



Coop Group
Annual Report

2013



Key figures →

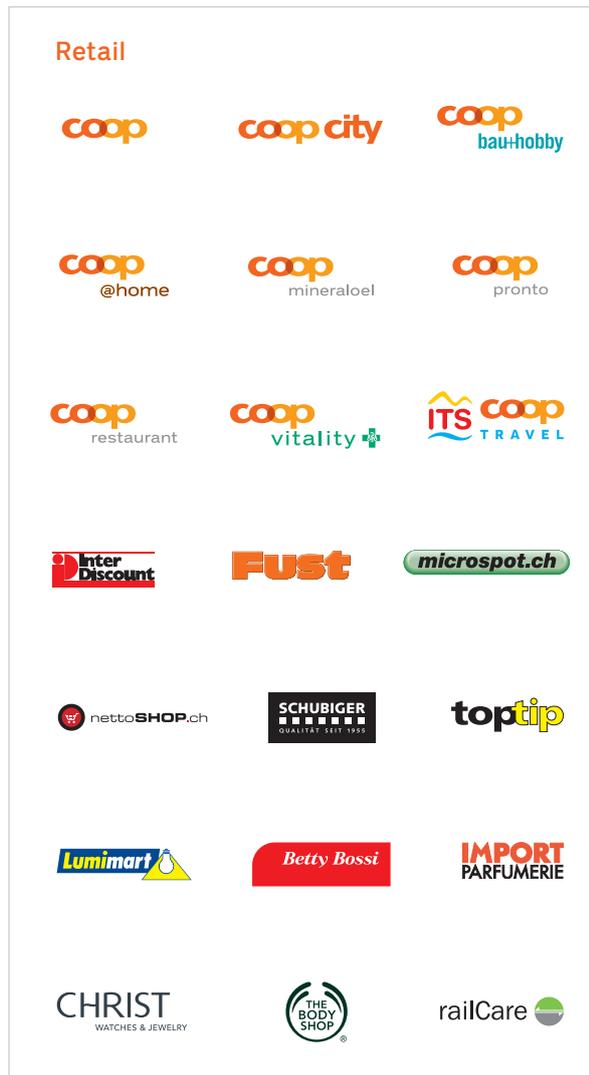
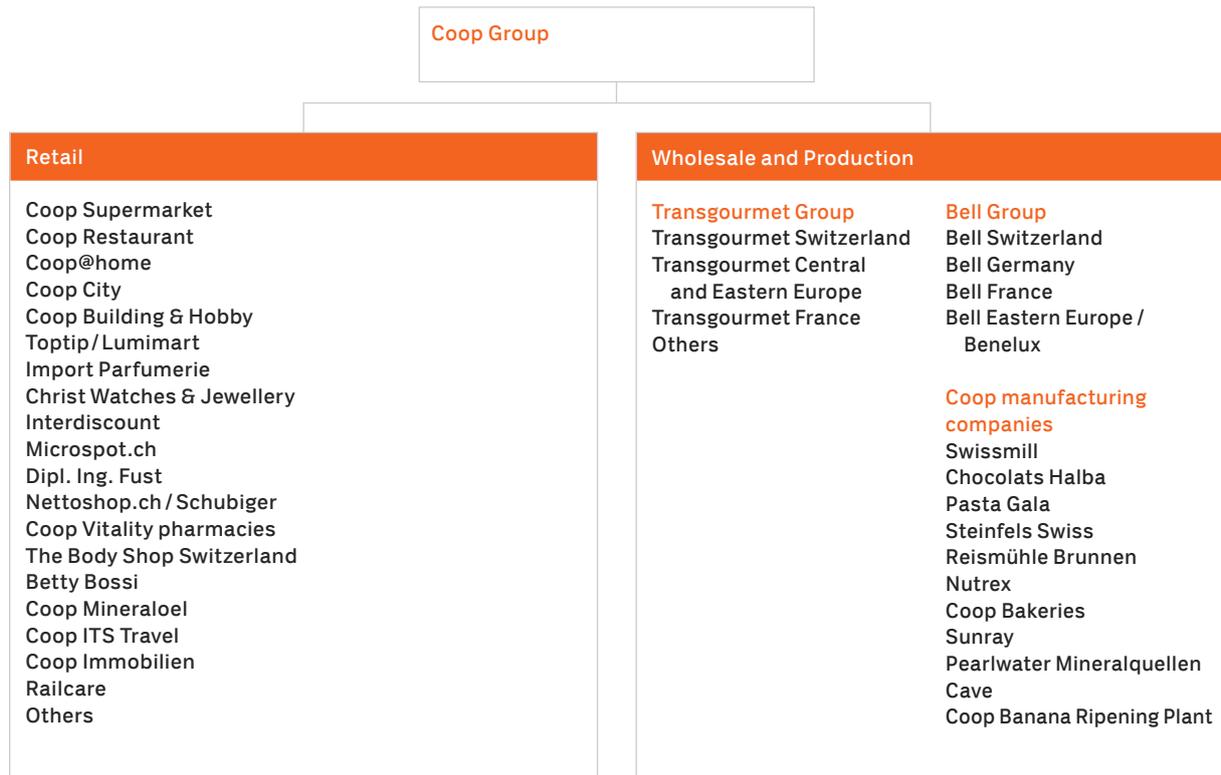
Key figures

in CHF million or as indicated	2013	2012	Change	Index %	
Retail	18 091	17 784	+307	101.7	
Wholesale and Production	11 084	11 020	+64	100.6	
Consolidation	-2 207	-2 074	-133	..	
Net sales from goods and services	26 967	26 731	+237	100.9	
of which net sales abroad	7 478	7 490	-12	99.8	
as a % of net sales	27.7	28.0	-0	99.0	
Earnings before interest, tax, depreciation and amortization (EBITDA)	1 937	1 930	+7	100.4	
as a % of net sales (EBITDA margin)	7.2	7.2	-0	99.5	
Operating result (EBIT)	760	737	+23	103.1	
as a % of net sales (EBIT margin)	2.8	2.8	+0	102.2	
Profit/loss	462	452	+10	102.3	
as a % of net sales (profit margin)	1.7	1.7	+0	101.4	
Cash flow from operating activities	1 667	1 711	-44	97.4	
as a % of net sales (cash flow margin)	6.2	6.4	-0	96.6	
Cash flow from investing activities	-965	-950	-14	..	
as a % of net sales	3.6	3.6	+0	100.6	
Cash flow from financing activities	-116	-275	+159	..	
Free cash flow	628	842	-214	74.6	
Total assets	17 317	16 880	+437	102.6	
Equity incl. minority interests	7 738	7 262	+475	106.5	
Equity ratio incl. minority interests in %	Target value: > 40.0	44.7	43.0	+2	103.9
Financial liabilities	4 840	4 872	-32	99.3	
Net financial liabilities	3 305	3 855	-550	85.7	
Debt coverage ratio	Target value: < 3.0	1.7	2.0	-0	85.4
Interest coverage ratio	Target value: > 8.0	21.7	21.8	-0	99.7
Employees at 31.12	74 955	75 309	-354	99.5	
Full-time equivalents	64 399	64 458	-59	99.9	
Trainees at 31.12	3 265	3 221	+44	101.4	
Sales outlets/ markets					
Retail number at 31.12	1 933	1 917	+16	100.8	
Retail sales area in m² at 31.12	1 777 800	1 766 913	+10 887	100.6	
Wholesale and Production number at 31.12	229	211	+18	108.5	
Wholesale and Production sales area in m² at 31.12	924 591	915 734	+8 857	101.0	
Number of members at 31.12	2 537 859	2 595 065	-57 206	97.8	

Prior-year figures restated

Coop Group business areas

As at 1 March 2014



Coop Group
Annual Report

2013

Lead-in	2-5
Management report	6-47
Corporate governance	48-62
Financial section	63-98

The Coop world is large, diverse and international. This is reflected in the hundreds of photos that its employees took of one another at their workplace. The outcome of this in-house project is a fascinating display of images which serve in this report to give readers insights into day-to-day life at Coop.

Foreword

Keeping pace with the times

The Retail, Wholesale and Production Business Areas of the Coop Group generate net sales of around 27.0 billion francs in 2013 – 0.9% more than in the previous year. Growth in Retail alone is as high as 1.7%. The Coop Group continues to surprise its customers, launching numerous innovations that put their stamp on the market.

“Trade is a process of change. It presents challenges that we tackle with energy and an open mind.”

Hansueli Loosli

“For me, retail means attention to detail, pleasure in the products and, above all, lots of positive employee and customer contacts.”

Joos Sutter



Despite what continued to be a challenging environment, the Coop Group can look back on a gratifying 2013 financial year. We increased net sales by 0.9% to around 27.0 billion francs. In the Swiss retail sector in particular, we had to cope with a substantial fall in prices of up to 6.6% in a number of specialist formats. We also faced difficult conditions abroad: on account of consumer reticence in Europe, momentum in the wholesale and production sectors was somewhat sluggish. Nevertheless our Retail, Wholesale and Production Business Areas successfully held their own in the market.

Net sales of the Coop Group in the Retail Business Area grew to 18.1 billion francs, an increase of 1.7% on the previous year. This growth was driven particularly by our sustainable ranges and innovative online services.

Several of our activities to mark the 20th anniversary of our organic own-label brand Naturaplan were particularly successful. Together with international brand manufacturers, for instance, we realized a project that is one of a kind in the world: we launched 23 popular Swiss manufacturer brands in organic quality bearing the logo of both the particular brand and Naturaplan. Innovative projects such as this, combined with our 20 years of uncompromising commitment to organic production, continue to impress our customers. In the year under review, Naturaplan products were more popular than ever, with sales up around 14% on the previous year's figure. This substantial increase meant that we were able to fulfil our ambitious jubilee goal of passing the one billion franc mark in sales of organic products. This achievement underscores our pioneering role and years of market leadership in the organics segment.

We are also keeping pace with the times – indeed very successfully – in the online business. Our online supermarket Coop@home has posted double-digit growth every year since being established in 2006, while Microspot.ch, the online format for consumer electronics and household appliances, smashed all records in 2013 by posting sales growth of around 25%. We impressed our customers with a steady stream of new offers and innovative solutions, particularly those combining bricks & mortar stores with online retailing. A further milestone was the acquisition of Nettoshop AG at the end of 2013, which enabled us to expand our expertise in online retailing of electrical household appliances.

We are also boosting our position in the catering/restaurant sector with the takeover in 2014 of Marché Restaurants Schweiz AG, the market leader in Swiss concession gastronomy. Thus, the Coop Group has started the new year as dynamically as it ended the one under review.

In the wholesale sectors of all countries, we concentrated on catering and restaurant businesses as our strongest customers in 2013. We aim to offer optimum cover of their needs. More and more customers want to benefit from greater flexibility in sourcing their goods. In the year under review, Transgourmet therefore merged their offerings in the Swiss cash & carry and wholesale supplies business. A similar merger is scheduled for Transgourmet's two German units, effective as of 1 January 2014. The great advantage for our customers is that they can choose whether they want to collect their goods at the cash & carry markets or have them delivered. The advantage for us is that we can exploit synergies.

In general, it is of particular concern to us that the different business areas within the Coop Group should increasingly work together and benefit from one another. In 2013, for instance, Transgourmet raised the volume of goods it sourced from Coop manufacturing companies – both in Switzerland and abroad. We will also fully exploit these in-group synergies in the future.

The Coop Group and its Retail, Wholesale and Production Business Areas really are growing ever closer. But such a large and diverse company can evolve into a single strong unit only if all employees pull in the same direction. We should therefore like to express our particular gratitude to our 74 955 employees for their extraordinary dedication in 2013. In the end, it is thanks to their day-to-day efforts that our customers stay true to us.



Hansueli Loosli
Chairman of the Board of Directors



Joos Sutter
Chairman of the Executive Committee

Milestones in 2013



January

Merger of Prodega/Growa and Howeg

The operational units of Prodega/Growa and Howeg are merged and placed under single management. Customers in the cash & carry and wholesale supplies sector benefit from the joint offering.



February

Start of 20 Years of Naturaplan campaign
Coop celebrates the 20th anniversary of its successful sustainable Naturaplan brand and starts a large-scale jubilee campaign involving a wide range of activities. The highlights include the Naturaplan launch of classic Swiss brands in organic quality. Coop also launches over 170 new Naturaplan products. The Naturaplan Bus sets off on its nationwide tour of Switzerland.



March

First organic Fairtrade chocolate

Together with Chocolats Halba, Coop launches the world's first organic and Fairtrade chocolate from Honduras.

Cooperation with Swiss Parks

Coop commences its partnership with the Swiss Parks Network. The aim is to incorporate all products produced within the national parks into its range in the corresponding regions.



July

Ünique: fruit and vegetables with flaws

Fruit and vegetables which look different from the norm regain a place on supermarket shelves under the Ünique label. The launch attracts attention well beyond Switzerland's borders and is a hit with customers.

CityCargo Genève:

a unique freight transport project

Coop starts delivering goods by rail right to the centre of Geneva, from where they are taken to their final destinations by truck. Coop's CO₂ emissions will thus be reduced by 1 128 tonnes each year, saving 1.4 million kilometres of travel by truck on the Lausanne-Geneva route.



August

Over 1 000 new apprentices at Coop
1 086 young people begin their apprenticeships at Coop. Sales jobs account for the bulk – 85% – of apprenticeships at Coop.

Karma: vegetarian line

Coop launches a product line – unique in Europe – that responds to the needs of semi-vegetarians, i.e. “flexitarians”, for tasty meat-free meals. The new Coop own-label brand Karma comprises some 50 products, including ready meals, salads, sandwiches, tofu, snacks and spreads.



September

Coop earns top marks for animal welfare

The latest report of Swiss Animal Protection SAP on the subject of “Animal welfare in food retailing” names Coop as the company doing the most for animal protection. And Coop also wins top place among Swiss food industry suppliers in the “Business Benchmark on Farm Animal Welfare” (BBFAW) of December 2013. Coop's many years of commitment to animal welfare thus receives twofold recognition by independent organizations.



April

Partner of Swiss Museum of Transport
Coop commences a partnership with the Swiss Museum of Transport in Lucerne. Hello Family members benefit from low-cost offers.



May

Swissmill raises height of grain silo
Following the city of Zurich electorate's "yes" vote, Coop's manufacturing company Swissmill starts work on extending its "Kornhaus" grain silo. The current height is to be raised from 40 to 118 metres.

Launch of digital couponing
Coop leads the way in launching digital coupons. Customers can activate them online or in the corresponding app and store them on their Supercard.



June

Foundation stone ceremony at Schafisheim
The foundation stone of the extension to the Coop Distribution Centre at Schafisheim, Canton of Aargau, is laid. Switzerland's most extensive private-sector building site will eventually accommodate a large logistics building and the biggest bakery in the country.

Collective employment agreement to be extended

Coop and its social partners agree on a new collective employment agreement (CEA). The agreement extends the constructive long-term cooperation until 2017. Coop is the only retailer in Switzerland to have negotiated its CEA in consensus with its five social partners for a number of years.



October

New shop designs
Coop implements modern new shop designs in a range of sales formats in 2013. The completely remodelled Coop City department store opens its doors in Zug in October.

Bell builds new production plant
Work begins on the construction of the new production facility for charcuterie specialities at the Cheseaux site. The meat-processing company Bell will concentrate production from Cheseaux and Lausanne at the new plant.

Huge success with collectible Disney pictures
Coop collaborates with Disney in distributing collectible pictures of the most popular Disney figures to its customers.



November

Takeover of the Fribourg-Sud shopping centre in Villars-sur-Glâne
Coop signs a share purchase agreement to acquire Centre Commercial Moncor SA. The takeover is to become effective at the beginning of 2014. The company owns the Fribourg-Sud shopping centre in Villars-sur-Glâne in which various Coop sales formats are already present.

Professional brands at Coop Building & Hobby
Coop introduces ARG Powertools products at its Building & Hobby stores and offers – with exclusive rights throughout Switzerland – electrical tools from Ryobi One+. This makes Coop Building & Hobby the first building supplies retailer in Switzerland to gain a foothold in the market segment of professional electrical tools.

"National Prize for Vocational Training" 2013
The Hans Huber Foundation awards the National Prize for Vocational Training to Coop in recognition of its long-term commitment to sustainable workforce training.



December

Nettoshop AG now part of Coop
This takeover enables Coop to strengthen its expertise as an online retailer of electrical household appliances. Nettoshop.ch is Switzerland's leading online store in this field.

Takeover of Marché Restaurants Schweiz AG
Coop acquires Marché Restaurants Schweiz AG, effective as of 2014. By taking over the market leader in Swiss concession gastronomy, Coop expands its expertise in the catering / restaurant sector.

1% pay rise for Coop employees
The Coop Executive Committee thanks employees for their excellent performance in what continues to be a challenging environment and makes a total of 1% of the payroll available for the 2014 round of wage increases.

New presence for Transgourmet
As of January 2014, Rewe-Foodservice and Fegro/Selgros Cash+Carry are to operate as a joint company under the Transgourmet Central and Eastern Europe umbrella brand. The previous sales brand Rewe-Foodservice will now operate under the Transgourmet label. As from 2014, Howeg is also to operate under the Transgourmet label. The name Howeg will no longer be used.

Management report

9 Operating environment and strategy

- 9 Operating environment
- 10 Outlook
- 11 Profile of the Coop Group
- 11 Strategies and success positions
- 13 Goal-setting process

Retail

15 Sales formats

- 15 Supermarkets
- 15 Specialist formats
- 18 Online formats
- 19 Catering / restaurant and hotel business

21 Products and services

- 21 Product range diversity
- 21 Own-label sustainability brands and quality labels
- 23 Own-label target group brands
- 25 Own-label standard brands
- 25 Manufacturer brands
- 25 Pricing

27 Additional services

- 27 Services
- 28 Quality management
- 29 Advertising / communication

31 Logistics, IT and property

- 31 Logistics
- 32 IT
- 32 Property

Wholesale and Production

35 Transgourmet Group

- 35 Group development
- 35 Momentum in all countries

39 Production

- 39 Bell Group
- 40 Coop manufacturing companies

45 Employees

- 45 Coop's personnel strategy
- 45 Social partnership at Coop
- 46 Coop Pension Fund
- 47 Wholesale and Production

**“What could be nicer than fresh, crunchy vegetables?
I want my customers to experience them every single day.”**

Jeannine Bauder, Head of the Fruit and Vegetable Department at the Coop supermarket in Biberist



Operating environment and strategy

The retail sector grows at a lower-than-average rate compared with the Swiss economy as a whole. Cross-border shopping continues, and regulatory pressures increase. The Coop Group – with its Retail and Wholesale and Production Business Areas – is strategically well positioned in the market.

Operating environment

Weak growth both globally and in Europe

2013 was another year in which the global economy failed to gain momentum. Economic growth in a large number of emerging countries was again below-average. In the euro zone, efforts by governments and private households to reduce debt continue to depress domestic demand. The high level of unemployment remains a major problem, putting a brake on private consumption and jeopardizing stabilization of the euro zone. Peripheral countries in particular remained mired in recession. In contrast, Germany was a driver of growth in the euro zone in 2013, with private consumption up and unemployment slightly down. France also reported growth.

Trade agreements gain in importance

With changes at the head of three major trade policy institutions – the WTO (World Trade Organization), UNCTAD (UN Conference on Trade and Development) and the ITC (International Trade Centre) – there is an opportunity to reinvigorate multilateral promotion of trade. Bilateral and regional trade agreements have gained in importance in recent years. From a Swiss perspective, the conclusion of a free trade agreement with China and the breakthrough in the WTO negotiations have been very successful, and in the negotiations with the EU the two sides have come closer to agreeing on as yet unresolved institutional issues.

Swiss economy on solid growth trajectory

Following a slight decline in growth in the previous year, the Swiss economy returned to solid growth in 2013. Private consumption was again the most important driver of this development. Though the number of people in employment grew, there was also a rise in unemployment. Consumer sentiment improved significantly compared with 2012.

Below-average growth in the retail sector

Following a dynamic 2012, the Swiss retail sector grew at a lower than average rate in 2013, compared with the economy as a whole. Though the sector benefited from inward migration, growth of incomes and low unemployment, there was further strong pressure on prices in 2013.

Selective shopping in neighbouring countries

The Swiss franc continues to be very strong compared with the euro, even though interventions by the Swiss National Bank to support the euro were hardly necessary in the year under review. A study co-financed by Coop for the first time undertook a comprehensive examination of cross-border shopping. It concluded that about 8.8 billion francs are spent abroad every year. Of this total, some 5.0 billion francs are spent on selective shopping in neighbouring countries, while holidays and business trips account for 3.8 billion francs. People in Switzerland also purchase goods from foreign online providers worth approximately one billion francs a year. If expenditure abroad is calculated at

Swiss prices, the Swiss retail sector loses about ten billion francs of purchasing power every year. As a result, prices, sales and net margins are under continuous pressure.

Rising costs and regulatory pressures

The entire retail sector in Switzerland is facing rising costs and growing regulatory pressures. These range from demands for more stringent labelling and traceability requirements to new conditions regarding waste and packaging, and even include new proposals concerning labour costs and pay structures.

Population growth: problems for infrastructure

The retail sector depends on a functioning infrastructure for its logistics and sales activities. Though continuing population growth in Switzerland creates opportunities for the sector, it also brings about challenges at the spatial development and transport infrastructure levels. Coop actively supports a general transport policy that creates the necessary conditions within Switzerland for the efficient distribution of everyday goods, with a particular focus on the growing transport of goods by road and rail.

Little dynamism in wholesale and production

On account of consumer reticence in Europe, the wholesale sector lacked momentum in 2013. Pressure on prices proved to be a major challenge to Coop Group food production. This problem was due primarily to the currency situation. The Swiss catering/gastronomy sector suffered from a downward trend in 2013, owing to cross-border shopping and subdued consumer confidence. Wholesale activity in the catering/gastronomy sector is stagnating or even declining throughout Europe – owing particularly to the difficult economic situation. Positive growth drivers for the Transgourmet Group are evident in Russia and Poland. Generally speaking, there are signs of a shift in sales from the cash & carry business to wholesale supplies.

Outlook

Faster economic growth worldwide

Global economic growth is expected to accelerate in 2014. The euro zone should also return to a growth trajectory, though efforts to reduce indebtedness will limit the momentum. Germany will continue to be the driver of European economic growth. The EU will benefit from the recovery of the global economy by a rise in exports.

Slowdown of consumption growth in Switzerland

Switzerland is expected to face a slight slowdown in the growth of private consumption in 2014, while consumption abroad looks set to stay high. However, high levels of inward migration combined with low interest rates and very low inflation will ensure that consumption remains robust. Swiss exports will grow again in the wake of recovery in the global economy and the euro zone. This in turn will stimulate capital investment by industry, thereby making a substantial contribution to Swiss economic growth. The change in energy policy being sought by politicians is likely to raise energy costs in the medium term.

Forward momentum in Swiss retail sector

Following a rather difficult 2013, the Swiss retail sector expects to post stronger growth in 2014 in contrast to the economy as a whole. The deflationary tendency in food retailing appears to be ending, though non-food continues to suffer from a marked downward trend in prices. While private consumption overall looks set to slow down, retailing – which accounts for less than 30% of private spending – is expected to grow. Even though pressure on prices remains strong and cross-border shopping persists, there are nevertheless signs of an end to the deflationary trend. Discounters will post further growth, and the downward trend of independent food retailers with a shift to filling station and convenience shops will continue unabated. Online shops are also enjoying an unbroken upward trend.

Turnaround in wholesale

2014 is expected to bring a turnaround in the areas of wholesale and production. European wholesale business is expected to return to positive growth after a period of decline. The downward price trend

Sven Schoefer, Transgourmet Seafood, Bremerhaven (DE)



Marco Licciano, Supermarket, Herisau



Delphine Cordier Röösl, Real Estate, Services, Neuchâtel



in the food wholesale business looks set to end in 2014; food prices should recover and private consumption increase. The general upward trend in out-of-home consumption offers good growth opportunities in the cash & carry business and in supplies to restaurants.

Profile of the Coop Group

Active in retail, wholesale and production

The Coop Group operates in the retail, wholesale and production sectors. In the retail sector, it operates supermarkets and various specialist formats in Switzerland. The latter include department stores and DIY superstores, points of sale for consumer electronics and electrical household appliances, furniture and lighting, cosmetics and perfumes, and watches and jewellery, in addition to filling stations and pharmacies. The Coop Group is the market leader in many of these formats. Retail accounts for about two thirds of the Coop Group's total sales. In the wholesale business, the Coop Group operates through Transgourmet Holding AG in Switzerland, Germany, France, Poland, Romania and Russia. The Transgourmet Group is Europe's second-largest cash & carry and food service company. It offers customers from the hotel, restaurant, corporate catering and social service segments both large cash & carry stores and wholesale supplies business. In the production sector, the Bell Group – one of Europe's largest meat producers – is the Coop Group's biggest company. It operates primarily in Switzerland, Germany and France, but is also represented in Eastern Europe and the Benelux countries. In addition, the Coop Group also operates Swiss-based manufacturing companies in the following segments: grain processing, chocolate, rice specialities, vinegar products, mineral water, cosmetics and cleaning agents.

The Coop Group is a cooperative

The Coop Group has a history extending back 150 years and it is structured along cooperative lines. At the organizational level, it is divided into six regions and has 2.5 million cooperative members. Its legal form as a cooperative has proved its value down to the present day. For the Coop Group, the focus is on the customers – the members of the

cooperative. The company gears all its efforts to their needs. As a cooperative, the Coop Group does not strive to maximize its profits – and can thus plan for the long term.

Sustainability: a brand-positioning attribute

The Coop Group's commitment to sustainability demonstrates that its management is geared to long-term success. Sustainability is an integral part of all its business activities and is therefore enshrined in its Articles of Association and Corporate Profile. With its Sustainability Strategy, the Group ensures that this dimension is integrated into all its corporate sub-strategies. The Sustainability Strategy is based on three pillars: "Sustainable products & services", "Resource efficiency & climate protection" and "Employees & society". Applying this comprehensive approach to sustainability, the Coop Group positions itself in the markets with a distinctive profile. In 2011, the rating agency Oekom Research AG awarded Coop the accolade of the world's most sustainable retailer.

Strategies and success positions

Aligned to the Corporate Profile

The approximately 75 000 employees of the Coop Group all share the same values and vision, which is: "Together to the top". The Corporate Profile shows how the Coop Group perceives its work: close, diverse, distinctive, innovative and partnership-oriented. The Group's individual sub-strategies derived from each of these values are presented below.

Close to people

The Coop Group operates the densest network of stores in Switzerland. With supermarkets at an altitude of almost 2 000 metres, megastores with a surface area of over 3 500 m², department stores at customer-friendly locations, Building & Hobby centres and many other sales formats, the Coop Group is close to the people it serves. Online shops in different segments offer customers a wide range of products and services round the clock. In the wholesale sector, Transgourmet cultivates closeness to its B2B customers (business-to-business) – restaurants, corporate caterers and social service

Silvio Hobi, Fust, Mels



Markus Härer, Bakery, Quality Assurance, Chur



Mirjam Arnold, PR/Sponsorship, Dietikon



facilities. The Transgourmet Group aims to drive its expansion forward and build on its wholesale supplies business over the coming years.

Diverse in our offering

Coop Cooperative offers the greatest diversity of Swiss and international manufacturer brands in the retail sector. It also stocks numerous Coop own-label brands to meet a wide variety of customer needs – in all price segments and with the best value for money. Own-label sustainability brands and quality labels are of particular strategic importance. Wholesale customers must also be able to benefit from attractive own-label ranges in all price segments. In 2013, the Transgourmet Group therefore launched a Europe-wide own-label brand strategy.

Distinctive market profile

The most important attribute that distinguishes the Coop Group from the competition is sustainability. In this regard it pursues a very long-term strategy and bases its numerous activities on its Sustainability Strategy. The Coop Group also uses quality as a profiling attribute. The Coop Quality Strategy sets high standards and enshrines quality as a key element of Coop's performance even more firmly in the Group's corporate culture and processes. All aspects of quality in the product range that are of relevance from the customer's perspective are defined and systematically developed in accordance with customer needs. The Coop Group's manufacturing companies pursue a strategy of increasingly enhancing their profiles on the international market. They manufacture not only Coop own-label brands but also products for third parties in Switzerland and abroad.

Innovative for the future

Coop's Logistics and Bakeries Strategy optimizes costs, improves the quality of baked goods and pursues ambitious sustainability goals. In compliance with this strategy, the Coop Group acquired Railcare AG in 2010. This transport company operates with the innovative system of unaccompanied combined transport and thus supports Coop's strategic goal of shifting more freight from road to rail. The core of the Logistics Strategy is also to expand the existing distribution centre at Schafisheim – the largest building project ever undertaken by the Coop Group. Such projects position Coop as the most sustainable and most innovative logistics services provider in Europe.

In wholesale, the Transgourmet Group is gearing up for the future. Its multi-channel strategy combines the cash & carry and the wholesale supplies business. This innovative approach is creating synergies and ensuring that customers' needs are more effectively met.

The strategic goals also include the development and application of innovative technical solutions that make shopping easier for customers – whether through the in-store use of smartphones or attractive online shops.

Partnership-oriented for mutual trust

Coop's Purchasing Strategy focuses on partnership-oriented cooperation with suppliers and producers in order to safeguard regular provision of high-quality products and further develop Coop's products and services for the benefit of customers. Purchasing cooperation agreements with major retailers in Europe are in place, while food and non-food purchasing is being bundled at the international level as well.

Yann Le Cuff, Transgourmet France



Vroni Bähler, Supermarket, Uzwil



In retail, Coop is committed to strategic partnerships in the field of product range development too, particularly with non-profit organizations. In 2013, Coop celebrated the 20th anniversary of its own-label sustainability brand, Coop Naturaplan, launched together with Bio Suisse, the umbrella organization of Swiss organic farmers. In its human resources activities, the Coop Group is committed to constructive and open dialogue with its social partners. It is the only major employer in the Swiss retail sector that has concluded a collective employment agreement with five different social partners.

Goal-setting process

Strategies generate specific measures

To ensure that long-term strategies give rise to effective measures each year, the Coop Group has, since 2001, had a uniform, top-down goal-setting process in place. The process begins with the general goals of the Executive Committee and then progresses, level by level, through the Group. The process ultimately results in specific measures being developed, also at operational levels.

“I check how mature our air-dried meat is each day.”

Hanspeter Treichler, Bell,
Charcuterie Operations, Churwalden



Katharina Reeg, Interdiscount, Spare Parts Store, Jegenstorf



“I find the cause of every problem and get faulty household appliances working again.”

Bruno Ruckstuhl, Small Appliances Technician at Fust Repair Service in Oberbüren



Sales formats

The focus of Coop's food stores is on freshness. In the non-food outlets, new store designs ensure a modern shopping experience. With its combination of bricks & mortar stores and online business, Coop keeps pace with the times and posts growing sales at its online shops.

Supermarkets

Close to customers with 828 supermarkets

Having opened 16 supermarkets and closed ten in the year under review, Coop was operating 828 supermarkets with a total area of 969 224 m² throughout Switzerland at the end of 2013. They generated net sales of around 10.6 billion francs and included three further combined stores which opened their doors to the public. Customers in Grosshöchstetten, Stein am Rhein and Collombey now benefit from a varied selection of food products and a wide range of Building & Hobby items under one roof. Other highlights include the new supermarket at the railway station in Susten (Canton of Valais), whose liberal opening times are adapted to the needs of commuters. Since February, it has been offering a wide range of products, including some 40 Valais specialities and coffee to go. In March, a new supermarket was also opened near the railway station of Penthelaz. As with all newly built or remodelled Coop stores, it has been constructed to the Minergie (low energy) standard, while LED is used to illuminate part of the store. There was also a strong focus on ecological standards in the new store opened in Montreux in March and, since October, at the new location in Hitzkirch, where waste heat from the cooling plant is used to heat the premises. The new supermarket at the University of Applied Sciences campus in Brugg-Windisch has been offering a broad range of fast food to enjoy between meals since September.

In-store bakeries: fresh bread up to closing time

In more and more supermarkets, customers can enjoy the smell of freshly baked bread that is produced or finished in the store itself. Coop is pursuing an ambitious goal here: it aims to provide customers with bread straight from the oven right up to closing time. To this end, Coop began a freshness campaign with bread and baked goods in 2013. The proportion of fresh bread that is finished in-store is being substantially increased. In addition, more Coop supermarkets are being given in-store bakeries in which fresh crusty bread can be produced, even in the most confined of spaces. Coop opened the first of these in-store mini-bakeries in the Schönbühl store in August.

Specialist formats

Coop City modernizes further stores

The 32 Coop City department stores generated net sales of 890 million francs in the year under review. A number of stores were renovated or expanded, including those in Zug, Winterthur and Lausanne, as well as the restaurant at Thun Kyburg. The new store design was implemented for the first time at Coop City in Zug. The Ryfflihof Berne, Pfauen Basel and St. Annahof Zurich department stores now boast modernized stationery departments. The Dietlikon store was closed. In menswear, Coop City expanded and repositioned the range by adding the Sergio and Basefield brands. In addition, clothing from the international fashion brand F&F has been available at four Coop City stores since autumn.

Building & Hobby gains market share

Building & Hobby gained market share in 2013, generating net sales of 648 million francs – despite the bad spring weather, which impacted negatively on sales of flowers and plants, among other things. In the year under review it opened three new combined stores (a supermarket with an integrated Building & Hobby outlet) and was operating a total of 73 stores at the end of 2013. In collaboration with the German company Dehner, Building & Hobby converted 14 additional stores to the new garden concept; it now runs a total of 31 Garden Paradises. Building & Hobby extended its bicycle range and, in its larger outlets, set up an AEG craftsmen's shop in which customers can try out selected articles on the spot. In all its stores, Building & Hobby now offers products from AEG Powertools and, with exclusive rights for the whole of Switzerland, electrical tools from Ryobi One+. This makes Building & Hobby the first Swiss DIY store to gain a foothold in the professional electrical tools segment and further strengthens its leadership in the do-it-yourself sector. Working in collaboration with SVS/BirdLife Switzerland, the umbrella organization of nature conservancy and birdlife protection groups, Building & Hobby now labels particularly bird-friendly products with a logo.

Interdiscount offers express deliveries

Interdiscount again posted strong growth and gains in market share with online orders. This range was expanded to over 20 000 items, and online sales were up 87%. The consumer electronics provider generated total net sales of about 922 million francs in 2013. Interdiscount now offers customers an express service: specially labelled items that have been ordered from the online shop by 6 p.m. can be picked up the next day at one of 196 stores or delivered to the customer's home. In addition, the goods can be paid for when they are collected at the store. Thanks to the combination of bricks-and-mortar stores and its online business, Interdiscount is establishing itself as the cross-channel provider with the largest distribution network in Switzerland.

Toptip and Lumimart upgrade their stores

Posting net sales of 210 million francs, Toptip and Lumimart again increased their share of the home furnishings market in 2013. By the end of the year, more than half of their total of 54 stores had been upgraded to the new shop design. Toptip expanded the Boutique range with accessories in the home textiles, household and decoration ranges and now offers a wider choice of furniture that can mostly be adapted to individual customer wishes. Lumimart further extended its range of energy-efficient LED light fittings and its array of designer brands. Toptip and Lumimart are also now represented in Dietlikon. The Toptip store in Pratteln was expanded and now also includes an integrated Lumimart.

Import Parfumerie is number one

Import Parfumerie operates 124 stores throughout Switzerland. After the remodelling of a further four outlets, the number of stores adapted to the new design totalled 16 at the end of the year under review. Net sales in 2013 rose slightly to 159 million francs. Import Parfumerie achieved further gains in market share and is the clear number one in the Swiss upscale perfumery market.

New store concept at Christ Watches & Jewellery

With its new shop-in-shop concept for top brands, Christ Watches & Jewellery stepped up its brand competence in 2013. The in-store shops of brands such as Tissot, Longines, Rado, Swarovski or Swatch were integrated elegantly into the existing store design. Christ operates a total of 77 stores, three of which were remodelled in the year under review. In addition, the online offering was further expanded. Net sales of Christ again amounted to 100 million francs.

Simona Gutzwiller, Media, Basel



“Quality means happy customers!”

Judith Holstein, Vitality Pharmacy, St. Gallen



Dipl. Ing. Fust almost doubles online sales

With a total of 159 stores, Dipl. Ing. Fust AG again posted slight gains in market share in all segments in the year under review. As part of its modernization programme, a further 15 stores were remodelled and, in some cases, expanded. In 2013, Fust again extended its services in the kitchen/bathroom/remodelling segment, in which it significantly boosted sales. There was also strong demand for innovative services such as multi-room sound installations. The novel savings app for iPhone and Internet enhanced customer loyalty. Fust almost doubled its online business in 2013, posting total net sales of 860 million francs.

Betty Bossi celebrates 40 years of cookery book production

Betty Bossi AG has been fully consolidated in the Coop Group since 21 December 2012. Eleven years earlier, Coop had acquired 50% of the share capital of Betty Bossi Verlag AG from Ringier and set up a joint venture. Besides fresh ready-to-eat products available exclusively at Coop, Betty Bossi produces cookery books and publishes the Betty Bossi newspaper, which has approximately 770 000 subscribers. It also sells around 1.9 million kitchen and household aids a year and provides cookery-related advice services. Betty Bossi posted net sales of 82 million francs in 2013. Two new collections of recipes were published to mark the 40th anniversary of Betty Bossi cookery books. In the kitchen and household aids segment, Betty Bossi launched around 80 items developed in-house such as the Spätzli-Blitz, a quick spaetzle-maker. It also launched new cleaning products and electrical appliances.

Coop Vitality: successful with own-label line

The own-label line launched in autumn 2012 by Coop Vitality pharmacies is proving very popular among customers. It was expanded by a further six products in 2013, bringing the total to 15. Strong growth of 16% was also posted for sales of alternative medicines. Overall net sales amounted to 142 million francs – almost 6% more than in the previous year. In 2013, the staff of all 55 Vitality

pharmacies underwent training on spagyric complex remedies that are used in holistic natural medicine. The company inaugurated a further four pharmacies and now has a presence for the first time in the cantons of Geneva and Basel-Land.

Anniversary of The Body Shop Switzerland

In August, The Body Shop Switzerland AG celebrated its 30th anniversary by organizing a range of special offers and a large party for all employees. With two new openings, The Body Shop was operating 46 stores throughout Switzerland at the end of 2013. Of these, three had been remodelled in accordance with a modernized shop design being applied worldwide. New products launched in 2013 include the Honeymania bodycare line and the Leona Lewis Cruelty-Free Make-up Collection. The Body Shop Switzerland generated net sales of 35 million francs in 2013.

Coop Mineraloel AG builds on leadership position

In 2013, Coop Mineraloel AG again expanded its leading position on the Swiss convenience shop and fuel market and posted gains in market share. It was operating a total of 220 Coop filling stations at the end of 2013. Together with the Coop Pronto Shops and heating oil business segments, Coop Mineraloel AG posted net sales of 2.6 billion francs. In view of falling fuel prices on the forecourts, the increase of over 3% compared with the previous year is remarkable.

Coop Pronto extends its fresh-product range

The total of 261 Coop Pronto Shops generated net sales of 742 million francs in 2013 – almost 5% more than the year-back figure. Around 206 shops had been adapted to the new corporate identity by the end of the year. Nine filling stations with Pronto Shops and one stand-alone shop were opened in the year under review. Coffee to go can now be purchased in a further 60 shops, making it available in a total of 160. In addition, Pronto Shops also further expanded their fruit & vegetable range and their selection of fresh products in general. As a result, the number of shops offering fresh, crusty sandwiches prepared on the day has more than

Randolph Kouakou, Transgourmet Seafood France



Elmar Baumgartner, Building & Hobby, Rickenbach



Valentin Engler, Betty Bossi, Product Development, Zurich



doubled. In addition, 14 Pronto Shops already offer ultra-fresh convenience products such as sushi with a shelf-life of one to four days. Customers in Graubünden, Ticino and Valais are finding a growing range of regional products in Pronto Shops.

Online formats

Coop@home acquires many new customers

Coop@home again achieved double-digit growth in 2013. Net sales amounted to 103 million francs, which represents a rise of around 13%. The online supermarket posted an increase in new customers of around 8% in the year under review. The total of 435 000 deliveries represented an average value of 237 francs per shopping session. Thanks to a number of innovations, the percentage of mobile shopping rose to 25%. Commuters at Zurich main station and employees at Google's HQ in Zurich now benefit from the "mobile shopping wall", set up as part of a pilot project, at which they scan in and order the desired products using the Coop@home app. Since the spring, customers of Coop@home have also been able to collect their purchases at 32 selected PickPost points. The first drive-in point in the French-speaking part of Switzerland rounded out the service offering.

Microspot.ch operates eleven pick-up points

Microspot.ch posted further substantial growth in the year under review, reporting net sales of 101 million francs – a 25% increase on the previous year. The online offering in the consumer electronics and household segment now comprises over 120 000 articles. New features introduced in 2013 include the modernized online shop, which now offers a separate department for business custom-

ers, and numerous new articles in the house and garden range, plus a monthly leaflet promoting the most attractive offers. In addition, items ordered online can now be collected by customers at a further ten pick-up points. Nine of these are located in Coop City department stores in the German and French-speaking regions of Switzerland, while one has been integrated into the drive-in of Coop@home in Allaman. Microspot.ch was operating a total of eleven pick-up points and two showrooms at the end of 2013.

Heating oil: success with ecological option

Once again, many customers of Coop Mineraloel AG took advantage of the opportunity to order their heating oil on the www.coop-heizoel.ch website, accounting for around 29% of orders in 2013. Owing to the long heating period, which lasted into June, the geopolitical situation in the Middle East and North Africa and the rise in the CO₂ emission charge as of January 2014, demand for heating oil remained high. Though competition among heating oil providers also continued to increase, Coop held on to its market share. Customers ordering the ecological option of low-pollutant heating oil continued to grow, accounting for around 47% in 2013.

ITS Coop Travel reports surge in growth

Following a massive expansion of its offering, ITS Coop Travel, the travel agent owned jointly by Coop and the Rewe Group, reported further gains in market share in 2013. Net sales amounted to 69 million francs, i.e. a rise of 19%, making the 2013 financial year the most successful in terms of sales since ITS Coop Travel was founded in 2006. In the air travel segment, for the first time more than 400 additional hotels were added to the booking range during the summer season, in addi-

Hannelore Scholick, Fegro/Selgros, Neu-Isenburg (DE)



Emilio Flückiger, Toptip, Distribution Centre, Oberentfelden



tion to around 200 catalogue packages. Demand for cruises and tours of the “Holiday Hits” offer was very high. ITS Coop Travel increased its customer base to approximately 64 800 travellers, over 13% more than in the previous year. The revamped website with its user-friendly search and booking functions and a great deal of useful information went online in 2013.

Catering / restaurant and hotel business

Coop catering/restaurants covers all needs

In addition to 153 Coop restaurants, Coop catering/restaurants operates the following formats: the Take it shops at high footfall locations, the originally Italian CremAmore gelaterias and the Ca’Puccini coffee bars. With its total of 198 catering outlets, Coop catering/restaurants generated net sales of around 248 million francs in 2013. Coop restaurants focus on well balanced, affordable meals and, wherever possible, use ingredients from sustainable production. In addition, Coop began switching its establishments over to regional coffee brands in 2013. In 2014 Coop will take over Marché Restaurants Schweiz AG with 28 catering outlets throughout Switzerland.

BâleHotels perform well despite renovation work

As part of the complete refurbishment of the Mercure Hotel Europe, which will re-open in March 2014 as the Pullman Basel Europe, the main building was closed in the year under review. Net sales of the three BâleHotels therefore dipped temporarily to around 18 million francs in 2013. Thanks to intensive marketing and a flexible pricing policy, the Hotels Victoria and Baslertor posted significant gains in market share. The Hotel Victoria achieved its best average room occupancy level – around 82% – since being opened. The catering business posted gratifying sales growth, despite new competition and the provisional finishing kitchen in the Mercure Hotel Europe.

Greenhouses impress gourmets

Tropenhaus Frutigen inaugurated its new sturgeon breeding hall in the late autumn. It also invested in the quality of its caviar production and in the sale of its caviar in Switzerland and abroad. The sums invested in the quality of the catering paid off with an entry in the Gault-Millau restaurant guide, with the Oona Restaurant being awarded 13 points. Tropenhaus Frutigen had 86 450 visitors in 2013, and net sales amounted to almost 6 million francs.

Tropenhaus Wolhusen produced around nine tonnes of papaya and over one tonne of bananas in 2013. Vegetables, herbs and tilapia also flourish in the visitor-experience and production area. The Mahoi Restaurant had already been awarded 13 Gault-Millau points in 2012 and catered for over 56 300 guests in the year under review. Tropenhaus Wolhusen generated net sales of around 3.4 million francs in 2013. Products from Tropenhaus Wolhusen have also been stocked at selected Coop stores and at Coop@home since 2013.

“I take all customer concerns seriously – without exception.”

Marianne Eisenhut, Supermarket, Rorschach



Bettina Hofner, Sponsorship, Basel



“I enjoy seeing customers’ eyes light up at the sight of my attractive department.”

Carla Pintò, Sales Assistant for fresh and convenience foods at the Crissier Coop megastore



Products and services

In Naturaplan's jubilee year Coop tops the billion franc mark with organic products and further consolidates its market leadership in this segment. Coop responds to current customer needs by launching new own-label brands and quality labels. Attractively priced manufacturer brands round out a product offering that is unequalled in Switzerland.

Product range diversity

A range to suit every customer

Whether manufacturer brands, affordable alternatives in the own-label range or products from sustainable production – over 40 000 articles in Coop's offering include the appropriate item for every customer need and boast the greatest product range diversity in Swiss food retailing. In 2013, Coop expanded the sustainably produced ranges in particular. Under the brand name Ünique, Coop now promotes the sale of fruit and vegetables that are qualitatively impeccable and flavoursome, but whose appearance diverges from the norm. This decision was widely welcomed by the media in Switzerland and well beyond its borders. In autumn 2013, Coop launched the vegetarian own-label brand Karma and introduced La Mocca, the first Nespresso®-compatible coffee capsule awarded the Max Havelaar Fairtrade quality label. In addition, Coop added the Nespresso®-compatible capsules from Jacobs to its range, and now offers the largest selection of capsules in Switzerland for all systems. Coop also launched innovations in the soft drinks segment: customers constantly come across trendy new drinks in what is a rotating product range. Coop adds the most successful ones to its permanent range – for instance the refreshing Aloe vera drinks Alo Allure and Exposed in 2013.

Own-label sustainability brands and quality labels

Naturaplan: 177 new items to mark 20th anniversary

In the year under review, Coop celebrated the 20th anniversary of its successfully established sustainability brand Coop Naturaplan. A green heart emblem was at the centre of the large-scale communication campaign, "For love of nature". The highlight was Naturaplan's launch of classic Swiss brands in organic quality. Coop also launched 177 new Naturaplan items, including the first Fairtrade organic chocolate from Honduras and twelve heart-shaped articles. The Naturaplan range now comprises over 1 700 products, which all bear the Bio Suisse bud label. 40% of Coop customers have at least one organic product in their shopping basket. In 2013, Coop lifted Naturaplan sales by over 15% to 940 million francs. A wide array of activities such as the Naturaplan Bus that toured all over Switzerland helped raise customer awareness of the need for sustainable consumption.

Naturafarm: high standard of animal husbandry

The farms working for the Naturafarm label apply production standards that are much more stringent than the minimum statutory regulations and undergo regular and unannounced audits by Swiss Animal Protection (SAP). In its 2013 report on the subject of "Animal welfare in food retailing", this organization stated that Coop offered the most effective animal protection in the Swiss food sector. And Coop also won top place among Swiss food sector providers in the "Business Benchmark on Farm Animal Welfare" (BBFAW). Naturafarm's high-quality meat and egg

products from animals reared by humane, access-to-range or free-range husbandry methods enjoyed growing popularity in 2013. Sales of Naturafarm products amounted to 453 million francs, an increase from the previous year. Naturafarm accounted for approximately 24% of Coop's entire sales of meat and egg products and as much as around 60% of beef and pork sales. In autumn 2013, Coop began to transform Naturafarm from an own-label brand to a quality label. The quality label is also applied to third-party brands that satisfy its strict standards of animal welfare.

Oecoplan: switching to FSC

The non-food and near-food products marketed under the Coop Oecoplan label have a minimal impact on the environment. Internal and external audits and partnerships with organizations such as WWF guarantee compliance with the high standards the products have to satisfy. In 2013, Oecoplan generated a further increase in sales, which were up around 8% to 138 million francs. Its over 1 800 articles include innovations such as the world's first FSC-certified rattan baskets, which local residents in Laos produce from non-toxic raw materials as part of a WWF project. In addition, Coop switched its floorboards to FSC-certified wood and launched Switzerland's first completely recyclable paper bag under the Oecoplan label.

Naturaline: transparent, sustainable production

The sustainable textile and cosmetic products of Coop Naturaline stand for fair working conditions and wages and are free from substances that are harmful to health. Naturaline has been producing carbon-neutral textiles and cotton wool since 2012. The standard range in the textile sector comprises around 500 models in seasonal collections. In 2013, as part of the Traceability Project, the first items of apparel were each given a numerical code, enabling the customer to retrace the article's production history. Coop updated the design of the Naturaline Natural Cosmetics label and added a shampoo and a conditioner to the range in 2013. In addition, all ingredients were adapted to Ecocert standards. Coop posted sales of 62 million francs with Naturaline in 2013.

Pro Montagna: for Swiss mountain regions

Coop's Pro Montagna label stands for authentic high-quality products that have been produced and processed in Swiss mountain regions. By purchasing a Pro Montagna product, customers make a contribution towards Coop Aid for Mountain Regions. In 2013, over one million francs were collected in this way for the first time. Pro Montagna generated sales of 38 million francs in 2013. Under the Pro Montagna label, Coop stocks around 220 products from Switzerland's mountains and alpine meadows. Gstaad mountain-cheese fondue mixture and the Ticino mountain Merlot wine Tre Valli were added to the range in 2013.

Pro Specie Rara: enjoying biodiversity

Coop has been working with the Pro Specie Rara Foundation since 1999 to maintain the biodiversity of Swiss farming. It stocks the traditional varieties and breeds threatened with extinction in exclusively organic quality and is constantly expanding the range. Sales grew by 17% in the year under review, thanks to the good harvest.

Slow Food: keeping up traditions

Slow Food is a non-profit organization set up to promote considered consumption and preserve biodiversity and traditional production methods. Coop supports Slow Food by stocking around 50 of its products and helping with the development of the "presidi", of which there are currently 24. These are speciality-promotion groups in which food producers cooperate in preserving traditional artisanal methods.

Max Havelaar Fairtrade: more popular than ever

Articles bearing the Max Havelaar Fairtrade quality label were more popular than ever in 2013. With growth of 17% on the previous year, they generated sales of 219 million francs at Coop. The Fairtrade quality label stands for socially and environmentally compatible production in the countries of origin and for fair trading conditions. The Fairtrade premium is used to finance community projects for improving living and production conditions, and for investments in productivity and quality. Coop accounts for over half the Fairtrade products sold in Switzerland.

Kurt Scherrer, Building & Hobby, Rickenbach



Claudia Gunzinger, Supermarket, Herzogenbuchsee



Pia Bracher, Category Management, Basel



In the year under review, Coop launched the world's first Fairtrade-certified melons.

Organic: Coop surpasses the billion franc mark

Coop extended its position as clear market leader for organic products in 2013 by lifting sales by around 14% to over one billion francs. Coop has worked closely with Bio Suisse over the last 20 years. They jointly promote organic farming in Switzerland and strengthen regional added value. The Bio Suisse bud label is one of the world's most strictly monitored quality labels for organic products. Besides organic food, which is marketed primarily under the own-label brand Naturaplan, Coop also stocks articles made from organic cotton and products for organic gardening.

Tinned fish switched to MSC

The quality label of the Marine Stewardship Council for sustainably harvested fish and seafood guarantees protection of fish stocks, minimum impact on ecosystems and responsible management of fisheries. Around 55% of the Coop range of seafood from wild catch is MSC-certified. In 2013, Coop was able to switch over all tinned fish marketed under Coop's own-brand label Qualité & Prix and that is available in MSC quality. Sales of MSC-certified fish and seafood rose by 8% to around 70 million francs in 2013.

FSC: switchover of wood ranges proceeds apace

Coop has worked for eleven years with the Forest Stewardship Council, which is dedicated to promoting environmentally, socially and economically responsible forest management throughout the world. In 2013, sales of FSC-certified products rose slightly to 135 million francs. Coop is endeavouring as far as possible to switch its wood ranges to FSC standards. FSC-certified products now account for around 68% of all of Coop's wood products. The new garden furniture collection launched under the Oecoplan own-label brand in spring is produced entirely from FSC-certified tropical wood.

Hochstamm Suisse: conserving biodiversity

For the last six years, Coop has been working together with the Hochstamm Suisse association, which is dedicated to maintaining and fostering

standard fruit-tree orchards in Switzerland. They provide habitats for animal species threatened with extinction and comprise a wide range of fruit varieties. Coop has adapted the entire apple-juice range of the Qualité & Prix own-label brand to the Hochstamm quality label. Since 2013, a further 20 products made entirely from Swiss Hochstamm fruit, e.g. Betty Bossi cherry tarts, have been launched.

Swiss Parks: authentic regional specialities

Coop has been a partner of the Swiss Parks Network since June 2013. A total of 16 parks, including a national park and a nature discovery park, are currently operational. The Swiss Federal Office for the Environment monitors the quality of the parks and their programmes. The parks are home to a rich array of flora and fauna. Coop is selecting items, including meat and dairy products, that are made in the parks and bear the official Swiss Parks label and gradually adding them to the ranges of the corresponding sales regions.

Topten: excellent energy efficiency

Coop features the Topten quality label of the Swiss Agency for Efficient Energy Use on own-label brands that, for instance, stand out for their particularly low energy consumption and components that are not harmful to health. Over 900 products in the Coop sales formats already meet the Topten criteria. Coop Group sales of Topten products amounted to 154 million francs in 2013.

Own-label target group brands

Prix Garantie: quality at the lowest prices

Good quality at the lowest prices – this is what makes Prix Garantie, Coop's lowest-price own-label brand, particularly popular among families. In 2013, 20 products were added to the range, which now comprises a total of 420 food, near-food and non-food articles. Coop guarantees that the prices of all Prix Garantie products are as low as those of comparable articles offered by the competition. Because of numerous price cuts, sales of Prix Garantie products declined to around 308 million francs in the year under review.

Sabrina Hossmann, Prodega, Chur



Sylvie Menouane, Supermarket, Crissier



Markus Engel, Contract and Loss Management, Münchenstein



Fine Food: now includes wine

In 2013, the culinary-specialties brand was extended to include an attractive new range: choice Fine Food wines. In the year under review, Coop added three red wines and one white wine to the Fine Food offering and launched a further 40 new articles. Customers can now choose from around 400 Fine Food specialities at Coop. Sales grew slightly to 85 million francs in the year under review.

Betty Bossi: 150 new products and an award

As in the previous year, the fresh convenience food brand Betty Bossi enjoyed a particularly dynamic 2013. Coop added around 150 new products to the brand, including six in the “Betty’s Finest” ready meals range, which have become firmly established. Coop posted sales of 460 million francs with Betty Bossi products. Since 2013, Coop has been selling Betty Bossi ready-made salads and Birchemuesli in new packaging bowls, thereby saving 84 tonnes of packaging material each year. These innovative salad bowls won Coop the DuPont Award in 2013.

Primagusto: for unique enjoyment

The fruit and vegetables of the Primagusto own-label brand are impressive on account of their intense flavour. In 2013, the seasonal range was extended to include eight new products and now comprises a total of 28. Primagusto is extremely popular among customers – sales rose by around 50% on the previous year to 56 million francs.

Weight Watchers: for a balanced diet

Coop Weight Watchers articles are low-fat, low-sugar and low-salt, rich in nutritional fibre and ideal for a balanced, tasty diet. Coop develops and markets the products in Switzerland on an exclusive basis. The range comprises 129 articles, including drinks, baked goods, desserts, sausage and meat products, as well as dairy products and ready meals.

Jamadu: now on the move with his friends

The total of over 100 Jamadu products from the food, near-food and non-food sectors are intended for children and foster a healthy lifestyle by blending a balanced diet with lots of fun and games. In 2013, Coop launched 19 new Jamadu articles that first had to satisfy an expert jury of kids. Sales in

2013 posted modest growth to a total of around 19 million francs. The extensive range includes a magazine for children, and jungle-style birthday parties. Since autumn 2013, Jamadu has been hanging out with four friends whose names were chosen by readers of the Coop member press. A short-list was agreed by the Kids Experts Jury.

Karma: vegetarian world tours for food connoisseurs

Coop is keeping pace with the times with its new Karma product line. As a study commissioned by Coop has shown, around 40% of consumers dispense with meat in almost one out of three main meals. Since autumn 2013, Karma has offered these semi-vegetarians around 50 products from all over the world, including 22 vegan and ten organic items. The range extends from tofu variants, ready meals and snacks to hummus. All these products are certified by the Swiss Vegetarian Association (SVV) and posted sales of around 8 million francs in the first four months.

Délicorn: a tasty alternative to meat

The number of people who choose not to eat meat is steadily growing. Coop’s vegetarian line offers them tasty alternatives to meat. It is constantly expanding its range of products made from natural basic ingredients such as vegetables, soya, wheat or milk proteins. Délicorn grill platters and meat-free merguez sausages were available in summer 2013.

Free From: new labels on the shelves

Free From and Schär products are designed to meet the needs of people with forms of food intolerance. They are free from allergens such as lactose and gluten and offer something for everybody, from milk to bread and snacks. The Free From range has also included a sulphite-free wine since 2013. Sales of the 60-plus products amounted to 21 million francs in the year under review, which represents growth of around 20% on the 2012 figure. Since 2013, Free From and Schär products have been identified with small labels on Coop’s shelves to make them more easily recognizable.

Martina Sätteli, Supermarket, Lerchenfeld



Marco Rindlisbacher, Empties Collection Point, Dietikon



Hisen Saljii, Bakery, Gossau



Own-label standard brands

Qualité & Prix: ranges switched to Fairtrade

The products marketed under the own-label standard brand Qualité & Prix cover customers' everyday needs and offer good quality at low prices. Three new Qualité & Prix lines were added to the range in 2013: Well! inexpensive bodycare products, Ray dishwasher detergents and Maxil laundry detergents. Coop posted sales of close to 2 billion francs with Qualité & Prix articles in the year under review. Great importance is also attached to the sustainability of Qualité & Prix products. All varieties of rice and chocolate and all fruit juices from southern Europe and the southern hemisphere were switched to Fairtrade in 2013.

Manufacturer brands

Best prices for popular manufacturer brands

Customers find the largest diversity of manufacturer brands in the Swiss retail sector at Coop. To make products in the medium and upper price segments even more attractive, Coop guarantees price parity with its main competitors and sells the most popular articles at discount prices. In 2013, a further 40 manufacturer brands were added to this selection, which now numbers around 550 items. In the year under review, Coop incorporated new products such as the lifestyle chocolate line "Hello" from Lindt & Sprüngli in the range. Since autumn, clothing from the international fashion brand F&F, which produces affordable but high-quality fashion for women, men, children and babies, has been available at selected supermarkets and Coop City department stores.

Pricing

Varying price trends for food and non-food

The persistently low exchange rate of the euro and the rising prices of some raw materials again presented the retail sector with a number of challenges in 2013. Coop nevertheless continued its successful efforts to lower consumer prices, implementing four major price-cutting rounds and weekly price cuts on a total of 1 000 articles in its own-label and manufacturer brand ranges. All price changes were advertised in the Coop member press. To mark the 20th anniversary of Coop's Naturaplan own-label sustainability brand, Coop also made targeted investments in attractive prices for organic products. In addition to a separate price-cutting round, prices were constantly adjusted downwards. Owing to rising manufacturer costs and raw material prices – including for fruit, vegetables and meat – Coop had to raise prices in these product groups, resulting in a rise in prices in the supermarket channel of 0.7%. Given the ongoing downward price trend in the non-food segment, however, the Coop Group's retail prices fell by 0.4% overall.

Price monitor: Coop prices stay competitive

Coop constantly checks its product pricing. Since 2008, a globally active, independent market research institute has, on behalf of Coop, conducted a monthly survey of the Coop price monitor and ensured correct selection of items and product comparability. The prices of over 2 100 everyday articles from Coop and its main competitor which are available throughout Switzerland are compared. The Coop price monitor compares products from four categories: lowest-price articles, own-label brands, manufacturer brands and discounted manufacturer brands. In 2013, Coop's prices were on a par with those of its main competitor in all price segments. Coop regularly publishes the findings of its price monitor in the Coop member press.

René Müller, Howeg, Sales Force



Gabriela Cozzio, Coop City, Advertising, Schafisheim



Levyar Schorsch, Vitality Pharmacy, Melligen



“I check the quality of our goods with the rigorous eye of a discerning customer.”

Esther Bucher-Kishawi, Quality Inspector at the Möhlin distribution centre



Additional services

Coop's new quality strategy sets even higher standards. Customers show great interest in bonus programmes and innovative services such as digital coupons. The Coop member press acquires new readers, and the many Naturaplan jubilee activities are greeted with enthusiasm in Switzerland.

Services

Consumer Service always attentive to customer concerns

In the year under review, the Coop Consumer Service handled close to 170 000 queries – over half of them were about products, sales outlets, promotions, special activities and quality issues. Customers were also interested in consumer topics featuring in the media, as well as in prize draws and digital marketing activities. All customer issues are included in the reporting system and affect future decisions. In the end, around 30% of queries are answered on the Internet platform.

Media Unit: media show great interest in Coop

In 2013, media interest focused primarily on Coop's commitment to sustainability, pricing policy, product quality and, increasingly, economic policy issues. The Coop Media Unit issued a total of 57 media releases, dispatched 13 product mailings, sent invitations to six media events and answered around 2 141 media enquiries in the year under review.

Hello Family Club growing steadily

At the end of 2013, Coop's Hello Family Club had over 380 000 member families – over 50 000 more than in 2012. This brought the total number of members to around 1.2 million. Coop launched the Hello Family app for iPhone and Android in the summer. Among other functions, the app enables customers to access the weekly discount offers, activate digital coupons and call up their current Supercard points total. The Hello Family Club organized numerous promotions in 2013, including draws for cinema tickets and 1 000 play shops.

The Hello Family Event, with games, concerts and lots more, was held in the Swiss Museum of Transport in Lucerne in October.

Supercard customers like paying with points

Coop Supercard is the most successful customer loyalty programme in Switzerland. Over three million households collected Coop loyalty points in 2013. Most of the points collected were used to pay for purchases. For instance, customers can pay for goods with Superpoints at any time in the non-food departments of Coop City stores. This option is also available for selected ranges in the supermarkets and other sales formats as part of the regular Supercash promotions. A total of 19 Supercard partner channels took part in the programme in 2013, which for the first time included the health and accident insurer Helsana.

Digital coupons for even more customer benefit

Coop is breaking new ground with couponing. It introduced digital coupons for Hello Family members and Supercard account holders in 2013. Customers can now enjoy the uncomplicated option of viewing the offers via computer or app at home or on the move and of activating the coupons on their Hello Family card or Supercard. All they need to do at the checkout is show the corresponding card, and the coupons are automatically redeemed. Coop also introduced checkout couponing: after paying for their purchases, customers receive discount coupons for their next shopping session.

Supercardplus: online access to Supercard account

In 2013, over 450 000 customers had a Supercard-plus card – around 25 000 more than in the previous year. The free credit card is available either as Mas-

tercard or Visa and automatically accumulates Superpoints each time it is used. Since the summer, cardholders have been able to access their credit card accounts online. They can therefore obtain a complete overview of their transactions at any time.

Coop Mobile offers new data plan for tablets

The number of customers subscribing to the Coop Mobile phone offering continued to grow in 2013. There were close to 20 000 new subscribers, while over 90 000 new customers opted for a prepaid offer. Coop Mobile launched a data plan for tablets. To ensure that supermarket customers have an even better overview of the current offering, all Coop Mobile sales counters were replaced with new ones.

Gift cards: Coop launches the youth card

Starting in spring 2013, Coop gift cards can be recharged up to a maximum sum of 1 000 francs. Coop also launched a youth card for use in supermarkets only – but never to purchase alcohol or tobacco products. This measure responds to the wish of many parents to give their children money in the form of gift cards to buy food.

Coop Depositenkasse: expansion completed

The opening of the two branches in Baden and Zug marked the successful completion of Coop Depositenkasse's nationwide expansion. The network now comprises 27 branches. Customers appreciate the charge-free services – in June 2013, customer deposits managed by Coop Depositenkasse passed the two billion franc mark for the first time ever.

Quality management

Quality management covers the entire product chain

Coop regards quality assurance as a process that applies to the entire product chain – from the production of raw materials right through to the consumer. Quality Management is geared to the core processes of purchasing, production, logistics and sales and coordinates all such activities. Coop in-house experts address quality and product safety related topics as they arise, and work closely with the authorities and the scientific community on risk analyses. Coop performs analyses in its own labora-

tory and audits its suppliers. Quality Management is also responsible for supervising the cold chain and carrying out regular unannounced checks of the sales outlets. Coop conducted over 543 000 tests on a total of 24 000 samples in 2013.

Checks ranging from purchasing through to sales

Coop requires its business partners to have a quality management system in place and to satisfy social, ethical and ecological as well as quality standards. Neutral monitoring organizations check and guarantee that merchandise suppliers adhere to official standards such as those of the Global Food Safety Initiative (GFSI). In the case of goods purchased in the Far East, Eurogroup Far East Ltd. supports Coop's quality control activities in the actual country of origin. The highest quality standards also apply to transport of the goods to Coop's shelves. Sales and restaurant staff receive regular training in workplace, staff and product hygiene. Unannounced checks are made on a regular basis to monitor correct implementation of the standards. In addition, starting in 2012, all sales outlets offering counter service are certified for adherence to quality requirements by the independent monitoring body q.inspecta.

New quality strategy sets the course

Coop's Quality Strategy drawn up in 2013 defines the key requirements that the quality of its range will have to satisfy in future and it sets the benchmark high. It thus enshrines quality as a central element of Coop's performance even more firmly in the Group's corporate culture and processes. All aspects of product range quality that are relevant to customers are systematically defined and further developed in accordance with customer needs.

“I show each and every customer that they are valued here.”

Natalia Couto, Supermarket, Zurich

Pascal Guldimann, Total Store, Berne



Advertising / communication

Advertising the Naturaplan jubilee

Advertising activities in 2013 were entirely dominated by the 20th anniversary of Coop Naturaplan. The jubilee celebrations started on Valentine's Day when Coop distributed over one million green, organic chocolate hearts. The new Naturaplan products were advertised in the Naturaplan TV commercial and with the song "I love", which was the first Swiss advertising jingle to top the Swiss singles chart. The Naturaplan Bus and the travelling exhibition "Nature", which stopped off at 18 shopping centres, made Coop organic products a topic of conversation throughout Switzerland. Coop's other own-label brands also benefited from a wide range of communication measures, including pop-up yoga sessions to help launch Karma. In addition, Coop's animated bargain-hunting fox has been drawing TV viewers' attention to particularly attractively priced offers since the autumn. In October, Coop collaborated with Disney in a large-scale promotion involving the distribution of over 50 million sachets with pictures of the best-loved Disney figures.

Even more readers of Coop member press

In 2013, the Coop member press further strengthened its position as the most widely read newspaper in Switzerland. With an overall circulation of 2 546 088, the three weekly newspapers Coopzeitung, Coopération and Cooperazione have a readership of around 3.6 million people, as the annual survey carried out by the independent Swiss media research company Wemf AG has shown. The Coop member press thus again reached more people than in the previous year. It now also offers its e-paper as an app. In partnership with Switzerland Tourism, Coop member press again launched two supplements containing exclusive leisure-time offers in 2013. In addition, it produced a special issue for each of the six Coop "experience" promotions, which focused on topics such as Switzerland and the family. The Coop Forte staff magazine was comprehensively overhauled in 2013. In the autumn, the SVIK (Swiss association of in-house communication) awarded Coop Forte the "Silver Quill" in the

staff magazine category. Employees working in wholesale now have a publication of their own: the Transgourmet magazine.

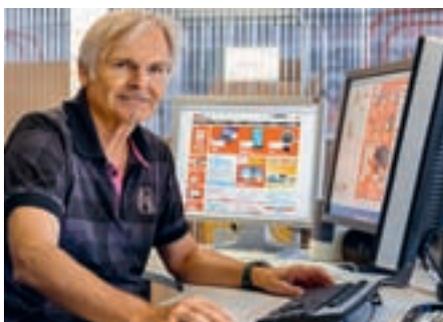
Coop website goes mobile

In 2013, the Coop website was one of the most frequently visited in Switzerland. Besides highlighting the barbecue and Disney campaigns, the website focused on the 20th anniversary of Coop Naturaplan at the beginning of the year. It provides background information and presents many other highlights such as prize draws. In response to the growing trend in mobile Internet usage, Coop has expanded its range of apps and, when creating new online pages, takes particular care to ensure that they can be accessed by mobile devices such as smartphones and tablets.

Using sponsorship to trigger emotions

Coop's sponsorship commitments aim to provide its customers with intense emotional experiences that arouse their enthusiasm. At the popular sports level, the 2013 Swiss Gymnastics Festival in Biel/Bienne was the undoubted high point, with over 60 000 gymnasts and more than 4 000 volunteers ensuring that the 200 000 strong public enjoyed unforgettable competitions over the two weekends. On the occasion of the Coop Municipality Duel run by schweiz.bewegt, one of Switzerland's biggest sporting events at the grass-roots level, around 185 000 participants in 185 different municipalities together engaged in over 350 000 hours of sporting activity. The Coop-sponsored musicals, "Ich war noch niemals in New York" by Udo Jürgens and the Queen musical "We will rock you", wowed audiences totalling a quarter of a million. At the family/children level, Coop sponsored – for the first time – two musicals for children: "Michel von Lönneberga" and "Heidi". At many of the events sponsored by Coop, visitors had an opportunity to experience Coop's organic own-label brand in an atmosphere of fun and games in the Naturaplan Bus.

Urs Zumstein, Interdiscount,
Advertising/Media Plan, Jegenstorf



Justinien Carabin, All Fresh Logistique



Ruth Tanner, Nutrex, Buswil bei Büren



“I’m here on site making sure everything’s going according to plan at Switzerland’s largest private construction site.”

Daniel Hintermann, LoBOS Project Manager, on the huge construction site at Schafisheim



Logistics, IT and property

The laying of the foundation stone at Schafisheim is a further milestone in Coop's history. By expanding the distribution centre, Coop ensures that there will be more synergies, greater energy efficiency and fewer freight shipments by road. A new IT system simplifies communication between the administration and the sales outlets.

Logistics

Logistics and bakery strategy is on course

Coop improved its logistics cost ratio from 3.38% to 3.28% of gross sales in the year under review. The implementation of the Logistics and Bakery Strategy 2015+ will result in substantial savings from 2016 on. Initiated in 2010, this large-scale project will generate efficiency gains and therefore recurring cost savings of around 60 million francs a year. A further aim of the strategy is to improve the quality of bread, baked goods and confectionery and make a substantial contribution towards achieving Coop's sustainability goals. As of 2016, the production companies Chocolats Halba, Sunray and Cave, together with Coop Logistics, will be operating under one roof at a new 78 000 m² site located in the Salina Raurica district of Pratteln. Working closely with the authorities, Coop made further progress with the detailed planning of the project and completed the environmental impact assessment in 2013.

Foundation stone laid for major project in Schafisheim

The core feature of the Logistics and Bakery Strategy 2015+ is the expansion of the existing distribution centre at Schafisheim in the canton of Aargau. Coop was given the official go-ahead for the biggest ever building project in the Group's history in January 2013 and the foundation stone was ceremonially laid on 27 June 2013. The next two years will see the construction of a new building complex accommodating the regional logistics, a national deep-freeze warehouse and the largest bakery (including

a confectionery unit) in Switzerland. While the shell of the building is going up on Switzerland's most extensive private building site, 165 project staff will be working in the background on the detailed planning for the logistics unit (around 118 000 m²), the 40 000 m² bakery and confectionery and the 8 500 m² office area. As from the end of 2015, all stores in the newly created Coop sales region Nordwestschweiz-Zentralschweiz-Zürich will be supplied with merchandise from the Schafisheim site. The industrial bakery and the confectionery unit will come on-stream in the spring of 2016. A total of around 1 900 people will be employed at the Schafisheim site.

Saving over 10 000 tonnes of CO₂ at Schafisheim

Concentration of the logistics sites will not only improve efficiency and quality but also generate major ecological benefits for the area because the transport of goods from and to Schafisheim will, wherever possible, be shifted from road to rail. Road and rail transport will function in tandem according to the unaccompanied combined transport (UCT) system. This involves transporting the goods in swap bodies that are transferred from trains to trucks, and vice versa. Concentrating the bakery and deep-freeze warehouse at one site will also reduce its consumption of energy and resources. In addition, all Coop operations in Schafisheim will be equipped with environmentally friendly heating plant from the in-house biomass centre. Overall, the large-scale Schafisheim project will lower Coop's CO₂ emissions by more than 10 000 tonnes a year and bring it a further step closer to its goal of becoming CO₂-neutral in all areas in which it can influence such emissions directly.

Railcare: pioneer with CityCargo Genève

The freight transport project initiated with CityCargo Genève in 2013 is the only one of its kind in Europe. Since July 2013, Coop has been supplying goods for the 42 Coop stores in Geneva by transporting them by rail from the distribution centre at Aclens to the centre of the city. The swap bodies are transferred to trucks only for the last few kilometres from the destination station of Genève-La Praille to the individual stores. Coop's subsidiary Railcare AG is responsible for the rail transport. With its three train trips a day, Railcare AG shifts 30 000 swap bodies a year on its Aclens–CityCargo Genève route alone, thereby saving 1.4 million kilometres travelled by truck and 1 128 tonnes of CO₂. Thanks to the growing use of unaccompanied combined transport (UCT), Railcare AG increased net sales in 2013 by around 49% and recorded 128 million net tonne-kilometres. Following the replacement of three Swiss Post terminals by hubs of its own, Railcare AG was able to further expand its value chain in the year under review. It became more independent in all UCT areas and thus more flexible in the provision of services and was able to further shorten its road freight routes. As a result of the acquisition of new orders and the integration of terminal services, Railcare AG's workforce grew by 100 to a total of 228 full-time equivalents. In addition, Railcare AG began using Switzerland's first remote-controlled electrical wagon shunter at the terminal in Elgg, Canton of Zurich.

IT

Self-checkout very popular

The testing phase for self-checkout began in the Zurich Sihlcity and Berne Wankdorf stores in January 2013: customers can scan and pay for their purchases at the check-out terminal conveniently and without long queues. Customer acceptance was very high from the start. In October and November 2013, the pilot project was extended to a further nine stores.

Better communication with the points of sale

Communication between the administration and the stores is a key success factor for Coop. To improve it and make it more efficient, IT has been providing support for the order management process in the form of the Winfo system since 2013. This system summarizes the orders for every store separately and shows any outstanding tasks, their degree of fulfilment and the assignment of responsibilities. The Building & Hobby stores will also be incorporated into the system in 2014.

Rewe-Foodservice book-keeping integrated

Transgourmet 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 October 2013, Coop completed the integration of Rewe-Foodservice's book-keeping module, thereby realizing a further important sub-project. The operations of a total of 19 units in five countries now run on the new SAP system.

Property

Expansion through numerous remodelled or new buildings

The Property Business Unit professionally manages all of Coop's property for the Group's core business and is responsible for portfolio, building, asset and facility management. A further important task is the management of shopping centres. At the end of 2013, the Property Business Unit was running 43 shopping centres throughout Switzerland, in which other partners were represented besides Coop sales formats.

In the year under review, it made progress with the planning of numerous major projects and completed work on various remodelled or new buildings. On 30 May 2013, the expanded warehouse of the Pearlwater production company in Termen came on-stream. In Wettingen, the expanded and refurbished Tägipark shopping centre opened its doors on 29 August. The stores in Davos and Bad Ragaz were

Priska Bernet, Category Management, Gossau



Noémie Oesterlé, Bell, Seafood Operations, Basel



also refurbished, and have been displaying their new look to customers since 24 October and 15 November respectively. Finally, the expanded and remodelled Prilly Centre shopping mall in Prilly and the modernized Toptip store in Carouge were inaugurated at the end of November. Refurbishment of the Hotel Europe in Basel and remodelling of the Schönbühl, Heerbrugg and Dietlikon shopping centres had not yet been completed at the end of 2013. Other projects such as a new shopping centre in Aarberg, a block of flats at the Letzipark site in Zurich and the extension and new building for the distribution centre at Schafisheim are still at an early stage. In addition, the height of the Swissmill grain store (known as the “Kornhaus”) in Zurich is being raised, and the distribution centre in Wangen is to receive a new heat generation system. In the year under review, the Property Business Unit continued to play an active role in the expansion of the Group, with ten major projects in the planning stage or just about to be realized. In November, Coop signed a share purchase agreement to acquire Centre Commercial Moncor SA, effective as from the beginning of 2014. This firm owns the Fribourg-Sud shopping centre in Villars-sur-Glâne, which has a rentable area of 21 768 m² and in which Coop is already represented by several sales formats.

“I inspect everything in detail and work with great precision.”

Yao Eklou, Howeg, Order Picking, Winterthur

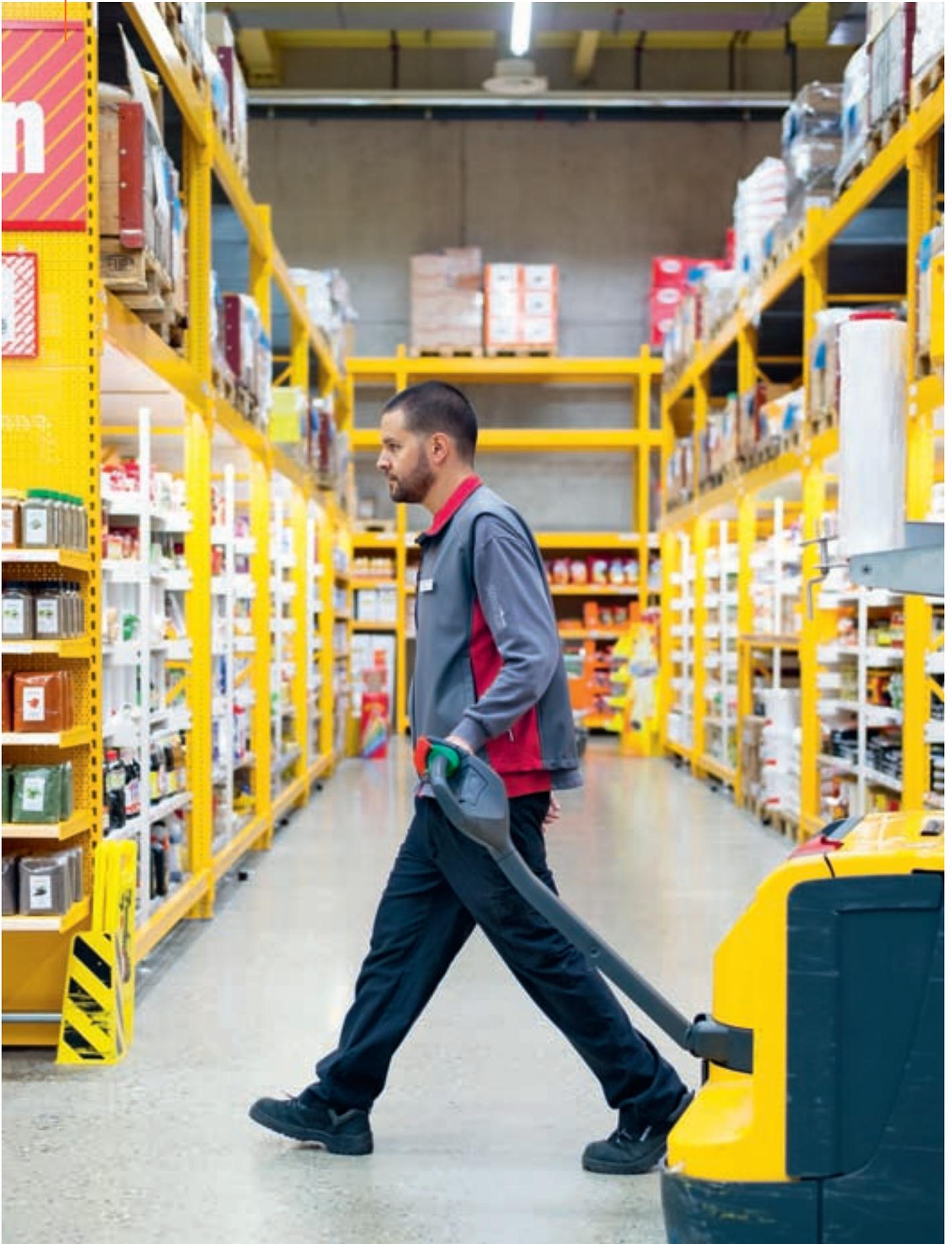


Natalia Dunova, Supermarket, Zurich



“Get the right goods to the right place at the right time – that’s what I aim to do.”

Roberto Gatto, Head of Goods Receipt at the Prodega store in Basel



Transgourmet Group

The companies making up the Transgourmet Group grow even closer, share their know-how and are given a uniform corporate design. Thanks to the Group-wide own-label brand with products in all price segments, all customers have an attractive range to choose from.

Group development

Uniform logo for Transgourmet

Transgourmet Holding AG is the second-largest company in Europe's wholesale supplies and cash & carry sector and operates in Switzerland, France, Germany, Poland, Romania and Russia. It includes Prodega/Growa/Howeg, Fegro/Selgros, Rewe-Foodservice and Transgourmet France. In 2013, the Transgourmet Group employed 22 265 people throughout Europe and generated net sales of around 8.2 billion francs. Given the challenging environment in some of the countries in which the Group operates, this is a good result. Transgourmet developed a uniform corporate design for all its companies in 2013. In future they will be marketed with a red logo showing a knife and fork. Transgourmet also approved a new own-label brand strategy. It aims to ensure that customers of all Transgourmet companies throughout Europe can benefit from an attractive range of own-label products. The three labels Transgourmet Premium, Transgourmet Quality and Transgourmet Economy cover all price segments.

New umbrella brand: Transgourmet Central and Eastern Europe

As of 1 January 2014, Rewe-Foodservice and Fegro/Selgros Cash+Carry are to operate as a joint company under the Transgourmet Central and Eastern Europe umbrella brand. The merger will further underpin the enterprise's strong market position, expanding it in both the domestic and international markets. The umbrella brand comprises the Transgourmet (Foodservice) and Selgros (Cash+ Carry) sales brands; the previous Rewe-Foodservice sales brand will no longer be used. The two units are to operate under joint management. This means that Selgros can supplement its cash & carry business

with deliveries of products from selected cash & carry stores. Joint marketing of the two units will position Transgourmet Central and Eastern Europe as the number-one multichannel provider in the wholesale catering business.

Howeg now marketed under the Transgourmet brand

On 1 January 2013, Prodega/Growa Cash+Carry and Howeg, the market leader in the Swiss wholesale supplies business, merged to form the first provider that covers all catering-sector needs under one roof. In October 2013, it was announced that, as of 1 April 2014, Howeg would operate under the Transgourmet brand and that the name Howeg would no longer be used. The names Prodega and Growa are to be retained, but will be deployed in conjunction with the uniform red Transgourmet logo.

Momentum in all countries

Prodega/Growa/Howeg now closer to customers

As a leading player in the Swiss cash & carry and wholesale supplies sector, Prodega/Growa/Howeg employed a total workforce of 1 745 in the year under review. It has over 97 000 customers, including restaurants, hotels, institutional homes, hospitals, schools, retailers, chain stores and other commercial operations. The overall range comprises more than 30 000 articles. They can be purchased in the 28 Prodega/Growa stores, which have a total net sales area of 116 086 m² – around 20 000 items from the range are also available through the Howeg deliveries channel. The range includes many own-label brands in different quality and price segments. Besides regional specialities and a wide array of fresh produce, it also includes an extensive selection of beverages and spirits, non-food items, frozen products and wines. Since 2013, delivery customers

have also been able to order fresh fruit and vegetables. In the year under review, Prodega/Growa/Howeg began switching their own-label products to the three new Transgourmet own-label brands. A new Prodega store was opened in Satigny-Genève in May. In addition, Prodega/Growa/Howeg's first two regional warehouses came on stream in Quartino and Chur in the year under review. These enable Howeg customers to benefit from the supplementary range of the corresponding Prodega store. As of 1 April 2014, all units of Prodega/Growa/Howeg will be marketed under the new logo, while Howeg will additionally operate under the new Transgourmet name.

Modernization drive continues at Fegro/Selgros

At the end of 2013, Fegro/Selgros employed a workforce of around 13 526 and was operating 85 cash & carry markets in Germany, Poland, Romania and Russia. Starting in spring 2014, the new red logo will be introduced on a step-by-step basis.

The 1.5 million customers of Fegro/Selgros Germany include caterers/restaurants, newsstands, retailers and other businesses, making it one of the leading cash & carry providers in Germany. The company operates 44 cash & carry markets with a total area of 412 739m² and offers customers over 25 000 food and 28 000 non-food articles at wholesale prices. In 2013, Fegro/Selgros relocated its Dresden store to newly built premises and adapted the Gersthofen store to the new design. This means that a total of eight stores now have a revamped sales area and state-of-the-art technology.

In Poland, Selgros Cash+Carry operates 15 hypermarkets with an overall area of 148 015 m² in the twelve largest cities. A further two stores were adapted to the new design in Lodz and Szczecin in 2013. Selgros offers its 900 000 customers in Poland a range of over 45 000 articles. It is keen to further strengthen its position in the catering/restaurants sector, for instance by developing the customer delivery business at a number of locations. In Romania, Selgros Cash+Carry operates 19 hypermarkets with an overall area of 178 931 m² and is thus one of the most important chain stores in the

country. Its 850 000-plus industrial customers can choose from a range of over 40 000 food and non-food products sourced primarily from Romanian suppliers and producers. The company is also modernizing its stores in Romania. In 2013, the store in Iasi was completely remodelled and now benefits, for instance, from a 200 m² fresh fish department. In addition, Selgros further expanded its cross-docking logistics platform, which means that products reach their customers without the need for interim storage.

In Russia, Selgros Cash+Carry inaugurated a new store in Rostov and began to build a further store in Volgograd in the year under review. The Moscow-Altufyevo store was given a new layout. The company, which has been active in Russia since 2008, now operates seven stores with a total area of 61 560m² and offers around one million customers a total of 45 000 food and non-food articles.

Rewe-Foodservice stocks Transgourmet own-label brands

Rewe-Foodservice is the market leader in the German wholesale supplies sector and employs a workforce of 3 336. Rewe-Foodservice supplies 35 000 industrial customers in the restaurant, hotel, works canteen and social service sectors from 15 different locations. It also operates four cash & carry markets in Mainz, Koblenz, Bremen and Saarlouis, two freshness centres for production of its own meat and sausage-meat products and two Transgourmet contact centres in Wildeshausen and Berlin. Rewe-Foodservice stocks a range of around 36 500 articles for its customers in a storage area of 200 388 m². The range includes consumer goods and industrial kitchen equipment as well as food. Rewe-Foodservice owns the two subsidiaries Rewe-Foodservice Immobilien GmbH and Transgourmet Seafood GmbH in Bremerhaven. The latter has been developed into one of the leading logistics hubs for fresh fish, seafood and other maritime food products. In 2013, Rewe-Foodservice embarked upon a relaunch of its own-label brands in compliance with the Transgourmet Group's new own-label brand strategy. The existing own-label brands Fine Line,

Marta Constanzio, The Body Shop, Zurich



Sibylle Isenschmid, ITS Coop Travel, Volketswil



Franck Michon, Banana Ripening Facility, Kaiseraugst



Honneurs and be smart! are now gradually giving way to the new Transgourmet labels, which cover all price segments. As of 1 January 2014, Rewe-Food-service will be marketed under the new red logo and the name Transgourmet.

Transgourmet France acquires major customers

Transgourmet France is the product of a merger between four companies: Transgourmet Opérations, Pro Hygiène Service, Eurocash and All Fresh Logistique. Since January 2013, the latter has owned the flagship enterprise Transgourmet Seafood, an ultra-modern seafood processor located at Rungis, near Paris. In France, Transgourmet is the main supplier of food and hygiene articles to over 57 000 catering/restaurant operations, social facilities, bakeries and confectioners. The entire range comprises some 49 000 articles. In 2013, Transgourmet France and its subsidiaries together employed a total workforce of 3 658 at 40 locations with an overall storage area of 331 420 m². Work began in October on the construction of the new premises at Valenton, to the south of Paris, and of the new distribution centre for the greater Paris area and Île de France region. Both buildings are scheduled to come on stream in October 2014, replacing the Orly site.

In the year under review, Transgourmet Opérations launched the first products marketed under the three new Transgourmet own-label brands. In addition, Transgourmet Opérations acquired two major customers, added new services to the electronics business and was awarded certification to ISO 22000 for a further two plants.

All Fresh Logistique is number one in the greater Paris area for the supply of fruit, vegetables, fish and seafood to the catering/restaurant trade. In 2013, All Fresh Logistique expanded its range of or-

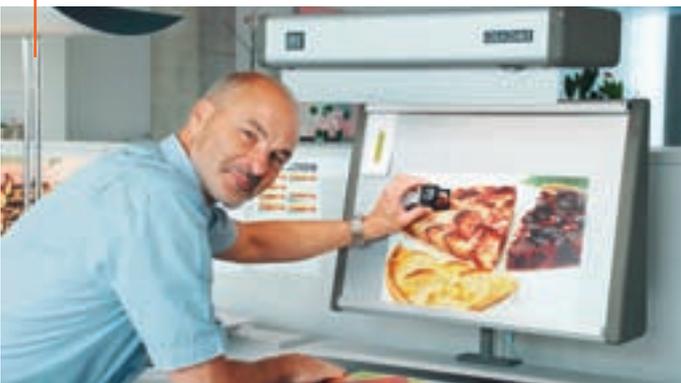
ganic and local products. In May, it organized the third meeting on the topic of sustainable consumption, which was attended by 450 experts.

With Pro Hygiène Service, Transgourmet France offers a full range of hygiene and care products for various sectors. In 2013, Pro Hygiène Service closed the sites at Pont-de-l'Isère and Rouen, but opened two new ones at Roche de Glun and Maromme.

Eurocash is domiciled at Schiltigheim in Alsace and offers customers cash & carry business as well as deliveries. Eurocash now markets the own-label brand Legave in the bakery and confectionery ranges.

“I check the print quality of our in-store advertising material.”

Wolfgang Hartmann, Print Production, Basel

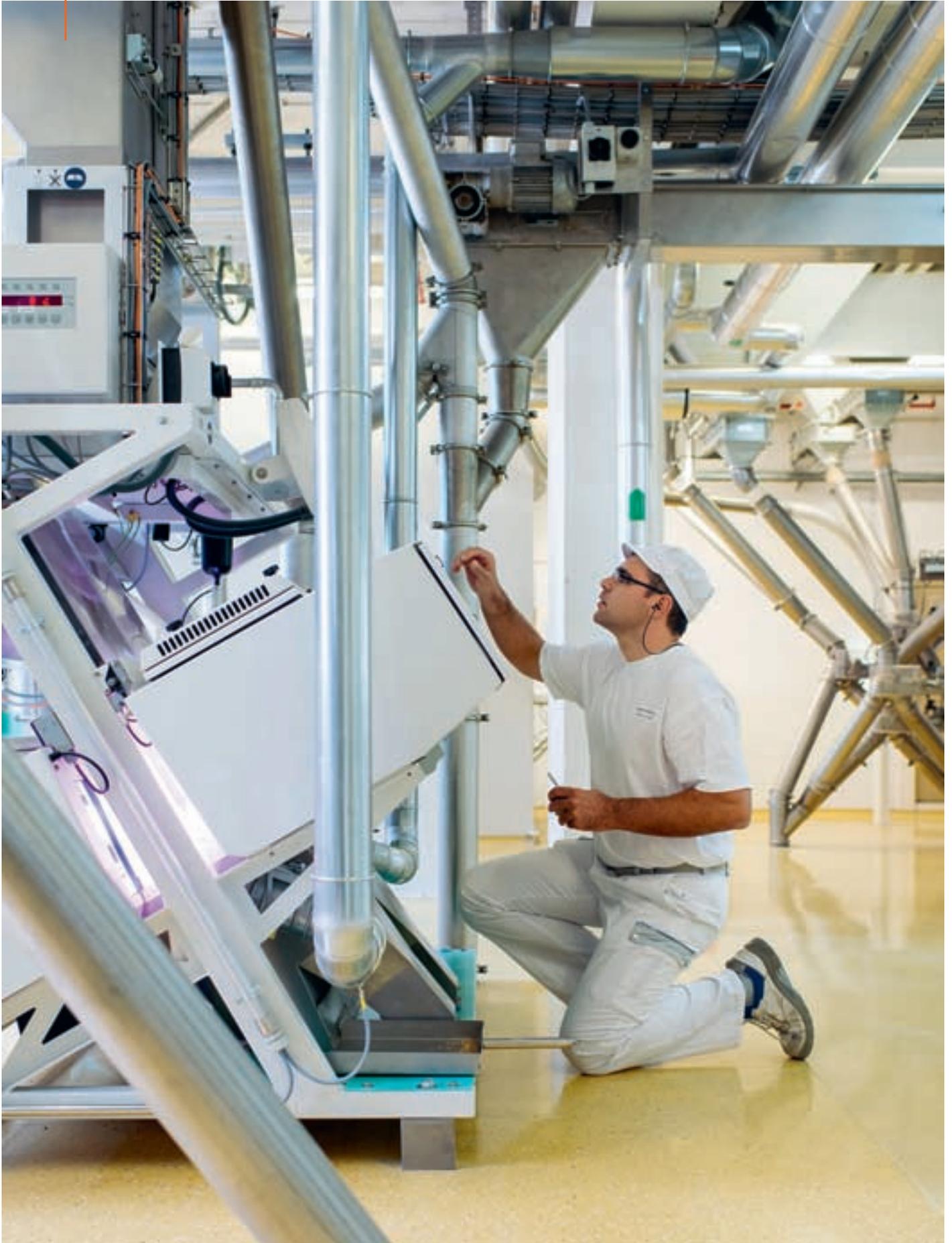


Antonio Alfredo Pereira dos Santos,
Railcare, Härkingen



“Quality is not a matter of chance. It’s the result of high-quality raw materials, modern facilities and motivated staff.”

Erwin Waldvogel, Head of Oat Milling at Swissmill, Zurich



Production

Coop manufacturing companies continue to expand their ranges of sustainable products, with the show-piece coming from Chocolats Halba in the form of the world's first Fairtrade organic chocolate from Honduras. Coop installs in-store mini-bakeries, thereby ensuring the availability of fresh bread right up to closing time. Bell restructures its organization to make it fit for future challenges.

Bell Group

Bell Group is in good shape

The Bell Group remained on course in 2013 despite a challenging market environment. Sales volume at Switzerland's largest meat producer was down, at 217 950 tonnes, net sales amounted to around 2.6 billion francs, 3.6% up on the previous year – a result of the significant rise in raw material prices. Earnings amounted to 76.6 million francs – on a par with the previous year. Bell supplies both the retail and the wholesale trade, caterers/restaurants and the food industry with meat, poultry, charcuterie, seafood and convenience food products. The Group satisfies the diverse needs of its customers with the Bell, Abraham, Zimbo, M^ossieur Polette and Hoppe brands. Bell employed a total workforce of 6 606 at the end of 2013, 3 093 of them outside Switzerland. The company undertook various organizational changes to the divisions in 2013.

Restructuring at Bell Switzerland

Sales at Bell Switzerland grew by 5% to over 1.8 billion francs in the year under review. Sales volume amounted to 122 150 tonnes, as in 2012. In 2013, raw material prices rose by up to 30% in Switzerland as well, thereby putting pressure on margins. The poor barbecue season on account of the bad weather in the first half of the year led to a drop in sales, particularly of charcuterie. On the other hand, substantial growth was achieved with poultry. Effective as of 1 April 2013, Bell Switzerland underwent restructuring. The four business

units – Fresh Meat, Poultry, Charcuterie and Seafood – now concentrate on production of their respective lines and on the purchase of raw materials. Purchasing, supply chain management, sales and marketing were detached from their respective divisions and are now central corporate functions. This means that Bell Switzerland can exploit synergies and improve the efficiency of its business processes.

Bell Germany improves sales synergies

Turnover from the sale of goods at Bell Germany (including production facilities in Spain and Belgium) were down 1.6% to 483 million francs in the year under review. Sales volume amounted to 62 650 tonnes, down 6.1% on the year-back figure. Though sales of air-dried ham increased despite an asparagus season spoiled by the weather, Bell Germany posted a decline in sales in other product ranges such as scalded sausages, cured sausages and convenience foods owing to the bad weather and its own streamlining measures. Bell Germany realigned central services by bundling administrative activities in Seevetal and closing the administrative functions in Bochum in March 2013. By having plants specialize in the cured sausages, scalded sausages and cured meat products ranges, Bell Germany achieved clear differentiation within its operational structure. Restructuring was paralleled by remodelling measures to improve processes and product safety.

Positive development at Bell Eastern Europe/Benelux

Bell Eastern Europe/Benelux can look back on a good 2013 financial year. Overall sales volume amounted to 20 350 tonnes, while turnover was 187 million francs and therefore 2.8% up on the previous year. Various ranges were repositioned in 2013. In addition, Bell Benelux began 2013 by implementing a new sales strategy focusing on products from Group operations and on strategic partnerships. In Poland, Bell continued on its success trajectory, with the plant in Niepolomice reporting very good capacity utilization. In Hungary, on the other hand, the economic situation is still weak. Nevertheless, the Bell plant in Perbal reported positive growth. Under the Novak brand, Bell operates 116 branches in the Czech Republic and Slovakia which continue to perform well.

New brand strategy strengthens Bell France

Bell increased the sale of cured sausages and ham ranges by 1.8% to 12 800 tonnes. Turnover from the sale of goods also grew by 8.9%, amounting to 106 million francs at the end of the year. The self-service and counter-service ranges continued to post gratifying growth. High raw material prices meant that implementing essential price increases continued to be a key challenge. Bell developed a brand strategy for France that is designed to create an all-round, homogeneous identity. All articles produced in France are now marketed under the M^osieur Polette brand. The market responded very positively to the new strategy. Bell France posted a large number of new listings and strengthened its market position.

Coop manufacturing companies

Swissmill

Products: flours, flour mixtures, durum wheat semolina, polenta, oat flakes, extruder products
Switzerland's largest grain mill posted sales of 207 000 tonnes in terms of volume in 2013. Particularly in the flour mixture segment, innovative products enabled Swissmill to acquire new customers

and achieve growth of 2.8% in third-party sales. Overall sales were up 1.6%. Rising raw material prices increased the pressure on margins. The already high share of organic grain in Swissmill's entire milling output rose to over 15%. Swissmill continued its cooperation with Hilcona and the Hiestand baked-goods company. On 6 May 2013, work began on the construction of the new "Kornhaus" grain store in Zurich. Once the height of the existing grain store has been raised to 118 metres as intended, it will be possible to store the grain directly at the site where it is processed. At the same time, Swissmill replaced the milling control system and the processing of by-products with new systems.

Chocolats Halba

Products: chocolate bars, confectionery, festive assortments, chocolate for industrial purposes
In 2013, Chocolats Halba celebrated its 80th birthday. Its jubilee year was a success: sales to third parties grew – Chocolats Halba lifted sales from exports by almost 31%, despite the difficult currency situation. Besides expanding in existing markets, the company gained footholds in the markets in Singapore, Malaysia and the Philippines. The share of sustainable products in overall sales grew to over 31%. The launch of the first organic Fairtrade chocolate from Honduras in May 2013 was a milestone in the history of Chocolats Halba. Through its local subsidiary, Chocolats Halba Honduras S.A., Coop controls all production stages in the value chain of the Honduras chocolate – a model that is the only one of its kind in the world. In 2013, planning proceeded apace for the new Chocolats Halba site in Pratteln.

Pasta Gala

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

Pasta Gala launched two new organic products to mark the 20th anniversary of the establishment of Coop Naturaplan. Sales of articles bearing the organic bud emblem grew by over 16%. As Coop's ambitious sales targets were not reached with conventional type of pasta, capacity utilization at the production plant was low in the year under review.

Lars Gruber, Fegro/Selgros, Neu-Isenburg (DE)



Anne Cabut, Service Center, Renens



Loubna Devaud, Import Parfumerie, Neuchâtel



In view of the concentration on pioneering production facilities, the Board of Directors of the Coop Group decided to close down the Pasta Gala production plant at the end of 2014. Pasta for Coop own-label brands will be sourced from new suppliers. All Pasta Gala employees will be offered a position within the Coop Group.

Steinfels Swiss

Products: cosmetics, bodycare products, detergents and cleaning products for households; detergents, cleaning products and services for industrial customers

CWK-SCS, the manufacturing company for cleaning, hygiene and cosmetic products, changed its name to Steinfels Swiss on 1 September 2013. It also received a new logo and a new website. Industrial customers can now order their goods through the e-shop. Steinfels Swiss made up for losses in export sales with good business in the domestic market and performed well in the year under review. In 2013, the company developed 29 cosmetic products certified by Ecocert for the Coop own-label brand Naturaline. It also overhauled My Baby bodycare products and Maxil detergents, and launched further cleaning agents for the Super-Clean line. For industrial customers, Steinfels Swiss expanded the range of textile detergent dosing systems and launched the revolutionary Dry Tec maintenance cleaning system, which uses up to 80% less cleaning agent.

Reismühle Brunnen

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

The share of organic and Fairtrade products in the overall output of Reismühle Brunnen rose to 34% in the year under review. In Italy, the company acquired a major Fairtrade wholesaler as a new customer, and in Germany it supplied a retailer with two new Fairtrade brands. In October, Reismühle Brunnen launched the first organic Fairtrade Basmati rice sourced from a sustainability project in India. Around 1 600 farmers in India and Thailand are participating in the project, which was initiated in 2011 to enable rice to be sourced on an integrated basis. Reismühle Brunnen achieved success in winning an international tender for a contract to supply the German and French markets with several thousand tonnes of rice. This order is likely to raise the company's rice output by 60% in 2014.

Nutrex

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

In 2013, Nutrex expanded its range of organic vinegar products and presented the new articles at the "Biofach" trade fair for organic food in February. In addition, Nutrex extended the Coop Naturaplan range by four organic products and launched an organic red-wine vinegar matured in wooden barrels. As a result, the share of organic products in overall sales rose to over 14%. Since 2013, Nutrex itself has been producing pear juice entirely from Swiss fruit and processing it to fruit vinegar. This further raised capacity utilization of production plants. In addition, Nutrex increased its exports of premium products to Germany and acquired a number of new customers in Switzerland.

Sunray

Products: spices, herbs, nut kernels, dried fruit and vegetables, baking ingredients and mixtures, edible oils, sugar

Sunray adapted its organizational structure in 2013. By setting up the new Purchasing and Marketing-Sales departments, the company is making itself fit

“For my guests, I rely on freshness that you can see and taste.”

Isabelle Robert,
Restaurant, Münchenbuchsee



Andreas Pinsker, Digital Marketing, Basel



Georg Marty,
Reismühle Brunnen



for the future and gearing itself systematically to the priorities defined in its strategy. Compared with the previous year, production volume grew 7% to 26 000 tonnes, or 62 million packs. The share of products sourced from organic farming and fair trade continued to rise, accounting for 21% in 2013. Sunray further increased sales in supermarkets outside the Coop Group in the year under review. Initial successes were also generated with exports to the EU, and Sunray acquired business partners in Italy and Germany.

Pearlwater Mineralquellen

Products: mineral water and sugar-containing soft drinks

After the inauguration of the new building and production plant the previous year, full-capacity output had been reached by the summer of 2013. The two plants can fill up to 33 000 bottles per hour. Pearlwater bottled over 100 million litres in the year under review. Expansion of warehouse capacity by a good 1 600 pallet spaces resulted in an improvement in logistics processes. Over 90% of freight shipments were transported by rail. Consequently, Pearlwater has stepped up its cooperation with SBB Cargo and the Coop subsidiary, Railcare. Exploratory drilling for an additional mineral water source was carried out in 2013. Pearlwater and the local municipality have adapted the flood protection measures to take account of the plant and instituted various measures to safeguard mineral spring protection zones.

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 the year under review, the Cave winery generated a very gratifying increase of 36% in sales of organic

wines. In its overall in-house production, Cave achieved a sales volume of 40 million bottles, including one million bottles of AOC-quality wines from different Swiss cantons, which are vinified in its own cellar. The range now comprises around 400 articles, including 30 new items in 2013. Supplies to Transgourmet were again expanded to include a number of additional items.

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 22 333 tonnes of bananas, 1 682 tonnes of dried fruit and 3 296 tonnes of pineapples. In addition to the Nordwestschweiz Sales Region, it also supplied the Bern Sales Region with avocados and mangoes in 2013. The Banana Ripening Plant raised the share of Fairtrade Max Havelaar products in the banana range to almost 90%, while that of organic products grew to over 33%. Overall, the Banana Ripening Plant stored and order-picked six banana and two pineapple varieties, mango, avocado and 35 varieties of dried fruit and nuts.

Coop Bakeries

Products: fresh bread products (loaves, rolls, braided bread), frozen bread products, cakes and biscuits, tarts and pastries, and commercial doughs

Coop's seven industrial bakeries produced around 50 400 tonnes of baked goods and ready-to-bake dough pieces in the year under review. At the end of 2013, all the bakeries had been certified to a higher

“I deliver Coop heating oil punctually and with a smile.”

Denise Koch, Coop Mineraloel

Jean-Luc Baudois, Promotions, Renens



standard according to IFS 6. The industrial bakeries in Berne and Gossau are currently being remodelled. In addition, bakers at the in-store bakeries and confectioners located at 38 Coop outlets throughout Switzerland produced 6 570 tonnes of fresh bread and confectionery directly on site. Organic hazelnut rolls were awarded the Bio Suisse gourmet bud emblem. In 2013, Coop introduced new packaging for its bread, tarts and pastries, thereby saving over 150 tonnes of packaging material a year. In addition, the first in-store “Light” bakeries were installed in a number of Coop supermarkets: these enable fresh bread to be baked right up to closing time and using a minimum of space. Customers of the 25 sales outlets with in-store bakeries can now put together a selection of their own from the Midi-Pâtisserie range. The sale of “Grittibänzen” figure rolls to raise funds for the “Every centime counts” aid campaign initiated by Swiss Radio and Television and the Swiss Solidarity organization was again successful, with a total of around 100 000 francs being donated. A solidarity contribution of 391 121 francs was donated to Coop Aid for Mountain Regions from the sale of 1 August “Weggen” bread rolls.

Peter Gloor, Decoration, Langenthal



Mergita Kastrati, Supermarket, Zurich



**“During my training I want to get better each day –
to satisfy customers.”**

Lea Egli, Trainee Retail Specialist at Coop City Winterthur



Employees

Coop is committed to its employees: it negotiates a consensus with all five social partners again on a collective employment agreement and raises wages despite the challenging environment. A key aim of the updated personnel strategy is the sustainable fostering of talent. Wholesale and Production also invest in training and professional development.

Coop's personnel strategy

Personnel Strategy 2015+: fostering talent on a sustainable basis

Coop also keeps pace with developments in personnel management and has overhauled its basic principles in this area. The Executive Committee and the Board of Directors approved the updated Personnel Strategy 2015+ in March. The strategy continues to focus on established priorities and, as in the past, attaches great importance to talent management and sustainable personnel leadership. However, it also incorporates new developments and defines the strategic thrusts they require. For instance, Coop supports a high standard of basic training, it promotes the Federal Vocational Baccalaureate and periods of secondment abroad or in other linguistic regions of Switzerland, and it is expanding its range of traineeships for university graduates. With the introduction of innovative IT solutions, Coop will be able to further improve the efficiency of personnel processes. The goals thus take account of demographic change, the increasing emphasis on academic education, technology change and growing competitive pressures on the labour market, and they engage with the Coop Group's international orientation and the ever greater burden of red tape.

Coop management focuses on team work

The "Leadership" management cycle has been an integral part of Coop's professional development programme for middle and senior management at Coop for a number of years. The focus of the fifth seminar cycle is team work and the personal con-

duct of line managers. The first two-day workshops were held in 2013; they will total 80 over the next two years, with over 500 executive staff taking part. The basis of the workshop is the persolog® Behavioural Profile, which picks up specific behaviour attributes and makes them transparent. The aim is for participants to gain a better understanding of their own and other people's behavioural patterns and to learn how to deal constructively with different strengths and needs. Thanks to the systematic top-down approach, the topics are also carried over to the next level of management.

Sales heads draw up joint solutions

In March and June, the senior management of the Retail Business Unit met for a three-day professional development programme. It was the first joint review undertaken since the sales structures had been reorganized the previous year. The focus was on the exchange of experience and formulas for success among the 25 sales heads from all over Switzerland, the heads of the five Coop Sales Regions and the Executive Committee. The exchanges provided a basis for drawing up approaches to solutions for problems. The aim is to improve information and decision-making channels and to selectively strengthen a more direct approach to leadership.

Social partnership at Coop

New CEA benefits families

In the summer, Coop reached a consensus with its social partners KV Schweiz (Swiss commercial association), Syna, OCST, Unia (trade unions) and

VdAC (Association of Salaried Employees of Coop) on extending the current Coop collective employment agreement (CEA) for a further four years. Coop is the only retailer in Switzerland that has to negotiate a CEA requiring consensus each time with five different social partners. The new CEA, which covers 37 000 employees from all over Switzerland, comes into effect at the beginning of 2014 and offers the best employment terms in the Swiss retail sector. Coop now grants female employees, from their fourth year at Coop onwards, 16 weeks' maternity leave on full pay after giving birth. Fathers are now entitled to two weeks of unpaid leave on the birth of their child in addition to one week of paternity leave. Employees who have to care for family members are also entitled to unpaid leave. The new CEA also enshrines the minimum wages negotiated last autumn.

More pay in a demanding environment

Despite the continued challenging environment and the fall in retail prices, the round of wage negotiations has also resulted in more pay at Coop in 2014. Coop has set aside a total of 1% of the payroll for wage increases for employees paid monthly or by the hour who are covered by the collective employment agreement (CEA) and for employees with an individual employment contract. The pay round is the outcome of constructive and frank negotiations with the social partners KV Schweiz (Swiss commercial association), Syna, OCST (trade unions) and VdAC (Association of Salaried Employees of Coop). Furthermore, all Coop employees benefit from an additional 1% interest on their pension fund assets and from lower premiums on daily sickness benefit and non-occupational accident insurance policies.

Coop Pension Fund

Pension Fund Profile focuses on customer trust

The newly elected Foundation Board of CPV/CAP Coop Pension Fund took up its duties for the 2013–2017 term of office on 1 May 2013. It is composed of eight re-elected and two new members, thereby ensuring the continuity of CPV/CAP. A new Pension Fund Profile defines the values and core aspects of CPV/CAP's activities. The focus is on the mission statement "Your trust is our success", in other words on acting in the interests of insured members of CPV/CAP and on prudent handling of the assets entrusted to it. In the year under review, CPV/CAP completely overhauled its Insurance Regulations and made them more reader-friendly. There are no major changes to the contents, and the level of benefits remains unchanged. The Regulations take effect on 1 January 2014.

Another good year for CPV/CAP

CPV/CAP can look back on another gratifying year. It achieved a return of around 6.7%, the coverage ratio was improved from 104.6% to 108.8% and the fluctuation reserves were raised to 631 million francs. Interest rates are a cause of concern to the pension fund; despite rising appreciably, they are still mired at a low level. The Board set an interest rate of 2.0% on members' pension-fund assets for 2014; this is higher than the minimum interest rate of 1.75% set by the Federal Council. Over and above this, active CPV/CAP members are to receive a supplementary bonus of 1% on 1 January 2014. Pensioners will receive a one-off special payment of 800 francs in the spring of 2014. The number of

"I check the grain when it arrives to make sure it's top quality."

Hans Schmid, Swissmill, Raw Materials Silo, Zurich

Fatima Marisa Rodrigues Fernandes, Supermarket, Zurich



active members totalled 35 759 at the end of 2013 – 187 fewer than in the previous year. The number of pensioners rose from 18 466 to 18 801 at the end of 2013.

Wholesale and Production

Fostering successors at Rewe-Foodservice

Rewe-Foodservice attaches great importance to the targeted fostering of young talents. The German wholesaler offers trainee programmes in logistics and sales and prepares university graduates for skilled jobs in the company over a period of 18 months. Since the beginning of 2013, Rewe-Foodservice has also worked closely with Profob, a training programme of the University of Bonn. Graduates in the food sciences – “Professional Food Bachelors” – can obtain practical professional experience at Rewe-Foodservice over a period of five months, thereby improving their marketability in the workplace. Rewe-Foodservice also offers a dual course of study in business management, with a particular focus on logistics and food management. This approach enables young people to gain early practical experience while studying for their bachelor’s degree.

Transgourmet France trains tutors and reinforces staff competencies

Transgourmet France trained 26 delivery drivers to act as tutors, and six of them received their diplomas in the summer. Their function is to support newcomers and trainees, pass on their knowledge to them and raise their awareness of the need for safe and cost-saving driving practices. In addition, Transgourmet France continued the VIA training campaign initiated in 2012 to strengthen the skills of less well trained employees.

Bell inaugurates new training workshop

Bell Switzerland AG inaugurated another new training workshop at its Basel site in the autumn. Bell uses the new facility to introduce young people to the skills of the butcher’s trade, and hands down traditional production methods and recipes to the next generation. The workshop equipment and processes are largely identical with those used in industrial production. However, the scale is much smaller, which enables the trainees to produce as many different products as possible and thus acquire a broad range of skills. The aim of the training workshop is to enhance the attractiveness of jobs in meat production.

Thavarajah Sinnathamby, Coop Staff Restaurant, Basel



Peter Burger, Steinfels Swiss, Professional Technology, Winterthur



Corporate governance

50	Group structure
51	Capital structure
51	Board of Directors
56	Executive Committee
58	Compensation
59	Rights of participation
59	Changes of control and defensive measures
59	Auditors
59	Information policy
60	Coop Group management

Corporate governance

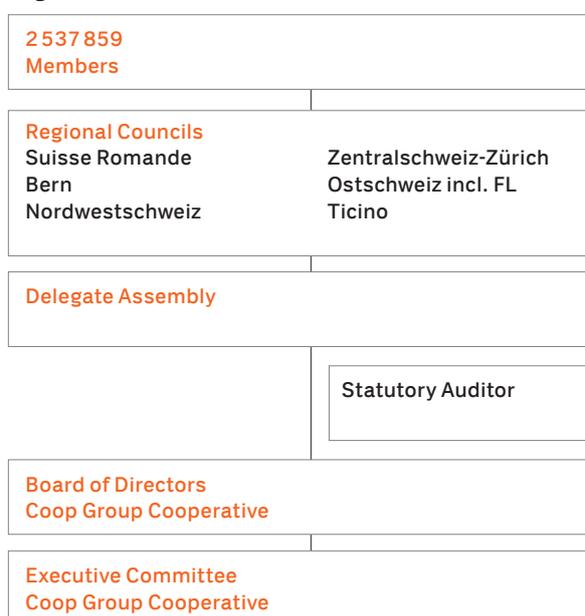
Corporate governance is based on the principle of management’s transparency and openness towards employees and the general public. In the following chapter, Coop provides an insight into its company structure.

The Coop Group 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 information on this company’s corporate governance may be found in its Annual Report and on its website, www.bell.ch.

1. Group structure

The Coop Group Cooperative is based in Basel. At the end of 2013 the cooperative had around 2.5 million members. Any person resident in Switzerland or the Principality of Liechtenstein can become a member. The Coop Group Cooperative holds stakes in a number of companies in Switzerland and abroad. Pages 95 to 97 of the Annual Report (Scope of consolidation) provide information on the group structure. There are no cross-holdings within the Coop Group. The Coop Group Cooperative is responsible for the general direction of business of the Coop Group. The Coop Group comprises the Coop Cooperative and its subsidiaries and the subsidiaries of the Coop Group Cooperative. The executive bodies of the Coop Group Cooperative are the Regional Councils, Delegate Assembly, Board of Directors, Executive Committee and auditors.

Organisation



Regional Councils

The Coop Group Cooperative comprises six regions (Suisse Romande, Bern, Nordwestschweiz, Zentralschweiz-Zürich, Ostschweiz incl. Principality of Liechtenstein, and Ticino). These regions do not constitute separate legal entities, but are part of the Coop Group’s cooperative-based organizational structure. In each region, cooperative members elect a Regional Council consisting of 60 to 120 members (Ticino: maximum of 30). The Regional Councils maintain contact with members and the public. 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 Directors 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 the Regional Council Committee are the delegates. They represent the members of the corresponding region at the Delegate Assembly of the Coop Group Cooperative. The current composition of the Delegate Assembly is shown in the following section.

The term of office of the Regional Councils and the Regional Council Committees is four years. The current term of office is from 2013 to 2017. The Articles of Association limit a member's term in office to 20 years and also limit the age of members (members must retire at the end of the year in which they celebrate their 65th birthday).

Delegate Assembly

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 statutory 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.

Further information on the Regional Councils and the Delegate Assembly can be found in the Articles of Association and the Election Regulations of the Coop Group Cooperative. Both documents can be accessed online.

www.coop.ch/organization

As at 31 December 2013, the Delegate Assembly consisted of the following delegates:

Suisse Romande Region	Bern Region
Vincent Albasini	Rita Affolter
Patrick Csikos	Sabine Boschung
Monika Dash	Patrick Bruni
Doris Grobéty	Chantal Gagnebin
Nicole Hosseini	Sandra Ghisoni Schenk
Christine Pasche	Fränzi Grunder
Jacques Robert	Mario Kaiser
Eric Santschy	Jürg Kradolfer
Pierre Tissot	Corinne Lehmann
Georges-Edouard Vacher	Felix Truffer
Marc Vauthey	Annette Wisler Albrecht

Nordwestschweiz Region	Zentralschweiz-Zürich Region
Sibylle Bader Biland	Silvia Banfi Frost
Evelyn Borer	Beatrice Bertschinger
Therese Ischi	Renato Blum
Susanne Jäger	Markus Eugster
Peter Jossi	Kurt Feubli
Pascal Konrad	Anna Maria Forlano
Luciana Maggetti	Ronald Hauser
Sibylle Miescher	Willy Rüegg
Heidi Straumann	Alex Rutz
Charles Suter	Beda Schlumpf
Jörg Vitelli	Liliane Waldner

Ostschweiz Region (incl. Liechtenstein)	Ticino Region
Stefan Baumberger	Mauro Bazzi
Maria Bieri	Lucia Gianoli
Suzanne Blaser	Marco Lucchini
Christa Flückiger	Fiorenzo Robbiani
Michael Fuhrer	Gabriella Rossetti
Roberto Godenzi	
Josef Hemmi	
Richard Kübler	
Leonardo Longaretti	
Tarzi Meyerhans	
Gabi Senn	

2. Capital structure

The capital structure of the Coop Group can be seen in the consolidated balance sheet (page 78 of the Annual Report) and the corresponding notes (pages 81–97). The equity of the Coop Group Cooperative consists exclusively of self-generated funds. The members have no stake in the equity.

3. Board of Directors

3.1 Members of the Board of Directors

According to the Articles of Association, the Board of Directors of the Coop Group Cooperative comprises the six members nominated by the regions as well as 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 currently includes four further members, i.e. it has a total of ten members. With the exception of the employee representa-

tive, the members of the Board of Directors may not be concurrently employed by Coop or by any company controlled by Coop (strict division of powers).

As at 31 December 2013, the Board of Directors of the Coop Group Cooperative comprised the following members:

Name	Year of birth	Current function	First year of office	Elected until
Hansueli Loosli ²⁾	1955	Chairman	2011	2017
Peter Eisenhut	1955	Member, representative of Ostschweiz / FL Region	2009	2017
Michela Ferrari-Testa	1963	Member, representative of Ticino Region	2006	2017
Hans-Jürg Käser	1956	Member, employee representative	2009	2017
Irene Kaufmann-Brändli ¹⁾	1955	Vice-Chairwoman	2001	2017
Beth Krasna ²⁾	1953	Member	2005	2017
Roman Kuhn	1955	Member, representative of Nordwestschweiz Region	2010	2017
Lillia Rebsamen-Sala	1953	Member, rep. of Zentralschweiz-Zürich Region	2009	2017
Bernard Rüeger	1958	Member, representative of Suisse Romande Region	2009	2017
Giusep Valaulta	1951	Member, representative of Bern Region	2001	2016

¹⁾ Chairwoman of the Audit Committee ²⁾ Member of the Audit Committee

3.2 Education/training, professional activities and vested interests

The Board of Directors of the Coop Group Cooperative is also the Board of Directors of the Coop Cooperative and Coop Immobilien AG.

Hansueli Loosli

Swiss

Education/training: commercial apprenticeship; Swiss diploma in accounting and controlling

Professional experience: 1982–1985 Controller, Dep. Director of Mövenpick Produktions AG, Adliswil; 1985–1992, latterly as Managing Director, at Waro AG, Volketswil; 1992–1996 Purchasing Director Non-Food at Coop Switzerland, Wangen; 1992–1997 Managing Director of Coop Zürich, Zurich; 1997–2000 Chairman of the Executive Committee and of the Group Executive Board of Coop Switzerland, Basel; January 2001–August 2011 Chairman of the Executive Committee of the Coop Cooperative, Basel; since September 2011, Chairman of the Board of Directors of the Coop Group Cooperative, Basel

Further directorships: 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; Advisory Board, Deichmann SE

Hansueli Loosli



Peter Eisenhut



Peter Eisenhut

Swiss

Education/training: Lic. oec. HSG

Professional experience: 1981–1991 Principal teacher of economic studies, Cantonal School, Heerbrugg; 1987–1998 Lecturer in economics, University of St. Gallen; 1990–1993 Member of Executive Committee, St. Gallen Center for Futures Research; 1993–1996 Independent economic advisor; 1997–2007 Chief Economist, IHK [Chamber of Industry & Commerce] St. Gallen-Appenzell; since 2008, Managing Partner, Ecopol AG, St. Gallen

Further directorships: Säntis-Schwebebahn AG, Schwägalp; Rofima Holding AG, Horn

Other functions and offices: Lecturer at the Executive School of the 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-Ausserrhoden

Michela Ferrari-Testa

Swiss

Education/training: Lawyer and notary

Professional experience: since 1990, own law and notary practice in Capriasca

Further directorships: 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; Board member, Pension Fund, Helsana Versicherungen AG

Hans-Jürg Käser

Swiss

Education/training: Apprenticeship as electrician

Professional experience: 1980–1991 Head of Outgoing Goods, Coop Switzerland; since 1999, Head of Transport Aids Pool at Coop in Basel

Other functions and offices: Coop Section of Unia trade union; Association of Salaried Employees of Coop (Chairman)

Irene Kaufmann-Brändli

Swiss

Education/training: Dr. oec. publ.

Professional experience: 1980–2002 Auditing and consultancy mandates for private-sector enterprises on behalf of Dr. Nabholz Treuhand AG, Zurich; 1985–2008 Nabholz Beratung, Zurich: project management as a consultant to public administrations and companies, focusing on finance and organization; 2000–2009 Vice-Chairwoman of the Board of Directors, Coop Cooperative; 2009–2011 Chairwoman of the Board of Directors, Coop Cooperative, since 2011, Vice-Chairwoman of the Board of Directors, Coop Group Cooperative, Basel

Further directorships: 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, Zurich (HWZ University of Applied Sciences in Business Administration, Zurich); Transgourmet Holding AG, Basel; Schweizerische Mobiliar Genossenschaft, Berne

Other functions and offices: Foundation Board, CPV/CAP Coop Pension Fund (Chairwoman); Member of Foundation Board, ETH Zürich Foundation; Foundation Board, Juventus Schools, Zurich (Chairwoman)

Michela Ferrari-Testa



Hans-Jürg Käser



Irene Kaufmann-Brändli



Beth Krasna

Swiss and US citizen

Education/training: Dipl. Chem. Ing. ETH Zurich, MBA Sloan School at MIT, Cambridge, USA

Professional experience: 1977–2003 Various management positions in industry and the service sector in Switzerland and Thailand, incl. CEO of Groupe Valtronic in Les Charbonnières and CEO of the Geneva-based producer of electrical drive systems, Sécheron SA; since 2004, independent entrepreneur

Further directorships: 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 member, Friends of the Prix de Lausanne Foundation, Lausanne; Strategic Council for the Economic Development of the Canton of Geneva; Swiss Academy of Engineering Sciences; KTI Certification Board; Foundation Board member, Foundation for the Study of International Relations and Development

Roman Kuhn

Swiss

Education/training: Executive MBA, University of Zurich

Professional experience: 1980–1986 General Manager, Neumühle Alb. Kuhn & Cie in Wohlen; 1988–1995 UBS in Zurich and Brugg; 1995–2000 Head of Private Banking Brugg for Aargauische Kantonalbank; since 2000, Head of Institutional Banking and Member of Senior Management, Aargauische Kantonalbank, Aarau

Further directorships: Circus Monti AG, Wohlen

Other functions and offices: Chairman, Offene Hand (Swiss-hand) Foundation; Chairman, Förderverein Schloss Hallwyl (Friends of Hallwyl Castle)

Lillia Rebsamen-Sala

Swiss

Education/training: Commercial college with graduation diploma

Professional experience: 1972–1980 Administrator, Swiss Federal Railways; 1980–1990 time out for family; 1990–1993 commercial assistant at Zollinger, Lucerne; since 1991, Head of Administration at Rebsamen Elektroplan AG and Rebsamen Technocasa AG

Further directorships: Rebsamen Technocasa AG, Lucerne

Bernard Rüeger

Swiss

Education/training: MBA, Lausanne

Professional experience: from 1986 in different positions and from 1992–2012 Managing Director, Rüeger S.A., Crissier; since 2013, Chairman, Rüeger Holding S.A., Paudex

Further directorships: Alpsens Technologies S.A., Crissier (Chairman); Plumettaz Holding S.A., Bex; Socorex Isba S.A., Ecublens; Lyncée Tec S.A., Ecublens; Lienhard Office Group AG, Degersheim; Initiative Capital Romandie S.A., Lausanne; CSS Holding AG, Lucerne

Other functions and offices: Vaud Chamber of Commerce (Chairman); Member, Committee of the Board of Directors, Economiesuisse; Member of Foundation Board, Fondation de Beaulieu, Lausanne; Member of Foundation Board, Office for the Promotion of Industries and Technologies (OPI), Geneva

Giusepp Valaulta

Swiss

Education/training: Lic. iur.

Professional experience: 1981–1991 Head of Legal Services, Federal Directorate of Cadastral Surveying, Federal Office of Justice; 1991–2010 Deputy Head of the “Working Conditions” Service Sector at the Swiss State Secretariat for Economic Affairs; 2011–2013 Legal advisor, SECO; since August 2013, independent legal consultant

3.3 Election and term of office of the Board of Directors

3.3.1 Principles of the electoral procedure

The members of the Board of Directors are elected by the Delegate Assembly. The term of office for all members is four years. Re-election is possible. In accordance with the Articles of Association, a member's term in office is limited to 20 years, and members must retire at the end of the year in which they celebrate their 65th birthday.

3.3.2 First-time election and remaining term of office

The start of the term of office for members of the Board of Directors elected for the first time is set out in section 3.1. The current term of office began in spring 2013 and ends in spring 2017. All previous members of the Board of Directors were confirmed in their office and have thus been re-elected until spring 2017, i.e. until the end of the current term of office.

Beth Krasna



Roman Kuhn



Lillia Rebsamen-Sala



3.4. Internal organization

3.4.1 Allocation of tasks within the Board of Directors

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.

3.4.2 Audit Committee

As support, the Board of Directors has appointed an Audit Committee from among its own members. The Audit Committee advises the Board of Directors on questions concerning the financial statements and reporting, on the activities of the internal and external auditors, the internal control system (ICS) and risk management. Compliance is also a matter for the internal control system and risk management. The Committee comprises Irene Kaufmann-Brändli (Chairwoman), Hansueli Loosli and Beth Krasna. The Audit Committee meets at least three times a year. As a rule, a meeting lasts half a day. As a rule, the Chairman of the Executive Committee (CEO), 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 agenda, the external auditors may be asked to attend. The minutes of the meetings are distributed to all members of the Board of Directors. Internal Auditing reports to the Chairwoman of the Audit Committee.

3.4.3 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 2013, it convened for seven meetings lasting from one to two days. As a rule, the Chairman of the Executive Committee (CEO) 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 a 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.

3.5 Regulation of responsibilities

The Board of Directors is responsible for the general direction (strategic leadership) of the business of the Coop Group Cooperative and the Coop Group 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.

3.6 Instruments of information and control over the Executive Committee

Management information system

Every month the Executive Committee submits a written report to the Board of Directors containing 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.

Planning and goal-setting process / balanced scorecard

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.

Risk management

The Coop Group has 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 the appropriate measures. The progress made in implement-

Bernard Rüeger



Giusep Valaulta



ing the individual measures is reviewed each year. Major risks are defined as those that can have a negative impact on contribution margin 2 of the Coop Group to the extent of over 15 million francs within three years.

Internal control system

During the well 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.

The effectiveness of the checks carried out to cover these risks is also assessed.

General IT checks are included in the above assessments. The quality of the Group-wide checks is examined by members of the Executive Committee every two years. As scheduled, an assessment of the Group-wide checks was carried out in 2013.

The results of the internal control system evaluations are summarized in a comprehensive report issued each year.

Internal Auditing

Internal Auditing – as an independent and impartial body – is mandated by the Board of Directors and the Audit Committee to check, inter alia, compliance with guidelines and regulations and the appropriateness and effectiveness of the internal control system. It audits, or advises on, the development of new business processes or changes to existing ones, and supports the Executive Committee in the achievement of its goals by presenting proposals for improving business processes.

Internal Auditing practises a risk-oriented approach to auditing. Observations from audits are communicated in writing to the the Chairwoman of the Audit Committee, the Chairman of the Board of Directors and the Chairman of the Executive Committee. The implementation of measures is monitored promptly. Internal Auditing coordinates its auditing activities and cultivates a close exchange of information with the statutory auditors. It is a member of the Institute of Internal Auditing Switzerland (IIAS).

4. Executive Committee

4.1 Members of the Executive Committee

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.

As at 31 December 2013, the Executive Committee of the Coop Group Cooperative comprised the following members:

Name	Year of birth	Current function	Member since
Joos Sutter	1964	Chairman of the Executive Committee (CEO)	2010
Jean-Marc Chapuis	1954	Member	2001
Reto Conrad	1966	Member	2012
Leo Ebnetter	1954	Member	2007
Daniel Stucker	1964	Member	2011
Philipp Wyss	1966	Vice-Chairman of the Executive Committee	2009

Joos Sutter



Jean-Marc Chapuis



4.2 Education/training, professional activities and vested interests

The Executive Committee of the Coop Group Cooperative is also the Executive Committee of the Coop Cooperative and Coop Immobilien AG.

Joos Sutter

Swiss

Education/training: Lic. oec. HSG, Swiss auditing diploma
Professional experience: 1991–1996 Auditor at PricewaterhouseCoopers, Zurich; 1996–1999 Head of Finances/Personnel at Import Parfümerien AG, Zurich; 1999–2005 various positions such as Head of Finances/Service and Head of Sales at Interdiscount AG, Jegenstorf; 2005–2009 General Manager of Interdiscount; 2010–2011 Member of Executive Committee of Coop Group Cooperative and Head of Trading Business Unit of Coop Cooperative, Basel; since September 2011, Chairman of the Executive Committee of Coop Group Cooperative (CEO) and Head of Retail Business Unit of Coop Cooperative, Basel

Directorships: Coop-ITS-Travel AG, Freienbach (Chairman); Société coopérative de collaboration internationale (CORE) S.C.R.L., Brussels, Belgium; Transgourmet Holding AG, Basel; Palink UAB, Lithuania/Palink SIA, Latvia; Betty Bossi AG, Zurich (Chairman)

Jean-Marc Chapuis

Swiss

Education/training: Lic. ès sciences économiques et sociales
Professional experience: 1981–1983 Sales Manager for a number of international markets and Head of French branches at Zenith-Movado AG; 1983–1985 Deputy Managing Director Coop La Chaux-de-Fonds; 1986–1993 Managing Director Coop La Chaux-de-Fonds; 1994–2000 Managing Director Coop Neuchâtel-Jura; since 2001, Member of Executive Committee of Coop Group Cooperative and Head of Property Business Unit of Coop Cooperative, Basel

Directorships: Pearlwater Mineralquellen AG, Termen (Chairman)

Reto Conrad

Swiss

Education/training: Lic. oec. HSG, Swiss auditing diploma
Professional experience: 1990–1992 Controlling, UBS in Basel; 1992–2001 various auditing positions at PricewaterhouseCoopers in Basel and San Francisco; 2001–2005 CFO of Bachem Group in Bubendorf; 2006–2012 CFO and Member of Corporate Executive Board of Emmi Group; since 2012, Member of Executive Committee of Coop Group Cooperative and Head of Finances/Services Business Unit of Coop Cooperative, Basel

Directorships: Coop Vitality AG, Berne; Coop Mineraloel AG, Allschwil; Dipl. Ing. Fust AG, Oberbüren; Panflor AG, Zurich; Tropenhaus Frutigen AG, Frutigen; Tropenhaus Wolhusen AG, Wolhusen; Société coopérative Centre de Formation du Léman, Jongny; Coop Vitality Health Care GmbH, Niederbipp; Centre Commercial Monco S.A., Villars-sur-Glâne (Chairman)

Other functions and offices: Board member, Coop Bildungszentrum, Muttenz; Board member CPV/CAP Coop Pension Fund, Basel

Leo Ebnetter

Swiss

Education/training: Training as a mechanic; commercial college diploma, business management studies, University of St Gallen

Professional experience: at Coop since 1978; 1978–1986 Head of Logistics; 1987–2000 Head of Purchasing, Logistics, Production and IT, and Dep. Manager Coop Ostschweiz; 2001–2007 Head of Coop Logistics Region Ostschweiz-Ticino; since 2007, Member of Executive Committee of Coop Group Cooperative and Head of Logistics Business Unit of Coop Cooperative, Basel

Directorships: Railcare AG, Härkingen (Chairman); Bell AG, Basel; Kühlhaus Neuhof AG, Gossau

Other functions and offices: Board member, “Cargo sous terrain” association

Reto Conrad



Leo Ebnetter



Daniel Stucker

Swiss

Education/training: Dipl. Ing. in business informatics, executive MBA

Professional experience: 1985–1986 Software engineer PTT, Berne; 1989–1992 Management consultant and Branch Manager Bern AF Consulting, Berne; 1992–1994 Head of Service-Center RESO, Solothurn; 1994–1999 Head of IT and Organization UEFA, Union of European Football Association, Nyon; 1999–2007 Head of IT/Logistics, then Head of Finances/Services, later Head of Purchasing at Interdiscount, Jegenstorf; 2007–2011 Head of Division Import Parfumerie/Christ Watches & Jewellery, Winterthur; since 2011, Member of Executive Committee of Coop Group Cooperative and Head of Trading Business Unit of Coop Cooperative, Basel

Directorships: Coop Vitality AG, Berne (Chairman); Dipl. Ing. Fust AG, Oberbüren (Chairman); The Body Shop Switzerland AG, Uster (Chairman); Service 7000 AG, Netstal; Coop Vitality Health Care GmbH, Niederbipp

Philipp Wyss

Swiss

Education/training: Commercial apprenticeship and butcher apprenticeship

Professional experience: 1990–1992 Sales Manager, Sem-pione Gehrig AG, Klus; 1993–1997 Senior Product Manager, Federation of Migros Cooperatives, Zurich; 1997–2003 Category Manager for Meat, Fish, Fresh Convenience at Coop, Basel; 2004–2008 Head of Fresh Produce Category Management at Coop, Basel; 2008–2009 Coop Sales Head of Zentralschweiz-Zürich Region; since 2009, Member of Executive Committee of Coop Group Cooperative, Basel; 2009–2011 Head of Retail Business Unit and Head of Zentralschweiz-Zürich Sales Region of Coop Cooperative, Basel; since 2012, Head of Marketing/Purchasing Business Unit of Coop Cooperative, Basel

Directorships: Betty Bossi AG, Zurich; Société coopérative de collaboration internationale (CORE) S.C.R.L., Brussels, Belgium; Eurogroup Far East Ltd., Hong Kong (Chairman); Hilcona AG, Schaan, Liechtenstein; Palink UAB, Lithuania/Palink SIA, Latvia; Transgourmet Holding AG, Basel; Tropenhaus Frutigen AG, Frutigen (Chairman); Tropenhaus Wolhusen AG, Wolhusen (Chairman); Retail Marketing Switzerland AG, Basel (Chairman)

Other functions and offices: Board member, Biore Foundation, Risch

Daniel Stucker

**4.3 Management agreements**

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

5. Compensation**5.1 Content and method of determining compensation and shareholding programmes**

Compensation of the members of the Board of Directors and Executive Committee of the Coop Group Cooperative is prepared by the Chairman and the Vice-Chairwoman of the Board of Directors and set by the Board of Directors.

Compensation of the activities of the Board of Directors of the Coop Group Cooperative consists of a fixed salary dependent on the function involved (chairmanship, vice-chairmanship, regional council chairmanship, membership). In addition, a variable amount is paid in the form of fees for attending meetings. The Chairman and the Vice-Chairwoman of the Board of Directors are exceptions in that they receive fixed compensation (annual lump sum). Compensation of the members of the Executive Committee of the Coop Group Cooperative consists of a contractually agreed fixed gross salary and a variable performance-related sum (profit-sharing) paid in cash. This sum may not exceed 20% of gross salary and is determined by the degree of budget fulfilment.

Compensation for the activities of the Board of Directors of the Coop Group Cooperative, the Coop Cooperative and Coop Immobilien AG in 2013 amounted to 1.4 million francs (2012: 1.4 million francs). In 2013, the gross salaries of the Executive Committee totalled 3.5 million francs for 6.0 full-time equivalents (2012: 3.3 million francs for 5.8 full-time equivalents).

The Coop Group Cooperative and the Coop Cooperative, respectively, are entitled to any fees paid to the Chairman and the Vice-Chairwoman of the Board of Directors and to members of the Executive Committee for activities performed as members of the Boards of Directors of subsidiaries and non-Group companies.

Philipp Wyss



The Chairman and the Vice-Chairwoman of the Board of Directors and the members of the Executive Committee do not enjoy special pension rights.

6. Rights of participation

6.1 Voting rights

Members of the Coop Group Cooperative are represented by the delegates of their respective region. Voting rights in the Delegate Assembly reflect the number of Coop members in the corresponding regions.

6.2 Statutory quorums

Resolutions and elections in the Delegate Assembly require an absolute majority of the valid votes cast for them to take effect.

6.3 Convening the Delegate Assembly

The Board of Directors convenes the Delegate Assembly at least 20 days in advance, giving details of the matters to be discussed and the proposals of the Board of Directors. An extraordinary Delegate Assembly may be convened if so requested by at least one third of delegates.

6.4 Adding an item to the agenda

Delegates can ask for a matter to be added to the agenda of the Assembly. The request must be submitted to the Board of Directors at least 45 days before an Ordinary Delegate Assembly is due to be held.

7. Changes of control and defensive measures

The Coop Group Cooperative has not issued any participation certificates. There are no statutory restrictions or regulations.

8. Auditors

8.1 Duration of mandate and term of office of lead auditor

As the auditors are appointed for one year, the Delegate Assembly elects them each year. PricewaterhouseCoopers (PwC) has been the auditor of the Coop Group Cooperative and of the consolidated financial statements of the Coop Group since 1994. Lead auditor Daniel Suter has been in office since 2010.

8.2 Auditing fee

The auditors billed fees totalling 3.1 million francs (2012: 3.2 million francs) for fulfilment of their statutory mandate for the 2013 financial year.

8.3 Other fees

For performing additional services over and above the statutory mandate, PricewaterhouseCoopers billed a total of 1.0 million francs (2012: 0.4 million francs) during the 2013 financial year.

8.4 Information instruments pertaining to an external audit

The Audit Committee is mandated by the Board of Directors to monitor the qualification, impartiality and performance of the external auditors and to inform the Board of Directors of the results of its assessment. It also provides the Board of Directors and the Delegate Assembly with a recommendation regarding the election or re-election of the external auditors. The lead auditor took part in two meetings of the Audit Committee in 2013. Planning of the audit, the observations of the external auditors and the ensuing procedure adopted were discussed at these meetings. In addition, the lead auditor submits a report to all members of the Board of Directors once a year. The external auditors and Internal Auditing additionally discuss the methods and further development of the internal control system.

9. Information policy

The Coop Group 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 of the Coop Group, 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. Along with the invitation to the Spring Delegate Assembly they also receive a copy of the Annual Report of the Coop Group. In addition, they receive a written report every four months informing them of Coop's current business performance. The previous year's sales figures are announced at the beginning of each year, and the annual results conference of the Coop Group takes place in February. Regular media releases keep the public informed on other important developments within the Coop Group.

 www.coop.ch/report

Coop Group management

As at 1 March 2014

Coop Cooperative

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 Gemblé, Head of Personnel/Training (National)
August Harder, Head of IT/Manufacturing
Alfred Hubler, Head of General Secretariat
Jörg Ledermann, Head of Communication/Quality/Sustainability
Heinrich Stamm, Head of Internal Auditing

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

Betty Bossi AG

Joos Sutter, Chairman of the Board of Directors
Walter Lüthi, Managing Director

Retail Business Unit

Joos Sutter, Head of Retail Business Unit
Livio Bontognali, Head of OT Sales Region (until 30.4.2014)
Ivo Dietsche, Head of OT Sales Region (from 1.5.2014)
Sissigno Murgia, Head of SR Sales Region
Peter Schmid, Head of BE Sales Region
Roger Vogt, Head of NWZZ 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
Yvonne Müller, Head of Sales 5
Peter Neuenschwander, Head of Sales 4
Bruno Piller, Head of Personnel/Training

Nordwestschweiz-Zentralschweiz-Zürich (NWZZ) Sales Region

Roger Vogt, Head of NWZZ Sales Region
André Aerne, Head of Sales 7
Cem Asci, Head of Sales 4
Angelo Durante, Head of Business Management/Controlling
Andreas Graf, Head of Sales 6
Markus Ingold, Head of Sales 8

Sandro Janko, Head of Sales 2
Herbert Müller, Head of Sales 5
Luc Pillard, Head of Personnel/Training
Jean-Claude Prodocimo, Head of Sales 9
Georg Schneeberger, Head of Sales 1 (until 30.4.2014)
Yves Vogt, Head of Sales 3
Monika Zander, Head of Sales 1 (from 1.5.2014)

Ostschweiz-Ticino (OT) Sales Region

Livio Bontognali, Head of OT Sales Region (until 30.4.2014)
Ivo Dietsche, Head of OT Sales Region (from 1.5.2014)
Mario Colatrella, Head of Sales 1
René Dörig, Head of Sales 3
Rolf Gurtner, Head of Sales 2
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
Nathalie Ravasio-Felice, Head of Total Store/Expansion
Markus Schärer, Head of Business Management/Controlling
Martin von Bertrab, Head of Personnel/Training

Coop City

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

Coop Building & Hobby

Christoph Theler, Head of Building & Hobby
Bruno Haberbür, CCM Building/Sanitary
Stefan Mundwiler, Building & Hobby Buying Pool (BP)
Rainer Pietrek, CCM Plants
Walter Studer, CCM Garden
Joe Wyss, Head of CCM/Purchasing (from 1.4.2014)

Toptip/Lumimart

Oliver Roth, Head of Toptip/Lumimart Division

Import Parfumerie/Christ Watches & Jewellery Division

Andreas Frischknecht, Head of Import Parfumerie/
Christ Watches & Jewellery Division

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

Dipl. Ing. Fust AG

Daniel Stucker, Chairman of the Board of Directors
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 Vitality AG

Daniel Stucker, Chairman of the Board of Directors
Doris Schwizer, CEO

The Body Shop Switzerland AG

Daniel Stucker, Chairman of the Board of Directors
Angelika Lanen, CEO

RS Vertriebs AG

Joos Sutter, Chairman of the Board of Directors
Yves Haid, CEO

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
Axel Dippold, CCM Fruit/Vegetables
Oliver Krüsi, CCM Bread/Baked Goods
Marc Muntwyler, CCM Dairy Produce/Eggs
Mirko Schwarz, Catering
Pascal Seiler, CCM Fish
Christoph Widmer, CCM Meat

CCM Basic Foods/Beverages

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

Pius Buchmann, 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

Jürg Birkenmeier, CCM Womenswear and Menswear
Manuel Gonzalez, CCM Accessories/Watches/Jewellery/Shoes/
Leather Goods/Hosiery
Beatrix Kessler, CCM Tableware/Homestyle/Festive

Food Purchasing

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

Tammo Hintz, Head of Eurogroup S.A.

Non-Food Purchasing

Peter Hauser, Head of Non-Food Purchasing (until 30.6.2014)
Emanuel Büchlin, Clothing/Accessories BP
Olivier Schwegler, Near-Food BP
Michael Susta, Hard Goods BP

Supply Chain Management

Mauro Manacchini, Head of Supply Chain Management
Dmitry Proskurin, Supply Chain Management Strategy
Markus Schmid, Stock Management/SBO National

Tropenhaus Frutigen AG

Philipp Wyss, Chairman of the Board of Directors
Marcel Baillods, Managing Director

Tropenhaus Wolhusen AG

Philipp Wyss, Chairman of the Board of Directors
Pius Marti, Managing Director

Eurogroup Far East Ltd.

Philipp Wyss, Chairman of the Board of Directors
Peter Hauser, Managing Director (from 1.7.2014)

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

Railcare AG

Leo Ebnetter, Chairman of the Board of Directors
Philipp Wegmüller, CEO

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 Property Region
Philippe Sublet, Head of National Shopping Centres
Fritz Ulmann, Head of NWZZ Property Region

Other subsidiaries

Coop Mineraloel AG

Hansueli Loosli, Chairman of the Board of Directors
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 Holding AG

Hansueli Loosli, Chairman of the Board of Directors

Transgourmet Switzerland

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

Transgourmet Central and Eastern Europe

John Matthew, CEO, Managing Director Eastern Europe
Frank Seipelt, CEO, Managing Director Food Service Germany
Xavier Buro, Managing Director Finance / Accounting / Controlling
Manfred Hofer, Managing Director Purchasing
Holger Pennndorf, Managing Director Cash & Carry Germany
Thomas Wallrabenstein, Managing Director Services

Ralf Forner, Managing Director Transgourmet Seafood

Selgros Poland

Alexander Orlowski, CEO
Piotr Kolodziejczak, Managing Director Administration
Piotr Sklodowski, Managing Director Purchasing,
Category Management & Marketing

Selgros Romania

Edith Lenga-Balk, CEO
Dorin Iordachescu, Managing Director Purchasing,
Category Management & Marketing
Alexandru Vlad, Managing Director Administration & Expansion

Selgros Russia

Michael Zipfel, CEO
Patricia Rüster, Managing Director Purchasing,
Category Management & Marketing
Przemyslaw Switakowski, Managing Director
Administration & Expansion

Transgourmet France

Jean-Christophe Adouritz, CEO
Yves Cebron, Head of Sales, Marketing & Communication
Eric Decroix, Managing Director Transgourmet Opérations
Edith Hertz, Head of Finance
Loïc Leguillette, Head of HR
Serge Rey, Head of Supply Chain

Bell AG

Hansueli Loosli, Chairman of the Board of Directors
Lorenz Wyss, Chairman of the Group Executive Board, CEO
Martin Gysin, Deputy Chairman of the Group Executive Board, CFO
Christian Schröder, Member of the Group Executive Board

Bell Schweiz AG

Lorenz Wyss, CEO
Philipp Allemann, Member of the Executive Board,
Head of Purchasing Business Unit / SCM
Markus Bänziger, Member of the Executive Board,
Head of Charcuterie Division
Josef Dähler, Member of the Executive Board,
Head of Fresh Meat Division
Martin Gysin, Member of the Executive Board,
Head of Finance / Services
Christoph Schatzmann, Member of the Executive Board,
Head of Poultry Division
Christine Schlatter, Member of the Executive Board,
Head of Sales / Marketing Division

Bell Deutschland GmbH & Co. KG

Christian Schröder, Chairman of the Executive Board,
Head of Distribution / Marketing
Jürgen Emtmann, Member of the Executive Board,
Head of Finance / Services
Markus von der Pütten, Member of the Executive Board,
Head of Production / Technical

Bell Eastern Europe/Benelux

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

Bell France SAS

Daniel Pagniez, Chairman of the Executive Board
Didier Le Guen, Member of the Executive Board,
Head of Sales Own-label Brands
Gilles Patient, Member of the Executive Board,
Head of Own Brand Sales
Pascal Vivancos, Member of the Executive Board,
Head of Operations

Financial section

64	Coop Group financial Management report
66	Coop Group in figures
66	Net sales
68	Income statement by division (not consolidated)
69	Sales outlets/markets
70	Investments
71	Statement of added value
72	Full-time equivalents
73	Employees
74	Trainees
75	Employee diversity
76	Development of the Coop Group
77	Annual consolidated financial statements of the Coop Group
77	Consolidated income statement
78	Consolidated balance sheet
79	Consolidated cash flow statement
80	Statement of changes in equity
81	Notes to the annual consolidated financial statements
98	Report of the statutory auditor

All values rounded up/down individually

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

Coop Group financial Management report

Overview of the Coop Group

The Coop Group operates in the Retail and Wholesale/Production Business Areas with the Coop Group Cooperative as its parent. The retail business comprises the Coop Cooperative with its supermarkets and specialist formats, plus the subsidiaries that form part of the retail business. Wholesale operations are conducted through the Transgourmet Group; manufacturing operations span the Bell Group and the Coop manufacturing companies.

Income statement

Operating result (EBIT)

The Coop Group's net sales rose by 0.9% in 2013 to CHF 26 967 million, driven mainly by the slight increase in the Coop Cooperative retail business and by the growth of the Bell Group and Coop Mineraloel AG. Of the net sales, CHF 7 478 million originated abroad, the largest share (47.4%) of which was generated in Germany. Gross profit held steady year on year at CHF 7 770 million, with the margin at 28.8%. Personnel expense and other operating expenses are roughly on a par with the previous year at CHF 4 028 million and CHF 2 787 million respectively. Depreciation and amortization of CHF 1 177 million comprises depreciation of real estate of CHF 538 million, depreciation of other tangible fixed assets of CHF 376 million, amortization of other intangible assets of CHF 72 million and amortization of goodwill of CHF 213 million. Goodwill is amortized over a period of eight years at most. Set against the depreciation and amortization are reversals of depreciation charges on real estate in the amount of CHF 22 million. The operating result is up slightly on the previous year (CHF 737 million) to CHF 760 million, with the EBIT margin stable at 2.8% (previous year: 2.8%).

Profit for the financial year

The result of associated organizations and the result from foreign currencies are down on the previous year overall, while the financial result is on a par with the previous year at CHF -89 million. Net of income taxes of CHF 160 million and minority interests of CHF 86 million, profit is up by CHF 10 million year on year to CHF 462 million.

Financial position and cash flows

Balance sheet

The Coop Group's total assets increased by around CHF 437 million year on year. On the assets side, current assets rose due to an increase in cash and cash equivalents. Non-current assets are slightly lower than in the previous year at around CHF 11 490 million. Set against the depreciation and amortization are slightly lower investments. Liabilities are almost unchanged year on year at CHF 9 579 million. Short-term liabilities rose slightly to CHF 5 139 million, while long-term liabilities declined by roughly the same amount to CHF 4 440 million. Within long-term liabilities, the Coop Group financed itself through bonds and deposits. At the same time, long-term financial liabilities were reduced by repaying loans. Equity including minority interests rose to CHF 7 738 million. At 44.7%, the equity ratio at 31 December 2013 was therefore well above the strategic target of 40% and up 1.7 percentage points on the previous year.

Cash flow statement

Cash flow from operating activities amounted to CHF 1 667 million in 2013, a decrease of CHF 44 million on the prior-year figure. Profit after income taxes and depreciation and amortization differ only slightly from the previous year. Cash flow from operating activities includes gains on the disposal of non-current assets, primarily real estate, amounting to CHF 44 million. Cash flow from investing activities has deteriorated slightly on the previous year (CHF -950 million) to CHF -965 million. A net amount of CHF 75 million was divested in financial assets/securities and a net amount of CHF 1 038 million invested in tangible and intangible fixed assets. Overall, this resulted in free cash flow of CHF 628 million. Cash flow from financing activities amounts to CHF -116 million. This stems from the issuance of CHF 350 million of bonds by Bell AG and a CHF 150 million bond repayment by the Coop Group Cooperative. This net bond issuance of CHF 200 million is set against repayments on short- and long-term liabilities of CHF 249 million and dividends paid to minority interests of CHF 67 million. The CHF 584 million increase in cash and cash equivalents in 2013 (previous year: CHF 487 million) to CHF 1 513 million will enable the Coop Group to continue to respond to the difficult economic challenges appropriately from a financial perspective.

Divisions (not consolidated)

Retail

In retailing, the Coop Group's net sales rose by 1.7% to CHF 18 091 million (previous year: CHF 17 784 million). Given the 0.4% fall in prices across the range as a whole, this is a gratifying result. The number of sales outlets rose to 1 933 (+16).

The Coop Group employs a total of 45 293 people in retailing. From its 828 Coop supermarkets in total, the Coop Cooperative generated net sales of CHF 10 560 million (previous year: CHF 10 398 million), an increase of 1.6%. Turning to the subsidiaries, net sales at Dipl. Ing. Fust AG are down on the previous year to CHF 860 million (previous year: CHF 880 million). By contrast, Coop Mineraloel AG lifted net sales to CHF 2 580 million (previous year: CHF 2 496 million) and Coop Vitality AG to CHF 142 million (previous year: CHF 134 million). The Body Shop Switzerland AG held steady year on year at CHF 35 million (previous year: CHF 36 million) and Betty Bossi AG posted net sales of CHF 82 million (consolidated for the first time in 2013). In total, the specialist formats generated net sales of CHF 7 530 million (previous year: CHF 7 386 million).

Wholesale/Production

Despite strong competition in Switzerland and abroad, the Wholesale/Production Business Area achieved net sales of CHF 11 084 million in 2013, an increase of 0.6%.

The Transgourmet Group generated net sales of CHF 8 249 million in 2013, thereby remaining on a par with the previous year in Swiss franc terms (previous year: CHF 8 270 million).

It is active in the cash & carry and wholesale supplies sector in Switzerland, Germany, France, Poland, Romania and Russia.

The Transgourmet Group operates a total of 113 cash & carry markets and employs 22 265 people.

The Bell Group is one of Europe's leading meat processors. It is active in retailing and wholesaling, in catering and in the food industry with the Bell, Abraham, ZIMBO, Mssieur Polette and Hoppe brands. The Bell Group employed 6 606 people in 2013.

It increased its net sales by 3.6% to CHF 2 598 million (previous year: CHF 2 508 million). In Switzerland, Bell Schweiz AG also managed to lift the sale of goods, with poultry proving to be a strong growth driver. Internationally, the Bell Group has a presence in Germany, Spain, France, Denmark, the Czech Republic, Poland, Belgium, the Netherlands, Hungary, Romania and Slovakia. In these countries too, it posted an encouraging trend in sales – only Bell Germany's sales are slightly down on the prior year.

Net sales from online shops

From its online shops Retail and Wholesale/Production, the Coop Group generated net sales of CHF 905 million in total (previous year: CHF 785 million), an increase of 15.3%.

Outlook

The Coop Group will continue to systematically pursue its chosen strategies in 2014. Operating a total of 828 supermarkets, Coop possesses the densest network of sales outlets in Switzerland. In 2014, the supermarkets will focus on regional-ity. The Coop Group's goal remains to more closely combine bricks-and-mortar and online trading. In 2014, it again aims to generate above-average sales growth through the online formats Coop@home and Microspot.ch and the numerous other online shops. In wholesaling, the focus is on better covering the individual customer segments. As a multi-channel provider, i.e. by combining cash & carry and wholesale supplies, the Transgourmet Group provides an attractive offering for its customers. In addition, the aim is to extend its market position by expanding the range of own-label products. Generally, the Coop Group is aiming to achieve even stronger growth by integrating Europe-wide activities in the Wholesale/Production Business Areas.

Despite the still fiercely competitive and difficult economic environment, the Coop Group intends to increase profitability and achieve healthy growth again in 2014, more specifically by further improving quality and customer satisfaction and by expanding regional-ity.

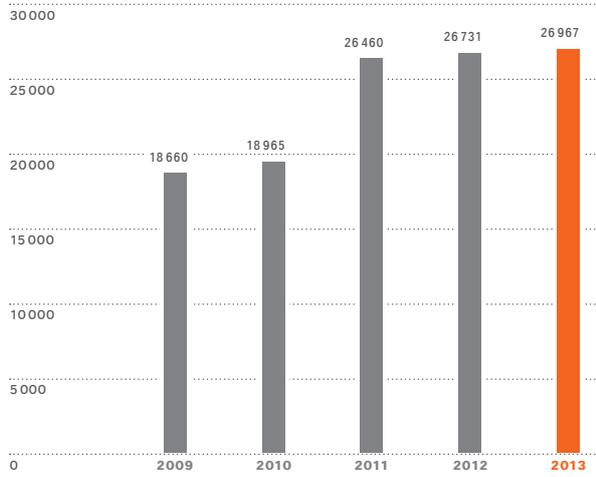
Coop Group in figures

Net sales

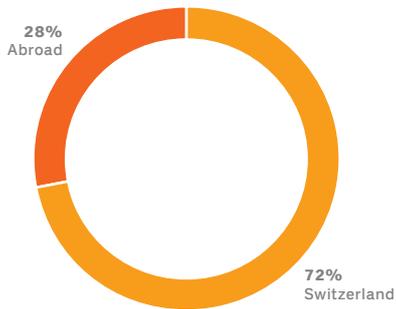
in CHF million		2013	2012
Supermarkets A	< 980 m ²	3 349	3 243
Supermarkets B	980 – 1 890 m ²	3 038	2 994
Supermarkets C	1 890 – 3 500 m ²	2 653	2 637
Megastores	> 3 500 m ²	1 520	1 524
Coop Supermarkets		10 560	10 398
Coop City		890	927
Interdiscount		922	905
Coop Building & Hobby		648	664
Toptip / Lumimart		210	214
Import Parfumerie		159	158
Coop@home		103	91
Christ Watches & Jewellery		100	100
Coop Mineraloel AG		2 580	2 496
Dipl. Ing. Fust AG		860	880
Coop Vitality AG		142	134
Betty Bossi AG		82	
The Body Shop Switzerland AG		35	36
Other companies		800	781
Specialist formats		7 530	7 386
Retail		18 091	17 784
Switzerland		1 484	1 485
France		1 534	1 519
Germany		3 166	3 158
Poland		861	869
Romania		860	927
Russia		343	312
Transgourmet Group		8 249	8 270
Bell Group		2 598	2 508
Coop Cooperative Production		237	242
Wholesale and Production		11 084	11 020
Consolidation		-2 207	-2 074
Net sales		26 967	26 731
of which online stores		905	785
– Coop@home		103	91
– Microspot.ch		101	80
– other online stores Retail		90	59
Online stores Retail		294	230
Online stores Wholesale and Production		611	555
of which Switzerland		19 489	19 241
of which Abroad		7 478	7 490

Prior-year figures restated

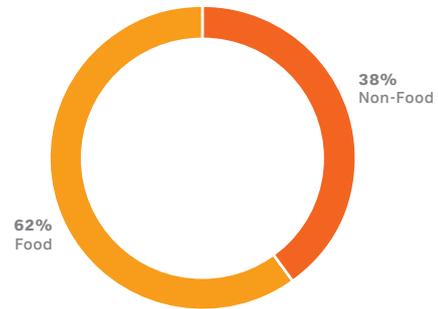
Net sales from goods and services
in CHF million



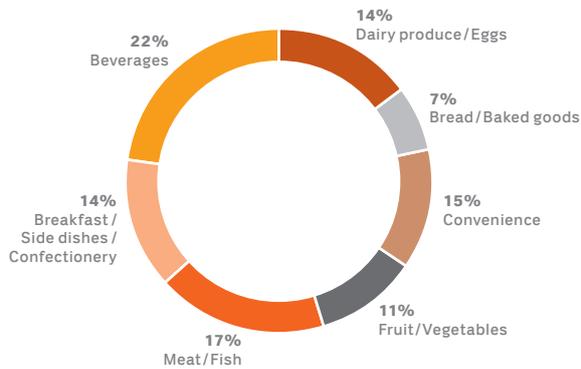
Breakdown of net sales in Switzerland and abroad
in %



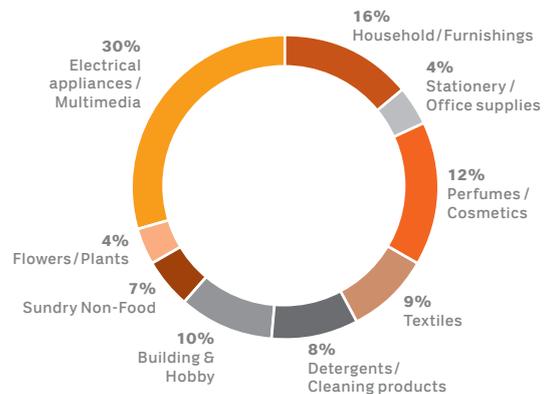
Net sales Switzerland by main category
in %



Percentages of Retail Food
in %



Percentages of Retail Non-Food
in %



Income statement by division (not consolidated)

in CHF million			Retail		Wholesale and Production			
	2013	Share %	2012	Share %	2013	Share %	2012	Share %
Production output					11 639		11 569	
Net sales from goods and services	18 091	100.0	17 784	100.0	11 084	100.0	11 020	100.0
Merchandise expense	12 869		12 614		8 475		8 423	
Gross profit / loss	5 222	28.9	5 170	29.1	2 609	23.5	2 597	23.6
Other operating income	800		785		240		253	
Personnel expense	2 644		2 617		1 385		1 393	
Other operating expenses	1 978		1 935		926		930	
EBITDA	1 399	7.7	1 404	7.9	538	4.9	526	4.8
Depreciation of fixed assets	892		915		285		278	
Operating result (EBIT)	507	2.8	488	2.7	253	2.3	249	2.3

"Wholesale and Production" comprises the Transgourmet Group, the Bell Group and the manufacturing companies of the Coop Cooperative.

Sales outlets / markets

		Number at 31.12		Sales area m ² at 31.12	
		2013	2012	2013	2012
Supermarkets A	< 980 m ²	518	515	295 407	287 295
Supermarkets B	980 – 1 890 m ²	191	186	273 972	265 717
Supermarkets C	1 890 – 3 500 m ²	89	90	247 420	244 460
Megastores	> 3 500 m ²	30	31	152 425	157 200
Coop Supermarkets		828	822	969 224	954 672
Coop City		32	33	137 405	140 912
Interdiscount		196	199	69 692	69 635
Coop Building & Hobby		73	74	298 174	301 919
Toptip / Lumimart		54	55	149 034	147 562
Import Parfumerie		124	123	10 116	9 900
Christ Watches & Jewellery		77	81	5 902	6 076
Restaurants Da Giovanni		5	5	1 775	1 775
Hotels		3	3		
Other Coop Cooperative		2	2	440	440
Coop Mineraloel AG		277	263	31 277	29 985
Dipl. Ing. Fust AG		159	160	89 157	89 206
Coop Vitality AG		55	51	12 932	12 270
The Body Shop Switzerland AG		46	44	2 672	2 561
Tropenhaus Frutigen AG		1	1		
Tropenhaus Wolhusen AG		1	1		
Specialist formats		1 105	1 095	808 576	812 241
Retail		1 933	1 917	1 777 800	1 766 913

Prior-year figures restated

	Number at 31.12		Sales area m ² at 31.12	
	2013	2012	2013	2012
Germany	44	44	412 739	416 622
Switzerland	28	27	116 086	112 516
Romania	19	19	178 931	179 221
Poland	15	15	148 015	148 015
Russia	7	6	61 560	53 042
Transgourmet Group	113	111	917 331	909 416
Czech Republic	85	67	5 334	4 278
Slovakia	31	29	1 926	1 836
Romania		4		204
Bell Group	116	100	7 260	6 318
Wholesale and Production	229	211	924 591	915 734

Prior-year figures restated

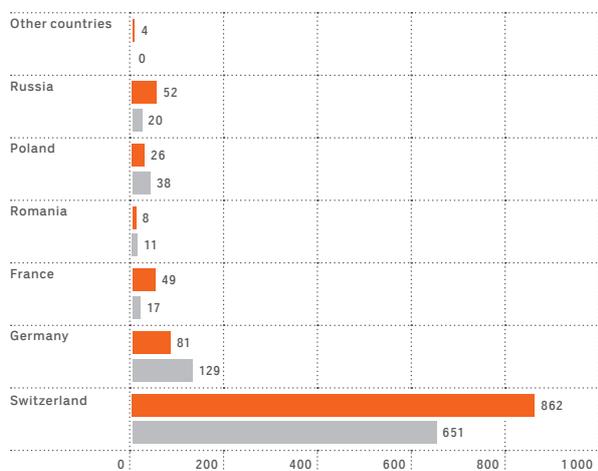
Investments

in CHF million	2013	2012	2011	2010	2009
Switzerland	862	651	986	664	733
Germany	81	129	188		
France	49	17	30		
Romania	8	11	38		
Poland	26	38	33		
Russia	52	20	84		
Other countries	4	0	0		
Abroad	219	216	373		
Investments in tangible fixed assets	1 081	867	1 360	664	733
Disposals of tangible fixed assets	92	37	152	103	191
Net investments in tangible fixed assets	989	829	1 208	561	542
Other net investments	-24	121	1 908	92	1 513
Net investments	965	950	3 116	653	2 055

Investments in tangible fixed assets by country in CHF million

.....

■ 2013 ■ 2012



Statement of added value

in CHF million	2013	2012	Index %
Net sales from goods and services	26 967	26 731	100.9
Merchandise expense and other upstream services	19 798	19 515	101.5
Gross added value	7 169	7 216	99.4
Depreciation and amortization / provisions	1 212	1 291	93.9
Net added value	5 957	5 925	100.5
Employees	4 072	4 054	100.4
Public sector	1 240	1 263	98.3
Investors	182	156	116.7
Retained profits (self-financing)	462	452	102.3
Distribution of added value	5 957	5 925	100.5
Gross added value per full-time equivalent (in CHF)	111 325	111 950	99.4
Net added value per full-time equivalent (in CHF)	92 507	91 922	100.6

Prior-year figures restated

The Coop Group's statement of added value shows the added value created by the Group in a given year and how it is used. The Coop Group aims to create added value on a sustained basis, thereby enabling it to safeguard the Group companies and jobs.

At 68%, the largest proportion of the newly created value goes to the Coop Group's employees in 2013. This percentage is unchanged year on year. The Coop Group employed 64 399 full-time equivalents in 2013 (previous year: 64 458).

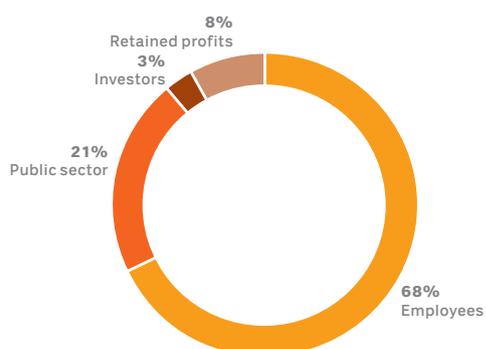
The public sector receives 21% from taxes, customs duties and charges, a percentage that also remains unchanged year on year.

The 3% going to investors comprises interest paid. Due to lower interest rates, this remains at a relatively low level and is unchanged year on year.

Adequate profits are retained for self-financing purposes and used to safeguard the Group's continued existence as a going concern, jobs and its ability to provide competitive goods and services for customers.

Distribution of added value

in %



Full-time equivalents

	2013	2012	Change	Index %
Coop Supermarkets	19 614	19 617	-3	100.0
Coop City	2 402	2 475	-73	97.1
Interdiscount	1 633	1 621	+12	100.7
Coop Building & Hobby	1 556	1 550	+6	100.4
Toptip / Lumimart	589	604	-15	97.5
Import Parfumerie	475	486	-11	97.7
Christ Watches & Jewellery	334	363	-29	92.0
Coop Mineraloel AG	81	73	+8	110.7
Dipl. Ing. Fust AG	1 830	1 938	-109	94.4
Coop Vitality AG	487	439	+48	110.9
Betty Bossi AG	83		+83	..
The Body Shop Switzerland AG	171	153	+18	111.9
Other companies	358	237	+121	151.2
Corporate services	6 465	6 505	-40	99.4
Retail	36 077	36 060	+17	100.0
Coop Cooperative Production	627	663	-35	94.7
Germany	7 010	7 036	-26	99.6
France	3 698	3 598	+100	102.8
Switzerland	1 559	1 503	+56	103.7
Romania	4 020	4 330	-311	92.8
Poland	3 595	3 737	-142	96.2
Russia	1 424	1 283	+142	111.1
Transgourmet Group	21 307	21 488	-181	99.2
Bell Switzerland	3 391	3 302	+89	102.7
Bell abroad	2 993	2 946	+47	101.6
Bell Group	6 385	6 248	+137	102.2
Other companies	4		+4	..
Wholesale and Production	28 322	28 398	-76	99.7
Full-time equivalents (incl. trainees)	64 399	64 458	-59	99.9

Prior-year figures restated

Employees

	31.12.2013	31.12.2012	Change	Index %
Coop Supermarkets	26 283	26 339	-56	99.8
Coop City	3 012	3 084	-72	97.7
Interdiscount	1 779	1 744	+35	102.0
Coop Building & Hobby	1 956	1 962	-6	99.7
Toptip / Lumimart	677	695	-18	97.4
Import Parfumerie	673	695	-22	96.8
Christ Watches & Jewellery	455	487	-32	93.4
Coop Mineraloel AG	87	78	+9	111.5
Dipl. Ing. Fust AG	1 936	2 060	-124	94.0
Coop Vitality AG	656	605	+51	108.4
Betty Bossi AG	116		+116	..
The Body Shop Switzerland AG	210	209	+1	100.5
Other companies	419	337	+82	124.3
Corporate services	7 034	7 112	-78	98.9
Retail	45 293	45 407	-114	99.7
Coop Cooperative Production	787	781	+6	100.8
Germany	7 798	7 904	-106	98.7
France	3 658	3 694	-36	99.0
Switzerland	1 745	1 714	+31	101.8
Romania	3 976	4 165	-189	95.5
Poland	3 658	3 885	-227	94.2
Russia	1 430	1 290	+140	110.9
Transgourmet Group	22 265	22 652	-387	98.3
Bell Switzerland	3 513	3 414	+99	102.9
Bell abroad	3 093	3 055	+38	101.2
Bell Group	6 606	6 469	+137	102.1
Other companies	4		+4	..
Wholesale and Production	29 662	29 902	-240	99.2
Employees (incl. trainees) at 31.12	74 955	75 309	-354	99.5

Prior-year figures restated

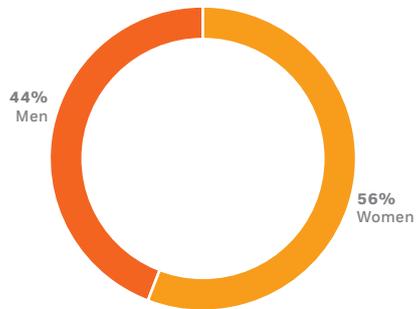
Trainees

	31.12.2013	31.12.2012	Change	Index %
Coop Supermarkets	1 528	1 515	+13	100.9
Coop City	174	177	-3	98.3
Interdiscount	372	359	+13	103.6
Coop Building & Hobby	139	126	+13	110.3
Toptip / Lumimart	36	37	-1	97.3
Import Parfumerie	49	54	-5	90.7
Christ Watches & Jewellery	38	40	-2	95.0
Coop Mineraloel AG	3	3	+0	100.0
Dipl. Ing. Fust AG	76	69	+7	110.1
Coop Vitality AG	96	88	+8	109.1
The Body Shop Switzerland AG	8	13	-5	61.5
Other companies	5	3	+2	166.7
Corporate services	187	199	-12	94.0
Retail	2 711	2 683	+28	101.0
Coop Cooperative Production	34	28	+6	121.4
Germany	289	294	-5	98.3
France	61	52	+9	117.3
Switzerland	87	71	+16	122.5
Russia	3		+3	..
Transgourmet Group	440	417	+23	105.5
Bell Switzerland	54	57	-3	94.7
Bell abroad	26	36	-10	72.2
Bell Group	80	93	-13	86.0
Wholesale and Production	554	538	+16	103.0
Trainees (employees) at 31.12	3 265	3 221	+44	101.4
School-leaver internships	115	111	+4	103.6

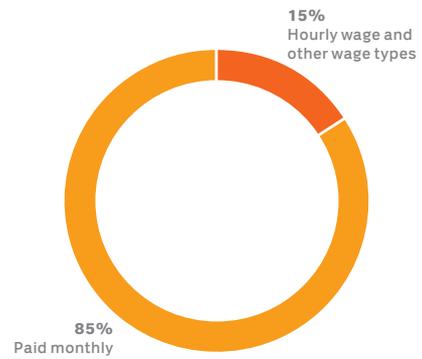
Prior-year figures restated

Employee diversity

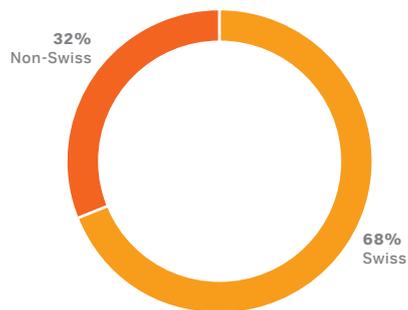
Gender
in %



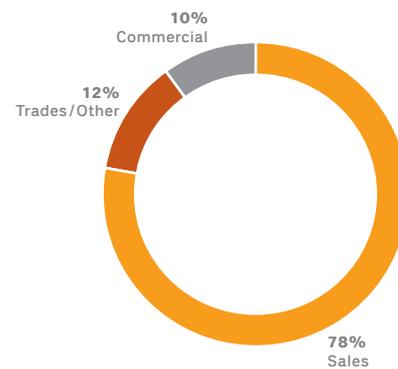
Type of employment
in %



Nationality¹
in %

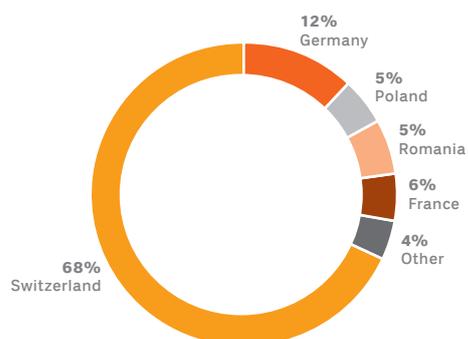


Trainees
in %



¹ Only employees working in Switzerland.

Country of work
in %



Development of the Coop Group

in CHF million or as indicated	2013	2012	2011	2010	2009
Retail	18 091	17 784	17 686		
Wholesale and Production	11 084	11 020	10 951		
Consolidation	-2 207	-2 074	-1 997		
Net sales from goods and services	26 967	26 731	26 640	18 965	18 660
of which net sales abroad	7 478	7 490	7 451		
as a % of net sales	27.7	28.0	28.0		
Earnings before interest, tax, depreciation and amortization (EBITDA)	1 937	1 930	1 917	1 955	1 760
as a % of net sales (EBITDA margin)	7.2	7.2	7.2	10.3	9.4
Operating result (EBIT)	760	737	713	709	614
as a % of net sales (EBIT margin)	2.8	2.8	2.7	3.7	3.3
Profit / loss	462	452	432	470	430
as a % of net sales (profit margin)	1.7	1.7	1.6	2.5	2.3
Cash flow from operating activities	1 667	1 711	1 761	1 709	1 626
as a % of net sales (cash flow margin)	6.2	6.4	6.6	9.0	8.7
Cash flow from investing activities	-965	-950	-3 116	-653	-2 055
as a % of net sales	3.6	3.6	11.7	3.4	11.0
Cash flow from financing activities	-116	-275	40	211	350
Free cash flow¹	628	842	518	1 120	1 060
Total assets	17 317	16 880	16 492	14 624	13 933
Equity incl. minority interests	7 738	7 262	6 786	6 412	6 098
Equity ratio incl. minority interests in %	44.7	43.0	41.1	43.8	43.8
	Target value: > 40.0				
Financial liabilities	4 840	4 872	5 080	4 686	4 422
Net financial liabilities	3 305	3 855	4 509	2 814	3 841
Debt coverage ratio	1.7	2.0	2.4	1.4	2.2
	Target value: < 3.0				
Interest coverage ratio	21.7	21.8	10.9	27.7	22.0
	Target value: > 8.0				
Employees at 31.12	74 955	75 309	75 361	53 559	52 974
Full-time equivalents	64 399	64 458	64 402	43 925	44 154
Trainees at 31.12	3 265	3 221	3 391	3 014	3 018
Sales outlets / markets					
Retail number at 31.12	1 933	1 917	1 897	1 849	1 791
Retail sales area in m² at 31.12	1 777 800	1 766 913	1 746 434	1 730 934	1 725 157
Wholesale and Production number at 31.12	229	211	203	71	73
Wholesale and Production sales area in m² at 31.12	924 591	915 734	918 255	4 356	4 668
Number of members at 31.12	2 537 859	2 595 065	2 643 536	2 533 091	2 473 041

Prior-years figures restated

¹Free cash flow definition: Cash flow from operating activities minus net investments in tangible fixed and intangible assets.

Annual consolidated financial statements of the Coop Group

Consolidated income statement

in CHF million	Notes	2013	Share %	2012	Share %
Net sales from goods and services	1	26 967	100.0	26 731	100.0
Merchandise expense		19 197		18 980	
Gross profit / loss		7 770	28.8	7 751	29.0
Other operating income	2	982		996	
Personnel expense	3	4 028		4 009	
Other operating expenses	4	2 787		2 807	
Earnings before interest, tax, depreciation and amortization (EBITDA)		1 937	7.2	1 930	7.2
Amortization of intangible assets	5	285		288	
Depreciation of tangible fixed assets	5	892		905	
Operating result (EBIT)		760	2.8	737	2.8
Result of associated organizations		3		22	
Result from foreign currencies	6	-3		11	
Financial result	7	-89		-89	
Ordinary result		671	2.5	681	2.5
Non-operating result	8	38		-2	
Result before income taxes (EBT)		708	2.6	679	2.5
Income taxes	9	160		148	
Result after income taxes		548	2.0	531	2.0
Minority interests		86		79	
Profit / loss		462	1.7	452	1.7

Consolidated balance sheet

in CHF million	Notes	31.12.2013	Share %	31.12.2012	Share %
Cash and cash equivalents	10	1 513		929	
Securities		23		89	
Receivables from goods and services	11	909		938	
Other short-term receivables	12	324		367	
Prepayments and accrued income		340		334	
Inventories	13	2 718		2 622	
Current assets		5 827	33.6	5 279	31.3
Tangible fixed assets	14	9 959		9 827	
Financial assets	15	304		311	
Intangible assets	16	1 228		1 463	
Non-current assets		11 490	66.4	11 601	68.7
Assets		17 317	100.0	16 880	100.0
Payables from goods and services		1 977		2 242	
Short-term financial liabilities	17	1 443		1 187	
Other short-term liabilities	18	385		365	
Short-term provisions	19	364		313	
Accrued liabilities and deferred income		970		741	
Short-term liabilities		5 139	29.7	4 848	28.7
Long-term financial liabilities	20	3 397		3 685	
Long-term provisions	21	1 042		1 084	
Long-term liabilities		4 440	25.6	4 769	28.3
Liabilities		9 579	55.3	9 617	57.0
Retained earnings		6 885		6 440	
Profit/loss		462		452	
Equity excluding minority interests		7 348	42.4	6 892	40.8
Minority interests		390	2.3	370	2.2
Equity including minority interests		7 738	44.7	7 262	43.0
Liabilities and equity		17 317	100.0	16 880	100.0

Prior-year figures restated

Consolidated cash flow statement

Fund: cash and cash equivalents in CHF million	2013	2012
Result after income taxes	548	531
Depreciation and amortization	1 072	1 122
Impairment loss	129	94
Reversal of impairment	-22	
Profit (-)/ loss on disposal of fixed assets	-44	-9
Result non-cash items	-24	-29
Result from associated organizations	6	-15
Increase/ decrease (-) in long-term provisions	19	76
Cash flow before change in net current assets	1 684	1 770
Increase (-)/ decrease in receivables from goods and services	4	18
Increase (-)/ decrease in other short-term receivables, prepayments and accrued income	72	-83
Increase (-)/ decrease in inventories	-89	-17
Increase/ decrease (-) in payables from goods and services	-74	9
Increase/ decrease (-) in other short-term liabilities, accrued liabilities and deferred income	67	27
Increase/ decrease (-) in short-term provisions	2	-14
Cash flow from operating activities	1 667	1 711
Investments in tangible fixed assets	-1 081	-867
Disposals of tangible fixed assets	92	37
Investments in financial assets/ securities	-12	-76
Disposals of financial assets/ securities	87	75
Payment for the acquisition of consolidated organizations	-1	-81
Receipts from the disposal of consolidated organizations		0
Investments in intangible assets	-49	-42
Disposals of intangible assets	0	2
Cash flow from investing activities	-965	-950
Inflows from bonds issuance	350	250
Outflows for bonds repayments	-150	-250
Dividend to minority shareholders	-67	-58
Increase/ decrease (-) in short-term financial liabilities	-88	-163
Increase/ decrease (-) in long-term financial liabilities	-161	-54
Increase/ decrease own shares Bell	1	0
Cash flow from financing activities	-116	-275
Impact of currency conversion	-2	2
Net change in cash and cash equivalents	584	487
Cash and cash equivalents at beginning of the reporting period	929	442
Cash and cash equivalents at end of the reporting period	1 513	929

Prior-year figures restated

Statement of changes in equity

in CHF million	Retained profits	Accumulated currency differences	Total retained earnings	Profit/loss	Total excl. minority interests	Minority interests	Total incl. minority interests
Equity at 1.1.2013	6 695	-254	6 440	452	6 892	370	7 262
Appropriation of profit for the year 2012	452		452	-452			
Profit/loss 2013				462	462	86	548
Dividends						-67	-67
Currency differences		-6	-6		-6	1	-5
Equity at 31.12.2013	7 146	-260	6 885	462	7 348	390	7 738
Equity at 1.1.2012	6 263	-258	6 004	432	6 436	350	6 786
Appropriation of profit for the year 2011	432		432	-432			
Profit/loss 2012				452	452	79	531
Dividends						-58	-58
Currency differences		4	4		4	-1	3
Equity at 31.12.2012	6 695	-254	6 440	452	6 892	370	7 262

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 2013 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.

Assets are measured at purchase or production cost. Liabilities are carried at their historical value. The income statement is presented using the total cost (nature of expense) method. The valuation principles were applied unchanged compared with the previous year.

The annual consolidated financial statements of the Coop Group are presented in Swiss francs (CHF). Unless otherwise indicated, all amounts are stated in millions of Swiss francs.

Cash flow statement

The fund comprising cash and cash equivalents provides the basis for the presentation of the cash flow statement. Cash flow from operating activities is calculated using the indirect method.

Scope of consolidation

The annual consolidated financial statements of the Coop Group comprise the Coop-Gruppe Genossenschaft and its equity investments. The Coop-Gruppe Genossenschaft equity investments are listed under Scope of consolidation on pages 95 to 97. Fully consolidated organizations are organizations where the Coop Group directly or indirectly holds more than 50% of the voting rights.

Associated organizations are entities in which the Coop Group holds a 20% to 50% interest and over which it exercises significant influence.

Equity investments where it holds less than 20% are not consolidated and are presented in "Financial assets" at cost less any necessary write-downs.

Consolidation method

Fully consolidated organizations

Assets, liabilities, income and expenses are consolidated in full. Acquisition accounting uses the purchase method, whereby an organization's equity at the date of acquisition or initial consolidation is eliminated against the carrying amount of the investment at the parent. Newly acquired organizations are revalued using uniform Group policies and included in the annual consolidated financial statements from the date on which control takes effect. If the cost of acquisition is higher than the revalued net assets acquired, the remaining excess is recognized as goodwill and amortized on a straight-line basis. Negative goodwill is

credited to the income statement in the period of acquisition. Organizations sold are included up until the date on which control is lost, which is usually the date of sale.

Minority interests in consolidated equity and in profit or loss are presented separately in the balance sheet and income statement. Intercompany transactions and relationships, i.e. income, expenses, receivables and liabilities between consolidated organizations, are offset and eliminated. If significant, intercompany profits on transactions within the Group are eliminated.

Associated organizations

If economically significant, associated organizations are included in the annual consolidated financial statements using the equity method. 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	
		2013	2012	31.12.2013	31.12.2012
1	EUR	1.230	1.208	1.228	1.207
1	CZK	0.047	0.048	0.045	0.047
1	HKD	0.119	0.120	0.115	0.118
100	HUF	0.415	0.416	0.413	0.415
1	LTL	0.356	0.355	0.356	0.354
1	PLN	0.293	0.288	0.296	0.296
1	RON	0.278	0.271	0.275	0.272
1	RUB	0.029	0.030	0.027	0.030
1	USD	0.924	0.932	0.890	0.915

Changes to the scope of consolidation

In the financial year 2013, the following changes occurred in Coop's scope of consolidation (excluding changes of name and mergers):

		Currency	Capital in million	Interest ¹ at 31.12.2013 %	Interest ¹ at 31.12.2012 %
Coop-Gruppe Genossenschaft (formerly Coop Genossenschaft)					
Coop Genossenschaft, CH-Base	Established on 1/1/2013	CHF		100.00	
Tropenhaus Frutigen AG, CH-Frutigen	Interest changed on 1/3/2013 and on 26/9/2013	CHF	1.40	72.88	69.05
Chocolats Halba S.A. de C.V., HN-San Pedro Sula	Established on 18/11/2013	USD	0.10	75.00	

Bell Group

Bell Czechia s.r.o., CZ-Praha-Holesovice	Established on 4/4/2013	CZK	0.20	66.29	
Abraham Schwarzwälder Schinken GmbH, DE-Schiltach	Interest changed on 25/7/2013	EUR	0.03	66.29	33.81
ZIMBO Húsipari Termelő Kft., HU-Perbal	Interest changed on 3/12/2013	HUF	378.75	66.12	66.09

Associated organizations of the Coop Group

Eurogroup Far East Ltd., HK-Hongkong	Interest changed on 10/1/2013	HKD	0.12	33.33	44.44
Soc. Coopération de Collaboration Int., BE-Bruxelles	Established on 24/9/2013	EUR	0.40	25.00	

On 1 January 2013, Distributis AG was merged into the Coop Genossenschaft.

In 2012, the following changes occurred in Coop's scope of consolidation (excluding changes of name and mergers):

		Currency	Capital in million	Interest ¹ at 31.12.2012 %	Interest ¹ at 31.12.2011 %
Coop Genossenschaft					
Tropenhaus Wolhusen AG, CH-Wolhusen	Increased on 1/1/2012	CHF	2.60	94.31	40.66
BG Rosengarten Solothurn AG, CH-Solothurn	Increased on 1/1/2012	CHF	0.10	100.00	62.00
Parking des Remparts SA, CH-La Tour-de-Peilz	Established on 13/7/2012	CHF	3.60	33.33	
Betty Bossi AG, CH-Zürich	Acquired on 21/12/2012	CHF	0.17	100.00	50.00

Bell Group

Bell Deutschland GmbH & Co. KG, DE-Seevetal	Established on 1/1/2012	EUR	1.00	66.29	
Bell Verwaltungs GmbH, DE-Seevetal	Established on 1/1/2012	EUR	0.03	66.29	
ZIMBO Czechia s.r.o., CZ-Praha	Increased on 1/1/2012	CZK	30.00	59.66	46.40

Transgourmet Group

Eurocash SA, FR-Schiltigheim	Acquired on 1/6/2012	EUR	3.01	100.00	
------------------------------	----------------------	-----	------	--------	--

Associated organizations of the Coop Group

Delizio GmbH, DE-Stuttgart	Acquired on 1/1/2012	EUR	0.03	32.48	
Gastro Star AG, CH-Dällikon	Acquired on 1/1/2012	CHF	0.12	32.48	
Schwarz Viva AG, CH-Villigen	Acquired on 1/1/2012	CHF	2.40	32.48	
Eurobuy GmbH, DE-Köln	Increased on 11/6/2012	EUR	0.21	33.33	25.00
Hilcona Holding AG, CH-Zug	Established on 21/6/2012	CHF	10.00	32.48	
Hilcona Agrar AG, FL-Schaan	Established on 14/12/2012	CHF	1.00	32.48	

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

Valuation principles

Cash and cash equivalents

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

Securities

Securities are marketable instruments that can be easily realized. They are carried in the balance sheet at market value. Unlisted securities are carried in the balance sheet at cost less any necessary write-downs.

Receivables from goods and services and other short-term receivables

Receivables are stated at nominal value less any necessary write-downs.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost comprises the net purchase price and incidental charges. Purchased inventories are measured at the average cost price (moving average price) and internally produced inventories at production cost. Inventories are stated at net realizable value if this is lower than cost. Discounts are treated as reductions in the purchase price.

Specific valuation allowances are recognized for goods that are no longer serviceable or difficult to sell.

Financial assets

Financial assets include the associated organizations recognized using the equity method. Long-term loans and securities held for the purpose of long-term investment are also presented as financial assets. Securities without a quoted price and loans are stated at cost less any necessary write-downs.

Assets from employer contribution reserves are recognized as financial assets.

Tangible fixed assets

Tangible fixed assets are stated at cost less any necessary depreciation. Cost comprises the purchase price plus the directly attributable costs of bringing the assets to usable condition. Depreciation is applied on a straight-line basis over the useful life of the asset.

The depreciation period for buildings ranges from 40 years in the case of properties used for operational purposes and subject to increased use to 67 years in the case of mixed-used properties. Installations are usually depreciated over a period of 15 to 20 years. At production facilities, specific production installations are depreciated over a longer useful life of up to 30 years. Experience shows that fittings in the retail sales outlets have a shorter useful life than fittings in the wholesale markets. Machinery usually has a useful life of up to 15 years, with production systems possibly forming a separate asset category and having a useful life of 20 to 30 years. Heavy

Depreciation periods in years

Land and buildings

Plots of land	no depreciation
Buildings	40–67

Installations	15–30
---------------	-------

Furniture, machinery and IT

Furniture / tools	5–10
Sales outlet fittings	10
Market fittings	15
Machinery	3–15
Production systems	20–30
IT	3–8

Vehicles	3–10
----------	------

commercial vehicles have a depreciation period of up to 10 years. Assets under construction include the cumulative project costs eligible for capitalization. Project costs that are not eligible for capitalization are charged to the income statement when incurred. Impairment charges are recognized on assets under construction if there is evidence of impairment.

Leases

Payments under operating leases are charged to the income statement on a straight-line basis over the lease term. Assets acquired on the basis of leases and for which the risks and rewards pass to the Coop Group at inception of the lease are classified as "Finance leases". For the relevant assets, therefore, the fair value or, if lower, the net present value of the future, non-cancelable lease payments is recognized as an asset and as a finance lease liability. Assets under finance leases are amortized over the shorter of their estimated useful life and the lease term.

Intangible assets

This item includes IT software, trademarks, licences, patents and goodwill from acquisitions. Intangible assets are recognized if they are clearly identifiable, the costs can be reliably determined and they yield measurable economic benefits for the entity over several years.

Goodwill from acquisitions is calculated as the difference between the purchase price paid to acquire an entity and the value of the net assets. The net assets correspond to the total of the individual assets of the acquired entity less the liabilities and contingent liabilities under Swiss GAAP ARR at the acquisition date. Any goodwill that arises is generally capitalized and amortized on a straight-line basis.

Amortization periods in years

Goodwill	up to 20
Trademarks	up to 20
Patents / licences	5
Other intangible assets	3–8

Impairment

In the Coop Group, non-current assets are tested for impairment annually if there are indications of a sustained decline in value. The recoverable amount is calculated using the capital asset pricing model and taking into account updated assumptions from the multi-year plan regarding the expected business trend. If the carrying amount exceeds the recoverable amount, it is adjusted in profit or loss by way of an impairment charge.

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.

Provisions

Provisions are recognized if a past event gives rise to a probable legal or constructive obligation, the amount and/or timing of which is uncertain, but can be estimated. The provision is measured on the basis of an estimate of the probable outflow.

Income taxes

Current income taxes are recognized on an accrual basis based on the results of operations actually generated and presented in the reporting period.

Deferred income taxes are recognized for all temporary taxable or tax-deductible differences between the tax base and Swiss GAAP ARR carrying amounts using the balance sheet liability method. The deferred income taxes to be recognized annually are calculated at the future tax rate applicable to the taxable entity in question at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if they relate to the same taxable entity and are levied by the same taxation authority.

Derivative financial instruments

The Coop Group uses derivative financial instruments to hedge currency and interest rate risk. Both derivative financial instruments for the purposes of hedging balance sheet items and those not held for hedging purposes are recognized at current values. The change in the current values since the last measurement is recognized in profit or loss for the period. Instruments used to hedge contractual future cash flows are not recognized in the balance sheet, but disclosed in the notes to the financial statements.

Derivative financial instruments outstanding at the balance sheet date are disclosed in the notes to the annual consolidated financial statements.

Pension benefit obligations

The Coop Group assumes the pro-rated costs of the occupational pension funds for all employees and their dependents in accordance with the corresponding regulations. The latter provide for benefits that go well beyond the statutory minimum under Swiss law. The contributions are included in personnel expense under "Social security contributions". An annual assessment is

made regarding whether a pension fund gives rise to an economic benefit or an economic liability from the organization's perspective. The pension fund's annual financial statements prepared in Switzerland in accordance with Swiss GAAP ARR 26 and other calculations that give a true and fair view of the existing surplus or deficit are taken as the basis for the assessment.

As at 31 December 2013 the CPV/CAP shows a funding ratio of 108.8% (2012: 104.6%). In terms of Swiss GAAP ARR 16 there is no excess or shortfall, as the target for the fluctuation reserve has not yet been reached.

Related party transactions

Associated organizations, pension funds and natural persons such as members of the Executive Committee or Board of Directors are considered to be related parties.

Related party transactions are conducted at arm's length, at normal market conditions. There are reciprocal delivery and supply agreements in place. Market conditions apply, with transaction volumes being factored in. Significant financial statement items with associated organizations and other related party transactions are disclosed in the notes to the annual consolidated financial statements.

Off-balance sheet transactions

Contingent liabilities such as guarantees, guarantee obligations, pledges and other obligations not required to be recognized in the balance sheet are measured at each balance sheet date and disclosed at nominal value. Other obligations not required to be recognized in the balance sheet include all long-term obligations entered into which cannot be terminated within one year. If contingent liabilities and other obligations not required to be recognized in the balance sheet lead to an outflow of funds without any usable inflow of funds and this outflow of funds is probable and can be estimated, a provision is recognized.

in CHF million

2013

2012

1 Net sales from goods and services by division

Net sales Food	18 706	18 335
Net sales Non-Food	8 261	8 396
Total	26 967	26 731

Net sales Switzerland	19 489	19 241
Germany	3 545	3 549
France	1 653	1 629
Romania	860	927
Poland	903	908
Russia	343	312
Czech Republic	59	64
Belgium	25	27
Netherlands	28	26
Hungary	21	19
Other countries	41	29
Net sales abroad	7 478	7 490
Total	26 967	26 731

2 Other operating income

Operating rental income	187	137
Gain on the disposal of fixed operating assets	3	8
Own work capitalized	13	12
Service income	780	839
Total	982	996

The "Service income" item also includes pools and lottery income, income from parking and advertising, and commissions from phone credits.

3 Personnel expense

Wages / salaries	3 121	3 087
Social security contributions	728	727
Social security contributions as a %	23.3	23.5
Other personnel expense	179	195
Total	4 028	4 009

4 Other operating expenses

Advertising expense	458	453
Rent	687	669
Office and administrative expense	256	237
Charges and insurance premiums (non-life)	77	100
Operations-related taxes	45	36
Maintenance and replacement costs	348	326
Energy and supplies	417	418
Transport costs	309	289
Miscellaneous expenses	190	279
Total	2 787	2 807

The "Operations-related taxes" item comprises capital and property transfer taxes, duties on the issue of securities and other fiscal levies.

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

in CHF million

2013 2012

5 Depreciation and amortization

Goodwill, planned amortization	213	216
Goodwill, extraordinary amortization		12
Other intangible assets, planned amortization	65	60
Other intangible assets, extraordinary amortization	7	0
Amortization of intangible assets	285	288
Tangible fixed assets, planned depreciation	793	822
Tangible fixed assets, extraordinary depreciation	122	83
Reversals of depreciation charges on tangible fixed assets	-22	
Depreciation of tangible fixed assets	892	905
Total	1 177	1 193

Extraordinary depreciation and reversals thereof are recognized in respect of real estate based on reassessments of earnings or changes in market prices. Extraordinary depreciation of CHF 97 million and reversals of CHF 22 million were recognized as part of the review of the real estate portfolio. Extraordinary depreciation of CHF 25 million was recognized in respect of other tangible fixed assets.

6 Result from foreign currencies

Currency exchange gains	60	43
Currency exchange losses	63	32
Total	-3	11

7 Financial result

Dividends and exchange-rate gains on securities	17	22
Other interest income	13	14
Financial income	31	36
Exchange-rate losses on securities	6	7
Interest and other financial expenses	114	116
Amortization of financial assets	0	2
Financial expenses	120	124
Total	-89	-89

8 Non-operating result

Rental income	1	2
Profits on the disposal of fixed non-operating assets	42	4
Other non-operating income	2	1
Non-operating income	45	7
Non-operating property expenses / depreciation	3	2
Other non-operating expenses	4	6
Non-operating expenses	7	9
Total	38	-2

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 mainly include non-operating expenses and income on properties not used for operating purposes.

in CHF million

2013 2012

9 Income taxes

Current income taxes	189	153
Change in deferred taxes	-28	-4
Total	160	148
Average tax rate as %	22.6	21.9

In the current financial year, no deferred tax assets were recognized for loss carryforwards of CHF 945 million (31 December 2012: CHF 1 141 million).

10 Cash and cash equivalents

31.12.2013 31.12.2012

Cash on hand, postal and bank account balances	1 404	909
Reka cheques / cheques / vouchers	28	19
Term deposits	80	0
Total	1 513	929

11 Receivables from goods and services

Receivables from goods and services	953	983
Value adjustment	-44	-45
Total	909	938

12 Other short-term receivables

Other receivables	318	366
Prepayments to suppliers	6	2
Value adjustment	-1	-1
Total	324	367

13 Inventories

Merchandise	2 435	2 379
Finished goods (production)	123	138
Unfinished goods, work in progress	115	70
Raw materials	98	111
Supplies and packaging materials	36	34
Prepayments to suppliers	20	30
Value adjustment on inventories	-109	-139
Total	2 718	2 622

14 Tangible fixed assets	Land and buildings	Installations	Furniture, machinery and IT	Vehicles	Finance leases	Assets under construction	Total
in CHF million							
Tangible fixed assets 2013							
Cost 1.1.2013	10 922	2 740	3 984	365	32	181	18 224
Investments	321	111	231	59	0	359	1 081
Disposals	-222	-2	-94	-28	-0	-0	-346
Impact of changes in currency exchange rates (gain (+) / loss (-))	-2	1	3	2	1	-2	2
Reclassifications	83	9	13	-2	-1	-104	-1
As at 31.12.2013	11 102	2 860	4 137	397	31	434	18 960
of which undeveloped plots of land	101						101
of which prepayments						58	58
Accumulated depreciation at 1.1.2013	4 102	1 389	2 685	197	24	1	8 397
Depreciation	284	157	305	46	1	0	793
Extraordinary depreciation	65	7	24			26	122
Reversals of depreciation charges on tangible fixed assets	-22	-0	-0				-22
Accumulated depreciation on disposals	-176	-2	-93	-26	-0		-298
Impact of changes in currency exchange rates (gain (+) / loss (-))	2	2	3	1	0	-0	9
Reclassifications	39	-43	7	-1	-1	-1	0
As at 31.12.2013	4 294	1 511	2 931	215	24	26	9 001
of which undeveloped plots of land	5						5
of which prepayments							
Net carrying amount 31.12.2013	6 808	1 349	1 205	181	7	407	9 959
Tangible fixed assets 2012							
Cost 1.1.2012	10 878	2 239	3 798	341	108	170	17 534
Changes to the scope of consolidation	29	4	5	0			38
Investments	304	129	245	49	0	140	867
Disposals	-112	-13	-77	-25	-1	-1	-229
Impact of changes in currency exchange rates (gain (+) / loss (-))	13	3	-2	-1	-0	1	13
Reclassifications	-191	378	16	1	-76	-128	-0
As at 31.12.2012	10 922	2 740	3 984	365	32	181	18 224
of which undeveloped plots of land	102						102
of which prepayments						82	82
Accumulated depreciation at 1.1.2012	3 862	1 111	2 453	178	47	1	7 652
Changes to the scope of consolidation	27	2	4	0			33
Depreciation	307	152	320	42	1		823
Extraordinary depreciation	74	2	6	0		1	83
Accumulated depreciation on disposals	-83	-12	-77	-23	-1	-0	-195
Impact of changes in currency exchange rates (gain (+) / loss (-))	5	0	-2	-1	-0	0	3
Reclassifications	-90	133	-19	-0	-24	-0	0
As at 31.12.2012	4 102	1 389	2 685	197	24	1	8 397
of which undeveloped plots of land	16						16
of which prepayments						1	1
Net carrying amount 31.12.2012	6 820	1 351	1 299	169	8	180	9 827

Of the real estate, CHF 19 million (31 December 2012: CHF 33 million) is classified as real estate not used for operating purposes.

15 Financial assets

in CHF million

	Employer contribution reserve	Other financial assets	Associated organi- zations	Total
Financial assets 2013				
Net carrying amount 1.1.2013	14	140	158	311
Additions	0	33	0	33
Disposals	-1	-32		-34
Write-ups (+) / Value adjustments (-)		0	-4	-4
Impact of changes in currency exchange rates (gain (+) / loss (-))		-0	1	0
Reclassifications		-2	-1	-3
As at 31.12.2013	12	138	153	304

Other financial assets

Loans to associated organizations				33
Loans to third parties				36
Miscellaneous financial assets				69
As at 31.12.2013				138

Financial assets 2012

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
Write-ups (+) / Value adjustments (-)		0	15	15
Impact of changes in currency exchange rates (gain (+) / loss (-))		-0	-0	-0
Reclassifications		-3	-1	-4
As at 31.12.2012	14	140	158	311

Other financial assets

Loans to associated organizations				32
Loans to third parties				43
Miscellaneous financial assets				65
As at 31.12.2012				140

16 Intangible assets

in CHF million

	Goodwill	Trademarks/ Patents/ Licences	Software	Other intangible assets	Total
Intangible assets 2013					
Cost 1.1.2013	2 846	595	329	60	3 830
Investments	3	5	35	7	50
Disposals	-0	-0	-7	-2	-9
Impact of changes in currency exchange rates (gain (+) / loss (-))	-0	1	1	0	2
Reclassifications	17	-7	3	-12	1
As at 31.12.2013	2 865	594	360	54	3 873
Accumulated amortization at 1.1.2013					
Accumulated amortization at 1.1.2013	1 879	203	244	41	2 367
Amortization	215	27	36	2	280
Extraordinary amortization			1	6	7
Accumulated amortization on disposals	-0	-0	-7	-2	-9
Impact of changes in currency exchange rates (gain (+) / loss (-))	-1	0	1	0	0
Reclassifications	10	-6	1	-5	-0
As at 31.12.2013	2 104	224	275	43	2 646
Net carrying amount 31.12.2013	761	371	85	11	1 228
Intangible assets 2012					
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
As at 31.12.2012	2 846	595	329	60	3 830
Accumulated amortization at 1.1.2012					
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
As at 31.12.2012	1 879	203	244	41	2 367
Net carrying amount 31.12.2012	966	393	85	19	1 463

Goodwill relating to associated organizations amounts to CHF 11 million (31 December 2012: CHF 13 million); the related amortization of CHF 2 million is included in the result of associated organizations.

17 Short-term financial liabilities

Bank current accounts	16	5
Bank loans	6	115
Other short-term financial liabilities	29	25
Pension fund obligations	200	200
Short-term portion of long-term financial liabilities	1 192	842
Total	1 443	1 187

18 Other short-term liabilities

Vouchers in circulation	62	19
Prepayments from customers	121	161
Other taxes	105	113
Other short-term liabilities	97	73
Total	385	365

19 Short-term provisions

	Pension funds	Restructurings	Supercard	Other provisions	Total
As at 1.1.2013	22	10	180	101	313
Creation of provisions	20	0	197	75	292
Use of provisions	-21	-8	-200	-56	-286
Reversal of provisions no longer required	-0			-7	-7
Reclassifications	2	-0	23	27	52
Impact of changes in currency exchange rates (gain (+) / loss (-))	0	0		0	0
As at 31.12.2013	22	3	200	140	364
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
As at 31.12.2012	22	10	180	101	313

Other short-term provisions mainly include provisions for personnel in the amount of CHF 25 million (31 December 2012: CHF 25 million) and sales outlets in the amount of CHF 76 million (31 December 2012: CHF 50 million).

20 Long-term financial liabilities

	31.12.2013	31.12.2012
Deposit accounts	1 708	1 548
Medium-term notes	322	361
Coop-Gruppe Genossenschaft		
Apr 2009 – 2014	3½%	500
Coop-Gruppe Genossenschaft		
Jul 2009 – 2015	3¼%	500
Coop-Gruppe Genossenschaft		
Jun 2010 – 2016	2%	500
Coop-Gruppe Genossenschaft		
Sep 2010 – 2017	2%	250
Coop-Gruppe Genossenschaft		
Jul 2012 – 2019	1¼%	250
Bell AG		
May 2013 – 2018	1%	175
Bell AG		
May 2013 – 2022	1¾%	175
Bonds	2 350	2 150
Bank loans	34	236
Mortgages	129	154
Finance leases	4	5
Other loans	42	72
Short-term portion of long-term financial liabilities	-1 192	-842
Total	3 397	3 685

21 Long-term provisions

in CHF million	Pension funds	Deferred taxes	Supercard	Other provisions	Total
As at 1.1.2013	68	778	43	194	1 084
Creation of provisions	7	13		66	87
Use of provisions	-0			-14	-14
Reversal of provisions no longer required	-0	-42	-4	-8	-53
Reclassifications	17	0	-23	-54	-60
Impact of changes in currency exchange rates (gain (+) / loss (-))	0	-1		0	-0
As at 31.12.2013	92	749	16	185	1 042
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
As at 31.12.2012	68	778	43	194	1 084

Other long-term provisions mainly include provisions for personnel in the amount of CHF 48 million (31 December 2012: CHF 68 million) and sales outlets in the amount of CHF 26 million (31 December 2012: CHF 31 million).

22 Pension fund

Employer contribution reserve (ECR)	Nominal value ECR 31.12.2013	Balance sheet 31.12.2013	Balance sheet 31.12.2012	Changes ECR in personnel expense	
				31.12.2013	31.12.2012
Patronage funds / patronage pension institutions	3	3	4	0	4
Pension institutions	9	9	10	1	
Total	12	12	14	1	4

Economic benefit / obligation and pension benefit expenses	Surplus / deficit 31.12.2013	Economic share of the Coop Group 31.12.2013	Economic share of the Coop Group 31.12.2012	Pension benefit expenses within personnel expense	
				31.12.2013	31.12.2012
Patronage funds / patronage pension institutions					
Pension funds without surpluses / deficit				258	247
Pension funds with deficits					
Pension funds with surpluses					
Total				258	247

Statutory employer contributions				258	247
Pension institutions obligation				200	200

23 Off-balance-sheet transactions

	31.12.2013	31.12.2012
Guarantees, guarantee obligations	36	40
Carrying amount of pledged assets	239	284
Secured liabilities	134	159
Other non-recognizable commitments	26	26

The other obligations not required to be recognized in the balance sheet mainly include the Coop Group's advertising obligation under the purchase agreement for Betty Bossi AG with Ringier AG.

24 Fire insurance values

Tangible fixed assets	17 274	17 629
-----------------------	--------	--------

25 Obligations under off-balance sheet operating leases

due within one year	9	20
due in 1 to 5 years	29	50
due in more than 5 years	32	33

26 Commitments from long-term rental and right-to-build agreements

due within one year	707	725
due in 1 to 5 years	2 426	2 525
due in more than 5 years	3 548	3 945

27 Open derivative financial instruments

Financial instrument	Purpose	Contract values		Assets		Liabilities	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Foreign exchange	Hedging	713	612	1	1	3	0
Interest rates	Hedging	140	289		5	3	4
Equity instruments	Without hedging	3	4		0	0	
Other underlying assets	Hedging	16	21	2	1		

Bell AG holds options to acquire further shares in associated organizations (2% of Hilcona), the price of which depends on future earnings.
Dipl. Ing. Fust AG holds a call option from 2013 to 2023 for 49.94% of Service 7000 AG at a price based on earnings over the previous three years.

28 Related party transactions

Transactions with associated organizations	2013	2012
Net sales	57	40
Other operating income	98	73
Interest income	3	0
Merchandise expense	387	354
Office and administrative expense	1	2
Advertising expense	0	1
Miscellaneous expenses	1	15
Receivables from goods and services	6	11
Other receivables	1	1
Prepaid expenses and accrued income	48	32
Loans	33	32
Payables from goods and services	46	65
Short-term financial liabilities	5	5
Accrued liabilities and deferred income	5	0

There are no other significant transactions with other related parties.

29 Most significant components at acquisition of organizations**Coop Genossenschaft****Betty Bossi AG**

Receivables		4
Inventories		11
Intangible assets		3
Payables		15

Tropenhaus Wolhusen AG

Real estate		4
Financial liabilities		5

Transgourmet Holding AG**Eurocash SAS**

Receivables		6
Inventories		6
Intangible assets		2
Real estate		6
Payables		8
Financial liabilities		7

30 Notes on risk assessment

The Coop Group operates a standardized risk management system in which 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 appropriate measures. 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. During the firmly established annual quality evaluation of the internal control system at the business-process level, operational risks and risks associated with financial reporting and compliance are assessed.

31 Events after the balance sheet date

The following entities were consolidated with effect from 1 January 2014:

- Centre Commercial Moncor AG. This real estate company operates a shopping centre in Villars-sur-Glâne.
- RS Vertriebs AG/nettoShop AG. These companies are mainly active in online trading of electrical appliances.
- Valentin Pontresina AG. This company is a wholesale supplier.
- Marché Restaurants Schweiz AG. This company operates catering outlets at motorway service stations and at Zurich Airport.

The Board of Directors approved the annual consolidated financial statements of the Coop Group on 12 February 2014. They have to be approved by the Delegate Assembly on 28 March 2014.

32 Scope of consolidation

			Interest held as at 31.12.2013 %	Interest held as at 31.12.2012 %	Share capital as at 31.12.2013 in CHF mio.	Method of inclusion ¹
Coop-Gruppe Genossenschaft	CH-Basel	Equity investment company				
Coop Genossenschaft	CH-Basel	Retail, Production	100.00		CHF	F
Betty Bossi AG	CH-Zürich	Magazine publisher	100.00	100.00	CHF	F
Coop Immobilien AG	CH-Bern	Real estate	100.00	100.00	CHF	F
Dipl. Ing. Fust AG	CH-Oberbüren	Electrical appliances, multimedia	100.00	100.00	CHF	F
Service 7000 AG	CH-Netstal	Repairs service	50.06	50.06	CHF	F
Parking des Remparts SA	CH-La Tour-de-Peilz	Car park	33.33	33.33	CHF	E
Pearlwater Mineralquellen AG	CH-Termen	Mineral waters	100.00	100.00	CHF	F
Soc. Coopération de Collaboration Intern.	BE-Bruxelles	Purchasing company	25.00		EUR	E
The Body Shop Switzerland AG	CH-Uster	Beauty and cosmetic products	100.00	100.00	CHF	F
Tropenhaus Frutigen AG	CH-Frutigen	Tropical products, aquaculture	72.88	69.05	CHF	F
Tropenhaus Wolhusen AG	CH-Wolhusen	Tropical products, aquaculture	94.31	94.31	CHF	F
Bell AG	CH-Basel	Holding	66.29	66.29	CHF	2.0 F
Bell Deutschland Holding GmbH	DE-Seevetal	Sub-holding	100.00	100.00	EUR	F
Bell Deutschland GmbH & Co. KG	DE-Seevetal	Charcuterie	100.00	100.00	EUR	F
Abraham Schwarzwälder Schinken GmbH	DE-Schiltach	Ham production	100.00	51.00	EUR	F
Bell Verwaltungs GmbH	DE-Seevetal	Sub-holding	100.00	100.00	EUR	F
Interfresh Food GmbH	DE-Seevetal	Sub-holding	100.00	100.00	EUR	F
Abraham Benelux S.A.	BE-Libramont- Chevigny	Air-dried ham	100.00	100.00	EUR	F
Abraham France SARL	FR-Bussy-Saint- Georges	Wholesale	100.00	100.00	EUR	F
Bell Polska Sp. z o.o.	PL-Niepolomice	Charcuterie	100.00	100.00	PLN	F
Bell Benelux Holding N.V.	BE-Zellik	Sub-holding	100.00	100.00	EUR	F
Bell Logistics N.V.	BE-Zellik	Warehouse operations	100.00	100.00	EUR	F
Bell Benelux N.V.	BE-Zellik	Trade in meat products	100.00	100.00	EUR	F
Bell Nederland B.V.	NL-Dr Houten	Trade in meat products	76.00	76.00	EUR	F
Bell Czechia s.r.o.	CZ-Praha-Holesovice	Wholesale	100.00		CZK	F
NOVÁK mäso - údeniny s.r.o.	SK-Nitra	Trade in meat products	90.00	90.00	EUR	F
Sanchez Alcaraz S.L.U.	ES-Casarrubios del Monte	Air-dried ham	100.00	100.00	EUR	F
S.C. ZIMBO Romania s.r.l.	RO-Bucuresti	Trade in meat products	100.00	100.00	RON	F
ZIMBO Czechia s.r.o.	CZ-Praha-Holesovice	Retail	90.00	90.00	CZK	F
ZIMBO Húsipari Termelő Kft.	HU-Perbal	Meat and sausage products	99.74	99.70	HUF	F
Bell France SAS	FR-Teilhède	Sub-holding	100.00	100.00	EUR	F
Maison de Savoie SAS	FR-Aime	Cured sausages	100.00	100.00	EUR	F
Salaison Polette & Cie SAS	FR-Teilhède	Cured sausages	100.00	100.00	EUR	F
Saloir de Mirabel SARL	FR-Riom	Air-dried ham	100.00	100.00	EUR	F
Saloir de Virieu SAS	FR-Virieu-le-Grand	Air-dried ham	100.00	100.00	EUR	F
St-André SAS	FR-St-André-sur- Vieux-Jonc	Cured sausages	100.00	100.00	EUR	F
Val de Lyon SAS	FR-Saint-Sympho- rien-sur-Coise	Cured sausages	100.00	100.00	EUR	F
Bell Schweiz AG	CH-Basel	Fresh meat, charcuterie, poultry, seafood	100.00	100.00	CHF	F
Centravo Holding AG	CH-Zürich	Processing of by-products	29.80 ²	29.80 ²	CHF	E
Frigo St. Johann AG (merged on 1.1.2013)	CH-Basel	Logistics, refrigeration		100.00	CHF	F

			Interest held as at 31.12.2013 %	Interest held as at 31.12.2012 %	Share capital as at 31.12.2013 in CHF mio.	Method of inclusion ¹
Hilcona AG	FL-Schaan	Fresh convenience foods	49.00	49.00	CHF	E
Delizio GmbH	DE-Stuttgart	Convenience products	100.00	100.00	EUR	E
FPH Trust Ltd.	FL-Schaan	Equity investment company	100.00	100.00	CHF	E
Gusto GmbH	DE-Stuttgart	Convenience products	100.00	100.00	EUR	E
Hilcona Agrar AG	FL-Schaan	Convenience products	100.00	100.00	CHF	E
Hilcona Convenience AG	CH-Schafisheim	Convenience products	100.00	100.00	CHF	E
Hilcona Feinkost GmbH	DE-Leinfelden- Echterdingen	Convenience products	100.00	100.00	EUR	E
Hilcona Fresh Express	CH-Lupfig	Convenience products	100.00	100.00	CHF	E
Hilcona France SARL	FR-Montélimar	Convenience products	100.00	100.00	EUR	E
Hilcona Gourmet SA	CH-Orbe	Convenience products	100.00	100.00	CHF	E
Hilcona Holding AG	CH-Zug	Equity investment company	100.00	100.00	CHF	E
Gastro Star AG	CH-Dällikon	Convenience products	100.00	100.00	CHF	E
Schwarz Viva AG	CH-Villigen	Convenience products	100.00	100.00	CHF	E
Kamina Handels AG	FL-Schaan	Convenience products	100.00	100.00	CHF	E
CapCo AG	FL-Vaduz	Insurance company	100.00	100.00	CHF	5.0 F
Centre de formation «du Léman»	CH-Jongny	Training	100.00	100.00	CHF	0.0 F
Chocolats Halba S.A. de C.V.	HN-San Pedro Sula	Cocoa production	75.00		USD	0.1 F
Coop Bildungszentrum	CH-Muttenz	Training	100.00	100.00	CHF	0.4 F
Coop-ITS-Travel AG	CH-Freienbach	Travel agency	50.00	50.00	CHF	E
Coopernic SCRL	BE-Bruxelles	Purchasing company	20.00	20.00	EUR	E
Coop Switzerland Far East Ltd.	HK-Hongkong	Purchasing company	100.00	100.00	HKD	0.0 F
Coop Mineraloel AG	CH-Allschwil	Filling stations with shops	51.00	51.00	CHF	10.0 F
Tanklager Rothenburg AG	CH-Rothenburg	Maintenance of filling stations	33.33	33.33	CHF	E
Coop Vitality AG	CH-Niederbipp	Pharmacies	51.00	51.00	CHF	5.0 F
Distributis AG (merged on 1.1.2013)	CH-Dietlikon	Real estate		100.00	CHF	F
Eurobuy GmbH	DE-Köln	Purchasing alliance	33.33	33.33	EUR	E
Eurogroup SA	BE-Bruxelles	Purchasing company	50.00	50.00	EUR	E
Eurogroup Deutschland GmbH	DE-Langenfeld	Purchasing alliance	100.00	100.00	EUR	E
Eurogroup España Frutas y Verduras S.A.	ES-Valencia	Purchasing alliance	100.00	100.00	EUR	E
Eurogroup Italia S.R.L.	IT-Verona	Purchasing alliance	100.00	100.00	EUR	E
Eurogroup Far East Ltd.	HK-Hong Kong	Purchasing company	33.33	44.44	HKD	E
HiCoPain AG	CH-Dagmersellen	Frozen baked goods	40.00	40.00	CHF	E
Palink UAB	LT-Vilnius	Retail	20.00	20.00	LTL	E
Panflor AG	CH-Zürich	Cereals and ground products	100.00	100.00	CHF	0.1 F
railCare AG	CH-Härkingen	Railway company operations	100.00	100.00	CHF	1.0 F
Rosengarten Basel AG	CH-Basel	Retail	100.00	100.00	CHF	0.1 F
Steinfels Swiss GmbH	DE-Konstanz	Distribution company	100.00	100.00	EUR	0.0 F
Transgourmet Holding AG	CH-Basel	Holding	100.00	100.00	CHF	520.1 F
transCoop GmbH	DE-Neu-Isenburg	Sub-holding	100.00	100.00	EUR	F
Transgourmet Immobilien GmbH & Co. KG	DE-Pullach	Real estate	100.00	100.00	EUR	F
Transgourmet Foodservice Immobilien GmbH	DE-Mainz	Real estate	100.00	100.00	EUR	F
Transgourmet Beteiligungs GmbH	AT-Wiener Neudorf	Sub-holding	100.00	100.00	EUR	F
OOO Selgros	RU-Moskwa	Cash & Carry	100.00	100.00	RUB	F
OOO Garant-Vozrogdenije	RU-Moskwa	Real estate	100.00	100.00	RUB	F
OOO Mikotrans	RU-Moskwa	Real estate	100.00	100.00	RUB	F
OOO Selgros Immobilien	RU-Moskwa	Real estate	100.00	100.00	RUB	F
OOO Veritable	RU-Moskwa	Real estate	100.00	100.00	RUB	F

			Interest held as at 31.12.2013 %	Interest held as at 31.12.2012 %	Share capital as at 31.12.2013 in CHF mio.	Method of inclusion ¹
Transgourmet Deutschland AG	CH-Basel	Sub-holding	100.00	100.00	CHF	F
OHG FEGRO / SELGROS Cash & Carry GmbH & Co.	DE-Neu-Isenburg	Cash & Carry	100.00	100.00	EUR	F
OHG REWE-Foodservice GmbH & Co.	DE-Mainz	Wholesale supplies	100.00	100.00	EUR	F
Geo-Marketing GmbH	DE-Mainz	Marketing	25.00	25.00	EUR	E
Transgourmet Seafood GmbH	DE-Bremerhaven	Seafood	100.00	100.00	EUR	F
Transgourmet Deutschland GmbH	DE-Neu-Isenburg	Holding	100.00	100.00	EUR	F
SELGROS CASH & CARRY S.R.L.	RO-Brasov	Cash & Carry	100.00	100.00	RON	F
SELGROS Sp. z o.o.	PL-Poznan	Cash & Carry	100.00	100.00	PLN	F
Transgourmet France SAS	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
ALDIS SUD EST 2 SAS	FR-Saint-Martin- de-Crau	Wholesale supplies	100.00	100.00	EUR	F
Eurocash SA	FR-Schiltigheim	Wholesale supplies	100.00	100.00	EUR	F
All Fresh Logistique SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
Delta logistic SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
HOLDI CRENO SA	FR-Châteaurenard	Holding	19.08	19.08	EUR	E
La Goele SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
Locafresh SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
Locagroup SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
Mantes Primeurs SAS	FR-Mantes-la-Jolie	Wholesale supplies	100.00	100.00	EUR	F
Sodiexval SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
Transgourmet Seafood (previously: Neva Food SAS)	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
Neva Food (previously: ALDIS ASP 5 SARL)	FR-Chilly-Mazarin	Wholesale supplies	100.00	100.00	EUR	F
SPEIR SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
COFIDA SAS	FR-Rungis	Wholesale supplies	100.00	100.00	EUR	F
ALDIS ASP 6 SARL	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
BSP SAS	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
Hygedis SAS	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
Anaxis SA	FR-Le Mans	Wholesale supplies	100.00	100.00	EUR	F
GAP SAS	FR-Villepinte	Wholesale supplies	100.00	100.00	EUR	F
Monsieur clean SAS (merged on 1.10.2013)	FR-Nice	Wholesale supplies		100.00	EUR	F
NES SAS	FR-Lezennes	Wholesale supplies	100.00	100.00	EUR	F
PHS Sud Ouest SAS (previously: PHS Aquitaine SAS)	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
PHS Côte d'Azur SAS (merged on 1.10.2013)	FR-Nice	Wholesale supplies		100.00	EUR	F
PHS Sud Est SAS (previously: PHS Méditerranée SAS)	FR-Vitrolles	Wholesale supplies	100.00	100.00	EUR	F
PHS Rhône-Alpes SAS (merged on 1.10.2013)	FR-Pont-de-L'isère	Wholesale supplies		100.00	EUR	F
Pro Hygiène Service EST SAS	FR-Fegersheim	Wholesale supplies	100.00	100.00	EUR	F
Pro Hygiène Service SARL	FR-Orly	Wholesale supplies	82.16	82.16	EUR	F
Transgourmet Opérations SAS	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
Transgourmet Immobilier France SAS	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
Transgourmet Finance SNC	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
Transgourmet Management Cie	FR-Orly	Wholesale supplies	100.00	100.00	EUR	F
Transgourmet Schweiz AG	CH-Basel	Wholesale	100.00	100.00	CHF	F
Grossopanel AG	CH-Stans	Market research	39.80	39.80	CHF	E
Valentin Pontresina AG	CH-Pontresina	Trade, import, export	50.00	50.00	CHF	E
WINE AG VALENTIN & VON SALIS	CH-Pontresina	Beverages trade	50.00	50.00	CHF	E

¹ F = Fully consolidated company

E = Organization consolidated by the equity method

² Proportion of the shares in circulation



Report of the statutory auditor
to the assembly of delegates of
Coop Group 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 Group Cooperative, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes (pages 77-97), for the year ended 31 December 2013.

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 2013 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, 12 February 2014

PricewaterhouseCoopers Ltd, St. Jakobs-Strasse 25, 4002 Basel, Telephone: +41 58 792 51 00, Facsimile: +41 58 792 51 10, www.pwc.ch
PricewaterhouseCoopers Ltd is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

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 limited to, 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

Print-run

5 000 Ge / 1 000 Fr / 600 It / 300 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

This report can be ordered from

Coop
Info Service
Postfach 2550
CH-4002 Basel
Tel. +41 61 336 66 66
www.coop.ch

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





Coop Group
Annual Report

2013