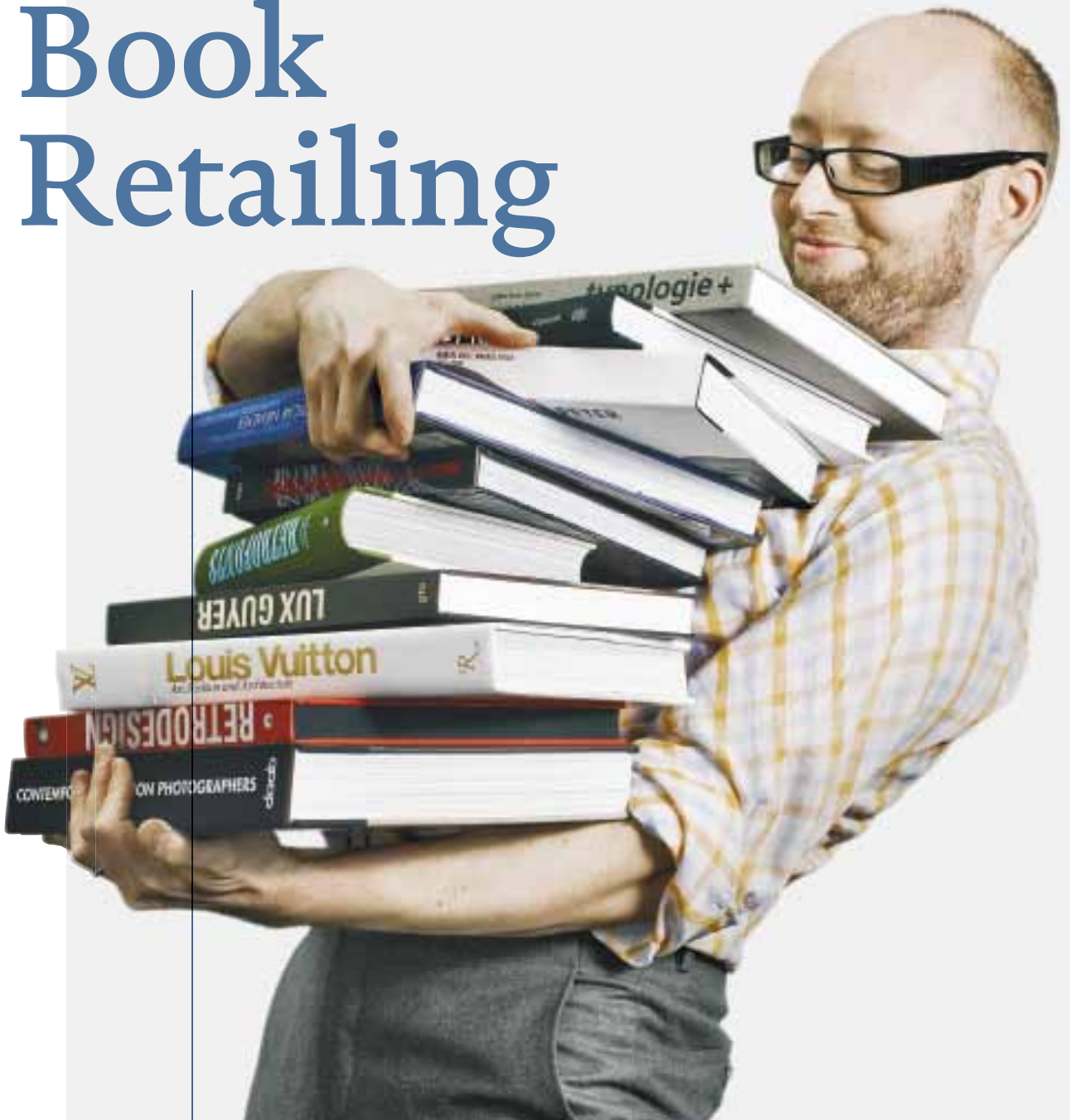


Orell Füssli Book Retailing



BÖRRIES HESSLER has been working as a bookseller in the Krauthammer bookstore since the spring of 2007. He specialises in books on art and architecture and takes great pleasure in the successful fusion of form and content in this field. He's confident that artistically designed books will continue to flourish on the market.

DIVISION _ OF BOOK RETAILING

Orell Füssli is a leading book retailing group in German-speaking Switzerland. The company ensures that bookworms never go short of their elixir of life wherever they are: Orell Füssli sells books in conventional bookstores featuring products in a variety of ranges and depths – products they can touch and take home with them. In its online shop at books.ch Orell Füssli offers printed books and also e-books for downloading. Orell Füssli excels in providing comprehensive, expert advice.

Products and markets

Orell Füssli maintains an extensive range of books for all ages and spheres of life. The main languages represented in its offering are German and – to a lesser extent – English and French. In addition to printed books, Orell Füssli offers a range of other media for information, entertainment and further education (see right hand side column). Orell Füssli is the specialist provider of electronic reading facilities with the largest range of readers and content for all target groups throughout Switzerland.

Orell Füssli's branch network comprises large-format and specialist bookstores as well as Restseller branches featuring special offers. The bookstores are to be found at heavily frequented locations in numerous Swiss cities, shopping centres and traffic junctions such as railway stations. Orell Füssli offers customers an attractive Internet shop at books.ch. The offering is rounded off by a well-equipped telephone service. Orell Füssli provides individually tailored logistics and other services for large customers, such as libraries and companies.

Strategy

Orell Füssli is positioned as a specialist book retailer with a wide product range, providing expert advice and comprehensive services for private and corporate customers. The company intends to expand its branch network at a moderate pace in the next few years and progressively modernise existing outlets. The expansion of Internet activities is a strategic priority for Orell Füssli. The library and corporate customer business is not yet well-established in Switzerland and thus offers considerable growth opportunities. Orell Füssli aims to exploit it systematically in order to expand its market share substantially.

Purchasing and management of the product range are of major strategic importance in the book retailing business. The publishing scene in the German-speaking countries is enormously varied and imports account for a substantial share of the Swiss book market. Orell Füssli aims to maintain high standards in the structure of its product range and also to exploit international procurement opportunities more effectively in future in its purchasing operations.

ADDITIONAL RANGE OF PRODUCTS

E-books, book-related devices such as e-book readers; DVDs of feature films, documentary films and TV series; spoken-word books in German, English and French; software of all kinds for Windows and Mac; PC and console games for X-Box, Playstation and Wii; postcards, maps and toys.

DIVISION _ OF BOOK RETAILING



100 000 NEW TITLES A YEAR Orell Füssli booksellers are right up-to-the-minute.

Growth areas and innovations

Price elasticity on the Internet in particular has increased as a result of the abolition of retail price maintenance. Radical changes have taken place in readers' purchasing habits. They are finding online buying increasingly attractive. Orell Füssli addressed the opportunities offered by the Internet and the digitisation of content at an early stage. While the use of databases, e-journals and e-books is already widespread in scientific circles, the market for paid digital content of literary works and non-fiction books for a wide clientele

is still not well-developed. Orell Füssli expects supply and demand in this segment to grow steeply in the next few years. Orell Füssli is working intensively on the development of offering concepts for e-books targeting private and corporate customers.

Orell Füssli is also working on innovative concepts and the further development of successful existing models in its marketing operations. With the bookpoints customer loyalty programme launched in 2008, Orell Füssli has created an opportunity to acquaint itself systematically with customers and their purchasing habits, and to serve them according to their needs. Bookpoints met with a considerable response from the outset and is becoming increasingly popular. Bookpoints enables Orell Füssli to present readers with individually tailored offerings and encourage them to visit Orell Füssli bookstores. The attention of long-standing readers continues to be drawn to interesting new publications through the "Books" magazine. In general, Orell Füssli aims to cultivate the purchase of books as an experience, both in its bookstores and in the Internet shop. In the stores, the concept and design have been fundamentally updated in the new branches. Experiences are also offered by the events to which Orell Füssli often invites customers and their partners. Products such as e-books help to make the link between the Internet shop at books.ch and Orell Füssli bookstores more apparent.

Job profiles and career opportunities

Almost 80% of the 500 or so employees of Orell Füssli Buchhandlungs AG are female. Two-thirds of its customers are also female. Some 85% of employees work in the branches, most of them trained booksellers.

60% of staff work part-time and contribute with their flexibility to Orell Füssli's ability to offer customer-friendly opening hours. Each employee sells an average of 16 000 books each year. In order to achieve this performance Orell Füssli needs efficient processes and highly motivated, competent employees. Orell Füssli offers employees interesting assignments, remuneration above the average for the trade and attractive fringe benefits. Orell Füssli attaches great importance to training booksellers: some 10% of the workforce are trainees.

DIVISION _ OF BOOK RETAILING

The main professions and functions in Orell Füssli bookstores include booksellers, heads of department and branch managers.

Booksellers are mainly engaged directly in selling. They advise customers, manage the product range, ensure attractive presentation and purchase suitable books in their product range. Booksellers have high specialist expertise, acquired during three years' training in book retailing, by continuous further training and by regularly reading. Being able to keep up-to-date with this diversity and advise customers accordingly calls for great commitment, openness and attentiveness. Booksellers also work in the background: for the Internet shop at books.ch, in logistics operations, where the books are made ready for the stores, and in the Customer Service Centre.

The heads of department are responsible for personnel and finance in the departments assigned to them. The main task is to manage about 10 employees. Heads of department are responsible for all selling and purchasing processes with the goal of ensuring that customers are highly satisfied and the business is satisfactorily profitable.

Branch managers are responsible for the branch as a whole. They stipulate the ideal composition of the product range – a core competence of Orell Füssli bookstores. Branch managers are also involved in inter-branch projects. Important attributes for this function are sound business administration know-how, a people-oriented management style, an entrepreneurial turn of mind and a strong focus on sales and service.

Ambitious employees can aim for both managerial and specialist technical careers and will be actively encouraged.

MANAGEMENT DEVELOPMENT

Management development is backed up by a wide variety of measures. For example, regular Talent Review Meetings or Development Centres are held. Orell Füssli systematically encourages the development of up-and-coming prospects in-house.



ATTRACTIVE NEW WORLD Orell Füssli has adapted to changes in buying and reading habits.