



Supervisory Board

Members

André R. baron van Heemstra

Catherine Lucet

Robin Hoytema van Konijnenburg

Roelf E. Rogaar (until 13 May 2015)

Managing Director

Herman A. Pabbruwe

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This brochure contains a summary
of the consolidated financial statements 2015.
The complete annual report 2015,
including the auditor's report,
is available on www.brill.com under
Resources/Corporate/Investor-Relations

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2015 was a challenging year due to downward trends that had started to develop over the last few years. It was also a turning point and a year in which we tackled a number of internal and commercial issues. Notwithstanding less than satisfactory profitability, we have seen underlying top line growth and an improved mix of revenues. Also, the second half of 2015 showed better results in comparison with the first half.

Organic growth, recurring revenue, working capital and cash flow all showed positive developments. Ironically, the impact of the dollar which strengthened towards the end of 2014 was primarily a challenging influence in 2015. Due to our hedging policies the stronger dollar, translated to euro, has not yet resulted in increased sales; this effect will be realized in 2016. However, at the same time the stronger dollar translated to a direct increase of our costs, providing a major reason for the somewhat disappointing profitability in 2015. Measures have been taken to improve profitability on a structural level and we are confident that our increased dividend proposal reflects the structurally healthy state of the company.

We have concluded that technical mistakes were made in reporting on the acquisition of Rodopi and the hedging of the US dollar in 2014 - hence the decision to restate 2014 results in consultation with the new auditing firm PwC and their predecessor EY. In addition to the bringing onboard of a new auditor, the Brill management team was renewed in 2015. In August Olivier de Vlam replaced Perry Moree as the EVP Finance & Operations and in September Peter Coebergh succeeded Stephen Dane, who retired as EVP Sales & Marketing after eleven years. Both new colleagues have strong professional backgrounds in publishing and have already made a significant impact to the company's operations.

In response to the unexpected slow sales at the end of 2014 and an increasing cost base, a number of measures

were taken. Our Asian development plan has been stepped up, with investments made in our Singapore office and increased sales staff for China. On the publishing end we have reviewed our pricing policies to foster recurring revenue and sales of electronic product. Disappointing sales of print books have led to pruning of some series. Our fulfillment and distribution contracts have been renegotiated as well, and effective 2016, local printing on demand services are in place in North America. The growth of staff was kept in check despite the higher volume of new product released.

These decisions flank longer term investments in product lines and new services. *Brill's Research Perspectives* will add an entirely different line of journal product; in 2016 we will launch the first dozen of a series of 50 titles in total. We are poised to take on more Open Access business in our four specially developed, subject-based journals and through various Open Access series of monographs. We are investing in infrastructure as well, including the implementation of new software to streamline editorial processes and the commissioning of a unified publishing platform combining all e-commerce and Open Access publishing opportunities to go live in 2017.

We are pleased to report that we have been able to continue building on the confidence of scholars and institutes of higher education and research. Our brand image is strong and our participation in innovative ventures in the digital humanities makes us a visible player in the changing world of scholarly communication. We find having the right profile of great importance.

A good image is an asset that helps organic growth initiatives succeed. Besides autonomous growth we see corporate acquisitions as effective means to grow our company and make it stronger. Notwithstanding our wish to remain focused on the Humanities and International Law, new sub-disciplines and expansion in the Social Sciences are sought as they may broaden

the base in a logical way. In some countries Humanities and Social Sciences are grouped together and indeed the borders between these disciplines blur as technology opens up new research strategies.

To some extent economies of scale fuel profitability, especially when scale translates into higher electronic sales and recurring revenue. In 2015 there were limited opportunities for sizable corporate acquisitions. In a few cases we decided to forgo acquisition, in others we faced aggressive preemptive bidding. The number of smaller title acquisitions where we successfully purchased or contracted journals, databases or book series continued. These acquisitions are usually financially attractive and come at low risk. The company remains prepared to take on debt for the purpose of larger acquisitions in the presence of the right opportunity.

Our market continued to evolve in 2015, albeit gradually. As Open Access gains more attention in public policy, the major publishers face highly critical consortia of buyers who wish to abolish the subscription model in favor of article processing fees (APC). This movement is called 'flipping' and is especially popular in some Western European countries. A few of the largest global publishers have been targeted by libraries and university administrators and faced tough negotiations about so called Big Deals. The Dutch government made Open Access a priority policy issue and will work to lead the Open Access agenda in Europe. Research councils providing grants to scholars sometimes insist on publishing the outcome of a research project in the public domain in Open Access. Meanwhile the world is flooded by massive amounts of 'free' content, collected in academic repositories, stolen by pirate websites such as Sci-Hub, or shared by scholars in their collaborative Internet environment (e.g. Researchgate and Academia.edu). Most but not all of the available content comes in the form of journal articles. As Science and Life

Sciences are heavily journal oriented, for the time being Brill finds itself in a lull. Our solid image, strict quality control, tilt towards book publishing and focus on proprietary content helps us defend the turf. Brill solidifies its niche position and concentrates on developing product which would not be here otherwise (e.g. major reference works). We believe this strategy makes these mega trends less problematic for our business. However if the combination of transitions means that we are entering a world where one finds free content adjacent to paid content, both comparable in quality, the publishing industry will face major challenges. In that world the publisher will have to convince customers that one has to pay for content and that libraries will have to keep investing in collections 'just in case'. The latter has already become a difficult paradigm since most institutions have changed their collection development policies into 'patron or user driven' or 'evidence based' acquisition.

A logical strategic option in line with industry trends in adjacent markets could be the development of 'solutions', i.e. content wrapped in software that makes scholarly research more productive. Geographic Information Systems, pattern and image recognition, statistical analysis and semantic technology are examples of a new breed of technologies that offer accelerators of scholarly research.

Alternatively, opportunities emerge to get closer to the educational side of academic institutions; electronic handbooks and dictionaries, finding aids, portals, online tutorial material (MOOCS) are new formats which open up opportunities for growth.

In both scenarios acquisitions could play an important role and provide entrance to a new market segment or help scaling up small pilots. However, testing the electronic waters ourselves is also something Brill's staff still needs to do in order to stay in tune with where our markets are going and to stay close to our key customers, our authors and users.

For this we need to be prepared to keep investing in organic growth activities.

We see this as part of our mission as a sustainable publishing house. Profitable publishing formulas have always been developed in the context of real market demand and customer expectations.

We need to make sure our stakeholders buy into this agenda of long-term growth and understand the strategic environment. Brill will need innovation budgets and room to invest in new product and new formulas. We need to spend the money wisely and manage our projects well. The necessary cash will come out of the current business which is solid and still can be improved. Pricing, sales management, new geographical markets, cost reduction, scaling and standardization will all contribute to better cash flow results in keeping with a stable and somewhat risk averse company profile.

In a world which seems to be increasingly unstable Brill opts for a strategy based on values such as loyalty to authors and customers. At the same time Brill keeps a keen eye on the interest of all stakeholders and the long-term sustainability of the business. This is a balancing act that suits us well; since 1683 our motto is Tuta sub aegide Pallas!

As announced earlier, 2015 is the first year our corporate communication is done in English only. Also the Annual Report 2015 is in the English language (<http://www.brill.com/resources/corporate/investor-relations>). This brochure *Brill in 2015* is based on the Annual Report 2015. As usual, we have added an article which highlights a part of our program.

We were pleased to find Dr. Irina Sokolova, curator of Dutch painting at the State Hermitage Museum in St. Petersburg, prepared to write a synopsis of her book *The Russian Passion for Dutch Painting of the Golden Age*, which we published in 2015 as the first volume of our new Oud Holland Book Series.

We trust you will find this an interesting read.

The article is followed by some comments on the

position of Art History in Brill's growing portfolio of publications on cultural heritage.

Leiden, April 4, 2016

Herman A. Pabbruwe

Managing Director of Koninklijke Brill NV

Lucas van Leyden, *Wings of the triptych The Healing of the Blind Man of Jericho*. Shield Bearers with the Coats of Arms of Jacob Florisz. van Montfoort and Dirkgen Dirck Boelensdr. 1531.

Oil on canvas, transferred from panel, 89 x 33.5.

State Hermitage Museum, St Petersburg, Inv. GE 407



One of the most remarkable events on the 19th century art market in St Petersburg was the public sale of paintings from the Hermitage, organized by decree of Tsar Nicholas I. The auction, where 1218 paintings by West-European masters were sold, was held in 1855 in the Dutch Church in the city center of St Petersburg.



Many of the paintings, among them the wings of the triptych by Lucas van Leyden, ended up in the collections of Russian private collectors. About half a century later, these works by Lucas van Leyden were, together with some other paintings, acquired again by the Hermitage.

At this remarkable auction at the Dutch Church in 1855, Pyotr Semenov did some of his early acquisitions of Dutch paintings. See article page 51.

KEY FIGURES

All amounts: x EUR 1,000

	2015	2014*	2014	2013	2012	2011
Results						
[1] EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortization. This is the operating income before the amortization of intangible fixed assets and the depreciation of tangible fixed assets.	Revenue	30,809	29,601	29,748	29,284	27,527
	Gross profit	20,412	19,987	20,135	19,848	18,287
	EBITDA [1]	3,794	3,680	4,020	4,504	4,587
	Operating profit	3,015	2,675	3,018	3,478	3,745
	Profit from continued operations	2,332	2,153	2,450	2,461	2,779
	Profit for the year	2,332	2,153	2,450	2,461	3,284
	Free cash flow [2]	3,201	822	856	2,634	5,616
[2] Free Cash Flow = Net Cash Flow adjusted for cash flow from financing activities	Net investments in fixed assets	-962	-2,765	-2,444	-1,185	-1,693
	Average capital invested [3]	21,223	21,120	21,181	20,697	19,233
Growth compared to previous year						
[3] (Average) Capital Invested = (average of) fixed assets minus deferred tax liabilities related to acquired intangibles + working capital less cash.	Revenue	4.1%	1.1%	1.6%	6.4%	0.5%
	Gross profit	2.1%	0.7%	1.4%	5.0%	0.8%
	EBITDA [1]	3.1%	-18.3%	-10.7%	6.4%	-7.7%
	Operating income	12.7%	-23.1%	-13.2%	7.4%	-13.5%
	Profit from continued operations	8.3%	-12.5%	-0.4%	6.2%	-16.6%
	Profit for the year	8.3%	-12.5%	-0.4%	6.2%	-16.6%
Profitability						
	Gross profit as % of revenue	66.3%	67.5%	67.7%	67.8%	67.0%
	EBITDA as % of revenue	12.3%	12.4%	13.5%	15.4%	15.4%
	Operating income as % of revenue	9.8%	9.0%	10.1%	11.9%	11.8%
	Profit for the year as % of revenue	7.6%	7.3%	8.2%	8.4%	20.8%
	Revenue/average capital invested	1.5	1.4	1.4	1.4	1.4
	Profit for the year in % of average shareholders' equity	8.6%	8.0%	9.0%	9.0%	21.5%
Balance sheet ratios						
	Shareholders' equity / total assets	58.1%	59.1%	59.4%	61.4%	62.6%
	Current assets / current liabilities	1.73	1.83	1.85	2.01	2.03
Personnel						
	Average number of employees	132	132	132	123	123
	Revenue per employee	233	224	225	238	223
	Contribution per employee (EBITDA per employee)	29	28	30	37	34
	Average salary costs per employee	68	63	63	65	59
	* Restated figures.					

DATA PER SHARE

In thousands of euros, based on weighted average number of outstanding shares

	2015	2014*	2014	2013	2012	2011
Weighted average number of outstanding shares	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444
Shareholders' equity per share	14.49	14.32	14.37	14.51	14.23	11.95
Increase in %	1.2%	-1.4%	-1.0%	2.0%	19.1%	6.3%
EBITDA per share	2.02	1.96	2.14	2.40	2.26	2.45
Increase in %	3.1%	-18.3%	-10.5%	6.2%	-7.7%	-12.8%
Earnings per share	1.24	1.15	1.31	1.31	3.06	1.75
Increase in %	7.8%	-12.5%	0.0%	-57.1%	74.6%	18.9%
Free cash flow per share	1.71	0.44	0.46	1.40	2.99	2.29
Increase in %	388.6%	-68.6%	-67.1%	-53.0%	30.6%	-2.1%
Dividend per share	1.24	1.15	1.15	1.12	1.08	1.05
Increase in %	7.8%	2.7%	2.7%	3.7%	2.9%	16.7%
Pay-out ratio	100%	100%	88%	85%	35%	60%
Number of outstanding shares at year end	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444
Highest share price during the year	27.95	25.83	25.83	22.90	20.50	15.20
Lowest share price during the year	22.70	21.95	21.95	19.25	13.50	12.00
Share price at year end	23.36	25.73	25.73	22.14	19.50	13.50

* Restated figures.

Annual Financial Statement

On the basis of the appointment of PwC as the company's auditor by the AGM, the Supervisory Board instructed PricewaterhouseCoopers Accountants NV to audit the balance sheet, income statement and the required explanations and summaries of Koninklijke Brill NV for the 2015 financial year. In preparation for the audit a need for restatements of 2014 results was identified. For the 2015 Annual Report an unqualified audit opinion was issued accordingly. Based on this declaration, the Supervisory Board and the Managing Director signed the annual financial statement. We therefore recommend that shareholders approve the presented annual financial statement. We propose distributing a dividend of EUR 1.24 per share (certificate) for 2015.

Activities

In addition to the usual detailed quarterly reports, the Board received interim reports in certain areas in preparation for meetings. During the year under review, the Supervisory Board met seven times with the Managing Director to discuss or approve issues including: risk management, developments on the personnel front, management development, long-term company strategy, especially for the Asian market, cost development and management, the progress and development of publishing platforms, liquidity planning, credit facilities, investor relations, corporate governance issues and various investments.

The Supervisory Board has requested management to prepare, implement and execute short-term as well as long-term action plans to specifically address cost control and improve profitability.

Acquisitions is put on the agenda for every meeting and progress reports are discussed as well as thoroughly prepared lists of possible partnerships in various countries.

Once again the Board has concluded that Brill does not need to appoint an internal auditor. Various reports

both from the external auditor and from the operational auditor are received and discussed on a regular basis. Progress reports on issues on the management letter issued by the external auditor receive particular attention. In the bi-annual meetings with the Works Council, issues such as corporate culture and the tone in the company are discussed without the presence of management and staff.

Seven meetings were held in Leiden and at all meetings the entire Board was present. Two additional meetings were held by telephone, on March 17 and October 1, 2015. The objectives in the context of the variable remuneration scheme of the Managing Director and staff were determined and evaluated. The longstanding strategy of quality of the profits earned from core business, growth through product development, exploitation of electronic publications, and the acquisition of large projects has been fully maintained and where possible anchored in targets.

There were informal consultations between members of the Supervisory Board and the Managing Director and his team during this period. The Supervisory Board was consulted by the Managing Director with regard to the filling of two major vacancies, i.e. EVP Finance & Operations and EVP Sales & Marketing and played an active role in the final interviews. In the light of a new management team the decision was made to select a number of key issues and have detailed discussions with staff. This is in preparation of a new Strategic Plan (2017-2019) which will be submitted in the first half of 2016 for full discussion. The Supervisory Board also continued to meet without the presence of the Managing Director, with the aim of discussing the functioning of the Supervisory Board, its individual members, and of the Managing Director and his team. This evaluation took place in 2015, once again without help from external consultancy. The annual meeting with the external auditor took place in the presence of the Managing Director and staff. This was followed by a discussion between the Supervisory Board and the auditor,

without the presence of the Managing Director and staff. As usual, we also had two annual meetings with the Works Council, as always without the presence of the Managing Director.

Profile

The Supervisory Board should be composed in such a way that each member of the Board – and the Board as a whole – is capable of fulfilling its role, which includes overseeing management policies and the general business of the company and its affiliates, as well as adequately advising the Managing Director. Given the global nature of the company's activities and those of its affiliates, it is imperative for all members of the Board to possess international experience. Moreover, there must be at least one member who is especially familiar with the operations of a publishing house and has experience as a publisher. Additionally one member of the Board must have financial expertise, meaning that he or she will have acquired relevant knowledge and experience of financial administration/accounting with listed companies and/or other large legal entities. The Board, as a whole, serves as an audit committee.

The members of the Board need to have sufficient time at their disposal to perform their duties; this applies in particular to the Chairman of the Supervisory Board. The Supervisory Board consists of three persons and is composed as per the profile above. At the AGM on May 13, 2015 Mr. Roelf Rogaar stepped down after eight years of service on our Board. We are grateful for the many important contributions he has made to our work and for the additional help and counsel he has provided to the company in some difficult years following the beginning of the financial crisis. He has consistently played a critical but constructive role and helped us develop a better feel for risk management, insisted on making sensitivity analyses and paying attention to scenario planning. The AGM appointed Mr. Robin Hoytema van Konijnenburg as his successor for a term

of four years. In 2016, a vacancy will arise when the Board's chairman, Mr. André van Heemstra will step down. The Managing Director and the Supervisory Board have worked together diligently to fill this position and will propose a suitable candidate to the General Meeting of Shareholders on May 19, 2016. The details of the members of the Board can be found on page 11. The members of the Board are independent within the context of the Dutch Corporate Governance Code.

Corporate Governance

The Annual Report describes how the company has dealt with the implementation of the current Dutch Corporate Governance Code. The Supervisory Board annually evaluates its instruments and processes in relation to the current Code, and in 2015 again decided to depart from the current Code with regard to use of certification as a possible method of protection. There were no transactions with conflicting interests relating to the Supervisory Board and Managing Director.

Annual General Meeting of Shareholders

On May 13, 2015, the General Meeting of Shareholders took place at the company's office in Leiden.

All resolutions presented were approved, after brief consideration, including the proposed dividend (EUR 1.15 per share).

Conclusions

In 2015, Brill once again demonstrated the necessary resilience to withstand significant market dynamics and geopolitical turmoil, while sustaining its chosen strategy. There are certain challenges to consider due to decreasing print book sales and cuts to higher education and library budgets. In the Board's view, a business able to take practical measures in the short-term, while adhering firmly to a promising, long-term strategy built on service excellence and entrepreneurship, serves the interests of all stakeholders. In the Board's opinion, the company must continue to strive for healthy

growth and ongoing cost control. Together with balanced pricing policy, attention to these aspects will enable work to continue on expanding activities and improving profit. Brill has thus far demonstrated success in the migration from print to digital and is well positioned to meet the multimedia needs of the future.

The quality of reporting within the company has improved considerably and during several meetings, the Board has discussed which additional key performance indicators will help guide the business. We feel there is still room for improvement on some issues, notably financial and non-financial management information regarding capital invested in the company, project reporting, subscription reporting and staffing reporting. Primary processes within the company are supported by standard work procedures. The resulting infrastructure will enable healthy development and continued growth of the business. Despite disappointing profitability, 2015 showed positive underlying development and a number of measures are in place to improve the structural profitability of the company. Finally, the Board believes that Brill's market position has been further strengthened again in 2015 and would like to thank all employees for their contribution in 2015.

Leiden, April 4, 2016

Supervisory Board

André R. baron van Heemstra

Catherine Lucet

Robin Hoytema van Konijnenburg

SUPERVISORY BOARD

André R. baron van Heemstra, 1946, Dutch

Chairman of the Supervisory Board of Koninklijke Brill NV since 2008, term runs to 2016

Chairman of the Netherlands Network of Global Compact (GCNL)

Chairman Stichting MEARC (Modern East Asia Research Center)

Board Member of Netherlands Senior Experts (PUM)

Member of the Advisory Board of the Platform for International Education (PIE)

Catherine Lucet, 1959, French

Member of the Supervisory Board of Koninklijke Brill NV since 2013, term runs to 2017

Managing Director of Editis Education & Référence and Editions Nathan

Member of the Supervisory Board of Cap Digital

Member of the Supervisory Board and member of the Audit Committee of Casino Guichard Perrachon

Robin Hoytema van Konijnenburg, 1957, Dutch

Member of the Supervisory Board of Koninklijke Brill NV since 2015, term runs to 2019

Executive Director Global Tax & Financial Markets of Heineken International BV

Chairman of the Supervisory Board and of the Audit Committee of Roeminck Insurance NV

Board member Vereniging Effecten uitgevende Ondernemingen (VEUO)

Board member American Chamber of Commerce in the Netherlands

Chairman of Stichting Heineken Pensioenfonds

Trustee of the Scottish & Newcastle Pension Scheme

Board member of the Heineken Afrika Stichting

Roelf E. Rogaar, 1944, Dutch (term ended May 13, 2015)

Member of the Supervisory Board of Koninklijke Brill NV since 2007

Member of the Supervisory Board of Darlin NV

Board member of Stichting Erik Hazelhoff Roelfzema Prijs

Board member of Sirtema Stichting

Koninklijke Brill nv is a public company under Dutch law, with its registered office in Leiden. The share capital of the company is divided into ordinary shares and cumulative preference shares. There are currently no cumulative preference shares in issue. Of the issued ordinary shares, approximately 99% are certified and administered by the Stichting Administratiekantoor Koninklijke Brill. Only share certificates are listed on the Euronext Amsterdam stock exchange. The majority of the capital is held by, mainly private, Dutch investors. It is estimated that more than 60% of the certificates are held in tranches of 3% or more. Koninklijke Brill nv is a statutory two-tier company. The statutes, available on the company's website, regulate the appointment and dismissal of Supervisory Board members and the amendment of statutes.

As Brill is a relatively small, highly specialized and profitable publisher, active in the same areas as a number of very large publishing companies, protection from hostile takeovers is deemed necessary. Accordingly, the company has a number of defensive constructions, including the possibility of issuing preference shares. In the event of such an issue, the preference shares would be placed with Stichting Luchtmans, which has agreed to acquire issued preference shares to a maximum of 100% of ordinary issued share capital. Moreover the company has issued certificates of shares and these can be seen as a defensive measure in that the Stichting Administratiekantoor reserves the right in the event of situations, etc., as referred to in Article 2:118a. part 2, not to issue voting proxies nor to accept binding voting instructions.

The conversion of share certificates is possible on a limited basis by means of a provision in the articles of association of the company, limiting conversion to 1%. In addition, shareholding is limited to individuals, the company itself, the administration office foundation, and companies that were shareholders in the past (before July 29, 1997). Furthermore, a number of rights have been allocated to the Combined Meeting -

the joint meeting of the Supervisory Board and the Managing Director. The rights of the Combined Meeting include the determination of the number of members of the Supervisory Board, authority on profit distribution proposals, the making of proposals to amend the articles of association, dissolution and legal merger / demerger of the company.

The company's Management Board currently consists of one person (therefore Brill cannot meet the requirement of a balanced composition of the ratio of women to men in the Management Board), assisted by a Management Team. The company has a Supervisory Board, normally consisting of three persons. The Supervisory Board has not appointed separate committees and does not intend to do so in the near future. The recommendations made by the Peters, Tabaksblat, and Frijns Committees in the area of corporate governance form part of the corporate governance structure, with the exception of the policy on protecting the company.

The Supervisory Board and the Managing Director meet annually to discuss the ways in which best practice guidelines and compliance with current legal requirements are implemented. They currently hold that the corporate governance structure of the company is broadly in line with the principles expressed in the Dutch Corporate Governance Code, with the exception of the use of share certificates as a defensive mechanism.

In the area of transparency between the Managing Director and the Supervisory Board, and between Supervisory Board members, clear agreements have been made. These are laid out in regulations and a code of conduct. The Managing Director's employment agreement is drawn up in line with the best practice provisions of the code. Within the company there are strict rules of conduct and regulations, including regulations on insider trading, sexual intimidation, and rules for misconduct reporting.

Given its relatively small size Brill is considered vulnerable with regard to mergers and acquisitions frequently dominated by financial or strategic investors wanting to leverage economies of scale. Economies of scale play a limited role in a company in which part of its value lies in its undisputed reputation among customers and authors at home and abroad.

Authors in closely defined market niches provide the foundation for future growth through their involvement in series, journals, manuals, and encyclopedias. In their capacity as researcher, they provide the purchase stimulus, often via their libraries and institutes. The librarians, in turn, only subscribe to series when they trust in the quality and pricing of future publications. The value of these subtle relationships with key stakeholders is and will remain the reason that the Supervisory Board and Managing Director are of the opinion that the company deserves maximum protection.

The Supervisory Board and the Managing Director are aware that protection of the company is generally only temporary in nature and primarily aims to create room to carefully weigh the strategic alternatives for the company and, if necessary, evaluate the situation with the key stakeholders. Therefore, it must be made clear to all stakeholders and especially to shareholders and holders of certificates of shares, what the company's strategy is, and what valuable elements from past, present and future are incorporated in the company. The aim is to make the company an attractive investment for shareholders who have a preference for a strategy focused on sustainable growth. Sustainable growth for the company is, in turn, largely dependent on its standing among customers and authors.

An active investor relations' agenda is designed to communicate this coherent message, and retaining the trust and support of shareholders is a basic element of the corporate governance policy.

Share certificates will be maintained as long as they continue to contribute to the set of measures that ensure maximum protection and the achievement of a balanced decision on the future of the company.

In line with the Code, the Board of the Stichting Administratiekantoor consists of three independent members. The Board of the Stichting Administratiekantoor shares the opinion of the Managing Director and Supervisory Board relating to the use of share certificates as a defensive mechanism.

In regard to aspects of best practice provisions not relevant to protection, the Managing Director and the Supervisory Board have always been of the opinion that these can be seen as further supplementing and refining the existing corporate governance structure. The experience the company has gained with the introduction of provisions in respect to corporate governance has been favorable. The recent release of the draft update for the Dutch Corporate Governance Code was followed with great interest by the Managing Director and the Supervisory Board and its potential benefits and implications will be reviewed in detail during 2016.

The company has experienced that a listed company of modest size is able to afford the cost and effort involved in proper compliance with the Code. The Supervisory Board and the Managing Director are of the opinion that the revised rules and the extended duty of compliance clearly contribute to improvement in managing the company.

Supervisory Board
Managing Director

REMUNERATION POLICY

Remuneration Policy, Supervisory Board

The remuneration of the chairman and the members of the Supervisory Board is set at a fixed annual rate and does not include variable elements. They do not receive any performance-related remuneration or shares and do not accrue pension rights with the company.

They receive no severance pay when they exit the Board. The remuneration of the Supervisory Board is regularly evaluated, if necessary using the advice of an expert third party. Any shares held by members of the Supervisory Board are intended as long-term investments. The organization has established strict regulations governing the holding of and transactions in securities, other than those issued by Brill, by Supervisory Board members.

Remuneration Policy, Managing Director

The remuneration of the Managing Director is determined by the Supervisory Board on the basis of the remuneration policy. This is in line with the principles and the best practice provisions of the Dutch Corporate Governance Code. The policy with respect to the remuneration of the Managing Director is designed, in regard to the amount and structure of the Managing Director's remuneration, to enable a qualified and expert person to be attracted and retained. The Supervisory Board, if necessary with the aid of an external expert, conducts annual reviews to establish whether the Managing Director's remuneration is in line with the market. The remuneration for 2015 and the ensuing years has one fixed and two performance-related variable components of which one is for the current year and the second for a three year horizon.

The Supervisory Board decided to increase the Managing Director's fixed remuneration as of January 1, 2015 by 2%. Furthermore, policy holds that the company partly funds the Managing Director's pension premiums, provided that the Director contributes 30% of the premiums due. As the Managing Director already participated in an individual retirement account (Levensloopregeling) the new rules with regard to capped contributions for salaries

above EUR 100 thousand did not lead to compensation.

The existing arrangement could be therefore maintained. The company does not grant loans, advances, or guarantees to the Managing Director.

With regard to the remuneration policy, the following comments apply:

A The Supervisory Board sees variable remuneration as a meaningful part of the remuneration package of the Managing Director. The targets and performance conditions reflect the key drivers for growth and growth of shareholders' value in the short and medium term. Variable compensation, determined by performance metrics, therefore, forms a significant part of total remuneration. From 2009, the variable component of remuneration related to short-term targets has been a maximum of 40% and for the three-year, long-term objective, a maximum of 40% of the fixed salary in the year that the objective was agreed.

B The policy of the company relating to the contract of employment is in line with best practice provision of the Code. The applicable notice period is four months and is in line with standard practice.

C As usual, in 2015 the variable remuneration of the Managing Director depended on a combination of short-term and long-term performance criteria. Details on the performance criteria and performance assessment regarding 2015 are included in the Annual Accounts, note 21.

D The restatement of 2014 results had no impact on the variable remuneration of the Managing Director. The only relevant target in this respect was a budgeted EPS and this target was not met and therefore had not led to variable income.

E No rights are allocated to the Managing Director for the acquisition of options or shares. Ownership of Brill shares by the Managing Director is seen as long-term investment.

F The Supervisory Board has drawn up regulations applicable to the Managing Director providing for ownership of and transactions in securities other than those issued by Brill.

RISK MANAGEMENT

Risk appetite

The business of the group routinely requires it to assume business risks relating to the entrepreneurial nature of its activities. These require investment in new business development with uncertain outcomes. These risks are inherent to the industry and well understood.

To meet its objective of reputation-based sustainable development, the company must manage the following risks in order to ensure that total risk exposure remains acceptable:

Risk category	Risk	Company business objective at risk	Risk appetite	
			Low	High
Strategic and Operational Risk	Publishing Rights	Clarity on legal ownership of intellectual property. Strong preference for full ownership	—	—
	Open Access	Grow subscription based business and optimize business models	—	—
	Outsourcing	Business continuity and competitiveness of services used	—	—
	Staff	Attract and retain the right staff	—	—
Financial Risk	Impairments	Preserve the value of the company's intangible assets	—	—
	Obsolete Inventory	Manage risks coming from the valuation of the company's inventories	—	—
General risks	Administrative Organization	Administrative processes that are effective and efficient.	—	—
	Compliance	Protect reputation of the company	—	—

Strategic and Operational Risks

Publishing rights

Copyright is a vital foundation for any publisher. In publishing, attention is paid to the completeness of rights and licenses for publishing in different formats, both print and electronic. Piracy and, to a lesser extent, plagiarism are phenomena in the digital world that must be addressed with structural measures. Failure to do so can lead to loss of revenue opportunities and could compel a write-off of investments in content.

Measures:

Where governments or institutions do not come into play, automated detection and legal assistance and intervention provide some relief. At Brill, we have a legal counsel with special responsibility for policy and management of intellectual property rights and licenses.

Open Access

Publishing freely accessible primary research results on the internet by scientific institutions in Open Access theoretically represents a risk for academic publishers, and therefore also for Brill. This applies primarily to Green Open Access with a short or no embargo period. Green Open Access is a variant whereby a publication may be made freely accessible after an embargo. Gold Open Access is a model whereby the final publication will be made freely available immediately upon payment by the author or a sponsor. If scholars en masse choose to publish directly, without the participation of publishers, Brill may face a loss of revenue. However, Open Access also creates opportunities to develop business in new areas for Brill.

Measures:

Brill actively pursues cooperation with scientific research institutes. Brill adopts a cautious yet flexible approach to the possibilities of Open Access and is involved in a number of experiments intending to measure the effects on the existing publishing business. Open Access is integral to our publishing activities; all journals and book series offer an Open Access option at the article level (so called hybrid titles). Several fully Open Access journal titles are in place. Brill is a proponent of Gold Open Access business models, with payment made by the author instead of end-user, with a view to achieving a high-quality scientific product. Together with the International Federation of Library Associations and Institutions (IFLA), Brill launched an Open Access Award to reward new initiatives in the field. Brill considers the large-scale digitization and indexing of books under copyright by third parties such as Google as an opportunity, rather than a threat. Voluntary and legally prescribed participation in this effort ensures that Brill's books are more readily located digitally and therefore easier to sell, which is in the interests of both the author (visibility and distribution) and Brill.

Outsourcing

Due to dependency on external suppliers and partners, outsourcing business processes represents a potential risk. Brill has outsourced typesetting, printing and binding, order processing, storage and distribution, maintenance of digital databases and software, debt collection, parts of system control and, copy editing. If business continuity risks, quality risks and other disruption in service or business processes materialize, our ability to serve our constituency could be impacted, potentially leading to indirect loss of business through reputational damage or direct loss of revenue through customer dissatisfaction or high costs.

Measures:

Careful selection of reputable vendors, implementation of Service Level Agreements, effective auditing of services rendered and the involvement Brill's own expert staff, all help mitigate the risk of the outsourced services not being performed properly. Other operational risks such as disasters, IT failures, and personnel risks are minimized by a broad range of insurance policies (including credit insurance), and disaster and contingency plans for IT issues. Intricate measures are required to verify the correctness and completeness of sales reports for electronic product sales by third parties.

Staff

A 'people business' such as a publishing house must strive towards maintaining continuity in its contact with customers and authors, something which requires knowledgeable and active staff. Failure to do so will impact our reputation in the short run and our ability to attract leading authors and sell our publications in the long run.

Measures:

In addition to various activities focused on the development of staff, staff organization is thoroughly evaluated every year. This topic is discussed with the Supervisory Board in the context of a strength/weakness analysis, as well as promotion and succession plans. Professional development, training and management development also receive a great deal of attention.

Cybercrime, IT attacks, piracy and sharing

Due to breaches of our IT environment the company may suffer damages in terms of business interruption, loss of critical company data, unwanted disclosure of competitively sensitive data or theft of our intellectual property. Since most of our IT processes are outsourced, this can be considered a specific case of the risks described under Publishing rights and Outsourcing above.

Large scale piracy has recently been reported across the scholarly publishing industry. Despite legal action some Internet pirates continue to host illegally downloaded articles and book chapters. Also a large number of passwords and access codes have been used to gain unauthorized access to publishers' databases.

Most publishers permit the sharing of articles among scholars and students under their licenses and the rules of copyright, provided that the use is limited in number and restricted to smaller communities per subject.

Measures:

The company continues to test and improve its IT control framework and work with its strategic partners to ensure that they adhere to agreed standards in this regard. Additionally, we continue to enhance our business continuity measures and test backup recovery processes. Furthermore, in 2015 we contracted specific insurance to cover for business risks related to Cybercrime.

The above piracy practices are clearly illegal and the publishing industry is individually and collectively taking action. Brill participates in collective recourse.

As to illegal postings, Brill subscribes to service providers who identify unauthorized postings via specialized software. Take down requests are issued and usually the 'offender' responds and complies in due course. In some individual cases Brill will directly write and send take down requests, usually with the desired results. Some large-scale sharing services insist on their right to post and share copyrighted material and fail to respond or comply with the Publisher's requests. Here the publishing industry will take measures, which Brill supports.

Financial Risks

Impairments

There are financial risks incurred by the company other than those described in the annual financial statement (currency, interest rate, and credit risk). For example, there is limited exposure to significant impairment of investments, acquired publishing rights and/or goodwill. This concerns purchased publishing rights, of which the acquisition price (and therefore the book value) is never higher than the net present value of the future cash flows related to the acquisition. Loss of value in the business may lead to a significant impairment accounting loss, impacting our solvability.

Measures:

Intangible assets acquired are valued at fair value and, moreover, this valuation is reassessed annually according to a procedure agreed with the auditor.

Obsolete inventory

The accumulation of obsolete inventory can result in significant costs when faced with the necessity to write off inventory.

Measures:

Brill operates a strict policy to prevent obsolete inventory from accumulating. The inventories in the warehouses are periodically assessed against their sales prospects and where necessary, a provision for obsolescence is booked. The *printing on demand* policy

Illustration taken from The *Boxer Codex*, a collection of accounts, narratives, descriptions and illustrations concerning the geography, ethnography and history of people, politics and societies in the western Pacific and major segments of maritime and continental South-east Asia and East Asia that were written in Spanish or translated from Portuguese to Spanish between 1574 and 1591 and compiled soon thereafter at Manila. The *Codex* is named after Professor Charles Ralph Boxer, historian of European expansion and collector of rare books and manuscripts. Perhaps the most outstanding feature of the *Boxer Codex* are its 97 hand drawn color paintings or illustrations. The illustrations depict peoples, birds and animals (both real and mythological) of the Philippines,

the Indonesian Archipelago, China and mainland South-east Asia. It has been pointed out more than once that the depictions of peoples from the Far East are the first ever created for European eyes. This particular illustration shows "... animals and monsters that are seen in China, in some cases only occasionally and in other cases quite commonly, and what is reported regarding the good and bad properties that each one possesses." [a] Kaimingshou [b] Jiaochong [c] Xiangliu [d] Yoc Siu George Bryan Souza and Jeffrey S. Turley (eds), *The Boxer Codex. Transcription and Translation of an Illustrated Late Sixteenth-Century Spanish Manuscript Concerning the Geography, Ethnography and History of The Pacific, South-East Asia and East Asia* (Brill: Leiden/Boston, 2015)



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introduced by Brill in 2012 drastically reduces the risk of accumulating obsolete inventory. In the future, attention will therefore shift primarily to obsolete stock of electronic products or content rather than print books.

Risk Management

Brill pays considerable attention to the further improvement of internal risk management and control systems, which are regularly reviewed and discussed by the Managing Director with the Supervisory Board. These systems are designed to detect any significant risks to which the company is exposed and to manage them as effectively as possible. However, these efforts cannot provide absolute assurance against material errors, loss, fraud, human error and violations of laws or regulations. Direct improvements are made wherever deficiencies are found.

Brill has detailed rules and regulations in the fields of segregation of duties, entering into commitments, payments, security of access and systems, compliance with reporting regulations, tax legislation, and regulations pertaining to a public listing. In addition, internal control takes place within the planning and control cycle, consisting of the annual strategic plan, the annual budget, and monthly and quarterly reports on financial and non-financial issues, including analyses. A part time operational auditor reporting to the EVP Finance & Operations analyzes the risks, efficiency, and effectiveness of business processes and, additionally, implements an annual, broad-scope Committee of Sponsoring Organizations (COSO) Internal Control risk analysis. This is partially based on the Management Letter, which is discussed with the Supervisory Board. Brill also has rules for reporting misconduct and a confidential counselor.

Finally the regular audits by the external auditor and periodic IT audits contribute to overall risk management.

Director's Statement

The Managing Director declares that the internal risk management and control systems provide adequate assurance that the financial reports for 2015 are free from material misstatement. The external auditor has once again in 2015 assessed the design and operation of the most important financial processes and controls.

Key findings included the requirement for improved general computer controls, both in the IT environment and in user access controls, including customers' access to our online products. Management has concurred with the findings and has commenced implementing improvements. As usual, the Supervisory Board discussed operational audit reports with the Managing Director and his staff. Following the regular annual review, the Board has not made a recommendation to implement an internal audit function. The Managing Director declares that the risk management and internal control systems have worked properly in the year under review and that there is no indication that these systems will not work properly in the current year.

1. General Report 2015

When the then general manager Evert Jan Brill (1812-1871) bought the Leiden-based publisher Luchtmans in 1848 and re-named it under his own name, he continued to pursue the company's key activity started by Jordaen Luchtmans (1652-1708) in 1683. Facilitating the flow of information between authors and their readers remained the core business of the thriving publishing house. In 1896, Brill became a public limited company and one hundred years later, in 1996, the word 'Koninklijk' (royal) was added to the firm's name. Brill developed throughout the twentieth century into a small but significant international publisher. Today, the company is primarily a broadly oriented humanities publishing house and has many of the characteristics of an international university press, although with a clear focus on creating long-term economic value as a strategy to protect its independence and standing in the market. Brill focuses on the academic research market in the areas of humanities and social sciences, international law, and natural history. The company outsources pre-press, printing, IT, and distribution to third parties, while only investing in its core activities and employing proven technologies.

Imprints and Products

Throughout its history, Brill has not only grown organically, but has also acquired many other publishers and imprints, including Nijhoff, IDC Publishers, Humanities Press, Styx, Index Islamicus, Gieben, Koninklijke Van Gorcum, Transnational, Hotei, Global Oriental, Forsten, Emerald and KITLV. At the end of 2013, Brill acquired Hes & De Graaf, followed by Editions Rodopi BV in the summer of 2014. Brill has retained the use of only four of these imprints: Brill | Nijhoff, Hotei, Brill | Hes & De Graaf and Brill | Rodopi. With the 2003 takeover of Martinus Nijhoff, publisher of the prestigious publication series and online database of The Hague Academy of International Law, Brill gained a leading position in the field of international

law publishing. The contract with this prestigious Summer School was renewed at the end of 2014. Brill is also a supplier of important (and increasingly digital) primary source material, including scans of historic archives or collections of documents.

Brill pursues a dual format publishing policy of publishing books, journals, and major reference works, in print and digital form. Books, unlike in the fields of natural sciences and engineering where they have largely been replaced by journals, still play a major role at Brill. Electronic sales have risen substantially in recent years. Brill distributes the e-version of its products through third parties as well as directly, thereby strengthening its position. Customers can often choose the form in which to access the desired information thanks to Brill's fully digital publishing process and multimedia file formats. Due to the long-term value of scholarly information in the humanities, the life span of our products is generally long. Brill still sells substantial quantities of older titles from its stock, or has these reprinted in small runs using new technology (printing on demand). In 2014, some of our long-running book series were successfully digitized and brought onto the market as a collection. Brill also composes regional collections and compilations. In this way, we make whole to our authors our unqualified promise that books from Brill will always remain available.

International: Authors and Readers

Brill has been an international player from the start. More than ninety-five percent of Brill's sales are generated outside of the Netherlands, which amounts to the same proportion of Brill's authors who reside in other countries. Some three-quarters of our clients are located in Europe and North America. The remainder is spread over numerous countries throughout the world. Brill is in contact with all top global academic research centers, but cherishes its traditionally strong link with

the University of Leiden. Partly thanks to Brill's leading position in a number of areas in which the university specializes – such as Islamic studies, minor languages, archeology, and Sinology – Leiden scholars are particularly well represented by Brill.

In 2015 the collective of Dutch universities (VSNU) initiated negotiations with a few of the world's largest publishing houses with the goal of accelerating the transition of journal programs within the boundaries of the current expenditure on subscriptions to Open Access. Such transitions are referred to as 'flipping'. Brill will start participation in these discussions in 2016 and foresees a gradual move to Open Access. The mixture of our portfolio and the monetary starting points will call for a tailor-made agreement. Open Access is a topic on the agenda of many countries and most research councils. However, policy making let alone agreements will take time and may show various outcomes.

The issue of Open Access has extended to the theme of 'Open Science' with a key factor of open access to the research data underpinning publications. The challenges vary from archival costs (huge amounts of data), confidentiality and integrity. One of the important requirements is that research findings need to be reproducible and verifiable. Brill is taking part in several scholarly experiments and will comply with emerging standards in the field. In close cooperation with DANS (the specialized data institute of the Dutch Academy of Arts & Science KNAW), a journal was recently launched that addresses the issues involved.

Electronic publishing and the inclusion of data sets also borders the emerging field of digital humanities. One of the ways to look at this new discipline is by comparing it with digital research strategies that have developed in other fields of scholarly work. Brill has identified a number of technologies which we perceive will have a deep impact on the humanities and social sciences. Geographical Information Systems (GIS) will introduce the use of maps and helps clarify data by

showing their geographical dimensions. Semantic and related technologies will allow deep searching of text and are therefore key drivers of change. Pattern and image recognition play into the same desire to perform comparative analyses and find similarities or spot differences. The applications will vary from making handwriting machine readable to the identification of subjects in paintings. Finally we expect that statistical analysis will become fundamental to all of the fields in which we operate. Applications will vary broadly and the availability of Open Data will trigger mining of data. In some cases technology used in the digital humanities will enable new search engines (e.g. Those that look for concepts rather than individual words), new visual applications (digital maps), or software (e.g. apps to scan images). In almost all cases Brill expects that compliance with linked open data standards will be necessary. Brill has joined select, relevant pilot projects and sometimes co-sponsors research activities in public private partnership; with the objectives of learning from participation, becoming early adapters and acquiring licenses to promising software. Joining forces in scholarly research contributes to Brill's image as a forward looking publisher. The financial commitments are modest but the impact on our staff is considerable. The exploratory work in the digital humanities is presently concentrated in Western Europe and North America, however, before long it will become a vital element of new research activities across the globe.

Brill's sales efforts are focused on the libraries and electronic networks of major universities. For the past several years, libraries throughout the world have seen their budgets for the humanities put under pressure, yet university libraries have thus far maintained a relatively stable collection development policy and steady demand. The last few years have also witnessed an increasing trend toward purchases being made only when there is specific demand by scholarly end users. However, the institutional nature of the sales dictates that purchasing is done by the library.

Purchases by libraries are in turn often made through third parties; journal agents act as intermediaries for subscriptions and traditional library suppliers have in part transformed into electronic middlemen. Further consolidation in this industry occurred in 2014 and 2015, with the second largest subscription agent, Swets & Zeitlinger, going bankrupt in 2014, while in early 2015 the world's largest journal subscription agent, Ebsco, acquired the biggest institutional library supplier of books, Yankee Book Peddler. Ebsco's major competitor Proquest in turn bought Ex Libris books. These unforeseen developments, along with the multitude of new sales and pricing models, such as the 'short-term loan' option for digital products, make the distribution of scientific publications all the less predictable.

The reputation of Brill and, above all, of its products continues to exercise a major influence on the future potential of the company, whose solid market position in the humanities has contributed greatly to its success. Brill always has renewal and broadening of its products and product forms on the horizon, but it maintains focused on the core aspects of its business rather than on too many different, unrelated ventures. Growth through organic development and acquisition in humanities and international law is therefore its priority. In addition we are always prospecting for development or acquisition opportunities in adjacent segments that fit our program well. Programs recently launched in niches in the field of theology, history of science, American history, and philosophy showed encouraging growth again in 2015.

Publishing Rights and Distribution

Brill's publishing strategy consists of reinforcing and protecting its well-established brands and monitoring developments in specific areas of scholarly research. Brill employees a standard contract with its authors to establish a reasonable and legally sound basis for controlled distribution of the research by the authors themselves or by their institutions. This legal basis is

achieved by a transfer of copyright or by licensing agreement. Brill plays an active role in industry developments, such as Open Access and Institutional Repositories, and has not experienced significant problems arranging copyrights. Brill's portfolio is spread widely across numerous academic disciplines, sales channels, product formats, front and backlist, and is geographically diversified. The office in Boston increases access to and interaction with the North American market. The 2014 relocation of the Boston offices positions Brill USA to work toward expanding the service offered to authors and customers. Since 2012, Brill has also been working to increase market knowledge and direct market reach in Southeast Asia. In the spring of 2015, a modest new representative office was opened in Singapore, which will expand modestly as of 2016.

Brill's marketing and sales strategy is focused on achieving the widest possible distribution of its products to reach beyond its primary market of professional colleagues targeted by the author. Cooperation with Google and many other partners has increased the discoverability of Brill's publications and, thereby, its ability to operate more successfully in the present information society.

Organization and Employees

Brill is a centrally managed company with a number of corporate and delegated functions. The overall day-to-day management of Brill is entrusted to the Managing Director, who is also responsible for business development and human resources policies. The primary business activities rest with the publishing units, which focus on the key disciplines in which Brill operates. Publishers are responsible for multimedia product development and contact with their editors and authors. They are actively supported by two central departments: Sales & Marketing and Finance & Operations, each of which is led by an Executive Vice President. Both EVP positions were filled in 2015:

Olivier de Vlam replaced Perry Moree who left Brill after five years to become the Managing Director of the Zeeuwse Bibliotheek in Middelburg, and Peter Coebergh succeeded Stephen Dane who retired after eleven successful years at Brill, having developed a global sales and marketing organization and overseeing the growth of the fledgling Boston office into a fully contributing and integral part of the company.

The Operations sub-department oversees outsourced pre-press, printing and binding, inventory management, editorial activities, application and data management, digital publishing technology, IT, fulfillment and distribution. Sales & Marketing comprises all marketing activities (trade shows, scholarly meetings, direct mail, advertisements, web marketing, social media, etc.) and all sales activities (E-commerce, sales support, field sales, commission sales, consortia sales, channel sales management etc.). The human resources factor in the company is extremely important. Brill's highly qualified and motivated employees are always on the lookout for new research that is fit for publications, while constantly striving to achieve and maintain the highest possible quality standards. Both professional development and management development are key areas of Brill's personnel policy, not least because Brill's corporate culture is increasingly being defined by a socially responsible way of doing business.

The company's sustainable strategic position and ability to create value rests very much on achieving a balance between business and serving the world of knowledge, and on prioritizing relationships in social and economic life.

Value creation at Brill

Brill's ability to create long-term economic value is determined directly by the company's ability to grow the business on the one hand, and do so profitably on the other hand.

Growth

The scholarly research community provides a steadily growing output in the form of scholarly books and journal articles. Brill's ability to grow the business rests on its success in being granted the right to publish a stable or increasing proportion of high quality research output, and to successfully bring the resulting publications to the market. In doing so Brill must always remain intimate with the changing market preferences for alternate business models and ensure appropriate geographical coverage e.g. in Asia.

In addition, Brill invests in self-generated publication initiatives such as dictionaries, encyclopedia other reference works or primary sources where it believes synergies can be created from Brill's reputation, its author community and its existing portfolio. These opportunities can represent significant value due to their unique and proprietary nature and associated recurring revenue streams.

We believe that the key to success in generating growth is Brill's reputation. Our good name ensures our authors that their work benefits from global distribution and valuable author services, while our customers are confident that they acquire quality products with the highest scholarly merit.

To monitor progress in these areas, Brill has a KPI system to track, amongst others, publication output, time to market, unit sales and yield per unit sold.

Profitability

Profitability at Brill, as stated by the Return on Invested Capital or ROIC is driven by two key factors;

Margin – as measured by the proportion of revenue that is converted into income. In managing Brill's margins we recognize the following main drivers:

- Cost of Goods Sold, including costs required for marking up and processing content, printing and digital distribution
- Personnel costs and other operating expenses, including cost for marketing, fulfillment, housing, and other overhead costs

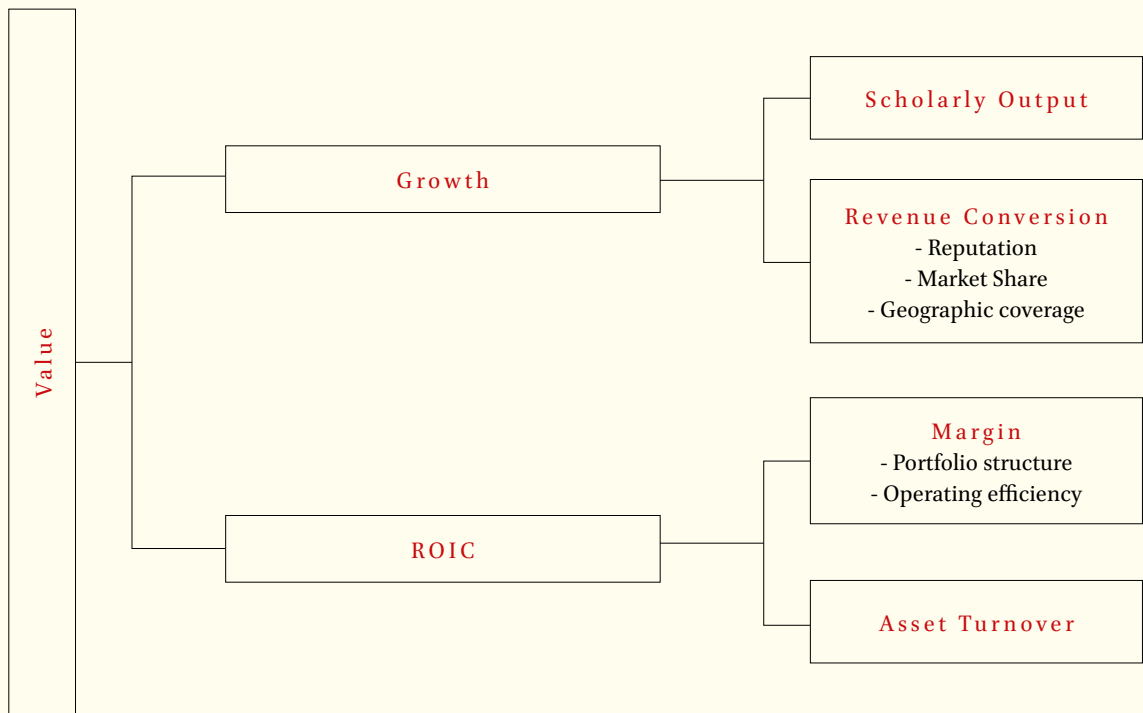
- Depreciation and Amortization of fixed assets
- Taxation

We believe that, even more so than continuous improvements in operating efficiency, the structure of our product portfolio is paramount to long-term improvement of profitability. This relates particularly to the proportion of revenue generated through journals and other recurring revenue publications and the proportion of revenue generated through digital products, where costs and investments have higher operating leverage, meaning that they scale less rapidly than revenue, and growth in revenue comes with high incremental margins. We invest in strengthening our portfolio of products that lead to recurring revenue. The nature of some of these carriers allows multiple business models. Journals cater for licensing to secondary databases, Open Access article publishing charges for individuals or recipients of research grants and traditional subscriptions for institutions.

Asset Turnover – as measured by the amount of capital invested required to support the revenue. Key asset categories recognized are:

- Goodwill and Publishing rights
- Fixed tangible and intangible assets
- Working Capital including amongst other accounts receivable and payable, physical inventories, content, work in progress and deferred income resulting from pre-paid subscription income.

Our ROIC performance therefore is driven both by our ability to generate profitable revenue as well as by controlling the balance sheet, and our KPI system is geared towards monitoring these drivers.



2. Financial Report 2015

Given the market uncertainties reported earlier, Brill had a reasonably satisfactory year in terms of revenue. Good performance in our strategically relevant product lines compensated for organic decline in print book revenue leading to satisfactory growth in the second half of the year. Whereas we see encouraging underlying trends in revenue and composition of the portfolio we remain focused on improving margins which are suffering from both underlying market trends as well as from the USD exchange rate which is a short-term effect caused by our hedging policy.

During 2015 we identified two material misstatements in our 2014 accounts relating to the processing of the Rodopi acquisition and to hedge accounting. 2014 results included in this report are restated to reflect the effect of the misstatements. Details on the restatements are included in the annual accounts section of this report.

Revenue

In 2015, Brill's revenue increased by 4.1% to EUR 30.8 million (2014 restated: 29.6 million). Corrected for the acquisition of Rodopi, organic growth was 2.5% versus a decline of 0.4% in 2014. Key drivers for our organic growth in 2015 were digital publications including E-books, major reference works, journal subscriptions and primary sources, whereas print books held up reasonably well given market trends:

(in EUR million)	Revenue	Growth	Contribution to total growth
Revenue 2014	29.6		
Print books	-0.2	-1.7%	-0.8%
E-books	+0.6	+10.4%	2.2%
Journals	+0.5	+5.6%	1.5%
Primary Sources	+0.1	+10.5%	0.3%
One-off effects *)	-0.2		-0.7%
Organic Revenue 2015	30.3	2.4%	2.5%
Acquisition	0.5		1.5%
Revenue 2015	30.8	4.0%	4.1%

*) One-off effects include major, unrelated one-off sales in 2014 and 2015 of EUR 0.3 million. These cancel each other out year-on-year. What remains is the effect of accelerated revenue recognition on third party license income in 2014.

Revenue generated through digital products was EUR 15.0 million or 49% of total, up from 48% in 2014; an increase of 0.8 million or 6%. Revenue generated through subscriptions was EUR 12.8 million or 41% of total, up from 39% in 2014; an increase of EUR 1.3 million or 11%.

Across both print and digital formats, books grew by 2% and Journals by 6% reflecting increased underlying research output (mainly in book titles) but also growth in subscription value and new journal title development. A persistent trend in the book format is hyper-specialization where it becomes harder to achieve the same print runs per title as before or in other words we need more title output to realize the same level of revenue.

The strength of the US dollar in 2015 had a limited effect on revenue, partly because of consistent foreign currency hedging. The US dollar started strengthening only towards the end of 2014 and the rolling 12 months hedging policy caused sales in North America to translate into more euro only at the end of 2015. In 2016, however, Brill expects to reap the benefits of

more buying power in foreign exchange from our biggest market on the one hand and the direct impact of higher income resulting from the translation of US dollar income in euro on the other. These effects will become most visible in sales of books and journals.

On the product development side of the business we are happy to report that 2015 was a good year with outstanding new product. After many years of development we saw the launch of two unique and major dictionaries: 'A Student's Dictionary of Ancient and Medieval Chinese' of Paul Kroll and the 'Brill Dictionary of Ancient Greek' of Franco Montanari, a translation from the Italian-English edition; both are positioned to become the standards in the field for a long time. Other notable new titles included the first volume of 'Brill's Encyclopedia of Buddhism'. Next to high praise for the two dictionaries Brill received another Choice Award, the recommendations for acquisition at libraries, for 'The Dead Sea Scrolls and the Developmental Composition of the Bible', of Eugene Ulrich. The total number of monographs increased nicely and reflects a sweet spot for specialized material for which Brill's niche orientated programs offer excellent outlets. Also we had a good year in growing the number of journals. From 2015 into 2016, 25 new titles were added to the list. *Brill Review Perspectives* is a new line of business which currently counts 13 new journals in 2016 and with another 15 to go for 2017. Over time we aim to have a full range of about 50 journals in this format. One of the publishing policy issues in 2015 concentrated on the fostering of recurring revenue. Over the last ten years as Brill entered the world of selling databases, libraries often preferred one-time or outright purchases, using end of year monies to acquire items on their wish lists. Brill is obviously satisfied with such sales but also seeks to build recurring business and dynamic and open ended reference works which are best sold on a subscription basis. In 2015 all pricelists and business models have been reviewed and fine-tuned to reflect the nature of the products. Dynamic databases are now

sold on subscription and static collections and reference works can be bought as one-time purchases. The price of some of these one-off sales items has been raised. Book series are scrutinized for their potential and if necessary combined with other series. E-books that started as an afterthought in the early days get more attention and currently come first. Print books are usually produced On Demand after the E-book is launched. Standing orders on book series will also be possible on the E-version of the book. With all these measures Brill is reflecting the advantages of database publishing without losing interest in the quality of the individual monograph. The magic of the printed book is after all what authors are often looking for. New primary source collections such as the Vossius Collection of Leiden University Library were launched but increasingly take time to gain traction in the market. This goes for all highly priced items in our catalog. However, for good product offered through the right channel at the right time, opportunities still exist as demonstrated by a large sale of primary sources to Kazakhstan and the sale of two sets of the famous Atlas Blaeu-Van der Hem, published by Hes & De Graaf to Macao. Interestingly, short-term access at lower price points tailored to an audience of individual scholars is still not in high demand; our product remains heavily oriented to an institutional market. That said Brill will selectively experiment with end-user oriented editions of dictionaries and E-books. For the above-mentioned 'Student's Dictionary of Chinese' we have made a co-publishing arrangement with Pleco, an American specialist of Apps in that field.

Cost of goods sold, personnel costs, and other operating costs

The cost of goods sold developed unfavorably in 2015, rising 8% relative to 2014, and as a percentage of sales, cost of goods sold increased to 33.7% (2014: 32.5%). The increase is driven mainly by the factor Content costs in the book business, and the underlying trend

that on average, we sell fewer copies per title. Furthermore, a large part of our typesetting and copy editing vendors bill us in USD causing an increase in the costs of content due to recent changes in the exchange rate. Brill deems continued investment in the added value of our content a key long-term success factor, but Brill is also committed to mitigating the impact of these investments on financial performance. Therefore, the company maintains an active purchasing policy and invests resources in order to achieve more efficient and streamlined production processes and to drive down costs per unit. The results of these measures will only become apparent over time as part of the cost is determined by historic investments in content that will be brought to the income statement over time. Examples in this regard include all costs necessary to prepare a first copy, whether in printed or electronic form. Investments in editorial systems which support XML processing of content will help drive down the costs of content management in the coming years.

Personnel costs increased by EUR 0.7 million or 8.1% in 2015 (2014: 4.6%). The increase was driven by 1.3% organic increases in salary costs (Collective Labor Agreement and merit, FTE change and mix), 2.3% acquisition effect, 3.0% foreign exchange rate effect and 1.5% from a lower proportion of salary costs allocated to Work In Progress due to a changed distribution of activities between internal and external staff.

Other operating costs declined by EUR 0.4 million or 4.8% versus 2014. EUR 0.2 million was caused by the one-off effect recognized in 2014 for the Rodopi facilities and the remainder of the decline existed of EUR 0.4 million in short-term operational savings, offset by EUR 0.2 million in foreign exchange effect.

Depreciation and amortization, and financing revenues and costs

At EUR 0.8 million, depreciation and amortization declined by EUR 0.2 million in 2015 relative to the previous year. We regard this number as being temporarily low given our current investment needs to realize editorial efficiencies and to keep our digital platforms up-to-date. Financing income declined from 2014 because of foreign currency results amounting to EUR 0.2 million (2014: EUR 0.3 million). Financing costs (costs of the credit facility) increased slightly due to costs associated with renewing our credit facilities.

Profit

Because cost of goods sold and total operating expenses increased more sharply than total revenue, EBITDA increased only slightly (EUR 0.1 million or 3.1%) and operating margin (EBITDA/turnover) declined slightly to 12.3% (2014: 12.4%). Profit from continuing operations amounted to 7.6% of revenue (2014: 7.3%) mainly due to lower depreciation cost. The number of outstanding shares remained the same relative to 2014. As a result, earnings per share amounted to EUR 1.24, up by 8% from 2014 (EPS 2014 EUR 1.15).

Operating Working Capital and Cash flow

Operating Working Capital (excluding cash), decreased by EUR 1.2 million in 2015. Inventories (physical and content) increased EUR 0.1 million. The accounts receivable and other receivables item increased EUR 0.1 million, whereas deferred income increased by EUR 1.4 million. Free cash flow increased by EUR 2.4 million, mainly resulting from EUR 0.6 million improved cash flow from operations in 2015 and EUR 1.6 million from acquisition related payments made in 2014.

Return on Invested Capital

Return on Invested Capital (ROIC) improved to 10.5% versus 9.4% in 2014. Small increments in both Operating margin and asset turnover contributed to

this improvement. Operating margin deteriorated slightly on the EBITDA level due to higher Cost of Goods Sold and the foreign exchange effects in operating expenses, but lower depreciation and amortization compensated and contributed to a higher operating margin. Asset turnover improved largely due to the strong improvement in deferred income, leading to lower operating working capital.

Solvency

The balance sheet total (EUR 46.7 million) increased relative to 2014 (EUR 45.4 million). Non-current assets increased by EUR 0.1 million and current assets increased by EUR 1.3 million (mainly cash). Equity capital amounted to EUR 27.1 million at the end of 2015 (EUR 26.8 million at the end of 2014). Solvency decreased to 58.1% in 2015 (2014: 59.4%) mainly due to the higher deferred income.

Stock exchange listing

The Supervisory Board and the Managing Director regularly evaluate whether the public listing is in the interest of the company. A stock exchange listing fosters well-spread ownership, which is in keeping with Brill's stakeholder's orientation. In the academic market it serves, Brill is on a long-term course that links continuity and quality to sustainable growth and a healthy return. Because of the listing, Brill's holders of certificates of shares have the benefit of certain liquidity, which is of particular importance to smaller parties. Liquidity provider SNS takes positions and thereby ensures continuous pricing, which to some extent mitigates excessively sharp price fluctuations. This is important because major price drops cause an undesirable dynamic that may be completely unrelated to the actual course of events within Brill. In 2015, Brill again took part in roadshows and other meetings with interested current and potential investors.

Dividend

Since 2009, the dividend policy has been based on achieving an attractive dividend yield. The dividend is related to profit, meeting capital requirements, and the desired solvency rate. For 2013 and 2014, we were able to pay a healthy dividend of EUR 1.12 and EUR 1.15 respectively.

We are pleased that despite the somewhat disappointing results, it will be possible to propose to the General Meeting of Shareholders that will be held on May 19, 2016 an all-cash dividend for 2015 of EUR 1.24 per share (100% of the available profit). This proposal reflects our healthy cash balance at the end of the year and our confidence in achieving improved results as of 2016.

Outlook

Brill's annual reports do not include concrete statements about future developments in terms of turnover and results. Given limited opportunities for strategically suitable acquisitions, we focus on further development of the publishing program and streamlining of the organization, whereas longer term we seek to enhance the portfolio in terms of faster growing, recurring revenue streams. This makes the company cautiously optimistic about the future, especially about improving profitability.

Depending on market developments, the company wants to offer its shareholders an attractive return on invested capital and a stable, preferably increasing dividend.

The publisher's primary process is aimed at providing services to both authors and customers. Brill should be capable of operating competitively in the market of academic publications on the basis of its independent position and focus on quality. Organic growth is our first goal. Acquisitions are attractive only if they have strategic and financial added value and do not come with excessively high risks. Brill has a reputation to keep and therefore prefers projects that would not be

realized without Brill's specific added value.

The company's financial position makes it possible to be proactive, and innovative.

Given developments in 2014 we have embarked on a series of shorter and longer term measures to protect margins structurally, targeting specifically gross margin and fulfillment costs. During 2015, we reduced general out of pocket spending while working on initiatives with a longer term impact. In Q4 2015 we announced an expanded partnership with our global distributor Turpin and realization of a US-based POD capability through contracting with Turpin's partner, Bookmasters. These agreements are aimed at reducing production costs and fulfillment costs. Our expanded partnership is up and running since January 1, 2016. During 2015 we performed detailed reviews of our pricing and sales models and for 2016 adapted pricing and business models to optimize outcomes. In 2016 we started to build a new content management system with an objective to achieve substantial reductions in costs of content creation and production, as well as opening up new opportunities for product development. Staffing will be maintained at 2015 levels during 2016.

The active use of hedge accounting makes Brill's results less sensitive to short-term exchange rate fluctuations of the US dollar. A stronger dollar relative to the 2015 average will therefore have a limited positive effect on revenue. It should be noted that long-term exchange rate movement are translated to Brill revenue with a delay and therefore 2016 is expected to benefit from a higher average hedged exchange rate than 2015. Apart from possible acquisitions, investments will likely be larger than they were in 2015 given the technology investments mentioned earlier. Brill's liquidity position follows a seasonal pattern with a low in Q3 as we go into the renewal and the major sales season, and a high at year end.

3. Personnel and Organization

Organization

The key internal factor determining the success of the company is its personnel. It is therefore very important to recruit and retain skilled and motivated professionals. Brill's policy, which is aimed at controlling the costs of personnel, optimizing work processes, providing clear job definition, and professional development, is closely monitored by management and the Supervisory Board, and measures are taken when necessary.

Brill is managed by its Managing Director, who is also responsible for business development and personnel policy. There are two Executive Vice Presidents (EVPs), the EVP of Sales & Marketing and the EVP of Finance & Operations, who is also the Treasurer of Brill USA. The Operations department supervises activities in the fields of outsourced pre-press, printing and binding, logistics and distribution, copy editing, metadata management, electronic publishing technology, and automation. The role of EVP of Publishing is currently fulfilled by the Managing Director.

In 2015 the Management of the company changed: a new EVP Finance & Operations joined in August, filling a vacancy after his predecessor left in March and in September the successor of the EVP Sales & Marketing who retired in January 2016, joined Brill.

The Management Team, which consists of the Managing Director and two EVPs assisted by other staff members as required, meets every two weeks and focuses on setting the organization's objectives and coordinating publishing activities, sales and marketing, production, distribution, financing, administration, automation of work processes, management information, and human resources management.

The Publishing Directors (4 FTEs) play a crucial role in publishing activities, Brill's primary process. They lead teams of 25.6 FTE in total (2014: 26.6 FTE).

Acquisitions Editors and Assistant Editors are responsible on a rotating basis for coordinating and optimizing cooperation with other departments, as well as for interdepartmental business processes.

Developments in staff

The average workforce remained about the same in size in 2015 relative to the preceding year and amounted to an average of 131.9 FTEs (2014: 132.0 FTEs). The total workforce engaged on a fulltime basis decreased 5.2 FTEs from 134.1 FTEs at the end of 2014 to 128.6 FTEs at the end of 2015. This decrease was anticipated and mainly the result of the integration activities following the acquisition of Editions Rodopi BV in 2014.

FTE's	Year end 2015	Year-end 2014
Publishing Activities	52.7 [41.0%]	51.2 [38.1%]
Operations *	38.9 [30.2%]	41.6 [31.0%]
Sales & Marketing	24.7 [19.2%]	28.7 [21.4%]
Other **	12.4 [9.6%]	12.6 [9.4%]

* Departments for office editing, bibliographic support, electronic publishing technology, data management, production management, distribution and IT.

** General Management and the departments of Finance & Control, Legal, and Human Resources.

At the end of 2015, 23.4 FTEs (2014: 25.4 FTEs) were working outside The Netherlands (from Brill's offices in Boston and the representative office in Singapore, as well as from home offices in the United Kingdom, Canada, Germany and Switzerland).

In terms of the ratio of men to women, the share of women decreased slightly in 2015 from 62.3% to 61.7%. Part time workers made up 36.9% of the workforce in 2015. Sickness leave showed a decrease from 3.2% in 2014 to 2.7% in 2015 and ended up at the same level as in 2013.

The age structure of the workforce changed relative to 2014 and was as follows:

AGE	2015	2014
20 - 29 years	9.9%	9.6%
30 - 39 years	26.3%	28.1%
40 - 49 years	26.2%	27.4%
50 - 59 years	27.7%	24.7%
Older than 60 years	9.9%	10.2%

The average age increased in the year under review from 44.8 at the end of 2014 to 45.0 at the end of 2015. The outflow of personnel in 2015 was 11.8%, whereas the inflow was 10.6%. The increased outflow results mainly from integration effects relating to the Rodopi acquisition and higher level of staff turnover in the Boston office.

FTE's outflow	2015	2014
Retirement	1.9	2.0
Deceased		1.7
Brill initiative		
Temporary contracts	1.7	0.6
Other	6.7	0.6
	8.4	1.2

Own initiative

Employment 0-2 years	2.7	3.0
Employment 2-5 years	1.0	3.0
Employment 5-10 years		1.0
Employment 10-15 years	1.6	0.5
	5.3	7.5

Total FTE outflow	15.6	12.4
Total outflow in %	11.8%	9.4%

FTE's inflow	2015	2014
Acquisitions		
Temporary position		1.2
Permanent contracts		6.7
Other		
Temporary contracts	5.9	6.9
Permanent contracts	4.7	7.0
Total FTE inflow	10.6	21.8
Total inflow in %	8%	16.5%

As of 2015 Brill's pension plan, previously operated by Interpolis, is operated by Pensioenfonds Grafische Bedrijven (PGB). The pension plan changed into what is referred to as a Collective Defined Contribution (CDC) plan including a conditional indexation scheme. The pension plan is considered a DC pension plan for accounting and reporting purposes.

Works Council

In contrast to 2014, the Works Council was involved in fewer major issues in 2015. After the transition to PGB, additional follow-up to the new pension system was required. In April, elections were held for the Works Council 2015 - 2017. Three members of the old Works Council were re-elected and two new members joined. The present term runs until May 2017. An important topic in 2015 was the new Collective Labor Agreement (CAO) for the Publishing Industry that retroactively came into effect on July 1, 2015 but which took a long time to formalize. Because the new CAO has been set up as a framework agreement additional possibilities exist for agreements between Employers and Employees themselves within predefined boundaries. These changes were not yet implemented in 2015, since it has taken long for the complete agreement to be finalized, but they have been mapped and extensively discussed over the past months. The CAO will be one of the most important focal points for the coming year. Furthermore the Works Council has devoted its attention to a restructuring of our Marketing & Sales

department and to the first steps taken towards implementation of a fully XML based workflow in the Operations Department. Throughout the year, the Works Council continued to monitor issues of direct key importance to Brill employees, such as Brill's HR policy, strategic developments, and corporate culture. In the same spirit as in previous years, aided by short lines of communication, the Works Council was able to work with the Managing Director in a positive and constructive way. Two meetings were held in the same good spirit with the Supervisory Board in 2015, the second one in the Supervisory Board's new composition.

4. 2017-2019 Strategy

Mission and strategy

Brill's mission is to be a leading international publisher in the humanities, international law, biology and natural history. In carrying out its mission, Brill meets a need for multimedia information on the part of specialist academic target groups and markets, and aims to add value for all stakeholders. Providing services to authors and users is the core business. Brill's efforts are supported by widely used information systems in the publishing sector like Klopotek, Aries, Salesforce and CODA. Using generally accepted standards makes editorial automation easier and also supports wide distribution. To achieve its mission, the company must grow consistently, mainly by increasing its market share in the fields in which it is active as well as in adjacent niches. This can be achieved by providing the best possible services to authors and users, adding works available on subscription to the portfolio such as journals and book series. Major reference works, dictionaries, and primary sources offer opportunities to build databases with recurring revenue. Acquisitions and partnerships can provide accelerated growth. The provision of publishing services is the company's core competence. To provide its services, Brill uses several analog and electronic distribution channels and cooperates with external digital platform providers. License agreements are also in place for the supply of works in electronic form to libraries. Brill's electronic products remain accessible and usable for a long time. Brill considers Open Access (OA), to be a viable new way of providing academic and scientific information. OA means that authors or their institutions pay for free electronic distribution. Retaining an independent role and the ability to add value is the only condition that Brill insists on as a matter of principle. Within that framework any sustainable business model should be welcomed.

Brill's publishing policy focuses solely on specific markets and market segments of academic research that offer an adequate prospect of profit. In these academic fields a sufficient number of works can be contracted that are qualitatively good and worthy of publication. The quality assessment is carried out by means of a peer review process. Brill makes it possible for individual academics to reach their target group of peers. Through its portfolio Brill provides a wide range of high-quality specialist literature to academics, scientists, and libraries. Brill will go where new centers of excellence in scholarly research are established or will be developed. The dynamic emergence of research in Asia offers particular opportunities in that respect. The new Singapore office of Brill is therefore designed to support marketing and sales, but also offer services to authors and editors in the Pacific Rim region.

5. Corporate Sustainability

As a company with a long-standing, reputable history, Brill takes Corporate Sustainability to heart. The company wishes to be reliable, honest, predictable, and cooperative. It therefore has an active corporate sustainability policy in place. Creating value and long-term relationships with authors and users are key policy objectives. Authors can rest assured that their books and articles will be easy to find and always remain available. As an independent publisher, Brill operates to make a constructive contribution to the creation of a free information society. The demand for reliable information that has been checked in terms of quality and objectivity is very high. Because the company operates at its own risk and expense, it does not have to answer any government or organization for its decision to publish or refrain from publishing a given work. Publishing practices and products are assessed by actively seeking the opinions of internationally active librarians (library advisory committees) and researchers (peer review). Brill uses the services of internationally preferred suppliers selected on the basis of price and quality. In addition, all of these suppliers have Forest Stewardship Council (FSC) certification. The universal 'Brill' typeface, the use of which saves time and money, is developed as an efficient and therefore paper-friendly font family. The contracts that Brill signs with its suppliers and distributors contain unequivocal provisions pertaining to social conditions (the exclusion of child labor, for example) and the substances and materials to be used. Shady practices to ensure a sale to a customer or middleman are not tolerated. The payment of commissions to representatives and the like must be reported in full at all times. To formalize its commitment to sustainability, Brill is intent on joining the UN Global Compact in 2016 and subscribe to its Ten Principles of doing Sustainable Business in an increasingly changing global world. It is the world's largest Corporate Sustainability initiative that calls on companies to align their strategies and

operations with universal principles on human rights, labor, environment, and anti-corruption, and take actions to advance societal goals.

The company actively strives to achieve cost efficiencies; in other words, to produce assets more economically than the competition. Cost control is therefore conducive to earnings growth, which is necessary to reward investors and be in a position to offer career prospects and accept entrepreneurial risks.

Brill's success depends on a good image and, even more importantly, an excellent and motivated international staff that enjoys a high degree of individual freedom. A Brill employee must be interested in the actual field of study while at the same time never losing sight of the provision of services to authors and customers and Brill's commercial interests. The company actively trains employees and, where possible, gives them responsibility in order to foster personal and professional development, as well as a spirit of enterprise. This is done to the greatest extent possible and thereby makes organic growth far more likely. During company meetings like the annual 'Brill Day', for example, employees are actively involved in the making of the corporate strategy.

Brill attaches great importance to its historic reputation in the Netherlands and beyond, and the city of Leiden and its university deserve a special place in this regard. The Brill Fellowship available at the Scaliger Institute, which makes it possible for researchers to study the special collections of Leiden University's library, is just one example of the way in which the company manifests its loyalty to the city and its university. Brill also contributes to Leiden's annual VeerStichting symposium. In addition, Brill maintains and cultivates good relations with Dutch heritage institutes.

Brill's sustainability policy also manifests itself very clearly in the company's Developing Countries Program. Brill actively participates in existing programs and takes initiatives that are further developed in cooperation with professional publishers and international organizations. Examples in this regard include Research4Life, INASP, Association of Commonwealth Universities, and Publishers for Development. As part of Research4Life Brill is currently taking the lead in setting up a new program focusing on International Law, dubbed: 'Global Online Access to Legal Information' (GOALI). This is done in close cooperation with academic libraries, such as Yale and Cornell Law School Libraries, UN entities, and other academic publishers and key stakeholders.

Brill also has programs like Adopt-a-Library, in the context of which it donates one or more collections of books to libraries and universities in developing countries each year. These donations are supported by workshops for academics and scientists that focus on how they can increase the influence of their research by publishing nationally and internationally. In addition, these workshops are given throughout the year by Brill publishers as part of research capacity building. Brill's endeavors in this context fit in with existing initiatives like INASP's Author Aid, an online mentoring system of international academics and researchers that promotes coaching and the exchange of knowledge between developed and developing countries in a very practical and effective manner. In addition, to advance accessibility and distribution, Brill offers discounts on its Open Access fees to academics and scientists in developing countries as part of its Brill Open Program. Brill cooperates closely with its partners in emerging markets to increase their impact and facilitate high-quality international publishing. In 2015, the Millennium Development Goals (MDGs) were succeeded by the Sustainable Development Goals (SDGs) as part of the UN 2030 Development Agenda.

Brill is participating in discussions that have to do with its core duty as a cultivator and disseminator of knowledge and information, a role Brill takes very seriously. It works as a team player to advance the development of knowledge in developing countries in order to increase the impact of research carried out in those countries. Brill facilitates international publication for the purpose of doing justice to every facet of the rich and varied tradition of academic and scientific communication.

Responsibility Statement

Herman A. Pabbruwe, Managing Director of Koninklijke Brill nv, declares that the financial statements give a true and fair view of the assets and liabilities, the financial position, and the profit or loss of Brill and the companies jointly included in the consolidation.

The Annual Report likewise gives a true and fair view of Brill's position and the position of its affiliated companies on the balance sheet date, as well as of the course of events during the fiscal year under review. The financial statements include the details and the expected course of events. Insofar as vital interests do not dictate otherwise, particular attention is devoted to the investments and circumstances on which turnover and profitability depend.

Leiden, April 4, 2016

Herman A. Pabbruwe
Managing Director

			Grammatical tag (<i>indecl.</i> = indeclinable)
Entry	A, α, τό (ἄλφα) <i>indecl.</i> alpha , <i>first letter of the Greek alphabet</i> : ἐγὼ εἶμι τὸ ἄλφα καὶ τὸ ὦ, ὁ		Translation (bold text)
Example	πρῶτος καὶ ὁ ἔσχατος, ἡ ἀρχὴ καὶ τὸ τέλος I am the		Comment (italic text)
Translation (regular text)	Alpha and the Omega, the first and the last, the beginning and the end NT. <i>Apoc.</i> 22.13 <i>num.</i> α' = 1; ,α = 1,000.		Source (New Testament, <i>Revelations</i> 22.13)
Explication and commentary	ἄ- and ἄ- [<i>IE</i> *sṃ-; <i>Lat.</i> sem-, sim-, <i>Skt.</i> sa-; see ἄμα] <i>copulative prefix</i> (α ἀθροιστικόν) <i>expressing togetherness</i> : ἄ-πας all; ἄ-λοχος bed companion, wife τὸ ἄλφα σημαίνει πολλαχού τὸ ὅμοῦ alpha often signifies 'together' <i>PLAT. Crat.</i> 405c		Etymology (<i>IE</i> = Indo-European; the asterisk signals a reconstructed form; <i>Lat.</i> = Latin, <i>Skt.</i> = Sanskrit.)
article, nominative feminine singular Lesbian	ἄ art. nom. fem. sg. Lesb., see ὁ, ἡ, τό.	Reference entries	
article, nominative feminine singular Doric	ἄ art. nom. fem. sg. Dor., see ὁ, ἡ, τό.		
relative pronoun, nominative feminine singular Lesbian	ἄ rel. nom. fem. sg. Lesb., see ὅς, ἡ, ὅ.		
present indicative middle 3 rd person singular of the verbs ἄω and ἄάω respectively	ἄαται <i>HES. Sc.</i> 101, <i>pres. ind. mid. 3. sg. of ἄω.</i> ἄἄται <i>pres. ind. mid. 3. sg. of ἄάω.</i>		
	ἀγαθοδότης -ου [<i>ἀγαθός</i> , <i>δίδωμι</i>] giver of good <i>DIOTOG.</i> (<i>STOB.</i> 4.7.62) <i>etc.</i> ♦ <i>adv.</i> ἀγαθοδότης giving good <i>EUSTR. in EN.</i> 387.11 generously <i>DION</i> ²¹ . <i>CH.</i> 120B [...]		
adverbial form of ἀγαθοδότης as separate entry	ἀγαθοδότης <i>adv.</i> , see ἀγαθοδότης.		
	ἀγαθοεργία and ἀγαθοεργία -ας, ἡ [<i>ἀγαθοεργός</i>] good deed, benefit <i>HDT.</i> 3.154.1 <i>IUL.</i> 4.135d <i>etc.</i> • <i>Ion.</i> -ίη.		Variant form of the entry
Numbers on a black background demarcate uses and senses of the word. Further distinctions of significance and usage are introduced by letters in square boxes.	ἀνά [<i>cf. Goth.</i> ana, <i>Av.</i> ana] 1 <i>adv. or prevb. in tmesis (poet.)</i> [A] above, aloft <i>IL.</i> 3.268, <i>al. OD.</i> 3.390, <i>al. etc.</i> (see also II A); ἀνά σταφυλαὶ παντοῖαι ἔσιν up above there are all kinds of grapes <i>OD.</i> 24.343 [B] ἀλλ' ἀνά up! , get up! (= ἀνάστηθι stand up!) <i>IL.</i> 6.331, <i>al. OD.</i> 18.13 <i>SOPH. Ai.</i> 192 (<i>always without elis.</i>) [B] <i>in composition</i> [A] up, upward : ἀναβαίνω, ἀνατέλλω,		
	ἄγαθός -ῆ -όν 1 <i>of pers. good</i> : [A] well-born, noble <i>IL.</i> 21.109 <i>etc.</i> <i>with ἀφνειός</i> <i>IL.</i> 13.664 <i>with εὐγενής</i> <i>SOPH. fr.</i> 724.1; καλοὶ καὶ ἀγαθοὶ ἄνδρες well-born men, aristocrats <i>PLUT. Demosth.</i> 4.1 <i>cf. καλοῦ ἀγαθός</i> [B] valiant, skilful, capable, excellent : ἄ. βασιλεύς good king <i>IL.</i> 3.179; ἄ. θεράπων excellent servant <i>IL.</i> 16.165 ► <i>with acc. of relation</i> : βοὴν ἄ. good at the battle-cry, of powerful voice <i>IL.</i> 2.408, <i>al.</i> ; ἄ. γνῶμην skilled at giving		Source (<i>Iliad</i> 21.109; <i>etc.</i> = et cetera, when the word is also found in other authors)
Sign introducing the adverb	934 ♦ <i>adv.</i> ἀγαθῶς well <i>HP. Off.</i> 4.7 <i>ARISTOT. Rh.</i> 1388b 6 <i>etc.</i> <i>interject.</i> good!, very well! <i>VT. Reg.</i> 1.20.7 ■ <i>crasis</i> τὸ ἄ. > τὰγαθόν, τοῦ ἄ. > τὰγαθοῦ, οἱ ἄ. > ἀγαθοί, τὰ ἄ. > τὰγαθά <i>prodelision</i> ὦ ἄ. > ὦ' γαθέ (<i>instead of crasis</i> ὦγαθέ) <i>Lac.</i> ἀγασός <i>ARISTOPH. Lys.</i> 1301 <i>Lesb.</i> ἄγαθος <i>Cypr.</i> ἀζαθός <i>later compar.</i> ἀγαθώτερος (<i>common. suppl.</i> ἀμείνων and ἀμεινότερος, ἀρείων, βελτίων and βέλτερος, κρείσσω, λῶων and λωίτερος, φέρτερος) <i>later superl.</i> ἀγαθώτατος (<i>common. suppl.</i> ἀριστος, βέλτιστος and βέλτατος, κράτιστος, λῶστος, φέριστος and φέρτατος).		Source (<i>Iliad</i> 2.408; <i>al.</i> = alibi (elsewhere), when the word is found in other passages of the same author)
Sign introducing grammatical and dialectal forms and graphic variants	Indicates transformation (in this case τὸ ἀγαθόν becomes τὰγαθόν by crasis)		
Numbered homographous entries	1. ἀκτῆ -ῆς, ἡ wheat, as flour or food <i>IL.</i> 11.631 <i>etc.</i> ; Δημήτερος ἄ. fruit of Demeter <i>IL.</i> 13.332, <i>al.</i> [...] 2. ἀκτῆ -ῆς, ἡ [ἀκ-] [A] shore (of the sea), high cliffs, land's end, promontory <i>IL.</i> 24.97, <i>al.</i>		

Activities

Of the total number of outstanding shares as at December 31, 2015 (nominal value of EUR 0.60), 1,834,463 bearer depositary receipts were issued and 39,981 registered shares were included in the shareholders' register. The bearer depositary receipts are represented by a single depositary receipt certificate. The work associated with the administration of the shares is performed by SGG Management (Netherlands) NV (Claude Debussylaan 24, 1082 MD in Amsterdam), the trust office's administrator. The costs of administration amounted to EUR 44 thousand in 2015 (EUR 27 thousand in 2014). The trust office's board members each receive a remuneration of EUR 5.0 thousand on an annual basis.

In the year under review, the Board met four times. During these meetings, the 2014 Annual Report and financial statements, the company's strategy and its implementation, the composition of the company's Supervisory Board, the general course of events within

the company and the succession of Mr. Boll were discussed. In addition, the agenda for the General Meeting of Shareholders was discussed and the way in which the Board would vote in the meeting was decided. The decision was made to vote in favor of all motions tabled.

In the company's General Meeting of Shareholders which took place on May 13, 2015, 98% of the company's issued capital was represented. The trust office granted authorization to holders of 51.5% of all depositary receipts to vote independently on the shares for which they held the depositary receipts. The trust office exercised the right to vote on the remaining shares for which depositary receipts were issued and therefore represented 48.3% of the votes cast in the meeting.

At the end of 2015, the composition of the trust office's board was as follows:

Name	Appointed	Current term until	Position
Joost C. Kuiper, LL.M.	2014	2018	Chairman
Jan M. Boll, LL.M.	2005	2016	Member
Yvonne C.M.T. van Rooy, LL.M.	2009	2016	Member

Mr. Boll will step down in 2016 because he will then have held position for the maximum term of appointment. The Board intends to appoint as his successor Mr. Marco Nieuwe Weme, professor of Company Law at Nijmegen Radboud University and deputy Judge at the Court of Appeal in Amsterdam (Enterprise Chamber) for a term of four years. Mr. Nieuwe Weme complies with the requirements of the profile of the trust office's Board, in particular as to his academic background and his extensive knowledge of and experience in corporate governance matters. The Board intends to reappoint Ms. Van Rooy in 2016 for a term of four years.

Corporate Governance

The trust office's Board does not adhere to the principle of the current Dutch Corporate Governance Code regarding the protective nature of the depositary receipts. The trust office's Board adopts this stance because it is of the opinion that proper protection against hostile takeovers is of vital importance to a company like Brill in terms of size and special position.

The trust office will always issue voting proxies to depositary receipt holders or accept binding voting instructions from them for meetings of shareholders, except in the situations referred to in Section 118a,

subsection 2, of Book 2 of the Dutch Civil Code.

The same procedure will apply to any revocation of a proxy that has already been issued.

The Board is prepared to give depositary receipt holders the opportunity to make recommendations in the event of board vacancies. The Board will not take such recommendations into account when making decisions, however if in the opinion of the Board, a nominated candidate does not believe in the importance of the protective function of the depositary receipts as described above. Furthermore, the Board will use the most practical working procedure possible with respect to any recommendations. This means that, each year, the trust office's report will give notice of any vacancy that will arise in the subsequent year so that depositary receipt holders can make any recommendations known outside meetings.

The Board observes the current Dutch Corporate Governance Code with the exception, however, of the way in which it exercises its right to vote. Contrary to the Dutch Corporate Governance Code, the following provision is observed: 'The trust office shall exercise the rights attached to the shares in such a manner as to ensure that the interests of the company and its business and all parties involved are safeguarded to the greatest extent possible.' The Board is of the opinion that its position with respect to maintaining the protective nature of the depositary receipts for shares means that the interest of depositary receipt holders cannot be the sole or dominant interest when votes are cast. In normal circumstances, the Board is of course prepared at all times to listen to depositary receipt holders and take the opinions that they have expressed into account. This also means that the Board will attend the company's shareholders' meetings and, if required, make a statement regarding intended voting behavior. Except in the event of special circumstances, the Board does not intend to convene meetings of depositary receipt holders.

Declaration of Independence

The Board of Stichting Administratiekantoor Koninklijke Brill, the trust office, hereby declares that, in its opinion, the requirements that apply to the independence of the trust office as referred to in Section 5:71, subsection 1 under d, of the Financial Supervision Act have been met.

Leiden, April 4, 2016

Stichting Administratiekantoor Koninklijke Brill
The Board

The purpose of Stichting Luchtmans, a foundation named after the founder of the Company, is to serve the interests of the company and those of companies affiliated with it in a group, as well as those of businesses maintained by the company and/or by companies affiliated with it in a group, in such a way as to ensure that the interests of the company and the group companies and businesses referred to, as well as the interests of all parties involved, are safeguarded to the greatest extent possible and factors that could adversely affect the independence and/or the continuity and/or the identity of the company and the group companies and businesses referred to are resisted to the greatest extent possible. Stichting Luchtmans endeavors to achieve its objectives by acquiring and managing cumulative preference shares in the capital of the company and by exercising the rights attached to those shares, particularly the right to vote conferred by those shares.

Stichting Luchtmans has been granted a call option that gives it the right, in the event of hostile action or imminent hostile action against the company, to take a number of cumulative preference shares equal to, at most, 100% of the shares and depositary receipts issued at the time at which the option is exercised less one share. When the option is exercised, only 25% of the total nominal amount must be paid. The exercise price is equal to the nominal value. Stichting Luchtmans and the company have agreed that the option may be exercised up to 100% of the issued capital if and as long as shares and depositary receipts are listed on the Euronext Amsterdam NV exchange.

At the end of 2015, the composition of the foundation's board was as follows:

Name	Appointed	Current term until	Position
Piet G.J. van Sterkenburg	2006	2018	Chairman
Herman P. Spruijt	2001	2017	Vice chairman
Joris P. Backer, LL.M.	2008	2017	Secretary / treasurer
Rudy P. Voogd, LL.M.	2005	2017	Member

The Board of the foundation aims to meet at least once a year. One meeting took place in 2015 (April 17). In this meeting, the company's 2014 results, the implementation of the strategy, financing, acquisitions, market developments, and the general course of events within the company were discussed. Mr. Van Sterkenburg was reappointed as chairman for a three-year term.

Declaration of Independence

The Board of Stichting Luchtmans hereby declares that, in its opinion, the requirements that apply to the independence of the directors of Stichting Luchtmans as referred to in Section 5:71, subsection 1 under c, of the Financial Supervision Act have been met.

Leiden, April 4, 2016

Stichting Luchtmans
The Board



EUROPA

ASIA

AFRICA

OCEANUS

MARE

CONSOLIDATED FINANCIAL STATEMENTS 2015

The first title page found in Frederick de Wit's
Concise Reference Atlas of ca. 1670 (detail).

From George Carhart: *Frederick de Wit and
the First Concise Reference Atlas* (Brill, 2016).

Image courtesy of the University of Amsterdam
Special Collections.

CONSOLIDATED BALANCE SHEET AS PER DECEMBER 31, 2015

In thousands of euro's

	31-12-2015	31-12-2014*	01-01-2014*
Assets			
Non - current assets			
Tangible fixed assets	1,380	1,333	1,187
Intangible fixed assets	17,780	17,739	16,436
	<u>19,160</u>	<u>19,072</u>	<u>17,623</u>
Current assets			
Inventories	13,302	13,200	12,699
Trade and other receivables	7,971	7,770	7,210
Derivative financial instruments	0	0	209
Tax to be received	0	127	28
Cash and cash equivalents	6,299	5,254	6,531
	<u>27,572</u>	<u>26,351</u>	<u>26,677</u>
Total assets	<u>46,732</u>	<u>45,423</u>	<u>44,300</u>
Liabilities			
Equity attributable to owners of Koninklijke Brill nv			
Share capital	1,125	1,125	1,125
Share premium	343	343	343
Retained earnings	23,569	23,572	23,172
Other reserves	-203	-359	51
Undistributed profit	2,332	2,153	2,499
	<u>27,166</u>	<u>26,834</u>	<u>27,190</u>
Non – current liabilities			
Deferred tax liabilities	3,626	4,179	3,788
	<u>3,626</u>	<u>4,179</u>	<u>3,788</u>
Current liabilities			
Trade and other payables	6,812	6,890	6,985
Deferred income	8,189	6,786	6,337
Provisions	104	193	0
Derivative financial instruments	184	541	0
Tax to be paid	651	0	0
	<u>15,940</u>	<u>14,410</u>	<u>13,322</u>
Total liabilities	<u>46,732</u>	<u>45,423</u>	<u>44,300</u>
<i>* Figures restated</i>			

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

In thousands of euro's

	2015	2014*
Gross profit		
Revenue	30,809	29,601
Cost of goods sold	-10,397	-9,614
	<u>20,412</u>	<u>19,987</u>
Expenses		
Selling and distribution expenses	-6,349	-6,165
	<u>-6,349</u>	<u>-6,165</u>
General and administrative expenses		
General operating expenses	-10,269	-10,142
Amortization of intangible assets	-163	-271
Depreciation of tangible assets	-616	-734
	<u>-11,048</u>	<u>-11,147</u>
Operating profit	<u>3,015</u>	<u>2,675</u>
Finance income	221	284
Finance expenses	-68	-45
Profit before income tax	<u>3,168</u>	<u>2,914</u>
Income tax expense	-836	-761
Profit from continued operations, attributable to shareholders of Koninklijke Brill NV	<u>2,332</u>	<u>2,153</u>
Other comprehensive income – items that might be reclassified to future profit or loss statements		
Exchange differences on translation of foreign operations	-20	4
Cash flow hedges	235	-552
	<u>215</u>	<u>-548</u>
Other comprehensive income, net of tax		
Income tax relating to these items	-59	138
	<u>156</u>	<u>-410</u>
Total comprehensive income for the period attributable to shareholders of Koninklijke Brill NV	<u>2,488</u>	<u>1,743</u>
Earnings per share (EPS)		
Basic and diluted earnings per share attributable to shareholders of Koninklijke Brill NV	1.24	1.15

* Figures restated

CONSOLIDATED STATEMENT OF CASH FLOWS IN 2015

In thousands of euro's

	2015	2014*
Cash flow from operating activities		
Profit before income tax	3,168	2,914
Adjustments for		
Amortization and Depreciation	933	1.150
Finance costs – net	-153	-239
Net exchange differences	-29	3
Adjustments to derivatives	-122	200
Change in operating assets and liabilities		
Change in working capital	1,185	97
Change in provisions	-89	193
Cash generated from operations	4,893	4,318
Interest paid	-60	-33
Income tax paid	-670	-698
Net cash flow from operating activities	4,163	3,587
Cash flows from investing activities		
Investment in tangible fixed assets	-653	-849
Investment in intangible fixed assets	-267	-263
Payments for acquisitions, net of cash acquired	-42	-1,653
Net cash flow from investing activities	-962	-2,765
Cash flow from financing activities		
Dividend paid to company shareholders	-2,156	-2,099
Net cash flow from financing activities	-2,156	-2,099
Net cash flow	1,045	-1,277
Cash and cash equivalents as per January 1st	5,254	6,531
Net cash flow	1,045	-1,277
Effect of exchange rate changes	0	0
Cash and cash equivalents as per December 31st	6,299	5,254

*Figures restated

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In thousands of euro's

	Share capital	Share premium	Retained earnings	Currency Translation reserve	Currency Hedge reserve	Undis- tributed Profit	Total equity
Balance as per December 31st, 2013	1,125	343	23,172	-107	209	2,461	27,203
Prior year adjustments	0	0	0	0	-51	38	-13
Restated balance as per January 1st 2014*	<u>1,125</u>	<u>343</u>	<u>23,172</u>	<u>-107</u>	<u>158</u>	<u>2,499</u>	<u>27,190</u>
Total comprehensive income for the period							
Profit for the year	0	0	0	0	0	2,153	2,153
Other comprehensive income	0	0	0	4	-414	0	-410
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>-414</u>	<u>2,153</u>	<u>1,743</u>
Total contributions by and distribution to owners							
Dividends paid over prior year	0	0	0	0	0	-2,099	-2,099
Retained earnings prior year	0	0	400	0	0	-400	0
Total contributions by and distribution to owners	<u>0</u>	<u>0</u>	<u>400</u>	<u>0</u>	<u>0</u>	<u>-2,499</u>	<u>-2,099</u>
Balance as per December 31st, 2014*	<u>1,125</u>	<u>343</u>	<u>23,572</u>	<u>-103</u>	<u>-256</u>	<u>2,153</u>	<u>26,834</u>
Total comprehensive income for the period							
Profit for the year	0	0	0	0	0	2,332	2,332
Other comprehensive income	0	0	0	-20	176	0	156
Total comprehensive income for the period	<u>0</u>	<u>0</u>	<u>0</u>	<u>-20</u>	<u>176</u>	<u>2,332</u>	<u>2,488</u>
Total contributions by and distribution to owners							
Dividends paid over prior year	0	0	0	0	0	-2,156	-2,156
Retained earnings prior year	0	0	-3	0	0	3	0
Total contributions by and distribution to owners	<u>0</u>	<u>0</u>	<u>-3</u>	<u>0</u>	<u>0</u>	<u>-2,153</u>	<u>-2,156</u>
Balance as per December 31st, 2015	<u>1,125</u>	<u>343</u>	<u>23,569</u>	<u>-123</u>	<u>-80</u>	<u>2,332</u>	<u>27,166</u>

*Figures restated

Earnings per share

Earnings per share was calculated by dividing Net income attributable to shareholders by the weighted average number of outstanding ordinary shares. At balance date, no stock options or redeemable

preferred shares were outstanding that might lead to future dilution of earnings per share. After balance date, no share transactions took place.

Earnings per share

	2015	2014
Net income	2,332	2,153
Weighted average number of shares issued	1,874,444	1,874,444
Earnings per share attributable to shareholders of Koninklijke Brill NV (in EUR)	1.24	1.15

Dividend paid and proposed

Dividend

	2015	2014
Dividend paid		
Dividend paid for 2013: EUR 1.12		2,099
Dividend paid for 2014: EUR 1.15	2,155	
Proposed dividend for 2015 (not included as a liability per December 31 st 2015)		
Dividend to be paid for 2015: EUR 1.24	2,324	
Profit distribution proposal 2015		
Dividend on ordinary shares	2,324	
Added to retained earnings	8	
Net income	2,332	

Remuneration of key executives

Brill is managed by a statutory director (Managing Director), supervised by the Supervisory Board. The members of the Supervisory Board receive an annual remuneration. They do not receive cash or other deferred incentive payments, such as stock options or shares. The members do not accumulate any pension entitlements with Brill.

The remuneration of the Managing Director, as detailed in the remuneration policy consists of a fixed and a variable component. The variable component entails a short-term variable incentive, maximized at 40% of the fixed component and a three-year long-term variable component maximized at 40% of the fixed component. The Managing Director has no remuneration in stock

options or shares. In addition Brill pays 70% of the pension premium in the employee pension plan for the Managing Director.

Remuneration of the Supervisory Board

	2015	2014
Mr. R.E. Rogaar	10,417	25,000
Drs. Ing. H.P. Spruijt	0	10,417
Mr. R. Hoytema van Konijnenburg	15,860	0
Mrs. C. Lucet	25,000	25,000
Mr. A.R. baron van Heemstra	30,000	30,000
	<u>81,277</u>	<u>90,417</u>

Remuneration of the Managing Director (pay-out)

Fixed

	2015	2014
Salary	250,000	245,000
Pension premium paid by Brill	75,437	84,887

Variable

Incentive plan (concerning performance of previous year)	39,200	79,000
	<u>364,637</u>	<u>408,887</u>

Total remuneration of Supervisory Board and Managing Director

	<u>445,914</u>	<u>499,304</u>
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In relation to the 2015 target achievement, an amount of EUR 55 thousand was recognized in the accounts of 2015 for pay-out in 2016. The short-term variable income to the Managing Director is granted according to performance criteria which in 2015 were based on earnings per share and four non-financial targets (for 50%, 20%, 10%, 10% and 10% respectively). The profit per share target was met at 70% and accordingly the Managing Director was awarded a pay-out of 6%. Three of the four non-financial targets were fully met resulting in a pay-out to the Managing Director of 22%.

The long-term (3 year) variable income to the Managing Director is granted according to performance criteria which were based on growth of revenue. The 2013-2015 target (pay-out 2016) of 26% growth of revenue compared to 2012 was not met and no variable income was rewarded. The 2014-2016 target (pay-out 2017) of 8% average growth of revenue compared to 2013 was not met in 2015 and the 2015-2017 target (pay-out 2018) of 20% autonomous growth over three years was not met in 2015 either. Hence no reservations have been made in anticipation of the outcome of the current long-term targets.

It should be noted that the 2014 restatements, had they been known at the time of determining the variable remuneration related to 2014, would not have changed the amount of the pay-out.

Events after balance sheet date

There are no events after balance date that give additional information about the actual situation as per balance sheet date with relevant financial impact on the company.

Appropriation of profit for the year

Bylaws regarding profit appropriation

Profit appropriation takes place pursuant to article 30 of the Articles of Association which stipulates that profit shall be distributed as follows:

- A. Payment of a dividend on the amount paid up in respect of the cumulative preference shares in accordance with Article 25.2 of the Articles of association.
- B. The Combined Meeting determines the amount, after deduction of the pay-out as established under A. that is to be added to Retained earnings in order to satisfy the Group's solvability objectives.
- C. The Supervisory Board determines the variable remuneration of the Managing Director.
- D. The Supervisory Board, consulting with the Managing Director, establishes the variable remuneration of the other staff.
- E. The amount remaining after pay-out of the cumulative preference shares, retained earnings, and variable remuneration is at the disposal of the Annual General Meeting of shareholders for pay-out to holders of (certificates of) ordinary shares.

Profit appropriation proposal 2015

Management proposes a cash pay-out of EUR 1.24 per (certificate of) ordinary share of EUR 0.60 nominally. Refer to 'Shareholder information' on page 49. If the Annual General Meeting accepts the dividend proposal, the 2015 profit in the amount of EUR 2,332 thousand will be appropriated as follows:

Profit appropriation proposal

Dividend on ordinary shares
Retained Earnings

Net income

	2015
Dividend on ordinary shares	2,324
Retained Earnings	8
Net income	2,332

Leiden, April 4, 2016

Supervisory Board

André R. baron van Heemstra
Catherine Lucet
Robin Hoytema van Konijnenburg

Managing Director

Herman A. Pabbruwe

INFORMATION FOR SHAREHOLDERS

The Brill share

Since July 1997 Koninklijke Brill NV has been listed on Euronext Amsterdam.

The register of shareholders of Koninklijke Brill NV is managed by:

SGG Management (Netherlands) BV

Claude Debussylaan 24

1082 MD Amsterdam

T +31 20 52 22 555

SGG also acts as administrator of the Stichting Administratiekantoor Koninklijke Brill.

Registered shareholders can send changes of address notifications and questions on shareholding or Dividend payments to the above-mentioned trust office.

In the context of the Financial Supervision Act, the following holders of share certificates, insofar as known on December 31, 2015 to the company, have an interest of 3% or more:

Filings	Size	Declaration date
Mont Cervin Sàrl	22%	22 June, 2012
Kempen Capital Management NV	12%	1 June, 2014
Todlin N.V.	6%	22 February, 2013
Brokat Media Support BV	5%	18 December, 2012
Stichting Administratiekantoor Arkelhave	5%	18 July, 2014
Stichting John en Marine Van Vlissingen Foundation	5%	11 August, 2015
GVB Capital Management	3%	26 June, 2012
Add Value Fund NV	3%	18 July, 2012

Number of Shares

The number of shares outstanding with a nominal value of EUR 0.60 was 1,874,444 on December 31, 2015 (on December 31, 2014 1,874,444). The changes compared to the previous year in the number of outstanding shares are indicated in the notes to the company accounts. Of the total number of shares outstanding as of December 31, 2015, 1,834,463 certificates were issued and 39,981 registered shares were recorded in the share register.

Dividend 2015

At the Annual General Meeting of Shareholders on May 19, 2016 it will be proposed that a dividend of EUR 1.24 per (certificate of) share be paid in cash.

Holdings of the Management and Supervisory Board

Herman A. Pabbruwe 8,311 shares (Managing Director)

With the consent of the Supervisory Board, the Managing Director, before his appointment and for his own account and risk, acquired share (certificates) in Brill via his bank. It has been agreed with the Supervisory Board that the Managing Director will not dispose of or encumber these certificates, possibly increased by stock dividend for which a standard instruction has been given, during his active employment.

Annual General Meeting of Shareholders

May 19, 2016 (2.00 PM at the Brill premises)

Publication of Results First Half Year 2016

August 25, 2016 after stock market close

Trading Update Third Quarter 2016

November 15, 2016 after stock market close

Investor Relations

Brill is pleased to provide (potential) shareholders and other stakeholders with relevant information to the best of its ability.

Copies of (semi-) annual reports can be found at www.brill.com/resources/corporate/investor-relations.

In addition, information may be requested via the following address.

KONINKLIJKE BRILL NV

Investor Relations

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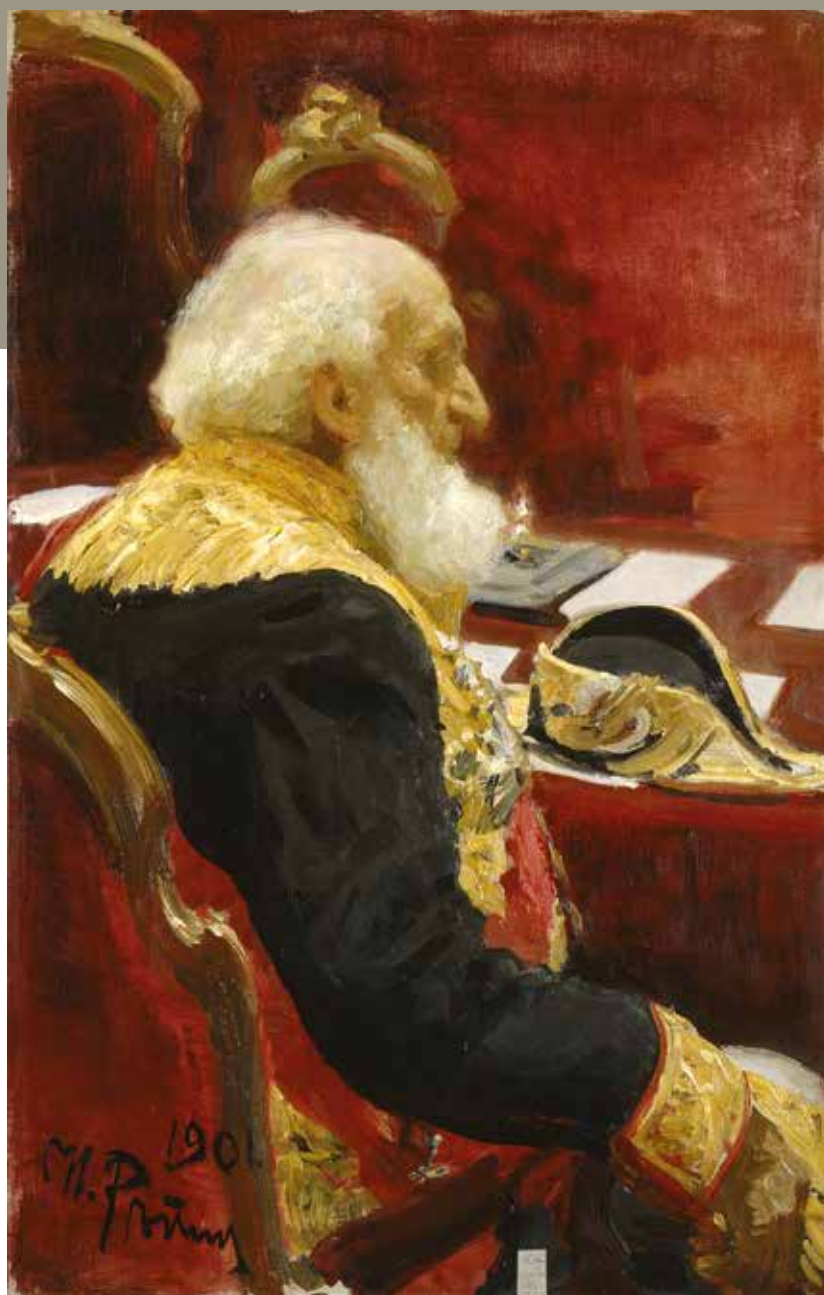
Ilya Repin, Portrait of Pyotr Semenov, from 1906
Semenov-Tyan-Shansky, member of the State Council,
honorary member of the Academy of Sciences and the
Academy of Arts. 1901. Oil on canvas. State Russian
Museum, St Petersburg, inv. Zh 4034

This study was taken from the life as part of Ilya Repin's
work on a monumental group portrait of a ceremonial
session of Russia's State Council. The painting was
completed in 1903 (now State Russian Museum,
St Petersburg). Semenov, a senior member of the State
Council, appears in full uniform in the foreground.

Treasures of Holland

Pyotr Semenov and his Collection of Dutch Paintings

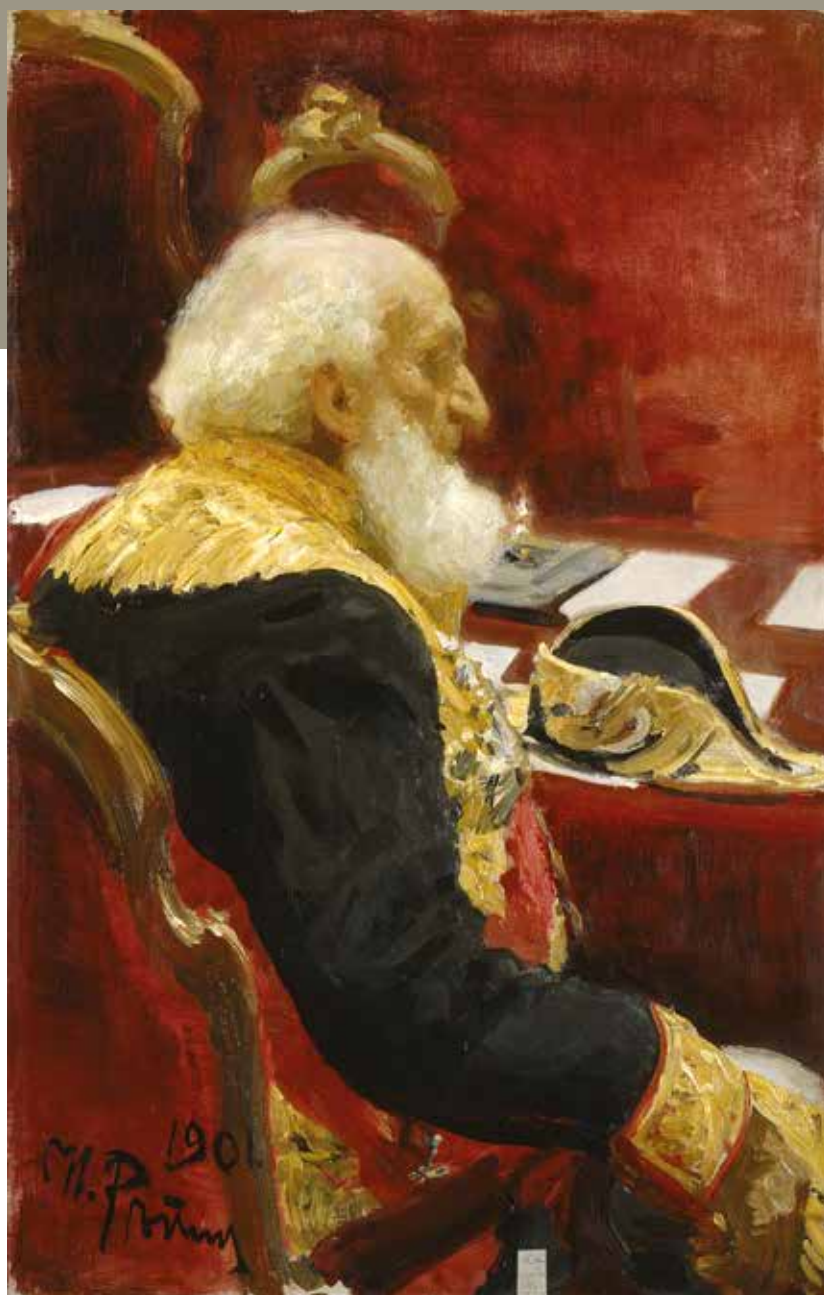
Irina Sokolova



Treasures of Holland

Pyotr Semenov and his Collection of Dutch Paintings

Irina Sokolova





Treasures of Holland Pyotr Semenov and his Collection of Dutch Paintings

Pyotr Petrovich Semenov (1827-1914) occupies a special place in the history of collecting European painting at the turn of the nineteenth and twentieth centuries. Creator of Russia's largest private collection of Dutch paintings, he set himself the altruistic task of complementing the coverage of Netherlandish art owned by the Imperial Hermitage Museum. Formed in over half a century, Semenov's collection was unusual, containing not only works by leading artists of the Dutch Golden Age but also – and perhaps more importantly – a broad body of paintings by lesser-known and rare artists, whose names had been long forgotten before their rediscovery in the late nineteenth century.

Semenov's passion for painting reflected just one aspect of the multiple interests of this outstanding scholar and statesman. By the early 1860s, when Pyotr Petrovich took up his new pastime, the study and collecting of paintings, he was nearly forty years old and a man of considerable experience. His life had been full, in both personal and professional terms. His name was – and is – well known in connection with some of the defining events in Russian history around the middle of the century.

In 1856-57 this daring geographer and explorer was the first European to study the former *terra incognita* of the Tian Shan region of Central Asia, in commemoration of which in 1906 by royal decree Semenov was granted the right to use the name Semenov-Tyan-Shansky – 'Semenov of Tian Shan'.

For Semenov himself, however, his greatest achievement lay not in that dangerous expedition, but in his contribution – as a specialist member of the Editorial Commission – to the shaping of the law of 1861 that at last got rid of serfdom (in many ways simply a synonym for slavery). It was on completion of this physically and emotionally demanding task that he took up the study of old painting.

The corridor in Semenov's home on 8th Line, Vasilyevsky Island, in St Petersburg. Early 1900s. Photograph. Archive of the Russian Geographical Society, St Petersburg

Paintings formed the backdrop to everyday life in the home. They hung in all the rooms and took over the walls in the corridors and the children's bedrooms, with no system behind how they were arranged. The head of the family's hobby was to leave its mark on the pastimes of everyone else and Semenov's son Benjamin later recalled that the children's favourite game was drawing on all sorts of scraps of paper, 'in imitation of the Dutch subjects'.



Dirck Hals, *Domestic Concert*, 1623. State Hermitage Museum, St Petersburg, inv. GE 2814

An early work by Hals on the subject, although the artist repeated the composition later in his career. One such late repetition belonged to the collector Bohdan Khanenko (1849-1917), with whom Semenov was on good terms (now Bohdan and Varvara Khanenko Art Museum, Kiev).

With the geographer's training in strict classification, Semenov sought to identify rules and principles underlying the creative process. He applied the systematic approach and objectivity of the historian to rise up above mere personal preferences. (Woldemar von Seidlitz remarked that the visitor to Semenov's gallery entered a purely academic world, where there was no need to make allowances for the owner's eccentricities or self-importance.¹) After half a century of collecting, Semenov's home held more than seven hundred works, some six hundred of which with the painters' signatures.

What drove Semenov to ignore personal material gain and dream of passing on the collection he had created for the good of Russian society?

He was undoubtedly influenced by the new ideas fermenting in Europe at this time of revolutionary upheaval, ideas that affected every aspect of society, including aesthetics. The slogan of the age was *l'art pour l'homme* to make real life, the trials of the individual, central to art. The demand that art and life be brought closer together led to a reassessment of art of the past.

Pyotr Semenov and Dutch Paintings on the Russian Antiquarian Market, 1860-1910

To Semenov, and to many Russians, the Dutch Golden Age was a paradigm for the success of a nation united by principles of independence, religious tolerance and hard work. The Dutch Old Masters had found beauty not in some idealised or heroicised world but in the everyday reality around them. Their example seemed strikingly relevant at a time when Russia's future was the subject of bitter dispute between 'Westernisers' and 'Slavophiles'.

In the second half of the nineteenth century change swept through Russian society. Economic reforms brought industrialisation, banks and railways: Russia was rapidly catching up with Europe. In daily life there were innovations in the form of cafes, newspaper kiosks and flower shops. Foreign travel, above all to Europe, was now freely permitted, and Russia became accessible to ordinary Europeans. A thirst for change, hopes of renewal and modernisation prompted a wide range of charitable and philanthropic projects. Collecting ceased to be the privilege of the aristocracy. In Moscow, wealthy merchants opened publicly-accessible art galleries in their mansions. In St Petersburg a taste for collecting spread to professors, lawyers, doctors and journalists, who bought works with money they had earned rather than inherited.

Adriaen Coorte, *Still life with a Bowl of Strawberries*, 1697.
State Hermitage Museum, St Petersburg, inv. GE 2942

The only known work by this Middelburg artist in any Russian museum, this painting is mentioned in the notebook that Abraham Bredius kept during his stay in St Petersburg: on the cover he wrote 'Dr. A. Bredius Vas. Ostr. 8 N 39' (Archive of Abraham Bredius, RKD, The Hague).





Semenov later recalled that he was strongly influenced by what he saw in the leading museums of Europe, which he frequently visited. Moreover, after the Hermitage first opened its doors to the wider public in 1852, Semenov became a regular visitor.

In 1855, by decree of Nicholas I, a sale was held of paintings from the Hermitage, which were, in the Emperor's personal opinion, 'superfluous'. A total of 1,218 pictures were put up for sale in the building of the Dutch Church on Nevsky Prospekt in central St Petersburg. Seven came into Semenov's hands. Those first acquisitions included anonymous works that were to be attributed to named artists only after they entered his collection: a *Fish Seller* now given to Pieter Pietersz. I, *The Circumcision of Moses' Son* by Nicolaes Moeyaert and *Fruits and Lobster on a Table* by François Ryckhals. Then Semenov acquired a masterpiece, *Portrait of a Young Lady in Black* by Abraham van den Tempel, which had belonged to French architect Auguste Monteferrand, who had died in St Petersburg in 1858.

Such early purchases, largely a matter of chance, said little about what his gallery was to become. Soon, however, Semenov came to concentrate his attention on the Dutch and Flemish schools, with a strong preference for the former.

In 1862 Pyotr Semenov married for a second time, settling on 8th Line, Vasilyevsky Island. Thereafter his life and the very concept of the Semenov gallery were to be inseparably tied to this house, with three storeys overlooking the street and four overlooking the courtyard. Within its relatively modest walls his children were born: one daughter and six sons, who grew up alongside a son from his first marriage and two adopted children. Within this family home his collection took shape, expanding so fast that rooms had to be adapted and their purpose changed.

Abraham van den Tempel, *Portrait of a Young Lady in Black*, 1670. State Hermitage Museum, St Petersburg, inv. GE 2825

One of the masterpieces of the Semenov gallery. The portrait was formerly in the collection of Auguste de Montferrand (1786-1858), the French architect who designed St Isaac's Cathedral in St Petersburg. Before returning to her native Paris his widow sold off his collection.



Dirck de Vries, *Vegetable Market in Venice*, c. 1600.
Oil on canvas, 115 x 205 cm. State Hermitage Museum,
St Petersburg, inv. GE 3340
Photograph (c) The State Hermitage Museum / Pavel
Demidov.

Works by Dirck de Vries (?-1609), a native of Friesland who worked in Venice at the turn of the sixteenth and seventeenth centuries, were for many years mistakenly attributed to other artists, both Netherlandish and Italian. In Semenov's collection this *Vegetable Market in Venice* was thought to be by Aert Pietersz. (1540-1612). An identical version of the same composition passed at auction in Munich (Helbing, 1-2 December 1904) as the work of Jacopo Bassano (1510-92).

The antiquarian market in Russia was entering a period of huge growth and Semenov acquired paintings in his native land as well as at auctions abroad. Unable to adapt to changing economic conditions, many members of the nobility were forced to sell their family estates. When buildings were remodelled to house small factories, their contents – including paintings, books and manuscripts – were usually put on the market more or less wholesale. Art flooded from the provinces into the two main cities, where one could now buy pictures not only from established antiquarians and booksellers, but in curiosity shops at markets, at the heart of which was the 'talkuchka', effectively a flea market. Newspapers advertised auctions in private houses. Art was also sold through pawnshops: it was from there that Semenov acquired *Diana and Nymphs* by Abraham van Cuylenborch and *Landscape with a Wayside Inn* by Jan Coelenbier.

So large a market made it possible to assemble a collection without too much thought in a relatively short period of time. Members of the imperial house, the *nouveaux riches* and ordinary citizens all became collectors. The many Russian galleries that emerged included some excellent works, although their significance was not always understood by their owners. In Moscow, for instance, Dmitry Ivanovich Shchukin (1855-1932) sold off an *Allegory of Faith* by Vermeer (which is now in the Metropolitan Museum, New York) and Rembrandt's *Tobit and Anna* (now in the Rijksmuseum, Amsterdam). With so much art available, few collectors were to be as thoughtful and consistent in their choice of works as Semenov.

Pyotr Semenov and Western Connoisseurs

From the 1870s to 1890s Russia was 'discovered' by leading European art historians such as Wilhelm von Bode, Abraham Bredius and Cornelis Hofstede de Groot. Each of them visited the Russian capital and all played their role in shaping Semenov's collection. Benefitting from their opinions and advice, Semenov regularly acquired paintings at auctions in Europe, particularly in Germany and the Netherlands, ever more frequently in later years from the firm of Fr. Muller & Cie in Amsterdam. Semenov's last purchase at a Muller auction was made in May 1913, a few months before his death. This small kitchen interior attributed to Willem van Herp now hangs on the wall of an apartment in the house on Vasilyevsky Island where Semenov's descendants still live today.²

Initially Semenov was much influenced by his acquaintance with Wilhelm von Bode (1845-1929), who first came to St Petersburg in 1872. Bode spent May and June in the Russian capital, making a close study of the Hermitage Picture Gallery and of private collections. It was the young Bode and his methodology that largely determined Semenov's attitude to the underlying purposes of collecting.

Simon Kick, *Officer in a Landscape*. State Hermitage Museum, St Petersburg, inv. GE 2810

The painting was attributed by Wilhelm Bode, who was the first to rediscover the work of this once forgotten artist. Bode mentioned the composition in *Studien zur Geschichte der Holländischen Malerei* (1883) and it was reproduced in an article on the Semenov collection in 1901 in the publication *Russia's Art Treasures* [*Художественные сокровища России*].



During the autumn of 1872, Semenov visited Berlin, where he developed an interest in Rembrandt's etchings: he was eventually to assemble a body of three-and-a-half thousand prints of the sixteenth to eighteenth centuries, which he donated to the Imperial Hermitage.

The publication of Bode's celebrated *Studien zur Geschichte der holländischen Malerei* (Brunswick, 1883) must surely have inspired another of Semenov's important undertakings, the writing of a history of Netherlandish painting, citing Dutch and Flemish works in Russian private collections. It first appeared in Russian in two volumes in 1885 and 1890, and in an expanded French translation in 1906.³ Each chapter listed, in chronological order, works by masters of the Golden Age in both European and Russian collections. The book – the first scholarly monograph on Netherlandish art in Russia – thus brought to the attention of European readers numerous paintings that up to then had been largely inaccessible to them.

No less important were Semenov's contacts with Abraham Bredius (1855-1946), who came to Russia twice, in 1897 and 1910, on his second trip staying in the house on Vasilyevsky Island. The Dutch art historian's notebooks contain numerous comments on the paintings he saw. On Bredius' advice, Semenov acquired a number of pictures whose authors were identified only at the end of the nineteenth century. Some were close analogies to works in Bredius' own collection. His opinions were widely reflected on the pages of Semenov's catalogue of 1906.

Also influential in shaping Semenov's collection was Cornelis Hofstede de Groot (1863-1930). Of his many articles, just one dealt with Russian subjects – a review of Russian collections as represented at the exhibition organised by the journal *Days of Yore* [*Старые годы*] (1908) – although his correspondence with collectors in St Petersburg and Moscow proves that he was extremely well informed about art in Russia.

During a visit to St Petersburg in 1894 Hofstede de Groot selected eight paintings from Semenov's collection for an exhibition that opened in Utrecht on 20 August that same year.⁴ Several still bear labels in Dutch on the back indicating their packing order.

Like Bredius, Hofstede de Groot made a return visit to St Petersburg, this time in 1902. A letter to him from Semenov dated 2 June 1902 provides an insight into the collector's concern for the fate of his collection. 'During my lifetime,' he wrote to Hofstede de Groot, 'I have no desire nor indeed need to sell the collection.... However, I do feel it necessary to consider the conditions of any sale after my death (I am 75 years old), since I do not want this collection of more than 500 paintings, exclusively of the Dutch and Flemish schools, to be split up between my six children.'⁵

During this period Semenov's collection became known in Europe. It was mentioned in European newspapers and journals, from *Het Vaderland* and *Nieuwe Rotterdamse Courant* to *Repertorium für Kunstwissenschaft*, *Der Cicerone* and *Gazette des Beaux-Arts*.

The year 1906 saw the publication of the catalogue of Semenov's collection, on which he had worked for many years. In French, it gave author, subject, dimensions and technique, cited signatures and dates and the opinions of European specialists, and revealed Semenov to be no mere amateur but a serious and professional art historian. Accompanying the text were photographs of paintings taken by Sergey Prokudin-Gorsky (1863-1944): Semenov's decision to involve this outstanding photographer is evidence of the importance he attached to making the publication as widely accessible as possible.



Herman van Aldewereld, *Singing Lesson*, 1652 State Hermitage Museum, St Petersburg, inv. GE 3334

One of the few surviving paintings by the Amsterdam painter van Aldevereld. Information about this picture from the Semenov collection is contained in the fiches of Cornelis Hofstede de Groot, accessible through the RKD online databases.



Jacob Salomonsz. van Ruysdael, *Cows and Goats by the Forest Edge*, 1650. State Hermitage Museum, St Petersburg, inv. GE 2787

Ruysdael's painting was included in the exhibition in memory of Pyotr Semenov-Tyan-Shansky in April 1914, after the collection entered the Hermitage.

The Fate of Semenov's Collection

On 5 March 1910 the 83-year-old Semenov offered the Imperial Hermitage the chance to purchase his collection *en bloc*. He provided a full inventory of all the paintings, divided into seven categories. Hermitage staff had only to check the accuracy of the valuation and find the money. Since Semenov wished the collection to remain in Russia and be accessible to the Russian people, he was prepared to cede it for half its true value: just 250,000 roubles. Even this was no small sum for the museum, which had only a modest budget. Yet to the credit of the Hermitage administration, they chose not to miss this unique opportunity to acquire a precious *Studiensammlung*. On 29 May 1910 came the royal instruction to purchase Semenov's collection. It was to remain with the collector during his lifetime, save in one instance, if the owner were to go blind the paintings would immediately be transferred to the museum.

The works thus stayed in Semenov's house until his death in February 1914. They were then taken to the Hermitage, where a large exhibition was held in April, 'In Memory of Pyotr Petrovich Semenov-Tyan-Shansky'. The purpose that had been so dear to the collector's heart, to complement the works already in the Hermitage Picture Gallery, had been achieved.

But troubled times lay ahead for Russia: the First World War was rapidly followed by the revolution of 1917. From 1928 the new Soviet government demanded that the Hermitage hand over paintings to a state body known as Antikvariat, through which art was sold abroad. The sales ceased only in 1935. Meanwhile, in the early 1930s many works were redistributed from the Hermitage to museums newly created across the Soviet Union. These forced measures brought huge losses, not least 282 paintings from Semenov's collection.

Adriaen Pietersz. van de Venne, *Fighting over Trousers* (Strijd om de Broek). State Hermitage Museum, St Petersburg, inv. GE 3412

Semenov owned five grisaille paintings by Adriaen van de Venne, two of them on this subject. In 1928 the second composition was removed from the Hermitage. It is now in the Museum of Fine Arts in Tashkent.



About the author

Irina Sokolova (Habilitation 2006, St Petersburg State University), is Curator of Dutch painting at the State Hermitage Museum. She has published exhibition catalogues and articles on Dutch seventeenth-century paintings in Russia, amongst the most recent 'Het portret van Samuel Maresius in de Collectie van de Hermitage' in *Face Book* (Primavera 2012). She is presently working on a catalogue of seventeenth-century Dutch masters in the Hermitage.

The location of some has been established, while others are still to found. More than four hundred nonetheless remain in the Hermitage today, although by no means all of them have been catalogued.

The history of the Semenov collection is highly instructive. It demonstrates just how much can be done for the good of society by a single individual driven by the highest ideals. In many ways a typical Russian, Semenov was nonetheless a typical Russian European, devoting half a century to the preservation and study of the Dutch artistic heritage.

Notes

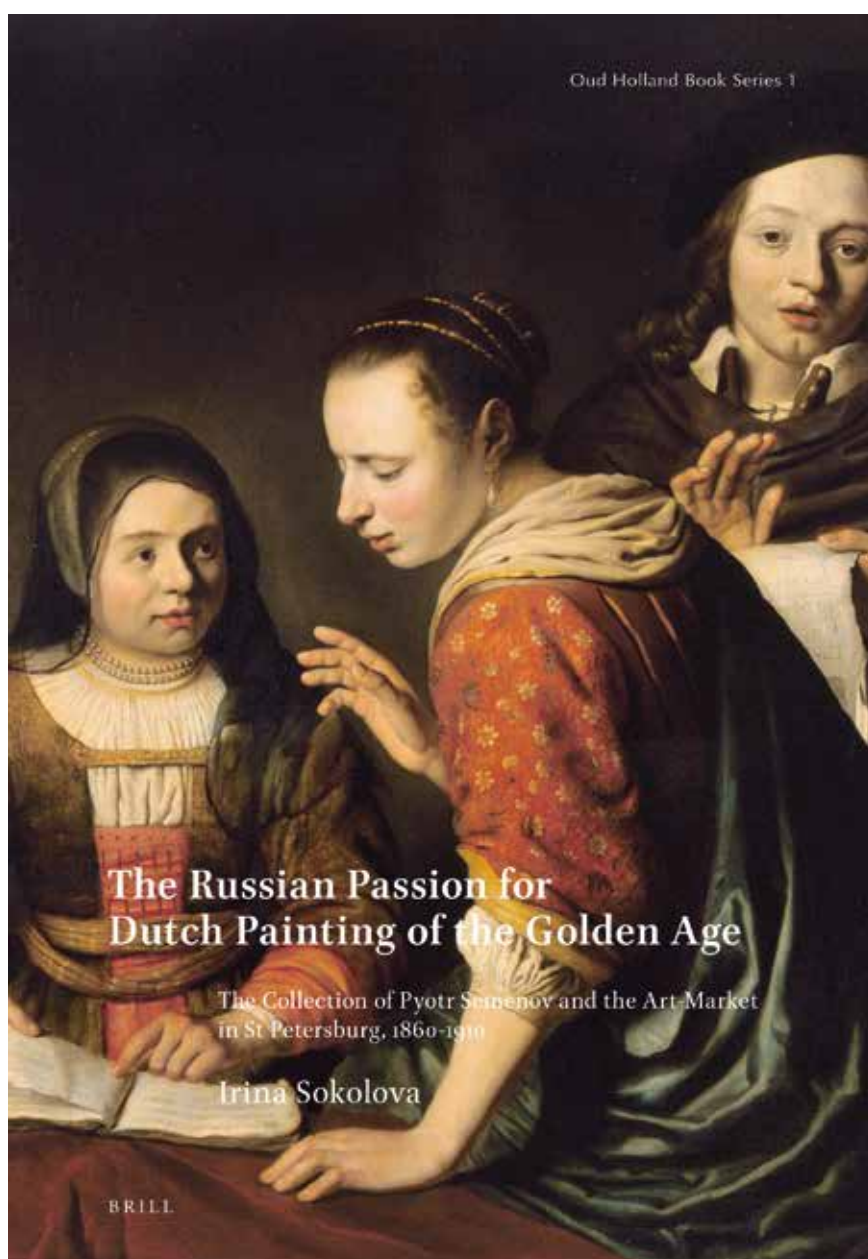
- 1 W. v. S. in: *Repertorium für Kunstwissenschaft* X, 1887, p. 421
- 2 Auction: [Frederik Muller], *Catalogue d'une vente importante de tableaux anciens*, Amsterdam, 06.05.1913 (L. 72708), lot 41 (as I. V. Ham)
- 3 P. P. Semenov [Семюнов], *Этюды по истории нидерландской живописи на основании ее образцов, находящихся в публичных и частных собраниях Петербурга* [Studies in the History of Netherlandish Painting on the Basis of Examples in Public and Private Collections in St Petersburg], 2 vols, St Petersburg, 1885-90; P. P. Semenov, *Etudes sur les peintres des écoles hollandaise, flamande et néerlandaise qu'on trouve dans la collection Semenov et les autres collections publiques et privées de Saint-Pétersbourg*, St Petersburg, 1906
- 4 *Catalogus der Tentoonstelling van Oude Schilderkunst te Utrecht*, Utrecht (Gebouw voor Kunsten en Wetenschappen), 1894
- 5 RKD, Archief Hofstede de Groot, inv. 20./ P. v. Semeonoff

Brill's program in Art History

The article written by Irina Sokolova is based on her book *The Russian Passion for Dutch Painting of the Golden Age*, published by Brill in 2015. It is the first volume in a new book series, the *Oud Holland Book Series*, a supplement series to the journal *Oud Holland, Quarterly for Dutch Art History*, published by Brill in close cooperation with the Netherlands Institute for Art History (RKD). *Oud Holland*, published since 1883, is the oldest still existing art history journal in the world. As with the collector of Dutch Art in the article, Pyotr Semenov, tradition and partnership are keywords for

Brill. Starting almost 30 years ago, all the auction catalogues from the RKD were put on microfiche for the publication *Art Sales Catalogues 1600-1900*.

This publication is now an online database, currently containing over 32.000 complete auction catalogues from many different libraries in the world, including the Frick Art Reference Library, The Rijksmuseum and the Victoria & Albert Museum. Many catalogs show valuable annotations, which are particularly useful in the context of the history of collecting and help identify the provenance of works of art.



Another major online publication in Brill's Art History portfolio is *Arkyves*, a database of visual and textual sources, made accessible with the help of the multi-lingual vocabulary for cultural content of the *Iconclass* system. The Iconclass systems has its roots in Leiden where Professor H. van de Waal laid the groundwork for this standard in the late fifties and sixties of the last century. Currently, collections from 20 institutes are included and many more will be added in the near future. Handheld applications for image recognitions are in development and are intended to boost the use of Iconclass as a descriptor of paintings, drawings and prints. Applications like this are useful pilots in the emerging field of digital humanities.

Art History is a growing portfolio within Brill. It has a strong program in Dutch Art with the *Netherlands Yearbook for the History of Art* (existing since 1947), the book series *Studies in Netherlandish Art and Cultural History* and *Oud Holland*. European Art in general is well covered by book series like *Studies on Art*, *Art History*, and *Intellectual History* and *Art and Material Culture in Medieval and Renaissance Europe*. In addition, Brill recently started thematic book series on the *History of Collection & Art Markets* and *Art and Materiality*. Recently the first issue of the new *Journal of Japonisme* appeared and in 2017 a journal devoted to *Art and Law* will be released.

As with any other field of scholarship, Art History (or rather the history of visual culture) is not an isolated discipline but a dynamically developing area of research wherein traditional approaches are combined with new and digital strategies (such as pattern recognition and statistical analysis). The history of collecting (provenance), reception history and the material aspects of art give new energy to the field. In the broader context of the humanities, Brill publishes about the emerging discipline of cultural heritage whereby legal and religious aspects of art open up new sub disciplines.

The Art History program in the stricter sense also contains book series on Japanese and Chinese art, as well as the publications often related to exhibitions on Japanese art published under the imprint Hotei Publishing in collaboration with museums in Europe and North America. In 2015, a new book series dedicated to photography in Asia was launched in Brill's Asian art and visual culture program. On Islamic art Brill publishes not only the renowned annual *Muqarnas* but also several book series.

Colophon

Design and layout

André van de Waal

Remco Mulckhuysen

Coördesign, Leiden

Cover illustration

Detail from: Lucas van Leyden, Wings of the triptych

The Healing of the Blind Man of Jericho.

Shield Bearers with the Coats of Arms of Jacob Florisz.

van Montfoort and Dirckgen Dirck Boelensdr. 1531.

Oil on canvas, transferred from panel, 89 x 33.5.

State Hermitage Museum, St Petersburg, Inv. ge 407

Photograph Pavel Demidov

Printing and binding

Lenoirschuring, Amsterdam





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