

Overview of Migros

Value Added Statement

The statement of value added of Migros Group in the Retail and Industry sector shows the added value created for the society by the Group. The aim of the Group is to create a sustainable value added by striving for a future-oriented management of available resources that will safeguard the future of the business, secure jobs and guarantee public-sector contributions.

Retail and industry sector [1]

Allocation

in CHF million

2017 2016

to employees	5'774	5'600
to culture/social (culture percentage)	122	120
to lenders	39	41
to public sector	928	1'046
↳ Taxes	44	172
↳ Value-added taxes (net)	190	188
↳ Customs duties/fees/fiscal charges	694	686

**Retail and
industry sector**
[1]

Allocation

in CHF million

2017 **2016**

to the company (self-financing)

331 476

Net value added

7'195 **7'283**

1 Unaudited; before consolidation of transactions between the two sectors.

Personnel costs account for the lion's share of value added, at 80.3 %. They increased by 3.1 % in comparison to the previous year, due among other things to the expansions at Denner, Digitec Galaxus and the Depot retail chain, the change in the scope of consolidation as well as to the wage increase of 0.3 % to 0.7 % in Migros Group. The Retail and Industry sector has 103'977 employees (previous year: 101'344).

Contributions to **Migros Culture Percentage**, a voluntary commitment by Migros in the areas of culture, society, education, leisure and business, amounted to 1.7 % of the value added, as in previous years. This helped make cultural and social benefits accessible to the population.

Lenders received 0.5 % in the form of interest during the reporting year. The Group's unchanged sound financial situation coupled with the sustained low level of interest rates mean that this figure has fallen slightly compared to that of the previous year.

The **public sector** received 12.9 % (previous year: 14.4 %) in taxes, customs duties and fees. The public sector has therefore received lower contributions than in the previous year, due in particular to lower taxes. In addition to the decline in earnings, the use of non-capitalised loss carry forwards and the consideration of the decision that has already been taken to reduce the profit tax rate in the canton of Vaud as part of the Corporate Tax Reform III also influenced the tax expense.

The Group secures its **continuation as a going concern** and guarantees **innovation** by consistently aligning the value chain to dynamic market trends. Maintaining an adequate profit serves both to achieve this goal and to secure jobs and pass on goods and services to customers on fair terms and conditions.