
Short Annual Report 2018

Editorial

Dear shareholder,

Orell Füssli can look back on an eventful year in which structural adjustments were made and work was continued on the longer-term challenges facing the company. Despite an overall decline in net revenue, operating earnings of CHF 20.1 million before special items were 12% higher compared with the previous year (CHF 17.9 million). In the Zeiser Division the decision to focus on the core business of serialising banknotes and security documents was put into effect with the sale of operating units to Coesia S.p.A., thus laying the foundation for the profitable future of the business. In Security Printing the shift in the product mix made itself felt for the first time in 2018 and was countered by the acquisition of new customers and cost optimisation. Book Retailing posted its best result since the launch of the joint venture in 2013 and continued the resolute implementation of the transformation programme.

NET REVENUE

in CHF million

264.9

The Orell Füssli Group posted net revenue of CHF 264.9 million in the 2018 financial year. Operating earnings (EBIT) amounted to CHF 12.0 million, including accumulated special items totalling CHF -8.1 million. Net income at Orell Füssli was depressed mainly by non-recurring, non-cash expenditure in the amount of CHF 54.0 million in connection with the sale of parts of Atlantic Zeiser's business and amounted to CHF -47.2 million. The equity ratio was a solid 66%.

The Zeiser Division underwent a strategic reorientation and change in structure in the past year. With the sale of the card personalisation systems and packaging business segments to an industrial investor with potential for synergy on September 30, 2018, these operations were assured of a sound future. At the same time this provided Zeiser with the required focus on its strategic core, which in addition to its outstanding position on the market is also healthily profitable and has decades of know-how at its disposal in its personnel. As already announced in the course of the year and expected, substantial non-recurring expenditure was incurred in connection with this transaction and the reorientation of the business, the majority of which had no adverse impact on the company's liquidity. We are very confident in our outlook that the foundation for a successful future for Zeiser has been laid.

EBIT BEFORE SPECIAL ITEMS

in CHF million

20.1

At the Security Printing Division, the change in customer structure and in particular the decline in printing volumes for both anchor customers was clearly apparent in 2018. Production volumes were slightly lower than in the previous year, and at the same time important operating parameters were further optimised. The continuous improvement in productivity and reduction of waste reflect the experience acquired over years from the production of new series of banknotes for our two anchor customers. The Swiss National Bank issued a further denomination in the shape of the 200-Swiss franc note in 2018, so that only the 1000- and 100-Swiss franc notes remain to complete the 9th series of banknotes in 2019. The acquisition of orders from third-party customers is proving challenging in the face of a more competitive market environment, but further new customers were impressed by the Orell Füssli Group's offering in 2018. Security Printing will continue to position itself as a supplier of banknotes of the highest quality featuring the finest design technology and seek to establish long-term partnerships going forward. In 2019 the emphasis will be on the wider penetration of the third-party customer market in addition to the adaptation of the structural and process organisation to the changes in market conditions.

Book Retailing made encouraging progress in 2018. Although the market environment continued to be very challenging, Book Retailing reported a slight increase in net income and an improvement in operating earnings to their highest level since the launch of the joint venture in 2013. Concentration on the measures defined in the transformation programme, which was in its third year of implementation in 2018, paid off, especially since work on cost items continued unabated. The www.orellfussli.ch platform proved its value as the basis of an integrated omni-channel strategy, as did the adjustments to the branch portfolio. Alongside the realisation of the two new inner-city branches in St. Gall and Basle, Book Retailing was also able to secure promising new space in Zurich and Pfäffikon. Book Retailing is well positioned to hold its own in a difficult market environment in 2019.

In conclusion, the Board of Directors together with the Executive Board will push on the corporate strategy for the Orell Füssli Group as a whole in 2019. The objective is to lay the foundation for long-term development on the basis of the company's existing strengths which will sustainably position Orell Füssli in times of rapid transformation and major changes and thus live up to the standards of a 500-year-old company.

For the 2019 financial year we foresee a somewhat weaker earnings trend. Due to the structural adjustments made to the business model we expect an improvement in the earnings situation at the Zeiser Division. At Security Printing we continue to expect a potential decline in earnings due to the change in the product mix to lower-margin orders while further improvements are made in operating performance. At Book Retailing we foresee prospects similar to 2018, with the course of Christmas business in 2019 by tradition being the decisive factor for the earnings situation.

The Board of Directors will propose to the Annual General Meeting to be held on May 15, 2019, that a regular dividend of CHF 4.00 per share be paid. In addition, the Board of Directors will propose to the Annual General Meeting on May 15, 2019, that a special jubilee dividend of CHF 2.00 per share be paid on the occasion of Orell Füssli's 500th anniversary.

Dear shareholder, we can look back on a challenging year, during which major changes were completed at Zeiser and Security Printing had to cope with the expected challenges presented by the market. The Board of Directors and the Executive Board will continue to work together to achieve further progress in the strategic development of the company in its jubilee year.

We wish to take this opportunity to express our thanks especially to our customers and our shareholders for their loyalty and the confidence they place in us and the Orell Füssli Group. Thanks also to our employees in all companies for their committed efforts and their determination to move forward together with the company.

Zurich, March 2019



DR. ANTON BLEIKOLM
Chairman of the Board of Directors



MARTIN BUYLE
CEO

BOARD OF DIRECTORS ORELL FÜSSLI HOLDING LTD

Dr Anton Bleikolm	Chairman
Dr Beat Lüthi ¹	Vice Chairman
Dr Caren Genthner-Kappesz	
Dr Thomas Moser ¹	
Peter Stiefenhofer ²	
Dieter Widmer ²	

¹ Member of the Compensation Committee
² Member of the Audit Committee

EBIT
in CHF million

12.0

Key figures

2018

INCOME STATEMENT

<i>in CHF million</i>	2018	2017	2016	2015	2014
Net revenue	264.9	288.5	298.9	279.4	288.1
Thereof Zeiser	50.7	55.9	72.2	52.7	73.9
Thereof Security Printing	112.3	129.8	121.2	117.4	92.7
Thereof Book Retailing	92.2	91.7	94.8	98.8	110.4
Thereof Publishing	10.1	11.1	10.8	10.3	10.8
EBITDA	26.5	28.5	33.1	37.4	21.2
<i>in % Net revenue</i>	<i>10.0%</i>	<i>9.9%</i>	<i>11.1%</i>	<i>13.4%</i>	<i>7.4%</i>
EBIT before special items	20.1	17.9	20.3	21.5	3.0
Thereof Zeiser	-1.2	-2.1	3.9	3.4	2.2
Thereof Security Printing	18.8	20.1	17.4	18.4	-1.0
Thereof Book Retailing	5.0	1.8	1.5	1.8	2.4
Thereof Publishing	-0.3	-0.1	-0.6	-0.4	-0.4
Special items¹⁾	-8.1	-5.3	-1.8	-3.9	1.0
EBIT	12.0	12.6	18.5	17.6	4.0
Thereof Zeiser	-8.5	-6.7	2.0	0.4	2.6
Thereof Security Printing	18.0	20.1	17.4	17.5	-0.6
Thereof Book Retailing	5.0	1.6	2.0	1.8	3.1
Thereof Publishing	-0.3	-0.1	-0.9	-0.4	-0.4
<i>in % Net revenue</i>	<i>4.5%</i>	<i>4.4%</i>	<i>6.2%</i>	<i>6.3%</i>	<i>1.4%</i>
Net income for the period	-47.2	6.4	12.3	12.8	1.7
Net income for the period before extraordinary result	6.9	6.4	12.3	12.8	1.7
Thereof minority interests	2.9	1.6	1.5	1.8	2.2
Net income for the period after minority interests	-50.1	4.8	10.8	11.0	-0.5
<i>Net income in % Net revenue</i>	<i>-17.8%</i>	<i>2.2%</i>	<i>4.1%</i>	<i>4.6%</i>	<i>0.6%</i>

NET REVENUE

in CHF million

264.9

EBIT BEFORE SPECIAL ITEMS

in CHF million

20.1

BALANCE SHEET

<i>in CHF million</i>	2018	2017	2016	2015	2014
Tangible assets	58.6	75.2	77.0	86.9	100.5
Total assets	223.5	229.5	235.9	240.1	256.2
Total equity	148.5	156.2	160.4	159.1	145.8
Thereof minority interests	6.9	10.8	13.8	15.2	14.1
Equity financing ratio	66.5%	68.1%	68.0%	66.3%	56.9%

EQUITY FINANCING RATIO

66.5%

ADDITIONAL KEY FIGURES

	2018	2017	2016	2015	2014
Cash flow from operating activities adjusted ²⁾	23.3	21.4	25.8	32.8	12.6
Investment	10.0	9.5	8.2	12.0	16.7
Free Cash flow	13.3	11.9	17.6	20.8	-4.1
Full time equivalents FTE (annual average)	807.0	867.0	881.0	893.0	982.0
ROCE (NOPAT/Capital Employed)³⁾	4.9%	3.5%	7.1%	8.1%	1.4%

ROCE

4.9%

SHARE FIGURES

<i>in CHF</i>	2018	2017	2016	2015	2014
Year-end share price	87.50	112.80	125.00	112.10	92.75
Profit/Loss per share	-25.56	2.44	5.51	5.63	-0.27
Profit/Loss per share before extraordinary result	2.03	2.44	5.51	5.63	-0.27
Dividend per share	6.00	4.00	4.00	4.00	0.00
Yield on shares	6.9%	3.5%	3.2%	3.6%	0.0%
Dividend payout ratio before extraordinary result	296.2%	164.3%	72.6%	71.1%	0.0%
Price earnings ratio before extraordinary result	43.2	46.3	22.7	19.9	-345.0

DIVIDEND PER SHARE 2018

in CHF

6.00

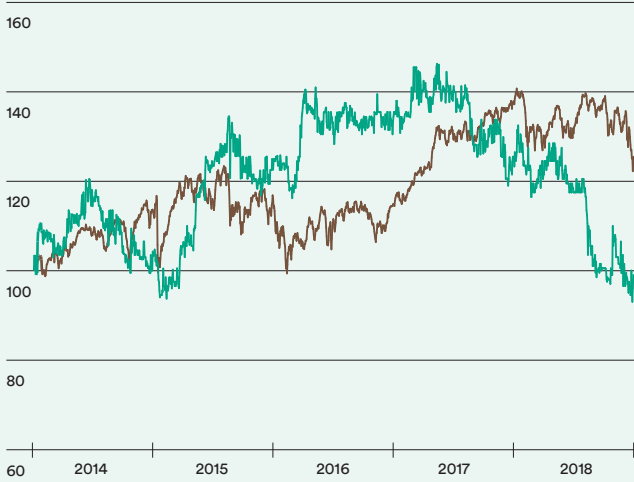
¹⁾ Special items Zeiser: Total: CHF 7,362,000 (personnel CHF 3,487,000, other operating expenses CHF 3,263,000, remaining CHF 612,000)

²⁾ Cash flow from operating activities minus net current assets minus net income for the period minority interests

³⁾ Capital Employed: Average equity plus average interest-bearing liabilities plus average pension fund liabilities

SHARE PRICE DEVELOPMENT

in %



Swiss Performance Index OFN 342 080

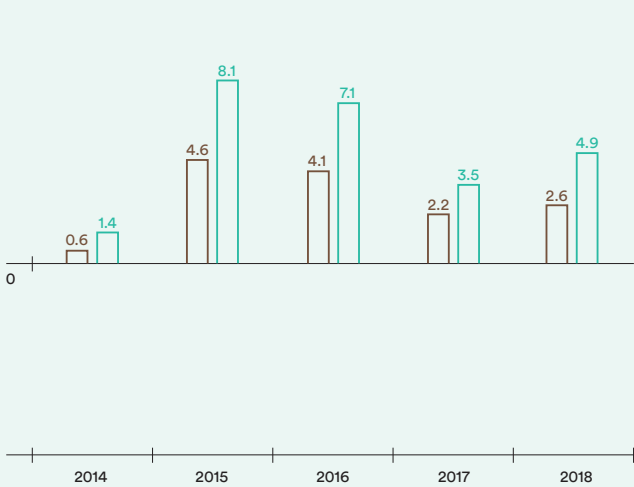
INFORMATION ABOUT DIVIDEND ¹⁾



Dividend per share in CHF Dividend payout ratio in % P/E ratio

RETURN ON SALES (ROS) ¹⁾
RETURN ON CAPITAL EMPLOYED (ROCE)

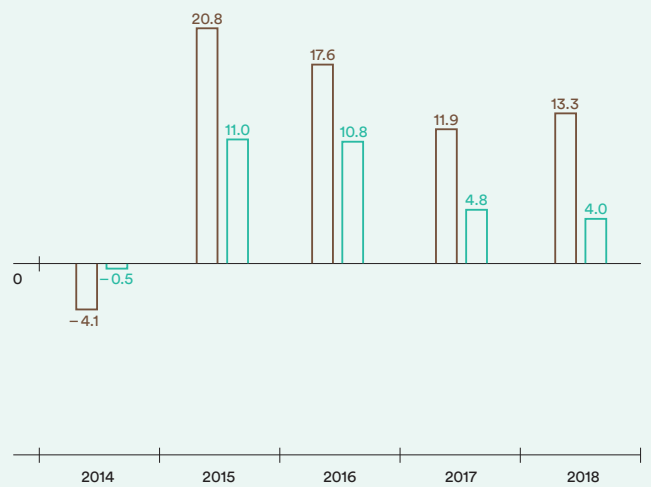
in %



ROS ROCE

FREE CASH FLOW (FCF)
NET INCOME FOR THE PERIOD AFTER MINORITY INTERESTS ¹⁾

in CHF million



FCF Net income for the period after minority interests

¹⁾ In 2018 before extraordinary result

Business in 2018

The Orell Füssli Group posted a decline in net revenue in 2018. This was attributable to lower net revenue at the Security Printing and Zeiser divisions. Operating earnings (EBIT) were unchanged at the previous year's level. After adjustments for special items operating earnings (EBIT) were higher than in the previous year.

Orell Füssli reported net revenue of CHF 264.9 million in the 2018 financial year, equivalent to a decline of some 8% compared to the previous year (CHF 288.5 million). This was mainly attributable to lower outcomes at the Security Printing and Zeiser divisions. Operating earnings (EBIT) before special items amounted to CHF 20.1 million in 2018, representing an increase of some 12% compared to the previous year (CHF 17.9 million). Operating earnings (EBIT) were CHF 12.0 million (CHF 12.6 million in 2017). This figure includes special items amounting to CHF -8.1 million, which originate mainly from expenditure in connection with the restructuring of Zeiser. Net income at Orell Füssli was depressed mainly by non-recurring, non-cash expenditure in the amount of CHF 54.0 million relating to the sale of parts of Atlantic Zeiser's business and amounted to CHF -47.2 million.

Shareholders' equity including minority interests declined from CHF 156.2 million to CHF 148.5 million. The equity ratio was 66.5% (68.1% in 2017).

SEGMENTAL RESULTS

<i>in CHF thousand</i>	2018	2017	2016	2015	2014
Division Zeiser (until 2017 Atlantic Zeiser)					
Net revenue from sales to customers	50,708	55,850	72,198	52,670	73,929
Operating earnings before special items	-1,162	-2,062	3,892	3,369	2,234
Operating earnings (EBIT)	-8,524	-6,723	1,958	369	2,598
Division Security Printing					
Net revenue from sales to customers	112,318	129,845	121,183	117,446	92,689
Operating earnings before special items	18,767	20,145	17,432	18,427	-992
Operating earnings (EBIT)	18,020	20,145	17,432	17,514	-643
Division Book Retailing					
Net revenue from sales to customers	92,171	91,673	94,776	98,832	110,366
Operating earnings before special items	4,970	1,971	1,550	1,820	2,384
Operating earnings (EBIT)	4,970	1,587	2,022	1,820	3,080

Zeiser Division

The Zeiser Division reported net revenue of EUR 43.9 million in the 2018 financial year. The decline of some 12% compared to the previous year (EUR 50.2 million) was due to the absence of the business segments sold in the final quarter of the year under review. Operating earnings (EBIT) before special items amounted to EUR -1.0 million, an improvement on the previous year's outcome (EUR -1.8 million). Operating earnings (EBIT) in 2018 amounted to EUR -7.4 million (EUR -6.0 million in 2017) due to special charges following the sale of parts of Atlantic Zeiser's business.

NET REVENUE ZEISER

in EUR million

43.9

When comparing the financial statistics for 2018 with the equivalent historical figures it should be borne in mind that the Zeiser Division's business activities underwent fundamental changes in the year under review. Until September 30, 2018, these comprised the business segments of banknote serialisation, card personalisation systems and packaging. Since the sale of activities in the business segments of card personalisation systems and packaging together with the holding in Tritron GmbH to the Italian Coesia Group the division has focused exclusively on the former banknote serialisation business segment since October 1, 2018.

The parts of Atlantic Zeiser's business sold to Coesia generated net revenue of approx. EUR 26 million up to September 30, 2018, with negative operating earnings.

With effect from October 1, 2018, the Zeiser Division has been focused on the core activity of serialising banknotes and security documents and has adjusted all business processes accordingly. By taking this step, Zeiser is concentrating on the company's profitable core with a strong position on international markets and a long-standing tradition. In the case of the core product of numbering systems Zeiser controls the entire value chain from design through manufacture, assembly, marketing and sales, to after sales services. The serialisation of passports and security documents forms a further field of operations, where laser and chip programming as well as digital inkjet printing are utilised in addition to the above-mentioned technologies. Zeiser cooperates with technology partners for these applications.

In the context of its reoriented business activities the company succeeded in acquiring several large projects in the course of 2018. In particular, new projects in the field of passport personalisation were secured in the second half of 2018 after prolonged reluctance to invest on the part of customers. This resulted in a large order backlog at year-end, which ensures a firm workload for the initial months of 2019. Breakeven operating results were already generated in the final quarter of 2018. Segregating Zeiser's field of operations from overall business activity in 2018 results in isolated net revenue of EUR 17.9 million, equivalent to approx. 41% of total net revenue for 2018. Future sales potential for the company is foreseen at some EUR 20 million with clearly positive earnings.

Following the clear strategic reorientation of the Zeiser Division in the year under review, the focus in 2019 will be on the sustained implementation of the new business processes and the organisation. Alongside maintaining and expanding the company's dominant market position, cost structures are to be optimised and business opportunities offering synergies pursued.

Security Printing Division

The Security Printing Division posted net revenue of CHF 112.3 million in 2018, a reduction of some 13% compared to the previous year (CHF 129.8 million). The decline in net revenue was attributable to changes in the product mix and lower order intake. Operating earnings (EBIT) before special items amounted to CHF 18.8 million (CHF 20.1 million in 2017). Further operating improvements in terms of productivity and waste levels, as well as a reduction in fixed costs compared to the previous year, were unable to offset in full the decline in gross income due to changes in the product mix. Operating earnings (EBIT) of CHF 18.0 million were some 11% lower than in the previous year (CHF 20.1 million). This figure includes exceptional expenditure in connection with optimisation and strategy analyses (CHF -0.8 million).

In 2018 the Security Printing Division reported a workload-related reduction in output of some 5% compared to the previous year. Production volumes for its two anchor customers were lower for the first time since 2014. This was mainly attributable to the fact that the issue of new series of banknotes was either already complete or approaching its conclusion and thus order volumes were gradually adjusting again to a normal level. This effect was partially offset by the acquisition of new orders from third-party customers for production in 2018 and subsequent years. Overall, several third-party customers with attractive volumes of banknotes were won over by the company's qualities in the year under review. In addition, market-related cooperation with Landqart Ltd commenced and is to be further intensified in the years to come. However, successfully positioning ourselves as a supplier of high-quality and at the same time economically attractive banknotes remains a challenging task in the medium term in a keenly competitive market environment.

The high-quality series of banknotes featuring unique security technology are proving their worth in circulation. The Swiss National Bank issued a further new denomination in the shape of the 200-Swiss franc note in the summer of 2018. The issue of Switzerland's new series of banknotes will conclude in 2019 with the 1000- and 100-Swiss franc notes. The progressive issue process significantly reduces development expenditure for the new series of banknotes. Resources that are released will in future be applied to the

NET REVENUE SECURITY PRINTING

in CHF million

112.3

formation of strategic partnerships and the acquisition of new customers. The experience gained since the initial issue of the new series of banknotes has enabled the manufacturing process to be further optimised continuously and quality to be significantly enhanced. Alongside the stabilisation of the manufacturing process, machine speeds have been increased. These steps resulted in a year-on-year improvement in productivity of some 5% overall. Further potential exists in the optimisation of setup processes and the reduction of downtimes. No major investments in production machines were made in the year under review. Attention was focused on the selective updating and implementation of improvements in security – on systems, on the infrastructure and in the building.

For the Security Printing Division 2019 will be dominated by a further significant increase in the volume of third-party orders acquired as well as the economically optimal alignment of the company to the expected shift in the product mix.

Book Retailing Division

The Book Retailing Division posted pro rata consolidated net revenue of CHF 92.2 million in the 2018 financial year, slightly higher than a year earlier (CHF 91.7 million). Operating earnings (EBIT) were not depressed by special items in 2018 and increased sharply in the year under review compared to the previous year to CHF 5.0 million (CHF 1.6 million in 2017). This positive trend was attributable mainly to a further improvement in the cost structure compared to the previous year.

NET REVENUE BOOK RETAILING

in CHF million

92.2

In the year under review the Book Retailing Division reported a slight increase in net revenue compared to the previous year for the first time in 10 years. This was despite continued adverse market conditions in the Swiss book trade, which again suffered a 1.0% decline in sales on a comparable basis in 2018 (-2.9% in 2017). The Book Retailing Division resisted this general trend with numerous measures in the past year and increased its market share. On the basis of comparable selling space, growth in net revenue amounted to 2.1% (-2.0% in 2017). Growth in the digital and online mail order business continued in 2018.

The pleasing trend in net revenue and operating earnings shows that the transformation programme launched in 2015 and resolutely implemented since then is bearing fruit. Steps such as ongoing work on the bricks-and-mortar product range and the expansion of customer loyalty programmes such as the “Young Circle”, a community for a younger readership, made a considerable contribution to the continuing positive trend relative to the market environment. In addition, the unification of the online brands at www.orellfussli.ch, completed in 2017, also had a favourable impact. With regard to expenditure the main focus of attention remained on increasing productivity per unit of space and optimising indirect costs. The merger of the activities of Orell Füssli with Delivros in the business customer segment agreed in the 2018 financial year boosted our presence in this important market segment. This transaction was completed in January 2019.

The bricks-and-mortar branch portfolio was reinforced in several places by relocations and new openings. New sites offering improved profitability were occupied in the inner cities of Basle and St. Gall. Orell Füssli was also able to secure new branch premises in attractive locations on Europaallee in Zurich and in the Seedamm Center in Pfäffikon. These moves will be implemented in the current financial year.

The emphasis for the Book Retailing Division in 2019 will be on the profitable expansion of market share across all sales channels. The continuing resolute pursuit of transformation activities will provide the basis for this.

Publishing

Net revenue at Orell Füssli Publishing in 2018 was 9% lower than the previous year’s figure. While total sales of legal media and educational media remained stable, there was a steep decline in the non-fiction and children’s book segments. In non-fiction, lower sales figures had been expected as a result of focusing the

programme on fewer titles. In children's books the "atlantis" and "OF Children's Book" segments delivered satisfactory figures. Unfortunately, Globi Publishing posted lower sales for the first time after years of steady growth.

Important new publications in the non-fiction segment were "Erbsünde", a Vatican exposé by Gianluigi Nuzzi, and "Eure Gesetze interessieren uns nicht" by Shams Ul-Haq, a reportage on Muslim radicalisation. Among the numerous new children's book titles, the sales figures of "Globi und die Demokratie" and "Papa Moll zieht um" in autumn were outstanding, as well as "Richtig giftig" by Lorenz Pauli and Claudia de Weck. The programme range in educational media was expanded especially in the subject field of mathematics, by the follow-up volumes on "Algebra" and by the new "Stochastik" teaching aid. Legal media supplemented and updated their "Repetitorien", "Übungsbücher" and "Kommentare" series, and the house website "navigator.ch" was also rewritten.

**NET REVENUE
PUBLISHING**

in CHF million

10.1

Personnel

Frank Egholm, CEO of Orell Füssli Thalia Ltd, left the company on January 12, 2018.

Pascal Schneebeil, previously CFO of Orell Füssli Thalia Ltd, was appointed as his successor.

Dr Dieter Sauter, Co-Head of the Security Printing Division, left the company on October 1, 2018.

**ORELL FÜSSLI HOLDING LTD, GROUP MANAGEMENT
(AT 31 DECEMBER 2018)**

Martin Buyle	CEO
Beat Müller	CFO
Peter Crottogini	Head of Human Resources
Dr Daniel Broger	Head of Corporate Development

Condensed Financial Report 2018

Financial statements of the Orell Füssli Group

Consolidated income statement

<i>in CHF thousand</i>	2018	2017
Net revenues from sales to customers	264,867	288,502
Other operating income	3,930	4,599
Changes in inventories of semi-finished and finished products, capitalised costs	5,540	-2,071
Total operating income	274,337	291,030
Cost of materials	-106,648	-119,792
External production costs	-10,781	-10,065
Personnel expenditure	-82,198	-83,189
Other operating expenses	-48,165	-49,478
Depreciation and impairment on tangible assets	-13,677	-15,086
Depreciation and impairment on intangible assets	-878	-777
Earnings before interest and taxes (EBIT)	11,990	12,643
Financial income	1,341	1,764
Financial expenses	-2,014	-1,022
Financial result	-673	742
Extraordinary result	11,317	13,385
Extraordinary result	-54,035	-
Earnings before income taxes (EBT)	-42,718	13,385
Income tax expenses	-4,447	-6,989
Net income for the period	-47,165	6,396
Attributable to the shareholders of Orell Füssli Holding Ltd.	-50,067	4,771
Attributable to minority interests	2,902	1,625

<i>in CHF</i>	2018	2017
Earnings per share	-25.56	2.44
Diluted earnings per share	-25.56	2.43

Consolidated balance sheet

<i>in CHF thousand</i>	31.12.2018	31.12.2017
Assets		
Cash and cash equivalents	99,994	85,961
Marketable securities	–	358
Trade accounts receivable	22,573	19,843
Other receivables	17,518	11,329
Inventories	21,089	32,250
Current income tax receivables	291	1,530
Accrued income and deferred expenses	3,368	3,032
Total current assets	164,833	154,303
Tangible assets	49,114	64,560
Intangible assets	2,391	2,199
Financial assets	2,535	2,535
Deferred tax assets	16	5
Other non-current financial assets	4,567	5,869
Total non-current assets	58,623	75,168
Total assets	223,456	229,471
Liabilities		
Trade payables	7,261	9,282
Other current liabilities	42,030	36,346
Current income tax liabilities	4,224	4,423
Accrued expenses and deferred income	11,369	16,171
Current financial liabilities	–	1,170
Current provisions	4,306	1,025
Total current liabilities	69,190	68,417
Non-current financial liabilities	1,635	2,455
Pension fund liabilities	99	316
Non-current provisions	2,703	305
Deferred tax liabilities	1,326	1,780
Total non-current liabilities	5,763	4,856
Share capital	1,960	1,960
Capital reserves	4,176	4,212
./. Own shares	–162	–124
Retained earnings	139,575	155,226
Translations differences	–3,955	–15,842
Total equity before minority interests	141,594	145,432
Minority interests	6,909	10,766
Total equity	148,503	156,198
Total liabilities	223,456	229,471

Consolidated cash flow statement

<i>in CHF thousand</i>	2018	2017
Net income for the period	-47,165	6,396
Change in employee equity incentive plans	-36	-38
Depreciation	14,237	14,930
Impairment and amortisation	318	933
Non-cash related result from disposals of part of the Atlantic Zeiser Group	52,981	-
Other non-fund related income and expenses	1,313	-1,546
Change in trade accounts receivable	-11,996	6,332
Change in inventories	9	6,238
Change in other receivables	-6,978	10,024
Change in trade payables	-66	-9,413
Change in other liabilities	9,335	3,163
Change in accrued income and deferred expenses	-343	-30
Change in accrued expenses and deferred income	-294	36
Change in provisions and deferred income tax	5,176	2,373
Cash flow from operating activities	16,491	39,398
Purchase of tangible assets	-9,029	-8,246
Proceeds from disposals of tangible assets	20	323
Purchase of intangible assets	-921	-1,187
Disposals of part of the Atlantic Zeiser Group	18,715	-
Purchase of other financial assets	-	-2,150
Purchase of other non-current assets	-3	-56
Proceeds from disposals of other non-current assets	235	9
Cash flow from investing activities	9,017	-11,307
Increase of financial liabilities	-	47
Repayment of financial liabilities	-1,155	-
Purchase of company's own shares	-38	-125
Reduction of share capital (Orell Füssli Buchhandlungs Ltd, minority interest)	-	-2,401
Dividends paid to minorities (Orell Füssli Buchhandlungs Ltd, Tritron GmbH)	-1,591	-2,679
Dividends paid	-7,835	-7,836
Cash flow from financing activities	-10,619	-12,994
Translations differences	-856	907
Increase in cash and cash equivalents	14,033	16,004
Cash and cash equivalents at 1 January	85,961	69,957
Cash and cash equivalents at 31 December	99,994	85,961

Consolidated statement of changes in equity*in CHF thousand*

	Share capital	Capital reserves	Own shares	Retained earnings and net income	Goodwill offset with equity	Translation differences	Equity before minority interests	Minority interests	Total equity
Equity at 1 January 2017	1,960	4,250	-56	228,474	-70,183	-17,903	146,542	13,814	160,356
Dividends paid	-	-	-	-7,836	-	-	-7,836	-2,679	-10,515
Reduction of share capital	-	-	-	-	-	-	-	-2,401	-2,401
Employee equity incentive plans	-	-38	-68	-	-	-	-106	-	-106
Currency translation effects	-	-	-	-	-	2,061	2,061	407	2,468
Net income for the period	-	-	-	4,771	-	-	4,771	1,625	6,396
Total Equity at 31 December 2017	1,960	4,212	-124	225,409	-70,183	-15,842	145,432	10,766	156,198
Equity at 1 January 2018	1,960	4,212	-124	225,409	-70,183	-15,842	145,432	10,766	156,198
Disposals of Tritron GmbH and Tritron USA	-	-	-	-	-	-	-	-5,169	-5,169
Dividends paid	-	-	-	-7,835	-	-	-7,835	-1,591	-9,426
Disposal of goodwill in equity	-	-	-	-	42,251	-	42,251	-	42,251
Disposal of foreign exchange in equity	-	-	-	-	-	12,255	12,255	-	12,255
Employee equity incentive plans	-	-36	-38	-	-	-	-74	-	-74
Currency translation effects	-	-	-	-	-	-368	-368	1	-367
Net income for the period	-	-	-	-50,067	-	-	-50,067	2,902	-47,165
Total Equity at 31 December 2018	1,960	4,176	-162	167,507	-27,932	-3,955	141,594	6,909	148,503

At At the ordinary general meeting held on 15 May 2019, a dividend of CHF 11,760,000 (CHF 6.00 per share; dividend of CHF 4.00 plus 500 year anniversary dividend of CHF 2.00) will be proposed.

Available liquidity as of the balance sheet date was as follows:

Liquidity reserves and credit facilities*in CHF thousand*

	31.12.2018	31.12.2017
Cash and cash equivalents	99,994	85,961
Prepayments PoC / from customers	-37,741	-31,628
Other financial assets / liabilities	-1,635	-3,625
Cash and cash equivalents net	60,618	50,708
Thereof assigned to other shareholders	8,562	11,315
Disposable cash and cash equivalents	52,056	39,393
Available lines of credit	66,825	83,200
./. Secured guarantees by banks (without prepayment guarantees)	-1,018	-3,258
./. utilised credit facilities	-	-1,170
Total disposable cash and cash equivalents and unused lines of credit	117,863	118,165

As well as the committed credit facilities in local currencies, sufficient funds should also be available to conduct ordinary business activities in the future.

Financial statements of Orell Füssli Holding Ltd

Income statement

in CHF thousand

	2018	2017
Income from investments	11,510	12,938
Other operating income	4,827	3,298
Total operating income	16,337	16,236
Personnel expenditure	-2,756	-2,182
Operating lease expenses	-66	-69
Marketing	-894	-
Administration expenses	-2,341	-2,353
Other operating expenses	-49	-54
Depreciation and impairment	-24	-81
Earnings before interest and taxes	10,207	11,497
Financial income	1,033	1,254
Financial expenses	-133	-141
Financial result	900	1,113
Net operating income before extraordinary income and expenses	11,107	12,610
Extraordinary expenses	-2,700	-7,634
Earning before taxes (EBT)	8,407	4,976
Income tax expenses	-	-
Net income for the period	8,407	4,976

Balance sheet

<i>in CHF thousand</i>	31.12.2018	31.12.2017
Assets		
Cash and cash equivalents	14,539	15,612
Trade receivables from consolidated companies	2,912	1,220
Other current receivables from third parties	13	10
Other current receivables from consolidated companies	38,157	37,945
Accrued income and deferred expenses	489	24
Total current assets	56,110	54,811
Loans to consolidated companies	28,692	30,292
Other financial assets	2,150	2,150
Participations in related companies	50	50
Participations in consolidated companies	58,368	58,468
Tangible assets	27	51
Intangible assets	67	-
Total non-current assets	89,354	91,011
Total assets	145,464	145,822
Liabilities		
Trade payables to third parties	178	273
Trade payables to consolidated companies	7	15
Short term interest-bearing liabilities to consolidated companies	-	805
Other current liabilities	53	122
Accrued expenses and deferred income	1,210	1,125
Total current liabilities	1,448	2,340
Provisions for restructuring	130	130
Total non-current liabilities	130	130
Share capital	1,960	1,960
./. Own shares	-162	-124
Legal profit reserve	11,142	11,142
Retained earnings	122,539	125,398
Net income for the period	8,407	4,976
Total equity	143,886	143,352
Total liabilities	145,464	145,822

CONTACT FOR INVESTOR RELATIONS

phone + 41 44 466 72 73

fax + 41 44 466 72 80

e-mail investors@ofh.ch

www.ofh.ch