







## Supervisory Board

### Members

Steven Perrick (appointed August 24, 2016)

Catherine Lucet

Robin Hoytema van Konijnenburg

## Managing Director

Herman A. Pabbruwe

KONINKLIJKE BRILL NV

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This brochure contains a summary of the consolidated financial statements 2016.

The complete annual report 2016, including the auditor's report, is available on [www.brill.com](http://www.brill.com) under

Resources/Corporate/Investor-Relations

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In 2016, Brill continued to recover from the performance decline that had developed over the last few years. Adjusting for the contribution of hedge accounting we arrived at underlying organic growth of 3% and total growth of 4.4%. This we consider satisfactory given the continued decline in print sales. Recurring revenue, digital products, working capital and cash flow showed positive developments.

Although these key underlying indicators were strong, results were impacted by one time charges relating to a title divestment and write-down of prepaid royalty expenses which impacted profit before tax by an aggregate EUR 0.6m.

Nonetheless, a strong increase in profitability resulted, enabling us to confidently propose a dividend of € 1.32 per share, an increase of 6% versus 2015. If approved, this will mark our sixth consecutive year of dividend increase, in line with our objective to maintain or increase dividends permitting business circumstances.

The acquisition of Schöningh & Fink marks the first success in our continued search for German publishers with strong positions in the areas Brill is specializing in.

We think our results reflect the positive developments we see throughout our organization and the stronger positions we keep building in our niches. It is true that in some countries humanities and also social sciences face political criticism and hampering funding, but on the other hand our continued focus helps us make our position stronger and increase market share.

Our approach of serving the market with multiple product formats and streamlining our institutional sales activities makes us a stronger company in the various fields we are renowned for. Our reputation together with an independent position and strong quality management must offer further opportunities for sustainable growth and for staying relevant.

We keep investing in digital capacity and have become an increasingly electronic publishing company.

In 2016, for the first time, we generated more than 50% of revenues in digital formats. Print has now become just one of our service platforms and print journals and books are almost always produced on demand and per copy. The project we initiated in 2015 to reconfigure global warehousing and distribution is a major development. The 2016 results show the positive impact of the new set up; considerable savings in logistical and production costs while at the same time service levels and delivery times could be improved, and stock levels declined again.

The path to migrate to this new environment of digital publishing has been long; some 15 years from the early days. Electronics in publishing have led to electronic publishing and electronic publishing will in turn lead to new products and services. We selected four key technologies which we identify as agents of change in scholarly research in the humanities. We focus on geographical information systems (GIS) and spatial software, image and pattern recognition, semantic technologies and statistical analysis. In all areas we have started strategic projects to explore these new means in conjunction with research teams in their academic settings. We believe that we find ourselves in the leading group of organizations which will develop software, apps and services and put artificial intelligence to use. There is time to experiment and learn and to look for promising ventures. We are encouraged by our own experience with the Brill typeface software which keeps developing well and gains wider usage.

The focus on deepening and widening our footprint in the markets we serve is enhanced by the roll out of new product formulas we have been working on during the last few years such as Brill Open, Brill's Research Perspectives, Brill's Critical Readings and Brill's Primary Sources on Line. Most of our publications will be

hosted on a completely revised and state of the art publishing platform which we commissioned in 2016 and will go live in 2017. The project runs parallel with a revision of our editorial process which will help us realize the vision of 'digital first' publishing. We expect both monetary as well as service gains in the coming years from this approach. It will enable Brill to offer a complete mobile experience and engineer all publications for machine reading environments.

Meanwhile, digital progresses in other areas of our company as well; the sales and marketing staff is shifting resources towards the use of social media and digital marketing and promotion. On the sales side, we are successful in selling larger collections of digital publications to libraries, universities and consortia. This type of sales approach requires key account management skills and is of a strategic nature. Increasingly universities consider their relationship with publishers in a broader context i.e. including the publishing cooperation that their faculty is having with Brill. We have therefore revisited our sales channel policies and improved terms and conditions in relation to third parties. We want to put our representatives in the best possible position to do business with our key accounts. Brill's own field sales force is increased in North America and Asia. The office in Singapore is now well established and our activities in East Asia are stepped up with good results.

In a renewed management team, Publishing, Finance & Operations and Sales & Marketing work closely together on a coherent agenda. The basis is a completely revised strategic plan which was developed in close and active consultation with the Supervisory Board. The plan is primarily based on organic development and offers solid, attractive opportunities to keep growing results and make Brill a stronger company.

In connection with the strategic vision the M&A agenda is increasingly focused on growing our market

share in the niches we cover and expanding our scope into the Social Sciences, particularly in fields that are adjacent to Brill's existing market segments.

Our decision to step up our scouting activities in the German speaking countries is starting to pay off. Schöningh & Fink developed as a family owned publishing house with a strong tradition of high quality scholarly publications. We see many opportunities where the combination with Brill can produce benefits. The German academic tradition is one of the strongest in the world and it is no coincidence that Brill already publishes many titles which were originally published in German such as Brill's New Pauly. Brill has a significant portion of its revenue and authors in Germany and acquisitions will help grow our presence. In the longer run Brill expects a large proportion of German top level research to look for international outlets and this is where Brill can make a difference. Over time more German language publication will give way to English language publishing. At this point more German publishers of limited size look for internationalization and digitization. For this they need financial resources. Brill seeks partnerships with these companies and can provide a respectful and long-term oriented environment if it comes to an acquisition.

In the context of communication with Brill's stakeholders, 2016 was a special year in which interaction with the shareholders was much more intense than before. Brill's vision as discussed at the annual meetings in previous years and worded in our Annual Reports became subject of debate; particularly the number of legal instruments to protect the company from a hostile takeover was criticized by some major holders of certificates of shares. Management and Supervisory Board have met with a large number of stakeholders over the Summer and mapped out the various opinions in an extensive consultation.

In January 2017 the company has announced that we consider the reasons for protecting the company to remain valid. However, we have indicated that in our opinion the policy of the Trust Office to vote for absent holders of certificates can be modified under normal circumstances if at the same time the option to issue preference shares will be improved. The company has requested the Trust Office to discuss this with certificate holders, which resulted in a meeting with certificate holders on February 16<sup>th</sup>, 2017.

In December 2016 a final draft of the Dutch Corporate Governance Code was published which shows no major changes in this respect. The company will keep explaining why Brill doesn't comply with the general principle that certification must not be used to protect a company in situations where Brill sees it as a useful instrument.

Based on the consultation and discussion between all parties involved we are confident that a solution will be found which will be supported by most of the certificate holders. Brill is fortunate to have stakeholders who are actively involved and who contribute to our vibrant business environment. We all care for this special and still promising publishing house who will celebrate its 334<sup>th</sup> anniversary in May.

In 2016 we further developed our policies on Corporate Sustainability. We are proud to have signed up to the UN's Global Compact Agenda and will work hard to live up to its demands.

A vital element of who we are is of course our position as a listed company and the compliance with the applicable rules and regulations. However, we also strongly feel about values and guiding principles. Perhaps the leading motto is in the harmony between our patrons; Athena and Hermes. Striking a balance in serving both Academy and Commerce is key to the long-term success of the house and will create long-term value for all stakeholders.

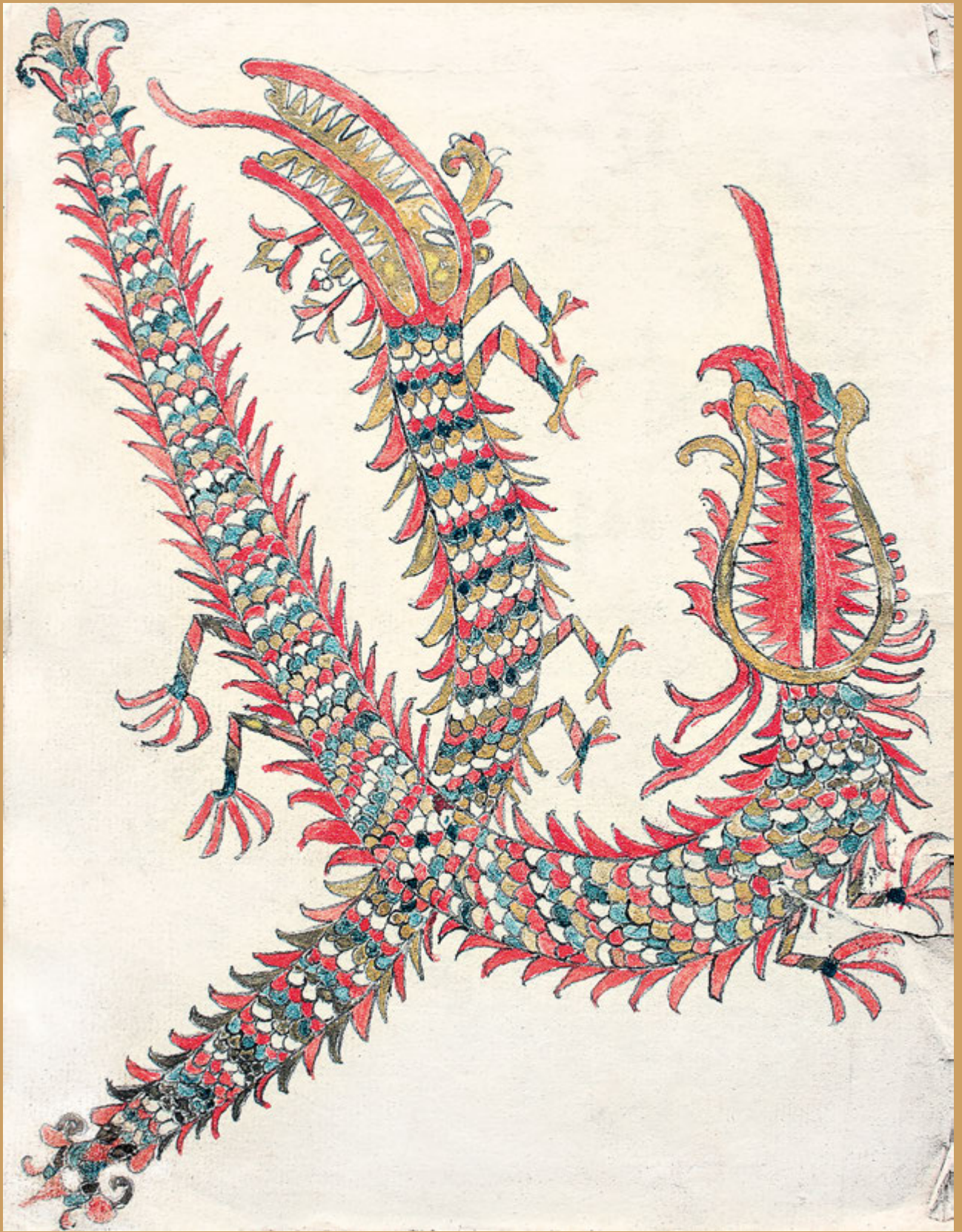
As always this illustrated brochure is based on Brill's Annual Report and includes the most important elements of that report. In addition you will find an article "Brill Asia" which describes a number of historic publications and activities Brill is well known for. Asia has remained a vital field of study for our company since its foundation in the late 17<sup>th</sup> century, and especially the 19th century saw major growth in this field. Since 2005 Brill has also taken a number of initiatives to become a high quality liaison between the academic research community in Asia and the Western world, with special focus on Southeast Asia, China and Japan. Our own regional office in Singapore was opened in 2015 and in 2017 we hope to offer direct sales representation from Beijing. Our continued investments in positioning Brill as one of the major publishers about Asia and the publisher of choice for Asian scholars in the Humanities and Social Sciences merit this extended article. It coincides with the activities Leiden University is organizing in 2017, including the opening of the Asia Library. As one of its sponsors Brill proudly carries the logo Leiden Asia Year on the inside cover of this brochure.

We thank all who contributed to the success of Brill in 2016.

Leiden, 31 March, 2017

Herman A. Pabbruwe  
Managing Director of Koninklijke Brill NV

*Rotating Nāga with two nāga.  
Probably Palembang, nineteenth century. bmkmr  
eap153/13/32 (cat. 5), fol. 2r. Courtesy of the  
Endangered Archives Programme, eap 153 / Balai  
Maklumat Kebudayaan Melayu Riau. *Magic and  
Divination in Malay Illustrated Manuscripts*, p. 125*



## KEY FIGURES

All amounts: x EUR 1,000

	2016	2015	2014*	2013	2012	
<b>Results</b>						
[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	32,177	30,809	29,601	29,284	27,527
	Gross profit	21,019	20,412	19,987	19,848	18,433
	EBITDA [1]	4,496	3,794	3,680	4,504	4,235
	Operating profit	3,712	3,015	2,675	3,478	3,238
	Profit from continued operations	2,797	2,332	2,153	2,461	2,318
	Profit for the year	2,797	2,332	2,153	2,461	5,733
	Free cash flow [2]	2,329	3,201	822	2,634	5,616
	Net investments in fixed assets	-2,016	-962	-2,765	-1,185	1,554
	Average invested capital [3]	21,049	21,223	21,120	20,697	20,378
<b>Growth compared to previous year</b>						
[3] (Average) Invested Capital = (average of) fixed assets minus deferred tax liabilities related to acquired intangibles + working capital less cash.	Revenue	4.4%	4.1%	1.1%	6.4%	0.5%
	Gross profit	3.0%	2.1%	0.7%	5.0%	0.8%
	EBITDA [1]	18.5%	3.1%	-18.3%	6.4%	-7.7%
	Operating income	23.1%	12.7%	-23.1%	7.4%	-13.5%
	Profit from continued operations	20.0%	8.3%	-12.5%	6.2%	-16.6%
<b>Profitability</b>						
	Gross profit as % of revenue	65.3%	66.3%	67.5%	67.8%	67.0%
	EBITDA as % of revenue	14.0%	12.3%	12.4%	15.4%	15.4%
	Operating income as % of revenue	11.5%	9.8%	9.0%	11.9%	11.8%
	Profit for the year as % of revenue	8.7%	7.6%	7.3%	8.4%	20.8%
	Revenue/average invested capital	1.5	1.5	1.4	1.4	1.4
	Profit for the year in % of average shareholders' equity	10.2%	8.6%	8.0%	9.0%	21.5%
<b>Balance sheet ratios</b>						
	Shareholders' equity / total assets	58.6%	58.1%	59.1%	61.4%	62.6%
	Current assets / current liabilities	1.75	1.73	1.83	2.01	2.03
<b>Personnel</b>						
	Average number of employees	132	132	132	123	123
	Revenue per employee	244	233	224	238	223
	EBITDA per employee	34	29	28	37	34
	Average personnel costs per employee	71	68	63	65	62
	* Restated figures.					

## DATA PER SHARE

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

	2016	2015	2014*	2013	2012
Weighted average number of outstanding shares	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444
Shareholders' equity per share	14.69	14.49	14.32	14.51	14.23
Increase in %	1.4%	1.2%	-1.4%	2.0%	19.1%
EBITDA per share	2.40	2.02	1.96	2.40	2.26
Increase in %	18.8%	3.1%	-18.3%	6.2%	-7.7%
Earnings per share	1.49	1.24	1.15	1.31	3.06
Increase in %	20.2%	7.8%	-12.5%	-57.1%	74.6%
Free cash flow per share	1.24	1.71	0.44	1.40	2.99
Increase in %	-27.5%	289.3%	-68.6%	-53.0%	30.6%
Dividend per share	1.32	1.24	1.15	1.12	1.08
Increase in %	6.5%	7.8%	2.7%	3.7%	2.9%
Pay-out ratio	88.4%	100%	100%	85%	35%
Number of outstanding shares at year end	1,874,444	1,874,444	1,874,444	1,874,444	1,874,444
Highest share price during the year	28.00	27.95	25.83	22.90	20.50
Lowest share price during the year	20.95	22.70	21.95	19.25	13.50
Share price at year end	27.73	23.36	25.73	22.14	19.50
* Restated figures.					

### Annual Financial Statements

On the basis of the ongoing appointment by the AGM of PwC as the company's independent auditor, the Supervisory Board instructed PricewaterhouseCoopers Accountants NV to audit the financial statements of Koninklijke Brill NV for the 2016 financial year. For the 2016 financial statements an unqualified independent auditor's report was issued. We therefore recommend that shareholders approve these annual financial statements. We propose distributing a dividend of EUR 1.32 per share (certificate) for 2016.

### 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 with the Managing Director and the management team to discuss or approve issues including: risk management, staffing developments, management development, long-term company strategy, cost development and management, the progress and development of publishing platforms, liquidity planning, credit facilities, investor relations, corporate governance issues and various investments.

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

Various reports both from the external independent auditor and from the operational auditor are received and discussed on a regular basis. Progress reports on issues from the management letter issued by the external independent 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 eight telephone conferences took place. At all but one meetings the entire Board was present. The higher than usual number of meetings was caused by intensive discussions regarding governance and acquisition opportunities. 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. A full Strategic Plan (2017-2019) was prepared in the first half of 2016 for discussion with the Board. The Supervisory Board also continued to begin each meeting 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. The evaluation of the Board itself took place in 2016, once again without help from external consultancy. The annual meetings with the external independent auditor to discuss the interim and final reports took place in the presence of the Managing Director and staff. On the occasion of discussing the interim report, this was followed by the customary annual discussion between the Supervisory Board and the independent auditor, without the presence of the Managing Director and staff. Once again the Board has concluded that the internal audit function is sufficiently covered and therefore a fully dedicated internal auditor is not required today, taking into account the size and complexity of the company.

## 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 and accounting within listed companies and other larger 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. On 24 August 2016 Mr. André van Heemstra 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 during his tenure. A special word of gratitude is due for his contribution to the corporate social responsibility policies the company has developed during his tenure. At the extraordinary General Meeting held at 24 August, 2016 Mr. Steven Perrick was appointed as his successor for a term of four years. 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 Dutch Corporate Governance Code that was in force during 2016. The Supervisory Board annually evaluates its instruments and processes in relation to the Code, and in 2016 again decided to depart from the Code with regard to use of certification as a possible method of protection. In 2016 an extensive consultation with a large number of stakeholders has taken place. There were no transactions with conflicting interests relating to the Supervisory Board and Managing Director. Please refer to the Corporate Governance section for proposed changes in Brill's corporate governance policy.

### Annual General Meeting of shareholders

On May 19, 2016, the Annual General Meeting of shareholders took place at the company's office in Leiden. All resolutions presented were approved, including the proposed dividend (EUR 1.24 per share). The proposal to appoint a Supervisory Board member was taken off the agenda at the beginning of the meeting. Given the intense and prolonged discussion around governance and the composition of the Board, the meeting was suspended until August 24, 2016 when it was reopened and closed, immediately followed by an Extraordinary General Meeting.

### Extraordinary General Meeting of shareholders

On August 24, 2016, an Extraordinary General Meeting of Shareholders took place at the company's office in Leiden. The proposal presented – the appointment of a new member of the Supervisory Board - was approved.

## Conclusions

The intense but fruitful dialogue with certificate holders and other stakeholders has made 2016 a special and valuable year in terms of introspection and evaluation. A company lives in a dynamic setting and it is important that, from time to time, all stakeholders revisit goals together and manage mutual expectations.

In 2016 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 and sustainable growth and ongoing cost control. Together with a 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.

2016 was also a year with considerable improvement in profitability of the company, both as a result of revenue growth as well as the streamlined fulfilment structure. Through this development, and the acquisition of Schönningh & Fink, Brill has further enhanced its market position and its future potential. In view of these achievements, the Board would like to thank all staff for their contribution in 2016.

Leiden, March 31, 2017

Supervisory Board

Steven Perrick

Catherine Lucet

Robin Hoytema van Konijnenburg

## SUPERVISORY BOARD

### Steven Perrick, 1949, Dutch (term started August 24, 2016)

Chairman of the Supervisory Board of Koninklijke Brill NV since August 24, 2016, term runs to 2020

Lawyer at the firm of Spinath + Wakkie, Amsterdam

Professor emeritus of Civil Law at the University of Amsterdam

Chairman of the board of Stichting Ammodo

Chairman of the board of Stichting Inphykem

Board member of Stichting Continuïteit NN Group

Vice Chairman of the board of Stichting Preferred Shares Mylan

Ad-hoc justice at the Court of Appeal of Arnhem - Leeuwarden

### André R. baron van Heemstra, 1946, Dutch (term ended August 24, 2016)

Chairman of the Supervisory Board of Koninklijke Brill NV since 2008, up to the AGM 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 the AGM in May, 2017

Managing Director of Editis Education & Référence and Chair of Editions Nathan

Member of the Supervisory Board and Chair 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

Chairman of the Scottish & Newcastle Pension Scheme

Board member of the Heineken Africa Foundation

Koninklijke Brill nv is a public limited 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 certificates is held by, mainly private, Dutch investors. More than 60% of the certificates are held in tranches of 3% or more. Koninklijke Brill nv is a statutory two-tier company. The articles of association, available on the company's website, regulate inter alia the appointment and dismissal of Supervisory Board and Management Team members and the amendment of the articles of association.

Brill is a relatively small, highly specialized and profitable publisher, active in the same areas as a number of very large publishing companies. In order to pursue its mission, continuity and independence are required. Therefore, management deems protection from hostile takeovers to be 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 the right to acquire preference shares to a maximum of 100% of the ordinary issued share capital. Moreover, the company has cooperated with the issuance of certificates of shares and these can be seen as a defensive measure in that the Stichting Administratiekantoor Koninklijke Brill reserves the right in the event of situations as referred to in Art. 2:118a.2 DCC, 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).

Share certificates will be maintained as long as they continue to contribute to the set of measures that aim to 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 Koninklijke Brill consists of three independent members. The Board of the Stichting Administratiekantoor Koninklijke Brill shares the opinion of the Managing Director and Supervisory Board relating to the use of share certificates as a defensive mechanism.

A number of responsibilities 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, assisted by a Management Team. Thus, Brill cannot meet the requirement of a balanced composition of the ratio of women to men in the Management Board. The company has a Supervisory Board, normally consisting of three persons of which one is currently female. The Supervisory Board has not appointed separate committees and does not intend to do so in the near future. The recommendations made by the successive Dutch Corporate Governance Committees form part of the corporate governance structure, except for the policy on the trust office as a means of 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. 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.

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 believe 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 therein. The aim is to make the company an attractive investment for shareholders who prefer for a strategy focused on long-term 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 in place to communicate this coherent message, and retaining the trust and support of investors is a basic element of the corporate governance policy.

Regarding 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 proposed update for the Dutch Corporate Governance Code was followed with great interest by the Managing Director and the Supervisory Board. In 2017 its potential benefits and implications will be reviewed in detail but we do not expect that this review will lead to fundamental changes to the Corporate Governance structure in place.

Brill believes that a listed company of modest size should be able to afford the cost and effort involved in proper compliance with the code, and continues to strive for further improvements in its governance structure. The Supervisory Board and the Managing Director are of the opinion that the proposed 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 amount 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. The last time remuneration was adjusted was in 2012. Brill has established rules 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 development. The remuneration for 2016 and following years has a 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 1 January 2016 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. The new rules with regard to capped contributions for salaries above

EUR 100 thousand did not lead to additional costs.

The company does not grant loans, advances, or guarantees to the Managing Director.

**A** With regard to the remuneration policy, 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 base 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 2016 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 2016 are included in the financial statements.

**D** 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.

**E** The Supervisory Board has made an agreement with the Managing Director about ownership of and transactions in securities other than those issued by Brill.

### Risk Management policy

The risk management policy of the company was updated in the context of the 2017 – 2019 strategic plan. The company adopted an approach that is consistent with the scale of operations, its ambitions and its organization structure.

Risk management is a key element of Brill's overall management structure. Risks classified as having strategic impact are discussed with the Supervisory Board biannually, before Brill's results are released, to enable the Board to make proper evaluations regarding Brill's results and prospects. Furthermore, the Board evaluates the entire risk management framework on an ongoing basis.

Brill's policy requires that the mitigating measures applied to each risk are commensurate to the level of impact and the risk appetite that Brill defines regarding the specific risk category. Risk appetite ratings should be interpreted as ranking measures rather than it being an absolute, calibrated, proportional measure of risk.

### Risk Management

Management of risk at Brill is generally executed through three categories of risk management tools:

*Organization and Governance* – The organizational structure and culture of Brill must support identification of risk and avoidance of risk by taking well informed decisions on a timely basis. This requires certain levels of delegation and empowerment.

Governance must ensure an adequate framework of accountability.

*Internal Control Framework* – the framework of internal controls must provide reasonable assurance that:

- business processes are carried out effectively and efficiently to achieve their objectives with a reasonable measure of assurance

- financial statements adequately reflect the business' financial position and development

*Business Policies* – The framework of business policies must ensure that Brill can:

- Capture business opportunities
- Avoid undue risk
- Execute on its strategy

Risk management is the responsibility of the Management Team of Brill, under the end responsibility of the Managing Director. Day to day supervision lies with the EVP Finance and Operations, and execution is delegated as follows. Design, implementation and execution of financial control measures is carried out by the Controller, whereas the design, implementation and execution of IT related controls are carried out by the team that is accountable for administration of the system. An Operational Auditor conducts periodical tests and reviews of the set up and workings of selected financial and other controls. The selection is driven by a combination of management's assessment of current risk profiles and the annual Management Letter supplied by the external independent auditor. Brill's Supervisory Board receives and reviews all reporting by the external independent auditor and pertinent reporting by the operational auditor. Due to the small scale of operations and the high degree of centralization of accounting, Brill does not have an internal auditor. The decision to abstain from appointing an internal auditor is reviewed annually by the Supervisory Board.

## Risk Classification

To assign risk management accountability correctly within the organization, Brill classifies risks as follows:

### A. Level of impact of the risk on the business of Brill

- Operational
- Tactical
- Strategic

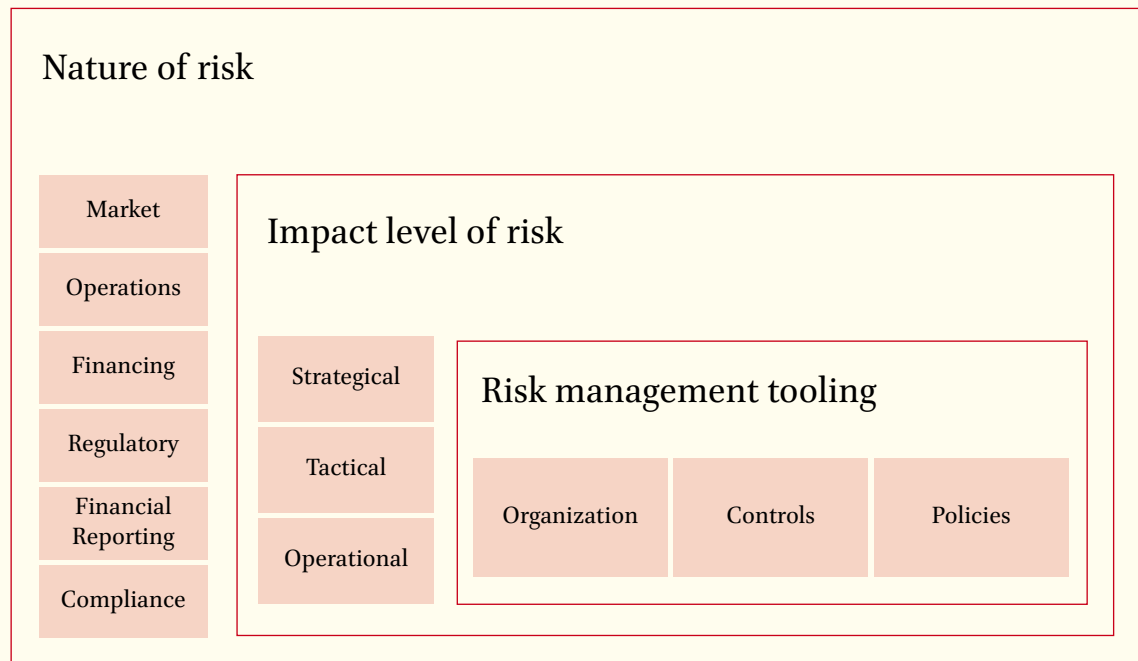
### B. Nature of the risk

- Market – the risk relates to a change in market circumstances that impacts market participant’s propensity to purchase Brill’s product, to use Brill as their publisher of choice or to supply goods and services required by Brill at economically viable rates.
- Operations – the risk relates to an event or trend that impacts Brill’s operational capacity to execute its strategy successfully and manage its business as a going concern. This category includes IT and cybersecurity risks.
- Financing – the risk relates to an event or trend

that impairs Brill’s ability to attract sufficient funds to finance working capital or long-term investments and therefore its ability to operate as a going concern and execute its business strategy.

- Regulatory – the risk relates to changes in legislation or governance with effect on Brill’s current business arrangements, on Brill’s stakeholders and their capacity or propensity to transact business with Brill (in short, impact on Brill’s ‘license to operate’).
- Financial Reporting – The risk impacts Brill’s transparency on its results and financial position – both to management as well as to its stakeholders.
- Compliance – The risk impacts Brill’s compliance with applicable law and regulations or it impacts Brill’s Business or Financial Reporting through transgressions of applicable law or regulations.

Brill’s Risk management analysis and tooling framework can be summarized as follows:



## Discussion of specific risks with impact at the strategic level

This report summarizes Brill's business strategy and the ways in which the company creates sustainable value for its stakeholders. The risks set out in this overview have been classified per a system described above

and linked to the objectives pursued in Brill's strategy, the company's applicable risk appetite, and the mitigation strategies in place.

Nature of the Risk	Description of the Risk	Objective threatened	Risk Appetite (1=lo & 5=hi)	(Type of) Mitigation in place
Market	Various events may impact the company's reputation versus its stakeholders which is the cornerstone to Brill's ability to run and develop the business	Expand in current and adjacent segments	1	<i>Organizational:</i> Organizational structure that enables the company to react and adapt flexibly to changing market circumstances.  <i>Business policies:</i> Editorial policies, Communication policy, Investor relations policy, Various compliance policies.
	Our customers and authors depend on their respective governments' and societies' willingness to support Humanities and Social Sciences for funding of their purchases at Brill and their collaboration with Brill	Expand in current and adjacent segments	3	<i>Business policies:</i> Increased focus on repeatable business, expansion into adjacent market segments, tap alternative funding sources (ERC.)
Operations	Outsourcing risk - may impact business continuity or quality and pricing of services used leading to reduced competitiveness.	Enhance operating capacity	1	<i>Organizational:</i> quality of Brill staff  <i>Internal controls:</i> SLA's, vendor selection process  <i>Business policies:</i> insurance, contingency and back-up measures
	HR Risk – we may not be able to attract and retain the right staff	Achievement of strategic plan	2	<i>Business policy:</i> Develop Brill reputation and culture as attraction and retention mechanism
	Deficiencies in our IT general controls may lead to reduced efficiency, business continuity and increased risk of fraud or exposure to cybersecurity risks	Enhance operating capacity	2	<i>Internal controls:</i> Segregation of duties, IT user policy  <i>Business policies:</i> Contingency and back up measures, security measures, communication on IT and cybersecurity risks
Financing and other	Significant swings in the USD exchange rate may impact our results	Improve financial performance	2	<i>Business policies:</i> Hedging policy (refer to financial statements)

Nature of the Risk	Description of the Risk	Objective threatened	Risk Appetite (1=lo & 5=hi)	(Type of) Mitigation in place
	Deteriorating business performance may lead to impairment of our intangible assets which could cause substantial erosion of equity.	Improve financial performance	2	<p><i>Internal controls:</i> Annual review of the value of intangible assets</p> <p><i>Business policies:</i> Conservative valuation calculations when doing acquisitions, reduction of assets required to run the business</p>
	Investors may not be willing to fund Brill's strategic plan	Expand in current and adjacent segments	1	<p><i>Business policies:</i> Investor relations policy, focus on financial performance improvement</p> <p><i>Internal controls:</i> Framework of controls aimed at financial reporting reliability.</p>
Regulatory	EU Open Access policy may impact our ability to further grow our journal business	Expand in current and adjacent segments	2	<p><i>Business policies:</i> In addition to our journal subscription business we develop our database (subscription) business which is not touched by this policy.</p>

## Risk management and internal control in 2016

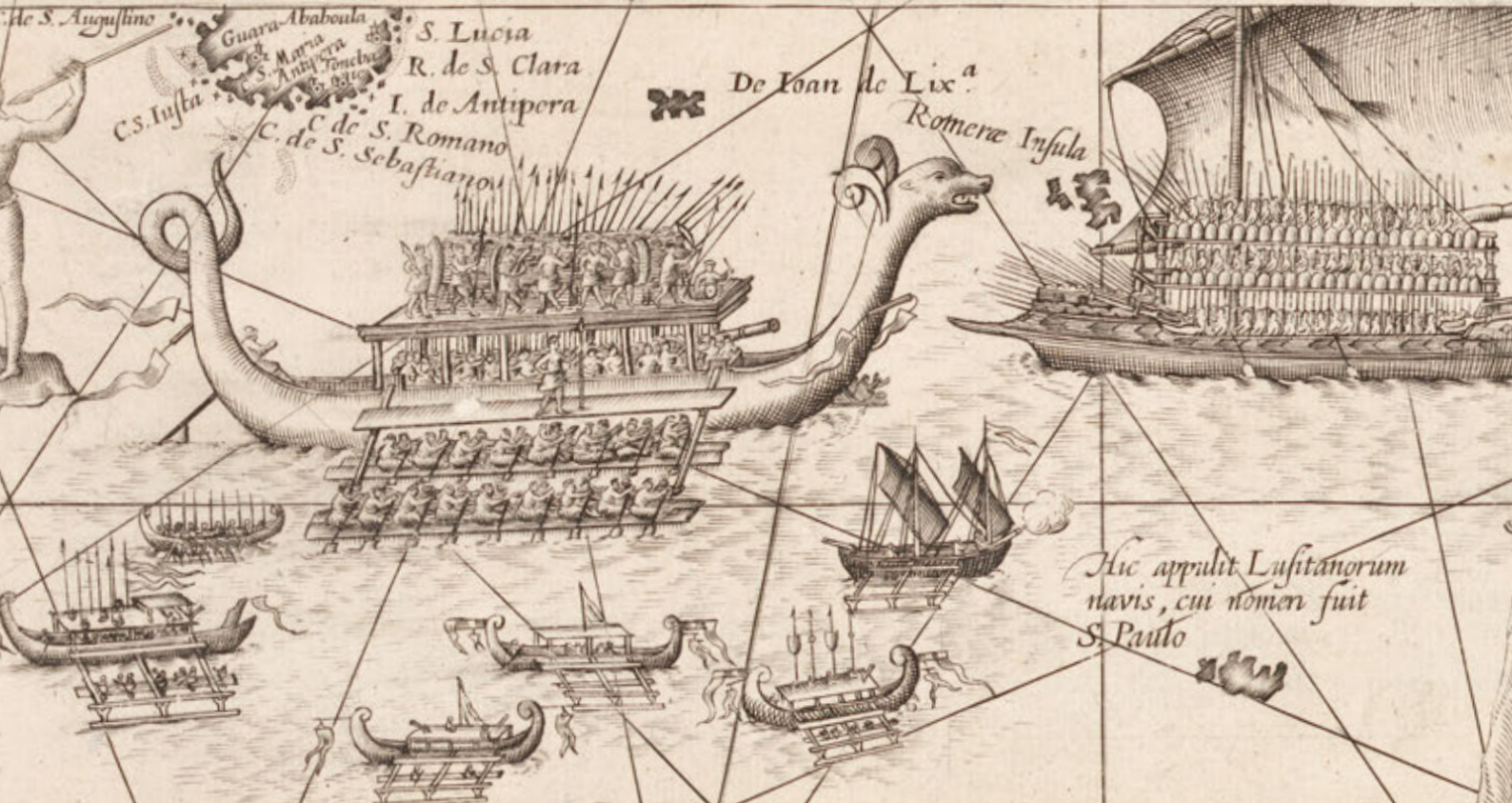
In 2016 Brill made progress in further enhancing the company's framework of internal controls, based on recommendations made by the external independent auditor and the operational auditor and on guidance by the Supervisory Board and the Managing Director. Specific improvements were made in segregation of duties regarding key IT systems and clarification of rules around end-user IT. Furthermore, we refined our currency hedging policy to also cover expenses incurred in US dollar. Improvements in controls concerning client access to our online databases are included in the scope of our program to renew Brill's online presence which has its main implementation effort in 2017.

The 2016 interim review performed by the external independent auditor reported several issues and recommendations for improvement that were outstanding by the end of 2016. These recommendations primarily focus on deficiencies in the IT general controls which impact Brill's ability to demonstrate the control's effectiveness through documentation and alignment of policies. The Supervisory Board has agreed with the Management Team that measurable improvements will be implemented in 2017.

Detail from: The Teixeira map corresponds with the map of the world by Plancius of 1592. Josua van den Ende added several decorative elements to the geographical contents. One decorative element is the nautical lesson, grouped around a terrestrial globe, in which the teacher resembles Petrus Plancius. From: Günter Schilder, *Early Dutch Maritime Cartography. The North Holland School of Cartography (c. 1580-c. 1620)*. Ill. 4.17: *Lesson in the art of navigation, a remarkable decoration on Teixeira's wall map of 1604* (Bibliothèque Nationale de France, Paris). >



Madagascar, que et S. Laurentij insula dicitur



Hic appulit Lusitanorum navis, cui nomen fuit S. Paulo

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OCEANUS  
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## 1. General Report 2016

### Company Profile

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 Jordaan 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 company and one hundred years later, in 1996, the word 'Koninklijke' (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 sustainable economic value creation 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, and Schöningh & Fink effective 1 January 2017. Brill currently uses four of these imprints: Brill | Nijhoff, Hotei, Brill | Hes & De Graaf and Brill | Rodopi and maintains the Schöningh & Fink imprints following the acquisition. With the 2003 takeover of Martinus Nijhoff, publisher of the

prestigious publication series 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 primary source material, including scans of historic archives and collections of documents. During the last ten years, the format of these research collections has migrated from micro film and fiche to digital.

Brill pursues a dual format publishing policy, increasingly based on a digital-first process. Books, unlike in the fields of natural sciences and engineering where they have largely been replaced by journals, play a major role at Brill. Digital sales have risen substantially in recent years and have become the prevailing format. Brill distributes the e-version of its products through third parties as well as directly, thereby strengthening its position and the dissemination of publications entrusted to us by our authors. Customers can 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 (digitization on demand and printing on demand). Since 2007 all books are available as E-books and some of our much older and long running book series were successfully digitized and brought onto the market as a collection. Brill also offers regional and subject based collections. 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, comparable to the proportion of Brill's authors who reside in other countries. Some three-quarters of our clients are in Europe and North America. 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 several areas in which the university specializes such as Islamic studies, minor languages, archeology, and Sinology – Leiden scholars are particularly well represented at Brill. Electronic publishing and the inclusion of data sets also border 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 several technologies which we perceive will have a deep impact on the humanities and social sciences. *Geographical Information Systems (GIS)* and *Spatial Software* will introduce the use of maps and 3-D and will help clarify data by showing their geographical dimensions. *Semantic search* and related technologies will allow deep searching of text. *Pattern and image recognition* facilitate 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 publish. 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 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.

### Publishing Program

A fair number of new publications and new editions of established product has seen the light in 2016. For the first time, we published the standard in the field of Arabic Literature by Carl Brockelmann (1868-1956) in the English language. Also the Journal of World Literature was launched and well received. The field of literature studies is showing attractive growth potential and was boosted by the acquisition of Rodopi in 2014.

With financial support of the Sheikh Zayed Book Award, received in 2012, we posted a freely available thesaurus for Islamic Studies, helping authors to hyperlink their writing to a great number of entries in Brill's extensive reference library. In conjunction with the Qatar Foundation a peer reviewed Open Access journal on Islamic Law and Ethics was signed for launch in 2017.

After the launch of the Encyclopedia of Chinese Language and Linguistics On Line we saw the publication of the five volume print edition of this important reference work.

The religious and biblical studies list had a stellar year with major launches such as the first volume of the impressive Textual History of the Bible, both in print and on line, and Flavius Josephus On Line. Also the World Council of Churches On Line is worth mentioning with the World War II Era Records. Apart from a number of other major reference works the program saw the launch of new journals such as Biblical

Interpretation and the Gnosis journal. Classic Studies published the first English Brill's New Pauly Supplement series and the Lexicon of Greek Grammarians of Antiquity. After a few years of investing the programs really showed excellent growth.

In Law the 5th edition of Rosenne's Law and Practice of the International Court was published and the Encyclopedia of Law and Religion was launched in five volumes. A new journal on Asia-Pacific Ocean Law and Practice was added to the six Brill's Research Perspectives series which were developed in previous years.

For the History list the primary source collection of the Prize papers saw a third installment which makes the collection much more valuable. The publication of the digital primary source collection Codices Hugeniani is a major development in the History of Science program. This program will offer many opportunities for development of software tools in the context of digital humanities. The new journal on research data in conjunction with the DANS institute of the Royal Dutch Academy of Arts & Sciences will support this development. The Encyclopedia of the Middle Ages was followed by the first two volumes of the monumental Encyclopedia of Early Modern History, translated from the German edition that Brill is hosting online as well. The recently acquired program of Hes & De Graaf was enriched by reference works on historic cartography; the volume on Fredrick de Wit deserves a special mention.

### Marketing and Sales

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 come 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.

Consolidation in the industry continued in 2016 with Follett acquiring both Baker & Taylor and Bookmasters, two key business partners for Brill in the US. 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.

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 companies such as Google, Scopus, and in 2016 Yewno has increased the discoverability of Brill's publications and, thereby, its ability to operate more successfully in the present information society.

### 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 employs 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 and licenses. Brill's portfolio is spread widely across numerous academic disciplines, sales channels, product formats,

front and backlist, and is geographically diversified. The offices in Boston and Singapore increase access to and interaction with the key overseas markets.

### **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.

### **Value creation at Brill**

At Brill we believe that our continued ability to create long-term value for all our stakeholders is essential to the long-term sustainability of the company. The company's continuity and ability to create value hinges on achieving a balance between commercial forces and serving the world of knowledge, and on adequately prioritizing relationships in social and economic life. This is why we define value in terms of value created for our stakeholders. This value creation, and Brill's resulting reputation towards each of these stakeholder groups is the key condition for our company to remain relevant within a changing media landscape.

### **Authors – Publishing Service Value**

We are proud that every year, an increasing number of prominent scholarly authors select Brill as their publisher of choice. This choice is a vital one to the development of an author's scholarly field and individual career. Authors select Brill for the reputation of its brand, journal titles and book series. Independence, long-term commitments and strict peer

review are key to maintaining a strong reputation.

Authors know that the scholarly teams that curate the research we publish have been selected on the basis of the quality of their contribution to the field. Brill provides tools and support to maintain an efficient and high quality publishing process, based on a deep know-how of publishing. Importantly, Brill has the investment capabilities for more complex and capital-intensive projects. Authors know that Brill has access to the world's premier libraries through its distribution system and that Brill will work with them or their institution in various commercial models. In 2016 we have again invested in our ability to better serve authors by implementing support tooling on our website, indexing our books on services like Yewno and Google Scholar and improving our content management workflow.

### **Librarians – Account Service Value**

Our publications can be found in the most eminent institutions within each field in which we publish. In working with these institutions we strive to offer flexible and attractive models that enable libraries to work with us efficiently. We offer our content through platforms which enable them to provide their patrons with swift and easy access to our publications. We provide them with data and tools to evaluate the use of our services to their patrons and to calibrate their purchasing decisions. We work with global distribution partners that enable efficient ordering processes. In 2016 we have realized a POD capability on US soil, reducing fulfillment time for POD books from three weeks to one week on average which helps librarians improve the service provided to their patrons.

### **Readers – Content and Usability Value**

For our readership, ease of access and ease of use is the primary consideration. We support scholars in performing their critical task of progressing their scholarly field. Online readers do not search for content from a particular supplier but rather by subject or keyword and then prioritize results based on the reputation of

the journal title or book collection. On our platforms, a large majority of internet traffic originates from Google (Scholar) searches. Increasingly we see readers accessing our platforms from mobile devices. Our job is to make the experience seamless, enabling a fast and effective search experience and when the reader arrives at our platform, a comprehensive and efficient research experience. Where applicable, readers will be offered additional purchase options relevant to their interest. In 2016, Brill embarked on an initiative aimed at improving the online experience, with an objective to launch a new online research platform and web presence by the end of 2017.

For those readers preferring the print format we aim for quality and service by working with Printing On Demand providers in the Netherlands and the US respectively who are quality leaders in their hemisphere. Those customers preferring the print option value a high quality product which is available for use within a short period of time and the implementation of a dual POD structure further delivers value in that context.

#### *Investors – Economic Value*

The economic value created for our investors is determined directly by the company's ability to grow the business on the one hand, and do so profitably on the other hand. The resulting prospect for value creation is a precondition to maintain our investor's confidence and support in case of additional capital requirements. A focused investor relations policy remains vital to communicate the value created and to manage expectations.

#### *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 the high quality research that is produced, 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.

#### *Profitability*

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

*Margin* – measured by the proportion of revenue that is converted into income as measured by Net Operating Profit Less Adjusted Taxes (NOPLAT), which is driven by:

- Cost of Goods Sold;
- Personnel costs and other operating expenses;
- Depreciation and Amortization of fixed assets;
- Taxation.

We believe that, even more than continuous improvements in operating efficiency, the structure of our product portfolio is paramount to long-term improvement of margin. This relates to the proportion of revenue generated through journals and other recurring revenue publications, the proportion of revenue generated through digital products, as well as the value we add to the content.

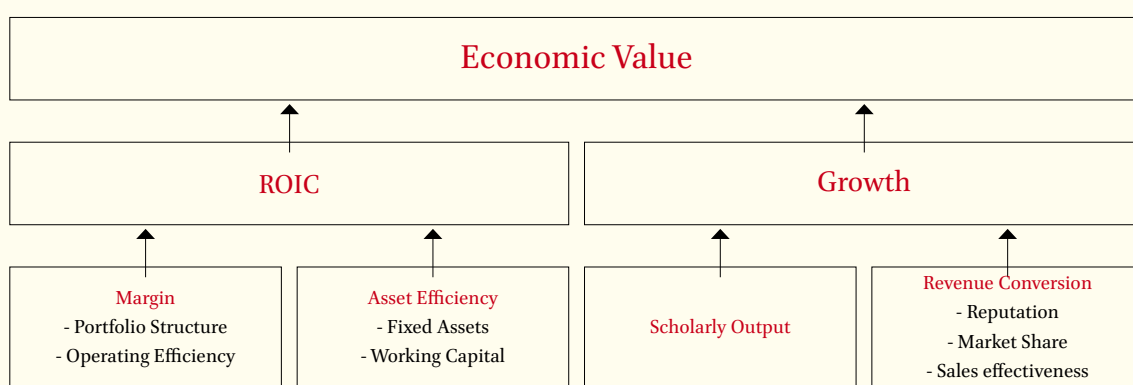
*Asset Turnover* – as measured by the average amount of invested capital required to support the revenue.

Key asset categories recognized are

- Goodwill and Publishing rights, net of deferred tax liabilities related to these assets;
- Tangible and intangible assets;
- Working Capital.

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.

In 2016, Brill reported progress on all economic value drivers. Revenue grew by 4.4% and ROIC increased from 10.5% to 12.9%.



### *Staff – Development Value*

Brill has a unique company culture and working environment which is an asset for attracting and retaining talent, given that the company has limited size.

Staff values their employment because of the company culture combined with high professional standards, development opportunities, and global exposure.

Brill develops these factors through job rotation, delegation of authorities, training – both on the job as well as formalized training – and periodical team and general staff events.

and therefore supportive to Brill's long-term reputation and continuity.

At Brill we believe that our corporate sustainability policy can only be successful if it ties in with our core capabilities and the long-term interests of our stakeholders. Consequently, we focus on a few initiatives where we feel we can make a difference. At the same time, we strive for permanent improvement in all general facets of responsible corporate citizenship.

### *Global Community – Community Value*

We create value for the global community and specifically the scholarly community by playing our role as a reputable publisher who facilitates the scholarly process in several key areas of scientific development. Doing so efficiently, in the meaning of creating output using the minimal required amount of resources in the broadest sense is of direct benefit to the scholarly process as well as to other stakeholders,

For further details around our Corporate Sustainability policy, please refer to the relevant chapter in this report.

## 2. Financial Report 2016

In 2016, Brill showed considerable progress towards the stated objective of improving profitability. A key driver of improved profitability was the growth in digital sales but we also saw good contributions from our improved distribution and production arrangements.

### Revenue

In 2016, Brill's revenue increased by 4.4% to EUR 32.2 million (2015: 30.8 million). This growth, which was fully organic, compares to 2.5% organic growth in 2015. Key drivers for our organic growth in 2016 were digital publications including eBooks, major reference works, journal subscriptions and primary sources, whereas print books declined due to a somewhat reduced publication output and changing market preferences.

(in EUR thousand)	Revenue	% of total Growth	Year on Year Growth
Revenue 2015	30,809		
Print books	-650	-2.1%	-4.9%
eBooks	+1,462	+4.6%	+21.0%
Journals	+450	+1.5%	+5.2%
Primary Sources	-278	-0.9%	-20.2%
Change in hedging	+392	1.3%	n.a.
Other	-8	0.0%	n.a.
<b>Revenue 2016</b>	<b>32,177</b>	<b>+4.4%</b>	<b>+4.4%</b>

Revenue generated through digital products was EUR 17.3 million or 54% of total, up from 49% in 2015; an increase of 2.2 million or 15%. Revenue generated through subscriptions was EUR 13.4 million or 42% of total, up from 12.8 in 2015; an increase of EUR 0.6 million or 5%.

Across combined print and digital formats, books grew by 6% and journals by 5% reflecting successful sales efforts but also continued new book title output, growth in subscription value and new journal title development. A persistent trend in the print monograph format remains 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 balance of major sales deals (i.e. over EUR 100 thousand per order) versus last year was positive by EUR 0.3 million. In 2015 we benefited from a major one-time microfiche deal whereas in 2016 we had various successful sales of online primary sources and eBooks in Asia and the Middle East.

The strength of the US dollar in 2016 had a clear effect on revenue, partly because of consistent foreign currency hedging. Particularly in the first half of 2016, as expected, Brill was able to reap the benefits of higher income resulting from the translation of US dollar income in Euro at a higher effective rate.

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

Underlying Cost of goods sold increased by EUR 0.2m or 2%, supporting an underlying gross margin improvement 66.3% to 67.0%. This is the result of revenue

growth, a more favorable sales mix and cost reductions in print. Reported Cost of goods sold however increased by EUR 0.8m or 8% in 2016 due to material non – recurring, non-cash items:

(in EUR thousand)	2016	Of which		2015	Growth	
		Underlying	One-off		Total	Underlying
Technical production, content & shipping costs	<b>9,703</b>	9,538	165	<b>9,558</b>	145 (1.5%)	-20 (-0%)
Amortization intangibles	<b>138</b>	138	0	<b>155</b>	-17 (-11%)	-17 (-11%)
Royalties	<b>1,317</b>	937	380	<b>684</b>	633 (93%)	253 (36%)
<b>Total Cost of goods sold</b>	<b>11,158</b>	<b>10,613</b>	<b>545</b>	<b>10,397</b>	<b>761 (8%)</b>	<b>216 (2%)</b>

In the underlying technical production, content and shipping costs, expected increases in content costs were compensated by lower print costs as a result of lower print sales as well as lower prices. Also, our Printing On Demand policy, which leads to lower stock levels, resulted in a lower provision for obsolescence.

Personnel costs increased by EUR 0.3 million or 3% in 2016 (2015: 8%). The increase was driven by 2% organic increases in salary costs (Collective Labor Agreement and merit, FTE change and mix) and 1% from a lower proportion of salary costs allocated to Work in Progress.

The underlying cost of royalties increased as a result of the success of several third party publications which were translated and adapted by Brill for the online and global markets.

Other operating costs declined by EUR 0.4 million or 5.3% versus 2015. The key driver of this decline was the benefit of the new distribution arrangement leading to lower fulfillment cost.

Cost of goods sold was further impacted by significant non-recurring, non-cash items of EUR 545 thousand (2015: EUR 0). The divestment of the *International Year Book* led to a one-time write down of EUR 165 thousand. Furthermore, when analyzing our position of pre-paid royalties, we concluded we need to write down EUR 384 thousand which was prepaid on two publications for which we had to revise our prospects. The positions mentioned were by far the largest prepaid royalty positions in our balance sheet and no further future write-down could have a similar impact.

### Depreciation and amortization, and financing revenues and costs

At EUR 0.8 million, depreciation and amortization were in line with 2015. We regard this number as being temporarily low given our current investment activities to realize editorial efficiencies and to renew our digital platforms. Financing income declined slightly because of foreign currency results amounting to EUR 0.1 million (2015: EUR 0.2 million). Financing costs were in line with last year.

## Profit

The increase in profit was driven mainly by a combination of accelerated organic revenue growth whereas lower operating costs compensated for the underlying increase in personnel costs. As a result, EBITDA increased substantially by EUR 0.7 million or 18.5% and operating margin (EBITDA/Revenue) improved to 14.0% (2015: 12.3%). EBITDA was impacted by EUR -0.5m due to the non-recurring items reported in the analysis of cost of goods sold. Net profit amounted to 8.7% of revenue (2015: 7.6%) mainly as a result of the higher EBITDA performance.

The number of outstanding shares remained the same relative to 2015. As a result, earnings per share amounted to EUR 1.49, up by 20.2% from 2015 (EPS 2015 EUR 1.24).

## Operating Working capital and Cash flow

Operating Working Capital (excluding cash), increased by EUR 0.2 million in 2016. Inventories (physical and content) declined by EUR 0.2 million as a result of lower physical stock. Despite the higher revenue level, Trade accounts receivable showed a decline of EUR 0.3 million. Other receivables declined by EUR 0.6m. However, total receivables however remained stable due to the prepaid portion of acquisitions. Deferred income increased by EUR 0.2 million. Free cash flow was EUR 2.3 million, down from EUR 3.2 million in 2015. The change can be analyzed as follows:

(in EUR thousand)

Free cash flow 2015	3,201
Operating cash flow	+1,075
Acquisition pre-payments	-890
Increase in other capital investments	-179
Increase in tax payments and receipts	-878
Free cash flow 2016	2,329

## Return on Invested Capital

Return on Invested Capital (ROIC) improved to 12.9% versus 10.5% in 2015. Improvements in both Operating margin and asset turnover contributed to this improvement. Operating margin improved as a result of accelerated revenue growth and limited cost development. Asset turnover improved largely due to revenue growth combined with a slight reduction in average invested capital.

## Solvency

The balance sheet total (EUR 47.0 million) increased relative to 2015 (EUR 46.7 million). Non-current assets increased by EUR 0.2 million and current assets were almost flat versus 2015. Equity amounted to EUR 27.5 million at the end of 2016 (EUR 27.2 million at the end of 2015). Solvency improved to 58.6% in 2016 (2015: 58.1%), which brings solvency to the high end of our target range of 40-60%.

## 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 and a sustainable business model, which aligns well with Brill's stakeholder's orientation. In the scholarly 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 NIBC takes positions and thereby ensures continuous pricing, which to some extent mitigates excessively sharp price fluctuations. This is important because small trade volumes could otherwise lead to major price swings, causing an undesirable dynamic that may be completely unrelated to the actual course of events within Brill. In 2016, Brill again took part in various meetings with interested current and potential investors.

### Dividend

Brill maintains a dividend policy which is aimed at steady or increasing dividend. In line herewith and supported by the encouraging improvement of results in 2016 we will propose to the General Meeting of Shareholders that will be held on 16 May 2017, an all-cash dividend for 2016 of EUR 1.32 per share. This proposal reflects our healthy cash balance at the end of the year and our confidence in further improving results in the future.

### Outlook

Brill's annual reports do not include concrete statements about future developments in terms of revenue and results. Our focus is on further development of the publishing program and streamlining of the organization, whereas longer term we seek to expand and enhance the portfolio in terms of faster growing, recurring revenue streams. This makes the company cautiously optimistic about the future, especially about further improving profitability. We expect the acquisition of Schöningh & Fink to add around EUR 3 million in revenue, and to be accretive to profit in 2017.

## 3. Human Resources

### 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 offering 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 Publishing (in his capacity of Executive Vice President - EVP - Publishing), business development and HR policy. The Management Team includes the Managing Director, the EVP Sales & Marketing and the EVP Finance & Operations. The Operations department supervises activities in the fields of mostly outsourced pre-press, printing and binding, logistics and distribution, copy editing, metadata management, electronic publishing technology, and IT. Brill's subsidiaries have directors who are locally based and who combine this with their primary sales or publishing roles. They have regular meetings with the three other directors who are part of the Management Team.

The Management Team 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. Both Publishing Directors and (Senior) 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 2016 relative to the preceding year and amounted to an average of 131.7 FTEs (2015: 131.9 FTEs). The total workforce engaged on a full-time basis at year-end showed an increase of 4.7 FTEs from 128.6 to 133.3 FTEs. This increase was anticipated and mainly the result of the realignment and expansion our sales and marketing activities and necessary growth of our operational departments to enhance our online publishing activities.

FTE's	Year end 2016	Year end 2015
Publishing Activities	49.3 [36.9%]	52.7 [41.0%]
Operations *	43.8 [32.9%]	38.9 [30.2%]
Sales & Marketing	27.8 [20.8%]	24.7 [19.2%]
Other **	12.4 [ 9.3%]	12.4 [ 9.6%]

\*) Departments for desk 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 2016, 25.2 FTEs (2015: 23.4 FTEs) were working outside the Netherlands (from Brill's offices in Boston and 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 in 2016 from 61.7% to 60.3%.

The share of part-time workers showed an increase and made up 39.7% (2015: 36.9%) of the workforce in 2016.

Sickness leave showed a strong increase from 2.7% in 2015 to 4.2% in 2016, mainly caused by individual cases of long-term (non-work related) health issues.

The age structure of the workforce changed relative to 2016 and was as follows:

AGE	2016	2015
20 - 29 years	11.0%	9.9%
30 - 39 years	26.7%	26.3%
40 - 49 years	24.7%	26.2%
50 - 59 years	26.7%	27.7%
Older than 60 years	10.9%	9.9%

The average age decreased in the year under review from 45.0 at the end of 2015 to 44.8 at the end of 2016.

The outflow of personnel in 2016 was 7.0%, whereas the inflow was 10.5%:

FTE's outflow	2016	2015
Retirement	1.7	1.9
Brill initiative		
Temporary contracts	3.1	1.7
Other	0.7	6.7

### Own initiative

Employment 0-2 years	0.7	2.7
Employment 2-5 years	1.0	1.0
Employment 5-10 years	2.0	
Employment 10-15 years		1.6

<b>Total FTE outflow</b>	<b>9.2</b>	15.6
<b>Total outflow in %</b>	<b>7.0</b>	11.8

FTE's inflow	2016	2015
<b>Acquisitions / divestment</b>		
Temporary position		
Permanent contracts		
<b>Other</b>		
Temporary contracts	8.1	5.9
Permanent contracts	5.8	4.7
<b>Total FTE inflow</b>	<b>13.9</b>	10.6
<b>Total inflow in %</b>	<b>10.8</b>	7.9

In 2016, Brill's pension plan continued to be operated by Pensioenfonds PGB. The pension plan is what is referred to as a collective defined contribution (CDC) plan including a conditional indexation scheme. The pension plan is considered a Defined Contribution pension plan for accounting and reporting purposes.

### Report by the Works Council

In 2016 a wide range of subjects and issues was covered. The Collective Labor Agreement (CLA) and associated topics were (and remain) firmly on the agenda. The implementation of a Persoonlijk Keuzebudget (PKB) system was one of the biggest changes this year within the context of the CLA. Furthermore, at the beginning of our term, we started a discussion about a good framework for possibilities for Brill personnel to structurally work from home. The pilot for this project ran the length of 2016 and is expected to be completed with a final evaluation in the beginning of 2017. The framework to be installed for working from home should reflect the new CAO agreement. Another HR related point of attention concerned social security benefits in the Netherlands with regard to disability insurances.

In September the Works Council advised in favor of the implementation of RSuite, a new workflow management system for our journals, and books. In addition, the Works Council advised positively on the development of a new platform and website, which will come to completion in the course of 2017. Finally, the Works Council advised in favor of the appointment of a new chairman of the Supervisory Board and the acquisition of Schöningh & Fink in Germany.

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. Contact with the Boston office has been formalized. Even though the Works Council does not formally represent local staff, it is convenient to have a direct liaison there to facilitate

the information exchange. We intend to do the same for Brill's offices in Singapore and Paderborn.

In the same spirit as previous year, 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 during 2016. 2017 will bring the current term of the Works Council to a close; in April new elections will be held for the 2017-2019 term.

## 4. Corporate Strategy

### Mission

Brill's mission is to be a leading international academic publisher in the humanities and social sciences, international law, biology and natural history. In carrying out its mission, Brill meets a need for multimedia information amongst specialist academic target groups and markets. Providing quality service to authors and researchers is the core business. 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. The overriding objective is to maximize Brill's value creating potential for all stakeholders, including the global community that provides Brill its license to operate.

### Strategy 2017-2019

In order to achieve Brill's mission, the corporate strategy centers around three goals:

- *Expand market position*

We will build on our leading position as the publisher of choice for many academic researchers in the Humanities, Social Sciences and International Law. Additionally, we aim to enter adjacent segments where Brill's key assets (reputation, distribution, infrastructure) can be leveraged. These goals could be achieved organically or through acquisition. Adjacent areas which seem likely for development would include those where Social Sciences and Natural and Life Sciences have natural touching points with subjects in which we are strong traditionally such as language, philosophy and ethics, religion and history. Brill actively explores acquisition opportunities on the basis of clear priority setting. Furthermore, we will expand the formats in which we publish – for example in digital humanities – and more actively manage the business models offered.

- *Develop market presence*

We will invest in our marketing and sales execution capability to be closer to our client and achieve improved market coverage. This entails expanding the sales force, notably in the Asian and US markets but also enhancing our communications to raise awareness of the depth and breadth of our portfolio. Communication and sales efforts will be more concentrated around the signature titles that define Brill's reputation. Digital marketing will be further developed to improve efficiency and effectiveness of our marketing operation.

- *Invest in Operations*

We will invest in the performance and scalability of our operations to facilitate and support the development of the business. Strategy-driven roadmaps for investment are in place for key business applications used in the business, for our content management process and for our online publishing platforms. We support our operations with standard software applications that are widely used in the business and which are provided by reputable partners, such as Klopotek, RSuite, Pubfactory and Semantico. IT operations are structured to optimize risk and efficiency through a combination of on-premise and cloud models, the balance of which is permanently reassessed.

We believe that following through on these strategic tenets will enable us to operate within our objective EBITDA margin range of 15-20% and achieve a long-term average organic growth slightly in excess of the market growth, with a return on invested capital showing material headroom to our weighted average cost of capital.

## 5. Corporate Sustainability

Brill's Corporate Sustainability plays a vital role within the value creation process. Brill focuses on two areas:

- A leading or participating role in areas where Brill's core capabilities can be leveraged to further the development of the *global scholarly community*
- Permanent improvement in those areas that promote general *corporate responsibility*

### *Develop global scholarly community*

As an independent publisher, Brill strives to make a constructive contribution to the creation of an (equally) accessible free and open information society. The demand for reliable information that is scrutinized 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 to 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 globally highly-esteemed researchers (peer review) and internationally active librarians (library advisory committees) and researchers (peer review).

Brill's sustainability policy also manifests itself very clearly in the company's Developing Countries Program. Brill not only actively participates in existing programs, but also takes initiatives that are developed in cooperation with professional publishers and international organizations. Examples in this regard are: 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 and 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, the Library of the International Labour Organisation (ILO) in Geneva as

the lead UN entity, and other academic publishers and key stakeholders.

As part of its research capacity building strategy, Brill has an Adopt-a-Library program in place through which it annually donates collections of books to libraries and universities in developing countries. These donations are supported by workshops for academics and librarians that focus on how faculty can increase the influence of their research by publishing nationally and internationally and how to make the best use of the resources they have in place. Such workshops are given throughout the year by Brill publishers as part of research capacity building. Brill's endeavors in this context tie in with existing initiatives, such as Research4Life and 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. 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. In many ways, Brill cooperates closely with its partners in emerging markets to increase their impact and facilitate high-quality international publishing.

As a well-established international company with a longstanding history, Brill attaches great importance to its historic reputation in the Netherlands and beyond. The city of Leiden and its university deserve a special mention in this regard. The Brill Fellowship available at the Scaliger Institute, makes it possible for researchers to study the special collections of Leiden University's library and 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 and fosters and maintains good relations with Dutch heritage institutes.

Actively contributing to these initiatives supports the future development of the global scholarly community and Brill's network within that community. Therefore, we strongly believe that an active policy in this regard is in the interest of all stakeholders.

### *Corporate Responsibility*

As a company with a long standing, reputable history, Brill takes its responsibilities as a corporation to heart. The company wishes to be reliable, honest, predictable, and cooperative. Creating value and long-term relationships with authors and users are key policy objectives. Authors can be sure that their books and articles will be easy to find and always remain available. 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, was 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. Brill aims to be a reliable, responsible and attractive employer (refer Value Creation at Brill).

To formalize its commitment to sustainability, Brill joined the UN Global Compact in 2016, subscribing 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.

Brill's tax policy is aimed at achieving an efficient tax structure while paying fair amounts due in the constituencies where it does business. The transfer pricing arrangements put in place within the group are aimed at being sustainable within the context of the current OECD initiatives and concerns which have emerged in the global community.

## 6. Responsibility Statement

The Managing Director of Koninklijke Brill nv is responsible for the preparation of the financial statements in accordance with IFRS as adopted by the European Union and the provisions of Part 9 Book 2 of the Dutch civil Code. In addition, the Managing Director is responsible for the preparation of the Director's Report which is included in the Annual Report 2016.

In the Annual Report, the Managing Director endeavors to present a true and fair view of the financial position of the Group at the balance sheet date and the development of the Group in the year under review. In the section Risk Management, management identified the main risks that are currently known to management which could affect the achievement of Brill's strategic objectives or which could lead to misstatements in the financial statements, as well as the measures implemented to manage these risks. It should be understood that these measures can provide reasonable but not absolute assurance against material losses or material errors.

As required by the provisions of II.1.5 of the Corporate Governance code and section 5.25c par 2c of the Dutch Act on financial supervision, the Managing Director confirms that to his knowledge:

- Brill's internal control systems and risk management framework with respect to financial reporting risk
  - o provide a reasonable assurance that the financial statements in this Annual Report 2016 does not contain material errors;
  - o worked properly during 2016
- the 2016 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; and;
- the 2016 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 financial year under review. Furthermore, the report describes the principal risks that Brill faces.

Leiden, 31 March, 2017

Herman A. Pabbruwe  
Managing Director

## REPORT OF STICHTING ADMINISTRATIEKANTOOR KONINKLIJKE BRILL (BRILL'S TRUST OFFICE)

### Activities

Of the total number of outstanding shares as at December 31, 2016 (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 89.4 thousand in 2016 (EUR 44 thousand in 2015). 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 five times, of which four times through telephone conference. During its first meeting on April 29, 2016, the 2016 annual report and financial statements, the company's strategy and its implementation, the composition of the company's supervisory board and the general course of events within the company 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. Further, the Board unanimously resolved to appoint Mr. Marco Nieuwe Weme and Ms. Yvonne Van Rooy as members of the Board. During the meeting held on May 11, 2016, the Board discussed the composition of the company's supervisory board. During its meetings on July 12, 2016 and August 18, 2016,

the Board discussed the succession of the president of the company's supervisory board, the agenda for the extraordinary General Meeting of Shareholders and the way in which the Board would vote in relation to the proposal by the supervisory board to appoint Prof. Perrick. The unanimous decision was made to vote in favor of this proposal tabled. During the meeting of October 31, 2016, the board discussed the proposal to change its voting policy and the outcome of the discussions that took place between the company's supervisory board and some depositary receipt holders.

In the company's General Meeting of Shareholders which took place on May 19, 2016, 98% of the company's issued capital was represented. The trust office granted authorization to holders of 64.2% 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 35.6% of the votes cast in the meeting.

In the company's extraordinary General Meeting of Shareholders which took place on August 24, 2016, 99% of the company's issued capital was represented. The trust office granted authorization to holders of 56.1% 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 43.3% of the votes cast in the meeting.

### Board composition

At December 31, 2016, the composition of the trust office's board was as follows:

Name	Appointed	In office until	Position
Joost C. Kuiper, LL.M.	2014	2018	Chairman
Yvonne C.M.T. van Rooy, LL.M.	2016	2020	Member
Marco P. Nieuwe Weme, Prof. LL.M.	2016	2020	Member

Mr. Boll stepped down in 2016 because of the maximum term of appointment. The Board would like to thank Mr. Boll for his contribution and dedication to the trust office. The Board has appointed 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. In addition, the Board has reappointed Ms. Yvonne Van Rooy in 2016 for a term of four years.

Due to health reasons, Mr. Kuiper has decided to step down as a chairman and to continue as a Board member. On February 16, 2017, the Board has decided that Mr. Nieuwe Weme be designated as the new chairman of the Board, starting after the close of the meeting of depositary receipt holders held on February 16, 2017.

### 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. Further, 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, 31 March, 2017

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 2016, 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 in person took place in 2016 (April 6). In this meeting, the company's 2015 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. A telephone conference took place on 12 July in which the Managing Director informed the Board about the progress made in the on-going consultation of stake holders. At the annual meeting in 2017, Mr Rudy Voogd is scheduled to retire from the board whereas Mr Herman Spruijt and Mr Joris Backer are eligible for re-appointment.

#### 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, 31 March, 2017

Stichting Luchtmans,  
The Board

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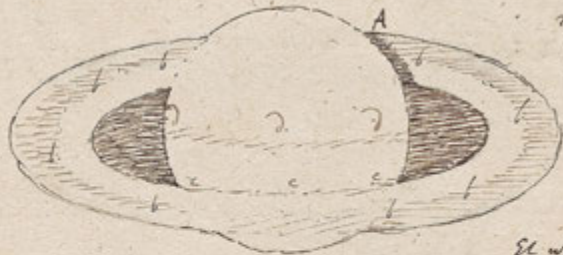
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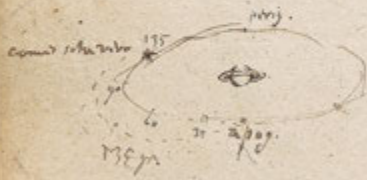
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Ad A vultus globi  
 in annulo propter  
 manifeste apparere.  
 Planu annuli non  
 aequi lucida omnibus  
 sui partibus videtur  
 sed parte dimidia  
 extrinseca obscurior  
 erat quia reliqua.

Et annus confinis distincto  
 ab annulo circulo b b b. apale  
 apparit. ita ductus obscurior  
 ce. qua parte annulus ante globu  
 obicitur. Item in medio globo  
 fascia d d d, ad partem conspicua



Page of one of Christiaan Huygens' notebooks, where he works on the explanation of the rings of Saturn (Codices Hugeniani Online (COHU) offers the fully digitized archive of Christiaan Huygens (1629 - 1695), held at Leiden University Library. The archive includes notebooks and loose leaves with texts in the field of astronomy, mechanics, mathematics and music, as well as correspondence and annotated books.

Published November 2016 on Brill's primary sources platform: [www.brill.com/cohu](http://www.brill.com/cohu).

#### MONK

Large handwritten collections like the *Codices Hugeniani* are difficult to access. Documents and notes are written in hard-to-read historical handwriting and are weakly structured, precluding access to a wider public, or to scientists and other experts. Computer-based recognition of connected-cursive script is, in general, distinctly beyond the scope of current technology. Brill is partner in a project, started in 2016, in which advanced software called "MONK" specifically targets historical handwritten documents, for which traditional OCR (Optical Character Recognition) techniques are not applicable. The system relies on efficient word-retrieval and recognition algorithms that can be trained in real time by labeling individual words or transcribing complete lines. During the project MONK will be further developed and extended with layout formatting and ontologies. This technological tool, that combines both image and textual recognition, allows, for the first time, an integrated study of underexplored scientific heritage collections and archives. The outcome of the project will allow Brill to offer the system as an online service for the heritage sector, as a strengthening of its digital humanities profile. This will serve both curators of illustrated handwritten archives and researchers who wish to further the understanding of these collections.

## CONSOLIDATED BALANCE SHEET

In thousands of euro's, as per 31 December

	31-12-2016	31-12-2015*
<b>Assets</b>		
<b>Non - current assets</b>		
Tangible fixed assets	303	436
Intangible fixed assets	19,052	18,724
	<u>19,355</u>	<u>19,160</u>
<b>Current assets</b>		
Inventories	13,179	13,302
Trade and other receivables	8,002	7,971
Income tax to be received	34	0
Derivative financial instruments	117	0
Cash and cash equivalents	6,304	6,299
	<u>27,636</u>	<u>27,572</u>
<b>Total assets</b>	<u>46,991</u>	<u>46,732</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to owners of Koninklijke Brill nv</b>		
Share capital	1,125	1,125
Share premium	343	343
Retained earnings	23,577	23,569
Other reserves	-308	-203
Undistributed profit	2,797	2,332
	<u>27,534</u>	<u>27,166</u>
<b>Non – current liabilities</b>		
Deferred tax liabilities	3,693	3,626
	<u>3,693</u>	<u>3,626</u>
<b>Current liabilities</b>		
Trade and other payables	6,789	6,812
Deferred income	8,439	8,189
Provisions	0	104
Derivative financial instruments	422	184
Income tax to be paid	114	651
	<u>15,764</u>	<u>15,940</u>
<b>Total liabilities</b>	<u>46,991</u>	<u>46,732</u>

\* figures restated for fixed asset reclassification

## CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016, in thousands of euro's

	2016	2015
<b>Gross profit</b>		
Revenue	32,177	30,809
Cost of goods sold	-11,158	-10,397
	<u>21,019</u>	<u>20,412</u>
<b>Expenses</b>		
Selling and distribution expenses	-5,735	-6,349
General and administrative expenses	-11,572	-11,048
<b>Operating profit</b>	<u>3,712</u>	<u>3,015</u>
Finance income	147	221
Finance expenses	-46	-68
<b>Profit before income tax</b>	<u>3,813</u>	<u>3,168</u>
Income tax expense	-1,016	-836
<b>Profit attributable to shareholders of Koninklijke Brill NV</b>	<u>2,797</u>	<u>2,332</u>
<b>Other comprehensive (expense) income – items that might be reclassified to future profit or loss statements</b>		
Exchange rate differences in translation of foreign operations	-24	-20
Cash flow hedges	-108	235
	<u>-132</u>	<u>215</u>
Income tax relating to these items	27	-59
	<u>-105</u>	<u>156</u>
<b>Total comprehensive income for the period attributable to shareholders of Koninklijke Brill NV</b>	<u>2,692</u>	<u>2,488</u>
<b>Earnings per share (EPS)</b>		
Basic and diluted earnings per share attributable to shareholders of Koninklijke Brill NV	1.49	1.24

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016, in thousands of euro's

	2016	2015
<b>Cash flow from operating activities</b>		
Profit before income tax	3,813	3,168
Adjustments for		
Amortization and Depreciation	861	933
Finance income – net	-102	-153
Loss on divestments	217	
Change in operating assets and liabilities		
Change in working capital	1,203	1,034
Change in provisions	-104	-89
<b>Cash generated from operations</b>	<b>5,888</b>	<b>4,893</b>
Interest paid	-34	-60
Income tax paid	-1,494	-670
<b>Net cash flow from operating activities</b>	<b>4,360</b>	<b>4,163</b>
<b>Cash flow from investing activities</b>		
Investment in tangible fixed assets	-70	-190
Investment in intangible fixed assets	-976	-730
Payments for publishing rights, net of cash acquired	-95	-42
Prepayment for acquisitions	-890	0
<b>Net cash flow from investing activities</b>	<b>-2,031</b>	<b>-962</b>
<b>Cash flow from financing activities</b>		
Dividend paid to company shareholders	-2,324	-2,156
<b>Net cash flow from financing activities</b>	<b>-2,324</b>	<b>-2,156</b>
<b>Net cash flow</b>	<b>5</b>	<b>1,045</b>
<b>Cash and cash equivalents as per January 1<sup>st</sup></b>	<b>6,299</b>	<b>5,254</b>
Net cash flow	5	1,045
<b>Cash and cash equivalents as per December 31<sup>st</sup></b>	<b>6,304</b>	<b>6,299</b>

\* Restated

## CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

In thousands of euro's, as per 31 December

	Share capital	Share premium	Retained earnings	Currency Translation reserve	Currency Hedge reserve	Undistri- buted Profit	Total equity
<b>Balance as per January 1<sup>st</sup> 2015</b>	1,125	343	23,572	-103	-256	2,153	26,834
<b>Total comprehensive income for the period</b>							
Profit for the year	0	0	0	0	0	2,332	2,332
Other comprehensive income	0	0	0	-20	176	0	156
<b>Total comprehensive income for the period</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-20</u>	<u>176</u>	<u>2,332</u>	<u>2,488</u>
<b>Total contributions by and distribution to owners</b>							
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
<b>Total contributions by and distribution to owners</b>	<u>0</u>	<u>0</u>	<u>-3</u>	<u>0</u>	<u>0</u>	<u>-2,153</u>	<u>-2,156</u>
<b>Balance as per December 31<sup>st</sup>, 2015</b>	<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>
<b>Total comprehensive income for the period</b>							
Profit for the year	0	0	0	0	0	2,797	2,797
Other comprehensive income	0	0	0	-24	-81	0	-105
<b>Total comprehensive income for the period</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-24</u>	<u>-81</u>	<u>2,797</u>	<u>2,692</u>
<b>Total contributions by and distribution to owners</b>							
Dividends paid over prior year	0	0	0	0	0	-2,324	-2,324
Retained earnings prior year	0	0	8	0	0	-8	0
<b>Total contributions by and distribution to owners</b>	<u>0</u>	<u>0</u>	<u>8</u>	<u>0</u>	<u>0</u>	<u>-2,332</u>	<u>-2,324</u>
<b>Balance as per December 31<sup>st</sup>, 2016</b>	<u>1,125</u>	<u>343</u>	<u>23,577</u>	<u>-147</u>	<u>-161</u>	<u>2,797</u>	<u>27,534</u>

## OTHER INFORMATION

### Earnings per share (EPS)

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	2016	2015
Net income	2,797	2,332
Weighted average number of shares issued	1,874,444	1,874,444
Earnings per share attributable to shareholders of Koninklijke Brill NV (in EUR)	1.49	1.24

### Dividend paid and proposed

Dividend	2016	2015
<b>Dividend paid</b>		
Dividend paid for 2014: EUR 1.15		2,156
Dividend paid for 2015: EUR 1.24	2,324	
<b>Proposed dividend for 2016</b> (not included as a liability per December 31 <sup>st</sup> 2016)		
Dividend to be paid for 2016: EUR 1.32	2,474	
<b>Profit distribution proposal 2016</b>		
Dividend on ordinary shares	2,474	
Added to retained earnings	323	
<b>Net income</b>	2,797	

### 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, nor do they accumulate 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.

<b>Remuneration of the Supervisory Board</b>	<b>2016</b>	2015
Mr. R.E. Rogaar	0	10,417
Mr. S. Perrick	15,000	0
Mr. R. Hoytema van Konijnenburg	25,812	15,860
Mrs. C. Lucet	25,108	25,000
Mr. A.R. baron van Heemstra	20,483	30,000
	<u>86,403</u>	<u>81,277</u>
<b>Remuneration of the Managing Director (pay-out)</b>	<b>2016</b>	2015
<i>Fixed</i>		
Salary	255,000	250,000
Pension premium paid by Brill	73,837	75,437
<i>Variable</i>		
Anniversary payment	10,625	
Incentive plan (concerning performance of previous year)	55,000	39,200
	<u>394,462</u>	<u>364,637</u>
<b>Total remuneration of Supervisory Board and Managing Director</b>	<u>470,240</u>	<u>445,914</u>

In relation to the 2016 target achievement, an amount of EUR 97 thousand was recognized in the accounts of 2016 of which EUR 33 thousand is for the long-term target for pay out in 2019 and EUR 64 thousand is for the short-term for payout in 2017. The short-term variable income to the Managing Director is granted according to performance criteria which in 2016 were based on increase of revenue, increase of EBITDA and two

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 2014-2016 target (payout 2017) of 8% average growth of revenue compared to 2013 was not met in 2016 and the 2015-2017 target (payout 2018) of 20% autonomous growth over three years was not met in

#### 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.

In addition, it should be noted that as of January 1, 2017 the business of Schönigh & Fink is consolidated into Brill's group results.

#### 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.

non-financial targets. The increase of revenue was met at 100% and accordingly the Managing Director was awarded a pay-out of 10% on this target. One of the two non-financial targets was fully met resulting in a pay-out to the Managing Director of 4%. The second non-financial target was partly met which resulted in a pay-out to the Managing Director of 11%.

2016 either, the 2016-2018 target (payout 2019) of 2,6% average organic growth of revenue was met in 2016. This has led to an accrual of one third of the 40% payout of the 2016-2018 target.

#### Other related party transactions

There are no other related party transactions.

- B. The Combined Meeting determines the amount, after deduction of the payout 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 payout of the cumulative preference shares, retained earnings, and variable remuneration is at the disposal of the Annual General Meeting of shareholders for payout to holders of (certificates of) ordinary shares.

## 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, on December 31, 2016, have reported an interest of 3% or more to the Dutch Authority Financial Markets:

Filings	Size	Declaration date
Mont Cervin Sàrl	22%	22 June, 2012
Axxion SA	6%	20 July, 2016
Todlin NV	6%	22 February, 2013
Kempen Capital Management NV *)	9%	13 July, 2016
Brokat Media Support BV	5%	18 December, 2012
Stichting Administratiekantoor Arkelhave Capital	5%	16 December, 2016
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

\*) In the period up to the EGM held at 24 August, 2016, Kempen further decreased its interest to 5%.

### Number of Shares

The number of shares outstanding with a nominal value of EUR 0.60 was 1,874,444 on December 31, 2016 (on December 31, 2015 1,874,444). Of the total number of shares outstanding as of December 31, 2016, 1,834,463 certificates were issued and 39,981 registered shares were recorded in the share register.

## Holdings of Management and Supervisory Board members

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.

## Profit appropriation proposal 2016

Management proposes a cash payout of EUR 1.32 per (certificate of) ordinary share of EUR 0.60 nominally. Refer to separate chapter 'Shareholder information'. If the Annual General Meeting accepts the dividend proposal, the 2016 profit in the amount of EUR 2,797 thousand will be appropriated as follows:

## Profit appropriation proposal

Dividend on ordinary shares  
Retained Earnings  
Net income

2016

2,474

323

2,797

Leiden, 31 March, 2017

### Supervisory Board

Steven Perrick

Catherine Lucet

Robin Hoytema van Konijnenburg

### Managing Director

Herman A. Pabbruwe

Illustration from Brill's publication *Poetry as Image: The Visual Culture of Waka in Sixteenth Century Japan*. Fujiwara no Teika, *Ogura shikishi*, 13<sup>th</sup> century. ©Tokugawa Art Museum Image Archives/DNPartcom.

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**Annual General Meeting of Shareholders**

May 16, 2017 (2.00 PM at the Brill premises)

**Publication of Results First Half Year 2017**

August 24, 2017 after stock market close

**Trading Update Third Quarter 2017**

November 14, 2017 after stock market close

**Announcement of Results 2017**

March 15, 2018 after stock market close

**Publication Annual Report 2017 on corporate website  
(brill.com)**

April 5, 2018

**Trading Update First Quarter 2018**

April 19, 2018 after stock market close

**Annual General Meeting of Shareholders**

May 17, 2018 (2.00 PM at the Brill premises)

**Investor Relations**

Brill will be happy 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](http://www.brill.com/resources/corporate/investor-relations). In addition, information may be requested via the following address.

KONINKLIJKE BRILL NV

Investor Relations

P.O. Box 9000

2300 PA Leiden

The Netherlands

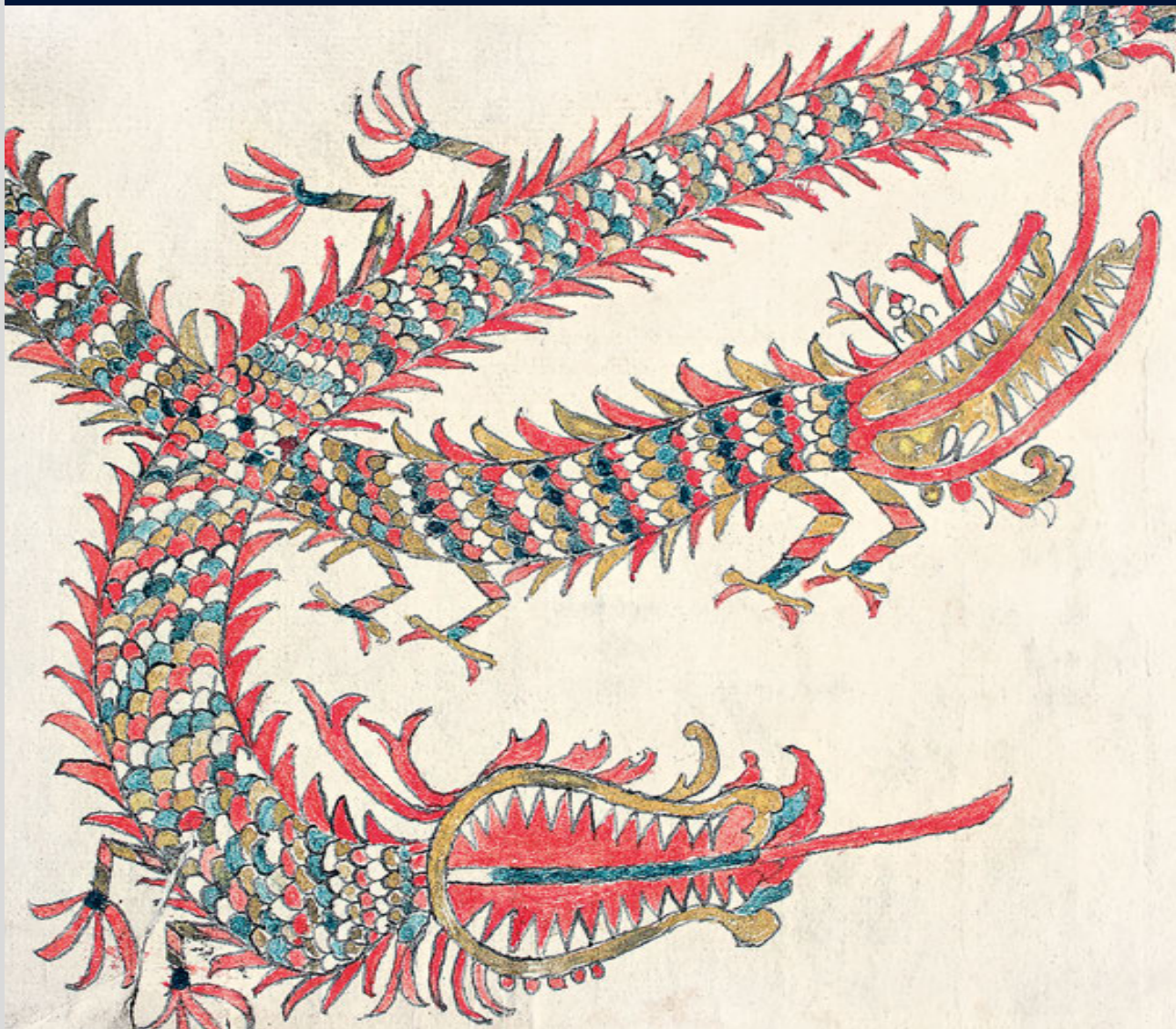
T + 31 71 53 53 500

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[www.brill.com](http://www.brill.com)

# BRILL ASIA

Past, Present and Future



BRILL



紅葉  
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< Kitano Tsunetomi (1880-1947), *Winter: before the mirror*,  
c. 1925, woodblock print, Nihon no hanga collection.

Fig. 4 illustrated in *Waves of renewal: modern Japanese prints  
1900-1960* (Hotei Publishing, published in collaboration with  
Japanese prints collection Nihon no hanga, Amsterdam in 2016)

ALAP-ALAPPAN SOERTIKANTI.



SANGKOENI, KOEROEPATI

## Introduction

In 1956, the Dutch historian, Jan Romein, had his forward looking book *De Eeuw van Azië* (“The Asian Century”) published by Brill, which was subsequently translated into German, Indonesian and Japanese. It was a time of strong nationalism when many former colonies in Asia gained independence. The book was based on lectures he had given at the Gadjah Mada University (UGM) in Yogyakarta in the academic year 1951-52. Many nowadays would typify the 21<sup>st</sup> century as Asia’s Century. A dynamic region with great growth and growth potential, but also a region that houses the world’s largest population and displays the richest diversity in terms of ethnic groups, languages, cultures and biodiversity.

Brill’s activities and relations in Asia go back over a century and are a red thread throughout the company’s history. Not only through its publications, but also through engagements with scholars, universities, local publishers and trade partners Brill continues to strengthen its position in Asia. The recent establishment of a physical presence in the form of a regional office in Singapore in 2015, Brill Asia Pte Ltd, testifies to this.

Brill is also an active player in the new field of digital humanities and embraces new technologies wholeheartedly to be able to accommodate the scholar’s needs as much as possible and therewith contribute to the academic study of Asia.

One need not go far from home to focus on Asia.

This year Leiden celebrates the Leiden Asia Year with as its highlight the opening of the new Asian Library at the University of Leiden on 14 September.

Brill as a Leiden-based publisher with a strong reputation in Asian Studies and networks in Asia, is one of the active participating partners. To mark the special occasion Brill will publish an ‘Asia Walking Guide’ focusing on its rich tradition and history in the area of publications on Asia related to specific locations in the city of Leiden. There will also be a tailored version in Chinese focusing principally on China Studies. Several flagship publications on Asia will be launched and we will celebrate the 60<sup>th</sup> anniversary of the *Indo-Iranian Journal*, as well as launch key products in Buddhist Studies.

Brill is ready for *The Asian Century* that stretches beyond just one year. We warmly welcome you to join us on our journey where past, present and future merge to form a strong and reliable presence.

*De wajang poerwa: eene ethnologische studie* (1896).

This standard work on wajang puppets by Lindor Serrurier (1846-1901), director of the Leiden Museum of Ethnology, is as monumental as it is rare. The beautiful lithographs were outsourced by Brill to the printer P. J. Mulder in Leiden. The Dutch government had two hundred copies printed,

which were presented to museums abroad and to foreign dignitaries on a state visit. The wajang puppets displayed on the wheel cart are Sangkoeni and Karoepoeparti, important leading figures from the story *Mahabharata*. Plano 18 C1, Plate VIIa. (Coll. Leiden University Library)





## A Typographic Exploration

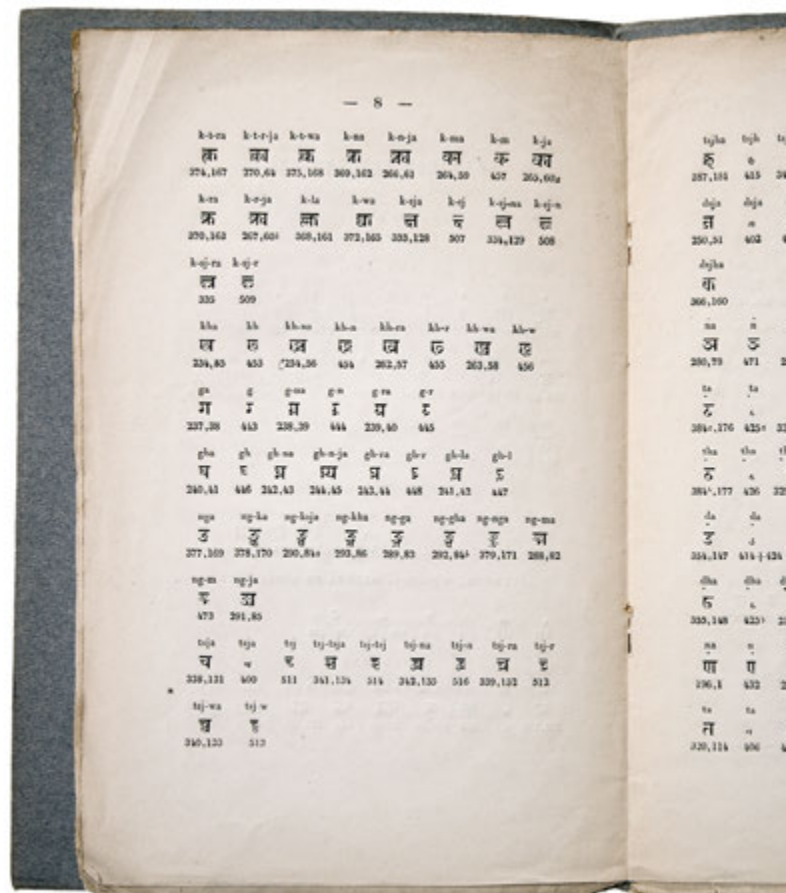
Historically, Brill was very much a printer, publisher and bookseller. With an exceptional and academically highly specialized clientele, which had an appetite for exotic scripts, Brill soon found itself in the business of typography. Asian typography has a long history at Brill that continues to the present day. Brill's first publication in an Asian language was a manual for Sanskrit typesetters by P.P. Roorda van Eysinga *Typographische rangschikking van de Sanskritse drukletter* (1849), which was corrected and perfected by A. Rutgers, *De Sanskrit-drukletters* (1851), as the former, according to Rutgers who later became professor of Indology at Leiden University “was lacking in the required knowledge of the Sanskrit characters.” At the request of Professor H.A. Hamakers, the printing types were purchased by the university, and after his death they were put at the disposal of Brill “on some conditions in the interest of Leiden University.”<sup>1</sup>

A similar story seems to be the case with the Japanese and Chinese characters Brill acquired. In 1858, the Dutch Ministry of Colonial Affairs purchased a collection of Chinese and Japanese printing types at the instigation of J.J. Hoffmann, the first Leiden professor of the languages of the Far East. His Japanese Grammar (1868) was one of the first major Japanese books printed by E. J. Brill, preceded in 1864 by publications of Ta Hio or Dai Gaku in Chinese and Japanese.

<sup>1</sup> Sytze van der Veen (ed), *325 Years of Scholarly Publishing* (Leiden: Brill, 2008), p.52.

Brill's first publication in an Asian language was a manual for Sanskrit typesetters by P.P. Roorda van Eysinga *Typographische rangschikking van de Sanskritse drukletter* (1849), which was corrected and perfected by A. Rutgers, *De Sanskrit-drukletters* (1851), as the former, according to Rutgers who later became professor of Indology at Leiden University “was lacking in the required knowledge of the Sanskrit characters.”

It was however the decision of E.J. Brill's successors, Van Oordt and De Stoppelaar, who in 1875, purchased the Chinese and Japanese printing types that Brill had used in the 1860s for its first publications in these languages. They acquired this collection from the Ministry of Colonial Affairs for the substantial sum of f 3,514.45 Dutch guilders. It was a considerable investment for the new entrepreneurs, but possession of these printing types put the publishing house in a unique position. From the mid-1870s onwards, G. Schlegel published a large number of books on the Far East with Brill, culminating in a monumental four-volume Chinese dictionary (1886-90). Foreign authors too, increasingly brought their work to Brill, one of the few publishing houses in Europe featuring this expertise.



Chinese types, the so-called 'Schlegel' types, purchased by Brill in 1875 and used until well into the 20<sup>th</sup> century. (Brill Coll.)

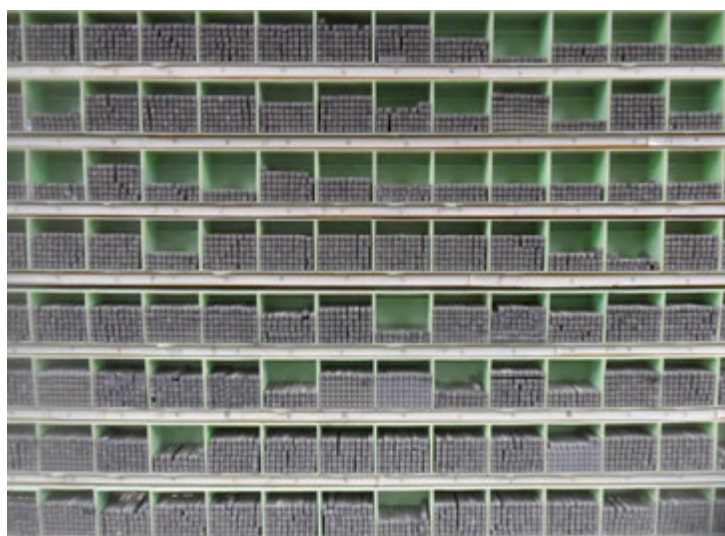
The typesetting of Chinese and Japanese required some familiarity with the script. *T'oung Pao*, first published by Brill in 1890 and still the leading journal in its field, was partly typeset by hand using the famous Brill Chinese typeface until well into the early 1980s. The craftsmanship of Brill's generations of master Chinese typesetters was legendary. The Sinologist Erik Zürcher in 1983 vividly described how he saw Brill's master Chinese typesetter P. W. Martijn at work not long after World War II: "moving between his type cases like a Taoist priest performing a dancing ritual, and producing with incredible speed and accuracy any character from a collection containing nearly 8,000 signs."<sup>2</sup>

It was only in 1987, when the last Chinese hand-setter retired, that Brill terminated printing Chinese and Japanese language texts through the use of metal type characters and switched to new technologies, which it had already done for western script texts some years earlier.

Brill, however, to this day continues its strong tradition in the field of typography, having developed the Brill Typeface and tapping into its authors and editors experience in correctly displaying all these scripts in its publications. Brill's in-house type-font expert, Mr. Pim Rietbroek, is currently expanding Brill's offering in Asian fonts, both in print as well as online, thus continuing a long held tradition at Brill of expertise and professionalism in catering to its authors' and readers' specific academic needs.

<sup>2</sup> Sytze van der Veen (ed), *325 Years of Scholarly Publishing* (Leiden: Brill, 2008), p.64.

© Ronald Steur. Chinese matrices displayed.  
*T'oung Pao*, first published by Brill in 1890 and still the leading journal in its field, was partly typeset by hand using the famous Brill Chinese typeface until well into the early 1980s.



# Brill in East Asia

## China

Brill's legacy of publishing Chinese Studies can be traced back to the 19<sup>th</sup> century, when, as was mentioned earlier, it acquired the exclusive right to the Chinese and Japanese printing types from the Dutch Ministry of Colonial Affairs. In the same year, using the new "Chinese letter" matrices, Brill printed the first Professor of Chinese Language and Literature in Leiden, Gustave Schlegel's 929-page *Uranographie chinoise, ou preuves directes que l'astronomie primitive est originaire de la Chine*. The massive four-volume *Nederlandsch-Chineesch Woordenboek* (Dutch-Chinese Dictionary), also by Schlegel, followed in the years 1886 to 1890. Alongside Schlegel's dictionary, Jan Jakob Maria de Groot's *The Religious System of China*

(six volumes, 1892—1910) must also be mentioned. The exquisite print quality firmly established Brill's reputation as one of the most important publishers for scholarly work on East Asia.

Not only in the area of reference works, but also in the area of journals, Brill quickly established its reputation as a quality publisher. In 1890, Brill published the inaugural issue of *T'oung Pao*, a scholarly journal, founded by the French scholar Henri Cordier together with Gustave Schlegel, devoted to the study of the languages and cultures of the Far East.

The venerable journal, subtitled *Revue Internationale de Sinologie*, just celebrated its 125<sup>th</sup> anniversary and is still seen as one of the most prestigious journals on sinology today.

A page from Schlegel's monumental four-volume Dutch-Chinese dictionary published by Brill between 1886 and 1890 with the recently acquired Chinese typeface. (Brill Coll.)



Moving into the 20<sup>th</sup> century, one remarkable Brill author on sinology was Robert Hans van Gulik (1910-1967), orientalist, diplomat, musician, and novelist. Van Gulik was best known for his famous detective stories featuring Judge Dee, a character based on a historical figure from the 7<sup>th</sup> century in China. Van Gulik's interest in criminal history showed itself in his *T'ang-yin-pi-shih. Parallel Cases from under the Pear-tree. A 13th-century Manual of Jurisprudence and Detection*. This translation of an ancient judicial manuscript was published by Brill in 1956. Van Gulik's descendants authorized Brill to reach an agreement with Zhongxi Book Company (Shanghai, China) in 2011 to translate and publish 12 of Van Gulik's scholarly works into Chinese.

The 20<sup>th</sup> century witnessed Brill's continued development of publishing scholarly works on China.

In 1931, Brill's first series of monographs (and edited volumes) on traditional China, *Sinica Leidensia* was founded and edited by an international board of sinologists. At the time of writing, 136 volumes on China have been included in this series, playing a significant role in scholarly discussions on China.

Brill's *Handbook of Oriental Studies* is a prestigious series of reference works with a subseries focused on China. Examples include the *Daoism Handbook* edited by Livia Kohn, the two massive volumes on *Christianity in China* edited by Nicolas Standaert and R.G. Tiedemann, the volume on *Local Religion in North China in the Twentieth Century* by Daniel Overmyer, and the four volumes on *Ancient and Early Medieval Chinese Literature* edited by David R. Knechtges and Taiping Chang.

In 2014, Brill was proud to publish *A Student's Dictionary of Classical and Medieval Chinese* by Paul Kroll and his colleagues. This is a long-desired Chinese-English reference work comprising over 8,000 characters for all those reading texts dating from the Warring States Period through the Tang dynasty. Professor Stephen Owen at Harvard University commented: "This is the new standard in a Chinese-English dictionary of classical Chinese,



Brill has its own name in Chinese, *Bo Rui* phonetically corresponding to "Brill," signifies "rich knowledge or source" and "broad outlook and profound wisdom" respectively. Original calligraphy by SHU Zhongru. (Brill Coll.)

far better than the older dictionaries that students have too long used. It is a "student's dictionary" that scholars and teachers will find necessary as well." In 2016, Brill launched *The Encyclopedia of Chinese Language and Linguistics* edited by Rint Sybesma, which offers a systematic and comprehensive overview of the languages of China and the different ways in which they are and have been studied.

China's growing importance in world affairs and its increasing cultural openness over the past decades is having its impact on the publishing program at Brill. In 2007, a new publishing program focused on modern and contemporary Chinese studies was initiated at Brill. Since the Beijing International Book Fair in 2007, when Brill concluded important cooperative agreements

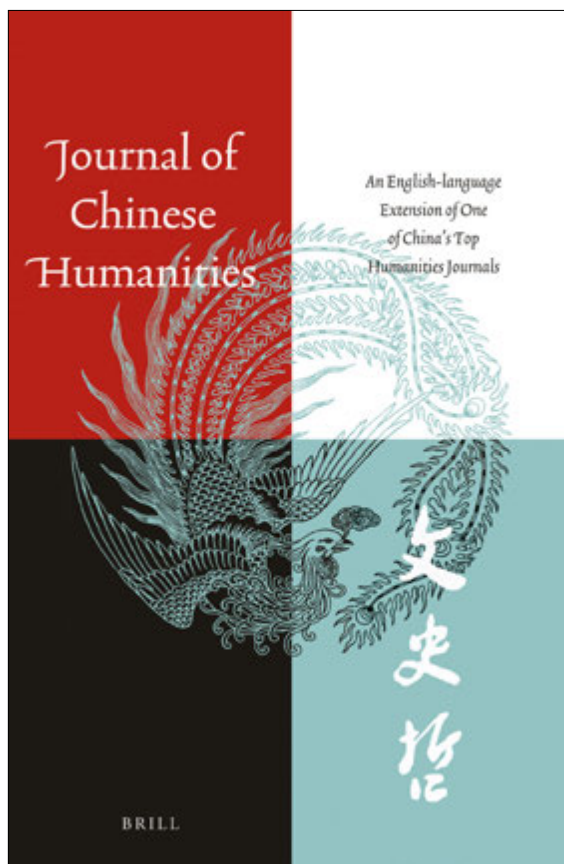
with the Social Sciences Academic Press at the Chinese Academy of Social Sciences and Peking University Press, Brill is now in cooperation with more than a dozen top-tier scholarly publishers in China, including Zhonghua Book Company, Higher Education Press, Fudan University Press, China Social Sciences Press, to name just a few. Brill has its own website for the Chinese market and even has its own name in Chinese, *Bo Rui* phonetically corresponding to “Brill,” signifying “rich knowledge or source” and “broad outlook and profound wisdom” respectively.

Besides publishing companies, Brill has been engaging more and more with scholars and institutions in China. As a result of such increasing communication with presses, scholars and institutions in China, publication programs in collaboration with China have significantly expanded in the past ten years. Journals, book series and reference works covering China-related topics in the fields of humanities, social sciences and international law have been published. The *Brill's Humanities in China Library* series, which includes English translations of humanities scholars' works who are shaping academic discourse in China, has received recognition in Western academia. *An Intellectual History of China*, an English translation of Ge Zhaoguang's book in this series won the 2014 Choice Outstanding Academic Title Award.

“Against the publishing trend that prizes sensational, newfangled accounts, Brill has stood its ground as a fortress for publishing historically grounded, well researched, and balanced scholarship on China. Its expanding China field has been a preserve for focused and in-depth studies and researches.”

**Ban Wang**

Professor of Asian Languages and Comparative Literature, Stanford University



The *Journal of Chinese Humanities* is a successful collaboration project between Brill and Shandong University in China.

Professor Peter K. Bol at Harvard University commented on the *Journal of Chinese Humanities*, a collaboration project between Brill and Shandong University, China: “Brill and Shandong University are to be congratulated for this effort to make contemporary studies of the humanities in China available to the broad audience of humanities scholars through translation.”

Brill will continue its efforts to cooperate with scholars, institutes and presses in China to make top scholarship in China available in English, so as to enhance the communication and understanding between academia in China and the West. Brill is proud to provide a platform as well as a bridge for China scholars worldwide to publish scholarly discussions on China.

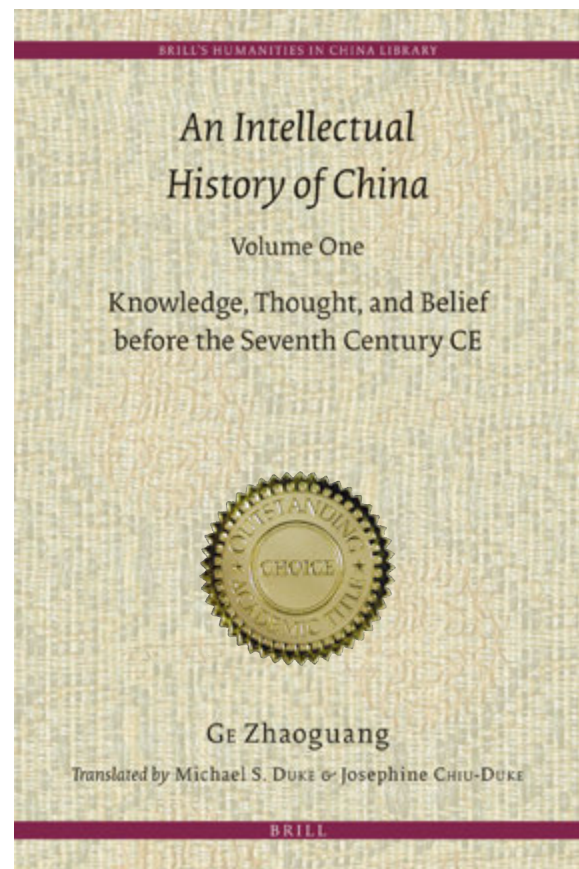
“Research only becomes scholarship once it is published and shared with the world. So printers and publishers have flocked to universities, because these institutions need them to publish and distribute texts books, monographs, and journals. Leiden University has been very lucky in the presence of the firm of Brill, which now has served the world of learning for centuries. Chinese studies at Leiden and elsewhere owe a special debt of gratitude to Brill for its foresight in acquiring a full set of type for the printing of Chinese characters as early as 1875.

In this way Brill became for more than a century, one of the rare publishers outside East Asia that could produce in-depth scholarship on China that required the inclusion of Chinese characters. It established a stellar reputation in this field by the publication of dictionaries, monographs inside and outside *Sinica Leidensia*, and the journal *T'oung Pao*.

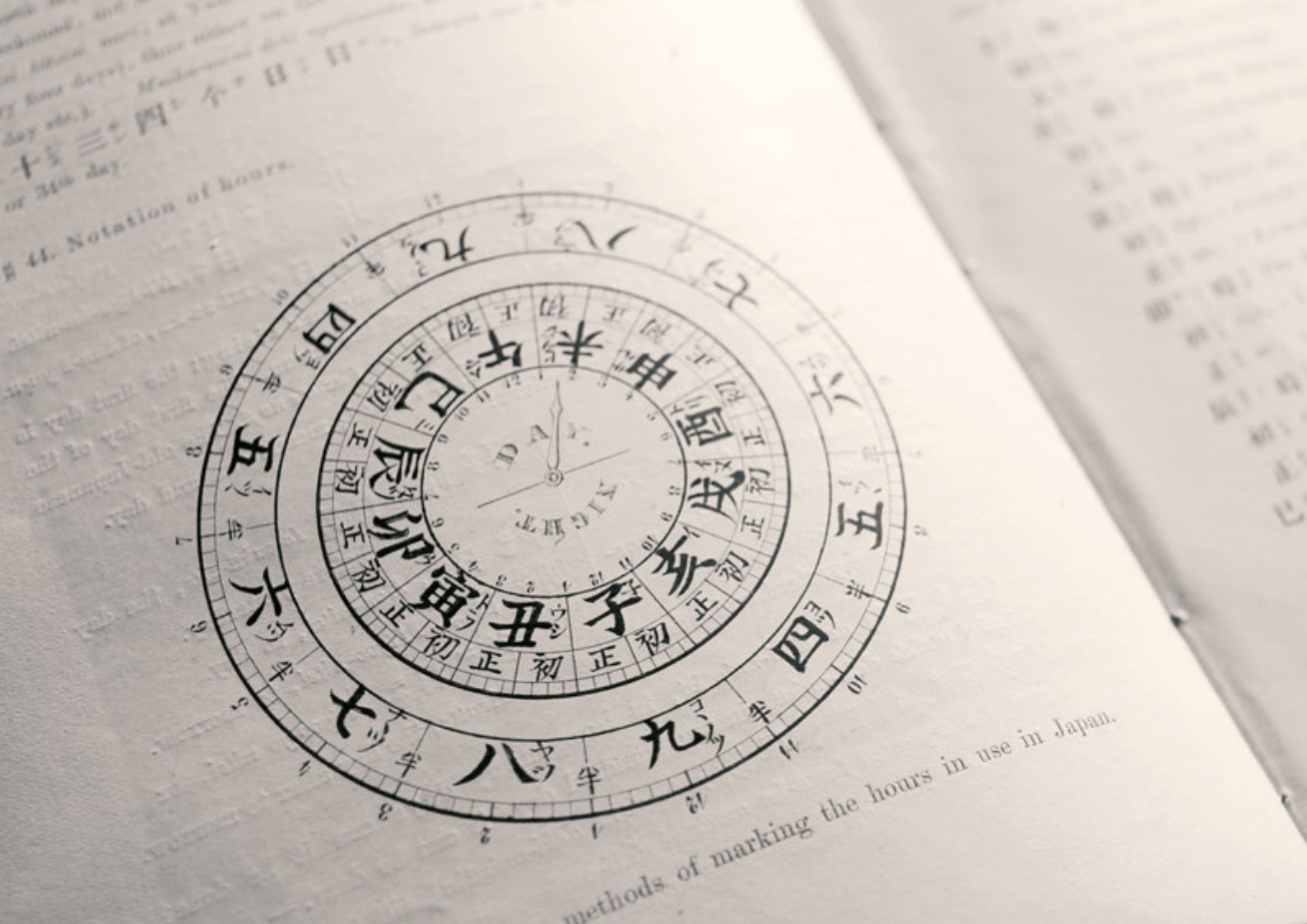
Digital technology may have done away with the importance of lead type, but has not diminished the activities of Brill in the China field, as in the last few decades it has added several China-related new monograph series and journals to its program. As an independent scholarly publisher Brill continues to publish books that scholars love to write and students urgently need.”

**Wilt L. Idema**

Professor of Chinese Literature Emeritus,  
Harvard University;  
Professor of Chinese Language and Literature Emeritus,  
Leiden University



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## Japan

As with Chinese, Brill's first activities in the field of Japan studies date back to the 19th century when in 1858, the Dutch Ministry of Colonial Affairs acquired the Chinese and Japanese metal types, which Brill later took over in 1875. In 1855 Leiden University had already appointed its first professor in the Japanese and Chinese Languages, Johann Joseph Hoffmann (1805-1878). Originally Hoffmann worked as an opera singer, but he was persuaded by Philipp Franz Balthasar von Siebold (1796-1866) to enter academia and to help him with the translation of Japanese works.

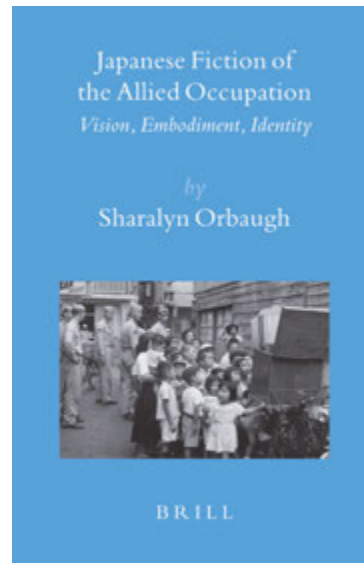
Hoffmann wrote *A Japanese Grammar*, which was published by Brill in 1867 and a *Dutch-Japanese Dictionary*, which appeared in 1881. He tutored another well-known Brill author, Lindor Serrurier (1846-1901), who as a lecturer of Japanese Language at Leiden University published the *Encyclopédie Japonaise. Le hapitre des quadrupèdes* (1875) at Brill. The small encyclopedia, which Serrurier dedicated

to his preceptor Hoffmann, was a popular reader for children in Japan and a textbook for students in Leiden. It contained a facsimile of the Japanese edition, phonetic transcriptions of the Japanese text, a literal word-by-word translation, and a running translation. Serrurier is however, largely remembered for his ground breaking ethnological study on the wayang: *De wajang poerwā, eene ethnologische studie*, published by Brill in 1896 when he had already moved to Batavia.

> L: Serrurier (1846-1901), who as a lecturer of Japanese Language at Leiden University published the *Encyclopédie Japonaise. Le hapitre des quadrupèdes* (1875) at Brill. The small encyclopedia, which Serrurier dedicated to his preceptor Hoffmann, was a popular reader for children in Japan and a textbook for students in Leiden. (Brill Coll.)

< J.J. Hoffmann's *Japanese Grammar* (1886) was one of the first Japanese books printed by E.J. Brill. The dial depicted shows how the Japanese clock works. (Brill Coll.)

Hoffmann's successor at Leiden University was Marinus Willem de Visser (1875-1930) who was appointed in 1917. His scholarly research concentrated primarily on the study of Japanese folklore and Buddhism. De Visser's major work *Ancient Buddhism in Japan*, was published posthumously by Brill in 1935. Up until the 1950s Brill had only published a handful of works on Japan, with a slight increase after World War II, with Japan related publications appearing irregularly at Brill up to the 1980s. Such books were mostly published in collaboration with the National Museum of Ethnology (now National Museum of World Cultures) in their *Mededelingen van het Rijksmuseum voor Volkenkunde* series.



Brill's *Japanese Studies Library* is strong in Japanese literature, but also forms a platform for academic research dedicated to Japan in all areas.



BRILL  
JAPANESE  
VISUAL  
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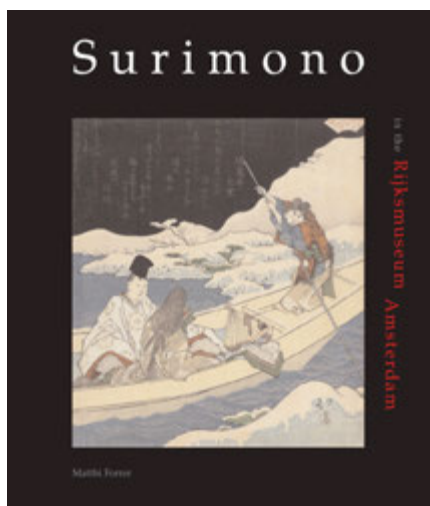


# Portraits of Chōgen

The Transformation  
of Buddhist Art in  
Early Medieval Japan

JOHN M. ROSENFELD

Development of new Brill book series and journals in the field of Asian art and visual culture, all richly illustrated. The *Japanese Visual Culture* series and the *East Asian Publishing and Society* journal deserve mention here.



Cover of the Hotei Publishing publication, *Surimono in the Rijksmuseum Amsterdam*. (Brill, 2012)

This largely changed in the 1990s when Brill launched *Brill's Japanese Studies Library* (1990). Nowadays, Brill's Japan studies publication program is applauded for its solid monographs and in-depth and critical handbooks, as published in, for example, Brill's *Handbook of Oriental Studies* series (since 1988), which has a dedicated section on Japan. *Brill's Japanese Studies Library* is strong in Japanese literature, but forms also a platform for all academic research dedicated to Japan.

At the beginning of the 21<sup>st</sup> century Brill's Japan activities have expanded through the acquisition of the Japanese art imprint Hotei Publishing and a greater focus on modern Japan, resulting in a variety of book titles addressing Japan since the Meiji period (1686-1912) and even post-war Japan.

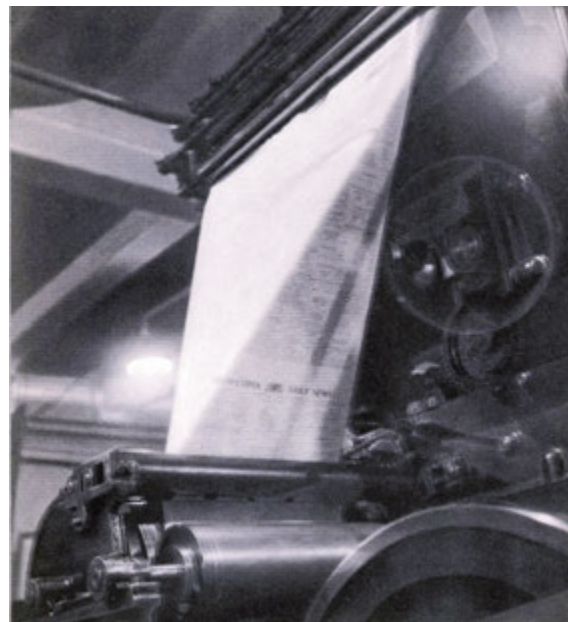
Hotei Publishing is specialized in publications in Japanese prints and paintings and it regularly collaborates with museums worldwide on exhibition and collection catalogues. Having the experience of art book publishing and academic publishing in house, led to the development of new Brill book series and journals in the field of Asian art and visual culture, all richly illustrated. The *Japanese Visual Culture* series and the *East Asian Publishing and Society* journal deserve mention here.

The acquisition in 2006 of the primary sources publisher IDC resulted in a wider range of Japan products adding a sizable number of primary sources on Japan to Brill's portfolio.

## *Waving or drowning? Primary Sources on Japan in East Asia*

For Primary Sources on Japan, the *Japan Chronicle* was an early showcase for transnational perspectives framing Japan in the context of East Asia and the world. Launched as the *Kobe Chronicle* in the 1890s, it became the *Japan Chronicle* in 1902 as its editorial scope moved beyond Kobe and this feisty, superbly-written newspaper took the world and Japan's place in it as its rightful province, becoming, in Bertrand Russell's phrase, 'the best weekly journal in the world'.

Very broadly, the world met two Japans in the modern period: 'liberalising' Taishō (1912-26) Japan, morphing into the more incursive and bolder Japan of early Shōwa (1926-c.1941). Access to Primary Sources like the *Japan Chronicle* gives scholars new tools to ask which Japan was waving, which Japan was drowning, and in what pattern, in Tokyo's engagement with the world between the wars.



Brill Primary Sources on Japan in East Asia have established an ideal collection architecture that accumulates the most complete possible holdings of a title, films them in full colour high-resolution directly from originals, adds and separates all available supplements and weekend issues, and seeks out and scans all associated imprints.

The *Chronicle's* declared mission to 'report the truth in the facts' has made this sometime 'treaty port rag', with a circulation that seldom exceeded the low thousands, an essential port of call for enquiring scholars today.

The *Mobilizing East Asia* collection is a rich collection of rare and outspoken commentary and journalism written on the spot in Shanghai, Tokyo and Manchuria. Time and time again, in war after war, the world's news professionals responded magnificently to the terrors of the day in Japan and East Asia. Unflinching, spot-on reportage and photography that overturns received notions with stark, unarguable snapshots of the *zeitgeist* provides just the materials that scholars have been waiting for. This is the stuff that matters. These reports, leaders, trials, photographs, cartoons and even advertisements are the raw material of new understandings in Japanese studies in the broad context of East Asia.

The same is true of the *North-China Daily News* collection as a prime early source on China's seismic shift from informal empire to unification under Mao and the early Cold War in East Asia. Throughout, the sheer abundance of reporting on Japan's intimate role in these metamorphoses means that China historians can look deeper into depression-era Japanese ultra-nationalism, and Japan historians can record the steady accumulation of Communist power behind the co-option of the China brand by the Guomindang.

With these digital products, Brill Primary Sources on Japan in East Asia have established an ideal collection architecture that accumulates the most complete possible holdings of a title, films them in full colour high-resolution directly from originals, adds and separates all available supplements and weekend issues, and seeks out and scans all associated imprints.

As digital humanities gather ever more impetus, Primary Sources will increasingly offer scholars software and analytical tools for mining the data delivered in these collections.

## Korea

Where Brill's activities on China and Japan have a long history, the activities in the field of Korean studies are still fairly young. In 2010, the book series *Brill's Korean Studies Library* was launched. Other publications addressing issues in religion, social sciences and international law have been published under various Brill imprints, such as the *Korea Yearbook* (2007-2013) and *Critical Readings on Christianity in Korea* (2014). In the area of International Law, *The Korean Journal of International and Comparative Law* is now published by Brill and *The Making of International Law in Korea* appeared in 2016.

What does the near future hold? In the coming years Brill will actively reach out to Japanese and Korean institutions and scholars to firmly establish and expand its cooperation to make the research from those countries readily available in English to an international scholarly audience. This is in addition to Brill's continued output of publications of high quality research from North America, Europe and Australia/New Zealand.

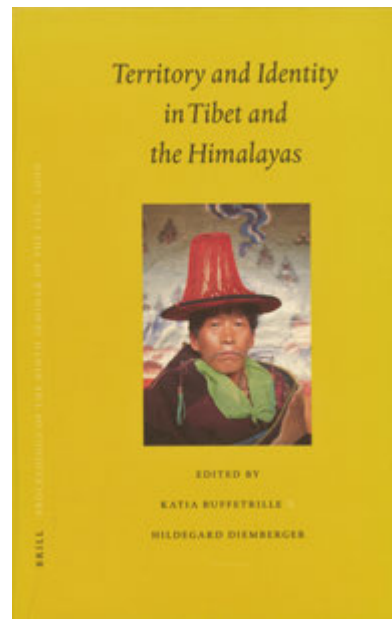
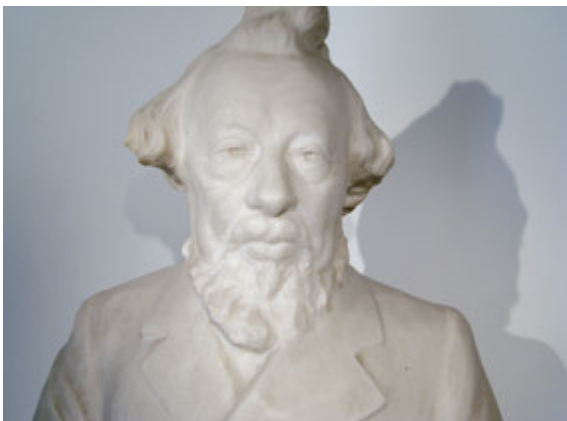
On par with developments in the field, Brill also aims to further extend its Japan and Korea programs well into the 20<sup>th</sup> and 21<sup>st</sup> centuries and provide a platform for critical analysis of premodern and modern East Asia. We will strive to achieve this with an attractive mix of products ranging from monographs, journals, handbooks and reference works, in print and online, as well as primary sources.

## Brill in South Asia

### The Cultural Heritage of South Asia at Brill

Brill's publications program reflects its long standing academic engagement with the cultural history of South Asia, particularly India and Tibet. Scholars specializing in textual traditions, rituals and arts of Hinduism, Buddhism and Jainism still find their way to the Leiden publishing house renowned for accepting highly-focused, quality academic studies that perhaps even require 'exotic' fonts. It is no coincidence that Hendrik Kern, the first professor for Sanskrit in the Netherlands (1865) worked with Brill to publish his pioneering work on Indian astronomy *Aryabhatiya: a manual of astronomy* in 1874. Until the present day, the religions of South Asia and Tibet inspire a steady stream of such scholarly publications.

Among the most recent are the multi-volume *Encyclopaedia of Hinduism* and the *Encyclopaedia of Buddhism*, which not only cover historical traditions, but also engage with Hinduism and Buddhism as worldwide phenomena in the present. Both encyclopaedias deal with textual and oral literatures in many of the languages in which Hindu and Buddhist traditions were laid down. Other focal points are important personages and movements throughout history and issues of doctrine and changes therein in time and space. Similar reference works on Jainism and Sikhism will soon widen the coverage scope even further.



Although Tibet has been included in Buddhist studies at Brill since the 19<sup>th</sup> century, this area now has a substantial corner of its own in Brill's *Tibetan Studies Library* edited by Henk Blezer c.s.

Willem Caland's study on the ancient Indian 'cult of the dead', published by Brill back in 1893, in fact started a constant stream of Brill publications in the field of religious studies and Sanskrit from Utrecht University. Most Indologists in Europe remember sweating over Jan Gonda's introductory grammar for Sanskrit (very concise and in German). He was also responsible for influential studies of Indian kingship, while Kamil Zvelebil continued Brill's involvement with Tamil studies. The Utrecht-based scholars Sanjukta Gupta and Teun Goudriaan contributed on Indian Tantrism for Brill's influential series *Handbuch der Religionen*.

Bust of Hendrik Kern, the first professor for Sanskrit in the Netherlands (1865). His pioneering work on Indian astronomy *Aryabhatiya* was published by Brill in 1874. Until this very day the religions of South Asia and Tibet inspire a steady stream of such high-quality, scholarly publications. (Instituut Kern Collection)



Multiple Buddhas, Ajanta, India, Cave 9, 5<sup>th</sup> century.

© Gerda Theuns

Although Tibet has been included in Buddhist studies at Brill since the 19<sup>th</sup> century, this area now has an ample corner of its own in Brill's *Tibetan Studies Library* edited by Henk Blezer c.s. It covers all aspects of Tibetan culture, both traditional as well as those of modern times.

The Kern Institute of Indology, founded in Leiden in 1925, proved a steady source of academic works on South Asia and the Netherlands Indies within Brill's direct reach. Among them is the annotated *Annual Bibliography of Indian Archaeology* (ABIA), which since 1928 covers arts and archaeology of 'Indianized' South and Southeast

Asia. While during most of the 20<sup>th</sup> century the ABIA was only available in printed volumes, with the help of the Jan Gonda Foundation and the International Institute for Asian Studies, the database was developed into an online reference tool. The recent move to Brill's reference shelves now offers ABIA a new platform for its steadily expanding data. The ABIA also seeks to cover literature published in Asia, for instance through partnerships with institutes such as the India Gandhi National Centre for the Arts in New Delhi. In 2017 the ABIA will get a digital makeover and this new 'avatar' is expected to offer increased functionality and visibility for its users.

Besides the ABIA, Brill has a long history of welcoming studies on Buddhist, Hindu and Jain art and architecture by scholars worldwide. The importance of the language of religions as expressed through their visual arts and architecture is already evident in *Principles of Composition in Hindu Sculpture* by the Swiss sculptress and art historian, Alice Boner (1962). The gradual expansion from mostly philological and religion-focused studies towards a wider spectrum including visual arts seems to have taken off from the time of the Amsterdam-based art historian Johanna van Lohuizen-de Leeuw, who had been trained at the Kern Institute, and who published her PhD thesis *The Scythian period* (1949) at Brill: a key publication to date on early Buddhist and Jain art of Mathura (India).

The focus at Brill on issues of iconography and the systems of meaning behind visual arts persists, as is quite evident in the *Studies on the Arts of South and Southeast Asia* series edited first by Johanna van Lohuizen-de Leeuw and later by Jan Fontein. Over the past several decades Brill has expanded its renowned *Handbook of Oriental Studies* with beautifully illustrated studies of South and Central Asia's art heritage covering the Buddhist architecture of Afghanistan, Pakistan and the Silk Road sites, Hindu sculptures in Kashmir (John Siudmak, 2013) early Buddhist architecture of Amaravati and the sculpted and painted caves at Ajanta in India (Walter Spink – seven volumes, 2005-2017).



Two Jinas, Narwar, India, 12<sup>th</sup> century. © Gerda Theuns

*Brills Indological Library*, under the editorship of Johannes Bronkhorst, also offers in-depth studies of India's art, archaeology and religious history, via such volumes as Doris Srinivasan dealing with pre-Kushana India (2009), Richard Mann's study of the Hindu deity Karttikeya (2012) and Akira Shimada on the Buddhist *stupa* at Amaravati (2013).

For scholars who may wish to bring slightly more concise studies on pre-modern India to Brill, the *Indo-Iranian Journal* offers a suitable platform. Published since 1957, and celebrating its 60<sup>th</sup> anniversary in 2017, it was primarily focused on the ancient and medieval Indo-

Iranian languages, literatures and religions, in particular where these have shared roots. The journal also brings studies on Jainism and Buddhism, including those that would use epigraphic source materials to further our understanding of India's cultural history.

Brill's expansion in India is also apparent in its growth in the market where there is a renewed publishing focus on contemporary India, engagement with Indian scholars, and in the field of marketing and sales a new partnership with ACCUCOMS (Accurate Communications for Publishers and Libraries) who have an established field office in India and can help increase Brill's reach and visibility in the Indian market.

## Brill in Southeast Asia

### Singapore, Malaysia and Indonesia

With Brill's regional Asian office now based in Singapore there are ample opportunities to expand its cooperation with academics and universities in Southeast Asia.

Publications on and from the region have been stepped up. Brill publishes the journal *Chinese Overseas* with the Chinese Heritage Center at Nanyang Technological University (NTU) in Singapore, the impact-factor *Asian Journal of Social Sciences* based out of the National University of Singapore (NUS) and *Al-Bayan: Journal of Qur'an and Hadith Studies* with the University of Malaya in Kuala Lumpur to name but a few.

In the area of International Law Brill Nijhoff has close ties to the Center of International Law at NUS, specifically given their expertise in Law of the Sea and Maritime Law, also a key publication area at Brill.

For centuries Brill has been publishing about Indonesia, but now Brill increasingly receives attention from the new generation of Indonesian scholars who recognize Brill as a specialized publisher where they can submit their works



for publication. Publications by Brill on the studies of Indonesia can be traced back to the beginning of the 19<sup>th</sup> century and continue to the present day.

As a resource for research on Indonesian studies, some older scientific books from the antiquarian collection include the flora and fauna (*De vogels van Nederlandsch Indië: beschreven en afgebeeld*, Herm. Schlegel 1866; *Bijdragen tot de kennis der flora van Midden-Sumatra*, Arend Ludolf van Hasselt 1884), on archaeological heritage (*Bôro Boedoer op het eiland Java*, Conrad Leemans 1873), mapping and the geographical area studies (books of D.D. Veth in 1882: *Aardrijkskundige beschrijving van Midden Sumatra met atlas; Kaart van Midden Sumatra*), and specific documentation of Islamic legal code for Javanese (*Kitab Toehpah, een Javaansch handboek voor het mohammendaansche regt*, T. Roorda 1874). The famous C. Snouck Hurgronje made an important contribution to the ethnography of Indonesia with his two-volume publications about Aceh (*Atjehers*) published in 1893-1894 and Lindor Serrurier – the first Dutch researcher on the history of the Javanese wayang puppets – published his important work in 1896: *De wajang poerwâ: eene ethnologische studie*.

In the field of humanities, the scientific interest of Indonesia as the colony at that time grew fast, motivated by the development of the academic discipline of Indology at the University of Leiden and the implementation of the Dutch colonial policy. The growing interest was stimulated

Testifying to the rich flora and fauna of Indonesia, Herman Schlegel brought together an exquisite collection of birds richly coloured and illustrated in his *De vogels van Nederlandsch Indië: beschreven en afgebeeld*, published by Brill in 1866, p. 160, A12, plate 4. (Coll Leiden University Library)

by the former Royal Institute for Linguistics, Geography, and Ethnography (KITLV), founded in 1851 and located since 1966 in Leiden, now the Royal Netherlands Institute of Southeast Asian and Caribbean Studies. This increased interest nurtured also a growing demand for publications on Indonesian studies.

The study of Malay and the indigenous languages was part of the Dutch colonial language policy from the 19<sup>th</sup> century onwards to facilitate missionary activities and communication with local rulers. As result, a substantial corpus of lexicographical and grammatical studies published by Brill appeared during the last quarter of the 19<sup>th</sup> century. Some of these important scholars and their publications are noteworthy to mention. The first scholar to take an interest in the lexicographical study of Madurese was Albert Cornelis Vreede. Brill already published his manual of the language in 1874 (*Handleiding tot de beoefening der Madoeresche taal*). Another scholar, Hendrik Kiliaan, besides his Dutch-Madurese dictionary published in 1898 in Batavia by the Landsdrukkerij, also compiled a two-volume Madurese-Dutch dictionary (in Javanese script) published by Brill (1904-1905). For the study of the Indonesian lexicon the following publications are still important references: Malay-Dutch dictionary (*Nieuw Maleisch-Nederlandsch woordenboek*) compiled by the Dutch missionary and Bible translator H.C. Klinkert in 1885. Another version of this dictionary provided with Arabic script is *Nieuw Maleisch-Nederlandsch woordenboek met Arabisch karakter* (1893) and the supplement (*Supplement op het Nieuw Maleisch-Nederlandsch woordenboek met Arabisch karakter*) published in 1898.

Other lexicographical works on indigenous languages published in the first half of the 20<sup>th</sup> century that should be mentioned are for example: *Karo-Bataksch woordenboek* (M. Joustra, 1907) and *Tontemboansch-Nederlandsch woordenboek* (J.A.T. Schwarz, 1908), *Bijdragen tot de Javaansche etymologie* (A.C. Vreede, 1908).

The tradition of publications on Malay continues to this very day. In 2016, Brill published the beautifully illustrated *Magic and Divination in Malay Illustrated Manuscripts* by Farouk Yahya from SOAS in London, which was launched in Singapore and Kuala Lumpur. It appeared as volume 6 in the series Arts and Archaeology of the Islamic World.

Palm leaf manuscripts on Islamic theology and on interpreting the twitching of parts of the body. East Pasisir, Java, late sixteenth century, Ms. Cod. Or. 266, a) fols. 67v-68r; b) fols. 73v-74r. (Coll. Leiden University Library) in: *Magic and Divination in Malay Illustrated Manuscripts*, p. 44. (Brill, 2016)

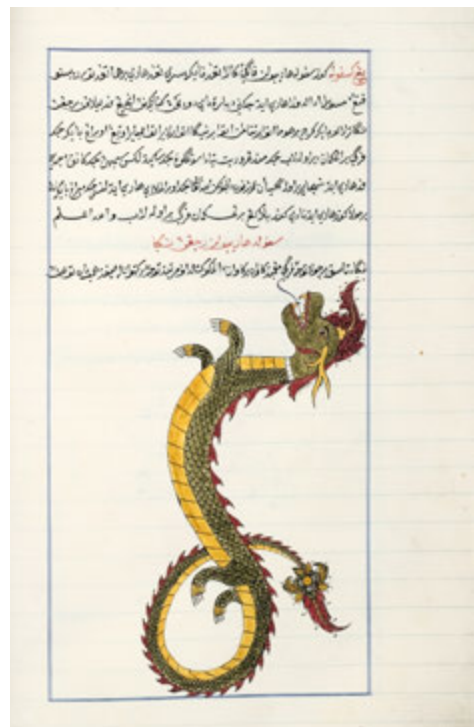


In 2012 Brill took over the publications of KITLV Press, which included publications such as the modern bilingual receptive dictionary for the Dutch *Indonesisch-Nederlands woordenboek* (A. Teeuw, 1<sup>st</sup> ed. 1990) and the comprehensive productive version for the Dutch *Nederlands-Indonesisch woordenboek* (S. Moeimam & H. Steinhauer, 1<sup>st</sup> ed. 2004). In 2006 the pendant of the 2004-Moeimam & Steinhauer's dictionary (the receptive version for the Indonesians) was published by the Indonesian publisher Gramedia Pustaka Utama in Jakarta. These three dictionaries together are used as reference tools for either Dutch or Indonesian speakers. In 2015 the second edition of Rob van Albada & Theodoor Pigeaud's dictionary *Javaans-Nederlands woordenboek*, which uses the famous 1938-Pigeaud's dictionary as the basic lexicon with Van Albada's addition of 6,000 entries in the 1<sup>st</sup> edition under KITLV Press and another 13,000 entries in this edition, appeared at Brill.

In 2010 *Encyclopedia of Indonesia in the Pacific War* appeared, written by an international team of researchers (Peter Post, William Bradley Horton, Iris Heidebrink, Shigeru Satō, Didi Kwartanada). Edited under the aegis of the Netherlands Institute for War Documentation, the *Encyclopedia* presents a well-balanced view on the political, socio-economic and cultural developments in Indonesia in and around the complex period of World War II. In 2010 this publication was a Winner of the Choice Outstanding Academic Title Award.

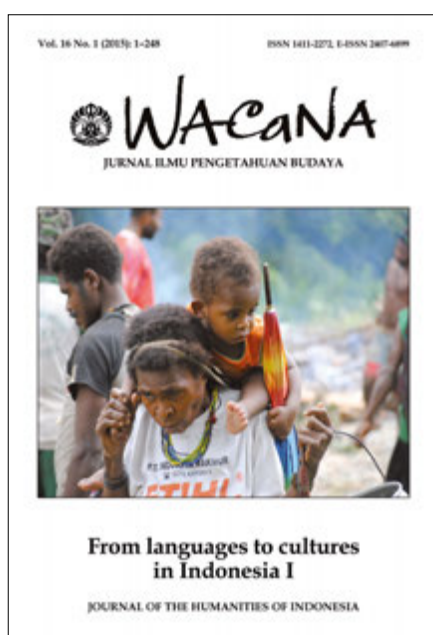
Additional recent publications which cover a variety of disciplines that can be mentioned are amongst others: Amelia Fauzia (2013, *Faith and state: A history of Islamic philanthropy in Indonesia*), Clara Brakel-Papenhuyzen (2014, *Dairi stories and Pakpak storytelling*), Kees Buijs (2016, *Personal religion and magic in Mamasa, West Sulawesi*), and Nurul Ilmi Idrus (2016, *Gender relations in an Indonesian society: Bugis practices of sexuality and marriage*).

*The Nāga (Naga, right)* in Sanskrit and Pali is the word for a deity or being, taking the form of a very great snake and is found in Indian religions, mainly Hinduism, Buddhism and Jainism, but has spread to Islam as shown in: *Magic and Divination in Malay Illustrated Manuscripts*, p. 111. (Brill, 2016) The illustration is taken from the *Rejang calendar, Perak, 1882. ras Maxwell 15 (cat. 84), fols. 86v–87r.* (Coll Royal Asiatic Society of Great Britain and Ireland)



Publications and libraries are two important requirements in the scientific development of a country. As a publishing company Brill not only has been present in Indonesia since colonial times and during the beginning of the Republic of Indonesia through its publications on Indonesian studies, but it also contributed to the acquisition of books for Indonesian libraries. As one of the results of the Round Table Conference in 1949 with regards to the agreements in the field of science, Brill cooperated with the Hatta Foundation to complete the collection of several libraries in Indonesia. 67 years later in 2016 Brill again, within the framework of Brill's Adopt a Library programme, donated approximately 500 books each to the libraries of Tanjung Pura University, in Pontianak – West Kalimantan and Halu Oleo University in Kendari – Southeast Sulawesi.

In the same year Brill initiated an academic cooperation in online publication of the scholarly international journal of Faculty of Humanities, Universitas Indonesia (*Wacana, Journal of the Humanities of Indonesia*). During the official handover of the books donated by Brill to the above mentioned universities, representatives of Brill and *Wacana* gave workshops to support Indonesian academics in their endeavours to increase the number of international academic publications and to make their works more known to a wider international audience.



Brill continues its steady stream of publications on Indonesia and its engagement with Indonesian universities and scholars. Historically these are strong ties that benefit from nurturing mutual respect and helping build the international reputation of Indonesian scholars both abroad as well as in the homeland.

In 2016 Brill initiated an academic cooperation in online publication of the scholarly international journal *Wacana, Journal of the Humanities of Indonesia*, published out of the Faculty of Humanities, Universitas Indonesia.

## The Future

So what does the future look like for Brill in Asia? It is undeniable that more and more authors and editors, and thus their research, will find its way to Brill and will improve in quality and impact as the number of universities in Asia increases and governments spend more on education and increase R&D spending. Asia will add to the diversity and dynamics of Brill, not being an ‘oriental’ and ‘exotic’ publisher publishing on Asia, but increasingly including Asia and Asian scholars in the global scholarly discourse providing a platform to offer their unique data and research perspective to the global world.

We are ready for ‘The Asian Century’, even though it may have come slightly later than Jan Romein had earlier predicted in the 1950s. We invite you to continue to accompany us on our journey, be it as author, editor, reader and user, librarian, or investor. We continue to invest in high-quality research publications that facilitate the needs of academic researchers and uphold Brill’s sustainable and excellent longstanding scholarly reputation.

*Generous contributions to this article are gratefully acknowledged with special mention of the contributing authors: Qin Higley (China), Inge Klomp makers (Japan & Korea), Peter O’Connor (Primary Sources East Asia), Ellen Raven (South Asia), Susi Moeimam (Southeast Asia - Indonesia). Ronald Steur and Pim Rietbroek contributed to the section on Asian Typography. Frances Knikker and Gerda Theuns supplied illustrations. The overall editing was done by Liesbeth Kanis.*

## Colophon

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Rotating Nāga with two nāga.  
Probably Palembang, nineteenth century. bmkmr eap153/13/32 (cat. 5), fol. 2r. Courtesy of the Endangered Archives Programme, eap 153 / Balai Maklumat Kebudayaan Melayu Riau. *Magic and Divination in Malay Illustrated Manuscripts*, p. 125

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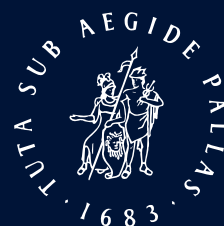
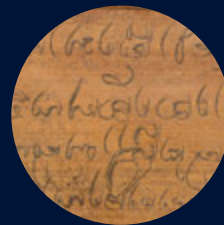
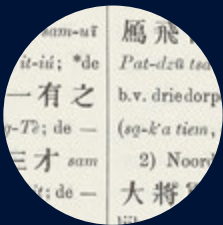
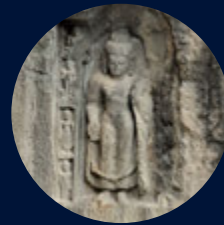
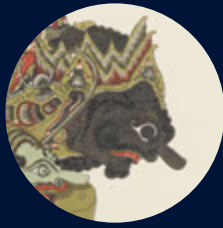
Pawukon (Javanese divination calendar) in Malay.

Java, c. 1811–16. ras Raffles

Malay 41, pp. 1–2. Copyright of the Royal Asiatic Society of Great Britain and Ireland.

*Magic and Divination in Malay Illustrated Manuscripts*, p. 165









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