

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 1/2009, for release at 7:00 a.m. on August 4, 2009.

Industrial business and production delays depress results at Orell Füssli

Steep decline in the industrial business – production delays in security printing – cyclical downturn in book retailing and publishing – significant increase in sales and EBIT in the second half of the year and positive annual outcome expected.

Zurich, August 4, 2009. The steep decline in demand in the export-dominated machine manufacturing business, production delays due to suppliers' technical problems in security printing and the recessionary market environment in book retailing left clear traces in the half-year results at Orell Füssli. Sales of CHF 137.9 million by ongoing businesses (excluding the Orell Füssli Business Information Division sold in 2008) were 14.7% lower than in the same period of the previous year (-20.7% in nominal terms), while operating earnings (EBIT) declined to CHF -1.1 million and net profit of CHF 0.8 million was 92.5% lower. Operating earnings included a renegotiated purchase price instalment of CHF 4.0 million arising from the sale of the division in 2008. With the solution of suppliers' problems in security printing and based on the traditionally stronger second half-year performance at all divisions, Orell Füssli expects sales and EBIT to be significantly higher, but overall annual operating results to be substantially lower than in the previous year.

The **Atlantic Zeiser Division's** export-dominated machine manufacturing business was severely affected by the disruption to the international capital goods markets. Sales of CHF 33.6 million were 33.4% lower than in the same period of the previous year (-28.5% in local currencies). This resulted in a half-year loss (EBIT) of CHF -5.8 million. The cost-cutting action taken will already have some impact in the second half and come fully into effect in 2010. Costs have been lowered and a substantial reduction in the workforce has been avoided by the introduction of short-time working, thus maintaining the ability to respond to a later upswing. The still young digital inkjet business unit is developing well and performance is ahead of the previous year. Atlantic Zeiser expects the sales trend to stabilise and the course of business to improve in the second half, but foresees a negative outcome for the 2009 financial year.

The **Orell Füssli Security Printing Division** suffered a decline in sales to CHF 38.9 million (-14.5% compared with the previous year) and in operating earnings to CHF 4.5 million (-62.9% compared with the previous year). Suppliers' technological problems delayed the completion of major banknote orders, thus postponing substantial sales and profit potential until 2010. Order books are still well stocked. Orell Füssli Security Printing expects an improvement in the second half, but the shortfalls in the first six months will not be recouped in annual results.

The **Orell Füssli Book Retailing Division** posted a slight increase in sales to CHF 54.9 million up to mid-year (+1.4% compared with the previous year). The newly opened branches contributed to growth, but sales were -3.9% lower after adjustment for the increase in selling space, reflecting the recessionary market environment in Switzerland. The start-up costs for the new branches are depressing margins and resulted in negative operating earnings of CHF -2.9

million. Orell Füssli Book Retailing expects to post annual results at the previous year's level due to cost-cutting action and the traditionally stronger performance in the second half of the year.

Sales and operating earnings by the publishing segment are slightly below the previous year's figures in terms of both half-year results and the expected annual outcome.

Outlook

Orell Füssli expects the international capital goods market to remain very weak throughout 2009 and the recessionary market environment to persist in Switzerland. The action initiated in the industrial sector and book retailing is expected to have a positive impact on results in the second half of the year. There are also signs of improved results in the second half in the security printing sector, where demand is strong. Orell Füssli expects a rising trend in sales and EBIT in the second half of 2009 and positive annual operating results, albeit substantially below the previous year's figures.

Key figures for Orell Füssli

CHF m	H1 2008	H1 2009	Δ%	Full year 2008
Sales	173.9	137.9	-20.7%	367.2
EBIT	15.0	-1.1		59.8
in % of sales	8.6%	-0.8%		16.3%
Profit after minority interests	10.7	0.8	-92.5%	48.0
in % of sales	6.2%	0.6%		13.1%
Total assets	276.1	301.6	+9.2%	314.3
Shareholders' equity	150.9	171.5	+13.7	186.4
in % of total assets	54.7%	56.8%	%	59.3%
Number of employees	1 096	1 030	-6.0%	1 104

Agenda

Investors' Day – Orell Füssli Insight
 Press release: provisional annual financial statements for 2009

Zurich October 7, 2009
 January 29, 2010

In brief

Orell Füssli reports low half-year figures and a positive outlook

With sales of some CHF 138 million and net profit at breakeven level, half-year results at international industrial and commercial group Orell Füssli were depressed by a steep decline in demand in the export-dominated machine manufacturing business, production delays due to suppliers' problems in security printing and the recessionary market environment in book retailing. Orell Füssli expects an improvement in the second half of the year and annual results substantially below the previous year's level.

Key figures for Orell Füssli

CHF m	H1 08	H1 09	Δ%
Sales	174	138	-20%
EBIT	15	-1	-100%
Net profit	11	1	-92%

Information

Sönke Bandixen, CEO Orell Füssli
Phone +41 44 466 7273
ceo@ofh.ch

Enclosure

Orell Füssli financial report, 1st half of 2009

Orell Füssli is an international industrial and commercial 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 370 million with 1 100 employees at locations in 10 countries and is listed on the Swiss Stock Exchange.