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## Brill reports flat results in first six months but expects growth in second half

Leiden, 21 August 2014

Key Figures (in EUR x million)	2014 HY	2013 HY	2013 YE
Revenues	13.0	12.9	29.3
EBITDA	1.2	1.2	4.5
Profit before tax	0.7	0.7	3.5
Net profit after tax	0.5	0.5	2.5
Net profit	0.5	0.5	2.5
Earnings per share (EUR)	0.27	0.28	1.31

Revenues were flat during the first six months of 2014 compared to last year to date. EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) were stable at M€ 1.2. As the sales of books 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 sales and results for 2014. Barring unforeseen developments, growth of revenues and profit is expected by year end.

### Developments in first half year 2014

#### Results

Revenues increased M€ 0.1 compared with last year to date (0.8%). The increase is almost entirely organic. The fluctuation of the exchange rate on the US dollar had hardly any impact. Narrow interpretation of the accounting rules (IFRS) blocked the consolidation of the sales and results of Editions Rodopi. This company was acquired in June with retroactive effect per 1 January 2014.

Sales of print books showed good growth. Journal revenue (print and electronic) increased slightly. This segment showed disappointing results in 2013. Sales of primary source collections decreased from last year. As a percentage of total sales, revenues on electronic products and rights remained stable at 49%.

Costs of Goods Sold increased following slightly higher sales and gross margin decreased from 66.9% to 66.6%. Total operating costs increased 1.2% and EBITDA decreased 2.9% compared with last year to date. Measures are taken to improve efficiency and control costs. The program of Hes & De Graaf, acquired by Brill at the end of last year, had no significant impact on Brill's results yet. Rodopi performed as expected and will have a positive impact on Brill's performance during the second half of the year. The acquisition is accretive.



## Balance sheet and cash flow

As there were no substantial investments, tangible assets were roughly at the same level as in 2013. Compared with year end 2013 working capital increased M€ 1.0 to M€ 8.3. The increase is primarily due to seasonal patterns. Net cash flow was the same as last year to date i.e. minus M€ 0.7. During the first six months just over M€ 1.8 was spent on intangible assets (including corporate acquisitions) resulting in free cash flow (operational cash flow minus investments) of minus M€ 2.5. Notwithstanding the pay out of dividend of M€ 2.1 solvency rate increased 1.6% at 63.0% (end 2013: 61.4%).

## Risk management

No significant changes occurred in the company's assessment of relevant risks since the publication of the annual report 2013. The standing policy of hedge accounting for currency management was maintained and led to a change in retained earnings of K€ 181 (in 2013 K€ 133). See under unrealized results.

## Responsibility Statement

The half year report 2014 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 2014 have not been audited.

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For further Financial information (in Dutch) please see the Half Year Report (Halfjaarbericht 2014) at <http://www.brill.com/resources/corporate/investor-relations> (see under Downloads)

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## 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, among others. With offices in Leiden and Boston, Brill today publishes 200 journals and around 700 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](http://www.brill.com).



## Consolidated balance sheet as of 30 June 2014

in K€

	2014 HY	2013 HY	2013 YE
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,403	1,496	1,187
Intangible assets	17,352	15,987	16,436
	<b>18,755</b>	<b>17,483</b>	<b>17,623</b>
<b>Current assets</b>			
Inventories	13,112	12,332	12,669
Trade and other receivables	6,373	6,149	7,210
Income tax receivable	200	236	41
Forward currency contracts	28	2	209
Cash and short-term deposits	1,903	2,801	6,531
	<b>21,616</b>	<b>21,520</b>	<b>26,690</b>
<b>TOTAL ASSETS</b>	<b>40,371</b>	<b>39,003</b>	<b>44,313</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of Koninklijke Brill NV</b>			
Issued capital	1,125	1,125	1,125
Share premium	343	343	343
Retained earnings	23,533	23,172	23,172
Other reserves	-97	-109	102
Undistributed profit	504	522	2,461
	<b>25,408</b>	<b>25,053</b>	<b>27,203</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3,789	3,704	3,788
	<b>3,789</b>	<b>3,704</b>	<b>3,788</b>
<b>Current liabilities</b>			
Trade and other payables	11,155	10,247	13,322
Income tax payable	19	0	0
	<b>11,174</b>	<b>10,247</b>	<b>13,322</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,371</b>	<b>39,003</b>	<b>44,313</b>



**Consolidated income statement for realized and unrealized results  
for the first half year 2014**

in K€

	2014 HY	*2013 HY
<b>Gross profit</b>		
Revenue	12,988	12,888
Costs of goods sold	<u>-4,336</u>	<u>-4,268</u>
	8,652	8,620
<b>Operating costs</b>		
Selling and distributing costs	-2,531	-2,668
Administrative expenses		
General operating expenses	-4,918	-4,712
Amortization of intangible assets	-178	-155
Depreciation of tangible assets	<u>-361</u>	<u>-357</u>
	-7,988	-7,892
<b>Operating profit</b>	<u>664</u>	<u>728</u>
Finance revenue	33	0
Finance costs	<u>-20</u>	<u>-26</u>
<b>Profit before tax</b>	<u>677</u>	<u>702</u>
Income tax expense	<u>-173</u>	<u>-180</u>
<b>Profit for the first half year from operating activities allocated to the ordinary shareholders of Koninklijke Brill NV</b>	<u><u>504</u></u>	<u><u>522</u></u>
<b>Profit for the first half year allocated to the ordinary shareholders of Koninklijke Brill NV</b>	<u>504</u>	<u>522</u>
<b>Profit per share</b>		
Basic/diluted earnings per share for the first half year allocated to the shareholders of Koninklijke Brill NV	0.27	0.28
	2014 HY	2013 HY
<b>Profit over the first half year</b>	504	522
<b>Other realized and unrealized results after tax</b>		
Foreign exchange results	-18	6
Cash flow hedges	<u>-181</u>	<u>-133</u>
	-199	-127
<b>Total comprehensive income after tax allocated to the Ordinary shareholders of Koninklijke Brill NV</b>	<u>305</u>	<u>395</u>

\*Adjusted presentation with regard to HY 2013 report. Cost for shipping of books are reported as selling and distributing costs as per 2013.