

# Review by the Chairman of the Board of Directors

Dear Readers

Despite the turbulence of the past business year, Migros remained on track. Vital progress was made on the strategic and operational front, generating value for customers, employees and Cooperative members alike.

The year 2009 was dominated by the global economic crisis, with loss of confidence in the financial markets, mounting uncertainties and reluctance to invest posing major challenges for trade and industry. Despite the difficult economic situation, Migros Group can look back on a successful year. Even in tough times it is able to post positive results thanks to its strategic positioning and long-term focus.

The basis for this entrepreneurial success and stability lies in the system. Migros pursues a long-range strategy in the interests of all stakeholders. Our Cooperative members are at the same time owners, partners and customers of the organisation. As part of the system, they do more than merely share in the company's profits.

Over the past few years we have seen how a culture of "faster and faster, bigger and bigger" has worked its way into the notion of "shareholder value". The exponents of this culture won universal acclaim and were rewarded (in some cases) with astronomically high bonuses. Most listed companies and many commercial companies have since adopted the same maxim.

Quarterly figures dominated the thrust, while all too often long-term thinking remained the exception. The consequences came to light in 2009, when we experienced the biggest economic crisis since 1931 with the loss of ten thousand jobs, including in the commercial sector.

Migros' management policy is geared to sustainable added value rather than profit distribution among the company's owners. Corporate development is therefore driven in large measure by content: for Cooperatives, customer focus and sustainability are cornerstones of the company's business policy rather than mere slogans.

It goes without saying that this policy is based on sustainable principles. Migros has been following these principles since its foundation. We are committed to the principles of the "Global Compact", the pursuit of ambitious climate targets and the provision of fair and appropriate working and social standards. For us, sustainability represents neither a trend nor a market positioning issue. We have embraced these values for decades and will continue to do so in the future.

We will continue to systematically pursue our Group strategy and the associated vision of "Migros – living better every day". The quality of life of our customers lies at the heart of everything we do. To achieve this, we make targeted use of the Group's vertical and horizontal integration.

Communication with customers, suppliers and business partners is and will remain a key success factor. In this regard, online communication will play an increasingly important role since it allows us to address the needs of our customers in a more targeted manner and to exploit internal synergies between the business units. Internet communication will also apply to our reporting. We have decided in future to publish Migros' annual report, including the integrated sustainability report, primarily on the Internet.

We remain committed to Migros' overriding values as the core elements of our Group: pursuit of a cooperative business philosophy, maintenance of regional ties, success and service orientation, credibility and passion. Our retail trading complements the values of Swissness, regionality, sustainability, freshness and, naturally, the best price-benefit ratio.

The predominantly economic changes in the year under review were a major test for our management staff and our 80,000-plus employees. Thanks to their extraordinary efforts, they succeeded in overcoming the challenges and securing the confidence and trust of customers, suppliers and business partners alike. Our sincere thanks to you all.

**Claude Hauser**  
Chairman of the Board of Directors