

# orell füssli Holding Ltd

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## Media release

Zurich, August 7, 2007

### Half-year result 1/2007

## Positive sales and profit trend at Orell Füssli

**Half-year figures clearly above previous year – industrial business slightly below expectations – pleasing growth in book retailing and publishing – good annual results expected**

The **Orell Füssli Group** reported sales of CHF 166.1 million for the first half of 2007, an increase of 7.5% compared with the same period of the previous year. Operating earnings improved by 8.1% to CHF 11.7 million and profit before minority interests rose by 39.5% to CHF 9.9 million. These results reflect the favourable business environment in the group's sales markets and ongoing efforts to improve margins. Results varied at the five divisions. Orell Füssli expects to achieve good overall annual results in 2007.

In the **industrial segment** the systems business of the **Atlantic Zeiser** Division did not fulfil expectations due to the delayed market launch of a new product line in the first half of the year. However, recent market successes, especially in the USA and at international trade fairs, lead us to expect that most of the lost ground can be recovered in the second half of 2007.

The business trend at the **Orell Füssli Security Printing** Division was pleasing, with high order intake ensuring constant capacity utilisation until the end of 2008, and corresponding sales and profit growth. As previously announced, some CHF 40 million are currently being invested in the modernisation and expansion of production capacity at the Zurich Wiedikon site, which will entail carrying out structural alteration work alongside production operations until the end of 2008.

**Book retailing** recorded an encouraging upswing supported by the favourable economic climate and accompanied by the abolition of the Swiss book price fixing at the beginning of May. Sales by the **Orell Füssli Book Retailing** Division at mid-year were 7.3% higher than previous year, with an organic growth accounting for some 5%. The generally stronger second half and the resolved IT problems mean that annual results in excess of the previous year's figure can be expected.

**Publishing** operations also made gains: sales rose by 14.9% and EBIT improved by 1.5% above previous year. Business at the **Orell Füssli Business Information** Division was at the previous year's level. The **Orell Füssli Publishing** Division reported significant increases in sales and profit compared with the same period of the previous year. Globi Verlag, which was integrated in Orell Füssli Verlag at the beginning of the year, also contributed to this. Publishing professional

Mr. Alex Aepli was appointed head of the Orell Füssli Publishing Division with effect from August 1, 2007, thus bringing the management team of the Orell Füssli Group up to full strength.

### Outlook

Growth momentum in the industrial segment is likely to lag behind that of the book business in the second half of the year, which will exert pressure on overall operating margins.

Nevertheless, given stable demand we expect higher annual sales for the Orell Füssli Group compared with 2006 and profits at that year's record level.

### Key figures for Orell Füssli

CHFm	H1/2007	H1/2006	Δ%	Full year 2006
Turnover	<b>166.1</b>	154.5	+7.5%	352.6
EBITDA	<b>18.9</b>	17.4	+8.4%	54.6
In % turnover	<b>11.4%</b>	11.3%		15.5%
EBIT	<b>11.7</b>	10.8	+8.1%	39.2
In % turnover	<b>7.1%</b>	7.0%		11.1%
Profit after tax	<b>9.9</b>	7.1	+39.5%	28.8
In % turnover	<b>5.9%</b>	4.6%		8.2%
Total asset	<b>247.6</b>	271.6	-8.8%	254.5
Equity	<b>132.7</b>	109.0	+21.7%	130.0
In % total asset	<b>53.6%</b>	40.1%		51.1%
Employees	<b>1'054</b>	1'030	+2.3%	1'049

### Orell Füssli Group

Orell Füssli, established in Zurich in 1519, is a diversified group combining the three independent business segments of Security Printing & Industrial Systems, Book Retailing and Publishing.

The Security Printing & Industrial Systems business segment is a technological and quality leader in banknote and security printing as well as in machinery manufacturing for systems used in the individualisation of security documents and industrial products. Orell Füssli's Book Retailing business occupies a leading position in Switzerland with large-format, specialist and online bookstores. In addition to non-fiction and textbook publishers, the Publishing business segment includes comprehensive online databases of corporate and personal information with a business focus.

Orell Füssli generates sales of CHF 350 million with 1'050 employees at locations in 10 countries and is listed on the Swiss Stock Exchange ([www.orellfuessli.ch](http://www.orellfuessli.ch)).

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Enclosure:

Orell Füssli Financial Report, 1<sup>st</sup> half of 2007