

Coop Group
ANNUAL REPORT
2010



KEY FIGURES →

KEY FIGURES

	2010	2009	Change	Index %	
Key financial data in CHF million					
Cash turnover of sales outlets	18 106	17 758	+347	102.0	
Onward retail sales to third parties	502	486	+17	103.5	
Retail turnover	18 608	18 244	+364	102.0	
Total sales	20 007	19 667	+339	101.7	
Net sales from goods and services	18 965	18 660	+305	101.6	
EBITDA – operating cash flow	1 955	1 760	+195	111.1	
EBIT – operating income	709	614	+95	115.4	
Profit/loss	470	430	+40	109.3	
Financial liabilities	4 686	4 422	+264	106.0	
Net financial liabilities	2 925	3 925	-1 000	74.5	
Equity incl. minority interests	6 412	6 098	+313	105.1	
Total assets	14 624	13 933	+691	105.0	
Cash flow before change in net current assets	1 744	1 555	+188	112.1	
Cash flow from operating activities	1 709	1 626	+83	105.1	
Cash flow from investing activities	-653	-2 055	+1 402	-	
Cash flow from financing activities	211	350	-140	60.1	
Relative indicators in %					
Quick ratio	73.3	34.9	+38.4	209.9	
Ratio of equity and long-term liabilities to non-current assets	114.6	98.9	+15.8	115.9	
Debit ratio	56.2	56.2	-0.1	99.9	
EBITDA margin	10.3	9.4	+0.9	109.3	
EBIT margin	3.7	3.3	+0.4	113.6	
Profit margin	2.5	2.3	+0.2	107.5	
Cash flow margin	9.0	8.7	+0.3	103.4	
Debt coverage ratio	Target value: < 3.0	1.5	2.2	-0.7	67.1
Interest coverage ratio	Target value: > 8.0	22.9	24.3	-1.4	94.1
Equity ratio	Target value: > 40.0	43.8	43.8	+0.1	100.2
Employees					
Employees at 31.12	53 559	52 974	+585	101.1	
Full-time employees	43 925	44 154	-229	99.5	
Sales outlets					
Number of sales outlets at 31.12	1 915	1 864	+51	102.7	
Sales area in m ² at 31.12	1 741 914	1 725 604	+16 310	100.9	
Sales area in m ² (annual average)	1 732 128	1 719 187	+12 941	100.8	
Members					
Number of members at 31.12	2 666 242	2 518 056	+148 186	105.9	

Prior-year figures restated

COOP OWN-LABEL SUSTAINABILITY BRANDS AND QUALITY LABELS



For uncompromisingly organic products.



For animal-friendly husbandry.



For a green alternative.



For fashion and fairness.



For our mountains. For our farmers.



OWN-LABEL TARGET-GROUP BRANDS



For your lowest-price guarantee.



For special moments.



For freshness and convenience.



For well-balanced enjoyment.



For clever nutrition.



For dermatologically tested skin care.



For the pleasure of meals without meat.



For deliciously carefree nourishment.



For now.

OWN-LABEL STANDARD BRANDS



Qualité & Prix

For value and quality 5000 times over.

SALES FORMATS



TRAVEL OFFERS

MANUFACTURING COMPANIES



CASH & CARRY / FOODSERVICE



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BUILDING ON A SOLID FOUNDATION

For the first time, the Coop Group posts total sales of over 20 billion francs. This is 1.7% up on the previous year, despite a fall of 1.8% in Coop prices over the range as a whole. The complete takeover of Transgourmet Holding S.E. is Coop's most important strategic decision of 2010.



The Coop Group can look back on a successful 2010 business year. We achieved overall sales of more than 20 billion francs for the first time – 1.7% more than in the previous year. This increase was due particularly to Coop's growing popularity among consumers.

We lowered prices on a total of 1 700 everyday food and non-food items in the Retail sector (Coop Supermarkets and Megastores) in 2010. At the end of the year we launched a price offensive to thank our customers for their loyalty by undertaking massive, permanent and transparent price reductions on 500 articles in our range of own-label brands. This campaign picks up where the price cuts of previous years left off, when Coop invested over 1.1 billion francs in lowering prices. We created the scope needed for price cuts by systematically pursuing efficiency gains and implementing the Logistics Strategy 2005+.

In 2010, Coop drew up the new Logistics and Bakeries Strategy 2015+, which will generate further efficiency gains. Coop reckons on achieving recurrent annual savings of about 60 million francs. In addition, implementation of the strategy will reduce CO₂ emissions by 4 800 tonnes and shift even more freight from road to rail.

Coop's decision to take over the whole of Transgourmet Holding S.E. – Europe's second biggest cash & carry and foodservice company – as of 1 January 2011 was strategically its most important decision. With this B2B trade, we are strengthening our domestic and international involvement in the catering and wholesale supplies business and focusing systematically on a second strong mainstay with good prospects for the future. The acquisition adds sales of approximately 8.6 billion francs to the Coop Group's turnover and more than 22 000 employees to its workforce.

The business year 2010 was also one of dynamic change for the Coop Group. By taking over The Body Shop Switzerland AG, we are expanding our expertise in the cosmetics and bodycare segment. We established the Hello Family Club and are thus taking particular account of the special shopping needs of families with children. In addition, we took over the entire share capital of Railcare AG, which specializes in unaccompanied combined transport, a flexible and environmentally friendly way of transporting goods. And our cooperation agreement with the German company Dehner – Europe's largest garden-centre group – strengthens the expertise of our Building & Hobby centres in the flowers and plants

segment. The takeover of Pearlwater Mineralquellen AG on 1 January 2011 will make us independent in terms of mineral water purchasing: as of 2012, Pearlwater mineral water will be used for our own-label brands "Swiss Alpina" and "Prix Garantie", which will be bottled at the Valais plant.

Appropriately for the UN's International Year of Biodiversity, we further strengthened consumer awareness of the importance of biodiversity by engaging in numerous additional activities in 2010. Our own-label sustainability brands, especially Coop Naturaplan, are making an important contribution to the drive for more biodiversity. There has been no let-up in the demand for organic products. Sales growth of Naturaplan was again above average at approximately 5%, which is an extremely good result given that organic products have also been subjected to price cuts.

In 2011, we will be marking the tenth anniversary of CoopForte, the merger of the 14 regional cooperatives and Coop Switzerland to form a single cooperative society. In the course of these ten years, Coop has achieved strong growth, greater market share and substantial productivity gains. We have largely the dedication of our 53 559 employees to thank for our Group's success. With a notable average pay rise of 2.8% as of January 2011, we are sharing this success with our workforce – because they deserve a special "thank you".

We also take this opportunity of thanking our customers for their loyalty and our business partners for their cooperation. We are in good shape and therefore look forward to facing the future together and tackling the challenges that will come our way.



Irene Kaufmann

Chairwoman of the Board of Directors



Hansueli Loosli

Chairman of the Executive Committee



JANUARY

FOCUS ON BIODIVERSITY GETS OFF TO A GOOD START

The UN proclaims 2010 the International Year of Biodiversity. Coop initiates a range of activities aimed at raising public awareness of biodiversity and promoting it in Switzerland: a TV commercial with rapper Stress grabs viewers' attention, Coop makes balconies and gardens bloom by distributing a million packets of wild-flower seeds. It also secures the upgrading of 280 000 m² of dry meadows, and enables people to experience biodiversity at first hand during the "Organic Farms Open Day".



FEBRUARY

PLUMMETING PRICES AT BUILDING & HOBBY CENTRES

Coop Building & Hobby slashes the prices of over 800 products right across the range, thus passing on the savings it has achieved from efficiency gains.

TEN YEARS OF SUPERCARD

Switzerland's most successful customer loyalty programme, Coop Supercard, celebrates its tenth anniversary. Over four million customers in Switzerland make regular use of their Supercard.

MAY

ALLIANCE WITH SWISS VEGETABLE PRODUCERS

Coop and its Swiss vegetable producers sign a long-term cooperation agreement. The aim of this alliance is to strengthen the long-term production and consumption of Swiss-grown fresh vegetables.

TRADITIONAL BAKERY SKILLS

From mid-May, Coop industrial bakeries use starter dough in all bread products, thereby tangibly improving flavour, crispness and shelf-life.

OPENING OF 31ST MEGASTORE

Coop opens a megastore in Oberwil on 5 May, the first in the Basel region. Coop now operates a total of 31 megastores.



JULY

FAIR MILK PRICE FOR PRODUCERS

The milk industry organization BO Milch raises the recommended price of milk by 3 centimes on 1 July. As a member of BO Milch, Coop supports this price adjustment that benefits producers.

MORE DIVERSITY THANKS TO PRO SPECIE RARA

For over ten years, Coop and the Pro Specie Rara Foundation have actively promoted the protection of livestock and varieties of fruit and vegetable that are in danger of extinction. This successful partnership is renewed in July.

SEPTEMBER

COOP ACQUIRES RAILCARE AG

Coop takes over the entire share capital of Railcare AG. This company specializes in unaccompanied combined transport, a flexible and environmentally friendly way of transporting goods. This acquisition brings Coop a step closer to achieving its CO₂ vision and shifts more freight from road to rail.

HELLO FAMILY CLUB IS FOUNDED

The new family club takes particular account of the special shopping needs of families with children. Thanks to the new Hello Family Club Card with integrated Supercard function, members profit from numerous benefits such as special discounts.



MILESTONES IN 2010

Coop strengthens its domestic and international presence in the catering and wholesale supplies business by acquiring Transgourmet Holding S.E.

OCTOBER

NEW LOGISTICS AND BAKERIES STRATEGY

Coop undertakes a long-term realignment in its new Logistics and Bakeries Strategy. The focus is on support for sustainability goals and on further improvement of Coop baked goods in terms of cost and quality. The measures envisaged will be completed by 2016 at the latest.

COOPERATION WITH DEHNER

Coop enters into a long-term cooperation agreement with the German company Dehner, Europe's largest garden-centre operator. This alliance strengthens the expertise of Building & Hobby in the flower and plant market segment.





MARCH

40 YEARS OF INTERDISCOUNT

The electronics retailer Interdiscount is 40 years old. Its customers benefit from attractive anniversary offers such as "Every tenth purchase for free".

NATURALINE BECOMES CO₂-NEUTRAL

Since spring, all basic T-shirts from Naturaline have been produced on a CO₂-neutral basis – from cultivation of the organic cotton through to display in the sales outlets. This brings Coop a step closer to its goal of making all Naturaline cotton textiles and cotton-wool products CO₂-neutral by the end of 2013.



APRIL

SHOPPING WITH THE COOP@HOME APP

Just scan in the EAN code with your iPhone to order a product on the online supermarket coop@home. This further development of the iPhone app makes choosing from over 13000 everyday food products and articles even more attractive.

NEW SUSTAINABILITY WEBSITE

Coop's new sustainability website goes online. Divided into "This is what Coop does" and "What can I do?", the web pages offer consumers valuable background information and tips on all aspects of sustainability.

JUNE

TAKEOVER OF THE BODY SHOP SWITZERLAND

Coop takes over The Body Shop Switzerland AG, thereby expanding its expertise in the cosmetics and bodycare segment. The Body Shop Switzerland AG continues to operate as an autonomous company.

CUSTOMERS BENEFIT FROM WEAK EURO

Because of the low euro exchange rate, Coop reduces prices of fresh products and many other items sourced in the European Union. Coop carries out a total of four price-cutting rounds on euro-sourced products – around 400 items become an average of 10% cheaper.



The new Logistics and Bakeries Strategy 2015+ brings Coop recurrent savings of about 60 million francs a year.



AUGUST

COOP OFFERS APPRENTICES A FUTURE

Coop welcomes 1178 new apprentices. With a total of 3014 apprentices at the end of 2010, Coop – one of Switzerland's largest employers – makes a valuable contribution to vocational training.

PIONEERING CONTRIBUTION TO MARINE CONSERVATION

Coop launches tinned sardines sourced from environmentally compatible fisheries – the first retailer in Switzerland to do so. Sustainable production accounts for about 34% of total turnover from fish and seafood.

NOVEMBER

COOP TAKES OVER THE TRANSGOURMET GROUP

Coop expands its involvement in the Swiss and international catering and wholesale supplies business by acquiring a 100% stake in Transgourmet Holding S.E. as of 1 January 2011. With a workforce of over 22000 and sales of about 6.2 billion euros (approximately 8.6 billion francs) in 2010, Transgourmet Holding S.E. is the second largest cash & carry and foodservice group in Europe. The formats Howeg, Prodega/Growa CC, Transgourmet France, Fegros/Selgros and Rewe-Foodservice belong to the Transgourmet Group and currently operate in Switzerland, France, Germany, Poland, Romania and Russia.



DECEMBER

LAUNCH OF PRICE OFFENSIVE

Coop thanks its customers for their loyalty by undertaking massive, permanent and transparent price reductions on some 500 articles in its range of own-label brands.

TAKEOVER OF PEARLWATER MINERALQUELLEN AG

The takeover of Pearlwater Mineralquellen AG on 1 January 2011 means that Coop has access to up to 140 million litres of high-quality mineral water a year, making it independent in terms of mineral water purchasing.

A "THANK YOU" TO EMPLOYEES

On 1 January 2011, Coop shares its success with its employees by raising pay by a notable 2.8% on average.



OPERATING ENVIRONMENT

Consumer sentiment in Switzerland is robust in 2010. Unemployment falls, and the retail sector benefits from healthy growth. Different price trends dominate the raw-material markets. Swiss retail productivity is among the highest in Europe.

MARKET ENVIRONMENT

Recovery from recession faster than expected

2010 was a year of dynamic economic growth. Consumer sentiment and personal consumption in Switzerland were robust, and there was a substantial fall in unemployment. However, a number of mostly global factors made future growth forecasts increasingly uncertain. After a strong first quarter, the sluggish development of real disposable income had a dampening effect on consumer spending. Growth slowed down in the second half of the year. 2010 was also a year of continuing low inflation, and retail price trends ranged from flat to downward. The retail sector benefited from healthy growth, with the non-food sector doing particularly well. Exports showed marked growth despite the strength of the Swiss franc. The key question at present is the extent to which the slowdown in the global economy and the rise in the value of the franc will impact on the Swiss economy. There is likely to be a decline in economic growth and private consumption.

Volatile raw-material markets

Different price trends dominated the raw-material markets in 2010. The important domestic market was characterized by extremely low prices for pork from May onwards; these had already been signalled in spring by the large numbers of piglets in supply and the resulting likelihood of supply exceeding demand. The Swiss milk market was shaped by very high milk

volumes and pricing uncertainties, which were not eliminated by the rise in the recommended price as from 1 July 2010. The milk industry organization BO Milch had to admit that, owing to a lack of transparency and the failure of market players to observe the ground rules, the volume management model it had developed was being poorly implemented. In its place, the intention is now to apply a binding system of price segmentation according to class A, B and C milk, effective as of 1 January 2011. Large milk surpluses were processed to butter in 2010, causing the butter mountain to grow to about 10 000 tonnes. As a result of the reluctance of many market players in the milk industry to pay their contributions to the Intervention Fund, only 1 500 rather than the targeted 4 000 to 5 000 tonnes were exported to non-EU countries from the Fund. In the market for soft wheat, the export restrictions suddenly imposed in Russia and the Ukraine resulted in a massive rise in prices, and so there was no way of avoiding higher bread prices in the autumn. The price of many varieties of vegetable soared to record levels in the summer as supplies were unable to meet demand in the wake of shortages due to poor weather conditions. The rice and durum wheat markets were relatively stable, whereas the prices of coffee, cocoa and sugar rose as a result of speculation activities as well as harvest yields. Cocoa prices had reached absolute record levels by mid-year, but declined thereafter. Rises in retail prices were largely prevented by means of efficiency gains in processing and by the strength of the Swiss franc.

Performance of Swiss retail sector by international standards

The Swiss retail trade's impressive efforts of the last few years and the dismantling of trade barriers have paid off. The latest study by BAK Basel Economics shows that there was a further significant rise in Swiss retail productivity, which is now among the highest in Europe. Swiss-based employees, whose labour productivity is substantially higher than the European average, benefited in part from the higher productivity. Consumers also benefited in the form of lower retail prices. Owing to Switzerland's market isolation and, by international standards, its low purchasing volumes, purchasing prices are much higher for Swiss retailers than for their counterparts in other countries. This puts Switzerland at a great disadvantage. In addition to labour productivity, the lower rate of value-added tax is an important advantage for Switzerland's international competitiveness. Consumer prices have fallen by a substantial margin, particularly in the non-food sector, while prices in the food sector, despite the increase in 2007 and 2008, remained largely stable from 2006 to 2010. These advantages were partly offset in 2010 by the marked appreciation of the franc in relation to the euro. Wherever possible, Coop insisted on lower cost prices and ensured that consumers benefited from them. On balance, marked reductions in consumer price differentials in relation to other countries were possible, though less so for purchasing cost differentials.

POLITICAL ENVIRONMENT

Faltering liberalization and market deregulation

Despite the "Cassis-de-Dijon principle" (unrestricted import of products produced under less stringent conditions in the EU) coming into force in mid-2010, a number of different projects aimed at liberalizing and opening up markets have faltered. The discussions about restoration of official milk quotas, the sluggish pace of deregulation of the electricity market and the political calls to suspend current negotiations on a comprehensive agreement on agriculture and health with the EU testify to a climate of uncertainty.

Funding gap in transport infrastructure

Though great importance has been attached in the last few years to expanding the transport infrastructure, too little attention has been paid to securing funding for investment in plant maintenance and replacement. In the railway system, passenger transport is being expanded at the expense of freight. Thus the cost of rail freight is much higher in Switzer-

land than abroad and is also plagued by major bottlenecks. Because of its mission to supply products, Coop is extremely dependent on a well developed, reliable and affordable rail infrastructure network.

Lots of red tape

Retailing in Switzerland is subject to much greater regulation in many areas than the markets of neighbouring competitors. This applies to shop opening times, regulations on spatial development and air pollution control, product labelling – which is much more stringent than in the EU – and regulations relating to cross-border traffic and customs formalities. In the interests of consumers, Coop in 2010 again lobbied, through the Swiss retailers' association IG DHS, against inefficient and discriminatory regulations.

OFFERING

Coop launches a price offensive and takes a step forward in terms of price transparency. International sourcing alliances create further purchasing advantages. Naturaplan continues to grow, and the Naturaline underwear and nightwear range is now CO₂-neutral.

PRICING

Best value for money

Customers can be confident that they can shop at Coop at least as economically as at its main competitor – and in all price segments. In the year under review, Coop lowered the prices of some 1 700 products in Retail (Coop Supermarkets and Megastores) alone and, wherever possible, avoided passing on any increases in raw-material prices to consumers. In a total of four rounds of price cuts on euro-sourced products, Coop passed on the purchasing advantages it gained from the low euro exchange rate to customers. In December, Coop launched a price offensive and thanked its customers for their loyalty by undertaking massive, permanent price reductions on some 500 articles in its range of own-label brands. Coop also took a step forward as regards price transparency by providing a complete and detailed online overview of all the own-label brand articles reduced in price. In the lowest price segment, Coop's Prix Garantie label is at least as economical as the cheapest discounter and it covers all items of everyday use. In addition, Coop continues to offer customers over 600 popular manufacturer brands of everyday items at discount prices. Coop is not raising its retail prices to take account of the higher VAT rate on goods and services set by the Federal Council for 2011, which means that it will incur additional costs of about 30 million francs. Coop's profit margins will bear the brunt of the

higher VAT-based costs, and Coop is thus making an active contribution to keeping prices low. All these measures strengthen Coop's competitiveness in all price segments compared with its rivals and they preserve customer purchasing power. The Coop Group's prices fell by 1.8% overall in 2010.

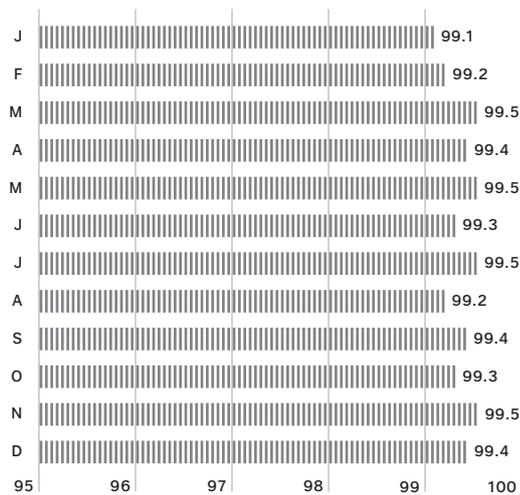
Price monitor: Coop prices are lower every month

For the last three years, Coop has regularly compared its prices with those of its main competitor, Migros. An independent market research institute carries out the price comparisons of some 2 200 items of everyday use in all ranges. The Coop price monitor is the most long-term, comprehensive and reliable price comparison system in Switzerland. It always compares like with like, i.e. articles that are comparable in terms of quality and quantity. The price monitor findings are published in the Coop member press and on the Internet every month. They confirm Coop's lowest-price guarantee for the Prix Garantie label and repeatedly demonstrate the competitiveness of Coop's prices in the most important price segments. The 2010 Coop price monitor showed that, every month, Coop products cost less than those of Migros in all price segments. Thus Coop has been consistently low-price for the last three years.

Coop price monitor: 2010 overview

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

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



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

PRODUCT RANGE

Creating and communicating clear added value

In the last few years Coop has responded increasingly to ever more specific customer needs and adapted its range of own-label brands to the different consumer trends. To help customers identify the respective added value of its different own-label brands, Coop reorganized its brand structure in 2010. It now differentiates between own-label sustainability brands, own-label target-group brands, own-label standard brands and manufacturer brands. Recognized labels testifying to specific ecological and social added value such as Max Havelaar will now be covered by the term "sustainability quality label". Since summer 2010, fruit and vegetables that differ from the standard range at Coop in terms of appearance, sensory attributes and quality have been marketed under the Primagusto label in order to satisfy consumers' growing wish for clear labelling of superior-quality fruit and vegetables. Coop is also responding to the growing demand for products from consumers' own regions. Considerable additions were made to the regional organic products sold under the Coop Naturaplan label and to the Coop own-label sustainability brand Pro Montagna for products sourced from Swiss mountain regions.

COOP OWN-LABEL SUSTAINABILITY BRANDS AND QUALITY LABELS

Coop Naturaplan keeps growing

Coop Naturaplan, Switzerland's largest organic brand, generated record sales of 758 million francs in 2010 – a year-on-year increase of 5%, despite lower prices for organic products. The 1 600 or so Naturaplan products bear the Bio Suisse organic bud emblem and thus meet the most stringent requirements. This fact is communicated in the new advertising campaign, "Coop Naturaplan – meeting Switzerland's strictest organic guidelines". In 2010, Coop developed over 100 new products, some of them unusual, for the Naturaplan label. Two organic yoghurts were awarded the Bio Suisse gourmet bud for their outstanding quality in 2010. Coop responded to growing customer demand for regional and natural products by expanding the range of organic regional products and giving it a new, uniform packaging. And Naturaplan again proved to be a pioneer, this time in terms of trust and traceability: since October 2010, all organic Swiss fruit and vegetables bear a Naturaplan ID that enables the specific producer and farm to be identified by computer or mobile phone.

Coop Naturafarm: pioneer of Natura Veal

When choosing meat and eggs, consumers have particularly high expectations with regard to quality, animal husbandry and product origin. Naturafarm, the Coop own-label sustainability brand, satisfies these expectations. It meets the most stringent requirements possible for commercial livestock husbandry in Switzerland. Coop Naturafarm posted sales of 461 million francs in 2010. Naturafarm accounts for approximately 30% of Coop's entire sales of meat and egg products and as much as 60% of beef and pork sales. Coop is also pioneering the sale of veal from suckler-cow husbandry under the Natura Veal label in selected stores. The Coop Sustainability Fund played a key role in co-financing this project. Naturafarm now has a more modern logo and packaging design, as is already the case with Naturaplan, Naturaline and Oecoplan.

Continued growth of Coop Oecoplan

Posting sales of 117 million francs and an increase of 5% on the previous year, Coop Oecoplan had a successful 2010. Oecoplan has become an important aid to consumers who are looking for ecologically compatible non-food and near-food products. Switzerland's first FSC-certified nappies were launched under the Oecoplan label in August 2010. The environmental impact of these disposable nappies made from sustainably produced pulp is 30% less than

that of traditional brands. Permanent shopping bags made from recycled PET bottles are an additional product innovation. In future, Coop will only produce permanent shopping bags made from recycled material. This can save some 530 tonnes of greenhouse gases and 238 500 litres of mineral oil.

Coop Naturaline underwear and nightwear now CO₂-neutral

Coop Naturaline, the own-label brand for sustainable textile and cosmetic products, generated sales of 67 million francs in 2010, making Coop the world's biggest retailer of fair-trade textiles made from organic cotton. Since spring, all basic T-shirts from Naturaline have been produced on a CO₂-neutral basis – from cultivation of the organic cotton through to display in the sales outlets. Since autumn 2010, this has also applied to underwear, nightwear and socks, bringing Coop a step closer to its goal of making all Naturaline cotton textiles and cotton-wool products CO₂-neutral by the end of 2013. The Coop Naturaline Natural Cosmetics label posted a 2% rise in sales in 2010. These products are particularly skin-friendly and guaranteed not to have been tested on animals. The cotton used in the cotton-wool items and the listed ingredients of the cosmetics are all organically produced.

Dual support from Pro Montagna for people living in mountain regions

The 120 or so products from Swiss mountain regions marketed under the Coop own-label sustainability brand Pro Montagna generated sales of 30 million francs in 2010, which is 10% more than in the previous year. The range now also includes a pinot noir wine from Visperterminen, where Europe's highest vineyard is located. Because all Pro Montagna products are both produced and processed in the Swiss mountains, the added value stays in the mountain regions, thereby supporting existing jobs and in many cases creating new ones. Moreover, for every Pro Montagna product sold, Coop makes a contribution to Coop Aid for Mountain Regions, a non-profit organization that invests the entire sum thus acquired in projects that benefit people living in the mountains. This solidarity payment totalled over 800 000 francs in 2010.

Pro Specie Rara: partnership renewed

Coop has been cooperating with the Pro Specie Rara Foundation for over ten years to protect the diversity of native crop plants and livestock. The successful partnership was prolonged at the beginning of the year under review. In 2010, bad weather resulted in rather disappointing harvests, particularly of vegetables.

This also had a negative impact on the breadth of the Pro Specie Rara range in Coop stores. The large numbers of visitors to the Pro Specie Rara seedling markets in Coop's Building & Hobby centres was therefore all the more gratifying. As a special service, experts provided tips on how to increase crop yields. In 2010, about 20% more Pro Specie Rara seedlings and seeds were sold at Coop than in 2009.

Slow Food sets up new presidia

Coop has supported the non-profit organization Slow Food and particularly the development of Swiss "presidia" (speciality promotion groups) since 2006 with funding from the Coop Sustainability Fund. The aim is to support small, traditional producers and their products by opening up new sales channels for them and increasing the added value generated at the place of production. 2010 saw, among other developments, the establishment of two presidia, "Churer Beinwurst" (a speciality sausage) and "Alp Sbrinz" (a mountain cheese), which secure the continued production of two traditional specialities. There are now 22 presidia in Switzerland, and Coop will continue to support the development of such groups in this country as part of its long-term partnership with Slow Food.

Growth in sales of Max Havelaar products

In 2010, Coop generated sales of 141 million francs with products bearing the Max Havelaar quality label. Growth of 6% on the previous year underlines Coop's commitment to fair trade. For instance, Coop launched 40 new Fairtrade products with the Max Havelaar quality label in 2010 alone. It introduced black and white pepper from Sri Lanka that is both organic and Fairtrade-certified, the first Swiss retailer to do so. Accounting for over 50% of the Max Havelaar Foundation's overall sales, Coop is by far the largest Fairtrade retailer in Switzerland.

Over 2 000 organic products in the range

Coop stocks over 2 000 organically produced food items. Almost all of them bear the bud emblem of Bio Suisse, one of organic farming's most stringent and thoroughly monitored quality labels. Coop markets the majority of organic food items under its own-label sustainability brand, Naturaplan. But the Pro Montagna, Oecoplan or Fine Food ranges increasingly include organic products, as do Coop's range of manufacturer brands. All in all, Coop posted sales of about 800 million francs with organic food in 2010, which is 5% up on the year-back figure. It therefore is still by far the market leader in organic products.

Pioneer of MSC products

The quality label of the autonomous organization Marine Stewardship Council (MSC) stands for fish and seafood sourced from sensitively managed, sustainable wildcatch. Coop has supported MSC since 2000 and was the first retailer in Switzerland to market MSC-certified seafood products. Currently, 42% of Coop's seafood range from wildcatch is MSC-certified. All Coop own-label tinned fish will bear the MSC quality label by the end of 2012. As a first step, Switzerland's first MSC-certified tinned sardines and white tuna were launched under the Weight Watchers label in 2010. Sales of MSC products at Coop amounted to about 42 million francs in 2010, surpassing the previous year's result by 28%.

Drinks cartons with FSC quality label

In its wood and paper ranges, Coop focuses on recycled raw materials and the quality label of the independent non-profit organization Forest Stewardship Council (FSC) for environmentally and socially responsible forest management. As much as 75% of Coop wood products bear the FSC quality label, compared with 100% of such products marketed under the own-label sustainability brand Oecoplan. Coop posted sales of 79 million francs with FSC products in 2010. Coop also switched production of bread bags and cardboard packaging for chocolate to FSC-certified material – the first large Swiss retailer to do so. In addition, all one-litre drinks cartons from Tetra Pak bear the FSC quality label. In September 2010, Coop received the FSC Global Partner Award for its systematic promotion of sustainable forestry.

Topten logo stands for energy efficiency

Topten is an independent, consumer-friendly search tool for energy-efficient products and services. Coop is one of the first companies to label its most energy-saving electrical appliances with the Topten quality label. It is thus helping consumers to identify and select the most energy-efficient appliances. In 2010, Coop generated sales of 227 million francs with products bearing the Topten quality label.

OWN-LABEL TARGET-GROUP BRANDS

Lowest prices with Prix Garantie

Coop's Prix Garantie label offers customers complete certainty about prices. This own-label brand is a guarantee of lowest prices: in the long term, Prix Garantie prices are at least as low as the lowest-priced items offered by Coop's main competitor and by discounters on the Swiss market. The lowest-price guarantee applies to the Prix Garantie range at both

Coop and the Building & Hobby centres. Coop posted sales of about 370 million francs with a total of around 400 Prix Garantie articles in 2010.

More new Fine Food products

The Coop own-label brand Fine Food offers gourmet items at affordable prices. The range comprised some 400 products at the end of 2010 and is being selectively enhanced – 30 new items were launched last year alone. Besides food products, there is also the Fine Food Design label, which offers high-quality kitchen aids and creative tableware. Fine Food posted sales of 82 million francs in 2010. The slight fall on the previous year's figure was due primarily to range adjustments. Podcasts with Michelin-starred chef Ivo Adam and the first Fine Food cookery book provide imaginative ideas for preparing the choice specialities.

Betty Bossi – fresh and quick

The Betty Bossi convenience brand generated sales of 457 million francs in 2010. The range of over 600 items, including numerous innovative new products, offers something to suit every taste. It includes sandwiches and salads, fruit and vegetables and pizza, pasta and complete meals. All products are developed in cooperation with Betty Bossi, and a notable feature is the use of fresh ingredients. The first Betty Bossi TV commercial since the launch of the label in 2002 focused on the freshness of the products in a way that appealed to consumers.

Many new Weight Watchers products

The partnership between Coop and Weight Watchers is unique throughout the world. Coop has been developing and marketing the products on an exclusive basis in Switzerland since mid-2005. It posted sales of over 80 million francs with Weight Watchers in 2010. In the year under review, the range of approximately 300 low-sugar, low-fat and low-calorie food items was further developed in selected directions and made even more varied thanks to improved recipes and innovative new products. The revamped packaging now displays the new ProPoints values, for instance actual energy consumption values or eating satisfaction (satiety) levels as well as the traditional Coop food profiles.

Jamadu now with own magazine

The 115 partly seasonal food, near-food and non-food Jamadu articles generated sales of 23 million francs in 2010. Using playful elements, this Coop own-label brand seeks to communicate a well-balanced diet and an active lifestyle to children, for instance through the new, quarterly Jamadu maga-

zine and the promotion of nutritional and physical activity projects. Betty Bossi has been supporting Coop's internal Nutrition Unit in the development of new food products since 2010. Before any products are added to the Jamadu range, they are tested by children and parents.

Dermasens celebrates its first birthday

Coop launched the skin cleansing and care line Dermasens in April 2009. This Coop own-label brand was developed in order to offer special care for people with sensitive, easily irritated skin. All twelve products for the face, body and hair were developed by well-known Swiss companies with a great deal of pharmaceutical expertise. In addition, every single product is tested for tolerance by the Dermatology Clinic of Zurich University Hospital. Dermasens therefore bears the "Successfully tested" quality label – the first cosmetic brand to do so.

Impressive growth of Délicorn

The 30 or so items of the Coop own-label brand Délicorn are produced with raw materials such as soya, wheat, millet and milk protein and satisfy the demand for a natural and well-balanced meat substitute. They all bear the EU vegetarian label ("V" logo) and also carry instructions on preparation and a recipe suggestion. Sales of Délicorn products amounted to 13 million francs in 2010. The marked growth on the previous year confirms the growing interest in vegetarian meat substitutes. Besides ethical considerations, increased awareness of the need for a healthy and well-balanced diet is also driving the trend to vegetarianism.

Enjoy Free From with no worries

More than one million people in Switzerland suffer from a form of food intolerance. Lactose (milk sugar) or gluten (cereal protein) intolerance is particularly widespread. In addition, around 3% of the population react with a serious allergy to specific foodstuffs. Coop's Free From own-label brand is designed specially to meet such needs, offering 20 lactose-free and 33 gluten-free products, plus six other products that are free from specific allergens. The gluten-free range also includes items from the DS (Dietary Specials) brand and Schär products. Coop works closely with IG Zöliakie (Swiss Celiac Association), and participated, for instance, in the summer camp for children with celiac disease and the information event for newly diagnosed people held in Basel. In 2010, Coop generated sales of over 10 million francs with Free From, which is an increase of over 20% compared with the previous year.

Plan B: apprentices take responsibility

Posting sales of around 11 million francs, Plan B grew by about 9% in 2010. This Coop own-label brand for fast, uncomplicated and, above all, attractively priced food for people on the move had another busy year in 2010. About half the total of 50 products were replaced by attractive new items. 2010 saw the launch of the "Apprentices" pilot project, which is aimed at gearing the range even more effectively to its target group. In this new training model, apprentices in their third year take over the complete management of the Plan B range at selected sales outlets. In addition, two workshops are held each year at which Coop apprentices sample potential Plan B products and create new ideas for products.

OWN-LABEL STANDARD BRANDS

Lots of choice with Coop Qualité & Prix

The Coop own-label standard brand Qualité & Prix demonstrates that good quality does not have to cost a lot. The low-cost, high-quality food, near-food and non-food products cover the entire spectrum of everyday needs. Clarity is an essential attribute of packaging design for food products. Besides understandable, useful facts about the product, each article displays full and clearly structured nutritional value labelling. Among other data, the "food profile" shows how much energy, sugar, fat, saturated fatty acids, table salt, and other ingredients are contained in a portion and what percentage of the recommended daily allowance this covers. Coop posted sales of over 2 billion francs with the own-label brand Qualité & Prix in 2010, almost 2% more than in the previous year.

MANUFACTURER BRANDS

Even greater choice of manufacturer brands

Manufacturer brands account for about 46% of Coop's overall sales. It offers by far the largest selection of manufacturer brands in Switzerland – and in most cases at unbeatable prices, as Coop slashed the prices of over 600 manufacturer brands to discount level. In a further consolidation of its market leadership in international specialities, Coop launched an additional 17 original products from Great Britain in October. The total range of 100 British specialities is offered in 50 selected supermarkets and can be purchased anywhere in Switzerland through coop@home. By expanding this range, Coop is specifically targeting the needs of the 50 000 or so people from England, Scotland, Wales and Ireland who live in Switzerland.

PURCHASING / SUPPLY CHAIN MANAGEMENT

Turbulence in the purchasing markets

2010 was marked by serious upheavals and soaring prices in the international raw-material markets. These were triggered partly by natural catastrophes, the revival in economic growth – particularly in highly populous emerging countries such as China and India – and renewed fears of a worldwide shortage of raw materials. At the international level, developments are taking shape that might eventually have a negative impact on the purchasing environment. These include the large-scale acquisition of arable land in less developed countries by big state-backed companies or sovereign funds, and massive interventions in the markets through speculation on the commodity exchanges. Moreover, there has been no let-up in long-term problems such as shortage of resources, climate change and loss of biodiversity. Rising prices of raw materials, particularly food-stuffs, could – as in the 2008 global food crisis – trigger social and political tensions and protectionist tendencies in trade with developing and emerging countries.

Swiss trade continues to benefit from the growing liberalization of the Swiss market in dealings with the EU. With the partial revision of the Federal Law on Technical Barriers to Trade now in force, products that do not entirely satisfy Swiss product regulations but comply with those of the EU can now be sold in Switzerland. This will further reduce price differentials between Switzerland and neighbouring EU states.

Aims of Purchasing Strategy 2015+

Coop approved the new Purchasing Strategy 2015+ in 2010 and is thus responding to the growing uncertainties surrounding international trade. The strategy involves further systemization and expansion of Coop's approach to management of purchasing risks. This will result in closer integration of suppliers, partners and our own manufacturing companies into our risk management system. Coop wants to safeguard supplies of high-quality products that satisfy social and ecological standards, but without acting to the disadvantage of the people living in economically weaker countries. To achieve this goal, Coop is, on the one hand, strengthening regional and local purchasing in Switzerland. On the other, it is implementing a variety of projects together with farmers in emerging and developing countries, thereby stabilizing their incomes and production in these countries. A further approach adopted by Coop is to expand direct purchasing. Elimination of non-productive intermediaries will enable consum-

ers to benefit even more from attractive prices and high quality. With regard to raw materials purchased from developing countries, the strategy represents a more effective guarantee that producers receive a fair price for their goods. When purchasing food in the coming years, Coop will more often choose to intervene closer to the producer in order to secure the quantities and quality it requires.

Growing importance of cooperation agreements

For many years now, Coop has been cooperating particularly successfully with partners in the area of purchasing. Membership of Coopernic, the European purchasing alliance, enables Coop to negotiate better purchasing conditions from large international corporations, thereby benefiting consumers. Other cooperation agreements such as Eurogroup Spain and Italy and Eurogroup Far East Ltd. give Coop access to international expertise and enable quality checks to be performed in the source countries. Coop aims to further expand such cooperation alliances and bundle all food and non-food sourcing in Asia through Eurogroup Far East. It continues to be committed to Switzerland as a source market, but will use the opportunities afforded by international markets to offer consumers a varied, innovative, affordable and high-quality range of products.

Treating suppliers as partners

Coop's approach to its approximately 4 000 direct suppliers and well over 20 000 indirect suppliers is driven by frankness and a desire for dialogue as they work together on further developing products and services that benefit customers. But a functioning market involves tough but fair negotiations, which means that the principle of reciprocal performance has to be in balance over a period of years. Coop cultivates a comprehensive culture of dialogue with its suppliers, the most important element being regular discussions between suppliers and Coop's buyers. These intensive personal exchanges focus on suppliers' performance, market results and evaluation of the joint communication activities; if required, decisions are taken on improvement measures. Particularly at times when pressure on prices is growing, when product availability is no longer guaranteed or when the entire supply chain is facing more stringent transparency and sustainability requirements, a clear set of rules helps to prevent conflicts. As far back as 2004, and on its own initiative rather than as a reaction to any abuses, Coop developed a code of conduct for its buyers and made it publicly accessible on the Internet. For instance, the code of conduct lays down the duty of information regarding any divergence from a contractual agreement,

the procedure and documentation requirements to be followed when listing or delisting decisions are taken, and Coop's very restrictive approach to gifts and discounts. Coop employees receive regular training on observance of this code of conduct. Now there is to be an internal compliance programme for more effectively gauging the progress made in implementing the code of conduct and thus enabling Coop to respond rapidly to any infringements. By introducing this programme, Coop is again being more stringent than the official regulations. In view of the increase in supply bottlenecks, suppliers will in future be able to choose where they deliver their merchandise. If Coop is to continue securing regular provision of high-quality products, it must join forces with suppliers to develop partnerships in which both sides can bring their strengths to bear. After all, the precondition for any long-term cooperation with the best partners is mutual respect and fairness.

Improvements thanks to Supply Chain Management

The aim of the Supply Chain Management unit set up in 2009 is to improve the entire value chain within Coop, from article listing to shelf stocking. This includes systematic networking with suppliers so as to be able to secure the availability of a growing, rapidly changing and increasingly differentiated product range. Coop has already achieved a number of its goals thanks to Supply Chain Management. In 2009 and 2010, for instance, it was possible to reduce stock levels at the national distribution centres by 29 million and 19 million francs respectively without jeopardizing the availability of merchandise at the sales outlets. In addition, Coop has established a supplier scorecard process with its main suppliers, who account for 80% of purchasing volume. Monthly meetings between the Coop stock planners involved and the suppliers are held in order to identify sub-optimal procedures at an early stage and together initiate any remedial measures required. This regular dialogue does a great deal to ensure a smooth working relationship and continuous improvement of cooperation between Coop and its suppliers. The process is supplemented by joint delivery terms agreements. Coop is also improving its internal supply chain. With a view to making improvements, for instance, specific key figures are used to monitor the entire supply chain, from ordering of articles through to product availability on the shelves. Supply chain management has also resulted in numerous improvements being made within the framework of the new Logistics and Bakeries Strategy 2015+.

SALES FORMATS

Coop steps up its involvement in B2B business and acquires Transgourmet Holding S.E. In Switzerland, Coop purchases The Body Shop Switzerland and opens its 31st megastore in Oberwil. Building & Hobby becomes the “green” building-supplies centre, and Interdiscount celebrates its 40th birthday.

SUPERMARKETS AND MEGASTORES

Opening of 31st megastore

After 13 openings and 14 closures, Coop was operating 784 Coop supermarkets throughout Switzerland at the end of 2010. The number of Coop megastores rose to 31 with the inauguration of the Oberwil Mühlematt Coop store in May 2010. This first Coop megastore in the Basel region offers over 40 000 articles on a sales area of 4 466 m². Particularly the large fresh-produce departments, the tasting opportunities and the store's own show bakery all contribute to making shopping there an experience. Total investment in this major project amounted to approximately 32 million francs. As at all newly built or remodelled Coop stores, the interiors were designed so as to comply with Minergie criteria. In the Bern Sales Region, the diversity of the Langnau Ilfis shopping centre's offering on two floors has been drawing customers since March 2010. Besides a Coop supermarket with a sales area of 2 542 m², the Ilfis Centre accommodates six further Coop Group formats. The transfer of Coop's Wallisellen supermarket to the newly built Wallisellen Centre on Bahnhofplatz was completed in April. In September, Coop also opened a supermarket in Balzers – the third Coop store in the Principality of Liechtenstein. These stores are open seven days a week, thereby taking account of the needs of both locals and customers from neighbouring countries.

In the Suisse Romande Sales Region, the Renens Centre was inaugurated in the middle of Renens. It is easy to access by car, on foot or by public transport and accommodates a range of third-party tenants as well as a new Coop supermarket and Vitality pharmacy. At the end of 2010, Coop was operating 816 Retail outlets (supermarkets and megastores) on a total sales area of 946 485 m². This was 9 822 m², or 1%, more than in 2009. Sales amounted to approximately 11.3 billion francs.

Pioneer of transparency

Under the own-label sustainability brand Naturaplan and particularly with its regional organic products, Coop offers the widest choice of Swiss-grown organic fruit and vegetables. In order to satisfy consumers' growing need for information on the origin of products, the “Naturaplan ID” (NP-ID in short) has been printed on the packaging of all Swiss-grown organic fruit and vegetables from Coop since October 2010. If the three-to-five digit number is entered on the Naturaplan website, a mouse click will display all relevant information on the producers and their farms. The information includes the farming families' reasons for engaging in organic farming, their Bio Suisse certificates and the fruit and vegetables that they produce. All the data provided on the website have been compiled by the independent monitoring organization bio.inspecta AG. The new Naturaplan ID can be used

not only on the customer's home computer but also at the actual store. A special mobile-phone function enables customers to access the same information via the browser on their phone right in front of the shelves.

SPECIALIST FORMATS

Coop City re-opens flagship store in Zurich

The revamp of numerous store elements in Coop City department stores continued in 2010. The Coffee World, crockery, candles and Nulu shop areas now have a striking new look. At the end of October, the Coop City flagship store, St. Annahof in Zurich, celebrated its successful reopening after a remodelling that lasted six months. On a sales area of just under 8 000 m², St. Annahof now additionally accommodates a Ca'puccini Bar, an Import Parfumerie, a Christ shop, a newsstand and The Body Shop. The own-label brand Nulu Lingerie has been available at Coop City department stores since March 2010. In addition, advance sales outlets for Starticket and Ticketportal have been integrated into the 33 stores. In 2010, Coop City posted sales of 1.1 billion francs – about 1% more than in the previous year.

Coop Building & Hobby becomes a "green" building-supplies centre

In 2010, Coop Building & Hobby focused on expanding its range of ecological products and services. Besides massively extending the Coop Oecoplan ranges, it began selling solar energy installations for water heating. The business with Coop Minergie P-standard houses is a great success, a total of 38 turnkey houses having been sold since September 2009. At the beginning of 2010, Coop Building & Hobby lowered the prices of over 800 articles, thereby passing on to customers the savings resulting from improved purchasing conditions and efficiency gains. In order to strengthen Building & Hobby's gardening expertise, Coop entered into a long-term cooperative alliance with the German company Dehner, Europe's largest garden-centre group, in 2010. The first two pilot stores are to be opened in spring 2011. After the takeover of the SFS hobby centre in Widnau and after one opening and one closure, Coop Building & Hobby was operating over 70 sales outlets at the end of 2010. Sales amounted to 742 million francs.

Interdiscount: double cause for celebration

Interdiscount celebrated not one but two anniversaries in 2010: its 40th birthday and the opening of its 200th branch in Baar. It is therefore all the more appropriate that the consumer electronics chain was

able to hold on to its number one position despite operating in a market characterized by very aggressive pricing and tough competition. Interdiscount posted sales of 1.1 billion francs – about 3% more than in the previous year. To mark Interdiscount's jubilee year, customers benefited from attractive promotions such as "Every 10th purchase free" as well as from low prices. The launch of tablet PCs was the year's highlight. As the sector's largest training company with 374 apprentices at the end of 2010, Interdiscount constantly invests in training and continuing education programmes, thus further building on its advisory skills.

Toptip and Lumimart complete branch restructuring

Thanks to efficiency gains and good cost management, the Coop specialist formats Toptip and Lumimart improved their earnings situation compared with the previous year. While shares of sales in the furniture sector declined, growth in lighting and boutique ranges was above the market average. By the end of 2010, Toptip and Lumimart had generated sales of 239 million francs. The restructuring of the Toptip and Lumimart branch network was completed in 2010 with the closure of the stores in Aarburg and Horw. The number of stores at the end of the year was 54. Toptip added two other distinctive brands to its range, Hülsta and Superba, and implemented a new home accessories concept in all outlets. A new flagship store with a sales area of 6 400 m² was designed for the Emmen site, making it the largest Lumimart outlet.

Import Parfumerie continues to gain market share

In 2010, Import Parfumerie focused on drawing up and implementing the new Sales Market Strategy 2015+. In August, for instance, it began to take over the high-end perfumeries in Coop City department stores. Targeted marketing activities enabled Import Parfumerie to grow its online shop sales by 22% year-on-year. This growth is to be consolidated by the launch of a new, user-friendlier online shop in March 2011. After remodelling of further stores, 67 of the 103 Import Parfumerie outlets throughout Switzerland had been given the new look by the end of 2010. Import Parfumerie posted sales of 175 million francs in 2010, 3% more than in the previous year, and again increased its market share.

Modernization of Christ Watches & Jewellery

Christ Watches & Jewellery reported sales of 112 million francs in 2010, around 2% more than in 2009. The highlights of the year were the successful switch-over of the supply chain and logistic systems to SAP and WAMAS, and the introduction of a new cash

register system. Christ Watches & Jewellery continued to remodel its stores and developed a new decor concept. The website, www.christ-swiss.ch, now has a more modern look and is more clearly structured. A training scheme for specialist knowledge will measurably improve professional skills in the next few years. After the takeover of Bijouterie Eden in Geneva, Christ Watches & Jewellery operated 79 sales outlets at the end of 2010.

Dipl. Ing. Fust AG: largest appliance repair and home service

Dipl. Ing. Fust AG generated sales of 994 million francs in 2010, corresponding to year-on-year growth of 3%. Strong sales in the electrical appliances, computer and kitchen/bathroom departments contributed to this record result. However, an even better result was prevented by the continuing rapid decline in the prices of consumer electronics, particularly television sets. The Interdiscount workshops were integrated in 2009, and Fust took over Interdiscount's home service in May 2010. Since August, Fust has also been repairing all electrical household appliances and consumer electronic devices that are sold within the Coop Group. The company was thus able to expand its leading position as Switzerland's largest repair and service organization and achieve substantial synergy gains for the Coop Group.

Successful year for Coop Vitality pharmacies

Coop Vitality continued its expansion strategy in 2010, adding three pharmacies to its branch network, which now comprises 42 outlets. It also posted a gratifying 11% rise in sales to 123 million francs at the end of 2010. In November, under the motto "10 years of Coop Vitality, 10% off on the entire range", Coop Vitality celebrated the anniversary of its very first pharmacy, at the Neumarkt centre in St. Gallen. Staff are now being trained in alternative medicines such as Burgerstein dietary supplements and Schüssler Salts. There is still a need for action to counter the long-standing shortage of pharmacists. The presence of Coop Vitality at university events may motivate future pharmacists to complete a traineeship at Coop pharmacies.

Coop takes over The Body Shop Switzerland AG

The Body Shop Switzerland AG was successfully integrated into the Coop Group on 1 March 2010. At that time, the cosmetic company operated 37 stores and employed 195 staff throughout Switzerland, all of whom are being further employed by Coop. In October, The Body Shop opened its 38th branch at Coop City St. Annahof in Zurich. In addition, free-standing display elements for best-selling products were set

up in four other Coop City department stores. The Body Shop posted sales of 31 million francs from March to December 2010. Business benefited particularly from the introduction of the Coop Supercard in October 2010, the expansion of the spa range and the launch of the Rainforest Hair Care line. This line bears the new Eco Conscious quality label and thus guarantees compliance with especially stringent environmental standards. In mid-year, The Body Shop initiated the second phase of the international campaign against the child sex trade; the core of the campaign is a petition to improve the situation of victims.

Coop Mineraloel AG: sustainable growth

Shrinking market volume, the economic crisis and the weak euro have further intensified competition among oil companies. It is therefore all the more gratifying to report that Coop Mineraloel AG was able to raise the market share of its 189 Coop filling stations – 178 of which have a Pronto shop – thus strengthening its position as market leader in Switzerland. Together with Coop Pronto shops and the heating-oil business segments, net sales of Coop Mineraloel AG amounted to 2.1 billion francs in 2010 – a year-on-year rise of 9%. As part of the Coop Group, Coop Mineraloel AG attaches great importance to sustainability. For instance, it introduced the sale of Biodiesel B30 at the Hunzenschwil Coop filling station for the Coop Logistics vehicle fleet. Coop Mineraloel AG will also use LED for all external lighting in any future new buildings, and it invested in measures to promote the use of waste heat and equipped all sites with water-saving tap attachments. Since July 2010, the company has been a member of Eco Swiss, the Swiss business organization for environmental protection, work safety and health protection.

More fresh products in Coop Pronto shops

POS sales of Coop Pronto shops amounted to 822 million francs in 2010 – a year-on-year rise of 7%. Coop Mineraloel AG opened 13 filling stations with a Pronto shop attached and four stand-alone convenience shops in the year under review. After the closure of three Coop Pronto shops, there were 229 such outlets throughout Switzerland at the end of 2010. Coop Mineraloel AG took steps to satisfy current customer needs by extending the sales area of three shops and selectively expanding the range of fresh products, particularly fruit and vegetables. Measures such as these are to be stepped up even further in 2011.

ONLINE FORMATS

coop@home: scanning in products by iPhone

In 2010, the online supermarket coop@home posted sales of 77 million francs from a total of 315 000 deliveries, which is 15% up on the year-back sales figure. The average value of each shopping session, including other transactions such as flowers or prepaid credit for mobile phones, amounted to 246 francs. Particularly gratifying growth was reported for the service, launched in August 2009, under which the entire product range, including fresh and deep-frozen items, can be delivered by post. Thanks to a new iPhone app function of coop@home, products in customers' home fridges or food cupboards can be scanned by means of their EAN codes and automatically added to the next order. Since the update in June 2010, the share of orders placed by iPhone has tripled. The region around the Lake of Neuchâtel can now be supplied by coop@home itself, meaning that its delivery service can reach 100 000 more people and serve over 60% of all Swiss households. As delivery notes and now also invoices are sent by e-mail only, about 5.9 tonnes of paper are saved.

Microspot.ch: more user-friendly

Microspot.ch currently stocks over 100 000 consumer electronic and household articles. The online shop's sales amounted to 72 million francs, which was 24% more than in the previous year. This success is due particularly to the systematic application of the lowest-price strategy and expansion of the product range. Sales growth was also strengthened by stepping up marketing campaigns such as the new e-catalogue. In 2010, Microspot.ch increased the user-friendliness of its online shop, upgraded the search function in terms of both keyword and product-feature searches, and improved order processing.

Growing interest in eco heating oil

More and more customers are ordering their heating oil simply and conveniently from the www.coop-heizoel.ch website, thus benefiting not only from the low prices but also from the opportunity to place their order at any time of the day. In 2010, 22% of all orders for heating oil from Coop Mineraloel AG were placed online. Demand for environmentally friendly heating oil in particular is increasing steadily. At present, close to 40% of customers order the high-quality, low-pollutant Coop ecological low-sulphur heating oil.

RESTAURANT AND HOTEL BUSINESS

Coop catering focuses on sustainability

Coop's 188 restaurant operations generated net sales of about 252 million francs in 2010, making Coop one of Switzerland's largest restaurant chains. A key feature of Coop catering is its range of organically produced foodstuffs. Thus Coop restaurants offer only organic veal, while beef and pork are sourced almost entirely from Coop Naturafarm. In addition, they all serve fair-trade coffee and fruit juices and only Max Havelaar-certified honey. In 2010, Coop restaurants also participated in the fund-raising campaign "Every centime counts", offering a hot drink and a Grittibänz bread roll at a special price. Besides Coop restaurants, bistros and take-away shops, Coop also operates three other catering formats: the originally Italian Gelateria CremAmore, Ca'Puccini coffee bars and Da Giovanni restaurants. Coop opened its first Da Giovanni restaurant in Switzerland in 2009, together with the Italian fresh-pasta producer, Pastificio Rana.

BâleHotels hold their own in the market

The three BâleHotels Victoria, Baslertor and Mercure Hotel Europe had to face numerous challenges in 2010. The volcanic ash cloud and the ensuing restrictions on air travel, and a lack of attractive exhibitions in Basel and surrounding area resulted in a moderate decline in hotel overnight stays. The unfavourable exchange rate of the euro against the franc also had an impact. Sales posted by BâleHotels amounted to 29 million francs, which is 2% down on the previous year's figure. Successes were, however, posted in connection with the Swissbau and Baselworld trade fairs, the Swiss Indoors tennis competition, the strong catering business, Coop's presence at the Basel Autumn Fair with a delicious risotto stand, and the annual Palazzo Colombino gourmet theatre.

CASH & CARRY AND FOODSERVICE

Coop takes over the Transgourmet Group

In November 2010, Coop announced that it had taken over Transgourmet Holding S.E. in its entirety, effective as of 1 January 2011. This was Coop's strategically most important decision in the year under review and strengthens its involvement in the domestic and international catering and wholesale supplies business. By focusing systematically on this B2B trade, it has acquired a second strong mainstay with good prospects for the future. After the takeover, the Transgourmet Group now comprises the formats Howeg, Prodega/Growa CC, Transgourmet France,

Fegro/Selgros and Rewe Foodservice and operates in France, Germany, Poland, Romania and Russia as well as in Switzerland.

Looking back: In January 2005, each with a 50% stake, Coop and the German Rewe Group founded the joint venture Transgourmet Schweiz AG comprising the companies Prodega CC, Growa CC, Howeg, Aldis Service Plus and Bell Gastro Service. In the same year, Transgourmet Schweiz AG acquired the firm of Prodirest, which subsequently merged in 2008 with Aldis Service Plus to form today's Transgourmet France. In a second phase, the Rewe Group and Coop expanded their cooperation at the beginning of 2009 and founded Transgourmet Holding S.E., a joint venture domiciled in Cologne. Fegro/Selgros Cash & Carry Wholesale Markets and Rewe Grossverbraucherservice/Stöver (now Rewe-Foodservice) were added to the joint venture.

Since entering the market in 2005, Coop has acquired broad know-how in the fields of cash & carry and wholesale supplies. With more than 22 000 employees joining the Coop Group as a result of the acquisition, the future will see a lively exchange of experience taking place that will be an inspiration to everyone.

Transgourmet defies the crisis

In 2010, its second year of business, Transgourmet Holding S.E., Europe's second biggest cash & carry and foodservice company, posted sales of 6.2 billion euros (approximately 8.6 billion francs). This is a nominal increase of 7% compared with 2009. In the cash & carry business, represented by Fegro/Selgros and Prodega/Growa, new markets were successfully tapped last year in Eastern Europe and Switzerland. In this business sector, Transgourmet Holding S.E. posted an increase of 9% in sales compared with the previous year. In the wholesale supplies business, Transgourmet France, Howeg (Switzerland) and Rewe-Foodservice (Germany) boosted sales despite plummeting prices, and were able to maintain their year-back result thanks to efficiency-enhancing measures. Sales in the wholesale business were 3% up on 2009. At the end of 2010, Transgourmet Holding S.E. had a workforce of 22 637 in the six countries Germany, France, Poland, Romania, Russia and Switzerland, 58 more than in the previous year.

ADDITIONAL SERVICES

Families benefit from the new Hello Family Club. Supercard celebrates its tenth anniversary. Coop Central Laboratory carries out 420 000 quality checks. Coop takes part in a variety of activities promoting biodiversity. Coop member press goes multi-media, and 210 municipalities participate in the Coop Municipality Duel.

CUSTOMER SERVICES

Coop Consumer Service boosts efficiency

In 2010, the Coop Consumer Service reported 172 271 consumer contacts; for the first time, there was no increase in customer queries compared with the previous year. There are several reasons for this. Procedures were revised, and therefore customers reached the right people to talk to even faster and often without referral by the Consumer Service. In addition, possible questions from consumers were, and still are, already anticipated and taken into account in projects. Moreover, about 50% of queries can be answered directly by information provided on Coop's web pages. Since August 2010, the Coop Consumer Service has been operating with a new web-based application which all employees in the different regions can access concurrently. This saves having to pass customer queries on and thus helps ensure that they are dealt with even more promptly.

Coop Media Unit answers 2 300 enquiries

Coop's strategic decisions and acquisitions such as the takeover of The Body Shop Switzerland AG, Railcare AG and Transgourmet Holding S.E., along with the Logistics and Bakeries Strategy 2015+ and the price offensive launched at the end of 2010, were the focus of media interest in 2010. Apart from these to-

pics, most enquiries throughout the year were about sales growth and pricing policy – often asked in connection with the coming into force of the “Cassis-de-Dijon principle” (unrestricted import of products produced under less stringent conditions in the EU) and with the euro exchange rate. In 2010, the Coop Media Unit issued a total of 75 media releases and answered about 2 300 media enquiries, three-quarters of which came from print and online journalists and the remainder from radio and TV channels.

Coop founds Hello Family Club

The new Hello Family Club is aimed at families with children and is geared to their particular shopping needs. It offers, for instance, monthly promotions with attractive discounts on merchandise categories such as meat, pasta or nappies. All new club members receive a welcome gift of a package containing attractive vouchers, shopping tokens and other benefits, all specifically directed at the target group, families. The Hello Family online platform also offers advice and tips on various aspects of family life. To ensure that club members' individual wishes are taken into account, they themselves can determine what the Club promotion of the month will be: by voting online, they can decide which of three available promotional offers is to be implemented the following month. All members receive a 2-in-1 card

that functions as both a Hello Family Club Card and Supercard. By the end of 2010, 203 000 families had already joined the free-of-charge Hello Family Club since its launch in September.

Ten years of Coop Supercard

In 2010, customers used Superpoints to purchase goods or claim loyalty bonus gifts to the value of 216 million francs – the most ever since Coop Supercard was launched ten years ago. The “Supercash ranges” enjoyed particularly great popularity in Coop supermarkets and Coop Building & Hobby centres. Again, many Superpoints were also used to purchase non-food items in Coop City department stores or to obtain loyalty bonus gifts. Coop replaced the previous annual catalogue of loyalty gifts in 2010 with six attractive seasonal prospectuses, enabling the loyalty gifts to be even more closely adapted to seasonal needs. Customers now also receive Coop Superpoints on items purchased in the Swiss Body Shop outlets. And since September 2010, it has been possible to upgrade Supercard to the Hello Family Supercard. The number of Supercard accounts amounted to 2.9 million at the end of 2010, representing about four million active users.

Supercardplus and Verdecard: credit cards with added value

With over 365 000 cards in use – some 45 000 more than in the previous year – Supercardplus remains on course for success. It is available either as Mastercard or a Visa credit card, and it automatically accumulates Coop Superpoints each time it is used. In addition to Supercardplus, Coop has also been offering Verdecard since the beginning of 2009. This is a regular American Express credit card for which 0.5% of the value of purchases is donated to selected sustainable projects. One such project is the revitalization of different stretches of the River Bünz in the Canton of Aargau. Following constructive investigations and negotiations, work began on the Muri section of the river in August 2010.

Increase in sales of Coop gift voucher cards

In 2010, Coop sold gift voucher cards to the value of approximately 92 million francs, which is around 15% more than in the previous year. At the end of the year under review, Coop launched the first gift voucher cards with attractive new subjects, including a card with the same look as the Coop Christmas campaign. The B2B shop for corporate buyers of gift voucher cards proved very popular. In 2010, Coop sold 280 000 customized gift voucher cards worth just under 13 million francs to corporate buyers.

Trophy campaign with a difference

For the first time in Coop Trophy’s seven-year history, a loyalty campaign aimed at children in particular was implemented featuring the cult figure Paddington Bear in the spring of 2010. With soft-toy bears, an English word memory game, picture books, DVDs and a competition, this Trophy stamp-card campaign offered the widest range of articles to date. Autumn already saw the start of the 15th Trophy campaign “Tableware”, which offers crockery, glasses and cutlery and in which, as an alternative, the accumulated points can also be exchanged for Miles & More air miles.

QUALITY

420 000 checks in Coop’s own laboratory

Coop takes a comprehensive approach to quality: it guarantees compliance along the entire product chain with stringent quality standards, safety and transparency. Quality management is an independent, central function that is geared to the core processes procurement, logistics and sales. Coop has always dealt with quality issues itself. New findings are being constantly assessed by experts in risk analyses. Quality control is performed by Coop’s own laboratory, which conducts some 420 000 checks on approximately 17 000 samples a year.

Quality management in purchasing

Coop sets great store by cooperating with reliable and professional business partners that not only satisfy product quality standards but also guarantee appropriate working conditions and environmental protection. All Coop’s business partners undertake to operate a quality management system that ensures “good manufacturing practice” and to submit the goods with which they supply Coop to regular quality checks. Before delivery of the first consignment, detailed product specifications are agreed, and an evaluation is performed on the basis of a comprehensive self-assessment. In order to guarantee compliance with customer requirements, Coop carries out its own product checks based on in-depth risk analyses and it conducts audits of the partners’ facilities. In addition, Coop applies recognized standards, compliance with which is overseen by independent monitoring organizations. For instance, it requires producers of Coop own-label food brands to obtain certification to the standards of the Global Food Safety Initiative (GFSI).

Systematic application to logistics and sales

In order to ensure quality throughout the entire logistics process, Coop includes and monitors all areas of relevance to compliance with product quality standards in its quality management system. For instance, it checks compliance with the cold chain, from storage, order preparation and transport right through to the sales outlet. It subjects imported fruit and vegetables to particularly stringent checks at the hubs to ensure that only the best possible quality of produce reaches the shelves. Here, too, sales staff in particular have to adhere to strict specifications. Employees have regular training in key tasks relating to workplace, staff and product hygiene, and the relevant specific instructions are available to them in the quality assurance manual. Regular shop inspections, hygiene controls and laboratory investigations are performed as a means of checking and constantly improving the self-monitoring system. Optimum transparency vis-à-vis consumers is ensured by printing important additional information such as food profiles on the product packaging.

SERVICE UNITS

Coop ITS Travel: another stable year

Coop ITS Travel, the travel agency set up by Coop and Rewe Touristik, consolidated its position in the beach holiday segment of the Swiss market despite tougher competition. Prices fell by an average of 5%, but the tour operator raised its customer base to a good 56 000 and posted sales of approximately 65 million francs. Cyprus and Tunisia were particularly popular travel destinations at Coop ITS Travel in 2010. The "Hotels & Apartments" packages (accommodation for visitors making their own travel arrangements) posted marked growth. The bulk of bookings – 52% – were made by phone, while 23% of trips booked were arranged via the website, www.itscoop.ch, and 25% were handled by independent travel agencies.

Strong growth at Coop Depositenkasse

Many members and active and retired employees of Coop again took advantage of the attractive opportunity to invest money at favourable conditions with the Coop Cooperative in 2010. Deposits grew strongly, while demand for medium-term notes with a maturity of two to eight years tended to be lower on account of the generally low interest rates. Though interest rates are high compared with other similar investment vehicles, the interest expense for the Coop Cooperative is low, creating a genuine win-win

situation. The plummeting exchange rate of the euro triggered considerable demand in the currency exchange business. Coop Depositenkasse operates 24 branches throughout Switzerland, most of which are located in a Coop City department store. Customers therefore benefit not only from charge-free currency exchange transactions but also from relatively long opening hours.

Coop Mobile acquires many new customers

With over 85 000 new customers, Coop Mobile again posted enormous growth in 2010. The prepaid Prix Garantie mobile phone offering numbered around 550 000 customers by the end of the year under review. The new Internet flat tariff of only 2 francs a day creates greater cost certainty in mobile surfing. To mark its five-year anniversary in September 2010, Coop Mobile offered a 10% discount on mobile phone credit.

"Working together for the elderly" with Pro Senectute

Coop and the Pro Senectute Foundation have been cooperating in a strategic partnership for three years to promote the interests of the elderly. One of the many joint projects that Coop supported in 2010 was the campaign "Don't forget. Make a call.", with which Pro Senectute, on the International Day of Older Persons, issued an appeal to surprise an older person with a phone call.

ADVERTISING / COMMUNICATION

Advertising campaigns offers year-round support

Coop's numerous advertising activities in 2010 focused on a range of important topics. It produced the TV spot "It's real" as part of its commitment to biodiversity. This second advertising film with rapper Stress grabbed viewers' attention on account not only of its images but also its music. Spring saw the beginning of the campaign "For daily Easter offers", in which a daily evening TV commercial announced the following day's special offer. With a nationwide teaser campaign and the announcement that "the bear's out from 6 April 2010", Coop heralded the new Coop Trophy, "Paddington", a week before its launch. In autumn 2010, flanked by numerous advertising activities, Coop founded the Hello Family Club with its own Club card and website, and a host of special offers tailored to the target group, families with children. And the second Coop Advent calendar was launched in the run-up to Christmas. Starting punctually on 1 December, a daily TV commercial announced a special offer for the following day.

Coop member press goes multimedia

Coop has been publishing its free customer weeklies – Coopzeitung, Coopération and Cooperazione – for more than a hundred years. In 2010, the annual survey of the independent Swiss media research company Wemf AG confirmed once more that the three weekly newspapers of the Coop member press were by far the most widely read publications in Switzerland. With a circulation of 2 490 093 and over 3.3 million regular readers, they reach over 55% of all inhabitants of Switzerland over 14 years of age. Despite a downward tendency in the advertising market, 2010 advertising sales for the three newspapers were very gratifying, resulting in considerable upscaling of volume and enabling editorial content to be expanded. The Coop member press weeklies are turning increasingly into multimedia products with cross-media offers. Following closely on the launch of iPad by Apple, the Coop member press released a free app of its own – one of the first media in Switzerland to do so. Besides editorials, it offers a great deal of additional content such as video recipes, slideshows and links. The Coop member press online services were also systematically expanded in 2010. The Coop Forte staff magazine also enjoyed three successes in 2010. It won Second Prize in the “company publication” category of the European competition “Best of Corporate Publishing”. It was awarded the “Golden Quill” by SVIK (Swiss association of in-house communication) as Switzerland’s best staff newspaper and it was chosen as Europe’s best staff newspaper by the Federation of European Editors Association (FEIEA).

Expansion of Coop website

Coop’s Internet presence also grew substantially in 2010. The number of visits to www.coop.ch was 24% up on the previous year, while the number of individual visitors and page views increased by as much as 28%. This positive development was due primarily to systematic expansion of the services provided and increased exploitation of cross-media and social-web potential, for instance Coop’s biodiversity/wild-flower campaign or its new “Apprentices” campaign. The highlights of 2010 were the launch of the online platforms of the Hello Family Clubs and the new section devoted to sustainability. In addition, the employee and Media Unit web pages were modernized and adapted to current user needs.

Communication focus: biodiversity

To mark 2010 as the UN’s International Year of Biodiversity, Coop again stepped up its communication activities on this topic, for instance rapper Stress’s

song in the Coop TV spot “It’s real” about nature’s heartbeat and the last domino piece that must not be allowed to fall. Coop’s distribution of a million packets of wild-flower seeds in April 2010 made tens of thousands of balconies and gardens bloom, while also securing the upgrading of 280 000 m² of dry meadow by the nature conservation organization Pro Natura. With the “Organic Farms Open Day”, Coop along with its long-standing partners Bio Suisse and the Research Institute of Organic Agriculture (FiBL) enabled the whole family to experience biodiversity at first hand. And Coop’s presence at the 2010 Natur trade fair was also focused on biodiversity. The Year of Biodiversity was rounded off with the film “Wildnis Schweiz” [Wildlife in Switzerland], which was produced with financial support from Coop. Coop received both the “Ethical BioTrade Award for Biodiversity” for its contribution to the Year of Biodiversity and an international award from the Countdown 2010 initiative.

Wide-ranging sponsorship commitments

In 2010, Coop continued to work on systematically implementing its Sponsorship Concept 2009–2012. It is now also the principal sponsor of “Gorilla”, the largest nationwide project aimed at combating excess weight in children and adolescents. “Gorilla” got off to a start in the German-speaking region in August and then in the French and Italian-speaking parts of Switzerland in September. In the cultural field, Coop supports “Karl’s kühne Gassenschau”, producers of spectacular shows, whose work “Silo 8” was seen at St. Triphon in 2010. Coop has supported the increasingly popular sport of ski cross for the last three years – a commitment that was rewarded twice in 2010: Mike Schmid won the gold medal at the Olympic Games in Vancouver, and Fanny Smith was crowned Ski Cross Junior World Champion. The following are some of the projects sponsored by Coop in the year under review:

Sport and leisure:

- Beach volleyball: Coop Beach Tour in seven cities attracting a total of 120 000 spectators; Coop Junior Beach Tour involving a total of 230 tournaments; Beach Grand Slam in Gstaad attracting some 60 000 spectators.
- Ski cross: Coop Ski Cross Tour; World Cup races in Meiringen and Grindelwald; individual sponsorship of leading ski cross athletes.
- Cross-country skiing: Engadin Skimarathon with 10 000 participants; numerous regional cross-country events.
- Gymnastics: cantonal gymnastics festivals; Swiss Cup in Zurich.

Culture and entertainment:

- Open-air cinema: Luna open-air cinema at 21 locations throughout Switzerland showing some 650 evening shows and attracting a total of 167 000 viewers; support for regional open-air cinemas.
- Musicals and shows: among others, Karl's kühne Gassenschau/"Silo 8"; "Dällebach Kari"; "Die Patienten" musical comedy; 20th anniversary of the Voices of Gospel.
- Comedy tours: "Divertimento"; "Edelmais".
- Children/families: "Erlebnismittage Kinderland" (fun afternoons in Kinderland)/Festikids tour of seven cities; Zürcher Märchenbühne; "Schellenursli" and "Hippigschpängschtli" musicals.

Nutrition and exercise:

- Coop Municipality Duel with 210 participating municipalities.
- Fit-4-future: raising the awareness of primary schoolchildren about fitness.
- "Gorilla": interactive prevention project to combat excess weight in children and adolescents.
- Kindercity Volketswil, including Jamadu Sensory Workshop.

Coop Group
ANNUAL REPORT
2010

24
HOURS.
DAY AND
NIGHT.
COOP IN
ACTION.



01:24

BASEL, INDUSTRIAL BAKERY
Ovens working full out to
bake Weggli rolls



08:49

MÖHLIN, DISTRIBUTION CENTRE
Shelf-life testing of Max Havelaar roses





14:35

VOLKETSWIL, KINDERCITY
Critical assessment of new Jamadu
products by the jury of children





10:20

ST. GALLEN, COOP CITY
The new Nulu collection is put
on display in the shop windows



03:24

BERN, COMPUTER CENTRE
Maintenance work



10:15

HEIMBERG, COOP MEGASTORE
Preparations for open sale



13:31

PRATTELN, COOP CENTRAL LABORATORY
Analysis of pesticide residues in fruit
and vegetables



21:13

MORGES, PASTA GALA
This is where pasta is made
for Coop Naturaplan





23:35

SCHÜPFHEIM, COOP FILLING STATION
Fill up fast with a credit/debit card and self-service, whether day or night



07:12

HINWIL, DISTRIBUTION CENTRE
Order-picking of frozen goods at -25°C



14:32

WINTERTHUR, CWK-SCS
Naturaline cosmetic products go into these tubes



03:10

DIETIKON, DISTRIBUTION CENTRE
Coop trucks are loaded here



19:10

ZÜRICH, THE BODY SHOP
Tips and know-how in the make-up
course



10:21

LANGENTHAL, COOP SUPERMARKET
Shop refurbishment – business as usual



15:40

LANGNAU, BUILDING & HOBBY
Carpets cut to measure are sold here



20:00

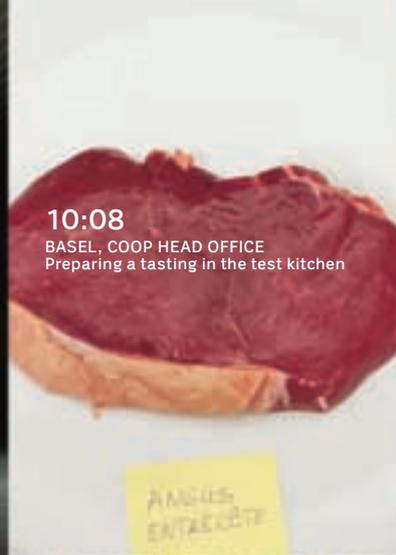
HEIMBERG, COOP MEGASTORE
We're closed



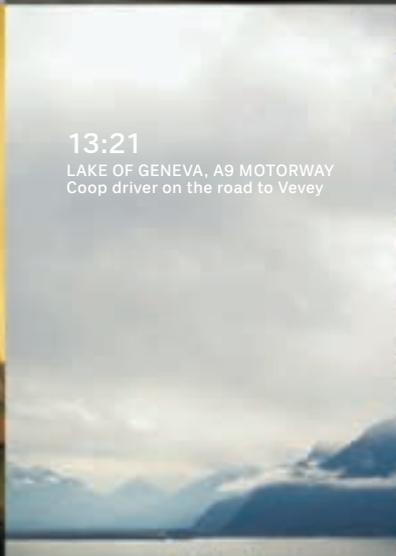
07:50
BRUNNEN, REISMÜHLE BRUNNEN
Unloading of containers from
the Far East



10:08
BASEL, COOP HEAD OFFICE
Preparing a tasting in the test kitchen



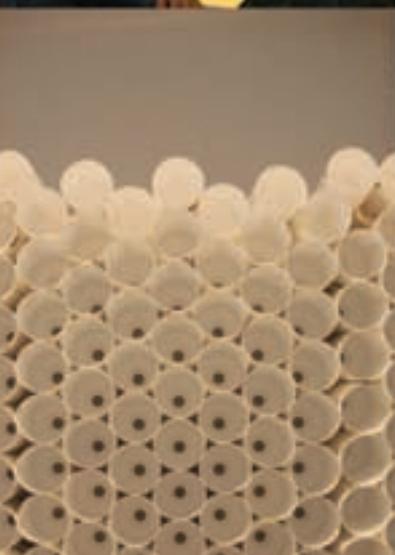
13:21
LAKE OF GENEVA, A9 MOTORWAY
Coop driver on the road to Vevey



11:04
PRATTELN, HARDMATT
The petrol tank for the
new Coop filling station
is lowered underground



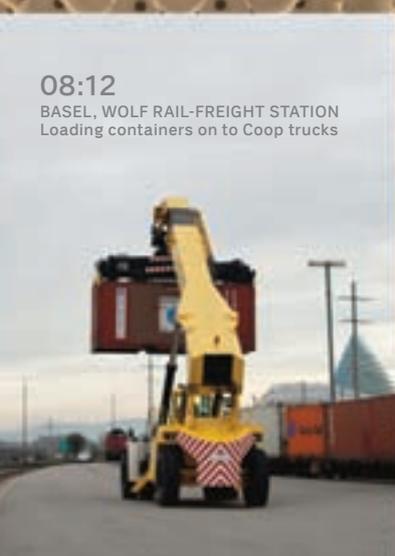
22:30
ZURICH, COOP CITY
Assembling the new escalators



01:05
BASEL, BELL AG
Night-time cleaning of
production plant



08:12
BASEL, WOLF RAIL-FREIGHT STATION
Loading containers on to Coop trucks



00:38
DIETIKON, DISTRIBUTION CENTRE
Order-picking of fruit

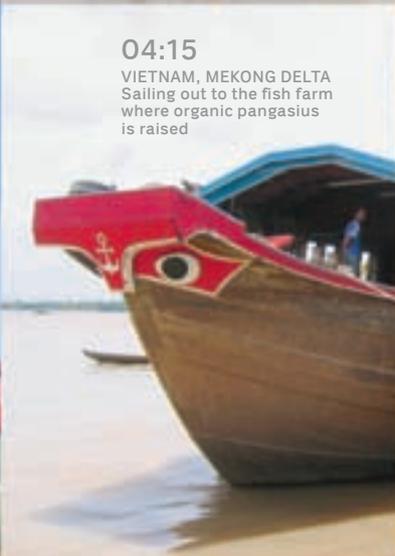




21:50
ZÜRICH, SCHÖNEGGSTRASSE
Fresh food delivered to the front door



14:34
ZERMATT, MATTERHORN
Production of biodiversity
commercial with rapper
Stress



04:15
VIETNAM, MEKONG DELTA
Sailing out to the fish farm
where organic pangasius
is raised



10:24
HONG KONG, TEXTILE PRODUCER
Purchasing of
women's outerwear



09:32
ST. GALLEN, COOP
SUPERMARKET
Filling the ice tank for
the open sale of fish



15:08
VILLARS-SUR-GLÂNE, IMPORT
PARFUMERIE
Display of make-up products



17:20
LUCERNE, CHRIST
WATCHES & JEWELLERY
Display of jewellery for a customer



06:03
BASEL, MERCURE HOTEL EUROPE
Laying out the breakfast buffet



13:50
 GLURINGEN, GOMS
 ORGANIC ALPINE
 CHEESE DAIRY
 Inspection of Coop Aid
 for Mountain Regions
 project



04:15
 DIETIKON, DISTRIBUTION
 CENTRE
 Setting off for the Coop
 sales outlets



07:55
 VAL LUMNEZIA
 Shooting the Pro Montagna
 TV commercial



19:15
 BASEL, PRODEGA
 Formal opening of the new cash & carry market



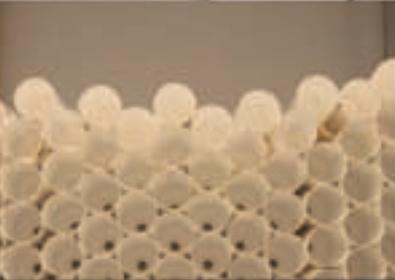
11:42
 AVENCHES, ORGANIC FARM
 Coop apprentices learn
 more about organic farming



08:50
 PRATTELN, CAVE
 Delivery of 280 000 litres of wine



10:32
 KRIENS, COOP MEGASTORE
 Weekend shopping using
 Passabene



23:10
 WALLISELLEN, CHOCOLATS HALBA
 Exquisite chocolate is made here –
 also at night



11:09
 OBERWIL, COOP MEGASTORE
 Sampling of open-sale items for
 the purpose of hygiene testing



14:23
 PRATTELN, SUNRAY
 Gram-exact portioning
 of peanuts



07:54
 WINTERTHUR, CWK-SCS
 Mass production of
 detergents



16:40
 IBACH, THE BODY SHOP
 Open until 8 p.m.



14:11
 MORGES, PASTA GALA
 Packing Prix Garantie pasta



07:27
 HEIMBERG, COOP MEGASTORE
 Just under 5 000 m² are rendered
 spick-and-span





11:39
PRATTELN, DISTRIBUTION CENTRE
Loaded freight wagons are sent on their way



08:30
BASEL, MERCURE HOTEL EUROPE
Fresh sheets from the in-house linen room



10:51
WETTINGEN, PRIVATE RESIDENCE
Photo shoot for Toptip's annual catalogue



08:33
BUSSWIL, NUTREX
Loading the filling plant



13:05
WOLHUSEN, TROPENHAUS
Cultivating carambola in the middle of Switzerland



11:15
CHUR, COOP SUPERMARKET
Food products are collected for delivery



10:32
ALLSCHWIL, COOP SUPERMARKET
Mounting the new LED logo



22:54
BASEL, PRINTING WORKS
Production of the Coop member press



10:32
ALLSCHWIL, COOP SUPERMARKET
Mounting the new LED logo



08:40
INDIA
Visiting a test field for organic cotton growing



09:34
MÖHLIN, DISTRIBUTION CENTRE
Incoming goods inspection of imported fruit and vegetables



10:03
ZURICH, COOP MEGASTORE
New shelf labels are being used



13:26
BÜTZBERG, LUMIMART WORKSHOP
Repairing lights



16:20
LANGNAU, BUILDING & HOBBY
The right wood for every project



11:02
CANOBPIO, VITALITY PHARMACY
Producing medicines in the lab



13:44
DAVOS, JAKOBSHORN
Sale of snacks at Plan B stand



17:42
ZUG, VORSTADTQUAI
Coop Beach Tour 2010





Möglich ein iPod nano zu

EMPLOYEES

Coop passes on its productivity gains to its employees in the form of generous pay rises of 2.8% on average. The collective employment contract with five contractual partners is renewed. The goal-setting process has been shaping Coop's corporate culture for the last ten years.

PERSONNEL STRATEGY

1 178 new apprentices in 2010

As one of Switzerland's largest employers, Coop makes an important contribution to vocational training. In summer 2010, 1 178 young people began their apprenticeships at Coop – at the end of the year Coop employed a total of 3 014 apprentices, close to a 50% increase in the number of apprenticeships. Apprentices now account for 5.6% of the entire workforce. The range of occupations that can be learned is broad – there were 20 of them in 2010. In the home electronics sector, Interdiscount and Dipl. Ing. Fust AG together employed a total of 447 apprentices at the end of 2010, making them vocational training leaders in their sector. The new advertising campaign for Coop apprentices explains why Coop is a good place to receive basic training. On posters, in advertisements and in Internet videos, a total of ten apprentices state the three most important criteria for their decision to choose Coop as an employer. Coop also supports its apprentices after they have completed their training. Thanks to far-sighted planning, Coop easily exceeded the target continued-employment rate of at least 60% and was able to offer 704 successful apprentices (73%) a job at Coop.

Great importance attached to promoting existing staff

At Coop, existing employees are chosen for a large proportion of appointments to higher positions, a situation that reflects Coop's basic attitude to

promotion. The average quota of 75% targeted in the Personnel Strategy and actually achieved in the last few years enables Coop to pursue several goals. On the one hand, demographic change has intensified the competition for talent in recent years. By setting up regional, divisional and national successor pools, Coop ensures that future personnel needs can be satisfied from the Group's own ranks. On the other hand, Coop supports continuing education of its workforce to the extent of enshrining this in its Corporate Profile. With an average of 75% of appointments to higher positions being chosen from existing staff, Coop offers its employees prospects for the future while also binding them to the Group.

Exemplary goal-setting process

Since the "CoopForte" merger ten years ago, the entire management staff of Coop withdraws for two days every year for the purpose of seeking consensus with their supervisors on their individual goals for the following year. The process begins at the Executive Committee level, which defines the Group's overriding goals. Then, on the basis of these overriding goals, each member of the Executive Committee is given five goals and a mandate to define for each of them three specific measures that have to be as quantifiable as possible. Each member of the Executive Committee also defines goals for all executive staff who report to him directly. This process is repeated all the way down from Executive Committee to the lowest management level, always according to

the same pattern. A shared goal and a shared focal topic are defined for each year and elaborated at a conference moderated by Coop's Training Department. The topic chosen for 2011 is as follows: we promote entrepreneurial thinking and action. The extent to which goals have been achieved is then examined at the end of each four-month period and, if necessary, new goals are added or obsolete ones dropped. At year-end, the extent to which goals have been achieved forms the basis for calculating part of the management staff's performance bonuses. The fact that, every year for ten years now, around 4 500 managers in a company the size of Coop have taken the time to agree their individual goals and then systematically monitor them is probably unique in Switzerland. This process has become an integral part of Coop's corporate culture.

SOCIAL PARTNERSHIP

Renewal of Coop collective employment contract

In May 2010, Coop and its long-standing contractual partners KV Schweiz (Swiss commercial association), SYNA/OCST and Unia (trade unions), and the VdAC (Association of Salaried Employees of Coop) agreed to renew the Coop collective employment contract for a further three years until 2013. This means that Coop continues to be the only major employer in the Swiss retail sector that has found consensus with five different social partners. Coop cultivates active social partnership in which the concerns of the workforce are regularly discussed. This provides the approximately 37 500 employees paid monthly or by the hour and covered by the nationwide Coop collective employment contract with a guarantee that they enjoy the best employment conditions in the Swiss retail sector. Throughout the new term of the agreement, Coop and the five contractual partners will continue to engage in constructive discussions in the parity commission.

Generous pay rises in the anniversary year

To mark the tenth anniversary of "CoopForte", the merger of the 14 regional cooperatives and Coop Switzerland to form a single cooperative society, Coop showed its gratitude to its total of 53 559 employees for their work by agreeing to award an average pay rise of 2.8% on 1 January 2011. In constructive and frank pay negotiations with its social partners, Coop continued its efforts to raise pay in the lower wage segments. Thus all employees covered by the collective employment contract with a gross monthly wage of 3 700 to 4 499 francs are to receive a flat-rate rise of 3%. Employees who joined Coop before

or on 1 January 2001 also benefit from a flat-rate increase of 50 francs a month. Employees covered by the collective employment contract and receiving a gross monthly wage of 4 500 to 4 999 francs are to receive an average individual pay rise of 3%. Particular consideration will be given to staff of many years' standing. In addition, the pay of those employees covered by the collective employment contract or possessing an individual employment contract and earning a gross monthly salary of 5 000 francs or more will receive an average individual increase of 2%. Gross hourly wages have also been raised.

PENSION FUND

CPV/CAP: Gratifying result in difficult operating environment

The situation on the financial markets in 2010 was fraught with difficulties, particularly the low interest rates, the sideways trend in the stock markets and large fluctuations in exchange rates. This environment made it very hard for pension funds to achieve the necessary returns. Against this background, the CPV/CAP systematically pursued its strategy while also looking for opportunities to maximize returns. In 2010, CPV/CAP achieved a relatively good performance of 4.3% which is not completely satisfactory in absolute terms. The reserve ratio grew from 98.1% in 2009 to its current level of 100.1%, with the full cover level being achieved again. The structural reforms approved in 2010 by the Swiss Parliament have had little impact on the CPV/CAP. Most amendments had already been taken into account in the regulations, which had been rewritten to take account of the transformation of the CPV/CAP into a foundation in autumn 2009. In addition, the CPV/CAP has been applying high standards to pension fund governance for many years. In the light of the financial situation, the interest paid on the insured active members' pension-fund assets was kept at 2% in 2010, and it was decided not to increase pensions. There were no changes in the member companies with regard to insurance cover. The number of insured active members increased from 36 509 in 2009 to 36 822. The number of pensioners rose by 343, totalling 17 617 at the end of 2010.

In line with its new Logistics and Bakeries Strategy, Coop is to invest 460 million francs in Switzerland as a business location. Coop purchases Railcare AG and shifts more freight from road to rail. The Property Business Unit manages 35 shopping centres, and Coop IT supports 200 projects.

LOGISTICS AND BAKERIES STRATEGY 2015+

Saving on costs and cutting CO₂ emissions

The core elements of Coop's Logistics Strategy 2005+ were the implementation of the principle of once-only storage, the comprehensive introduction of the WAMAS supply chain management system, the use of sales-based ordering (SBO) in logistics, and investment in new strategic locations. In terms of productivity and quality, the strategy drove Coop forwards and resulted in recurrent annual cost savings of about 60 million francs and a steady fall in the logistics cost ratio since 2005. And yet Coop has grown rapidly in the last few years, and the strategy's potential is now largely exhausted. To continue systematically along the chosen route, Coop drew up a new Logistics and Bakeries Strategy 2015+. With the long-term realignment of Coop Logistics and Coop Bakeries, Coop is pursuing three basic objectives: the essential support for Coop's sustainability goals, further cost optimization and continuous improvement of the quality of Coop baked goods. The comprehensive "Logistics and Bakeries Strategy 2015+" project comprises five sub-projects. The measures envisaged are to be completed by 2016. As part of the new strategy, Coop will invest some 460 million francs in Switzerland as a business location. On the other hand, Coop anticipates recurrent annual savings of about 60 million francs. Implementation

of the strategy will reduce CO₂ emissions by 4 800 tonnes and save three million road kilometres by shifting more freight from road to rail.

Sub-project: regional distribution centres

The logistics of the Nordwestschweiz Sales Region are currently handled by two distribution centres, Basel and Schafisheim, and there is a third distribution centre within a radius of only 60 kilometres at Dietikon. As part of the implementation of the new logistics strategy, the two distribution centres at Basel and Dietikon are to be integrated into the already existing centre at Schafisheim. At the same time, the Nordwestschweiz and Zentralschweiz-Zürich Logistics Regions are to be merged to form the Mitte Logistics Region. The Schafisheim site is to be expanded and will henceforth take over the same role as the other distribution centres of the logistics regions. As a result of this restructuring, the Basel distribution centre, including its bakery, is to be closed, though not before 2015. The Dietikon distribution centre is to be given new functions. It will henceforth supply Coop Pronto shops using unaccompanied combined transport (UCT). It will also handle all deliveries for coop@home, which is close to the limits of its capacity at its present Spreitenbach site, and part of the food and non-food campaigns of the new, merger-based Mitte Logistics Region. Combining the distribution centres and introducing

automation into some order-picking areas can generate major synergies and also save costs. In addition, the use of UCT for deliveries to Coop Pronto shops will massively reduce CO₂ emissions.

Bakery strategy with focus on improving quality

The switchover of Coop Bakeries to the production of starter dough in May 2010 was already a first step towards improving the quality of Coop baked goods. A second step will be taken with the installation of new production technologies and the construction of a new industrial bakery at Schafisheim. The Coop bakeries in Basel and Wallisellen are to be closed to form a single merged bakery at Schafisheim. In order to make optimum use of capacities at the new site and also to save transport kilometres, all frozen baked goods are to be produced at Schafisheim. As a consequence, the existing contract with Hicopain in Dagmersellen will not be renewed. To ensure future proximity to customers, the regional Coop bakeries in Aclens, Bern, Castione, Chur and Gossau will continue to operate.

Centralization of frozen-foods logistics

As frozen baked goods account for 50% of all of Coop's frozen merchandise, the new bakeries strategy has a direct impact on the structure of frozen-foods logistics. Coop's national frozen-foods logistics are also to be centralized in Schafisheim. The two frozen-goods distribution centres at Givisiez and Hinwil are to be closed down in 2015 at the earliest, and rented external storage space is to be vacated. The construction of a new deep-freeze warehouse at Schafisheim will enable the dough that is pre-produced and deep-frozen there to be stored on site without any intermediary transport. This will result in a marked reduction in transport costs and will avoid storage duplication. In addition, the introduction of UCT in frozen-foods logistics will save on road kilometres travelled and massively reduce CO₂ emissions.

Investment in national distribution centres

Though the infrastructure of the national distribution centres in Wangen and Pratteln meets requirements, some changes to it are also envisaged. The Pratteln distribution centre, for instance, will be substantially expanded, eliminating the need for leasing external storage. There is to be further improvement of existing goods transfers between Pratteln and Wangen.

Unaccompanied combined transport with Railcare AG

The acquisition of Railcare AG in September 2010 is an integral part of the Logistics and Bakeries Strategy 2015+. For Coop, it created an ideal starting situation for shifting more freight from road to rail.

Railcare AG specializes in unaccompanied combined transport (UCT), a flexible yet efficient and environmentally friendly method of transporting goods. UCT means that goods are carried in a combination of two modes of transport. The goods are transhipped in standardized loading units (swap bodies). The composition of Railcare's trains is such that they are bidirectional ("push-pull"), and their short maximum length of 240 metres and the resulting high speed of 120 km/hr make them very flexible. Within a radius of 90 km of the distribution centre, however, trucks are, basically, still the most economical mode of transport. UCT will in future be used for all freight transport longer than 90 km. Coop is initially using Railcare AG for deliveries of frozen goods to Coop supermarkets and to supply Coop Pronto shops. Later, UCT will be used to supply Coop Building & Hobby centres and Coop City department stores from the distribution centres at Gwatt and Ruppertswil.

IT

Supporting just under 200 projects

In 2010, Coop IT also realized a variety of projects designed to support users and corporate processes, with a total of just under 200 projects in the planning or implementation phase. As the existing hardware and software were outdated, all administrative staff received new computers in 2010. In the year under review, IT purchased about 6 300 desktops and notebooks and 5 300 monitors, configured them with the latest programs and delivered them to the employees. The project cost over 9 million francs. One of the great advantages of the new equipment is that it consumes 40% less energy than the old models.

Roll-out of new cash-register system on schedule

In 2010, Coop IT continued the launch of a new, uniform cash-register system for the Retail and Trading channels. First installed at Toptip and Lumimart, the solution has now been implemented in the 78 branches of Christ Watches & Jewellery. In an extended pilot scheme the new system was also installed in a total of 37 Coop supermarkets. For its use in the Retail channel, more than a hundred functional features had to be added to the Linux-based software. The roll-out in all supermarkets and megastores is scheduled to start in spring 2011 and will be completed within a year. The existing equipment will be exchanged for over 7 000 cash registers, printers and screens. The main advantages of the new cash-register system are intuitive operation using a touch screen, lower maintenance costs and greater stability.

Catastrophe testing at the Berne computer centre

As the earthquake risk is greater in Basel than anywhere else in Switzerland, Coop set up its catastrophe-prevention computer centre in Berne in summer 2008. The aim is for Coop to be able, in the event of an earthquake, to continue operating all applications essential for the maintenance of vital Coop business activities from Berne. In the summer of 2010, Coop carried out its first catastrophe prevention test. The results show that data processing by the systems and the active applications they depend on is secured within the envisaged restart times.

PROPERTY

Management of the property portfolio for the core business

The Property Business Unit is responsible for portfolio, building, asset, facility and shopping centre management and professionally manages the entire property portfolio for Coop's core business. At the end of December 2010, it administered or managed 35 shopping centres throughout Switzerland, in which other companies were represented besides Coop. The Property Business Unit is also responsible for project development and implementation. On 4 March 2010, the attractive new Ilfis Centre in Langnau in the Emmental was inaugurated after just under two years of building work. This was followed shortly afterwards by the grand opening of the Bassin Centre in Conthey following a phased refurbishment. In May 2010, the 31st Coop megastore opened its doors in Oberwil, while June saw the inauguration of the Prodega Market in Basel. And there was a rapid series of further openings and reopenings in autumn and winter, specifically the Renens Centre in the middle of Renens, the stores in Gossau and Langenthal, and Centerpark in Visp. At the end of 2010, four Property Business Unit projects were still under construction, while a further 31 were in the planning stage or just about to be realized.

MANUFACTURING

The Bell Group invests in Switzerland and abroad. Chocolats Halba benefits from export opportunities within the Coopernic sourcing alliance. Coop Bakeries develop 120 new products and have been using starter dough to produce all bread since the spring.

BELL GROUP

Further growth of the Bell Group

As Switzerland's largest meat processor, the Bell Group supplies both the retail and wholesale trade and restaurants, hotels and the food industry. It includes France's Groupe Polette and the German companies ZIMBO and Abraham. At the end of 2010, the Bell Group employed a total workforce of 6 488, just under half of them outside Switzerland. Both Bell Switzerland and Bell International reported higher sales in the year under review. Net sales from goods and services grew overall by 1% to 2.6 billion francs. Business trends in Switzerland and Europe diverged somewhat in the year under review. In Switzerland, private consumption of meat products increased, whereas out-of-house consumption stagnated. In Germany and France, on the other hand, the economic recovery did not as yet have an effect on private consumption. The situation in Eastern Europe stabilized in the course of the year.

Successes in Switzerland and abroad

Bell Switzerland laid a milestone in its future development when it secured the acquisition of 15 or so hectares of land in Niederbipp, Canton of Berne. It intends to build a new pork-cutting plant there, and the Group will still have enough land reserves for the company to grow further. In 2010, Bell Switzerland invested in meat production at its poultry plant in Zell, Canton of Lucerne. Progress was made in

planning the new charcuterie production facility in Chesaux-sur-Lausanne. Within Bell International, the Belgian trading company Marco Polo N.V acquired at the end of 2009 was successfully integrated into the German company ZIMBO, thereby appreciably strengthening activities in the Benelux countries and Scandinavia. In Germany, the Bell Group acquired the licence to produce and sell the meat-product range of the lifestyle brand "Du darfst". Gratifyingly, new markets were tapped for Savoy dry sausage specialties from France which, thanks to the Group network, are now also available in Switzerland and Germany.

COOP MANUFACTURING COMPANIES

Swissmill

Products: flours, flour mixtures, durum wheat semolina, polenta, oat flakes, extruder products
Certifications: ISO 9001, ISO 14001, OHSAS 18001, IFS/BRC, Bio Suisse, IP Suisse, NOP, Suisse Garantie

Swissmill had a good year in 2010, achieving a sales volume of 217 000 tonnes from in-house production – despite difficult operating conditions. The far-reaching changes in farming policy conditions, for instance, confronted Swissmill with major challenges. The funding gap for exports in the framework of the "Schoggi" (chocolate) law (under which the government subsidizes raw materials such as milk powder and butter) had already triggered intensive discus-

sions in the sector in spring. Together with industry representatives, Swissmill played a leading role in efforts to secure the added value of export volumes by processing the cereals in Switzerland. The second challenge was the sudden announcement that the more flexible tariff system for processed cereals for human consumption was to come into force on 1 July 2010. In the year under review, Swissmill raised organic products' share of total production to 14%. In addition, Swissmill, the largest mill in Switzerland, finished the expansion work on an end-product silo and installed a completely new packaging line for small packs. Both measures are investments in the future and will henceforth enable Swissmill to operate more flexibly and efficiently.

Chocolats Halba

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

Certifications: ISO 9001:2008, ISO 14001:2004, IFS 5/BRC 5, Bio Inspecta

In 2010, Chocolats Halba increased its sales volume by 8% compared with the previous year. The launch of the new praline brand "Le Chocolatier Suisse" was a great success for Coop. Industrial and contract-manufacturing customers contributed to the company's growth in Switzerland. Chocolats Halba also did well in the export sector, for instance with the redesigned premium brand "Swiss Confisa" and with various organic/Fairtrade specialities. Chocolats Halba again launched a total of over 30 innovative products in 2010. Cooperation within the Coopernic sourcing alliance proved very successful: the German Rewe chain now also sells chocolate from Chocolats Halba. Quality tests in France singled out an organic/Fairtrade product of Chocolats Halba as the best chocolate on the French market. To be able to further develop the company's growth strategy successfully, the Swiss manufacturing company is concentrating on direct contacts with cocoa farmers in the country of origin, on unique sustainability products and on investments in rationalization and process control.

Pasta Gala

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

Certifications: ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, IFS, Bio Suisse, Soil Association

The core business with Coop developed very successfully for Pasta Gala in 2010, growing by around 2% in volume terms. This was due particularly to the introduction of new products for the Coop own-label

brand Naturaplan. The company also hugely expanded its efforts in the export business. Besides the brand "Pasta Gala Swiss Taste" created especially for the export market, Pasta Gala now also focuses on specific own-label concepts for organic and speciality products. In the sustainability field, Pasta Gala successfully implemented two projects. Stocks can now be protected against pests without using any chemical/synthetic agents at all. And the commissioning of a new plant ensured that manufacturing by-products could be recycled.

CWK-SCS

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

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

Certifications: ISO 9001, ISO 14001, ISO 22716, ISO 26000, IFS HPC

In July 2010, CWK-SCS became the first company in the world to be certified to IFS-HPC, a quality standard for household and bodycare products.

The CWK division overhauled the branding of the well-known sunscreen product, Sherpa Tensing, in 2010, resulting in a significant improvement in sales despite the wet summer. In addition, CWK developed a certified cosmetics line which satisfies the highest requirements and is marketed under the natural cosmetics label, Ecocert. The range produced for Coop now also includes innovative new items such as a bodycare line of 50 products which are marketed under the Coop own-label brand, Qualité & Prix. Having launched the environmentally friendly Oecoplan detergent, CWK is now represented in all of Coop's detergent segments.

In 2010, SCS Steinfels Cleaning Systems raised sales by 2% compared with the year-back figure. The highlight of the year was the tenth anniversary of the Maya brand, with which SCS leads the market for ecological detergents and cleaning products for the professional sector. Overall, SCS generated around 35% of its sales with ecological products. To mark the jubilee year, SCS launched innovative new products and processes under the Maya brand.

Reismühle Brunnen

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

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

In 2010, Reismühle Brunnen tapped new sales markets for Fairtrade rice in the Netherlands and Germa-

ny and thereby improved its export performance. The share of Fairtrade products in overall sales rose by about 24% to just under 12%. Both export activities and the range of Fairtrade products are to be further expanded in 2011. At the end of the year, Reismühle added boil-in-the-bag rice packs and a ten-minute long-grain rice to its range. In addition, the company strengthened its commitment to sustainable purchasing by initiating a project in Italy to introduce the GlobalGAP standard for rice production.

Nutrex

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

Certifications: ISO 9001:2000, IFS, Bio Suisse, ISO 14001

The Swiss vinegar producer Nutrex posted sales just under the previous year's level. This was due in large part to exports, particularly the renewal of the collaboration with a major group to supply the Austrian market. In 2010, Nutrex focused on increasing its production volume and on developing new bottle formats for the retail sector. As a result, 2011 will see the launch of new bottle formats and organic products for Coop. Raising the capacity utilization of the new production and filling installations continues to be a strategic goal of the company.

Sunray

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

The approximately 56 million consumer units sold in 2010 make Sunray one of the sector's largest brand manufacturers. Despite the economic crisis, it had a successful 2010. Sunray's high level of diversification largely enabled it to withstand the crisis. The range underwent further considerable expansion, with a total of 33 new products being launched. Organic and Fairtrade articles again posted above-average growth rates, accounting for 12% of overall sales in 2010. The production volume of organic and Fairtrade products amounted to 2 300 tonnes compared with total production of 24 150 tonnes. By switching over to beneficial organisms as a means of pest control, Sunray greatly reduced the use of chemicals in the production process.

Cave

Services: vinification of local Swiss wines, preparation and bottling of wines

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

With an output of 43 million bottles, Cave maintained its position as Switzerland's largest wine-bottling plant. Cave had to contend with supply shortfalls in sourcing Swiss white wines in 2010. Swiss grapes account for 65% of white wine consumption and foreign grapes for 35%. This shortfall situation was bridged by importing white wine from Spain, France and Germany. Cave bottled a total of 400 different products, 30 of which were new, in 2010. In the local-wine vinification division, 800 000 litres of grape juice were vinified in the company's own winery. Thanks to process improvements, operating costs were reduced despite stable production volumes. Cooperation with Transgourmet Switzerland was successfully expanded.

Banana Ripening Plant

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

Certifications: ISO 9001:2008, Bio Suisse, IFS 5, FLO-CERT

The Banana Ripening Plant was able to maintain delivery volumes (22 300 tonnes of bananas and 3 000 tonnes of dried fruits) at the year-back level. Max Havelaar and organic bananas now account for 83% of the total volume of bananas. These fruit are sourced primarily in Ecuador, Costa Rica and the Dominican Republic. The dried-fruit range currently comprises 25 articles, which are stored and order-picked in the Banana Ripening Plant and delivered from there to Coop's regional distribution plants. The entire air-conditioning plant, controls and ripening cells were replaced in 2010. This refitting focused particularly on ecological and technical process-related aspects as well on improvement of ripening quality: fossil fuels were eliminated and the installations now use waste heat.

Coop Bakeries

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

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

Coop's seven industrial bakeries produced approximately 52 000 tonnes of baked goods in 2010. Coop also currently operates 36 bakeries and confectioners that are located within a Coop supermarket or Coop megastore and produce goods exclusively for that store. Coop Bakeries developed a total of 120 new products in 2010. Non-hydrogenated fats are now used in almost all of Coop's own baked goods. In addition, all suitable bread products have been

produced with starter dough since May. The long ripening time of starter dough brings about a distinct improvement in the taste, crispness and shelf-life of the bread. Organic Ticino bread is Coop Bakeries' new top-selling organic product. Coop switched over a large portion of bread bags to material bearing the FSC quality label for sustainable forestry – the first large retailer in Switzerland to do so. The proceeds from the “Weggen” (bread roll) campaign on 1 August, which were donated as a token of solidarity to Coop Aid for Mountain Regions, amounted to 245 000 francs in 2010.

CORPORATE GOVERNANCE

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

The Coop Cooperative is committed to openness and transparency in the operational management of the Group and it acts to ensure good corporate governance in the interests of its members, customers, employees and other stakeholders. Its governance largely follows the guidelines of the 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 Holding AG. Specific details on this company's corporate governance may be found in its annual report and on its website, www.bell.ch.

REGIONAL COUNCILS

Regional Councils

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

Coop comprises six regions (Suisse Romande, Bern, Nordwestschweiz, Zentralschweiz-Zürich, Ostschweiz incl. Principality of Liechtenstein, and Ticino), which maintain contacts with members of Coop and with the public. These regions do not constitute separate legal entities, however, but are part of Coop's cooperative-based organizational structure. In each region, members of Coop elect a Regional Council consisting of 60 to 120 members (Ticino: maximum of 30). Each regional Council appoints a Committee of twelve (Ticino: six) from among its members. Each Committee is self-constituting and submits a proposal to the 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 each Regional Council Committee represent the members of the corresponding region at the Coop Delegate Assembly.

DELEGATE ASSEMBLY

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

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

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

 www.coop.ch/organization

GROUP STRUCTURE

The Group structure can be seen in the list of Coop companies provided in the annual consolidated financial statements of the Coop Group (pages 99 and 100). The changes to the scope of consolidation of the Coop Group can be found on page 82. There are no crossholdings between Coop companies.

CAPITAL STRUCTURE

The capital structure can be seen in the consolidated balance sheet (page 77) and the corresponding notes (pages 87–94).

BOARD OF DIRECTORS

See *Board of Directors and Management structure* on page 59.

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

Roman Kuhn was newly elected to the Board of Directors at the Delegate Assembly of 29 October 2010. He replaced Silvio Bircher, who retired from the Board of Directors for reasons of age. Silvio Bircher had been a member of the Board of Directors since 2001 and Chairman of the Regional Council and of the Regional Committee of the Nordwestschweiz Region since 2003.

As at 31 December 2010 the Board of Directors comprised the following members:

Irene Kaufmann-Brändli

Born 1955, Swiss

Dr. oec. publ.

Chairwoman of the Board of Directors

Directorships:

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

Other functions and offices:

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

Peter Eisenhut

Born 1955, Swiss

Lic. oec. HSG

Managing partner, Ecopol AG, Reute

Directorships:

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

Other functions and offices:

- Lecturer at the Executive School, University of St. Gallen
- Chairman of the Supporters' Association and member of the Executive Board, Swiss Research Institute of Small Businesses and Entrepreneurship, University of St. Gallen

Michela Ferrari-Testa

Born 1963, Swiss

Lawyer and notary

Directorships:

- Coop Immobilien AG, Bern
- Helsana AG, Dübendorf
- Helsana Unfall AG, Dübendorf
- Helsana Versicherungen AG, Dübendorf
- Helsana Zusatzversicherungen AG, Dübendorf
- Progrès Versicherungen AG, Dübendorf
- avanex Versicherungen AG, Dübendorf
- sansan Versicherungen AG, Dübendorf
- aerosana Versicherungen AG, Dübendorf

Other functions and offices:

- Board member, Helvetia Sana

Hans-Jürg Käser

Born 1956, Swiss

Head, Transport Aids Pool

Employee representative on the Board of Directors

Directorships:

- Coop Immobilien AG, Bern

Other functions and offices:

- Coop Section of Unia

Beth Krasna

Born 1953, Swiss and US citizen

Dipl. Chem. Ing. ETH Zurich, MBA Sloan School at MIT, Cambridge, USA

Directorships:

- Coop Immobilien AG, Bern
- Banque Cantonale Vaudoise, Lausanne
- Bonnard & Gardel Holding SA, Lausanne
- Raymond Weil SA, Grand-Lancy

Other functions and offices:

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

Roman Kuhn

Born 1955, Swiss

Executive MBA, University of Zurich

Member of Senior Management, Aargauische Kantonalbank

Directorships:

- Coop Immobilien AG, Bern
- Circus Monti AG, Wohlen

Other functions and offices:

- Chairman, Swiss Finance Institute Alumni Association
- Chairman, Offene Hand („Swisshand“) Foundation
- Chairman, Förderverein Schloss Hallwyl (Friends of Hallwyl Castle)

Lillia Rebsamen-Sala

Born 1953, Swiss

Businesswoman

Directorships:

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

Bernard Rüeiger

Born 1958, Swiss

MBA, Lausanne

General Manager, Rüeiger S.A., Crissier

Directorships:

- Coop Immobilien AG, Bern
- Rüeiger Holding S.A., Paudex (Chairman)
- Alpsens technologies S.A., Crissier (Chairman)
- Jaquet S.A., Vallorbe
- Socorex Isba S.A., Ecublens
- Lyncée tec S.A., Ecublens

Other functions and offices:

- Chairman, Vaud Chamber of Commerce
- Member, Committee of the Board of Directors, Economiesuisse
- Board member, Osec
- Board member, Fondation de Beaulieu, Lausanne

Giusep Valaulta

Born 1951, Swiss

Lic. iur.

Head of Department, State Secretariat for Economic Affairs (SECO)

Vice-Chairman of the Board of Directors

Directorships:

- Coop Immobilien AG, Bern

Election and term of office of the Board of Directors

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

Internal organization

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

Regulation of responsibilities

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

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

Instruments of information and control over the Executive Committee

Every month the Executive Committee submits a written report to the Board of Directors with key figures on current business performance and important information on all business segments. In addition, reports and results are submitted in writing to the Board of Directors every four months and presented and discussed at the Board meetings.

The Chairwoman of the Board of Directors regularly attends the meetings of the Executive Committee. She is also responsible for Internal Auditing. Coop has a comprehensive and continuous planning and goal-setting process in place, which also features regular reporting to the Board of Directors, including balanced scorecard reports. Coop also implements systematic risk management and internal audits.

Instruments of supervision and control over the auditors

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

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

EXECUTIVE COMMITTEE

See Management structure and Management on pages 59–61.

For the operational management of the Group, the Board of Directors appoints an Executive Committee (EC), which acts on its own responsibility as the executive body; its duties and powers are laid down in the organizational regulations by the Board of Directors. The Executive Committee is headed by a CEO, who is entitled to issue directives to the other EC members.

On 31 December 2009, Rudolf Burger, Head of the Trading Business Unit, stepped down after 40 years of valuable service for Coop to enjoy his well-deserved retirement. Joos Sutter was appointed as new Head of the Trading Business Unit and therefore a member of the Executive Committee on 1 January 2010. He

joined Coop in 1996 and was most recently Head of the Interdiscount Division.

As at 31 December 2010 the Executive Committee comprised the following members:

Hansueli Loosli

Born 1955, Swiss

Swiss diploma in accounting and controlling

Chairman of the Executive Committee

Directorships:

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

Jean-Marc Chapuis

Born 1954, Swiss

Lic. ès sciences économiques et sociales

Head of Property Business Unit

Directorships:

- BG Rosengarten Solothurn AG, Solothurn (Chairman)

Leo Ebnetter

Born 1954, Swiss

Commercial specialist

Head of Logistics Business Unit

Directorships:

- Railcare AG, Härkingen (Chairman)
- Kühlhaus Neuhaus AG, Gossau

Jürg Peritz

Born 1947, Swiss

Commercial specialist

Head of Marketing / Purchasing Business Unit

Vice-Chairman of the Executive Committee

Directorships:

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

Hans Peter Schwarz

Born 1950, Swiss

Swiss diploma in accounting and controlling

Head of Finance / Services Business Unit

Directorships / memberships of foundation boards:

- CVP/CAP Pensionskasse Coop, Basel
- Bell Holding AG, Basel
- Coop Mineraloel AG, Allschwil
- Coop Vitality AG, Bern
- Dipl. Ing. Fust AG, Oberbüren
- Service 7000 AG, Netstal
- Transgourmet Holding S.E., D-Köln
- Tropenhaus Frutigen AG, Frutigen
- Tropenhaus Wolhusen AG, Wolhusen
- Bank Coop AG, Basel
- The Body Shop Switzerland AG, Uster
- Raiffeisenbank Ettingen, Ettingen
- Further directorships of Coop subsidiaries

Joos Sutter

Born 1964, Swiss

Lic. oec. HSG, Swiss diploma in auditing

Head of Trading Business Unit

Directorships:

- Coop Vitality AG, Bern (Chairman)
- Dipl. Ing. Fust AG, Oberbüren (Chairman)
- The Body Shop Switzerland AG, Uster (Chairman)

Philipp Wyss

Born 1966, Swiss

Commercial specialist

Head of Retail Business Unit

Directorships:

none

Management agreements

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

REMUNERATION

In 2010, the Board of Directors received an aggregate amount of 1.3 million francs in remuneration (previous year: 1.3 million francs).

The gross salaries of the Executive Committee totalled 4.3 million francs for seven members (previous year: 4.2 million francs for six members for the whole year and one member for seven months). In addition, a performance-related bonus of no higher than 20% of gross salary is paid to the members of the Executive Committee. Coop is entitled to any set fees paid to the Chairwoman of the Board of Directors and the members of the Executive Committee for activities performed as members of the Boards of Directors of Coop subsidiaries and non-Group companies. The Chairwoman of the Board of Directors and the members of Coop's Executive Committee do not have any special pension rights.

RIGHTS OF PARTICIPATION

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

AUDITORS

Duration of mandate and term of office of lead auditor

PricewaterhouseCoopers (PwC) has been Coop's auditor since 1994. Daniel Suter (lead auditor) has been in office since 2010.

Auditing fee

The following auditing fees were billed for services performed for 2010:

- auditing services: 2.7 million francs
- other services: 0.3 million francs

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

INFORMATION POLICY

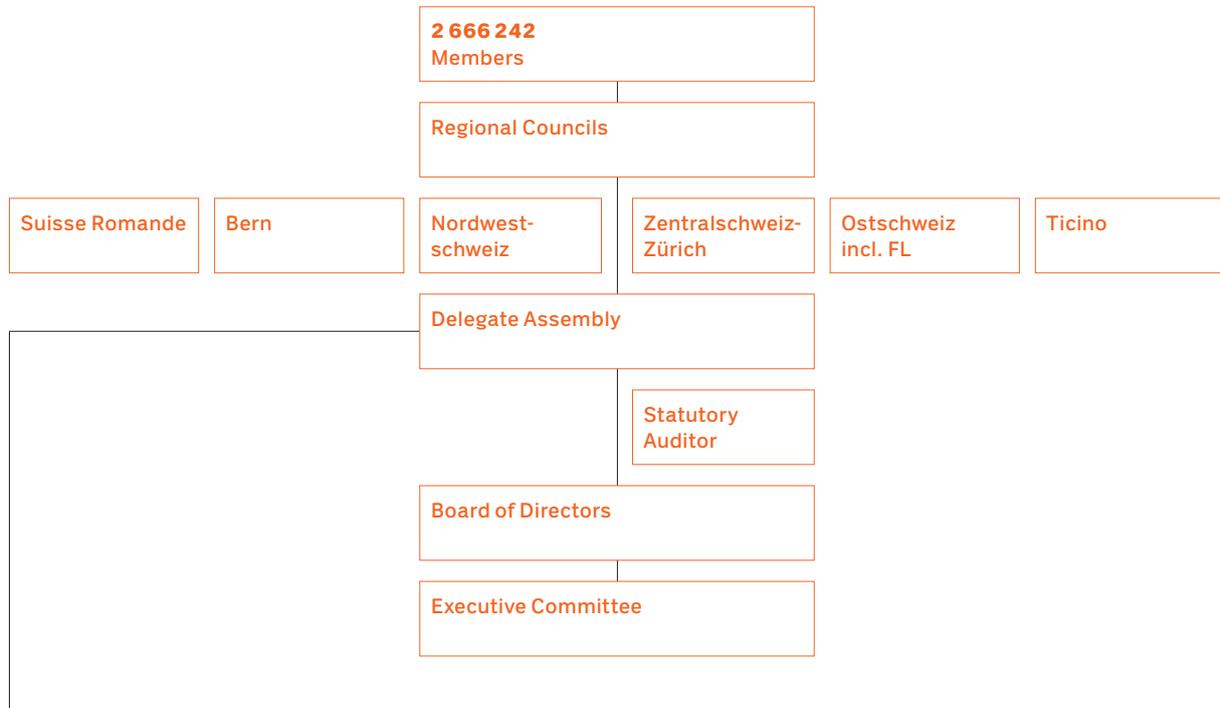
The Coop Cooperative keeps its members informed through the weekly Coop member press and the Coop website. In addition, members can order printed versions of the Annual Report, which can also be viewed on, or downloaded from, the website. In spring and autumn, the delegates attend Delegate Assemblies at which information about ongoing business developments is provided and current topics are discussed in depth. They receive a copy of the Annual Report along with the invitation to the Spring Delegate Assembly. In addition, they receive a written report every four months informing them of Coop's business performance.

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

 www.coop.ch/report

EXECUTIVE BODIES AND DELEGATE ASSEMBLY

As at 31 December 2010



Members of the Regional Committees constitute the Coop Delegate Assembly

Suisse Romande Region

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

Nordwestschweiz Region

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

Ostschweiz Region incl. FL

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

Bern Region

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

Zentralschweiz-Zürich Region

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

Ticino Region

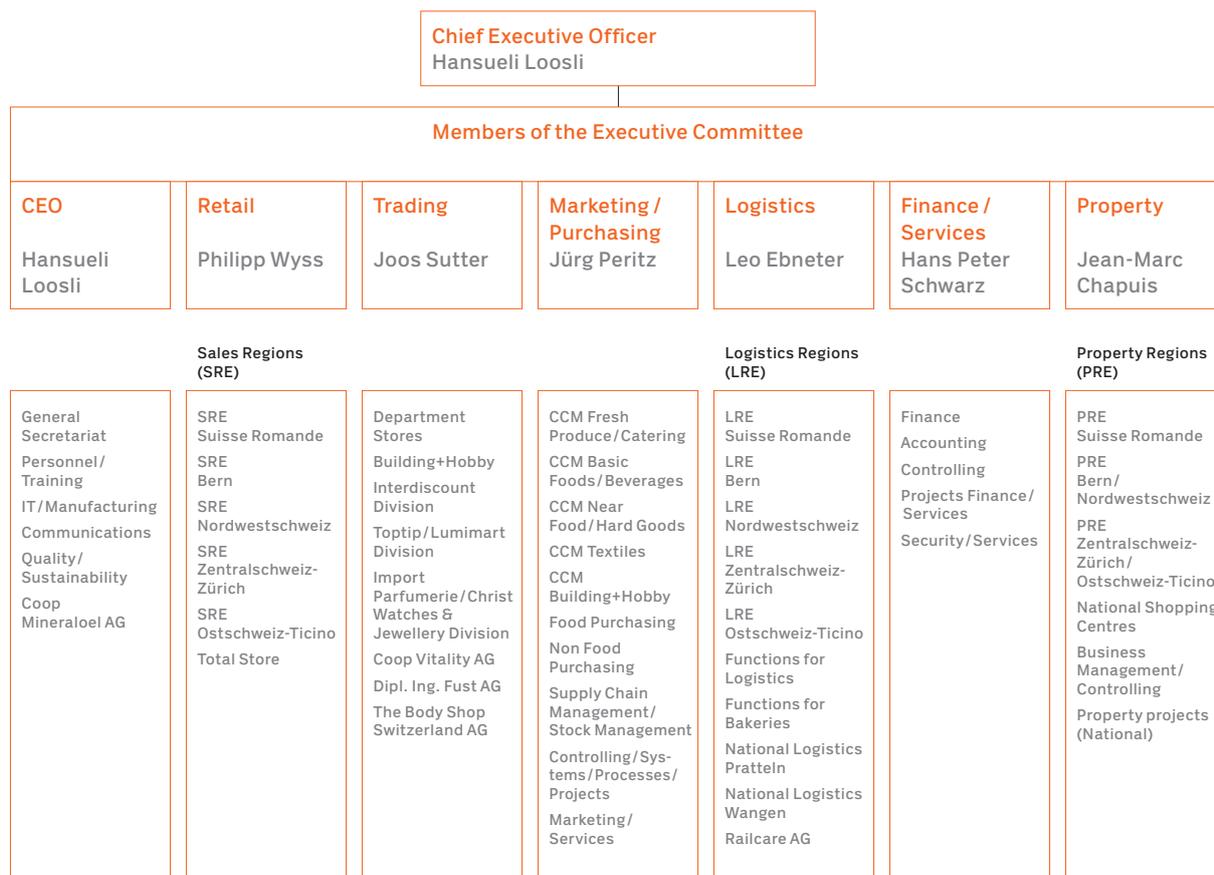
Mauro Bazzi
Carlo Crivelli
Lucia Gianoli
Marco Lucchini
Gabriella Rossetti

BOARD OF DIRECTORS AND MANAGEMENT STRUCTURE

As at 31 December 2010

Board of Directors	Peter Eisenhut Irene Kaufmann (Chairwoman) Lillia Rebsamen-Sala	Michela Ferrari-Testa Beth Krasna Bernard Rüeeger	Hans-Jürg Käser Roman Kuhn Giusep Valaulta (Vice-Chairman)
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Internal Auditing Heinrich Stamm, Head of Internal Auditing



MANAGEMENT

As at 1 March 2011

Executive Committee (EC)

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

Presidium of the Executive Committee Business Unit

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

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

Retail Business Unit

Philipp Wyss, Head of Retail Business Unit,
Head of ZZ Sales Region
Livio Bontognali, Head of OT Sales Region
André Mislin, Head of NW Sales Region
Sissigno Murgia, Head of SR Sales Region
Peter Schmid, Head of BE 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 1
Stéphane Bossel, Head of Business Management/Controlling
Jean-Claude Chapuisat, Head of Personnel/Training
Stéphane Seydoux, Head of Sales 2

Bern (BE) Sales Region

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

Nordwestschweiz (NW) Sales Region

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

Zentralschweiz-Zürich (ZZ) Sales Region

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

Ostschweiz-Ticino (OT) Sales Region

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

Trading Business Unit

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

Pierre Pfaffhauser, Head of Personnel Marketing

Coop City

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

Interdiscount

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

Marketing/Purchasing Business Unit

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

Benedikt Pachlatko, Head of Customer Services

CCM Fresh Produce / Catering

Lorenz Wyss, Head of CCM Fresh Produce/Catering
Marie-Claire Chepca Cordier, CCM Dairy Produce/Eggs/Ice-cream
Matthias Kunz, Catering
Marc Muntwyler, CCM Meat
Theodor Schärer, CCM Bread/Baked Goods
Christoph Widmer, CCM Fruit/Vegetables

CCM Basic Foods/Beverages

Roland Frefel, Head of CCM Basic Foods/Beverages
Marco Bertoli, CCM Long-life Convenience
Christoph Bürki, CCM Wines/Sparkling Wines
Susanne Madörin-Urech, CCM Confectionery/Savoury Snacks
Markus Schmid, CCM Breakfast/Garnishes/Baking Ingredients/
Pet Supplies
Bernhard Studer, CCM Soft Drinks/Spirits/Tobacco Goods

CCM Near-Food/Hard Goods

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

CCM Textiles

Gerhard Beutler, Head of CCM Textiles
Simone Gössling, CCM Tableware/Homestyle/Festive
Oliver Krüsi, CCM Children's Clothing/Baby/Toys
Sandra Odermatt, CCM Menswear/Men's Underwear/
Leisure/Sport
Sonya Suscetta, CCM Accessoires/Watches/Jewellery/Shoes/
Leather Goods/Hosiery

CCM Building+Hobby

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

Food Purchasing

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

Ernst Seiler, Managing Director of Eurogroup SA

Non-Food Purchasing

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

Supply Chain Management / Stock Management

Mauro Manacchini, Head of Supply Chain Management/
Stock Management
Peter Bolliger, Stock Management Pool Non-Food

Logistics Business Unit

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

Business Unit Finance/Services

Hans Peter Schwarz, Head of Finance/Services Business Unit
Xavier Buro, Head of Projects Finance/Services
Hansjörg Klossner, Head of Accounting
Beat Leuthardt, Head of Finance
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
Philippe Sublet, Head of National Shopping Centres
Fritz Ulmann, Head of ZZ-OT Property Region
Danilo Zampieri, Head of BE-NW Property Region

THE COOP GROUP IN FIGURES

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- 73 Development of the Coop Group**

All values rounded up / down individually

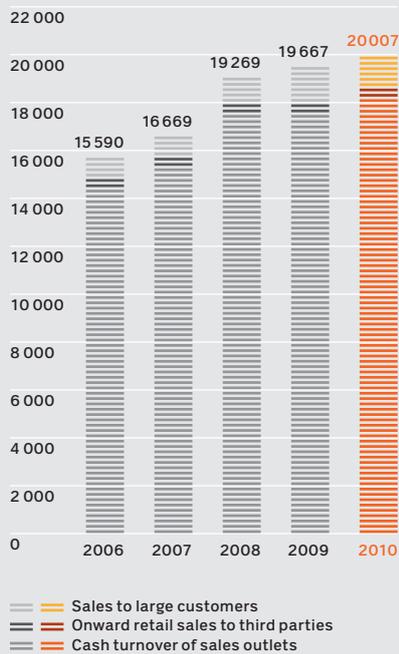
TOTAL SALES

in CHF million	2010	2009	Change	Index %
Supermarkets A < 980 m ²	3 531	3 577	-45	98.7
Supermarkets B 980-1 890 m ²	3 243	3 229	+14	100.4
Supermarkets C 1 890-3 500 m ²	2 872	2 828	+44	101.5
Supermarkets	9 646	9 633	+12	100.1
Megastores > 3 500 m ²	1 654	1 596	+57	103.6
Supermarkets / Megastores	11 299	11 230	+70	100.6
Other	2	2	-0	96.3
Coop Retail	11 301	11 231	+70	100.6
Department stores	1 058	1 047	+11	101.0
Interdiscount	995	981	+14	101.4
Building & Hobby	742	741	+1	100.1
Toptip / Lumimart	239	246	-7	97.2
Import Parfumerie	173	169	+4	102.5
Christ Watches & Jewellery	112	109	+2	102.0
Other	3	4	-0	93.1
Coop Trading	3 323	3 298	+25	100.8
Restaurants Da Giovanni	3	1	+2	290.9
Hotels	29	29	-1	98.0
Coop	14 656	14 560	+96	100.7
Filling stations	1 403	1 256	+147	111.7
Coop Pronto at filling stations	577	541	+36	106.6
Coop Pronto stand-alone	245	228	+17	107.4
Coop Mineraloel AG	2 225	2 025	+199	109.8
Dipl. Ing. Fust AG	994	963	+31	103.2
Coop Vitality AG	123	111	+12	110.8
Bell Group (sales outlets)	76	98	-22	77.9
The Body Shop Switzerland AG	31			
Cash turnover of sales outlets	18 106	17 758	+347	102.0
Internet shops	185	159	+26	116.1
Onward retail sales to third parties Switzerland	307	323	-16	95.0
Onward retail sales to third parties abroad	11	3	+7	312.6
Retail turnover	18 608	18 244	+364	102.0
Sales to large customers	1 399	1 423	-25	98.3
Total sales	20 007	19 667	+339	101.7

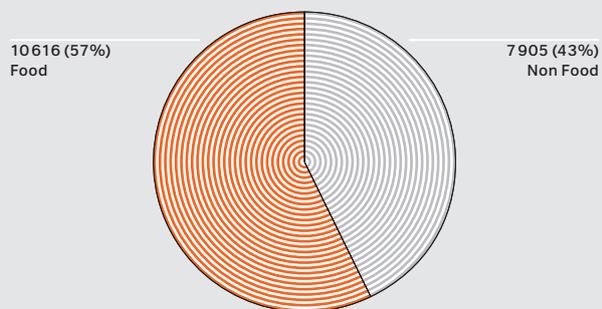
Prior-year figures restated

TOTAL SALES (DETAILS)

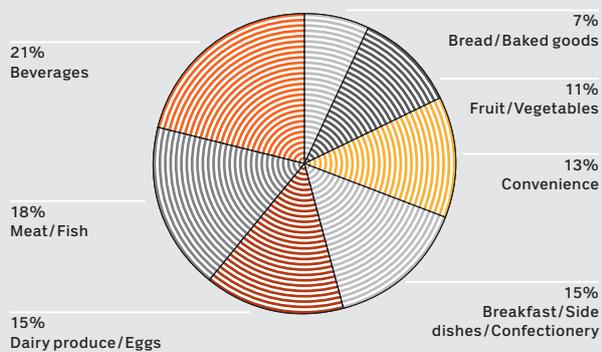
Total sales
in CHF million



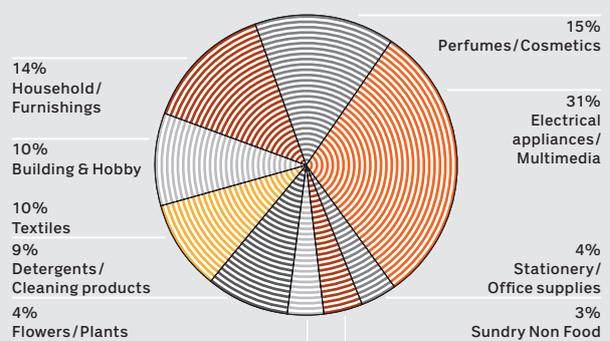
Retail turnover in Switzerland by main categories
in CHF million



Food



Non Food



SALES OUTLETS

	Cash turnover of sales outlets				Sales outlets		Sales area	
	in CHF million		Index %	Share %	Number at 31.12		m ² at 31.12	
	2010	2009			2010	2009	2010	2009
Supermarkets A < 980 m ²	3 531	3 577	98.7	19.5	512	518	282 990	283 851
Supermarkets B 980–1 890 m ²	3 243	3 229	100.4	17.9	182	180	257 785	257 122
Supermarkets C 1 890–3 500 m ²	2 872	2 828	101.5	15.9	90	87	244 835	239 160
Supermarkets	9 646	9 633	100.1	53.3	784	785	785 610	780 133
Megastores > 3 500 m ²	1 654	1 596	103.6	9.1	31	30	160 585	156 240
Supermarkets / Megastores	11 299	11 230	100.6	62.4	815	815	946 195	936 373
Other	2	2	96.3	0.0	1	1	290	290
Coop Retail	11 301	11 231	100.6	62.4	816	816	946 485	936 663
Department stores	1 058	1 047	101.0	5.8	33	33	140 956	140 689
Interdiscount	995	981	101.4	5.5	200	199	69 635	69 208
Building & Hobby	742	741	100.1	4.1	70	69	287 072	285 114
Toptip / Lumimart	239	246	97.2	1.3	54	56	148 434	150 479
Import Parfumerie	173	169	102.5	1.0	103	101	9 096	8 999
Christ Watches & Jewellery	112	109	102.0	0.6	79	82	6 048	5 971
Other	3	4	93.1	0.0	1	1	150	150
Coop Trading	3 323	3 298	100.8	18.4	540	541	661 391	660 610
Restaurants Da Giovanni	3	1	–	0.0	4	4	1 566	1 566
Hotels	29	29	98.0	0.2	3	3		
Coop	14 656	14 560	100.7	80.9	1 363	1 364	1 609 442	1 598 839
Filling stations	1 403	1 256	111.7	7.7	189	180		
Coop Pronto at filling stations	577	541	106.6	3.2	(178)	(168)	17 961	16 530
Coop Pronto stand-alone	245	228	107.4	1.4	51	47	8 809	7 886
Coop Mineraloel AG	2 225	2 025	109.8	12.3	240	227	26 770	24 416
Dipl. Ing. Fust AG	994	963	103.2	5.5	161	161	88 815	87 957
Coop Vitality AG	123	111	110.8	0.7	42	39	10 424	9 724
Bell Group (sales outlets)	76	98	77.9	0.4	71	73	4 356	4 668
The Body Shop Switzerland AG	31				38		2 107	
Subsidiaries	3 448	3 196	107.9	19.0	552	500	132 472	126 765
Sales outlets	18 106	17 758	102.0	100.0	1 915	1 864	1 741 914	1 725 604

Prior-year figures restated

SUBSIDIARIES / DIVISIONS / BANK LOANS

Subsidiaries in CHF million	Net sales		Full-time- employees Number	Equity at 31.12 Group share in capital	
	2010	2009		CHF m	%
	2010	2009	2010	2010	2010
Bell Group	2 584	2 548	6 180	590.5	66.3
Coop Mineraloel AG	2 084	1 921	70	189.0	51.0
Dipl. Ing. Fust AG	959	923	1 845	186.9	100.0
Coop Vitality AG	117	106	360	13.7	51.0
The Body Shop Switzerland AG	29		136	8.4	100.0
Coop training centres Muttentz and Jongny	14	14	126	7.3	100.0

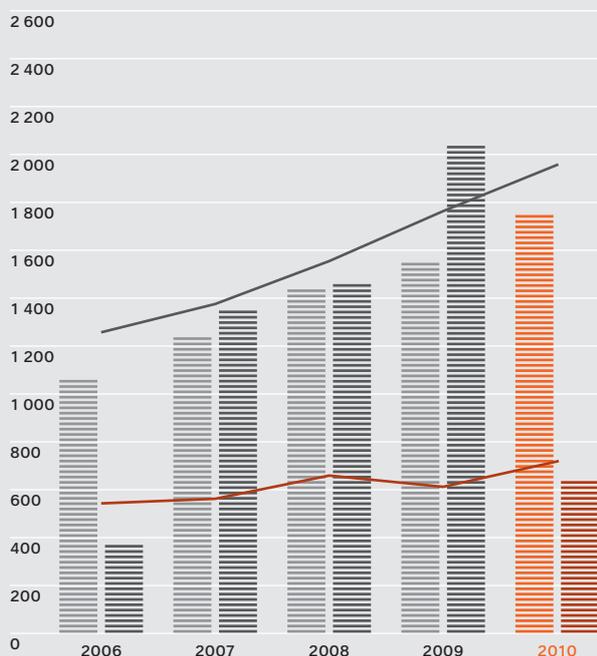
Divisions in CHF million	2010	2009	Change	Index %
Cash turnover	995	981	+14	101.4
Onward retail sales to third parties	80	65	+15	122.5
Interdiscount Division	1 075	1 046	+28	102.7
Cash turnover Toptip	213	221	-8	96.3
Cash turnover Lumimart	26	25	+1	105.2
Onward retail sales to third parties				
Toptip / Lumimart Division	239	246	-7	97.2
Cash turnover	173	169	+4	102.5
Onward retail sales to third parties	2	1	+1	199.0
Import Parfumerie Division	175	170	+5	103.0
Cash turnover	112	109	+2	102.0
Onward retail sales to third parties	0	0	+0	148.1
Christ Watches & Jewellery Division	112	109	+2	102.1

Bank loans in CHF million	Credit line		Used		Unused credit line	
	2010	2009	2010	2009	2010	2009
Big banks	386	99	1	1	385	98
Cantonal banks	285	146	33	121	252	25
Regional banks	39	76	4	61	35	15
Bank Coop	153	108	0	35	153	73
Foreign banks in Switzerland	300	300	0	49	300	251
Foreign banks	426	347	62	109	364	238
Banks	1 588	1 075	100	376	1 487	699
Consortium loan Bell	118	282	118	282		
Bank loans	1 705	1 357	218	658	1 487	699
Short-term bank loans			47	246		
Long-term bank loans			164	405		
Bank mortgages			6	7		
Bank loans			218	658		

Prior-year figures restated

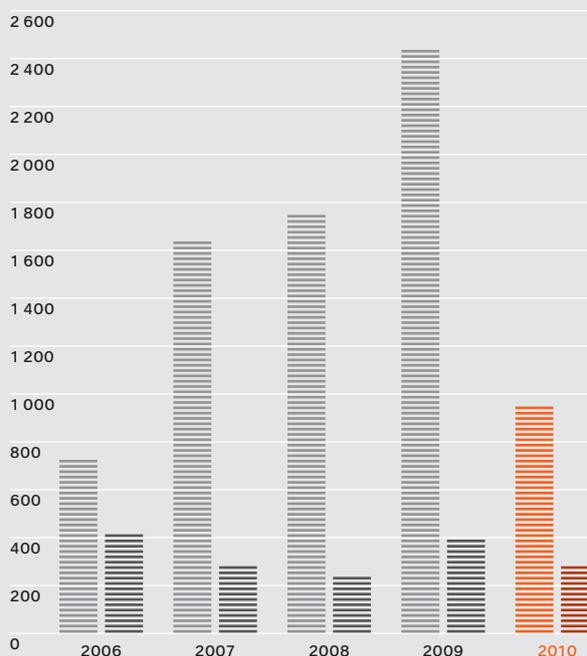
KEY FINANCIAL DATA / INVESTMENTS

Key financial data in CHF million



— EBITDA – operating cash flow
 — EBIT – operating income
 — Cash flow before change in net current assets
 — Net investments

Investments in CHF million



— Gross investments
 — Disposals

in CHF million	2006	2007	2008	2009	2010
Suisse Romande Region	137	91	134	121	43
Bern Region	75	77	110	136	34
Nordwestschweiz Region	205	188	211	265	236
Zentralschweiz-Zürich Region	90	120	120	127	238
Ostschweiz-Ticino Region	108	80	107	85	113
Gross investments in tangible fixed assets	615	556	681	733	664
Disposals of tangible fixed assets	385	152	178	191	103
Net investments in tangible fixed assets	230	404	503	542	561
Other net investments	147	947	973	1 513	92
Net investments	377	1 351	1 476	2 055	653
EBITDA – operating cash flow	1 237	1 383	1 563	1 760	1 955
EBIT – operating income	553	572	659	614	709
Profit/loss	310	350	390	430	470
Cash flow before change in net current assets	1 068	1 254	1 445	1 555	1 744

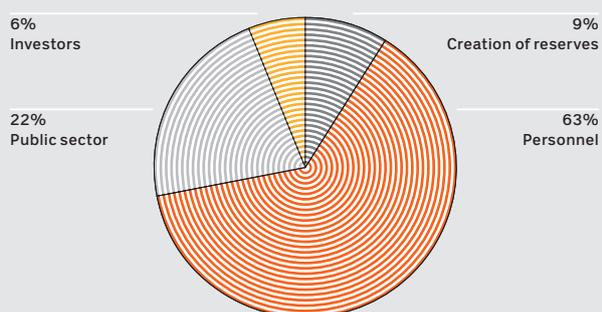
Prior-year figures restated

STATEMENT OF ADDED VALUE

in CHF million	2010	2009	Index %
Total sales	20 007	19 667	101.7
Merchandise	11 667	11 485	101.6
Other	2 033	1 966	103.4
Upstream services	13 700	13 451	101.8
Gross added value	6 307	6 216	101.5
Depreciation and amortization / provisions	1 217	1 166	104.3
Net added value	5 090	5 050	100.8
Wages and salaries	2 492	2 501	99.6
Social security contributions	548	555	98.7
Other personnel expense	101	119	85.3
Personnel discounts incl. personnel Supercard points	53	52	101.6
Employees	3 194	3 227	99.0
Taxes	144	135	106.8
Operations-related taxes, charges and fees	15	8	184.1
Customs duties	813	748	108.8
Value-added tax	157	172	91.4
Public sector	1 129	1 062	106.3
Investors	297	331	89.7
Creation of reserves	470	430	109.3
Distribution of added value	5 090	5 050	100.8

Prior-year figures restated

Distribution of added value

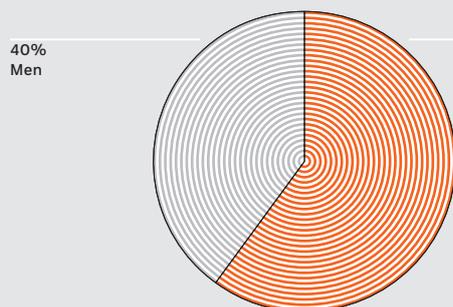


EMPLOYEES

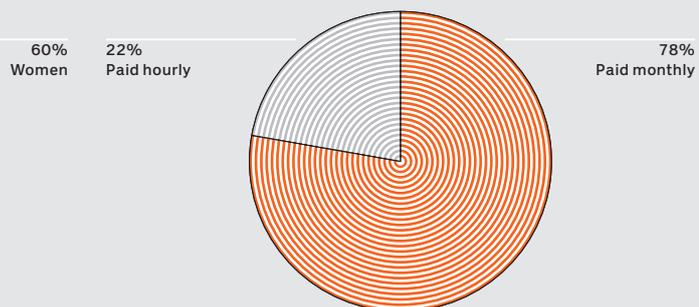
	2010	2009	Change	Index %
SRE Suisse Romande	4 805	4 721	+85	101.8
SRE Bern	3 110	3 189	-79	97.5
SRE Nordwestschweiz	3 629	3 648	-19	99.5
SRE Zentralschweiz-Zürich	4 587	4 598	-11	99.8
SRE Ostschweiz-Ticino	3 925	3 993	-67	98.3
Corporate Services Retail	24	22	+2	109.3
Retail	20 079	20 169	-90	99.6
Department stores	2 668	2 690	-23	99.2
Interdiscount	1 711	1 749	-38	97.8
Building & Hobby	1 468	1 431	+37	102.6
Toptip / Lumimart	596	620	-24	96.2
Import Parfumerie	432	419	+13	103.2
Christ Watches & Jewellery	368	364	+4	101.1
Corporate Services Trading	179	176	+3	101.4
Trading	7 421	7 448	-27	99.6
Logistics	4 270	4 339	-69	98.4
Production	688	690	-2	99.7
Other corporate services / Property Business Unit	2 088	2 031	+57	102.8
Long-term absences	661	608	+53	108.7
Coop parent company	35 208	35 285	-77	99.8
Bell Switzerland	3 297	3 285	+12	100.4
Bell abroad	2 883	3 213	-330	89.7
Bell Group	6 180	6 498	-318	95.1
Dipl. Ing. Fust AG	1 845	1 893	-49	97.4
Coop Vitality AG	360	338	+22	106.4
The Body Shop Switzerland AG	136			
Other companies	126	74	+52	170.5
Coop Mineraloel AG	70	66	+4	106.7
Full-time employees (incl. trainees)	43 925	44 154	-229	99.5
SRE Suisse Romande	6 583	6 385	+198	103.1
SRE Bern	4 348	4 429	-81	98.2
SRE Nordwestschweiz	4 733	4 594	+139	103.0
SRE Zentralschweiz-Zürich	6 167	6 082	+85	101.4
SRE Ostschweiz-Ticino	5 344	5 367	-23	99.6
Corporate Services Retail	24	24		100.0
Retail	27 199	26 881	+318	101.2
Department stores	3 344	3 340	+4	100.1
Interdiscount	1 835	1 869	-34	98.2
Building & Hobby	1 828	1 778	+50	102.8
Toptip / Lumimart	703	698	+5	100.7
Import Parfumerie	613	582	+31	105.3
Christ Watches & Jewellery	506	506		100.0
Corporate Services Trading	194	192	+2	101.0
Trading	9 023	8 965	+58	100.6
Logistics	4 695	4 751	-56	98.8
Production	812	812		100.0
Other corporate services / Property Business Unit	2 327	2 322	+5	100.2
Coop parent company	44 056	43 731	+325	100.7
Bell Switzerland	3 497	3 417	+80	102.3
Bell abroad	2 991	3 144	-153	95.1
Bell Group	6 488	6 561	-73	98.9
Dipl. Ing. Fust AG	2 111	2 052	+59	102.9
Coop Vitality AG	490	474	+16	103.4
The Body Shop Switzerland AG	199			
Other companies	142	86	+56	165.1
Coop Mineraloel AG	73	70	+3	104.3
Employees (incl. trainees) at 31.12	53 559	52 974	+585	101.1

	2010	2009	Change	Index %
SRE Suisse Romande	426	400	+26	106.5
SRE Bern	266	283	-17	94.0
SRE Nordwestschweiz	323	345	-22	93.6
SRE Zentralschweiz-Zürich	402	409	-7	98.3
SRE Ostschweiz-Ticino	307	322	-15	95.3
Corporate Services Retail				
Retail	1 724	1 759	-35	98.0
Department stores	182	180	+2	101.1
Interdiscount	374	364	+10	102.7
Building & Hobby	129	129		100.0
Toptip/Lumimart	34	31	+3	109.7
Import Parfumerie	57	56	+1	101.8
Christ Watches & Jewellery	36	36		100.0
Corporate Services Trading	8	7	+1	114.3
Trading	820	803	+17	102.1
Logistics	124	117	+7	106.0
Production	35	38	-3	92.1
Other corporate services / Property Business Unit	69	67	+2	103.0
Coop parent company	2 772	2 784	-12	99.6
Bell Switzerland	49	50	-1	98.0
Bell abroad	27	30	-3	90.0
Bell Group	76	80	-4	95.0
Coop Vitality AG	76	75	+1	101.3
Dipl. Ing. Fust AG	73	74	-1	98.6
Coop Mineraloel AG	3	3		100.0
The Body Shop Switzerland AG	12			
Other companies	2	2		100.0
Trainees (employees) at 31.12	3 014	3 018	-4	99.9
School-leaver internships	123	129	-6	95.3

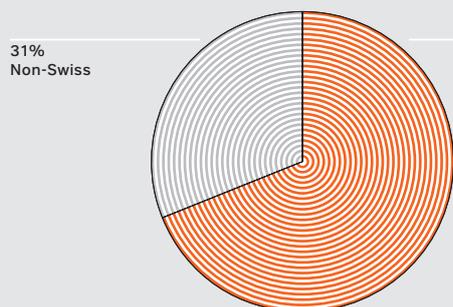
Gender



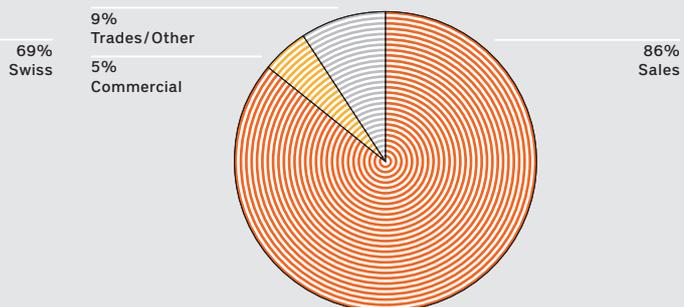
Type of employment



Nationality



Trainees



KEY ENVIRONMENTAL DATA

Sales of Coop own-label sustainability brands and quality labels			
in CHF million	2010	2009	Index %
Coop Naturaplan	758	726	104.5
Coop Naturafarm	461	478	96.6
Coop Oecoplan	117	112	104.5
Coop Naturaline	67	68	98.5
Other (Pro Montagna, Pro Specie Rara, Slow Food, Max Havelaar, Bio, MSC, FSC, from 2010 Topten)	487	238	–
Cash turnover	1 891	1 621	116.6
Survey period for electricity and heating data July to June, calendar year for other data			
	2010	2009	Index %
Electricity consumption			
Total consumption in MWh ¹	765 993	772 889	99.1
Point of sale consumption in kWh per m ² of sales area	372	380	97.9
Point of sale consumption in kWh per thousand CHF of turnover	40	41	98.2
Energy consumption for heating purposes			
Total consumption in MWh ¹	299 841	318 903	94.0
Point of sale consumption in kWh per m ² of sales area	113	120	94.4
Point of sale consumption in kWh per thousand CHF of turnover	12	13	94.7
Fuel consumption			
Total consumption in MWh ²	201 670	201 145	100.3
Consumption per tonne-kilometre in litres of diesel ³	0.0123	0.0122	100.7
Energy consumption			
Total consumption (electricity, heating and fuel) in MWh ^{1,2}	1 267 503	1 292 937	98.0
Point of sale consumption (electricity and heating) in kWh per m ² of sales area	484	499	97.0
Point of sale consumption (electricity and heating) in kWh per thousand CHF of turnover	52	54	97.4
Carbon dioxide (CO₂) emissions			
Total emissions in tonnes ^{1,2}	129 596	142 938	90.7
Point of sale emissions in kg per m ² of sales area	31	37	83.1
Point of sale emissions in kg per thousand CHF of turnover	3	4	83.4
Goods transport emissions per tonne-kilometre in kg ³	0.0350	0.0364	96.2
Water consumption			
Consumption in m ³ ⁴	441 723	485 960	90.9
Point of sale consumption in m ³ per m ² of sales area ⁵	0.6073	0.6143	98.9
Waste recycling			
Recycling quota as a %	73	70	104.3

¹ Manufacturing companies, distribution centres, sales outlets, administration

² Coop's own goods transport, coop@home deliveries, goods transport by third parties in Switzerland on behalf of Coop, goods transported by air, business travel

³ Coop's own goods transport from regional distribution centres to points of sale

⁴ Manufacturing companies, distribution centres, administration

⁵ Points of sale with a measuring system

Prior-year figures restated

DEVELOPMENT OF THE COOP GROUP

	2006	2007	2008	2009	2010	
Key financial data in CHF million						
Cash turnover of sales outlets	14 407	15 506	17 782	17 758	18 106	
Onward retail sales to third parties	400	365	504	486	502	
Retail turnover	14 807	15 871	18 287	18 244	18 608	
Total sales	15 590	16 669	19 269	19 667	20 007	
Net sales from goods and services	14 785	15 812	18 271	18 660	18 965	
EBITDA – operating cash flow	1 237	1 383	1 563	1 760	1 955	
EBIT – operating income	553	572	659	614	709	
Profit / loss	310	350	390	430	470	
Financial liabilities	3 297	3 534	3 971	4 422	4 686	
Net financial liabilities	3 017	3 219	3 395	3 925	2 925	
Equity incl. minority interests	4 931	5 324	5 675	6 098	6 412	
Total assets	10 999	11 810	12 981	13 933	14 624	
Cash flow before change in net current assets	1 068	1 254	1 445	1 555	1 744	
Cash flow from operating activities	1 089	1 155	1 515	1 626	1 709	
Cash flow from investing activities	-377	-1 351	-1 476	-2 055	-653	
Cash flow from financing activities	-711	231	250	350	211	
Relative indicators in %						
Quick ratio	26.6	26.5	28.4	34.9	73.3	
Ratio of equity and long-term liabilities to non-current assets	97.0	94.7	91.3	98.9	114.6	
Debit ratio	55.2	54.9	56.3	56.2	56.2	
EBITDA margin	8.4	8.7	8.6	9.4	10.3	
EBIT margin	3.7	3.6	3.6	3.3	3.7	
Profit margin	2.1	2.2	2.1	2.3	2.5	
Cash flow margin	7.4	7.3	8.3	8.7	9.0	
Debt coverage ratio	Target value: < 3.0	2.4	2.3	2.4	2.2	1.5
Interest coverage ratio	Target value: > 8.0	17.9	35.5	12.9	24.3	22.9
Equity ratio	Target value: > 40.0	44.8	45.1	43.7	43.8	43.8
Employees						
Employees at 31.12	45 428	48 200	53 880	52 974	53 559	
Full-time employees	37 271	38 230	41 550	44 154	43 925	
Sales outlets						
Number of sales outlets at 31.12	1 546	1 739	1 885	1 864	1 915	
Sales area in m ² at 31.12	1 518 242	1 624 047	1 707 189	1 725 604	1 741 914	
Sales area in m ² (annual average)	1 497 395	1 550 155	1 686 926	1 719 187	1 732 128	
Members						
Number of members at 31.12	2 461 462	2 502 100	2 536 544	2 518 056	2 666 242	

Prior-year figures restated

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE COOP GROUP

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All values rounded up / down individually

CONSOLIDATED INCOME STATEMENT

in CHF million	Notes	2010	Share %	2009	Share %
Net sales from goods and services	1	18 965	100.0	18 660	100.0
Merchandise expense		12 480		12 233	
Gross profit / loss		6 485	34.2	6 427	34.4
Other operating income	2	788		700	
Personnel expense	3	3 141		3 175	
Advertising expense		389		389	
Other operating expenses	4	1 788		1 803	
EBITDA – operating cash flow		1 955	10.3	1 760	9.4
Amortization of intangible assets	5	503		431	
Depreciation of tangible fixed assets	5	742		714	
EBIT – operating income		709	3.7	614	3.3
Result of associated organizations		29		9	
Result from foreign currencies	6	-15		7	
Financial result	7	-71		-80	
Ordinary result		653	3.4	551	3.0
Non-operating result	8	17		75	
Extraordinary result	9	7		-9	
EBT – profit / loss before taxes		677	3.6	617	3.3
Taxes	10	144		135	
Profit / loss after taxes		533	2.8	483	2.6
Minority interests in profit / loss		63		53	
Profit / loss		470	2.5	430	2.3

Prior-year figures restated

CONSOLIDATED BALANCE SHEET

at 31.12					
in CHF million					
	Notes	2010	Share %	2009	Share %
Cash and cash equivalents	21	1 762		497	
Securities		110		83	
Receivables from goods and services	22	552		525	
Other short-term receivables	23	217		234	
Prepayments and accrued income	24	294		309	
Inventories	25	1 942		1 831	
Current assets		4 878	33.4	3 480	25.0
Intangible assets	26	1 101		1 517	
Financial assets	27	1 170		1 271	
Furniture, vehicles, machinery	28	1 285		1 341	
Real estate	29	6 191		6 325	
Non-current assets		9 746	66.6	10 453	75.0
Assets		14 624	100.0	13 933	100.0
Payables from goods and services	30	1 326		1 124	
Short-term financial liabilities	31	1 005		1 294	
Other short-term liabilities	32	421		414	
Short-term provisions	33, 37	140		153	
Accrued liabilities and deferred income	34	562		615	
Short-term liabilities		3 454	23.6	3 600	25.8
Long-term financial liabilities	35	3 681		3 128	
Long-term provisions	36, 37	1 078		1 107	
Long-term liabilities		4 759	32.5	4 235	30.4
Liabilities	38	8 213	56.2	7 835	56.2
Participation certificate capital					
Retained earnings		5 610		5 343	
Profit / loss		470		430	
Equity excluding minority interests		6 080	41.6	5 773	41.4
Minority interests		331	2.3	326	2.3
Equity including minority interests		6 412	43.8	6 098	43.8
Liabilities and equity		14 624	100.0	13 933	100.0

Prior-year figures restated

CONSOLIDATED CASH FLOW STATEMENT

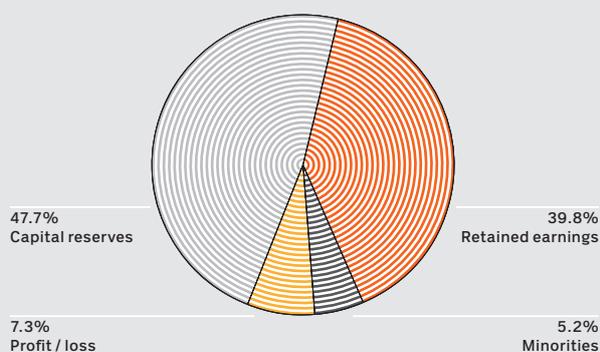
Fund: cash and cash equivalents

in CHF million	Notes	2010	2009
Profit / loss after taxes		533	483
Amortization of financial assets (excl. associated organizations)		-0	0
Amortization of intangible assets		503	431
Depreciation of furniture, vehicles, machinery		332	300
Depreciation of real estate		410	418
Depreciation of non-operating assets		2	3
		1 247	1 153
Profit (-) / loss on disposal of fixed assets		-20	-75
Result non-cash items		18	-14
Income (-) / expense from application of the equity method for investments		-29	-26
Dividends received from associated organizations		22	17
Increase / decrease (-) in long-term provisions		-27	19
Cash flow before change in net current assets		1 744	1 555
Increase (-) / decrease in receivables from goods and services		-9	26
Increase (-) / decrease in other receivables, prepayments and accrued income		-43	-82
Increase (-) / decrease in inventories		-106	107
Increase / decrease (-) in payables from goods and services		183	-10
Increase / decrease (-) in other short-term liabilities, accrued liabilities and deferred income		-43	36
Increase / decrease (-) in short-term provisions		-18	-7
		-35	71
Cash flow from operating activities		1 709	1 626
Investments in intangible assets		-29	-24
Disposals of intangible assets		0	0
Investments of furniture, vehicles, machinery		-286	-290
Disposals of furniture, vehicles, machinery		3	5
Investments in real estate		-364	-441
Real estate, own work capitalized		-14	-2
Disposals of real estate		100	186
Payment for the acquisition of consolidated organizations		-60	-1 290
Receipts from the disposal of consolidated organizations		0	4
		-59	-1 285
Investments in financial assets		-122	-385
Disposals of financial assets		129	175
Investments in securities		-47	-23
Disposals of securities		35	30
		-12	7
Cash flow from investing activities	41	-653	-2 055
Inflows from bonds issuance (+)		750	1 000
Outflows for bonds – repayments (-)		-175	-250
Dividend to minority shareholders		-35	-35
Increase / decrease (-) in short-term financial liabilities		-289	-684
Increase / decrease (-) in long-term financial liabilities		-43	318
Increase / decrease (-) own shares Bell		1	1
Cash flow from financing activities		211	350
Cash inflow / cash outflow (-)		1 266	-78
Cash and cash equivalents at beginning of year		497	576
Cash inflow / cash outflow (-)		1 266	-78
Impact of changes in currency exchange rates		-2	0
Cash and cash equivalents at 31.12		1 762	497

STATEMENT OF CHANGES IN EQUITY

in CHF million	Capital reserves	Own shares Bell	Retained earnings	Profit / loss	Equity excluding minorities	Equity minorities	Equity including minorities
Equity at 1.1.2009	2 357	-7	2 645	390	5 385	290	5 675
Change in the scope of consolidation / stake			-28		-28	16	-12
Appropriation of profit / dividends	324		66	-390		-34	-34
Acquisition (-) / disposal of own shares Bell		1			1	1	2
Profit / loss				430	430	53	483
Currency differences			-15		-15		-15
Equity at 31.12.2009	2 681	-6	2 668	430	5 773	326	6 098
Equity at 1.1.2010	2 681	-6	2 668	430	5 773	326	6 098
Change in the scope of consolidation / stake						-4	-4
Appropriation of profit / dividends	380		50	-430		-36	-36
Acquisition (-) / disposal of own shares Bell	0	1			2	1	2
Profit / loss				470	470	63	533
Currency differences			-165		-165	-19	-185
Equity at 31.12.2010	3 061	-5	2 555	470	6 080	331	6 412

Equity at 31.12.2010



NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Consolidation principles

Basis

The consolidated financial statements of the Coop Group comply with all Swiss GAAP ARR 2010/11 (Accounting and Reporting Recommendations). On this basis, internal classification, valuation and disclosure principles have been defined and applied consistently. The consolidated financial statements are based on the audited individual accounts at 31 December and present a true and fair view of the financial position, results of operations and cash flows.

Full consolidation

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

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

Equity method

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

Currency conversion

Local assets and liabilities are converted into Swiss francs at the exchange rate at the balance sheet date. The local income statements and the cash flow statement are converted at the average rates for the period. Any differences arising from the use of these two different conversion methods are taken directly to equity. The exchange rates for the most important currencies are listed in the section "Additional notes to the consolidated financial statements".

Scope of consolidation

The Coop scope of consolidation is listed on pages 99 and 100.

Valuation principles

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. They comprise cash on hand, postal and bank account balances, short-term deposits and Reka cheques. These items are convertible into cash at any time and subject to an insignificant risk of changes in value (note 21).

Securities

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

Receivables from goods and services and other short-term receivables

Receivables are stated at nominal value less extraordinary depreciation. A flat-rate allowance of 1% is recognized for general credit risks (notes 22 and 23).

Inventories

Inventories are stated at cost, which comprises the net purchase price and incidental charges. Unfinished and finished goods are valued at no more than production cost. Where the computed value of merchandise at the balance sheet date is less than cost, the lower of cost or market principle is applied. Individual value adjustments are recognized for materials that are no longer serviceable (note 25).

Intangible assets

On the acquisition of an equity investment, goodwill is determined based on the difference between the purchase price paid and the net assets acquired, measured at fair value. Goodwill is generally capitalized and amortized on a straight-line basis over a period of 5 to 8 years. Other intangible assets are stated at acquisition cost and amortized on a straight-line basis over a period of 3 to 8 years. Trademarks and similar intangible assets are amortized over a period of up to 20 years. In addition, all intangible assets undergo an annual impairment test. No research and development costs are capitalized (note 26).

Financial assets

Financial assets are carried in the balance sheet at acquisition cost less any necessary write-downs. Loans and long-term financial assets where the share of the voting rights is less than 20% are also recognized at cost less any necessary write-downs (note 27).

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

Furniture, vehicles, machinery, real estate

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

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

Tangible fixed assets financed through finance leases are capitalized in the same way as other assets and depreciated on a straight-line basis in accordance with the table above. The corresponding present values excluding interest are recognized within long-term liabilities as leasing commitments. The fair value of real estate is determined internally. Taken as a whole, the fair value of these properties exceeds their carrying amount, which means that on the basis of going concern values there are substantial reserves left over (notes 28 and 29).

Liabilities

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

Liabilities are carried in the balance sheet at nominal value (notes 30 to 32, 34 and 35).

Provisions

The amount of the provisions is determined at the balance sheet date on the basis of the probable outflow of resources. In doing so, sufficient account is taken of the risks. The provisions represent legal or factual obligations (notes 33, 36 and 37).

Other operating income

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

Non-operating items

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

Extraordinary items

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

Taxes

All income taxes due on the taxable profits for the financial year are charged to the income statement, regardless of their due date. Furthermore, additional taxes on income result from temporary differences between items of income and expense entered in the consolidated financial statements and individual statements for tax purposes (deferred taxes). The deferred taxes for these differences between the carrying amounts in the financial statements and the values for tax purposes are calculated at an average tax rate of up to 35% based on local tax rates and tax loss carry-forwards (note 10).

Operations-related taxes

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

Reclassifications

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

Cash flow statement

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

Related parties

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

Related party transactions were conducted at market conditions. The financial statement items with associated organizations are shown under the corresponding headings in the Notes.

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

Supplementary information

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

Notes to the annual consolidated financial statements 2010 (general information)

Swiss GAAP ARR 2010/11

The Swiss GAAP ARR framework was applied as of 1 January 2006, the other recommendations as of 1 January 2007 and changes to Swiss GAAP ARR 2009 as of 1 January 2009. The changes for 2010 have also been reflected. There was no need to make any changes to the consolidated financial statements as a result of changes to Swiss GAAP ARR 2009 or the changes for 2010/11.

Changes to the scope of consolidation

In 2010, the following changes occurred in the scope of consolidation at Coop compared with the previous year:

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

The following companies were taken over at 100% (date of purchase contract):

– 26 April 2010 The Body Shop Switzerland AG, Uster

– 30 August 2010 railCare AG, Härkingen

– 1 September 2010 Horlogerie-Bijouterie Eden S.A., Geneva

Two companies were established: Goldie AG on 15 October 2010 and Goldie D AG on 18 October 2010, both in Basel. All of the above-mentioned companies were fully consolidated.

In the Bell Group, the Marco Polo Group was acquired on 31 December 2009. The amount paid was reclassified out of financial assets on 1 January 2010.

In 2010, Stastnik Sp.z o.o was merged with Zimbo Polska Sp.z o.o and Stuyckberg Business Center N.V. was merged with Marco Polo N.V. The remaining 20% stake in Sanchez Alcaraz S.L. was acquired.

The following changes in the scope of consolidation occurred in 2009 compared with the prior year:

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

Establishment of transGourmet Holding S.E. on 8 January 2009 as a joint venture with the German retail group REWE.

The assets and liabilities of Fegro/Selgros, GVS/Stöver and transGourmet Schweiz AG were brought in as a non-cash capital contribution.

transCoop GmbH was integrated on 8 January 2009.

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

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

Salaison St-André S.A. in St-André sur vieux jonc was acquired as part of the Bell France Group on 1 July 2009.

The 50% stake in Maurer frères S.A. in Kingersheim was sold on 31 October 2009.

Amortization of intangible assets

At Coop Group, intangible assets are determined in the course of the annual impairment test using updated assumptions regarding the expected business trend.

Pension fund obligations

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

At its meeting on 12 October 2010, the Board of Directors of CPV/CAP confirmed the following decision from the previous year: it decided to stick to the reduced interest rate for old-age pension assets for active insured persons in 2010 and not to initiate any further measures to rehabilitate the pension fund that oblige the employer to finance said measures. The surplus at 31 December 2010 amounted to CHF 4 million. This corresponds to a coverage ratio of 100.1%.

Off-balance-sheet transactions

The amounts stated in the group "Derivative financial instruments" contain all derivative financial instruments outstanding at the balance sheet date, measured at market value. These are recognized in the financial statements only on falling due. On 1 January 2002, Coop acquired 50% of the shares in Betty Bossi Verlag AG. From 1 January 2002 until 31 December 2011, Ringier AG, Zofingen holds a put option for the remaining 50% of the shares at a pre-determined price. Dipl. Ing. Fust AG holds a buy option from 2013 to 2023 for 49.94% of Service 7000 AG at a price geared to future earnings.

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

Special notes

Restatement of prior-year figures

The obligation from the compulsory reserve was reclassified from Other short-term liabilities to Inventories.

Net sales from goods and services were reduced by prepaid revenues of CHF 57 million. Commission of CHF 6 million was recognized as other operating income.

Miscellaneous expenses

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

Results of associated organizations accounted for using the equity method

The share of the net result of the associated organizations amounts to CHF 29 million (previous year: CHF 9 million).

Extraordinary depreciation

In connection with the acquisition of the second 50% of the transGourmet Group, extraordinary depreciation of CHF 243 million was applied to the remaining goodwill. In the Bell Group, an impairment in goodwill amounting to CHF 17 million was made. Extraordinary depreciation of CHF 51 million was applied to individual properties as part of the review of the real estate portfolio.

Taxes

No deferred taxes were recognized for loss carry-forwards of CHF 73 million (previous year: CHF 78 million) (note 27).

Goodwill

The share of goodwill relating to associated organizations amounts to CHF 241 million (previous year: CHF 540 million).

Details of risk evaluation

The Coop Group operates a standardized risk management system. The Coop Group's risk situation is reassessed every three years. At the basic reassessment in 2009, in the presence of the Chairwoman of the Board of Directors, the Coop Executive Committee identified, analysed and assessed the main risks and the main risk scenarios and defined the corresponding measures to be taken. The results of this risk assessment and the measures were approved at the Board of Directors' meeting on 1 July 2009.

The measures resulting from this evaluation are subject to a controlling process. Each year, the Executive Committee considers the progress made in implementing the measures, in conjunction with an assessment of the current risk situation. The Board of Directors is subsequently informed of the outcome. In the framework of the institutionalized annual assessment of the quality of the internal audit system at the business-process

level, an assessment of operational risks and risks associated with financial reporting and compliance is carried out. A number of Coop subsidiaries and associated companies implemented their own internal audit system.

Events after the balance sheet date

The Board of Directors approved the consolidated financial statements on 10 February 2011. They have to be approved by the Delegate Assembly on 1 April 2011 (Swiss GAAP ARR framework 28).

The competition authorities have approved the purchase of the second 50% of the transGourmet Group. The agreement was completed on 10 January 2011.

The Coop Cooperative will hold a 98% stake in Pearlwater Mineralquellen AG as at 1 January 2011.

On 20 January 2011, the Bell Group announced its cooperation agreement with Hilcona AG. Bell will integrate its Convenience division into Hilcona AG and in return will take over 49% of the capital of Hilcona AG. This stake will be increased to 51% in four years. The entire transaction is subject to approval by the relevant authorities.

Notes to the consolidated income statement

in CHF million	2010	2009
Net sales Food	11 461	11 365
Net sales Non Food	7 505	7 295
1 Net sales from goods and services by division	18 965	18 660
Suisse Romande Region	4 017	3 925
Bern Region	2 512	2 468
Nordwestschweiz Region	3 205	3 154
Zentralschweiz-Zürich Region	4 075	3 980
Ostschweiz-Ticino Region	3 276	3 242
Headquarters / Production Switzerland	1 104	1 118
Abroad	776	773
1 Net sales from goods and services	18 965	18 660
Other operating income	660	546
Operating rental income	114	153
Own work capitalized	14	2
2 Other operating income	788	700
Wages / salaries	2 492	2 501
Social security contributions	548	555
Social security contributions as %	22.0	22.2
Other personnel expense	101	119
3 Personnel expense	3 141	3 175
Rent	561	580
Office and administrative costs	180	169
Charges and insurance premiums (non-life)	76	78
Operations-related taxes	15	8
Maintenance and replacement costs	263	262
Energy and supplies	321	312
Miscellaneous expenses	373	393
4 Other operating expenses	1 788	1 803
Goodwill	457	384
Other intangible assets	47	48
Amortization of intangible assets	503	431
Furniture, vehicles, machinery	332	300
Real estate	410	414
Depreciation of tangible fixed assets	742	714
5 Depreciation and amortization	1 246	1 146

in CHF million	2010	2009
Currency exchange gains	142	194
Currency exchange losses	157	187
6 Result from foreign currencies	-15	7
Gains on securities and dividends	40	25
Losses on securities	17	10
Net valuation gain / loss	23	14
Other interest income	29	40
Interest and other financial expenses	123	130
Amortization of financial assets	-0	4
Net interest income / expense	-93	-94
7 Financial result	-71	-80
Gains on securities and dividends	40	25
Other interest income	29	40
Financial income	69	65
Losses on securities	17	10
Interest and other financial expenses	123	130
Amortization of financial assets	-0	4
Financial expenses	140	144
7 Financial result	-71	-80
Rental income	3	3
Profit on the disposal of fixed assets	20	75
Reversal of provisions no longer required		
Reversal of restructuring and integration provisions		
Other non-operating income	10	12
Non-operating income	33	90
Creation of restructuring and integration provisions		
Creation of provisions		
Non-operating expenses	13	11
Other non-operating property expenses	3	4
Non-operating expenses	16	15
8 Non-operating result	17	75
Extraordinary income	7	
Extraordinary expenses		9
9 Extraordinary result	7	-9
Creation of income tax reserves, current year	111	112
Release of income tax reserves, prior years		31
Deferred taxes on income	33	54
10 Taxes	144	135

Notes to the consolidated balance sheet

in CHF million	2010	2009
Cash and cash equivalents	854	301
Reka cheques	27	19
Term deposits	881	176
21 Cash and cash equivalents	1 762	497
Receivables from goods and services	538	511
Minus 1% allowance	5	5
Amount due from associated organizations	19	19
22 Receivables from goods and services	552	525
Other receivables	119	137
Prepayments to suppliers	3	4
Other receivables from associated organizations	96	94
23 Other short-term receivables	217	234
Prepaid expenses and accrued income	270	289
Prepaid expenses and accrued income, associated organizations	25	19
24 Prepayments and accrued income	294	309
Merchandise	1 723	1 610
Finished goods (production)	85	82
Unfinished goods, work in progress	92	100
Raw materials	82	87
Supplies and packaging materials	34	33
Prepayments to suppliers	16	9
Value adjustment on inventories	90	91
25 Inventories	1 942	1 831

in CHF million	Goodwill	Patents/ licences	Trademarks	Software	Other intan- gible assets	2010	2009
Net carrying amount at 1.1.2009	809	0	407	47	16		1 279
Cost at 1.1.2009	1 358	2	495	144	76		2 075
Changes to the scope of consolidation	2	0	0	2			5
Investments	645	0		20	2		666
Disposals		0		4	37		41
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-0	-0	-0	-0		-0
Reclassifications	-0			0	2		2
Cost at 31.12.2009	2 004	2	496	162	43		2 707
Accumulated amortization at 1.1.2009	548	2	89	97	60		796
Changes to the scope of consolidation	2	0	0	2			4
Amortization	214	0	25	20	3		262
Extraordinary amortization	170						170
Accumulated amortization on disposals		0		4	37		41
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-0	-0	-0	-0		-0
Reclassifications	-0						-0
Accumulated amortization at 31.12.2009	933	2	114	115	26		1 190
26 Intangible assets at 31.12.2009	1 071	0	381	47	17		1 517
Net carrying amount at 1.1	1 071	0	381	47	17	1 517	1 279
Cost at 1.1	2 004	2	496	162	43	2 707	2 075
Changes to the scope of consolidation	12	-0		-0	-0	12	5
Investments	45	0		26	2	73	666
Disposals	8			4	0	12	41
Impact of changes in currency exchange rates (gain (+)/loss (-))	-21	-0	-2	-1	-0	-24	-0
Reclassifications	37	0		-6	7	38	2
Cost at 31.12	2 069	2	494	178	51	2 794	2 707
Accumulated amortization at 1.1	933	2	114	115	26	1 190	796
Changes to the scope of consolidation	0	-0		-0	-0	0	4
Amortization	197	0	23	20	3	244	262
Extraordinary amortization	260					260	170
Accumulated amortization on disposals	-0			4	0	5	41
Impact of changes in currency exchange rates (gain (+)/loss (-))	-6	-0	-0	-1	-0	-7	-0
Reclassifications	11	0		-0	-0	11	-0
Accumulated amortization at 31.12	1 395	2	137	130	28	1 693	1 190
26 Intangible assets at 31.12	674	0	356	48	22	1 101	1 517

in CHF million	Employer contribution reserve	Financial assets held at banks	Other financial assets	Deferred tax assets	Associated organi- zations	2010	2009
Net carrying amount at 1.1.2009	16	0	389	17	162		584
Changes to the scope of consolidation		-0	-1		-0		-1
Additions	1	0	193	0	800		994
Disposals	2		158	16	0		176
Value adjustments			0	-0	9		9
Impact of changes in currency exchange rates (gain (+)/loss (-))		-0	-15	-0	-16		-31
Reclassifications				-1	-90		-91
27 Financial assets at 31.12.2009	16		409		846		1 271

Net carrying amount at 1.1	16		409		846	1 271	584
Changes to the scope of consolidation	1	0				1	-1
Additions	3		118		9	129	994
Disposals	1		128		0	129	176
Value adjustments			-0		1	0	9
Impact of changes in currency exchange rates (gain (+)/loss (-))			-32		-125	-157	-31
Reclassifications	0		75		-20	55	-91
27 Financial assets at 31.12	18		442		710	1 170	1 271

Loans to associated organizations						341	312
Loans to third parties						34	30
Amounts secured by lien due						1	1
Other financial assets						66	67
Other financial assets						442	409

in CHF million	Leasing	Furniture/ tools	Vehicles	IT	Plant and machinery	2010	2009
Net carrying amount at 1.1.2009		799	76	113	342		1 330
Cost at 1.1.2009		1 669	177	355	943		3 144
Changes to the scope of consolidation		10	2	0	69		81
Investments		168	29	29	65		290
Disposals		94	26	46	37		203
Impact of changes in currency exchange rates (gain (+)/loss (-))		-0	-0	-0	-1		-1
Reclassifications		16	1	11	-28		-0
Cost at 31.12.2009		1 770	183	348	1 010		3 312
Accumulated depreciation at 1.1.2009		870	101	242	601		1 814
Changes to the scope of consolidation		7	1	-0	50		58
Depreciation		172	20	45	63		300
Extraordinary depreciation							
Accumulated depreciation on disposals		93	24	46	36		199
Impact of changes in currency exchange rates (gain (+)/loss (-))		-0	-0	-0	-1		-1
Reclassifications		8	1	-1	-10		-2
Accumulated depreciation at 31.12.2009		964	100	241	667		1 971
28 Furniture, vehicles, machinery at 31.12.2009		807	83	108	343		1 341
Net carrying amount at 1.1		807	83	108	343	1 341	1 330
Cost at 1.1		1 770	183	348	1 010	3 312	3 144
Changes to the scope of consolidation		4	0	0	0	5	81
Investments		176	21	34	55	286	290
Disposals		38	17	6	24	85	203
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1	-6	-1	-0	-26	-34	-1
Reclassifications	9	-2	0	1	-11	-1	-0
Cost at 31.12	9	1 905	186	378	1 005	3 482	3 312
Accumulated depreciation at 1.1		964	100	241	667	1 971	1 814
Changes to the scope of consolidation		2	0	0	0	3	58
Depreciation		177	20	44	91	332	300
Extraordinary depreciation				0		0	
Accumulated depreciation on disposals		38	15	6	24	83	199
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1	-5	-1	-0	-19	-25	-1
Reclassifications	7	0	-0	-0	-7	-0	-2
Accumulated depreciation at 31.12	6	1 101	104	279	708	2 197	1 971
28 Furniture, vehicles, machinery at 31.12	3	804	82	99	297	1 285	1 341

in CHF million	Undeveloped plots of land	Installations	Real estate	Real estate not used for op. Purposes	2010	2009
Net carrying amount at 1.1.2009	44	984	5 253	81		6 361
Cost at 1.1.2009	47	1 831	8 030	156		10 064
Changes to the scope of consolidation		-17	92			75
Investments	17	129	297	1		443
Disposals	3	51	197	24		275
Impact of changes in currency exchange rates (gain (+)/loss (-))		-0	-1			-1
Reclassifications	-0	-24	15	0		-9
Cost at 31.12.2009	61	1 868	8 236	132		10 297
Accumulated depreciation at 1.1.2009	4	848	2 778	74		3 704
Changes to the scope of consolidation		10	-28			-17
Depreciation		118	223	4		345
Extraordinary depreciation			76			76
Accumulated depreciation on disposals	0	49	98	16		164
Impact of changes in currency exchange rates (gain (+)/loss (-))		-0	-1			-1
Reclassifications		-18	13			-5
Accumulated depreciation at 31.12.2009	4	889	3 018	62		3 973
29 Real estate at 31.12.2009	57	979	5 218	70		6 325
Net carrying amount at 1.1	57	979	5 218	70	6 325	6 361
Cost at 1.1	61	1 868	8 236	132	10 297	10 064
Changes to the scope of consolidation			4		4	75
Investments	8	156	213	1	378	443
Disposals	0	16	164	41	222	275
Impact of changes in currency exchange rates (gain (+)/loss (-))		-1	-35		-37	-1
Reclassifications	-2	-2	-67	71	1	-9
Cost at 31.12	67	2 004	8 188	163	10 422	10 297
Accumulated depreciation at 1.1	4	889	3 018	62	3 973	3 704
Changes to the scope of consolidation			0		0	-17
Depreciation		122	237	2	361	345
Extraordinary depreciation	0	0	50	1	51	76
Accumulated depreciation on disposals		14	110	18	141	164
Impact of changes in currency exchange rates (gain (+)/loss (-))		-1	-12		-13	-1
Reclassifications		-7	-29	36	1	-5
Accumulated depreciation at 31.12	4	990	3 154	84	4 232	3 973
29 Real estate at 31.12	63	1 014	5 034	79	6 191	6 325

Buildings under construction (included in "Real estate")		
in CHF million	2010	2009
Net carrying amount at 1.1	126	67
Cost at 1.1	126	67
Changes of the scope of consolidation		0
Investments	13	123
Disposals	2	0
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0	-0
Capitalization	87	64
Cost at 31.12	50	126
Accumulated depreciation at 1.1		
Changes to the scope of consolidation		
Depreciation		
Extraordinary depreciation	1	
Accumulated depreciation on disposals		
Reclassifications	0	
Accumulated depreciation at 31.12	1	
Buildings under construction at 31.12	49	126
Payables from goods and services	1 296	1 104
Amount due to associated organizations	30	20
30 Payables from goods and services	1 326	1 124
Bank current accounts	13	6
Bank loans	47	246
Other short-term financial liabilities	230	300
Other short-term liabilities due to associated organizations	0	1
Short-term portion of long-term financial liabilities	714	741
31 Short-term financial liabilities	1 005	1 294
Vouchers in circulation	9	9
Prepayments from customers	211	186
Other taxes	161	190
Other short-term liabilities	39	30
32 Other short-term liabilities, non-interest-bearing	421	414

in CHF million	Pension funds	Restructurings	Supercard	Other provisions	2010	2009
Short-term provisions at 1.1.2009	32	0	73	55		160
Changes to the scope of consolidation	0		0			1
Creation of provisions	25	0		37		62
Use of provisions	24	0	73	42		140
Reversal of provisions no longer required	7			9		16
Reclassifications	3		73	9		85
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0			-0		-0
33 Short-term provisions at 31.12.2009	30	0	73	50		153

Short-term provisions at 1.1	30	0	73	50	153	160
Changes to the scope of consolidation				0	0	1
Creation of provisions	22	1		20	43	62
Use of provisions	23	0		29	52	140
Reversal of provisions no longer required	5			4	9	16
Reclassifications	-2			7	5	85
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0			-0	-0	-0
33 Short-term provisions at 31.12	21	1	73	45	140	153

Accrued liabilities and deferred income					562	610
Accrued liabilities and deferred income, associated organizations					0	4
34 Accrued liabilities and deferred income					562	615

in CHF million		2010	2009
Deposit accounts		1 265	973
Medium-term notes		395	461
Coop	2004–2011 2¾ %	250	
Coop	2005–2012 2½ %	250	
Coop	2008–2013 3½ %	150	
Coop	2009–2014 3½ %	500	
Coop	2009–2015 3¼ %	500	
Coop	2010–2016 2 %	500	
Coop	2010–2017 2 %	250	
Bonds		2 400	1 825
Bank loans		164	405
Mortgages		6	7
Other loans		164	198
Pension fund obligations			
Short-term portion of long-term financial liabilities		-714	-741
35 Long-term financial liabilities		3 681	3 128

in CHF million	Pension funds	Restructuring	Deferred taxes	Supercard	Other provisions	2010	2009
Long-term provisions at 1.1.2009	71		714	170	124		1 078
Changes to the scope of consolidation	4		2		6		12
Creation of provisions	13		57	240	24		333
Use of provisions	0		0	161	14		175
Reversal of provisions no longer required	1		18		38		57
Reclassifications	-3		0	-73	-9		-84
Impact of changes in currency exchange rates (gain (+)/loss (-))	0		-0		-0		-0
36 Long-term provisions at 31.12.2009	84		755	176	92		1 107
Long-term provisions at 1.1	84		755	176	92	1 107	1 078
Changes to the scope of consolidation			0			0	12
Creation of provisions	10		56	187	9	262	333
Use of provisions	0		2	219	21	242	175
Reversal of provisions no longer required	0		16		26	43	57
Reclassifications	-1			0	-4	-5	-84
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1		-1		-1	-2	-0
36 Long-term provisions at 31.12	92		792	144	50	1 078	1 107
Provisions at 1.1.2009	103	0	714	243	179		1 239
Changes to the scope of consolidation	4		2	0	6		13
Creation of provisions	38	0	57	240	61		395
Use of provisions	24	0	0	234	57		315
Reversal of provisions no longer required	7		18		47		72
Reclassifications	0		0		0		1
Impact of changes in currency exchange rates (gain (+)/loss (-))	-0		-0		-0		-0
37 Provisions at 31.12.2009	114	0	755	249	142		1 260
Provisions at 1.1	114	0	755	249	142	1 260	1 239
Changes to the scope of consolidation			0		0	1	13
Creation of provisions	32	1	56	187	30	306	395
Use of provisions	23	0	2	219	50	295	315
Reversal of provisions no longer required	5		16		30	52	72
Reclassifications	-3			0	3		1
Impact of changes in currency exchange rates (gain (+)/loss (-))	-1		-1		-1	-3	-0
37 Provisions at 31.12	113	1	792	217	95	1 218	1 260
Personnel						13	5
Value-added tax						10	27
Sales outlets						31	41
Legal cases						6	14
Miscellaneous						35	56
Other provisions						95	142
Short-term financial liabilities						1 005	1 294
Long-term financial liabilities						3 681	3 128
Financial liabilities						4 686	4 422
Non-interest-bearing liabilities						3 526	3 413
38 Liabilities						8 213	7 835
Financial liabilities						4 686	4 422
Cash and cash equivalents						1 762	497
Net financial liabilities						2 925	3 925

Notes to the consolidated cash flow statement

in CHF million	2010		2009	
Investments in intangible assets	-29		-24	
Investments in furniture, vehicles, machinery	-286		-290	
Investments in real estate	-364		-441	
Real estate, own work capitalized	-14	-692	-2	-757
Disposals of intangible assets	0		0	
Disposals of furniture, vehicles, machinery	3		5	
Disposals of real estate	100	103	186	191
Net investments in tangible fixed assets		-589		-566
Investments in consolidated organizations	-60		-1 290	
Investments in financial assets / securities	-169	-228	-408	-1 698
Disposals of consolidated organizations	0		4	
Disposals of financial assets / securities	164	164	205	209
41 Cash flow from investing activities		-653		-2 055

Investments in intangible assets	-29		-24	
Investments in furniture, vehicles, machinery	-286		-290	
Investments in real estate	-364		-441	
Investments in consolidated organizations	-60		-1 290	
Investments in financial assets / securities	-169		-408	
Real estate, own work capitalized	-14	-921	-2	-2 455
Disposals of intangible assets	0		0	
Disposals of furniture, vehicles, machinery	3		5	
Disposals of real estate	100		186	
Disposals of consolidated organizations	0		4	
Disposals of financial assets / securities	164	267	205	400
41 Cash flow from investing activities		-653		-2 055

Additional notes to the consolidated financial statements

Pension institutions (in CHF million)	Nominal value	Balance sheet	Balance sheet	Changes in expense	
	31.12.2010	31.12.2010	31.12.2009	2010	2009
Employer contribution reserve (ECR)					
Patronage funds / patronage pension institutions	4	4	2	2	
Pension institutions	14	14	13	1	
ECR	18	18	15	3	
	Surplus / deficit	Coop's economic share			
		31.12.2010	31.12.2009		
Economic benefit / obligation					
Patronage funds / patronage pension institutions					
Pension funds without surpluses / deficit					
Pension funds with deficits					250
Pension funds with surpluses	6			234	1
Economic benefit / economic obligation and pension benefit expenses	6			234	251

in CHF million	2010	2009
Contributions to pension institutions		
Statutory employee contributions	99	111
Statutory employer contributions	234	250
Pension institutions obligation	200	
secured with a guarantee from a cantonal bank	200	
Contingent liabilities		
Guarantees, guarantee obligations	37	57
Carrying amount of pledged assets	47	63
Secured liabilities	27	33
Fire insurance values		
Tangible fixed assets	13 289	13 080
Obligations from non-capitalized operating lease by due date		
2010		
2011	3	3
2012	2	3
2013	1	1
2014–2016	1	
> 2016		
Commitments from long-term rental and right-to-build agreements broken down by term		
2010		546
2011	576	520
2012	555	510
2013	535	432
2014–2016	1 330	1 265
> 2016	2 692	2 385
Foreign currencies		
The following exchange rates were used for the purposes of translating financial statements in foreign currencies:		
Closing rates for the balance sheet		
EUR 1	1.250	1.485
HKD 1	0.120	0.133
USD 1	0.935	1.035
GBP 1	1.450	1.670
JPY 100	1.150	1.115
HUF 100	0.450	0.550
RUB 1	0.031	0.034
PLN 1	0.315	0.361
Average rates for the income statement		
EUR 1	1.370	1.509
HKD 1	0.134	0.140
USD 1	1.038	1.084
GBP 1	1.598	1.695
JPY 100	1.190	1.157
HUF 100	0.497	0.539
RUB 1	0.034	0.034
PLN 1	0.343	0.350

Off-balance-sheet transactions (in CHF million)		Contract values		Assets		Liabilities	
Outstanding derivatives	Purpose	2010	2009	2010	2009	2010	2009
Foreign exchange	Hedging	2 131	315	2	2	78	1
Interest rates	Hedging / trading	150	150	14	14		
Equity instruments	Other purposes	115	127				
Other underlying assets	Hedging	625	588	3		0	0

Related party transactions (included in the income statement)

2010 2009

Equity method-accounted organizations:

in CHF million

Net sales	206	195
Operating rental income	3	3
Other operating income	13	48
Interest income	52	18
Merchandise expense	190	186
Office and administrative expense	5	6
Fees		
Rental expense		
Advertising expense	2	2
Miscellaneous expenses	18	16

Most significant components of acquired organizations

Coop

Horlogerie-Bijouterie Eden S.A.

Current assets	1	
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railCare AG

Receivables	3	
Financial liabilities	2	
Other payables	2	

The Body Shop Switzerland AG

Cash and cash equivalents	9	
Inventories	2	
Other payables	5	
Receivables	2	
Financial assets	2	

transCoop GmbH

Financial assets		120
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Parking Pré Bournoud S.A.

Real estate		17
Liabilities		12

transGourmet Holding S.E. (consolidated by the equity method)

Inventories		769
Intangible assets		218
Tangible fixed assets		1 725
Financial liabilities		1 078
Other payables		1 132

in CHF million	2010	2009
Bell Holding AG		
Marco Polo Group		
Receivables	16	
Inventories	2	
Tangible fixed assets	4	
Liabilities	23	
Abraham Group		
Receivables		46
Inventories		63
Tangible fixed assets		63
Payables		98
Stastnik Sp.z o.o		
Receivables		1
Inventories		1
Tangible fixed assets		7
Liabilities		2
Salaisons St-André S.A.		
Receivables		7
Inventories		4
Tangible fixed assets		4
Liabilities		16
Most significant components of sold organizations		
Maurer frères S.A.		
Receivables		-4
Tangible fixed assets		-11
Liabilities		-11

Coop scope of consolidation

at 31.12.2010			Interest held	Share capital	Method
			by the Group	31.12.2010	of inclu-
			%	CHF m	sion ¹
Coop Genossenschaft	Basel	Retail			
Bell Holding AG	Basel	Holding	66.29	CHF	2.0
Bell AG	Basel	Meat, convenience, seafood	100.00	CHF	F
Bell Deutschland GmbH	DE-Bochum	Sub-holding	100.00	EUR	F
FreshCo. Wurstwarenvertriebs GmbH	DE-Bochum	Trade in meat products	100.00	EUR	F
ZIMBO Fleisch- und Wurstwaren GmbH & Co.KG	DE-Bochum	Meat and sausage products	100.00	EUR	F
Feine Kost Böttcher GmbH & Co. KG	DE-Bochum	Management	100.00	EUR	F
ZIMBO International GmbH	DE-Bochum	Trade in meat products	100.00	EUR	F
ZIMBO Polska Sp.z o.o	PL-Niepolomice	Trade in meat products	100.00	PLN	F
ZIMBO Húsipari Termelő Kft.	HU-Perbal	Meat and sausage products	99.50	HUF	F
S.C. ZIMBO Romania s.r.l.	RO-Romania	Trade in meat products	100.00	RON	F
ZIMBO LLC	RU-Moskau	Trade in meat products	100.00	RUB	F
Marco Polo N.V.	BE-Zellik	Sub-holding	99.90	EUR	F
The Fresh Connection N.V.	BE-Zellik	Trade in meat products	99.70	EUR	F
Coldlog N.V.	BE-Zellik	Warehouse operations	99.90	EUR	F
The Fresh Connection Nederland B.V.	NL-Dr Houten	Trade in meat products	76.00	EUR	F
Interfresh Food Retail Easteuropa GmbH	DE-Bochum	Trade in meat products	100.00	EUR	F
ZIMBO Czechia s.r.o.	CZ-Reg	Retail trade	70.00	CZK	F
Árpád Hentesaru Kft.	HU-Perbal	Retail trade	90.00	HUF	F
Novak Mäso - údeniny s.r.o.	SI-Nitra	Trade in meat products	90.00	EUR	F
ZIMBO Fleisch- und Wurstwaren Verwaltungs-GmbH	DE-Bochum	Management company	70.00	EUR	F
Abraham GmbH	DE-Seevetal	Sub-holding	75.00	EUR	F
Abraham Schinken GmbH & Co. KG	DE-Brassel-Harkebrügge	Management	100.00	EUR	F
Gebr. Abraham GmbH & Co. KG	DE-Seevetal	Raw ham	100.00	EUR	F
Gebr. Abraham Schinken GmbH	DE-Seevetal	Ham production	100.00	EUR	F
Abraham Benelux S.A.	BE-Libramont-Chevigny	Raw ham	100.00	EUR	F
Abraham Polska Sp.z o.o	PL-Warschau	Wholesale business	100.00	PLN	F
Sanchez Alcaraz S.L.	ES-Casarrubios del Monte	Raw ham	100.00	EUR	F
Abraham Schwarzwälder Schinken GmbH	DE-Schiltach	Ham production	51.00	EUR	F
Grundstücksgesellschaft Abraham mbH & Co. KG	DE-Seevetal	Real estate	100.00	EUR	F
Abraham Grundstücksverwaltungs GmbH	DE-Seevetal	Real estate	100.00	EUR	F
Abraham France S.à r.l.	FR-Bussy Saint Georges	Cold cuts	80.00	EUR	F
Bell France SAS	FR-Kingersheim	Sub-holding	100.00	EUR	F
SAS Salaison Polette & Cie	FR-Teilhède	Raw sausage	100.00	EUR	F
SARL Saloir de Mirabel	FR-Riom	Raw ham	100.00	EUR	F
SAS Val de Lyon	FR-Saint-Symphorien-sur-Coise	Raw sausage	100.00	EUR	F
SAS Saloir de Virieu	FR-Virieu-Le-Grand	Raw ham	100.00	EUR	F
SAS Maison de Savoie	FR-Aime Cedex	Raw sausage	100.00	EUR	F
Salaisons St-André S.A.	FR-St-André-sur-Vieux-Jonc	Raw sausage	100.00	EUR	F
Centravo AG	Zürich	Processing of by-products	29.80 ²	CHF	E
Frigo St. Johann AG	Basel	Logistics, refrigeration	100.00	CHF	F
SBA Schlachtbetrieb Basel AG	Basel	Abattoir	48.00	CHF	E
Betty Bossi Verlag AG	Zürich	Magazine publisher	50.00	CHF	E
BG Rosengarten Solothurn AG	Solothurn	Real estate	62.00	CHF	0.1
Centre de formation «du Léman»	Jongny	Training	100.00	CHF	0.0
Coop Bildungszentrum	MuttENZ	Training	100.00	CHF	0.4
Coop Immobilien AG	Bern	Real estate	100.00	CHF	855.4

at 31.12.2010			Interest held		Share capital	Method
			by the Group		31.12.2010	of inclu-
			%		CHF m	sion ¹
Coop-ITS-Travel AG	Wollerau	Travel agency	50.00	CHF		E
Coop Mineraloel AG	Allschwil	Filling stations with shops	51.00	CHF	10.0	F
Tanklager Rothenburg AG	Rothenburg	Maintenance of filling stations	33.33	CHF		E
Coop Switzerland Far East Ltd.	HK-Hongkong	Purchasing company	100.00	HKD	0.1	F
Coop Vitality AG	Bern	Pharmacies	51.00	CHF	5.0	F
Coopernic SCRL	BE-Bruxelles	Purchasing cooperative	20.00	EUR		E
Dipl. Ing. Fust AG	Oberbüren	Electric appliances, multi-media	100.00	CHF	10.0	F
Service 7000 AG	Netstal	Repairs service	50.06	CHF		F
Distributis AG	Dietlikon	Real estate	100.00	CHF	7.5	F
Distributis Moncor S.A.	Villars-sur-Glâne	Real estate	100.00	CHF	3.0	F
Eurogroup SA	BE-Bruxelles	Purchasing company	50.00	EUR		E
Eurogroup España Frutas y Verduras S.A.	ES-Valencia	Buying alliance	100.00	EUR		F
Eurogroup Far East Ltd.	HK-Hongkong	Purchasing company	41.66	HKD		E
Goldie AG	Basel	Holding	100.00	CHF	0.1	F
Goldie D AG	Basel	Sub-holding	100.00	CHF	0.1	F
HiCoPain AG	Dagmersellen	Frozen baked goods	40.00	CHF		E
Horlogerie-Bijouterie Eden S.A.	Genf	Jewellery	100.00	CHF	0.3	F
Palink UAB	LT-Vilnius	Retail	20.00	LTL		E
Panflor AG	Zürich	Cereals and ground products	100.00	CHF	0.1	F
railCare AG	Härkingen	Railway company operations	100.00	CHF	0.1	F
Swisscare GmbH	DE-Konstanz	Distribution company	100.00	EUR	0.0	F
The Body Shop Switzerland AG	Uster	Beauty and cosmetic products	100.00	CHF	0.4	F
Toomax-x Handelsgesellschaft mbH	DE-Köln	Buying alliance	25.00	EUR		E
transCoop GmbH	DE-Köln	Real estate company	100.00	EUR	0.0	F
transGourmet Holding S.E.	DE-Köln	Holding	50.00	EUR		E
transGourmet Schweiz AG	Basel	Cash & carry and wholesale supplies	100.00	CHF		F
transGourmet France SAS (group)	FR-Orly	Wholesale supplies	100.00	EUR		F
Grossopanel AG	Stans	Market research	39.80	CHF		E
Valentin Pontresina AG	Pontresina	Food retail	50.00	CHF		E
OHG Fegro/Selgros GmbH & Co. (group)	DE-Neu-Isenburg	Cash & carry and wholesale supplies	100.00	EUR		F
REWE-Foodservice GmbH (group)	DE-Mainz	Cash & carry and wholesale supplies	100.00	EUR		F
Tropenhaus Frutigen AG	Frutigen	Tropical products / aquaculture	40.00	CHF		E
Tropenhaus Wolhusen AG	Gettnau	Tropical products / aquaculture	40.00	CHF		E
Waro AG	Basel	Real estate	100.00	CHF	0.1	F

¹F = Fully consolidated company

E = Organization consolidated by the equity method

²Share of the shares in circulation

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

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Coop Cooperative, which comprise the income statement, balance sheet, cash flow statement, statement of changes in equity and notes reproduced on pages 76 – 100, for the year ended December 31, 2010.

Board of Directors' Responsibility

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2010 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on other legal requirements

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

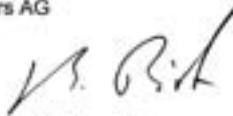
In accordance with article 906 CO in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PriceWaterhouseCoopers AG



Dr. Daniel Suter
Audit expert
Auditor in charge



Matthias Rist
Audit expert

Basel, February 10, 2011

FINANCIAL SECTION GLOSSARY

A

Associated organizations

Investments that are significant but not controlled (20–50%) are carried in the consolidated balance sheet at the investor's share of the investee company's equity. In the consolidated income statement, the investor enters its proportionate share of the investee company's net profit or loss for the year.

B

BAK Basel Economics

This research institute calculates retail volumes in Switzerland. The Coop Group's market share is then calculated on this basis.

C

Cash flow from operating activities

An indicator used to assess a company's financial position and profitability.

Formula:

- Profit
- + Depreciation and amortization
- + Non-cash expenses
- Non-cash income
- +/- Change in operating assets and liabilities

Cash flow margin

The cash flow margin indicates the proportion of the company's cash inflows from sales revenue that remains in the company.

Formula: $\frac{\text{Cash flow}}{\text{Net sales from goods and services}} \times 100$

Cash turnover

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

D

Debt coverage ratio

Formula: $\frac{\text{Net financial liabilities}}{\text{EBITDA}} \times 100$

Target Coop Group strategy value: ≤ 3.0

Debt ratio

Ratio of liabilities to total capital.

Formula: $\frac{\text{Liabilities}}{\text{Total assets}} \times 100$

Deferred taxes

Items illustrating differences in measurements for tax purposes. Deferred taxes are recognized for temporary differences between the tax base and the amounts in the consolidated balance sheet so as to reconcile tax expense to consolidated profit.

E

EBIT – Earnings before interest and taxes

Earnings before the financial result, non-operating result, extraordinary result and taxes.

EBITDA – Earnings before interest, taxes, depreciation and amortization

Earnings before the financial result, non-operating result, extraordinary result, taxes, depreciation and amortization.

EBIT margin

The EBIT margin expresses the ratio of EBIT to net sales from goods and services.

Formula: $\frac{\text{EBIT}}{\text{Net sales from goods and services}} \times 100$

EBITDA margin

The EBITDA margin expresses the ratio of EBITDA to net sales from goods and services.

Formula: $\frac{\text{EBITDA}}{\text{Net sales from goods and services}} \times 100$

Equity method

A method of accounting for investments in associates and joint ventures, under which the reporting company recognizes an investment at its share of the investee company's net assets (equity).

Equity ratio

Ratio of equity to total capital.

Formula: $\frac{\text{Equity}}{\text{Total assets}} \times 100$

I

Interest coverage ratio

Formula: $\frac{\text{EBITDA}}{\text{Financial result excl. result of associated organizations}} \times 100$

Target Coop Group strategy value: ≥ 8.0

N

Net debt

Formula: Financial liabilities – cash and cash equivalents

Net financial liabilities

Formula: Financial liabilities – cash and cash equivalents – securities

Net sales from goods and services

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

O

Operating lease

An operating lease is a short-term contract that may be terminated by either of the two parties at any time within a certain period and does not stipulate a fixed lease term.

Other operating income

Other operating income is income from ancillary business conducted on a regular basis, i.e. income indirectly related to core business.

P

Profit margin

Ratio of profit to sales.

Formula: $\frac{\text{Profit}}{\text{Net sales from goods and services}} \times 100$

Put option

An option, or the contract underlying an option, through which the buyer of the option acquires the right to sell a particular asset for an agreed price within a set period.

Q

Quick ratio

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

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

R

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

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

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

Retail turnover

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

S

Scope of consolidation

The subsidiaries of a group that are included in the consolidated financial statements.

ADDRESSES

As at 1 March 2011

Coop Head Office

Presidium of Executive Committee

Hansueli Loosli

Marketing/Purchasing Business Unit

Jürg Peritz

Finance / Services Business Unit

Hans Peter Schwarz

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