

PRESS RELEASE



BRILL

Please note the text of the Dutch language version of this Press Release is definitive

Brill's revenue increases 4% in the first six months of 2009

Revenue of Brill increased 4% to EUR 11,5 M. (2008 EUR 11,0 M.) in the first six months of 2009.

Gross Profit increased 5% to EUR 7,6 M. Operating Costs showed a slight increase of EUR 0,1 M.

EBITDA increased 39% to EUR 1,0 M. (2008 EUR 0,7 M.).

Profit for the first Half Year increased 29% to EUR 0,6 M.

Working Capital decreased by EUR 0,2 M.

During the first six months investments were made in the implementation of a new workflow management system which became operational on 1 July. Free cash flow (operational cash flow less investments) resulted in EUR 0,2 M. (2008 EUR minus 0,9 M.).

In the light of the deep global crisis and the expected impact on the budgets and purchasing power of libraries in Brill's major markets, the company refrains from issuing a concrete outlook for revenues and profit during the second half of 2009 and the fiscal year. Brill has managed to maintain a solid sales base and has begun to offer several collections of E-books to meet an increasing demand for digital information. Reflecting the promising expectations for these and other databases, Brill maintains its long term strategic ambition to grow revenues organically by 6% P/A and the see profits increase organically by 10% P/A.

Developments in first Half Year of 2009

Revenue and Results

The increase of revenue (100% organic) during the first six months arrived at 4%. Underlying revenue showed the continuation of a trend that became visible in 2008, a solid growth for new books (24%) and decreased revenues from older titles (6%). Electronic revenue increased 15%, fostered by the sale of perpetual licenses to two databases. Subscriptions to journals and databases developed according to plan. Gross Profit increased 5% to EUR 7,6 M. Gross margin increased from 66% to 67% as a result of the appreciation of the US dollar, continuing programs to reduce Costs of Goods Sold and as a reflection of the increasing share of electronic products in the revenue mix.

At the end of the First Quarter of 2009, a special cost savings program was implemented, with the aim of reducing overhead expenditure. Following positive advice from Works Council, the number of FTE is currently reduced. In relation to this effort some provisions have been made.

For the second Half Year, the company expects a decrease of expenses in comparison with 2008; during the same period last year a number of non-recurring expenses were absorbed for consultancy in the areas of IT,

the pension fund and operational workflows. Also one-off expenses, shouldered to create a defined contribution retirement plan, had a severe impact on personnel costs in the second half of 2008.

During the first Half Year a cross-company team has implemented a new, “*off the shelf*” workflow management system, delivered from Klopotek. This system became operational on 1 July, on time and within budget. The total related investment required EUR 0,9 M.

For the second Half Year, a few more software enhancements will be realized that will improve workflow efficiency.

Balance Sheet and Cash Flow

Fixed Assets increased EUR 0,7 M. to EUR 16,2 M. Working Capital decreased EUR 0,2 M. to EUR 7,1 M.

Nett Cash Flow from operations amounted to EUR 1,4 M. and Nett Cash Flow in investments arrived at EUR – 1,2 M.

The Solvency Rate increased to 53% (49% at Year End 2008). Credit lines are extended on the basis of new cash flow ratio's; the financing of the company and its ambitions for continuing growth is solid.

Condensed consolidated balance sheet as of 30 June

In thousands of euros

	2009 HY	YE 2008
Non-current assets	16,192	15,524
Current assets	18,657	21,373
Total assets	34,849	36,897
Total equity	18,458	17,881
Non-current liabilities	2,302	2,456
Current liabilities	14,089	16,560
Total equity and liabilities	34,849	36,897

Consolidated income statement for the first half year

In thousands of euros

	2009 HY	2008 HY
Revenue	11,463	10,989
Costs of goods sold	-3,828	-3,739
Gross profit	7,635	7,250
Selling and distribution costs	-2,147	-2,348
Administrative expenses		
General operating expenses	-4,512	-4,198
Amortization of intangible assets	-6	-7
Depreciation of tangible assets	-348	-319
Total operating costs	-7,013	-6,872
Operating profit	622	378
Finance revenue	253	303
Finance costs	-115	-123
Profit before tax	760	558
Income tax expense	-208	-130
Profit for the half year	552	428
Earnings per share		
Basic/diluted, for profit for the half year attributable to ordinary equityholders of Koninklijke Brill NV	0.29	0.23

Statement of comprehensive income for the first half year

In thousands of euros

	2009 HY	2008 HY
Profit for the half year	552	428
Exchange differences on translation of foreign operations	24	-22
Total comprehensive income for the half year	576	406

For further Financial information (in Dutch) please see the Half Year Report (Halfjaarbericht 2009) at <http://www.brill.nl/downloads/Halfjaarbericht2009.pdf>

18 August 2009, Herman A. Pabbruwe, CEO

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With offices in Leiden and Boston (MA), Brill today publishes more than 100 journals and around

600 new books and reference works each year. In addition, Brill is a major provider of primary source materials online and on microform for researchers in the humanities and social sciences through its imprint IDC.

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