

Orell Füssli
Half-year
Financial Report
2011

Editorial

Dear shareholder,

Currency movements are severely affecting Orell Füssli in all sectors. In banknote printing almost all printing contracts completed in the first six months were in foreign currencies, in book retailing German prices denominated in euros are also having an impact on the Swiss market, and at Atlantic Zeiser 63% of sales are generated outside the euro zone. In addition, operating progress at Atlantic Zeiser is being largely neutralised on translation from local currency (euros) to group currency (Swiss francs). Short-term fluctuations can be cushioned by currency hedging, but long-term trends result in significant shifts in our competitive position. Orell Füssli is reacting to these developments. In book retailing more direct purchases are being made in Germany, enabling a more rapid response to be made to shifting exchange rates. In security printing, purchases of material (especially paper) are being made as far as possible by competitive international tender. At the same time production efficiency is being improved and productivity boosted by means of a new working time model. However, there are limits to these efforts. If the Swiss franc stabilises at the current high level for the long term, this will call into question our international competitiveness, especially in security printing. You will gather from the report what impact the steep depreciation of the euro and the dollar versus the Swiss franc has had on results in the first six months. These external factors cast a heavy cloud over the outcome for the first half of the year as a whole. For example, the pleasing sales growth at Atlantic Zeiser is barely reflected in net income reported in Swiss francs.

Atlantic Zeiser is increasingly establishing a position on the market with its products for narrow-web application of variable data on packaging and industrial products for purposes of shipment authentication and tracing, and is thus expanding this third field of activity alongside numbering and card systems. Atlantic Zeiser was only marginally affected by the consequences of the natural disaster in Japan; a prompt response prevented supply bottlenecks from developing.

The Security Printing Division is absolutely reliant on being able to start printing the new Swiss banknotes in the final quarter of this year following the long-delayed production go-ahead. The final pilot production phase tests are currently in progress, and the results are encouraging.

The Book Retailing Division is continuously adjusting its branch network to customer needs and expanding its Internet offering. The branch opened at Zurich Airport had a pleasing start. New discount channel storyworld.ch has established itself firmly with cost-conscious customers, and growth rates are gratifying. We have succeeded in distinguishing ourselves vis-à-vis established competitors.

The second half of the year is starting amid renewed turmoil on the global capital and money markets. It will certainly be no less challenging than the first six months. By tradition, results will be considerably better. We shall aim to progress from the basis of last year's figures. How far we will be successful in this depends not least on economic developments.

Thank you for your interest and your loyalty towards our company; we will be pleased to answer any questions you may have.

Zurich, August 12, 2011



Klaus Oesch
Chairman



Michel Kunz
Chief Executive Officer

Business in the first half-year 2011

Operating improvements at AZ – unsatisfactory mid-year results – all divisions significantly affected by currency turmoil.

The Board of Directors has decided to change from IFRS to Swiss GAAP FER financial reporting standards in 2011. The previous year's figures have been restated accordingly to ensure comparability. The impact of this change is set out as from page 10. The following comments are based on the Swiss GAAP FER figures.

Orell Füssli reported sales of CHF 120.3 million in the first half of 2011 (CHF 135.3 million in the same period of the previous year). This represented a reduction of 11.1% compared with a year earlier. Adjusted for currency translation effects, sales amounted to CHF 136.3 million. The half-year loss at EBIT level was CHF 5.9 million (loss of CHF 2.6 million in 2010). The net half-year loss amounted to CHF 4.1 million (loss of CHF 0.5 million in 2010). The deterioration in the outcome compared with a year earlier was mainly attributable to the weakness of the US dollar and the euro. The Security Printing and Book Retailing divisions are affected by this. Orell Füssli is being compelled increasingly to purchase goods and materials abroad in order to counteract to some extent the negative currency trend for Switzerland. If the value of the currencies of relevance for the company were to stabilise at current levels, this would have lasting consequences for foreign business in security printing. As in previous years, seasonal effects typical of the business mean that the half-year financial statements are non-indicative.

The **industrial business** of German subsidiary Atlantic Zeiser posted a 19% increase in half-year sales in euros at the operating level. This pleasing growth in sales was severely reduced in the consolidated financial statements due to the depreciation of the euro versus the Swiss franc. Atlantic Zeiser reported sales of CHF 36.9 million in group currency in the first six months. After adjustment for currency translation this was equivalent to an increase of 4.4% compared with the same period of the previous year. Atlantic Zeiser also posted a further improvement in operating profit. The company secured major orders to supply passport systems and systems for personalising ID cards. Its strong position as a supplier to machinery manufacturers in the security printing industry was further reinforced by investments in new products and modern production lines. Especially in France, a number of innovative projects were secured in the pharmaceutical and cosmetics industries focusing on the application of variable data in the manufacturing process. The acquisitions of SOFHA and Böwe Cardtec in 2010 are bearing their first fruit. SOFHA produces important software modules which enable new printing applications to be offered. The products acquired from Böwe Cardtec are currently being developed further and will be exhibited at forthcoming trade fairs. Following a health-related absence, the CEO of Atlantic Zeiser has decided to form his own business. The search for a successor has commenced and interim management of the division is assured.

Sales at the Orell Füssli **Security Printing** Division declined in the first six months to CHF 27.4 million (CHF 39.2 million in 2010). Margins on foreign banknote printing orders were substantially lower due to the strong Swiss franc, resulting in a sharp reduction in divisional profits. Excess capacity on the world market is continuing to depress prices. In order to counteract both of these factors, the division is concentrating on tendering for challenging banknote printing contracts with high value added, while simultaneously optimising cost efficiency in production. The further expansion of the foreign customer portfolio in the first half, thus reaping the rewards of efforts made over many years in some cases, was encouraging. Orell Füssli Security Printing has made crucial progress with the development of the new series of Swiss banknotes in cooperation with the Swiss National Bank and its sub-contractors, and is confident that production of the new series can be commenced in the final quarter of the current year.

In **book retailing**, sales revenues were reduced by price cuts dictated by the business environment due to the low euro exchange rate. There was little change in the total number of books sold. The exceptionally fine and warm months of April and May resulted in substantially lower sales compared with a year earlier. Sales of CHF 50.5 million overall were 5.3% lower than in the same period of 2010 (CHF 53.3 million). Encouragingly and in line with targets, sales via the Internet were 9% higher and those to large customers 24% higher than a year earlier. Two new outlets were opened in the first six months, in Winterthur (Rosenberg Shopping Centre) and at Zurich Airport. The large bookshop in Winterthur was also totally renovated.

The publishing business has been headed by Matti Schüsseler since this spring. In the meantime he has taken the opportunity to set new priorities. The individual publishing programmes are currently being analysed and reoriented as necessary.

As already announced in the 2010 Annual Report, the unaudited 2010 half-year report gave too negative a picture of financial expenses relating to exchange rate fluctuations to the tune of CHF 3.5 million, since exchange losses on the loans to Atlantic Zeiser (equity loans) were posted to expenses instead of shareholders' equity.

Outlook

The outlook for the second half of the year is by tradition considerably better, although the business environment is expected to be difficult. Timely commencement of production of the new Swiss banknotes will make a crucial contribution to results. The transition from the current series to the new banknotes and the associated delays have severely depressed Orell Füssli's profits to date. Viewed overall, we believe that last year's sales and profit figures can be equalled if the Swiss franc's exchange value stabilises at a realistic level.

KEY FIGURES FOR ORELL FÜSSLI

<i>in CHF million</i>	First half of 2011	First half of 2010	Change in %	Annual year 2010
Total income	127.8	130.8	-2.3%	308.0
Earnings before interest and taxes (EBIT)	-5.9	-2.6	-128.5%	13.2
in % of total income	-4.7%	-2.0%		4.3%
Result after minority interests	-3.6	-0.5	611.5%	9.5
in % of total income	-2.8%	-0.4%		3.1%
Total assets	234.0	274.3	-14.7%	245.8
Total equity	166.3	172.0	-3.3%	179.1
in % of total assets	71.1%	62.7%		72.9%
Number of employees	1,004	977	2.8%	1,047

Agenda

Press release: provisional annual figures for 2011	Early February 2012
Press release: annual financial statements for 2011	April 12, 2012
Annual General Meeting of Orell Füssli Holding AG	May 10, 2012

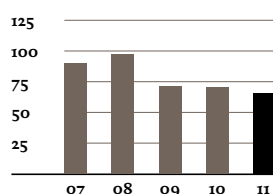
Information

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Half-year Financial Report 2011

TOTAL INCOME LESS DIRECT COSTS

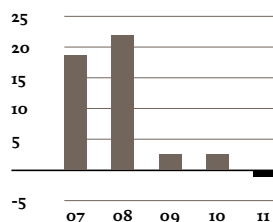
in CHF million; first half year



Development of total income less direct costs in the first half of the 2007 to 2011 financial years. Total income less direct costs diminished by an annual portion of about CHF 20 million due to the disposal of two subsidiaries in 2008.

EBITDA

in CHF million; first half year



Development of EBITDA in the first six months of 2007 to 2011 financial years. Based on IFRS figures up until 2009.

1 HALF-YEAR FINANCIAL REPORT

1.1 CONSOLIDATED INCOME STATEMENT

in CHF '000; January-June

	2011	2010
Sales to customers	120,268	135,286
Other operating income	1,401	1,181
Changes in inventories of finished products and work-in-progress	6,165	-5,619
Total income	127,834	130,848
Cost of materials	-56,864	-53,147
Direct production costs	-4,683	-6,032
Total direct costs	-61,547	-59,179
Personnel expenditure	-44,827	-45,604
Other operating expenses	-22,335	-23,445
Depreciation and impairment	-5,079	-5,136
Gain on sales of non-current assets	6	-87
Total operating expenses	-72,235	-74,272
Earnings before interest and taxes (EBIT)	-5,948	-2,603
Financial income	662	1,254
Financial expenses	-390	-361
Financial result	272	893
Earnings before income taxes	-5,676	-1,710
Income tax expenses	1,590	1,232
Net income for the period	-4,086	-478
Attributable to the shareholders of Orell Füssli Holding Ltd.	-3,586	-504
Attributable to minority interests	-500	26

EARNINGS PER SHARE

in CHF; January-June

	2011	2010
Earnings per share (diluted and undiluted)	-1.83	-0.26

Since the beginning of 2011 the consolidated financial statements have been prepared in accordance with Swiss GAAP. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

The disclosures from page 10 to 13 form an integrated part of the financial report.

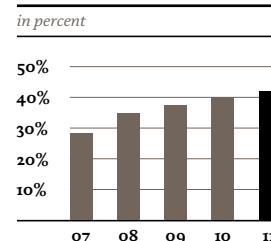
1.2 CONSOLIDATED BALANCE SHEET

<i>in CHF '000</i>	30.06.2011	31.12.2010	30.06.2010
Assets			
Cash and cash equivalents	16,647	29,594	18,286
Marketable securities & derivative financial instruments	659	198	10
Receivables	33,942	44,737	40,875
Receivables from manufacturing orders on a POC basis, net	13,374	10,322	25,002
Inventories	45,891	39,520	45,719
Current financial assets	228	228	4,667
Current income tax receivables	3,815	2,869	3,262
Total current assets	114,556	127,468	137,821
Tangible assets	99,526	99,780	107,225
Intangible assets	3,936	3,654	1,913
Investments	4,795	4,753	4,706
Non-current financial assets	752	755	13,130
Pension fund assets	3,845	4,068	4,318
Deferred tax assets	5,486	4,216	4,257
Other non-current assets	1,109	1,063	961
Total non-current assets	119,449	118,289	136,510
Total assets	234,005	245,757	274,331
Liabilities			
Trade payables	14,529	22,538	13,505
Prepayments from customers	13,564	15,307	34,590
Current financial liabilities	15,792	6,625	26,811
Current income tax liabilities	215	1,268	873
Other current liabilities	17,534	14,258	18,965
Current provisions	715	730	631
Total current liabilities	62,349	60,726	95,375
Non-current financial liabilities	1,496	1,670	2,074
Pension fund liabilities	379	392	394
Non-current provisions	395	395	414
Deferred tax liabilities	3,118	3,438	4,104
Total non-current liabilities	5,388	5,895	6,986
Share capital	1,960	1,960	1,960
Capital reserves	4,160	4,160	4,160
Retained earnings	144,777	156,000	150,171
Total equity before minority interests	150,897	162,120	156,291
Minority interests	15,371	17,016	15,679
Total equity	166,268	179,136	171,970
Total liabilities	234,005	245,757	274,331

Since the beginning of 2011 the consolidated financial statements have been prepared in accordance with Swiss GAAP. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

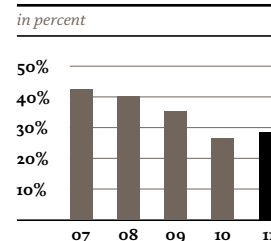
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TANGIBLE ASSETS



Proportion of the tangible assets in relation to total assets at 31 December for the financial years from 2007 to 2010, and 30 June in 2011. Based on IFRS figures up until 2008.

LIABILITIES



Third liabilities proportion in relation to the total capital. Prior periods refer to the balance sheet date at 31 December. Based on IFRS figures up until 2008.

FINANCIAL REPORT

1.3 CONSOLIDATED CASH FLOW STATEMENT

<i>in CHF '000; January-June</i>	2011	2010
Net income for the period	-4,086	-478
Depreciation and impairment on fixed assets	5,309	4,791
Other non-fund related income and expenses	-149	-4,065
Change in net working capital	-6,341	-6,147
Income tax paid	-2,218	-1,653
Interest paid	-255	-479
Change in provisions and deferred income tax	-1,547	-1,287
Cash flow from operating activities	-9,287	-9,318
Purchase of tangible assets	-5,817	-2,656
Proceeds from disposals of tangible assets	499	50
Purchase of intangible assets	-714	-288
Proceeds from disposals of intangible assets	6	-
Purchase of other non-current assets	-65	-117
Proceeds from disposals of other non-current assets	-	319
Acquisitions of investments	-66	-6,640
Proceeds from disposals of investments	-	278
Proceeds from disposals of marketable securities	-504	-5
Cash flow from investing activities	-6,661	-9,059
Change in financial liabilities	9,586	16,833
Dividends paid to minorities	-1,045	-1,960
Dividends paid	-4,900	-4,900
Cash flow from financing activities	3,641	9,973
Increase (decrease) in cash and cash equivalents	-12,307	-8,404
Cash and cash equivalents at 1 January	29,594	26,936
Translation differences on cash	-640	-246
Cash and cash equivalents at 30 June	16,647	18,286

Since the beginning of 2011 the consolidated financial statements have been prepared in accordance with Swiss GAAP. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

The disclosures from page 10 to 13 form an integrated part of the financial report.

1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in CHF '000

	Share capital	Capital reserves	Retained earnings and net income	Exchange differences	Equity before minority interests	Minority interests	Total equity
Equity at 1 January 2010 according to IFRS	1,960	4,160	169,515	-5,409	170,226	18,018	188,244
[Anpassungen (vgl. Erläuterungen 2.2)]	-	-	163	-86	77	-75	2
Equity at 1 January 2010 according to Swiss GAAP	1,960	4,160	169,678	-5,495	170,303	17,943	188,246
Dividends paid	-	-	-4,900	-	-4,900	-1,960	-6,860
Decrease of minority interests by sale	-	-	-	-	-	-291	-291
Increase of minority interests by purchase	-	-	-	-	-	1,776	1,776
Charge of goodwill to equity	-	-	-5,115	-	-5,115	-1,532	-6,647
Currency translation effects	-	-	-	-3,493	-3,493	-283	-3,776
Net income for the period after tax	-	-	-504	-	-504	26	-478
Total equity at 30 June 2010	1,960	4,160	159,159	-8,988	156,291	15,679	171,970
Net income for the second half-year 2010	-	-	9,958	-4,129	5,829	1,337	7,166
Equity at 1 January 2011 according to Swiss GAAP	1,960	4,160	169,117	-13,117	162,120	17,016	179,136
Dividends paid	-	-	-4,900	-	-4,900	-1,045	-5,945
Currency translation effects	-	-	-	-2,737	-2,737	-100	-2,837
Net income for the period after tax	-	-	-3,586	-	-3,586	-500	-4,086
Total equity at 30 June 2011	1,960	4,160	160,631	-15,854	150,897	15,371	166,268

Since the beginning of 2011 the consolidated financial statements have been prepared in accordance with Swiss GAAP. Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

The disclosures from page 10 to 13 form an integrated part of the financial report.

2 NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

2.1 BASIS OF ACCOUNTING

The accompanying consolidated financial statements comprise the unaudited interim financial statement for the six months ended 30 June 2011. Since the beginning of 2011 the consolidated financial statements are prepared in accordance with Swiss GAAP. The interim consolidated financial statements have been prepared in accordance with Swiss GAAP standard 12 "Interim reporting" and in accordance with Swiss law and the standards of the SIX Swiss Exchange. The consolidated half-year financial statements do not include all the information and disclosures presented in the annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2010, which have been prepared in accordance with International Financial Reporting Standards (IFRS). Unless stated below, the accounting policies applied according to Swiss GAAP correspond to those previously applied under IFRS.

The interim consolidated financial statements include all companies which belonged to the Group during the reporting period and over which Orell Füssli Holding Ltd. had the power to govern their financial and operating policies so as to obtain benefits from their activities. In the Orell Füssli Group, this is the case when more than 50% of a Group company's share capital or voting rights is unconditionally owned directly by Orell Füssli Holding Ltd., domiciled in Zurich (Switzerland).

The preparation of the interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements. If in future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Operations of the Orell Füssli Group are subject to significant seasonal or cyclical variations; the second half of the year tends to be stronger than the first.

Income tax expense is calculated based on the best estimate of the average annual income tax rate expected for the full financial year.

2.2 CONVERSION FROM IFRS TO SWISS GAAP

The main reason for changing from IFRS to Swiss GAAP is the growing complexity and intricacy of the detailed rules and disclosure requirements of IFRS. It is expected that this development will continue to intensify and thus the cost-benefit ratio will become increasingly unfavourable. The Orell Füssli Group is convinced that Swiss GAAP represents a comprehensive and sound alternative to IFRS. By focusing on the essentials, Swiss GAAP is less complex and more practicable in use.

The accounting policies and presentation according to Swiss GAAP applied to the interim consolidated financial statements for 2011 deviate from the consolidated financial statements for the year ended 31 December 2010 in accordance with IFRS, with the significant changes summarised below:

At the date of acquisition, goodwill from acquisitions are fully offset with retained earnings equity according to the treatment allowed by Swiss GAAP standard 30 "Consolidated financial statements". According to IFRS, goodwill from acquisitions was capitalised and tested annually for impairment.

According to Swiss GAAP standard 16 "Pension benefit obligations", the existing economic obligations and respective benefits relating to Swiss pension schemes are measured based on the Swiss pension plan financial statements prepared in accordance with Swiss GAAP standard 26 "Accounting of pension plans". The expected economic impact of pension schemes of foreign subsidiaries is measured according to the valuation methods applied locally. Employer contribution reserves and comparable items are recognised in the balance sheet if the respective requirements according to Swiss GAAP standard 16 are met. According to IFRS, defined benefit plans were measured using the projected unit credit method and recognised in accordance with IAS 19.

Securities are classified as current assets, measured unchanged at current market values with unrealised gains and losses recognised in the income statement. Since Orell Füssli enters into forward exchange contracts only in order to hedge future cash flow, these can be disclosed in the notes and do not have to be posted to the income statement or shareholders' equity.

Advance payments by customers are offset against progress on the contract insofar as this is compatible with Swiss GAAP FER. No such set-offs could be made under IFRS.

The above-mentioned changes in valuation and recognition of assets and liabilities result in corresponding deferred income tax effects in the balance sheet and income statement.

Investment property and assets held for sale are included in property, plant and equipment and not classified separately.

Prior period figures have been restated to conform to the presentation for the current financial period to ensure comparability.

NOTES TO THE HALF-YEAR FINANCIAL REPORT

The following schedules illustrate the effects of the conversion from IFRS to Swiss GAAP on equity and net result:

EFFECTS ON THE BALANCE SHEET OF THE CHANGE IN ACCOUNTING POLICIES

<i>in CHF '000</i>	31.12.2010	30.06.2010	01.01.2010
Equity according to IFRS	185,052	176,236	188,244
Adjustments on conversion to Swiss GAAP			
Charge-offs under IAS 19	-5,362	-4,805	-4,805
Employer contribution reserves	4,068	4,318	4,568
Charge of SOFHA goodwill/intangible assets to equity	-5,563	-6,556	-
Reversal of liability for purchase of minority interests	1,010	967	-
Hedging of forward exchange transactions on current orders	-904	1,022	222
Change in deferred income tax	835	788	17
Total adjustments to equity	-5,916	-4,266	2
Equity according to Swiss GAAP	179,136	171,970	188,246

EFFECTS ON THE INCOME STATEMENT OF THE CHANGE IN ACCOUNTING POLICIES

<i>in CHF '000</i>	12 months ending: 31.12.2010	6 months ending: 30.06.2010
Result according to IFRS	12,105	-4,851
Incorrect recognition of provision for equity loan ¹⁾	-	3,504
Total change after incorrect recognition in 2010 half-year statements	12,105	-1,347
Adjustments on conversion to Swiss GAAP		
Personnel expenditure due to reversal of employer contribution reserves	-500	-250
Write-back relief under IAS 19	-557	-
Write-back amortisation of goodwill	1,114	456
Write-back market valuation of forward transactions	-1,127	799
Change in deferred income tax	-57	-136
Total adjustments to net income	-1,127	869
Result according to Swiss GAAP	10,978	-478

¹⁾ This correction was already shown in the 2010 consolidated financial statements under "Business in 2010"

2.3 BALANCE SHEET

Total assets were CHF 11.8 million or 4.8% lower compared to the end of 2010. Current assets were CHF 12.9 million lower, due entirely to the decline in cash and cash equivalents, while the other items were in balance again. Lower sales also resulted in reduced accounts receivable, whereas inventories increased by CHF 6.4 million. This was due to the purchase of security features for security printing contracts which will not commence production until the beginning of the second half. As expected, liabilities (CHF 8.0 million) were lower in the half-year financial statements, since substantial liabilities arising from Christmas trading in book retailing which are not due remain open at year-end. Short-term financial liabilities increased. Lower sales and some advance payments resulted temporarily in higher utilisation of credit. Shareholders' equity declined by CHF 12.9 million due to the payment of dividends by the holding company and to the minority shareholders (CHF 5.9 million), the stated loss of CHF 4.1 million and exchange losses of CHF 2.9 million, which were charged directly to shareholders' equity.

NOTES TO THE HALF-YEAR FINANCIAL REPORT

2.4 INCOME STATEMENT

Sales at Security Printing and Book Retailing were lower than a year earlier. The decline in sales at Security Printing was attributable to lower-margin contracts on the keenly contested international market and the currency situation. Virtually no sales were made to the Swiss National Bank in the first half of both years; sales are foreseen in the second half. Store-based trading is continuing to decline in book retailing, while sales via the Internet increased due to Storyworld and business with large customers; nevertheless there was a 5% reduction in overall sales.

The 3% increase in the cost of material despite lower operating income is due to shifts in the individual segments and to lower margins.

Despite a slight increase in the number of employees, personnel expenses were lower due to the lower euro exchange rate. After adjustment for currency translation effects this figure would have been 2.9% higher, which is attributable to the acquisition of parts of Böwe Cardtec with 35 employees in Paderborn with effect from 1 September 2010.

The CHF 5.4 million reduction in gross profit was not offset by lower operating costs, so that EBIT was CHF 3.3 million lower than the already negative outcome for the first half of 2010.

2.5 CHANGE IN SCOPE OF CONSOLIDATION

There were no changes in the scope of consolidation in the first half of 2011.

At 1 January 2010 the Orell Füssli Group held a 74.9% interest in SOFHA GmbH, based in Berlin (Germany). This interest is held via the Group's subsidiary Atlantic Zeiser GmbH in Emmingen. As a result of the change in financial reporting and the decision to offset goodwill directly against shareholders' equity, the calculation of goodwill recognition has been redefined under Swiss GAAP and in particular also customer relationships, current licences and in-house developments are no longer capitalised.

The acquisition balance sheet in accordance with Swiss GAAP is stated below:

ACQUISITION BALANCE SHEET OF SOFHA GMBH, BERLIN AT 1 JANUARY 2010

<i>At 1 January 2010</i>	Fair value in EUR '000	Fair value in CHF '000
Cash and cash equivalents	725	1,077
Receivables	638	948
Inventories	106	157
Accrued income and deferred expenses	11	16
Tangible assets	47	70
Current liabilities	-509	-756
Current provisions	-154	-229
Accrued expenses and deferred income	-118	-175
Net assets	746	1,108
Goodwill	4,594	6,823
Anticipated purchase price for 100 %	5,340	7,931
Minority interests of 25.1 %	-1,340	-1,991
Effective purchase price of 74.9 %	4,000	5,940
Share of goodwill of 74.9 %	3,441	5,110

2.6 CURRENCY EXCHANGE RATES

	Closing rate		Average rate January-June	
	30.06.2011	31.12.2010	2011	2010
EUR at a rate of CHF	1.1985	1.2468	1.2603	1.4337
USD at a rate of CHF	0.8329	0.9408	0.8908	1.0808
GBP at a rate of CHF	1.3341	1.4554	1.4418	1.6507

NOTES TO THE HALF-YEAR FINANCIAL REPORT

2.7 SEGMENT RESULTS JANUARY–JUNE 2011

<i>in CHF '000</i>	Industrial Systems	Security Printing	Book Retailing	Other	Total segments	Unallocated	Total Group
Total gross segment sales	36,462	27,446	50,503	5,857	120,268	–	120,268
Inter-segment sales	448	–	3	–16	435	–435	–
Sales to customers	36,910	27,446	50,506	5,841	120,703	–435	120,268

SEGMENT RESULTS JANUARY–JUNE 2010

<i>in CHF '000</i>	Industrial Systems	Security Printing	Book Retailing	Other	Total segments	Unallocated	Total Group
Total gross segment sales	35,290	39,239	53,334	7,423	135,286	–	135,286
Inter-segment sales	65	–	1	6	72	–72	–
Sales to customers	35,355	39,239	53,335	7,429	135,358	–72	135,286

2.8 RELATED PARTY TRANSACTIONS

The Orell Füssli Group sold goods and services to related companies in the amount of CHF 5,705,000 (January–June 2010: CHF 2,722,000). Goods and services were sold to related companies under normal commercial terms and conditions that would also be provided to unrelated parties.

2.9 THEORETICAL IMPACT OF GOODWILL CAPITALISED

Impact on balance sheet and income statement over an amortisation period of 5 years.

<i>in CHF '000</i>	30.06.2011	31.12.2010	30.06.2010
Impact on the income statement	–511	–1,022	–511
Impact on the balance sheet	3,577	4,088	4,599

2.10 HEDGING OF FORWARD EXCHANGE TRANSACTIONS

The following forward exchange transactions were still open on record date:

<i>in foreign currency '000</i>	30.06.2011	31.12.2010	30.06.2010
AUD (long)	0	0	60
USD (short)	3,290	5,500	2,000
SGD (short)	0	0	27,440

2.11 EVENTS AFTER BALANCE SHEET DATE

No material events are known of which would result in adjustments to the book values of Group assets and liabilities.

The departure of Oliver C. Mehler, General Manager of the Atlantic Zeiser Group, was announced between balance sheet date on 30 June 2011 and publication date. This post is being filled ad interim by the CEO of the Orell Füssli Group.

At the beginning of July Orell Füssli Holding Ltd. acquired the remaining 50% of Orell Füssli Banknote Engineering AG, Zurich, from the previous owners.

No statements relating to the future imply any guarantee whatsoever with regard to future performance. They are subject to risks and uncertainties including but not confined to future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside the company's control.

The English translation is based on the original half-year financial report in German. The printed German text is binding.

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