pharmacies now also offer Diavita, a special service for diabetics. The acute shortage of trained pharmacists in Switzerland continues to be a cause of concern.

#### **Tourist offers from Christ Watches & Jewellery**

Thanks to a wide range of offers tailored to consumer needs, the 82 outlets of Christ Watches & Jewellery had a further successful year in 2009 compared with other businesses in the sector, posting sales of 109 million francs. As refurbishments continue, 46 points of sale now have a new look. Cooperative agreements between the specialist jeweller and Best Western Hotels, Global Refund and other tour operators were concluded in 2009. Under these agreements, Christ Watches & Jewellery offer special discounts to tourists from all over the world. A further priority in the year under review was the development of the new SAP IT systems for supply chain management, logistics and cash registers.

#### **Fust AG takes over four Darty branches**

In 2009, Dipl. Ing. Fust AG achieved marked growth and gratifying gains in market share in electrical household appliances. In the multimedia division, however, the result fell short of the record year-back figure. The increase in the volume of articles sold failed to offset the continuing price erosion of 15 to 20% on televisions and computers. Thanks to early savings measures, the kitchen/bathroom and Fust novacasa departments offset the expected slight fall in sales due to the recession and again posted a gratifying result. Fust's POS network was greatly improved by the takeover of the four large Darty branches in the French-speaking part of Switzerland. The integration of Interdiscount's repair workshop into Fust's in Niederwangen generated marked efficiency gains and strengthened Fust's position as a service leader in Switzerland. In addition, the cooperation agreement with Coopernic resulted in better purchasing conditions.

### **FILLING STATIONS AND CONVENIENCE SHOPS**

#### **Coop Mineraloel secures further market share**

Competition among the oil companies was much fiercer in 2009 as a result of the declining market volume and the global economic crisis. Coop Mineraloel AG nonetheless again lifted the market share of its 180 Coop filling stations – 168 of which have a Pronto shop – and thus strengthened its position as market leader in Switzerland. Because of lower fuel prices, Coop Mineraloel AG was not able to keep pace with

the previous year's overall net sales. Together with Coop Pronto shops and sales of heating oil, it posted net sales of 1.9 billion francs.

#### **New POS concept in Pronto shops**

Five new filling stations with a Pronto shop were opened in 2009, along with three stand-alone convenience shops. Pronto shops now total 215, of which 11 are built to the energy-efficient standard. POS sales of Coop Pronto shops rose by 12% to the current level of 613 million francs. The adapted POS concept offers customers a pleasant shopping ambience achieved with colour combinations, atmospheric pictures and a great deal of light. In addition, the sales area was expanded at seven locations.

#### **Promotion of environmentally friendly heating oil**

The [www.coop-heizoel.ch](http://www.coop-heizoel.ch) website was completely overhauled in 2009. As usual, customers can order heating oil simply and quickly around the clock. The website also now provides additional information on heating in general, for instance energy-saving tips. In 2009, just under 22% of all deliveries of heating oil was to an online customer. Together with its partner company, Coop Mineraloel AG supports the efficient use of natural resources and a reduction in CO<sub>2</sub> emissions in heat generation. Coop's ecological low-sulphur heating oil continues to be very much in demand. This environmentally friendly, alternative heating option is currently used by 29% of customers.

### **CASH & CARRY AND FOODSERVICE**

#### **Transgourmet is number two in Europe**

Transgourmet Holding S.E, a German-based joint venture founded by Coop and Germany's Rewe Group in January 2009, posted sales of 5.8 billion euros (about 8.7 billion francs), making it the second biggest cash & carry and wholesale supplies business in Europe. With the formats Prodega / Growa, Fegro / Selgros, Transgourmet France, Howeg and Rewe's bulk customer business, it employs a workforce of over 22,000 in Switzerland, Germany, France, Poland, Romania and Russia. In Switzerland, Transgourmet Holding S.E. was again able to raise nominal sales by around 7%. But its foreign markets were hard hit by the financial crisis, and the Group had to cope with a marked decline in the out-of-house catering business. In addition, fluctuations in exchange rates versus the euro, particularly in eastern Europe, impacted negatively on sales results. All in all, the Transgourmet Group strengthened its market position and is now well placed to benefit from the expected economic upturn and can look forward to positive growth.

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## EMPLOYEES

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Coop raises wages of all those earning less than 6,000 francs per month. It has created a total of 941 additional apprenticeships in the last five years. Coop currently employs 3,018 apprentices. An employee survey confirms that staff are satisfied. CPV/CAP celebrates its 100th anniversary.

### SOCIAL PARTNERSHIP

#### **Increase in payroll despite economic crisis**

Despite the fall in its overall prices, gloomy business forecasts and growing competition in the retail trade, Coop – unlike other companies – increased its payroll by 0.75% as of 1 January 2010. In constructive and frank wage 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), Coop stepped up its efforts to raise pay in the lower wage segments. Thus, all full-time employees on a gross monthly wage of up to 4,499 francs will receive a flat-rate rise of 40 francs a month on 13 monthly salaries per year. Employees on a gross monthly wage of between 4,500 and 5,999 francs will benefit from individual pay rises totalling 0.75% of the payroll for that segment. Upward adjustments were also made to the reference wages defined in the collective employment agreement and to the minimum wage (paid monthly or by the hour). The minimum wage for semi-skilled employees is now 3,700 francs – an increase of 100 francs. The hourly wage for employees covered by the collective employment agreement was raised by 50 centimes to 20.80 francs an hour. For the benefit of the lower wage segments, employees covered by the collective employment agreement and earning a gross monthly wage of 6,000 francs or more and

management-level employees will not receive a pay rise. Employing a total workforce of 52,974 at the end of 2009 the Coop Group continues to be Switzerland's third-biggest employer. Some 37,500 employees paid monthly or hourly are currently covered by Coop's nationwide collective employment agreement.

### PERSONNEL STRATEGY

#### **Successful apprentices for 20 occupations**

Coop is one of the largest training companies in Switzerland, employing a higher-than-average number of apprentices compared with other firms. It has created 941 additional apprenticeships in the last five years; at the end of 2009, it was training 3,018 apprentices for 20 different occupations – almost 2%, or 44 more than in the previous year. Apprentices currently account for 5.7% of the entire workforce. The success rate in the final examinations of the apprenticeships has been consistently above 97% in the last two years. Successful apprentices are a bedrock for the management staff of tomorrow. Thanks to far-sighted planning, Coop was able to offer jobs in 2009 to 67% of its apprentices after their final examinations, despite the difficult economic climate. A total of 605 apprentices from all over Switzerland were therefore given a chance to benefit from a wide range of career and further training opportunities.

### **New preparatory courses for language-learning in other regions**

Since the beginning of 2008, Coop has offered all apprentices an opportunity to spend some time learning languages in the French, German or Italian-speaking regions of Switzerland. The stay lasts nine or twelve months and generally takes place after the apprentices have completed their basic training. In addition to working in a Coop facility or store, they attend language courses. A total of 40 apprentices took advantage of this opportunity in 2008 and 2009. To prepare them thoroughly for being seconded to a region, Coop organized two ten-day intensive language courses at the Coop Training Centre in Muttenz in 2009 – the first time it had done so. After the participants have been tested for assignment to the appropriate level, all further communication is conducted in the target language. The costs incurred by the intensive course and the language lessons in the region are borne by Coop.

### **Targeted Veritas level achieved**

Coop has conducted the nationwide Veritas employee survey on job satisfaction every three years since 2002. The survey is anonymous and is carried out by an external organization. Coop uses the findings to draw up specific measures to improve the working atmosphere in the company and job satisfaction. On a scale from 6 (very good) to 1 (very poor), employees of the Coop Group again rated co-workers, supervisors, information, say in decision-making, management and general topics in 2009. The average overall rating from all thematic groups is taken as a measure of general employee satisfaction. Coop's Personnel Strategy 2012+ targets an overall average of at least 4.7 rating points. In 2009, general employee satisfaction was 4.75 – 0.19 points higher than in the previous employee survey of 2006.

## **PENSION FUND**

### **CPV/CAP – recovery in centenary year**

Coop's pension fund, CPV/CAP, celebrated its 100th anniversary in 2009. The event was celebrated at the beginning of April in a formal ceremony at which Swiss government minister Pascal Couchepin took the platform as main speaker. It was also marked by a special eight-page insert of the Coop pension fund's bulletin "Transparent" on the history of the CPV/CAP. Before the ceremony, delegates approved the change in the CPV/CAP's legal form from cooperative to foundation. The change became legally binding on being entered in the commercial register on 17 September 2009. Following a further downturn, equity markets

began to recover in mid-March 2009 – a development from which the CPV/CAP also benefited. By the end of the year, the reserve ratio had risen by 7.8% to 98.1%. While there is still a cover deficit, it is well below the year-back figure. This improvement is due to a performance consistent with market trends and the investment strategy, and to lowering of the interest paid on the insured active members' pension-fund assets to 2%. Analysis shows that, thanks to solid and correct actuarial parameters and the long-term investment strategy, the CPV/CAP's financial stability is safeguarded. The employees of Dipl. Ing. Fust AG were integrated into the CPV/CAP in 2009, thereby increasing the number of insured active members by 1,642 to the current level of 36,509. The number of pensioners also grew, and now totals 17,274.

Coop substantially reduces its logistics cost ratio thanks to process improvements and structural adjustments. It introduces a new cash register system. Ecologically and socially responsible offerings gain in importance at the manufacturing companies.

### LOGISTICS

#### **Full effect of process improvements**

In recent years, Coop Logistics has focused on introducing new tools and processes and investing in new, strategically important locations. The two new regional distribution centres in Aclens and Dietikon have developed very satisfactorily since coming on stream in 2006 and 2008 respectively and are now firmly established cornerstones of Coop Logistics. Structural adjustments and process improvements have led to a marked efficiency gain, which is effectively demonstrated by the 15% fall in the logistics cost ratio since 2005. To continue raising productivity in the future, Coop is currently drawing up the new Logistics and Bakeries Strategy 2015+, which will be implemented as of 2011 and also takes Coop's new Supply Chain Management Strategy into account.

#### **Guaranteeing supplies despite the economic crisis**

About 80% of the world's trade volume is transported by sea. In 2009, the global economic crisis led to a huge fall in the volume of intercontinental shipments. As a result, the shipping companies engaged in ruinous price wars that ended in losses amounting to billions, government bail-outs and numerous companies going out of business. This had a beneficial effect on transport costs in the short term, but it also impaired the quality of services. As a result, reliable shipment scheduling of imports from overseas was temporarily no longer guaranteed. By markedly

stepping up its contacts with the shipping companies, however, Coop ensured that these exceptional circumstances did not at any time result in delivery bottlenecks.

#### **Distribution centres: past and present merchandise flows**

A core element of the Coop Logistics Strategy 2005+ was the redefinition of merchandise flows. The main aim was to eliminate storage duplication in the regional and national distribution centres. Until 2000, a large proportion of imports had been delivered to the national distribution centres in Wangen and Pratteln and stored there. The merchandise was then forwarded on order to the 23 regional distribution centres, where it was again stored for subsequent delivery to the points of sale. The Logistics Strategy 2005+ introduced the principle of once-only storage of basic foodstuffs and non food, and redefined the functions of the individual distribution centres. Coop also remodelled a number of regional distribution centres to enable them to take on national logistics tasks. Coop now operates seven national and nine regional distribution centres. Only merchandise with a high turnover is stored in the regional distribution centres. Product groups such as fruit & vegetables, flowers, meat products and convenience food are only deposited there for a few hours in order to consolidate shipments on specific routes. For ecological reasons, shipments from the national to the regional distribution centres are transported by rail and at night.

### **Cost-effective ecological shipments thanks to Wanko**

To ensure optimum shipment route planning, Coop relies on Wanko shipment planning software in the nine regional distribution centres. At the system level, the program is linked to SAP and the WAMAS supply chain system and receives the actual POS order data immediately after the order has been placed. With the help of Wanko, stock planners can therefore not only draw up travel routes for shipments, they can also immediately check and, if necessary, improve shipment capacity utilization on the basis of the actual orders. Various evaluations subsequently enable the strategic planning to be selectively improved and provide opportunities for comparing transportation in the different logistic regions. The end result is improved deployment of the individual shipment vehicles that takes account of economic and ecological considerations.

### **“Pick by Voice” now also used in the frozen foods sector**

Coop has introduced “Pick by Voice” throughout its logistics operations – one of the first Swiss companies to do so. This technology enables the entire order-picking process to be directed by speech. The order pickers receive and confirm their instructions through a headset rather than using warehouse lists or mobile computers. They can thus keep both hands free and work more reliably and efficiently. Coop first used “Pick by Voice” at a frozen foods centre as part of a pilot project in Hinwil at the end of 2008. The aim was to test the viability of the system in the frozen foods sector and to improve order-picking performance in Hinwil by at least 10%. The conclusion drawn in spring 2009 was that “Pick by Voice” had proved entirely suitable for use in these special conditions and had met with a high level of acceptance among employees. The main advantage of this technology is its greater flexibility, and the fact that several order pickers can work in the same section at the same time and therefore operate unhindered at their own pace. Thanks to the good results of the pilot project, the frozen foods centre in Hinwil went over entirely to “Pick by Voice” in 2009.

### **Implications of Supply Chain Management for logistics**

By managing physical movements of goods, warehousing, and processing of goods and information, logistics is a decisive factor within the supply chain. Coop’s Supply Chain Management (SCM) therefore has crucial implications for the future of Coop Logistics. The aim is to systematically reduce warehouse stocks and lower the costs incurred by

capital expenditure, warehouse-capacity utilization and processes. This requires the deployment of, for instance, separate merchandise flows or changed delivery conditions for suppliers. The universal implementation of EDI (Electronic Data Interchange) in the framework of SCM also has clear advantages for logistics. When merchandise is delivered to Coop, complete information – for instance article name, quantity, order number and “best before” date – is also supplied via EDI. This information enables Coop Logistics to improve the efficiency of incoming goods and thus achieve cost savings. Coop Logistics began to implement the first SCM projects and initiatives in 2009.

## **IT PROCESSES**

### **Numerous projects implemented**

Coop IT implemented over 160 projects in 2009. For instance, all Superboxes at Coop points of sale were equipped with state-of-the-art software. The relaunch of the Coop website at [www.coop.ch](http://www.coop.ch), with its many attractive and helpful features, was a highlight of 2009. Coop IT also drew up the new Strategy 2013, which is designed to ensure optimum support for Coop processes in the next few years. Operations at the new computer centre in Berne, which was completed at the end of 2008 as back-up to offset any earthquake risks, got off to a successful start in 2009.

### **New cash-register solution for the Coop Group**

In connection with the “New Cash Register Solution” project, a uniform cash-register system for the Retail and Trading channels is being introduced in the form of Linux-based software from the German provider GK. The new system was initially installed in 42 Toptip and 17 Lumimart outlets in 2009. By mid-2010 it will be installed at Christ Watches & Jewellery, while the roll-out for all supermarkets and megastores, Coop Building & Hobby and Coop City department stores is scheduled to start in spring 2011. The benefits of the new cash registers are that their touch screens make them simpler and more intuitive to use and they cost less to maintain while offering greater stability. Concurrently with the roll-out of the new cash-register solution, the old supply chain systems at Toptip, Lumimart, Christ Watches & Jewellery and Import Parfumerie are to be replaced by standard SAP applications already in use throughout the Coop Group.

### **Successful integration of sales-based ordering**

The integration of sales-based ordering (SBO) at the points of sale was consolidated in 2009. The focus was on correct inventory management and reduction

of overall stocks for the SBO-managed ranges. SBO planners have been given further IT-based tools for process control and monitoring of key figures. SBO currently accounts for about 40% of all orders.

## PROPERTY

### **Eight projects being built, 29 in the planning stage**

The Property Business Unit professionally manages the entire property portfolio for Coop's core business and hence is responsible for portfolio, building, asset, facility and shopping-centre management. At the end of December 2009, it was managing 32 shopping centres throughout Switzerland, in which other companies were represented besides Coop. It is also responsible for project development and implementation. After a good year of building work, the modern and attractive Muripark shopping centre in Muri, Canton Aargau, built to the energy-efficient Minergie standard was inaugurated on 26 March 2009. The phased expansion and modernizing of the Karussell shopping centre in Kreuzlingen was completed in time for the grand opening on 1 April 2009. Remodelling and renovation of Coop City Ryfflihof in Berne was also completed. Expansion activities proceeded at a lively pace in the year under review. Building work is currently underway on eight projects, including shopping centres in Renens and Langnau im Emmental, Prodega in Basel and the enlargement and modernizing of Centerpark in Visp. A further 29 projects are in the planning stage.

## MANUFACTURING

### **Swissmill**

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

Swissmill, the largest mill in Switzerland, had a good year in 2009. It raised its sales volume by about 2% to 220,850 tonnes in 2009. This increase was due primarily to orders for cereal mixtures, an increase in the retail business and exports, including outward processing for neighbouring countries. Organic production as a proportion of Swissmill's overall output currently amounts to 13%. Work on the expansion of the flour silo in 2009 proceeded according to plan. Owing to the dismantling of the silo plant in Basel, Swissmill is planning to build a 110m-tall granary in Zurich.

### **Chocolats Halba**

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

*Certifications: ISO 9001:2008, ISO 14001:2004, IFS 5/BRC 5, Bio Suisse, EU Bio FLO Cert.*

In 2009, Chocolats Halba again acquired many new customers in France, Germany, Italy, India, the Netherlands and Canada for supplies of Swiss Premium chocolate and organic/Fairtrade specialities. Exports therefore grew by 60% and now account for 16% of overall sales. A further reason for the rise in exports was the acquisition of the new customers Conad (Italy) and Transgourmet Holding S.E. through the Coopernic international sourcing alliance. Above-average growth was posted by organic/Fairtrade specialities and – for the first time – CO<sub>2</sub>-neutral products for Alter Eco in France. Chocolats Halba launched 30 innovative new products and achieved sales of 104 million francs in 2009. Direct contacts with cocoa producers in the country of origin, unique sustainability projects and investments in streamlining and process control make the company confident that it can continue to develop its growth strategy successfully.

### **Pasta Gala**

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

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

Pasta Gala celebrated its 75th anniversary in the year under review. Appropriately, the pasta manufacturer was able to lift sales in terms of volume by almost 3% to 14,800 tonnes. This had a positive effect on value-based sales, which rose to around 35 million francs, 4% up on the year-back figure. The entire range of Pasta Gala packaging for Coop was given a new look in spring 2009. Concurrently, a number of innovative forms of pasta using ancient varieties of cereal from certified organic farms was launched under the Coop Naturaplan label. The year under review also saw the start signal for the development of an export line under the umbrella brand of Pasta Gala Swiss Taste.

## **CWK-SCS**

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

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

*Certifications: ISO 9001:2008, ISO 14001:2004, ISO 22716:2007, EKAS 6029:2004, SA 8000*

A new corporate strategy for the CWK division was drawn up and put into effect in 2009. Business with Coop and third-party customers developed positively. The baby care products of the Coop own brand My Baby, the Prix Garantie cosmetics, the SuperClean household cleaning line and the entire Oecoplan range of cleaning products were overhauled in the year under review. CWK developed and produced a complete range of dog-care products for a Swiss-based customer.

The SCS division lifted sales substantially in 2009. The ecological product line Maya alone generated sales that were up 15% on the previous year's figure. Ecological products now account for more than 35% of SCS's overall sales. Sales of soaps and disinfectants also rose in 2009 on account of fears concerning the imminent flu pandemic.

## **Reismühle Brunnen**

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

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

Reismühle Brunnen enjoyed great success with its exports to Italy, Germany, Brazil and the Philippines. Overall sales were 53% up on the previous year. There was again a marked increase in the demand for specialities, particularly for organic and Fair-trade products. A variety of rice from Sri Lanka was launched for Coop Fine Food in September; this rice is cultivated exclusively for Reismühle Brunnen. Production at Reismühle Brunnen has been CO<sub>2</sub>-neutral for years. Energy consumption was further reduced by about 8% in 2009.

## **Nutrex**

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

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

The Swiss vinegar producer Nutrex successfully completed a 14-month overhaul of its premises in the year under review. Nutrex invested in a new bottling plant with a throughput of 6,000 bottles per hour and in fully automatic vinegar production. As a sustain-

ability measure, Nutrex reduced its previous level of oil consumption from about 65,000 litres of heating oil a year to 0 litres. Heat is now obtained via a heat pump and heat recovery from fermentation. This means that production at Nutrex will henceforth be CO<sub>2</sub>-neutral.

## **Sunray**

*Products: baking ingredients, dessert and cake mixtures, spices, pulses, herbs, nut kernels, savoury snacks, edible oils, dried fruit and vegetables, sugar*  
*Certifications: ISO 9001:2008, Bio Suisse, IFS*

Sunray met its ambitious targets in 2009 and its 23,110 tonnes of processed raw materials again surpassed the year-back volume by 3%. Growth was due in part to the increase in business with third-party customers. The first large export order that Sunray was able to conclude with a major European sugar manufacturer for 2010 is very gratifying. With 34 new products launched, the Sunray range currently comprises 600 items. Organic and Max Havelaar-certified products currently account for 15% of total production volume. Turbulence in the global purchasing sector again left its mark on the year under review. Targeted investments helped further improve efficiency and create additional packaging solutions.

## **Cave**

*Services: Vinification of local Swiss wines, preparation and bottling of wines*

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

Increasing its bottling output to 44 million bottles, Cave, Switzerland's largest wine wholesaler, surpassed its 2009 targets. The increase was due above all to expansion of Coop's wine range, but bottling volume also increased slightly in business with third-party customers. Cave bottled a total of 400 different products in 2009, 30 of which were new. In the local wine vinification division, 800,000 litres of grape juice were vinified in the company's own winery. Targeted process improvements led to quality and efficiency gains at Cave in 2009.

## **BAKERIES**

### **150 new bakery products developed**

Coop operates seven industrial bakeries of its own that are affiliated with the regional distribution centres. They bake fresh products exclusively for the region and produce longer-life baked goods for all points of sale throughout Switzerland. In 2009, the industrial bakeries produced about 50,000 tonnes of

baked goods and had a workforce of over 1,000. Coop also currently operates 35 bakeries and confectioners within Coop supermarkets and megastores; these produce solely for the point of sale in which they are located. Coop bakeries developed and launched a total of 150 new products in 2009. To meet quality and innovation needs in future, a new production line for short and puff pastry came on stream at the bakery in Wallisellen in May 2009. Thanks to lower raw materials prices and increased industrial output, customers benefited from sizeable price cuts on baked goods in 2009.

in the number of overnight stays in Basel's four- and five-star hotels and in Switzerland as a whole. There were also far fewer banquets and seminars held in 2009, which caused a drop of about 9% in restaurant turnover. The highlights of 2009 included various major art exhibitions in Basel and the catering for the Palazzo Colombino gourmet theatre.

## BELL GROUP

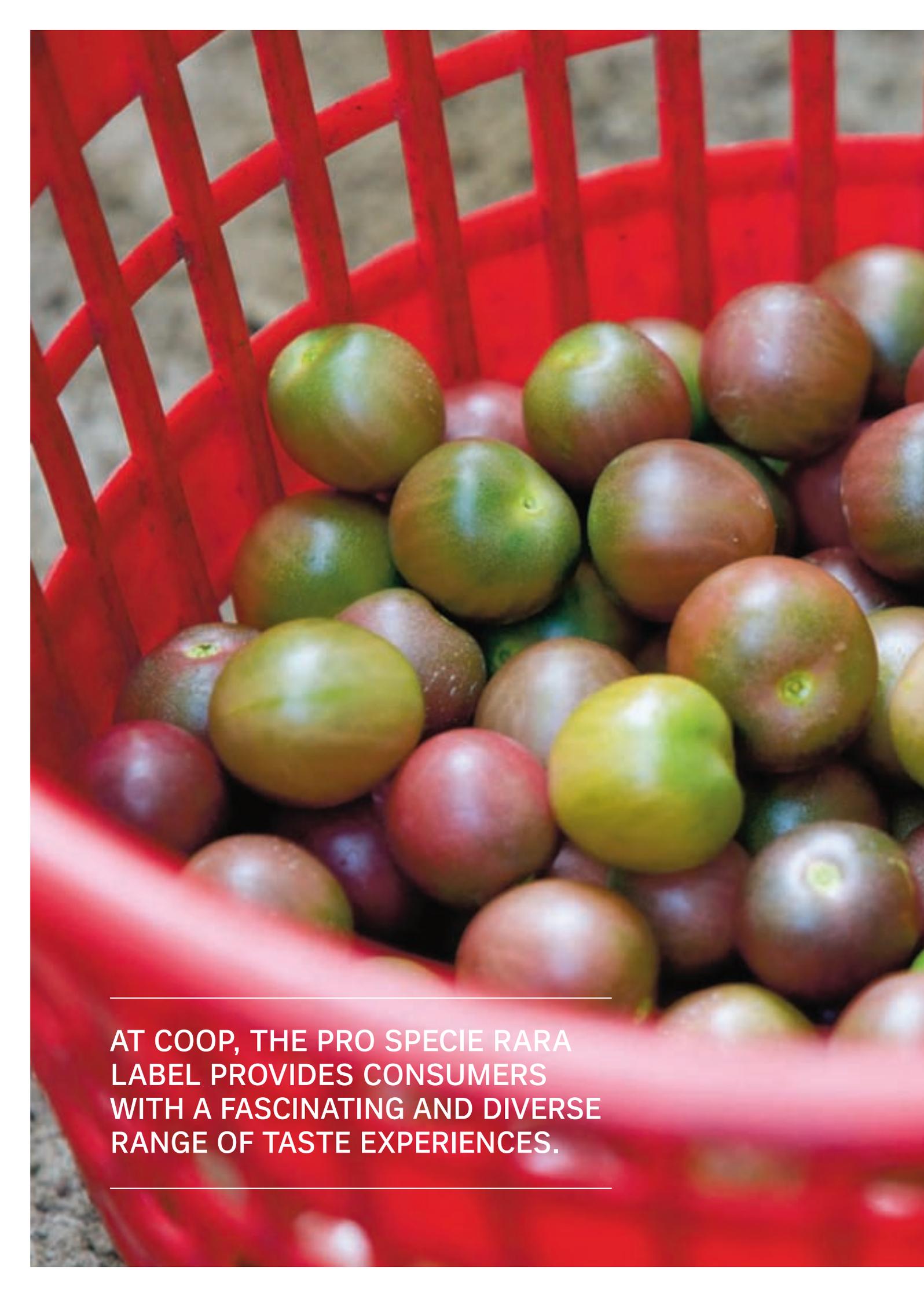
### **Bell Group goes international**

The Bell Group maintained its strong position in Switzerland and additionally benefited from its international activities in 2009, the year in which it celebrated its 140th anniversary. Net sales from goods and services amounted to a record 2.5 billion francs. Sales growth was about 31%, or 608 million francs, and was due to the previous year's foreign acquisitions. The Bell Group redefined its business areas on the basis of its new international focus, effective as of 1 January 2009. Its Swiss activities continue to be run by the Bell Switzerland Business Unit. The new Bell International Business Unit was set up to accommodate the Group's foreign interests Abraham, ZIMBO and Polette. The Bell Group employs a total workforce of over 6,500, just under half of whom are employed outside Switzerland. All of Bell Switzerland's divisions posted higher sales in 2009. Growth was particularly good in the Poultry and Seafood divisions. In terms of volume, sales grew by 2% to 122,300 tonnes. Retail prices were down by an average of 2.4% on the previous year. Integration of the German and French companies taken over in 2008 proceeded according to plan. However, the more difficult operating conditions, particularly outside Switzerland, and unfavourable currency developments, had a negative impact on Bell International's net sales.

## HOTELS

### **Economic crisis makes itself felt**

The sales of just under 30 million francs posted by the BâleHotels Victoria, Baslertor and Mercure Hotel Europe fell slightly short of the previous year's good results, primarily because the European football championships had turned 2008 into a record year. In addition, the decline in business travel led to a fall



AT COOP, THE PRO SPECIE RARA  
LABEL PROVIDES CONSUMERS  
WITH A FASCINATING AND DIVERSE  
RANGE OF TASTE EXPERIENCES.



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## PRO SPECIE RARA PRESERVES THE DIVERSITY OF CROP PLANTS AND DOMESTIC ANIMALS. COOP SUPPORTS THE PRO SPECIE RARA FOUNDATION AND IS THE ONLY RETAILER TO MARKET ITS PRODUCTS.

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They are yellow, green, orange, small, large, oval or ridged, and have exotic names such as Green Zebra, Cœur de Bœuf, Black Cherry or Orange à gros fruits. And they are all varieties of tomato. To be more precise, they are heirloom varieties of tomato that have fallen into oblivion in the last few decades as a result of new growing methods and a concentration on high-yield varieties.

Genetic diversity is essential for our continued existence: the more genetically diverse a population, the greater the probability that it includes individuals that are adapted to new environmental conditions such as a warmer climate. Only then can the species survive. At the present time, 50% of Switzerland's varieties of heritage crop plants are already extinct and a further 15% are at risk of extinction. Seeking to counter this development, the Pro Specie Rara Foundation has been working to protect the diversity of native livestock and crop plants for just under thirty years. In cooperation with farmers and breeders, it protects and promotes approximately 1,800 varieties of fruit, 400 varieties of berry, 1,000 garden and crop plants, 26 species of domestic animal and numerous varieties of ornamental plant. In 2009, Pro Specie Rara participated as a partner in the "tomARTen" project in which over 200 enthusiastic hobby gardeners acted as "adoptive parents" to young tomato plants that they bred from a range of traditional varieties. Pro Specie Rara then presented the fruits of its labour at a public tasting in Frauenfeld.

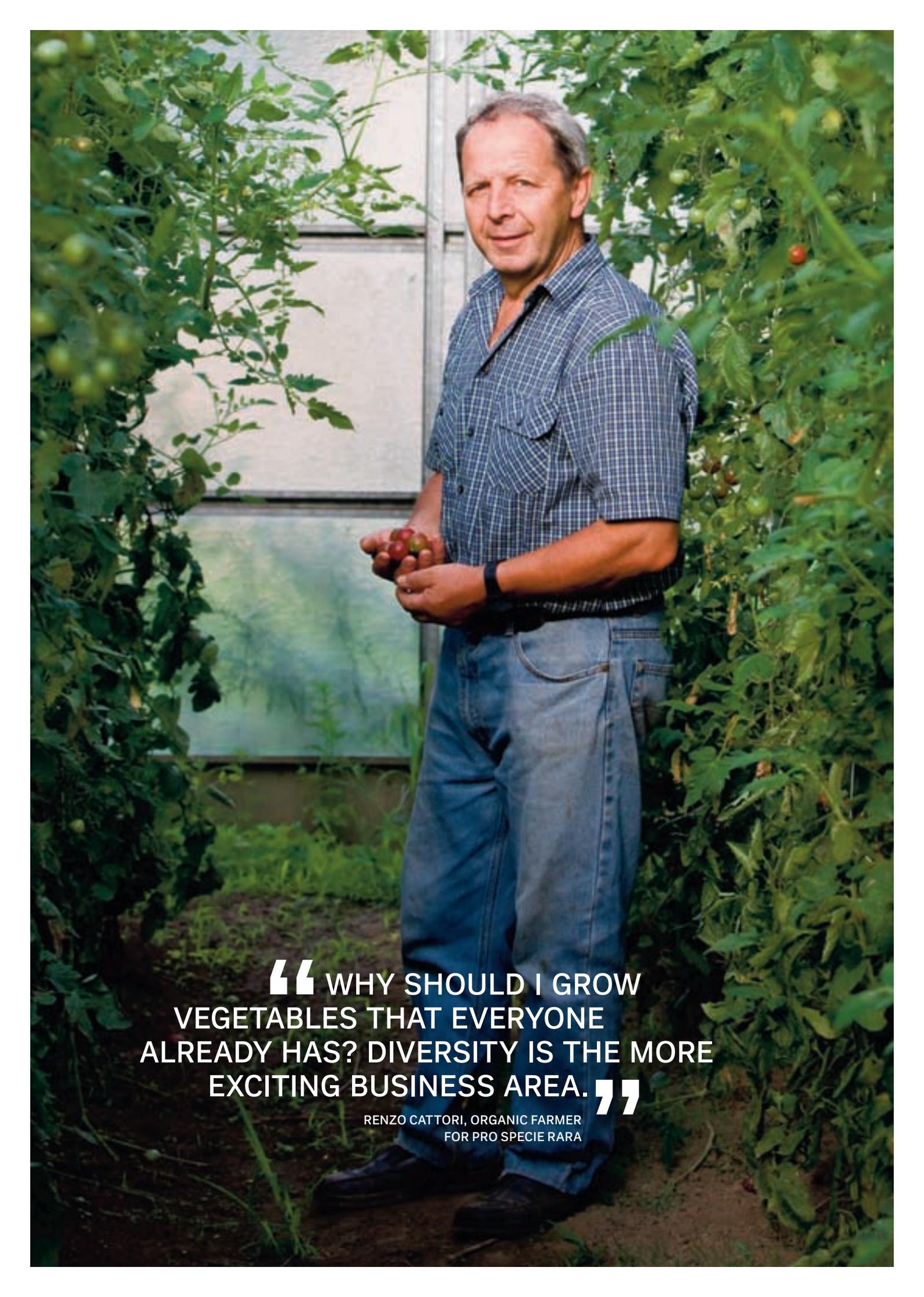
Coop has been collaborating with Pro Specie Rara since 1999. It provides support for the foundation and its activities through the Coop Sustainability Fund and is the only retailer in Switzerland to market Pro Specie Rara products in its sales outlets and restaurants. In addition, the Pro Specie Rara range of seeds and seedlings afford Coop's customers an opportunity to add variety and change to their own gardens. After all, only what is used can survive in the long term.



WHETHER IT'S BY HOBBY GARDENERS IN THEIR OWN VEGETABLE PLOTS OR BY LARGE-SCALE PRODUCERS FOR PRO SPECIE RARA, THE CULTIVATION OF TRADITIONAL VARIETIES OF CROP PLANT IS ESSENTIAL FOR PRESERVING BIODIVERSITY.





A photograph of a man with grey hair, wearing a blue and white checkered short-sleeved shirt and blue jeans, standing in a greenhouse. He is holding a small cluster of red and green tomatoes in his hands. The greenhouse is filled with rows of tomato plants, some with green and some with red fruit. The background shows the structure of the greenhouse with translucent panels.

**“ WHY SHOULD I GROW  
VEGETABLES THAT EVERYONE  
ALREADY HAS? DIVERSITY IS THE MORE  
EXCITING BUSINESS AREA. ”**

RENZO CATTORI, ORGANIC FARMER  
FOR PRO SPECIE RARA

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## CORPORATE GOVERNANCE

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

As a cooperative society, Coop voluntarily applies the provisions of the Swiss Federal Stock Exchange Law 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](http://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, 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, approving the Annual Report, discharging the Board of Directors and dissolving the cooperative society. In addition, the Board of Directors can submit other business to it for a decision. Voting rights in the Delegate Assembly reflect the number of Coop members in the corresponding regions.

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

>> [www.coop.ch/organization](http://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 92 and 93). The changes to the scope of consolidation at Coop can be found on page 78. There are no crossholdings between Coop companies.

### CAPITAL STRUCTURE

The capital structure can be seen in the consolidated balance sheet (page 73) and the notes to the consolidated balance sheet (pages 83–87).

## BOARD OF DIRECTORS

See *Board of Directors and Management structure on page 51.*

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).

At the end of the 2005–2009 term of office, Stefan Baumberger, Jean-Charles Roguet, Felix Halmer and Anton Felder stepped down from the Board of Directors. The following members were newly elected to the Board of Directors at the Delegate Assembly of 23 April 2009: Peter Eisenhut, Hans-Jürg Käser, Lillia Rebsamen-Sala and Bernard Rüeger. At the constituent meeting of the Board of Directors, Irene Kaufmann was nominated as Chairwoman and Giuseppe Valaula as Vice-Chairman.

Since 23 April 2009, the Board of Directors has been constituted as follows:

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### **Irene Kaufmann-Brändli**

Born 1955, Swiss

Dr. oec. publ.

Chairwoman of the Board of Directors

Directorships:

- Coop Immobilien AG, Bern (Chairwoman)
- Bank Coop AG, Basel
- Bell Holding AG, Basel
- Coop Mineraloel AG, Allschwil
- Dipl. Ing. Fust AG, Oberbüren
- Transgourmet Holding S.E., D-Köln

Other functions and offices:

- Board member of ETH Zurich Foundation
- Board member, Juventus Schools, Zürich

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### **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

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### **Peter Eisenhut**

Born 1955, Swiss

Lic. oec. HSG

Managing Partner, Ecopol AG, Reute

Directorships:

- Coop Immobilien AG, Bern
- Säntis-Schwebebahn AG, Schwägalp
- Rofima Holding AG, Horn

Other functions and offices:

- Lecturer, Continuing Education Programme, University of St. Gallen
- Board member, Winterhilfe Appenzell AR

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### **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
- aerosana Versicherungen AG, Dübendorf

Other functions and offices:

- Board member, Helvetia Sana

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### **Hans-Jürg Käser**

Born 1956, Swiss

Head, Transport Aids Pool

Employee representative on the Board of Directors

Directorships:

- Coop Immobilien AG, Bern

Other functions and offices:

- Coop Section of Unia

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### **Beth Krasna**

Born 1953, Swiss and US citizen

Dipl. Chem. Ing. ETH Zurich, 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 (Chairwoman)

- Raymond Weil SA, Grand-Lancy

Other functions and offices:

- Member of ETH Board
- Board member of Fondation en faveur de l'Art Choréographique, Lausanne

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### **Lillia Rebsamen-Sala**

Born 1953, Swiss

Businesswoman

Directorships:

- Coop Immobilien AG, Bern
- Rebsamen Technocasa AG, Luzern

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**Bernard Rüeger**

Born 1958, Swiss

General Manager, Rüeger S.A., Crissier

Directorships:

- Coop Immobilien AG, Bern
- Rüeger Holding S.A., Paudex (Chairman)
- Alpsens Technologies S.A., Crissier (Chairman)
- Jaquet S.A., Vallorbe
- Socorex Isba S.A., Ecublens
- Lyncée Tec S.A., Ecublens

Other functions and offices:

- Chairman, Vaud Chamber of Commerce
- Member, Committee of the Board of Directors, Economiesuisse
- Board member, Osec
- Board member, Fondation de Beaulieu, Lausanne
- Board Chairman, Fondinco fondation sociale de la CVCI-AIV, Lausanne

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**Giusep Valaulta**

Born 1951, Swiss

Lic. iur.

Vice-Chairman of the Board of Directors

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 2013. The Articles of Association limit a member's term in office to 20 years and also limit the age of members (members must retire at the end of the year in which they celebrate their 65th birthday).

**Internal organization**

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

**Regulation of responsibilities**

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

strategy, human resources and organization. The Executive Committee has drawn up regulations that define in detail the operational responsibilities of the individual management levels.

**Instruments of information and control over the Executive Committee**

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

**Instruments of supervision and control over the auditors**

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

**EXECUTIVE COMMITTEE**

*See Management structure and Management on pages 51–53.*

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.

As of 31 May 2009, Hansueli Loosli stepped down of his own accord as Head of the Retail Business Unit, for which he had additionally been responsible since 2001. Philipp Wyss has been the new Head of the Retail Business Unit and therefore also a member of the Executive Committee since 1 June 2009. He also became Head of the Zentralschweiz-Zürich Sales Region. Philipp Wyss has worked for the Coop Group

for eleven years, most recently as Head of Sales at the Zentralschweiz-Zürich Sales Region.

On 31 December 2009, Rudolf Burger, Head of the Trading Business Unit, stepped down after 40 years of valuable service for Coop to enjoy his well-deserved retirement. Joos Sutter will take over as Head of the Trading Business Unit on 1 January 2010. Joos Sutter joined Coop in 1996 and was most recently Head of the Interdiscount Division.

Until 31 December 2009 the Executive Committee was constituted as follows:

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**Hansueli Loosli**

Born 1955, Swiss

Swiss diploma in accounting and controlling

Chairman of the Executive Committee

Directorships:

- Bell Holding AG, Basel (Chairman)
- Coopernic SCRL, Bruxelles
- Coop-ITS-Travel AG, Wollerau (Chairman)
- Palink UAB, Lithuania / Palink SIA, Latvia
- Swisscom AG, Ittigen
- Transgourmet Holding S.E., D-Köln (Chairman)
- Further directorships of Coop subsidiaries

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**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

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**Jean-Marc Chapuis**

Born 1954, Swiss

Lic. ès sciences économiques et sociales

Head of Property Business Unit

Directorships:

- Further directorships of Coop subsidiaries

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**Leo Ebnetter**

Born 1954, Swiss

Commercial specialist

Head of Logistics Business Unit

Directorships:

none

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**Jürg Peritz**

Born 1947, Swiss

Commercial specialist

Head of Marketing / Purchasing Business Unit

Vice-Chairman of the Executive Committee

Directorships:

- Betty Bossi Verlag AG, Zürich
- Eurogroup Far East Ltd., Hong Kong (Chairman)
- Coopernic SCRL, Bruxelles
- Coop Switzerland Far East Ltd., Hong Kong
- Palink UAB, Lithuania / Palink SIA, Latvia
- Toomaxx Handelsgesellschaft m.b.H., D-Köln
- bioRe Foundation, Rotkreuz

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**Hans Peter Schwarz**

Born 1950, Swiss

Swiss diploma in accounting and controlling

Head of Finance / Services Business Unit

Directorships / memberships of foundation boards:

- CPV/CAP Pensionskasse Coop, Basel
- Bell Holding AG, Basel
- Coop Mineraloel AG, Allschwil
- Coop Vitality AG, Bern
- Dipl. Ing. Fust AG, Oberbüren
- Transgourmet Holding S.E., D-Köln
- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Wolhusen
- Bank Coop AG, Basel
- Raiffeisenbank Ettingen, Ettingen
- Further directorships of Coop subsidiaries

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**Philipp Wyss**

Born 1966, Swiss

Commercial specialist

Head of Retail Business Unit

Directorships:

none

New Head of Trading Business Unit and new member of the Executive Committee as of 1 January 2010:

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**Joos Sutter**

Born 1964, Swiss

Lic. oec. HSG, Swiss diploma in auditing

Head of Trading Business Unit

Directorships:

- Coop Vitality AG, Bern (Chairman as of March 2010)
- Dipl. Ing. Fust AG, Oberbüren (Chairman as of March 2010)

**Management agreements**

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

## REMUNERATION

In 2009, the Board of Directors received an aggregate amount of 1.3 million francs in remuneration (previous year: 1.2 million francs).

The gross salaries of the Executive Committee totalled 4.2 million francs for six members for the whole of 2009 and one member for seven months in 2009 (previous year: 3.7 million for six members). In addition, a performance-related bonus of no higher than 20% of gross salary is paid to the members of the Executive Committee.

Coop is entitled to any fixed fees paid to the Chairwoman 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 Chairwoman of the Board of Directors and the members of Coop's Executive Committee do not have any special pension rights.

## RIGHTS OF PARTICIPATION

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

## AUDITORS

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

PricewaterhouseCoopers (PwC) has been Coop's auditor since 1994. 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 2009:

- Auditing services: 2.7 million francs
- Other services: 0.4 million francs

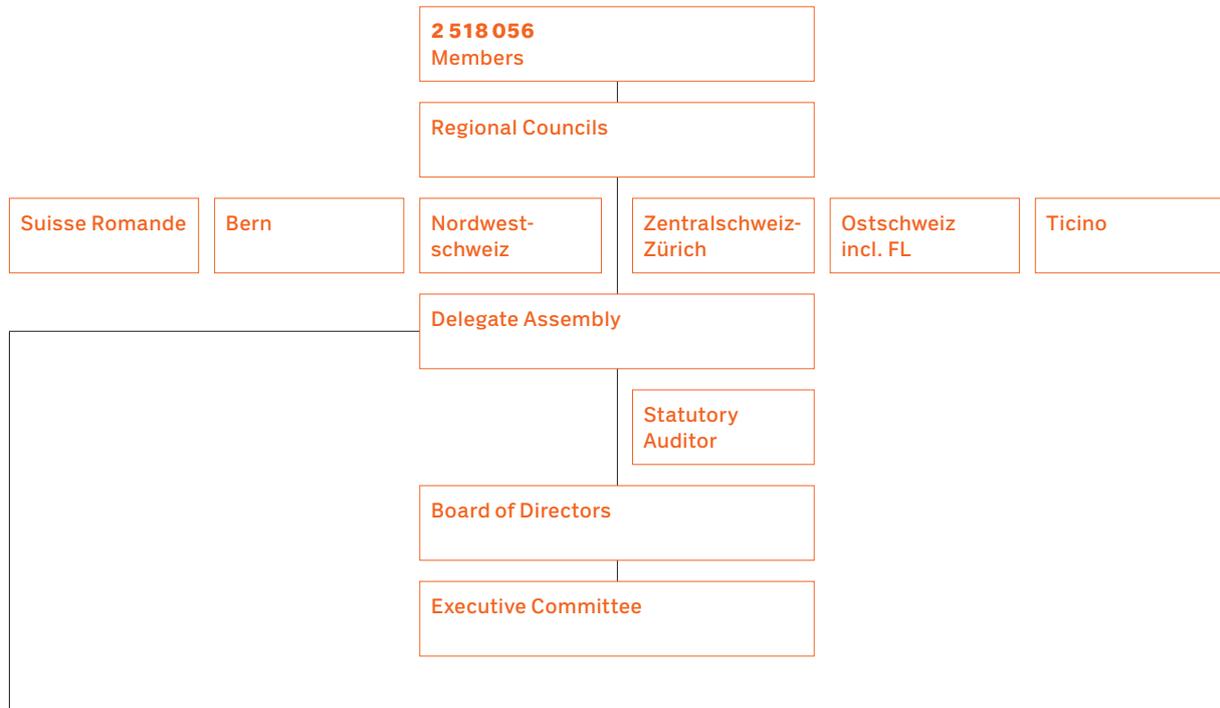
The amount billed includes the work undertaken by the auditing company to audit the consolidated financial statements. This work is performed every year to enable an opinion to be expressed on the consolidated financial statements and reports to be prepared on the statutory annual accounts as required by local legislation. The auditors also provide services, 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 March. A second Delegate Assembly takes place in the autumn. In addition, the delegates receive a report every four months informing them of Coop's business performance.

## EXECUTIVE BODIES AND DELEGATE ASSEMBLY

As at 31 December 2009



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

Erika Haefelè-Thoma  
Therese Ischi  
Trudi Jost  
Roman Kuhn  
Luciana Maggetti  
Verena Reber  
Greta Schindler  
Heidi Straumann  
Charles Suter  
Peter Villiger  
Jörg Vitelli

### Ostschweiz Region incl. FL

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

### Bern Region

Marcel Blaser  
Hans-Rudolf Blatter  
Lily Frei  
Chantal Gagnebin  
Manfred Jakob  
Jürg Kradolfer  
Karl Lauber  
Felix Truffer  
Bruno Wasserfallen  
Annette Wisler Albrecht  
Pierrette Zumwald

### Zentralschweiz-Zürich Region

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

### Ticino Region

Mauro Bazzi  
Carlo Crivelli  
Lucia Gianoli  
Marco Lucchini  
Gabriella Rossetti

## BOARD OF DIRECTORS AND MANAGEMENT STRUCTURE

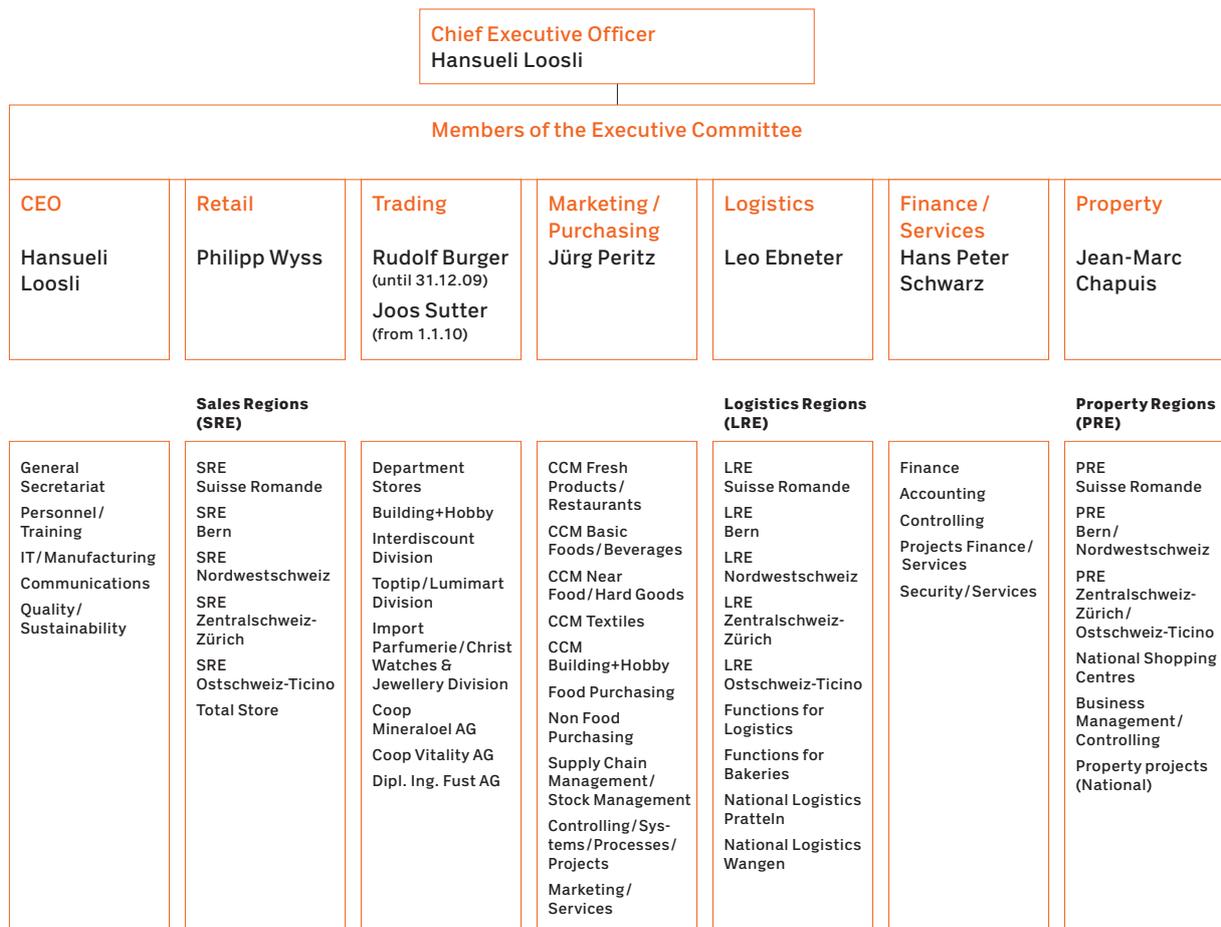
As at 31 December 2009

### Board of Directors

Silvio Bircher	Peter Eisenhut	Michela Ferrari-Testa
Hans-Jürg Käser	Irene Kaufmann (Chairwoman)	Beth Krasna
Lillia Rebsamen-Sala	Bernard Rüeeger	Giusep Valaula (Vice-Chairman)

### Internal Auditing

Heinrich Stamm, Head of Internal Auditing



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## MANAGEMENT

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As at 1 March 2010

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### Executive Committee (EC)

Hansueli Loosli, Chief Executive Officer  
Jean-Marc Chapuis, Head of Property Business Unit  
Leo Ebnetter, Head of Logistics Business Unit  
Jürg Peritz, Head of Marketing/Purchasing Business Unit  
Hans Peter Schwarz, Head of Finance and Services Business Unit  
Joos Sutter, Head of Trading Business Unit  
Philipp Wyss, Head of Retail Business Unit

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### Presidium of the Executive Committee Business Unit

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

Jörg Ackermann, Special Mandates  
Marc Haubensak, Head of BâleHotels  
Lorenzo Pelucchi, Head of Sunray Division  
Romeo Sciaranetti, Head of Swissmill/Pasta Gala Division  
Anton von Weissenfluh, Head of Chocolats Halba Division

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### Retail Business Unit

Philipp Wyss, Head of Retail Business Unit, Head of ZZ Sales Region  
Livio Bontognali, Head of OT 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

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### 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

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### 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

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### 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

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### Zentralschweiz-Zürich (ZZ) Sales Region

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

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### Ostschweiz-Ticino (OT) Sales Region

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

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### Trading Business Unit

Joos Sutter, Head of Trading Business Unit  
Jürg Berger, Head of Total Store/Expansion  
Andreas Frischknecht, Head of Building+Hobby  
Urs Jordi, Head of Coop City  
Beat Ruch, Head of Interdiscount Division  
Markus Schärer, Head of Business Management/Controlling  
Daniel Stucker, Head of Import Parfumerie /  
Christ Watches & Jewellery Division  
Bruno Veit, Head of Toptip/Lumimart Division  
Martin von Bertrab, Head of Personnel/Training  
  
Pierre Pfaffhauser, Head of Personnel Marketing

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### Coop City

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

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### Interdiscount

Beat Ruch, Head of Interdiscount Division  
Vito Armetta, Head of Sales  
Daniel Hintermann, Head of Logistics/IT/Services  
Pierre Wenger, Head of Purchasing Interdiscount

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### Marketing/Purchasing Business Unit

Jürg Peritz, Head of Marketing/Purchasing Business Unit  
Jörg Ledermann, Head of Controlling/Systems/Processes/Projects  
Thomas Schwetje, Head of Marketing/Services

Benedikt Pachlatko, Head of Customer Services

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### 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  
Frédéric Christoph Schumacher, Restaurants  
Christoph Widmer, CCM Fruit/Vegetables

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### **CCM Basic Foods / Beverages**

Roland Frefel, Head of CCM Basic Foods / Beverages  
Marco Bertoli, CCM Long-life Convenience  
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

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### **CCM Near-Food / Hard Goods**

Helmut Träris-Stark, Head of CCM Near-Food / Hard Goods  
Kerstin Czermak, CCM Detergents and Cleaning Agents / Hygiene  
Manuel Gonzalez, CCM Stationery / Press / Travel Supplies  
Isabel Nuyens, CCM Perfumery / Bodycare / Vita Shop  
Daniel Walker, CCM Kitchen / Electrical Appliances /  
Consumer Electronics / E-Communication

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### **CCM Textiles**

Gerhard Beutler, Head of CCM Textiles  
Simone Gössling, CCM Tableware / Homestyle / Festive  
Valentin Lüthi, CCM Women's Outerwear / Lingerie  
Sonya Suscetta, CCM Accessoires / Watches / Jewellery / Shoes /  
Leather Goods / Hosiery

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### **CCM Building+Hobby**

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

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### **Food Purchasing**

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

Ernst Seiler, Managing Director of Eurogroup SA

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### **Non-Food Purchasing**

Philipp Schenker, Head of Non-Food Purchasing  
Emanuel Büchlin, BP Clothing / Accessoires  
Stefan Mundwiler, BP Building+Hobby  
Olivier Schwegler, BP Near-Food  
Petra Schönenberger, BP Hard Goods

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### **Supply Chain Management / Stock Management**

Mauro Manacchini, Head of Supply Chain Management /  
Stock Management  
Christian Kaufmann, Stock Management Pool Non-Food  
Robert Trachsler, Stock Management Pool Food

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### **Logistics Business Unit**

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

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### **Business Unit Finance / Services**

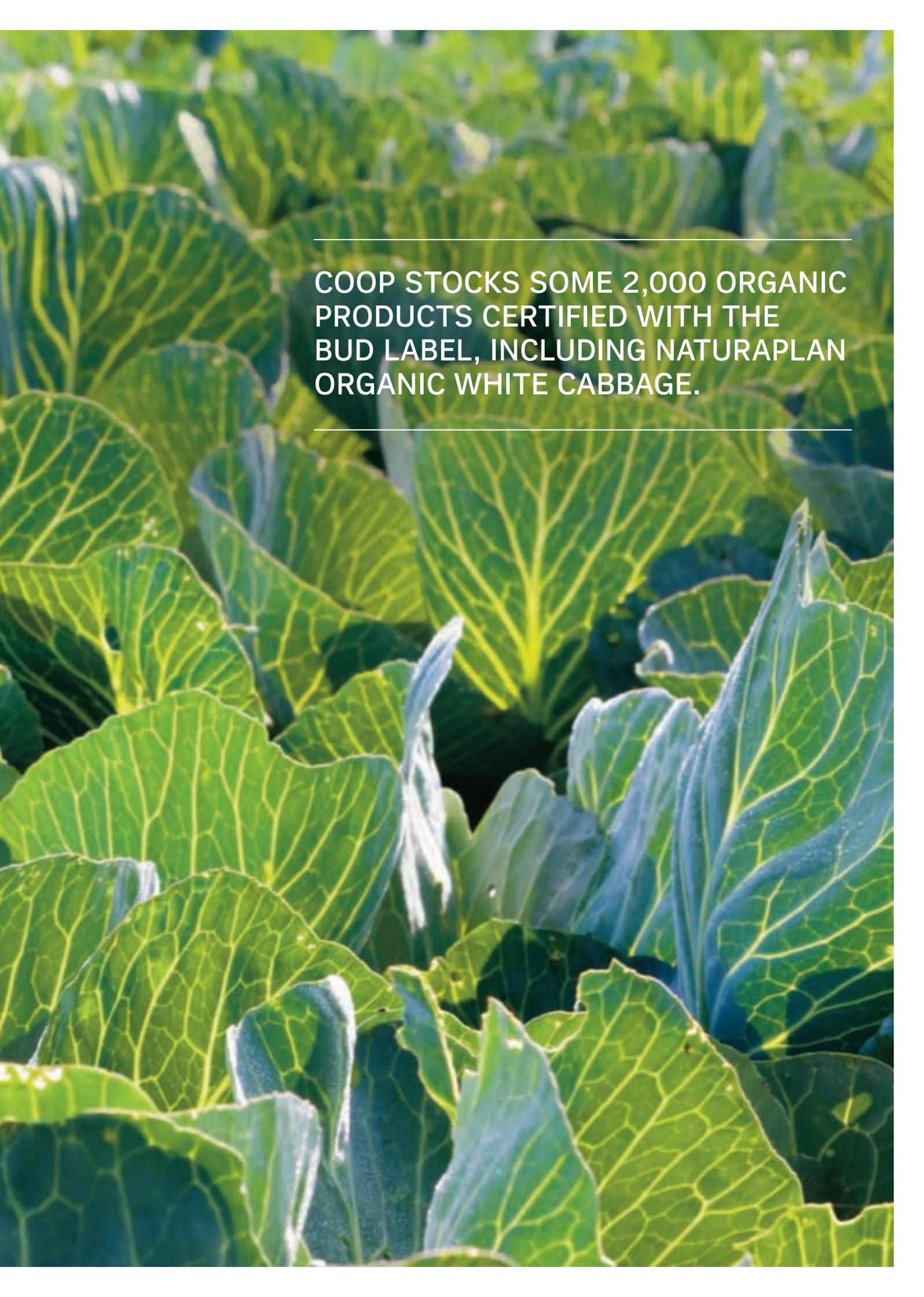
Hans Peter Schwarz, Head of Finance / Services Business Unit  
Xavier Buro, Head of Projects Finance / Services  
Hansjörg Klossner, Head of Accounting  
Beat Leuthardt, Head of Finance  
Adrian Werren, Head of Controlling

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### **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





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COOP STOCKS SOME 2,000 ORGANIC PRODUCTS CERTIFIED WITH THE BUD LABEL, INCLUDING NATURAPLAN ORGANIC WHITE CABBAGE.

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**ON AVERAGE, ORGANIC FARMS ARE HOME TO 30% MORE SPECIES AND VARIETIES OF ANIMAL AND PLANT LIFE AND TO 50% MORE INDIVIDUALS OF THESE SPECIES THAN TRADITIONAL FARMS. REASON ENOUGH FOR COOP TO HAVE SUPPORTED ORGANIC FARMING FOR THE LAST 15 YEARS OR MORE.**

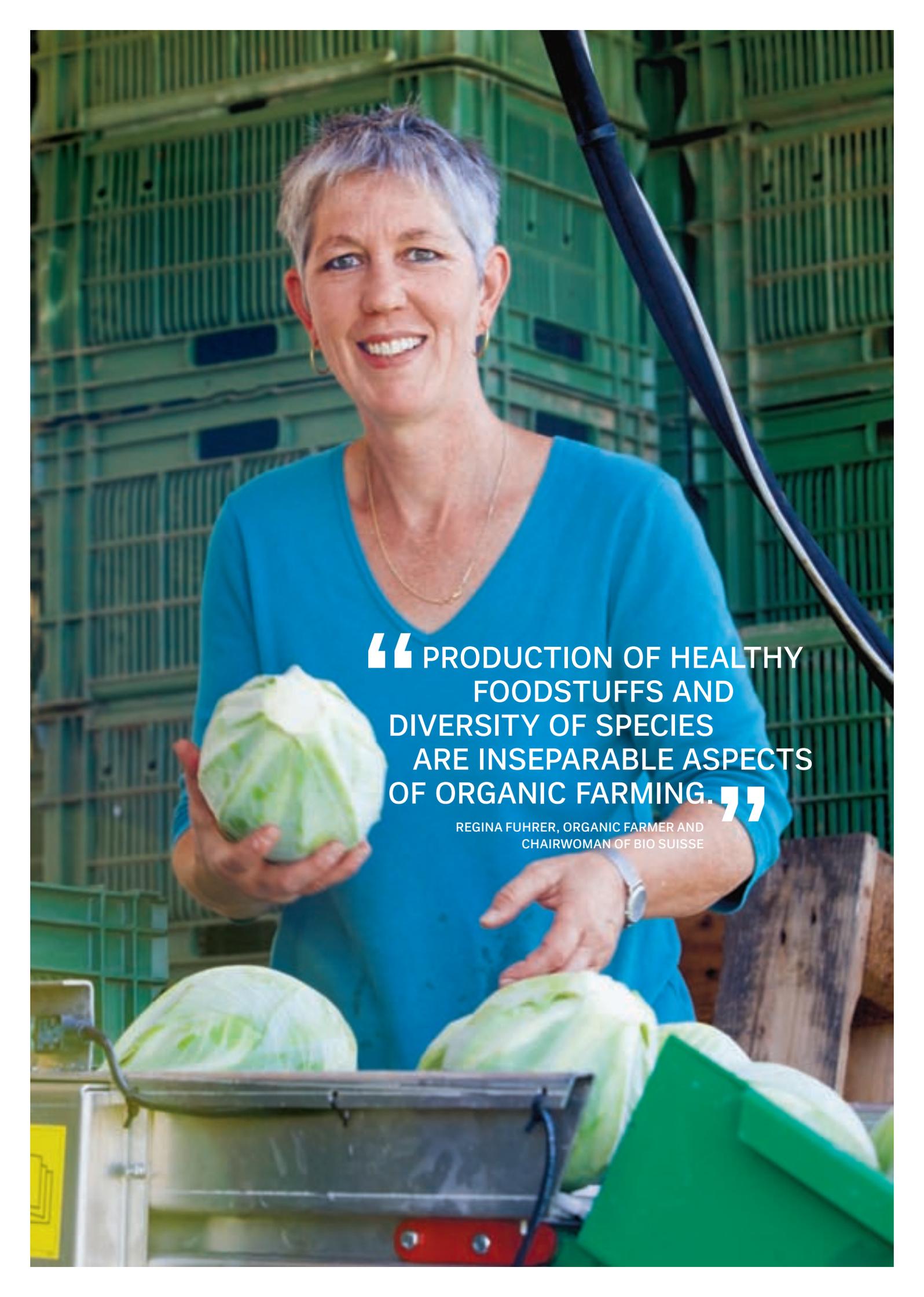
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We cannot generally determine at first sight whether a field is being organically or conventionally managed. But if we look at the diversity of species that exist on, in and under the soil, the difference is obvious. This is because organic farms have up to 2.4 more varieties of wild bee, honeybee and bumble bee buzzing around than traditional farms. More beetles, spiders and other beneficial insects crawl or scuttle along the ground and, within the soil, countless earthworms and micro-organisms ensure that the soil is more fertile and healthier.

Scientists are unanimous about the reasons for this biodiversity: organic farming does not use synthetic-chemical pesticides or fertilizers, resorting instead to more varied crop rotation using more clover and to a greater number of ecological compensation areas and semi-natural areas. Because no herbicides are used, organic crops contain many different weeds that have beneficial uses. They provide food for many different species of bird and insects, while clover attracts additional creatures such as hares to the field. As species diversity grows, a balance develops between pests and the beneficial organisms that are their natural enemies. If the two sides keep each other in check, pest control becomes self-regulating, eliminating the need for chemicals. In cooperation with Bio Suisse and the Research Institute of Organic Agriculture (FiBL), Coop has been promoting organic farming and thus preserving biodiversity in Switzerland for over 15 years. By developing an extensive range of organic food products, the three partners have helped organic farming in Switzerland achieve a breakthrough to a larger market. Approximately 2,000 organic food products are currently certified with the Bio Suisse bud label, which is one of the world's strictest and most demanding organic marques.



THE RESEARCH INSTITUTE OF ORGANIC AGRICULTURE RELEASED HUNDREDS OF ICHNEUMON WASPS IN THIS WHITE-CABBAGE FIELD NEAR TÄGERWILEN TO ACHIEVE NATURAL PEST CONTROL. CORNFLOWERS GROWING IN THE MIDDLE OF THE FIELD ATTRACT OTHER BENEFICIAL FAUNA AND PROVIDE NECTAR TO FEED THE ICHNEUMON WASPS RELEASED.



“ PRODUCTION OF HEALTHY  
FOODSTUFFS AND  
DIVERSITY OF SPECIES  
ARE INSEPARABLE ASPECTS  
OF ORGANIC FARMING. ”

REGINA FUHRER, ORGANIC FARMER AND  
CHAIRWOMAN OF BIO SUISSE

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## THE COOP GROUP IN FIGURES

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- 60** Cash turnover / Direct sales
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All values rounded up / down individually

## CASH TURNOVER / DIRECT SALES

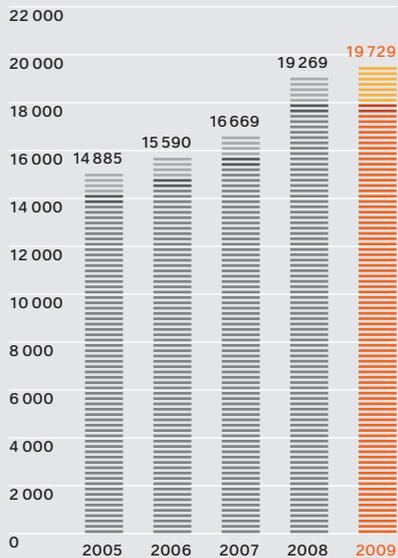
			Change	Change
	CHF m	CHF m	CHF m	%
	2009	2008		
Supermarkets A < 980 m <sup>2</sup>	3 595	3 642	-47	-1.3
Supermarkets B 980-1 890 m <sup>2</sup>	3 246	3 221	+25	+0.8
Supermarkets C 1 890-3 500 m <sup>2</sup>	2 840	2 814	+27	+0.9
<b>Supermarkets</b>	<b>9 681</b>	<b>9 677</b>	<b>+4</b>	<b>+0.0</b>
Megastores > 3 500 m <sup>2</sup>	1 599	1 358	+241	+17.8
<b>Supermarkets / Megastores</b>	<b>11 280</b>	<b>11 035</b>	<b>+245</b>	<b>+2.2</b>
Other	2	2	+0	+2.0
<b>Coop Retail</b>	<b>11 282</b>	<b>11 036</b>	<b>+245</b>	<b>+2.2</b>
Department stores	1 050	1 050	+1	+0.1
Building & Hobby (incl. Hobby AG)	742	720	+22	+3.0
Interdiscount	988	1 025	-36	-3.5
Toptip and Lumimart	246	261	-14	-5.5
Christ Watches & Jewellery	109	114	-4	-3.9
Import Parfumerie	169	163	+6	+3.9
Other	4	4	+0	+0.1
<b>Coop Trading</b>	<b>3 309</b>	<b>3 335</b>	<b>-26</b>	<b>-0.8</b>
Distributis (formerly Carrefour)		136	-136	
Restaurants Da Giovanni	1		+1	
Hotels	29	32	-3	-9.0
<b>Coop</b>	<b>14 621</b>	<b>14 540</b>	<b>+81</b>	<b>+0.6</b>
Alcoba Distribution SA		59	-59	
Bell Group (sales outlets)	98	27	+71	+266.8
Petrol stations	1 256	1 440	-184	-12.8
Coop Pronto at petrol stations	431	383	+48	+12.6
Coop Pronto stand-alone	182	165	+17	+10.0
Coop Mineraloel AG	1 869	1 988	-119	-6.0
Coop Vitality AG	111	88	+22	+25.1
Dipl. Ing. Fust AG	963	943	+20	+2.1
<b>Cash turnover of sales outlets</b>	<b>17 663</b>	<b>17 645</b>	<b>+18</b>	<b>+0.1</b>
Internet shops	159	141	+18	+12.8
Onward retail sales to third parties	327	363	-37	-10.1
<b>Retail turnover</b>	<b>18 149</b>	<b>18 150</b>	<b>-0</b>	<b>-0.0</b>
Sales to large customers	1 580	1 119	+460	+41.1
<b>Cash turnover / direct sales</b>	<b>19 729</b>	<b>19 269</b>	<b>+460</b>	<b>+2.4</b>

Prior-year figures restated

## CASH TURNOVER / DIRECT SALES / RETAIL TURNOVER

### Cash turnover/Direct sales

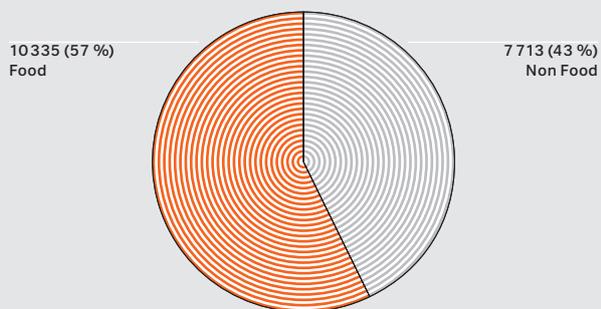
CHF m



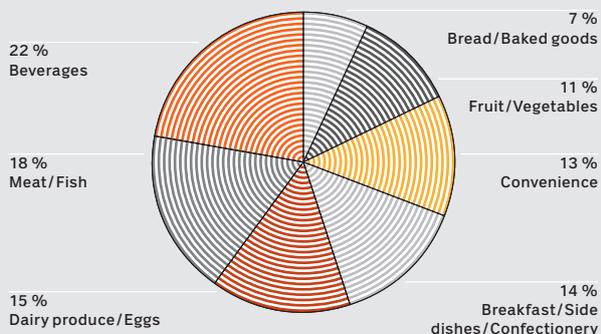
- Sales to large customers
- Onward retail sales to third parties
- Cash turnover of sales outlets

### Retail turnover in Switzerland by main categories

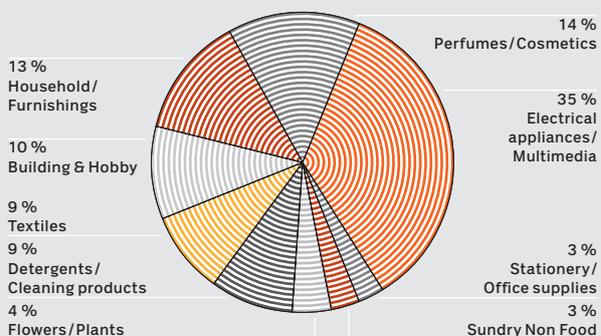
CHF m



#### Food

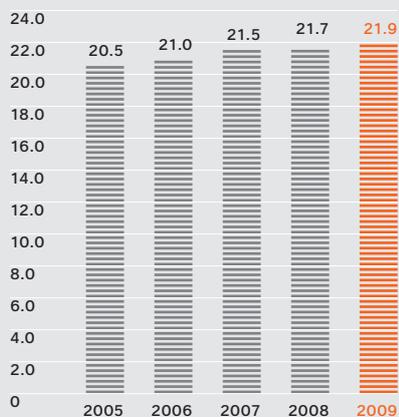


#### Non Food

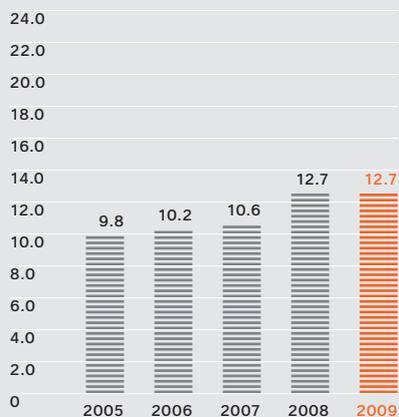


## MARKET SHARES

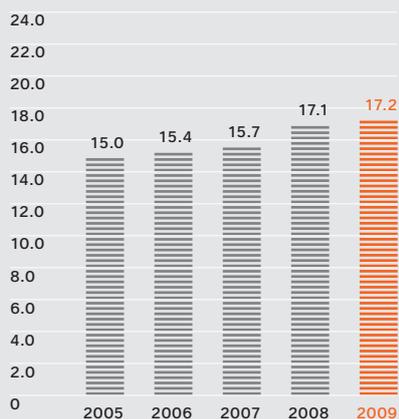
### Food in %



### Non Food in %



### Coop Group in %



	CHF m				
	2005	2006	2007	2008	2009
<b>Retail turnover</b>	14 049	14 709	15 755	18 150	18 149
Retail turnover abroad	-93	-84	-93	-88	-101
Retail turnover Switzerland	13 956	14 624	15 662	18 062	18 048
Petrol stations, fuel, hotels	-1 066	-1 197	-1 344	-1 710	-1 465
<b>Coop retail turnover for market shares</b>	<b>12 890</b>	<b>13 427</b>	<b>14 318</b>	<b>16 352</b>	<b>16 583</b>
<b>Market volume Food</b>	<b>41 407</b>	<b>41 856</b>	<b>43 076</b>	<b>46 485</b>	<b>47 191</b>
<b>Market volume Non Food</b>	<b>45 557</b>	<b>46 039</b>	<b>48 460</b>	<b>49 267</b>	<b>49 148</b>
<b>Total volume acc. to BAK<sup>1</sup></b>	<b>86 964</b>	<b>87 896</b>	<b>91 536</b>	<b>95 752</b>	<b>96 339</b>

<sup>1</sup>Data basis: BAK Basel Economics, BAK Flash (status: 22.2.2010)

Prior-year figures restated

## SALES OUTLETS

	Sales outlets		Sales area		Cash turnover of sales outlets			
	Number at 31.12		m <sup>2</sup> at 31.12		CHF m	CHF m	%	Share %
	2009	2008	2009	2008	2009	2008		
Supermarkets A < 980 m <sup>2</sup>	518	526	283 851	285 727	3 595	3 642	-1.3	20.4
Supermarkets B 980–1 890 m <sup>2</sup>	180	176	257 122	251 550	3 246	3 221	+0.8	18.4
Supermarkets C 1 890–3 500 m <sup>2</sup>	87	85	239 160	234 732	2 840	2 814	+0.9	16.1
<b>Supermarkets</b>	<b>785</b>	<b>787</b>	<b>780 133</b>	<b>772 009</b>	<b>9 681</b>	<b>9 677</b>	<b>+0.0</b>	<b>54.8</b>
Megastores > 3 500 m <sup>2</sup>	30	30	156 240	154 051	1 599	1 358	+17.8	9.1
<b>Supermarkets / Megastores</b>	<b>815</b>	<b>817</b>	<b>936 373</b>	<b>926 060</b>	<b>11 280</b>	<b>11 035</b>	<b>+2.2</b>	<b>63.9</b>
Other	1	1	290	290	2	2	+2.0	0.0
<b>Coop Retail</b>	<b>816</b>	<b>818</b>	<b>936 663</b>	<b>926 350</b>	<b>11 282</b>	<b>11 036</b>	<b>+2.2</b>	<b>63.9</b>
Department stores	33	33	140 689	138 078	1 050	1 050	+0.1	5.9
Building & Hobby (incl. Hobby AG)	69	69	285 114	285 246	742	720	+3.0	4.2
Interdiscount	199	197	69 208	68 137	988	1 025	-3.5	5.6
Toptip and Lumimart	56	59	150 479	158 690	246	261	-5.5	1.4
Christ Watches & Jewellery	82	84	5 971	6 082	109	114	-3.9	0.6
Import Parfumerie	101	97	8 999	8 682	169	163	+3.9	1.0
Other	1	2	150	550	4	4	+0.1	0.0
<b>Coop Trading</b>	<b>541</b>	<b>541</b>	<b>660 610</b>	<b>665 465</b>	<b>3 309</b>	<b>3 335</b>	<b>-0.8</b>	<b>18.7</b>
Distributis (formerly Carrefour)						136		
Restaurants Da Giovanni	4		1 566		1			0.0
Hotels	3	3	0	0	29	32	-9.0	0.2
<b>Coop</b>	<b>1 364</b>	<b>1 362</b>	<b>1 598 839</b>	<b>1 591 815</b>	<b>14 621</b>	<b>14 540</b>	<b>+0.6</b>	<b>82.8</b>
Alcoba Distribution SA						59		
Bell Group (sales outlets)	73	115	4 668	3 536	98	27	+266.8	0.6
Petrol stations	180	176			1 256	1 440	-12.8	7.1
Coop Pronto at petrol stations	(168)	(164)	16 530	15 895	431	383	+12.6	2.4
Coop Pronto stand-alone	47	44	7 886	7 177	182	165	+10.0	1.0
Coop Mineraloel AG	227	220	24 416	23 072	1 869	1 988	-6.0	10.6
Coop Vitality AG	39	31	9 724	7 975	111	88	+25.1	0.6
Dipl. Ing. Fust AG	161	157	87 957	80 791	963	943	+2.1	5.5
<b>Subsidiaries</b>	<b>500</b>	<b>523</b>	<b>126 765</b>	<b>115 374</b>	<b>3 040</b>	<b>3 105</b>	<b>-2.1</b>	<b>17.2</b>
<b>Sales outlets</b>	<b>1 864</b>	<b>1 885</b>	<b>1 725 604</b>	<b>1 707 189</b>	<b>17 663</b>	<b>17 645</b>	<b>+0.1</b>	<b>100.0</b>

Prior-year figures restated

## SUBSIDIARIES / DIVISIONS / BANK LOANS

Subsidiaries	Net sales		Full-time- employees	Share capital at 31.12	
				Group share in capital	
	CHF m	CHF m		CHF m	%
	2009	2008	2009	2009	2009
Bell Group	2 548	1 940	6 498	2.0	66.3
Coop training centres MuttENZ and Jongny	14	14	74	0.4	100.0
Coop Mineraloel AG	1 921	2 078	66	10.0	51.0
Coop Vitality AG	106	85	338	5.0	51.0
Dipl. Ing. Fust AG	923	901	1 893	10.0	100.0

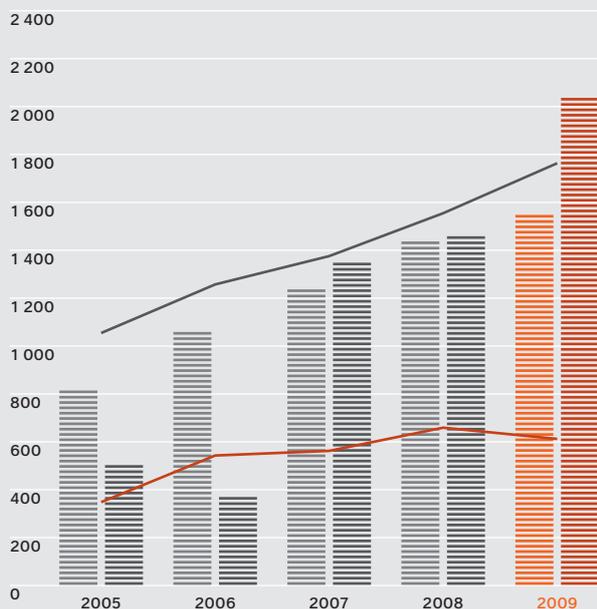
Divisions			Change	Change
	CHF m	CHF m	CHF m	%
	2009	2008		
Cash turnover	988	1 025	-36	-3.5
Onward retail sales to third parties	65	50	+15	+30.6
<b>Interdiscount Division</b>	<b>1 053</b>	<b>1 074</b>	<b>-21</b>	<b>-2.0</b>
Cash turnover Toptip	221	233	-11	-4.9
Cash turnover Lumimart	25	28	-3	-10.2
Onward retail sales to third parties				
<b>Toptip and Lumimart Division</b>	<b>246</b>	<b>261</b>	<b>-14</b>	<b>-5.5</b>
Cash turnover	109	114	-4	-3.9
Onward retail sales to third parties	0	0	-0	-67.6
<b>Christ Watches &amp; Jewellery Division</b>	<b>109</b>	<b>114</b>	<b>-5</b>	<b>-4.1</b>
Cash turnover	169	163	+6	+3.9
Onward retail sales to third parties	1	1	+1	+65.0
<b>Import Parfumerie Division</b>	<b>171</b>	<b>164</b>	<b>+7</b>	<b>+4.2</b>

Bank loans	Credit line		Used		Unused credit line	
	2009	2008	2009	2008	2009	2008
at 31.12						
Big banks	99	611	1	143	98	468
Cantonal banks	146	615	121	309	25	306
Regional banks	76	57	61	57	15	0
Bank Coop	108	100	35	35	73	65
Foreign banks in Switzerland	300	250	49	100	251	150
Foreign banks	347	514	109	146	238	368
Consortium loan Bell	282		282		0	0
<b>Banks</b>	<b>1 357</b>	<b>2 147</b>	<b>658</b>	<b>790</b>	<b>699</b>	<b>1 357</b>
Short-term bank loans			246	381		
Long-term bank loans			405	397		
Bank mortgages			7	13		
<b>Bank loans</b>			<b>658</b>	<b>790</b>		

## KEY FINANCIAL DATA / INVESTMENTS

### Key financial data

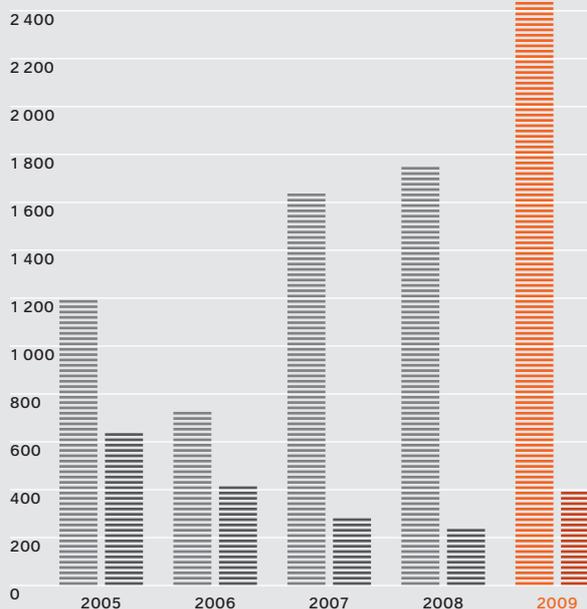
CHF m



— 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				
	2005	2006	2007	2008	2009
Suisse Romande Region	107	137	91	134	121
Bern Region	141	75	77	110	136
Nordwestschweiz Region	316	205	188	211	265
Zentralschweiz-Zürich Region	137	90	120	120	125
Ostschweiz-Ticino Region	50	108	80	107	85
<b>Gross investments in tangible fixed assets</b>	<b>752</b>	<b>615</b>	<b>556</b>	<b>681</b>	<b>731</b>
Disposals of tangible fixed assets	-599	-385	-152	-178	-189
<b>Net investments in tangible fixed assets</b>	<b>153</b>	<b>230</b>	<b>404</b>	<b>503</b>	<b>542</b>
Other net investments	344	147	947	973	1 513
<b>Net investments</b>	<b>497</b>	<b>377</b>	<b>1 351</b>	<b>1 476</b>	<b>2 055</b>
<b>Operating cash flow (EBITDA)</b>	<b>1 039</b>	<b>1 237</b>	<b>1 383</b>	<b>1 563</b>	<b>1 760</b>
<b>Operating result (EBIT)</b>	<b>348</b>	<b>553</b>	<b>572</b>	<b>659</b>	<b>614</b>
<b>Profit/loss</b>	<b>270</b>	<b>310</b>	<b>350</b>	<b>390</b>	<b>430</b>
<b>Cash flow before change in net current assets</b>	<b>818</b>	<b>1 068</b>	<b>1 254</b>	<b>1 445</b>	<b>1 555</b>

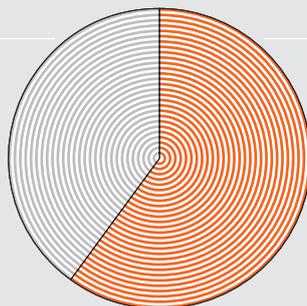
## EMPLOYEES

	2009	2008	Change	%
SRE Suisse Romande	4 721	4 637	+84	+1.8
SRE Bern	3 189	3 220	-31	-1.0
SRE Nordwestschweiz	3 648	3 704	-56	-1.5
SRE Zentralschweiz-Zürich	4 598	4 567	+31	+0.7
SRE Ostschweiz-Ticino	3 993	4 061	-69	-1.7
Corporate Services Retail	22	19	+2	+12.6
<b>Retail</b>	<b>20 169</b>	<b>20 207</b>	<b>-38</b>	<b>-0.2</b>
Department stores	2 690	2 732	-42	-1.5
Building & Hobby (incl. Hobby AG)	1 431	1 428	+3	+0.2
Interdiscount	1 749	1 773	-24	-1.3
Toptip and Lumimart	620	637	-17	-2.7
Christ Watches & Jewellery	364	385	-21	-5.3
Import Parfumerie	419	410	+9	+2.1
Corporate Services Trading	176	180	-4	-2.4
<b>Trading</b>	<b>7 448</b>	<b>7 544</b>	<b>-96</b>	<b>-1.3</b>
<b>Logistics</b>	<b>4 339</b>	<b>4 371</b>	<b>-32</b>	<b>-0.7</b>
<b>Production</b>	<b>690</b>	<b>696</b>	<b>-6</b>	<b>-0.9</b>
<b>Other corporate services / Property Business Unit</b>	<b>2 639</b>	<b>2 623</b>	<b>+16</b>	<b>+0.6</b>
<b>Coop parent company</b>	<b>35 285</b>	<b>35 441</b>	<b>-156</b>	<b>-0.4</b>
Bell Switzerland	3 285	3 243	+42	+1.3
Bell abroad	3 213	551	+2 662	.
<b>Bell Group</b>	<b>6 498</b>	<b>3 794</b>	<b>+2 704</b>	<b>+71.3</b>
Coop Mineraloel AG	66	68	-2	-2.9
Coop Vitality AG	338	276	+63	+22.7
Dipl. Ing. Fust AG	1 893	1 726	+167	+9.7
Other companies	74	245	-171	-69.8
<b>Full-time employees (incl. trainees)</b>	<b>44 154</b>	<b>41 550</b>	<b>+2 605</b>	<b>+6.3</b>
SRE Suisse Romande	6 385	6 473	-88	-1.4
SRE Bern	4 429	4 534	-105	-2.3
SRE Nordwestschweiz	4 594	4 706	-112	-2.4
SRE Zentralschweiz-Zürich	6 082	6 200	-118	-1.9
SRE Ostschweiz-Ticino	5 367	5 510	-143	-2.6
Corporate Services Retail	24	19	+5	+26.3
<b>Retail</b>	<b>26 881</b>	<b>27 442</b>	<b>-561</b>	<b>-2.0</b>
Department stores	3 340	3 398	-58	-1.7
Building & Hobby (incl. Hobby AG)	1 778	1 721	+57	+3.3
Interdiscount	1 869	1 906	-37	-1.9
Toptip and Lumimart	698	734	-36	-4.9
Christ Watches & Jewellery	506	516	-10	-1.9
Import Parfumerie	582	564	+18	+3.2
Corporate Services Trading	192	197	-5	-2.5
<b>Trading</b>	<b>8 965</b>	<b>9 036</b>	<b>-71</b>	<b>-0.8</b>
<b>Logistics</b>	<b>4 751</b>	<b>4 907</b>	<b>-156</b>	<b>-3.2</b>
<b>Production</b>	<b>812</b>	<b>844</b>	<b>-32</b>	<b>-3.8</b>
<b>Other corporate services / Property Business Unit</b>	<b>2 322</b>	<b>2 230</b>	<b>+92</b>	<b>+4.1</b>
<b>Coop parent company</b>	<b>43 731</b>	<b>44 459</b>	<b>-728</b>	<b>-1.6</b>
Bell Switzerland	3 417	3 362	+55	+1.6
Bell abroad	3 144	3 448	-304	-8.8
<b>Bell Group</b>	<b>6 561</b>	<b>6 810</b>	<b>-249</b>	<b>-3.7</b>
Coop Mineraloel AG	70	71	-1	-1.4
Coop Vitality AG	474	387	+87	+22.5
Dipl. Ing. Fust AG	2 052	1 875	+177	+9.4
Other companies	86	278	-192	-69.1
<b>Employees (incl. trainees) at 31.12</b>	<b>52 974</b>	<b>53 880</b>	<b>-906</b>	<b>-1.7</b>

	2009	2008	Change	%
SRE Suisse Romande	400	359	+41	+11.4
SRE Bern	283	259	+24	+9.3
SRE Nordwestschweiz	345	369	-24	-6.5
SRE Zentralschweiz-Zürich	409	435	-26	-6.0
SRE Ostschweiz-Ticino	322	298	+24	+8.1
Corporate Services Retail				
<b>Retail</b>	<b>1 759</b>	<b>1 720</b>	<b>+39</b>	<b>+2.3</b>
Department stores	180	175	+5	+2.9
Building & Hobby (incl. Hobby AG)	129	120	+9	+7.5
Interdiscount	364	372	-8	-2.2
Toptip and Lumimart	31	33	-2	-6.1
Christ Watches & Jewellery	36	30	+6	+20.0
Import Parfumerie	56	63	-7	-11.1
Corporate Services Trading	7	6	+1	+16.7
<b>Trading</b>	<b>803</b>	<b>799</b>	<b>+4</b>	<b>+0.5</b>
<b>Logistics</b>	<b>117</b>	<b>111</b>	<b>+6</b>	<b>+5.4</b>
<b>Production</b>	<b>38</b>	<b>39</b>	<b>-1</b>	<b>-2.6</b>
<b>Other corporate services / Property Business Unit</b>	<b>67</b>	<b>68</b>	<b>-1</b>	<b>-1.5</b>
<b>Coop parent company</b>	<b>2 784</b>	<b>2 737</b>	<b>+47</b>	<b>+1.7</b>
Bell Switzerland	50	56	-6	-10.7
Bell abroad	30	53	-23	-43.4
<b>Bell Group</b>	<b>80</b>	<b>109</b>	<b>-29</b>	<b>-26.6</b>
Coop Mineraloel AG	3	3		
Coop Vitality AG	75	69	+6	+8.7
Dipl. Ing. Fust AG	74	54	+20	+37.0
Other companies	2	2		
<b>Trainees (full-time) at 31.12</b>	<b>3 018</b>	<b>2 974</b>	<b>+44</b>	<b>+1.5</b>
School-leaver internships	129	57	+72	+126.3

#### Gender

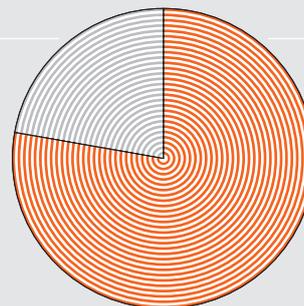
40 %  
Men



#### Type of employment

60 %  
Women

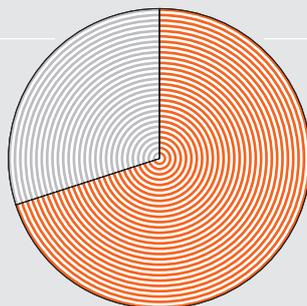
22 %  
Paid hourly



78 %  
Paid monthly

#### Nationality

30 %  
Non-Swiss

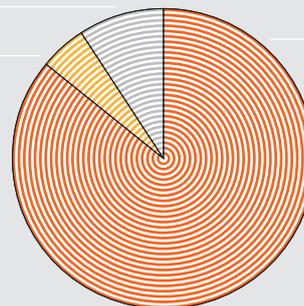


#### Trainees

70 %  
Swiss

9 %  
Trades / Other

5 %  
Commercial

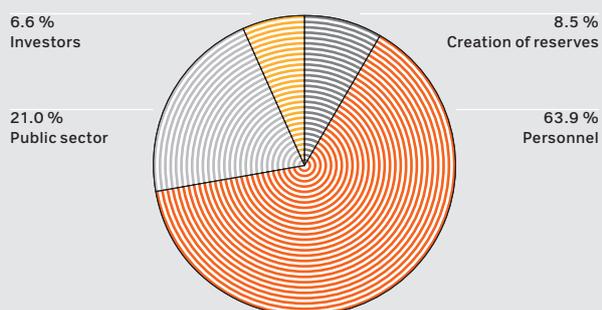


86 %  
Sales

## STATEMENT OF ADDED VALUE

	CHF m	CHF m	Change
	2009	2008	%
Cash turnover / direct sales	19 729	19 269	+2.4
Merchandise	-11 538	-11 499	+0.3
Other	-1 978	-1 914	+3.3
Upstream services	-13 516	-13 413	+0.8
<b>Gross added value</b>	<b>6 213</b>	<b>5 856</b>	<b>+6.1</b>
Depreciation and amortization / provisions	-1 163	-1 101	+5.6
<b>Net added value</b>	<b>5 050</b>	<b>4 755</b>	<b>+6.2</b>
Wages and salaries	-2 500	-2 391	+4.6
Social security contributions	-555	-518	+7.1
Other personnel expense	-120	-108	+10.9
Personnel discounts incl. personnel Supercard points	-52	-54	-3.4
<b>Employees</b>	<b>-3 227</b>	<b>-3 071</b>	<b>+5.1</b>
Taxes	-135	-132	+2.0
Operations-related taxes, charges and fees	-8	-16	-51.2
Customs duties	-748	-718	+4.2
Value-added tax	-172	-165	+4.1
<b>Public sector</b>	<b>-1 062</b>	<b>-1 031</b>	<b>+3.0</b>
<b>Investors</b>	<b>-331</b>	<b>-263</b>	<b>+25.7</b>
<b>Creation of (-)/withdrawal from (+) reserves</b>	<b>-430</b>	<b>-390</b>	<b>+10.3</b>
<b>Distribution of added value</b>	<b>-5 050</b>	<b>-4 755</b>	<b>+6.2</b>

### Distribution of added value



## DEVELOPMENT OF THE COOP GROUP

	2005	2006	2007	2008	2009
<b>Key financial data consolidated in CHF m</b>					
Retail turnover	14 049	14 709	15 755	18 150	18 149
Cash turnover / direct sales	14 885	15 590	16 669	19 269	19 729
Net sales from goods and services	14 133	14 785	15 812	18 271	18 717
Operating cash flow (EBITDA)	1 039	1 237	1 383	1 563	1 760
Operating result (EBIT)	348	553	572	659	614
Financial result incl. result of associated organizations	-91	-69	-39	-121	-63
Profit / loss	270	310	350	390	430
Interest-bearing liabilities	3 980	3 297	3 534	3 971	4 422
Net financial liabilities	3 701	3 017	3 219	3 395	3 925
Equity incl. minority interests	4 602	4 931	5 324	5 675	6 098
Equity ratio in %	40.9	44.8	45.1	43.7	43.6
Total assets	11 249	10 999	11 810	12 981	13 974
Cash flow before change in net current assets	818	1 068	1 254	1 445	1 555
Cash flow from operating activities	957	1 089	1 155	1 515	1 626
Cash flow from investing activities	-552	-377	-1 351	-1 476	-2 055
Cash flow from financing activities	-397	-711	231	250	350
<b>Employees</b>					
Employees at 31.12	44 916	45 428	48 200	53 880	52 974
Full-time employees	37 370	37 271	38 230	41 550	44 154
<b>Market shares in % (basis: market volume according to BAK)</b>					
Food	20.5	21.0	21.5	21.7	21.9
Non Food	9.8	10.1	10.6	12.7	12.7
Coop Group	15.0	15.3	15.7	17.1	17.2
<b>Sales outlets</b>					
Number of sales outlets at 31.12	1 437	1 546	1 739	1 885	1 864
Sales area in m <sup>2</sup> at 31.12	1 480 907	1 518 242	1 624 047	1 707 189	1 725 604
Sales area in m <sup>2</sup> (annual average)		1 497 395	1 550 155	1 686 926	1 723 745
Cash turnover in CHF m	13 690	14 309	15 390	17 645	17 663
<b>Members<sup>1</sup></b>					
Number of members at 31.12	2 316 223	2 461 462	2 502 100	2 536 544	2 518 056

<sup>1</sup> 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	2009	2008	Change %
<b>Sustainable products</b>			
Coop Naturaplan	726	690	+5.2
Coop Naturafarm	478	467	+2.3
Max Havelaar	133	135	-2.0
Coop Oecoplan	112	102	+9.2
Coop Naturaline	68	67	+1.5
Other (Pro Specie Rara, Slow Food, Pro Montagna, FSC, MSC, etc.)	105	103	+1.7
<b>Cash turnover</b>	<b>1 621</b>	<b>1 565</b>	<b>+3.6</b>
<b>Electricity consumption</b>			
Total consumption in MWh <sup>1</sup>	715 186	684 880	+4.4
Consumption, sales outlets per m <sup>2</sup> of sales area in kWh <sup>2</sup>	431	432	-0.2
Consumption, sales outlets per thousand CHF of turnover in kWh <sup>2</sup>	45	43	+3.6
<b>Energy consumption for heating purposes</b>			
Total consumption in MWh <sup>1</sup>	277 032	276 467	+0.2
Consumption, sales outlets per m <sup>2</sup> of sales area in kWh <sup>2</sup>	122	126	-3.2
Consumption, sales outlets per thousand CHF of turnover in kWh <sup>2</sup>	13	13	+0.5
<b>Energy consumption (electricity and heating)</b>			
Total consumption in MWh <sup>1</sup>	992 218	961 347	+3.2
Consumption, sales outlets per m <sup>2</sup> of sales area in kWh <sup>2</sup>	554	558	-0.9
Consumption, sales outlets per thousand CHF of turnover in kWh <sup>2</sup>	57	56	+2.9
<b>Carbon dioxide (CO<sub>2</sub>) emissions</b>			
Total emissions in t <sup>3</sup>	82 619	79 561	+3.8
<b>Water consumption</b>			
Total consumption in m <sup>3</sup> <sup>4</sup>	485 960	479 201	+1.4
Consumption per sales area in m <sup>3</sup> <sup>5</sup>	0.6143	0.6041	+1.7
<b>Diesel consumption, trucks</b>			
Consumption per tonne-kilometre in litres	0.0122	0.0120	+1.7
<b>Waste recycling</b>			
Total waste recycled in %	70	67	+4.5

<sup>1</sup> Manufacturing companies, distribution centres, sales outlets, administration

<sup>2</sup> Supermarkets, Department stores, Building & Hobby

<sup>3</sup> Manufacturing companies, distribution centres, sales outlets, administration, transport, business trips

<sup>4</sup> Manufacturing companies, distribution centres, administration

<sup>5</sup> Only sales outlets with a measurement system

Prior-year figures restated

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# 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 %
		2009		2008	
Net sales from goods and services	1	18 717	100.0	18 271	100.0
Merchandise expense		-12 286		-12 217	
<b>Operating income</b>		<b>6 431</b>	<b>34.4</b>	<b>6 054</b>	<b>33.1</b>
Other operating income	2	697		684	
Personnel expense	3	-3 175		-3 017	
Advertising expense		-389		-424	
Other operating expenses	4	-1 803		-1 734	
<b>Operating cash flow (EBITDA)</b>		<b>1 760</b>	<b>9.4</b>	<b>1 563</b>	<b>8.6</b>
Amortization of intangible assets	5	-431		-263	
Depreciation of tangible fixed assets	5	-714		-641	
<b>Operating result (EBIT)</b>		<b>614</b>	<b>3.3</b>	<b>659</b>	<b>3.6</b>
Result of associated organizations		9		7	
Financial result	6	-72		-129	
<b>Ordinary result</b>		<b>551</b>	<b>2.9</b>	<b>538</b>	<b>2.9</b>
Non-operating result	7	75		31	
Extraordinary result	8	-9		4	
<b>Profit / loss before taxes (EBT)</b>		<b>617</b>	<b>3.3</b>	<b>572</b>	<b>3.1</b>
Taxes	9	-135		-132	
<b>Profit / loss after taxes</b>		<b>483</b>	<b>2.6</b>	<b>441</b>	<b>2.4</b>
Minority interests in profit / loss		-53		-51	
<b>Profit / loss</b>		<b>430</b>	<b>2.3</b>	<b>390</b>	<b>2.1</b>

## CONSOLIDATED BALANCE SHEET

	Notes	CHF m	Share %	CHF m	Share %
at 31.12		2009		2008	
Cash and cash equivalents	10	497		576	
Securities		83		84	
Receivables from goods and services	11	525		501	
Other short-term receivables	12	234		134	
Prepayments and accrued income	13	309		219	
Inventories	14	1 872		1 914	
<b>Current assets</b>		<b>3 521</b>	<b>25.2</b>	<b>3 427</b>	<b>26.4</b>
Intangible assets	15	1 517		1 279	
Financial assets	16	1 271		584	
Furniture, vehicles, machinery	17	1 341		1 330	
Real estate	18	6 325		6 361	
<b>Non-current assets</b>		<b>10 453</b>	<b>74.8</b>	<b>9 554</b>	<b>73.6</b>
<b>Assets</b>		<b>13 974</b>	<b>100.0</b>	<b>12 981</b>	<b>100.0</b>
Payables from goods and services	19	1 124		1 096	
Short-term financial liabilities	20	1 294		2 006	
Other short-term liabilities	21	455		450	
Short-term provisions	22	153		160	
Accrued liabilities and deferred income	23	615		550	
<b>Short-term liabilities</b>		<b>3 641</b>	<b>26.1</b>	<b>4 262</b>	<b>32.8</b>
Long-term financial liabilities	24	3 128		1 966	
Long-term provisions	25	1 107		1 078	
<b>Long-term liabilities</b>		<b>4 235</b>	<b>30.3</b>	<b>3 044</b>	<b>23.4</b>
<b>Liabilities</b>	26	<b>7 876</b>	<b>56.4</b>	<b>7 306</b>	<b>56.3</b>
Participation certificate capital		0		0	
Capital reserves		2 675		2 350	
Retained earnings		2 668		2 645	
Profit / loss		430		390	
Accumulated profit / loss		3 098		3 035	
<b>Equity excluding minority interests</b>		<b>5 773</b>	<b>41.3</b>	<b>5 385</b>	<b>41.5</b>
Minority interests		326	2.3	290	2.2
<b>Equity including minority interests</b>		<b>6 098</b>	<b>43.6</b>	<b>5 675</b>	<b>43.7</b>
<b>Liabilities and equity</b>		<b>13 974</b>	<b>100.0</b>	<b>12 981</b>	<b>100.0</b>

Prior-year figures restated

## CONSOLIDATED CASH FLOW STATEMENT

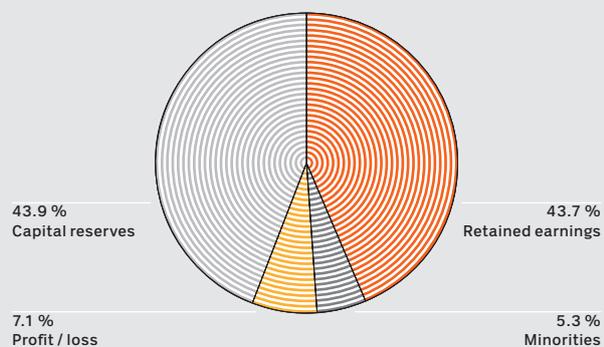
### Fund: cash and cash equivalents

	Notes	CHF m 2009	CHF m 2008
<b>Profit / loss before minority interests</b>		<b>483</b>	<b>441</b>
Amortization of financial assets (excl. associated organizations)		0	0
Amortization of intangible assets		431	263
Depreciation of furniture, vehicles, machinery		300	288
Depreciation of real estate		418	352
Depreciation of non-operating assets		3	3
<b>Profit (-) / loss on disposal of fixed assets</b>		<b>-75</b>	<b>-46</b>
<b>Result non-cash items</b>		<b>-14</b>	<b>27</b>
<b>Income (-) / expense from application of the equity method for investments</b>		<b>-9</b>	<b>-7</b>
<b>Increase / decrease in long-term provisions</b>		<b>19</b>	<b>125</b>
<b>Cash flow before change in net current assets</b>		<b>1 555</b>	<b>1 445</b>
Increase (-) / decrease in receivables from goods and services		26	-7
Increase (-) / decrease in other receivables, prepayments and accrued income		-82	57
Increase (-) / decrease in inventories		107	21
Increase (-) / decrease in payables from goods and services		-10	2
Increase / decrease in other short-term liabilities, accrued liabilities and deferred income		36	20
Increase / decrease in short-term provisions		-7	-23
<b>Cash flow from operating activities</b>		<b>1 626</b>	<b>1 515</b>
Investments in intangible assets		-24	-24
Disposals of intangible assets		0	0
Reclassifications of intangible assets		-24	-2
Investments in furniture, vehicles, machinery		-290	-299
Disposals of furniture, vehicles, machinery		5	3
Reclassifications of furniture, vehicles, machinery		-285	-3
Investments in real estate		-441	-382
Real estate, own work capitalized		-2	-1
Disposals of real estate		186	175
Reclassifications of real estate		-257	5
Payment for the acquisition of consolidated organizations		-1 290	-833
Receipts from the disposal of consolidated organizations		4	7
Investments in financial assets		-385	-82
Disposals of financial assets		175	10
Reclassifications of financial assets		0	0
Investments in securities		-23	-118
Disposals of securities		30	68
Reclassifications of securities		7	0
<b>Cash flow from investing activities</b>	27	<b>-2 055</b>	<b>-1 476</b>
<b>Inflows from bonds issuance (+)</b>		<b>1 000</b>	<b>150</b>
<b>Outflows for bonds – repayments (-)</b>		<b>-250</b>	<b>-325</b>
<b>Dividend payments to minority shareholders</b>		<b>-35</b>	<b>-26</b>
<b>Increase / decrease in short-term financial liabilities</b>		<b>-684</b>	<b>542</b>
<b>Increase / decrease in long-term financial liabilities</b>		<b>318</b>	<b>-84</b>
<b>Own shares Bell</b>		<b>1</b>	<b>-7</b>
<b>Cash flow from financing activities</b>		<b>350</b>	<b>250</b>
<b>Cash inflow / cash outflow (-)</b>		<b>-78</b>	<b>290</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>576</b>	<b>315</b>
<b>Cash inflow / cash outflow (-)</b>		<b>-78</b>	<b>290</b>
<b>Impact of changes in currency exchange rates</b>		<b>0</b>	<b>-29</b>
<b>Cash and cash equivalents at end of year</b>		<b>497</b>	<b>576</b>

## STATEMENT OF CHANGES IN EQUITY

CHF m	Capital reserves	Own shares Bell	Retained earnings	Profit / loss	Equity excluding minorities	Equity minorities	Equity including minorities
Equity at 1.1.2008	2 133	-1	2 538	350	5 020	304	5 324
Change in the scope of consolidation / stake			-6		-6	-29	-34
Appropriation of profit / dividends	224		126	-350	0	-26	-26
Acquisition / disposal of own shares Bell		-7			-7	-4	-11
Profit / loss				390	390	51	441
Cumulative translation adjustments			-13		-13	-5	-19
<b>Equity at 31.12.2008</b>	<b>2 357</b>	<b>-7</b>	<b>2 645</b>	<b>390</b>	<b>5 385</b>	<b>290</b>	<b>5 675</b>
<b>Equity at 1.1.2009</b>	<b>2 357</b>	<b>-7</b>	<b>2 645</b>	<b>390</b>	<b>5 385</b>	<b>290</b>	<b>5 675</b>
Change in the scope of consolidation / stake			-28		-28	16	-12
Appropriation of profit / dividends	324		66	-390	-0	-35	-35
Acquisition / disposal of own shares Bell		1			1	1	2
Profit / loss				430	430	53	483
Cumulative translation adjustments			-15		-15		-15
<b>Equity at 31.12.2009</b>	<b>2 681</b>	<b>-6</b>	<b>2 668</b>	<b>430</b>	<b>5 773</b>	<b>326</b>	<b>6 098</b>

### Equity at 31.12.2009



## NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

### Consolidation principles

#### Basis

The consolidated financial statements of the Coop Group comply with all Swiss GAAP ARR 2009 (Accounting and Reporting Recommendations). On this basis, internal classification, valuation and disclosure principles have been defined and applied consistently. The consolidated financial statements are based on the audited individual accounts at 31 December and present a true and fair view of the financial position, results of operations and cash flows.

#### Full consolidation

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

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

#### Equity method

As a rule, investments in organizations in which the Coop Group holds 20% to 50% of the voting rights are recognized – where economically significant – in proportion to the share of equity held and the relevant share of their net profit or loss. Any surplus of acquisition cost is recognized as goodwill and amortized systematically. The amounts are carried in the income statement within the result of associated organizations and amortization of intangible assets respectively. The financial statements of these organizations, which are prepared in accordance with the true and fair view principle (incl. according to IFRS), 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 Coop scope of consolidation is listed on pages 92 and 93.

### Valuation principles

#### Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. They comprise cash on hand, postal and bank account balances, short-term deposits and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value (note 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. Unfinished 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 fair 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. Trademarks and similar intangible assets are amortized over a period of up to 20 years. In addition, all intangible assets undergo an annual impairment test. No research and development costs are capitalized (note 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:

Sales outlets	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 fair value of real estate is determined internally. Taken as a whole, the fair 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 factual obligations (notes 22 and 25).

#### **Other operating income**

“Other operating income” includes revenues from the Toto (football pools), Lotto (lottery), car parks, advertising and 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 financial year are charged to the income statement, regardless of their due date. Furthermore, additional taxes on income result from temporary differences between items of income and expense entered in the consolidated financial statements and individual statements for tax purposes (deferred taxes). The deferred taxes for these differences between the carrying amounts in the financial statements and the values for tax purposes are calculated at an average tax rate of up to 35% based on local tax rates and tax loss carry-forwards (note 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**

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

Related party transactions were conducted at market conditions.

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

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

### **Supplementary information**

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

## **Notes to the 2009 consolidated financial statements (general information)**

### **Swiss GAAP ARR 2009**

The Swiss GAAP ARR framework was applied as of 1 January 2006 and the other recommendations as of 1 January 2007. Changes arising from Swiss GAAP ARR 2009 were implemented on 1 January 2009. There was no need to make any changes to the financial statements as a result of changes in Swiss GAAP ARR 2009.

### **Changes to the scope of consolidation**

In the 2009 business year, the following changes occurred in the scope of consolidation at Coop compared with the previous year:

A 72% stake in Parking Pré Bournoud SA was purchased on 1 January 2009. This in addition to the securities it already held means that Coop now holds the entire 100%.

Establishment of transGourmet Holding S.E. on 8 January 2009 as a joint venture with the German retail group REWE. The assets and liabilities of Fegro/Selgros, GVS/Stöver and transGourmet Schweiz AG were brought in as a non-cash capital contribution.

transCoop GmbH integrated on 8 January 2009.

Merger of Eschenmoser AG and Dipl. Ing. Fust AG on 1 January 2009.

In the Bell Group, Abraham Group was included in the financial statements on 1 January 2009. Stastnik sp.z. o.o. in Niepolomice, Poland was integrated into the Zimbo Group on

1 May 2009. Salaison St-André SA in St-André sur vieuc jonc was acquired as part of the Bell France Group on 1 July 2009. The 50% stake in Maurer frères S.A. in Kingersheim was sold on 31 October 2009.

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, near 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.

### **Amortization of intangible assets**

At Coop Group, intangible assets are compiled as part of the annual impairment test with updated data assumptions as regards the expected business trend. The annual impairment test resulted in additional writedowns of CHF 170 million. These related mainly to Distributis and the stake in the Palink Group.

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.

#### **Pension fund obligations**

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

At its meeting on 10–11 June 2009, the Board of Directors of CPV/CAP decided not to initiate any further measures to rehabilitate the pension fund that oblige the employer to finance said measures beyond the already agreed reduced interest rate for old-age pension assets for active insured persons in 2009. This corresponds to a reserve ratio of 98.1%.

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%.

#### **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.

Dipl. Ing. Fust AG holds a buy option from 2013 to 2023 for 49.94% of Service 7000 AG at a price geared to future earnings.

Other buy options still exist for the other derivative financial instruments (Additional notes to the consolidated financial statements).

#### **Special notes**

##### **Restatement of prior-year figures**

The compulsory reserves statement was reclassified from Inventories to Other short-term liabilities.

##### **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 9 million (previous year: CHF 7 million).

##### **Extraordinary depreciation**

Owing to the annual review of the valuation of the real estate portfolio, specific bad debt charges were made for a number of properties amounting to CHF 72 million (2008: CHF 20 million).

A long-standing rental contract was re-assessed as the result of an estimate made in 2008, and a corresponding deferral of CHF 20 million was recognized.

##### **Taxes**

No deferred taxes (2008: CHF 17 million) for tax loss carry-forwards were capitalized.

Tax loss carry-forwards amounting to CHF 78 million (previous year: CHF 38 million) were not capitalized (note 16).

##### **Goodwill**

Goodwill was paid as part of the takeover of the Darty branches in western Switzerland by Dipl. Ing. Fust AG. This will be written down over a period of eight years.

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

The share of goodwill relating to associated organizations amounts to CHF 540 million (previous year: CHF 118 million). The increase is due primarily to the establishment of transGourmet Holding S.E.

##### **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. As part of the basic reassessment in 2009, in

the presence of the Chairwoman of the Board of Directors the Coop Executive Committee identified, analysed and assessed the main risks and the main risk scenarios and defined the corresponding measures to be taken. The findings of this risk assessment and the measures were approved at a meeting of the Board of Directors on 1 July 2009.

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 10 February 2010. They are also subject to approval by the Delegate Assembly on 25 March 2010 (Swiss GAAP ARR Framework / 28).

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

## Notes to the consolidated income statement

	CHF m	CHF m
	2009	2008
Net sales Food	11 365	10 642
Net sales Non Food	7 352	7 629
<b>1 Net sales from goods and services by division</b>	<b>18 717</b>	<b>18 271</b>
Suisse Romande Region	3 937	3 837
Bern Region	2 479	2 529
Nordwestschweiz Region	3 165	3 187
Zentralschweiz-Zürich Region	3 991	4 013
Ostschweiz-Ticino Region	3 254	3 293
Headquarters / Production Switzerland	1 118	1 219
Abroad	773	194
<b>1 Net sales from goods and services</b>	<b>18 717</b>	<b>18 271</b>
Other operating income	540	534
Operating rental income	153	149
Own work capitalized	2	1
Changes in inventories of unfinished and finished goods	2	-0
<b>2 Other operating income</b>	<b>697</b>	<b>684</b>
Wages / salaries	-2 500	-2 391
Social security contributions	-555	-518
Social security contributions as %	22.2	21.7
Other personnel expense	-120	-108
<b>3 Personnel expense</b>	<b>-3 175</b>	<b>-3 017</b>
Rent	-580	-560
Office and administrative costs	-169	-162
Charges and insurance premiums (non-life)	-78	-67
Operations-related taxes	-8	-16
Maintenance and replacement costs	-262	-235
Energy and supplies	-312	-291
Miscellaneous expenses	-393	-402
<b>4 Other operating expenses</b>	<b>-1 803</b>	<b>-1 734</b>
Goodwill	-384	-215
Other intangible assets	-48	-48
Amortization of intangible assets	-431	-263
Furniture, vehicles, machinery	-300	-288
Real estate	-414	-352
Depreciation of tangible fixed assets	-714	-641
Amortization of financial assets	-0	-0
<b>5 Depreciation and amortization</b>	<b>-1 146</b>	<b>-904</b>

	CHF m	CHF m
	2009	2008
Gains on securities and dividends	25	11
Losses on securities	-10	-46
<b>Net valuation gain / loss</b>	<b>14</b>	<b>-35</b>
Currency exchange gains	194	97
Currency exchange losses	-187	-91
<b>Net currency exchange gain / loss</b>	<b>7</b>	<b>6</b>
Other interest income	40	26
Interest and other financial expenses	-134	-126
<b>Net interest income / expense</b>	<b>-94</b>	<b>-100</b>
<b>6 Financial result</b>	<b>-72</b>	<b>-129</b>
Gains on securities and dividends	25	11
Financial expenses	194	97
Other interest income	40	26
<b>Financial income</b>	<b>259</b>	<b>135</b>
Losses on securities	-10	-46
Currency exchange losses	-187	-91
Interest and other financial expenses	-134	-126
<b>Financial expenses</b>	<b>-331</b>	<b>-263</b>
<b>6 Financial result</b>	<b>-72</b>	<b>-129</b>
Rental income	3	5
Profit on the disposal of fixed assets	75	46
Reversal of provisions no longer required		
Reversal of restructuring and integration provisions		
Other non-operating income	12	16
<b>Non-operating income</b>	<b>90</b>	<b>68</b>
Creation of restructuring and integration provisions		
Creation of provisions		-0
Non-operating expenses	-11	-31
Other non-operating property expenses	-4	-6
<b>Non-operating expenses</b>	<b>-15</b>	<b>-37</b>
<b>7 Non-operating result</b>	<b>75</b>	<b>31</b>
Extraordinary income		5
Extraordinary expenses	-9	-2
<b>8 Extraordinary result</b>	<b>-9</b>	<b>4</b>
Creation of income tax reserves, current year	-112	-95
Release of income tax reserves, prior years	31	
Deferred taxes on income	-54	-37
<b>9 Taxes</b>	<b>-135</b>	<b>-132</b>

## Notes to the consolidated balance sheet

	CHF m						
	2009	2008					
Cash and cash equivalents	301	430					
Reka cheques	19	21					
Term deposits	176	125					
<b>10 Cash and cash equivalents</b>	<b>497</b>	<b>576</b>					
Receivables from goods and services	513	494					
Minus 1% allowance	-5	-5					
Amount due from associated organizations	18	13					
<b>11 Receivables from goods and services</b>	<b>525</b>	<b>501</b>					
Other receivables	139	114					
Prepayments to suppliers	4	15					
Other receivables from associated organizations	92	6					
<b>12 Other short-term receivables</b>	<b>234</b>	<b>134</b>					
Prepayments and accrued income	289	199					
Prepaid expenses and accrued income, associated organizations	19	19					
<b>13 Prepayments and accrued income</b>	<b>309</b>	<b>219</b>					
Merchandise	1 610	1 689					
Finished goods (production)	82	98					
Unfinished goods, work in progress	100	34					
Raw materials	128	147					
Supplies and packaging materials	33	27					
Prepayments to suppliers	9	13					
Value adjustment on inventories	-91	-95					
<b>14 Inventories</b>	<b>1 872</b>	<b>1 914</b>					
	Goodwill	Patents/ Trademarks licences	Software	Other intan- gible assets	CHF m	CHF m	
					2009	2008	
<b>Net carrying amount at 1.1</b>	<b>809</b>	<b>0</b>	<b>407</b>	<b>47</b>	<b>16</b>	<b>1 279</b>	<b>1 017</b>
Cost at 1.1	1 358	2	495	144	76	2 075	1 559
Changes to the scope of consolidation	2	0	0	2		5	21
Investments	645	0		20	2	666	520
Disposals		-0		-4	-37	-41	-14
Impact of changes in currency exchange rates	-0	-0	-0	-0	-0	-0	-9
Reclassifications	-0			0	2	2	-2
<b>Cost at 31.12</b>	<b>2 004</b>	<b>2</b>	<b>496</b>	<b>162</b>	<b>43</b>	<b>2 707</b>	<b>2 075</b>
Accumulated amortization at 1.1	-548	-2	-89	-97	-60	-796	-542
Changes to the scope of consolidation	-2	-0	-0	-2		-4	-6
Amortization	-214	-0	-25	-20	-3	-262	-200
Extraordinary depreciation	-170					-170	-63
Accumulated amortization on disposals		0		4	37	41	14
Impact of changes in currency exchange rates	0	0	0	0	0	0	0
Reclassifications	0					0	
<b>Accumulated amortization at 31.12</b>	<b>-933</b>	<b>-2</b>	<b>-114</b>	<b>-115</b>	<b>-26</b>	<b>-1 190</b>	<b>-796</b>
<b>15 Intangible assets at 31.12</b>	<b>1 071</b>	<b>0</b>	<b>381</b>	<b>47</b>	<b>17</b>	<b>1 517</b>	<b>1 279</b>

	Employer contribution reserve	Financial assets held at banks	Other financial assets	Deferred tax assets	Associated organi- zations	CHF m 2009	CHF m 2008
<b>Net carrying amount at 1.1</b>	<b>16</b>	<b>0</b>	<b>389</b>	<b>17</b>	<b>162</b>	<b>584</b>	<b>384</b>
Changes to the scope of consolidation		-0	-1			-1	2
Additions	1	0	193	0	800	994	224
Disposals	-2		-158	-16	-0	-176	-10
Value adjustments			-0	0	-9	-9	2
Impact of changes in currency exchange rates		-0	-15	-0	-16	-31	-18
Reclassifications				-1	-90	-91	
<b>16 Financial assets at 31.12</b>	<b>16</b>	<b>-0</b>	<b>409</b>		<b>846</b>	<b>1 271</b>	<b>584</b>

Loans to associated organizations	312	288
Amounts secured by lien due from third parties	1	1
Loans to third parties	30	34
Other financial assets, third parties	67	66
<b>Other financial assets</b>	<b>409</b>	<b>389</b>

	Furniture/ tools	Vehicles	IT	Plant and machinery	CHF m 2009	CHF m 2008
<b>Net carrying amount at 1.1</b>	<b>799</b>	<b>76</b>	<b>113</b>	<b>342</b>	<b>1 330</b>	<b>1 293</b>
Cost at 1.1	1 669	177	355	943	3 144	2 941
Changes to the scope of consolidation	10	2	0	69	81	149
Investments	168	29	29	65	290	303
Disposals	-94	-26	-46	-37	-203	-234
Impact of changes in currency exchange rates	-0	-0	-0	-1	-1	-10
Reclassifications	16	1	11	-28	-0	-5
<b>Cost at 31.12</b>	<b>1 770</b>	<b>183</b>	<b>348</b>	<b>1 010</b>	<b>3 312</b>	<b>3 144</b>
Accumulated depreciation at 1.1	-870	-101	-242	-601	-1 814	-1 649
Changes to the scope of consolidation	-7	-1	0	-50	-58	-119
Depreciation	-172	-20	-45	-63	-300	-288
Extraordinary depreciation						
Accumulated depreciation on disposals	93	24	46	36	199	232
Impact of changes in currency exchange rates	0	0	0	1	1	8
Reclassifications	-8	-1	1	10	2	1
<b>Accumulated depreciation at 31.12</b>	<b>-964</b>	<b>-100</b>	<b>-241</b>	<b>-667</b>	<b>-1 971</b>	<b>-1 814</b>
<b>17 Furniture, vehicles, machinery at 31.12</b>	<b>807</b>	<b>83</b>	<b>108</b>	<b>343</b>	<b>1 341</b>	<b>1 330</b>

	Undeveloped plots of land	Installations	Real estate	Real estate not used for op. Purposes	CHF m 2009	CHF m 2008
<b>Net carrying amount at 1.1</b>	<b>44</b>	<b>984</b>	<b>5 253</b>	<b>81</b>	<b>6 361</b>	<b>6 143</b>
Cost at 1.1	47	1 831	8 030	156	10 064	9 546
Changes to the scope of consolidation		-17	92		75	514
Investments	17	129	297	1	443	378
Disposals	-3	-51	-197	-24	-275	-365
Impact of changes in currency exchange rates		-0	-1	-0	-1	-15
Reclassifications	-0	-24	15	0	-9	6
<b>Cost at 31.12</b>	<b>61</b>	<b>1 868</b>	<b>8 236</b>	<b>132</b>	<b>10 297</b>	<b>10 064</b>
Accumulated depreciation at 1.1	-4	-848	-2 778	-74	-3 704	-3 403
Changes to the scope of consolidation		10	-28		-17	-185
Depreciation		-118	-223	-4	-345	-337
Extraordinary depreciation			-76		-76	-18
Accumulated depreciation on disposals	0	49	98	16	164	235
Impact of changes in currency exchange rates		0	1	-0	1	5
Reclassifications		18	-13		5	-1
<b>Accumulated depreciation at 31.12</b>	<b>-4</b>	<b>-889</b>	<b>-3 018</b>	<b>-62</b>	<b>-3 973</b>	<b>-3 704</b>
<b>18 Real estate at 31.12</b>	<b>57</b>	<b>979</b>	<b>5 218</b>	<b>70</b>	<b>6 325</b>	<b>6 361</b>

#### Buildings under construction (included in "Real estate")

	CHF m 2009	CHF m 2008
<b>Net carrying amount at 1.1</b>	<b>67</b>	<b>29</b>
Cost at 1.1	67	29
Changes to the scope of consolidation	0	9
Investments	123	50
Disposals	-0	
Impact of changes in currency exchange rates	-0	-0
Capitalization	-64	-20
Reclassifications		
<b>Cost at 31.12</b>	<b>126</b>	<b>67</b>
Accumulated depreciation at 1.1		
Changes to the scope of consolidation		
Depreciation		
Extraordinary depreciation		
Accumulated depreciation on disposals		
Reclassifications		
<b>Accumulated depreciation at 31.12</b>		
<b>Buildings under construction at 31.12</b>	<b>126</b>	<b>67</b>
<b>Carrying amount of pledged assets</b>	<b>63</b>	<b>132</b>
<b>Secured liabilities</b>	<b>33</b>	<b>16</b>

	CHF m	CHF m
	2009	2008
Payables from goods and services	1 104	1 078
Amount due to associated organizations	20	18
<b>19 Payables from goods and services</b>	<b>1 124</b>	<b>1 096</b>

Bank current accounts	6	17
Bank loans	246	381
Other short-term financial liabilities	300	647
Other short-term liabilities to associated organizations	1	
Short-term portion of long-term financial liabilities	741	961
<b>20 Short-term financial liabilities</b>	<b>1 294</b>	<b>2 006</b>

Vouchers in circulation	9	11
Prepayments from customers	186	169
Other taxes	190	193
Other short-term liabilities	71	78
<b>21 Other short-term liabilities, non-interest-bearing</b>	<b>455</b>	<b>450</b>

	Pension funds	Restructurings	Supercard	Other provisions	CHF m	CHF m
					2009	2008
Short-term provisions at 1.1	32	0	73	55	160	149
Changes to the scope of consolidation	0			0	1	28
Creation of provisions	25	0		37	62	120
Use of provisions	-24	-0	-73	-42	-140	-122
Reversal of provisions no longer required	-7			-9	-16	-5
Reclassifications	3		73	9	85	-8
Impact of changes in currency exchange rates	-0			-0	-0	-2
<b>22 Short-term provisions at 31.12</b>	<b>30</b>	<b>0</b>	<b>73</b>	<b>50</b>	<b>153</b>	<b>160</b>

	CHF m	CHF m
	2009	2008
Accrued liabilities and deferred income	610	546
Accrued liabilities and deferred income, associated organizations	4	4
<b>23 Accrued liabilities and deferred income</b>	<b>615</b>	<b>550</b>

					CHF m	CHF m
					2009	2008
<b>Deposit and investment accounts</b>					<b>973</b>	<b>755</b>
<b>Medium-term notes</b>					<b>461</b>	<b>517</b>
Coop	2007–2010	3 1/8 %		175		
Coop	2004–2011	2 3/4 %		250		
Coop	2005–2012	2 1/2 %		250		
Coop	2008–2013	3 1/2 %		150		
Coop	2009–2014	3 1/2 %		500		
Coop	2009–2015	3 1/4 %		500		
<b>Bonds</b>					<b>1 825</b>	<b>1 075</b>
<b>Bank loans</b>					<b>405</b>	<b>397</b>
<b>Mortgages</b>					<b>7</b>	<b>13</b>
<b>Other loans</b>					<b>198</b>	<b>169</b>
<b>Pension fund obligations</b>						<b>0</b>
<b>Short-term portion of long-term financial liabilities</b>					<b>-741</b>	<b>-961</b>
<b>24 Long-term financial liabilities</b>					<b>3 128</b>	<b>1 966</b>

	Pension funds	Restructurings	Deferred taxes	Super-card	Other provisions	CHF m	CHF m
						2009	2008
<b>Long-term provisions at 1.1</b>	<b>71</b>		<b>714</b>	<b>170</b>	<b>124</b>	<b>1 078</b>	<b>948</b>
Changes to the scope of consolidation	4		2		6	12	22
Creation of provisions	13		57	240	24	333	199
Use of provisions	-0		-0	-161	-14	-175	-87
Reversal of provisions no longer required	-1		-18		-38	-57	-12
Reclassifications	-3		0	-73	-9	-84	8
Impact of changes in currency exchange rates	0		-0		-0	-0	-1
<b>25 Long-term provisions at 31.12</b>	<b>84</b>		<b>755</b>	<b>176</b>	<b>92</b>	<b>1 107</b>	<b>1 078</b>

	CHF m	CHF m
	2009	2008
<b>Personnel</b>	<b>5</b>	<b>6</b>
<b>Value-added tax</b>	<b>27</b>	<b>45</b>
<b>Sales outlets</b>	<b>41</b>	<b>39</b>
<b>Legal cases</b>	<b>14</b>	<b>7</b>
<b>Miscellaneous</b>	<b>56</b>	<b>82</b>
<b>Other provisions (short- and long-term)</b>	<b>142</b>	<b>179</b>
<b>Other provisions short-term</b>	<b>50</b>	<b>55</b>
<b>Other provisions long-term</b>	<b>92</b>	<b>124</b>
<b>Other provisions (short- and long-term)</b>	<b>142</b>	<b>179</b>
<b>Short-term financial liabilities</b>	<b>1 294</b>	<b>2 006</b>
<b>Long-term financial liabilities</b>	<b>3 128</b>	<b>1 966</b>
<b>Financial liabilities</b>	<b>4 422</b>	<b>3 971</b>
<b>Non-interest-bearing liabilities</b>	<b>3 454</b>	<b>3 335</b>
<b>26 Liabilities</b>	<b>7 876</b>	<b>7 306</b>
<b>Financial liabilities</b>	<b>4 422</b>	<b>3 971</b>
<b>Cash and cash equivalents</b>	<b>-497</b>	<b>-576</b>
<b>Net financial liabilities</b>	<b>3 925</b>	<b>3 395</b>

## Notes to the consolidated cash flow statement

		CHF m		CHF m
		2009		2008
Investments in intangible assets	-24		-24	
Investments in furniture, vehicles, machinery	-290		-299	
Investments in real estate	-441		-382	
Real estate, own work capitalized	-2	-757	-1	-707
Disposals of intangible assets	0			
Disposals of furniture, vehicles, machinery	5		3	
Disposals of real estate	186	191	175	178
Reclassifications of intangible assets			-2	
Reclassifications of furniture, vehicles, machinery			-3	
Reclassifications of real estate			5	
<b>Net investments in tangible fixed assets</b>		<b>-566</b>		<b>-529</b>
Investments in consolidated organizations	-1 290		-833	
Investments in financial assets / securities	-408	-1 698	-200	-1 033
Disposals of consolidated organizations	4		7	
Disposals of financial assets / securities	204		79	
Reclassifications of financial assets / securities		208		86
<b>27 Cash flow from investing activities</b>		<b>-2 055</b>		<b>-1 476</b>
Investments in intangible assets	-24		-24	
Investments in furniture, vehicles, machinery	-290		-299	
Investments in real estate	-441		-382	
Investments in consolidated organizations	-1 290		-833	
Investments in financial assets / securities	-408		-200	
Real estate, own work capitalized	-2	-2 455	-1	-1 740
Disposals of intangible assets	0			
Disposals of furniture, vehicles, machinery	5		3	
Disposals of real estate	186		175	
Disposals of consolidated organizations	4		7	
Disposals of financial assets / securities	204	400	79	264
Reclassifications of intangible assets			-2	
Reclassifications of furniture, vehicles, machinery			-3	
Reclassifications of real estate			5	
Reclassifications of financial assets / securities				
<b>27 Cash flow from investing activities</b>		<b>-2 055</b>		<b>-1 476</b>

## Additional notes to the consolidated financial statements

Pension institutions (in CHF m)	Nominal value	Balance sheet		Changes in expense		
		31.12.2009	31.12.2009	31.12.2008	2009	2008
Employer contribution reserve (ECR)						
Patronage funds / patronage pension institutions	2	2	2		2	
Pension institutions	13	13	13	0	2	
<b>ECR</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>4</b>	
		Coop's economic share				
<b>Economic benefit / obligation</b>	Surplus / deficit	31.12.2009	31.12.2008			
Patronage funds / patronage pension institutions		6	6			
Pension funds without surpluses / deficit						
Pension funds with deficits	-125			250	218	
Pension funds with surpluses	1	1		1		
<b>Economic benefit / economic obligation and pension benefit expenses</b>	<b>-124</b>	<b>7</b>	<b>6</b>	<b>251</b>	<b>218</b>	

	CHF m	CHF m
	2009	2008
<b>Contributions to pension institutions</b>		
Statutory employee contributions	111	101
Statutory employer contributions	250	218
Pension institutions obligation		0
of which secured by lien		0
<b>Contingent liabilities</b>		
Guarantees, guarantee obligations	57	38
<b>Fire insurance values</b>		
Tangible fixed assets	13 080	12 581
<b>Obligations from non-capitalized operating lease by due date</b>		
2009		2
2010	3	2
2011	3	2
2012	1	1
2013–2015	0	
> 2015	0	
<b>Commitments from long-term rental and right-to-build agreements broken down by term</b>		
2009		492
2010	546	486
2011	520	454
2012	510	422
2013–2015	1 297	1 074
> 2015	2 817	2 430
<b>Currency translation</b>		
	2009	2008
The following exchange rates were used for the purposes of translating financial statements in foreign currencies:		
<b>Closing rates for the balance sheet</b>		
EUR 1	1.485	1.490
HKD 1	0.133	0.138
USD 1	1.035	1.070
GBP 1	1.670	1.560
JPY 100	1.115	1.175
<b>Annual average rates for the income statement</b>		
EUR 1	1.509	1.579
HKD 1	0.140	0.138
USD 1	1.084	1.077
GBP 1	1.695	1.978
JPY 100	1.157	1.052

Off-balance-sheet transactions		Contract values			Assets		Liabilities	
		CHF m	CHF m	CHF m	CHF m	CHF m	CHF m	
Outstanding derivatives		2009	2008	2009	2008	2009	2008	
Purpose								
Foreign exchange	Hedging	315	1 520	2	8	-1	-8	
Interest rates	Hedging / trading	150	150	14	15			
Equity instruments	Other purposes	127	145					
Other underlying assets	Hedging	588	400		3	-0	-2	

#### Related party transactions (included in the income statement)

	CHF m	CHF m
Equity method-accounted organizations:	2009	2008
Net sales	195	204
Operating rental income	3	3
Other operating income	48	30
Interest income	18	17
Merchandise expense	186	193
Office and administrative expense	6	1
Fees		
Rental expense		
Advertising expense	2	2
Miscellaneous expenses	16	16

#### Most significant components of acquired organizations

##### Coop

transCoop GmbH		
Financial assets	120	
Parking Pré Bournoud SA		
Real estate	17	
Liabilities	12	
transGourmet Holding S.E. (consolidated by the equity method)		
Inventories	769	
Intangible assets	218	
Tangible fixed assets	1 725	
Financial liabilities	1 078	
Other payables	1 132	
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

	CHF m	CHF m
	2009	2008
<b>Palink UAB (group IKI) (consolidated by the equity method)</b>		
Inventories		63
Tangible fixed assets		120
Short-term liabilities, non-interest-bearing		137
<b>Hobby AG</b>		
Cash & cash equivalents		5
Inventories		4
Tangible fixed assets		14
Liabilities		6
<b>Bell Holding AG</b>		
<b>ZIMBO Fleisch- und Wurstwaren GmbH &amp; Co. KG</b>		
Cash & cash equivalents and receivables		46
Inventories		16
Tangible fixed assets		116
Financial liabilities		27
<b>SAS Salaison Polette &amp; Cie</b>		
Cash & cash equivalents and receivables		15
Inventories		11
Tangible fixed assets		31
Financial liabilities		19
<b>Abraham Group</b>		
Tangible fixed assets	63	
Inventories	63	
Receivables	46	
Payables	98	
<b>Stastnik sp.z.o.o</b>		
Receivables	1	
Inventories	1	
Tangible fixed assets	7	
Liabilities	2	
<b>Salaisons St-André SA</b>		
Receivables	7	
Inventories	4	
Tangible fixed assets	4	
Liabilities	16	
<b>Most significant components of sold organizations</b>		
<b>Alcoba Distribution S.A.</b>		
Inventories		-5
Tangible fixed assets		-9
Liabilities		-18
<b>Maurer frères S.A.</b>		
Receivables	-4	
Tangible fixed assets	-11	
Liabilities	-11	

## Coop scope of consolidation

at 31.12.2009		Interest held	Share capital	Method of
		by the Group	31.12.2009	inclusion <sup>1</sup>
		%	CHF m	
<b>Coop</b>	<b>Basel</b>			
<b>Bell Holding AG</b>	<b>Basel</b>	<b>66.29</b>	<b>2.0</b>	<b>F</b>
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	€ 2.9	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
Stastnik sp.z.o.o	PL-Niepolomice	100.00	PLN 7.0	F
ZIMBO Húsipari Termelő Kft.	HU-Perbal	99.50	HUF 250.0	F
S.C. ZIMBO Romania s.r.l.	RO-Romania	100.00	RON 0.1	F
ZIMBO LLC	RU-Moskau	100.00	RUB 0.2	F
Marco Polo N.V.	BE-Zellik	99.90	€ 4.3	P
Stuyckberg Business Center N.V.	BE-Zellik	100.00	€ 0.1	P
The Fresh Connection N.V.	BE-Zellik	99.70	€ 0.6	P
Coldlog N.V.	BE-Zellik	99.90	€ 0.1	P
The Fresh Connection Nederland B.V.	NL-Dr Houten	76.00	€ 0.0	P
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
Novak Mäso - údeniny s.r.o.	SI-Nitra	90.00	€ 0.0	F
ZIMBO Fleisch- und Wurstwaren Verwaltungs-GmbH	DE-Bochum	70.00	€ 0.0	F
Abraham GmbH	DE-Seevetal	75.00	€ 0.1	F
Abraham Schinken GmbH & Co. KG	DE-Brassel-Harkebrügge	100.00	€ 0.4	F
Gebr. Abraham GmbH & Co. KG	DE-Seevetal	100.00	€ 1.8	F
Gebr. Abraham Schinken GmbH	DE-Seevetal	100.00	€ 0.0	F
Abraham Benelux S.A.	BE-Libramont-Chevigny	100.00	€ 0.3	F
Abraham Polska sp.z.o.o	PL-Warschau	100.00	PLN 0.1	F
Sanchez Alcaraz S.L.	ES-Casarrubios del Monte	80.00	€ 0.6	F
Abraham Schwarzwälder Schinken GmbH	DE-Schiltach	51.00	€ 0.0	F
Grundstücksgesellschaft Abraham bmH & Co. KG	DE-Seevetal	100.00	€ 0.0	F
Abraham Grundstücksverwaltungs GmbH	DE-Seevetal	100.00	€ 0.0	F
Abraham France S.à r.l.	FR-Bussy Saint Georges	80.00	€ 0.0	F
Bell France SAS	FR-Kingersheim	100.00	€ 10.0	F
SAS Salaison Polette & Cie	FR-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 Cedex	100.00	€ 1.6	F
Salaisons St-André SA	FR-St-André-sur-Vieux-Jonc	100.00	€ 1.1	F
Centravo AG	Zürich	29.80 <sup>2</sup>	2.4	E
Frigo St. Johann AG	Basel	100.00	2.0	F
SBA Schlachtbetrieb Basel AG	Basel	48.00	0.3	E
<b>Betty Bossi Verlag AG</b>	<b>Zürich</b>	<b>50.00</b>	<b>0.2</b>	<b>E</b>
<b>BG Rosengarten Solothurn AG</b>	<b>Solothurn</b>	<b>62.00</b>	<b>0.1</b>	<b>F</b>
<b>CAG Verwaltungs AG</b>	<b>Basel</b>	<b>100.00</b>	<b>1.0</b>	<b>F</b>
<b>Centre de formation "du Leman"</b>	<b>Jongny</b>	<b>100.00</b>	<b>0.0</b>	<b>F</b>
<b>Coop Bildungszentrum</b>	<b>MuttENZ</b>	<b>100.00</b>	<b>0.4</b>	<b>F</b>
<b>Coop Immobilien AG</b>	<b>Bern</b>	<b>100.00</b>	<b>855.4</b>	<b>F</b>
<b>Coop-ITS-Travel AG</b>	<b>Wollerau</b>	<b>50.00</b>	<b>0.5</b>	<b>E</b>

at 31.12.2009		Interest held by the Group %	Share capital 31.12.2009 CHF m	Method of inclusion <sup>1</sup>
<b>Coop Mineraloel AG</b>	<b>Allschwil</b>	<b>51.00</b>	<b>10.0</b>	<b>F</b>
Tanklager Rothenburg AG	Rothenburg	33.33	1.7	E
<b>Coop Switzerland Far East Ltd.</b>	<b>HK-Hongkong</b>	<b>100.00</b>	<b>HKD 0.1</b>	<b>F</b>
<b>Coop Vitality AG</b>	<b>Bern</b>	<b>51.00</b>	<b>5.0</b>	<b>F</b>
<b>Coopernic SCRL</b>	<b>BE-Bruxelles</b>	<b>20.00</b>	<b>€ 0.8</b>	<b>E</b>
<b>Dipl. Ing. Fust AG</b>	<b>Oberbüren</b>	<b>100.00</b>	<b>10.0</b>	<b>F</b>
Service 7000 AG	Netstal	50.10	1.6	F
<b>Distributis AG</b>	<b>Dietlikon</b>	<b>100.00</b>	<b>7.5</b>	<b>F</b>
<b>Distributis Moncor SA</b>	<b>Villars-sur-Glâne</b>	<b>100.00</b>	<b>3.0</b>	<b>F</b>
<b>Eurogroup SA</b>	<b>BE-Bruxelles</b>	<b>50.00</b>	<b>€ 0.2</b>	<b>E</b>
Eurogroup S.r.L.	IT-Scafati	100.00	€ 0.0	F
Eurogroup España Frutas y Verduras S.A.	ES-Valencia	100.00	€ 0.1	F
<b>Eurogroup Far East Ltd.</b>	<b>HK-Hongkong</b>	<b>33.30</b>	<b>HKD 0.0</b>	<b>E</b>
<b>HiCoPain AG</b>	<b>Dagmersellen</b>	<b>40.00</b>	<b>20.0</b>	<b>E</b>
<b>Hobby AG</b>	<b>Heimberg</b>	<b>100.00</b>	<b>0.3</b>	<b>F</b>
<b>Palink UAB</b>	<b>LT-Vilnius</b>	<b>20.00</b>	<b>LT 12.4</b>	<b>E</b>
<b>Panflor AG</b>	<b>Zürich</b>	<b>100.00</b>	<b>0.1</b>	<b>F</b>
<b>Parking Pré Bournoud SA</b>	<b>Prilly</b>	<b>100.00</b>	<b>5.6</b>	<b>F</b>
<b>PG Immobilien SA</b>	<b>Basel</b>	<b>100.00</b>	<b>2.5</b>	<b>F</b>
<b>Swisscare GmbH</b>	<b>DE-Konstanz</b>	<b>100.00</b>	<b>€ 0.0</b>	<b>F</b>
<b>Toomax-x Handelsgesellschaft m.b.H.</b>	<b>DE-Köln</b>	<b>25.00</b>	<b>€ 0.3</b>	<b>E</b>
<b>transCoop GmbH</b>	<b>DE-Köln</b>	<b>100.00</b>	<b>€ 0.0</b>	<b>F</b>
<b>transGourmet Holding S.E.</b>	<b>DE-Köln</b>	<b>50.00</b>	<b>€ 2.1</b>	<b>E</b>
transGourmet Schweiz AG	Basel	100.00	66.5	F
transGourmet France SAS (group)	FR-Orly	100.00	€ 206.8	F
Grossopanel AG	Stans	39.80	0.1	E
Howag Gastroservice Zermatt AG	Zermatt	35.00	0.1	E
Valentin Pontresina AG	Pontresina	50.00	0.2	E
Fegro / Selgros (group)	DE-Neu-Isenburg	100.00	€ 160.5	F
GVS / Stöver (group)	DE-Mainz	100.00	€ 5.5	F
<b>Tropenhaus Frutigen AG</b>	<b>Frutigen</b>	<b>40.00</b>	<b>0.7</b>	<b>E</b>
<b>Tropenhaus Wolhusen AG</b>	<b>Gettnau</b>	<b>40.00</b>	<b>5.0</b>	<b>E</b>
<b>TT Immobilien AG</b>	<b>Oberentfelden</b>	<b>100.00</b>	<b>10.0</b>	<b>F</b>
<b>Waro AG</b>	<b>Basel</b>	<b>100.00</b>	<b>0.1</b>	<b>F</b>

<sup>1</sup>F = Fully consolidated company

E = Organization consolidated by the equity method

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

<sup>2</sup>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 72 – 93, for the year ended December 31, 2009.

*Board of Directors' Responsibility*

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

*Auditor's Responsibility*

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

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

**Opinion**

In our opinion, the consolidated financial statements for the year ended December 31, 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

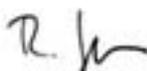
**Report on other legal requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 906 CO in connection with article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

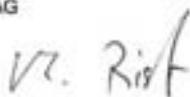
In accordance with article 906 CO in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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 10, 2010

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## ADDRESSES

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As at 1 March 2010

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### Coop Head Office

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**Presidium of Executive Committee**  
Hansueli Loosli

---

**Marketing / Purchasing Business Unit**  
Jürg Peritz

---

**Finance and Services Business Unit**  
Hans Peter Schwarz

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Coop  
Thiersteinallee 12  
Postfach 2550  
4002 Basel  
Tel. +41 61 336 66 66  
Fax +41 61 336 60 40

---

**Retail Business Unit**  
Philipp Wyss

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Coop  
Direktion Retail  
Reservatstrasse 1  
Postfach  
8953 Dietikon  
Tel. +41 44 275 44 11  
Fax +41 44 275 40 13

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**Trading Business Unit**  
Joos Sutter

---

Coop  
Direktion Trading  
Postfach  
5600 Lenzburg 1  
Tel. +41 62 885 92 02  
Fax +41 62 892 03 63

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### Coop Bau+Hobby

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#### Coop City

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**Logistics Business Unit**  
Leo Ebnetter

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Coop  
Direktion Logistik  
Industriestrasse 109  
Postfach  
9201 Gossau  
Tel. +41 71 388 44 11  
Fax +41 71 388 46 42

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**Property Business Unit**  
Jean-Marc Chapuis

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Coop  
Direktion Immobilien  
Kasparstrasse 7  
Postfach  
3027 Bern  
Tel. +41 31 998 64 00  
Fax +41 31 998 64 96

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### Coop Regions

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**Suisse Romande**  
Coop  
Région Suisse Romande  
Chemin du Chêne 5  
Case postale 518  
1020 Renens  
Tel. +41 21 633 41 11  
Fax +41 21 633 42 11

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**Bern**  
Coop  
Region Bern  
Riedbachstrasse 165  
Postfach  
3001 Bern  
Tel. +41 31 980 91 11  
Fax +41 31 980 96 26

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**Nordwestschweiz**  
Coop  
Region Nordwestschweiz  
Güterstrasse 190  
Postfach 2575  
4002 Basel  
Tel. +41 61 327 75 00  
Fax +41 61 327 75 65

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**Zentralschweiz-Zürich**  
Coop  
Region Zentralschweiz-Zürich  
Reservatstrasse 1  
Postfach  
8953 Dietikon  
Tel. +41 44 275 44 11  
Fax +41 44 275 40 13

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**Ostschweiz-Ticino**  
Coop  
Region Ostschweiz  
Industriestrasse 109  
Postfach  
9201 Gossau  
Tel. +41 71 388 44 11  
Fax +41 71 388 44 39

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Coop  
Regione Ticino  
Via Industria  
Casella postale 173  
6532 Castione  
Tel. +41 91 822 35 35  
Fax +41 91 822 35 36

---

### Subsidiaries

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**Coop Mineraloel AG**  
Hegenheimerweg 65  
Postfach  
4123 Allschwil 1  
Tel. +41 61 485 41 41  
Fax +41 61 482 03 66  
www.coop-mineraloel.ch

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**Coop Vitality AG**  
Untermattweg 8  
Postfach  
3001 Bern  
Tel. +41 58 852 86 20  
Fax +41 58 852 86 30  
www.coopvitality.ch

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**Dipl. Ing. Fust AG**  
Buchental 4  
9245 Oberbüren-Uzwil  
Tel. +41 71 955 50 50  
Fax +41 71 955 55 00  
www.fust.ch

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**Bell Holding AG**  
Elsässerstrasse 174  
Postfach 2356  
4056 Basel  
Tel. +41 61 326 26 26  
Fax +41 61 322 10 84  
www.bell.ch

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**Transgourmet Holding S.E., Köln**  
c/o Coop  
Thiersteinallee 12  
Postfach 2550  
4002 Basel  
Tel. +41 61 336 66 58  
Fax +41 61 336 66 69

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**Coop ITS Travel AG**  
Industriestrasse 25  
8604 Volketswil  
Tel. +41 44 908 28 28  
Fax +41 44 908 28 30  
www.itscoop.ch

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## Divisions

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### Interdiscount

Division der Coop  
Bernstrasse 90  
3303 Jegenstorf  
Tel. +41 31 764 44 44  
Fax +41 31 764 44 00  
www.interdiscount.ch

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### Toptip

Division der Coop  
Köllikerstrasse 80  
5036 Oberentfelden  
Tel. +41 62 737 11 11  
Fax +41 62 737 11 12  
www.toptip.ch

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### Import Parfumerie

Division der Coop  
Rudolf Diesel-Strasse 25  
8404 Winterthur  
Tel. +41 52 234 34 34  
Fax +41 52 234 34 35  
www.impo.ch

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### Christ Uhren & Schmuck

Division der Coop  
Rudolf Diesel-Strasse 25  
8404 Winterthur  
Tel. +41 52 234 48 48  
Fax +41 52 234 48 49  
www.christ-swiss.ch

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### Swissmill

Division der Coop  
Sihlquai 306  
Postfach  
8037 Zürich  
Tel. +41 44 447 25 25  
Fax +41 44 447 25 88  
www.swissmill.ch

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### Chocolats Halba

Division der Coop  
Alte Winterthurerstrasse 1  
Postfach 467  
8304 Wallisellen  
Tel. +41 44 877 10 10  
Fax +41 44 877 19 99  
www.halba.ch

---

### Nutrex

Division der Coop  
Juraweg 5  
3292 Buswil b. Büren  
Tel. +41 32 386 79 11  
Fax +41 32 386 79 19  
www.nutrex.ch

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### CWK-SCS

Division der Coop  
St. Gallerstrasse 180  
Postfach 53  
8411 Winterthur  
Tel. +41 52 234 44 44  
Fax +41 52 234 43 43  
www.cwk-scs.ch

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### Pasta Gala

Division de la Coop  
Rue Docteur Yersin 10  
Case postale  
1110 Morges 1  
Tel. +41 21 804 93 00  
Fax +41 21 804 93 01  
www.pastagala.ch

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### Reismühle Brunnen

Division der Coop  
Industriestrasse 1  
Postfach 460  
6440 Brunnen  
Tel. +41 41 825 30 00  
Fax +41 41 825 30 09  
www.reismuehle.ch

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### Sunray

Division der Coop  
Gallenweg 8  
4133 Pratteln  
Tel. +41 61 825 44 44  
Fax +41 61 825 46 88  
www.sunray.ch

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4002 Basel  
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www.coop.ch

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