

PELIKAN HOLDING AG

**INTERIM REPORT
AS OF JUNE 30, 2007**

KEY FIGURES

Pelikan Holding AG Group (not audited)

FINANCIAL KEY FIGURES

<i>CHF m</i>	INTERIM REPORT AS OF JUNE 30, 2007	1. HALF 2006
Net sales	122.4	113.1
Result from operations	17.5	15.5
Result before non-operating items	17.4	16.8
Operating cash flow (EBIDAT)	20.3	18.0
Consolidated net result	12.7	11.6
Total assets	266.7	194.7
Equity	42.1	22.2
<i>Shareholders' equity in % of total assets</i>	16%	11%
Net debt*	44.4	10.5

OPERATING KEY FIGURES

Number of employees	990	963
---------------------	------------	-----

KEY FIGURES PER SHARE

<i>CHF/ share</i>		
Consolidated net income	8.2	7.5
Equity (Net Asset Value)		
before deferred taxes	18.9	12.7
after deferred taxes	27.3	14.4

SHARE PRICE

<i>CHF</i>		
High/ low	187/115	85/66.8
at June 30	181	83.5

*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, 2007	1. HALF 2006
Net sales	122.4	113.1
Change in the level of finished goods and work in process	1.9	2.4
Other operating income	1.6	1.2
	<hr/>	<hr/>
	125.9	116.7
Materials purchased	(48.1)	(47.1)
Personnel expenses	(29.7)	(26.7)
Depreciation and amortization	(3.6)	(3.3)
Other operating expenses	(27.0)	(24.1)
	<hr/>	<hr/>
Result from operations	17.5	15.5
Result from unconsolidated companies	1.3	1.5
Financial result, net	(1.4)	(0.2)
	<hr/>	<hr/>
Result before non-operating items	17.4	16.8
Expenses for pensioners	(2.1)	(2.3)
	<hr/>	<hr/>
Result before taxation	15.3	14.5
Taxes	(1.0)	(1.6)
	<hr/>	<hr/>
Net result for the period	14.3	12.9
Profit due to minority interests	(1.6)	(1.3)
	<hr/>	<hr/>
Consolidated net result for the period	12.7	11.6

CONSOLIDATED BALANCE SHEET

Pelikan Holding AG Group (not audited)

<i>CHF m</i>	JUNE 30, 2007	(Audited) DECEMBER 31, 2006
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	29.1	17.8
Tangible assets	43.0	33.5
Financial assets	13.3	11.9
Deferred tax assets	14.4	11.7
Total non-current assets	99.8	74.9
CURRENT ASSETS		
Inventories	62.6	49.1
Prepayments	1.2	0.5
Receivables from third parties and other assets	70.9	48.4
Receivables from unconsolidated companies	2.3	1.1
Receivables from parent company and its related companies	26.1	19.5
Cash and bank	3.8	10.3
Total current assets	166.9	128.9
TOTAL ASSETS	266.7	203.8
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY	42.1	29.1
MINORITY INTERESTS	16.2	14.3
LIABILITIES		
Non-current liabilities		
Provisions for pensions and similar commitments	86.5	87.8
Provisions for deferred taxes	1.4	0.9
Other provisions	5.0	4.5
Total non-current liabilities	92.9	93.2
Current liabilities		
Bank liabilities	48.2	21.9
Accounts payable	24.1	14.7
Payables to unconsolidated companies	0.4	-
Payables to parent company and its related companies	7.2	5.3
Taxes payable	3.0	3.6
Provisions for pensions and similar commitments	5.4	5.2
Other provisions	1.2	1.4
Other liabilities	25.8	15.1
Deferred income	0.2	-
Total current liabilities	115.5	67.2
TOTAL LIABILITIES	208.4	160.4
TOTAL EQUITY AND LIABILITIES	266.7	203.8

CONSOLIDATED CASH FLOW STATEMENT

Pelikan Holding AG Group (not audited)

<i>CHF m</i>	JAN - JUNE, 2007	1. HALF 2006
Operating cash flow (EBIDAT)	20.3	18.0
<u>Cash flow from operating activities</u>		
Net result for the period before minority interest	14.3	12.9
Adjustments for :		
Result from unconsolidated group companies	(1.0)	(1.2)
Depreciation and amortization	3.6	3.3
Deferred taxes	(0.4)	(0.3)
Cash flow before working capital changes	16.5	14.7
Change in pension provisions	(3.8)	(1.5)
Change in accounts receivables, other assets and prepayments	(21.6)	(19.0)
Change in inventories	(5.4)	(5.7)
Change in payables	6.5	2.6
Change in other liabilities and deferred income	2.3	3.4
Change in other provisions	(0.4)	0.6
	(5.9)	(4.9)
<u>Cash flow from investing activities</u>		
Investments in intangible assets	(0.3)	(0.2)
Investments in tangible assets	(4.2)	(3.4)
Acquisition of subsidiary	(4.9)	-
Disposals of tangible assets	0.4	0.3
Dividend from unconsolidated companies	0.4	0.1
	(8.6)	(3.2)
<u>Cash flow from financing activities</u>		
Changes in bank liabilities	8.3	3.4
Dividend to minorities	-	(1.9)
	8.3	1.5
Effect of exchange rate changes and inflation adjustments	(0.3)	0.2
Net change in cash and cash equivalent	(6.5)	(6.4)
Cash and cash equivalent at 1 January	10.3	11.8
Cash and cash equivalent at 30 June	3.8	5.4

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 2006.

2. 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.

3. Outlook

In the current period, the net sales increased to CHF122.4 million compared to CHF113.1 million in the previous year's corresponding period. Consolidated net result increased to CHF12.7 million in the current period, mainly attributable to the higher sales recorded in the current period, continuous effort to contain cost, operational efficiency due to higher sales volume, higher sales and positive result from its new subsidiary, German Hardcopy AG Group.

In January 2007, its parent company, Pelikan International Corporation Berhad completed the acquisition of Pelikan Hardcopy Holding AG and in April 2007, Pelikan Holding AG completed its acquisition of German Hardcopy AG. With the completion of these acquisitions, the Group together with its parent company are currently concentrating on post merger efforts to deliver the promised synergies and common cost savings from the combined business. In order to attain the objective, Pelikan Holding AG Group companies in Germany, Switzerland and Italy recently taken over the distribution activities of Pelikan Hardcopy International AG, a subsidiary of Pelikan Hardcopy Holding AG in the respective countries. Through this acquisition, Pelikan Holding AG Group expects a yearly increase in turnover amounting to approximately CHF78 million.

Zurich, 26 September 2007