



Brill reports flat sales but expects better results in second half

Leiden, 25 August, 2015

Key Figures (in EUR x million)	2015 HY	2014 HY	2014 YE
Revenues	13.0	13.0	29.7
EBITDA	0.5	1.2	4.0
Profit before tax	0.3	0.7	3.0
Net profit after tax	0.2	0.5	2.5
Net profit	0.2	0.5	2.5
Earnings per share (EUR)	0.12	0.27	1.31

Revenues were flat during the first six months of 2015 compared to last year to date. As the sales of books and year end library spend have shown irregular patterns over the last few years and revenues in the last quarter of the year have a major impact on the year, the company gives no concrete outlook for 2015. Barring unforeseen developments such as significant market disturbance, some growth of revenues is expected by year end. In the second half of the year a number of large publications will be launched and the effects of cost savings and staff reduction will become visible. These and other structural measures such as improved pricing, lower fulfillment costs and more favorable trading policies will help restore profitability. The full integration of Rodopi is on schedule. In April Brill opened a representative office in Singapore, stepping up its presence in Asia. Olivier de Vlam joined the company as EVP Finance & Operations in August.

Developments in first half year 2015

Results

Notwithstanding acquired business from Rodopi, revenues were flat versus the first half year of 2014, reflecting a slight decline in the existing programs. The fluctuation of the exchange rate on the US dollar had hardly any impact on revenues due to the standard hedging policy.

Sales of books continue to experience varying market conditions; print books disappointed in North America, most notably as a result of industry consolidation in the US, disrupting regular order flows. Electronic collections of books showed growth in North America, but had a weak start in Asia and the Middle East. Journal revenue (print and electronic) was stable overall and orders and renewals show growth. Also sales of digital and analog primary source collections increased from last year. As a percentage of total revenue, digital revenues (electronic products and rights) increased to 52% versus 49% in the first six months, with an underlying growth of 6% reflecting continued momentum in electronic product revenues.

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While gross profit remained stable, operating cost increased 9%, of which 6% was caused by the combined effect of a stronger dollar and higher costs related to the new Rodopi program which was acquired as of HY2 2014.

Balance sheet and cash flow

As there was no need for substantial investments, tangible assets were roughly at the same level as in 2014. Compared with year end 2014, working capital increased M€ 0.8 to M€ 8.3. The increase is due to seasonal patterns and reflects also an increase in product development and the expanded program. Net cash flow from operating activities improved by M€ 0.2 versus last year to date to minus M€ 0.5. The solvency rate increased to 61.1% (end 2014: 59.4%).

Risk management

No significant changes occurred in the company's assessment of relevant risks since the publication of the annual report 2014. The standing policy of hedge accounting for currency management was maintained and led to a mutation of retained earnings of K€ 66 (in 2013 minus K€ 181). See under unrealized results.

Responsibility Statement

The half year report 2015 is an accurate account of assets and liabilities, the financial position and the profit of Koninklijke Brill NV and the corporations which are included in the consolidation. Also the half year report is an accurate account of the situation on the balance date, the state of affairs during the fiscal year of Koninklijke Brill NV and that of the allied enterprises whose data are included in the half year report and the expected state of affairs. Special attention is paid to investments and to the circumstances on which revenues and profitability depend. Please note that the figures per 30 June 2015 have not been audited.

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For further Financial information please see the Half Year Report at
<http://www.brill.com/resources/corporate/investor-relations> (see under Downloads)

About Brill

Founded in 1683 in Leiden, the Netherlands, Brill is a leading international academic publisher in 20 main subject areas, including Middle East and Islamic Studies, Asian Studies, Classical Studies, History, Biblical and Religious Studies, Language & Linguistics, Biology, and International Law. With offices in Leiden and Boston and a representative office in Singapore, Brill today publishes 230 journals and around 1000 new books and reference works each year, available in both print and electronic form. Brill also markets a large number of primary source research collections and databases. The company's key customers are academic and research institutions, libraries, and scholars. Brill is a publicly traded company and is listed on Euronext Amsterdam NV. For further information please visit www.brill.com.



Condensed consolidated balance sheet as of 30 June 2015
in K€

	2015 HY (Unaudited)	2014 HY (Unaudited)	2014 YE (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	1,475	1,403	1,336
Intangible assets	17,781	17,352	17,739
	19,256	18,755	19,075
Current assets			
Inventories	13,495	13,112	13,200
Trade and other receivables	6,076	6,373	7,770
Income tax receivable	274	200	41
Forward currency contracts	0	28	0
Cash and cash equivalents	1,956	1,903	5,254
	21,801	21,616	26,265
TOTAL ASSETS	41,057	40,371	45,340
EQUITY AND LIABILITIES			
Equity attributable to shareholders of Koninklijke Brill NV			
Issued capital	1,125	1,125	1,125
Share premium	343	343	343
Retained earnings	23,828	23,533	23,534
Other reserves	-415	-97	-508
Undistributed profit	219	504	2,450
	25,100	25,408	26,944
Non-current liabilities			
Deferred tax liabilities	4,201	3,789	4,179
	4,201	3,789	4,179
Current liabilities			
Trade and other payables	5,269	5,530	6,890
Deferred income	6,035	5,625	6,786
Forward currency contracts	452	0	541
Income tax payable	0	19	0
	11,756	11,174	14,217
TOTAL EQUITY AND LIABILITIES	41,057	40,371	45,340



Consolidated statement of comprehensive income for the six months ended 30 June 2015

in K€

	Notes	2015 HY (Unaudited)	2014 HY (Unaudited)
Gross profit			
Revenue	8	12,989	12,988
Costs of goods sold		<u>-4,381</u>	<u>-4,336</u>
		8,608	8,652
Operating costs			
Selling and distribution costs	9	-2,942	-2,531
Administrative expenses			
General operating expenses	9	-5,151	-4,918
Amortization of intangible assets		-86	-178
Depreciation of tangible assets		<u>-309</u>	<u>-361</u>
		<u>-8,488</u>	<u>-7,988</u>
Operating profit		<u>120</u>	<u>664</u>
Finance income		215	33
Finance costs		<u>-29</u>	<u>-20</u>
Profit before tax		<u>306</u>	<u>677</u>
Income tax expense	10	<u>-87</u>	<u>-173</u>
Profit for the period		<u><u>219</u></u>	<u><u>504</u></u>
Profit for the period attributable to the ordinary Shareholders of Koninklijke Brill NV		<u>219</u>	<u>504</u>
Earnings per share			
Basic/diluted earnings per share for the period Attributable to the shareholders of Koninklijke Brill NV		0.12	0.27
Profit for the period		219	504
Other comprehensive income			
Foreign exchange results	27		-18
Cash flow hedges	66		<u>-181</u>
		<u>93</u>	<u>-199</u>
Income tax on other comprehensive income		<u>-23</u>	<u>0</u>
Total comprehensive income after tax attributable to the ordinary shareholders of Koninklijke Brill NV		289	305