Faber-Castell exceeds sales target

500 million euro mark significantly exceeded / further sales growth expected in anniversary year / anniversary activities should further raise market awareness

Stein, 15 September 2011 – For the Faber-Castell Group, the past business year 2010/11[1] has brought pleasing results. In the prelude to the 250th anniversary of the company, the corporate group was able to post sales of 538.0 million Euros, a gain of 19% over the previous year and significantly above the target mark of 500 million Euros.

Within the **Writing and Drawing Instruments division**, the high-revenue fields of competence "Playing & Learning" for the 3-12 year age group and "General Writing" achieved strong growth worldwide with increased sales of 19% and 18% respectively.

The sales development for the individual marketing regions was as follows:

- **Europe/North America +10%**
  While the domestic German business was able to maintain its good position with growth of 6%, the reduced revenue of the previous year in the export and promotional materials/special-order business was compensated by growth rates of 12% and 26% respectively. Despite difficult market economy conditions, the company in Italy achieved growth of 6%. And following on from its strong performance in the previous year, the US company also showed growth (8%).

- **Latin America +20%**
  In overall business in local currency, Faber-Castell Brazil achieved a growth in sales of 6% over the previous year. Argentina (+34% in local currency) and Chile (+16% in local currency) recorded the strongest growth figures in South America. Peru and Colombia were more than able to compensate for the drop in sales of the previous year, by posting increases of 10% and 9% respective (in local currency).

- **Asia/Pacific +30%**
  The Asia/Pacific region once again achieved above average growth. It was possible to expand business in China by 33% in local currency, due in particular to the expansion of distribution in the south of the country. Sales in Malaysia grew by 23% in local currency. While India (+20%) and Indonesia (+12%) also achieved good growth rates in local currency, sales in Australia fell by 4% (in local currency) as a direct result of the floods.

[1] End of business year: 31 March 2011

Thanks to the launch of new products and the acquisition of new customers, the **Cosmetics segment** achieved higher revenues in the past year of 26% overall, with Germany adding 23% and Brazil 18% in local currency (34% in Euros).

Earning position / investments / equity ratio

Good progress was made regarding the **earning position** in the past business year. Operating earnings were raised by 48.6% to €42.2 million (previous year: €28.4 million). However, whereas positive one-off effects in Brazil (reversal of risk provisions, refund of overpaid contributions) led to profits before tax of €46.5 million in 2009/10, higher pension and tax provisions to a level of €2.7 million were accumulated in 2010/11 due to new accounting rules (BilMoG), resulting in profit before tax of €39.5 million. **Investment** projects, especially in the core competence sector of wood-cased pencils, were expanded significantly and amounted to €25.4 million worldwide. Due to dividend payments and the new accounting rules, the **equity ratio** dipped slightly to 37.1%.

Outlook for the business year 2011/12

The growth in sales has continued in the current business year. After five months, gross sales stand at €189.1 million (5.1% above previous year). Europe/North America are adding 5.6% Latin America and Asia/Pacific are growing at rates of 4.5% and 4.9% respectively.

For the current business year the group is aiming at a growth in sales of at least 5% in the current business conditions with stable exchange rates, with slightly rising profit margins (without special factors) as well as a structural improvement of key figures from the balance sheet.

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