Annual Report 1997, Jelmoli Holding Ltd, Zurich

1997

THE JELMOLI GROUP AT A GLANCE

in CHF millions (mio.)	1997	1996	Change from previous year[7] non-adjusted	comparable
Total Turnover, Group	**1485**	**1886**	–21.3%	+5.2%
Operating Income, Group	**60.3**	**14.0**	+46.3 mio.	
Ordinary Income, Group	**70.2**	**10.2**	+60.0 mio.	
Consolidated Income, Group after minority interests	**61.4**	**45.1**	+16.3 mio.	
Sales area in 1000 m^2 ø p.a.	83	–[6]	–[6]	
No. of retail locations [1] 31.12	371	399	–28	
No. of employees [2]	2981	4573	–34.8%	
Turnover per employee	0.498	0.412	+20.9%	
Jelmoli AG (department stores/mail order)				
Total turnover	228	647	–64.8%	+7.5%
Turnover mail order [3]	–	77	–	
Sales area in 1000 m^2 ø p.a.	22	–[6]	–[6]	
CHF turnover in 1000 CHF / m^2	10.4	–[6]	–[6]	
No. of retail locations[4]	20	18	+2	
No. of employees ø p.a.	800	2349	–65.9%	
Turnover per employee	0.285	0.275	+3.6%	
Dipl. Ing. Fust AG				
Turnover	580	520	+11.6%	+11.1%
Sales area in 1000 m^2 ø p.a.	55	54	+1.9%	
CHF turnover 1000 CHF / m^2	10.5	9.6	+9.0%	
No. of retail locations [4]	247	245	+2	
No. of employees ø p.a.	1136	1089	+4.3%	
Turnover per employee	0.511	0.478	+6.9%	
Imholz Reisen AG (Travel Group)				
Turnover	579	625	–7.5%	+0.3%
No. of sales points	60	60	–	
No. of employees ø p.a.	603	667	–9.6%	
Turnover per employee	0.959	0.937	+2.4%	
Other companies (turnover)				
Kochoptik AG	20	19	+3.4%	+4.8%
Terlinden Jelmoli Textilpflege AG[5]	16	18	–10.7%	+3.8%
Appleseed's Inc. Beverly MA USA	62	57	+9.5%	–5.3%

1 Includes 0 (1996: 15) stores located abroad, 32 (1996: 47) Terlinden-Jelmoli sales outlets and 12 Kochoptik stores (1996: 14)

2 Average number of full-time equivalent employees during the year, including 224 (1996: 230) employees abroad, 138 (1996: 150) Terlinden-Jelmoli employees and 70 (1996: 74) Kochoptik employees and 10 employees Holding (1996: 14)

3 Jelmoli Mail Order AG 1997 equity consolidation 1997

4 Jelmoli includes 10 fashion bazaars (1996: 8); Fust indicates division stores

5 before 1.9.1997 Terlinden-Jelmoli Reinigungen AG

6 Not inclusive due to restructuring 1997/1996

7 Calculated to precise figures

1997 – 102nd ANNUAL REPORT

of the Jelmoli Group and Jelmoli Holding Ltd, Zurich
(translated from the German)

BUSINESS YEAR 1997 – 5-YEAR OVERVIEW OF THE GROUP

REPORTS FROM THE SECTORS

CONSOLIDATED FINANCIAL STATEMENT

FINANCIAL STATEMENT OF JELMOLI HOLDING LTD

BOARD OF DIRECTORS – AUDITORS – PROPOSALS

MANAGEMENT, BUSINESS ADDRESSES

DEAR CUSTOMERS AND EMPLOYEES,
DEAR SHAREHOLDERS

A bountiful first harvest.
Expectations exceeded
With a Group profit of CHF 61.4 after minorities, the annual income target of CHF 50-60 million set twelve months ago for 1997 or 1998 has already been exceeded in only one year.

High value-added thanks to holding structure
In its role of Group leader and strategic architect, Jelmoli Holding Ltd is responsible for filling senior executive management positions and for coordinated resources procurement and utilization. With realization of the holding structure, Group-wide value-added enhancement has been in progress for three years now. Since the change of main shareholder, this has been intensified on a profitability-oriented basis with simultaneous streamlining and reinforcement of corporate and independent divisional management. After the most comprehensive restructuring in Jelmoli's history, the 1997 operating result clearly shows the first fruits of these structural and operative achievements as illustrated schematically below. Thanks to dynamic finance management, Group profitability has been additionally improved by higher financial income. This fruitful value-added enhancement process will be continued to the benefit of our customers, employees and shareholders. Profitability for the current year is likely to significantly exceed that of 1997.

Goals of the revitalized Jelmoli Group
The Jelmoli Group today is a modern, future-oriented retailer and services provider focused on the end-user. The Group is extremely well positioned, with a profitable portfolio of dynamically managed companies who are market leaders in intact growth fields. Chief priorities for 1998 and 1999 will be the consolidation and optimization of these firm foundations. Our long-term strategy aims at sustainable corporate development on this solid basis for rising long-term profitability.

STRATEGIC DEVELOPMENT OVER THE LAST 10 YEARS

1988 → 1992 → 1995 → 1997 →

Classical department store chain (D)

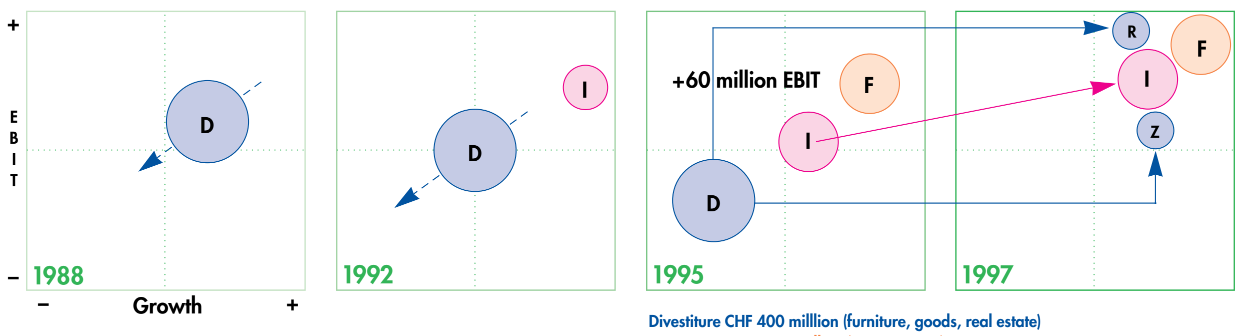
Store conversion into «worlds» concept
– high investment
– qualitatively successful

← - - - Longest and most serious recession so far in retail trading - - - →

Negative trend after 20 years without innovation

● Traditional departement store concept endangered
● New Jelmoli «worlds» concept
● Diversification in growth activities
▲ Acquisition of Imholz Travel (I)

❖ Poor financial profitability
❖ Divestitures in department store business
❖ Jelmoli Zurich (Z) becomes a standalone store
❖ All other sales floor areas rented out (to Globus et al)
❖ Real estate/shopping centre business (R) management
▲ Concentration of the European travel sector
▲ ITV
Joint venture Imholz-TUI-Vögele
❖ Acquisition of Fust (home electr. and domestic appliances) (F)



Circle size = turnover

EBIT = operating result

Divestiture CHF 400 milllion (furniture, goods, real estate)
Investments CHF 200 million (50% Fust AG)

Strategic development
Our development strategy envisages continuous expansion of first-class positions among our core divisions, also exploiting other expandable activities such as the Jelmoli Customer Card. The emphasis in Group development strategy will be on profitability rather than rapid growth. Optimization of the corporate portfolio and profitable investment of our substantial financial resources will remain parallel targets. All interesting possibilities within this framework will be continuously examined and exploited decisively whenever appropriate.

1997 brought no general recovery in retail business
After a difficult year in 1996, the retail sector expected a modest recovery for 1997. Unfortunately these hopes have again been dashed on the whole, although there are signs of a slight recovery in consumer purchasing.
In spring 1997 the Swiss Federal Bank relaxed its restrictive monetary policy, which led to a reduction of interest rates and thus weakened the Swiss franc significantly compared with main currencies. With a delay of several months, the positive results of this can now be seen: Swiss exports are rising to some extent, and even more important, profit margins on export trading are no longer inadequate on the whole. In other words Switzerland has become competitive again in global markets, and with rising profitability, Swiss companies are ready to make investments again. Nevertheless, the national economy has not picked up as yet and since real income is practically stagnant, retail trading turnover is not likely to grow much at the present time.

Jelmoli retail companies well above the market average
As shown impressively by the highlights outlined below, practically all Jelmoli Group retail companies fared significantly better than the retail trade as a whole in 1997. This not only applies to turnover, but also to profitability, and the trend has continued during the first months of 1998.

Peter Leumann Walter Fust

Jelmoli AG: encouraging profitability
Thanks to complete realignment of Jelmoli AG through the following fundamental measures, our ambitious targets have been exceeded:
– Concentration on the Jelmoli Zurich store
– All other store properties rented out to new operators
– Joint venture with Heine in mail order business

On the healthy new basis achieved by restructuring, Jelmoli AG turnover for 1997 reached CH 228.1 million (7.5% higher than previous year on a comparable basis). Operating income for 1997 likewise improved by CHF 46.0 million to CHF 32.4 million.
The growing popularity of Jelmoli Zurich with its shop-in-shop concept has exceeded expectations, and the excellent market position is being further improved with a better Jelmoli range. During 1998 the slight current improvement in consumer purchasing is expected to continue slowly, and the liberalization of shop opening times in Zurich will bring additional sales impetus.
Jelmoli Real Estate during 1997 was fully occupied with retail-optimized management of department stores and shopping centre locations rented out to new operators. Long-term rentals have now been secured for 99 percent of Jelmoli properties. Together with turnover-linked and guaranteed minimum rental clauses, this ensures the ongoing stability of rental yield in future. The rise in consumer purchasing, possibly higher inflation rates and in particular positive turnover development among tenants indicates a further growth in yield.
The Jelmoli AG result for 1997 includes those of the Molino restaurants and fashion bazaars (cf. p. 14).

Fust Speciality and Euro-Markets: stable earnings

Dipl. Ing. Fust AG turnover for 1997 totalled CHF 580.5 million, 11.6 percent higher than the previous year. Operating income amounted to CHF 34.8 million compared with CHF 31.4 million for 1996, and profitability was retained despite a more difficult market. Turnover in domestic appliances exceeded the market average by about ten percent, while kitchen/bathroom business turnover followed the market trend. Consumer electronics turnover exceeded the market average by far – thanks to aggressive sales campaigns, product range and price management. In 1997 the *EURO*FUST concept was launched with an extended range at four locations each with about 1000 m^2 sales floor area. The new Fust shopping centre «Birchi» opened during 1997 in Zuchwil/SO also incorporates other retailer outlets. In the Jelmoli Zurich store, the music department was transferred to CD Mega Store. 1998 will be a year of expansion in consumer electronics, and eight new *EURO*FUST markets are to be opened.

Imholz Travel Group integrates into ITV joint venture

Imholz Travel Group turnover for the past business year (November 1, 1996 to October 31, 1997) totalled CHF 578.5 million after divestiture of some non-strategic activities, a 7.5 percent reduction compared with the previous year. On a comparable basis this represents a slight increase of 0.3 percent in turnover, which is less than the market average because Imholz participated only selectively in price-cutting competition. Nevertheless, this policy has paid off handsomely by more than doubling operating income to CHF 7.8 million from CHF 3.9 million in the previous year.

The three travel companies Imholz, TUI (Suisse) and Vögele Reisen are merging their activities in Switzerland per 1.11.97 to form two integrated joint-venture companies under a common executive management. The tour operations company formed within the framework of this joint venture is known as ITV (Imholz-TUI-Vögele) Reisen AG (one third Jelmoli-owned). The separate company Imholz Vertriebs AG (two thirds Jelmoli-owned) operates the existing travel office chain for Imholz Travel.

After approval of this joint venture by the cartel authorities, the operative and legal aspects of contractual implementation are now in realization.

The opportunities opened up by this joint venture for profitability growth, higher turnover and market leadership are extremely promising, since the recognized marketing strengths of Imholz Vertriebs AG with well-positioned travel agencies throughout Switzerland, the direct-sales strengths of Vögele, and the outstanding purchasing position of TUI in tour operations business will more than complement each other. In fact the ITV joint venture brings substantial advantages for customers, employees and all associated companies.

1998 will be a year of implementation for the ITV joint venture (Imholz-TUI-Vögele), which has made a good start on the way to reaching its goals.

Other activities

Terlinden-Jelmoli Textilpflege AG, restructured and renamed after the divestiture of work clothing leasing business, and Kochoptik AG upheld their results for 1997. The US mail order subsidiary J. Appleseed's divested its fashion shops at the end of 1997 and merged both catalogues into one. After a further loss in 1997 a return to profitability is expected in the current year.

Group result for 1997

Jelmoli Group turnover for 1997 totalled CHF 1 485.0 million. Due to ongoing structural changes in our activities, this is not comparable with turnover for 1996. Comparable turnover rose by 5.2 percent as against the previous year, with a particularly steep rise in the second half of 1997. The Jelmoli Group companies have thus fared far better again than the non-food retail trading index.

Ordinary income for 1997 rose to CHF 70.2 million as against CHF 10.2 million in the previous year. Net nonoperating income declined from CHF 45.6 million in the previous year to CHF –0.2 million for 1997, because on one hand only a few property sales were completed last year, while on the other hand some restructuring costs were still incurred. Group net income after minorities showed a further rise in 1997 to CHF 61.4 million, with a significant improvement in quality since it derived entirely from ordinary income (as against

nonoperating income from real estate sales during the previous year).
After the completion of restructuring measures, the Group balance remains very healthy with substantial sleeping reserves in real estates. The equity to total assets ratio at year-end was 43 percent, with a return on requity of 11 percent. With a distribution of profits amounting to 40 percent, shareholders will benefit from a flexible dividend policy accordingly, and share repurchases may well be possible in future.

Significant profitability rise expected again
Group foundations have been restructured with Real Estate and Dipl. Ing. Fust AG as main profitability pillars. Furthermore, some promising new concepts have been launched with the Jelmoli Zurich shop-in-shop concept and ITV joint venture in the travel sector. Jelmoli Group net income is therefore expected to reach about CHF 75 to CHF 85 million by 1998 or 1999. This forecast is exclusively founded on measures already realized, such as:
– increased turnover and profitability in Fust consumer electronics business; EUROFUST expansion
– full property rentals for the first time
– restructuring of Appleseed's Inc. USA
– discontinuation of nonoperating expenses
– profitable ITV joint venture in the travel sector
– profit from sales of own shares

With a further improvement of consumer purchasing, and rising turnover in our various markets, results may be even better.

For equal treatement of all shareholders, the Board of Directors furthermore resolved at its last meeting not to include opting-out and opting-up clauses in the statutes. To promote long-term shareholder-orientation among management, it was decided to introduce a stock option plan for Board members and senior excutives.

Tribute
The good results achieved during the year under review are attributable to the efforts of our committed employees, who upheld the outstandingly competent and friendly sales service, and of our management staff at all levels. Naturally, we likewise owe our success to the ongoing confidence and support of our customers, shareholders and business partners. For this we tender our sincere thanks.

Proposals of the Board of Directors
Thanks to our good results for 1997 and healthy development prospects, the Board of Directors of Jelmoli Holding Ltd will recommend the Annual General Meeting of April 28, 1998 to approve a dividend of CHF 34.– per bearer share and CHF 6.80 per registered share. The Annual General Meeting is furthermore requested to approve the re-election of Board members Prof. Dr. Hugo Tschirky and Daniel Bürki for a new term of office, likewise the Group auditors and corporate controllers.

Together with our employees, we look back with pride on what has been achieved so far. We are encouraged and stimulated by our new corporate foundations and by the current signs of economic revival. After a successful start to the new year, we look to the future with optimism.

For the Board of Directors
of Jelmoli Holding Ltd,

Walter Fust	Dr. Peter Leumann
Chairman	Chief Executive Officer

Zurich, February 27, 1998

CONSOLIDATED INCOME STATEMENT

FIVE YEAR OVERVIEW

in CHF millions	1997	1996	1995[2]	1994	1993[1]
Gross Turnover	**1 485.0**	**1886.3**	**2002.0**	**1 761.5**	**1 516.0**
% Change from previous years	–21.3	-5.8	+13.7	+ 16.2	- 2.0
% Change from previous comparable	+5.2	-1.4	-1.6	-1.1	-0.3
Net Turnover	**1 415.3**	**1 782.2**	**1 884.0**	**1 665.1**	**1 434.9**
Income from Goods and Services	**431.1**	**590.4**	**675.3**	**602.0**	**522.6**
As % of Net Turnover	30.4	33.1	35.8	36.2	36.4
Personnel Expenses	219.6	332.2	389.2	354.9	310.4
Number of Employees	2981	4573	5402	5 550	4 982
Other Operating Expenses, net	113.4	196.5	225.8	191.8	166.0
Depreciation	37.8	47.7	51.2	45.8	40.6
Operating Income	**60.3**	**14.0**	**9.1**	**9.5**	**5.6**
Net Financial Income	9.9	-3.8	-8.8	3.7	3.6
Ordinary Income	**70.2**	**10.2**	**0.3**	**13.2**	**9.2**
As a % of Net Turnover	5.0	0.6	0.0	0.8	0.6
Net nonoperating Items	–0.2	45.6	6.2	16.6	8.6
Income before Income-related Contributions to Pension Funds/Income Taxes	**70.0**	**55.8**	**6.5**	**29.8**	**17.8**
As % of Net Turnover	4.9	3.1	0.3	1.8	1.2
As % of Equity	12.1	9.7	1.3	5.4	2.8
Income-related Contributions to Pension Funds and Income Taxes	8.5	10.4	4.9	6.7	5.2
Consolidated net Income before Minority Interest	**61.5**	**45.4**	**1.6**	**23.1**	**12.6**
Minority Interest	0.1	0.3	15.0	11.6	0.2
Consolidated Net Income	**61.4**	**45.1**	**-13.4**	**11.5**	**12.4**
Investments in Fixed Assets	**69.2**	47.3	**98.0**	**103.8**	**56.5**
Current Ratio Ratio of Current Assets to Current Liabilities	145%	186%	163%	198%	186%

Consolidated Income Statement

1 From 1993 the Group adopted the accounting standards of the International Accounting Standards Committee (IASC).

2 Restatement see item 1, page 33 in annual report 1996

Consolidated Balance Sheet (see page 9)

3 Proposal to the General Meeting

4 Jelmoli Holding Ltd since 1995, formerly Grands Magasins Jelmoli SA

CONSOLIDATED BALANCE SHEET

FIVE YEAR OVERVIEW

in CHF millions	1997	1996	1995	1994	1993
ASSETS					
Non-Current Assets	901.8	844.6	1 012.0	860.6	669.9
Current Assets	433.4	513.3	601.8	616.2	456.9
LIABILITIES AND SHARE-HOLDERS' EQUITY					
Shareholders' Equity	577.2	574.7	516.2	551.9	649.7
Minority Interest	2.2	12.2	127.9	139.4	1.5
Non-Current Liabilities	456.7	495.5	599.8	474.6	229.5
Current Liabilities	299.1	275.5	369.9	310.9	246.1
Total Assets	1 335.2	1 357.9	1 613.8	1 476.8	1 126.8
KEY RATIOS					
Assets and Liabilities as % of Total Assets					
– Non-Currents Assets	67.5%	62.2%	62.7%	58.3%	59.5%
– Current Assets	32.5%	37.8%	37.3%	41.7%	40.5%
– Shareholders' Equity	43.2%	42.3%	32.0%	37.4%	57.7%
– Minority Interest	0.2%	0.9%	7.9%	9.4%	0.1%
– Liabilities	56.6%	56.8%	60.1%	53.2%	42.2%
Net Asset Value per Share					
– Bearer Shares of CHF 50 Par Value	724.00	726.00	669.00	716.00	844.00
– Registered Shares of CHF 10 Par Value	145.00	145.00	134.00	143.00	169.00
Quoted Share Value					
– Bearer Shares of CHF 50 Par Value Highest	1 390.00	799.00	790.00	971.00	990.00
Lowest	689.00	500.00	505.00	700.00	535.00
– Registered Shares of CHF 10 Par Value Highest	269.00	155.00	149.00	190.00	165.00
Lowest	135.25	100.00	95.00	130.00	100.00
Consolidated Net Income (after Minority Interest) **per Share entitled to Dividend**					
– Bearer Shares of CHF 50 Par Value	85	60	-17	15	16
– Registered Shares of CHF 10 Par Value	17	12	-3	3	3
Dividend per Share [4]					
– Bearer Shares of CHF 50 Par Value	34.00[3]	28.00	0.00	14.00	14.00
– Registered Shares of CHF 10 Par Value	6.80[3]	5.60	0.00	2.80	2.80
Dividends Paid in CHF millions	**24.6**	**21.0**	**0.00**	**10.6**	**10.8**
New Shares Issued — Bearer Shares	5 440	20 216	11	849	140 000
Registered Shares	0	0	0	1 354	1 575 000
Shares Entitled to Divid. — Bearer Shares	440 080	460 488	443 660	454 808	455 000
Registered Shares	1 412 330	1 447 055	1 470 567	1 499 717	1 575 000
Bearer share equivalent	722 546	749 899	737 773	754 751	770 000

Legend: see page 8

Board of Directors

Walter Fust*, Chairman of the Board
Carlo Magri*
Dr. Peter Leumann*
Prof. Dr. Hugo Tschirky
Regula Mann-Freihofer
Daniel Bürki
Ursula Hauser-Fust
Prof. Dr. Christian Belz

*Board Committee

Secretary General
Dr. Robert Känzig

Jelmoli Holding AG

Board
Committee
Walter Fust
Peter Leumann
Carlo Magri

Chief Executive Officer
Peter Leumann

Jelmoli AG

Jelmoli Zurich

Robert M. Fieg
Managing Director

Jelmoli Real Estate
Molino Restaurants
Fashion Bazaars

Alain Rolland
Managing Director

Dipl. Ing. Fust AG

Speciality markets /
*Euro*Fust

Domestic appliances
Entertainment electronics
Kitchen/Bathroom

Walter Fust
Managing Director

Travel Group[1]

Imholz Distribution AG[2]

André Haelg
Managing Director

ITV[3]
(Imholz-TUI-Vögele)
Travel AG

André Haelg
Managing Director

other companies

Kochoptik AG

Bert Zimmermann
Managing Director

Terlinden-Jelmoli
Textilcare AG
Dieter Kressig
Managing Director

Johnny Appleseed's Inc.

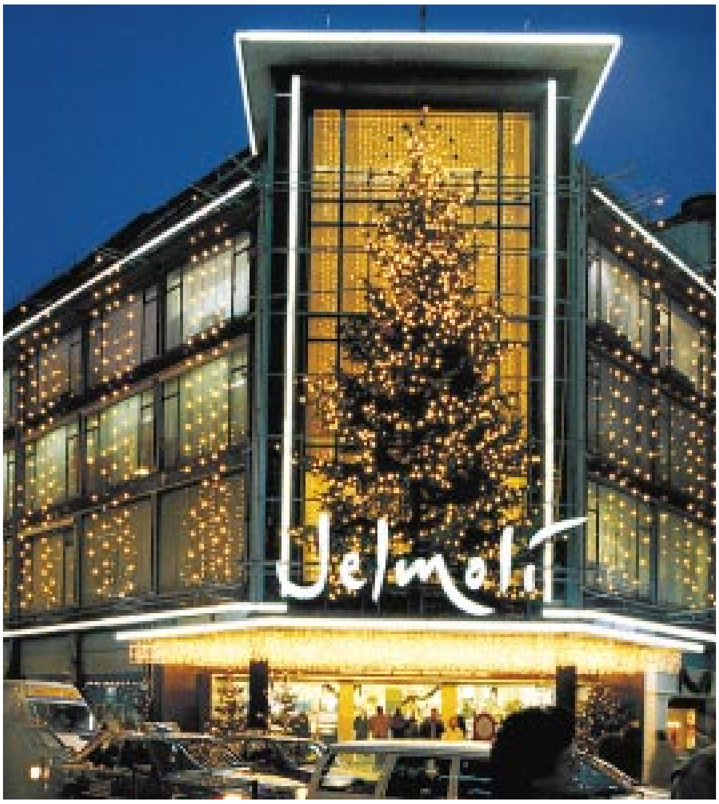
Hank Billeter
President/CEO

[1] after realisation of the Joint Ventures ITV
[2] two thirds Jelmoli-owned
[3] one third Jelmoli-owned

As per end of
the business year

JELMOLI AG
EXPECTATIONS EXCEEDED

Jelmoli AG now incorporates Jelmoli Zurich (shop-in-shop department store), Jelmoli Real Estate, ten Fashion Bazaars and nine Molino restaurants. Turnover in these activities for 1997 totalled CHF 228.1 million (1996: CHF 647.1 million). Fully consolidated in the 1996 turnover was Jelmoli Mail Order AG (majority participation Heine), which is now equity-consolidated. The extensive liquidation sales of 1996 at stores now rented out were relatively insignificant during 1997. Jelmoli AG turnover for 1997 increased by 7.5 percent over the previous year on a comparable basis, and operating income (EBIT) for 1997 rose by CHF 46.0 million to CHF 32.4 million. These results exceed expectations and are above all attributable to the second half of the year, including the most encouraging Christmas business since years. The average number of full-time equivalent employees for the year under review totalled 1997 800 (previous year: 2349 including 220 in mail order business).



Jelmoli Zurich – well on course

The 1997 goals set for this former flagship – now a standalone shop-in-shop department store – were ambitious: best department store, best and friendliest staff, most attractive product range, and innovations with general customer-appeal. To what extent have these qualitative targets been reached? The shop-in-shop department store concept was very quickly realized, thus enabling Jelmoli Zurich with its 20 000 m² of sales floor area to uphold its lead likewise as a city shopping centre. This was achieved with an attractive, decidedly fashion-oriented new presentation, to which customers reacted with more frequent visits and higher purchase volume. The outstanding position of this store, midst in Switzerland's largest agglomeration and main economic centre, thus gains further importance. Clearly the Zurich city retailers and service providers benefit just as much from this as Jelmoli itself.

Overall turnover of Jelmoli Zurich for 1997 (including turnover of shop-in-shop partners) reached CHF 223 million. Compared with the previous year this represents a nine percent increase, to which shop-in-shop partners and own operations contributed more or less equally. CHF 153 million of this turnover is attributable to Jelmoli operations (of which about 30 percent shop-in-shop management under Jelmoli responsibility) largely in the fashion segment, although with substantial contributions from the hardware and restaurant segments. The dozen or so newly opened top-brand shops likewise played an important role in this upswing. On the ground floor these comprise M.A.C. (Make-up/Art Cosmetics), Michel Jordi, and Teuscher Confectionery. On the first floor Sand, Bianca, Vero Moda, Hirsch, Repeat. On the third floor Villeroy & Boch, Alessi, Niederer, Kitchen and Cutlery Shop. On the fourth-floor Adidas, Champion, Russel, Puma and O'Neill in the extended sports segment, and the adjacent CD Media store with CDs, video, CD-ROM and games. Dipl. Ing. Fust household appliances and consumer electronics have been integrated into a single large speciality market.

Integration of the Jelmoli Zurich sales and purchasing functions under a single management has greatly improved customer-orientation and efficiency. Purchasing is now less complex, more flexible and cost-effective. Since brand product suppliers attach so much importance to the most attractive sales locations in Switzerland, moreover, purchasing conditions are absolutely market-conform. Our systematic measures to improve performance have resulted in lower costs, higher turnovers and a positive operating income already during the first year of the new concept – in spite of market-conform rental charges by our Real Estate division, whose net income thus rose around the ten-million mark.

Prospects

Jelmoli Zurich will further optimize its high-quality range, its trend and service alignment and outstanding price/performance ratio, thus attaining leadership in each of its product groups. This year further attractive fashion shops have already been opened (she, MARELLA), to be followed by others, and in April a designer furniture and lighting fittings shop-in-shop will be opened by the renowned Zurich specialist Colombo Mobili. We are convinced that the extension of store opening hours until 8 p.m. in Zurich will support sales by all city retailers including Jelmoli Zurich. Furthermore, the strengthening of customer relations with the Jelmoli Card and direct marketing will also have a stimulating effect. These new opportunities, our own competence and the signs of improvement in consumer purchasing justify an optimistic outlook for 1998. This optimism has been fully confirmed by developments during the first months of the current year.

Robert M. Fieg
Managing Director, Jelmoli Zurich

Jelmoli Real Estate – profitability on schedule

Jelmoli AG owns a substantial real estate portfolio which, rather than mere administration, is expertly managed on a retail-optimized basis thanks to years of utilization experience. This portfolio does not include real estate belonging to Dipl. Ing. Fust AG and the pension fund foundations. The Imholz Travel Group has no real estate portfolio. Jelmoli AG real estate includes more than three dozen properties.

Geneva

Thônex

After withdrawal from department store business, except for Jelmoli Zurich and properties occupied by Dipl. Ing. Fust and Imholz Travel, practically all sales floor area has been rented out to third parties. Jelmoli Real Estate properties are largely situated in first-class city-centre locations, the remainder at preferred out-of-town points. Favourable situations are valuable not only for own operations, but also within the framework of investment portfolio worth stability. For retailers and service providers, they also have a high strategic importance. Properties no longer required for operations or from the strategic point of view are value-optimized on a continuous basis. In 1997 no real estate was sold or acquired by Jelmoli (except for the sale of one small property).
Within a very short space of time, the retail-experienced management of Jelmoli AG Real Estate has rented out sales floor areas no longer required for own operations to reputed retailers and service partners. Most of them were taken over by Globus/ABM or Migros, while the remainder are operated by other dependable tenants who have now become our partners. Former Jelmoli department stores at some locations have been converted into shopping centres with an attractive tenant mix. For their administration we have a modern information technology system at our disposal, together with the technical infrastructure services in the buildings concerned. Jelmoli AG rental income for 1997 totalled about CHF 49.5 million, with a growth potential to around CHF 60 million within the next two years. With market-conform capitalization at seven percent, the capitalized income value of Jelmoli AG real estate is estimated at CHF 857 million. Current book value is CHF 450 million, so that sleeping reserves amount

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to some CHF 400 million. Rental agreements are generally for an eight-year period. Fixed minimum rentals secure real estate income against recession in retail trading, while turnover-linking allows income participation in phases of economic upswing and inflation. Jelmoli Real Estate therefore faces future market developments with assurance.

Molino Restaurants

With a culinary range, service and atmosphere oriented toward Italian specialities, our Molino Restaurants have been well on course for years now. Nine locations are now operated, the latest of which was opened in Fribourg on July 1, 1997. Turnover of the Molino Restaurant chain for 1997 totalled CHF 19.1 million, 10.6 percent higher than the previous year, and the accounts closed with a positive result. Turnover on a comparable basis with 1996 rose by 1.2 percent. Two new Molino Restaurants are planned for 1998.

Fribourg

Jelmoli fashion bazaars

Jelmoli fashion bazaars originated as liquidation sales points for mail-order goods. Extended by two new openings, this chain of ten fashion bazaars meets a substantial customer demand for low-cost brand-oriented goods. Purchasing for the Jelmoli fashion bazaars is now independent of mail-order business. Turnover of CHF 12.5 million for 1997 exceeded that of the previous year by 12.3 percentage points, representing turnover growth of 7.2 percent over the previous year on a comparable basis. Operating income is encouragingly positive.

Zur

Prospects

Jelmoli Real Estate management has set itself the goal for 1998 of renting out the few floor areas still vacant – most of which are predestined for service providers - likewise to reputed partners. Former backoffice rooms in the Jelmoli Zurich store and adjacent administration building are to be better utilized through new service concepts, also upper floor rooms in the Lausanne building. Negotiations in this connection have reached an advanced stage, and the additional rental income is expected to run into millions. With year-round rental agreements in place for the first time, and the rise of some retail property rentals above the minimum fixed level into the turnover-linked range, rental income for 1998 as a whole is expected to rise substantially again.

Alain Rolland, Managing Director
Real Estate/Molino Restaurants/Fashion Bazaars

Market shares gained in difficult circumstances
Dipl. Ing. Fust AG turnover for 1997 totalled CHF 580.5 million (1996: CHF 520.2 million), 11.1 percent higher than the previous year on a comparable basis. Ongoing recession in retail markets continued to affect the Fust domestic appliances, consumer electronics and kitchen/bathroom segments. In spite of this some significant market shares were gained, above all in household appliances and consumer electronics. Price and margin developments were unsatisfactory, although margin reductions were compensated to some extent by cost savings.
Operating income (EBIT) for 1997 was CHF 34.8 million as against CHF 31.4 million for the previous year. The high level of profitability was thus retained.

The structure of Dipl. Ing Fust at year end was as follows:
- Domestic appliance store chain with 115 sales points throughout Switzerland (previous year: 116)
- Consumer electronics store chain with 94 sales points throughout Switzerland (previous year: 91)
- Kitchen/bathroom design consulting and sales studio chain with associated general contracting business for customized renovation services.

Dipl. Ing Fust also provides the following technical services:
- Delivery, installation, servicing and repair of domestic appliances and consumer electronics
- Kitchen/bathroom delivery and installation service
- Local repair centres in many Swiss locations for small appliances such as coffee machines, vacuum cleaners, etc.
- Fust delivery/service fleet covering the whole of Switzerland with 213 small, medium and large vans/trucks.

Fust finances its own leasing service in the same way as a leasing bank.
With regard to real estate, so important in retail trading, many of the Fust store properties are company-owned. This not only facilitates cost-optimization, but also ensures future security through real estate rentability.

*EURO*FUST
Launch of a new store concept
In food and nearfood retailing, self-service has become matter-of-course today. The question here, however, is whether an exclusively self-service takeaway concept with cash payment can be successfully applied to domestic appliances and consumer electronics. This kind of concept has arisen throughout Europe lately, causing considerable market unrest. In future we cannot force our customers to go on accepting services such as consulting, house delivery, payment by invoice, installation, and disposal of old appliances if they are not ready to pay for these additional services. Nevertheless, we are convinced that competent expertise and service should still be

Ober

available on demand, and that for many customers house delivery, installation, and disposal of old appliances, etc. are indispensable. Although the *EURO*FUST concept makes sales locations more compatible with self-service, customers can still decide for themselves what services they require. Likewise competent expertise is available to customers at *EURO*FUST centres, including all our technical services, and lifetime service and repairs are still available with the purchase of household appliances. *EURO*FUST locations have about 1000 m² sales floor area and are situated in agglomerations with 100000 or more inhabitants.

The first four *EURO*FUST stores were opened during 1997 in:
– Zuchwil near Solothurn
– St. Gall (Grossacker Centre)
– Bülach
– Sion/Conthey

This concept will be refined, optimized and expanded during 1998 with eight new centres. Initial experience with the *EURO*FUST concept is very promising.

FUST household appliance store chain

45 percent of turnover for 1997 was contributed by this segment, which thus has the highest turnover. At year-end 1997 the number of sales points totalled 115, with floor areas varying widely between a minimum of 100 and maximum of 1000 square metres. The smaller stores, mostly located in cities or shopping centres, are at least as profitable as the larger ones situated in the suburbs or out in the country. Our sales system enables efficient operation of all these locations, whatever their size, so that in future the centrally located small stores still have good prospects. However, greater emphasis will now be placed on the larger units within the framework of the *EURO*FUST concept. Fust household appliances are classified into relatively large units such as washing machines, dishwashers, tumbler-driers, refrigerators, deepfreezers, solariums, etc., and smaller appliances such as irons, vacuum cleaners, toasters, hairdriers, coffee machines, etc. Customers normally pay cash for small appliances and take them home. All our household appliance stores throughout Switzerland are supplied with small articles of this kind from the FUST central warehouse in Oberbüren, with deliveries once or twice weekly to each store.

The FUST warehouse functions as our company distribution centre, and generally stocks about 33 percent small appliances throughout the year, except in December when this rises to well over 50 percent. About 40 percent of turnover for the year as a whole in this segment comprises small appliances, which therefore play an important role in overall sales. We stock a wide range of all well-known brand articles,

as well as our own Novamatic brand which we procure from reputed suppliers.
About 60 percent of turnover in this segment comprises large appliances, for which replacements are in high demand. Customers generally want large appliances delivered to their homes, installed and put into operation, and they also want their old machine taken away and disposed of properly. As a result, large appliances in our stores are largely on show since hardly any customers take them home themselves. Large appliances are delivered throughout Switzerland by the Fust fleet and our trained installation technicians, for which purpose a complex delivery organization is required. Deliveries are either from the Oberburen/SG or Niederwangen/BE warehouse, with special arrangements for Western Switzerland, the Valais and Ticino.

We supply all brands according to market demands. A particularly important role is played by the Fust Novamatic brand, generally comprising products made by reputed manufacturers. Household appliances have become indispensable in modern living – how could we cope in daily life today without a washing machine, refrigerator, electric iron or coffee machine, for example? That is why this market is relatively stable, hardly dependent on fluctuations in the economy and practically without sensational innovations. As Switzerland's leading retailer by far of household appliances, this fact assures Fust relatively good profitability in the household appliance business.

FUST consumer electronics store chain

Consumer electronics made up a good 30 percent of total Fust turnover for 1997, and above-average growth is expected in this segment. The FUST consumer electronics store chain at year-end 1997 comprised 94 sales points for colour TV, video units and hi-fi equipment as well as personal computers and mobile telephones. Most of these articles are purchased on a takeaway basis, but we also offer customers home deliveries, installation and repair services, etc. throughout Switzerland.

With falling prices and turnovers for years now, and overproduction accordingly, competition in this segment has become extremely tough. The few store chains existing are still confronted with a large number of individual operations, but it can be assumed that many of these will no longer be able to survive in the present economic situation. Further concentration in this market is therefore bound to occur.
The Fust range of consumer electronics includes practically all reputed brands in all varieties and price categories. Although consumer electronics equipment has become increasingly easier to operate, most customers still expect advisory services with their purchase.
Profitability in consumer electronics is generally unsatisfactory at the present time, but we are well on the way to improving this situation.

Kitchen/bathroom and general contracting

The Fust kitchen/bathroom segment has been established in Switzerland for 18 years now, and we lead the retail market in this segment as far as turnover is concerned. Together with FUST design specialists, customers can plan their individual kitchen and bathroom layouts. They then receive a binding offer covering all renovation and/or new installation work, so that cost extras are excluded from the outset. As proved by reliable test results, FUST kitchens and bathrooms are among the highest quality available in Switzerland. Nevertheless, our prices are still in the medium range. On the other hand, we do not believe in cut-price offers with low quality accordingly – this certainly does not pay off for long-term investments such as kitchen/bathroom installations.
Due to the general recession, Swiss householders have been spending little or nothing on renovations for some time now, except in case of urgency. This situation is very similar to that in the furniture market, where Swiss sales have been sinking on the whole for years. Falling turnover generally means falling prices, and above all reduced profit margins. The profitability situation in the kitchen/bathroom segment was not satisfactory for 1997, but we are convinced that before long this market segment as a whole will develop very positively again – and then the ever-growing need for renovations will have an equally positive effect on turnover. As of year-end 1997, the kitchen/bathroom segment accounted for just under 15 percent of Fust turnover.

Technology and logistics

Almost 500 of the 1136 Fust personnel are employed in technology and logistics. This includes all central warehouse employees, all installation technicians for household appliance and consumer electronics deliveries, our mobile customer service technicians, kitchen installation technicians, central repair personnel for small appliances, and our logistics personnel for store deliveries/transport.
Technology and logistics play a key role in the Fust organization. In contrast to most competitors, the importance of our technology/logistics segment

Zuchwil

underlines the technical competence of Dipl. Ing. Fust AG.

One side of our leadership is based on consulting expertise, product selection and pricing competence, but the technical competence of our specialists is equally important.

Real estate

We took the general fall in real estate prices as an opportunity last year to acquire three interesting properties: a former garage in Conthey/Sion has been converted into a *EURO*FUST centre, while a new store has been opsened in Vevey city centre on the site of former commercial building. A further property was purchased in Oberwil/BL, where another *EURO*FUST has been opened in the meantime and the FUST centre in Zuchwil has likewise been converted into a *EURO*FUST centre. Other real estate acquisitions are in course of completion, since the present situation offers an excellent chance of securing good locations for the future.

Prospects for 1998

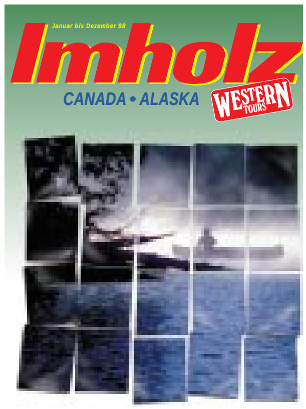
The current improvement in consumer purchasing raises justified hopes of a recovery in the Swiss retail market. We do not expect any sudden recovery, however, which is precluded at the present time by the unemployment situation and general income levels. Only a very slow recovery of the Swiss retail market can therefore be assumed, although we are confident of significantly exceeding market trends once again this year. Our strategy for the future foresees above-average growth of Dipl. Ing. Fust AG, with at least a corresponding rise in profitability.

Walter Fust
Managing Director

Imholz

IMHOLZ TRAVEL GROUP: RESTRUCTURING

A difficult but successful year
1997 was a year of restructuring for the Imholz Travel Group, with tough competition and price-undercutting among Swiss tour operators. Market launch of the new competitor TUI (Suisse) exacerbated this situation still further, and the price war which broke out as a result forced the Imholz Travel Group to take corrective measures accordingly. During the course of strategic realignment, this Swiss vacation specialist concentrated on its core business of «Holiday Tourisme» with main emphasis on high-volume regions with clear customer segmenting. As a result, non-strategic activities such as language courses abroad and business travel (Travac Business Travel) were sold together with the Travac subsidiary in Vienna and the diving vacation specialist Manta Reisen AG. These divestitures reduced turnover by nearly ten percent.



Results of the 1996/97 business year
Consolidated turnover of the Imholz Travel Group, Zurich for the 1996/97 business year (November 1, 1996 to October 31, 1997) totalled CHF 578.5 million, a reduction of CHF 46.6 million due to the aforementioned divestitures. On a comparable basis this represents a slight increase of 0.3 percent in turnover, which is less than the market average because Imholz gave preference to profitability and participated only selectively in price-cutting competition. This policy has paid off handsomely by more than doubling operating income. Group turnover in tour operations totalled CHF 425 million. Due to a 1.2 percent rise in passenger figures, tour operations turnover matched the previous year's level despite falling prices on average. The Imholz marketing chain of 59 travel offices increased total turnover to CHF 266.3 million (+5.2%), of which CHF 126.7 million or 47.6 percent proprietary product sales. This corresponds to a 6.2 percent rise in proprietary product sales compared with the previous business year.
Cash flow (EBDIT) from travel operations totalled CHF 12.4 million (previous year: CHF 8.1 million). EBIT was more than doubled to CHF 7.8 million, and with a market share of 20 percent, every fifth vacation booked in Switzerland is now an Imholz vacation.

Clear strategy
When its new managing director took over in summer 1997, the Imholz Travel Group entered a new era not only strategically and structurally, but also culturally.
In close cooperation with Jelmoli Holding Ltd, strategic positioning of the Imholz Travel Group was examined against the background of drastic changes in the European travel sector.

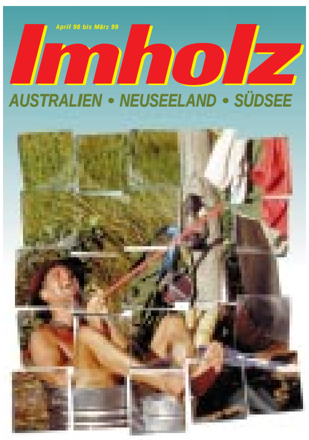
Swiss travel offensive with European power: Joint venture Imholz–TUI–Vögele Travel

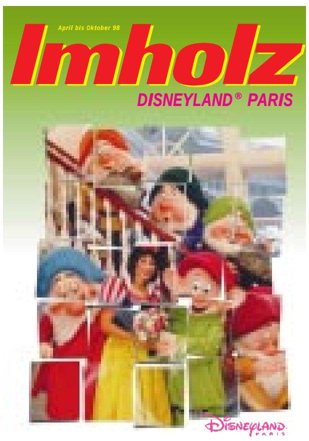
On October 2, 1997 it was announced that as of November 1, 1997 the three travel companies Imholz, TUI Suisse and Vögele Travel would be merging their Swiss activities to form two business units cooperating on an integrated basis: the ITV (Imholz-TUI-Vögele) Tour Operating Group, and the Imholz Retail Company. As a result of this merger, the Imholz Travel Group secured a strategic future-oriented solution with a view to the European market as a whole.

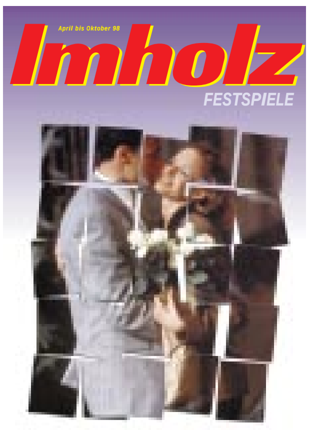
This joint venture offers Swiss travel customers a wide additional range of attractive products. Furthermore, the member companies with their employees and shareholders will reap substantial benefit from the new structure as well as independent travel agencies.

The ITV Tour Operating Group

Capital and voting rights in the new ITV Tour Operating Group are shared equally (one third each) between Jelmoli Holding Ltd, the TUI Group and the brothers Carlo and Marco Vögele. The ITV Group integrates the tour operating activities of all three companies. With around CHF 650 million annual turnover, the ITV Group will become one of Switzerland's largest tour operators.







Balanced brand policy

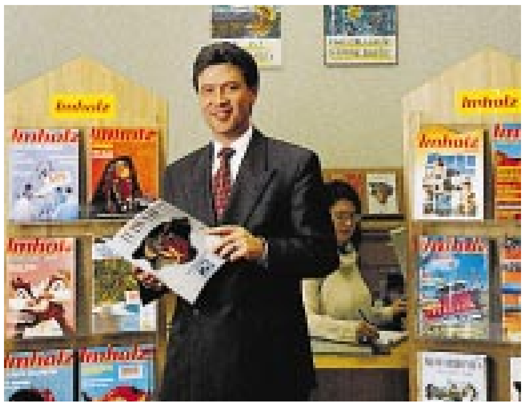
The main brand names Imholz, Vögele and TUI (Suisse) will be clearly positioned within the framework of this joint venture, and retain their own market identities along with the trading brands Travac and Western Tours. The Imholz tour operations brand will be greatly expanded in all segments (city breaks, beach holidays, overseas travel), also including the airtour catalogue currently published by TUI Suisse. In particular the beach holiday and overseas travel segments will be expanded with new destinations and locations, new hotels and excursions including some exclusive products of the TUI Group. The new joint venture will systematically exploit the attractive TUI-affiliated hotels (RIU Hotels, Iberotel, Grecotel) and holiday clubs (Club Robinson). Vögele Travel will continue to specialize in direct marketing within the new joint venture, and will exploit the synergies from Imholz direct marketing. Within the framework of the new joint venture, TUI plays the role of brand operator with speciality catalogues (study tours, hotels, vacation apartments, golfing tours, youth offers, etc.). In all procurement aspects, the ITV Tour Operating Group can exploit the size advantages of the TUI Group for its three brands.

Imholz Retail Company
The travel office chain of Imholz Travel AG (including some local travel retailers under their own names) is managed by the Imholz Retail Company. Two thirds of capital and voting rights in this company are held by Jelmoli Holding, and one third by the TUI Group together with Carlo and Marco Vögele. With 60 sales locations and annual turnover of CHF 266 million, the Imholz Retail Company becomes Switzerland's third largest travel office chain. By signing a joint venture with the Touring Club Switzerland (TCS), the company has acquired a dependable first-class partner for mutual activities. The 38 TCS travel offices throughout Switzerland significantly strengthen the Imholz Retail marketing network.

Comprehensive reorganization and restructuring
This strategic realignment naturally involves restructuring. The three operative units «Tour operations», «Travel office chain» and «Special business fields» will be directly supported in management and logistics by a corporate centre. Reorganization will entail the flatter hierarchy required for a modern, dynamic, innovative and quality-oriented ITV Group. It will also demand from all employees a high degree of flexibility and improvisation capability, commitment and readiness to take over dual assignments during the transitional period, together with a rethinking process until the mechanisms of the new group come into play.

Prospects: growth, innovations and quality
On this basis ITV is in the position to:
– achieve growth rates above the market average
– expand its product range thanks to innovations
– enhance product and service quality

This will greatly contribute toward outstanding profitability for a secure future. The new joint venture commences operations in a strong position for implementing an aggressive growth strategy. Cost advantages will also bring attractive travel package prices, although it is not intended to achieve these by price-cutting at the expense of profit margins. For these reasons, job security is likewise ensured – all existing employees of the merged firms are being integrated into the new ITV Group companies, which thus acquire invaluable know-how, competence and professionalism.



André Haelg
Managing Director
ITV Group Companies

Kochoptik AG expanding

Turnover of the twelve Kochoptik AG speciality store for 1997 totalled CHF 20.1 million. This is 4.8 percent higher than 1996 (on a comparable basis), since in addition to a takeover, three stores previously acquired proved unsuitable and were closed down. Customer requirements in the ophthalmic optics sector are much more varied, so that demand is more specific. The optics speciality stores therefore have to meet heavy demands on their expertise, advisory and customer service competence, so that training measures became a priority in 1997 both in sales and backoffice departments. Our customized services were supported with a transparent range, powerful advertising, clear store layouts and a well-profiled corporate identity.

In parallel to changing needs, a new kind of price-oriented competition has arisen whose attractive products vie with our own. Nevertheless, we remain in a clearly superior position with our recognized expertise, advisory and customer service competence.

Together with systematic exploitation of size advantages, the improvement measures realized in sales, purchasing and merchandising led to higher gross income, which resulted in a break-even operating income for 1997 generally.

Kochoptik AG will continue on this successful path. Expansion measures have already been continued at the beginning of this year by acquiring the Optik Center Sihlporte and Zolliker AG in Zurich, together with one store in Uster. Altogether there now 16 Kochoptik stores, within easy reach of customers in main agglomerations, of which 12 in Zurich, and in view of the signs of improvement in consumer purchasing, we look to the future with assurance.

Bert Zimmermann
Managing Director
Kochoptik AG

Terlinden-Jelmoli Dry Cleaning / Textile Care AG: a year of restructuring

As of September 1, 1997 Terlinden-Jelmoli Reinigungen AG of Küsnacht was divided into two independent companies. The textile care division was transformed including all sales outlets into the new company Terlinden-Jelmoli Textile Care AG, which is operated as a 50/50 joint venture by the same shareholders. The former company Terlinden-Jelmoli Dry Cleaning AG was sold with the remaining work clothing leasing division to Wäscherei AG Brugg. As market leader in private textile cleaning services, Terlinden-Jelmoli Textile Care AG reduced its branch network to 32 locations at the end of October 1997. Employees of the 15 branches sold were retained.

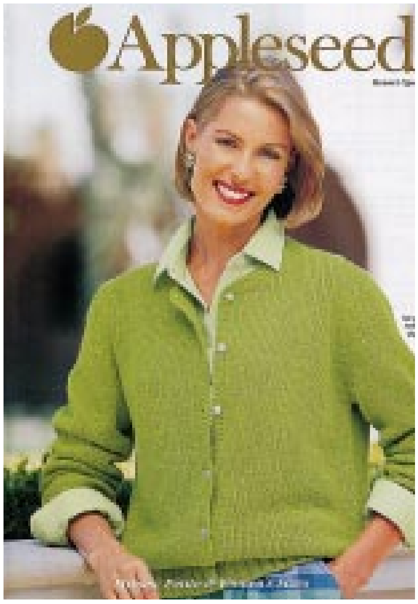
The turnover (CHF 15.9 million) and operating income of both divisions for 1997 matched or slightly exceeded the previous year. The work clothing leasing division had recorded a turnover increase of four percent by the time it was sold. Turnover of the private textile cleaning division for the last four months of 1997 was above-average, rising by ten percent on a comparable basis, and operating income showed a slight improvement. The intensive efforts of this company and its employees have thus been rewarded with results which demonstrate the confidence of customers.

Thanks to high quality and performance, Terlinden-Jelmoli Textile Care AG can look optimistically to the future with the assurance of ongoing customer loyalty.

Dieter Kressig
Managing Director
Terlinden-Jelmoli Textile Care AG

Johnny Appleseed's Inc.: restructuring for a turnaround

Turnover of Johnny Appleseed's Inc., Beverly/Mass. USA for 1997 in fashion mail-order and stores business totalled CHF 61.9 million. The fashion stores were sold per November 1, 1997. Comparable change of turnover in US dollars amounts to -5.3 percent. In its previous form, this company had never fulfilled expectations. Against this background, Appleseed's thus has an important year behind it during which Jelmoli Holding worked out and implemented a rigorous restructuring programme together with the local management. This includes merger of the two mail order catalogues for largely overlapping customer groups, and final closure of the deficit fashion store chain. Implementation of this plan is expected to bring a positive operating income already in 1998. Over and above these measures, a services contract for order processing and logistics has been signed with a dynamic young mail-order company for dog-lovers (catalogue title: «In the Company of Dogs»). Capacity of the Appleseed's mail-order centre will thus be better utilized and additional income will result for deficit coverage. Another benefit of this measure is that it helped to avoid dismissals in connection with the Appleseed's restructuring. To secure long-term partnership, a minority participation of 49 percent was acquired in this company (C/R Catalog Corporation) per July 1, 1997.



No strategic importance is attached to this US subsidiary, and further steps will be taken as soon as a full turnaround has been reached.

Hank Billeter, President and CEO

REPORT OF THE GROUP AUDITOR TO THE GENERAL MEETING OF JELMOLI HOLDING LTD

As group auditors we have audited the consolidated financial statements (balance sheet, income statement, statement of cash flows and notes) of Jelmoli Holding Ltd. and subsidiaries, presented on pages 26 to 38, for the year ended December 31, 1997. The annual accounts of some individual subsidiaries included in the consolidated financial statements (Dipl. Ing. Fust AG and the USA Group) have been audited by others.

These consolidated financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession, and with the International Standards on Auditing issued by the International Federation of Accountants (IFAC), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the result of operations and the cash flows in accordance with the International Accounting Standards (IAS) and comply with the law and the accounting principles of the Listing Rules of the Swiss Exchange.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG Fides Peat

P. Hess	G. Schultz
Swiss Certified Accountant	Swiss Certified
Auditor in Charge	Accountant

Zurich, February 27, 1998

CONSOLIDATED INCOME STATEMENT

	Notes to the Consolidated Financial Statements	1997 CHF millions	1997 %	Change 1997 over 1996 CHF millions	Change 1997 over 1996 %	1996 CHF millions	1996 %
Gross Turnover	1	**1 485.0**	**104.9**	**–401.3**	**–21.3**	**1 886.3**	**105.8**
Change comparable					+5.2		
Sales Deductions	2	–69.7	–4.9	–34.4	–33.0	-104.1	-5.8
Net Turnover		**1 415.3**	**100.0**	**–366.9**	**–20.6**	**1 782.2**	**100.0**
Cost of Sales	3	–984.2	–69.6	–207.6	–17.4	-1 191.8	-66.9
Income from Goods and Services	4	**431.1**	**30.4**	**–159.3**	**–27.0**	**590.4**	**33.1**
Personnel Expenses	5	–219.6	–15.5	–112.6	–33.9	-332.2	-18.6
Other Operating Expenses	6	–158.6	–11.2	–64.4	–28.9	-223.0	-12.5
Other Operating Income	7	45.2	3.2	+18.7	+70.6	26.5	1.5
Operating Cash Flow (EBDIT[1])		**98.1**	**6.9**	**+36.4**	**+59.0**	**61.7**	**3.5**
Depreciation	8	–37.8	–2.6	–9.9	–20.8	-47.7	-2.7
Operating Income (EBIT[2])	9	**60.3**	**4.3**	**+46.3**	**+330.7**	**14.0**	**0.8**
Financial Income	10	29.3	2.1	+11.6	+65.5	17.7	1.0
Financial Expenses	11	–19.4	–1.4	–2.1	–9.8	-21.5	-1.2
Financial Result		**9.9**	**0.7**	**+13.7**		**-3.8**	**-0.2**
Ordinary Income		**70.2**	**5.0**	**+60.0**	**+588.2**	**10.2**	**0.6**
Non Operating Income	12	18.9	1.3	–69.9	–78.7	88.8	5.0
Non Operating Expenses	13	–19.1	–1.4	–24.1	–55.8	-43.2	-2.4
Non Operating Result		**–0.2**	**–0.1**	**–45.8**		**45.6**	**2.6**
Income before Income-Related Contributions to Pension Funds and Income Taxes		**70.0**	**4.9**	**+14.2**	**+25.4**	**55.8**	**3.1**
Income-Related Contributions to Pension Funds	14	–0.1	0.0	–	–	-0.1	0.0
Income before Income Taxes		**69.9**	**4.9**	**+14.2**	**+25.5**	**55.7**	**3.1**
Income Taxes	15	–8.4	–0.6	–1.9	–18.4	-10.3	-0.6
Consolidated Net Income before Minority Interest	16	**61.5**	**4.3**	**+16.1**	**+35.5**	**45.4**	**2.5**
Minority Interest		–0.1	0.0	–0.2	–66.7	-0.3	0.0
Consolid. Net Income after Minority Interest	17	**61.4**	**4.3**	**+16.3**	**+36,1**	**45.1**	**2.5**

1 Earnings before Depreciation, Interest and Taxes

2 Earnings before Interest and Taxes

CONSOLIDATED BALANCE SHEET

(before appropriation of retained earnings)

	Notes to the Consolidated Financial Statements	31.12.1997 CHF millions		%	31.12.1996 CHF millions		%
ASSETS							
Fixed Assets							
– Land	18	85.0			83.4		
– Buildings	18	390.5			386.3		
– Permanent Fixtures	18	143.3			113.7		
– Furniture and Equipment	18	80.3	699.1		77.7	661.1	
Intangible Assets	18		2.4			0.7	
Goodwill	19		128.7			118.2	
Financial Assets							
– Minority Investments		10.5			6.7		
– Other Financial Assets		61.1	71.6		57.9	64.6	
Total Non-Current Assets			**901.8**	**67.5**		**844.6**	**62.2**
Inventories	20		164.3			159.4	
Trade Accounts Receivable	21		103.0			123.7	
Other Accounts Receivable	22		53.5			53.0	
Prepaid Expenses and Accrued Income			24.8			31.0	
Marketable Securities	23		3.2			0.7	
Cash and Bank	24		84.6			145.5	
Total Current Assets			**433.4**	**32.5**		**513.3**	**37.8**
TOTAL ASSETS			**1 335.2**	**100.0**		**1 357.9**	**100.0**
LIABILITIES AND SHARE-HOLDERS' EQUITY							
Share Capital	25		39.8			39.6	
Paid-in Surplus	26	66.0			60.8		
Consolidated Retained Earnings	26	534.2			492.7		
Own Shares	26	–62.8	537.4		-18.4	535.1	
Total Shareholders' Equity			**577.2**	**43.2**		**574.7**	**42.3**
Minority Interest	27		**2.2**	**0.2**		**12.2**	**0.9**
Long-Term Liabilities							
– Long-Term Loans	28	369.0			395.2		
– Other Long-Term Liabilities	29	26.4			24.4		
– Provisions	30	61.3	456.7		75.9	495.5	
Current Liabilities							
– Trade Accounts Payable	31	86.5			85.7		
– Loans (Current Portion)	32	59.1			36.5		
– Other Short-Term Liabilities	33	83.5			85.3		
– Accrued Expenses and Deferred Income		70.0	299.1		68.0	275.5	
Total Liabilities			**755.8**	**56.6**		**771.0**	**56.8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**1 335.2**	**100.0**		**1 357.9**	**100.0**
Current Ratio (Ratio of Current Assets to Current Liabilities)			**145%**			**186%**	

CONSOLIDATED STATEMENT OF CASH FLOW

	1997 CHF millions	1996 CHF millions
Consolidated Net Income	61.5	45.4
Depreciation		
– Fixed Assets	29.8	44.7
– Intangible Assets	0.3	0.2
– Goodwill	7.7	2.7
– Marketable Securities	–	0.1
Income-Related Contributions to Pension Funds	0.1	0.1
Income from Investments Consolidated by the Equity Method	–	-1.2
Employment for Restructuring	–13.7	-77.1
Increase (Decrease) other longterm Liabilitys and Provisions	1.0	-3.2
Increase (Decrease) in Inventories	–5.6	140.7
Decrease (Increase) in Short-term Trade / Accounts Receivable, Prepaid Expenses / Accrued Income	26.6	-9.4
Decrease in Trade Accounts Payable and Other Short-Term Liabilities	–0.6	-11.5
Increase (Decrease) in Accrued Expenses and Deferred Income	2.2	-12.0
Funds Generated from Operating Activities	**109.3**	**119.5**
Acquisition of Fixed Assets	–69.2	-47.3
Increase (Decrease) in Intangible Assets	–2.0	1.0
Increase in Goodwill	–17.3	-95.5
Acquisition of Companies included in Consolidation [1]	–1.6	–
Sale of Companies Included in Consolidation [1]	0.8	15.1
Increase (Decrease) in Financial Assets	–7.0	6.0
Increase in Marketable Securities	–2.5	-0.1
Proceeds from Disposal of Fixed Assets	2.0	248.8
Foreign Exchange Differences Arising on Consolidation	1.1	2.2
Funds Generated from Investing Activities	**–95.7**	**130.2**
Exercise of Options	5.4	13.4
Purchase (Sale) of Own Shares	–44.4	4.3
Value Adoled realized on Fixed Assets	–	-6.5
Decrease in Minority Interst in (mainly Dipl. Ing. Fust and Terlinden-Jelmoli)	–10.1	-108.9
Decrease in Long-Term Loans	–26.2	-24.0
Increase (Decrease) in Loans (Current Portion)	21.8	-65.4
Dividend Payments to Third Parties	–21.0	-6.8
Funds Generated from Financing Activities	**–74.5**	**-193.9**
Decrease in Cash and Bank	**–60.9**	**55.8**

1

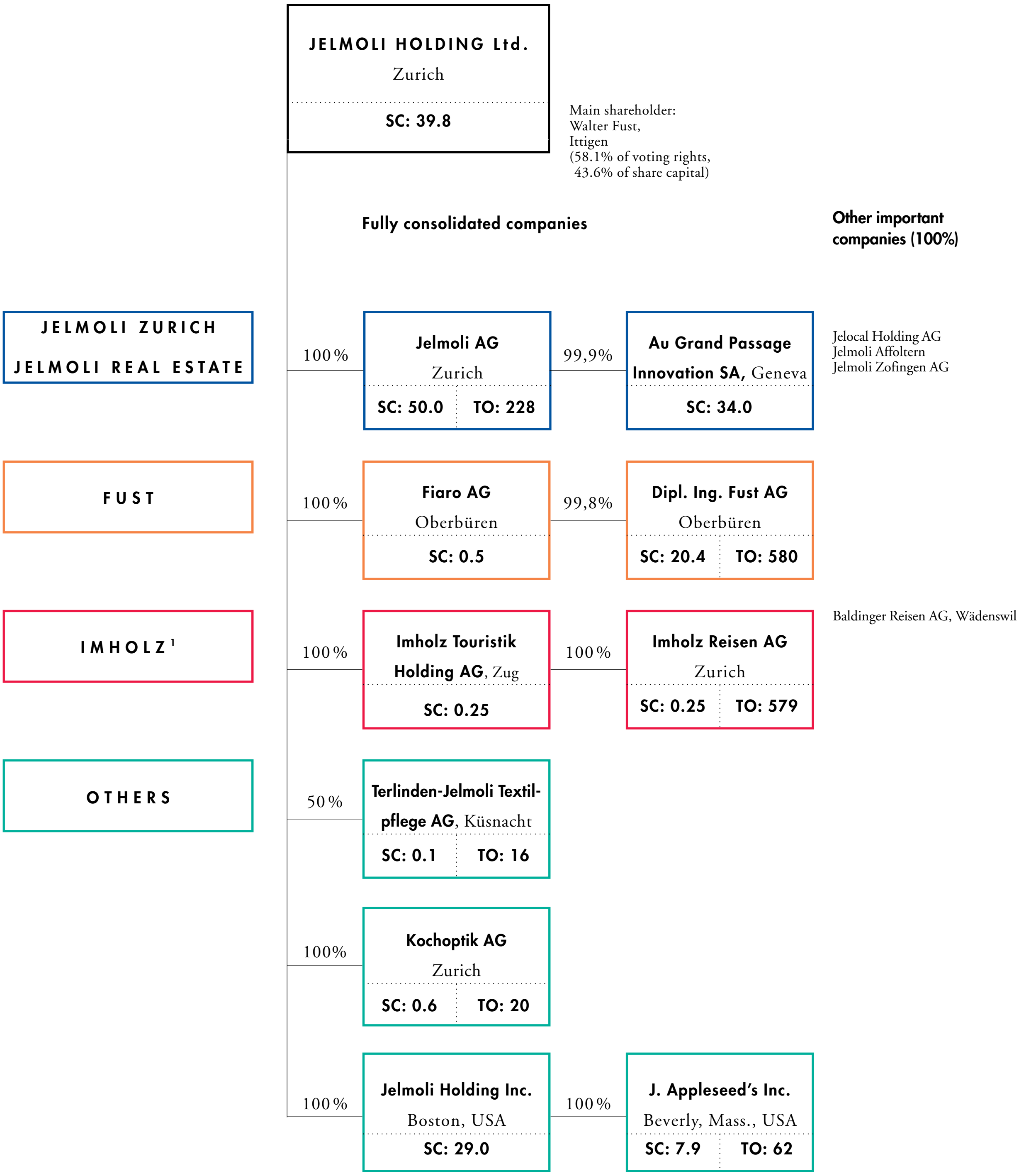
Sale of Companies Included in the Consolidation	**Acquisition**	**Sale**
Fixed Assets	1.4	0.8
Goodwill	0.9	–
Short-Term Receivables and Prepaid Expenses and Accrued Income	0.2	–
Inventories	0.1	0.8
Liquidity	–	0.2
Short-term Trade Accounts Payable	–0.2	–0.6
Loans (Current portion)	–0.8	–
Accrued Expenses and Deferred Income	–	–0.2
Purchase/Sales Price	1.6	1.0
Less Cash Acquired	–	–0.2
Funds Invested	1.6	
Funds Generated from Divesments		0.8

DETAILS OF SEGMENTS

	1997		1996		Change from previous year[7]	
Jelmoli Group	CHF millions	%	in CHF millions	%	non-adjusted	comparable
Turnover, Groupe	**1485**		**1 886**		–21.3%	+5.2%
Operating Income, Group	**60.3**	4.3[8]	**14,0**	0.8[8]	+46.3 Mio.	
Ordinary Income, Group	**70.2**	5.0[8]	**10,2**	0.6[8]	+60.0 Mio.	
Consolidated Net Income, Group (after minority interests)	**61.4**	4.3[8]	**45,1**	2.5[8]	+16.3 Mio.	
Sales area in 1000 m^2 (ø p.a.)	83		–[6]		–[6]	
No. of retail locations [1] 31.12	371		399		–28	
No. of employees [2]	2981		4573		–34.8%	
Turnover per employee	0.498		0.412		+20.9%	
Jelmoli AG (department stores/mail order)						
Total turnover	228	100.0	647	100	–64.8%	+7.5 %
Operating income	32.4	14.2	-13.6	-2.1	+46.0 Mio.	
Turnover mail order [3]	–	–	77	12	–	
Sales area in 1000 m^2, (ø p.a.)	22		–[6]		–[6]	
CHF turnover in CHF 1000/m^2	10.4		–[6]		–[6]	
No. of retail locations[4]	20		18		+2	
No. of employees (ø p.a.)	800		2349		–65.9%	
Turnover per employee	0.285		0.275		+3.6%	
Dipl. Ing. Fust AG						
Turnover from July 1, 1994	580	100.0	520	100	+11.6%	+11.1%
Operating income	34.8	6.0	31.4	6.0	+ 3.4 Mio.	
Sales area in 1000 m^2 (Ø p.a.)	55		54		+1.9%	
CHF turnover in CHF 1000/m^2 stat. goods business	10.5		9.6		+9.0%	
No. of retail locations [4]	247		245		+2	
No. of employees (ø p.a.)	1136		1089		+4.3%	
Turnover per employee	0.511		0.478		+6.9%	
Imholz Reisen AG (Travel Group)						
Turnover	579	100.0	625	100	–7.5%	+0.3%
Operating income	7.8	1.3	3.9	0.6	+ 3.9 Mio.	
No. of sales points	60		60		–	
No. of employees (ø p.a.)	603		667		–9.6%	
Turnover per employee	0.959		0.937		+2.4%	
Other companies						
Kochoptik AG, Terlinden-Jelmoli Textilpflege AG[5], Appleseed's Inc., Beverly MA USA, Jelmoli Holding Ltd						
Turnover	98	100.0	94	100	+4.3%	–1.3%
Operating income (incl. Holding costs)	–14.7	–15.0	-7.7	–8.2	–7.0 Mio.	

1 Includes 0 (1996: 15) stores located abroad, 32 (1996: 47) Terlinden-Jelmoli sales outlets and 12 Kochoptik stores (1996: 14)
2 Average number of full-time equivalent employees during the year, including 224 (1996: 230) employees abroad, 138 (1996: 150) Terlinden-Jelmoli employees and 70 (1996: 74) Kochoptik employees and 10 Holding employees (1996: 14)
3 Jelmoli Mail Order AG 1997 equity consolidation
4 Jelmoli includes 10 fashion bazaars; Fust indicates division stores
5 before 1.9.1997 Terlinden-Jelmoli Reinigungen AG
6 Not inclusive due to restructuring 1997/1996
7 Calculated to precise figures
8 100% = Net Turnover CHF 1 415 millions (1996: 1 782)

MOVEMENTS OF FIXED ASSETS in CHF millions Detailed Analysis of Fixed Assets (see note 18)	Balance as of Dec. 31, 96	Additions	Disposals/ Reclassifi-cations	Other	Additions to Scope of Consolidation	Disposals in Scope of Consolidation	Balance as of Dec. 31, 97	Accumulated Depreciations	Balance as of Dec. 31, 97 net	Insurance Values
COSTS										
Fixed Assets										
– Land	84.8	1.6					86.4	1.4	85.0	
– Buildings	491.1	12.7	–0.8	0.6			503.6	113.1	390.5	1150.8
– Permanent Fixtures	143.2	33.6	–0.1		1.2		177.9	34.6	143.3	238.2
– Furniture and Equipment	186.2	20.6	–50.3	0.7	0.2	–1.7	155.7	75.4	80.3	
Total Fixed Assets	**905.3**	**68.5**	**–51.2**	**1.3**	**1.4**	**–1.7**	**923.6**	**224.5**	**699.1**	**1389.0**
Intangible Assets	**1.1**	**2.0**					**3.1**	**0.7**	**2.4**	
Goodwill	**123.3**	**17.5**	**–0.2**		**0.9**		**141.5**	**12.8**	**128.7**	
Financial Assets										
– Minority Investments	6.7	3.8					10.5		10.5	
– Other Financial Assets	57.9	4.1	–0.9				61.1		61.1	
Total Financial Assets	**64.6**	**7.9**	**–0.9**				**71.6**		**71.6**	
Total Non-Current Assets	**1094.3**	**95.9**	**–52.3**	**1.3**	**2.3**	**–1.7**	**1139.8**	**238.0**	**901.8**	
ACCUMULATED DEPRECIATION										
Fixed Assets										
– Land	1.4						1.4			
– Buildings	104.8	8.2		0.1			113.1			
– Permanent Fixtures	29.5	5.2	–0.1				34.6			
– Furniture and Equipment	108.5	16.4	–49.1	0.5		–0.9	75.4			
Total Fixed Assets	**244.2**	**29.8**	**–49.2**	**0.6**		**–0.9**	**224.5**			
Intangible Assets	**0.4**	**0.3**					**0.7**			
Goodwill	**5.1**	**7.7**					**12.8**			
Financial Assets										
– Minority Investments	0.0						0.0			
– Other Financial Assets	0.0						0.0			
Total Financial Assets	**0.0**						**0.0**			
Total Non-Current Assets	**249.7**	**37.8**	**–49.2**	**0.6**		**–0.9**	**238.0**			



Legend:

1 before realisation Joint Venture ITV
SC: Share capital: in millions (local currency)
TO: Turnover: in millions (local currency)

All companies report in Swiss Francs except for Jelmoli Holding Inc. (US Dollars), J. Appleseed's Inc. (US Dollars)

As per end of the business year

Group accounting policies

General

The consolidated financial statements comprise the individual subsidiaries' financial statements which have been prepared in accordance with uniform accounting policies. For all companies the financial year ends on December 31 with the exception of the Imholz Travel Group, which ends its financial year on October 31.

The consolidated financial statements have been prepared in accordance with the International Accounting Standards (IAS) issued by the International Accounting Standards Committee (lASC).

Principles of Consolidation

The consolidated financial statements include the individual financial statements of Jelmoli Holding Ltd and of its Swiss and foreign subsidiaries. Group Companies acquired in the course of the year are consolidated from the date of acquisition; companies sold are excluded from consolidation from the date of sale.

The consolidated financial statements include 100% of assets and liabilities, and income and expenses of all companies in which Jelmoli, directly or indirectly, has a voting interest greater than 50% or, by other means, has a controlling interest. Minority interest in the net assets and consolidated income are disclosed separately in the consolidated balance sheet and consolidated income statement. All intercompany balances and transactions have been eliminated.

Investments between 20% and 50% are accounted for using the equity method, i.e. at the corresponding share of the year-end net asset value. The difference between the current year and the prior year value of the investment appears as a corresponding increase or decrease in «Financial Income» or «Financial Expense» respectively.

Investments of less than 20% shareholding or considered as insignificant are not consolidated and are included under the caption «Financial Assets» at cost. Any diminution in value of such investments is charged to «Financial Expense».

The major companies included in the consolidation are disclosed on page 31.

Goodwill

On acquisition the assets and liabilities of a subsidiary are revalued in accordance with uniform group accounting policies. Until 1994, goodwill – the difference between the revalued net asset value and the purchase price – was credited or charged to Group reserves. Starting from 1995 goodwill is capitalised and amortised over a maximum period of 20 years on a straight line basis.

Foreign Currency Translation

All assets and liabilities denominated in foreign currencies are translated at rates of exchange prevailing at balance sheet date, while all income and expense items are translated at average annual rates. Resulting exchange differences are recorded in the consolidation reserves. Exchange differences arising from foreign currency transactions are dealt with in the income statement.

Derivative financial instruments

To limit corporate currency exchange risks and optimize financial results, the Jelmoli Group employs forward transactions with sale and purchase at corresponding premiums of put and call options on currency and securities transactions. Option transactions are valued at market rates, with premiums charged over put and call maturity periods. Derivative financial instruments are disclosed in accordance with the IAS 32 regulations.

Fixed Assets

Fixed assets (land, buildings, permanent fixtures, furniture and equipment) are stated at historical cost and depreciated using the straight-line method over their estimated useful lives. The estimated useful life is fixed at 50 years for buildings (in consideration of an adequate residual value), 15 to 25 years for permanent fixtures (i.e. air conditioning units, lifts, escalators etc.) and 5 to 10 years for furniture and equipment.

Intangible Assets

Intangible assets mainly consist of information technology system software, either acquired by licence from third parties or developed in-house. The estimated useful life is 5 years (straight-line depreciation).

Inventories

Inventories are valued at the lower of cost (weighted average cost) and net realisable value. Provisions are made for slow moving and obsolete items.

Deferred Taxes

Excesses of the consolidated balance sheet net asset value over the tax value of the individual subsidiaries, which arise from timing differences between group depreciation and asset write-off policies and those allowable for local tax purposes, generally give rise to an increase in the tax expense in the consolidated income statement. The deferred tax adjustment in the consolidated financial statements therefore provides for all taxes which have been deferred in the individual subsidiaries' financial statements.

The major timing differences have been provided for at a uniform tax rate of 28% (previous year 30%) in Jelmoli's consolidated balance sheet.

Liabilities

All liabilities due within one year are classified as long-term liabilities.

All interest-bearing liabilities are disclosed as loans.

Employee Welfare

All Swiss and American group companies maintain their own employee welfare arrangements, which are legally independent entities and not included in the consolidated financial statements. They are financed by employee and employer contributions. The benefits granted by the entities are based primarily on the employees' number of years' service and on the average salary in the final years of active employment. Net assets are periodically subject to actuarial valuation following the «Projected Unit Credit Method».

Currency translation rates

The following exchange rates were applied for translating the US dollar as main Group trading currency into Swiss francs (prior year rates in brackets):

	Balance sheet	Income statement
US dollar	CHF 1.455 (1.345)	CHF 1.450 (1.235)

Changes in scope of consolidation

The scope of consolidation was extended by acquisition of the following companies during the year under review:

- Korolnyk Optik AG, Zurich per 1.1.1997
- La Gondola SA, Fribourg (Molino Restaurant) per 1.7.1997

The 49% participation acquired per 1.7.1997 in C/R Catalog Corporation (subsidiary of Jelmoli Holding Inc., Boston, USA) was balanced for the first time according to the equity method, likewise the 35% participation in Jelmoli Versand AG (as of 1.1.1997, formerly part of Jelmoli AG).

The ITV joint venture (Imholz-TUI-Vögele) per 1.11.1997 between Imholz Travel Group, TUI (Suisse) and Vögele Reisen did not as yet affect the 1997 business results of Jelmoli Holding, because the Imholz Travel Group is consolidated on the basis of its financial year from November 1 to October 31.

The following changes in 1997 have no effect on the scope of consolidation, but significantly affect the scope of business:

– Jelmoli department stores: rental and transfer of all department store locations (except Jelmoli Zurich) to new operators by stages between 1.8.96 and 27.3.1997.
– Terlinden-Jelmoli Dry Cleaning AG: per 1.9.1997 Terlinden-Jelmoli Dry Cleaning AG was divided into two independent companies. The textile care segment (for end-consumers) was transferred together with its sales outlets to the new company Terlinden-Jelmoli Textile Care AG, which is operated by the same shareholders on a 50:50 joint-venture basis. The previous company Terlinden-Jelmoli Dry Cleaning AG (work clothing leasing and cleaning) was sold at a profit.

The effects of these far-reaching changes on Group turnover, on operating income and on fixed assets are explained in the respective notes, the segment information on page 29, and the commentaries on individual companies (pages 11 to 24).

Unless otherwise noted, deviations from prior year figures are mainly due to the changes listed above.

Consolidated Income Statement (page 26)

1 Gross turnover

Under Details of Segments on page 29, an analysis is presented of turnover by:

– Jelmoli AG (Jelmoli Zurich, Molino restaurants, fashion bazaars; in previous year also including department stores and mail order)
– Dipl. Ing. Fust AG
– Imholz AG
– Others (Terlinden-Jelmoli, Kochoptik, USA).

A detailed analysis, in particular of turnover comparable with the previous year, is given in the individual company reports on pages 11 to 24.

2 Sales deductions

Sales deductions mainly comprise value added tax, staff discounts, and discounts granted to regular customers on specific limited product lines.

3 Cost of sales

Cost of sales also includes costs in connection with services rendered by third parties. Discounts granted are deducted from cost of sales.

4 Income from goods and services

The ratio of income from goods and services to net turnover has decreased by 2.6% due to the smaller proportion of department store business (with higher gross margins) and the larger proportion of business with lower gross margins (Dipl. Ing. Fust AG turnover in consumer electronics).

5 Staff costs

In addition to salaries and wages, staff costs include legal and voluntary pension funds as well as social security contributions and other personnel expenses.

Staff costs have reduced by 3.1%-points in relation to net turnover, due to a turnover swing away from the personnel-intensive department store business toward the less personnel-intensive travel and Dipl. Ing. Fust AG business.

The average number of full-time staff during 1997 declined to 2981 employees (-34.8%).

As a result, turnover per employee increased by 20.9% to CHF 0.498 millions. Average staff costs per employee rose by 1.4%.

6 Other operating expenses

About half of these comprise on one hand outlay for advertising and displays. The second half of other operating expenses mainly arises from rental charges, maintenance and repair outlay, marketing and administration costs, general expenditure and capital taxes. The ratio of other operating expenses to net turnover has decreased slightly.

7 Other operating income

This mainly comprises rental income, which amounted to CHF 39.6 million (Jelmoli AG: CHF 35.5 million, Dipl. Ing. Fust AG: CHF 3.4 million)

8 Depreciations

The depreciation rates applied to fixed assets in each category are disclosed in the Group Accounting Principles under Fixed Assets and Intangible Assets. Actual depreciation figures are given in the Analysis of Fixed Assets (page 30 and note 18). The decline of CHF 9.9 million in depreciations is due to sale of furniture and equipment (reduction of CHF 14.9 million in depreciations on tangible fixed assets) as against goodwill acquired with the second half of the shares of Dipl. Ing. Fust AG (increase of CHF 5.0 million in depreciations on goodwill).

9 Operating results

Segment operating results are disclosed as follows (see segment information on page 29):

- Jelmoli AG (department stores / mail order / real estate)
- Dipl. Ing. Fust AG
- Imholz AG (Imholz Travel Group)
- Others (Terlinden-Jelmoli, Kochoptik, USA, Jelmoli Holding Ltd).

For comments on results development compared with the previous year, see pages 11 to 24.

a) Jelmoli AG (department stores, mail order, real estate)

Operating losses were reduced already during the 1996 transition year from CHF 21.0 million to CHF 13.6 million. The effects of restructuring on operating income are largely reflected for the first time in the 1997 figures, with a rise of CHF 46.0 million to CHF 32.4 million. Apart from timely reduction of central operations costs, lower depreciations and revenues from store properties now rented out, this was also due to the higher operating income of Jelmoli Zurich, fashion bazaars and Molino restaurants.

b) Dipl. Ing. Fust AG

Despite the significantly higher proportion of low-margin business (consumer electronics), decline of the higher-margin kitchen/bathroom business, and the start-up costs of new *EURO*FUST market openings, operating income increased in proportion to turnover rise.

c) Imholz Travel Group

Although comparable turnover remained at the previous year's level, operating income more than doubled from CHF 3.9 million to CHF 7.8 million. The policy of only participating selectively in price-undercutting competition in this segment has thus paid off handsomely.

d) Others

(Terlinden-Jelmoli, Kochoptik, USA, Jelmoli Holding Ltd)

The higher operating losses of these companies (from CHF 7.7 million in 1996 to CHF 14.7 million in 1997) exclusively comprise losses by the USA subsidiary together with the operating costs and the first goodwill depreciations of Jelmoli Holding Ltd. Terlinden-Jelmoli and Kochoptik achieved a breakeven result. The additional loss of CHF 7.0 million is due to first-time goodwill depreciation within Jelmoli Holding Ltd on acquisition of the second half of the Dipl. Ing. Fust AG share block, and a (largely currency translation related) increase of losses in the USA.

10 Financial income

Interest and securities income for 1997, including premium income from derivative transactions with own shares (JELOZ, JELNO and JELIM options), foreign exchange and SMI stock, amounted to CHF 28.7 million (previous year: CHF 16.1 million). There was no investment income resulting from inclusion of consolidated companies under the equity method (previous year: CHF 1.2 million). Dividend income from non-consolidated investments was CHF 0.7 million as in the previous year.

11 Financial expense

Interest expense incurred for the servicing of mortgages, loans, pension fund loans and personnel deposits fell to CHF 17.8 million (previous year: CHF 19.4 million) due to reduction of interest liabilities.

12 Nonoperating income

Nonoperating income mainly comprised book gains from partial sale of a participation (Terlinden-Jelmoli work clothing leasing), sale of a small property, and also from employer contributions taken from the corresponding pension fund reserves.

13 Nonoperating expenses

Nonoperating expenses mainly comprised restructuring costs for completing the realignment of Jelmoli AG.

14 Income-related contribution to pension funds

Income-related contribution to pension funds remained at the minimum level of the previous year.

15 Income taxes

The low taxation rate of 12.0% on profit before taxes is attributable to the substantial tax relief on Jelmoli AG losses of about CHF 100 million (which have not been booked against income) and to the fact that financial yield is largely booked to holding companies subject to preferential taxation rates.

16 Consolidated income (**before** minority interest)

The increase of CHF 16.1 million is primarily attributable to a substantial improvement of income quality, since the extraordinary nonoperating income of CHF 45.6 million for 1996 was replaced in 1997 by a sustainable rise in ordinary income (from CHF 10.2 million in the previous year to CHF 70.2 million for the year under review).

17 Consolidated net income (**after** minority interest)

Consolidated net income for 1997 was CHF 61.4 million, or CHF 85 per dividend-entitled bearer share. The dividend proposal of CHF 34.- (previous year: CHF 28.-) is equivalent to a distribution rate of 40%.

Consolidated balance sheet (page 27)

18 Fixed assets / analysis (see table on page 30)

Capital expenditure during the year under review was primarily incurred by Jelmoli Zurich (various shop-in-shop and facade renovations), the completion of an office centre now fully rented out and occupied on the upper floors of the Grand Passage department store in Geneva (operated by Globus), and the second construction phase by Dipl. Ing. Fust AG of a new shopping centre in Zuchwil/SO, which has been rented out and opened. This was in addition to the normal outlay for ongoing replacement investments.

Information on mortgage loans is given in notes 28 and 29 to the consolidated financial statements.

19 Goodwill (see table on page 30)

The increase is attributable on one hand to additional goodwill from acquisition of a further 4.3% of Dipl. Ing. Fust AG share capital, and on the other hand to operational goodwill depreciation for 1997 of CHF 7.7 million.

20 Inventories

The change in inventories is mainly attributable to the sale or liquidation of mail-order inventories and inventories of the few department stores not closed until 1997, to the reduction of Jelmoli Zurich inventories, and on the hand to inventory increases in connection with the expansion of *EURO*FUST markets.

Inventories are valued in accordance with the Group accounting principles.

21 Trade accounts receivable

These comprise payments due from Jelmoli cardholders, together with credit sales and receivables with respect to Dipl. Ing. Fust AG leasing agreements. The decline of receivables compared with the previous year is mainly attributable to the discontinuation of mail order invoicing and to arbitrary conditions on balance sheet settlement day.
Del credere risks are adequately covered by setting aside an appropriate provision of CHF 7.2 million.

22 Other receivables

These mainly include receivables from suppliers. The change compared with the previous year is due to settlement day conditions.

23 Marketable securities

Securities held are not significant. They are valued at the lower of cost or market price.

24 Liquid assets

Liquid assets include petty cash, post office cheque accounts and bank sight and time deposits. Changes compared with the previous year are analyzed in the cash flow statement on page 28. The reduction in liquid assets is chiefly attributable to the fact that after the completion of Jelmoli AG restructuring with the exceptional financial transfers and insecurities associated with the same, liquidity management can be focused again on operative business requirements.

25 Share capital

Details on share capital composition and changes are given in the notes to the financial statements of Jelmoli Holding Ltd on

STATEMENT OF MOVEMENTS IN SHAREHOLDERS' EQUITY
In millions of CHF
(see note 26)

	Share Capital	Reserve for Own Shares	Paid-In Surplus	Consolidation Reserves	Total
Shareholders' Equity as at December 31, 1995	**38.6**	**22.7**	**48.4**	**406.5**	**516.2**
Exercising of Options	1,0		12.4		13.4
Sale/Purchase of Own Shares				4.3	4.3
Reserves for Own Shares		-4.3		4.3	0.0
Translation Difference				2.2	2.2
Added Value on Fixed Assets				-6.5	-6.5
Consolidated Net Income 1996				45.1	45.1
Shareholders' Equity as at December 31,1996	**39.6**	**18.4**	**60.8**	**455.9**	**574.7**
Exercising of Conversion Rights	0.2		5.2		5.4
Purchase of Own Shares				–44.4	–44.4
Reserves for Own Shares		44.4		–44.4	0.0
Translation Difference				1.1	1.1
Dividends to Third Parties out of Profit 1996				–21.0	–21.0
Consolidated Net Income 1997				61.4	61.4
Shareholders' Equity as at December 31,1997	**39.8**	**62.8**	**66.0**	**408.6**	**577.2**

page 42f.

26 Shareholders' equity

The table on page 35 shows changes in shareholders' equity during 1997, and in particular the effects of acquisitions, divestitures and of own shares held by the company.

Own shares are held at stated cost (see notes to the financial statements of Jelmoli Holding Ltd on page 43, item 10e). They are disclosed separately and have been directly deducted from shareholders' equity.

Shareholders' equity as a percentage of total assets rose from 42.3% to 43.2% as a result of the above-mentioned transactions and the reduction of minority interests.

27 Minority interests

The decline in minority interests is attributable to the acquisition of other 4.3% of Dipl. Ing. Fust AG and to the partial sale of Terlinden-Jelmoli Dry Cleaning AG.

28 Long-term loans

Long-term loans comprise the following (all denominated in Swiss francs):

- 2.5% convertible bond issue 1994-2001 in the amount of CHF 44.6 million (after conversion of CHF 5.4 million). Each bond at nominal value CHF 1000 is convertible into a bearer share of equal nominal value. A put option attached to each bond entitles the holder to repayment of the same at 107.75% of nominal value after four years. The equivalent yield for investors exercising put options is thus 4.32% p.a.
- 5% warrant issue 1995-2000 in the amount of CHF 100 million.
- Bank term loans with 1 to 4-year maturity periods and variable interest rates based on LIBOR plus an additional margin. These loans are secured by mortgages to the extent of CHF 40 million.

29 Other liabilities

Other liabilities chiefly comprise loans of CHF 43.6 million from the pension funds (previous year: CHF 13.6 million), and personnel deposits in the amount of CHF 8.1 million (previous year: CHF 8.5 million). CHF 10.0 million of the total amount is secured by mortgages (unchanged from previous year). There are no liabilities to non-consolidated companies.

30 Long-term provisions

Long-term provisions comprise the following (in million Swiss francs):

	31.12.1997	31.12.1996
– Deferred taxes	58.8	59.7
– Restructuring, etc.	2.5	16.2
Total	61.3	75.9

31. Trade accounts payable

The slight increase in trade accounts payable is due to settlement day conditions.

32 Short-term loans

These mainly comprise short-term bank loans.

33 Other short-term liabilities

Other short-term liabilities primarily include gift coupons not yet redeemed, and tax liabilities.

34 Contingent liabilities

There are no contingent liabilities of any significance.

35 Long-term leasehold and rental commitments

Long-term leasehold and rental contracts for premises occupied by the Group have expiry dates up to the year 2066. Future commitments arising therefrom amount to CHF 117.8 million (previous year: 104.7 million).

36 Board of Directors and major shareholders

As in the previous year, no amounts are due from or to Board members and major shareholders.

Within the framework of a multiple stage capital market transaction after Walter Fust became the new majority shareholder, the company acquired from him 506,073 bearer shares of Dipl. Ing. Fust AG at a price of CHF 425.– each or CHF 215.1 million in total (not including related transaction costs such as fees, charges and taxes), thus increasing its capital participation in Dipl. Ing. Fust AG to 99.96%. This transaction was confirmed by several expertises as correct and fair (at arm's length) both legally and commercially. The purchase price corresponds to half that paid by Walter Fust to UTC per Jelmoli bearer share, likewise to the exchange ratio of two Fust bearer shares for one Jelmoli bearer share offered by Walter Fust to former shareholders of Dipl. Ing. Fust AG (in the meantime almost completely exercised), and to half the redemption price of CHF 850.– of put and call options issued on behalf of Walter Fust by the UBS Union Bank of Switzerland on Jelmoli bearer shares type B. The correct handling of this transaction with the main shareholder has been checked in detail by the Group auditors.

Total expense for the Board of Directors of Jelmoli Holding Ltd amounts to CHF 0.4 million for the year under review. The average fee of Board members is CHF 50 000 per annum.

37 Employee welfare

Some of the main Group pension funds are based on the benefit primacy principle. Retirement benefits due to employees covered by these funds are based on a defined percentage of expected salary in the years prior to retirement, and depend on the number of years of service. Actuarial valuation of defined benefit plan pension funds are based on IAS regulations.

The following actuarial parameters were applied: Discount rate 5%, Return on assets 5%, Rate of increase in wages and salaries 3%, Rate of increase in retirement benefit 1%.

Actuarial valuations as of January 1, 1997 show the following overview:

- Pension fund assets at market values CHF 271.3 million
- Pension fund obligations CHF 277.6 million
- Coverage deficiency CHF 6.3 million

According to partial liquidation regulations, accumulated pension fund capital was paid out to employees laid off during realignment of Jelmoli AG. As a result, the coverage ratio remains practically unchanged.

38 Derivative financial instruments

To limit corporate currency exchange risks, the Jelmoli Group employs forward transactions complying with the corporate guidelines for currency risk management. Forward transactions open per 31.12.1997 were as follows (previous year in parentheses):

Currency (CHF million)	Contract value[1]	Market value	Difference
US$	64.2 (54.7)	66.5 (59.7)	2.3 (5.0)
German Mark	45.5 (n.a.)	45.9 (n.a.)	0.4 (n.a.)
Pesetas	15.3 (15.2)	15.3 (16.1)	0.0 (0.9)
Other	22.5 (54.6)	21.9 (58.0)	–0.6 (3.4)
Total	147.5 (124.5)	149.6 (133.8)	2.1 (9.3)

[1] less provisions

Financial results are optimized by purchase and sale of option contracts within set limits. Associated risks are limited by means of stop-loss transactions. Option sales contracts as per 31.12.1997 were to the following amounts (previous year in parentheses):

CHF million	Basic value of options	Market value
Sale of put and call options on currency transactions	67.7 (104.9)	1.3 (0.6)
Sale of put and call options on shares/indices	14.4 (24.9)	0.3 (0.1)
Purchase of put and call options on shares	0.0 (0.7)	0.0 (0.1)

39 Events subsequent to balance sheet settlement date

As of November 1, 1997 (effective for the Jelmoli Group closing accounts 1998), the Imholz Travel Group was merged in part with TUI (Suisse) and Vögele Reisen to form two business units cooperating on an integrated basis: the tour operations company ITV Reisen AG (Imholz-TUI-Vögele) and the local travel office retail company Imholz Vertriebs AG. Jelmoli Holding Ltd has a 33.33% minority participation in ITV Reisen AG, whose accounts are balanced according to the equity method, and a 66.66% majority participation in Imholz Vertriebs AG, which is fully consolidated (with deduction of minority shares in Group net income and equity).

As of 1.1.1998 Kochoptik AG acquired two further ophthalmic optician businesses with four branches in total, thus extending the sales network to 16 locations, of which 12 are situated in the Zurich agglomeration.

Prospects for 1998 and 1999

With ongoing weak economic recovery, only slightly reduced unemployment and stagnation in personal spending power, consumer purchasing as of January 1998 had significantly improved compared with one year previously but is still at a low level. Although customer behaviour indicates appreciably greater inclination to buy, there are hardly any signs of imminent improvement to any significant extent. This situation, which is likely to uphold tough market competition, affects all the Jelmoli Group companies.

Jelmoli AG (Jelmoli Zurich, Real Estate)
Long-term rental agreements at market-conform conditions (turnover-linked and guaranteed minimum rental clauses) have been concluded for practically all floor areas. Fixed minimum rentals secure real estate income against recession in retail trading, while turnover-linking allows income participation in phases of economic upswing and inflation. Less than 1% of sales floor area is still vacant in properties rented out. 1998 will be the first full business year with practically full rental of floor areas, thus bringing about CHF 5 million additional rental income.

Jelmoli Zurich turnover for the first months of 1998 is again significantly higher (on a comparable basis) than the previous year. The new shop-in-shop department store concept with friendly, competent sales personnel and outstanding price/performance ratio has brought excellent response among demanding city-centre customers, and further reputed shop-in-shop operators both local and international are keenly interested in Jelmoli Zurich as a location.
Operating income for 1998 and 1999 is expected to reach CHF 35 - 45 million p.a.

Dipl. Ing. Fust AG
Turnover for the first months of 1998 – encouragingly in the recession-prone kitchen/bathroom segment as well – is above expectations. It is possible that the renovation needs accumulated during the recession are now beginning to impact the market. Operating income of CHF 35 - 45 million p.a. is expected for 1998 and 1999.

ITV (Imholz-TUI-Vögele) Travel Group
The finished winter season fulfilled expectations with stable passenger figures, well-sustained average price levels and intact gross margins.

Prospects for the beginning summer season cannot be assessed as yet, mainly because of tougher competition and the boycott measures taken against the new ITV Travel Group by its two primary competitors. Synergies emerging from this joint venture will not take significant effect until the 1999 business year. We therefore reckon for 1998 with a sustained income contribution by the ITV Travel Group, which will not rise until 1999.

Other companies (including Holding costs)
Operating income of the US subsidiary is likely to improve significantly based on the measures taken (closure of the fashion store chain, merger of the two catalogue lines), which have already exceeded budget targets during the first months of 1998. A break-even can therefore be expected.

Financial income
Based on the current stock market performance of Jelmoli Holding Ltd, execution can be expected of the JELNO and JELIM options on shares retained in part by the company for this purpose. Due to the low purchase price of these shares, additional revenue will result thereby.

Furthermore, reserves to cover execution of put options on the convertible bond are expected to be dissolved.

Nonoperating income
A balanced nonoperating income is expected for 1998.

REPORT OF THE STATUTORY AUDITORS TO THE GENERAL MEETING OF STATUTORY JELMOLI HOLDING LTD, ZURICH

As statutory auditors, we have audited the accounting records and the financial statements (balance sheet, income statement and notes) of Jelmoli Holding Ltd. for the year ended December 31, 1997. These financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with auditing standards promulgated by the profession, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with the law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.

KPMG Fides Peat

P. Hess	G. Schultz
Swiss Certified Accountant	Swiss Certified Accountant
Auditor in Charge	

Zurich, February 27, 1998

INCOME STATEMENT JELMOLI HOLDING LTD, ZURICH

	1997	1996
	in CHF	in CHF
Income		
Income from Participations	17 487 378	13 000 000
Financial Yield	21 766 760	23 750 883
Net Income from Real Estate	–	1 007 641
Net Income from Sale of Participations	4 464 648	–
Other Income	1 696 987	524 000
Total Income	**45 415 773**	**38 282 524**
Expenditure		
Financial Expenditures	11 628 396	9 589 342
Administration Expenditures	5 076 564	5 559 201
Depreciation and Revaluation	–	361 287
Non Operating Expenditure	282 662	495 790
Taxes	1 611 836	1 354 456
Total Expenditure	**18 599 458**	**17 360 076**
Annual Net Income	**26 816 315**	**20 922 448**

BALANCE SHEET JELMOLI HOLDING LTD

	31.12.1997	31.12.1996
	in CHF	in CHF
ASSETS		
Participations and long-term loans	691 201 838	650 321 486
Land and buildings	0	20 838 000
Fixed assets	**691 201 838**	**671 159 486**
Accounts receivable		
– Group subsidiaries	114 836 119	85 477 910
– Third parties	6 254 648	4 618 757
Prepaid expenses and accrued income	1 011 649	1 515 913
Securities	62 790 527	15 133 881
Time Deposits	0	50 000 000
Cash and bank	5 187 151	4 557 438
Current assets	**190 080 094**	**161 303 899**
TOTAL ASSETS	**881 281 932**	**832 463 385**
LIABILITIES		
Shareholders' equity	39 839 340	39 567 340
Capital reserves	65 943 489	60 795 888
Unappropriated profits		
– Legal reserve	17 550 000	15 750 000
– Reserve for own shares	62 800 000	18 400 000
– Free reserve	0	13 600 000
– Special reserve	244 200 000	275 000 000
Balance sheet profit		
– Brought forward from previous year	3 957 771	5 832 495
– Annual profit	26 816 315	20 922 448
Shareholders equity	**461 106 915**	**449 868 171**
Long-term borrowed capital		
– Financial liabilities	184 560 000	210 000 000
– Provisions	127 059 059	127 059 059
Short-term borrowed capital		
– Group subsidiaries	99 534 163	37 645 676
– Third parties	248 578	268 476
– Accrued expenses and deferred income	8 773 217	7 622 003
Borrowed capital	**420 175 017**	**382 595 214**
TOTAL LIABILITIES	**881 281 932**	**832 463 385**

1. Contingent liabilities

Jelmoli Holding Ltd guarantees fulfilment of the obligations undertaken by the Imholz Travel Group as tour operator and promoter, and of the financial obligations of Jelmoli Group companies within the framework of existing credit agreements to the extent of CHF 264.2 million (previous year 370.6 million).

2. Pledged assets, retentions of title

There are no pledged assets or retentions of title.

3. Lease commitments

There are no lease commitments outstanding.

4. Fire insurance value

The company no longer owns any buildings or fixed installations.

5. Pension fund liabilities

There are no liabilities toward pension funds

6. Bonds

2.5% convertible bonds 1994-2001 were issued on October 26, 1994 to the amount of CHF 50 million. Each bond of nominal value CHF 5000 can be converted at any time into 5 bearer shares at CHF 1000 each. A put option attached to each bond entitles the investor to repayment of the same at 107.75% of nominal value after four years. The equivalent yield for investors exercising put options is thus 4.32%. The conversion rights of bond holders are secured by the authorized share capital increase of 50 000 bearer shares on April 26, 1994 (see note 10). During the year under review an initial 1088 bonds were converted, thus reducing the amount outstanding on this issue to CHF 44.56 million.

A 5% warrant issue by Jelmoli Holding Ltd on July 28, 1995 to the amount of CHF 100 million matures after 5 years on July 28, 2000.

7. Investments

Please refer to page 31: «Significant Group companies and investments as per December 31, 1997».

8. Release of hidden reserves

No hidden reserves were released during the year under review.

9. Revaluations

No revaluations were undertaken.

10. Own shares and reserves for own shares held / authorized or conditional share capital

In accordance with decision of the Annual General Meeting on April 26, 1994, the capital structure was modified as follows:

a) Conditional share capital increase

To finance acquisitions and business expansion projects, 136 000 bearer shares representing a share capital of CHF 6.8 million were created.

b) Use of conditional share capital

1. Issue of shareholders' options 1994-1996

Options of CHF 10.- par value each were issued to existing shareholders as at May 3, 1994. Holders of 70 options were entitled to convert the same into one bearer share at a price of CHF 670.- within three years. A total of 3 851 354 shareholders' options were issued, for which a maximum of 55 020 bearer shares were reserved.

Upon expiry of the exercising limit on March 29, 1996, 1 475 320 shareholders' options had been converted into 21 076 bearer shares.

After expiry of the exercising limit for shareholder options, the Board of Directors reduced the capital set aside by CHF 2 751 000 on March 31, 1997.

2. Issue of convertible bonds 1994–2001

An additional 50 000 bearer shares are reserved for the exercising of convertible bonds (see note 6). Initial conversions during the year under review resulted in 5440 new bearer shares.

c) Summary of conditional share capital distribution

	Distribution of conditional share capital	Bearer shares
–	Authorized on April 26, 1994	136 000
–	Shareholders' options 1994–1996 (cancelled)	55 020
–	Convertible bonds 1994–2001 (of which 5440 executed)	50 000
	Discontinued at the 1997 General Meeting	30 980

d) Share capital

After implementation of the aforesaid decisions and the exercising of shareholder options and conversion rights, the capital structure as at December 31, 1997 is as follows:

481 516	bearer shares at CHF 50 par value	CHF 24 075 800
1 576 354	registered shares at CHF 10 par value	CHF 15 763 540
Total share capital		CHF 39 839 340

Within the framework of a multiple stage capital market transaction after Walter Fust took over as majority shareholder, the former shareholders of Dipl. Ing. Fust AG were offered put options issued on behalf of Walter Fust by the UBS (Union Bank of Switzerland) within the framework of the exchange offer into Jelmoli bearer shares. Each put option entitled the holder to sell one Jelmoli bearer share (type B) on June 30, 1999 at an exercising price of CHF 850.– and was linked on the other hand with a call option held by Walter Fust entitling him to purchase these shares at the same price at any time within the same period. 124 037 type B Jelmoli bearer shares linked with these put options were issued for trading on the stock exchange. On 5.8.1997 Walter Fust exercised his call option on all Jelmoli bearer shares type B, which are therefore no longer listed.

e) Own shares

The company and its subsidiaries held 164 024 own registered shares and 41 436 own bearer shares as at 31.12.97.

Own shares are included under «Marketable securities» but recorded below market value. A reserve for own shares amounting to CHF 62.8 million has been raised by reducing other reserves by the same amount.

The company purchased own shares in order to uphold the significantly undervalued stock market prices of 1996 and early 1997, and in order to be able to repurchase own shares at advantageous conditions in connection with a capital reduction or for resale on the market (at book profit). Since tax regulations applying to capital repayments place fiscal demands which are not fulfilled by the repurchases undertaken, own shares acquired by the company will therefore be resold on the market to uphold stock prices. This is expected to bring a substantial book profit amounting to tens of millions of Swiss francs. The market placing method chosen in order to uphold share prices comprised staggered issue of traded call-options (JELOZ, JELNO, JELIM) on shares retained by the company together with other shareholders including Walter Fust and OZ Bankers AG. To promote long-term shareholder-orientation among management, it was also decided to introduce a stock option plan for Board members and senior executives. To this purpose non-traded options (JELGO) were issued on own shares retained.

The following options were issued by OZ Bankers AG:

Option	Execution		Ratio	Share	Number[1]) of	
name	Deadline	Price(CHF)		type	options	shares
JELOZ	18.3.1998	1275	10:1	Bearer	--	--
JELNO	16.9.1998	260	5:1	Regist.	725000	145000
JELIM	16.9.1998	1450	10:1	Bearer	90000	9000
JELGO	20.12.200	1425	20:1	Bearer	320000	16000

[1]) Number of options sold / shares deposited by Jelmoli Holding Ltd.

Premium income to the company from these option issues amounts to tens of millions of Swiss francs.

Out of the 41 436 own bearer shares and 164 024 own registered shares, 25 000 bearer and 145 000 registered shares are retained in case of execution of call options, while 16 436 bearer and 19 024 registered shares are available otherwise.

11. Major shareholders

As of December 31, 1997 the majority shareholder Walter Fust held directly and indirectly 58.1% of voting shares and 43.6% of share capital. During 1998 Walter Fust will reduce his temporarily increased shareholding, resulting from execution of call options on bearer shares type B, by price-upholding market placing via staggered options (see note 10 above). Ursula Hauser-Fust holds 4.5% of voting shares and 6.5% of share capital.

According to entries in the share register, ownership of the remaining registered shares is widely distributed. No shareholder other than Walter Fust holds more than 5% of registered shares.

BOARD OF DIRECTORS, STATUTORY AUDITORS,

GROUP AUDITOR, PROPOSALS TO THE GENERAL MEETING

BOARD OF DIRECTORS, STATUTORY AUDITORS, GROUP AUDITOR

Walter Fust*, Ittigen/BE	2001
Carlo Magri*, Kilchberg	2001
Dr. Peter Leumann*, Pfäffikon/ZH	2001
Prof. Dr. Hugo Tschirky, Zurich	1998
Regula Mann-Freihofer, Zurich	2000
Daniel Bürki, Auvernier/NE	1998
Ursula Hauser-Fust, Henau/SG	2001
Prof. Dr. Christian Belz, Grub/SG	2001

KPMG Fides Peat, Zurich, statutory auditors and Group auditor	1998

* Member of the Board Committee

THE BOARD OF DIRECTORS' PROPOSAL TO THE GENERAL MEETING

Appropriation of retained earnings 1997

Available retained earnings of Jelmoli Holding Ltd at the disposal of the General Meeting on April, 28, 1998

In CHF	1997	1996
Net income for the year	26 816 315	20 922 448
Retained earnings carried forward	3 957 771	5 832 495
Retained earnings at the disposal of the General Meeting	**30 774 086**	**26 754 943**

Proposed appropriation of retained earnings

In CHF	1997	1996[1]
Dividend payment of		
– CHF 34.– per dividend-entitled bearer share: 440 080 shares at par value Fr. 50.–	14 962 720	12 893 664
– CHF 6.80 per dividend-entitled registered share: 1 412 330 shares at par value Fr. 10.–	9 603 844	8 103 508
Allocation to legal reserve	–	1 800 000
Carried forward to new account	**6 207 522**	**3 957 771**

[1] Resolution by the annual general meeting of May 13, 1997

Subject to approval by the Annual General Meeting, dividend payments will be as follows:

Per bearer share, coupon No. 5	CHF 34.–	Per registered share	CHF 6.80
less 35 % withholding tax	CHF 11.90	less 35 % withholding tax	CHF 2.40
Net dividend per bearer share	CHF 22.10	Net dividend per registered share	CHF 4.40

Dividends will be paid as of May 5, 1998. Dividends on bearer shares will be paid out in the headquarters and at all bank branches of Credit Suisse and Credit Suisse First Boston, UBS Union Bank of Switzerland , Swiss Bank Corporation, Bank Leu AG and Bank Sarasin & Cie. Dividends on registered shares will be transferred directly to the respective shareholders.
The 1997 annual accounts have been audited by *KPMG* Fides Peat, Zurich as corporate auditors and controllers (cf. pp. 25/39), who have reported to the Board of Directors accordingly.

Elections

The Board members Prof. Dr. Hugo Tschirky, Zurich and Daniel Bürki, Auvernier/NE, will complete their terms of office on the date of the 1998 Genral Assembly. Both gentlemen are proposed by the Board of Directors for re-election at the General Assembly of April 28, 1998.

The corporate auditors and controllers are elected each year. *KPMG* Fides Peat, Zurich, elected as corporate auditors and controllers at the 1997 Annual General Meeting, have been nominated for reelection.

Zurich, February 27, 1998

On behalf of the Board of Directors
Walter Fust, Chairman

EXECUTIVE MANAGEMENT

JELMOLI HOLDING LTD

Dr. Peter Leumann	CEO
Dr. Robert Känzig	Secretary General/Press
Roland Walder	Treasurer/Controlling/Investor Relations

JELMOLI AG (JELMOLI ZÜRICH/JELMOLI-REAL ESTATE)

Jelmoli Zürich

Robert M. Fieg	Managing Director and Ladies-/Men-/Childrensfashion
Marcel Dubach	Shop-in-Shop/Services
Urs Kyburz	Household/Intérieurs/Paper
Marcel von Arx	Sport/Toys
Regula Keller	Beauty/Accessoires
Heinz Brassel	Personnel

Services (partly for Holding and other companies)

Hans Peter Steffen	Organisation/Information technology/ Direct Marketing/J-Card
Hans Bolt	Jelmoli Customer Card

Jelmoli Real Estate/Molino Restaurants/Fashion Bazaars

Alain Rolland	Managing Director
Gerd Laube	Real Estate (German speaking part of CH)
Franck Desmarais	Real Estate (French speaking part of CH)
Alfred Steiner	Molino Restaurants
Kurt Brunner	Fashion Bazaars

Martin Freimüller	Administration/Accounting
Anton Locher	Technical Services

DIPL. ING. FUST AG

Walter Fust	Managing Director

Ruedi Baer	Purchasing/Selling/Marketing
Eugen Forster	Purchasing
Markus Kradolfer	Engineering/Logistic

Simon Roesti	Kitchen/Bathroom/Real estate
Daniel Wey	Kitchen/Bathroom
Manfred Staub	Finance/Administration

IMHOLZ REISEN AG (TRAVEL GROUP)

André Haelg	Managing Director

Hans Wiesner	City Tours
Willy Noser	Beach holidays Medium-range
Roland Schmid	Overseas travel
Walter Kunz	Special travels/Big customers
Pierre Kauffmann	Marketing services

Romuald Scheiwiler	Sales network
Esther Schawalder	French speaking part of CH
Javier Gonzalez	Third-party distribution
Ursula Wiget Haagmans	Personnel/Training
Heinrich Kalt	Information technology
Rolf Leisi	Finance/Administration

OTHER COMPANIES

Kochoptik AG

Bert Zimmermann	Managing Director

Terlinden-Jelmoli Textilpflege AG

Dieter Kressig	Managing Director

Johnny Appleseed's Inc., USA

Hank Billeter	President/CEO

As per end of business year and before realisation of ITV Joint-Venture

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8910 Affoltern am Albis, Obere Bahnhofstr. 14
(E/UE/PC)

6460 Altdorf, Steinmattstrasse 1
(E/UE/PC)

9320 Arbon, St. Gallerstrasse 5
(E/UE/PC)

1754 Avry-sur-Matran, Hyper-Fust
Centre Avry-Top
(E/UE/PC)

8184 Bachenbülach, WARO-Zentrum
(E)

5400 Baden, Weite Gasse 14
(E/UE/PC)

4053 Basel, Güterstrasse 180,
Einkaufszentrum Gundelitor
(E/UE)

4058 Basel, Greifengasse 1
(E/K)

4051 Basel, Aeschengraben 10
(E/UE)

4058 Basel, Rebgasse 20
(E/UE)

3008 Bern, City West, Laupenstrasse 19
(E)

3008 Bern, Laupenstrasse 9/11
(UE/PC)

3011 Bern, Elektro-Shop, im Loeb, 3. Stock
(E)

3011 Bern, Seilerstrasse 3
(K)

3000 Bern, im Münzgraben 4/6
(E/UE/PC)

2502 Biel, Zentralstrasse 36
(E)

2504 Biel, Hyper-Fust, Solothurnstrasse 122
(E/K/GU/UE/PC)

2500 Biel, Coop-Center, Nidaugasse 35a
(UE/PC)

5200 Brugg, im ABM, Hauptstrasse 2
(E/UE/PC)

5200 Brugg, im Ex-Haveg, Neumarkt 2
(E/UE/PC)

2555 Brügg, Migros-Center Brügg
(E)

8180 Bülach, Euro-Fust im Ex-Jelmoli
Marktgasse 1, (E/UE/PC)

1630 Bulle, WARO-Center
(E/UE)

3400 Burgdorf, Industrie Buchmatt,
(E/K/UE)

1227 Carouge, Fust/Torre
Centre Commercial de Carouge
(E/UE/PC)

1261 Chavannes, Chavannes Centre
(E/UE/PC)

7000 Chur, Haus Tribolet, Quaderstrasse 22
(E/K/UE/PC)

1964 Conthey, Euro-Fust Rte. Cantonale 2
(E/UE/PC/K)

8157 Dielsdorf, Einkaufszentrum «CD Baholz»
(E/UE/PC)

8953 Dietikon, (50 m vor «Media Markt»)
(E/UE/PC)

8305 Dietlikon, Im IKEA (2. OG)
(E/UE/PC)

8305 Dietlikon, Fust-easy (Küchen&Bäder)
im Jumbo-Bau&Freizeit Maximo

8600 Dübendorf, Wilstrasse 2
(E/UE/PC)

1024 Ecublens, Centre Commercial
(E/UE/PC)

4622 Egerkingen, WARO-Zentrum
(E)

6020 Emmenbrücke, Shopping-Center
(E)

1163 Etoy, Centre de l'habitat
(E/K/GU)

8500 Frauenfeld, Zürcherstrasse 305
(E/K/GU/UE/PC)

1700 Fribourg, Rue de Lausanne 80
(E/K/UE/PC)

4414 Füllinsdorf, (1 Min. ab A2, Ausfahrt
Liestal, Richtung Liestal, an der Rheinstrasse)
(E/K/GU)

1201 Genève, Rue Monthoux 64
(E/UE)

1203 Genève, Planète Channilles
11, Promenade de l'Europe
Eröffnung: April 1998 (E/UE)

1205 Genève, Rue du Conseil-Général 20
(UE/PC)

1207 Genève, Centre Commercial
Eaux-Vives 2000
(E)

1204 Genève-Centre, chez Globus
Rue du Rhône 50

1209 Genève, Fust/Torre, Centre Balexert
(E/K/UE/PC)

1201 Genève, Fust/Torre, 5, rue Rousseau
(E/UE/PC)

1204 Genève, Fust/Torre, 3, rue de Rive
(E/UE/PC)

6512 Giubiasco-Bellinzona, Via Campagna 1
(E/K/GU/UE/PC)

8301 Glatt-Wallisellen, Einkaufszentrum Glatt
(E/K/GU/UE/PC)

6916 Grancia, Centro Grancia
(E/K/UE/PC)

9469 Haag, Haag-Zentrum
(E)

3627 Heimberg, Jumbo
(E)

8810 Horgen, Zugerstrasse 30
(E/UE/PC)

3800 Interlaken, Rosenstrasse 9
vis-à-vis Rosenparkplatz
(E/UE/PC)

8645 Jona-Rapperswil, Kläui-Center,
Kramenweg 15
(E/K/GU/UE/PC)

4303 Kaiseraugst, Hobbyland
(E)

8280 Kreuzlingen, Bachstrasse 17
(E/K/UE/PC)

6010 Kriens, Nidfeldstrasse 5
Eröffnung: 28.1.98 (E/UE/PC)

DIPL. ING. FUST AG

2304 La Chaux-de-Fonds, Hyper-Fust
Boulevard des Eplatures 44
(E/K/UE/PC)

4900 Langenthal, im Ex-Haveg, Marktgasse 36
(E/UE/PC)

1003 Lausanne, Fust/Torre
7, rue Haldimand
(E/UE/PC)

1003 Lausanne, 11, route du Petit-Chêne
(K)

1003 Lausanne, Place Centrale 1
(E/UE/PC)

1003 Lausanne, chez Globus, 5, rue du Pont
(E/UE/PC)

6600 Locarno, presso Globus
(E/UE/PC)

6616 Losone, Vicino al Mercato-Cattori
Viale Locarno 58
(E/UE/PC)

6002 Luzern, Bahnhof-Shopping
(E)

6004 Luzern, Zürichstrasse 48
(E)

6004 Luzern, Zürichstrasse 56
(K/GU)

6004 Luzern, Zürichstrasse 52
(UE/PC)

6003 Luzern, im Globus, Pilatusstrasse 4
(E/UE/PC)

2074 Marin, Marin-Center, Fleur de Lyss 26
(E/K/UE/PC)

1920 Martigny, Marché PAM, Rte de Fully
(E/UE/PC)

8887 Mels, Euro-Fust im Gewerbe-Center Wolfrit
Eröffnung: 29.1.98 (E/UE/PC)

1217 Meyrin, Centre commercial,
(E/UE/PC)

1820 Montreux, à l'ABM, Avenue du Casino 51
(E/UE/PC)

2000 Neuchâtel, 5, Rue des Terreaux
(E/UE)

2000 Neuchâtel, chez Globus (Armourins)
(E/UE/PC)

3172 Niederwangen-Bern,
Autobahnausfahrt A12
(E/K/GU/UE/PC)

9245 Oberbüren-Uzwil, an der A1
Telefon: 071 955 50 50 (E/K/GU/UE/PC)

4104 Oberwil, Euro-Fust, Mühlemattstrasse 23,
Eröffnung: 29.1.98 (E/UE/PC)

4600 Olten, Ziegelfeldstrasse 17
(E)

4600 Olten, Ziegelfeldstrasse 19
(K)

4600 Olten, Ziegelfeldstrasse 28
(UE/PC)

1530 Payerne, Grand-Rue 58
(E/UE)

8808 Pfäffikon, Seedamm-Center
(E)

2900 Porrentruy, «Inno les galeries»
Rue Pierre-Péquignat 7
(E/UE/PC)

9532 Rickenbach-Wil, WARO-Zentrum
(E)

1032 Romanel-sur-Lausanne, Hyper-Fust
Romanel Centre
(E/K/GU/UE/PC)

8200 Schaffhausen, Unterstadt 15-17,
(E/K/UE)

6214 Schenkon-Sursee, WARO-Zenter Zellfeld
(E/UE/PC)

3321 Schönbühl, Shoppy-Land
(E/PC)

6430 Schwyz, Mythen-Center,
(E)

6836 Serfontana, Morbio Inferiore
(E/UE/PC)

4500 Solothurn, Haus Möbel Pfister,
am Kronenplatz
(E/UE/PC)

4503 Solothurn, vis-â-vis Jumbo-Baumarkt
(E/UE)

8957 Spreitenbach, Tivoli-Center
(E/K/UE/PC)

9000 St. Gallen, Neumarkt, St. Leonard-Strasse
(E/UE/PC)

9006 St. Gallen, Euro-Fust
im Einkaufszentrum Grossacker
(E/UE/PC)

9430 St. Margrethen, Rheinpark
(E/K/GU)

5034 Suhr, Haus Möbel Pfister
(E/K/GU)

3600 Thun, Aarezentrum
(E/K)

3600 Thun, Im Bälliz 32
(UE/PC)

8610 Uster,, im Ex-Jelmoli, Poststrasse 14
(E/UE/PC)

1800 Vevey, Rue de la Madeleine 37
(E)

1800 Vevey, 11, rue du Simplon (ex Schild)
(E/K/UE/PC)

1844 Villeneuve, Centre Riviera
(E/UE/PC)

3931 Visp-Eyholz, Kantonsstrasse 79
(E/K/GU/UE/PC)

8604 Volketswil, WARO-Zentrum
(E/K/GU)

8570 Weinfelden, Bernerhaus, Marktplatz 3
(E/UE)

9500 Wil, im ABM, Obere Bahnhofstrasse 40
(E/UE/PC)

8402 Winterthur, Obergasse 20
(E/K/UE/PC)

8406 Winterthur-Töss, Zürcherstrasse 184
(E/UE)

1400 Yverdon, Rue de la Plaine 5
(K)

1400 Yverdon, Rue de la Plaine 9
(E)

1400 Yverdon, Rue de la Plaine 11
(UE/PC)

4528 Zuchwil, Euro-Fust im Birchi-Center,
Gewerbe «Waldegg»
(E/UE/PC/K)

6300 Zug, Baarerstrasse 86
(E/K)

8001 Zürich-City, Bahnhofstrasse,
im Jelmoli 3. Stock
(E/UE/PC)

8001 Zürich, Sihlporte, Talacker 41
(E/K/UE)

8003 Zürich, Stationsstrasse 62
(UE/PC)

8008 Zürich, Seefeldstrasse 8
(E/UE/PC)

8004 Zürich, Badenerstrasse 109
(E/UE/PC)

8032 Zürich, Hottingerstrasse 52
(E)

8048 Zürich, Letzipark
(E/UE/PC)

DIPL. ING. FUST AG

8050 Zürich-Oerlikon, Schwamendingenstr. 10

(E/UE/PC)

8050 Zürich-Oerlikon, Shopping-Center «Züri 11»

(E/UE/PC)

8023 Zürich-Hauptbahnhof

Sony-Shop / Shopville-Löwenpassage

(UE/PC)

LEGENDE:

E	=	Elektrohaushaltapparate
K	=	Küchen/Bäder
GU	=	Generalunternehmung
UE	=	Unterhaltungselektronik TV/HiFi/Video
PC	=	Computer

BUSINESS ADDRESSES

IMHOLZ-TRAVEL GROUP

ZENTRALE

Imholz Reise Gruppe

Birmensdorferstrasse 108, 8036 Zürich

Telefon: 01/455 44 44, Fax: 01/455 44 91

Postadressen für ITV (Imholz-TUI-Vögele) Reisen AG und Imholz Vertriebs AG gleich wie für Imholz Reise Gruppe

IMHOLZ-REISEBÜROS

5001 Aarau, beim Bahnhof
Telefon: 062/836 90 60, Fax: 062/824 74 04

9320 Arbon, Bahnhofstrasse 26
Telefon: 071/446 65 77, Fax: 071/446 70 71

5402 Baden, Cordulaplatz 8
Telefon: 056/221 58 58, Fax: 056/221 58 88

4010 Basel, Aeschengraben 10
Telefon: 061/278 93 00, Fax: 061/272 93 05

4001 Basel, Gerbergasse 20
Telefon: 061/264 92 64, Fax: 061/261 04 67

4005 Basel, Greifengasse 1
Telefon: 061/686 93 00, Fax: 061/692 93 03

3011 Bern, Aarbergergasse 46
Telefon: 031/312 78 78, Fax: 031/312 78 79

3011 Bern, Marktgass-Passage 1
Telefon: 031/312 01 61, Fax: 031/312 26 21

2500 Biel, Unionsgasse 16
Telefon: 032/322 11 66, Fax: 032/323 93 28

3900 Brig, Bahnhofplatz 3
Telefon: 027/923 24 26, Fax: 027/924 55 04

5200 Brugg, Hauptstrasse 2
Telefon: 056/441 15 51, Fax: 056/441 18 11

2555 Brügg b. Biel, Centre Brügg, Erlenstrasse 40
Telefon: 032/373 53 54, Fax: 032/373 33 48

9471 Buchs, Bahnhofstrasse 2
Telefon: 081/750 01 80, Fax: 081/756 54 22

7002 Chur, Quaderstrasse 17
Telefon: 081/252 52 20, Fax: 081/252 52 41

8953 Dietikon, Kirchstrasse 20 / Kirchplatz
Telefon: 01/743 47 77, Fax: 01/740 72 73

8600 Dübendorf, Bahnhofstrasse 64
Telefon: 01/821 00 55, Fax: 01/822 10 50

1700 Fribourg, Avenue de la Gare 2
Telefon: 026/321 51 51, Fax: 026/322 13 02

1204 Genève, Cours de Rive 4
Telefon: 022/319 09 40, Fax: 022/311 09 40

1209 Genève, Place du Petit-Saconnex 3
Telefon: 022/748 48 80, Fax: 022/740 48 80

1204 Genève, Rue du Rhône 35
Telefon: 022/317 88 20, Fax: 022/310 78 20

1211 Genève 3, Rue du Rhône 48
Telefon: 022/318 40 80, Fax: 022/311 40 88

1211 Genève 28, Centre Balexert
Telefon: 022/979 33 40, Fax: 022/797 33 70

1002 Lausanne, Rue du Petit-Chêne 32
Telefon: 021/321 41 11, Fax: 021/311 41 22

1003 Lausanne, Rue du Pont 5
Telefon: 021/310 39 90, Fax: 021/311 39 90

4410 Liestal, Rathausstrasse 51
Telefon: 061/926 93 00, Fax: 061/921 93 90

6000 Luzern 6, Zürichstrasse 12
Telefon: 041/418 40 70, Fax: 041/410 32 24

1870 Monthey, Place Centrale 4
Telefon: 024/471 74 54, Fax: 024/472 19 44

1820 Montreux, Grand'Rue 100
Telefon: 021/966 53 35, Fax: 021/963 53 35

1110 Morges, Grand-Rue 59
Telefon: 021/804 74 80, Fax: 021/801 28 01

2000 Neuchâtel, Rue du Temple-Neuf 11
Telefon: 032/724 46 86, Fax: 032/721 44 80

4665 Oftringen, Perry-Center
Telefon: 062/791 34 35, Fax: 062/791 30 65

4600 Olten, Kirchgasse 11
Telefon: 062/212 22 88, Fax: 062/212 77 57

8640 Rapperswil, Cityhaus, Obere Bahnhofstrasse 32a
Telefon: 055/220 55 77, Fax: 055/210 03 43

8952 Schlieren, Bahnhofstrasse 4
Telefon: 01/730 49 84, Fax: 01/730 29 90

4502 Solothurn, Wengistrasse 24
Telefon: 032/624 56 33, Fax: 032/622 40 51

9001 St. Gallen, Am Marktplatz, Oberer Graben 3
Telefon: 071/228 01 28, Fax: 071/228 01 29

8800 Thalwil, Gotthardstrasse 12
Telefon: 01/720 86 34, Fax: 01/720 87 65

3600 Thun, Bahnhofstrasse 12
Telefon: 033/222 40 22, Fax: 033/222 22 79

1800 Vevey, Rue du Simplon 18
Telefon: 021/925 09 50, Fax: 021/922 22 03

3930 Visp, Bahnhofstrasse 21
Telefon: 027/946 11 20, Fax: 027/946 41 60

8301 Wallisellen, Glatt-Zentrum
Telefon: 01/839 30 30, Fax: 01/839 30 39

9500 Wil, Obere Bahnhofstrasse 49
Telefon: 071/911 10 70, Fax: 071/911 53 50

8400 Winterthur, Zentrum Neuwiesen
Telefon: 052/212 22 61, Fax: 052/213 61 85

8401 Winterthur, Marktgasse 39
Telefon: 052/212 86 45, Fax: 052/213 40 12

1400 Yverdon, Rue du Lac 4
Telefon: 024/425 34 21, Fax: 024/426 00 75

6301 Zug, Vorstadt 10
Telefon: 041/710 25 15, Fax: 041/710 31 71

8021 Zürich, Bahnhofstrasse 69
Telefon: 01/221 21 42, Fax: 01/212 25 61

8021 Zürich, Steinmühleplatz (Jelmoli-City)
Telefon: 01/213 17 17, Fax: 01/220 49 78

8023 Zürich, Am Central 2
Telefon: 01/261 09 00, Fax: 01/261 80 65

8036 Zürich, Weststrasse 75
Telefon: 01/455 44 40, Fax: 01/455 44 96

8045 Zürich, Brunaupark, Giesshübelstrasse 65
Telefon: 01/461 51 61, Fax: 01/461 51 75

8048 Zürich, Letzipark, Baslerstrasse 50
Telefon: 01/491 46 26, Fax: 01/401 05 86

8050 Zürich-Oerlikon, Ohmstrasse 11
Telefon: 01/317 50 50, Fax: 01/311 20 91

REISEDIENST AG

6020 Emmenbrücke, Gerliswilstrasse 53
Telefon: 041/260 73 73, Fax: 041/260 73 13

4800 Zofingen, Kirchplatz 18
Telefon: 062/751 75 75, Fax: 062/752 38 88

KIPFER REISEN AG

3001 Bern, Im Bahnhof
Telefon: 031/311 82 44, Fax: 031/311 95 88

NOVO REISEN AG

5620 Bremgarten, Sunne-Märt-Center
Telefon: 056/633 88 22, Fax: 056/633 07 40

FLORA REISEN AG

6002 Luzern, Pilatusstrasse 8a
Telefon: 041/210 76 66, Fax: 041/210 96 16

BALDINGER REISEN AG

8820 Wädenswil, Eintrachtstrasse 7
Telefon: 01/780 36 36, Fax: 01/780 91 12

TRAVAC-FERNREISEN

WESTERN TOURS AG

8032 Zürich, Treichlerstrasse 10
Telefon: 01/268 23 23, Fax: 01/268 23 73

BUSINESS ADDRESSES

OTHER COMPANIES

KOCHOPTIK AG

Zentrale:

8112 Otelfingen, Industriestrasse 52

Telefon: 01/844 41 34, Fax: 01/844 42 06

Filialen:

8022 Zürich, Bahnhofstrasse 11

Telefon: 01/221 23 50, Fax: 01/211 68 94

8001 Zürich, Hauptbahnhof, Shopville

Telefon: 01/212 24 50, Fax: 01/212 24 52

8001 Zürich, Löwenstrasse 1 (Sihlporte)

Telefon: 01/221 21 41, Fax: 01/212 37 58

8021 Zürich, Seidengasse 1, im Jelmoli

Telefon: 01/211 33 10, Fax: 01/212 29 88

8004 Zürich, Badenerstrasse 156

Telefon: 01/241 40 46, Fax: 01/241 97 02

8050 Zürich, Ohmstrasse 14

Telefon: 01/312 33 01, Fax: 01/312 33 04

8301 Wallisellen-Glatt, Einkaufszentrum Glatt

Telefon: 01/830 49 31, Fax: 01/830 32 74

Korolnykoptik Kochoptik

8008 Zürich, Seefeldstrasse 47

Telefon: 01/241 40 46, Fax: 01/241 97 02

Passage Optik

8500 Frauenfeld, Bahnhofstrasse 70-72

Telefon: 052/720 70 88, Fax: 052/720 70 89

Horowitzoptik

4051 Basel, Freiestrasse 72

Telefon: 061/272 49 70, Fax: 061/271 01 32

4058 Basel, Greifengasse 17

Telefon: 061/681 39 77, Fax: 061/681 38 06

4132 Muttenz, Hauptstrasse 64

Telefon: 061/461 31 66, Fax: 061/461 64 77

Eisenoptik

8402 Winterthur, Marktgasse 16

Telefon: 052/213 19 23, Fax: 052/213 82 14

Zollikeroptik

8050 Zürich, Franklinstrasse 3

Telefon: 01/311 43 96, Fax: 01/ 311 75 34

8001 Zürich, Limmatquai 62

Telefon: 01/251 07 69, Fax: 01/251 07 69

8610 Uster, Zürichstrasse 7

Telefon: 01/940 68 68, Fax: 01/941 53 69

TERLINDEN-JELMOLI TEXTILPFLEGE AG

Zentrale:

Terlinden-Jelmoli Textilpflege AG

8700 Küsnacht, Seestrasse 39

Telefon: 01/913 19 70, Fax: 01/910 17 04

Sofortreinigungen:

8152 Glattbrugg, Schaffhauserstrasse 111

Telefon: 01/810 36 76

8700 Küsnacht, Dorfstrasse 20

Telefon: 01/910 40 08

8808 Pfäffikon, Seedamm-Center

Telefon: 055/410 35 25

8105 Regensdorf, Einkaufszentrum

Telefon: 01/840 62 24

8952 Schlieren, Zentrum Lilie

Telefon: 01/730 33 77

6312 Steinhausen, Einkaufszentrum Zugerland

Telefon: 041/741 10 50

8304 Wallisellen, Einkaufszentrum Glatt

Telefon: 01/830 07 87

5430 Wettingen, Albert-Zwyssig-Strasse 81

Telefon: 056/426 13 45

6300 Zug, Baarerstrasse 43

Telefon: 041/711 19 38

8053 Zürich-Wititkon,

Einkaufszentrum Witikon

Telefon: 01/381 77 97

8038 Zürich-Wollishofen, Etzelstrasse 2

Telefon: 01/482 14 27

Filialen:

8700 Küsnacht, Seestrasse 39

Telefon: 01/913 19 73

8803 Rüschlikon, Weingartenstrasse 11

Telefon: 01/724 10 60

8800 Thalwil, Gotthardstrasse 12

Telefon: 01/720 76 97

8902 Urdorf, Zentrum Spitzacker

Telefon: 01/734 08 68

5430 Wettingen, Center Passage

Telefon: 056/426 06 63

6300 Zug, Einkaufszentrum Metalli

Telefon: 041/711 57 75

8032 Zürich, Asylstrasse 58

Telefon: 01/251 25 69

8001 Zürich, Jelmoli, Bahnhofstrasse

Telefon: 01/220 44 11

USA

Johnny Appleseed's

Head Office and Mail Order Business

30, Tozer Road, **Beverly,** MA 01915

Phone: 001- 978 922 2040

Telefax: 001 - 978 922 70 01

Fortsetzung Textilpflege-Filialen

8002 Zürich, Bleicherweg 54

Telefon: 01/201 17 84

8049 Zürich, Limmattalstrasse 164

Telefon: 01/341 74 52

8001 Zürich, Löwenstrasse 29

Telefon: 01/211 08 11

8001 Zürich, Rämistrasse 2

Telefon: 01/251 56 70

8008 Zürich, Seefeldstrasse 32

Telefon: 01/251 28 42

8008 Zürich, Seefeldstrasse 60

Telefon: 01/261 11 85

8008 Zürich, Seefeldstrasse 127

Telefon: 01/383 13 38

8001 Zürich, Bahnhof Stadelhofen

Stadelhoferstrasse 8, Telefon: 01/251 32 33

8038 Zürich, Studackerstrasse 1

Telefon: 01/482 78 75

8044 Zürich, Vorderbergstrasse 11

Telefon: 01/261 98 81

8002 Zürich, Waffenplatz 5

Telefon: 01/202 62 73

8050 Zürich, Querstrasse 6

Telefon: 01/311 86 66

8001 Zürich, Bahnhofpassage HB

Telefon: 01/212 08 46

8700 Küsnacht, Seestrasse 39

Hauslieferdienst

Telefon: 01 910 14 54

UND 10 DEPOTS

Coordination	Dr. R. Känzig, Secretary General Jelmoli Group, Zurich
Photos	Thomas Cugini, Zurich
Setting + Lithography	WPS-RCM AG, Geroldswil
Printing	Ringier Print Zürcher Druck + Verlag AG, Rotkreuz

Printed on chlorine-free paper

JELMOLI
HAS BEEN INNOVATIVE SINCE 1833

Founded
by Johann Peter Jelmoli-Ciolina in June 1833
with a store on the Schipfe in Zurich

Revolutionary launch of
fixed prices for town and country

Parisian fashions

Mail-order business and store with fixed furnishings

Turn of the century
Introduction of modern sales forms that were
trail-blazing for the Swiss retail trade

Mail-order catalogue (1897)

«Glass Palace» as department store following
examples in Paris (1899)

Forties to Seventies
Extension of range and geographical
activities throughout Switzerland

More categories in range and
wider choice

Acquisitions of the department store groups
Innovation and Au Grand Passage

Expansion to new locations

1970 to 1989
Centralisation of purchasing at source

Computerization for logistics

Expansion of services

1989 to 1994
Realignment of the Jelmoli department store and
mail order businesses with shopping worlds, decen-
tralized profit centre organization, and simplified
structure

Acquisition of Imholz Travel and integration
of the Jelmoli travel agencies network

Acquisition of the voting majority
in Dipl. Ing. Fust AG with its speciality markets

1994 and 1995
Creation of a holding structure

Concentration of department store activities on the
Jelmoli Zurich parent store
Partnership with Heine in mail-order business

Since November 1996
Majority shareholder Walter Fust
Realignment of Jelmoli Zurich and
real estate reutilization
Acquisition of residual shares of Dipl. Ing. Fust AG
Joint Venture ITV (Imholz-TUI-Vögele)
in the travel sector

Jelmoli 97

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