

orell füssli Holding AG

Dietzingerstrasse 3, P.O. Box
CH-8036 Zurich, Switzerland
Phone +41 44 466 7273
Fax +41 44 466 7280
info@orellfuessli.com
www.orellfuessli.com

Press release: half-year results 1/2012, for release at 7:00 a.m. on August 16, 2012

Orell Füssli: some operating improvements achieved, overall results remain unsatisfactory

Further growth at Atlantic Zeiser – decline in store-based book retailing – high capacity utilisation in security printing

Zurich, August 16, 2012. Orell Füssli reported sales of CHF 126.0 million in the first half of 2012 (CHF 120.3 million in the same period of the previous year). This represented an increase of 4.7% compared with a year earlier. Security printing in particular had a positive impact on the development in sales revenues, while book retailing continued to decline. The half-year outcome at EBIT level was CHF -3.2 million (CHF -5.9 million in 2011). Operating earnings improved at all three divisions. However, net income after minority interests deteriorated to CHF -4.0 million (CHF -3.6 million in 2011). This was due mainly to the increase in financial expenses arising from exchange rate movements and to the fact that income taxes from losses carried forward were not capitalised. As in previous years, seasonal effects typical of the business mean that the half-year financial statements are not indicative of results for the year as a whole.

The **industrial business** of German subsidiary Atlantic Zeiser posted a 5% increase in half-year sales denominated in euros. Atlantic Zeiser completed major projects in the first six months, some of which were carried over into 2012 from the previous year. In the process the company succeeded in establishing a firmer foothold in the important pharmaceutical industry market. Substantial projects were also completed in the field of card personalisation systems. Demand for numbering systems used in the production of security documents was stable in the first six months. In the first half of the year Atlantic Zeiser systematically completed the 15% reduction in personnel numbers which had been announced at the beginning of the year; this will improve the cost base in the second half.

Sales at the Orell Füssli **Security Printing** Division increased in the first six months to CHF 37.7 million (CHF 27.4 million in 2011). The utilisation of production capacity, especially with foreign orders, was encouragingly high throughout the first half of the year. Severe international price pressure and the currency situation continued to have an impact on the profit margins earned. Banknote concepts were developed and refined in close cooperation with major foreign customers. Further developments of existing Orell Füssli security features were initiated and will be presented to the public for the first time at an international trade fair in the final quarter of this year.

In **book retailing**, sales declined by 6.1% to CHF 47.4 million (CHF 50.5 million a year earlier). The setback in store-based sales was again appreciable. This was price- and volume-related. There were no changes in the branch network structure in the first half of the year. Sales in Internet trading are continuing to develop positively. The two existing online shops – books.ch and storyworld.ch – have been developed further. Customers can now be offered improved search algorithms, a more extensive product range and maximum delivery flexibility. The digitisation of books and the corresponding offerings of e-books are increasingly gaining in importance. Sales figures for e-readers have increased steeply compared with the same period of the previous year. Comprehensive assistance and the ability to utilise local infrastructure facilities are offered in the branches to facilitate customers' access to this virtual world.

Outlook

As in previous years, we foresee a considerable improvement in net income in the second half of the year. In book retailing we believe that the price erosion experienced in the past two years will now ease somewhat. However, a further decline in store-based retailing has to be expected; this will be partially offset by the trend in Internet retailing. Capacity utilisation in security printing will continue to be high in the second six months. Better overall results than in 2011 can be expected for the year as a whole.

Key figures for the Orell Füssli Group

CHF million	H1 2011	H1 2012	Full year 2011
Sales*	120.3	126.0	285.5
Total operating income	121.1	128.5	287.8
EBIT	-5.9	-3.2	2.4
in % of sales to customers	-4.9%	-2.5%	0.8%
Profit after minority interests	-3.6	-4.0	0.2
in % of sales to customers	-3.0%	-3.1%	0.1%
Total assets	234.0	243.4	258.3
Shareholders' equity	166.3	163.6	171.9.
in % of total assets	71.1%	67.2%	66.5%
Number of employees	1 004	950	1 048

*Net revenues from sales to customers

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.

Agenda

Press release: provisional annual figures for 2012
Press release: annual financial statements for 2012
Annual General Meeting of Orell Füssli Holding Ltd

Early February 2013
April 11, 2013
May 7, 2013

Contact

Michel Kunz, CEO Orell Füssli,
Phone +41 44 466 7273,
michel.kunz@ofh.ch

Enclosure

Orell Füssli half-year report 2012