

Cooperative Retailing

Sales in Cooperative Retailing amounted to CHF 15.613 billion in 2015. On a currency- and inflation-adjusted basis, the ten Cooperatives achieved real growth of 0.7%. Customers benefited from price reductions of more than CHF 200 million.

Financial results Cooperative Retailing

| In CHF million | 2014 | 2015 | Change compared to previous year |
|---|-----------------|-----------------|----------------------------------|
| Net sales revenue from goods and services sold | | | |
| Cooperatives (including other countries) | 15'910.2 | 15'612.7 | -1.9% |
| FMC | 5'258.8 | 5'173.0 | -1.6% |
| Logistics | 343.1 | 347.2 | 1.2% |
| Other companies | 287.5 | 342.3 | 19.1% |
| Net revenue from goods and services sold | 21'799.6 | 21'475.2 | -1.5% |
| Other operating income | 183.0 | 180.6 | -1.3% |
| Eliminations | -5'117.2 | -5'009.6 | -2.1% |
| Total income | 16'865.4 | 16'646.2 | -1.3% |
| Earnings before interest and taxes (EBIT) | 623.3 | 533.5 | -14.4% |
| Segment assets | 9'833.6 | 9'767.7 | |
| Investments in long-term assets | 1'202.8 | 896.6 | |
| Employees | 65'758 | 66'891 | |

Distribution network Cooperative Retailing

Number of sites

Sales area (m2)

| | 2014 | 2015 | 2014 | 2015 |
|--|------------|------------|------------------|------------------|
| Distribution sites Switzerland | | | | |
| Migros sites | | | | |
| M | 310 | 316 | 245'034 | 253'111 |
| MM | 212 | 215 | 481'293 | 488'899 |
| MMM | 47 | 47 | 368'376 | 368'137 |
| Total | 569 | 578 | 1'094'703 | 1'110'147 |
| MParcs/specialist market centres/Obi | 42 | 39 | 251'237 | 247'113 |
| Single-line stores ^[1] | 29 | 31 | 14'363 | 18'588 |
| Total | 71 | 70 | 265'600 | 265'701 |
| Independent gastronomy businesses | 8 | 11 | 1'779 | 1'785 |
| Total sites | 648 | 659 | 1'362'082 | 1'377'633 |
| Distribution lines Switzerland | | | | |
| Supermarkets | | | | |
| M, MM and MMM | 569 | 578 | 895'245 | 906'243 |
| Other supermarkets ^[2] | 11 | 10 | 13'037 | 13'181 |
| Total supermarkets | 580 | 588 | 908'282 | 919'424 |
| Specialist markets | | | | |
| Do It + Garden | 47 | 46 | 106'417 | 105'488 |
| Micasa | 28 | 29 | 73'029 | 74'141 |
| sportXX | 57 | 57 | 68'306 | 68'799 |
| m-electronics | 72 | 74 | 35'160 | 35'761 |
| Obi DIY superstore/garden | 10 | 10 | 80'109 | 80'839 |
| Total specialist markets | 214 | 216 | 363'021 | 365'028 |
| Migros Gastronomy | | | | |
| M-Restaurants | 163 | 168 | 78'257 | 80'062 |
| Takeaways and other gastronomic formats ^[3] | 147 | 146 | 12'522 | 13'119 |
| Total Gastronomy | 310 | 314 | 90'779 | 93'181 |
| Distribution sites other countries | | | | |
| France (Migros France) | | | | |
| MMM | 2 | 2 | 10'789 | 10'789 |
| MM | 1 | 1 | 1'317 | 1'638 |
| Germany | | | | |
| tegut... | 280 | 273 | 293'779 | 288'033 |

| | | | | |
|---|------------|------------|----------------|----------------|
| Total other countries | 283 | 276 | 305'885 | 300'460 |
| Wholesaling Cooperatives and other | | | | |
| Migros Partners | 60 | 54 | - | - |
| VOI | 30 | 35 | - | - |
| Leisure, health and foundations | | | | |
| Fitness-/Wellnessparks ^[4] | 70 | 86 | - | - |
| Medbase and Santémed health centres | 12 | 35 | - | - |
| Aquaparks | 3 | 3 | - | - |
| Sportparks | 3 | 3 | - | - |
| Golfparks | 8 | 9 | - | - |
| Foundations 'Park im Grünen' | 4 | 4 | - | - |

1 Outlets, Alnatura Bio supermarkets, independent Outdoor by SportXX stores, etc.

2 integrated in MParcs or specialist market centres

3 Chickeria, My Way, Kaimug and Coffee&Time

4 incl. subsidiaries (Activ Fitness, Flower Power, ONE, MFIT, M-Fitnesscenter, Elements)

Cooperative Retailing was again dominated by an 8% increase in shopping tourism to countries just across the Swiss border, strong competition, and average inflation of -6% in the specialist markets and -1.3% in the supermarkets. In Switzerland and abroad, the ten regional cooperatives generated sales of CHF 15.613 billion (-1.9%). The negative currency effect amounted to CHF 159.5 million (-1%). On a currency- and inflation-adjusted basis, real growth was therefore 0.7%.

Supermarket and hypermarket sales in Switzerland came in at CHF 11.670 billion. Taking into account average inflation of -1.3%, the ten Cooperatives were able to maintain the previous year's level in real terms.

CHF 15.613 billion

sales in Cooperative Retailing.

Abroad, the sales of Migros France increased by 12.8% to EUR 120.6 million (-1.1% in Swiss francs) and those of the Tegut Group by 1.1% to EUR 980.9 million (-11.2% in Swiss francs). Without the currency effect and the influence of inflation, this amounts to growth of 1.6%.

The five **Migros specialist markets** Micasa, SportXX, Melectronics, Do it + Garden and OBI generated sales of CHF 1.622 billion (-3.0%) in 2015. Adjusted for inflation of -6.0%, this figure is up 3.0% in real terms in comparison to the previous year. The online shops of the specialist markets reported growth of 15.2%.

With sales of CHF 683.9 million, **Migros Catering** performed well, recording strong growth in the areas of community catering (+19.1%) and event catering (+26.9%) in particular. Sales at the Migros restaurants remained stable (+0.0%), while those of Migros take-aways were down slightly (-2.4%).

Sales of sustainable products up considerably

Migros considerably increased its sales of **sustainable products**. Customers bought CHF 2.678 billion worth of products offering ecological and/or social added value (+8.4%). The organic range (+14.8%), MSC and ASC products from sustainable fishing and fish farming (+46.3%) and the Migros label TerraSuisse for nature-oriented and animal friendly agriculture (+6.5%) were the stand-out performers.

Products bearing the label **Aus der Region. Für die Region** (From the region. For the region) continued to enjoy strong demand, generating sales of more than CHF 898.6 million (+3.2%).

Number of Migros locations increased

At the end of 2015, Migros' **sales network** included a total of 659 locations, 11 more than in the previous year. 17 new Migros locations were opened, three were closed, three replacement buildings were constructed, and two larger conversions and extensions were built. The total sales area for the supermarkets, specialist markets and catering services increased by 15'550 m² to 1'377'633 m² (+1.1%).

659

locations made up Migros' sales network in 2015.

As part of its online cross-channel strategy, Migros successfully launched **PickMup** in the reporting year, a collection service which allows customers to collect online orders from a chosen location.

New promise for Generation M

As part of its Generation M sustainability programme, launched in 2012, Migros has made **more than 60 binding promises** to tomorrow's generation. By the end of 2015, 35 promises had already been fulfilled. One new promise was launched in the reporting year.