

Media release:

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## **Orell Füssli Holding Ltd 2016 half-year results: consolidation of net revenue and net income**

**Further enhancement of operating performance at Security Printing –  
improvement in net revenue and net income at Atlantic Zeiser – implementation  
of transformation programme proceeding as planned at Orell Füssli Thalia**

Zurich, August 11, 2016 – Net revenue of CHF 139.5 million reported by Orell Füssli in the first half of 2016 was slightly below the previous year's level (CHF 141.5 million). The mid-year outcome at operating earnings (EBIT) level was CHF 7.9 million, marginally higher than the previous year's figure of CHF 7.5 million.

Net revenue at the **Atlantic Zeiser** Division in the first six months amounted to CHF 38.2 million (CHF 27.1 million in 2015). Operating earnings (EBIT) were CHF 1.8 million, an increase on the previous year's figure of CHF 1.1 million. Operating earnings included a special charge of CHF 1.5 million. In preparation for consolidating the sales subsidiary in China for the first time, valuation adjustments were made in relation to expenditure previously incurred in establishing the business. There was a striking increase in net revenue compared to the previous year in the Banknote Serialisation and Card Personalisation Systems business units in particular. The development of the Packaging business unit did not come up to expectations in the first half of 2016, despite an increase in orders in hand compared to the previous year. Customers remain reluctant to make investment decisions in the context of the EU Falsified Medicines Directive which came into effect in February 2016. Activities to reinforce the international sales organisation were continued as planned and further specialist personnel with experience in the pharmaceutical supply industry were recruited. In the second half of the year the focus of activity is on increasing net revenue in the Packaging business unit in particular.

Net revenue at **Security Printing** in the first half of 2016 amounted to CHF 55.0 million (CHF 67.2 million in 2015). Operating earnings (EBIT) amounted to CHF 8.5 million (CHF 9.3 million in 2015). The main reason for the decline in net revenue compared to the previous year was the absence of additional printing orders performed in association with selected

partners, which resulted in substantial additional profits in 2015. The EBIT margin improved from 13.8% to 15.5% due to a significant increase in productivity. Banknote production in the first half of 2016 proceeded as planned. Production of further denominations for two key customers in the context of issuing new series of banknotes is in full swing. Efforts to acquire new key customers were intensified in the first half of 2016 and additional sales personnel were recruited accordingly. The issue of the new series of Swiss banknotes in April 2016 underlines even more categorically our position as a supplier of secure, high-quality banknotes. Market-related activities will be further expanded in the second half of the year. Complementary modifications and expansions of processes and equipment were made in the first half of 2016, thus creating the preconditions for the further enhancement of quality and productivity.

Net revenue at the **Book Retailing** Division declined slightly in the first half of 2016, amounting to CHF 41.7 million (CHF 43.0 million in 2015). Operating earnings (EBIT) in the first six months of the year amounted to CHF -0.7 Mio. (CHF -1.9 million in 2015). Extraordinary income of CHF 1.1 million arising from the restructuring of the branch network (CHF 1.7 million, less expenditure of CHF 0.6 million on the transformation programme) had a positive impact on the overall half-year results. The Swiss book market as a whole contracted in the first six months of 2016 across all sales channels combined (bricks-and-mortar retailing, online distribution and e-books) by some 4% compared to the same period of the previous year. The main reason for this decline continues to be the migration of purchases to the Eurozone due to the Swiss franc/Euro exchange rate situation. The transformation programme launched at the end of 2015 was implemented in accordance with expectations in the first half of 2016. This programme will continue to be pursued systematically in the second half of the year. In the context of unifying brand identity, the former «Thalia» branches were renamed «Orell Füssli» and [www.orellfussli.ch](http://www.orellfussli.ch) was launched as the online shop in May 2016. In June 2016 the English Bookshop was moved and successfully integrated in the Kramhof outlet on Füsslistrasse in Zurich.

Net revenue at **Orell Füssli Publishing** in the first half of 2016 was some 11% higher than a year earlier. This increase resulted from the good performance of the «Children's Books» programme sector, in which both the classic series such as «Globi» and «Schellen-Ursli» as well as the newly developed sector recorded growth. The other three programme sectors (non-fiction, legal media and educational media) were all more or less at the previous year's level. Expansion of sales and marketing activities in the direction of Germany and Austria proceeded successfully in the children's books programme sector in particular.

## Outlook for 2016

We expect a slightly better overall result for the Orell Füssli Group compared to last year. At Security Printing the target remains an outcome at much the same level as last year, despite the absence of exceptional orders in association with printing partners. Atlantic Zeiser's objective is to continue the positive trend in net revenue in the second half of 2016. In Book Retailing we expect to be able to repeat the previous year's outcome on the basis of the steps initiated in the transformation project. However, as is the case every year, the success of the Christmas season business will be decisive for the overall outcome.

## Key figures for the Orell Füssli Group in CHF million

	1st half of 2016	1st half of 2015	Annual year 2015
Net revenue from sales to customers	139.5	141.5	279.4
Total operating income	143.8	146.2	289.2
Operating earnings (EBIT)	7.9	7.5	17.6
Net income for the period	5.0	4.0	12.8
Total equity	153.1	148.2	159.1
Net income for the period before minority interests	4.8	4.5	11.0
Equity before minority interests	140.6	135.5	143.9
Full-time equivalents	873	900	893

The half-year report for 2016 can now be accessed on the internet at [www.orellfuessli.com](http://www.orellfuessli.com) or be requested by telephone at +41 44 466 72 73 or e-mail at [investors@orellfuessli.com](mailto:investors@orellfuessli.com).

## Calendar

Publication Annual Report 2016  
(media release, conference call, analysts' conference)  
Annual General Meeting of Orell Füssli Holding Ltd

March 2017

May 12, 2017

## Contact

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**Orell Füssli** is a diversified 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, book retailing and publishing. Orell Füssli generates sales of some CHF 300 million with about 900 employees at locations in eight countries and is listed on the Swiss Stock Exchange.