



Coop Group  
Annual Report

# 2012





Key figures →

## Key figures

	2012	2011	Change	Index %	
<b>Key financial data in CHF million</b>					
Cash turnover of sales outlets	17 937	17 902	+35	100.2	
Onward retail sales to third parties	592	542	+50	109.1	
Retail turnover	18 529	18 444	+85	100.5	
Wholesale turnover in Switzerland	1 780	1 823	-43	97.7	
Wholesale turnover abroad	7 509	7 460	+49	100.7	
Total sales	27 818	27 727	+91	100.3	
Net sales from goods and services	26 731	26 640	+91	100.3	
EBITDA	1 930	1 917	+13	100.7	
EBIT – operating income	737	713	+24	103.4	
Profit / loss	452	432	+20	104.6	
Financial liabilities	4 872	5 080	-208	95.9	
Net financial liabilities	3 943	4 638	-695	85.0	
Equity incl. minority interests	7 262	6 786	+476	107.0	
Total assets	16 880	16 492	+387	102.3	
Cash flow before change in net current assets	1 770	1 748	+22	101.3	
Cash flow from operating activities	1 711	1 761	-50	97.1	
Cash flow from investing activities	-950	-3 116	+2 166	..	
Cash flow from financing activities	-275	40	-315	..	
<b>Relative indicators in %</b>					
Quick ratio	46.1	32.6	+13.4	141.2	
Ratio of equity and long-term liabilities to non-current assets	103.7	96.5	+7.3	107.5	
Debit ratio	57.0	58.9	-1.9	96.8	
EBITDA margin	7.2	7.2	+0.0	100.3	
EBIT margin	2.8	2.7	+0.1	103.0	
Profit margin	1.7	1.6	+0.1	104.3	
Operating cash flow margin	6.4	6.6	-0.2	96.8	
Debt coverage ratio	Target value: < 3.0	2.0	2.4	-0.4	84.9
Interest coverage ratio	Target value: > 8.0	21.8	10.9	+10.9	199.3
Equity ratio incl. minority interests	Target value: > 40.0	43.0	41.1	+1.9	104.6
<b>Employees</b>					
Employees at 31.12	75 309	75 361	-52	99.9	
Full-time equivalents	64 416	64 402	+14	100.0	
<b>Sales outlets retail</b>					
Number of sales outlets retail at 31.12	2 017	1 991	+26	101.3	
Sales area retail in m <sup>2</sup> at 31.12	1 773 231	1 761 173	+12 058	100.7	
Sales area retail in m <sup>2</sup> (annual average)	1 767 202	1 752 284	+14 918	100.9	
<b>Markets CC cash &amp; carry</b>					
Number of markets CC cash & carry at 31.12	111	109	+2	101.8	
Sales area of markets CC cash & carry in m <sup>2</sup> at 31.12	909 416	894 327	+15 089	101.7	
<b>Members</b>					
Number of members at 31.12	2 950 096	2 895 062	+55 034	101.9	

Prior-year figures restated

**Retail**


**Manufacturing**


**Wholesale**



Coop own-label brands

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

 <b>Qualité &amp; Prix</b> For value and quality 5000 times over.	 For your lowest-price guarantee.	 For special moments.	 For freshness and convenience.	 For well-balanced enjoyment.
	 For clever nutrition.	 For vegetarian enjoyment.	 For deliciously carefree nourishment.	 For now.

**Coop own-label sustainability brands and quality labels**

 For love of nature.	 For animal-friendly husbandry.	 For a green alternative.	 For fashion and fairness.	 For our mountains. For our farmers.	

**Coop own-label non-food brands**

--	--

Coop Group  
**Annual Report**

**2012**

**5 Foreword****6 Company structure**

- 6 Board of Directors
- 7 Executive Committee

**8 Milestones in 2012****10 Operating environment**

- 10 Economic environment
  - 10 Private consumption still a strong mainstay
  - 10 Price differential compared with other countries
  - 10 Dismantling cost barriers for Switzerland
  - 11 Rising prices of most raw materials
- 11 Political environment
  - 11 Shift freight to rail!
  - 11 Waste and recycling on the political agenda

## Retail

**13 Sales formats**

- 13 Supermarkets and megastores
  - 13 823 supermarkets and megastores underscore Coop's customer focus
  - 14 Customers benefit from satisfaction guarantee
- 14 Specialist formats
  - 14 New cash register system for Coop City
  - 14 Building & Hobby expands gardening expertise
  - 14 Interdiscount doubles online sales
  - 14 Toptip and Lumimart drive forward modernization
  - 15 New look for Import Parfumerie stores
  - 15 Christ Watches & Jewellery: unique online shop
  - 15 Dipl. Ing. Fust expands range of services
  - 15 Coop Vitality launches own-label line
  - 15 New look for The Body Shop Switzerland
  - 15 Coop Mineraloel AG maintains market leadership
  - 15 Coop Pronto Shops advance further
- 16 Online formats
  - 16 Double-digit growth of Coop@home
  - 16 Microspot.ch opens a second showroom
  - 16 Heating oil: more online customers want the ecological option
  - 16 ITS Coop Travel welcomes more guests
- 16 Catering/restaurant and hotel business
  - 16 Coop catering: where everyone's welcome
  - 16 BâleHotels facing major challenges
  - 17 Greenhouses combine the enjoyable and the exotic

**19 Offering and pricing performance**

- 19 Pricing
  - 19 Price-cutting rounds continued
  - 20 Expansion of parallel imports
  - 20 Price monitor: five years of low prices
- 20 Product range diversity
  - 20 Great variety with focuses on sustainability
- 20 Coop own-label sustainability brands and quality labels
  - 20 Naturaplan: steady growth
  - 20 Naturafarm: promoting animal welfare
  - 21 Oecoplan: products with ecological value added
  - 21 Naturaline: recipient of an international award
  - 21 Pro Montagna: five successful years
  - 21 Pro Specie Rara: for a rare treat
  - 21 Slow Food: new product logo
  - 21 Max Havelaar: steadily expanding range
  - 22 Steady growth with organic products
  - 22 MSC: for sustainable fishing
  - 22 FSC: wood and paper from sustainable production
  - 22 Topten: top performance, low energy consumption
- 22 Own-label target-group brands
  - 22 Prix Garantie: the name says it all
  - 22 Fine Food: delicacies at affordable prices
  - 22 Betty Bossi: strengthening the partnership
  - 23 Weight Watchers: enjoyment and no regrets
  - 23 Jamadu: learning a healthy lifestyle can be fun
  - 23 Délicorn: vegetarian food becoming increasingly popular
  - 23 Free From: further rise in sales
- 23 Own-label standard brands
  - 23 Qualité & Prix: good quality at even lower prices
- 23 Manufacturer brands
  - 23 Largest variety of manufacturer brands
- 25 Additional services
  - 25 Services
    - 25 Consumer Service always in demand
    - 25 Coop Media Unit steps up its activities
    - 25 Hello Family Club: one million members
    - 26 Supercard: more people paying with Superpoints
    - 26 Supercardplus wins new customers
    - 26 Strong growth of Coop Mobile
    - 26 Coop Depositenkasse: solid growth
  - 26 Quality management
    - 26 Around 425 000 tests in Coop's own laboratory
    - 26 Strict conditions on purchasing, logistics and sales
    - 27 External certification of counter sales
  - 27 Advertising/communication
    - 27 Advertising activities provide year-round support
    - 27 Coop member press expands range of services
    - 27 Record number of hits for Coop's website
    - 27 Close to customers thanks to sponsorship



**29 Logistics, IT and property**

- 29 Logistics**
- 29 Project development: logistics and bakeries strategy
- 30 Investment in new Pratteln site
- 30 Railcare: technologically and ecologically on track
- 30 Automated order-picking in Berne
- 30 New momentum from exchange programme
- 30 IT**
- 30 Expansion of the uniform cash-register solution
- 30 New materials management system in sales outlets
- 30 Transgourmet integration proceeds apace
- 31 Property**
- 31 Numerous large-scale projects completed

**Wholesale****33 Transgourmet Group**

- 33 Transgourmet Holding AG**
- 33 Wholesale business as second mainstay of Coop
- 34 Merger of Prodega / Growa and Howeg
- 34 Cash & carry business**
- 34 Fegro / Selgros: new look in all countries
- 34 Prodega / Growa: start of cooperation with Howeg
- 35 Wholesale supplies**
- 35 Rewe Foodservice invests in logistics
- 35 Transgourmet France now comprises four companies
- 35 Howeg: massive expansion of range

**Manufacturing****37 Manufacturing**

- 37 Bell Group**
- 37 Stable trend at Bell Group
- 38 Organizational changes
- 38 Bell Switzerland on track for success
- 38 Focus on consolidation at Bell Germany
- 38 Strong growth at Bell France
- 38 Mixed picture at Bell Eastern Europe / Benelux
- 38 Coop manufacturing companies**
- 38 Swissmill
- 39 Chocolats Halba
- 39 Pasta Gala
- 39 CWK-SCS
- 39 Reismühle Brunnen
- 40 Nutrex
- 40 Sunray
- 40 Pearlwater Mineralquellen
- 40 Cave
- 40 Banana Ripening Plant
- 40 Coop Bakeries

**43 Employees**

- 43 Coop's personnel strategy**
- 43 Good prospects for apprentices
- 44 New retail manager training programme
- 44 Talent-pool meetings promote exchanges and motivation
- 44 Record participation in the Coop Management Meeting
- 44 Social partnership at Coop**
- 44 Pay rise despite lower Coop prices overall
- 44 Coop Pension Fund**
- 44 Review of investment strategy
- 45 Gratifying year for CPV/CAP
- 45 Transgourmet Group**
- 45 Fegro / Selgros Germany develops potential successors
- 45 Selgros Russia: attractive benefits for employees
- 45 Training offensive at Transgourmet France

**Corporate governance****46 Corporate governance**

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

**Financial section****58 Coop Group Management Report****62 Coop Group in figures****74 Annual consolidated financial statements of the Coop Group****98 Financial section glossary**



Hansueli Loosli  
and Joos Sutter.

## Foreword

# Sustainable success in challenging times

The Coop Group posts a gratifying result despite a difficult operating environment. With total sales amounting to 27.8 billion francs, it grows by 1.5% in real terms and 0.3% nominally. Coop thus holds its ground as the front-runner among Swiss retailers. It also achieves the earnings necessary for sustainable success.

In 2012, the market environment continued to pose challenges for the Coop Group. The strength of the franc, the overall fall in retail prices and the problem of shopping tourism put Swiss retailers under strong pressure to lower their prices. In addition, the poor economic situation and rising unemployment in Europe are also unsettling consumers in Switzerland. But there are rays of hope. Population growth resulting from inward migration is bolstering consumption.

The steady stream of efficiency gains initiated over ten years ago by the CoopForte merger reorganization, the clear strategic positioning as a provider of sustainable products and the increasingly international remit of Coop thanks to Transgourmet and Bell make the Coop Group very well equipped to master this difficult operating environment. In the year under review, the Coop Group grew by 1.5% in real terms. Total sales increased nominally by 0.3% to 27.8 billion francs. In view of the overall fall of up to 8.2% in prices in several sales formats and the strong domestic and international competition, this is a gratifying result. It also achieves the earnings necessary for sustainable success.

For Coop Cooperative, sustainable successes – whether economic, ecological or social – are important goals. With around three million members, we constantly reinvest in our Group rather than seek to maximize profits. This enables us to deliver added value – for both customers and employees. Thanks to our values-based culture, we can develop competitive advantages even in challenging times. The decision taken in 1999 to retain our status as a consumer cooperative has thus proved to be correct.

Sustainability works well as an attribute that sets us apart from the competition. Our own-label sustainability brand, Coop Naturaplan, is a case in point: it has enjoyed years of continuous growth. In 2012, Naturaplan posted above-average growth of around 5%. In 2013, Naturaplan celebrates its 20<sup>th</sup> birthday. We shall be organizing numerous anniversary activities to celebrate this milestone together with our customers.

Our Internet offers also met with great interest in 2012. Besides Coop@home and Microspot.ch, many Coop sales formats now successfully operate online shops of their own. These Internet outlets together posted growth of 22.8%.

In the wholesale trade, the second mainstay of our business, we posted net sales of 8.3 billion francs with Transgourmet in the year under review, which, when adjusted for currency effects, represents growth of 3%. This result demonstrates that the expansion of our international activities in particular has paid off.

Last but not least, we should like to express our gratitude to all our 75 000 or so employees for their efforts on behalf of Coop Cooperative, the commitment they demonstrate day after day, and the extent to which they identify with our shared values. It is this attitude that creates sustainable added value.



Hansueli Loosli

Chairman of the Board of Directors

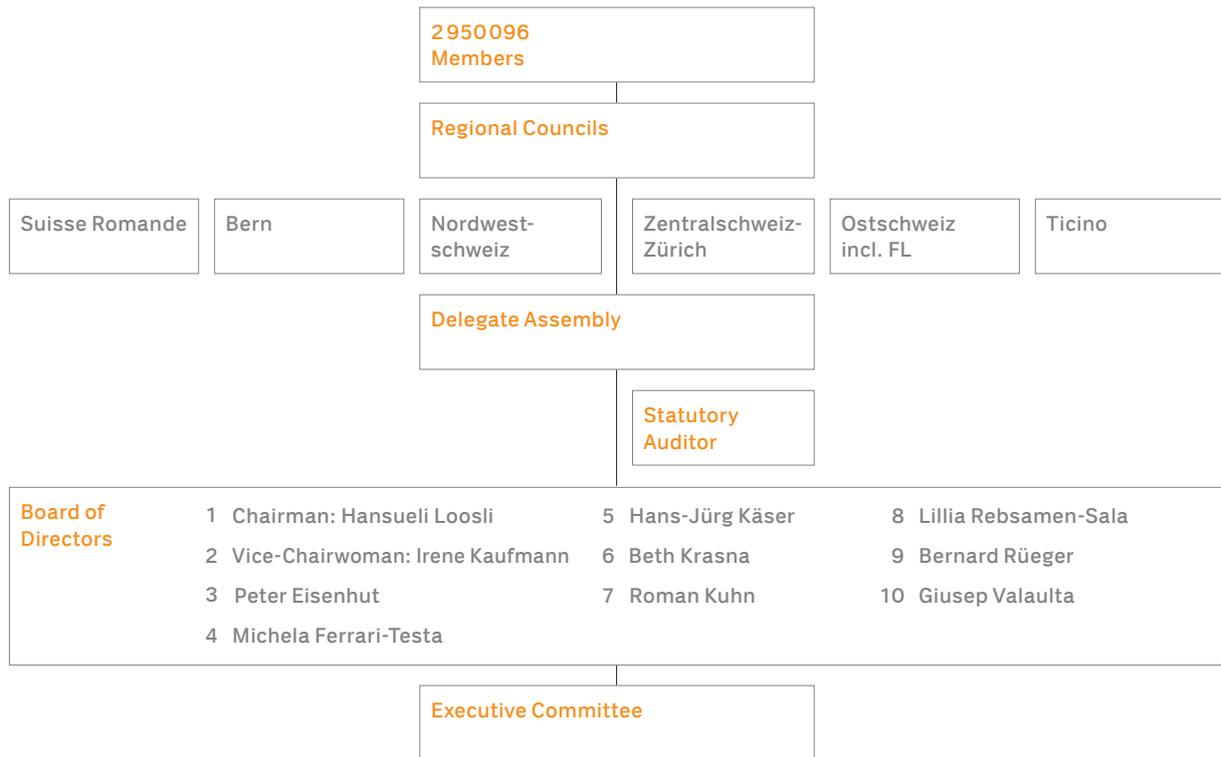


Joos Sutter

Chairman of the Executive Committee

# Company structure

As at 31 December 2012



## Board of Directors



3

4

5

6

1

2

7

8

9

10

## Executive Committee

**Chief Executive Officer**  
1 Joos Sutter

### Members of the Executive Committee

CEO	Retail	Trading	Marketing/ Purchasing	Logistics	Finance/ Services	Property
Joos Sutter	Joos Sutter	2 Daniel Stucker	3 Philipp Wyss	4 Leo Ebnetter	5 Reto Conrad	6 Jean-Marc Chapuis



4

2

3

1

5

6

# Milestones in 2012

## 1 January

**Expanding role as Fairtrade leader**  
Coop continues to promote fair trade. Henceforth, only Fairtrade coffee beans will be used to make coffee sold under the Qualité & Prix own-label brand. This decision more than doubles the share of Fairtrade in Coop's coffee business.

## Further price cuts

Coop also lowers prices in 2012. From the end of January, around 250 articles of own-label brands become an average of 7% cheaper.

## Pro Montagna celebrates anniversary

It is five years since Coop launched the Pro Montagna own-label sustainability brand for products originating in Swiss mountain regions.

## 2 February

### Big Supercard draw

The "Big Win" offers a million franc prize in the form of Coop gift vouchers, plus a free song download from Universal Music on every ticket.

## 3 March

### New Garden Paradises at Building & Hobby

Coop Building & Hobby opens a new Garden Paradise outlet in 14 additional stores. The new garden centre concept is the outcome of cooperation with Dehner, the German garden specialist.

## Coop Natura Prize 2012

Coop honours business partners for exceptional achievements in the field of sustainability.

## 4 April

### Coop commits to FSC-certified natural rubber

Together with Helvetas, Coop launches FSC-certified, fairly traded rubber articles such as Oecoplan footballs – the first retailer in the world to do so. This is a further contribution by Coop to protecting natural forest and to significantly improving working conditions on plantations.

## 5 May

### Bell and Hilcona expand their expertise in fresh convenience ranges

Hilcona AG takes over the Swiss company Gastro Star AG, effective retroactively as per 1 January 2012. This acquisition strengthens the market position of Hilcona as a full-range provider of fresh convenience

food. As part of a cooperative agreement, Bell has held a 49% stake in Hilcona since 1 January 2011 and will acquire a further 2% of the share capital in 2015.

## 6 June

### Transgourmet France acquires Eurocash

By taking over the Schiltigheim-based company Eurocash, Transgourmet France significantly increases its market share in the supply of food products to caterers/restaurants, bakeries and confectioners in Alsace.

## Naturaline singled out as showpiece project

At the world summit of the United Nations in Rio de Janeiro, Coop Naturaline is selected for inclusion in "Sustainia 100", the list of the hundred most sustainable solutions for tomorrow's world.

## Celebrating in Termen

The expanded Pearlwater Mineralquellen operations are officially inaugurated. This manufacturing company was acquired in 2011 and has been supplying Coop sales outlets with mineral water and soft drinks since March 2012.



## 7 July

### 70 years of Coop Aid for Mountain Regions

Since 1942, the aid organization Coop Aid for Mountain Regions has supported efforts to improve the living and working conditions of people living in the Swiss mountains, and helps secure their livelihoods.

## 8 August

### Coop welcomes new apprentices

1 094 young people start their apprenticeships at Coop. As one of Switzerland's largest employers, Coop makes an important contribution to vocational training.

## 9 September

### Vitality pharmacies launch an own-label line

Coop Vitality pharmacies introduce an own-label line. The launch begins with medicines for the treatment of colds and for pain relief.

## 10 October

### Investing in Switzerland as a manufacturing base

Coop announces that Chocolats Halba production, along with the manufacturing companies Sunray and Cave, is to be moved to Pratteln (Canton of Basel-Landschaft), where a new 80 000 m<sup>2</sup> production and logistics centre will be inaugurated by 2016. Having the three manufacturing companies under the same roof as Coop Logistics will create synergies and ensure further CO<sub>2</sub> savings.

### Two awards for commitment to sustainability

Coop's sustainable management of energy and CO<sub>2</sub> is singled out for two awards: the EHI Energy Management Award and the Swiss Solar Prize 2012.

## 11 November

### Merger of Prodega/Growa and Howeg

As of 2013, the two leaders in the Swiss cash&carry and wholesale supplies market, Prodega/Growa Cash+Carry and Howeg, are joining forces and adopting a common strategy for the future. The merger creates the first provider in the Swiss catering/gastronomy sector to cover all needs under one roof.

## 12 December

### Takeover of Betty Bossi AG

Effective as of 21 December, Coop takes over Ringier's 50% stake in Betty Bossi AG. It now owns all the shares in the company. Betty Bossi AG's recipe for success will be systematically developed.

### Expanding freight transports by Railcare

Using the new south/north supply route, the Coop-owned Railcare AG begins transporting fruit and vegetables from Ticino to the Coop distribution centres by the environmentally friendly system of unaccompanied combined transport.

### Pay rise for Coop employees

Coop's workforce is awarded a pay rise as from 2013, with a total of 1.1% of the wage bill being available for the increase.

### Starting signal for the new Schafisheim building

Effective as of January 2013, Coop receives permission from the building authorities to begin work on expanding the Schafisheim distribution centre. It is the largest building project ever undertaken by Coop.



## Operating environment

# Swiss retailing faces a complex economic environment in 2012

The business and political environments are very much in flux. The pressure on prices grows, and conditions regulating competition create cost disadvantages for Swiss retailers. In this challenging economic environment, Coop impresses by offering added value and boosting productivity.

## Economic environment

### Private consumption still a strong mainstay

The debt crisis in a number of EU member states and the global economic downturn caused widespread uncertainty in 2012. The Swiss economy performed relatively well. Though the dynamic growth recorded in the first quarter soon slowed down, private consumption continued to be a strong mainstay of the Swiss economy. In addition, the lower limit set by the Swiss National Bank on the value of the euro brought about a significant easing on the exchange-rate front. Historically low interest rates, falling consumer prices and a constant influx of migrants to Switzerland boosted private consumption. In a highly competitive environment and as a result of the negative price trend, retail volume in nominal terms was still weak or slightly lower. There was a further rise in shopping tourism in 2012, resulting in a significant outflow of purchasing power from Switzerland to neighbouring countries. Despite the strength of the domestic economy, the difficult foreign trade environment meant that business growth in 2012 was modest. It is expected to pick up somewhat in Switzerland in 2013.

### Price differential compared with other countries

The marked appreciation of the franc in relation to the euro was halted in the year under review by a lower limit of CHF 1.20 being set on the value of the euro. However, there continued to be significant price differences compared with neighbouring countries, particularly in the farming sector on account

of customs duties and import charges, and on “must-stock” products – international manufacturer brands that a full-range provider like Coop simply has to carry. Coop therefore advocates that the authorities make full use of their leeway under anti-trust legislation to prevent excessively high cost prices for these products. The Swiss Price Supervisor’s report for 2011–12 confirmed that retailers had passed on any currency advantages in full to the consumers. Nevertheless, cross-border shopping has continued to grow and is having a negative impact on Swiss retail employment.

### Dismantling cost barriers for Switzerland

Compared with its international competitors, Swiss retailing faces significant cost hurdles, particularly with regard to personnel, logistics, infrastructure and rents. Good long-term operating conditions are therefore all the more important. But, compared with the competition in neighbouring countries, Swiss retailing is also at a distinct disadvantage with regard to shop opening times, mandatory parking fees and product labelling. A nationwide solution to the problem of opening times seems to be emerging – a development the retail sector welcomes. In addition, Coop, along with other retailers, is campaigning to ensure that the existing laws are examined for their effectiveness. Laws whose outcome is disproportionately restrictive are unconstitutional. In the year under review, it was shown that mandatory measures for improving air quality, such as restrictions on parking spaces and the levying of parking fees, do not satisfy the requirement of effectiveness.

### **Rising prices of most raw materials**

The long-term upward trend in the global market prices of the most important agricultural raw materials continued in 2012. This was due to sustained strong demand in Asia and the worldwide reduction in inventories. One of the worst droughts ever recorded in the mid-eastern USA in July triggered a surge in the prices of wheat, soya and maize within a matter of weeks. Arabica coffee was the only crop where good harvests resulted in a downward price trend compared with 2011. In Switzerland, the price of meat, particularly pork, and milk came under pressure in the first half as a result of high supply levels and subdued demand. However, the situation for pork changed in the second half, and by year-end prices were well above the previous year's level.

### **Waste and recycling on the political agenda**

In a landmark decision taken in the year under review, the Swiss Federal Supreme Court ruled that the costs incurred by littering – the wanton disposal of waste in public spaces – may not be passed on to house-owners by being integrated into the basic refuse collection charge. The decision means that the city of Berne must modify its system of charges and return any that have been illegally levied. Coop will continue its voluntary efforts to reduce littering in the proximity of its stores. However, it will not accept waste disposal costs being passed on in other municipalities either.

## **Political environment**

### **Shift freight to rail!**

In the year under review, the Swiss Parliament debated measures on the key business of shifting freight from road to rail ("Rail freight nationwide"). Retail has a strong interest in the Swiss Federal Railways creating conditions for rail freight that are market-driven and, compared with road transport, competitive. The aim is to consolidate nationwide transport of goods by rail freight, along the lines of the regional rail-freight system. Besides the beneficial effects on climate protection and energy conservation, the targeted shift from road to rail will substantially ease pressures on main roads, particularly in large population centres. In these areas, rail transport of goods is becoming an increasingly attractive logistics solution. At Coop, the transport of goods from national distribution centres straight to the sales outlets is being shifted from road to rail for distances of 90 km or more. Road transport is now used only for short-distance haulage from the regional distribution centres. To implement this change successfully, Coop acquired Railcare AG, which operates according to the principle of unaccompanied combined transport (UCT), in autumn 2010.



coop



## Sales formats

# Expansion of ranges, new shop designs and a stronger online offering

Innovative shop designs, many new stores and expanded service offerings keep up the momentum at the different sales formats. The online business is booming – in food, consumer electronics, body care and jewellery.

## Supermarkets and megastores

823 supermarkets and megastores underscore Coop's customer focus

Coop was operating 823 supermarkets and megastores throughout Switzerland at the end of 2012. A total of 15 new stores were opened, and eight closed in the year under review. Among others, a supermarket opened its doors at the railway and bus station in Fribourg in August. This is the first Coop supermarket in western Switzerland to be open seven days a week. Again keeping close to the tracks, Coop opened a supermarket at Berne railway station with a surface area three times bigger than that of its precursor. The previous Coop



store site at the station is now being remodelled as an Interdiscount shop. The new Europaallee Passage in Zurich, which includes a Coop supermarket is also centrally located. Like all newly built or remodelled Coop stores, this supermarket was built to Minergie (low energy) standard. The importance that Coop attaches to environmental protection in the construction of its stores is demonstrated by the supermarket integrated into the Taabach development in the centre of Degersheim, which is heated primarily with waste heat from the cooling system. Should this be insufficient, a heat pump with a geothermal probe creates additional heat. The store that was opened in Einsiedeln in November is also noteworthy. It is a Coop supermarket combined with a Building & Hobby store on approximately 3 000 m<sup>2</sup> – the first “combi format” in the Zentralschweiz-Zürich Sales Region. The Coop supermarket in the Moos Centre in Gümligen also opened its doors in November. The new outlet is impressive above all on account of its modern look and the broad diversity of its range. The total of 823 supermarkets and megastores covering an overall sales area of 954 962 m<sup>2</sup> at the end of 2012 generated sales of 11 billion francs in the year under review.

#### **Customers benefit from satisfaction guarantee**

In general, Coop enjoys a high level of trust. It gives top priority to ensuring customer satisfaction. It ensures the high quality of its products by such measures as performing numerous quality control checks along the entire value chain. However, shortcomings can never be completely ruled out. Despite all efforts, it can occasionally happen that a product does not comply with customers' views on quality. Therefore for all ranges and all Coop supermarkets, anyone who is dissatisfied with a product can return it to the store where it was purchased. The customers receive their money back without any fuss or hesitation and also without having to provide the receipt. Since August 2012, Coop has been proactively advertising the satisfaction guarantee in POS-based promotional media and in advertisements featuring the slogan “All-round satisfaction!”. In the run-up to this measures, sales staff underwent appropriate module-based training on the job (TOJ).

### **Specialist formats**

#### **New cash register system for Coop City**

The 33 Coop City department stores posted sales of 991 million francs in 2012. Coop City on Berne's Marktgasse and the Pfauen department store in Basel were given a new in-store Swatch Shop in

August and November 2012 respectively. Toy ranges at all Coop City department stores were completely revised and given a new display concept that drew particular attention to large brand partners. In addition, all non-food checkouts were switched to the new, uniform cash register system. A pilot scheme for supplying Coop City stores in Neuchâtel and Fribourg by Railcare, i.e. using a combined road and rail freight transport system, has been up and running since June 2012.

#### **Building & Hobby expands gardening expertise**

Posting sales of 718 million francs in 2012, Building & Hobby maintained its position as Switzerland's leading building supplies store. It opened three new stores and closed one, thus increasing its network of outlets to a total of 74. In the year under review, the number of Garden Paradises set up in cooperation with the German company, Dehner, was expanded after the test phase was successfully completed in 2011. A total of 17 new Building & Hobby Garden Paradises have already been built, with a further 13 to follow in 2013. Building & Hobby also strengthened its expertise in the bicycle segment by expanding its range and services and inaugurating a pilot scheme in which bicycle workshops were set up in four stores.

#### **Interdiscount doubles online sales**

The Apple range in particular was among the most successful products stocked by the consumer electronics provider Interdiscount in 2012. The Apple iPad can now be purchased at all 199 Interdiscount stores. In addition, Interdiscount expanded its range of services, for instance in the field of mobile device insurance. The importance of the online business grew substantially, with Internet sales up almost 104% on the previous year's figure. Interdiscount generated total sales of around 984 million francs. The inauguration of the new logistics hall at the Jegenstorf headquarters improved and speeded up the transport of goods. Thanks to Service 1 800, customers can now order their articles by 6 p.m. and already collect them at the store of their choice the very next day. Interdiscount continues to be the biggest trainer of apprentices in the sector. With the top grade of 6.0, one of the 125 apprentices successfully completing his training in 2012 was the best in the sector.

#### **Toptip and Lumimart drive forward modernization**

Toptip and Lumimart began implementing the 2015+ sales market strategy, focusing on the modernization of their total of 55 stores. Nine Toptip home furnishing stores and seven Lumimart specialist lighting outlets were remodelled in 2012. Toptip is now also pre-

sent in the greater Basel region. In connection with the inauguration of the new store in Pratteln, the Kaiseraugst outlet was closed, as scheduled. With the launch of the own-label brand “Massimo Divani, made in Italy”, Toptip offers high-quality upholstered furniture that provides excellent value for money. In parallel, Lumimart hugely expanded its range of energy-efficient lamps. The two formats together posted sales of 233 million francs in 2012. Lumimart, the number 1 in Switzerland’s lighting market, again increased its market share.

#### **New look for Import Parfumerie stores**

Import Parfumerie developed a new shop design in 2012. Its focus is on clear organization of the range and a new approach to makeup display that is unique in Switzerland. The total of 123 perfumery stores are now being adapted to the new look, while work on seven branches has already been completed. A new supply system that is updated daily further improved the availability of goods at the POS. Import Parfumerie posted overall sales of 172 million francs. Its online business also enjoyed further growth, with sales up 8% on the previous year.

#### **Christ Watches & Jewellery: unique online shop**

At the beginning of November, Christ Watches & Jewellery opened the first online shop of its kind in Switzerland, at which customers are able not only to purchase goods but also to configure their Pandora jewellery themselves. Alternatively, they can visit one of Christ’s 81 stores nationwide that make the jewellery chain the biggest in Switzerland. Christ Watches & Jewellery posted total sales of 109 million francs in the year under review.

#### **Dipl. Ing. Fust expands range of services**

Despite a challenging operating environment, Dipl. Ing. Fust AG maintained its leading position in the market. It was particularly successful in the multimedia field, with strong demand for new services such as the Computer Fitness Test or the Windows-to-Apple switch package. As part of the modernization programme launched in 2012, 15 of the total of 160 stores were remodelled and in some cases expanded. In addition, Fust further developed its site planning & management service in the kitchen/bathroom/remodelling segment. Fust posted sales of around 956 million francs in 2012.

#### **Coop Vitality launches own-label line**

The 50<sup>th</sup> Coop Vitality pharmacy opened its doors to the public in Agy on 29 November 2012. Having inaugurated four new stores, the company was

operating 51 pharmacies throughout Switzerland at the end of 2012. Total sales amounted to around 141 million francs. There was a clear trend towards alternative medicine, with sales in this segment up by approximately 20%. In autumn, Coop Vitality launched an own-label line of nine products for the treatment of colds and for pain relief. The medium-term aim is to expand the range to approximately 50 medicines. The array of services was also expanded: Coop Vitality now offers hair mineral analyses in all its pharmacies.

#### **New look for The Body Shop Switzerland**

The Body Shop Switzerland Ltd posted overall sales of around 39 million francs in 2012. The online shop launched in the spring of 2011 performed well. Here, The Body Shop boosted turnover by 218%. Since the year under review, all new shops worldwide have been built according to a modernized design that creates a natural, bright and warm ambiance. In Switzerland, three of the total of 44 shops already have the new look, with a further ten scheduled for 2013. In addition, the own-label brand “The Body Shop” was relaunched, thanks to new products and new brand ambassador Lily Cole.

#### **Coop Mineraloel AG maintains market leadership**

In its 40<sup>th</sup> anniversary year, Coop Mineraloel AG held its ground and once again increased the market share of its total of 207 Coop filling stations. It did so even though the shrinking volume of the market had stepped up the already fierce competition among oil companies. Thus, not only has the average fuel consumption of new vehicles registered in Switzerland declined, but also car ownership levels in Swiss households have also fallen by a good two percent in the last five years. It is therefore all the more encouraging that Coop Mineraloel AG, together with the business segments Coop Pronto Shops and sale of heating oil, posted net sales of around 2.5 billion francs, which represents an increase of 8% on the previous year. In the year under review, Coop Mineraloel AG, in cooperation with the Swiss Insurance Association, advised over 10 000 drivers of vehicles on the correct use of head rests.

#### **Coop Pronto Shops advance further**

Coop Pronto Shops generated sales of 957 million francs in 2012, corresponding to year-on-year growth of just under 7%. Thanks to Pronto Shops, Coop Mineraloel AG has for years been the number one in the Swiss convenience market and also the provider with the lowest prices. Coop Pronto opened its 250<sup>th</sup> shop in Arbon on 29 November 2012. Customers can now purchase “coffee to go” in

100 Pronto Shops throughout Switzerland, and the service will be offered in 150 by the end of 2013. A total of ten filling stations with Pronto Shops and three stand-alone shops were opened in the year under review. There are now 252 Coop Pronto Shops throughout Switzerland. As in previous years, they focused on expanding the fresh-products range, for instance fruit and vegetables or baked goods. A new app, "Coop Pronto Finder", helps customers locate the nearest open Pronto Shop or filling station simply and conveniently.

## Online formats

### Double-digit growth of Coop@home

Sales of Coop@home were up by around 13% to 96 million francs in 2012. The online supermarket thus posted double-digit growth figures again. The average value of each shopping session, including other transactions such as flowers, amounted to 251 francs on a total of 386 000 deliveries. There is increasing demand for Coop@home's numerous options for mobile shopping. Over 16% of customers now place their orders using apps for iPad, iPhone, iPod Touch and Android Mobile. The online supermarket further expanded its range of innovative services, which are unique in Switzerland, in 2012. There are now two Drive-In stations where commuters in particular can now collect their online purchases.

### Microspot.ch opens a second showroom

Microspot.ch posted further growth in 2012, raising sales by almost 20% to 87 million francs. After the success of the first showroom in Moosseedorf near Berne, a second showroom was inaugurated in Dietikon in November. Here customers can view the merchandise in action and also benefit from professional advice. Since October, they have also been able to pick up ordered articles at the coop@home Drive-In in Zurich. Microspot.ch now offers three locations at which online customers can collect their orders themselves from the total of approximately 120 000 articles on offer. Specially labelled items that have been ordered by 12 noon can be picked up at all Drive-In locations after 5 p.m. on the same day.

### Heating oil: more online customers want the ecological option

The trend to simple and convenient ordering of heating oil online continues to grow. At Coop Mineraloel AG, online orders at [www.coop-heizoel.ch](http://www.coop-heizoel.ch) account for approximately 28% of the total. However, continuing high prices, fiercer competition and changes in the Swiss heating-oil market had

a slightly negative impact on the 2012 result. Further encouraging growth was posted for sales of low-sulphur ecological heating oil. Around 42% of customers ordered the environmentally friendly, low-pollutant heating oil in 2012.

### ITS Coop Travel welcomes more guests

ITS Coop Travel, the travel agent owned jointly by Coop and Rewe Touristik, benefited particularly from the strong demand for beach holidays in southern Turkey in 2012. While shortfalls in bookings for Greece had to be taken into account, there was an increase in travel to Tunisia. The changing "Holiday Hits" offer posted gratifying growth, with demand particularly high for tours and cruises. All in all, ITS Coop Travel increased its customer base by over 3% to approximately 57 200. Since sale prices were down on account of currency exchange rates, the sales figure of around 58 million francs posted by ITS Coop Travel was slightly lower than that of the previous year. Most bookings (48%) were still placed by phone, while online bookings accounted for approximately 31%, and 21% were arranged by partner travel agencies.

## Catering / restaurant and hotel business

### Coop catering: where everyone's welcome

Coop catering/restaurants posted net sales of around 254 million francs in 2012. It operates a total of 202 catering outlets in five different formats. Coop restaurants are by far the largest of these, with 153 locations throughout Switzerland. Their focus is on tasty, balanced meals, wherever possible using raw materials from sustainable production. Jamadu birthday parties were particularly successful in 2012, with a new approach enabling the number of children's birthday parties to be increased threefold. Since the autumn, the Coop restaurant in Gümligen, Canton of Berne, has demonstrated the revamped look, with new furnishings made from sustainable materials and a fresh colour scheme. Coop's other catering formats are the Da Giovanni restaurants, which specialize in Italian cuisine, the Take it shops at high footfall locations, the originally Italian CremAmore gelaterias and the Ca'Puccini coffee bars.

### BâleHotels facing major challenges

The complete refurbishment of the Mercure Hotel Europe, including the remodelling of the Résidence annex, is a major challenge for BâleHotels. The main building of the Europe, containing the hotel and restaurants, has been completely closed since 1 November 2012 and will stay closed until

early 2014. Because of the strength of the franc, all three hotels suffered a continuing decline in tourist numbers. The situation in the catering sector was encouraging, with both the Europe and the Victoria holding their ground against the competition. The three BâleHotels Victoria, Baslertor and Mercure Hotel Europe together posted sales of around 24 million francs.

#### **Greenhouses combine the enjoyable and the exotic**

Seventy litres of mountain water with a temperature of about 18°Celsius flows through the Lötschberg railway tunnel each second. Tropenhaus Frutigen uses the energy this creates to heat its greenhouses and aquacultures. After a two-year lead time, a breakthrough was achieved in fish farming and caviar, with sales rising by over 4%. Fish and caviar are sold both in the on-site restaurants and in Coop supermarkets, and are even exported to Hong Kong. Total net sales of Tropenhaus Frutigen amounted to almost six million francs in 2012.

The greenhouses of Tropenhaus Wolhusen are also heated sustainably, by means of industrial waste heat. The warmth-loving tilapia fish as well as tropical fruit, vegetables and herbs flourish within them. The Tropic House at Wolhusen produced more than 18 tonnes of papaya and over three tonnes of bananas between 2010 and 2012. The on-site restaurant offers a fusion of regional and tropical specialities and was awarded 13 Gault-Millau points in 2012. Net sales of Tropenhaus Wolhusen amounted to over three million francs in the year under review.

The Tropic Houses at Frutigen and Wolhusen were inaugurated in 2009 and 2010 respectively. Initially the main shareholder, Coop acquired a majority stake in both Tropic Houses in 2012. A number of products from Frutigen and Wolhusen are stocked in selected Coop stores and, since 2012, have also been available from the online supermarket coop@home.



## Offering and pricing performance

# Coop wins plaudits for its variety, organic lines, quality and low prices

By offering the greatest variety of brands in Swiss retailing and own-label brands for the most diverse customer needs, Coop has created a distinctive market profile for itself. Its regular price-cutting rounds, numerous innovations and high quality impress customers. The further increase in the sale of organics underlines Coop's leadership in the field of sustainable products.

## Pricing

### Price-cutting rounds continued

Developments in 2012 were significantly shaped by the persistently low value of the euro and rises in the price of some raw materials. Despite this challenging environment, however, Coop was able to cut prices further. Besides implementing two major rounds of price cuts on own-label brands at the beginning of the year, Coop undertook a weekly series of price adjustments. These were advertised in the Coop member press in a transparent manner. Over the year as a whole, Coop reduced prices on a total of 1 500 items in the own-label and manufacturer brand ranges. Coop had already passed on any currency profits resulting from the low exchange rate of the euro to its customers systematically and in full in 2011. This was confirmed in September 2012 in an investigation by the Swiss Price Supervisor. Coop was able to continue the price cuts in the year under review because, among other rea-



sons, it had again improved its productivity and efficiency. Moreover, Coop also negotiated with its multinational suppliers in the year under review and championed fair purchase prices for its customers. As a result of all these measures, Coop retail prices fell by 1.2% across the whole range. This means that Coop has again made a substantial contribution towards strengthening purchasing power in Switzerland.

#### **Expansion of parallel imports**

When negotiations with suppliers on prices fail to produce the desired results, Coop turns to time-limited parallel imports of manufacturer brands in the food and non-food sectors. This results in better purchase prices but involves a great deal of red tape, and the necessary volumes are not easy to procure. Besides, parallel imports are not the right solution for every product nor, for logistical reasons, are they always possible. But when used selectively, they are a potentially effective measure. In 2012, Coop therefore sourced parallel imports on a greater and selective scale.

#### **Price monitor: five years of low prices**

The Coop price monitor has been surveyed on behalf of Coop each month since 2008. A globally active, independent market research institute ensures both correct selection of items and product comparability. The findings of the Coop price monitor are unequivocal: in 2012, for the third year in succession, Coop products cost less than those of its main competitor in all price segments. The Coop price monitor compares the prices of over 2 200 everyday articles at Coop and its main competitor. The articles compared are those with nationwide prices, i.e. products available throughout Switzerland. Products from four categories are compared: lowest-price articles, own-label brands, manufacturer brands and discounted manufacturer brands. In the year under review, Coop's prices were 0.5% lower on average than those of its main competitor. The biggest price difference was in own-label brand products, with which Coop achieved an index of 98.4% in April and May.

#### **Product range diversity**

##### **Great variety with focuses on sustainability**

With over 40 000 articles in all price segments, Coop offers the greatest product-range diversity in Swiss food retailing. It stocks by far the largest selection of manufacturer brands and also offers numerous own-label brands. Whether these are own-label sustainability, target-group or standard brands, whether they are guaranteed to be low-

price or are premium items, Coop's range is clearly structured and provides the right solution for every customer need. For many years there has been a focus at Coop on own-label sustainability brands and quality labels. In 2012, huge progress was made in switching strong-selling ranges of the own-label standard brand *Qualité & Prix* to Fairtrade raw materials. The entire *Qualité & Prix* own-label coffee brand now bears the Fairtrade Max Havelaar quality label. The organics brand *Coop Naturaplan*, including in particular its regional organic range, the *Pro Montagna* own-label brand of products originating in Swiss mountain regions and the *Coop Oecoplan* range of non-food items were also further expanded. For instance, in cooperation with *Helvetas*, Coop launched articles made from FSC-certified rubber and bearing the Max Havelaar quality label, the first retailer in Switzerland to do so. In the beverages range, Coop rounded out its offering in the coffee capsule segment by introducing Nespresso®-compatible capsules of the *Vergnano* brand and *Chicco-d'Oro* capsules and machines. Coop now stocks the largest variety of coffee capsules of all systems in Switzerland.

#### **Coop own-label sustainability brands and quality labels**

##### **Naturaplan: steady growth**

*Coop Naturaplan* is the best-known organic brand in Switzerland: just under 50% of all purchases of organic foodstuffs are made at Coop. Every third customer of Coop supermarkets has at least one organic product in their shopping basket. *Naturaplan* performed very well in 2012: despite a difficult market environment, sales grew by around 5% to a total of 816 million francs. The *Naturaplan* range of over 1 600 items bearing the *Bio Suisse* quality label was invigorated by the introduction of numerous innovative products. Now, for instance, customers can buy hot-smoked salmon with honey. The "from here" range of Swiss regional organic products was significantly expanded. *Naturaplan* is celebrating its 20<sup>th</sup> birthday in 2013. In the year under review, a new TV commercial and a work of art by Hans Erni marked the beginning of a series of jubilee activities centred around the core message "For love of nature".

##### **Naturafarm: promoting animal welfare**

Under the *Naturafarm* label, Coop stocks high-quality meat and egg products from humane, access-to-range or free-range husbandry methods in Switzerland. The animal husbandry programmes were drawn up in cooperation with Swiss Animal Protection

(SAP) and are much more stringent than the statutory specifications. The Naturafarm range includes Natura Beef and Natura Veal from animal-friendly suckler-cow husbandry. The programmes drawn up by the Swiss Beef Cattle association (“Suckler Cow Switzerland”), contain large numbers of regulations on husbandry and feeding that are aimed at ensuring near-natural, grassland-based, animal-friendly production of meat. In 2012, Naturafarm achieved sales of 442 million francs, which is slightly less than in the previous year. One reason for the shortfall was the very low prices on the pork market. As a proportion of overall sales, Naturafarm accounted for around 30% of meat and egg production and even around 60% of beef and pork.

#### **Oecoplan: products with ecological value added**

Coop Oecoplan stands for products from the non-food and near-food segments with ecological value added. Oecoplan posted sales of 128 million francs in the year under review, which is a rise of around 5% on the year-back figure. The label’s 1 800 or so products at the end of 2012 included the first Oecoplan rubber articles made from sustainably sourced and fair-traded natural rubber – the first of their kind in Switzerland. Among them are footballs produced with FSC-certified natural rubber from Sri Lanka, which also bear the Max Havelaar Fairtrade quality label. The project is supported and monitored by the Helvetas development aid organization. Wherever possible, Oecoplan relies on cooperation with independent quality labels: Bio Suisse bud, FSC and Topfen. Over and above this, Oecoplan is developing its own strict ecological and social criteria.

#### **Naturaline: recipient of an international award**

Coop Naturaline is the own-label brand of sustainable textile and cosmetic products. Coop posted sales of 66 million francs with Naturaline in 2012. This means that Coop continues to be the world leader in the marketing of fairly traded organic cotton. In the textile sector, the standard Naturaline range comprises some 500 products for the entire family. They include seasonal collections such as the first corduroy trousers and blazers launched in autumn 2012. The organic cotton is produced in direct cooperation with over 8 300 small-scale farmers in India and Tanzania. Production has been completely CO<sub>2</sub> neutral since 2012 – a year earlier than planned. In June, Naturaline was singled out for the “Sustainia 100” international award on account of its strong commitment to organic and fairly traded textiles. The announcement of the 100 most sustainable solutions for the future was made at the Rio + 20 world summit of the United Nations in Rio de Janeiro.

#### **Pro Montagna: five successful years**

The Pro Montagna own-label sustainability brand launched in 2007 continued to enjoy rapidly growing popularity in the year under review. Pro Montagna stands for authentic high-quality products that have been produced and processed in Swiss mountain regions. The label benefits both the farmers and the processing facilities located there. Pro Montagna posted sales of about 39 million francs in 2012, which represents a year-on-year increase of 19%. The Pro Montagna label comprises over 200 products from the mountains and alpine meadows, ranging from cheese to yogurt and from bread and meat products to wooden toys. The first frying sausage – a herbal mountain-farm bratwurst from the Neuchâtel region of the Jura range – was launched in 2012. For every Pro Montagna product sold, Coop makes a contribution to Coop Aid for Mountain Regions. In 2012, this donation was 985 000 francs.

#### **Pro Specie Rara: for a rare treat**

Coop has been working since 1999 with the Pro Specie Rara Foundation to resume the cultivation and breeding of traditional varieties of plant and breeds of domestic animals and to put the products back on shop shelves. Over 100 products, including different varieties of almost forgotten fruit and vegetables, along with seed, seedlings, ornamental plants and also Appenzell goat’s milk products, are available at Coop – many of them in organic quality. The Coop-backed urban tomato campaign to grow rare varieties of tomato on the balconies of Swiss towns enjoyed great popularity.

#### **Slow Food: new product logo**

Slow Food is a non-profit organization set up to promote aware and healthy consumption, maintain biodiversity, rediscover forgotten flavours and preserve traditional production methods. Coop has worked with Slow Food since 2006, supporting for instance the development of 25 “presidia” in Switzerland. “Presidia” are Slow Food projects set up to protect small-scale, high-quality producers who conserve artisanal methods of producing food. In 2012, Slow Food products were given a new logo of their own (the “Marchio” or trademark). In the Swiss retail sector they are available exclusively at Coop.

#### **Max Havelaar: steadily expanding range**

In 2012, products with the Fairtrade quality label of Max Havelaar enjoyed further growth in popularity. They posted sales at Coop of 187 million francs, which represents a year-on-year increase of 18%. Coop’s collaboration with the Max Havelaar Foundation began in 1992 with the sale of Fairtrade-

certified coffee and honey. Today, at least every second Fairtrade product sold in Switzerland passes a Coop check-out. In the year under review, Coop pursued the Fairtrade drive it had begun in 2011, switching the coffee range of its own-label standard brand *Qualité & Prix* to Fairtrade-certified raw materials, having already done this with bananas, roses, Asian rice and chocolate bars. Not least because of this drive, the Fairtrade range grew by 40 to a total of around 290 products.

#### **Steady growth with organic products**

In 2012, Coop sold organic food to the value of around 852 million francs – approximately 5% more than in the previous year. Total sales of organic products (including organic cotton) amounted to 934 million francs. Coop therefore continues to be the clear market leader for products sourced from organic farming. The Bio Suisse bud label is one of the world's strictest and best monitored quality labels for organic products. The partnership between Coop and Bio Suisse goes all the way back to 1993 and is geared basically to two goals: the promotion of organic farming in Switzerland and support for more regional added value. Coop markets products with the bud label quality seal primarily under the own-label brand *Naturaplan*.

#### **MSC: for sustainable fishing**

The MSC quality label of the Marine Stewardship Council stands for fish and seafood products sourced from certified sustainable wild catch. The quality label is predicated on the following principles: protection of fish stocks, minimum impact on ecosystems and effective and responsible management of fisheries. At Coop, around 52% of the wild-catch seafood range bears the MSC quality label. Coop's goal of switching over most tinned fish sold under its own-label standard brand *Qualité & Prix* is likely to be reached in 2013. Sales of MSC-certified products amounted to 64 million francs at the end of 2012, which represents an increase of around 15% on the previous year.

#### **FSC: wood and paper from sustainable production**

As a habitat and the Earth's "green lungs", woodland is of inestimable value to both human beings and animals. This is why Coop works together with the Forest Stewardship Council. The FSC quality label stands for environmentally and socially responsible forest management. In 2012, Coop posted sales of 129 million francs for FSC-certified products stocked by all sales formats. They range from sledges and children's play houses to coloured pencils, notebooks and nappies. The number of FSC-certified wood articles has more than doubled since 2010. At

Coop, 66% of all wood products and 57% of all paper products are FSC-certified. In this area, Coop focuses particularly on recycled raw materials.

#### **Topten: top performance, low energy consumption**

Products bearing the Topten quality label offer low energy consumption, minimum environmental impact, components that are not harmful to health, good serviceability and good value for money. The label is sponsored by S.A.F.E. (Swiss agency for efficient energy use) and functions according to the "best in class" rating principle. Coop has referred to Topten on its own-label brand products since 2009. Over 600 electrical appliances, electronic devices and lamps are already listed on [www.topten.ch](http://www.topten.ch). In 2012, sales of Topten products at Coop sales formats amounted to around 230 million francs.

#### **Own-label target-group brands**

##### **Prix Garantie: the name says it all**

Coop's own-label *Prix Garantie* brand guarantees lowest prices. The 400 or so food, near-food and non-food products cover customers' everyday needs. The name *Prix Garantie* says it all: Coop guarantees that the long-term prices of all *Prix Garantie* products are at least as low as those of comparable items offered by Coop's main competitor and by discounters on the Swiss market. Sales of *Prix Garantie* products amounted to around 315 million francs in 2012. The fall on the year-back figure was due to the numerous price cuts that Coop implemented across all ranges.

##### **Fine Food: delicacies at affordable prices**

The Coop own-label brand *Fine Food* offers culinary delicacies at affordable prices. Owing to its unique quality and culinary standards, *Fine Food* posted above-average growth in 2012 in spite of customers' growing price awareness. The own-label brand generated sales of over 83 million francs – slightly more than in the previous year. A total of 40 product launches on an unchanged total of around 400 articles added fresh momentum to the *Fine Food* range.

##### **Betty Bossi: strengthening the partnership**

For ten years, close cooperation has been the hallmark of Coop's links with *Betty Bossi*. In 2001, Coop acquired 50% of the share capital of *Betty Bossi Verlag AG* from Ringier and set up a joint venture. Only one year later, Coop and *Betty Bossi* jointly launched the new convenience brand "*Idee Betty Bossi*". Coop expanded the initial range of 200 products to around 500 within a year, and the new own-label brand made Coop the leader in the Swiss

market for fresh convenience products. On 21 December 2012, Coop took over Ringier's 50% stake in Betty Bossi AG and therefore now owns a 100% interest in the company. With the purchase of the remaining shares, Coop will further strengthen Betty Bossi in areas such as the press, cookery books, kitchen and household aids, and Betty Bossi Digital, and it will expand the range of fresh convenience products. In 2012, Coop posted sales of 460 million francs with the approximately 600 Betty Bossi products, an increase of around 3% over the prior year.

#### **Weight Watchers: enjoyment and no regrets**

Coop's partnership with the Weight Watchers organization has existed since 2005 and is the only one of its kind in the world. Coop develops and markets the products in Switzerland on an exclusive basis. Coop Weight Watchers articles are low-fat, low-sugar, low-salt and rich in nutritional fibre, and cover all food groups. The range at Coop extends from ready-to-eat products, drinks, dairy products sausage and meat products to baked goods and desserts.

#### **Jamadu: learning a healthy lifestyle can be fun**

The Coop own-label brand Jamadu generated sales of over 18 million francs in 2012. Jamadu stands for a comprehensive programme using fun and games to encourage children to follow a healthy lifestyle. It comprises about 90 products from the food, near-food and non-food sectors. A total of ten articles were launched in the year under review. Like all other products sold under this label, they had first to face up to the strictest jury of all: the children themselves. Only products that satisfy the critical eyes and probing taste-buds of the Kids Experts Jury are actually launched. Besides a broad range of products, Jamadu also offers a magazine of its own for children, and jungle-style birthday parties.

#### **Délicorn: vegetarian food becoming increasingly popular**

More and more people in Switzerland are choosing not to eat meat. This is not the least of the reasons why vegetarian delicacies that are quick and simple to prepare are enjoying growing popularity. Délicorn, Coop's line that offers an alternative to meat, picked up on this trend and extended its range to the current total of 37 products made with soya or wheat. At the same time, cooperation with Haus Hiltl, the world's first vegetarian restaurant, was stepped up. This involved systematic joint reviews of numerous products and, wherever necessary, improvements to them. Délicorn generated sales of over 14 million francs in 2012, slightly up on the year-back figure.

#### **Free From: further rise in sales**

The range of Coop's own-label brand Free From comprises over 60 products designed to meet the dietary needs of people with forms of food intolerance. Free From products contain no lactose (milk sugar), gluten (cereal protein) or other specific allergens. The gluten-free range is supplemented – including frozen goods since summer 2012 – by the Schär brand. Free From posted sales of about 17 million francs in the year under review, which represents a year-on-year increase of around 15%.

#### **Own-label standard brands**

##### **Qualité & Prix: good quality at even lower prices**

The Coop own-label standard brand Qualité & Prix demonstrates that good quality does not have to be expensive. Its food, near-food and non-food products cover customers' everyday needs in full. Coop posted sales of just under two billion francs with Qualité & Prix in 2012. The slight decline on the year-back figure was due primarily to numerous targeted price cuts implemented by Coop on its own-label brands in 2012.

#### **Manufacturer brands**

##### **Largest variety of manufacturer brands**

Coop offers by far the largest range of manufacturer brands in Swiss retail. Customers can experience this variety in the regular promotions implemented by the sale outlets in cooperation with brand manufacturers. To keep abreast of customer needs, the range of manufacturer brands is being continually improved and further developed. Coop launched two more major brands in 2012: the originally Italian ice-cream brand CremAmore and the global brand Starbucks. Manufacturer brands account for about 47% of Coop supermarket and megastore sales.



## Additional services

# Coop creates added value in dialogue with customers

Customers are loyal to Coop: the demand for virtually all its services has increased. Thanks to constructive feedback from customers, many improvements to both quality and the offering have been possible. In return, customers benefit from the added value these improvements create.

## Services

### Consumer Service always in demand

The Coop Consumer Service handled over 190 000 queries in the year under review. As a result of marketing activities such as competitions and prize draws, and consumer topics that featured in the media, the Coop Consumer Service was still greatly in demand as the Group's central contact point for customer concerns. Around 50% of queries were requests for information on products, activities or sales outlets. Customers' opinions are greatly valued at Coop. Feedback from customers has an impact on decision-making and can result in, for instance, changes to product recipes, wider distribution of a product to smaller stores or improvements to Internet applications.

### Coop Media Unit steps up its activities

In view of developments in the euro exchange rate and the rising prices of raw materials, media enquiries at Coop in 2012 again focused on price trends and pricing strategy. There was growing interest in quality assurance, social sustainability and the responsible use of foodstuffs and resources. The Coop Media Unit issued a total of 64 media releases and responded to some 2 100 media enquiries in the year under review. Around 82% of queries were from the German-speaking part of Switzerland, 17% from the French-speaking part and 1% from Ticino.

### Hello Family Club: one million members

Coop's Hello Family Club is expanding steadily. At the end of 2012, it had more than 330 000 member families and more than one million individual members. The Family Club launched countless new attractions in 2012. In addition to the monthly discount offers to club members on ranges of interest to families with children, members also benefited from the award of ten times the regular number of Superpoints on all purchases made on Wednesdays throughout July and August. The spring loyalty campaign in which members receive a free Bobby Car on purchasing ten packs of nappies was a great success. A number of prize draws were also held, for



instance for 10 000 free subscriptions to a family-focus magazine or for cinema tickets for family-oriented films.

#### **Supercard: more people paying with Superpoints**

Over four million people collected loyalty points on their Coop Supercards in 2012. The number of active Supercard accounts totalled over three million. This means that Supercard continues to be the most successful customer loyalty programme in Switzerland. More than 85% of points collected were used to pay for purchases – for instance in the non-food departments of Coop City stores or on special promotions such as Supercash offers. The springtime “Big Win” lottery worth millions of francs was the largest promotion in the twelve years of Supercard’s history, with a total of 18 Supercard partner channels playing an active part. In connection with the introduction of a new IT system, Coop carried out a comprehensive revision of Supercard’s General Terms & Conditions. Their new features include shopping basket analyses, though these are performed only if the customer has actively agreed to the new General Terms & Conditions. The analysis enables the customer to benefit from more personalized offers and improved service options.

#### **Supercardplus wins new customers**

The number of Supercardplus free credit card holders continued to grow in 2012. About 425 000 cards were in circulation at the end of the year – 30 000 more than in 2011. Supercardplus is available either as a Mastercard or a Visa card, and it automatically accumulates Coop Superpoints each time it is used for a purchase. In the second half of the year, Coop started the “Super Saturday” promotion, in which customers who used Supercardplus to pay for their purchases at a Coop supermarket on a Saturday received three times the regular number of Superpoints.

#### **Strong growth of Coop Mobile**

With over 10 000 new subscribers in 2012, the Coop Mobile phone offering posted the biggest increase in subscriptions since being launched five years ago. This substantial growth was due particularly to the new package combining an iPhone with recognizedly attractive tariff plans. Demand for Coop Mobile’s prepaid offer was also stronger than ever before, gaining over 100 000 new customers in 2012.

#### **Coop Depositenkasse: solid growth**

The charge-free deposit accounts and medium-term notes with attractive interest rates that Coop Depositenkasse offers its members continued to be in demand in 2012. Customer deposits at the

Coop Depositenkasse grew steadily – despite a statutory change in the Banking Ordinance imposing more restrictive provisions on investors’ withdrawal options since January 2012. The number of euro-based and/or exchange-rate transactions was slightly lower than in the record year 2011. The charge-free currency exchange business of Coop Depositenkasse continued to enjoy great popularity.

## **Quality management**

#### **Around 425 000 tests in Coop’s own laboratory**

The quality assurance process at Coop extends from the production of raw materials and sale of the finished products right through to their consumption or use. Coop Quality Management is an independent, central function that is geared to purchasing, logistics and sales as the Group’s core processes. New insights into quality and product safety flow continually into the work processes and are assessed by Coop’s own experts using in-depth risk analyses. Coop works closely with the authorities and the scientific community. Urgent problems concerning quality can therefore be assessed and tackled as they occur. For quality-control purposes, Coop carries out risk-related product checks in its own laboratory and plant audits on suppliers’ premises. In addition, unannounced checks of the sales outlets are performed at regular intervals. In 2012, Coop conducted a total of around 425 000 tests on 18 000 samples.

#### **Strict conditions on purchasing, logistics and sales**

Coop’s business partners have to comply with social, ethical and ecological conditions as well as product quality standards. Coop requires every business partner to maintain a quality management system of its own that ensures compliance with “good manufacturing practice”, and to perform regular quality checks. Coop also concludes contractual agreements on compliance with official standards such as those of the Global Food Safety Initiative (GFSI); this compliance is guaranteed by impartial monitoring organizations. With regard to goods purchased in the Far East, Eurogroup Far East Ltd. supports Coop in the actual country of origin. Coop’s comprehensive approach to quality also requires checks to be kept on post-production processes, including sales outlets, with self-monitoring playing an indispensable role. These audits are mandatory in all Coop sales outlets and restaurants and include checks on product sell-by dates and all aspects of hygiene. In 2012, Coop revised all instruction manuals for counter sales staff, adapting them to current requirements. Experts provided in-depth instruction on the chang-

es for staff in the departments affected. Regular checks of the stores and of hygiene conditions by the regional quality officers enable Coop to ensure strict compliance with all targets.

#### **External certification of counter sales**

In the year under review, all Coop stores offering counter service in the meat, fish and cheese departments and “fresh-produce islands” also underwent external audits. These comprise checks on compliance with the hygiene and cleaning plan, storage periods and sell-by dates, and labelling regulations. Also checked are correct product storage and traceability, faithful adherence to product recipes and process compliance in everyday tasks. The audits are conducted in 437 sales outlets throughout Switzerland. External certification is supplemented by a full audit of every outlet by Coop’s own Quality Assurance and a further specific audit focusing on fresh-produce departments.

### **Advertising / communication**

#### **Advertising activities provide year-round support**

Coop’s principal advertising activities got off to a start in spring with the “Big Win” lottery worth millions of francs. It was implemented concurrently in all Supercard partner companies and was the first lottery to be conducted on this scale. Each participant received an immediate prize on every ticket in the form of a song that could be downloaded free of charge from Universal Music. The dominant activity in the summer was Coop’s barbecue campaign, in which the “Tsch Tsch” sizzling-sound slogan became one of the summer’s catch phrases. In September, Coop’s new Naturaplan TV commercial marked the start of the 20<sup>th</sup> jubilee celebrations of the own-label brand in 2013. The TV commercial and the organics song “I love” both focus joyfully on love of Nature. “I Love” made it to the top of the Swiss singles hit parade, the first Swiss advertising song ever to do so. In November, Coop launched “Simsalawin”, a big new lottery, in Coop supermarkets, department stores and Building & Hobby centres. There were some extraordinary prizes to be won, for instance the possibility of a marriage proposal on television.

#### **Coop member press expands range of services**

As the most widely read print products in Switzerland, the three weekly newspapers Coopzeitung, Coop ration and Cooperazione provide their readers with information on consumer topics and sustainability and with up-to-date news on Coop products and services. With an overall circulation of

2 548 281 and approximately 3.4 million regular readers, they are noted in an average of six out of ten households. This was confirmed by the annual survey carried out by the independent Swiss media research company Wemf AG. Among new developments in 2012, the partnership with Switzerland Tourism resulted in the publication of two successful supplements containing exclusive leisure-time offers. Coop is constantly testing new opportunities in the new media to round out its print publications. Cooperazione, for instance, is also available every week as an e-paper for iPad and iPhone. In addition, Coop member press expanded its regional presence by its first-ever stationing of two editors in Ticino.

#### **Record number of hits for Coop’s website**

There were three main focuses on Coop’s website in 2012. The first was on attractive promotions such as “Big Win” and the barbecue campaign. They were increasingly implemented online and went down well among customers. During “Big Win”, for instance, the Coop website featured in Switzerland’s top ten in terms of visitors per month. Coop’s second focus was on improving customer benefit by revamping the web pages of Supercard, the supermarkets and the restaurants. Finally, the Coop home page in particular was modernized, the search function improved and options for using it via mobile devices were created.

#### **Close to customers thanks to sponsorship**

Coop’s sponsorship commitments in 2012 continued to cover a wide range of activities and aroused an enthusiastic response among many customers. At the grass-roots sports level, the Coop Municipality Duel attracted 221 000 participants – a new record. The gymnastics Turnshow Swiss Cup in Zurich, which Coop has supported since 2004 to complement the cantonal and federal gymnastics festivals, also attracted a lot more visitors to the indoor stadium and TV viewers than in the previous year. In the cultural field, Thun’s lakeside musical productions enjoyed record audiences: the musical “Titanic” brought its presenting sponsor, Coop, into contact with audiences totalling 83 000. The Mummenschanz stage company’s resounding success enabled it to extend its anniversary tour until the end of 2012, and the Divertimento comedy duo added their new show “Gate 10” to their growing list of successes. Each of the performances was sold out within a matter of hours. Coop also sponsors numerous child/family-oriented events: for instance, it supported the children’s musical “Michel aus L nneberga” in the year under review.



## Logistics, IT and property

# Site and process improvements enhance efficiency and ecological conditions

Ongoing investment in improving logistical processes generates substantial cost savings and environmental benefits. The concentration on sites creates synergies and enables more freight to be shifted from road to rail. IT also exploits synergies, with a uniform cash register system for the different sales format and the integration of Transgourmet's IT systems.

## Logistics

### Project development: logistics and bakeries strategy

The Logistics and Bakeries Strategy 2015+ is a large-scale project that Coop initiated in 2010 to pursue three basic goals: further cost optimization to achieve recurrent annual savings of about 77 million francs, provision of essential support for the Group's sustainability targets, and constant improvement in the quality of Coop baked goods. The core of the



new strategy is to expand the existing distribution centre at Schafisheim. After submitting a planning application for the main building in spring 2012, Coop received the definitive go-ahead for the large project from the authorities in January 2013. Concurrently, Coop began planning the processes to be housed in the new premises, for instance the construction of a new large-scale bakery. The existing Dietikon distribution centre is also to be converted: it will take over Coop@home logistics from Spreitenbach and deliveries to Coop Pronto Shops, which until now have been supplied from Basel and Schafisheim. To ensure that the Schafisheim expansion runs according to plan, Pronto Logistics was relocated to provisional accommodation at the premises of a nearby external logistics supplier in 2012.

#### **Investment in new Pratteln site**

In line with the Logistics and Bakery Strategy 2015+, Coop demonstrated a further clear commitment to Switzerland as a manufacturing base in October 2012 with the decision to build a new 80 000 m<sup>2</sup> production site in Pratteln. The anticipated completion date is 2016. The Coop manufacturing company Chocolats Halba will be relocated to Pratteln, while the current Wallisellen and Hinwil sites will be closed down towards the end of 2016. All the employees concerned will receive offers of new jobs within the Coop Group one year in advance of the closures. At the new Pratteln site, Chocolats Halba will be under the same roof as the manufacturing companies Cave and Sunray and also Coop Logistics – a move that will generate not only synergies but also further CO<sub>2</sub> savings.

#### **Railcare: technologically and ecologically on track**

The freight transport company Railcare AG, which has been part of the Coop Group since 2010, is a major player in the general logistics and bakeries strategy. Railcare specializes in unaccompanied combined transport (UCT), a combination of road and rail. Freight shipments are transferred from trains to trucks, and vice versa, in swap bodies – an environmentally friendly method of transporting goods that will be used particularly in the large Schafisheim logistics project. Railcare already transported over 17 500 swap bodies for Coop in 2012. A further 840 have been added since December with the new south/north supply route coming on-stream for the daily transport of fruit and vegetables from the Stabio logistics platform to the regional distribution centres by UCT. Shipments employing UCT enabled Coop to save over 2 000 tonnes of CO<sub>2</sub> in 2012. From July 2013 on, Railcare will also supply 42 food outlets in the Geneva region three

times daily from the Aclens regional distribution centre using tilting trains.

#### **Automated order-picking in Berne**

A plant for automated order-picking of ultra-fresh goods, including dairy products, came on-stream at the Berne distribution centre in May. Integrated into the existing premises, the plant enables up to 3 200 packaging units per hour to be order-picked in accordance with the needs of individual sales outlets. Automation reduces the error rate to zero and spares staff the sometimes laborious task of manually lifting plastic containers to head height.

#### **New momentum from exchange programme**

In the year under review, heads of Coop's distribution centres and manufacturing companies took part for the first time in an exchange with companies from the Coopernic international sourcing alliance. Each of the managers visited a logistics or manufacturing plant in Germany, Belgium or Italy for one week and thus gained an insight into the working methods employed there. Likewise, representatives from all the foreign companies visited Switzerland. This exchange of know-how promoted reciprocal learning and generated new ideas.

## **IT**

#### **Expansion of the uniform cash-register solution**

In 2012, Coop IT introduced the new cash-register system in the Coop Building & Hobby, Coop City and Import Parfumerie formats. It also extended the functionalities of the system. About 1 200 stores in six different sales formats are now operating with the uniform cash-register system. The switchover of Coop Restaurants in 2013 will mark the completion of the measure.

#### **New materials management system in sales outlets**

In connection with the replacement of the existing materials management system by a more state-of-the-art software solution, a pilot trial was initiated in about 30 food outlets in 2012. The new Ergo system is aimed above all at improving ordering processes – whether automated via sales-based ordering or manual. The complete replacement of the old materials management system is scheduled to be completed in 2013.

#### **Transgourmet integration proceeds apace**

Coop had already begun in 2011 to extract Transgourmet Group IT systems hosted by Rewe Informations-Systeme GmbH (RIS) and integrate them into Coop IT. In 2012, Coop was able to furnish the new

systems for Accounting and already migrate the company codes of Fegro/Selgros Germany in full. The project "Integration of Transgourmet Group IT" is scheduled for completion at the end of 2013.

## Property

### Numerous large-scale projects completed

At the end of 2012, the Property Business Unit was managing a total of 40 shopping centres, in which other companies were represented besides Coop sales formats. However, the responsibilities of the Property Business Unit are not confined to management of shopping centres. It also engages in portfolio, building, asset and facility management and runs the entire property portfolio for Coop's core business. There was a strong focus on developing and realizing new projects in the year under review. On 21 March 2012, for instance, the grand opening of the expanded sales outlet in Frick took place, while the newly built Toptip in Pratteln opened its doors in April. In autumn, Interdiscount's expanded distribution centre in Jegenstorf came on-stream. Shortly afterwards, the phased refurbishment of the shopping centre in Canobbio celebrated its inauguration. On 29 November, the new building that houses a combined Coop supermarket and Building & Hobby centre opened in Einsiedeln. The modernization of the Prilly Centre, the renovation of the Mercure Hotel Europe in Basel and the expansion and updating of the Tägipark shopping centre in Wettingen were not yet fully completed at the end of 2012. A further 31 major projects were in the planning stage or just about to be realized.



Kreierkron  
foodservice

prodega

Natives  
Olivenöl Extra

## Transgourmet Group

# Cash & carry and wholesale supplies round out the core business

With its acquisition of Transgourmet, Coop focuses on a new business field with good prospects for the future. The Transgourmet Group increases both sales and earnings despite a challenging operating environment. The five companies in France, Germany, Poland, Romania, Russia and Switzerland invest in new markets, logistics sites and expansion of ranges. The merger also generates synergies: Prodega/Growa and Howeg will pursue a common strategy in the future.

## Transgourmet Holding AG

### Wholesale business as second mainstay of Coop

With the complete takeover of the Transgourmet Group in January 2011, Coop invested in a second business mainstay with good prospects for the future. Transgourmet Holding AG is active in the cash & carry and wholesale supplies fields and operates in Switzerland, France, Germany, Poland, Romania and Russia. It comprises the companies Fegro/Selgros, Prodega/Growa, Rewe-Foodservice, Transgourmet France and Howeg.



As Europe's second-largest cash & carry and food service company, Transgourmet Holding AG employed a workforce of 22 652 throughout Europe in 2012. It posted overall sales of around 8.3 billion francs, with cash & carry accounting for around 5.1 billion francs and wholesale supplies for around 3.2 billion francs. The Transgourmet Group thus grew by a gratifying 0.4%. Adjusted for exchange rates, sales were up 3% on the previous year. The Transgourmet business now accounts for 29.7% of the Coop Group's overall sales.

#### **Merger of Prodega/Growa and Howeg**

In the year under review, the two leaders in the Swiss cash & carry and wholesale supplies market, Prodega/Growa Cash+Carry and Howeg, decided to join forces and adopt a common strategy for the future as of 2013. This merger creates the first provider in the Swiss catering/gastronomy sector to cover all needs under one roof. The existing brands will be continued: Howeg for wholesale supplies and Prodega/Growa for the cash & carry business. The combined full ranges comprise over 30 000 articles, of which a total of up to 20 000 can now be delivered directly. In addition, customers will benefit from numerous own-label brands and customer-focused activities. Prodega/Growa/Howeg will open four new regional warehouses in Quartino, Satigny-Genève, Chur and Neuendorf by the end of 2013, and a new Prodega cash & carry outlet in Satigny-Genève in May 2013. The boards of the two companies will be merged in Moosseedorf by 2015, and job losses are not envisaged. Employees affected by the merger will be offered positions within Transgourmet Switzerland AG or the Coop Group.

### **Cash & carry business**

#### **Fegro/Selgros: new look in all countries**

At the end of 2012, Fegro/Selgros Cash+Carry was operating a total of 84 cash & carry outlets in Germany, Poland, Romania and Russia with a combined workforce of 13 922.

In Germany, its 44 outlets and total sales area of 416 622 m<sup>2</sup> make Fegro/Selgros a key player in the cash & carry business. It offers more than 25 000 food and 28 000 non-food articles at wholesale prices. Its 1.5 million customers include caterers/restaurants, newsstands, retailers and other businesses. Three further outlets – in Aschaffenburg, Chemnitz and Ingolstadt – were adapted to the new store design concept in 2012. There are now a total of six Fegro/Selgros outlets in Germany with redesigned sales areas and state-of-the-art technology.

Selgros Cash+Carry has been operating in Poland since 1997. Its network of locations comprised 15 outlets with a total sales area of 148 015 m<sup>2</sup> in the year under review. The 15<sup>th</sup> Polish Selgros outlet was opened in Gliwice in June. In Warsaw and Kraków, Selgros Poland adapted the layout and design of two further outlets to a new look. The company offers its 860 000 business customers over 45 000 food and non-food articles. The focus is on fresh-produce departments, including meat cuts from the company's own butchers, fish, fruit and vegetables.

Selgros Cash+Carry is also one of the biggest chain stores in Romania, where it operates 19 hypermarkets with a total sales area of 179 221 m<sup>2</sup>. Its approximately 850 000 customers appreciate its range of more than 40 000 food and non-food articles, which are sourced predominantly from domestic suppliers and producers. In spring, Selgros Romania successfully switched fruit & vegetable provision to a platform-based system. As part of the phased modernization of the Romanian stores, a further five hypermarkets across the country were refurbished in 2012. Four hypermarkets were given fresh-fish departments with a sales area of 200 m<sup>2</sup>. In the hypermarket in Pantelimon, Selgros Cash+Carry installed a photovoltaic system – the first such company in Romania to do so.

Selgros Cash+Carry has been operating in the Russian market since 2008. Its six wholesale supplies outlets with a combined sales area of 53 042 m<sup>2</sup> offer its total of 700 000 customers approximately 45 000 food and non-food articles. In 2012, the hypermarket in Kotelniki near Moscow was adapted to a new store design that will be applied to all outlets in the future. A new hypermarket – the sixth – was opened in Kazan, with the outlets now being supplied for the first time by a logistics provider.

#### **Prodega/Growa: start of cooperation with Howeg**

Prodega/Growa Cash+Carry is the Swiss leader in the cash & carry business. The company, which is headquartered in Moosseedorf, employed a workforce of 1 329 and operated 27 cash & carry outlets in the year under review: 19 Prodega and eight Growa stores. These provide just under 90 000 customers in the catering/restaurant, retail and industrial sectors with a comprehensive and varied range of around 35 000 food and non-food items on total floorspace of 112 516 m<sup>2</sup>. The offering was expanded in 2012, particularly in the "Regional" and "Fast food" segments. In the year under review, Prodega/Growa secured a site for the planned expansion in Satigny-Genève in 2013, and building work has already begun. In connection with the planned merger of Prodega/Growa and Howeg as

from 2013, the two companies already merged the cash & carry and the wholesale supplies business in Ticino in 2012. Caterers/restaurants in Ticino now benefit from the full range of Prodega and Howeg products and from flexible provision of supplies from the region. In addition, Prodega/Growa began to remodel the outlet in Chur to match the Howeg platform.

## Wholesale supplies

### Rewe Foodservice invests in logistics

Rewe Foodservice GmbH had a workforce of 3 322 in 2012 and is one of the leading providers of wholesale supplies in Germany. It operates from 16 locations and also runs four cash & carry hypermarkets. Its over 35 000 customers include bulk buyers in the hotel, restaurant, corporate catering and social service sectors. It supplies them with a total of 36 500 items from the food, consumer goods and industrial kitchen equipment sectors. With its subsidiary Transgourmet Seafood GmbH in Bremerhaven, Rewe Foodservice operates a leading logistics hub for fresh fish, fresh seafood and other maritime food products. In June 2012, the new logistics centre for the Rhine-Main region in Riedstadt came on-stream. Its total surface area of 20 000 m<sup>2</sup> is used to store dried products, frozen goods and fresh foodstuffs. The building is a showpiece of sustainability with, for instance, a 15 000 m<sup>2</sup> photovoltaic plant installed on the roof. Rewe Foodservice also opened a new logistics centre with 8 500 m<sup>2</sup> of storage space in Bayreuth in Upper Franconia, and it built a new transshipment warehouse in Trossingen, Baden-Württemberg. On 1 February 2012, Rewe Foodservice took over Ringk, a Hesse-domiciled supplier of gourmet food and dairy products. Rewe Foodservice stepped up its commitment to sustainability in 2012 by creating two new posts in the fields of sustainability controlling and health management.

### Transgourmet France now comprises four companies

Transgourmet France is the product of a merger between four companies: Transgourmet Opérations, All Fresh Logistique, Pro Hygiène Service and Eurocash. Providing over 38 000 articles from the food and hygiene sectors, Transgourmet France is the main supplier for more than 60 000 businesses in the catering/restaurant, bakery and confectionery sectors. This makes it the number two in France's wholesale supplies sector. In 2012, Transgourmet France and its subsidiaries employed a total workforce of 3 694 at 41 locations. In the

year under review, Transgourmet Opérations focused on streamlining the range in order to target the needs of its customers – social service facilities, caterers/restaurants, bakeries and confectioners – even more closely. In addition, Transgourmet Opérations had three further sites certified to ISO 22 000. All Fresh Logistique is the leading wholesale supplier of fruit, vegetables, fish and seafood in the greater Paris area. In 2012, it set up a seafood platform in Rungis near Paris and now supplies the Ile-de-France region with organic products from three temperature zones. With Pro Hygiène Service, Transgourmet France also offers a full range of hygiene and cleaning products for diverse market sectors. Eurocash has been owned by Transgourmet France since 1 June 2012. Domiciled in Schiltigheim, Alsace, Eurocash operates a cash & carry business with a diverse range of products for caterers/restaurants, bakeries and confectioners, and it owns warehousing space from which a fleet of 21 vehicles supplies customers in the Upper and Lower Rhine regions.

### Howeg: massive expansion of range

Howeg supplies hotels, caterers/restaurants, homes, hospitals, staff canteens and schools and is the leading player in the wholesale supplies business in Switzerland. Headquartered in Winterthur, the company operates from six logistics platforms and employed a total workforce of 385 in 2012. Howeg provides around 5 500 customers with a comprehensive range tailored to the needs of modern catering/gastronomy establishments. The range comprises groceries, fresh and frozen products, meat, seafood, fruit, vegetables, non-food and wine. The range was further expanded in 2012, particularly in the fresh-produce category, and now comprises over 15 000 items. Howeg is noted in particular for its strong advisory skills, while its numerous special offers promote sustainability in the Swiss catering/gastronomy sector. The Swiss company is also strongly committed to encouraging and supporting young chefs. Thanks to the cooperative venture initiated in Ticino in 2012 with the cash & carry operator Prodega/Growa, Howeg customers in that region can now choose from a full range of products and have the option of shopping in a hypermarket. From 2013 on, Howeg and Prodega/Growa will pursue a common strategy.



## Manufacturing

# More, different, new: manufacturing companies respond successfully to challenges

The international business is growing in importance for the Coop Group's manufacturing companies. So, too, is their development of a distinctive profile as providers of sustainable products. The year under review is shaped by key decisions such as the restructuring of Bell and the relocation of Chocolats Halba.

## Bell Group

### Stable trend at Bell Group

Bell is Switzerland's largest meat processor. It supplies meat, poultry, cold cuts, seafood and convenience products. Its customers include both the retail and the wholesale trade, caterers/restaurants and the food industry. The Bell Group's brands Bell, Abraham, Zimbo, M<sup>o</sup>ssieur Polette and Hoppe cover a varied range of customer needs. Bell employed a total workforce of 6 469 at the end of 2012, around 3 000 of them outside Switzerland. In a



demanding market environment, turnover from the sale of goods rose by 0.4% to over 2.5 billion francs. Adjusted for exchange rates and structural factors, the sales growth was 0.6%. Sales volume declined by 1.2% to 222 000 tonnes.

#### **Organizational changes**

In the year under review, Bell made various organizational changes to the international business, thereby creating potential synergies throughout the Group and achieving efficiency gains. In Germany, operational processes in production, purchasing, logistics and IT were merged under the umbrella of Bell Germany and a single management. Administration is concentrated in Seevetal, and the Bochum site is scheduled for closure on 31 March 2013. The Bell International Business Unit is now divided into Bell Germany and Bell France for the respective country-specific activities, and Bell International for activities in Eastern Europe and the Benelux countries. On 1 January 2012, Hilcona AG took over the Swiss company Gastro Star AG. This acquisition strengthens the market position of Hilcona as a full-range provider of fresh convenience food. Jobs at Gastro Star and the established manufacturing and distribution sites at Dällikon (Canton Zurich) and Villigen (Canton Aargau) are not affected. As part of a cooperative agreement, Bell has held a 49% stake in Hilcona since 1 January 2011 and will acquire a further 2% of the share capital in 2015.

#### **Bell Switzerland on track for success**

Sales volume at Bell Switzerland in 2012 was up 1.4% to 122 500 tonnes. The company thus gained market share, as volume-based market volume in Switzerland has fallen by around 2%, according to Bell's estimates. Turnover increased less strongly, by 0.6% to just under 1.8 billion francs. This decline was due to an average fall of 0.8% in sale prices. The growth was again due to demand for Swiss meat. At the same time, there was a further significant decline in the share accounted for by imports. Sales in the retail and food industry channels posted a downward trend while those in the catering/restaurants channel grew.

#### **Focus on consolidation at Bell Germany**

The prices of raw materials stayed very high in 2012. Though isolated price adjustments in the market were implemented, the situation was still strained. Sales from goods at Bell Germany (including the Spanish operations) rose by 1.5% to 484 million francs. The sales growth resulted mainly from higher-priced ranges. Owing to product range restructurings, sales in terms of volume declined by 2.5% versus the previous year to around

66 000 tonnes. Bell Germany increased sales particularly of smoked ham, while the results for cooked sausage and raw sausage were below the previous year's figures, owing to range restructuring. Mediterranean ham specialities such as Serano ham once again proved to be growth drivers. In the cooked sausage range, a new line using poultry products was launched. In the meat-based convenience range, the repositioning of the Hoppe brand and the launch of various new products resulted in expansion of listings in the retail, cash & carry and wholesale supplies channels.

#### **Strong growth at Bell France**

Gratifying sales of raw sausage and ham ranges at Bell France were posted in 2012, growing by 6.2% to a total of 12 600 tonnes. In parallel, sales from goods rose by 4.7%, amounting to over 97 million francs at the end of the year. In local currency terms, sales increased by 6.9%. The ranges for both self-service and counter service products posted satisfactory growth. The very high raw material prices and the difficulty of implementing essential price increases in the market continue to be challenges.

#### **Mixed picture at Bell Eastern Europe/Benelux**

Activities at Bell Eastern Europe/Benelux developed differently according to the country involved. Business in Poland was encouraging – even though currency fluctuations still had to be absorbed. Hungary, on the other hand, continued to struggle with a marked downtrend in the economy. Here, Bell concentrated on efficiency gains and profitable ranges. The branches in the Czech Republic, Slovakia and Romania again posted a positive performance. Owing to steady expansion, sales were slightly up on the year-back figure. However, overall sales from goods at Bell Eastern Europe/Benelux declined by 6.1% to just under 189 million francs. Converted into local currencies, sales fell by 4.1%. Sales of Bell Eastern Europe/Benelux in terms of volume amounted to 20 600 tonnes.

### **Coop manufacturing companies**

#### **Swissmill**

*Products: flours, flour mixtures, durum wheat semolina, polenta, oat flakes, extruder products*  
Sales of Swissmill in terms of volume amounted to 208 000 tonnes in 2012. Switzerland's largest grain mill thus enjoyed another successful year. In the last few years, Swissmill has developed into one of the most modern mills in Europe. In order to demonstrate this, the entire corporate design,

including the logo, was revamped in 2012. In March, Swissmill received permission from the authorities to start building work on raising the height of its grain warehouse in Zurich. The new grain silo is scheduled to come on-stream at the end of 2014. To do justice to the increasingly specific needs of customers, Swissmill expanded its range of speciality blends in the flour and semolina segment.

A new steam and heating plant for production reduced energy consumption by around 23% and CO<sub>2</sub> output by almost 15%. To increase logistical efficiency, Swissmill switched the provision of supplies to Prodega and the Coop in-house bakeries to Howeg as the central provider.

### **Chocolats Halba**

*Products: chocolate bars, confectionery, festive assortments, chocolate for industrial purposes*

Thanks to substantial production improvements and substantially lower staff costs, the company generated a very satisfactory result in the year under review. The sustainable procurement of cocoa in particular proved to be a guarantee of success. Various customers in Switzerland and abroad followed Coop's example and switched their ranges fully or in part to Fairtrade products. Sustainable production now accounts for over 23% of overall sales of Chocolats Halba, up from 15.7% in the previous year. The launch of "The Change Chocolate" for the "Plant For the Planet" children's initiative attracted a lot of attention in 2012. The world's first climate-neutral fairly traded chocolate was presented at the ISM confectionery trade fair in Cologne, Germany, in January. Subsequently, more than a million bars came off the production line within six months. In October 2012, Coop announced that the production of Chocolats Halba would be relocated from Hinwil and Wallisellen to Pratteln in 2016. The new building in Pratteln will also house the manufacturing companies Sunray and Cave, along with Coop Logistics.

### **Pasta Gala**

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

Pasta Gala can also look back on a successful year. The acquisition of new customers in Switzerland and abroad boosted business with third-party customers by around 40%. In addition, the close, solution-oriented cooperation with the Transgourmet Group was an important cornerstone of growth, with the launch of new articles for Prodega, enabling Pasta Gala to lift sales by over 25% in Switzerland. Various improvements to the ranges, innovations in the core business with Coop and product harmonization at Bell Convenience and Hilcona were com-

pleted in 2012. A number of years ago, Pasta Gala had developed varieties of organic pasta made from ancient grains for Coop Naturaplan. This concept has now been applied to the traditional range with an eye on the export market. The first products were launched at Rewe and Rewe Foodservice at the end of 2012.

### **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*

In 2012, CWK-SCS was able to offset the euro-related losses in export business with successes in the Swiss market, posting an increase of 1% in sales. Under the brand name "wel!", CWK-SCS developed 26 completely new cosmetic products for Coop. In addition, the well known sunscreen brand Sherpa Tensing was extended to include the innovative Hot Suncream, which has a protection factor of 30. The sun cream is designed especially for use in winter and warms the skin at low temperatures. In January, the magazine Annabelle singled out the CWK brand Formula Fiorina as Switzerland's best natural cosmetics line. Thanks to innovative products for bulk customers from the SCS division, Prodega's Clinex Excellency line was expanded into a full range. In 2012, SCS demonstrated its skills in the textile cleaning sector when it was granted the first patent for thermochemical disinfection of laundry. To promote sustainability, CWK-SCS now has all freight transports for Coop handled by Railcare.

### **Reismühle Brunnen**

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

In 2012, Reismühle Brunnen concentrated on the relaunch of its premium range and the acquisition of international customers for its Fairtrade and premium products. Organic and Fairtrade products now account for just under 35% of overall sales. In October 2012, Reismühle Brunnen launched the first Thai rice resulting from the project initiated in 2012 to enable rice to be sourced in India and Thailand on an integrated basis. While poor weather reduced the harvest by around 100 tonnes in Thailand, yields in India grew. The first approximately 120 tonnes of rice from the sustainability project will arrive in Switzerland in spring 2013. The photovoltaic plant on the roof of Reismühle Brunnen which came on-stream in 2011 is proving to be efficient: it produced 120000 kilowatt hours of electricity in 2012 – around 20% more than expected.

## **Nutrex**

*Products: vinegar and vinegar specialities for retailing, caterers / restaurants and industry*

Thanks to an innovative method, Nutrex is able to dispense with potassium sulphate as an additive in all varieties of vinegar – the first Swiss vinegar producer to do so. The Coop manufacturing company also pioneered the market launch of the first organic table vinegar for further processing by the food industry. This launch had a correspondingly positive impact on sales of organic vinegar, with organic products now accounting for around 13% of overall sales. Nutrex now increasingly produces apple vinegar from Swiss apple juice, which earned it “Suisse Garantie” certification. Furthermore, Nutrex successfully launched the first products of the own-label brand Picanto in April 2012. These measures boosted production volume to around 84 000 bottles.

## **Sunray**

*Products: spices, herbs, nut kernels, savoury snacks, dried fruit and vegetables, pulses, baking ingredients, baking and dessert mixtures, edible oils, sugar*

Sunray posted production volume of 24 000 tonnes and output of 55 million packs in 2012. The share of organic and Fairtrade products in sales grew by around 14%. On balance, 24 new organic and/or Fairtrade products such as Max Havelaar organic nutmegs were introduced. Since 2012, Sunray has been using a new spicing method of its own to produce spiced and roasted nut snacks. In order to boost productivity, it replaced the spice packaging plant and installed two new packaging systems for sugar sachets and sticks. As part of a large-scale project approved in 2012, Sunray will move into new production premises in Pratteln along with the manufacturing companies Chocolats Halba and Cave in 2016.

## **Pearlwater Mineralquellen**

*Products: mineral water and carbonated soft drinks*

In 2012, Pearlwater Mineralquellen AG gradually took over the entire production of mineral water and a large number of soft drinks marketed under Coop's own-label brands. Following the official inauguration of the new building and the production facilities in June, the systems stood up well to peak demand in August and posted the highest delivery figures of the year. Pearlwater bottled a total of over 100 million litres in 2012, thereby exceeding the annual bottling output originally forecast. Since taking over Pearlwater Mineralquellen in January 2011, Coop invested around 30 million francs in the new site and created 30 additional jobs. There are already plans to expand warehouse capacity in 2013.

## **Cave**

*Services: vinification of Swiss musts and young wines; management, ageing and bottling of wines from all over the world; bottling of aromatized, wine-containing beverages*

In terms of in-house production volume, the Cave winery posted sales of 41 million bottles in 2012. The range now comprises around 400 articles, including 35 new items. The cooperation with Transgourmet is developing well, with further articles being added in 2012. In the vinification of AOC quality wines sector, Cave posted a production volume of one million bottles, for which grape must or young wine from different Swiss cantons was fermented, aged and bottled. A large-scale project to relocate Cave to a new building in Pratteln in 2016 was approved in the year under review. The new premises will also house the manufacturing companies Chocolats Halba and Sunray, along with Coop Logistics.

## **Banana Ripening Plant**

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

In the year under review Coop's Banana Ripening Plant delivered 21 131 tonnes of bananas and 1 694 tonnes of dried fruit. As a new activity, it also delivered 1 650 tonnes of exotic fruit. The newly built cold facilities for the storage and order-picking of exotic produce such as avocado, mango and pineapple came on-stream in June 2010. The corresponding pilot trial with the Nordwestschweiz Sales Region produced very positive results and will therefore be extended to all other regions as from 2013. The Banana Ripening Plant stored and order-picked a total of seven varieties of banana and 35 varieties of dried and exotic fruit. Organic and Fairtrade products now account for 87% of overall sales – around 2 percentage points above the year-back figure.

## **Coop Bakeries**

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

In 2012, Coop's seven industrial bakeries produced around 50 931 tonnes of baked goods, doughs and ready-to-bake dough pieces. In the year under review, two of them were certified to IFS 6. Besides its industrial bakeries, Coop also operates 36 in-store bakeries and confectioners in which traditionally handcrafted bread and confectionery products are baked off in the actual sales outlet. These bakeries posted a production volume of 6 517 tonnes

in 2012. All in-store bakeries now use IP-Suisse-certified flour. In addition, organic flour is now used to produce two types of bread and one type of roll. With the implementation of the Logistics and Bakeries Strategy 2015+, progress was made in planning the new industrial bakery in Schafisheim. The sale of “Grittibänzen” figure rolls for the aid campaign “Every centime counts” initiated by Swiss Radio and Television and the Swiss Solidarity fund-raising organization was successful. Money was again collected for Coop Aid for Mountain Regions: proceeds amounting to 386 517 francs from the 1 August “Weggen” (bread roll) campaign were donated to it as a token of solidarity.



We inspire our customers by offering added value.

Serviziabilità  
Partenariati  
Serviziabilità  
Partenariati

Serviziabilità  
Partenariati  
Serviziabilità  
Partenariati

Innovazione  
Dinamismo

Innovazione  
Dinamismo

FÜR DIE  
LIEBE  
ZUR NATUR



15

## Employees

# Support, professional development and pay rise: Coop respects its employees

Employees are treated with great respect at Coop. Confirmation of this can be found in the comprehensive professional development opportunities, the continual increase in the minimum wages, the commitment to apprentices, the good social insurance benefits and the largest-ever moderated management meeting.

### Coop's personnel strategy

#### Good prospects for apprentices

The Coop Group invests large sums in the training of young people. For Coop, today's successful apprentices are the mainstay of tomorrow's executive staff. In the year under review, it trained a total of 2 804 apprentices in 21 different occupations. Of these, 1 094 began their training in August 2012. Among the 1 033 apprentices who took part in the qualification procedure in 2012, 96% completed their training successfully. Coop also applies sustainability to professional training, offering 68%



of its successful apprentices continued employment within the Coop Group. The opportunities for promotion, particularly in sales, are excellent and comparable with no other sector.

#### **New retail manager training programme**

There is a growing demand in the retail sector for experienced executives who can take up responsible management posts along the sector's entire value chain. For this reason, the retail training umbrella association BDS, which consists of employer organizations and individual employers such as Coop, set up the advanced federal training course (HFP) for "retail managers". The course began in April 2012 with a total of 23 participants, seven of whom were employed at Coop. After an online status review, sector experts present a total of eight basic modules containing practice-based learning material. Integrated thinking is then required for the subsequent "BDS Campus", where participants can apply what they have learned to business cases and exchange views with selected opinion leaders on challenges currently facing the retail sector. The quality of the training is guaranteed by a newly formed retail advisory board consisting of high-calibre, top management-level sector representatives. Coop's CEO, Joos Sutter, is a member of this board, and Coop also provides one of the lecturers.

#### **Talent-pool meetings promote exchanges and motivation**

Coop's round-the-year talent management process is designed to ensure that all employees undergo systematic and transparent professional development and that employee potential is nurtured. Staff with managerial ambitions are assigned to different talent pools in which they work on their individual development programmes. Joint meetings of the talent pools were organized for the first time in 2012. They provided a forum at which potential successors could talk with the Coop Executive Committee and the heads of the Coop sales regions, the sales formats or the divisions, and take part in an exchange of views and experience across all sectors and regions. In addition, they took part in group-dynamic exercises in which they had an opportunity to apply, assess and reflect on the skills they had learned. These joint talent-pool meetings provide important motivation to take the planned step in the career ladder.

#### **Record participation in the Coop Management Meeting**

Coop's entire executive staff – around 3000 employees from sales, production, logistics and central corporate departments – met in Berne on

26 June 2012. On the one hand, the Extraordinary Management Meeting provided the new Executive Committee with an opportunity to introduce itself and talk about the Group's strategic tools. On the other, it constituted the first day of the process in which Coop's corporate objectives are agreed. Divided into 400 groups of 8 people, the participants engaged for an entire day with Objective No. 5 of the following year, 2013: "We impress our customers by offering added value". The moderated meeting was the largest of its kind ever held in Switzerland. Never had so many executive staff gathered together in order to shape the future collectively.

### **Social partnership at Coop**

#### **Pay rise despite lower Coop prices overall**

Coop's Executive Committee decided in November 2012 that employees would receive a pay rise in 2013. A total of 1.1% of the payroll is available for the increase. Coop can raise wages despite the continuing fall in its prices overall because it is a cooperative society and therefore beholden solely to its customers and employees. This means that profits can be systematically invested in the Group, in new range offerings, lower prices and better pay. Effective in 2013, all Coop employees covered by the Coop collective employment agreement (CEC) and all those at the different management levels will receive a general pay increase of 0.6%, regardless of their individual pay level. A further 0.4% is available for individual pay rises. Coop is setting 0.1% aside for disproportionately large increases to the minimum and reference wages. These have been increased to 3800 and 3900 francs respectively. The pay rise is the outcome of constructive and frank negotiations between Coop and its social partners KV Schweiz (Swiss commercial association), SYNA/OCST and UNIA (trade unions), and VdAC (Association of Salaried Employees of Coop).

### **Coop Pension Fund**

#### **Review of investment strategy**

The CPV/CAP Coop Pension Fund reviewed the current investment strategy in 2012. This step was prompted by the changes to the actuarial basis that had become effective in 2012 and by the difficult situation on the financial markets. The CPV/CAP commissioned an asset-liability management study to examine the conformity of the liabilities with the assets of the pension fund. The study showed that the CPV/CAP was structurally sound and that

the existing investment strategy permitted optimum fulfilment of obligations. The investment strategy is therefore being continued without any significant changes. In addition, the pension fund's Insurance Regulations were examined for the scope they allowed for flexibility and individual solutions. After a thorough discussion, Coop decided, on grounds of social policy and complexity issues, to retain the regulations in their current form. At the same time, Coop announced that the generous solution regarding contributory payments (two thirds by the employer, one third by the employee) was to be continued.

#### **Gratifying year for CPV/CAP**

Although the problems resulting from the serious debt crises in various countries have still not been resolved and low interest rates continue to be a cause of concern to pension funds, the CPV/CAP can claim to have had a gratifying 2012. It achieved a return of 7.8% and a coverage ratio of 104.6%, which is an improvement on the previous year's ratio of 98.8%. The Board set an interest rate of 1.5% on members' pension-fund assets for 2013, which corresponds to the minimum rate set by the Federal Council. Pensions for 2013 were not increased. The number of active members declined by 341 in comparison with 2011, and now totals 35 946. The number of pensioners rose from 17 925 in 2011 to 18 466 at the end of 2012.

## **Transgourmet Group**

#### **Fegro/Selgros Germany develops potential successors**

Fegro/Selgros Germany invests large sums in training potential successors. It offers school-leavers practical work experience or company taster days, and trains wholesale and export trade staff in addition to sales staff. Fegro/Selgros Germany offers special training for potential butchers to safeguard future staffing levels in the meat department. Over half the apprentices are offered jobs in the company on completion of their training. Most of Fegro/Selgros Germany's appointments to specialist and management posts at its hypermarkets are selected from among in-house candidates. In addition, further training courses drawn up primarily by the company's own staff development department are provided at all levels. The exceptionally low natural fluctuation rate by German standards is evidence of the good working atmosphere.

#### **Selgros Russia: attractive benefits for employees**

The Russian state's general healthcare system falls short of requirements in many respects. Selgros Russia therefore provides its employees with additional health insurance paid for by the company. In the year under review, Selgros Russia implemented a new set of regulations governing the provision of employees with social benefits. The regulations provide for additional benefits such as cover for the cost of meals, staff rebates and financial payments in cases of birth, marriage and death.

#### **Training offensive at Transgourmet France**

In the year under review, Transgourmet France initiated a large-scale training campaign under the name of "VIA". Its aim is to promote key overarching skills and self-reliance at the workplace. The project is geared to employees who have acquired no more than one vocational qualification or have had difficulty finding and/or holding on to a job. These include people just starting work in their chosen occupation, people with a disability, migrants with inadequate language skills, long-term unemployed or pupils with a poor school record. In 2012, as many as 230 people benefited from further training in the framework of the VIA project.

## Corporate governance

# Transparent and open: insight into the Coop Group's governance

Corporate governance is based on the principle of transparency and openness on the part of management towards employees and the general public. In the following chapter, Coop provides an insight into its corporate structure.

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

### Regional Councils

*See Art. 18–20 of the Articles of Association.* Coop comprises six regions (Suisse Romande, Bern, Nordwestschweiz, Zentralschweiz-Zürich, Ostschweiz incl. Principality of Liechtenstein, and Ticino), which maintain contact with members of Coop and with the public. These regions do not constitute separate legal entities, however, but are part of Coop's cooperative-based organizational structure. In each region, members of Coop elect a Regional Council consisting of 60 to 120 members (Ticino: maximum of 30). Each Regional Council appoints a Committee of twelve (Ticino: six) from among its members. Each Committee is self-constituting and submits a proposal to the Board of Direc-

tors for the attention of the Delegate Assembly for one of its members to be appointed to the Board of Directors; if elected, the member becomes President of both the Regional Council (RC) and its Committee (RCC). The other members of each Regional Council Committee represent the members of the corresponding region at the Coop Delegate Assembly.

### Delegate Assembly

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

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

[www.coop.ch/organization](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 94–96). The changes to the scope of consolidation at Coop can be found on page 80. There are no cross-holdings between Coop companies.

## Capital structure

The capital structure can be seen in the consolidated balance sheet (page 75) and the notes to the annual consolidated financial statements (pages 78–96).

## Board of Directors

*See Board of Directors and Management structure on page 53.*

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

As at 31 December 2012 the Board of Directors comprised the following members:

---

### Hansueli Loosli

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

---

### Peter Eisenhut

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

---

### Michela Ferrari-Testa

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

---

### Hans-Jürg Käser

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

---

### Irene Kaufmann-Brändli

Born 1955, Swiss.  
Dr. oec. publ.  
Vice-Chairwoman of the Board of Directors  
Directorships:  
– Coop Immobilien AG, Berne  
– Bank Coop AG, Basel  
– Bell AG, Basel  
– Coop Mineraloel AG, Allschwil  
– Coop Aid for Mountain Regions Cooperative, Basel  
– Dipl. Ing. Fust AG, Oberbüren  
– HWZ Hochschule für Wirtschaft Zürich AG (HWZ University of Applied Sciences in Business Administration Zurich)  
– Transgourmet Holding AG, Basel  
Other functions and offices:  
– Member of Foundation Board, CPV/CAP Coop Pension Fund  
– Member of Foundation Board, ETH Zürich Foundation  
– Chairwoman of Foundation Board, Juventus Schools, Zurich

---

**Beth Krasna**

Born 1953. Swiss and US citizen  
Dipl. Chem. Ing. ETH Zurich, MBA Sloan School at MIT, Cambridge, USA  
Directorships:  
– Coop Immobilien AG, Berne  
– Banque Cantonale Vaudoise, Lausanne  
– BG Bonnard & Gardel Holding SA, Lausanne  
– Raymond Weil SA, Grand-Lancy  
Other functions and offices:  
– Member of ETH Board  
– Foundation Board, Fondation en faveur de l'Art Chorégraphique, Lausanne (Chairwoman)  
– Foundation Board, Friends of the Prix de Lausanne Foundation, Lausanne (Chairwoman)  
– Strategic Council for the Economic Development of the Canton of Geneva  
– Swiss Academy of Engineering Sciences  
– KTI Certification Board

---

**Roman Kuhn**

Born 1955, Swiss  
Executive MBA, University of Zurich  
Member of Senior Management, Aargauische Kantonbank  
Directorships:  
– Coop Immobilien AG, Berne  
– Circus Monti AG, Wohlen  
Other functions and offices:  
– Chairman, Swiss Finance Institute Alumni Association  
– Chairman, Offene Hand (Swissland) Foundation  
– Chairman, Förderverein Schloss Hallwyl (Friends of Hallwyl Castle)

---

**Lillia Rebsamen-Sala**

Born 1953, Swiss  
Businesswoman  
Directorships:  
– Coop Immobilien AG, Berne  
– Rebsamen Technocasa AG, Lucerne

---

**Bernard Rüeger**

Born 1958, Swiss  
MBA, Lausanne  
Chairman, Rüeger S.A., Crissier  
Directorships:  
– Coop Immobilien AG, Berne  
– Rüeger Holding S.A., Paudex (Chairman)  
– Alpsens Technologies S.A., Crissier (Chairman)  
– Plumettaz Holding S.A., Bex  
– Plumettaz S.A., Bex  
– Socorex Isba S.A., Ecublens  
– Lyncée Tec S.A., Ecublens  
– Lienhard Office Group AG, Degersheim  
– Initiative Capital Romandie S.A., Lausanne  
Other functions and offices:  
– Vaud Chamber of Commerce (Chairman)  
– Member, Committee of the Board of Directors, and Chairman, Foreign Trade Commission, Economiesuisse  
– Member of Foundation Board, Fondation de Beaulieu, Lausanne  
– Member of Foundation Board, Office for the Promotion of Industries and Technologies (OPI), Geneva

---

**Giusep Valaulta**

Born 1951, Swiss  
Lic. iur.  
Economic advisor, SECO  
Directorships:  
– Coop Immobilien AG, Berne

**Election and term of office of the Board of Directors**

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

**Internal organization**

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

**Working method of the Board of Directors**

The Board of Directors meets as often as business requires, but at least four times a year. In 2012, it met for seven sessions lasting from half a day to a whole day. As a rule, the Chief Executive Officer and the Vice-Chairman of the Executive Committee take part (for all items on the agenda) in the meetings of the Board of Directors in an advisory capacity, as do the other members of the Executive Committee if required. The Board is quorate if the majority of its members are present. A valid decision requires a majority of the votes cast. In the event of a tie, the Chairman of the Board of Directors has the casting vote.

**Audit Committee**

As support, the Board of Directors has appointed an Audit Committee from among its own members. The Audit Committee supports and advises the Board of Directors on the financial statements and reporting, the activities of the internal and external auditors, the Internal Audit System (IKS) and risk management (including compliance). The Committee comprises Irene Kaufmann (Chairwoman), Hansueli Loosli and Beth Krasna. The Audit Committee meets at least three times a year. A meeting generally lasts half a day. The Chief Executive Officer, the Head of the Finance/Services Business Unit and the Head of Internal Auditing take part in the meetings in an advisory capacity. Depending on the item on the agen-

da, the external auditors may be asked to attend. Internal Auditing reports to the Chairwoman of the Audit Committee.

#### **Regulation of responsibilities**

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

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

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

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

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

## **Executive Committee**

*See Management structure and Management on pages 53–56.*

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 Chairman (CEO), who is entitled to issue directives to the other EC members.

On 31 March 2012, Jürg Peritz stepped down as Head of the Marketing/Purchasing Business Unit and Vice-Chairman of the Executive Committee to enjoy well-deserved retirement. He had been employed by Coop for a total of 22 years, and was a member of the Executive Committee for eight years, latterly as Vice-Chairman.

On 1 April 2012, Philipp Wyss became Head of the Marketing/Purchasing Business Unit and Vice-Chairman of the Executive Committee. He has been a member of the Coop Executive Committee since 2009 and had been Head of the Retail Business Unit until the end of August 2011.

Reto Conrad has been a new member of the Executive Committee and the new Head of the Finance/Services Business Unit since 1 June 2012. The Finance/Services Business Unit had been headed up by Joos Sutter, Chairman of the Executive Committee, on an interim basis since September 2011. Reto Conrad had previously been Head of Finance at Emmi and has had many years of experience at both a national and an international level.

As at 31 December 2012, the Executive Committee comprised the following members:

---

#### **Joos Sutter**

Born 1964, Swiss

Lic. oec. HSG, Swiss diploma in auditing  
Chairman of the Executive Committee (CEO)  
Head of Retail Business Unit

Directorships:

- Coop ITS-Travel AG, Freienbach (Chairman)
- Coopernic SCRL, Brussels
- Transgourmet Holding AG, Basel
- Palink UAB, Lithuania/Palink SIA, Latvia

---

**Jean-Marc Chapuis**

Born 1954, Swiss

Lic. ès sciences économiques et sociales

Head of Property Business Unit

Directorships:

- BG Rosengarten Solothurn AG, Solothurn (Chairman)
- Pearlwater Mineralquellen AG, Termen (Chairman)

---

**Reto Conrad**

Born 1966, Swiss

Lic. oec. HSG, diploma in auditing

Head of Finance/Services Business Unit

Directorships:

- Coop Vitality AG, Berne
- Société coopérative Centre de Formation du Léman, Jongny
- Coop Bildungszentrum, Muttenz

---

**Leo Ebnetter**

Born 1954, Swiss

Commercial specialist

Head of Logistics Business Unit

Directorships:

- Railcare AG, Härkingen (Chairman)
- Kuhlhaus Neuhof AG, Gossau
- Bell AG, Basel

---

**Daniel Stucker**

Born 1964, Swiss

Dipl. Ing. in business informatics, executive MBA

Head of Trading Business Unit

Directorships:

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

---

**Philipp Wyss**

Born 1966, Swiss

Commercial specialist

Vice-Chairman of the Executive Committee

Head of Marketing/Purchasing Business Unit

Directorships:

- Betty Bossi AG, Zurich
- Coopernic SCRL, Brussels, Belgium
- Eurogroup Far East Ltd., Hong Kong (Chairman)
- Eurobuy GmbH, Cologne, Germany
- GfM Schweizerische Gesellschaft für Marketing, Zurich
- Hilcona AG, Schaan, Lichtenstein
- Palink UAB, Lithuania/Palink SIA, Latvia
- Biore Foundation, Rotkreuz
- Transgourmet Holding AG, Basel
- Tropenhaus Frutigen AG, Frutigen (Chairman)
- Tropenhaus Wolhusen AG, Wolhusen (Chairman)

**Management agreements**

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

**Remuneration**

Remuneration for the activities of the Coop Board of Directors in 2012 amounted to 1.4 million francs (2011: 1.3 million francs). The gross salaries of the Executive Committee totalled 3.3 million francs for 5.8 members (previous year: 4.3 million francs for seven 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 the set fees for activities performed by the members of the Executive Committee as members of the Boards of Directors of Coop subsidiaries and non-Group companies. The Chairman of the Board of Directors, the Vice-Chairman 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. Lead auditor Daniel Suter has been in office since 2010.

**Auditing fee**

The following auditing fees were billed for services performed for 2012:

auditing services: 3.2 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

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

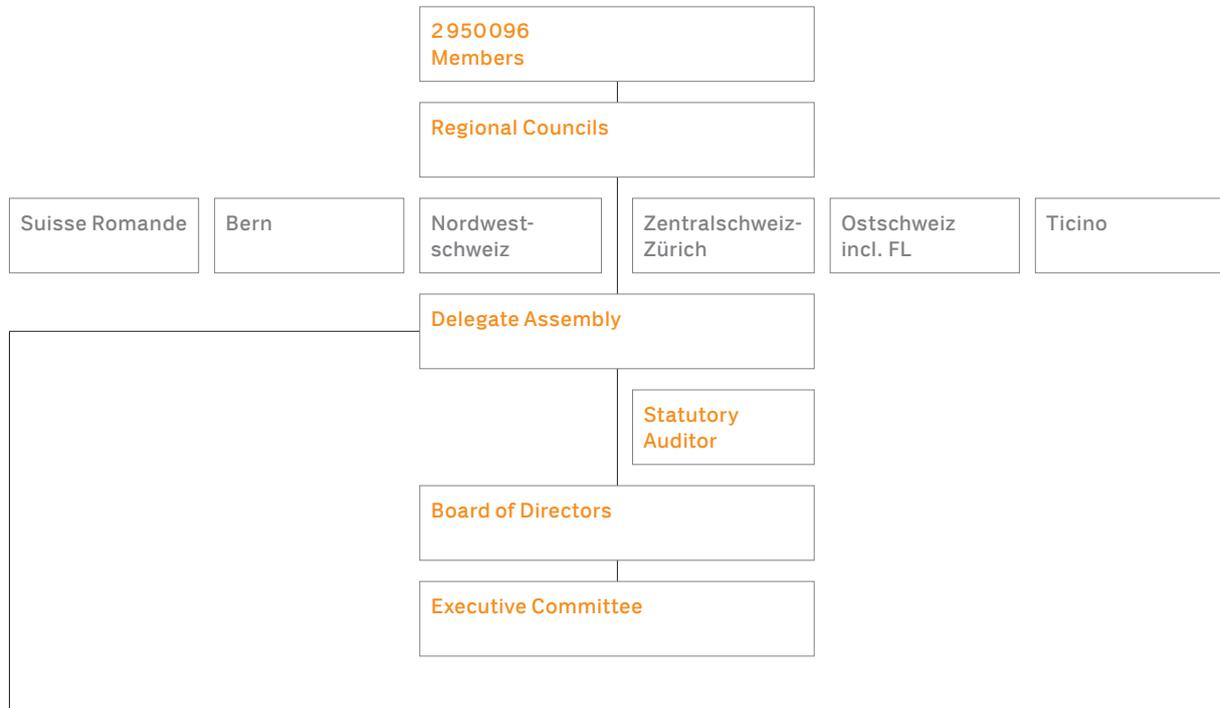
In spring and autumn, the delegates attend Delegate Assemblies at which information about ongoing business developments is provided and current topics are discussed in depth. They receive a copy of the Annual Report along with the invitation to the Spring Delegate Assembly. In addition, they receive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

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

 [www.coop.ch/report](http://www.coop.ch/report)

## Executive bodies and Delegate Assembly

As at 31 December 2012



Members of the Regional Committees constitute the Coop Delegate Assembly

### Suisse Romande Region

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

### Nordwestschweiz Region

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

### Ostschweiz incl. FL Region

Stefan Baumberger  
Maria Bieri  
Suzanne Blaser  
Christa Flückiger  
Michael Fuhrer  
Roberto Godenzi  
Josef Hemmi  
Leonardo Longaretti  
Tarzis Meyerhans  
Gerhard Riediker  
Gabi Senn

### Bern Region

Hans-Rudolf Blatter  
Chantal Gagnebin  
Sandra Ghisoni Schenk  
Manfred Jakob  
Jürg Kradolfer  
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  
Willy Rüegg  
Otto Rütter  
Alex Rutz  
Liliane Waldner

### Ticino Region

Mauro Bazzi  
Carlo Crivelli  
Lucia Gianoli  
Marco Lucchini  
Gabriella Rossetti



# Management

As at 1 March 2013

---

## Executive Committee (EC)

Joos Sutter, Chief Executive Officer  
Jean-Marc Chapuis, Head of Property Business Unit  
Reto Conrad, Head of Finance/Services Business Unit  
Leo Ebnetter, Head of Logistics Business Unit  
Daniel Stucker, Head of Trading Business Unit  
Philipp Wyss, Head of Marketing/Purchasing Business Unit

---

## CEO Business Unit

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

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

---

## Retail Business Unit

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

---

## Suisse Romande (SR) Sales Region

Sissigno Murgia, Head of SR Sales Region  
Patrick Angéloz, Head of Sales 2  
Stéphane Bossel, Head of Business Management/Controlling  
Jean-Claude Chapuisat, Head of Personnel/Training  
Bertrand Pasteur, Head of Sales 4  
Matthieu Scellier, Head of Sales 1  
Franck Truchot, Head of Sales 5  
Laurent Voelin, Head of Sales 3

---

## Bern (BE) Sales Region

Peter Schmid, Head of BE Sales Region  
Stefano Alberucci, Head of Sales 2  
Rico Bossi, Head of Sales 1  
Bernhard Friedli, Head of Business Management/Controlling  
Marcel Maurer, Head of Sales 3  
Peter Neuenschwander, Head of Sales 4  
Bruno Piller, Head of Personnel/Training

---

## Nordwestschweiz (NW) Sales Region

Ivo Dietsche, Head of NW Sales Region  
Angelo Durante, Head of Business Management/Controlling  
Rolf Gurtner, Head of Sales 4  
Yvonne Müller, Head of Sales 5  
Georg Schneeberger, Head of Sales 1  
Stefan Tschumi, Head of Personnel/Training  
Yves Vogt, Head of Sales 3

---

## Zentralschweiz-Zürich (ZZ) Sales Region

Roger Vogt, Head of ZZ Sales Region  
André Aerne, Head of Sales 3  
Markus Ingold, Head of Sales 4  
Herbert Müller, Head of Sales 1  
Luc Pillard, Head of Personnel/Training  
Jean-Claude Prosdócimo, Head of Sales 5  
Stefan Regez, Head of Business Management/Controlling

---

## Ostschweiz-Ticino (OT) Sales Region

Livio Bontognali, Head of OT Sales Region  
Mario Colatrella, Head of Sales 1  
René Dörig, Head of Sales 3  
Shenasi Haziri, Head of Sales 4  
Christine Noichl, Head of Personnel/Training  
Flurin Schocher, Head of Sales 5  
Dominique Vela, Head of Business Management/Controlling

---

## Trading Business Unit

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

---

## Coop City

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

---

## Interdiscount

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

---

### Marketing/Purchasing Business Unit

Philipp Wyss, Head of Marketing/Purchasing Business Unit  
Thomas Schwetje, Head of Marketing/Services  
Daniel Vonach, Head of Controlling/Coordination CCM  
and Purchasing

Benedikt Pachlatko, Head of Cooperations/Consumer Service  
Helmut Träris-Stark, Head of Sales Promotion/  
Coordination Coop Member Press/Projects

---

### CCM Fresh Produce/Catering and VIVA

Roland Frefel, Head of CCM Fresh Produce/Catering and VIVA  
Silvio Baselgia, CCM Fresh Convenience/Frozen Convenience  
Marie-Claire Chepca Cordier, CCM Dairy Produce/Eggs/Ice Cream  
Marc Muntwyler, CCM Meat  
Mirko Schwarz, Catering  
Pascal Seiler, CCM Fish  
Lukas Simmen Casanova, CCM Bread/Baked Goods  
Christoph Widmer, CCM Fruit/Vegetables

---

### CCM Basic Foods/Beverages

Philipp Schenker, Head of CCM Basic Foods/Beverages  
Sylvia Berger, CCM Wines/Sparkling Wines  
Marco Bertoli, CCM Breakfast/Garnishes/Baking Ingredients/  
Pet Supplies  
Pia Bracher, CCM Confectionery/Savoury Snacks  
Markus Heiniger, CCM Soft Drinks/Spirits/Tobacco Goods

Pius Buchmann, Head of Direct Wine Sales

---

### CCM Near-Food/Hard Goods

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

---

### CCM Textiles

Gerhard Beutler, Head of CCM Textiles  
Manuel Gonzalez, CCM Accessories/Watches/Jewellery/Shoes/  
Leather Goods/Hosiery  
Beatrix Kessler, CCM Tableware/Homestyle/Festive  
Oliver Krüsi, CCM Children's Clothing/Baby/Toys  
Michael Lim, CCM Menswear/Men's Underwear/Leisure/Sport  
Fabienne Schwarber, CCM Womenswear/Lingerie

---

### CCM Building & Hobby

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

---

### Food Purchasing

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

Tammo Hintz, Head of Eurogroup S.A.

---

### Non-Food Purchasing

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

---

### Supply Chain Management/Stock Management

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

---

### Logistics Business Unit

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

Lorenzo Pelucchi, Head of Sunray Division

---

### Finance/Services Business Unit

Reto Conrad, Head of Finance/Services Business Unit  
Hansjörg Klossner, Head of Accounting  
Beat Leuthardt, Head of Finance  
Stephan Rupprecht, Head of Projects Finance/Services Projects  
Adrian Werren, Head of Controlling

---

### Property Business Unit

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

---

## Subsidiaries

Marcel Baillods, Managing Director Tropenhaus Frutigen AG  
Angelika Lanen, CEO The Body Shop Switzerland Ltd  
Walter Lüthi, Managing Director Betty Bossi AG  
Pius Marti, Managing Director Tropenhaus Wolhusen AG  
Doris Schwizer, CEO Coop Vitality AG  
Philipp Wegmüller, CEO Railcare AG

---

### Dipl. Ing. Fust AG

Thomas Giger, CEO, Head of Retail Sales  
Silvio Cioffi, Head of Novacasa General Contractor Division  
Giovanni De Mieri, Head of Multimedia Division  
Markus Gauch, Head of Technical Division  
Marc Haselbach, Head of Electronics Division  
Manfred Spiller, Head of Kitchen/Bathroom Division  
Rolf Wilhelm, Head of Finance & Services Division

---

### Coop Mineraloel AG

Roger Oser, CEO, Head of Technical & Services  
Andreas Parpart, Head of Marketing & Purchasing  
Oliver Reichert, Head of Sales & Supplies  
Marc Salathe, Head of Finance & IT

---

### Transgourmet Group

#### Prodega/Growa/Howeg

Daniel Böhny, Managing Director  
Philipp Dautzenberg, Managing Director  
Gregor Bärtschi, Head of Construction  
Walter Fankhauser, Head of Distribution & Sales  
Frank Furrer, Head of Strategic Purchasing, Marketing  
and Category Management Cash & Carry  
Erich Joss, Head of HR  
Benjamin Jtten, Head of Marketing Services  
Ueli Niederer, Head of Logistics  
Andrea Pellizzari, Head of Finance/Controlling  
Claude Schnider, Head of IT  
Martin Wullschleger, Head of Category Management  
and Marketing Wholesale Supplies

#### Rewe-Foodservice

Frank Seipelt, Spokesman of Executive Board/Distribution,  
Category Management  
Thomas Wallrabenstein, Managing Director/Administration,  
Logistics

#### Transgourmet France

Jean-Christophe Adouritz, CEO  
Edith Hertz, Head of Finance/Controlling  
Loïc Leguillet, Head of HR  
Serge Rey, Head of Technical & Logistics

#### Fegro/Selgros Group

John Matthew, Managing Director/CEO

#### Fegro/Selgros Germany

John Matthew, Managing Director/CEO  
Xavier Buro, Managing Director/Finance/Controlling  
Holger Penndorf, Managing Director/Distribution, Purchasing,  
Category Management & Marketing  
Holger Schmied, Managing Director/IT, Organization,  
Technical & Material Purchasing

#### Selgros Poland

Alexander Orłowski, Managing Director/CEO  
Piotr Kolodziejczak, Managing Director/Administration  
Piotr Skłodowski, Managing Director/Purchasing,  
Category Management & Marketing

#### Selgros Romania

Edith Lenga-Balk, Managing Director/CEO  
Alexandru Vlad, Managing Director/Administration & Expansion

#### Selgros Russia

Uwe Rößler, Managing Director/CEO  
Patricia Rüster, Managing Director/Purchasing,  
Category Management & Marketing  
Przemyslaw Switakowski, Managing Director/Administration

---

### Bell Group

#### Bell AG

Lorenz Wyss, Chairman of the Group Executive Board, CEO  
Martin Gysin, Deputy Chairman of the Group Executive Board, CFO

#### Bell Schweiz AG Management Team

Lorenz Wyss, CEO  
Markus Bänziger, Head of Charcuterie,  
Head of Seafood/Logistics Division ad interim  
Josef Dähler, Head of Fresh Meat Division  
Martin Gysin, Head of Finance/Services Division  
Christine Schlatter, Head of Poultry Division

#### Bell Deutschland GmbH & Co. KG Management Team

Christian Schröder, CEO, Head of Distribution/Marketing  
Jürgen Emtmann, Head of Finance/Services  
Markus von der Pütten, Head of Production/Technical

#### Bell Eastern Europe/Benelux

Eugeniusz Philip, CEO Bell Polska Sp. z o.o.  
Jens Günter Hillebrand, CEO, ZIMBO Perbál Húsipari Termelő Kft.  
Petr Poskočil, Managing Director ZIMBO Czechia s.r.o.  
Steven Van Parijs, CEO Bell Benelux Holding N.V.

#### Bell France

Philippe Polette, CEO Salaison Polette & Cie. SAS

**58 Coop Group Management Report**

**62 Coop Group in figures**

- 62 Total sales
- 64 Income statement by division  
(not consolidated)
- 65 Sales outlets retail/ Markets CC cash & carry
- 66 Subsidiaries/ Divisions/ Bank loans
- 67 Investments
- 68 Statement of added value
- 69 Employees
- 73 Development of the Coop Group

**74 Annual consolidated financial statements  
of the Coop Group**

- 74 Consolidated income statement
- 75 Consolidated balance sheet
- 76 Consolidated cash flow statement
- 77 Statement of changes in equity
- 78 Notes to the annual consolidated  
financial statements
- 97 Report of the statutory auditor

**98 Financial section glossary**

All values rounded up / down individually

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

# Coop Group Management Report

## Overview of the Coop Group

The Coop Group operates in the business areas of retail, wholesale and manufacturing. The retail business comprises the Coop sales outlets and other formats. The Coop Group also owns subsidiaries. The wholesale business is conducted through the Transgourmet Group. The manufacturing business comprises the production arm of the Bell Group and the Coop manufacturing companies. Despite the marked overall drop in prices – up to 8.2% in several sales formats – and strong domestic and international competition, the Coop Group achieved gratifying total sales of CHF 27.8 billion (+0.3%). With growth of 1.5% in real terms in the 2012 financial year, this sales result enabled the Coop Group to hold its ground as the front-runner among Swiss retailers.

### Retail activities

The retail turnover of the Coop Group amounted to CHF 18.5 billion, which represents growth of 0.5% nominally and 1.7% in real terms. In view of the overall drop of 1.2% in prices across the entire food and non-food ranges, this is a positive result. Excluding filling stations, heating oil and motor fuel, the overall decline in prices amounted to 1.8%.

### Retail Business Unit

In the sales outlets of the Retail Business Unit – Coop's supermarkets and megastores – Coop posted cash turnover of CHF 11.0 billion. This corresponds to growth of 0.7% in real terms. The overall fall in prices across the entire range was 1.2%, which means in nominal terms that turnover of the supermarkets and megastores was down 0.5% year on year. The Retail Business Unit consists of 823 sales outlets (+7) and the sales area has increased to 0.95 million m<sup>2</sup> (+0.4%). Its workforce comprises a total of 19 617 full-time equivalents (FTEs).

### Trading Business Unit

The Trading Business Unit formats Coop City, Coop Building & Hobby, Import Parfumerie, Toptip / Lumimart, Interdiscount and Christ Watches & Jewellery reported sales of CHF 3.1 billion. Compared with the previous year, the Trading formats posted a decline of 2.8% in nominal terms and growth of 0.7% in real terms. The overall fall in prices across all formats was 3.5%, but as high as 8.2% at Interdiscount. The 566 Trading sales outlets (–1) comprise a sales area of 0.68 million m<sup>2</sup> (+0.7%). Trading employs around 7 266 FTEs.

### Online shops

The Coop Group offers a comprehensive online range, not only with coop@home and microspot.ch but also with the Internet shops of Interdiscount, Toptip / Lumimart, Import Parfumerie, Dipl. Ing. Fust AG, The Body Shop Switzerland AG and Christ Watches & Jewellery. The online shops developed well in 2012, posting total sales of CHF 0.2 billion.

### Subsidiaries

The subsidiaries comprise Coop Mineraloel AG, Dipl. Ing. Fust AG, Coop Vitality AG, the Bell Group's sales outlets, The Body Shop Switzerland AG, Tropenhaus Frutigen AG and Tropenhaus Wollhusen AG. In the 2012 financial year, the sales outlets and filling stations of these fully consolidated subsidiaries posted sales of CHF 3.8 billion over a total 620 outlets (+20). This corresponds to a nominal rise of 4.9% in sales despite 0.8% higher prices.

Coop Mineraloel AG, with its 73 FTEs and its franchise operators, posted sales of CHF 2.7 billion, up a nominal 7.9%. The filling stations achieved 4.0% growth in terms of volume. Dipl. Ing. Fust AG, which employs over 1900 FTEs, posted sales of CHF 0.9 billion, a fall of 3.1% in nominal terms. Its prices were as much as 5.0% lower than in the previous year, which means that Fust grew by 1.9% in real terms. Coop Vitality AG and The Body Shop Switzerland AG developed positively, reporting further growth of sales in 2012.

### Wholesale trade

The Transgourmet Group is divided into wholesale supplies and the cash & carry business. The wholesale supplies business includes REWE Foodservice in Germany, the French company Transgourmet France, and Howeg in Switzerland. In the cash & carry and the wholesale supplies business, Prodega / Growa CC operates in Switzerland and FEGRO / SELGROS in Germany, Poland, Romania and Russia. In 2012, Transgourmet France took over the Alsatian company Eurocash SA, which operates a cash & carry centre. The two divisions in Switzerland, Prodega / Growa cash & carry and Howeg, are joining forces and, as of 2013, adopting a common strategy for the future. In both the domestic and the international wholesale market, the Transgourmet-Group established itself as a major player in the B2B trade. Its sales result enabled it to maintain its position as Europe's second-biggest provider in the cash & carry and wholesale supplies business in the year under review. With 111 cash & carry stores and over 21 446 FTEs, it posted net sales of CHF 8.3 billion. While net sales were stable in Swiss franc terms, the Transgourmet Group grew by 3.0% if the result is adjusted to take account of currency movements and inflation.

### Manufacturing

Manufacturing comprises the Coop manufacturing companies listed as divisions of Coop Cooperative, and the Bell Group (excluding sales outlets). As Switzerland's leading meat producer, the Bell Group carries a number of brands such as Bell, ZIMBO, Abraham and M<sup>o</sup>ssieur Polette in its portfolio and produces branded and own-label goods for different clients. After adjustment of the result to take exchange-rate movements and structural changes into account, the Bell Group, with its 6 248 FTEs, increased turnover from the sale of goods by 0.6% to CHF 2.53 billion, thereby demonstrating stable growth. Once again, the growth drivers were meat from Switzerland and seafood. Bell

Switzerland generated sales of CHF 1.76 billion – a rise of 0.6%. Abroad, the Bell Group is present in Germany, Spain, France, Poland, Hungary, Belgium, the Netherlands, the Czech Republic, Slovakia and Romania. Sales of goods at Bell Germany rose by 1.5% to CHF 0.48 billion. Bell Eastern Europe / Benelux posted sales of CHF 0.19 billion, which corresponds to a fall of 6.1% when adjusted for exchange-rate movements. Sales developed gratifyingly at Bell France, growing by 6.9% to total CHF 0.1 billion after adjustment for exchange-rate movements.

### General economic and industry trends

Despite gloomy indicators, the Swiss economy performed well in 2012 and weathered both the euro crisis and the strength of the franc. In its publication CH-PLUS of January 2013, the BAK Basel institute reckons that the Swiss economy's GDP grew in real terms by 0.9% in 2012. According to the Swiss Federal Statistical Office, average annual inflation in Switzerland was -0.7% in 2012. GDP growth was due primarily to private-household and public-sector spending. Although consumer sentiment stabilized in the second half of 2012, it remained slightly lower than average.

For 2012, BAK Basel forecast a marginal fall of 0.3% in GDP in real terms and inflation of up to 2.6% for the entire euro zone. The decline is attributable primarily to the recession in the euro zone, the weakness of the global economy, and the current drop

in investments. For Germany, the BAK Basel expects to see real GDP growth of 0.9% in 2012. The markets in Eastern Europe achieved somewhat lower, but still positive, growth in 2012.

### Business and operating conditions

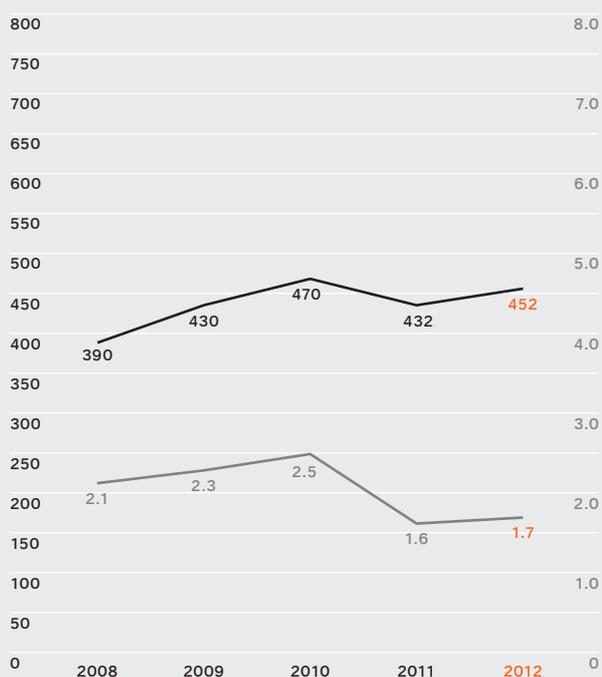
In 2012, Coop Cooperative obtained lower prices on manufacturer brands by negotiating successfully and fairly with the international producers and it passed on these price cuts to customers. To improve value for money, the prices of over 1 500 articles were reduced. In various sectors, Swiss retailing continues to be more strictly regulated than competitors' markets abroad. In addition, the strength of the franc and the growing attractiveness of cross-border shopping in neighbouring countries is tightening competition.

### Financial position of the Coop Group

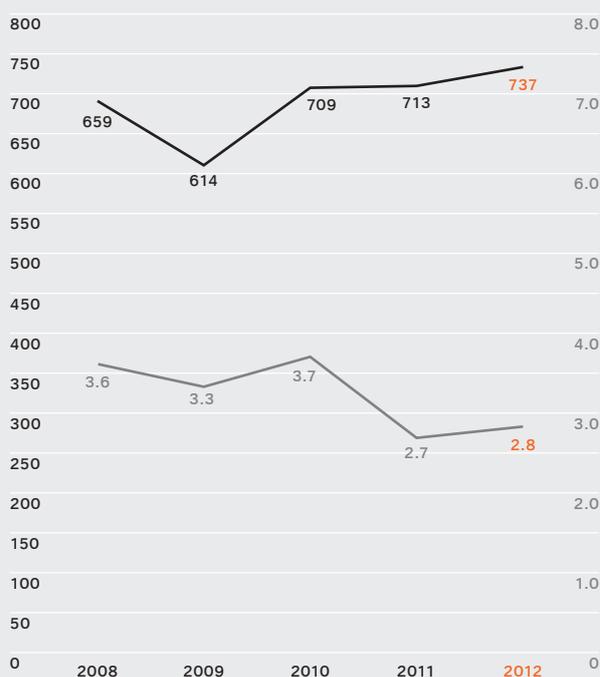
#### Results of operations

In 2012, the Coop Group's total sales increased by 0.3% to CHF 27.8 billion. This resulted in consolidated net sales from goods and services of CHF 26.7 billion (+0.3%). Coop Mineraloel AG, with an increase of CHF +0.2 billion was the main factor responsible for the rise in consolidated net sales. The gross margin of 29.0% or CHF 7.8 billion is 0.7% higher than in the previous year.

**Net profit**  
in CHF million



**EBIT**  
in CHF million



Personnel expense rose slightly by CHF 11 million (+0.3%) and totals CHF 4 billion. Other operating expenses include an increase of CHF 48.0 million (+1.8%) to CHF 2.8 billion. Amortization of CHF 288 million on intangible assets primarily comprised goodwill amortization of CHF 228 million and amortization of CHF 60 million on other intangible assets. Depreciation of tangible fixed assets of CHF 905 million includes CHF 536 million on real estate and depreciation of CHF 369 million on other property, plant and equipment. Operating income was CHF 737 million, which equates to an EBIT margin of 2.8% that is slightly higher than the year-back figure of 2.7%.

The result posted by associated organizations was CHF 22 million, mainly attributable to revenue from Hilcona AG, Betty Bossi AG and HiCoPain AG. In 2012, the Coop Group achieved a positive result of CHF 11 million from foreign currencies. The financial result of -CHF 89 million improved compared with the previous year's figure (+CHF 87 million) owing to a CHF 83 million decrease in financial expenses and a CHF 4 million increase in financial income. After adjustment for taxes of CHF 148 million and minority interests in profit of CHF 79 million, the resulting profit is CHF 452 million (previous year: CHF 432 million).

#### Financial position and cash flows

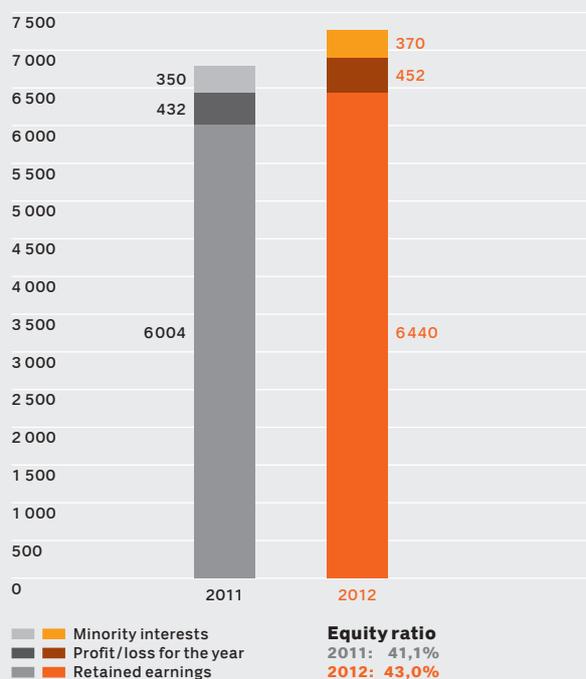
The Coop Group's total assets increased by just under CHF 0.4 billion year on year. On the assets side, amortization reduced fixed assets. At the same time, no significant major investments or acquisitions were made, resulting in a fall of CHF 176 million in fixed assets. Current assets rose by CHF 0.6 billion year on year, a result of the increase of CHF 0.5 billion in cash and cash equivalents. On the equity and liabilities side, short-term liabilities fell by CHF 0.3 billion. This fall resulted from the repayment of the CHF 250 million bond and from the simultaneous reclassification of the CHF 150 million bond repayable in 2013 and repayments on loans to third parties. Long-term liabilities increased by CHF 0.2 billion as a result of the reclassification of the short-term portion of the bond and the issue of a new bond to the value of CHF 250 million. As at 31 December 2012, the equity ratio of 43.0% was well over the 40% mark and up 1.9 percentage points year on year.

#### Significant opportunities and risks

The Coop Group operates a standardized risk management system in which, every three years (most recently in 2012), the Executive Committee and the Board of Directors identify and analyse the main risks and main risk scenarios and define appropriate measures. During the firmly established annual quality evaluation of the internal control system at business process level, operational risks and risks associated with financial reporting and compliance are assessed.

In the 2012 financial year, the long-term stabilization of the franc, the situation on the European financial markets and the

**Equity ratio incl. minority interests**  
in CHF million



fierce price war resulting from the fiercer competition were assessed in terms of risk. Overall, the assessment of the current risk situation showed that there were no risks that threatened the Group's continued existence as a going concern, nor were any such future risks identifiable.

Opportunities can be generated by leveraging the economic potential of wholesale markets in Eastern Europe and optimizing area coverage both in Switzerland and abroad. Added value and synergies can be created through the continuous exchange of experience between the individual formats and countries within the Coop Group. With the complete takeover of Betty Bossi AG, a well-known Swiss brand is being systematically further developed within the Coop Group.

#### Outlook for 2013

The Coop Group does not anticipate benefiting from a strong tailwind in 2013. It expects economic development in both Switzerland and Europe to remain sluggish. Though the impact of the euro crisis on Switzerland is weakening somewhat, the strength of the franc means that the flow of consumer spending from Switzerland to neighbouring countries is likely to continue. At the same time, Swiss consumption levels are being significantly underpinned by continuing inward migration. In Europe, there is unlikely to be a further escalation of the debt crisis, but the economic outlook is impacting on private and public debt reduction processes.

Pressure on prices remains strong in Swiss retailing, even though there are some early signs in the food sector of an end to the deflationary tendency. The Coop Group will continue to pursue its chosen strategies and expand or open sales outlets. In 2013, Coop will develop or realize numerous products and projects in the field of sustainability. In particular, it will strengthen Naturaplan to mark the brand's 20<sup>th</sup> anniversary. The strategy of combining brick-and-mortar with online business is being systematically pursued.

In the wholesale business, Coop companies are benefiting from the stabilization of the economic situation and from the recovery taking place in the catering / restaurant and industry sectors in Switzerland and Europe. In Switzerland, the multi-channel strategy is resulting in a strong offering for customers and an improved market position. Also on a growth trajectory are supplies to the catering / restaurant segment in France and Germany and the cash & carry business in Germany, Poland, Romania and especially Russia.

In the manufacturing sector, the Coop Group expects to see a fall in deflationary tendencies, some stabilization of prices and some recovery of customer demand. Further growth potential is being generated by networking of Swiss and European retail and wholesale activities.

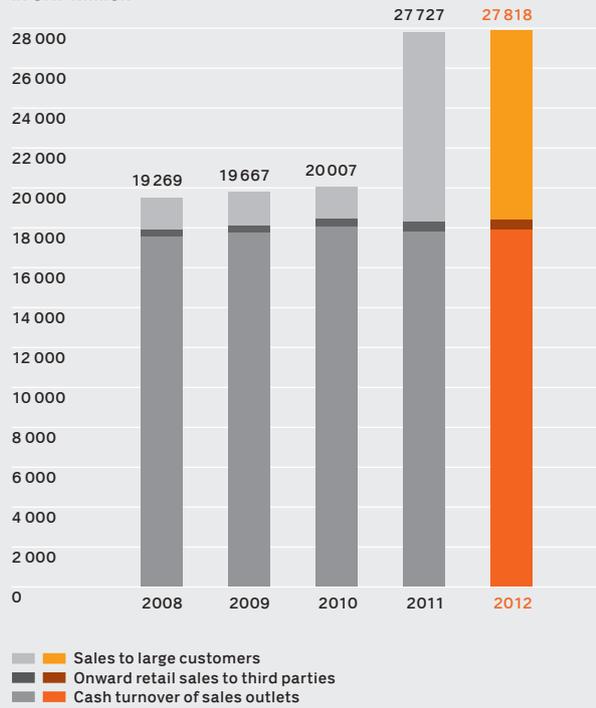
# Coop Group in figures

## Total sales

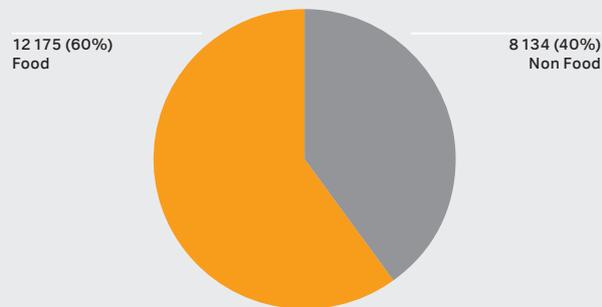
in CHF million		2012	2011	Change	Index %
Supermarkets A	< 980 m <sup>2</sup>	3 402	3 426	-24	99.3
Supermarkets B	980-1 890 m <sup>2</sup>	3 152	3 171	-19	99.4
Supermarkets C	1 890-3 500 m <sup>2</sup>	2 784	2 792	-8	99.7
<b>Supermarkets</b>		<b>9 338</b>	<b>9 389</b>	<b>-51</b>	<b>99.5</b>
<b>Megastores</b>	> 3 500 m <sup>2</sup>	<b>1 616</b>	<b>1 616</b>	<b>-0</b>	<b>100.0</b>
<b>Supermarkets / Megastores</b>		<b>10 953</b>	<b>11 005</b>	<b>-51</b>	<b>99.5</b>
Other		2	2	-0	99.9
<b>Coop Retail</b>		<b>10 955</b>	<b>11 006</b>	<b>-51</b>	<b>99.5</b>
Department stores		991	1 011	-20	98.0
Interdiscount		887	917	-30	96.7
Building & Hobby		718	736	-18	97.6
Toptip / Lumimart		231	241	-10	96.0
Import Parfumerie		170	177	-7	96.0
Christ Watches & Jewellery		109	114	-5	95.5
Other		3	3	-0	97.4
<b>Coop Trading</b>		<b>3 109</b>	<b>3 199</b>	<b>-90</b>	<b>97.2</b>
Restaurants Da Giovanni		3	3	-0	99.6
Hotels		24	28	-3	87.7
<b>Coop</b>		<b>14 092</b>	<b>14 237</b>	<b>-145</b>	<b>99.0</b>
Filling stations		1 719	1 582	+137	108.6
Coop Pronto at filling stations		671	624	+47	107.6
Coop Pronto stand-alone		286	274	+12	104.4
<b>Coop Mineraloel AG</b>		<b>2 676</b>	<b>2 480</b>	<b>+196</b>	<b>107.9</b>
Dipl. Ing. Fust AG		909	938	-29	96.9
Coop Vitality AG		141	132	+9	106.9
Bell Group (sales outlets)		78	75	+3	104.2
The Body Shop Switzerland AG		38	38	+0	100.5
Tropenhaus Frutigen AG		2	1	+1	185.6
Tropenhaus Wolhusen AG		0		..	..
<b>Subsidiaries</b>		<b>3 844</b>	<b>3 663</b>	<b>+180</b>	<b>104.9</b>
<b>Cash turnover of sales outlets</b>		<b>17 937</b>	<b>17 902</b>	<b>+35</b>	<b>100.2</b>
Internet shops		245	199	+46	122.8
Onward retail sales to third parties		347	343	+4	101.2
<b>Retail turnover</b>		<b>18 529</b>	<b>18 444</b>	<b>+85</b>	<b>100.5</b>
Markets CC cash & carry		5 100	5 136	-36	99.3
Wholesale supplies		3 094	3 028	+66	102.2
Other sales to large customers		1 095	1 118	-23	97.9
<b>Wholesale turnover</b>		<b>9 289</b>	<b>9 283</b>	<b>+6</b>	<b>100.1</b>
<b>Total sales</b>		<b>27 818</b>	<b>27 727</b>	<b>+91</b>	<b>100.3</b>
of which total sales abroad		7 509	7 460	+49	100.7

Prior-year figures restated

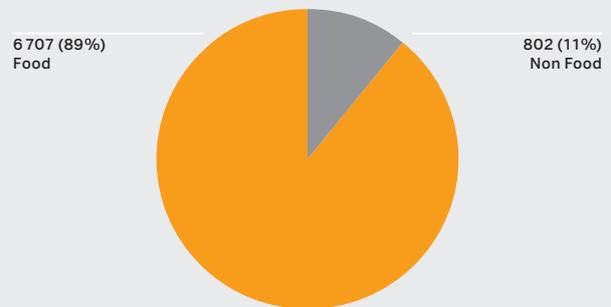
**Total sales**  
in CHF million



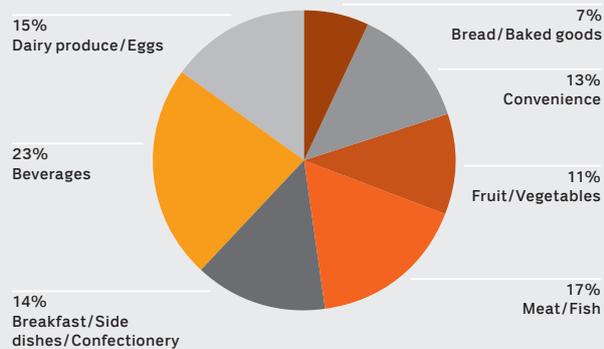
**Total sales in Switzerland by main category**  
in CHF million



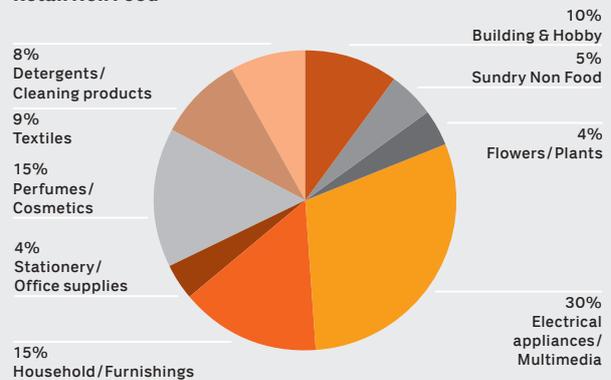
**Total sales abroad by main category**  
in CHF million



**Retail Food**



**Retail Non Food**



## Income statement by division (not consolidated)

in CHF million					Retail				Wholesale and Production			
	2012	Share %	2011	Share %	2012	Share %	2011	Share %	2012	Share %	2011	Share %
Production output					11 569		11 496					
Net sales from goods and services	17 784	100.0	17 686	100.0	11 020	100.0	10 951	100.0				
Merchandise expense	12 614		12 494		8 423		8 414					
<b>Gross profit / loss</b>	<b>5 170</b>	<b>29.1</b>	<b>5 192</b>	<b>29.4</b>	<b>2 597</b>	<b>23.6</b>	<b>2 537</b>	<b>23.2</b>				
Other operating income	785		765		253		253					
Personnel expense	2 617		2 630		1 393		1 369					
Other operating expenses	1 935		1 936		930		895					
<b>EBITDA</b>	<b>1 404</b>	<b>7.9</b>	<b>1 391</b>	<b>7.9</b>	<b>526</b>	<b>4.8</b>	<b>527</b>	<b>4.8</b>				
Depreciation of fixed assets	915		911		278		294					
<b>EBIT – operating income</b>	<b>488</b>	<b>2.7</b>	<b>480</b>	<b>2.7</b>	<b>249</b>	<b>2.3</b>	<b>233</b>	<b>2.1</b>				

“Wholesale and Production” comprises the Transgourmet Group, the Bell Group and the manufacturing companies of the Coop parent company.

Prior-year figures restated

## Sales outlets retail / Markets CC cash & carry

	Cash turnover of sales outlets				Sales outlets		Sales area	
	in CHF million		Index %	Share %	Number at 31.12		m <sup>2</sup> at 31.12	
	2012	2011			2012	2011	2012	2011
Supermarkets A < 980 m <sup>2</sup>	3 402	3 426	99.3	19.0	515	509	287 295	283 673
Supermarkets B 980–1 890 m <sup>2</sup>	3 152	3 171	99.4	17.6	186	184	265 717	260 246
Supermarkets C 1 890–3 500 m <sup>2</sup>	2 784	2 792	99.7	15.5	90	91	244 460	247 854
<b>Supermarkets</b>	<b>9 338</b>	<b>9 389</b>	<b>99.5</b>	<b>52.1</b>	<b>791</b>	<b>784</b>	<b>797 472</b>	<b>791 773</b>
<b>Megastores &gt; 3 500 m<sup>2</sup></b>	<b>1 616</b>	<b>1 616</b>	<b>100.0</b>	<b>9.0</b>	<b>31</b>	<b>31</b>	<b>157 200</b>	<b>159 079</b>
<b>Supermarkets / Megastores</b>	<b>10 953</b>	<b>11 005</b>	<b>99.5</b>	<b>61.1</b>	<b>822</b>	<b>815</b>	<b>954 672</b>	<b>950 852</b>
Other	2	2	99.9	0.0	1	1	290	290
<b>Coop Retail</b>	<b>10 955</b>	<b>11 006</b>	<b>99.5</b>	<b>61.1</b>	<b>823</b>	<b>816</b>	<b>954 962</b>	<b>951 142</b>
Department stores	991	1 011	98.0	5.5	33	33	140 912	140 817
Interdiscount	887	917	96.7	4.9	199	201	69 635	71 394
Building & Hobby	718	736	97.6	4.0	74	72	301 919	292 428
Toptip / Lumimart	231	241	96.0	1.3	55	56	147 562	150 576
Import Parfumerie	170	177	96.0	0.9	123	122	9 900	9 863
Christ Watches & Jewellery	109	114	95.5	0.6	81	82	6 076	6 240
Other	3	3	97.4	0.0	1	1	150	150
<b>Coop Trading</b>	<b>3 109</b>	<b>3 199</b>	<b>97.2</b>	<b>17.3</b>	<b>566</b>	<b>567</b>	<b>676 154</b>	<b>671 468</b>
Restaurants Da Giovanni	3	3	99.6	0.0	5	5	1 775	1 775
Hotels	24	28	87.7	0.1	3	3		
<b>Coop</b>	<b>14 092</b>	<b>14 237</b>	<b>99.0</b>	<b>78.6</b>	<b>1 397</b>	<b>1 391</b>	<b>1 632 891</b>	<b>1 624 385</b>
Filling stations	1 719	1 582	108.6	9.6	207	200		
Coop Pronto at filling stations	671	624	107.6	3.7	(196)	(186)	20 308	19 037
Coop Pronto stand-alone	286	274	104.4	1.6	56	53	9 677	9 117
Coop Mineraloel AG	2 676	2 480	107.9	14.9	263	253	29 985	28 154
Dipl. Ing. Fust AG	909	938	96.9	5.1	160	161	89 206	88 757
Coop Vitality AG	141	132	106.9	0.8	51	47	12 270	11 430
Bell Group (sales outlets)	78	75	104.2	0.4	100	94	6 318	5 886
The Body Shop Switzerland AG	38	38	100.5	0.2	44	44	2 561	2 561
Tropenhaus Frutigen AG	2	1	185.6	0.0	1	1		
Tropenhaus Wolhusen AG	0		..	0.0	1			
<b>Subsidiaries</b>	<b>3 844</b>	<b>3 663</b>	<b>104.9</b>	<b>21.4</b>	<b>620</b>	<b>600</b>	<b>140 340</b>	<b>136 788</b>
<b>Sales outlets retail</b>	<b>17 937</b>	<b>17 902</b>	<b>100.2</b>	<b>100.0</b>	<b>2 017</b>	<b>1 991</b>	<b>1 773 231</b>	<b>1 761 173</b>

	Net sales of markets CC				Markets CC		Sales area	
	in CHF million		Index %	Share %	Number at 31.12		m <sup>2</sup> at 31.12	
	2012	2011			2012	2011	2012	2011
Germany	1 802	1 835	98.2	35.3	44	44	416 622	419 236
Switzerland	1 190	1 206	98.7	23.3	27	27	112 516	112 531
Romania	927	991	93.5	18.2	19	19	179 221	178 821
Poland	869	901	96.4	17.0	15	14	148 015	139 215
Russia	312	203	153.8	6.1	6	5	53 042	44 524
<b>Markets CC cash &amp; carry</b>	<b>5 100</b>	<b>5 136</b>	<b>99.3</b>	<b>100.0</b>	<b>111</b>	<b>109</b>	<b>909 416</b>	<b>894 327</b>

Prior-year figures restated

## Subsidiaries / Divisions / Bank loans

Subsidiaries in CHF million	Net sales		Full-time	Equity at 31.12	
			equivalents	Group share in capital	
			Number	CHF m	%
	2012	2011	2012	2012	2012
Transgourmet Group	8 270	8 233	21 446	2 218.6	100.0
Bell Group	2 508	2 483	6 248	675.5	66.3
Coop Mineraloel AG	2 496	2 311	73	215.7	51.0
Dipl. Ing. Fust AG	880	905	1 938	250.3	100.0
Coop Vitality AG	134	126	439	23.5	51.0
The Body Shop Switzerland AG	36	36	153	9.4	100.0
Railcare AG	22	18	90	0.7	100.0
Coop training centres MuttENZ and Jongny	13	14	70	8.2	100.0
Tropenhaus Frutigen AG	6	6	51	-8.3	69.1
Tropenhaus Wolhusen AG	3		26	2.5	94.3

Divisions in CHF million	2012	2011	Change	Index %
Cash turnover	887	917	-30	96.7
Onward retail sales to third parties	97	78	+19	124.4
<b>Interdiscount Division</b>	<b>984</b>	<b>995</b>	<b>-11</b>	<b>98.9</b>

Prior-year figures restated

Cash turnover Toptip	203	213	-11	95.1
Cash turnover Lumimart	28	28	+1	102.9
Onward retail sales to third parties	1	1	+0	129.5
<b>Toptip / Lumimart Division</b>	<b>233</b>	<b>242</b>	<b>-9</b>	<b>96.1</b>

Cash turnover	170	177	-7	96.0
Onward retail sales to third parties	2	2	+0	108.0
<b>Import Parfumerie Division</b>	<b>172</b>	<b>179</b>	<b>-7</b>	<b>96.1</b>

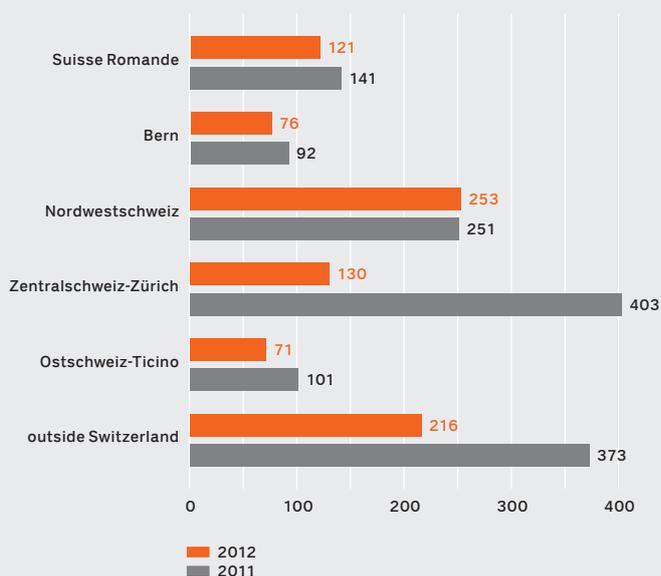
Cash turnover	109	114	-5	95.5
Onward retail sales to third parties	0	0	+0	..
<b>Christ Watches &amp; Jewellery Division</b>	<b>109</b>	<b>114</b>	<b>-5</b>	<b>95.5</b>

Bank loans in CHF million	Credit line		Used		Unused credit line	
	2012	2011	2012	2011	2012	2011
Big banks	249	249	1	51	248	198
Cantonal banks	511	432	27	89	484	342
Regional banks	27	29		1	27	28
Bank Coop	182	153		18	182	135
Foreign banks in Switzerland	150	150		0	150	150
Foreign banks	681	770	292	283	389	488
<b>Banks</b>	<b>1 800</b>	<b>1 783</b>	<b>320</b>	<b>442</b>	<b>1 480</b>	<b>1 341</b>
Consortium loan Bell	195	225	185	175	10	50
<b>Bank loans</b>	<b>1 995</b>	<b>2 008</b>	<b>505</b>	<b>617</b>	<b>1 490</b>	<b>1 391</b>

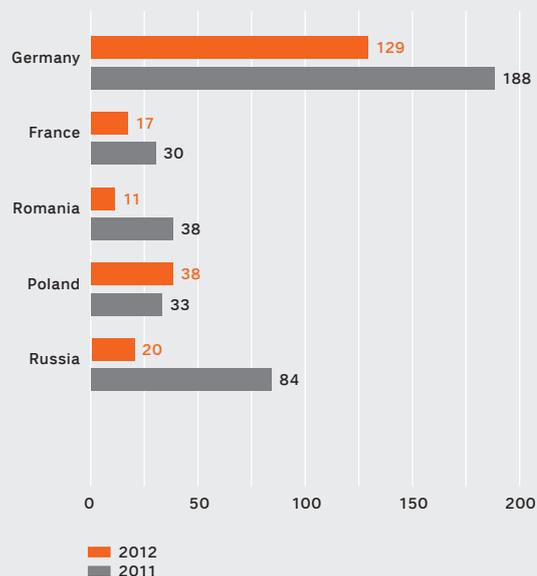
Short-term bank loans			115	192		
Long-term bank loans			236	229		
Mortgages			154	196		
<b>Bank loans</b>			<b>505</b>	<b>617</b>		

## Investments

**Gross investments by region**  
in CHF million



**Gross investments outside Switzerland**  
in CHF million



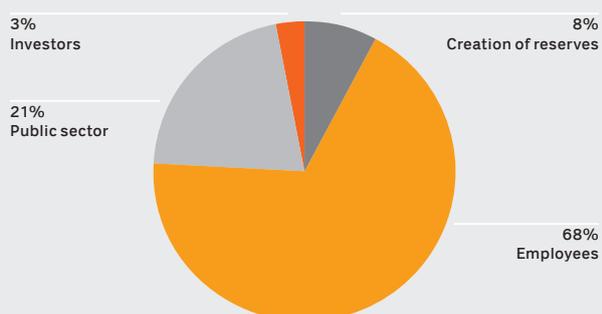
in CHF million	2008	2009	2010	2011	2012
Suisse Romande Region	134	121	43	141	121
Bern Region	110	136	34	92	76
Nordwestschweiz Region	211	265	236	251	253
Zentralschweiz-Zürich Region	120	127	238	403	130
Ostschweiz-Ticino Region	107	85	113	101	71
<b>Switzerland</b>	<b>681</b>	<b>733</b>	<b>664</b>	<b>986</b>	<b>651</b>
Germany				188	129
France				30	17
Romania				38	11
Poland				33	38
Russia				84	20
<b>Abroad</b>				<b>373</b>	<b>216</b>
<b>Gross investments in tangible fixed assets</b>	<b>681</b>	<b>733</b>	<b>664</b>	<b>1 360</b>	<b>867</b>
Disposals of tangible fixed assets	178	191	103	152	37
<b>Net investments in tangible fixed assets</b>	<b>503</b>	<b>542</b>	<b>561</b>	<b>1 208</b>	<b>829</b>
Other net investments	973	1 513	92	1 908	121
<b>Net investments</b>	<b>1 476</b>	<b>2 055</b>	<b>653</b>	<b>3 116</b>	<b>950</b>

## Statement of added value

in CHF million	2012	2011	Index %
<b>Total sales</b>	<b>27 818</b>	<b>27 727</b>	<b>100.3</b>
Merchandise expense	18 134	18 114	100.1
Other	2 468	2 245	110.0
<b>Upstream services</b>	<b>20 602</b>	<b>20 359</b>	<b>101.2</b>
<b>Gross added value</b>	<b>7 216</b>	<b>7 369</b>	<b>97.9</b>
Depreciation and amortization / provisions	1 291	1 207	106.9
<b>Net added value</b>	<b>5 925</b>	<b>6 162</b>	<b>96.2</b>
<b>Wages / salaries</b>	<b>3 087</b>	<b>3 056</b>	<b>101.0</b>
Social security contributions	727	756	96.1
Other personnel expense	195	185	105.6
Personnel discounts incl. personnel Supercard points	45	49	91.3
<b>Employees</b>	<b>4 054</b>	<b>4 047</b>	<b>100.2</b>
Income taxes	148	122	121.3
Operations-related taxes	36	30	120.7
Customs duties, charges and fees	846	827	102.2
Value-added tax	233	197	117.9
<b>Public sector</b>	<b>1 263</b>	<b>1 177</b>	<b>107.3</b>
<b>Investors</b>	<b>156</b>	<b>506</b>	<b>30.9</b>
<b>Creation of reserves</b>	<b>452</b>	<b>432</b>	<b>104.6</b>
<b>Distribution of added value</b>	<b>5 925</b>	<b>6 162</b>	<b>96.2</b>

Prior-year figures restated

### Distribution of added value



## Employees

	2012	2011	Change	Index %
SRE Suisse Romande	4 706	4 800	-94	98.0
SRE Bern	2 991	3 043	-52	98.3
SRE Nordwestschweiz	3 538	3 624	-85	97.6
SRE Zentralschweiz-Zürich	4 559	4 596	-37	99.2
SRE Ostschweiz-Ticino	3 801	3 911	-110	97.2
Corporate Services Retail	21	23	-2	93.4
<b>Coop Retail</b>	<b>19 617</b>	<b>19 996</b>	<b>-379</b>	<b>98.1</b>
Department stores	2 475	2 569	-94	96.3
Interdiscount	1 621	1 666	-45	97.3
Building & Hobby	1 550	1 508	+42	102.8
Toptip / Lumimart	604	605	-1	99.8
Import Parfumerie	486	471	+15	103.2
Christ Watches & Jewellery	363	372	-10	97.4
Corporate Services Trading	167	172	-5	97.0
<b>Coop Trading</b>	<b>7 266</b>	<b>7 363</b>	<b>-98</b>	<b>98.7</b>
Logistics	4 268	4 300	-32	99.3
Production	663	695	-32	95.4
Other corporate services / Property Business Unit	2 071	2 108	-38	98.2
<b>Coop parent company</b>	<b>33 883</b>	<b>34 462</b>	<b>-579</b>	<b>98.3</b>
Coop Mineraloel AG	73	73	+0	100.4
Dipl. Ing. Fust AG	1 938	1 854	+84	104.5
Coop Vitality AG	439	411	+29	107.0
Bell Switzerland	3 302	3 093	+210	106.8
Bell abroad	2 946	2 966	-20	99.3
<b>Bell Group</b>	<b>6 248</b>	<b>6 059</b>	<b>+189</b>	<b>103.1</b>
The Body Shop Switzerland AG	153	172	-20	88.7
Germany	6 994	6 996	-2	100.0
France	3 598	3 546	+52	101.5
Switzerland	1 503	1 506	-3	99.8
Romania	4 330	4 237	+93	102.2
Poland	3 737	3 740	-4	99.9
Russia	1 283	1 161	+122	110.5
<b>Transgourmet Group</b>	<b>21 446</b>	<b>21 187</b>	<b>+259</b>	<b>101.2</b>
<b>Other companies</b>	<b>237</b>	<b>185</b>	<b>+52</b>	<b>127.8</b>
<b>Full-time equivalents (incl. trainees)</b>	<b>64 416</b>	<b>64 402</b>	<b>+14</b>	<b>100.0</b>

Prior-year figures restated. In addition, the full-time equivalents in relation to long-term periods of absence are presented as of 2012 and retrospectively for 2011 according to the employees' organizational allocation.

## Employees

	2012	2011	Change	Index %
SRE Suisse Romande	6 320	6 230	+90	101.4
SRE Bern	4 279	4 225	+54	101.3
SRE Nordwestschweiz	4 472	4 492	-20	99.6
SRE Zentralschweiz-Zürich	6 105	5 911	+194	103.3
SRE Ostschweiz-Ticino	5 142	5 267	-125	97.6
Corporate Services Retail	21	23	-2	91.3
<b>Coop Retail</b>	<b>26 339</b>	<b>26 148</b>	<b>+191</b>	<b>100.7</b>
Department stores	3 084	3 133	-49	98.4
Interdiscount	1 744	1 768	-24	98.6
Building & Hobby	1 962	1 864	+98	105.3
Toptip / Lumimart	695	700	-5	99.3
Import Parfumerie	695	681	+14	102.1
Christ Watches & Jewellery	487	509	-22	95.7
Corporate Services Trading	183	185	-2	98.9
<b>Coop Trading</b>	<b>8 850</b>	<b>8 840</b>	<b>+10</b>	<b>100.1</b>
Logistics	4 602	4 646	-44	99.1
Production	781	836	-55	93.4
Other corporate services / Property Business Unit	2 327	2 363	-36	98.5
<b>Coop parent company</b>	<b>42 899</b>	<b>42 833</b>	<b>+66</b>	<b>100.2</b>
Coop Mineraloel AG	78	75	+3	104.0
Dipl. Ing. Fust AG	2 060	2 117	-57	97.3
Coop Vitality AG	605	574	+31	105.4
Bell Switzerland	3 414	3 324	+90	102.7
Bell abroad	3 055	3 146	-91	97.1
<b>Bell Group</b>	<b>6 469</b>	<b>6 470</b>	<b>-1</b>	<b>100.0</b>
The Body Shop Switzerland AG	209	225	-16	92.9
Germany	7 904	7 946	-42	99.5
France	3 694	3 550	+144	104.1
Switzerland	1 714	1 680	+34	102.0
Romania	4 165	4 547	-382	91.6
Poland	3 885	3 930	-45	98.9
Russia	1 290	1 165	+125	110.7
Transgourmet Group	22 652	22 818	-166	99.3
Other companies	337	249	+88	135.3
<b>Employees (incl. trainees) at 31.12</b>	<b>75 309</b>	<b>75 361</b>	<b>-52</b>	<b>99.9</b>

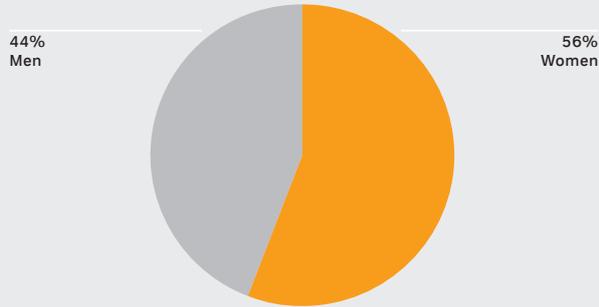
Prior-year figures restated

	2012	2011	Change	Index %
SRE Suisse Romande	320	414	-94	77.3
SRE Bern	224	260	-36	86.2
SRE Nordwestschweiz	298	312	-14	95.5
SRE Zentralschweiz-Zürich	389	411	-22	94.6
SRE Ostschweiz-Ticino	284	300	-16	94.7
<b>Coop Retail</b>	<b>1 515</b>	<b>1 697</b>	<b>-182</b>	<b>89.3</b>
Department stores	177	182	-5	97.3
Interdiscount	359	377	-18	95.2
Building & Hobby	126	134	-8	94.0
Toptip / Lumimart	37	32	+5	115.6
Import Parfumerie	54	54	+0	100.0
Christ Watches & Jewellery	40	39	+1	102.6
Corporate Services Trading	7	8	-1	87.5
<b>Coop Trading</b>	<b>800</b>	<b>826</b>	<b>-26</b>	<b>96.9</b>
Logistics	120	113	+7	106.2
Production	28	34	-6	82.4
Other corporate services / Property Business Unit	72	68	+4	105.9
<b>Coop parent company</b>	<b>2 535</b>	<b>2 738</b>	<b>-203</b>	<b>92.6</b>
Coop Mineraloel AG	3	2	+1	150.0
Dipl. Ing. Fust AG	69	68	+1	101.5
Coop Vitality AG	88	90	-2	97.8
Bell Switzerland	57	49	+8	116.3
Bell abroad	36	34	+2	105.9
<b>Bell Group</b>	<b>93</b>	<b>83</b>	<b>+10</b>	<b>112.0</b>
The Body Shop Switzerland AG	13	12	+1	108.3
Germany	294	308	-14	95.5
France	52	19	+33	..
Switzerland	71	69	+2	102.9
<b>Transgourmet Group</b>	<b>417</b>	<b>396</b>	<b>+21</b>	<b>105.3</b>
Other companies	3	2	+1	150.0
<b>Trainees (employees) at 31.12</b>	<b>3 221</b>	<b>3 391</b>	<b>-170</b>	<b>95.0</b>
<b>School-leaver internships</b>	<b>111</b>	<b>118</b>	<b>-7</b>	<b>94.1</b>

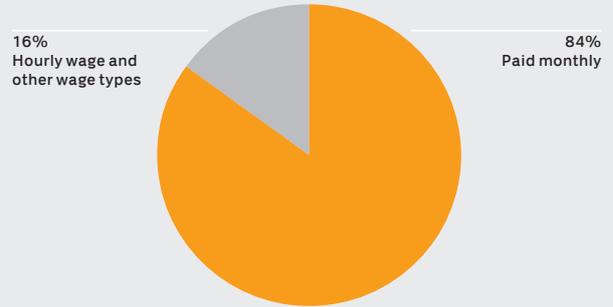
Prior-year figures restated

## Employees

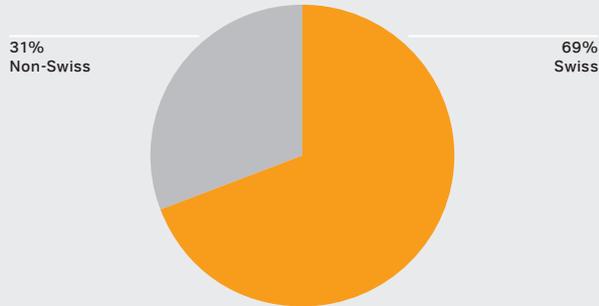
**Gender**



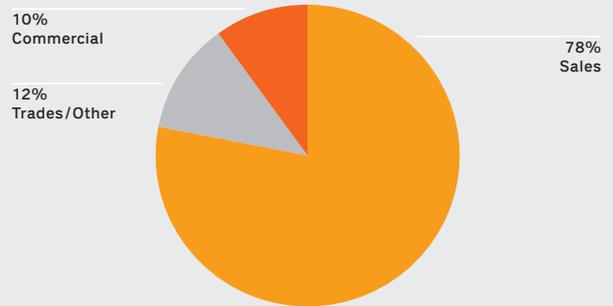
**Type of employment**



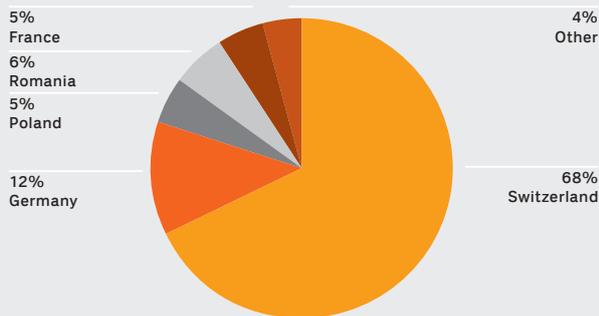
**Nationality<sup>1</sup>**



**Trainees**



**Country of work**



<sup>1</sup> Only employees working in Switzerland.

## Development of the Coop Group

	2008	2009	2010	2011	2012
<b>Key financial data in CHF million</b>					
Cash turnover of sales outlets	17 782	17 758	18 106	17 902	17 937
Onward retail sales to third parties	504	486	502	542	592
Retail turnover	18 287	18 244	18 608	18 444	18 529
Wholesale turnover in Switzerland			614	1 823	1 780
Wholesale turnover abroad			785	7 460	7 509
Total sales	19 269	19 667	20 007	27 727	27 818
Net sales from goods and services	18 271	18 660	18 965	26 640	26 731
EBITDA	1 563	1 760	1 955	1 917	1 930
EBIT – operating income	659	614	709	713	737
Profit / loss	390	430	470	432	452
Financial liabilities	3 971	4 422	4 686	5 080	4 872
Net financial liabilities	3 395	3 925	2 925	4 638	3 943
Equity incl. minority interests	5 675	6 098	6 412	6 786	7 262
Total assets	12 981	13 933	14 624	16 492	16 880
Cash flow before change in net current assets	1 445	1 555	1 744	1 748	1 770
Cash flow from operating activities	1 515	1 626	1 709	1 761	1 711
Cash flow from investing activities	-1 476	-2 055	-653	-3 116	-950
Cash flow from financing activities	250	350	211	40	-275
<b>Relative indicators in %</b>					
Quick ratio	28.4	34.9	73.3	32.6	46.1
Ratio of equity and long-term liabilities to non-current assets	91.3	98.9	114.6	96.5	103.7
Debit ratio	56.3	56.2	56.2	58.9	57.0
EBITDA margin	8.6	9.4	10.3	7.2	7.2
EBIT margin	3.6	3.3	3.7	2.7	2.8
Profit margin	2.1	2.3	2.5	1.6	1.7
Operating cash flow margin	8.3	8.7	9.0	6.6	6.4
Debt coverage ratio	Target value: < 3.0	2.1	2.2	1.4	2.4
Interest coverage ratio	Target value: > 8.0	11.6	22.0	27.7	10.9
Equity ratio incl. minority interests	Target value: > 40.0	43.7	43.8	43.8	41.1
<b>Employees</b>					
Employees at 31.12	53 880	52 974	53 559	75 361	75 309
Full-time equivalents	41 550	44 154	43 925	64 402	64 416
<b>Sales outlets retail</b>					
Number of sales outlets retail at 31.12	1 885	1 864	1 920	1 991	2 017
Sales area retail in m <sup>2</sup> at 31.12	1 707 189	1 725 604	1 741 914	1 761 173	1 773 231
Sales area retail in m <sup>2</sup> (annual average)	1 686 926	1 719 187	1 732 128	1 752 284	1 767 202
<b>Markets CC cash &amp; carry</b>					
Number of markets CC cash & carry at 31.12				109	111
Sales area of markets CC cash & carry in m <sup>2</sup> at 31.12				894 327	909 416
<b>Members</b>					
Number of members at 31.12	2 536 544	2 518 056	2 666 242	2 895 062	2 950 096

Prior-year figures restated

# Annual consolidated financial statements of the Coop Group

## Consolidated income statement

in CHF million	Notes	2012	Share %	2011	Share %
Net sales from goods and services	1	26 731	100.0	26 640	100.0
Merchandise expense		18 980		18 941	
<b>Gross profit / loss</b>		<b>7 751</b>	<b>29.0</b>	<b>7 699</b>	<b>28.9</b>
Other operating income	2	996		975	
Personnel expense	3	4 009		3 998	
Other operating expenses	4	2 807		2 759	
<b>EBITDA</b>		<b>1 930</b>	<b>7.2</b>	<b>1 917</b>	<b>7.2</b>
Amortization of intangible assets	5	288		324	
Depreciation of tangible fixed assets	5	905		881	
<b>EBIT – operating income</b>		<b>737</b>	<b>2.8</b>	<b>713</b>	<b>2.7</b>
Result of associated organizations		22		13	
Result from foreign currencies	6	11		16	
Financial result	7	–89		–175	
<b>Ordinary result</b>		<b>681</b>	<b>2.5</b>	<b>566</b>	<b>2.1</b>
Non-operating result	8	–2		59	
<b>EBT – profit / loss before taxes</b>		<b>679</b>	<b>2.5</b>	<b>625</b>	<b>2.3</b>
Income taxes	9	148		122	
<b>Profit / loss after taxes</b>		<b>531</b>	<b>2.0</b>	<b>503</b>	<b>1.9</b>
Minority interests		79		71	
<b>Profit / loss</b>		<b>452</b>	<b>1.7</b>	<b>432</b>	<b>1.6</b>

## Consolidated balance sheet

in CHF million	Notes	31.12.2012	Share %	31.12.2011	Share %
Cash and cash equivalents	10, 11	929		442	
Securities		89		130	
Receivables from goods and services	12	938		951	
Other short-term receivables	13	367		283	
Prepayments and accrued income	14	334		329	
Inventories	15	2 622		2 581	
<b>Current assets</b>		<b>5 279</b>	<b>31.3</b>	<b>4 715</b>	<b>28.6</b>
Intangible assets	16	1 463		1 634	
Financial assets	17	311		261	
Furniture, vehicles, machinery	18	1 494		1 553	
Real estate	19	8 333		8 330	
<b>Non-current assets</b>		<b>11 601</b>	<b>68.7</b>	<b>11 777</b>	<b>71.4</b>
<b>Assets</b>		<b>16 880</b>	<b>100.0</b>	<b>16 492</b>	<b>100.0</b>
Payables from goods and services	20	2 242		2 224	
Short-term financial liabilities	21	1 187		1 529	
Other short-term liabilities	22	478		478	
Short-term provisions	23	313		304	
Accrued liabilities and deferred income	24	628		598	
<b>Short-term liabilities</b>		<b>4 848</b>	<b>28.7</b>	<b>5 133</b>	<b>31.1</b>
Long-term financial liabilities	25	3 685		3 551	
Long-term provisions	26	1 084		1 022	
<b>Long-term liabilities</b>		<b>4 769</b>	<b>28.3</b>	<b>4 574</b>	<b>27.7</b>
<b>Liabilities</b>		<b>9 617</b>	<b>57.0</b>	<b>9 706</b>	<b>58.9</b>
Retained earnings		6 440		6 004	
Profit / loss		452		432	
<b>Equity excluding minority interests</b>		<b>6 892</b>	<b>40.8</b>	<b>6 436</b>	<b>39.0</b>
Minority interests		370	2.2	350	2.1
<b>Equity including minority interests</b>		<b>7 262</b>	<b>43.0</b>	<b>6 786</b>	<b>41.1</b>
<b>Liabilities and equity</b>		<b>16 880</b>	<b>100.0</b>	<b>16 492</b>	<b>100.0</b>

## Consolidated cash flow statement

### Fund: cash and cash equivalents

in CHF million		2012	2011
Profit / loss after taxes		531	503
Amortization		1 216	1 233
Profit (-)/loss on disposal of fixed assets		-9	-43
Result non-cash items <sup>1</sup>		-29	56
Income from associated organizations		-15	1
Increase / decrease (-) in long-term provisions		76	-2
<b>Cash flow before change in net current assets</b>		<b>1 770</b>	<b>1 748</b>
Increase (-) / decrease in receivables from goods and services <sup>1</sup>	18		10
Increase (-) / decrease in other short-term receivables, prepayments and accrued income	-83		104
Increase (-) / decrease in inventories <sup>1</sup>	-17		-40
Increase / decrease (-) in payables from goods and services	9		95
Increase / decrease (-) in other short-term liabilities, accrued liabilities and deferred income	27		-118
Increase / decrease (-) in short-term provisions	-14	-59	-38
<b>Cash flow from operating activities</b>		<b>1 711</b>	<b>1 761</b>
Investments in intangible assets	-42		-39
Disposals of intangible assets	2	-40	4
Investments of furniture, vehicles, machinery	-314		-391
Disposals of furniture, vehicles, machinery	6	-309	14
Investments in real estate	-540		-954
Real estate, own work capitalized	-12		-15
Disposals of real estate	32	-521	137
Payment for the acquisition of consolidated organizations	-81		-1 842
Receipts from the disposal of consolidated organizations	0	-81	0
Investments in financial assets	-60		-1
Disposals of financial assets	14	-47	37
Investments in securities	-16		-109
Disposals of securities	61	46	41
<b>Cash flow from investing activities</b>		<b>-950</b>	<b>-3 116</b>
Inflows from bonds issuance		250	
Outflows for bonds – repayments		-250	-250
Dividend to minority shareholders		-58	-42
Increase / decrease in short-term financial liabilities		-163	526
Increase / decrease in long-term financial liabilities		-54	-198
Increase / decrease (-) own shares Bell		0	4
<b>Cash flow from financing activities</b>		<b>-275</b>	<b>40</b>
Impact of currency conversion		2	-5
<b>Net change in cash and cash equivalents</b>		<b>487</b>	<b>-1 320</b>
<b>Cash and cash equivalents at beginning of the reporting period</b>		<b>442</b>	<b>1 762</b>
<b>Cash and cash equivalents at end of the reporting period</b>		<b>929</b>	<b>442</b>

<sup>1</sup> Prior-year figures restated for the change in the value adjustment on receivables and inventories

## Statement of changes in equity

in CHF million	Retained profits	Own shares Bell	Accumulated currency differences	Total retained earnings	Profit/loss	Total excl. minority interests	Minority interests	Total incl. minority interests
<b>Equity at 1.1.2012</b>	<b>6 265</b>	<b>-2</b>	<b>-258</b>	<b>6 004</b>	<b>432</b>	<b>6 436</b>	<b>350</b>	<b>6 786</b>
Appropriation of profit for the year 2011	432			432	-432			
Profit/loss 2012					452	452	79	531
Dividends							-58	-58
Acquisition (-) / disposal of own shares Bell		0		0		0	0	0
Currency differences			4	4		4	-1	3
<b>Equity at 31.12.2012</b>	<b>6 697</b>	<b>-2</b>	<b>-254</b>	<b>6 440</b>	<b>452</b>	<b>6 892</b>	<b>370</b>	<b>7 262</b>
Equity at 1.1.2011	5 795	-5	-179	5 610	470	6 080	331	6 412
Changes (acquisitions / disposals)							-9	-9
Appropriation of profit for the year 2010	470			470	-470			
Profit/loss 2011					432	432	71	503
Dividends							-42	-42
Acquisition (-) / disposal of own shares Bell		4		4		4	2	6
Currency differences			-79	-79		-79	-3	-82
<b>Equity at 31.12.2011</b>	<b>6 265</b>	<b>-2</b>	<b>-258</b>	<b>6 004</b>	<b>432</b>	<b>6 436</b>	<b>350</b>	<b>6 786</b>

## Notes to the annual consolidated financial statements

### Consolidation principles

#### Basis of accounting

The annual consolidated financial statements are based on the annual financial statements of the Group companies prepared as at 31 December 2012 in accordance with uniform policies and present a true and fair view of the financial position, results of operations and cash flows. The consolidated financial statements of the Coop Group comply with all Swiss GAAP ARR (Accounting and Reporting Recommendations) and Swiss legal provisions. On this basis, internal classification, valuation and disclosure principles have been defined and applied consistently.

#### Consolidation method

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

All intercompany relationships and transactions are eliminated. Acquisition accounting uses the purchase method, whereby an organization's equity at the date of acquisition or establishment is eliminated against the carrying amount of the investment at the parent. If significant, intercompany profits are eliminated. If economically significant, investments in organizations where the Coop Group holds 20% to 50% of the voting rights are recognized using the equity method. 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 prepared in accordance with the true and fair view principle are used to determine the share of 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 statements are converted at the average rate. Any differences arising from the use of these two different conversion methods are taken directly to equity.

#### Foreign currency exchange rates into CHF

		Average rates		Closing rates	
		2012	2011	2012	2011
1	EUR	1.208	1.233	1.207	1.220
1	GBP	1.483	1.415	1.479	1.460
1	HKD	0.120	0.113	0.118	0.120
100	HUF	0.416	0.443	0.415	0.390
100	JPY	1.171	1.109	1.110	1.216
1	PLN	0.288	0.300	0.296	0.273
1	RON	0.271	0.291	0.272	0.282
1	RUB	0.030	0.030	0.030	0.029
1	USD	0.932	0.880	0.915	0.940

### 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, shortterm deposits, cheques and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value (notes 10 and 11).

#### Securities

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

#### Receivables from goods and services and other short-term receivables

Receivables are stated at nominal value less any necessary write-downs (notes 12 and 13).

#### Inventories

Inventories are stated at cost, which comprises the net purchase price and incidental charges. Unfinished and finished goods are valued at no more than production cost. If the net fair value at the balance sheet date is less than cost, the lower of cost or market principle is applied. Individual value adjustments are recognized for materials that are no longer serviceable (note 15).

#### Intangible assets

On the acquisition of an equity investment, goodwill is determined based on the difference between the purchase price paid and the net assets acquired, measured at fair value. Goodwill is generally capitalized and amortized on a straight-line basis over a period of 8 years.

Other intangible assets are stated at acquisition cost and amortized on a straight-line basis over a period of 3 to 8 years. Trademarks and similar intangible assets are amortized over a period of up to 20 years. If there are indications of a sustained

decline in value, intangible assets are tested for impairment using the capital asset pricing model and taking into account updated assumptions from the multi-year plan regarding the expected business trend. No research and development costs are capitalized (note 16).

#### 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 17).

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

#### 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:

Undeveloped plots of land	No depreciation
Real estate	40–100 years
Installations	15–30 years
Temporary buildings	3–20 years
Sales outlet fittings	10 years
Cash & carry market fittings	15 years
Other furniture	3–15 years
Plant and machinery	3–30 years
Vehicles	3–15 years
IT	3–8 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 are recognized within liabilities as leasing commitments. The fair value of real estate is determined internally. Taken as a whole, the fair values of these properties exceed their carrying amount (notes 18 and 19).

#### 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 20, 21, 22, 24 and 25).

#### Provisions

The amount of the provisions is determined at the balance sheet date on the basis of the probable out-flow of resources. In doing so, sufficient account is taken of the risks. The provisions represent legal or factual obligations (notes 23 and 26). Other provisions primarily comprise provisions for personnel, sales outlets, legal cases and value-added tax.

#### Miscellaneous expenses

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

#### Non-operating items

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

#### Extraordinary items

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

#### Income taxes

All income taxes due on the taxable profits for the financial year are charged to the income statement, regardless of their due date. Furthermore, additional taxes on income result from temporary differences between items of income and expense entered in the consolidated financial statements and individual statements for tax purposes (deferred taxes). The deferred taxes for these differences between the carrying amounts in the financial statements and the values for tax purposes are calculated at the tax rate 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. Cash flow from operating activities is calculated using the indirect method.

## Related parties

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

Related party transactions are conducted at arm's length, at normal market conditions as also applied to third parties.

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.

## Scope of consolidation

The Coop scope of consolidation is listed on pages 94 to 96.

In the reporting period, the following changes occurred in Coop's scope of consolidation (excluding changes of name and mergers).

		Currency	Capital in million	Interest <sup>1</sup> at 31.12.2012	Interest <sup>1</sup> at 31.12.2011
<b>Coop Cooperative</b>					
Tropenhaus Wolhusen AG, CH-Wolhusen	Increased on 1 Jan. 2012	CHF	2.60	94.31 %	40.66 %
BG Rosengarten Solothurn AG, CH-Solothurn	Increased on 1 Jan. 2012	CHF	0.10	100.00 %	62.00 %
Parking des Remparts SA, CH-La Tour-de-Peilz	Established on 13 July 2012	CHF	3.60	33.33 %	
Betty Bossi AG, CH-Zürich	Acquired on 21 Dec. 2012	CHF	0.17	100.00 %	50.00 %
<b>Bell Group</b>					
Bell Deutschland GmbH & Co. KG, DE-Seevetal	Established on 1 Jan. 2012	EUR	1.00	66.29 %	
Bell Verwaltungs GmbH, DE-Seevetal	Established on 1 Jan. 2012	EUR	0.03	66.29 %	
ZIMBO Czechia s.r.o., CZ-Praha	Increased on 1 Jan. 2012	CZK	30.00	59.66 %	46.40 %
<b>Transgourmet Group</b>					
Eurocash SA, FR-Schiltigheim	Acquired on 1 June 2012	EUR	3.01	100.00 %	
<b>Associated organizations of the Coop Group</b>					
Delizio GmbH, DE-Stuttgart	Acquired on 1 Jan. 2012	EUR	0.03	32.48 %	
Gastro Star AG, CH-Dällikon	Acquired on 1 Jan. 2012	CHF	0.12	32.48 %	
Schwarz Viva AG, CH-Villigen	Acquired on 1 Jan. 2012	CHF	2.40	32.48 %	
Eurobuy GmbH, DE-Köln	Increased on 11 June 2012	EUR	0.21	33.33 %	25.00 %
Hilcona Holding AG, CH-Zug	Established on 21 June 2012	CHF	10.00	32.48 %	
Hilcona Agrar AG, FL-Schaan	Established on 14 Dec. 2012	CHF	1.00	32.48 %	

In 2011, the following changes occurred in Coop's scope of consolidation (excluding changes of name and mergers).

		Currency	Capital in million	Interest <sup>1</sup> at 31.12.2011	Interest <sup>1</sup> at 31.12.2010
<b>Coop Cooperative</b>					
CapCo AG, FL-Vaduz	Established on 19 Jan. 2011	CHF	5.00	100.00 %	
Pearlwater Mineralquellen AG, CH-Termen	Acquired on 1 Jan. 2011	CHF	22.40	100.00 %	
Transgourmet Group, CH-Basel	Increased on 10 Jan. 2011	CHF	520.10	100.00 %	50.00 %
Tropenhaus Frutigen AG, CH-Frutigen	Increased on 1 Jan. 2011	CHF	1.40	69.16 %	40.00 %
<b>Bell Group</b>					
Abraham Schinken GmbH, DE-Seevetal	Increased on 31 Dec. 2011	EUR	0.10	66.29 %	49.73 %
Hoppe GmbH, DE-Bad Wünnenberg	Acquired on 1 May 2011	EUR	0.20	66.29 %	
SBA Schlachtbetrieb Basel AG, CH-Basel	Increased on 1 July 2011	CHF	0.25	66.29 %	31.82 %
<b>Transgourmet Group</b>					
Vreriksen Verwaltungsgesellschaft mbH, DE-Dortmund	Acquired on 1 July 2011	EUR	0.1	100.00 %	
<b>Associated organizations of the Coop Group</b>					
Hilcona Gruppe, FL-Schaan	Acquired on 20 Jan. 2011	CHF	10.00	32.48 %	

<sup>1</sup> The interests listed are calculated on the basis of the shares held by the Coop Group.

### Supplementary information

Off-balance sheet transactions are generally recognized at nominal value.

## Notes to the annual consolidated financial statements

### Impairment

In connection with the annual review of the recoverability of goodwill items, extraordinary depreciation of CHF 9 million was recognized at the Coop Cooperative and CHF 3 million in the Transgourmet Group. As part of the review of the real estate portfolio, extraordinary depreciation totalling CHF 76 million was recognized in respect of individual properties and extraordinary depreciation of CHF 6 million recognized in respect of furniture, vehicles and machinery.

### 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 costs under "Social security contributions". Interest is paid on the old-age pension assets of active CPV/CAP members at 1.5% in line with the minimum interest rate specified by the Swiss Federal Council for statutory minimum benefits under Swiss law. As at 31 December 2012, the CPV/CAP reported a coverage ratio of 104.6% before the recognition of reserves for fluctuations in asset value (prior-year coverage ratio: 98.8%).

### Open derivative financial instruments

The amounts stated 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 (note 32).

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

Bell holds options to acquire further shares in associated organizations (2% of Hilcona), the price of which depends on future earnings.

### Loss carry-forwards

No deferred tax assets were recognized for loss carry-forwards of CHF 1 141 million (previous year: CHF 1 131 million).

### Goodwill relating to associated organizations

Goodwill relating to associated organizations amounts to CHF 13 million (previous year: CHF 17 million).

### Auditors' fees

The total fee of CHF 3.6 million paid to PwC (previous year: CHF 3.6 million) consists of CHF 3.2 million (previous year: CHF 3.3 million) for financial statement audit services and CHF 0.4 million (previous year: CHF 0.3 million) for other services.

### Remuneration

In 2012, the Board of Directors of Coop received an aggregate amount of CHF 1.4 million in remuneration for their services (previous year: CHF 1.3 million). The gross salaries of the Executive Committee totalled CHF 3.3 million for 5.8 full-time equivalents in 2012 (previous year: CHF 4.3 million for seven members). In addition, the members of the Executive Committee receive a performance-related bonus of no more than 20% of their gross salary. Coop is entitled to any set fees paid to the members of the Executive Committee for activities performed as members of the Boards of Directors of Coop subsidiaries and non-Group companies. The Chairman of the Board of Directors, the Vice-Chairwoman of the Board of Directors and the members of the Executive Committee do not enjoy special pension rights.

### Notes on risk assessment

The Coop Group operates a standardized risk management system. The Coop Group's risk situation is reassessed every three years. At the last basic reassessment in 2012, in the presence of the Chairman of the Board of Directors, the Coop Executive Committee identified, analysed and assessed the main risks and the main risk scenarios and defined the corresponding measures to be taken. The results of this risk assessment and the measures were approved at the Board of Directors' meeting on 28 June 2012.

The measures resulting from this evaluation are subject to a control 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 course of the institutionalized annual assessment of the quality of the internal audit system at the business-process level, an assessment of operational risks and risks associated with financial reporting and compliance is carried out. A number of Coop subsidiaries and associated companies implemented their own internal audit system.

### Events after the balance sheet date

The Board of Directors approved the annual consolidated financial statements on 13 February 2013. They have to be approved by the Delegate Assembly on 11 April 2013. The Coop Group is not aware of any significant events after the balance sheet date that could have a substantial impact on its 2012 consolidated financial statements.

in CHF million	2012	2011
<b>1 Net sales from goods and services by division</b>		
Net sales Food	18 335	18 242
Net sales Non Food	8 396	8 398
<b>Total</b>	<b>26 731</b>	<b>26 640</b>
Suisse Romande Region	4 207	4 205
Bern Region	2 718	2 756
Nordwestschweiz Region	3 516	3 499
Zentralschweiz-Zürich Region	4 423	4 441
Ostschweiz-Ticino Region	3 422	3 347
Headquarters / Production Switzerland	955	941
<b>Net sales Switzerland</b>	<b>19 241</b>	<b>19 188</b>
Germany	3 549	3 556
France	1 629	1 584
Romania	927	991
Poland	908	938
Russia	312	203
Czech Republic	64	66
Belgium	27	40
Netherlands	26	27
Hungary	19	22
Other countries	29	26
<b>Net sales abroad</b>	<b>7 490</b>	<b>7 451</b>
<b>Total</b>	<b>26 731</b>	<b>26 640</b>
<b>2 Other operating income</b>		
Operating rental income	137	122
Gain on the disposal of fixed operating assets	8	
Own work capitalized	12	15
Other income	839	839
<b>Total</b>	<b>996</b>	<b>975</b>
<b>3 Personnel expense</b>		
Wages / salaries	3 087	3 056
Social security contributions	727	756
Social security contributions as %	23.5	24.8
Other personnel expense	195	185
<b>Total</b>	<b>4 009</b>	<b>3 998</b>
Coop Group full-time equivalents	64 416	64 402
Prior-year figures restated		
<b>4 Other operating expenses</b>		
Advertising expense	453	463
Rent	669	674
Office and administrative costs	237	231
Charges and insurance premiums (non-life)	100	109
Operations-related taxes	36	30
Maintenance and replacement costs	326	321
Energy and supplies	418	417
Cost of carriage	289	285
Miscellaneous expenses	279	230
<b>Total</b>	<b>2 807</b>	<b>2 759</b>

in CHF million	2012	2011
<b>5 Depreciation and amortization</b>		
Goodwill	216	223
Extraordinary goodwill	12	36
Other intangible assets	60	58
Extraordinary other intangible assets	0	7
<b>Amortization of intangible assets</b>	<b>288</b>	<b>324</b>
Furniture, vehicles, machinery	363	362
Extraordinary furniture, vehicles, machinery	6	8
Real estate	460	416
Extraordinary real estate	76	95
<b>Depreciation of tangible fixed assets</b>	<b>905</b>	<b>881</b>
<b>Total</b>	<b>1 193</b>	<b>1 205</b>
<b>6 Result from foreign currencies</b>		
Currency exchange gains	43	315
Currency exchange losses	32	299
<b>Total</b>	<b>11</b>	<b>16</b>
<b>7 Financial result</b>		
Dividends and exchange-rate gains on securities	22	15
Other interest income	14	17
<b>Financial income</b>	<b>36</b>	<b>32</b>
Exchange-rate losses on securities	7	55
Interest and other financial expenses	116	140
Amortization of financial assets	2	12
<b>Financial expenses</b>	<b>124</b>	<b>207</b>
<b>Total</b>	<b>-89</b>	<b>-175</b>
<b>8 Non-operating result</b>		
Rental income	2	1
Profits on the disposal of fixed non-operating assets	4	43
Other non-operating income	1	42
<b>Non-operating income</b>	<b>7</b>	<b>87</b>
Non-operating property expenses/depreciation	2	17
Other non-operating expenses	6	10
<b>Non-operating expenses</b>	<b>9</b>	<b>27</b>
<b>Total</b>	<b>-2</b>	<b>59</b>
<b>9 Income taxes</b>		
Current income taxes	153	136
Change in deferred taxes	-4	-14
<b>Total</b>	<b>148</b>	<b>122</b>

in CHF million	31.12.2012	31.12.2011
<b>10 Cash and cash equivalents</b>		
Cash on hand, postal and bank account balances	909	421
Reka cheques	19	20
Term deposits	0	1
<b>Total</b>	<b>929</b>	<b>442</b>
<b>11 Cash and cash equivalents by currency</b>		
Swiss franc	758	169
Euro	127	208
Other currencies	44	66
<b>Total</b>	<b>929</b>	<b>442</b>
<b>12 Receivables from goods and services</b>		
Receivables from goods and services	972	989
Value adjustment	45	48
Amount due from associated organizations	11	9
<b>Total</b>	<b>938</b>	<b>951</b>
<b>13 Other short-term receivables</b>		
Other receivables	364	280
Prepayments to suppliers	2	2
Other receivables from associated organizations	1	0
<b>Total</b>	<b>367</b>	<b>283</b>
<b>14 Prepayments and accrued income</b>		
Prepaid expenses and accrued income	302	329
Prepaid expenses and accrued income, associated organizations	32	
<b>Total</b>	<b>334</b>	<b>329</b>
<b>15 Inventories</b>		
Merchandise	2 379	2 352
Finished goods (production)	138	128
Unfinished goods, work in progress	70	69
Raw materials	111	111
Supplies and packaging materials	34	35
Prepayments to suppliers	30	33
Value adjustment on inventories	139	147
<b>Total</b>	<b>2 622</b>	<b>2 581</b>

<b>16 Intangible assets</b>	Goodwill	Trademarks / Patents / Licences	Software	Other intan- gible assets	Total
in CHF million					
<b>Intangible assets 2012</b>					
Cost 1.1.2012	2 843	528	287	63	3 721
Changes to the scope of consolidation	2		7	0	9
Investments	2	71	34	6	113
Disposals	0	3	6	2	11
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1	-0	-1	-0	-2
Reclassifications	-0	-0	7	-7	0
<b>As at 31.12.2012</b>	<b>2 846</b>	<b>595</b>	<b>329</b>	<b>60</b>	<b>3 830</b>
Accumulated amortization at 1.1.2012	1 652	182	216	36	2 087
Changes to the scope of consolidation			3	0	4
Amortization	216	24	32	4	276
Extraordinary amortization	12			0	12
Accumulated amortization on disposals		3	6	1	10
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1	-0	-0	-0	-1
Reclassifications		-0	-2	2	-0
<b>As at 31.12.2012</b>	<b>1 879</b>	<b>203</b>	<b>244</b>	<b>41</b>	<b>2 367</b>
<b>Net carrying amount 31.12.2012</b>	<b>966</b>	<b>393</b>	<b>85</b>	<b>19</b>	<b>1 463</b>
<b>Intangible assets 2011</b>					
Cost 1.1.2011	2 069	496	178	51	2 794
Changes to the scope of consolidation		34	79	9	122
Investments	799	1	37	1	839
Disposals	3	1	5	1	9
Impact of changes in currency exchange rates (gain (+)/loss (-))	-22	-1	-2	-0	-25
Reclassifications	-1	-0	-1	3	1
<b>As at 31.12.2011</b>	<b>2 843</b>	<b>528</b>	<b>287</b>	<b>63</b>	<b>3 721</b>
Accumulated amortization at 1.1.2011	1 395	140	130	28	1 693
Changes to the scope of consolidation		13	61	4	78
Amortization	223	25	29	5	281
Extraordinary amortization	36	6	1		43
Accumulated amortization on disposals		1	4	1	5
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1	-0	-1	-0	-3
Reclassifications	0	-0	0	0	-0
<b>As at 31.12.2011</b>	<b>1 652</b>	<b>182</b>	<b>216</b>	<b>36</b>	<b>2 087</b>
<b>Net carrying amount 31.12.2011</b>	<b>1 191</b>	<b>346</b>	<b>71</b>	<b>26</b>	<b>1 634</b>

<b>17 Financial assets</b>	Employer	Other	Associated	Total
in CHF million	contribution	financial	organi-	
	reserve	assets	zations	
<b>Financial assets 2012</b>				
Net carrying amount 1.1.2012	18	107	137	261
Changes to the scope of consolidation		0	-4	-4
Additions	0	49	11	60
Disposals	4	13	0	17
Value adjustments (+) / Write-ups (-)		-0	-15	-15
Impact of changes in currency exchange rates (gain (+)/loss (-))		-0	-0	-0
Reclassifications		-3	-1	-4
<b>As at 31.12.2012</b>	<b>14</b>	<b>140</b>	<b>158</b>	<b>311</b>
<b>Other financial assets</b>				
Loans to associated organizations				32
Loans to third parties				43
Miscellaneous financial assets				65
<b>As at 31.12.2012</b>				<b>140</b>
<b>Financial assets 2011</b>				
Net carrying amount 1.1.2011	18	442	710	1 170
Changes to the scope of consolidation		0	3	3
Additions	0	4	60	64
Disposals	1	36	0	37
Value adjustments (+) / Write-ups (-)		12	-3	9
Impact of changes in currency exchange rates (gain (+)/loss (-))		-0	-1	-1
Reclassifications		-291	-639	-930
<b>As at 31.12.2011</b>	<b>18</b>	<b>107</b>	<b>137</b>	<b>261</b>
<b>Other financial assets</b>				
Loans to associated organizations				11
Loans to third parties				31
Miscellaneous financial assets				65
<b>As at 31.12.2011</b>				<b>107</b>

<b>18 Furniture, vehicles, machinery</b>	Furniture	Vehicles	IT	Plant and machinery	Finance leases	Assets under construction	Total
in CHF million							
<b>Furniture, vehicles, machinery 2012</b>							
Cost 1.1.2012	2 226	341	502	1 070	9	42	4 190
Changes to the scope of consolidation	3	0	1	1			5
Investments	167	49	40	38	0	21	315
Disposals	43	25	20	14	1	0	103
Impact of changes in currency exchange rates (gain (+)/loss (-))	-2	-1	0	-1	-0	-0	-4
Reclassifications	-41	1	14	43	-1	-38	-23
<b>As at 31.12.2012</b>	<b>2 311</b>	<b>365</b>	<b>536</b>	<b>1 138</b>	<b>7</b>	<b>24</b>	<b>4 381</b>
Accumulated depreciation 1.1.2012	1 313	178	370	770	7		2 637
Changes to the scope of consolidation	2	0	1	1			4
Depreciation	196	42	56	67	1		363
Extraordinary depreciation	4	0	0	2			6
Accumulated depreciation on disposals	42	23	20	14	1		100
Impact of changes in currency exchange rates (gain (+)/loss (-))	-2	-1	0	-1	-0		-3
Reclassifications	-35	-0	3	13	-1	-0	-20
<b>As at 31.12.2012</b>	<b>1 436</b>	<b>197</b>	<b>411</b>	<b>838</b>	<b>6</b>	<b>-0</b>	<b>2 887</b>
<b>Net carrying amount 31.12.2012</b>	<b>875</b>	<b>169</b>	<b>125</b>	<b>299</b>	<b>2</b>	<b>24</b>	<b>1 494</b>
<b>Furniture, vehicles, machinery 2011</b>							
Cost 1.1.2011	1 905	186	378	984	9	22	3 482
Changes to the scope of consolidation	335	133	111	117	5	5	706
Investments	174	57	57	57	0	46	391
Disposals	211	35	54	56	4	1	361
Impact of changes in currency exchange rates (gain (+)/loss (-))	-11	-4	-4	-9	-0	-1	-29
Reclassifications	34	4	14	-23	0	-29	1
<b>As at 31.12.2011</b>	<b>2 226</b>	<b>341</b>	<b>502</b>	<b>1 070</b>	<b>9</b>	<b>42</b>	<b>4 190</b>
Accumulated depreciation 1.1.2011	1 101	104	279	708	6		2 197
Changes to the scope of consolidation	207	68	89	67	4		435
Depreciation	201	38	58	64	1		362
Extraordinary depreciation	6	0	2	1			8
Accumulated depreciation on disposals	209	32	54	50	4		348
Impact of changes in currency exchange rates (gain (+)/loss (-))	-7	-2	-4	-5	-0		-18
Reclassifications	14	1	0	-15	0		1
<b>As at 31.12.2011</b>	<b>1 313</b>	<b>178</b>	<b>370</b>	<b>770</b>	<b>7</b>		<b>2 637</b>
<b>Net carrying amount 31.12.2011</b>	<b>913</b>	<b>164</b>	<b>131</b>	<b>301</b>	<b>2</b>	<b>42</b>	<b>1 553</b>

<b>19 Real estate</b>	Undeveloped	Installations	Real estate	Real estate	Finance	Assets	Total
in CHF million	plots of land			not used for	leases	under construction	
				op. purposes			
<b>Real estate 2012</b>							
Cost 1.1.2012	81	2 239	10 718	79	99	128	13 344
Changes to the scope of consolidation	17	4	12	0			33
Investments	5	129	293	5		119	552
Disposals		13	58	55		1	126
Impact of changes in currency exchange rates (gain (+)/loss (-))	0	3	13	0	-0	1	17
Reclassifications	-2	378	-248	59	-75	-90	23
<b>As at 31.12.2012</b>	<b>102</b>	<b>2 740</b>	<b>10 730</b>	<b>89</b>	<b>24</b>	<b>157</b>	<b>13 843</b>
<b>Real estate 2011</b>							
Accumulated depreciation 1.1.2012	4	1 111	3 806	52	40	1	5 015
Changes to the scope of consolidation	13	2	14				29
Depreciation	0	152	307	0	1		460
Extraordinary depreciation		2	74	0		1	76
Accumulated depreciation on disposals		12	50	33		-0	95
Impact of changes in currency exchange rates (gain (+)/loss (-))		0	5		-0	0	6
Reclassifications	-1	133	-126	36	-23	-0	20
<b>As at 31.12.2012</b>	<b>16</b>	<b>1 389</b>	<b>4 030</b>	<b>56</b>	<b>18</b>	<b>1</b>	<b>5 510</b>
<b>Net carrying amount 31.12.2012</b>	<b>86</b>	<b>1 351</b>	<b>6 700</b>	<b>33</b>	<b>7</b>	<b>156</b>	<b>8 333</b>
<b>Real estate 2011</b>							
Cost 1.1.2011	67	2 004	8 127	163	11	50	10 422
Changes to the scope of consolidation	11	229	2 103	13	89	41	2 485
Investments	4	96	747	0		122	969
Disposals	0	119	187	101		5	412
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-6	-107		-1	-3	-118
Reclassifications	0	34	-115	4		75	-2
<b>As at 31.12.2011</b>	<b>81</b>	<b>2 239</b>	<b>10 718</b>	<b>79</b>	<b>99</b>	<b>128</b>	<b>13 344</b>
Accumulated depreciation 1.1.2011	4	990	3 149	84	4	1	4 232
Changes to the scope of consolidation	0	97	462	3	34	1	596
Depreciation		139	274	1	3	0	417
Extraordinary depreciation		3	92	15			110
Accumulated depreciation on disposals	0	116	140	60		-0	316
Impact of changes in currency exchange rates (gain (+)/loss (-))		-3	-20		-0	-0	-23
Reclassifications		2	-12	9		-1	-1
<b>As at 31.12.2011</b>	<b>4</b>	<b>1 111</b>	<b>3 806</b>	<b>52</b>	<b>40</b>	<b>1</b>	<b>5 015</b>
<b>Net carrying amount 31.12.2011</b>	<b>77</b>	<b>1 127</b>	<b>6 912</b>	<b>27</b>	<b>59</b>	<b>127</b>	<b>8 330</b>

in Mio. CHF	31.12.2012	31.12.2011
<b>20 Payables from goods and services</b>		
Payables from goods and services	2 177	2 202
Amount due to associated organizations	65	22
<b>Total</b>	<b>2 242</b>	<b>2 224</b>
<b>21 Short-term financial liabilities</b>		
Bank current accounts	5	65
Bank loans	115	192
Other short-term financial liabilities	20	43
Pension fund obligations	200	200
Other short-term liabilities due to associated organizations	5	4
Short-term portion of long-term financial liabilities	842	1 025
<b>Total</b>	<b>1 187</b>	<b>1 529</b>
<b>22 Other short-term liabilities</b>		
Vouchers in circulation	19	12
Prepayments from customers	161	203
Other taxes	226	195
Other short-term liabilities	73	67
<b>Total</b>	<b>478</b>	<b>478</b>

<b>23 Short-term provisions</b>	Pension	Restruc-	Supercard <sup>1</sup>	Other	Total
in CHF million	funds	turings		provisions	
As at 1.1.2012	24	5	190	85	304
Changes to the scope of consolidation		0		5	5
Creation of provisions	22	8	194	36	260
Use of provisions	22	3	178	49	253
Reversal of provisions no longer required	0			5	5
Reclassifications	-1		-26	28	1
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-0		-0	-0
<b>As at 31.12.2012</b>	<b>22</b>	<b>10</b>	<b>180</b>	<b>101</b>	<b>313</b>

As at 1.1.2011	21	1	73	45	140
Changes to the scope of consolidation	0	24		39	63
Creation of provisions	27	3	190	38	258
Use of provisions	23	23	192	54	292
Reversal of provisions no longer required	1			5	6
Reclassifications	0	-1	119	24	143
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-0		-1	-1
<b>As at 31.12.2011</b>	<b>24</b>	<b>5</b>	<b>190</b>	<b>85</b>	<b>304</b>

<sup>1</sup> Provisions recognized and used for Supercard are now presented within short-term provisions (prior-year figures restated).

	31.12.2012	31.12.2011
<b>24 Accrued liabilities and deferred income</b>		
Accrued liabilities and deferred income	628	598
Accrued liabilities and deferred income, associated organizations	0	
<b>Total</b>	<b>628</b>	<b>598</b>

<b>25 Long-term financial liabilities</b>			31.12.2012	31.12.2011
Deposit accounts			1 548	1 415
Medium-term notes			361	379
Coop	2008-2013	3½ %	150	
Coop	2009-2014	3½ %	500	
Coop	2009-2015	3¼ %	500	
Coop	2010-2016	2 %	500	
Coop	2010-2017	2 %	250	
Coop	2012-2019	1¼ %	250	
<b>Bonds</b>			<b>2 150</b>	<b>2 150</b>
Bank loans			236	229
Mortgages			154	196
Finance leases			5	57
Other loans			72	151
Short-term portion of long-term financial liabilities			-842	-1 025
<b>Total</b>			<b>3 685</b>	<b>3 551</b>

<b>26 Long-term provisions</b>	Pension	Deferred	Supercard <sup>1</sup>	Other	Total
in CHF million	funds	taxes		provisions	
As at 1.1.2012	108	781	21	111	1 022
Changes to the scope of consolidation		1		0	1
Creation of provisions	13	11		79	103
Use of provisions				4	4
Reversal of provisions no longer required	12	17	4	5	39
Reclassifications	-40		26	13	-1
Impact of changes in currency exchange rates (gain (+) / loss (-))	-0	2		-0	1
<b>As at 31.12.2012</b>	<b>68</b>	<b>778</b>	<b>43</b>	<b>194</b>	<b>1 084</b>
As at 1.1.2011	92	792	144	50	1 078
Changes to the scope of consolidation	6	30		55	90
Creation of provisions	12	104		40	157
Use of provisions	0	27		6	33
Reversal of provisions no longer required	1	117	3	3	124
Reclassifications	-0		-119	-24	-143
Impact of changes in currency exchange rates (gain (+) / loss (-))	-0	-0		-2	-3
<b>As at 31.12.2011</b>	<b>108</b>	<b>781</b>	<b>21</b>	<b>111</b>	<b>1 022</b>

<sup>1</sup> Prior-year figures restated, commentary under 23 Short-term provisions

<b>27 Pension fund</b>	Nominal	Balance	Balance	Changes ECR in	
	value ECR	sheet	sheet	personnel expense	
	31.12.2012	31.12.2012	31.12.2011	31.12.2012	31.12.2011
<b>Employer contribution reserve (ECR)</b>					
Patronage funds / patronage pension institutions	4	4	9	4	0
Pension institutions	10	10	10		-0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>18</b>	<b>4</b>	<b>-0</b>

Prior-year figures restated

	Surplus /	Economic share	Pension benefit expenses	
	deficit	of the Coop Group	within personnel expense	
	31.12.2012	31.12.2012	31.12.2011	31.12.2012

#### **Economic benefit / obligation and pension benefit expenses**

Patronage funds / patronage pension institutions				
Pension funds without surpluses / deficit				247
Pension funds with deficits				262
Pension funds with surpluses				7
<b>Total</b>				<b>247</b>
				<b>269</b>

#### **Pension benefit expenses within personnel expense**

Statutory employer contributions				247	269
Pension institutions obligation				200	200
secured with a guarantee from a bank				200	200

#### **28 Off-balance-sheet transactions**

Guarantees, guarantee obligations				41	55
Carrying amount of pledged assets				284	327
Secured liabilities				159	205
Other non-recognizable commitments				26	

Prior-year figures restated

in CHF million		31.12.2012		31.12.2011			
<b>29 Fire insurance values</b>							
Tangible fixed assets		17 629		16 788			
<b>30 Obligations under off-balance sheet operating leases</b>							
2012				29			
2013		20		19			
2014		15		15			
2015		14		11			
2016–2018		29		33			
after 2018		25		35			
<b>31 Commitments from long-term rental and right-to-build agreements</b>							
2012				664			
2013		725		654			
2014		690		626			
2015		650		537			
2016–2018		1 725		1 612			
after 2018		3 405		2 752			
<b>32 Open derivative financial instruments</b>							
		Contract values		Assets		Liabilities	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Financial instrument	Purpose						
Foreign exchange	Hedging	612	377	1	2	0	1
Interest rates	Hedging / trading	289	150	5	11	4	
Equity instruments	Other purposes	4	9	0			
Other underlying assets	Hedging	21	721	1	0		0
<b>33 Related party transactions</b>							
Transactions with associated organizations		2012		2011			
Net sales		40		38			
Operating rental income				1			
Other operating income		73		53			
Interest income		0		3			
Merchandise expense		354		285			
Office and administrative expense		2		5			
Advertising expense		1		1			
Miscellaneous expenses		15		20			
Prior-year figures restated							
<b>34 Most significant components at acquisition of organizations</b>							
<b>Coop Cooperative</b>							
<b>Betty Bossi AG</b>							
Receivables		4					
Inventories		11					
Intangible assets		3					
Payables		15					

in CHF million	2012	2011
<b>Tropenhaus Wolhusen AG</b>		
Real estate	4	
Financial liabilities	5	
<b>Pearlwater Mineralquellen AG</b>		
Tangible fixed assets		8
Real estate		16
Financial liabilities		19
<b>Tropenhaus Frutigen AG</b>		
Cash and cash equivalents		3
Real estate		25
Financial liabilities		30
Other liabilities		3
<b>Transgourmet Holding AG</b>		
Cash and cash equivalents		137
Receivables		604
Inventories		633
Tangible fixed assets		258
Real estate		1 826
Financial liabilities		1 139
Other liabilities		1 198
<b>Transgourmet Holding AG</b>		
<b>Eurocash SAS</b>		
Receivables	6	
Inventories	6	
Intangible assets	2	
Real estate	6	
Payables	8	
Financial liabilities	7	
<b>Bell AG</b>		
<b>Hoppe GmbH</b>		
Receivables		4
Tangible fixed assets		14
Payables		3
Financial liabilities		6
<b>Hilcona AG (associated organizations)</b>		
Cash and cash equivalents		21
Receivables		40
Inventories		51
Tangible fixed assets		191
Payables		30
Financial liabilities		114

## Coop scope of consolidation

at 31.12.2012			Interest held	Share capital	Method	
			by the Group	31.12.2012	of inclu-	
			%	CHF m	sion <sup>1</sup>	
Coop Cooperative	CH-Basel	Retail				
<b>Bell AG</b>	<b>CH-Basel</b>	<b>Holding</b>	<b>66.29</b>	<b>CHF</b>	<b>2.0</b>	<b>F</b>
Bell Deutschland Holding GmbH	DE-Bochum	Sub-holding	100.00	EUR		F
Bell Deutschland GmbH & Co. KG	DE-Seevetal	Equity investment company	100.00	EUR		F
Abraham Schwarzwälder Schinken GmbH	DE-Schiltach	Ham production	51.00	EUR		F
Bell Verwaltungs GmbH	DE-Seevetal	Equity investment company	100.00	EUR		F
Interfresh Food GmbH	DE-Seevetal	Trade in meat products	100.00	EUR		F
Abraham Benelux S.A.	BE-Libramont-Chevigny	Raw ham	100.00	EUR		F
Abraham France SARL	FR-Bussy-Saint-Georges	Wholesale	100.00	EUR		F
Bell Polska Sp. z o.o.	PL-Niepolomice	Trade in meat products	100.00	PLN		F
Marco Polo N.V.	BE-Zellik	Sub-holding	100.00	EUR		F
Coldlog N.V.	BE-Zellik	Warehouse operations	100.00	EUR		F
The Fresh Connection N.V.	BE-Zellik	Trade in meat products	100.00	EUR		F
The Fresh Connection Nederland B.V.	NL-Dr Houten	Trade in meat products	76.00	EUR		F
NOVAK mäso – údeniny s.r.o.	SK-Nitra	Trade in meat products	90.00	EUR		F
Sanchez Alcaraz S.L.U.	ES-Casarrubios del Monte	Raw ham	100.00	EUR		F
S.C. ZIMBO Romania s.r.l.	RO-Bucuresti	Trade in meat products	100.00	RON		F
ZIMBO Czechia s.r.o.	CZ-Praha	Retail	90.00	CZK		F
ZIMBO Húsipari Termelő Kft.	HU-Perbal	Meat and sausage products	99.70	HUF		F
<b>Bell France SAS</b>	<b>FR-Teilhède</b>	<b>Sub-holding</b>	<b>100.00</b>	<b>EUR</b>		<b>F</b>
Maison de Savoie SAS	FR-Aime	Raw sausage	100.00	EUR		F
Salaison Polette & Cie SAS	FR-Teilhède	Raw sausage	100.00	EUR		F
Saloir de Mirabel SARL	FR-Riom	Raw ham	100.00	EUR		F
Saloir de Virieu SAS	FR-Virieu-le-Grand	Raw ham	100.00	EUR		F
St-André SAS	FR-St-André-sur-Vieux-Jonc	Raw sausage	100.00	EUR		F
Val de Lyon SAS	FR-Saint-Symphorien-sur-Coise	Raw sausage	100.00	EUR		F
<b>Bell Schweiz AG</b>	<b>CH-Basel</b>	<b>Fresh meat, charcuterie, poultry, seafood</b>	<b>100.00</b>	<b>CHF</b>		<b>F</b>
Centravo Holding AG	CH-Zürich	Processing of by-products	29.80 <sup>2</sup>	CHF		E
Frigo St. Johann AG	CH-Basel	Logistics, refrigeration	100.00	CHF		F
<b>Hilcona AG</b>	<b>FL-Schaan</b>	<b>Fresh convenience foods</b>	<b>49.00</b>	<b>CHF</b>		<b>E</b>
Delizio GmbH	DE-Stuttgart	Convenience products	100.00	EUR		F
FPH Trust Ltd.	FL-Schaan	Asset management	100.00	CHF		F
Gusto GmbH	DE-Stuttgart	Equity investment company	100.00	EUR		F
Hilcona Agrar AG	FL-Schaan	Convenience products	100.00	CHF		F
Hilcona Convenience AG	CH-Schafisheim	Convenience products	100.00	CHF		F
Hilcona Feinkost GmbH	DE-Leinfelden-Echterdingen	Convenience products	100.00	EUR		F
Hilcona Fresh Express	CH-Lupfig	Convenience products	100.00	CHF		F
Hilcona France SARL	FR-Montélimar	Convenience products	100.00	EUR		F
Hilcona Gourmet SA	CH-Orbe	Convenience products	100.00	CHF		F
Hilcona Holding AG	CH-Zug	Equity investment company	100.00	CHF		F
Gastro Star AG	CH-Dällikon	Convenience products	100.00	CHF		F

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

E = Organization consolidated by the equity method

<sup>2</sup> Share of the shares in circulation

at 31.12.2012			Interest held	Share capital	Method
			by the Group	31.12.2012	of inclu-
			%	CHF m	sion <sup>1</sup>
Schwarz Viva AG	CH-Villigen	Trade and Warehouse operations	100.00	CHF	F
Kamina Handels AG	FL-Schaan	Asset management	100.00	CHF	F
Betty Bossi AG	CH-Zürich	Magazine publisher	100.00	CHF	0.2 F
BG Rosengarten Solothurn AG	CH-Solothurn	Real estate	100.00	CHF	0.1 F
CapCo AG	CH-Vaduz	Insurance company	100.00	CHF	5.0 F
Centre de formation "du Léman"	CH-Jongny	Training	100.00	CHF	0.0 F
Coop Bildungszentrum	CH-Muttenz	Training	100.00	CHF	0.4 F
Coop Immobilien AG	CH-Bern	Real estate	100.00	CHF	200.0 F
Coop-ITS-Travel AG	CH-Freienbach	Travel agency	50.00	CHF	E
Coop Mineraloel AG	CH-Allschwil	Filling stations with shops	51.00	CHF	10.0 F
Tanklager Rothenburg AG	CH-Rothenburg	Maintenance of filling stations	33.33	CHF	E
Coop Switzerland Far East Ltd.	HK-Hongkong	Purchasing company	100.00	HKD	0.0 F
Coop Vitality AG	CH-Niederbipp	Pharmacies	51.00	CHF	5.0 F
Cooperic SCRL	BE-Bruxelles	Purchasing cooperative	20.00	EUR	E
Dipl. Ing. Fust AG	CH-Oberbüren	Electrical appliances, multimedia	100.00	CHF	10.0 F
Service 7000 AG	CH-Netstal	Repairs service	50.06	CHF	F
Distributis AG	CH-Dietlikon	Real estate	100.00	CHF	7.5 F
Eurobuy GmbH	DE-Köln	Purchasing alliance	33.33	EUR	E
Eurogroup Far East Ltd.	HK-Hongkong	Purchasing company	44.44	HKD	E
Eurogroup SA	BE-Bruxelles	Purchasing company	50.00	EUR	E
Eurogroup Deutschland GmbH	DE-Langensfeld	Purchasing alliance	100.00	EUR	F
Eurogroup España Frutas y Verduras S.A.	ES-Valencia	Purchasing alliance	100.00	EUR	F
Eurogroup Italia S.R.L.	IT-Verona	Purchasing alliance	100.00	EUR	F
HiCoPain AG	CH-Dagmersellen	Frozen baked goods	40.00	CHF	E
Palink UAB	LT-Vilnius	Retail	20.00	LTL	E
Panflor AG	CH-Zürich	Cereals and ground products	100.00	CHF	0.1 F
Parking des Remparts SA	CH-La Tour-de-Peilz	Car park	33.33	CHF	E
Pearlwater Mineralquellen AG	CH-Termen	Mineral waters	100.00	CHF	22.4 F
railCare AG	CH-Härkingen	Railway company operations	100.00	CHF	1.0 F
Swisscare GmbH	DE-Konstanz	Distribution company	100.00	EUR	0.0 F
The Body Shop Switzerland AG	CH-Uster	Beauty and cosmetic products	100.00	CHF	0.4 F
Transgourmet Holding AG	CH-Basel	Holding	100.00	CHF	520.1 F
transCoop GmbH	DE-Neu-Isenburg	Sub-holding	100.00	EUR	F
Transgourmet Immobilien GmbH & Co. KG	DE-Pullach	Real estate	100.00	EUR	F
Transgourmet Foodservice Immobilien GmbH	DE-Mainz	Real estate	100.00	EUR	F
Transgourmet Beteiligungs GmbH	AT-Wiener Neudorf	Sub-holding	100.00	EUR	F
OOO Garant-Vozrodenije	RU-Moskwa	Real estate	100.00	RUB	F
OOO Mikotrans	RU-Moskwa	Real estate	100.00	RUB	F
OOO Selgros	RU-Moskwa	Cash & Carry	100.00	RUB	F
OOO Selgros Immobilien	RU-Moskwa	Real estate	100.00	RUB	F
OOO Veritable	RU-Moskwa	Real estate	100.00	RUB	F
Transgourmet Deutschland AG	CH-Basel	Sub-holding	100.00	CHF	F
OHG FEGRO/SELGROS Cash & Carry GmbH & Co.	DE-Neu-Isenburg	Cash & Carry	100.00	EUR	F
OHG REWE-Foodservice GmbH & Co.	DE-Mainz	Wholesale supplies	100.00	EUR	F
Geo-Marketing GmbH	DE-Mainz	Marketing	25.00	EUR	E
Transgourmet Seafood GmbH	DE-Bremerhaven	Seafood	100.00	EUR	F

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

E = Organization consolidated by the equity method

at 31.12.2011			Interest held	Share capital	Method	
			by the Group	31.12.2011	of inclu-	
			%	CHF m	sion <sup>1</sup>	
Transgourmet Deutschland GmbH	DE-Neu-Isenburg	Holding	100.00	EUR	F	
SELGROS CASH & CARRY S.R.L.	RO-Brasov	Cash & Carry	100.00	RON	F	
SELGROS Sp. z o.o.	PL-Poznan	Cash & Carry	100.00	PLN	F	
Transgourmet France SAS	FR-Orly	Wholesale supplies	100.00	EUR	F	
ALDIS SUD EST 2 SAS	FR-Saint-Martin-de-Crau	Wholesale supplies	100.00	EUR	F	
Eurocash SA	FR-Schiltigheim	Wholesale supplies	100.00	EUR	F	
All Fresh Logistique SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
Delta logistic SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
HOLDI CRENO SA	FR-Châteaurenard	Holding	19.08	EUR	E	
La Goele SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
Locafresh SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
Locagroup SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
Mantes Primeurs SAS	FR-Mantes-la-Jolie	Wholesale supplies	100.00	EUR	F	
Sodiexval SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
Neva Food SAS	FR-Chilly-Mazarin	Wholesale supplies	100.00	EUR	F	
SPEIR SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
COFIDA SAS	FR-Rungis	Wholesale supplies	100.00	EUR	F	
ALDIS ASP 5 SARL	FR-Orly	Wholesale supplies	100.00	EUR	F	
ALDIS ASP 6 SARL	FR-Orly	Wholesale supplies	100.00	EUR	F	
BSP SAS	FR-Orly	Wholesale supplies	100.00	EUR	F	
Hygedis SAS	FR-Orly	Wholesale supplies	100.00	EUR	F	
Anaxis SA	FR-Le Mans	Wholesale supplies	100.00	EUR	F	
GAP SAS	FR-Villepinte	Wholesale supplies	100.00	EUR	F	
Monsieur clean SAS	FR-Nice	Wholesale supplies	100.00	EUR	F	
NES SAS	FR-Lezennes	Wholesale supplies	100.00	EUR	F	
PHS Aquitaine SAS	FR-Orly	Wholesale supplies	100.00	EUR	F	
PHS Côte d'Azur SAS	FR-Nice	Wholesale supplies	100.00	EUR	F	
PHS Méditerranée SAS	FR-Vitrolles	Wholesale supplies	100.00	EUR	F	
PHS Rhône-Alpes SAS	FR-Pont-de-l'Isère	Wholesale supplies	100.00	EUR	F	
Pro Hygiène Service EST SAS	FR-Fegersheim	Wholesale supplies	100.00	EUR	F	
Pro Hygiène Service SARL	FR-Orly	Wholesale supplies	82.16	EUR	F	
Transgourmet Opérations SAS	FR-Orly	Wholesale supplies	100.00	EUR	F	
Transgourmet Immobilier France SAS	FR-Orly	Wholesale supplies	100.00	EUR	F	
Transgourmet Finance SNC	FR-Orly	Wholesale supplies	100.00	EUR	F	
Transgourmet Management Cie	FR-Orly	Wholesale supplies	100.00	EUR	F	
Transgourmet Schweiz AG	CH-Basel	Wholesale	100.00	CHF	F	
Grossopanel AG	CH-Stans	Market research	39.80	CHF	E	
Valentin Pontresina AG	CH-Pontresina	Trade, import, export	50.00	CHF	E	
WINE AG VALENTIN & VON SALIS	CH-Pontresina	Beverages trade	50.00	CHF	E	
<b>Tropenhaus Frutigen AG</b>	<b>CH-Frutigen</b>	<b>Tropical products / aquaculture</b>	<b>69.05</b>	<b>CHF</b>	<b>1.4</b>	<b>F</b>
<b>Tropenhaus Wolhusen AG</b>	<b>CH-Wolhusen</b>	<b>Tropical products / aquaculture</b>	<b>94.31</b>	<b>CHF</b>	<b>2.6</b>	<b>F</b>

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



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

### Report of the statutory auditor on the annual consolidated financial statements

As statutory auditor, we have audited the annual consolidated financial statements of Coop Cooperative, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes (pages 74-96), for the year ended 31 December 2012.

#### Board of Directors' Responsibility

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

#### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the annual consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the annual consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the annual consolidated financial statements for the year ended 31 December 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

#### Report on other legal requirements

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

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

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

PricewaterhouseCoopers Ltd

Dr. Daniel Suter

Audit expert  
Auditor in charge

Pascal Bucheli

Audit expert

Basle, 13 February 2013

# Financial section glossary

## C

---

### Cash turnover

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

## D

---

### Debt coverage ratio

Target Coop Group strategy value: < 3.0

Formula:  $\frac{\text{Net financial liabilities} - (\text{cash and cash equivalents} + \text{securities})}{\text{EBITDA}} \times 100$

## E

---

### Equity Ratio

Target Coop Group strategy value: > 40.0

## I

---

### Interest coverage ratio

Target Coop Group strategy value: > 8.0

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

## N

---

### Net debt

Formula: Financial liabilities – cash and cash equivalents

### Net sales from goods and services

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

## Q

---

### Quick ratio

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

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

## R

---

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

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

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

### Retail turnover

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

### **Publishing details**

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

This report is published in German, French, Italian and English.  
The German version is authoritative.  
An online version can be downloaded from  
[www.coop.ch/report](http://www.coop.ch/report)

### **Print-run**

5 500 Ge / 1 200 Fr / 700 It / 800 En

### **Published by**

Coop Cooperative  
Thiersteinallee 12  
Postfach 2550  
CH-4002 Basel  
Tel. +41 61 336 66 66  
Fax +41 61 336 60 40  
[www.coop.ch](http://www.coop.ch)

### **This report can be ordered from**

Coop  
Info Service  
Postfach 2550  
CH-4002 Basel  
Tel. +41 61 336 66 66  
[www.coop.ch](http://www.coop.ch)

Editing: Coop, Public Relations  
Concept/Design: YJOO Communications AG, Zurich  
Realization: Victor Hotz AG, Steinhausen/Zug  
Coop portrait photos: Heiner H. Schmitt Jr., Basel  
Printing: W. Gassmann AG, Biel  
Binding: Scherrer AG Buchbinderei, Urdorf



oo

