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Press release: for release at 7.00 a.m. on February 9, 2011

Orell Füssli: progress at the operating level with slightly higher sales

Slow recovery in the industrial business, decline in the book retailing business, interim year in security printing

Zurich, February 9, 2011. According to provisional, unaudited annual figures, the Orell Füssli Group recorded sales of CHF 318 million in 2010 (4% higher than in the previous year). After adjustment for exchange rate movements and changes in the scope of consolidation, sales growth at ongoing businesses amounted to 9%. Orell Füssli expects to report operating earnings (EBIT) of CHF 14 million (CHF 23.1 million in 2009) and net profit of CHF 10 million (CHF 14.7 million in 2009) for the 2010 financial year. In 2009 extraordinary income and corrections to depreciation charges had a favourable impact on results, so that progress at the operating level is most clearly reflected in the change in EBITDA before extraordinary income (internal income statement). This amounted to CHF 31.0 million in 2010, compared with CHF 21.8 million in 2009.

Atlantic Zeiser recorded higher sales and an improvement in operating profit in 2010, although progress was slower than expected. In response to this, the sales network has been reinforced with in-house personnel and the dealer network expanded. Sales of numbering devices for banknote printing and printing modules for industrial applications contributed to the positive sales trend in 2010. The current situation is promising due to products developed in the past 18 months.

In the book retailing business the shift in demand from over-the-counter sales to the Internet continued, also intensifying pressure on the branch business. Independently of the issue of retail price maintenance, the Swiss book retailing trade had to absorb an average price reduction approaching 5% during 2010, due not least to the collapse in the exchange value of the euro, with a corresponding loss of revenue. Orell Füssli Book Retailing (OFB) therefore had no alternative but to close several unprofitable branches. OFB has responded to the shift of business to the Internet by establishing a new online sales channel in the discount sector (Storyworld). Rigorous cost management in response to the decline in sales even enabled an improvement in operating profit to be achieved in the book retailing business.

In security printing Orell Füssli continued to gain a foothold in international markets, although overcapacity in the cyclical banknote printing market and exchange rate movements in euro and dollar exerted pressure on prices, with a negative impact on operating profits. Utilisation of production capacity overall was good, and banknotes were actually produced in record numbers. Orell Füssli hopes that the development of the new series of Swiss banknotes can be completed in 2011, so that production can be expected to commence in the final quarter of 2011.

In the industrial business, Orell Füssli expects the international capital goods market to continue firmer in 2011. Security printing is expected to experience another interim year due to intense international competition and plans not to commence production of the new Swiss banknotes until late in the year. Further changes representing opportunities as well as risks are pending in book retailing. Orell Füssli will publish detailed annual figures for 2010 on April 12, 2011.

The Executive Board and the Board of Directors are also currently studying a change in reporting standards from IFRS to SWISS GAP FER.

Key figures for Orell Füssli

CHF m	2009	2010¹	$\Delta\%$
Sales	306.3	318	+4%
EBITDA before extraordinary income	21.8	31	+42%
Operating earnings (EBIT) in % of sales	23.1 ² 7.5%	14 4.4%	-39%
Profit after minority interests in % of sales	14.7 4.8%	10 3.1%	-32%

1) Provisional figures for 2010; corrections are possible in the course of auditing.

2) In 2009 profits included some CHF 9 million of extraordinary income.

Agenda

Press release: 2010 annual results		April 12, 2011
Results press conference	Zurich	April 12, 2011, 9:00 a.m.
Presentation to financial analysts	Zurich	April 12, 2011, 10:30 a.m.
Annual General Meeting of Orell Füssli Holding Ltd.	Zurich	May 10, 2011, 3:30 p.m.
Press release: half-year results 2011		August 2011

Information

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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 320 million with some 1 000 employees at locations in 10 countries and is listed on the Swiss Stock Exchange.