PELIKAN HOLDING AG

INTERIM REPORT
AS OF JUNE 30, 2009

KEY FIGURES

Pelikan Group

FINANCIAL KEY FIGURES

CHF m	**JUNE 30, 2009**	June 30, 2008 (RESTATED)
Net sales	**162.4**	173.9
Operating results	**4.5**	10.5
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**10.8**	17.4
Result attributable to shareholders of parent	**0.6**	5.9
Total assets	**271.2**	297.6
Shareholders' equity	**18.2**	37.1
Shareholders' equity in % of total assets	**6.7%**	12.5%
Net debts*	**49.3**	54.0

OPERATING KEY FIGURES

Number of employees	**1,504**	1,294

KEY FIGURES PER SHARE

CHF/ share		
Result attributable to shareholders of parent	**0.4**	3.8
Equity (Net Asset Value)		
before deferred taxes	**5.1**	15.6
after deferred taxes	**11.8**	24.1

SHARE PRICE

CHF		
High/ low	**87.95/50.00**	182/130
at June 30	**50.00**	132

*Interest-bearing debt less cash and cash equivalent

Pelikan shares, Swiss security number 632875

CONSOLIDATED INCOME STATEMENT

Pelikan Holding AG Group (not audited)

CHF m	**JAN - JUNE, 2009**	*(RESTATED)* 1. HALF 2008
Net sales	162.4	173.9
Other operating income	1.1	2.6
Change in the level of finished goods and work in process	1.8	4.1
	165.3	180.6
Materials purchased	(79.2)	(90.0)
Personnel expenses	(39.3)	(38.7)
Depreciation on tangible fixed assets	(2.6)	(2.9)
Amortization on intangible assets	(3.4)	(3.0)
Other operating expenses	(36.3)	(35.5)
Operating results	**4.5**	**10.5**
Financial result, net	(1.7)	(3.0)
Result from associated companies	0.3	1.0
Ordinary results	**3.1**	**8.5**
Taxes	(1.7)	(1.1)
Net profit	**1.4**	**7.4**
Profit attributable to:		
- shareholders of Pelikan Holding AG	0.6	5.9
- minority interests	0.8	1.5
	1.4	**7.4**

CONSOLIDATED BALANCE SHEET

Pelikan Holding AG Group (not audited)

CHF m	**JUNE 30, 2009**	*(Audited)* *(Restated)* DECEMBER 31, 2008
ASSETS		
CURRENT ASSETS		
Cash	7.0	12.8
Trade receivables	77.6	60.2
Other short term receivables	24.1	26.7
Inventories	64.7	53.1
Prepayments	1.8	1.3
Total current assets	**175.2**	**154.1**
NON-CURRENT ASSETS		
Tangible fixed assets	44.8	35.8
Financial assets		
Loans and investments	11.9	10.9
Deferred tax assets	10.3	10.0
	22.2	20.9
Intangible assets	29.0	30.8
Total non-current assets	**96.0**	**87.5**
TOTAL ASSETS	**271.2**	**241.6**
EQUITY AND LIABILITIES		
LIABILITIES		
Current liabilities		
Bank liabilities	29.8	29.3
Accounts payable	44.2	33.4
Other short term liabilities	50.9	40.5
Short term provisions		
Provisions for pensions and similar commitments	3.8	3.7
Other provisions	1.1	1.2
	4.9	4.9
Deferred income	0.4	0.0
Total current liabilities	**130.2**	**108.1**
Non-current liabilities		
Bank liabilities	26.5	22.9
Long term provisions		
Provisions for pensions and similar commitments	75.1	75.2
Provisions for deferred taxes	0.3	0.3
Other provisions	5.1	4.8
Total non-current liabilities	**107.0**	**103.2**
TOTAL LIABILITIES	**237.2**	**211.3**

CONSOLIDATED BALANCE SHEET (continued)

Pelikan Holding AG Group (not audited)

CHF m	**JUNE 30, 2009**	(Audited) *(Restated)* DECEMBER 31, 2008
SHAREHOLDERS' EQUITY		
Capital stock	100.1	100.1
Revaluation reserve	7.2	6.8
Retained earnings	(89.1)	(91.1)
Total equity excluding minorities	**18.2**	**15.8**
MINORITY INTERESTS	**15.8**	**14.5**
Total equity including minorities	**34.0**	**30.3**
TOTAL EQUITY AND LIABILITIES	**271.2**	**241.6**

CONSOLIDATED CASH FLOW STATEMENT

Pelikan Holding AG Group (not audited)

CHF m	**JAN - JUNE, 2009**	1. HALF 2008
Cash flow from business activities		
Profit before minority interest	1.4	7.4
Adjustments for :		
Depreciation on tangible fixed assets	2.6	2.9
Amortization on intangible assets	3.4	3.0
Deferred taxes	(0.2)	(0.6)
Change in pension provisions	(1.9)	(2.4)
Change in other provisions	(0.3)	(3.0)
Book profits from disposals of fixed assets	-	(1.0)
Result from associated companies	(0.3)	(1.0)
Change in trade receivables, other short term receivables and prepayments	(5.1)	(19.9)
Change in inventories	(6.9)	(12.5)
Change in accounts payables, other short term liabilities and deferred income	12.4	16.4
Cash flows from business activities	5.1	(10.7)
Cash flow from investing activities		
Investments in tangible fixed assets	(3.3)	(2.6)
Disposals of tangible fixed assets	0.6	1.3
Investments in intangible assets	(0.5)	(0.5)
Acquisition of a subsidiary	(4.5)	-
Acquisition of business	(0.3)	(0.8)
Dividend from associated companies	0.7	1.1
Purchase of securities	(1.7)	(0.1)
	(9.0)	(1.6)
Cash flow from financing activities		
Changes in bank liabilities – current	(4.7)	6.3
Changes in bank liabilities – non-current	3.2	(0.9)
	(1.5)	5.4
Effect of exchange rate changes and inflation adjustments	(0.4)	(1.2)
Net change in cash	(5.8)	(8.1)
Cash at 1 January	12.8	16.6
Cash at 30 June	**7.0**	**8.5**

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 2008.

2. Seasonality or Cyclicality 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.

3. Prior Year Adjustments

The revised SWISS GAAP FER 30 requires the classification of unrealized foreign exchange gain or loss of long term intercompany loans with equity nature to equity instead of profit and loss account. The effect of such change in accounting policy is required to be adjusted retrospectively. As a result, there is an adjustment of CHF417,000 of unrealized foreign exchange loss to the income statement for the financial period ended 30 June 2008, and CHF419,000 of unrealized foreign exchange loss on intercompany loan with equity nature to the balance sheet as at 31 December 2008 as follows:

30.06.2008 **Consolidated Income Statement** **(CHF m)**	**As previously reported**	**Adjustment**	**As restated**
Financial result, net	(3.4)	0.4	(3.0)

31.12.2008 **Consolidated Balance Sheet** **(CHF m)**			
Retained earnings	(84.9)	0.4	(84.5)
Foreign exchange reserve	(6.2)	(0.4)	(6.6)
Total retained earnings	(91.1)	-	(91.1)

The impact on the balance sheet as at 31 December 2008 of CHF419,000 is the cumulative impact since 1 January 2006.

The impact of the above change in accounting policy on the current financial period ended 30 June 2009 amounted to CHF355,000 unrealized foreign exchange gain.

3. Prior Year Adjustments (continued)

The personnel expenses do include also "Expenses for pensioners" which have previously been presented separately. The Result from associated companies has been presented net of taxes. Formerly, taxes on results from associated companies have been included in "Taxes".

The following items had been re-presented in accordance to the requirements of SWISS GAAP FER:

30.06.2008 **Consolidated Income Statement (CHF m)**	**As previously reported**	**Re-classification**	**As restated**
Personnel expenses	(36.5)	(2.2)	(38.7)
Expenses for pensioners	(2.2)	2.2	-
Result from associated companies	1.7	(0.7)	1.0
Taxes	(1.8)	0.7	(1.1)

After all the adjustments above, the net impact on operating results, ordinary results and net profit are as follows:

30.06.2008 **Consolidated Income Statement (CHF m)**	**As previously reported**	**Adjustments**	**As restated**
Operating results	12.7	(2.2)	10.5
Ordinary results	8.8	(0.3)	8.5
Net profit	7.0	0.4	7.4

4. Change in Accounting Estimates

The Group re-evaluated the estimated useful lives of certain machinery and technical equipment. The revisions were accounted for prospectively as a change in the accounting estimate and as a result, the depreciation charges for the Group for the current financial period ended 30 June 2009 have been reduced by CHF267,000.

5. Changes in the Scope of Consolidation

In January 2009, a 49.99% subsidiary of Pelikan Holding AG ("the Company"), Productos Pelikan S.A. de C.V., Mexico ("Productos"), acquired a 80.5% equity interest in Indistri S.A., Colombia ("Indistri") for a cash consideration of USD4,250,000 (approximately CHF4,552,000). 19.5% of Indistri were already belonging to Pelikan Holding AG. The principal activities of Indistri are the manufacturing and distribution of office, schools and stationery supplies.

The gain on the existing 19.5% held by the Company in Indistri of CHF 0.7 million has been recognized in the consolidated income statement under financial result.

In June 2009, Indistri allotted new shares which Productos had taken up entirely. Subsequently, Indistri changed its name to Pelikan Colombia S.A.S.

The effective shareholdings and basis of consolidation of the Group in Indistri can be tabulated as below:

Before the acquisition by Productos	**After the acquisition by Productos**	**After the shares allotment**
19.5%	59.74%	56.10%
Equity accounting	Fully consolidated	Fully consolidated

In June 2009, Pelikan Argentina S.A. ("Pelikan Argentina") allotted new shares which Productos had taken up entirely. The effective shareholdings of the Group in Pelikan Argentina had dropped from 53.1% to 51.5%.

In January 2009, a 100% subsidiary of the Company in France, Pelikan France S.A.S, which was incorporated in December 2008, acquired the Pelikan distribution business in France from Pelikan Hardcopy Production AG.

Pelikan Holding AG Group expects a yearly increase in consolidated turnover from these acquisitions of approximately CHF20.0 million.

6. Subsequent event

A long-term agreement concerning the distribution of gluing and correcting products under the Henkel brand "pritt" in Germany, Austria and Switzerland has not been prolonged for the time after 30 September 2009. From 1st October 2009 Pelikan subsidiaries in these countries will commence distribution of a wide assortment of gluing and correcting products under Pelikan brand. In short term, this decision goes along with a decrease in turnover amounting to approximately EURO 8.0 million (equivalent to approximately CHF 12.0 million) a year. In mid-term, it is our ambition to strengthen the distribution of own products in this assortment under Pelikan brand to achieve the former sales level but with improved margins. This is in line with the strategic decision of the Group to focus on own brands. The end of the distribution cooperation with Henkel will therefore strengthen the value of the Pelikan brand in the mid and long term.

7. Outlook

In the current period, the net sales decreased to CHF162.4 million from CHF173.9 million in the previous year's corresponding period. Consequently, the net result decreased to CHF1.4 million in the current period. The Group faced with lower sales in the current first half year affected by the economic downturn in the European market.

In our largest market, Germany, we do see a positive trend in the overall development as it managed to record a Gross Domestic Product ("GDP") growth of 0.3% in the second quarter of 2009 after four quarters in a row with a negative growth rate of the GDP. However, the GDP growth in other countries are not expected to be as positive as in Germany and this may have adverse impact on the results of the Group for the remaining period in 2009. After the "back to school" season in Europe which records higher sales in mid year, the Group has to expect lower sales in the second half year 2009.

The Group is striving to explore into new markets in order to expand further the sales and profitability of the Group. Albeit most of the remaining European economies are still in recession, any turnaround will positively contribute to the improvement of the Group's turnover.

Zurich, September 2009