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Press release: for release at 7.00 a.m. on 8 April 2010

Orell Füssli: Lower sales and profits in 2009

Difficult market conditions in the industrial business – production postponements in security printing – reduced profit – confident outlook for 2010.

Zurich, 8 April 2010 – Orell Füssli reported a 17% decline in sales to CHF 306 million (CHF 367 million in 2008) and profits 69% lower at CHF 15 million (CHF 48 million in 2008) in the 2009 financial year. The main factors contributing to the lower sales figure were the difficult market conditions in the industrial business and production postponements in security printing. The lower profit figure reflects these difficult market conditions on the one hand and the very high profit reported in the previous year due to exceptional factors on the other. Despite rigorous cost-cutting efforts, net profit at the Orell Füssli Group was far below expectations. Operating earnings of CHF 23 million benefited from non-recurring income totalling some CHF 8 million.

With its focus on capital goods, the **Atlantic Zeiser Group** was hit with full force by the economic crisis. Sales revenues of CHF 72 million were 30% lower than in the previous year. Although demand revived towards year-end, the outcome was a loss for the year as a whole.

In **security printing** the division achieved the planned high level of capacity utilisation. Production of the new Swiss banknotes scheduled for 2009 had to be postponed due to technical problems experienced by suppliers in delivering new security elements. The shortfall in value added, which was also reflected in sales revenues, was offset partially by appropriate corrections to depreciation of newly installed machinery.

Book retailing has stagnated for some years and also suffered from rather poor consumer sentiment. Sales revenues were lower after adjustment for changes in selling space, but this was offset by expansion at new sites. The cost of developing the new outlets resulted in substantial start-up losses, which were offset only partially by action to optimise costs. Overall sales were slightly higher at CHF 124 million, with annual profits of CHF 6.3 million. However, this outcome was boosted by a property sale.

The **publishing** units also felt the impact of the economic crisis. Despite the success of bestsellers such as “Bank-Banker-Bankrupt” by René Zeyer, sales declined to CHF 21.1 million, resulting in an outcome approaching breakeven. As of 1 April 2010, the majority holding in **Photoglob Ltd** was sold to its former minority shareholder and CEO, Gion Schneller. The interest in Photoglob retained by Orell Füssli Holding Ltd was therefore reduced to 34% (previously 71%).

The consolidated balance sheet shows an increase in shareholders' equity to 61,6% of total assets, while the net cash position declined to CHF 13 million.

Dividend proposal to the Annual General Meeting

The Board of Directors will propose to the Annual General Meeting on 11 May 2010, that a dividend of CHF 2.50 per share should be disbursed. This is in line with the company's long-standing dividend policy of paying out one-third of net profits. The dividend is not comparable with the previous year's figure, since last year's total dividend payment benefited from extraordinary capital gains.

Outlook

The outlook for the current year is cautiously positive. Although signs of a revival in demand in the industrial sector have emerged, it cannot be assumed that the economy has stabilised.

Security Printing is continuing to work intensively on the development of the new Swiss banknotes, for which no publication date has been set, although this could be in 2012.

Klaus Oesch, Chairman of the Board, comments: “In 2009 Orell Füssli had to contend for the first time simultaneously in all business units with problems essentially attributable to external factors – which we have to accept, although the outcome is unsatisfactory.”

The Chairman has also headed the executive board in an interim capacity since the end of February 2010 pending the appointment of a successor following the departure of CEO Sönke Bandixen due to differing views on strategic issues.

Changes in the Board of Directors

Balthasar Meier will not stand for re-election to the board by reason of the statutory term limit. Nick Huber will be proposed to the Annual General Meeting for election as a director.

Key figures for Orell Füssli

CHF m	2008	2009	Δ%
Sales	367.2	306.3	-16.6%
Operating earnings (EBIT) in % of sales	59.8 16.3%	23.1 7.5%	-61.4%
Profit after minority interests in % of sales	48.0 13.1%	14.7 4.8%	-69.4%
Number of employees	1 104	1 027	-7%
Dividend	8.00	2.50 ¹⁾	

1) Proposed by the Board of Directors to the Annual General Meeting on 11 May 2010.

Orell Füssli is an international industrial and trading group focusing on the core businesses of banknote and security printing, industrial systems used in the individualisation of security documents and branded products, and book retailing. The book publishing business is the traditional basis for the Zurich-based company. Orell Füssli generates sales of some CHF 300 million with 1 000 employees worldwide and is listed on the Swiss Stock Exchange.

In brief

Orell Füssli's annual results bear the traces of a difficult business environment

Zurich, 8 April 2010. International industrial and trading group Orell Füssli reported sales of some CHF 300 million in the 2009 financial year. This corresponds to a decline of 17% compared with the previous year. Net profit was CHF 15 million (-69%). The payment of a dividend of CHF 2.50 per registered share will be proposed to the Annual General Meeting on 11 May 2010. Orell Füssli expects markets to return to normal in 2010 and is working vigorously on enhancing efficiency.

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Annual Report

The Annual Report for 2009 (comprising Company Portrait, Short Annual Report and Detailed Annual Report) will be published with today's date and can be ordered from The Secretary to the Executive Board (Christine Schneider, phone +41 44 466 7273, christine.schneider@ofh.ch) and accessed on the Internet at (www.orellfuessli.com/AR09).

Agenda

Results press conference	Zurich	8 April 2010	09:00 a.m.
Presentation to financial analysts	Zurich	8 April 2010	10:30 a.m.
Annual General Meeting of Orell Füssli Holding Ltd	Zurich	11 May 2010	03:30 p.m.
Press release, half-year results 2010	Zurich		beginning of August 2010

Contact

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