

Media release:

For release on August 13, 2015, 7:00 a.m.

## Orell Füssli: Higher sales, positive half-year results for 2015

**Atlantic Zeiser below previous year's level – Security Printing returns to profit – Book Retailing weaker in difficult market environment**

Zurich, August 13, 2015 – Orell Füssli reported net revenue of CHF 141.5 million in the first half of 2015, an increase of some 8% compared to the same period of the previous year (CHF 131.2 million). The mid-year outcome at operating earnings (EBIT) level was CHF 7.5 million, a significant improvement compared to the first half of 2014 (CHF -4.0 million). Seasonal effects characteristic of the business mean that the half-year figures are not indicative for the full-year outcome.

Net revenue in local currency at the **Atlantic Zeiser** Division – excluding SOFHA GmbH, of which the majority shareholding was sold in 2015 – amounted to EUR 25.6 million in the first six months (2014: EUR 30.9 million). Also as a result of the substantial changes in currency translation rates, the corresponding outcome in Swiss francs was 28% lower at CHF 27.1 million (2014: CHF 37.8 million). Operating earnings (EBIT) were CHF 1.1 million (2014: CHF 1.5 million), including a capital gain of CHF 0.4 million from the sale of the holding in SOFHA GmbH. In market terms the decline in net revenue was attributable to weak order intake at the beginning of 2015. In particular, demand in the card production machine segment and especially in the USA, the most important geographical market, was lower than in 2014. A positive sign was the doubling of orders in hand at mid-year in the serialisation and marking solutions segment (Track & Trace) for pharmaceutical packaging compared with the figure for the previous year. In the second half activities will focus on achieving a sustainable increase in sales in the growth segment of pharmaceuticals.

Net revenue at **Security Printing** increased to CHF 67.2 million in the first six months (2014: CHF 40.6 million). Operating earnings (EBIT) amounted to CHF 9.3 million (2014: CHF -3.3 million). Production volumes increased sharply compared to the same period of the previous year as operations continued uninterrupted for long periods. The measures initiated progressively since last year to optimise production processes are showing their impact. The new offset printing press has been in production since January 2015 and is meeting expectations in terms of quality and performance. The installation of a new screen printing press was completed successfully in June 2015. Development work on further new series of banknotes is proceeding on schedule. The focus is now on achieving a smooth transition from sophisticated solutions in terms of technology and design engineering to reproducible volume production. We are pressing on vigorously with the stabilisation and standardisation of all processes in the company. The second half of the year will be characterised by undiminished efforts to make operating improvements to processes in order to further enhance efficiency in the production of the new series of banknotes.

Net revenue at the **Book Retailing** Division declined in the first half of 2015 to CHF 43.0 million (2014: CHF 48.3 million). Operating earnings (EBIT) in the first six months of the year amounted to CHF -1.9 million (2014: CHF -1.6 million). The market environment continued to weaken in the first half of 2015. The abandonment of the defence of the Swiss franc/euro exchange rate cap in January 2015 and the resulting change in Swiss customers' purchasing habits accelerated this trend considerably and caused a migration of purchases to the Eurozone. The e-book market segment is continuing to grow, although growth momentum has eased compared to earlier years. Orell Füssli Thalia has responded comprehensively to this trend. A euro discount campaign was launched in the branch outlets in spring 2015 and the resulting purchasing cost benefits were passed on to customers. Merchandise was also obtained even more systematically from abroad and purchasing terms and conditions were renegotiated. The complementary product lines partially offset the downtrend in book retailing. A cost-cutting programme was initiated in spring 2015 as an immediate response in order to counteract the consequences of the declining market trend. In view of the market trend, Orell Füssli Thalia will focus on strengthening advisory expertise in the bricks-and-mortar business, expanding its Internet presence further, and systematic cost management.

Net revenue at **Orell Füssli Publishing** in the first half of 2015 was some 10% lower than a year earlier. The shortfall was mainly due to the non-fiction programme, which also has a strong focus on other German-speaking countries. The other three programme sectors (children's books, legal media and educational media) were all more or less at the previous year's level. The main challenge for the second six months is to increase sales in the public sector, which should be achieved by action already launched in marketing and sales.

## Outlook for 2015

Orell Füssli expects a significantly better overall result for the year as a whole than last year, characterised by the substantial operating improvements at Security Printing. The annual outcome at Atlantic Zeiser is difficult to estimate at present, as very much depends on further developments in the various markets. In Book Retailing, given the difficult market environment, we do not expect to be able to repeat last year's results. The development of the Christmas season business will be decisive for the size of the setback.

## Changes in the Executive Board

The Corporate Development function will be reorganized as from 2016 and will no longer be represented on the Executive Board. Dr. Martin Söderberg, Head of Corporate Development and member of the Executive Board of Orell Füssli Holding Ltd, will be taking up a new challenge outside the company.

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

	First half of 2015	First half of 2014	Full year 2014
Net revenue from sales to customers	141.5	131.2	288.1
Total operating income	146.2	137.6	289.1
Earnings before interest and taxes (EBIT)	7.5	-4.0	4.0
Net income for the period	4.0	-4.0	1.7
Total equity	148.2	139.6	145.8
Net income for the period before minority interests	4.5	-3.7	-0.5
Equity before minority interests	135.5	127.9	131.7
Number of employees (full-time equivalents)	900	995	982

The half-year report for 2015 can now be accessed on the internet at [www.orellfuessli.com/en/](http://www.orellfuessli.com/en/) or be requested by telephone at +41 44 466 72 73 or e-mail at [investors@orellfuessli.com](mailto:investors@orellfuessli.com).

## Calendar

Media release: 2015 Annual Report  
Annual General Meeting of Orell Füssli Holding Ltd

March 2016  
April 28, 2016

*Orell Füssli is a diversified 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 has formed the traditional basis for the company since 1519. Orell Füssli has some 900 employees at locations in 8 countries and is listed on the Swiss Stock Exchange.*

## Contact

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