

PELIKAN HOLDING AG

**INTERIM REPORT
AS OF JUNE 30, 2005**

KEY FIGURES

Pelikan Holding AG Group (not audited)

FINANCIAL KEY FIGURES

<i>CHF m</i>	INTERIM REPORT AS OF JUNE 30, 2005	1. HALF 2004
Net sales	104.8	102.2
Result from operations	9.3	9.3
Result before non-operating items	10.1	9.8
Operating cash flow (EBIDAT)	11.2	10.5
Consolidated net result	5.3	5.0
Total assets	183.2	168.1
Equity	13.8	4.6
<i>Equity in % of total assets</i>	8%	3%
Net debt*	0.4	(3.8)

OPERATING KEY FIGURES

Number of employees	935	925
---------------------	------------	-----

KEY FIGURES PER SHARE

<i>CHF/ share</i>		
Consolidated net income	3.4	3.2
Equity (Net Asset Value)		
before deferred taxes	8.6	3.4
after deferred taxes	9.0	3.0

SHARE PRICE

<i>CHF</i>		
High/ low	75/25	24.8/20
at June 30	59.3	22.3

*Interest-bearing debt less cash and cash equivalent

Pelikan shares, Swiss security number 632875 (871771 Germany)

CONSOLIDATED INCOME STATEMENT

Pelikan Holding AG Group (not audited)

<i>CHF m</i>	JAN - JUNE, 2005	1. HALF 2004
Net sales	104.8	102.2
Change in the level of finished goods and work in process	3.1	2.7
Other operating income	1.4	1.1
	<hr/>	<hr/>
	109.3	106.0
Materials purchased	(45.4)	(43.0)
Personnel expenses	(26.5)	(26.3)
Depreciation and amortization	(3.5)	(3.3)
Other operating expenses	(24.6)	(24.1)
	<hr/>	<hr/>
Result from operations	9.3	9.3
Result from unconsolidated companies	0.9	0.9
Financial result, net	(0.1)	(0.4)
	<hr/>	<hr/>
Result before non-operating items	10.1	9.8
Expenses for pensioners	(2.5)	(3.0)
	<hr/>	<hr/>
Result before taxation	7.6	6.8
Taxes	(1.5)	(1.2)
	<hr/>	<hr/>
Net result for the period	6.1	5.6
Profit due to minority interests	(0.8)	(0.6)
	<hr/>	<hr/>
Consolidated net result for the period	5.3	5.0

CONSOLIDATED BALANCE SHEET

Pelikan Holding AG Group (not audited)

<i>CHF m</i>	JUNE 30, 2005	<i>(Audited)</i> DECEMBER 31, 2004
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	14.0	14.8
Tangible assets	28.6	27.2
Financial assets	9.0	8.3
Deferred tax assets	2.9	2.8
Total non-current assets	54.5	53.1
CURRENT ASSETS		
Inventories	48.9	40.4
Prepayments	0.9	0.5
Accounts receivable from third parties and other assets	56.4	43.0
Accounts receivable from unconsolidated companies	1.3	0.6
Accounts receivable from parent company and its related companies	11.9	11.9
Cash and cash equivalents	9.3	12.7
Total current assets	128.7	109.1
 TOTAL ASSETS	 183.2	 162.2
 SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY	13.8	6.2
MINORITY INTERESTS	13.9	11.8
LIABILITIES		
Non-current liabilities		
Provisions for pensions and similar commitments	91.6	92.3
Provisions for deferred taxes	2.4	2.0
Other provisions	6.0	6.1
Other liabilities	2.3	2.3
Total provisions	102.3	102.7
Short-term liabilities		
Bank liabilities	9.7	8.0
Accounts payable	18.5	12.7
Payables to unconsolidated companies	0.1	-
Payables to companies related to the parent company	0.1	0.1
Taxes payable	0.4	0.4
Provisions for pensions and similar commitments	3.2	4.2
Other provisions	0.9	1.3
Other liabilities	20.1	14.7
Deferred income	0.2	0.1
Total short-term liabilities	53.2	41.5
TOTAL LIABILITIES	155.5	144.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	183.2	162.2

CONSOLIDATED CASH FLOW STATEMENT

Pelikan Holding AG Group (not audited)

<i>CHF m</i>	JAN - JUNE, 2005	1. HALF 2004
Operating cash flow (EBIDAT)	11.2	10.5
<u>Cash flow from operating activities</u>		
Net result for the period before minority interest	6.1	5.6
Adjustments for :		
Result from unconsolidated group companies	(0.6)	(0.9)
Depreciation and amortization	3.5	3.3
Deferred taxes	-	0.2
Cash flow before working capital changes	9.0	8.2
Decrease in pension provisions	(2.1)	(2.2)
Change in accounts receivables, other assets and prepayments	(12.6)	(9.2)
Change in inventories	(7.1)	(6.7)
Change in payables	5.2	3.0
Change in other liabilities and deferred income	4.6	2.0
Change in other provisions	(0.4)	0.5
	<u>(3.4)</u>	<u>(4.4)</u>
<u>Cash flow from investing activities</u>		
Investments in intangible assets	-	(0.2)
Investments in tangible assets	(1.9)	(2.0)
Disposals of tangible assets	0.1	0.2
Acquisition of subsidiaries	-	(0.3)
Dividend from unconsolidated companies	0.3	-
	<u>(1.5)</u>	<u>(2.3)</u>
<u>Cash flow from financing activities</u>		
Repayments from parent company	-	3.8
Changes in bank liabilities	1.6	1.0
Dividend to minorities	(0.5)	(0.5)
	<u>1.1</u>	<u>4.3</u>
Effect of exchange rate changes and inflation adjustments	0.4	(1.5)
Net change in cash and cash equivalent	(3.4)	(3.9)
Cash and cash equivalent at 1 January	12.7	15.2
Cash and cash equivalent at 30 June	<u>9.3</u>	<u>11.3</u>

1. Basis of Preparation

The interim consolidated financial statements are unaudited and have been prepared in accordance with Swiss GAAP FER 12. These consolidated financial statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2004.

2. Status of corporate exercise

On 8 April 2005, Pelikan International Corporation Berhad (formerly known as Diperdana Holdings Berhad) ("Pelikan International"), a company listed in Bursa Malaysia Securities Berhad has completed the acquisition of 64.94% of the equity interest in Pelikan Holding AG comprising 539,000 registered shares of CHF65.00 each and 461,000 bearer shares of CHF65.00 each from Pelikan Holding Sdn. Bhd. for a total consideration of MYR299 million. On 5 May 2005, pursuant to the Voluntary General Offer by Pelikan International for the remaining bearer shares, 349,677 bearer shares were acquired for a total consideration of approximately MYR42 million. With the completion of this corporate exercise, Pelikan International now holds 87.64% of Pelikan Holding AG.

3. Material Litigation

A tax claim has been filed by a subsidiary in Mexico to the Tax Courts against the Mexican tax authorities for the deductibility of a total amount of MXN32.63 million for income tax purposes in relation to inventories held as at 31 December 1986 to 1988.

4. Seasonality or Cyclicity of Interim Operations

The Group's core business is generally affected by the "back to school" season in Europe which normally records higher sales in mid year.

5. Outlook

The Pelikan Brand, which is more than a century old, is associated with high quality and original ideas in the writing instruments and school stationery products markets. In the longer term, the Group's objective is to develop global business based upon its brand and quality products. Using its high value writing instruments, school and pre-school writing instruments, painting products and office supplies as a platform, Pelikan plans to expand its strong market position in Germany throughout Europe and into the growth markets of Latin America, North America and Asia. Meanwhile, the Group will continue to enhance production efficiency and to invest in research and development efforts for product innovations and improvements. These initiatives together with ongoing cost reduction programs will pave the way for stronger performance.

With its continuous efforts to contain cost and to focus in research and development on products, net sales of the Group increased slightly by 2.5% as opposed to the previous year's corresponding period. Coupled with cost savings endeavours, the Group is reporting an improved consolidated net result for the first half of 2005 of CHF5.3 million (2004: CHF5.0 million). The Group expects a challenging second half year but sales and profit should maintain the same trend experienced over the years.

With the conclusion of the corporate exercise involving the acquisition of Pelikan Holding AG by Pelikan International, the Group is ready to focus on our competencies to achieve higher growth.

Zurich, September 2005