

Media release

CPH reports slight rise in net sales from continued operations

The CPH Group generated net sales from its continued operations of CHF 487.9 million for 2012, a slight 1.2% increase on the previous year. The prior-year total net sales of CHF 520.9 million included CHF 39 million of sales from the Group's fine chemistry operations which were sold at the end of 2011. All three of the CPH Group's divisions further increased their market share, though consolidated Group EBIT remained negative for the year.

Net sales by Division	2012	2011	Change	
	CHF million	CHF million	in CHF million	in %
• Chemistry	67.1	61.6	+ 5.5	+ 8.9%
• Paper	314.3	314.6	- 0.3	- 0.1%
• Packaging	106.5	105.7	+ 0.8	+ 0.7%
Net sales from continued operations	487.9	481.9	+ 6.0	+ 1.2%
• Fine Chemistry	0.8	39.0	- 38.2	- 98%
Consolidated net sales for the CPH Group	488.7	520.9	- 32.5	- 6.2%

Perlen, 30 January 2013 – Europe's decline into recession in the second half of 2012 had its adverse impact on business results at the CPH Group (SIX: CPHN). The continent is the prime sales market for the Group's Paper and Packaging divisions. Despite these setbacks CPH raised its annual net sales from continued operations to CHF 487.9 million, a year-on-year increase of 1.2%.

The Chemistry Division benefited from rising demand for both medical applications and products for the natural gas sector, which is being increasingly viewed as a favourable alternative to nuclear energy. The business trends combined with the division's strong focus on high-growth products and markets to raise net sales from continued operations to CHF 67.1 million, an 8.9% improvement on the previous year.

In addition to Europe's economic downturn, the Group's Paper Division also felt the ongoing structural changes in the media sector, where print media are steadily ceding ground to online alternatives. At more than 10%, the declines in the consumption of newsprint and magazine paper were higher than expected. But the resulting price declines were offset by a combination of higher volumes sold, productivity improvements and slight falls in the prices paid for recovered paper and other raw materials. As a result, the CHF 314.3 million net sales for the Paper Division were only 0.1% below their prior-year level.

With its clear focus on medicinal blister packs, business trends for the Group's Packaging Division tend to reflect broader developments in the pharmaceuticals market, which saw its growth rates decelerate in 2012. In the division's prime European sales market, the demand for primary packagings even declined for the first time in several years. But the CHF 106.5 million net sales for the year were still a slight 0.7% improvement on 2011.

In the course of the year the CPH Group again sold land reserves which were no longer required for its business operations. The Group also contributed building land and ecological compensation areas to the "Renergia" project to construct a new waste incineration facility for Central Switzerland. The one-off effects of these developments will have a tangible impact on the net Group result for 2012.

Group Executive Management expects to post consolidated earnings before interest and taxes (EBIT) from continued operations that are broadly in line with prior-year levels and – as a result of the above non-recurring income – a net profit of CHF 6.5 to 7.5 million for 2012. "Our Chemistry and Packaging divisions achieved encouraging further year-on-year improvements in their profitability," reports Peter Schildknecht, CEO of the CPH Group. "Unfortunately, though, the operational enhancements in the Paper Division – which accounts for the bulk of our sales and earnings – were nullified by the lower paper prices that we experienced in the second half-year."

Outlook for 2013:

General business conditions will remain tough this year. The prospects for the paper market show no sign of brightening; and, as a result, it is difficult to make any reliable business prognosis for 2013 as a whole. The present substantial endeavours to further raise efficiency will be continued.

Enclosure:

- Letter to shareholders of January 2013

Further information:

The full 2012 financial results of CPH Chemie + Papier Holding AG and further details of the year's business trends and performance will be communicated on Friday 22 March 2013. The 2012 Annual Results Media Conference of the CPH Group will also be held in Perlen on 22 March 2013, starting at 11:00.

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About CPH

The CPH Group is a diversified international industrial concern which has its head office in Switzerland. The Group develops, manufactures and distributes chemicals, wood-based paper and pharmaceutical packaging films, is active at five production sites in Switzerland, Germany and the USA and has a total workforce of some 850 personnel. The shares of CPH Chemie + Papier Holding AG (SIX: CPHN), the Group's holding company, are listed on the SIX Swiss Exchange.