



Press release (Translation)

Business in 2004

The year 2004 has been an exciting and challenging year for Pelikan as the Group continued to expand its operation. Pelikan Group sales rose by 1.6% despite the stagnant consumer markets, particularly in Germany which registered a decrease in sales of 4.0%. Germany continues to be the main market of the Group which contributes half of the Group's turnover. The drop however, was compensated by sales in the newly acquired subsidiaries and business unit, which contributed 4.8% of the Group's sales in 2004. Result before financial items and taxation decreased marginally to CHF15.1 million (2003: CHF15.2 million) and consolidated net result for the year drop to CHF5.3 million (2003: CHF8.0 million) mainly due to foreign currency exchange losses and higher tax expense. With the continued effort by the Group to improve its structure and processes coupled with vigorous cost reduction projects through increased productivity, the drop in the Group's result is expected to be temporary and would improve once the general business environment turn around.

Distribution co-operations and important contracts

Pelikan Group purchased 100% equity interest in Pelikan Benelux N.V./ S.A. and the business of Geha in Italy in 2004 to further strengthen Pelikan's position in the European market. In its effort to develop its global presence and geographical networks, the Group has also acquired Pelikan Asia Sdn. Bhd. (formerly known as Kolok Malaysia Sdn. Bhd.) in mid 2004. With these acquisitions, Pelikan Group prematurely resumed the distribution rights of Pelikan products in Belgium, the Netherlands, Luxemburg and certain countries in East Asia namely Malaysia and Singapore.

Pelikan Group – Overview

CHF (000)	2004	2003
Net sales	194,617	191,606
Result from operations	11,203	12,137
Financial items and result from unconsolidated companies	2,780	3,645
Result before non-operating items	13,983	15,782
Expenses for pensioners	(5,244)	(5,502)
Result before taxation	8,739	10,280
Taxes	(2,090)	(1,104)
Net result for the year	6,649	9,176
Profit due to minority interests	(1,313)	(1,218)
Consolidated net result for the year	5,336	7,958

Note : Comparatives have been reclassified to conform with current year presentation.

Pelikan Group –Sales

Pelikan Group achieved net sales of CHF195 million in 2004 (2003: CHF192 million), representing an increase of 1.6% compared with previous year. The increase is mainly due to launch of new products, improved distribution channels and promotional activities, new subsidiaries and business unit acquired during the year

Pelikan Group –Results

The result from operations of Pelikan Group decreased from CHF12.1 million in 2003 to CHF11.2 million in 2004. The net profit for the year decreased to CHF6.6 million in 2004 from CHF9.2 million in 2003. After deduction of the profit due to minority interest, the consolidated net profit for the year came to CHF5.3 million (2003: CHF8.0 million).

Pelikan Holding AG – Financial Statements

At Pelikan Holding AG company level, the financial statements showed a net profit of CHF3.5 million for the year (2003: loss of CHF63.2 million). The loss in 2003 was due to the write-off of guarantee which was partly compensated by a revaluation of investments.

Outlook

The world economy continues to be strong and the international economic context is expected to remain favourable for Europe in 2005 with an average annual rate of expansion of the global economy forecasted to be some 4.25%. Those in the Asia Pacific region are certainly expanding, with member countries expecting robust Gross Domestic Product ('GDP') figures. Rapid growth rates are expected to continue in certain Asian emerging markets and Latin America. Nevertheless, the global outlook is surrounded by risks, a major uncertainty is the likely development of the international oil markets.

The strong Euro and the rate of recovery of the economies in Germany and the rest of Europe continue to be the key factor affecting sales growth for the current year. In Germany, where economic recovery remained slow and the strong Euro continued to impact exports, sales were below the previous year's corresponding period. The lower sales in Germany continued to be compensated by the better numbers in the rest of the Europe.

Pelikan Group plans to establish itself as a global industry leader, gradually reduces its dependence on a single market, expand businesses in under-represented markets like China, the Middle East, Latin America and Eastern Europe, and to set up new regional distribution centres around the world. These geographical expansions together with our continuous effort to contain cost and to focus in research and development on products will lead us to significant improvements.

On 8 April 2005, Diperdana Holdings Berhad (Diperdana), a company listed in Bursa Malaysia Securities Berhad (formerly known as the Kuala Lumpur Stock Exchange) 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 completion of the Voluntary General Offer by Diperdana for the remaining bearer shares, the acquisition of 349,677 bearer shares was completed by Diperdana for a total consideration MYR42 million. With this additional shareholding, Diperdana now holds 87.64% of Pelikan Holding AG.