

Corporate Governance

This report complies with the published standards of the SIX Swiss Exchange regarding information on Corporate Governance and the new requirements of the Swiss Federal Code of Obligations. Unless otherwise indicated, the data refer to 31 December 2009.

1. GROUP STRUCTURE AND SHAREHOLDERS

Operational Structure of the Group

The Orell Füssli Group is subdivided into three operational divisions and the Publishing Companies.

Strategic and operational management within the Atlantic Zeiser, Security Printing, Book Retailing divisions, as well as the Publishing Companies, is largely autonomous. Orell Füssli Holding Ltd operates as a financial holding company and exerts influence on the strategic direction of the individual divisions.

Consolidated Companies

The registered office of the parent company, Orell Füssli Holding Ltd, is Zurich. The company is listed on the SIX Swiss Exchange under security code 342'080 and ISIN code CH0003420806. Its stock market capitalisation on 31 December 2009, was CHF 277 million.

Orell Füssli Holding Ltd has no investments in listed companies. An overview of the main investments and subsidiaries can be found in the financial report.

MAJOR SHAREHOLDERS (at 26 February 2010)

	Total registered shares	Participation in %
Swiss National Bank Ltd, Berne (CH)	653,460	33
Fam. Siegert, Meerbusch (D)	134,500	7
Sarasin Investmentfonds Ltd, Basel (CH)	71,414	4
Lincoln Vale European Partners Master Fund, Lincoln (USA)	60,940	3

The company has not entered into cross-shareholdings with shareholders.

2. CAPITAL STRUCTURE

Capital

Orell Füssli Holding Ltd's share capital consists of 1,960,000 registered shares with a par value of 1 CHF and is fully paid. Orell Füssli Holding Ltd has issued neither dividend-right certificates nor participation certificates.

At 31 December 2009, Orell Füssli Holding Ltd has authorised capital of up to CHF 0.4 million at its disposal. This was approved by the Annual General Meeting of shareholders held on 6 May 2009, for a maximum of 2 years. The relevant terms and conditions will be stipulated at the date of issue.

Orell Füssli Holding Ltd has no contingent capital at 31 December 2009.

Orell Füssli Holding Ltd has no outstanding options or convertible bonds at 31 December 2009.

CHANGES IN CAPITAL – ORELL FÜSSLI GROUP

<i>in CHF 1000</i>	31.12.09	31.12.08	31.12.07
Share capital, registered shares	1,960	1,960	1,960
Share capital, bearer shares	4,160	4,160	4,160
Legal reserve	149,407	116,758	101,790
Net profit	14,699	47,962	29,892
Total shareholders' equity	170,226	170,840	137,802

Details of changes in capital are listed in the financial report.

Restrictions on Transfer

The Articles of Incorporation of Orell Füssli Holding Ltd include no restrictions on transfers of shares.

The Articles of Incorporation of Orell Füssli Holding Ltd can be inspected at www.orellfuessli.com
– Investors – Corporate Governance.

3. BOARD OF DIRECTORS

<i>Members of the Board of Directors</i>	Year of birth	Nationality	Member since
Dr. Klaus Oesch	1944	Swiss	06.05.92
Dr. Rudolf Rentsch	1947	Swiss	08.05.96
Dr. Rudolf W. Hug	1944	Swiss	06.05.98
Dr. Hans Kuhn	1961	Swiss	09.05.07
Balthasar Meier	1947	Swiss	08.05.96

Cross-interests

There are no reciprocal appointments to Boards of Directors of other listed companies.

Biographical Data of the Members of the Board of Directors

The Board of Directors has no executive members. Dr. Hans Kuhn represents Orell Füssli's largest shareholder, the Swiss National Bank Ltd (SNB). The SNB has its own banknotes produced by Orell Füssli. All other members of the Board are independent and do not maintain any significant business relationship with Orell Füssli Holding Ltd or any other company in the Orell Füssli Group other than their directorship.



01 CHAIRMAN

Dr. Klaus Oesch Member of the Audit Committee and Compensation Committee

Swiss, born 1944; Qualifications: Dr. sc. techn., dipl. El.-Ing. ETH, MBA INSEAD

Significant professional activities and functions:

- 1968–1971 Swissair AG, Zurich: Operations Research
- 1972–1973 Georg Fischer AG, Schaffhausen: group development
- 1974–1983 UBS, Zurich: turnaround management, M&A (First Vice President)
- 1984–1991 Eternit/Nueva Group Zurich: Member of Group Management
- 1992–2007 Managing Director, Orell Füssli Holding Ltd, Zurich
- Since May 2007 Chairman of the Board of Directors, Orell Füssli Holding Ltd, Zurich

Other board appointments:

- Chairman of the Board of Directors, Typon Holding Ltd, Burgdorf
- Deputy Chairman of the Board of Directors, Koras Ltd, Hasle-Rüegsau
- Chairman of the Board of Directors, Geosond Holding Ltd, Glarus

02 DEPUTY CHAIRMAN

Dr. Rudolf Rentsch Chairman of the Audit Committee

Swiss, born 1947; Qualifications: Dr. iur., University of Zurich

Significant professional activities and functions:

- 1974–1975 Rentsch International SA, Ungersheim (France): project management
- 1975–1976 Alford Packaging, Inc., Ridgefield Park NJ (USA): management training
- 1976–1981 CEO Rentsch International SA, Ungersheim, and Rentsch GmbH, Berlin
- 1981–1994 RIG Rentsch Ltd, Rickenbach: Chairman of the Board of Directors and Managing Director (1985: IPO)
- 1995–1998 AMCOR Rentsch Ltd: Chairman of the Board of Directors
- 1999–2003 Vogt-Schild Holding Ltd, Solothurn: Chairman of the Board of Directors and CEO
- Since mid-2003 concentration on directorships

Other board appointments:

- Member of the Board of Directors, Baloise Bank SOBA, Solothurn, resigned on 31 March 2009
- Member of the Board of Directors, Hoffmann-Neopac, Thun
- Member of the Board of Directors, Sintron Ltd, Grenchen
- Member of the Board of Directors, Typon Holding Ltd, Burgdorf

03 MEMBER OF THE BOARD

Dr. Rudolf W. Hug Member of the Compensation Committee

Swiss, born 1944; Qualifications: Dr. iur., MBA INSEAD

Significant professional activities and functions:

- 1972–1976 Chase Manhattan Bank: international credit business
- 1977–1982 Credit Suisse: Head of North America business region
- 1983–1986 Credit Suisse: Head of Berne branch office
- 1987–1997 Credit Suisse/CSFB: Managing Director, International business segment
- Since 1997 independent management consultant

Other board appointments:

- Member of the Board of Directors, Swiss Post, Berne, resigned on 19 December 2009
- Member of the Board of Directors, Deutsche Bank (Switzerland) Ltd, Geneva
- Member of the Board of Directors, Allreal Holding Ltd, Zurich
- Chairman of the Board of Directors, Panalpina Welttransport (Holding) Ltd
- Member of the Foundation Board, Ernst Göhner Foundation



04 MEMBER OF THE BOARD

Balthasar Meier Member of the Audit Committee

Swiss, born 1947; Qualifications: Minerva School of Business, Zurich; bank training, Zurich

Significant professional activities and functions:

- 1995–2009 Chairman of the Board of Directors, Fogal Ltd
- Since 2002 Chairman of the Board and Managing Director, WMPartners Vermögensverwaltungs Ltd, Zurich

Other board appointments:

- Member of the Board of Directors, BVZ Holding Ltd, Zermatt
- Member of the Board of Directors, Ulysse Nardin SA, Le Locle

05 MEMBER OF THE BOARD

Dr. Hans Kuhn Member of the Compensation Committee

Swiss, born 1961; Qualifications: Dr. iur, lawyer, LL.M.

Significant professional activities and functions:

- 1995–2001 Swiss Federal Office of Justice, Section of Private International Law and International Civil Procedure Law, 1998–2001 Deputy Head of Section
- 2001–2007 Swiss National Bank (SNB) Ltd: Head of Legal Services, Director since 2003
- Since 2007 SNB: Head of the “Law and Services Division”

Other board appointments:

- Member of the Board of Directors, various companies of the StabFund Group

Election and Term of Office

The Board of Directors consists of at least three members elected by the Annual General Meeting of shareholders. Directors are elected for a one-year term of office by an absolute majority of votes represented at an Annual General Meeting of shareholders. Candidates are voted for individually. The restrictions on age and duration of office are stipulated in the regulations governing the organisation of the company.

Internal Organisation

The Board of Directors has the following functions: Chairman and Deputy Chairman.

The main functions of the Board of Directors comply with the Swiss Code of Obligations, in particular Art. 716a and the internal Rules of Organisation. Responsibility for management is delegated to the CEO and the Executive Board of Orell Füssli Holding Ltd. The functions of the Executive Board include the management of Orell Füssli Holding Ltd. The CEO chairs the Executive Board.

The Board of Directors convenes as often as business requires, but at least once a quarter. Members of senior management may also be invited to attend the meetings. The Board of Directors can also invite external consultants to attend in order to deal with specific issues. Two committees support the Board of Directors in its work.

Audit Committee

The Board of Directors has appointed an Audit Committee, which assesses the external auditors, internal controls, and the annual financial statements. The functions of the Audit Committee are defined in a set of regulations. The Audit Committee has decision-making authority subject to the approval of the Board of Directors as a whole. The committee is composed of three non-executive members of the Board of Directors. The CEO and the CFO also attend the meetings of the Audit Committee in a consultative capacity. The committee convenes at least twice a year, usually in the first and fourth quarter. The audit committee convened two times in the year under review.

Compensation Committee

The Board of Directors has appointed a Compensation Committee, which determines the salary of the members of the Executive Board and management personnel, subject to corporate success and performance. The functions of the Compensation Committee are defined in a set of regulations. The Compensation Committee is authorised to take decisions. The committee is composed of three non-executive members of the Board of Directors and convenes at least once a year. The compensation committee convened once in the year under review.

Allocation of authority between the Board of Directors and the Executive Board

The allocation of authority between the Board of Directors and the Executive Board is governed by the internal Rules of Organisation that can be accessed at www.orellfuessli.com – Investors – Corporate Governance. The Board of Directors determines business policy, organisational structure, elects the CEO, approves the budget and takes decisions on extraordinary investments, in accordance with the authority allocated to it. The Board of Directors has entrusted business management to the Executive Board, under the chairmanship of the CEO.

Information and control facilities used by the Board of Directors

The Board of Directors supervises risk management and implementation of the internal controlling unit. The CEO briefs the Board of Directors at its meetings about the current progress of business and significant business events. The Board of Directors is supported in its duties by an Audit Committee and a Compensation Committee. Details of the internal control system and risk management can be accessed at www.orellfuessli.com – Investors – Corporate Governance.



4. EXECUTIVE BOARD

Members of the Executive Board (at 31.12.2009)

01 MEMBER OF THE EXECUTIVE BOARD

Sönke Bandixen CEO Orell Füssli Holding Ltd

Swiss, born 1957; Qualifications: Dipl. Masch.-Ing. ETH Zurich, PMD Harvard Business School, Boston

Significant professional activities and functions:

- 1984–1993 SIG, Neuhausen a. Rh.: Member of the Executive Board SIG Verpackungstechnik
- 1994–1996 Cosa Liebermann, Dübendorf: Head of the “Technology” Business Unit/Vice President Marketing
- 1997–2003 Kaba Group, Rümlang: Head of the Kaba Door Systems Division
- 2004–2006 independent management consultant/interim manager, partner at AMC Account Management Center Ltd, Zurich
- Since 2007 CEO Orell Füssli Holding Ltd, Zurich

Other board appointments:

- Various directorships with companies in the Orell Füssli Group
- Member of the Board of Directors, Axon Active AG, Luzern

02 MEMBER OF THE EXECUTIVE BOARD

Johannes Caprez CFO Orell Füssli Holding Ltd

Swiss, born 1952; Qualifications: Swiss certified accountant/Controller,

Swiss certified pension fund administration expert

Significant professional activities and functions:

- 1972–1981 various financial appointments
- 1982–1985 Orell Füssli Graphische Betriebe Ltd: Head of Cost Accounting
- 1986–1989 Katadyn Products Ltd, Wallisellen: Head of Finance & Accounting
- 1990–1998 Orell Füssli Graphische Betriebe Ltd: Head of Finance & Accounting
- Since 1999 Orell Füssli Holding Ltd: CFO

Other board appointments:

- Various directorships with companies in the Orell Füssli Group
- Member of the Foundation Board Imoka Anlagestiftung, Zug

03 MEMBER OF THE EXECUTIVE BOARD

Dr. Anton Gasteiger Head of the Security Printing Division

Austrian, born 1957, Qualifications: Master Business Administration, Vienna University of Economics and Business Administration, PhD Macro-Economics, University Paris IX / Vienna University of Economics and Business Administration,

Post-graduate studies, Tokyo Nohkoh University, Japan

Significant professional activities and functions:

- 1984–1989 Nixdorf Computer, Düsseldorf, Munich, Tokyo, Hong Kong, various Sales Functions and Member of Executive Boards in various subsidiaries
- 1990–2008 Giesecke & Devrient GmbH, Group Vice President Sales & Marketing, Printing Division
- Since March 1, 2009: Head of the Security Printing Division, Orell Füssli Group

Other board appointments:

- Various directorships with companies in the Orell Füssli Group

CORPORATE GOVERNANCE



04 MEMBER OF THE EXECUTIVE BOARD

Oliver C. Mehler Head of the Atlantic Zeiser Division

German, born 1967; Qualifications: Dipl.-Ing. Elektrotechnik, TU Braunschweig

Significant professional activities and functions:

- 1990–2001 IAV Group: various functions, finally General Manager IAV Inc. (USA)
- 2001–2003 Enginion Ltd, Berlin: Executive Board
- 2003–2006 IAV Group: Senior Vice President
- Since 2006 CEO Atlantic Zeiser Group

Other board appointments:

- Various appointments with Atlantic Zeiser Group companies

05 MEMBER OF THE EXECUTIVE BOARD

Fabio Amato Head of the Book Retailing Division

Swiss-Italian, born 1969; Qualifications: Masters in Industrial Engineering, ETH Zurich

Significant professional activities and functions:

- 1996–2002 ABB Switzerland: various functions; Head of Operations, Gas-insulated Switch Systems
- 2002–2004 Orell Füssli Holding Ltd: Assistant to the Managing Director/CEO
- Seit 2004 Head of the Book Retailing Division, Orell Füssli Group

Other board appointments:

- Various directorships with companies in the Orell Füssli Group

06 MEMBER OF THE EXECUTIVE BOARD

Alex Aepli Head of the Publishing Division

Swiss, born 1946; Qualifications: Dipl. Buchhändler

Significant professional activities and functions:

- 1970–1987 Manesse Publishing Company, Zurich: Head of Distribution
- 1988 Orell Füssli Publishing Division: Head of Distribution
- 1989–1992 Head of Orell Füssli Publishing Division, Managing Director Parabel Publishing Company; Middelhaue Publishing Company, Managing Director Daeniker Ltd
- 1993–1998 Sauerländer Publishing Company, Aarau: Member of the Executive Board; Member of the Board of Directors Helbing & Lichtenhahn Ltd; Member of the Board of Directors sabe Publishing Company
- 1999–2000 Member of the Executive Board Unionsverlag/Limmatverlag
- 1999–2002 CEO Werk Ltd
- 2001–2007 CEO hier+jetzt, publishing company for culture and history
- Since 2007 Head of the Publishing Division, Orell Füssli Group

Other board appointments:

- Various directorships with companies in the Orell Füssli Group
- Since 1999 Chairman, Board of Directors Werk Ltd, Zurich
- Since 2001 Chairman, Board of Directors Unionsverlag Ltd, Zurich
- 2001–2009 Stockholder hier+jetzt Publishing Company, Baden

**07 MEMBER OF THE EXECUTIVE BOARD**

Hans Rudolf Andrist Head of Security and Infrastructure, Security Manager

Swiss, born 1954; Qualifications: Dipl. Masch.-Ing. FH/STV

Significant professional activities and functions:

- 1979–1981 Sprecher & Schuh Ltd: Head of Production Control
- 1981–1983 Oerlikon-Bührle Ltd, Machine Tool Works: Fire Prevention Officer
- 1983–1986 Telekurs Ltd: Fire Prevention Officer
- 1987–1992 Elvia Insurance, Switzerland: Security Officer
- 1992–1995 Orell Füssli Graphische Betriebe Ltd, Division Security Printing: Head of Security and Services, Security Officer
- Since 1996 Orell Füssli Group: Head of Security and Infrastructure, Security Manager

Other board appointments:

- Since 1989 Member of the Executive Board and since 2008 chairman of the Security Technology Committee FGST of the Swiss Engineering STV

08 MEMBER OF THE EXECUTIVE BOARD

Serge Mouttet Chief Information Officer

Swiss, born 1960; Qualifications: Dipl. Ing. HTL/Exec. MBA-HSG

Significant professional activities and functions:

- 1985–1991 Ferd. Rüesch Ltd, St. Gall: Analyst
- 1991–1994 Model Ltd, Weinfelden: Project Manager
- 1994–2001 Soudronic Ltd, Bergdietikon: Head of IT
- Since 2003 Chief Information Officer, Orell Füssli Group

09 MEMBER OF THE EXECUTIVE BOARD

Martin Tobler Head of Human Resources

Swiss, born 1966; Qualifications: Lic. phil. I, University of Zurich, SKP, SKAL

Significant professional activities and functions:

- 1996–1999 Knorr Thayngen: HR Assistant
- 1999–2002 Sihl Zurich: Head of Human Resources, Chairman of the Foundation Board, Sihl Pension Plans
- Since 2003 Head of Human Resources, Orell Füssli Group, Chairman of the Foundation Board, Orell Füssli Pension Plans

There are no noteworthy management agreements with either legal entities or natural persons outside the Orell Füssli Group.

5. REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

The Transparency Statute of the Swiss Federal Code of Obligations (SCO) came into effect on 1 January 2007, by virtue of which all listed companies are obliged to make additional disclosures of compensation to directors and officers under articles 663b^{bis} und 663c, para. 3.

The information provided in this section conforms to the requirements of the SCO, although the consolidated financial statements have been drawn up in conformity with IFRS. Since the Orell Füssli Group has no equity-based compensation to disclose in compliance with IFRS 2, there are no valuation differences in the presentation.

Basic principles

Authority to stipulate remuneration for the members of the Board of Directors lies with the Board of Directors, while the Compensation Committee stipulates the salaries of the members of the Executive Board.

The Orell Füssli Group has neither a share nor an option allocation scheme for members of the Board of Directors and the Executive Board. Remuneration of the Board of Directors and the Executive Board consists of a fixed and a variable component. The variable compensation component for the Board of Directors is based on the dividend paid, while the variable compensation component for the Executive Board is based on a preset formula which takes into account EBIT and the achievement of individually specified annual targets.

With the exception of contributions to the pension fund, the upper limit of CHF 821,000 being defined by occupational pension's legislation, the Orell Füssli Group does not provide any specific pension funds for members of the Board of Directors and the Executive Board.

The remuneration stated refers to compensation made in respect to the appropriate reporting period. The tables below therefore contain in full all entitlements to payments in respect of the 2009 financial year.

Loans and other payments

No loans were granted to current or former members of the Board of Directors and the Executive Board in the 2009 financial year, nor were any guarantees assumed for loans granted to directors and officers by third parties. The balance sheet contains no claims of this nature arising from loans as of 31 December 2009.

The Orell Füssli Group made no payments to current or former members of the Board of Directors, the Executive Board or related parties other than those listed in the tables below, and did not waive any claims against such persons.

Share ownership

As of 26 February 2010, no members of the Board of Directors or the Executive Board or related parties are listed in the share register of Orell Füssli Holding Ltd. Dr. Hans Kuhn is an Executive Vice President of the SNB Swiss National Bank Ltd., which holds 653,460 shares of Orell Füssli Holding Ltd. Balthasar Meier is Chairman of the Board of Directors of a finance company which holds 12,600 shares of Orell Füssli Holding Ltd.

Remuneration of members of the Board of Directors

Compensation for non-executive directors always applies to a period of office. Provision is made in the relevant financial year for all compensation, even if these are not disbursed until the following year.

CORPORATE GOVERNANCE

REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

<i>in CHF</i>					
	Basic remuneration	Variable remuneration	Other payments		Total 2009
	in cash	in cash	Social security and pension costs	Special allowances	
Dr. Klaus Oesch, Chairman Audit Committee (Member) Compensation Committee (Member)	201,000	63,813	23,452	–	288,265
Dr. Rudolf Rentsch, Deputy Chairman Audit Committee (Chairman)	30,000	12,500	3,139	–	45,639
Dr. Rudolf W. Hug Compensation Committee (Chairman)	22,000	12,500	1,130	–	35,630
Dr. Hans Kuhn Compensation Committee (Member)	22,000	12,500	2,548	–	37,048
Balthasar Meier Audit Committee (Member)	24,000	12,500	2,696	–	39,196
Total	299,000	113,813	32,965	–	445,778

Remuneration of members of the Executive Board

The compensation of members of the Executive Board set out below corresponds to entitlements for the 2008 reporting period. Provision is made in the relevant financial year for all compensation, even if these are not disbursed until the following year.

REMUNERATION OF MEMBERS OF THE EXECUTIVE BOARD

<i>in CHF</i>					
	Basic remuneration	Variable remuneration	Other payments		Total 2009
	in cash	in cash	Social security and pension costs	Special allowances	
Sönke Bandixen CEO Orell Füssli Group	373,200	89,856	72,696	8,549	544,301
Other members of the Executive	1,845,111	280,590	301,686	35,275	2,462,662
Total	2,218,311	370,446	374,382	43,824	3,006,963

6. SHAREHOLDERS' PARTICIPATION RIGHTS

The Articles of Incorporation of Orell Füssli Holding Ltd can be accessed in full at www.orellfuessli.com – Investors – Corporate Governance.

Shareholders are entitled to one vote for each share they own. In terms of the relationship to the company, only persons listed in the official share register are recognised as shareholders.

The threshold at which shareholders are entitled to have an item included in the agenda at the AGM amounts to shares with a par value of 5% of the outstanding share capital.

CORPORATE GOVERNANCE

7. CHANGES IN CONTROL AND DEFENSIVE MEASURES

There is no statutory clause suspending the obligation to submit an offer once a threshold defined by stock exchange legislation is reached.

The Orell Füssli Group has no clauses that apply to members of the Board of Directors and the Executive Board in the event of changes in control.

8. AUDITORS

Duration of the Mandate and Term of Office of the Lead Auditor

External auditing of the consolidated financial statements and those of the holding company was first time assigned to PricewaterhouseCoopers at the Annual General Meeting of shareholders held on 14 May 2003. The auditor in charge, Christian Kessler, has held the position as auditor in charge since 2009. Audit fees of CHF 441,000 to PricewaterhouseCoopers and CHF 66,000 to other auditors were incurred in 2009.

Additional fees totaling CHF 61,000 were charged by PricewaterhouseCoopers in the year under review.

Audit Supervision and Control Instruments

The Audit Committee is responsible for monitoring and controlling external auditing. The Audit Committee convened three times in the year under review. The external auditor in charge is also invited to attend these meetings for the purpose of providing information. In addition to the regular audit reports, reporting by the external auditor also includes a management letter.

9. INFORMATION POLICY

The company issues a press release containing the Group's provisional key figures for the year under review at the beginning of February after the close of the financial year. The annual financial statements are published together with the annual report at an annual results press conference and presentation for financial analysts, which takes place in April.

The Annual General Meeting of shareholders takes place every year in May. The company issues a press release containing the Group's key figures for the half-year within one month after the end of the first term. At Investors' Day in the second half of the year Orell Füssli gives business journalists and financial analysts more in-depth insights into parts of the Group. Information on exceptional events of stock exchange relevance is published in ad hoc press releases. Regular press releases are mailed to shareholders at the same time as they are published.

The press releases can also be accessed at www.orellfuessli.com – Media.

No statements relating to the future imply any guarantee whatsoever with regard to future performance. They are subject to risks and uncertainties including but not confined to future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside the company's control.

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