

Media release: half-year results 1/2013 for release on August 15, 2013, 7:00 a.m.

## **Orell Füssli: sales slightly higher, earnings marginally better than in the same period of the previous year**

### **Positive outcome at Atlantic Zeiser – pleasing trend in the book retailing business – results at Security Printing still unsatisfactory**

Zurich, August 15, 2013 – Orell Füssli reported sales of CHF 128.5 million in the first half of 2013 (CHF 126.0 million in the same period of the previous year). Encouragingly, Atlantic Zeiser posted a slight improvement compared to the previous year and the decline at Book Retailing was halted. The half-year outcome at EBIT level was CHF -2.2 million (CHF -3.2 million in 2012). There was a striking improvement in operating earnings at Atlantic Zeiser. While the trend in book retailing was also positive, results at Security Printing remained well below expectations. The group half-year loss narrowed to CHF 2.1 million (loss of CHF 4.2 million in 2012). The improved outcome compared to a year earlier was attributable to positive currency effects in financial results as well as the slight improvement in EBIT. Seasonal effects typical of the business mean that the half-year figures are not indicative of results for the year as a whole.

EBIT at **Atlantic Zeiser** improved by CHF 3.2 million on slightly higher sales. The basis for this outcome was created by extensive cost-cutting measures in all areas of the company and the systematic implementation of the programme to enhance efficiency in manufacturing and material management. Growth was recorded in sales of systems solutions for packaging printing and in card personalisation systems, with the hundredth machine of the Cardline Versa model being delivered in May. Atlantic Zeiser is systematically focusing its strategic thrust on core business segments and in particular reinforcing its position as a supplier of systems solutions to meet the growing demand from the pharmaceutical and cosmetics industries in the fields of product track & trace and brand protection.

Sales at the **Security Printing** Division increased in the first six months to CHF 39.5 million (CHF 37.7 million in 2012). Production capacity was well utilised throughout the first six months, although the large number of trial runs for new orders had an adverse impact on optimal production flows. Extensive action to improve control of production and material flows, as well as monitor process quality, is currently being implemented. However, this is not yet reflected in the half-year results, which deteriorated with EBIT of CHF -2.0 million (CHF +1.3 million in 2012) due to lower gross margins and higher personnel expenses in preparation for the new projects. The optimisation measures are being systematically pursued under the oversight of the CEO, who assumed responsibility for Security Printing in July 2013.

The **Book Retailing** Division posted pleasing results, with sales maintained at the previous year's level and slightly improved earnings. Selling prices in the first half of 2013 were stable after several years of decline. The shift from store-based to remote sales is continuing as expected, but Orell Füssli was able to absorb this in its own sales channels. Sales by the Book Retailing Division totalled CHF 46.8 million (CHF 47.4 million in the same period of the previous year, including CHF 1.7 million through the Storyworld online store, which was closed at the end of 2012). EBIT improved to CHF -1.1 million (CHF -1.3 million in 2012). Orell Füssli is responding to the structural changes in the book trade through the joint venture with Thalia Bücher AG. The merger of book retailing activities in Switzerland is a decisive step with a view to holding our own in this market. Orell Füssli Thalia AG has been given the go-ahead by the relevant competition authorities and was entered in the Commercial Register in June 2013. Preparatory work is making good progress, headed by the future CEO, Dr. Michele Bomio.

## **Outlook**

As in previous years, Orell Füssli foresees a considerable improvement in net income in the second half of the year. The new venture of Orell Füssli Thalia AG will commence operations in October. This joint venture will bring positive effects of scale, a reinforcement of online business and presence in the whole of the German-speaking part of Switzerland. Capacity utilisation in security printing will continue to be high in the second six months. The stabilisation of production and the success of the action initiated to optimise operations and enhance efficiency will be crucial for the development of this division. Better overall results than in 2012 are expected for the group this year.

## Key figures for the Orell Füssli Group

CHF million	H1 2013	H1 2012	Full year 2012
Sales*	<b>128.5</b>	126.0	281.1
Total operating income	<b>132.0</b>	128.5	284.9
EBIT	<b>-2.2</b>	-3.2	3.6
in % of total operating income	<b>-1.7%</b>	-2.5%	1.3%
Group earnings	<b>-2.1</b>	-4.2	0.8
in % of total operating income	<b>-1.6%</b>	-3.3%	0.3%
Total assets	<b>267.4</b>	243.4	270.7
Shareholders' equity	<b>159.8</b>	163.6	167.6
in % of total assets	<b>59.8%</b>	67.2%	61.9%
Number of full-time employees	<b>959</b>	950	971

\*Net revenues from sales to customers.

## Agenda

Media release: 2013 annual financial statements  
Annual General Meeting of Orell Füssli Holding Ltd

March 2014  
May 7, 2014

*Orell Füssli is an international industrial and trading group focusing on the core businesses of banknote & security printing, industrial systems used in the individualisation of security documents and branded products, and book retailing. The book publishing business has formed the traditional basis for the Zurich-based company since 1519. Orell Füssli generates sales of some CHF 300 million with some 1 000 employees at locations in 10 countries and is listed on the Swiss Stock Exchange.*

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