

Review on 2011/12 and outlook:

Faber-Castell with continuing growth

In the fiscal year 2011/12 Faber-Castell group slightly exceeded expectations with group sales of EUR 570.5 million and increase of 6% / the company sees itself well-positioned for the future

Stein, November 2012 – The global financial and economic crisis only influenced the performance of the Faber-Castell Group on a local basis. In particular the Asian market defied the recession and achieved double-digit sales growth. With sales of altogether amounting to EUR 570.5 million, in the past business year 2011/12 the group was able to record an increase of 6.0% compared to previous year and therefore slightly exceeded the expectations. Adjusted for currency effects, growth amounted to 7.9%.

Within the Writing and Drawing Equipment segment, the top-selling fields of competence, “Playing & Learning” (+8.8%) and “General Writing” (+8.4%), achieved the strongest growth. The other fields of competence stagnated or only declined slightly.

The individual key markets developed as follows:

- **Europe/North America +1%**
- **Latin America +5%**
- **Asia/Pacific +18%**

The German sales company succeeded in stabilizing its good domestic position. Improvements against previous year were registered in the export business and also in the corporate gift/special business segment. Faber-Castell USA maintained sales in local currency on par with previous year.

Faber-Castell Brazil was able to expand its overall business in local currency by 9%. The modernization of the production of wood-cased pencils that had already begun as well as further programs aiming to increase the efficiency and margin improvements continued. The sales companies in Argentina, Chile and Colombia were able to enhance their strong market positions.

The Asia/Pacific region once again showed above-average growth. In particular, the production companies in China, Indonesia and Malaysia recorded double-digit sales increases.

Cosmetics segment

The Cosmetics segment achieved an increase of 3% in the past business year. The objective is to further reinforce the innovative strength and to sustainably improve the performance by increased customer orientation.

Earning position / investments / equity ratio

The Faber-Castell Group generated pre-tax earnings of EUR 33.3 million in 2011/12 (2010/11: 40,3 million). The pre-tax return on sales of 6.3% was below prior year's figure (8.3%). One reason among others for reduced profits consisted in the worldwide marketing and sales activities in occasion of the 250th anniversary. Investments in the reporting period amounted altogether to EUR 31.9 million (2010/11: EUR 25.4 million). The equity ratio improved to 39.0% (2010/11: 37.1%).

Outlook for the business year 2012/13

Sales continued to grow in the new business year. Gross sales after six months amount to EUR 266.9 million and therefore are up 6.8% on the previous year. In the stationery segment, Asia/Pacific is recording the strongest performance with a double-digit growth, followed by Europe/North America and Latin America.

Due to the group's global orientation with 15 production facilities and 25 sales companies worldwide, the Faber-Castell group is well-positioned to face the current euro crisis. Despite difficult conditions in individual countries such as Spain, Italy and Greece, the company consequentially pursues its global brand strategy relying on premium products and a range that includes products that stimulate the creativity and are of high pedagogical value. Faber-Castell is also continuing the modernization measures in the core area of wood-cased pencils in the business year 2012/13 by substantial investments.

Faber-Castell expects sales growth for the current and the following business year of about 5% with slightly higher returns on sales and a structural improvement in key balance sheet ratios.

Further information:

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