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## CeWe Q1 development somewhat weak

Always in the red at the beginning of the year due to seasonal business

Börsen-Zeitung, 22.5.2009 m.  
Hamburg – In accordance with the usual seasonal nature of its business, Europe's leading photofinisher CeWe Color was in the red by EUR 15.0 million (previous year EUR 14.1 million) after the first quarter of the year. "In Q1, photofinishing is like selling ice cream in winter" was how the interim report described the situation. "Despite the financial and economic crisis, CeWe expects to achieve last year's level again, with total sales for the year at EUR 420 to 425 million and earnings before tax of EUR 10 to 15 million." The company wants to develop better than the economy in general. Since consumers purchase typical CeWe products at relatively low prices while at the same time attaching considerable emotional value to these products, the line of business is not very sensitive to economic development. Turnover in the first quarter weakened slightly, by 1% to EUR 81.7 million. Closures of the plants in Paris and Teplice (Czech Republic) resulted in non-recurring costs of

CeWe Color  
consolidated IFRS figures

EUR million	1. quarter	
	2009	2008
Sales	81.7	82.5
Cost of materials	34.7	32.6
Personnel costs	30.6	31.4
Operative earnings	-14.9	-14.1
Financial income	-0.6	-0.2
<u>Earnings before tax</u>	<u>-15.5</u>	<u>-14.3</u>
Earnings after tax	-16.7	-11.8
<b>Pr. per share(EUR)</b>	<b>-2.38</b>	<b>-1.82</b>

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EUR 9.4 million. Losses before taxes rose to EUR 15.5 million (EUR 14.3 million). Losses before restructuring amounted to EUR 6.2 million (EUR 4.5 million).

Closure of the two operations means that a phase of reorganisation lasting several years, which have reduced annual profits by an average of EUR 10 million a year for the past five years – virtually halving these profits - has been completed. The fact that these costs will no longer be incurred will enhance earnings as of 2010.

In the past seven years CeWe Color has invested considerably in new digital technology. This wave of investments is now also receding. This is why the free cash flow of the company, at EUR 8.0 million (EUR 11.2 million), was clearly more negative. "This is the best Q1 cash flow in five years," CEO Rolf Hollander explains.

In the first quarter of the year the total number of photos developed fell by 4.8% to 504 million photos. The number of digital photos on the other hand rose by 13.3% to 391 million photos. This means that as many as 78% of all the photos developed are digital. The financial situation of the company is good, with the capital ratio at 40.8%. Current negotiations with banks would further improve the long-term capital structure of the company.