

# Notes to the Financial Statements

## Federation of Migros Cooperatives

### Accounting standard

The annual financial statement of the Federation of Migros Cooperatives, Zurich, has been prepared in accordance with the regulations currently applicable under company law.

### Balance sheet information

CHF thousand	2010	2009
Fire insurance values:		
↳ Moveable property	267'744	252'424
↳ Real estate	31'397	66'060
Undisclosed reserves released	22'236	21'228
Sureties, guarantee commitments, charges in favour of third parties	43'830	52'000
Liabilities in respect of staff pension schemes	221'710	113'027

### Appropriation of net profit for the year

Proposal of the Board of Directors for the appropriation of net profit for the year:

CHF thousand	2010
Profit brought forward from previous year	583
Profit for the current year	14'381
Allocation of the Culture Percentage provisions <sup>1</sup>	-1'638
<b>Net profit for the year for approval by the Assembly of Delegates</b>	<b>13'326</b>
Interest at 4% on FMC Cooperative capital	600
Allocation to other reserves	12'000
<b>Carried forward to new account</b>	<b>726</b>

<sup>1</sup> The statutes state that at least 1/3% of the retail sales must be allocated to cultural, social and economic purposes. Every year it is determined whether too much or too little money has been spent on the Culture Percentage. Any unspent amounts must be spent within five years.

### Risk management

The Federation of Migros Cooperatives Zurich operates a risk management system. The Board of Directors ensures that a risk assessment is carried out on time and in the appropriate manner. The Board is regularly informed by the Management about the risk situation of the company.

Based on a systematic risk analysis, the Board of Directors and the Chief Executives identify the main risks for the Federation of Migros Cooperatives and assess the likelihood of occurrence and financial effects. Measures implemented by the Board of Directors ensure that these risks are avoided, reduced or passed on.

Risks that have to be borne by the company are rigorously monitored. The results of the risk assessment are taken into consideration in the Board's annual review of business strategy.

The last risk assessment was carried out by the Board of Directors on 04.12.2010 and established that risks were well covered by strategies, processes and systems.

## Expenditure for cultural, social and economic policy purposes

CHF thousand	2010	2009
Culture	20'516	17'004
Education	4'797	13'535
Social	10'642	7'205
Leisure	4'803	2'640
Economy	2'179	1'860
Administrative / infrastructure costs	914	931
Extraordinary expenditure (donation Haiti)	1'000	–
<b>Total</b>	<b>44'851</b>	<b>43'175</b>

## Asset transfers in 2010 under the Mergers Act

FMC transferred a property in Volketswil to Migros-Verteilbetrieb Neuendorf AG. In addition, two stockholdings of FMC were transferred to Migros Beteiligungen AG. Under the Mergers Act, these asset transfers within the group do not affect the rateable profits value. Throughout FMC this corresponded without exception to the regulations on residual values currently applicable under company law. The assets were partly transferred against payment and partly without payment. The below overview shows details of the asset transfers:

### Transfer from FMC to the following group companies

Recipient	Assets	%	Date	Transfer value in CHF thousand		
				Total	against payment	of which without payment
Migros-Verteilbetrieb Neuendorf AG	Warehouse Volketswil	–	1.1.2010	19'776	19'776	–
Migros Beteiligungen AG, Spreitenbach	Migrol AG	97.5	21.6.2010	53'713	–	53'713
Migros Beteiligungen AG, Spreitenbach	Scana AG	100	21.6.2010	34'652	–	34'652

## List of main equity interests

Company	Domicile	Currency	Equity capital thousand	Equity interest in %
Cremeno AG	Zürich	CHF	200	100
Denner AG	Zürich	CHF	15'000	100
EG Dritte Kraft AG	Wollerau	CHF	600	100
Ferrovia Monte Generoso SA	Mendrisio	CHF	3'500	100
Gries Deco Company GmbH	DE-Niedernberg	EUR	63	49.1
Le Shop SA	Ecublens	CHF	4'500	90.5
Migrolino AG	Bern	CHF	6'000	100
Migros Beteiligungen AG	Rüschlikon	CHF	1'000	100
Angehrn Holding AG	Gossau SG	CHF	500	30
Aproz Sources Minérales SA	Nendaz	CHF	850	97.6
Bischofszell Nahrungsmittel AG	Bischofszell	CHF	6'000	100
Chocolat Frey AG	Buchs	CHF	4'000	100
Delica AG	Birsfelden	CHF	1'000	100
Estavayer Lait SA	Estavayer-le-Lac	CHF	3'500	100
Ex Libris AG	Dietikon	CHF	3'000	100
Hotelplan Holding AG	Opfikon	CHF	10'000	100
Iloma Holding AG	Bolligen	CHF	100	100
Interio AG	Dietikon	CHF	1'000	100
Jowa AG	Volketswil	CHF	10'000	100
Liegenschaften-Betrieb AG	Zürich	CHF	18'000	100
Limmatdruck AG	Spreitenbach	CHF	6'000	100
Magazine zum Globus AG	Spreitenbach	CHF	33'000	100
Mibelle AG	Buchs	CHF	2'000	100
Micarna SA	Courtepin	CHF	10'000	100
Midor AG	Meilen	CHF	2'000	100
Mifa AG Frenkendorf	Frenkendorf	CHF	2'000	100
Mifroma SA	Ursy	CHF	3'000	100
Migrol AG	Zürich	CHF	52'000	97.5
Migros Bank	Zürich	CHF	700'000	100
Office World AG	Zürich	CHF	1'000	100
Riseria Taverne SA	Torricella-Taverne	CHF	100	100
Scana Lebensmittel AG	Regensdorf	CHF	9'000	100
Migros Deutschland GmbH	DE-Lörrach	EUR	10'000	48.8
Migros (Hong Kong) Ltd.	HK-Kowloon	HKD	100	100
Migros-Verteilbetrieb Neuendorf AG	Neuendorf	CHF	4'500	100
Migros-Verteilzentrum Suhr AG	Suhr	CHF	35'000	100
Migros Liegenschaften GmbH	DE-Lörrach	EUR	5'120	94
M Industry Canada Inc.	CA-Saint John NB	CAD	300	100
M Industry USA Inc.	Delaware	USD	700	100
Sportxx AG	Zürich	CHF	100	100
SSP Informatik AG	Zürich	CHF	100	100
Swiss Industries GmbH	DE-Weil am Rhein	EUR	125	100
TKL Tiefkühlager AG	Neuendorf	CHF	2'500	100