

# Targets & Outlook

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Sustainable, innovative and in dialogue with stakeholders: Migros remains faithful to its successful business principles and is continuously extending its social commitment to the entire group.

The general economic situation in Switzerland and the purchasing power of consumers will improve slightly. At the same time, net immigration will remain stable.

## Outlook for the current year

Migros expects **continued stable growth** in its strategic business units in 2016. After the currency shock at the beginning of 2015, the Swiss franc has stabilised against the euro. The exchange rate is expected to stay at the same level during the year. As a result, shopping tourism will not increase any further, although it will still remain high.

At the same time, the purchases from abroad via the internet will continue to rise. Swiss online retail will also continue its strong growth. With cutting-edge formats and new **cross-channels initiatives**, Migros will set the pace in the market and extend its leading position even further.

Some **tougher challenges** lie ahead this year for the Group's export-oriented companies. Firstly, exchange rates and the Swiss production base are hampering competitiveness at cost level. Secondly, it will become more difficult to pass on the higher prices of raw materials (e.g. for cocoa and coffee) to customers.

However, the **consolidation of the acquired companies**, particularly Lüchinger & Schmid, will definitely make a positive contribution.

The pressure on sales and profits means that the planned and introduced **measures to safeguard efficiency and income** will be continued for all companies within the Migros Group, and efforts in the area of innovation will be stepped up.

The **investments** planned for the current year will also still be made, in order to further boost long-term competitiveness and provide a solid basis for further growth.

## Medium-term outlook

Following its **vision "Migros - a better life every day"**, Migros will continue to do its utmost to be recognised among its customers, employees and the general public as the leading company for quality of life.

Migros will do everything it can to continue offering its customers the best value for money in the future.

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The healthy development of the Migros Group is based on its **cooperative philosophy**, its national and regional roots, and its commitment to serving the needs of its customers with professional passion and in a credible, performance-oriented and responsible way.

In the spirit of Migros founder Gottlieb Duttweiler, the company takes its **social responsibility** very seriously, not just its economic responsibility. It invests a proportion of its sales revenue in cultural and social projects and thereby enables the wider public to play a part in social issues.

To supplement **Migros Culture Percentage**, which is funded from the sales revenue of the Cooperative Retailing SBU, the Migros Group has created the **Engagement Migros development fund** to provide additional resources for projects in the areas of culture, sustainability, economics and sport. The company is thereby extending its social commitment to the entire group.

Under the sustainable development programme **Generation M**, Migros is making a long-term commitment to protecting the environment, promoting informed consumption and interacting with society and its employees in a socially minded and exemplary way. The range of sustainable products and services is being continuously expanded.

Even under difficult economic conditions, the company firmly maintain its **key strategic goals**: market leadership in Swiss retailing and leading roles in the other business units, stronger growth abroad – either through organic growth, strategic alliances or acquisitions – as well as profitable growth.

Migros will do everything it can to continue offering its customers the **best value for money** in the future.

In its operational business, the Migros Group is firmly committed to **innovations** in the product range and expanding its digital business models. Attractive cross-channel offerings are a strategic factor for Migros.

By **investing** in the expansion of the infrastructure, the local presence of the Migros businesses and branch networks will be further strengthened. Among other things, the company is committing itself to the important issue of long-term job security both in Switzerland and abroad.