

Orell Füssli Portrait

ORELL FÜSSLI GROUP

Very probably, hearing the name Orell Füssli automatically conjures up the image of books. From a historical standpoint, this is not without reason: printing and publishing official documents and later the first Zurich bible was actually the start of the company's success story in 1519. This long tradition makes Orell Füssli one of the world's oldest companies.

However, today's Orell Füssli Group is far more than a book business: Orell Füssli is a security printing, security technology and book retailing group with an international outlook, branches in ten countries and customers on all continents. Orell Füssli has a strong market position in these three business segments. And as Switzerland's leading non-fiction publisher Orell Füssli also continues to nurture the publishing business in which the company has its origins.

This portrait presents the Orell Füssli Group in all its diversity. It shows the products and the markets in which they are employed. It shows how Orell Füssli aims to develop the business further. It presents innovations from all its fields of activity which will be of considerable benefit to customers in future. None of this would be possible without the people who work at Orell Füssli. They have widely differing occupations, a few of which have been selected and described here.

What makes the Orell Füssli Group more than the sum of its individual businesses? The company is built on a unique tradition and within this combines continuity and diversity, local roots and international scope. For almost 500 years Orell Füssli has repeatedly proved its ability to preserve long-standing qualities and successfully integrate new developments. Out of this has grown a strong brand, and also a corporate culture which leaves its stamp on all the group's activities.

Orell Füssli History

To form a company you need a propitious moment. For a company to hold its own successfully for 490 years calls for something more: it takes the ability to adapt the business to the requirements of the day and “reinvent” yourself again and again, whenever necessary. The eventful history of the Orell Füssli company impressively demonstrates this. Over the course of the centuries a letterpress “print shop” for a publishing house has become a corporate group operating in the fields of security printing, security technology, book retailing and publishing.

1519



This year sees the start of the Orell Füssli story: Zurich City Council grants printer Christoph Froschauer, an immigrant from Bavaria, citizenship of Zurich “by virtue of his art” and places printing orders with him. Froschauer had come to Hans Rüeegger’s small print shop in Zurich in 1515 or 1516 as a young journeyman printer. After Rüeegger’s death he married his widow in 1517 and took over the print shop. These orders made Froschauer “printer by government appointment”, so to speak. As chance would have it, the Zurich Reformation had its beginnings in his print shop: during Lent 1522 Froschauer served sausages to his journeymen. When the Bishop of Constance, who was responsible for Zurich, heard of this he demanded punishment by the Zurich City Council. Ulrich Zwingli, then a lay priest at Zurich’s Grossmünster church, defended Froschauer in a pamphlet. This resulted in open conflict between Zwingli and the traditional church and set the Zurich Reformation in motion.

Froschauer subsequently plays a decisive role in disseminating the ideas of the Reformation: all Zwingli’s writings are produced in his print shop – as also is the revolutionary “Zurich Bible”, which appears at the beginning of September 1531, shortly before the death of the Zurich reformer. Froschauer later broadened his activities to include historical, medical and scientific works. Highlights are Johannes Stumpf’s sumptuously illustrated Swiss Chronicle (1547/48) and the works of polymath Conrad Gessner, above all his “Historia Animalium” (1551–1558, published in German as “Thiergeschichte” in 1565). This gains recognition throughout Europe and is repeatedly reprinted until well into the 18th century.

Froschauer’s print shop is one of the most prominent publishing houses in the German-speaking world between 1530 and 1585. It is also commercially successful: when Froschauer dies childless of the plague in 1564 he leaves his nephew a flourishing business with four printing presses, a type foundry, a bookbinding shop and a paper mill. More than 700 titles appeared during his

lifetime – an enormous achievement in light of printing technology in those days.

After the death of Christoph Froschauer his nephew Christoph (Junior) continues to run the print shop. One unusual work from this era stands out: Jos Murer’s map of the city which appeared in 1576 (illustration on page 4–5). Christoph Froschauer Junior dies in 1585. The print shop then passes into the hands of the Escher family. Significantly, all the works appearing until 1595 still bear the Froschauer imprint: evidently this was expected to continue to be good for business. The print shop and publishing business already change hands again in 1591: the name of the new owner is Wolf. He replaces the three frogs of the Froschauer logo with three grim-looking wolves. Times have changed, however; authors of the stature of a Conrad Gessner are no longer to be found. In 1597 Wolf complains that people “used to read more zealously”, and libraries “weren’t so full” in those days. Business with Germany has become more difficult since the Counter-Reformation. When the Thirty-Year War breaks out in 1618 it virtually dries up completely. Wolf’s print shop now publishes little more than theological pamphlets and sumptuary laws (codes of conduct). The same is the case for the Bodmer family, who acquire the business in 1626 and continue to run it until 1719.



ZURICH BIBLE This is an edition dating back to the year 1540. In addition to this, all Zwingli’s other writings are also produced in the print shop of company founder Christoph Froschauer.

18th century: the publishing house’s glorious century

When the Heidegger and Rahn families acquire the Bodmers’ print shop in 1719, there is no sign that Zurich will advance to become one of the major cities in German-language publishing only a few decades later. The people who bring this about come together along tortuous paths.

A man appears on the scene who dominates intellectual life in 18th-century Zurich like no other: Johann Jakob Bodmer (1698–1783). This son of a good family is Professor of History at the Carolinum, a predecessor institution of the University of Zurich. He is inspired with the spirit of reform and frequently comes into conflict with the city’s censor, who at that time represents rigid orthodox Protestantism. He therefore abruptly founds a publishing and printing house of his own with his business partner Marx (Marcus) Rordorf in 1731. The publishing business is run by Bodmer’s nephew, Hans Conrad von Orell, from 1735 onwards. Bodmer’s own writings on the theory of literature and art soon begin to appear at “Orell & Comp.,” together with Bodmer’s translations of Homer and Milton, which meet with a considerable response in German in particular. Bodmer exchanges views throughout his life with intellectual giants of the 18th century, such as Klopstock, Wieland and Goethe. It is Bodmer’s cosmopolitanism which helps make Zurich a centre of the Enlightenment – “Athens on the Limmat” – from the middle of the century.

Nothing much is happening in the direct Froschauer line. Heidegger und Rahn, the company which acquired Bodmer in 1719, was only active for a short time.

1719



1735



INNOVATIONS OF FIVE CENTURIES

1744



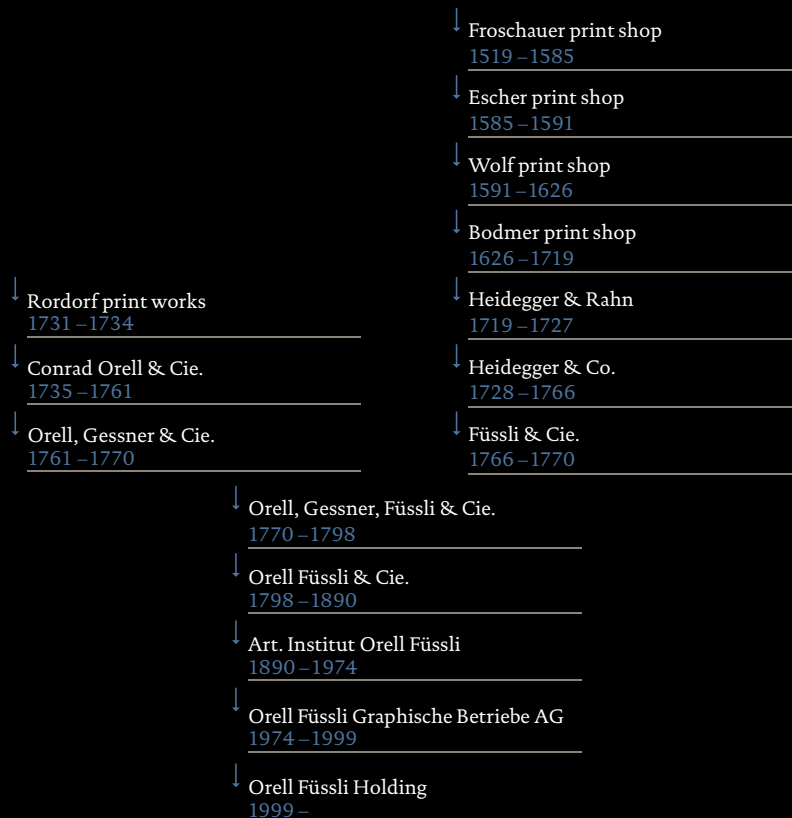
After 1728 we find only reference to “Heidegger & Cie”. Johann Rudolf Füssli, a member of the Zurich City Council, joins the company as a partner in 1744. The Füsslis have wide family connections and have produced various scholars and artists, including the painter Johann Heinrich Füssli. Füssli publishes mainly in the fields of theology, the natural sciences, history and art, and becomes sole owner in 1766. The publishing house now trades under the “Füssli & Cie.” name.

1761



Back to Orell, the “personal publishing house” of the hyperactive Johann Jakob Bodmer: in 1761 the Gessner family, who have run a printing business and bookshop in Zurich since 1670, acquire an interest in Orell & Cie. The publishing house is now called “Orell, Gessner & Cie.”. This brings on board Salomon Gessner (1730–1788), well-known throughout Europe as a pastoral poet, painter and draughtsman; his works are translated into twenty languages. His wife runs the bookshop at the “Haus zum Schwanen”.

History of the Orell Füssli Group



“Orell, Gessner & Cie.” and “Füssli & Cie.” merge in 1770 and now call themselves “Orell, Gessner, Füssli & Cie.”. In 1777 the firm moves into the “Haus zum Elsasser”, which is to remain their place of business for more than 100 years. The new firm’s impact is enormous with public attractions such as Salomon Gessner and translations of Shakespeare’s plays (Wieland). The highest praise comes from no less a figure than Goethe: “This company has rendered greater service to literature through its splendid publications than half Europe’s book trade.”. Visitors are also impressed by the bookshop in the “Haus zum Elsasser” – now the largest in Zurich. “During my stay in Zurich”, scholar and Privy Councillor G.W. Zapf wrote in 1781, “I also visited the famous bookshop of Messrs Orell, Gessner, Füssli & Comp., which has the most wonderful publications ... [This] has now become a considerable partnership, which supplies Germany with the most magnificent products.”

The first issue of the “Zürcher Zeitung” is published by Orell, Gessner, Füssli on January 12, 1780. It is edited by Salomon Gessner and is devoted to the objectives of the Enlightenment. Renamed “Neue Zürcher Zeitung” in 1821, it is spun off from the publishing company as an independent public limited company in 1868. The prominent publishing figure during this phase is Johann Heinrich Füssli, who oversees the fortunes of the publishing house, bookshop and newspaper for many years.

The Gessner partners leave the firm, which from now on trades as “Orell Füssli & Cie.”. French forces invaded in spring 1798. The old Swiss Confederation has breathed its last, and the subsequent coalition wars and domestic policy turmoil have an adverse effect on both the publishing and the printing business.

19th century: rapid growth in all activities

The printing company expands the scope of its activities: printing of the first securities is documented in 1827, and the first shares are printed for Escher Wyss in 1839. The business develops rapidly. By 1840 more than 30 people are already employed in the printing business. This is due not least to the high-speed newsprint press: Orell Füssli is one of the first printers to introduce it in Switzerland and also uses it to print the NZZ, which begins to appear daily from 1843 onwards.

Orell Füssli prints the “Zurich 4 and 6”, Switzerland’s first postage stamps and the second series worldwide, for the Canton of Zurich. However, this does not develop into a new line of business. Public acceptance of the postage stamps is only hesitant, and when the prerogative for operating postal services passes to the federal government in 1849 competitors seize their chance.

Rapid growth commences in 1850. Switzerland’s first “Advertisement Office” is established, later becoming ofa Orell Füssli Werbe AG (now part of the Publigroupe corporate portfolio). Railway advertising now starts, calling for posters of all kinds. With the establishment of tourist information offices the large-scale printing of travel brochures and timetables begins.



JOHANN HEINRICH FÜSSLI (1745-1825) plays an active role in the publishing house from 1770 onwards, at the same time teaching at the Carolinum. He rises to the highest political office and is Minister of the Interior during the Helvetic Republic. After 1803 he turns his attention to the publishing business again, edits the “Zürcher Zeitung” from 1803 to 1821, founds and manages a whole series of periodicals and publishes many of his own works.

1798



SWITZERLAND’S FIRST POSTAGE STAMPS and the second series worldwide, following the British Penny Black of 1840.

INNOVATIONS OF FIVE CENTURIES



1835 BUSINESS CARD The printing works expands the scope of its activities, printing the first securities and – from 1843 onwards – the daily NZZ.

1890



An outstanding technical success story starts in 1880 with the development of the 10-colour Photochrom process for colour reproductions. This is used for reproductions of all kinds, especially series of foreign maps. This new line of business is an enormous success. Orell Füssli opens branches in rapid succession in various European countries and the USA. In addition, Orell Füssli prints banknotes for the Cantonal Bank of Zurich, founded in 1870, and also starts to specialise in this field.

The move to larger premises on Bärengasse in Zurich is followed in 1890 by the firm's reorganisation into a public limited company under the

“Art. Institut Orell Füssli” name. The company has become a major employer in the city of Zurich and is listed on the Zurich Stock Exchange in 1897.

20th century: from “Art. Institut” to holding group

The printing operations, publishing business and book retailing continue to develop despite world wars and economic crises. Radical changes occur in the early 1990s: Orell Füssli is restructured and reorganised into a holding group. On the threshold of the 21st century the company is a market leader in security technology and security printing besides owning Switzerland's largest book retailing chain and one of its leading non-fiction publishing houses.

Another milestone in the history of Orell Füssli: the start of banknote printing for the Swiss National Bank (SNB). Individual denominations of the 2nd series are produced, and the SNB orders later series in their entirety from Orell Füssli. The first note produced for the SNB based on a design by Balzer, an Orell Füssli employee, was the “Vreneli” 20 Swiss franc note, which was issued in 1914. It was a technical marvel. The obverse and reverse sides featured a total of 16 offset printing passes for the colours and a single letterpress pass for the type. Technical innovations and quality laid the foundation on which Orell Füssli was able to develop into an international banknote printer in the course of the 20th century.

Since the premises on Bärengasse are bursting at the seams, the company moves from the city centre to Dietzingerstrasse in Zurich-Wiedikon, where the Orell Füssli Group still has its headquarters today. The bookstore remains on its traditional site for the time being, before moving to Pelikanstrasse in 1941.

This year witnesses a major turning point in the history of the Orell Füssli Group. The company, which has traded as “Orell Füssli Graphische Betriebe” since 1974, is radically restructured. The commercial printing operations, the oldest part of the group's business, are sold. All foreign publishing units are also sold. The cartographic business is spun off in a management buyout, with Orell Füssli retaining a minority interest.

1914



INNOVATIONS OF FIVE CENTURIES

These disposals are more than offset by strategic reorganisations of book retailing and banknote printing. The book retailing business is spun off into an independent public limited company and opens Switzerland's largest bookstore in Zurich in 1993. Banknote printing operations are completely modernised in 1992, and in 1993 celebrate a world premiere by bringing a five-colour intaglio printing press into operation. It is equipped to face the challenges posed by the 8th issue of Swiss banknotes featuring digitally generated printing images.

At the conclusion of these developments Orell Füssli is given a new structure and is reorganised into a holding group incorporating the various companies: security printing, book retailing, publishing and business information (until 2008). The new legal form stimulates innovation and growth: in security printing Orell Füssli is now well-known worldwide for innovative applications of printing processes and technologies used in the security printing industry; in book retailing Orell Füssli has expanded its position as the largest bookseller in Switzerland through acquisitions and by opening new outlets. The publishing business, which has grown substantially through various acquisitions, is now a leading Swiss non-fiction publisher.

In 2002 Orell Füssli Holding acquires a majority holding (74%) in Atlantic Zeiser GmbH in Germany, which becomes wholly owned in 2005. Atlantic Zeiser develops and manufactures systems and equipment for the printing industry and security printers, and is the undisputed market leader especially in numbering devices for value documents. This acquisition expands the portfolio in the industrial segment and opens up new potential.



"VRENELI" IN THE MEDALLION The 20 Swiss franc banknote which was produced for the SNB from 1914 onwards was a technical masterpiece of its time.

1993

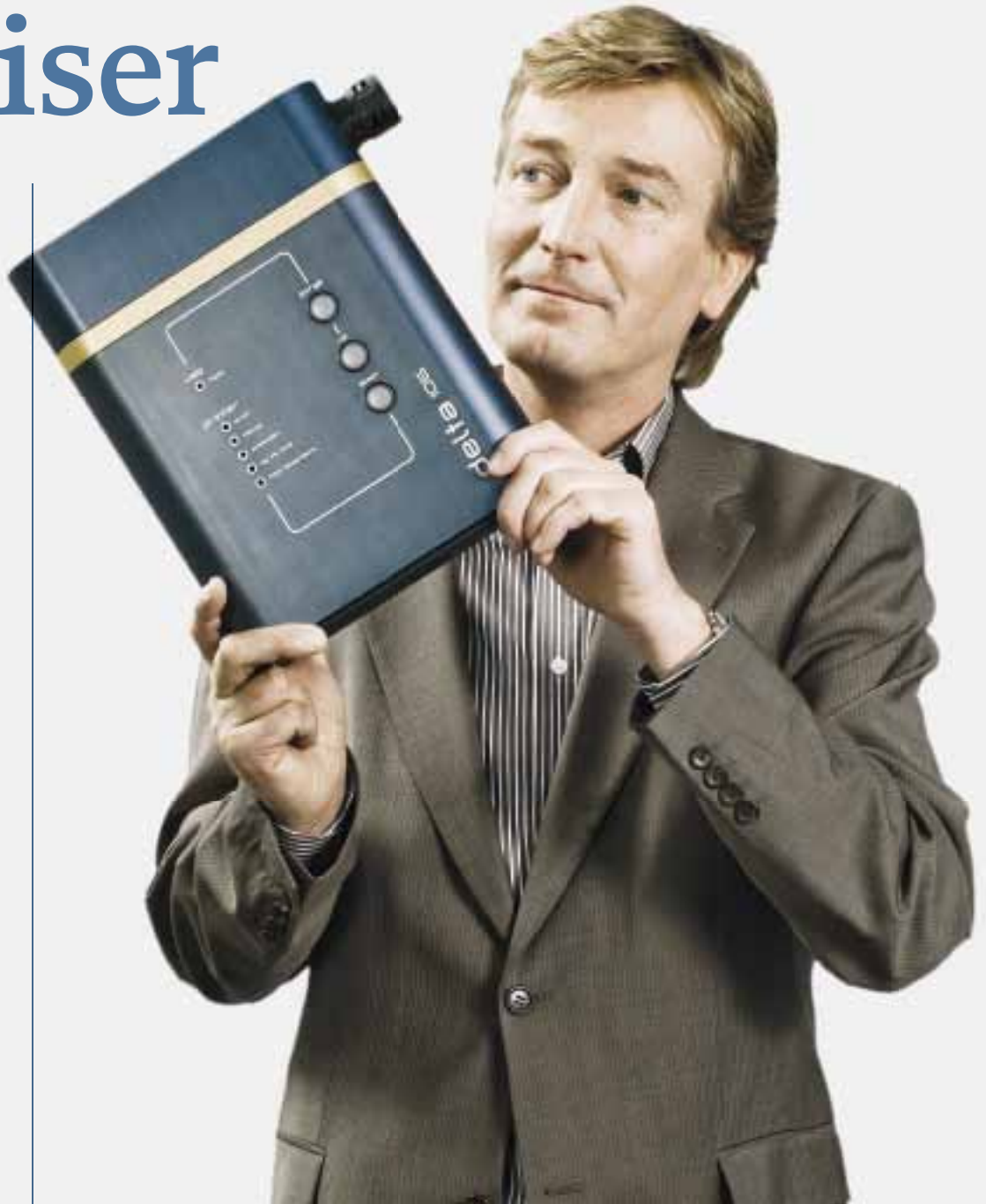


2002



NUMBERING MACHINE Based on mechanical principles which have proved their worth over more than 50 years, new numbering standards have been set by their further development into a patented, electronic direct drive. Atlantic Zeiser is world market leader in this field.

Atlantic Zeiser



THOMAS STENKAMP Product Manager for Digital Printing and Coding Solutions, has been with Atlantic Zeiser since 1986. Here he proudly presents the DELTA 105 print head. This high-tech module prints at up to 300 metres per minute – with high resolution.

Atlantic Zeiser supplies industrial systems and technologies for the digital encoding and printing of products and documents which are required to fulfil the highest security standards. The company is the world market leader in numbering systems used in the production of banknotes and passports. Atlantic Zeiser serves customers on all continents from its headquarters in Emmingen, southern Germany, and via an international network of sales companies.

Products and markets

In the field of banknote and identity document systems, Atlantic Zeiser supplies system solutions and technologies for the secure marking, numbering and individualisation of printed products issued by government agencies. Customers in government-related sectors worldwide use these systems for numbering banknotes and individualising machine-readable passports, as well as for security documents such as identity papers, driving licences or revenue stamps.

In card systems, Atlantic Zeiser supplies solutions for the secure individualisation and personalisation of plastic, paper and chip cards. Systems of this kind are needed, for example, by the financial services sector for issuing bank and credit cards, by the telecommunications industry for telephone and SIM cards, or by retailers for gift cards. In public transport services the systems are used to produce tickets where large production volumes have to be handled reliably in a short time. The main customers are card manufacturers and card providers worldwide.

In digital printing systems for industrial applications, Atlantic Zeiser supplies system solutions and technology modules for secure encoding and printing as well as for decorating packaging, labels and industrial products. Customers are primarily manufacturers of branded goods and their suppliers, as well as systems integrators and machinery suppliers which incorporate Atlantic Zeiser technology in their products.

PRODUCTS AND MARKETS

Atlantic Zeiser operates in three market segments: banknote and identity document systems, card systems and digital printing systems for industrial applications.

Strategy

Atlantic Zeiser aims to expand its market offering resolutely on the basis of digital printing technology. Its products are based on a construction kit of technology modules which can be combined into system solutions for the intended application and sold in volume. Besides a wide range of modules based on Atlantic Zeiser's digital inkjet technology, additional modules are used selectively in order to fulfil the required function. These include data and quality monitoring, laser marking, chip programming, magnetic strip encoding, mechatronic numbering, security coating, product transport, workflow control and product tracking. Atlantic Zeiser also supplies consumables, in particular high-quality inks produced in-house, in order to ensure optimum quality and productivity of the printing systems. This ongoing business makes an essential contribution towards smoothing the demand cycles in industrial systems. This is also true of the global service business.

DIVISION _ ATLANTIC ZEISER

Growth areas

In virtually any conceivable industrial sector, high-quality digital printing enables cost savings to be achieved or provides the basis for tracking products in the production and logistics chain. System solutions from Atlantic Zeiser enable variable information to be applied directly to the product on the production line.

Nowadays the structure of merchandise offerings in most sectors is becoming increasingly broad and target-group-specific. Digital printing enables even the smallest production batches to be provided with variable supplementary information and designs at reasonable cost.

However, since most products, packaging and labels have very smooth or chemically pre-treated surfaces, digital printing methods familiar from the office document sector cannot be used in most cases. This is where Atlantic Zeiser comes in with its inkjet printing technology and its focus on specific applications. In order to cater to customers' growing security needs – e.g. in pharmaceutical manufacturing or to combat product piracy – with offerings from a single source, Atlantic Zeiser is increasingly utilising security features which have proved their effectiveness in solutions for government agencies.

Innovation

Secure encoding and labelling of documents and products in exacting applications on an industrial scale is Atlantic Zeiser's core competence. The company has created a portfolio of innovations in this field which is unique worldwide, and is systematically developing it further with investments in research and development amounting to some 10% of sales annually. Atlantic Zeiser is repeatedly at the forefront of development when it comes to making a sensitive application economical and secure – for printing banknotes, producing passports, manufacturing cards or producing branded articles. Atlantic Zeiser's innovative inkjet technology is becoming increasingly important. It enables printing to be applied digitally and cost-effectively to challenging substrates such as plastics, metals, coated materials and other smooth surfaces. At the same time it provides print quality and production speeds which can readily bear comparison with offset or flexographic printing.

Atlantic Zeiser develops all the basic technologies in-house in order to extend its position of leadership further. These comprise printer hardware including control software, ink chemistry, ink drying, quality monitoring and workflow software. Atlantic Zeiser thus continues to assure customers of a high standard of quality, user-friendliness, flexibility of use, economy, data security and robustness in future.



OMEGA 72i The DoD (Drop on Demand) print module provides a maximum of flexibility and quality for high-speed printing on diverse substrates. Visa® and MasterCard® have approved this process for personalising flat financial cards.

DIVISION _ ATLANTIC ZEISER

Job profiles and career opportunities

Efficient product management, interdisciplinary development teams and flexible customer service are crucial for Atlantic Zeiser. More than a quarter of the company's personnel are currently employed in these fields. This underlines Atlantic Zeiser's development into a company which has successfully made the transition from a pure mechanical engineering specialist to an all-round supplier of digital system solutions.

Customers provide the main stimulus. Highly qualified personnel who think and act in interdisciplinary terms are essential in order to understand their needs and translate them into solutions. Job profiles therefore have to combine different skills. For example, a product manager not only supervises technical product development. He also has to monitor markets, trends and sales strategies. Service technicians are the link and the initial contact for customers after a system has been installed and commissioned. Development engineers creatively translate customers' wishes and ideas into concrete system solutions. Lively interaction and communication make the teams from these fields especially successful. In addition there are many other functions at Atlantic Zeiser in marketing and sales, manufacturing and central services.

Technological leadership commits to continuous further Development: The personnel development programme ensures that all employees are promoted in line with their skills and ambitions. This programme develops not only management, but also specialist technical careers on the basis of a multi-stage model.



PERSOLINE personalises ID, financial and SIM cards at very high speed and reliability using the latest inkjet technology from Atlantic Zeiser. This enables personalisation costs per card to be reduced by up to 90%.

SPECIALISTS

In addition to managerial functions, Atlantic Zeiser's management staff, amounting to some 15% of the total workforce, includes outstanding specialists, e.g. in the fields of development and product management.

Orell Füssli Security Printing



HERTA WEGMÜLLER has been employed in the Inspection Department at OF Security Printing since 1972. Whereas printed banknotes are now examined mechanically, manual inspection is indispensable for Swiss passports.

DIVISION _ OF SECURITY PRINTING

Everyone in Switzerland comes into contact with products from the Orell Füssli Group almost daily – in a literal sense: the roughly 300 million banknotes denominated in Swiss francs which are currently in circulation were all produced by Orell Füssli. Recognised as a leading security printer, the company produces banknotes, identity documents and securities. Orell Füssli also provides printing preparation facilities and consulting services for the technical design of security documents.

Products and markets

Orell Füssli Security Printing operates in three product sectors: banknotes, travel documents and securities. Orell Füssli Security Printing also offers customers a wide range of services in the fields of consulting, product testing and stock-keeping.

Orell Füssli is a leading partner of central banks, governments and official bodies for the development and production of secure, high-quality documents. The company operates worldwide, but the Swiss National Bank (SNB) and departments of the Swiss federal government are its principal customers. Orell Füssli has supplied the SNB with banknotes since 1911 and has printed Swiss passports since 1959. Orell Füssli is sole supplier to the SNB. However, Orell Füssli also supplies security documents to commercial banks and companies in various sectors of industry. These include, for example, the luxury goods industry.

Strategy

In the production of banknotes and identity documents Orell Füssli focuses on customers who demand high standards rather than mass-market products. In the case of banknotes, global competition has been intensified in recent years by cut-price suppliers seeking to gain market share on the basis of price alone. Orell Füssli Security Printing has always focused on customers who set high standards in respect of quality, technology, security, delivery dependability and service.

Competition is especially keen among producers of identity and security documents. New suppliers can enter the market with relatively little capital investment. In this case also, Orell Füssli maintains its strong position with products and services featuring especially high quality and functionality.

Growth areas

Despite the success of plastic cards, the relevance of banknotes as a means of payment will not decline in the foreseeable future. Orell Füssli believes that the demand for banknotes will still continue to increase slightly in the medium term. The growing middle class in emerging economies is a major factor. Here cash plays a larger role as a means of payment, and also in the accumulation of private savings, than in mature markets. Orell Füssli has continued to broaden its customer base in the banknote business in recent years.

THREE PRODUCT SECTORS

Banknotes; travel documents, such as passports, visas and ID cards; securities, such as certificates, cheques, vouchers, toll discs, shares and bonds.

DIVISION _ OF SECURITY PRINTING

New materials and processes are opening up additional growth areas for the company. For example, banknotes are now no longer printed only on paper, but increasingly also on polymer substrates. The production of polymer-based banknotes using ink-conducting intaglio printing is a core competence of Orell Füssli.

SPECIALIST KNOW-HOW

Chemical expertise is also called for at the pre-press stage, for example for the electrolytic production of plates for intaglio printing.

In the segment of identity and security documents, Switzerland's accession to the Schengen Area has opened up further business opportunities for the production of visas. Orell Füssli believes that mobility will continue to increase in the years to come, while security requirements will rise at the same time. Demand will therefore grow for travel documents which ensure high security standards. Customers in other countries benefit from the know-how Orell Füssli has acquired in the Swiss passport project.

Innovation

Orell Füssli Security Printing is well-known for innovative applications of printing processes and technologies. With many years of experience and state-of-the-art equipment, the company also sets trends in precision and quality. Orell Füssli specialists monitor the technology market closely and identify potential applications of new security technologies at an early stage. Orell Füssli helps to shape these trends, continually develops new applications and protects them with patents.

Orell Füssli has an acknowledged track record in the initial application and promotion of new technologies. Specific solutions in security printing are often developed jointly with industrial partners and in close cooperation

with customers. Suppliers of paper or polymer as substrate materials for banknote printing are important innovation partners. Manufacturers of security inks and films also play a crucial role in innovation. Orell Füssli has a high level of IT expertise at its disposal in-house, which is essential for the development of system solutions.

In the travel document sector Orell Füssli Security Printing cooperates closely with Swiss federal government agencies, for example in order to ensure that Swiss passports always conform to the latest state of the art so that they fulfil the growing requirements of the ICAO (International Civil Aviation Organization).

Orell Füssli Security Printing invests continuously in production systems. Only in this way can products be furnished with innovative features and produced efficient in the highest quality.



BANKNOTE PRINTING Skilful processing of paper or polymer, security inks and films gives rise to innovation. The microperforation process with lasers is an example of an innovative first-time application by Orell Füssli.

DIVISION _ OF SECURITY PRINTING

Job profiles and career opportunities

To maintain its position of leadership in security printing it needs employees with different areas of expertise. This is outlined with a selection of functions and assignments.

Marketing and sales operations comprise field and indoor sales activities. Field sales personnel are on the move worldwide, establishing and maintaining contact with customers. Foreign language skills, high motivation and an engaging approach are essential here. Indoor sales draw up quotations based on product specifications and structure customers' orders. The Key Account Manager is the customer's contact and attends to all his requirements in-house at Orell Füssli.

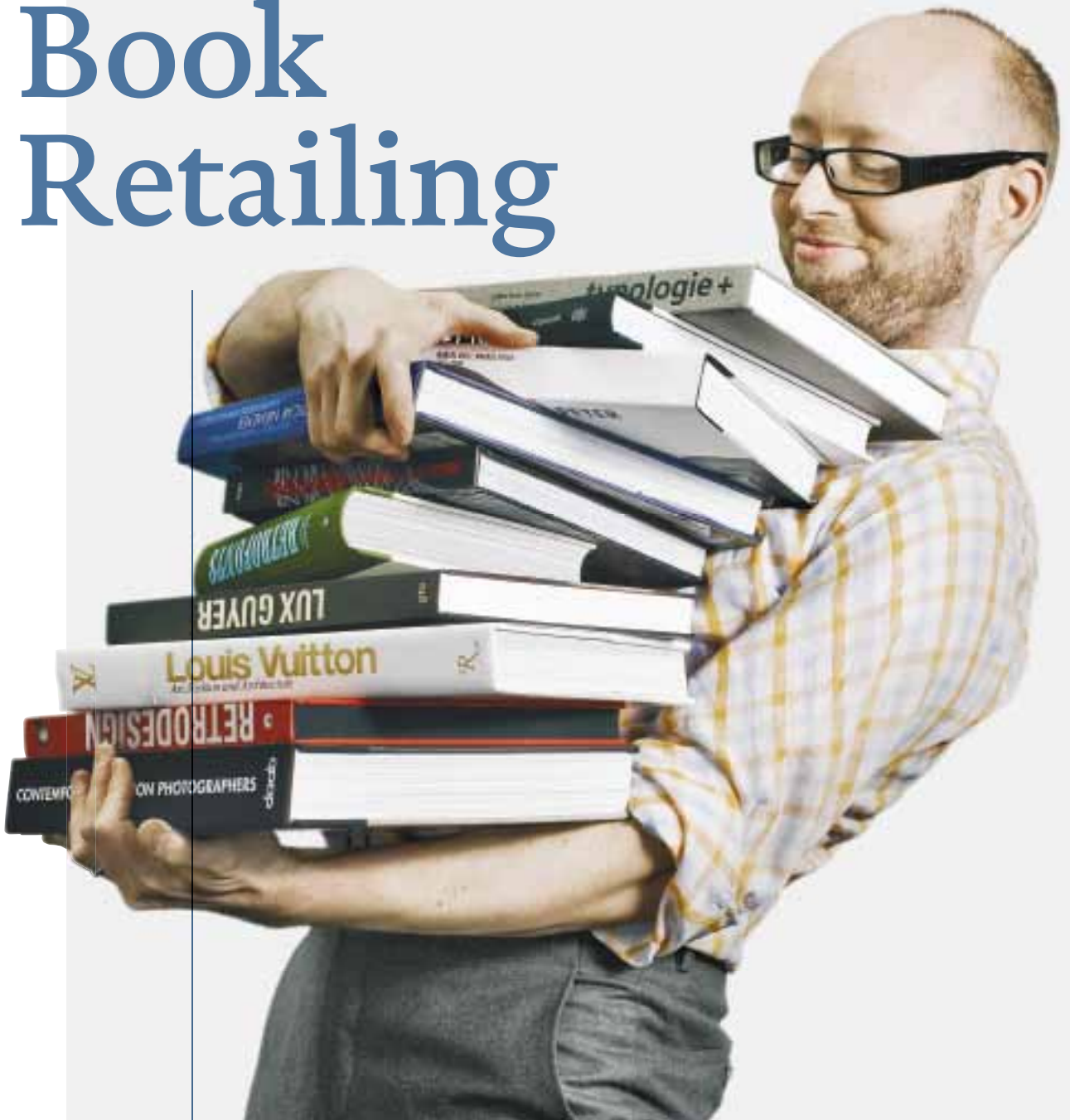
When a new product is developed, further crucial steps have to be completed prior to the printing process. Operations Planning draws up the order specifications as stipulated by the Key Account Manager. Production Scheduling is responsible for optimum planning of the printing processes with the available resources. Purchasing ensures that all the necessary material is purchased at the right time and the best possible price and is ready for use. Logistics is responsible for the correct material being available on the correct production machine at the right time and being stored safely after further processing.

In pre-press operations optimum designs in terms of security technology and the printing tools are produced. This calls for a sound knowledge of image processing on the computer, as well as chemical expertise, for example in the electrolytic production of printing plates for intaglio printing. The different printing processes used when producing security documents call for highly specialised know-how. And finally quality assurance ensures that defective products remain a rare exception.



INTERNATIONAL SCOPE Orell Füssli has a modern machine portfolio and focuses on a demanding clientele worldwide in the security printing market.

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.

Orell Füssli Publishing



NORA WEYERMANN has been creating advertising material at OF Publishing since 2009 – for example, also for the new edition of “Barbapapa”, which she regards as a highlight of Pop Art from the 1970s. What used to be one of her favourite books is now the tops with her own children.

DIVISION _ OF PUBLISHING COMPANIES

Where does the First Lady of the USA meet Globi? In the Orell Füssli publishing companies, which cultivate a wide range of topics for children, young people and adults in their book programmes.

Products and markets

Orell Füssli is a Swiss non-fiction and textbook publisher with a wealth of tradition which focuses on Swiss authors and Swiss topics. The publishing programmes include picture books, standard legal textbooks, management literature, historical series and schoolbooks. The main strength of Orell Füssli's publishing units is on the Swiss domestic market, but increasingly also in other German-speaking countries. The various programmes regularly feature publications which are to be found at the top of bestseller lists. Photoglob is the Swiss market leader in the distribution of picture postcards and road maps.

Strategy

Orell Füssli's publishing companies aim to continue expanding their market position in Switzerland. However, Orell Füssli also aims to gain a firmer foothold in the German market with titles of international relevance. The sector as a whole is exposed to price pressure from the large German publishing groups and margin pressure from book retailing chains. Orell Füssli's publishing companies aim to counteract both factors with an interesting offering of topical titles.

Growth potential/Innovation

The markets served by Orell Füssli's publishing companies are undergoing radical changes, due both to the impact of the Internet on trading activities and to the advance of the e-book, although this has a share of only 1–2% of the total German-language book market. Orell Füssli's publishing units are continuing to focus on the conventional printed book, while at the same time exploiting the potential of the e-book with its promise for the future.

Job profiles

The individual programmes are headed by Programme Managers. Thorough training and a close affinity to the relevant content are essential prerequisites for compiling a programme of new titles twice a year with a sure, steady hand. All Programme Managers also have many years of professional experience in copy editing and guide the copy editors responsible for the various projects. The Production, Marketing/Sales, Advertising, Press Relations and Licensing departments contribute in their turn to producing and publicising attractive books.



CULTURE is when a pig makes a big impression on the feature writers of the "Frankfurter Allgemeine Zeitung" and the "Neue Zürcher Zeitung" and becomes a bestseller: "Johanna on the Train", published by Atlantis and illustrated by Kathrin Schärer.

Orell Füssli Responsibility

A unique history imposes obligations: Orell Füssli devotes sustained entrepreneurial effort to continue writing the group's success story and secure its long-term prosperity. This is why Orell Füssli pursues not only financial, but also ecological and social objectives. A high standard of safety and environmental protection as well fair treatment of personnel are prominent features of its corporate culture.

In the fields of safety and environmental protection Orell Füssli is continuously seeking to raise its existing high standards further. With a targeted training concept the group ensures that all employees have the necessary know-how to make their personal contribution to safety and the careful treatment of the environment.

Occupational safety and health

Strict guidelines for occupational safety and health have long been applicable in Orell Füssli's production operations. They also served as the basis for a respective management system which currently supports their implementation in the production plants. These topics are also firmly established elements of management practice in the bookstores. The sites have been audited by the relevant factory inspectorates and received good ratings. The largest book retailing branches have an evacuation organisation. Accident prevention is a subject of major concern for Orell Füssli. In general, employees should have a working environment which is conducive to their health. Orell Füssli therefore introduced a no-smoking policy at its production premises in Zurich at an early stage and offered all shift-work employees a health check-up. With the assistance of external specialists Atlantic Zeiser has achieved further improvements in noise control and fire safety.

Physical security

The specific industrial requirements applicable to security printing operations are reflected in a correspondingly high standard of security in terms of structural, technical and organisational measures. Orell Füssli reviews the risks and protective measures periodically, both internally and also by external bodies, in the context of a comprehensive monitoring concept. When the production premises were expanded, the security concept was updated technologically to the latest state of the art. An important step in this process was the installation of a new generation of systems. Orell Füssli also applies the relevant criteria,

ENVIRONMENTAL RESPONSIBILITY

specifications and experience gained from security printing in the group's other business units, in accordance with requirements.

Information security

Orell Füssli has drawn up a policy governing information security which is continuously monitored in accordance with internationally recognised methods and standards defined in ISO 17799. External security audits are conducted in order to verify the effectiveness of the protective measures. Atlantic Zeiser has made extensive capital investments to increase process control. The installation of an emergency computer centre enables Atlantic Zeiser effectively to contain the impact of an IT failure on operations in closed-loop control.

TRADE AND INDUSTRY ENERGY AGENCY (ENAW)

Orell Füssli is involved in this initiative of the trade and industry associations aimed at enhancing energy efficiency and reducing CO₂ emissions (visit www.enaw.ch).

Emissions and waste

Orell Füssli reduces emissions to an acceptable minimum, especially in manufacturing operations and property management, by using suitable raw materials and taking extensive technical precautions. Target agreements have been concluded with the authorities regarding emissions of CO₂ und VOC (volatile organic compounds) as well as the enhancement of energy efficiency. CO₂ emissions have been reduced by some 700 tonnes annually through technical measures such as heat recovery and the installation of a gas-fired heating boiler. Industrial sewage is treated and polluted exhaust air is filtered. This prevents the release of environmentally hazardous substances. Materials for disposal are treated and separated by type.

Consumption of resources

Orell Füssli is continually taking appropriate steps to reduce consumption of water, electric power and heating oil. When purchasing equipment, the company pays particular attention in the case of electric drives to the use of motors in energy efficiency class 1 or 2. This has been applied in a number of cases for new equipment and for elevator systems. Orell Füssli utilises waste process heat and systematically analyses energy consumption data. This enables total energy consumption, especially of fossil fuels, to be reduced substantially. As a member of the Swiss printing industry's Energy Model Group, Orell Füssli fulfils the industry association's targets for increasing energy efficiency and reducing CO₂ intensity. Orell Füssli makes its contribution to counteracting climate change through the prudent consumption of resources.

Environmental management system

Orell Füssli's Security Printing Division is certified for compliance with ISO 14001. Orell Füssli also adheres to this standard in the group's other business units.

Orell Füssli regards respectful treatment of employees and responsible personnel policies as crucial success factors. The company seeks to establish sustainable, long-term relationships with employees. It supports individual

SOCIAL RESPONSIBILITY

career development with numerous offerings of internal and external training. Orell Füssli has set itself the target of filling 70% of all management positions with personnel who have qualified appropriately in-house.

Diversity

The equal treatment of all employees and equality of opportunity in personnel development are important values for Orell Füssli. For example, in the Book Retailing Division the proportion of female employees in management (around 80%) is as high as in the workforce as a whole.

Training and development

Training and development are based on the areas of competence which are of decisive importance for the company. They include, for example, Management & Authority, Business Sense, Conceptual Implementation, Self-management and Integrity. These areas of competence are reflected in all management tools. They support management's efforts to cultivate and embody an innovation- and growth-oriented corporate culture. Prospective managers are identified in a structured process by means of annual interviews, personal development plans, "Talent Review Meetings" and "Development Centres". Orell Füssli promotes their development individually by means of further training, project work, coaching and mentoring.

Orell Füssli familiarises newly recruited employees with the company in an introductory programme. In the book retailing business all new employees attend the "OF First" introductory course, at which they are acquainted with basic selling principles, the organisation, contact personnel and the IT system. All future managers are prepared for their assignments in a seminar lasting several days. Regular in-house further training courses are held for members of senior management. Orell Füssli also supports individual further training. Numerous employees attend internal training courses every year. Orell Füssli attaches great importance to in-house personnel development in terms of training apprentices as well as technical and management staff.

Remuneration and occupational pensions

Orell Füssli operates various sector-specific remuneration systems. The divisions allocate a share in profits to their employees on the basis of different models, usually through a variable remuneration element. Senior management receive a variable remuneration element in the context of profit-sharing plans. In book retailing and the printing operations Orell Füssli is a partner in collective labour agreements. Atlantic Zeiser's wage and salary policy is based on collective wage settlements with IG Metall in Germany. Employees in Switzerland are insured in an autonomously managed pension fund with a liquidity ratio of some 105% (2010). This fund is comprehensive, i.e. there is no coordination deduction and only the statutory upper limit is applied. Equal contributions are made by employer and employee.

WELCOME TO ORELL FÜSSLI

In the book retailing business all new employees attend the OF First introductory seminar.

SOCIAL RESPONSIBILITY

Social responsibility

Orell Füssli attaches importance to a uniformly distributed age structure. Personnel fluctuation rates differ from division to division and are in line with industry averages. Orell Füssli seeks to offer attractive employment models. These include part-time work, “home office”, flexible working hours, annual working hours and opportunities for taking unpaid leave. In the Book Retailing Division some 60% of the workforce are part-time employees. Orell Füssli aims to reintegrate employees as rapidly as possible following illness. In cooperation with daily sickness benefit insurers, the company has therefore introduced a system of case management at its Swiss locations.

Orell Füssli encourages employees to hold honorary office wherever possible and offers them support in the form of time credits. A number of employees are engaged in teaching, occupy leading positions in professional bodies and expert groups or hold political office.

ATTRACTIVE EMPLOYER

Orell Füssli offers part-time working models, “home office”, annual working hours and opportunities for unpaid leave.

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