



## PELIKAN HOLDING AG, Feusisberg

### Press Release

#### Business in 2006

2006 was a very successful year for Pelikan, with increased sales and profits. Sales expanded in 2006 following aggressive market expansion which translated into better margin given fixed costs. Growth was attributable mainly to the developing economy of Latin America and Asia region. Pelikan Group sales rose by 7.6% over prior year to CHF211.3 million (2005: CHF196.3 million), whilst result before financial items and taxation increased to CHF20.4million (2005: CHF15.2 million) and consolidated net result for the year increased to CHF17.7 million (2005: CHF3.3 million) mainly due to higher sales and deferred tax income arising from capitalisation of tax losses.

#### Important contracts

In April 2007, Pelikan Holding AG completed the acquisition of 90% equity share capital of German Hardcopy AG. The remaining 10% shares are held by German Hardcopy AG. The principal activity of German Hardcopy AG is the manufacturing and distribution of hardcopy related products under the Geha, Emtec, Boeder and I-change trademarks as well as OEM (Original Equipment Manufacturer) printer supplies and assortment. German Hardcopy AG currently has annual sales of EUR25 million.

#### Sales

##### Sales by region

Germany	45.8%
Switzerland	6.1%
Rest of Europe	24.2%
USA/ Canada	1.1%
Latin-America	14.8%
Other countries	8.0%

Sales in Latin America and "other countries" particularly in Asia registered significant growth of 17.5% and 25.1% respectively in line with the continued Group strategy to reduce its dependence on the matured European market whilst expanding businesses in under-represented and undeveloped markets.

## Result

In million CHF	2006	2005
Pretax profit	<b>14.7</b>	8.6

Result from operations of Pelikan Group increased from CHF10.6 million in 2005 to CHF17.9 million in 2006. The result from unconsolidated companies in Australia, Austria, Japan and Colombia showed a pre-tax profit of CHF2.5 million (2005: CHF4.7 million). Pelikan Group incurred a net interest expense of CHF0.8 million (2005: CHF1.0 million), while expenses for pensioners came to CHF5.3 million (2005: CHF5.7 million). Taxes (income) amounted to CHF4.8million (2005: CHF3.9 million (expense)). The net profit for the year increased to CHF19.4 million in 2006 from CHF 4.6 million in 2005.

At Pelikan Holding AG on the company level, the financial statements showed a net profit of CHF3.5 million for the year (2005: CHF1.3 million).

## Personnel

In line with geographical expansions, the total number of employees of the Group increased by 69 to 979 as at December 31, 2006.

Personnel	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2004
Germany	<b>417</b>	435	432
Switzerland	<b>17</b>	17	17
Rest of Europe	<b>81</b>	63	63
Total Europe	<b>515</b>	515	512
Latin-America	<b>404</b>	367	353
Other countries	<b>60</b>	28	18
Total Group	<b>979</b>	910	883

## Outlook

The year 2006 has witnessed accelerated economic growth with economies of all regions expanded by close to or more than 5 percent and developing economies grew 7 percent. Growth in developing countries is projected to remain robust through 2008 while the pace of expansion in the high-income countries is forecasted to increase slightly over the next two years. However, this scenario is subject to risks from overheating, global imbalances which remain large and an oil-sector supply shock.

The positive global economy outlook particularly in the developing countries is indeed encouraging for the Group as it focuses on building and strengthening its distribution networks, brand awareness as well as launches of new products into these regions. Further, with the completion of the acquisition of Pelikan Hardcopy Holding AG in end January 2007 by the parent company, Pelikan International Corporation Berhad and the acquisition of German Hardcopy AG in April 2007 by Pelikan Holding AG, the Group together with Pelikan International are expected to reap the benefits of synergies through economies of scale and common costs savings in production, selling, general and administration costs in addition to market expansion through sharing of resources, to leverage on the sales and distribution networks. All these factors will increase the efficiency and competitiveness of the Group in the longer term which will enhance overall profitability. With the re-consolidation of Pelikan and Geha brand names and operations, the Group is ready to stamp its mark as the global market leader.

**KEY FIGURES****Pelikan Group**

	Figures in CHF million				
	2006	2005	2004	2003	2002
Net sales	211.3	196.3	194.6	191.6	183.5
Result from operations	17.9	10.6	11.2	12.1	7.5
Result before non-operating items	19.9	14.3	14.0	15.8	9.5
Result before taxation	14.7	8.6	8.7	10.3	2.7
Net result for the year	19.4	4.6	6.6	9.2	1.5
Consolidated net result for the year	17.7	3.3	5.3	8.0	0.3
Fixed assets	74.9	64.3	53.2	50.7	46.3
Total equity excluding minorities	29.1	13.0	6.2	1.4	(3.5)
Provisions for pensions	93.1	93.3	96.5	101.8	98.6
Balance sheet total	203.8	180.5	162.2	162.0	160.2
Share of the balance sheet total in %					
Fixed assets	36.7%	35.6%	32.8%	31.3%	28.9%
Total equity excluding minorities	14.3%	7.2%	3.8%	0.9%	(2.2)%
Provisions for pensions	45.7%	51.7%	59.5%	62.8%	61.5%
Tangible and intangible assets					
Investments	8.9	6.0	5.6	6.8	12.5
Depreciation and amortization	5.2	6.7	6.5	6.5	6.2
Number of employees	979	910	883	848	789
Personnel expense	54.9	51.5	51.5	50.1	49.7

**Pelikan Holding AG**

Result for the year	3.5	1.3	3.5	(63.2)	1.2
Dividend	-	-	-	-	-
Shareholders' equity	61.3	57.8	56.6	53.1	103.5

**Key figures per share**

Data per bearer share in CHF					
Nominal value each CHF65					
Earnings per share	11.5	2.2	3.5	5.2	0.2
Dividend per share in %	-	-	-	-	-
Share prices					
Highest	106	84	29	34	34
Lowest	69	25	19	19	18