PELIKAN HOLDING AG, Feusisberg
Press Release

Business in 2010

The Group's sales for 2010 had fallen to CHF 272.7 million (2009: CHF 313.1 million). This is a direct result of economic downturn since 2008 but also influenced by the strategic decision to concentrate on own brands and to end distribution cooperations with Faber-Castell and Henkel. The lower gross margin as a result of the reduced sales volume could not be totally compensated by cost reductions. As a result, the Group generated an operating loss of CHF 7.2 million (2009: loss of CHF 2.9 million) and the consolidated net result for the year was a loss of CHF 10.7 million (2009: loss of CHF 8.4 million).

Important contracts

A long-term agreement concerning the distribution of gluing and correcting products under the Henkel brand "Pritt" in Germany, Austria and Switzerland was terminated to end of September 2009.

In addition, distribution cooperation with Faber-Castell in Belgium and Poland ended on 31 March 2010.

A strategic partnership with PORSCHE DESIGN effective from January 2011 has been established.

An agreement on logistic services to be rendered out of Falkensee Logistics Centre has been concluded with eCom Logistik GmbH & Co. KG.

Sales

Sales by region	
Germany	46.1%
Italy	6.5%
Switzerland	3.2%
Rest of Europe	17.2%
Latin-America	20.9%
Other countries	6.1%

In 2010, the Group faced a challenging time with downturn in the economy particularly in our major European markets, including our major market Germany, going along with declining sales. A better performance was seen outside Europe, particularly in our Latin America region whereby a growth in turnover of 19% was registered. As a result, the contributions of sales from the European markets to Group sales decreased to 73% from 80% in 2009.

Results

In million CHF	**2010**	2009
Loss before taxation	**(6.1)**	(4.6)

Operating results of Pelikan Group in 2010 indicated a loss of CHF 7.2 million (2009: loss of CHF 2.9 million). The result from associated companies in Australia and Japan showed an after tax profit of CHF 3.0 million (2009: CHF 1.4 million). Included in operating results are expenses for pensioners amounting to CHF 4.2 million (2009: CHF 5.3 million) and impairment of intangible and tangible assets of CHF 3.4 million (2009: Nil). Pelikan Group incurred a net interest expense of CHF 3.3 million (2009: CHF 4.3 million). Tax expenses amounted to CHF 4.6 million (2009: CHF 3.8 million). The net loss for the year amounted to CHF 10.7 million (2009: CHF 8.4 million).

At Pelikan Holding AG company level, the financial statements showed a net profit of CHF 3.5 million for the year (2009: net loss CHF 7.4 million).

Personnel

The Group's employees increased in 2010 mainly due to recruitments especially in Latin America to cater for increasing performance in this region.

Personnel	**31 Dec. 2010**	31 Dec. 2009	31 Dec. 2008
Germany	**471**	483	493
Switzerland	**16**	16	26
Italy	**40**	41	39
Rest of Europe	**86**	97	149
Total Europe	**613**	637	707
Latin-America	**724**	657	448
Other countries	**47**	51	66
Total Group	**1,384**	1,345	1,221

Outlook

In March 2010, the Group's parent company, Pelikan International Corporation Berhad completed the acquisition of Herlitz AG Group ("Herlitz Group") and related assets, as in especially the Falkensee Logistics Centre. With the completion of this acquisition, the parent company is currently concentrating on post merger efforts to deliver synergies and common cost savings from the combined business.

Although economic activities in some countries in Europe have shown recovery, the recovery has not been strong enough to make major inroads into high unemployment and spare capacity. The World Bank has forecasted global growth to be weakened somewhat in 2011, expected to pick up in 2012. In view of the economic outlook, the Group does not expect significant improvement in turnover in 2011. Profitability remains the key focus in 2011, mainly resulting from the synergies and common cost savings between Pelikan and Herlitz groups which the Group's parent company is coordinating. Some projects like the logistics in Germany have been completed, some projects are on-going and further projects will be defined. Barring any unforeseen circumstances, these efforts are expected to bring about greater growth and prospects.

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

KEY FIGURES

Pelikan Group

	Figures in CHF million				
	2010	**2009**	**2008**	**2007**	**2006**
Net sales	272.7	313.1	330.1	282.2	211.3
Operating results	(7.2)	(2.9)	(1.8)	9.1	12.6
(Loss)/profit before taxation	(6.1)	(4.6)	(2.8)	8.6	14.1
Net (loss)/profit	(10.7)	(8.4)	(7.2)	6.0	18.9
Non-current assets	69.6	90.2	87.5	106.9	74.9
Total equity excluding minorities	(2.7)	7.9	15.8	31.5	29.1
Provisions for pensions	60.6	75.9	79.0	91.3	93.1
Balance sheet total	203.2	240.7	241.6	278.3	203.8
Share of the balance sheet total in %					
Non-current assets	34.3%	37.5%	36.2%	38.4%	36.7%
Total equity excluding minorities	(1.3%)	3.3%	6.5%	11.3%	14.3%
Provisions for pensions	29.8%	31.5%	32.7%	32.8%	45.7%
Tangible and intangible assets					
Investments	3.7	6.6	6.6	8.9	8.9
Depreciation and amortization	11.1	12.2	12.7	10.1	5.2
Number of employees	1,384	1,345	1,221	1,236	979
Personnel expenses	72.6	78.6	78.0	69.2	60.2

Pelikan Holding AG

Result for the year	3.5	(7.4)	(1.6)	(1.5)	3.5
Dividend	-	-	-	-	-
Shareholders' equity	54.3	50.8	58.2	59.8	61.3

Key figures per share

Data per bearer share in CHF Nominal value each CHF65					
Earnings per share	(8.6)	(6.6)	(6.5)	2.3	11.2
Dividend per share in %	-	-	-	-	-
Share prices					
Highest	65	88	182	212	106
Lowest	40	43	65	115	69