


CeWe Color Holding AG

German Equity Forum

Frankfurt, November 9, 2009





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- Europe's No. 1 photo book
- Outstanding quality
- Simple and easy to create
- Huge range of sizes and covers

My CEWE PHOTOBOOK
Your photos printed as a book!

Save all your treasured memories in a CEWE PHOTOBOOK. Combine your photos with attractive back grounds, text and a personalised page designs. Each book is professionally printed and bound using the very latest technology - from £5.99.*



www.cewe-photoworld.co.uk

This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of CeWe Color. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to conform them to future events or developments.

All numbers are calculated as exactly as possible and rounded for the presentation. Due to this, rounding errors might occur.



Agenda



- Who is CeWe Color?
- 5 good reasons to invest in CeWe Color
- Results 2008, Q2/2009 and 2009 outlook



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2009 corporate structure

(in August 2009)

- 13 production plants
- 24 European countries
- 2,800 employees
- 1,300 courier service drivers
- 50,000 retail partners (PoS)
 - (- 35,000 PoS supplied direct by CeWe Color
 - 15,000 PoS supplied through customers' logistic systems)
- 191 retail stores in Central Eastern Europe and Norway
- EUR 420 million revenue (2008)



• Production sites

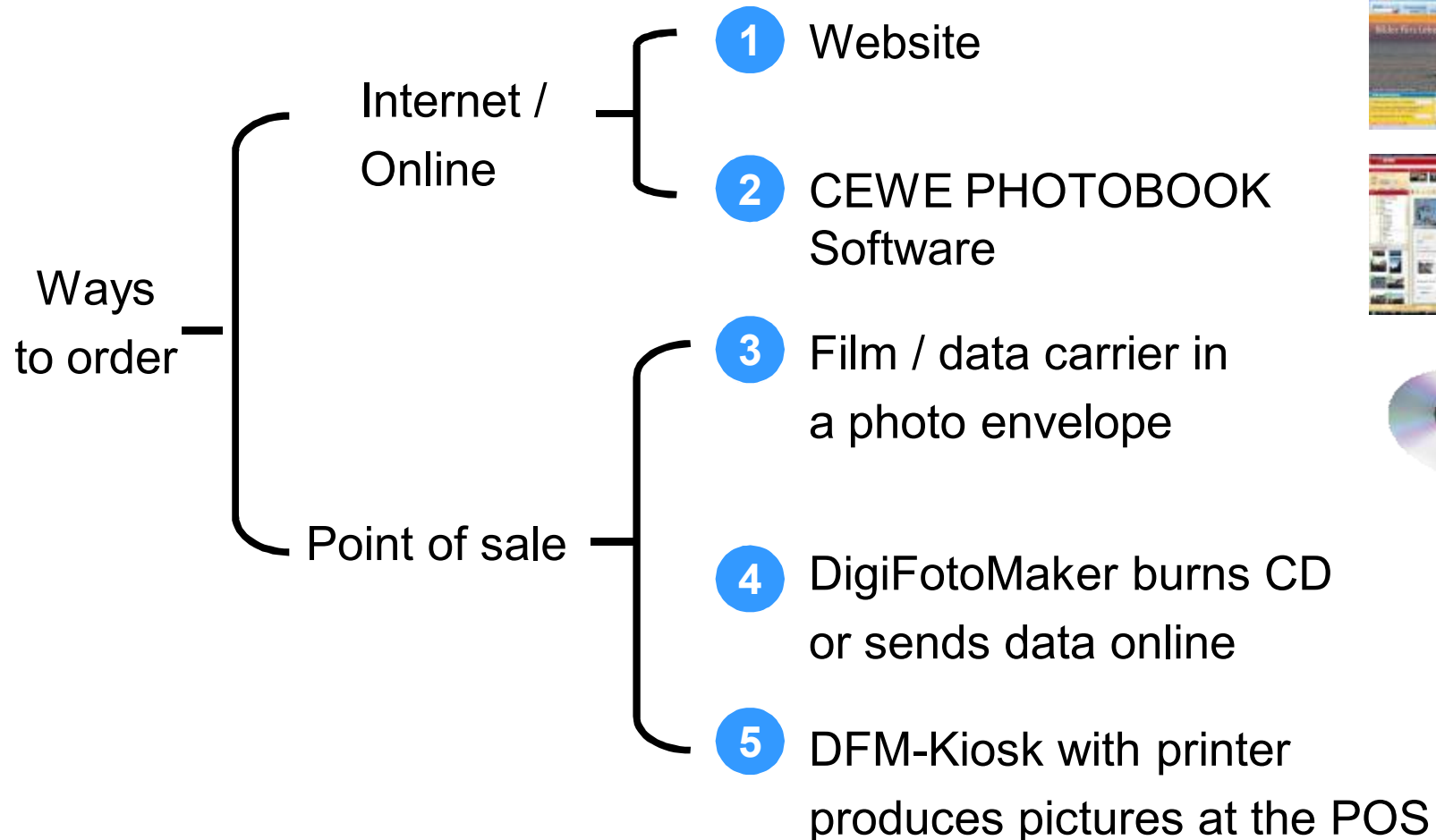
➔ CeWe Color is the leading photo service company in Europe

50,000 trade partners in Europe

Pharmaceutical markets	Photo retailers	Internet retailers
		
Home electronics stores	System partners	Food retailers and department stores
		

- ➔ We reach consumers through strong retail brands
- ➔ Retail partners invest in distribution and marketing
- ➔ Retail sales channels with online retailers and system partners

Different ways to order CeWe products



➔ CeWe offers all possible ways to place an order

Overview CeWe products

Photofinishing Products

Prints from digital and analogue cameras



CEWE PHOTOBOOK



Photo gift articles and Print products
(e.g. calendars und greeting cards)



➔ Digital printing becomes more important

Personalised photo products

1. Photo gift articles



2. Wall decoration



3. Print products



 **Added-value products to generate growth**

1 Photo gift articles



Mousepad



Mug



Shoulder bag



Sports bag



Lunch box

➔ CeWe Color offers a wide range of photo gifts, now also school supplies for pupils

2 Wall decoration (1/2)



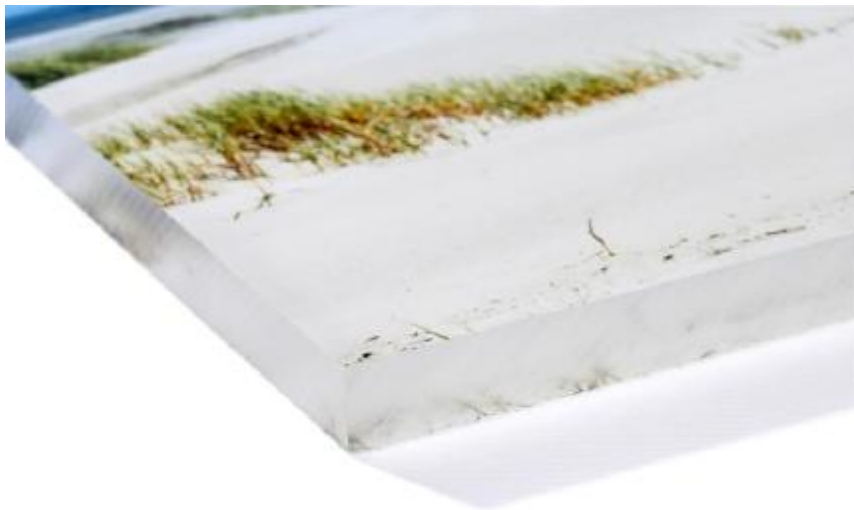
- 14 formats, from: 20x30 cm to 90 x 160 cm
- 5 formats with shadow gap frames



➔ A photo canvas is an attractive wall decoration element

2 Wall decoration (2/2)

Poster behind acryl glas



Poster on aluminium composite plate



➔ CeWe offers a wide range of poster products

3 Print products

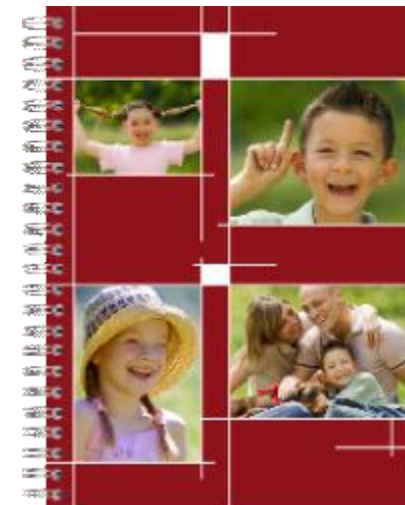
Desk-top and wall calendars



Greeting cards and post cards



Notebooks for students and pupils



➔ Personalised cards, calendars and notebooks

CEWE PHOTOBOOK



summer beach fun!

My **CEWE PHOTOBOOK**
Your photos printed as a book!

Save all your treasured memories in a CEWE PHOTOBOOK. Combine your photos with attractive back grounds, text and a personalised page designs. Each book is professionally printed and bound using the very latest technology - from £5.99.*

- Europe's No. 1 photo book
- Outstanding quality
- Simple and easy to create
- Huge range of sizes and covers

2006 AWARDS TPA

cewe
simply beautiful photos

www.cewe-photoworld.co.uk

* 99p per 4 CEWE PHOTOBOOK SMALL 20 pages incl design VAT includes postage and printing

➡ The top seller

CEWE PHOTOBOOK



- ➔ **Widest range of products**
- ➔ **Highly attractive for retailers and consumers**

CEWE PHOTOBOOK

New CEWE TOPIC PHOTOBOOKS



Summer holiday



Winter holiday



Scrap design



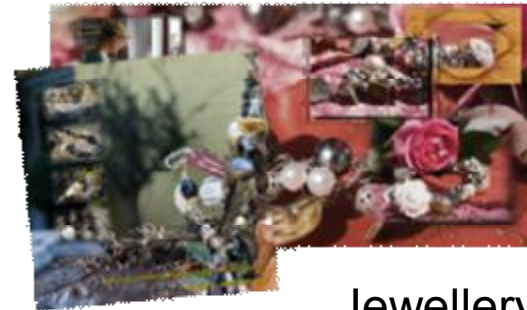
Baby

- ➔ **12 new CEWE TOPIC PHOTOBOOKS e.g. summer holiday, winter holiday, baby, scrap-design, soccer, wedding...**
- ➔ **2 new CEWE PHOTOBOOKS formats: XL and large panorama**

Commercial customers of CEWE PHOTOBOOKS



Building constructor for
half-timbered houses



Jewellery designer



Bathroom fitter



Veterinarian surgery

 **Commercial customers use CEWE PHOTOBOOK as a
promotion brochure**

CEWE PHOTOBOOK Awards



ETM
Testmagazin
April 2009



EISA Award
2009 – 2010



Stiftung
Warentest
August 2009
Partner: Saturn



SaLDo
(Switzerland)
Mai 2009





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- Who is CeWe Color?
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- Results 2008, Q2/2009 and 2009 outlook

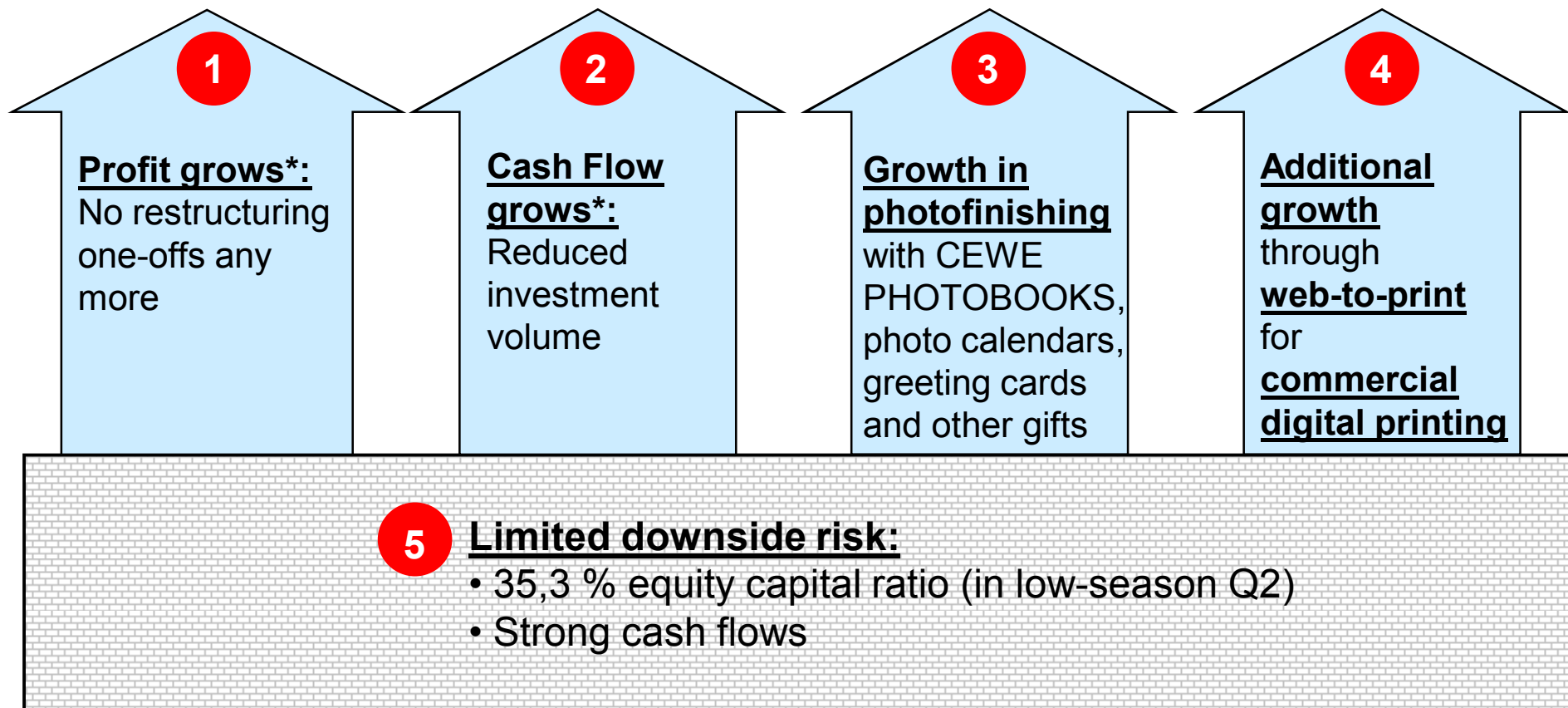
Five reasons for an investment in CeWe Color

Reduced extra burdens

Analogue to digital transition completed

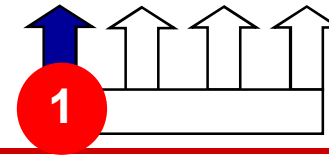
Growth

Mega trends as a growth driver: individualisation / personalisation

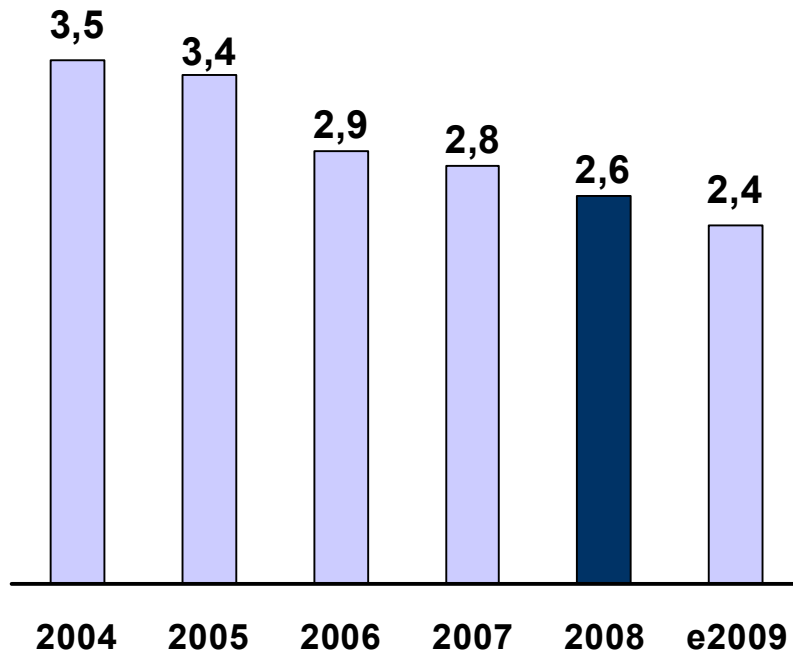


* Ceteris paribus

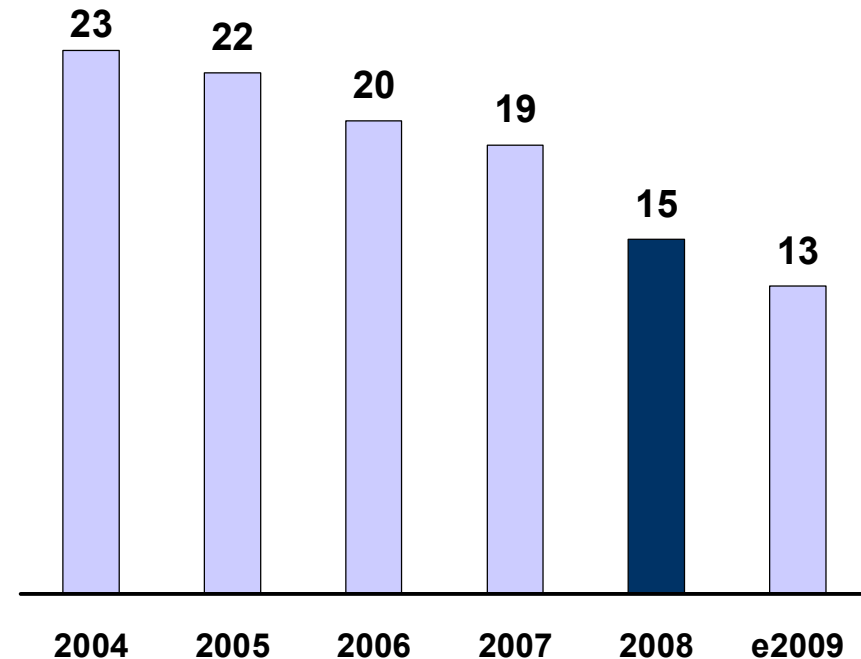
Timeline of restructurings



Photos from films
in billion units



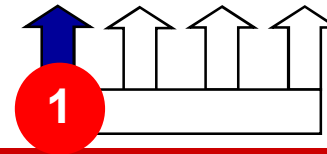
Number of production sites



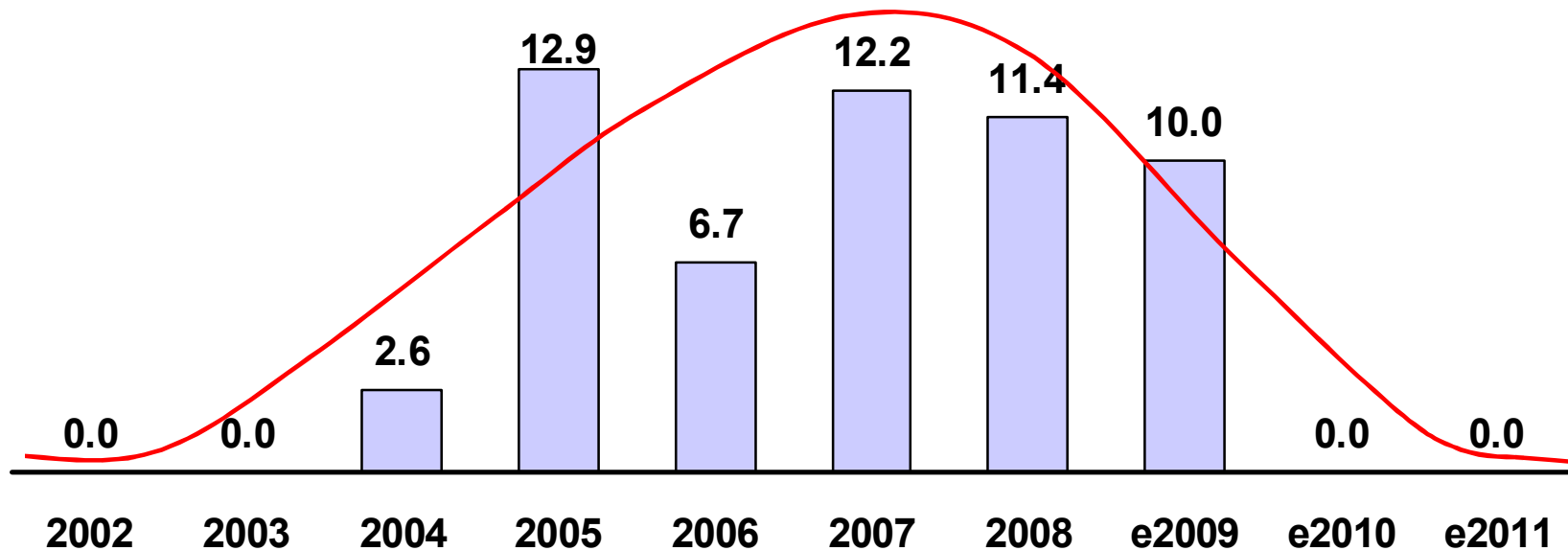
➡ **Capacity reductions in line with the volume trend**

➡ **Remaining operations more efficient**

Restructuring expenditure

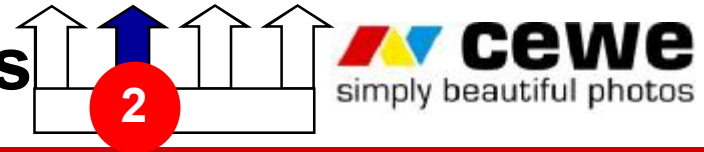


Restructuring expenditure caused by the analogue-digital-transformation
in million euros



➔ From 2010 on no more restructuring expenditure will occur due to analogue/digital transformation

Investments in digital capacities

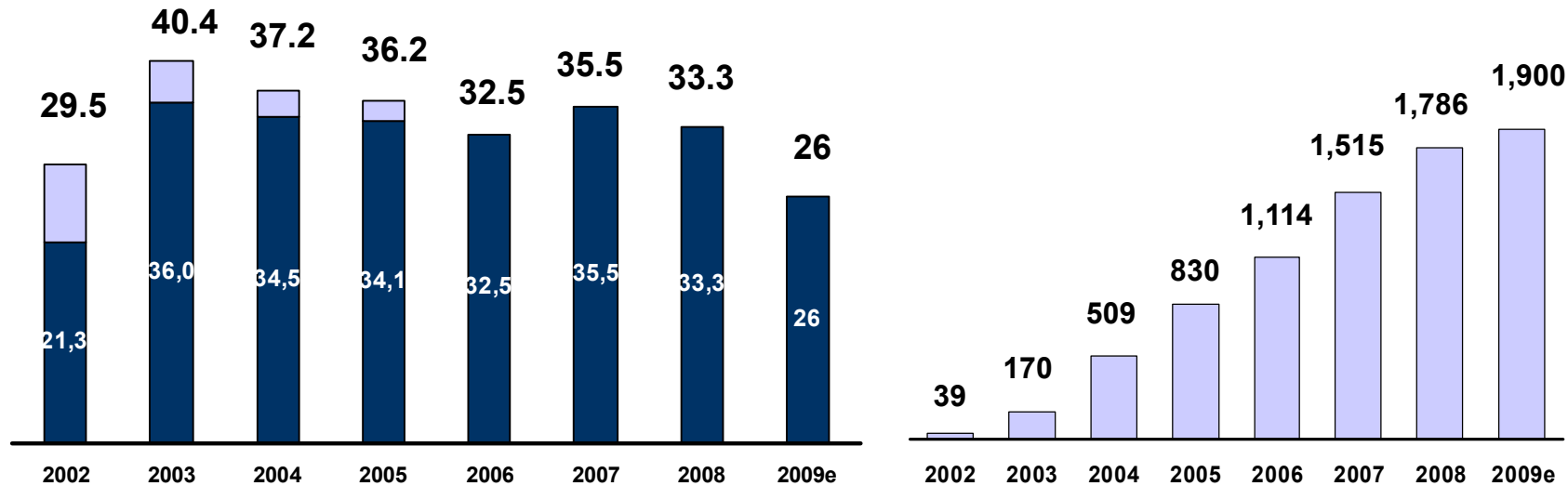


Investments
in EUR millions

Digital photos
in millions

**Investments
> EUR 225 million**

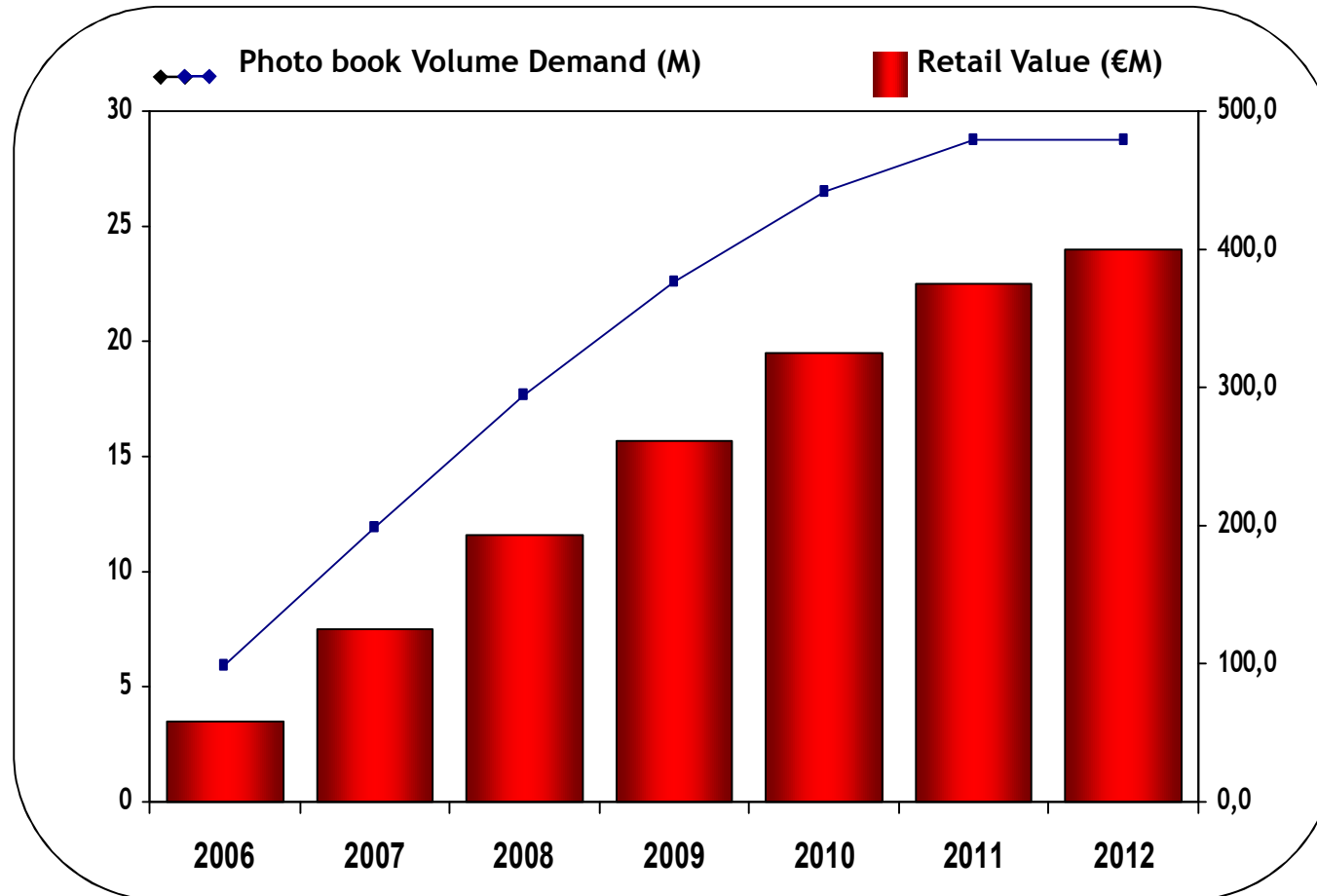
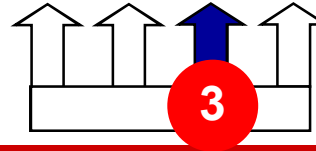
**1.8 billion digital
photos in 2008**



■ Investment in digital capacity □ analogue capacity

- ➔ **CeWe has consistently invested more than EUR 225 million in building up digital business early**
- ➔ **Capacities are largely sufficient. From 2009 on it may be possible to reduce investments**

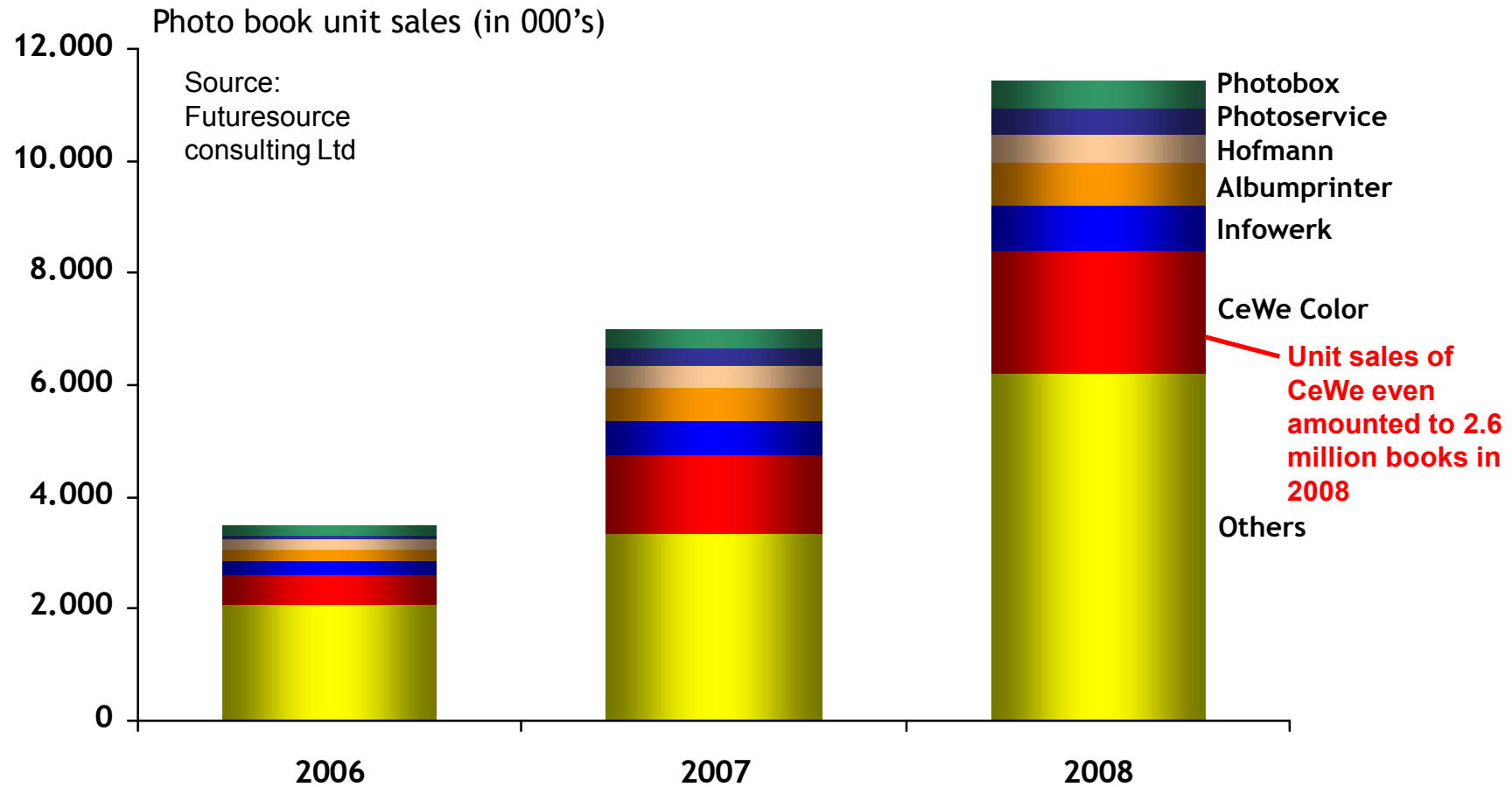
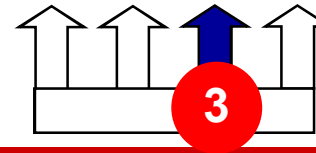
Photo book market development: Western Europe



Source:
Futuresource
consulting
Ltd

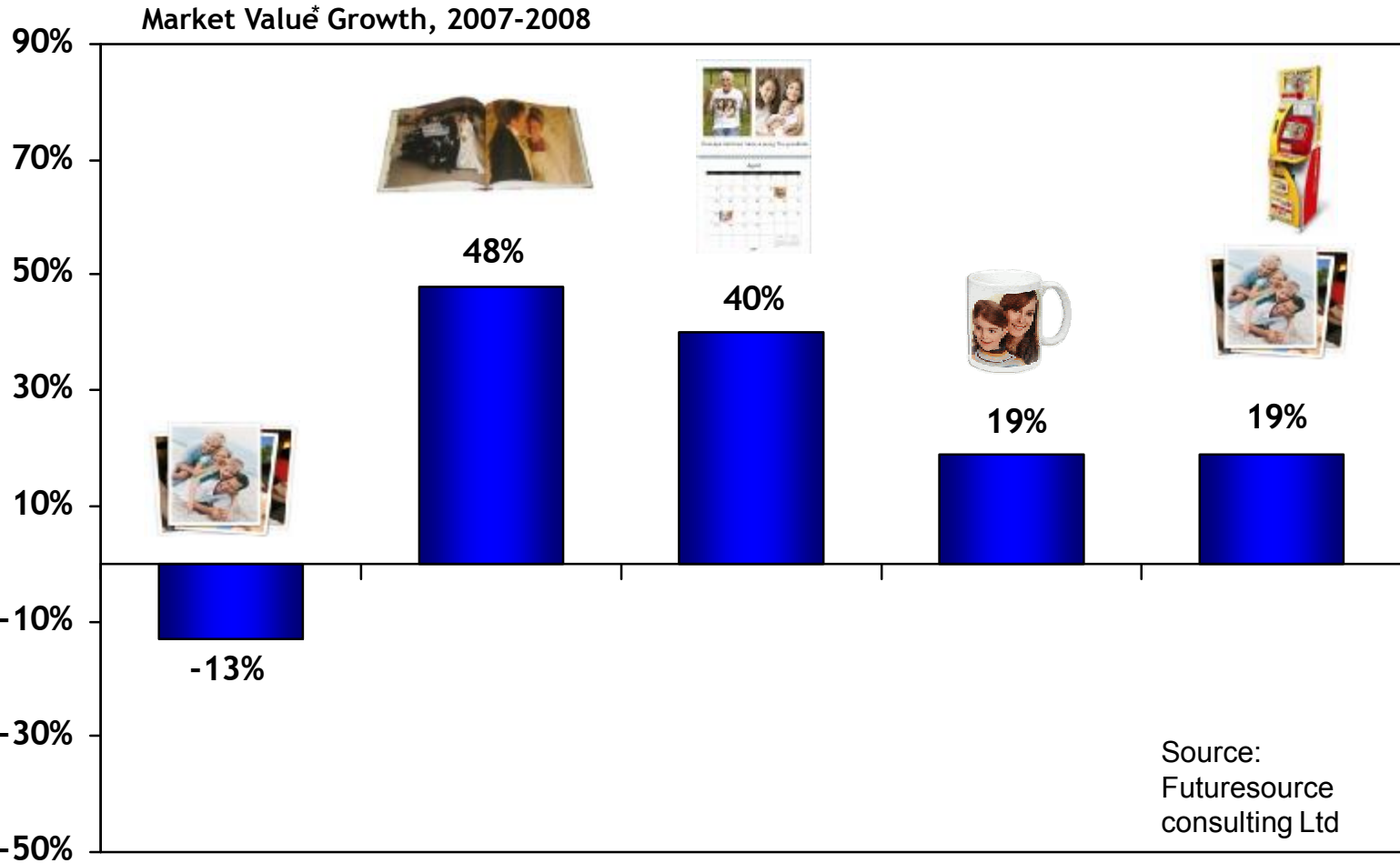
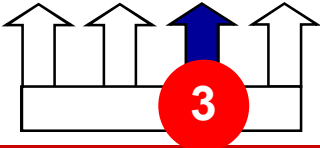
➔ The photo book market is still growing strongly

Photo book development by manufacturer: Western Europe



➔ **CeWe is the European photo book market leader**

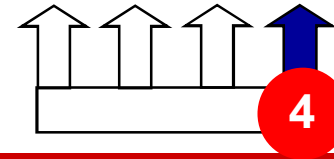
Growth Opportunity Photo Products: Western Europe



➔ CeWe participates fully in the market growth

* Retail value

Commercial digital printing



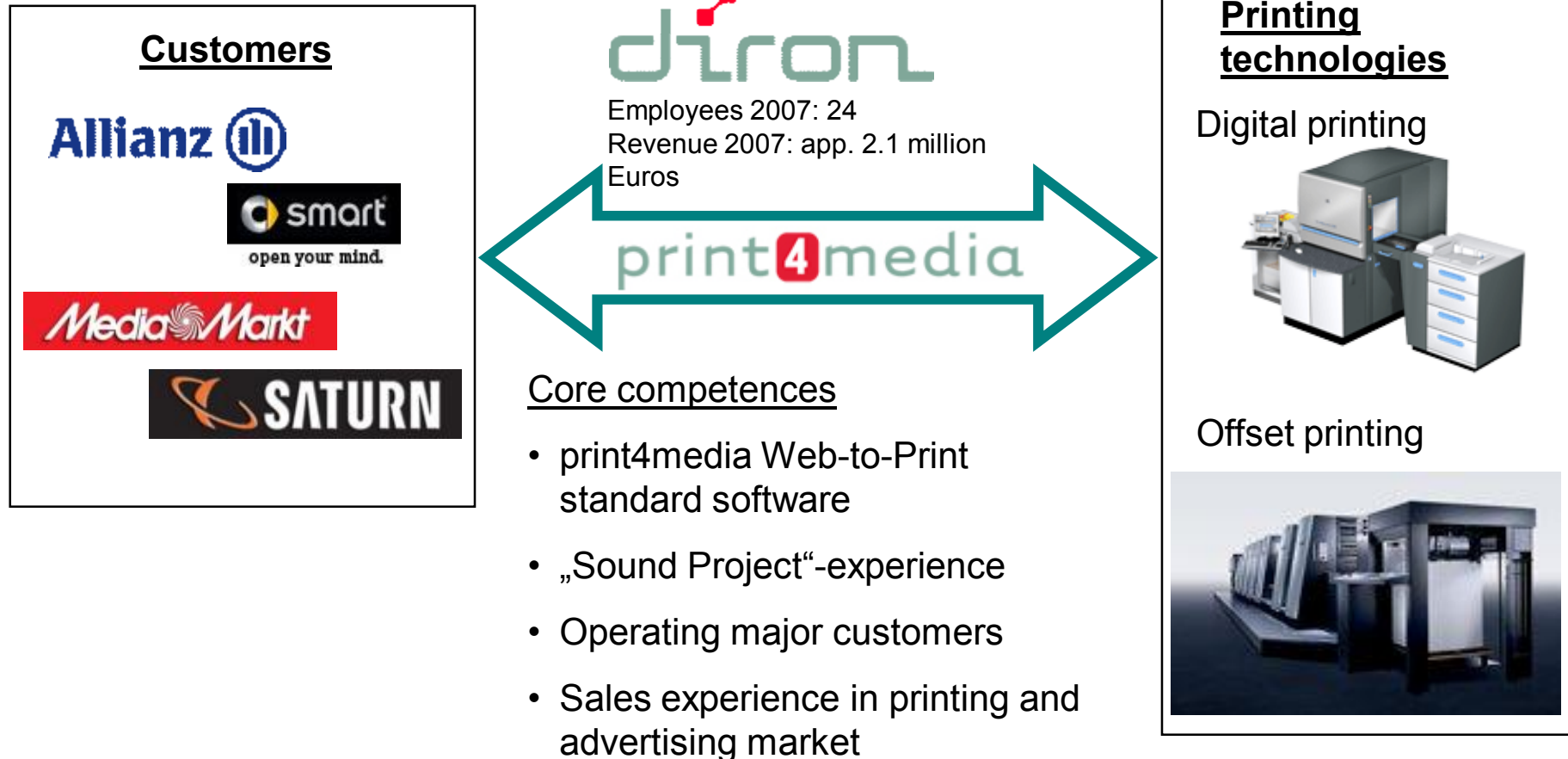
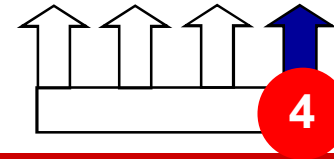
CeWe Color acquired the company diron on October 1, 2008.



Objective: Entering in the digital printing market for commercial customers

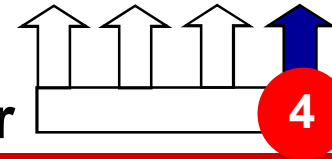
➔ Commercial digital printing – a new pillar of the business

Business concept of diron

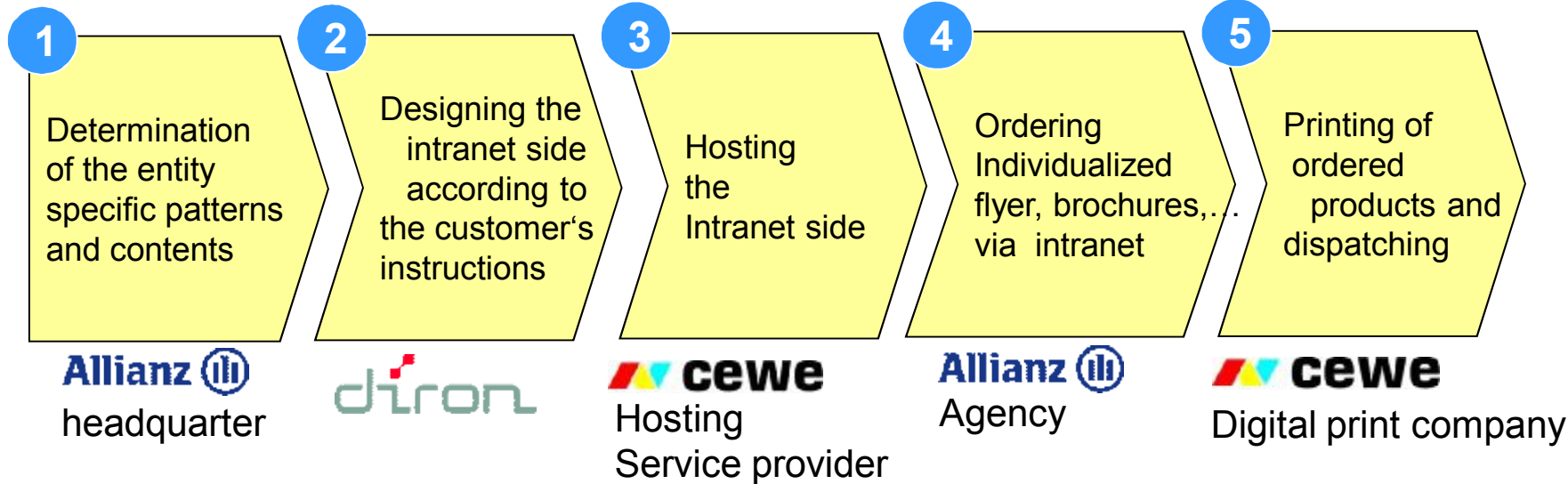


➔ diron is software market leader in the Web-to-Print area

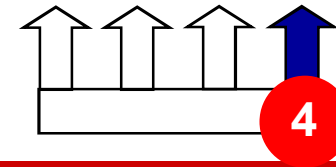
Example for a Web-to-Print business process of a large corporate customer



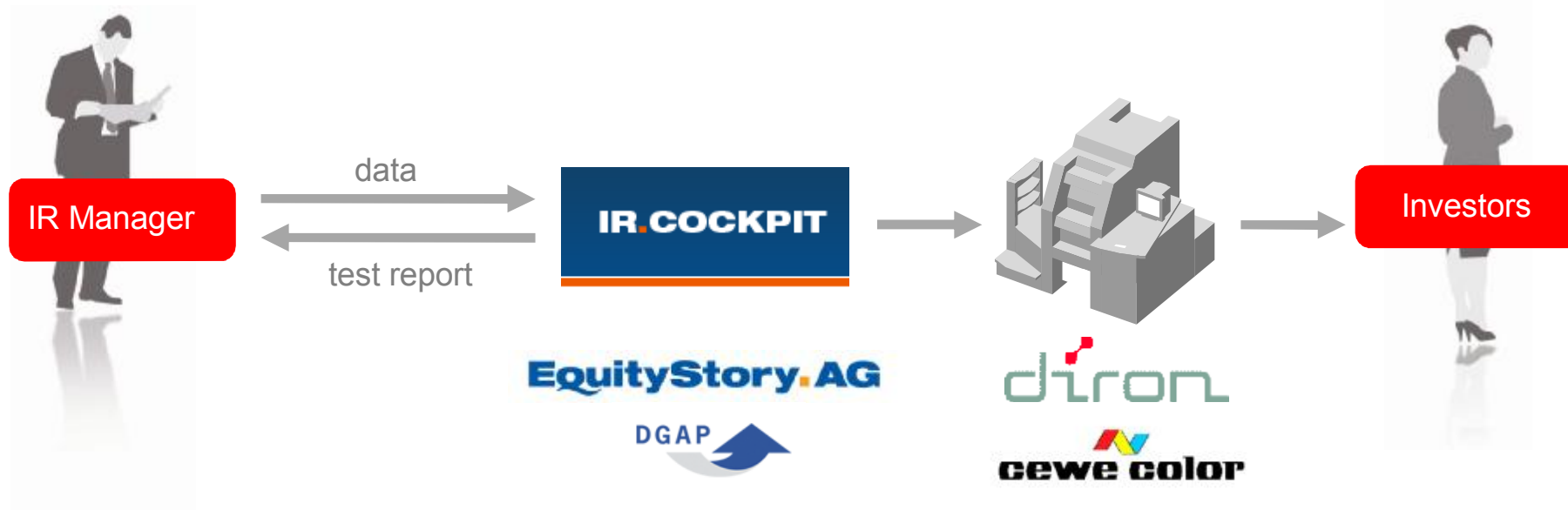
Allianz intranet



➔ **Shared offer of CeWe Color and diron for commercial printing services**

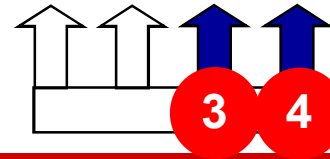


EXAMPLE



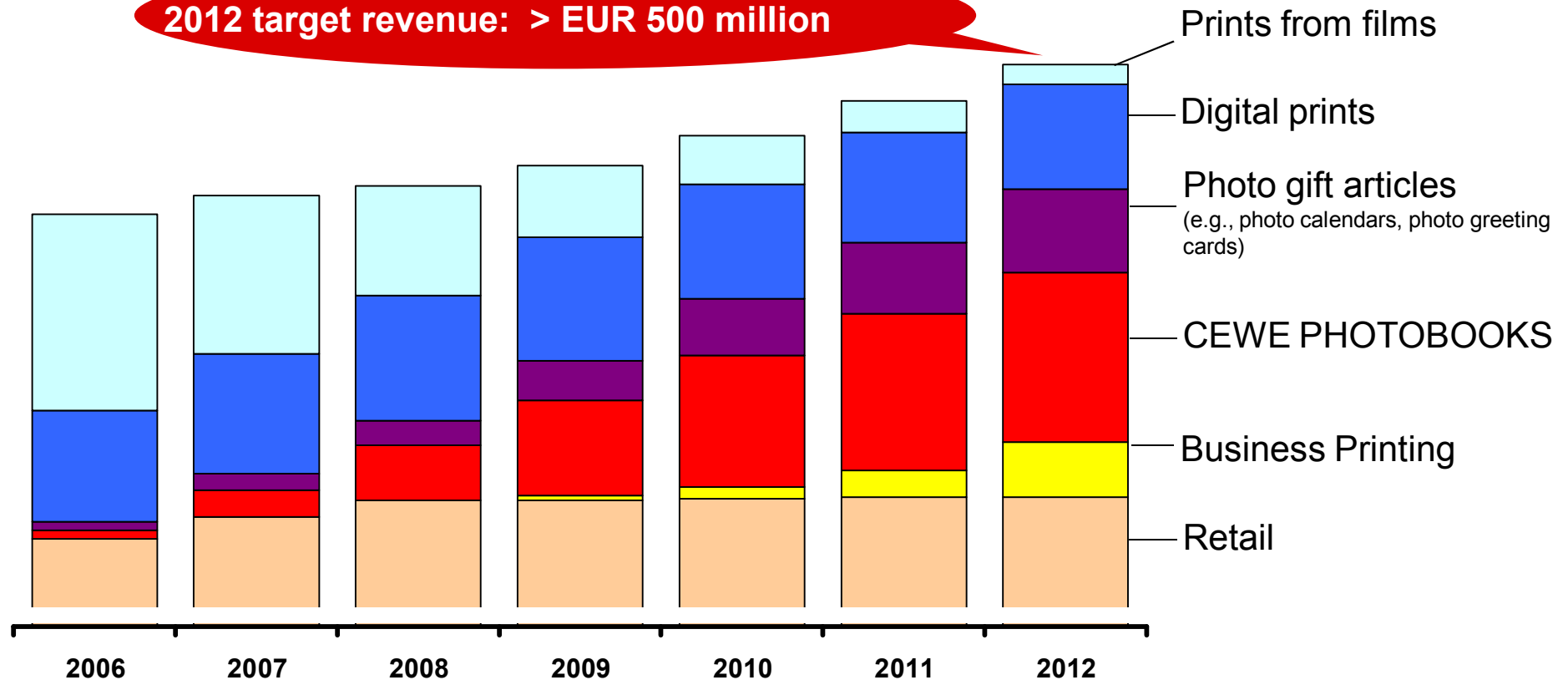
➔ **diron and EquityStory AG: higher quality and lower costs in on-demand IR communication**

Growth in revenue for various product groups



CONCEPTUAL

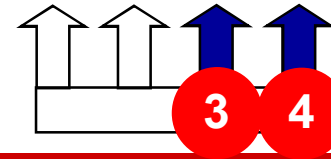
2012 target revenue: > EUR 500 million



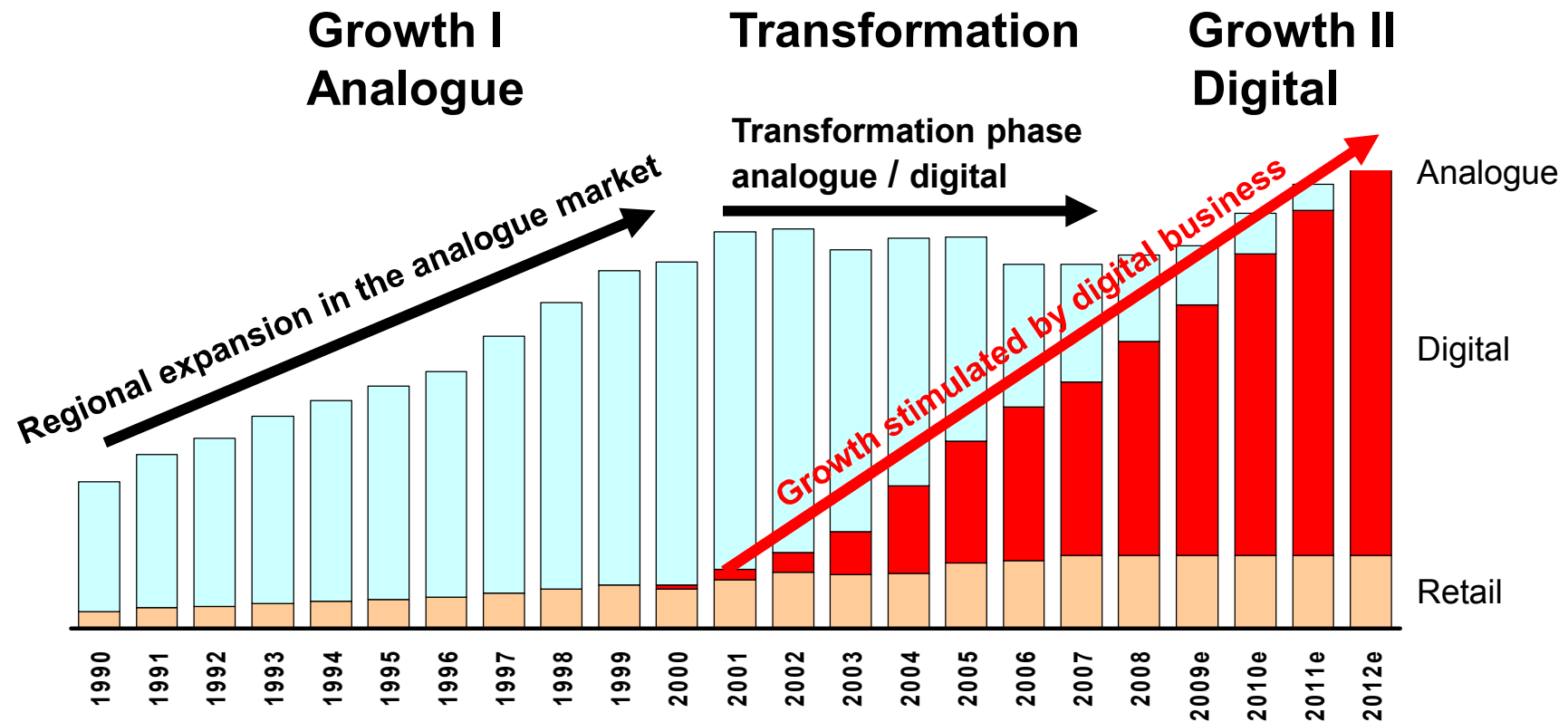
➔ Growth through digital printing (CEWE PHOTOBOOK, photo calendars, greeting cards and business printing)

NB: Contains only revenues from product groups currently sold or in the development stage

Two CeWe Color growth phases

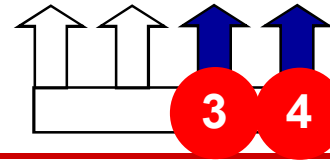


Revenue (shown as a diagram as of 2010)

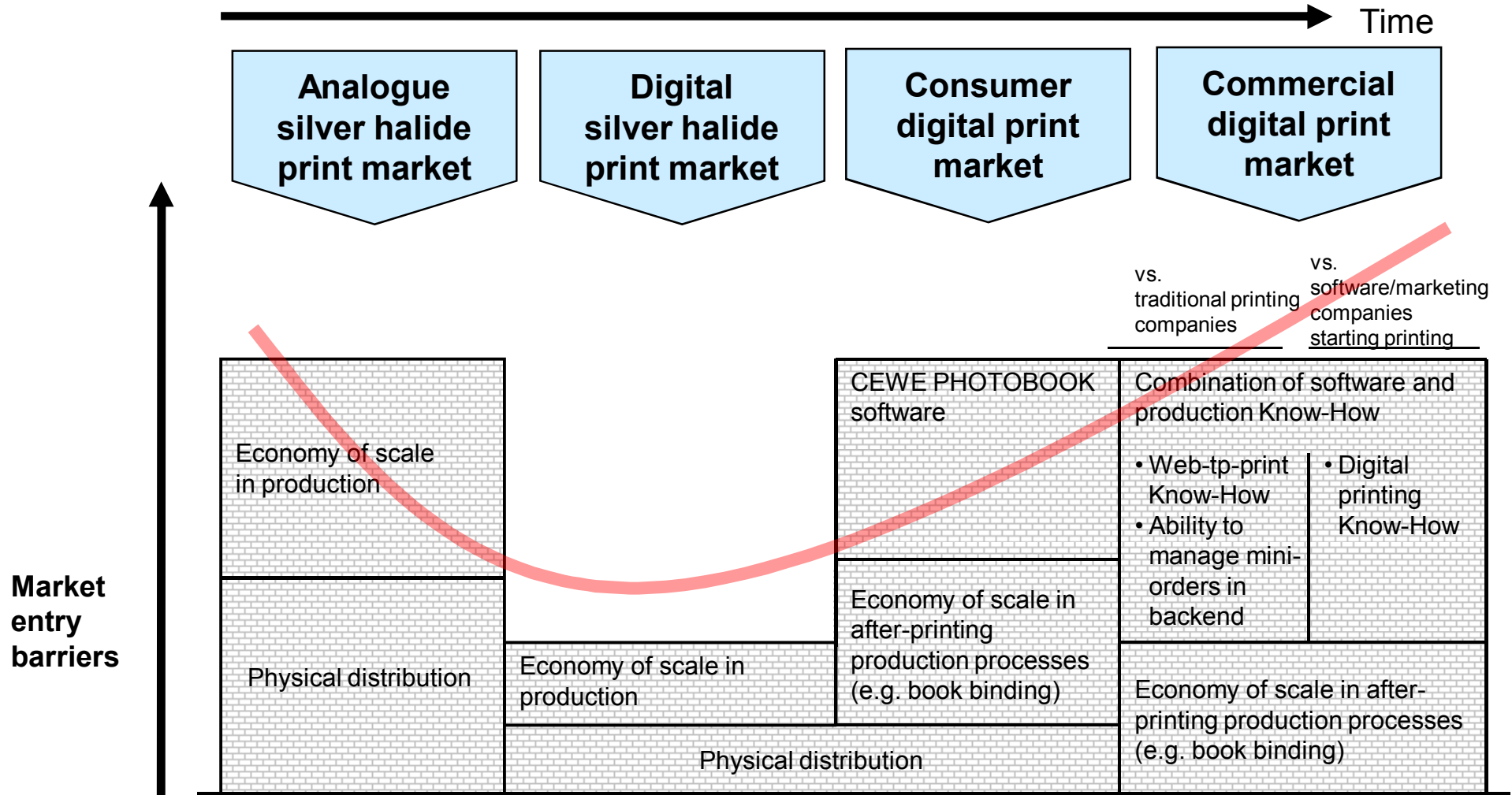


- ➔ **CeWe accomplishes the transition process**
- ➔ **CeWe is in the second stage of growth**

Market entry barriers by product market

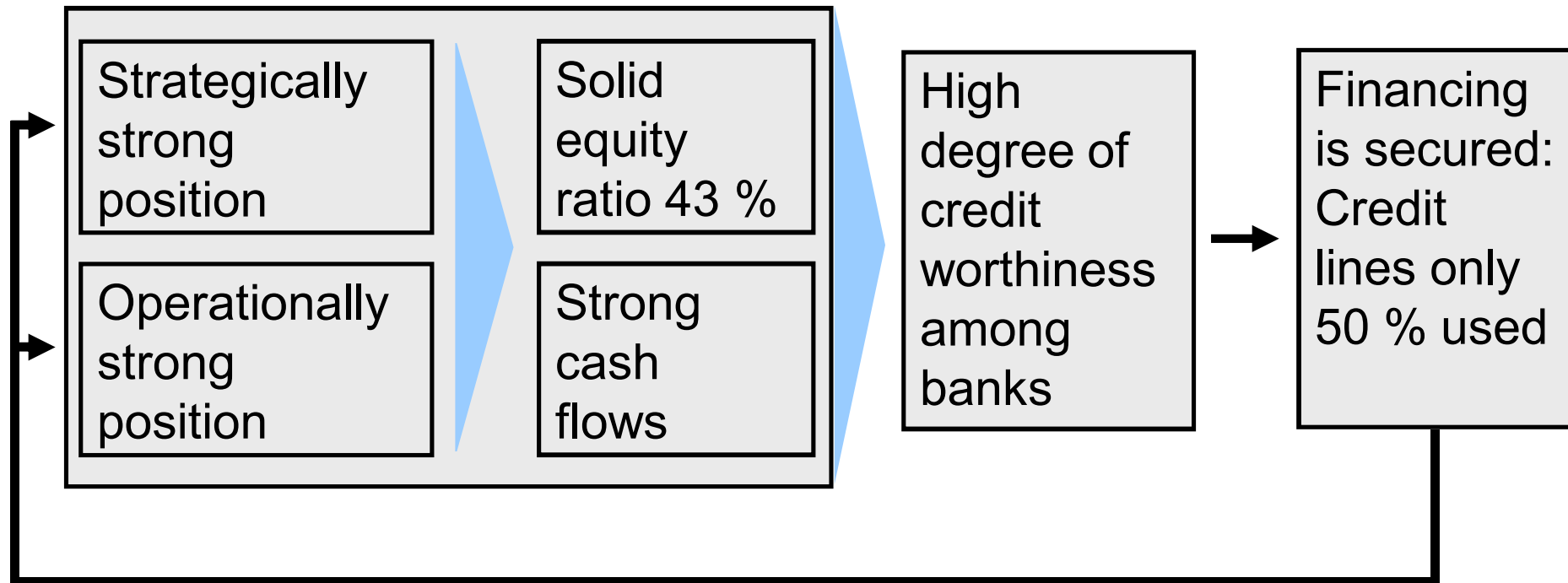
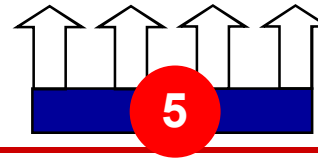


CONCEPTUAL



➔ Level of market entry barriers is rising again

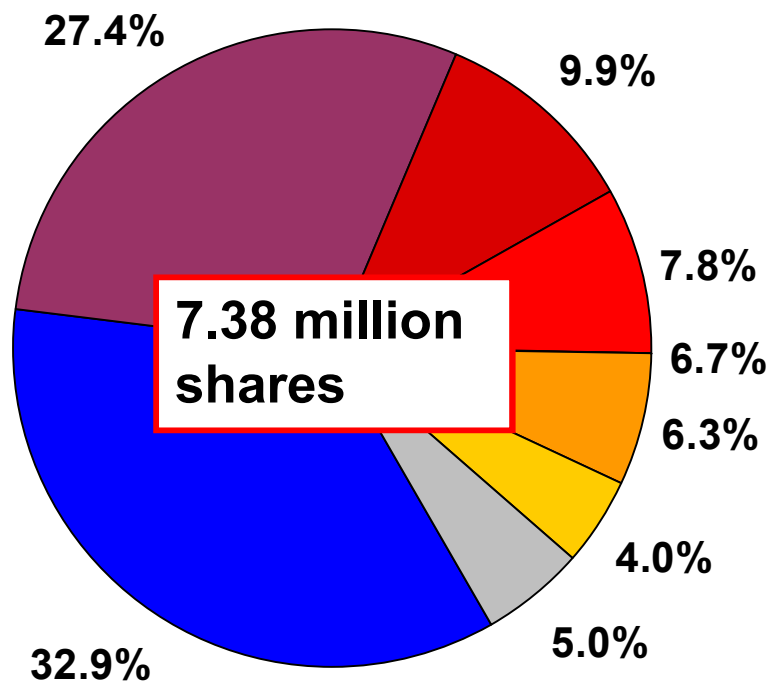
Financing at CeWe Color



➔ **Financing is secured**

➔ **Downside risk is limited**

Shareholder structure (October 2009)



according to reports under §§ 21, 22 WpHG

* According to own information

- 27.4% **ACN Vermögensverwaltungs-gesellschaft mbH & Co. KG**
(Community of heirs of Senator h.c. Heinz Neumüller)
- 9.9% **Lincoln Vale European Partners**
- 7.8% **Nord LB***
- 6.7% **Sentosa Beteiligungs GmbH**
- 6.3% **Guy P. Wyser-Pratte**
- 5.0% **CeWe Color Holding AG**
- 4.0% **Sparinvest Holding A/S**
- 32.9% **other shareholders**

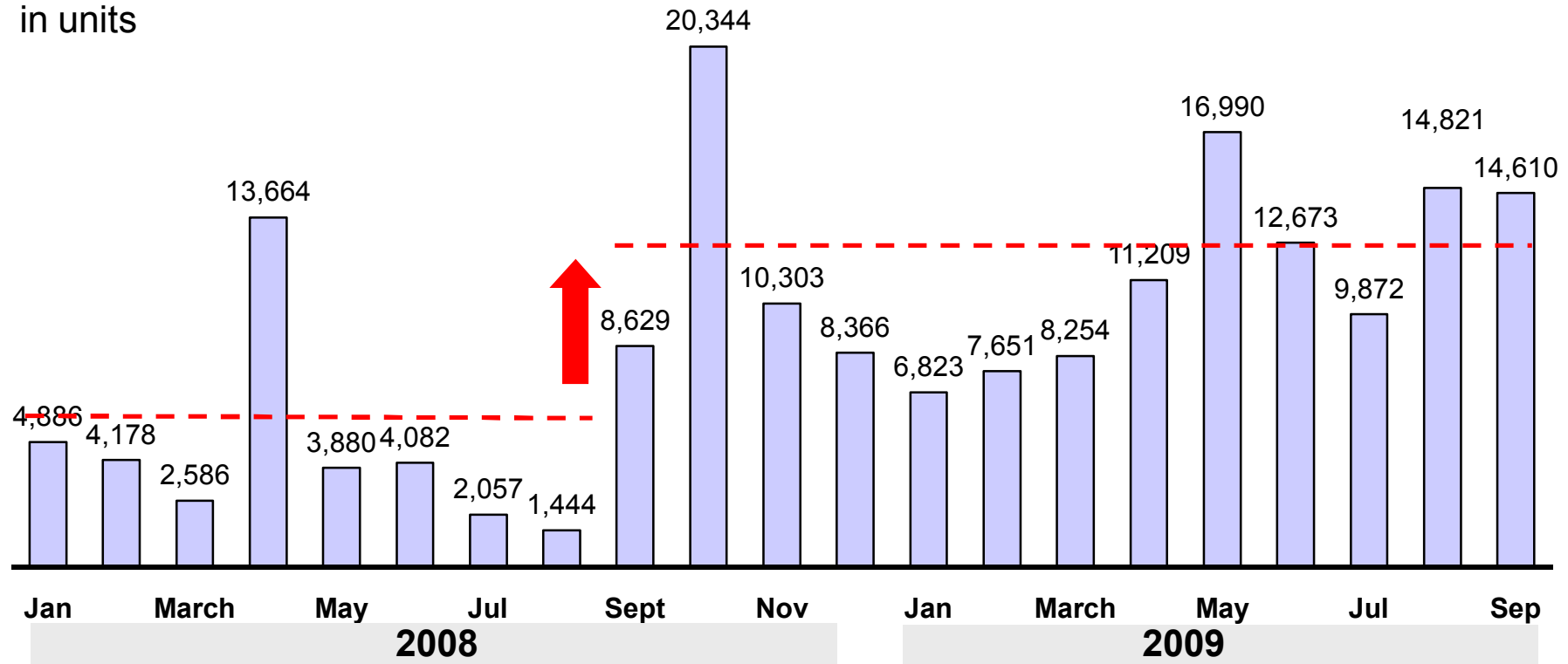
52.0% Free Float (according to Deutsche Börse)

➔ **Community of heirs of the company's founder is principal shareholder of CeWe Color Holding AG**

➔ **Solid base of long-term orientated shareholders**

Trade volume 2008 and 2009

Average number of traded shares per day
in units



➔ The average trade volume doubled since September 2008



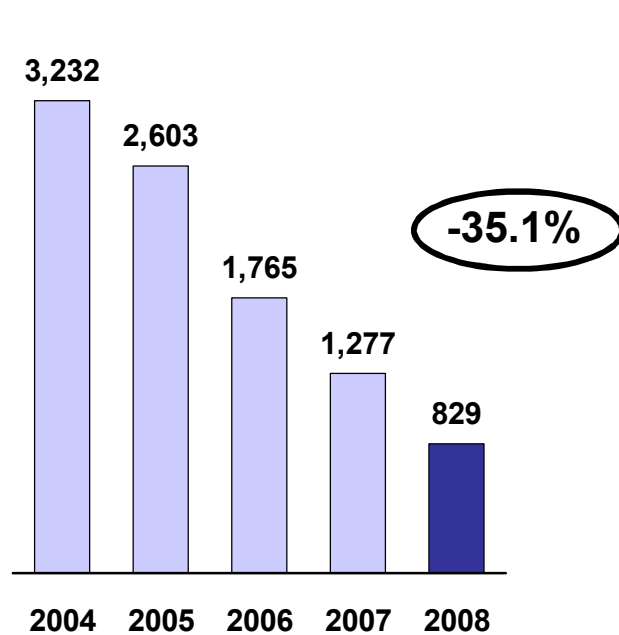
Agenda



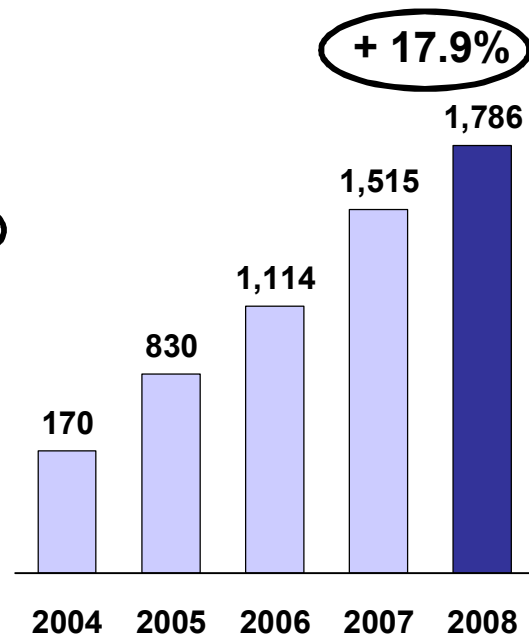
- Who is CeWe Color?
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Photos 2008

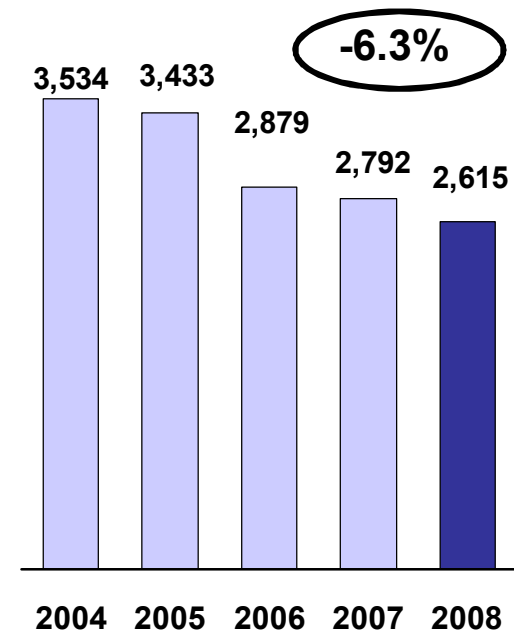
Photos from films
in million units



Digital photos
(incl. CEWE PHOTOBOOK prints)
in million units



Photos total
in million units



➡ **Digital photos: +17.9%**

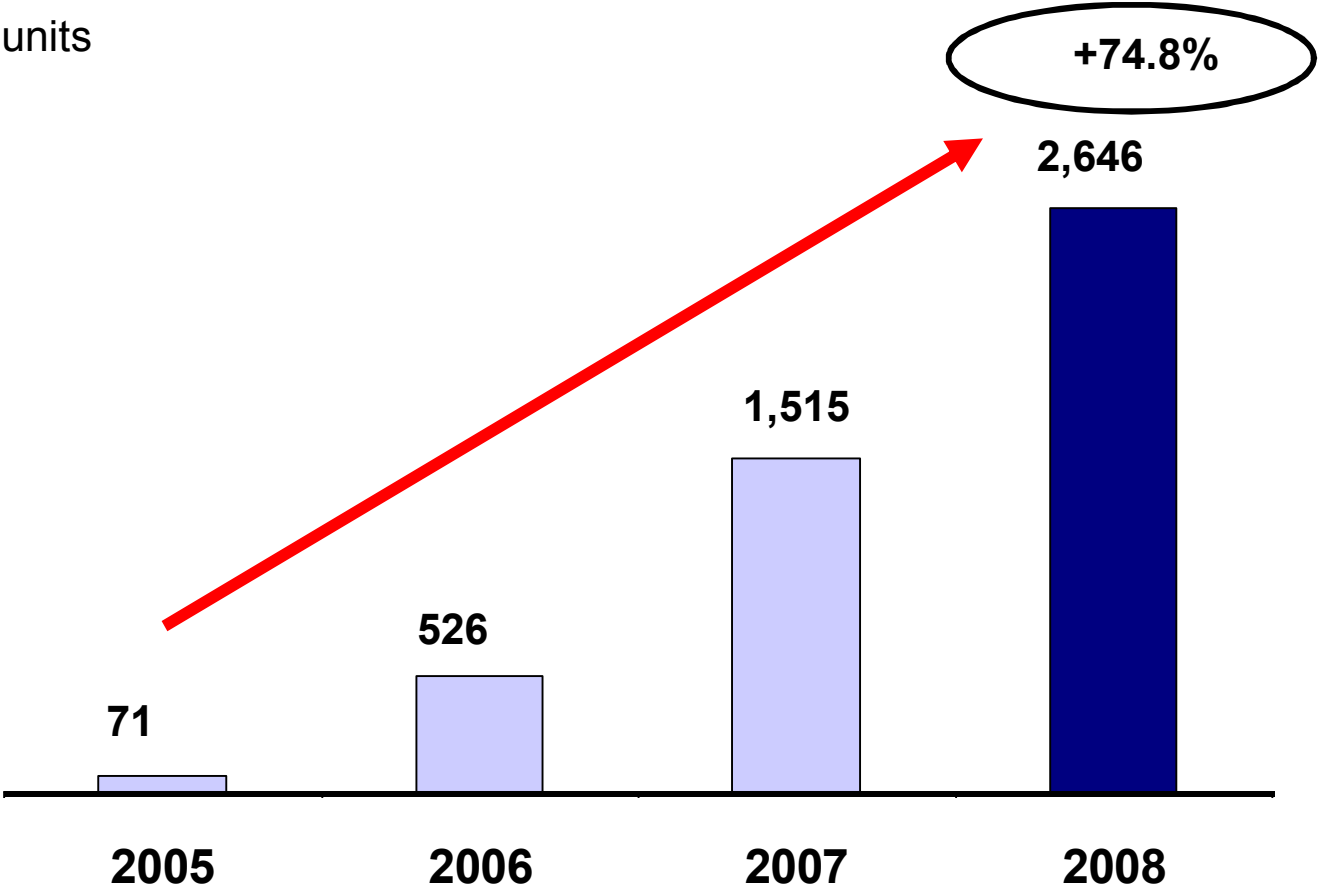
➡ **CEWE PHOTOBOOKS are essential growth drivers**

➡ **Product mix of higher value**

CEWE PHOTOBOOK increases



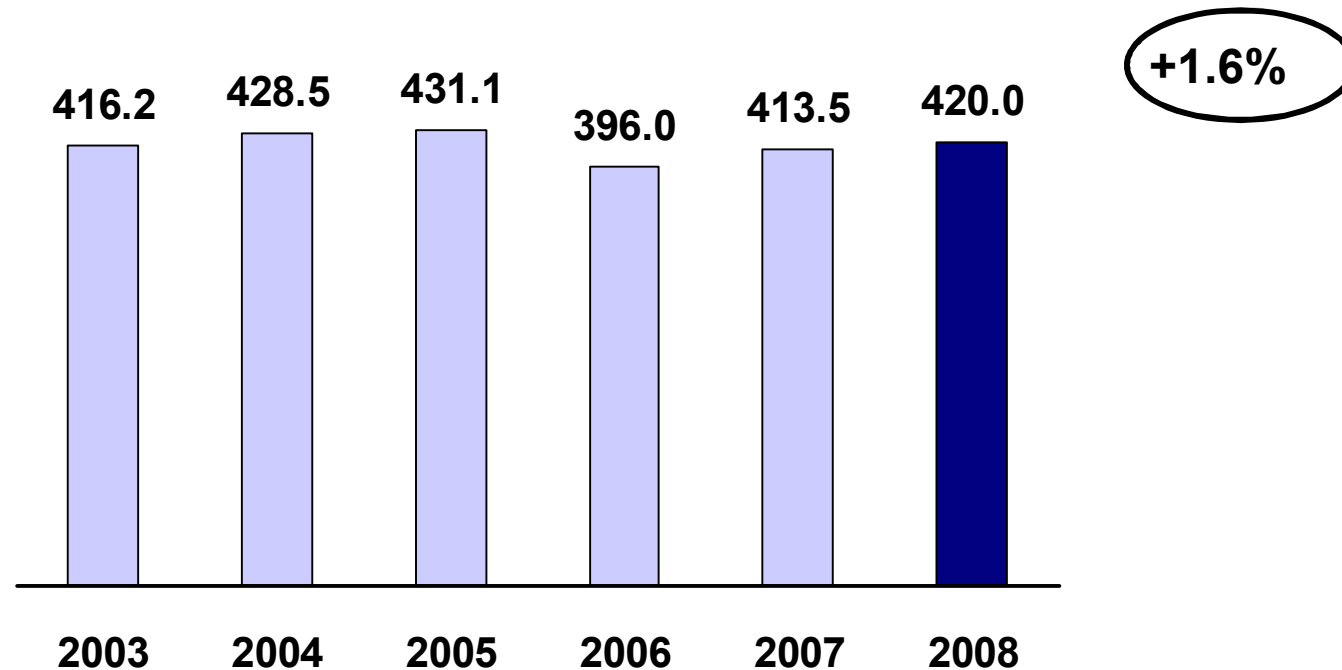
Number of CEWE PHOTOBOOKS
in thousand units



**➔ Very positive increase of 74.8%
generated by CEWE PHOTOBOOKS**

Turnover 2008

Turnover
in million euros

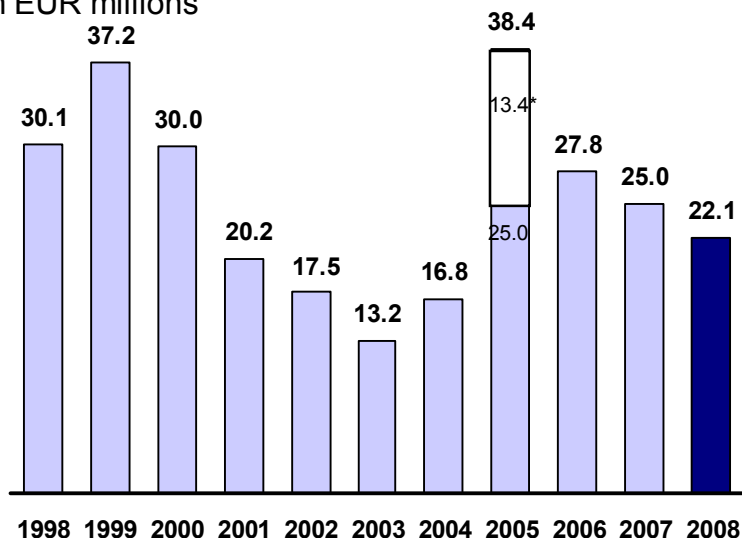


➔ **Increases in sales in 2008 in retail business, Central Europe, Benelux and Central Eastern Europe and thanks to a strong fourth quarter**

CeWe Color results

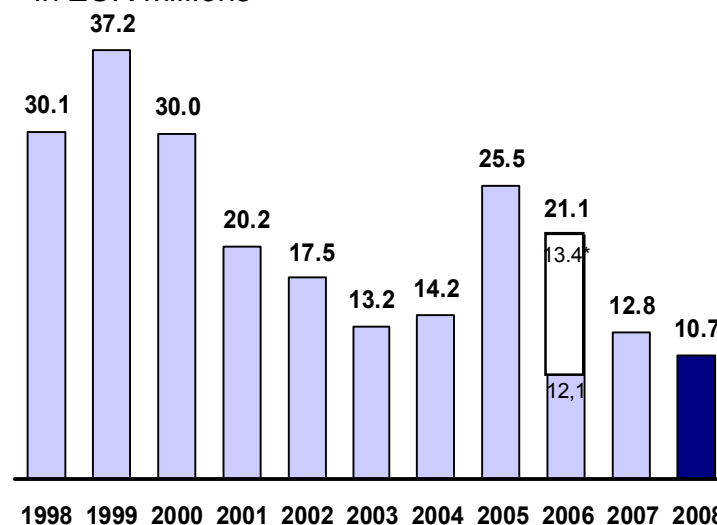
1. Operative earnings before restructuring

in EUR millions



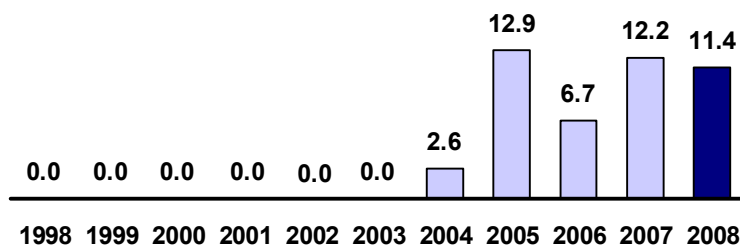
3. Earnings before tax (EBT)

in EUR millions



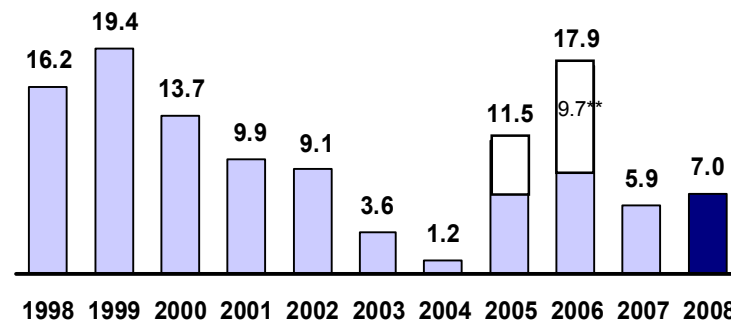
2. Restructuring costs

in EUR millions



4. Earnings after tax

in EUR millions



➔ CeWe has mastered the technological change without losses

* 2005 relieved by insurance payments to the amount of 13.4 million euros

** Special tax effect: waiver of claim (2006 and 2008)
Activation of corporate tax assets (2006)

Q2/2009 highlights

1

**Strong
operative
business**

2

**Sound
finances**

3

**Clear
strategy**

- **No. 1 position on the market for photo books reinforced**: 50.0% growth in the number of CEWE PHOTO BOOKS against an estimated 35% growth on the market (market share increased!); once again "Stiftung Warentest" winner
- **Strong increases for CEWE PHOTO BOOKS**, calendars and greeting cards despite progressive seasonal shift
- **Effective Internet growth**: 32% rise in Internet sales
- **Sales on target**: EUR 88.6 million (-10.6%)
- **Profit on track**: Net earnings rise by EUR 1.5 million (+9.1%)
- **Increase in free cash flow**: improvement of EUR 1.8 million (mid year: +EUR 5.1 million) through lowering capital expenditure and effects in the operative cash flow
- **Financing secured long-term**: Credit facilities increased by 29.4% to EUR 92.5 million
- **Future growth secured** for CEWE PHOTO BOOKS, photo calendars and greeting cards
- **New products included in the range**: Posters on aluminium wall boards and posters covered with acrylic glass as high-quality products and the integration of school and office products
- **Commercial printing run-up** to be further secured

 **CeWe remains "on track" in Q2/2009, confirmation of the outlook** 42

2009 Outlook

Targets

			Change against 2008
Colour photos	digital	1.9 billion photos	+6%
	analogue	0.5 billion photos	-38%
	total	2.4 billion photos	-8%
CEWE PHOTO BOOKS		3.5 million books	+35%
Sales		420-425 million euros	0% to +1%
EBT before restructuring		20-25 million euros	-9% to +14%
Expenditure for restructuring		10 million euros	-9%
Earnings before tax (EBT)		10-15 million euros	-9% to +36%
Capital expenditure		26 million euros	-22%
Net cash flow		16-21 million euros	+13 bis +49%

➔ Outlook for 2009 confirmed!

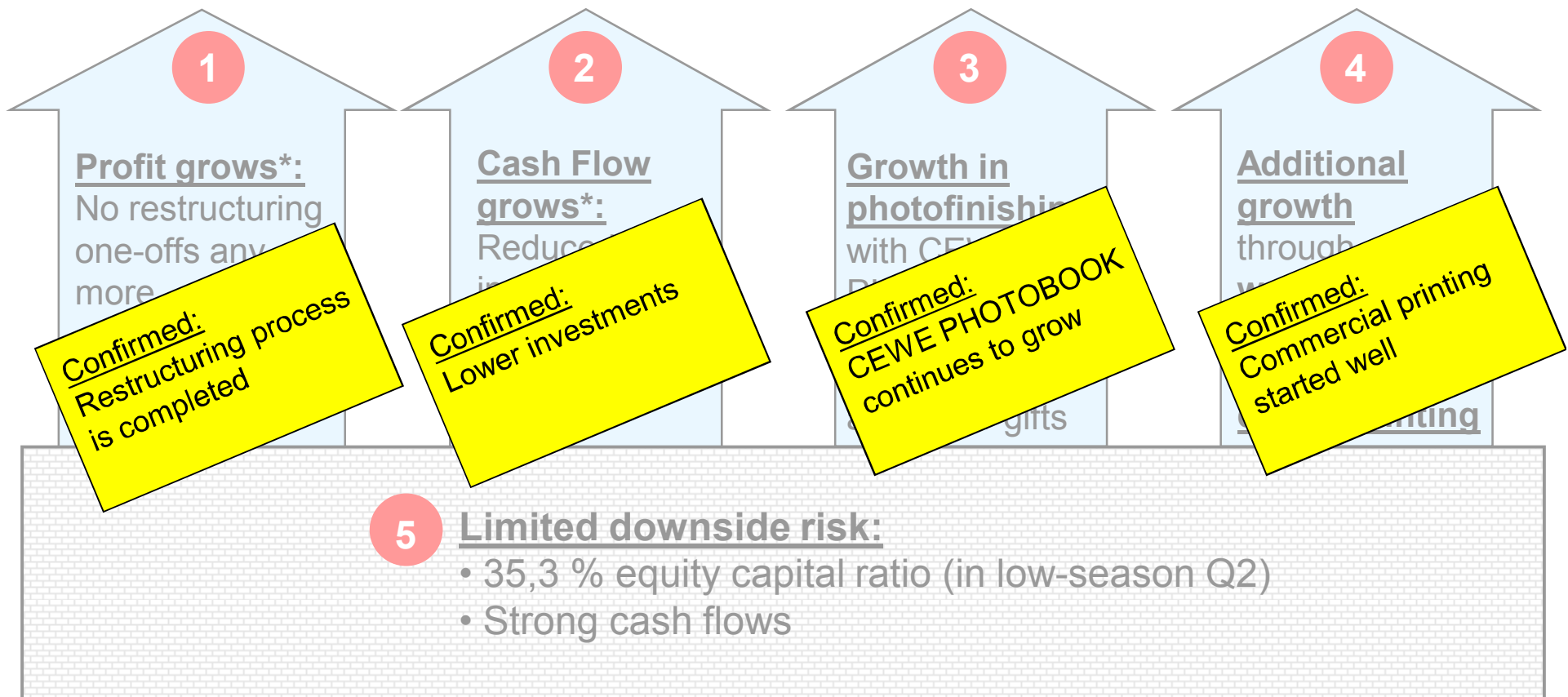
Five reasons for an investment in CeWe Color

Reduced extra burdens

Analogue to digital transition completed

Growth

Mega trends as a growth driver: individualisation / personalisation



* Ceteris paribus

General backup

CeWe Color Group corporate structure



Shareholders

(community of heirs, funds, private shareholders)



CeWe Color Holding AG

3 Directors, no other employees

- Partner of the OHG
- AG Supervisory Board
- AG Board of Management

Neumüller CeWe Color Foundation

9 Directors/Managers, no other employees

- Managing partner of the OHG
- Board of Trustees
- Foundation executives/management


















CeWe Color AG & Co. OHG

approx. 2,900 employees

- Responsible for managing the operative business of the CeWe Color group
- Headed by the Directors and Managers of the Foundation

➔ Since 1992 the Foundation has ensured stability and sustained positive development

Technologies / Products – Matrix

 = <u>Main</u> application of a technology  = <u>Additional</u> application of a technology	Silver-Halide-Technology (classical print development on photographic papers - AgX)	Thermo-dye or ink jet (on-site printing at the retailers' POS)	Digital printing (Electro-photography) on, e.g., hp Indigo machines*	Other technologies with smaller volumes (partly outsourced)
Photos (on special photographic paper)				
CEWE PHOTOBOOKS			 	
Greeting Cards			 	
Calendars				
Mugs, bags, canvas, mouse pads, crystal photos, snow globes, puzzles				

*Includes printing and further finishing steps (e. g. cutting, gluing, folding, ...)

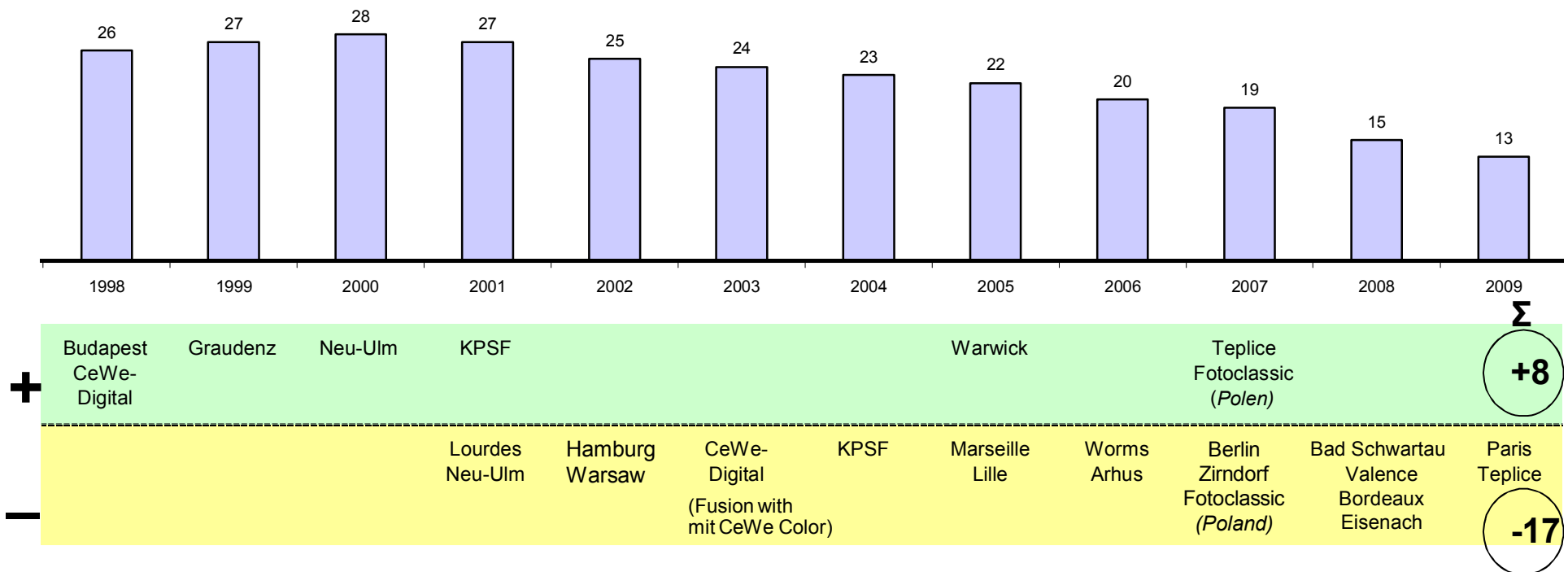
 **Digital printing is a second major technological pillar for CeWe Color**

Number of CeWe operations



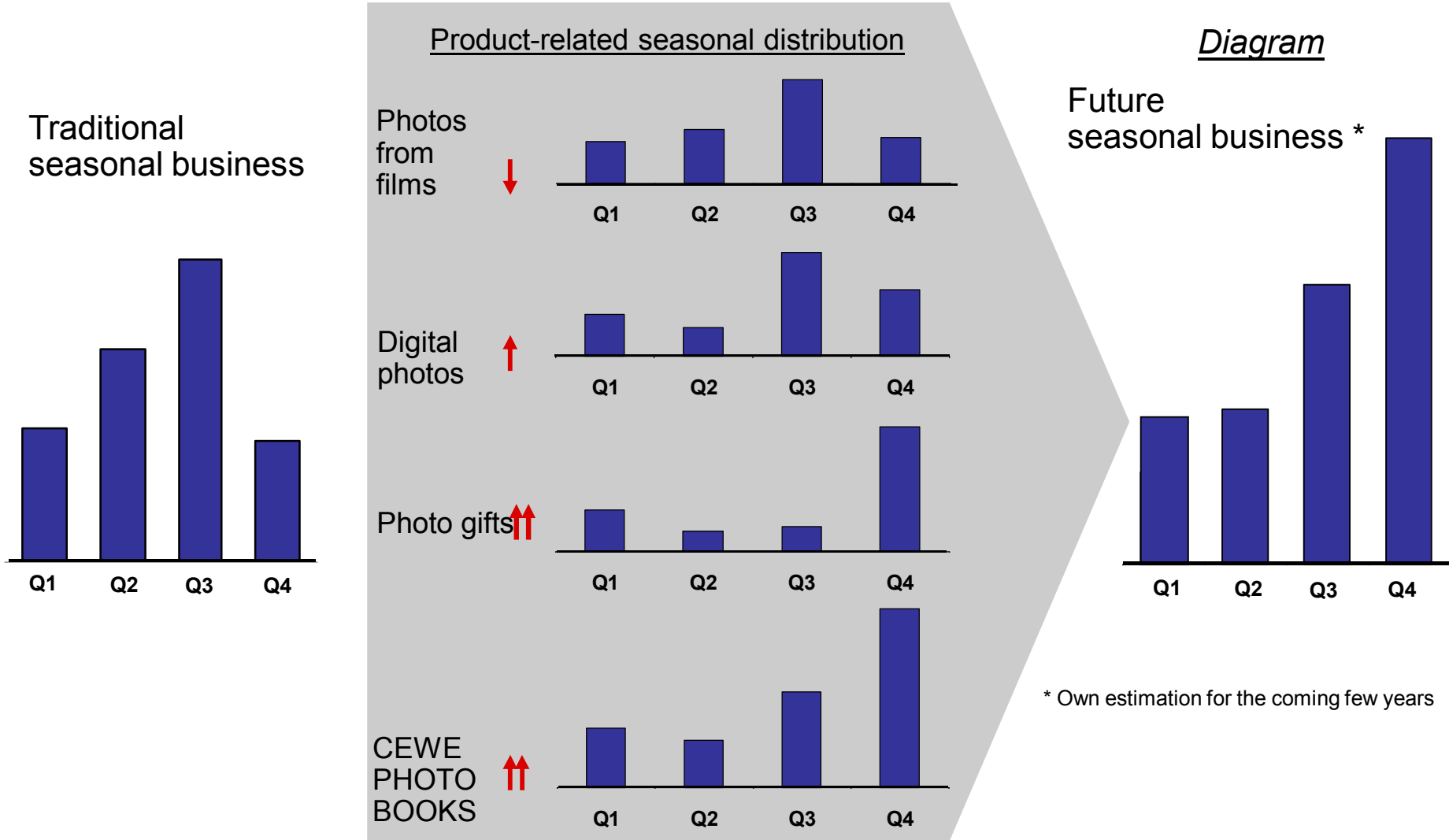
Drivers of operation concentration:

- Realisation of economies of scale
- Discontinuation of overnight service



➔ CeWe has almost halved the number of labs since the peak in 2000

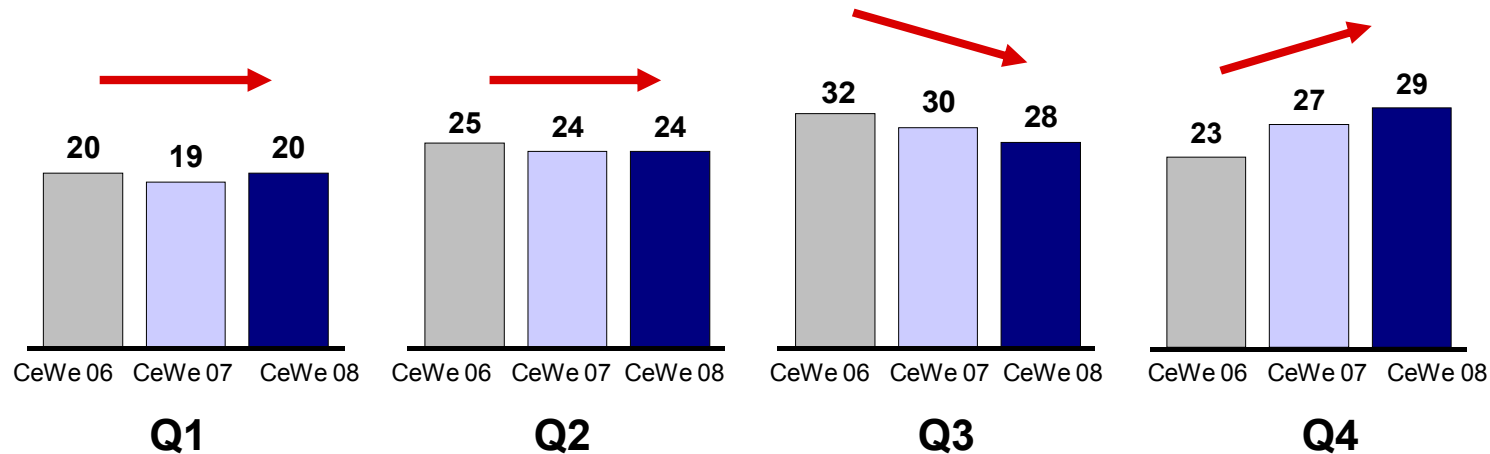
Seasonal shift in sales



➡ Product shift sees Q4 as the main season

Change in season

Seasonal spread: CeWe 2006 to 2008
in % of sales



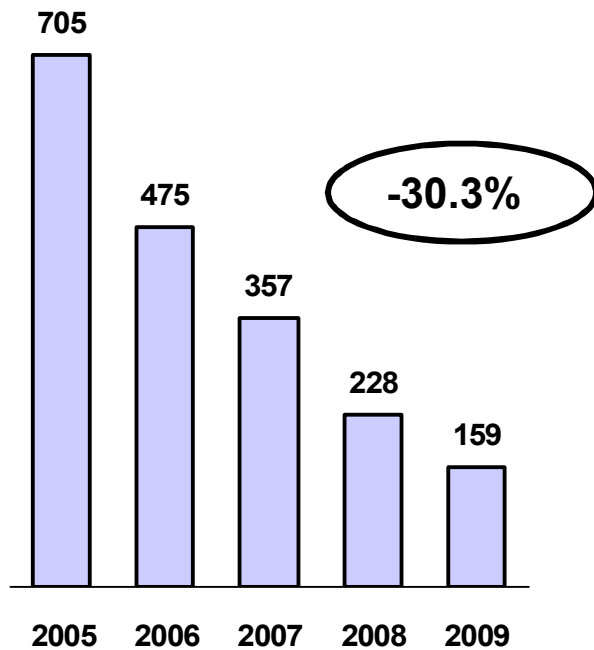
➡ Q4 is becoming increasingly significant

➡ Product mix change results in seasonal shift to Q4

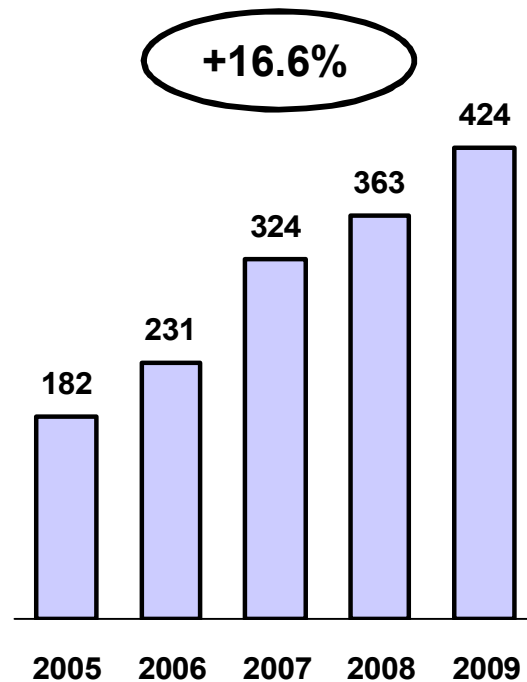
Backup Q2/2009

Photos in Q2

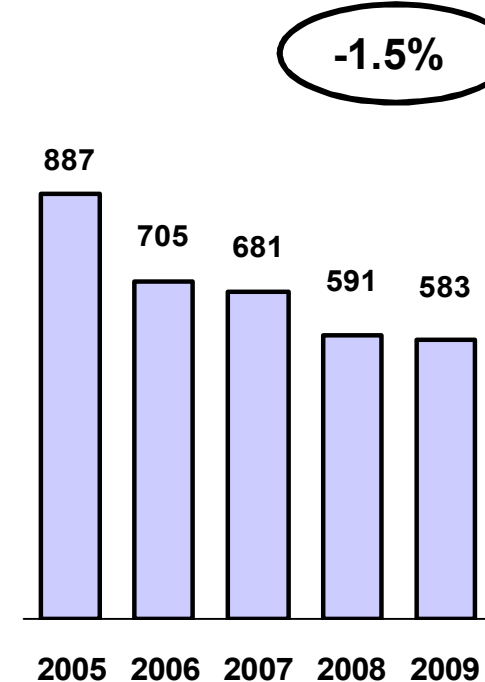
Photos from films in Q2
in millions



Digital photos in Q2
(incl. CEWE PHOTO BOOK prints)
in millions



Total no. of photos in Q2
in millions

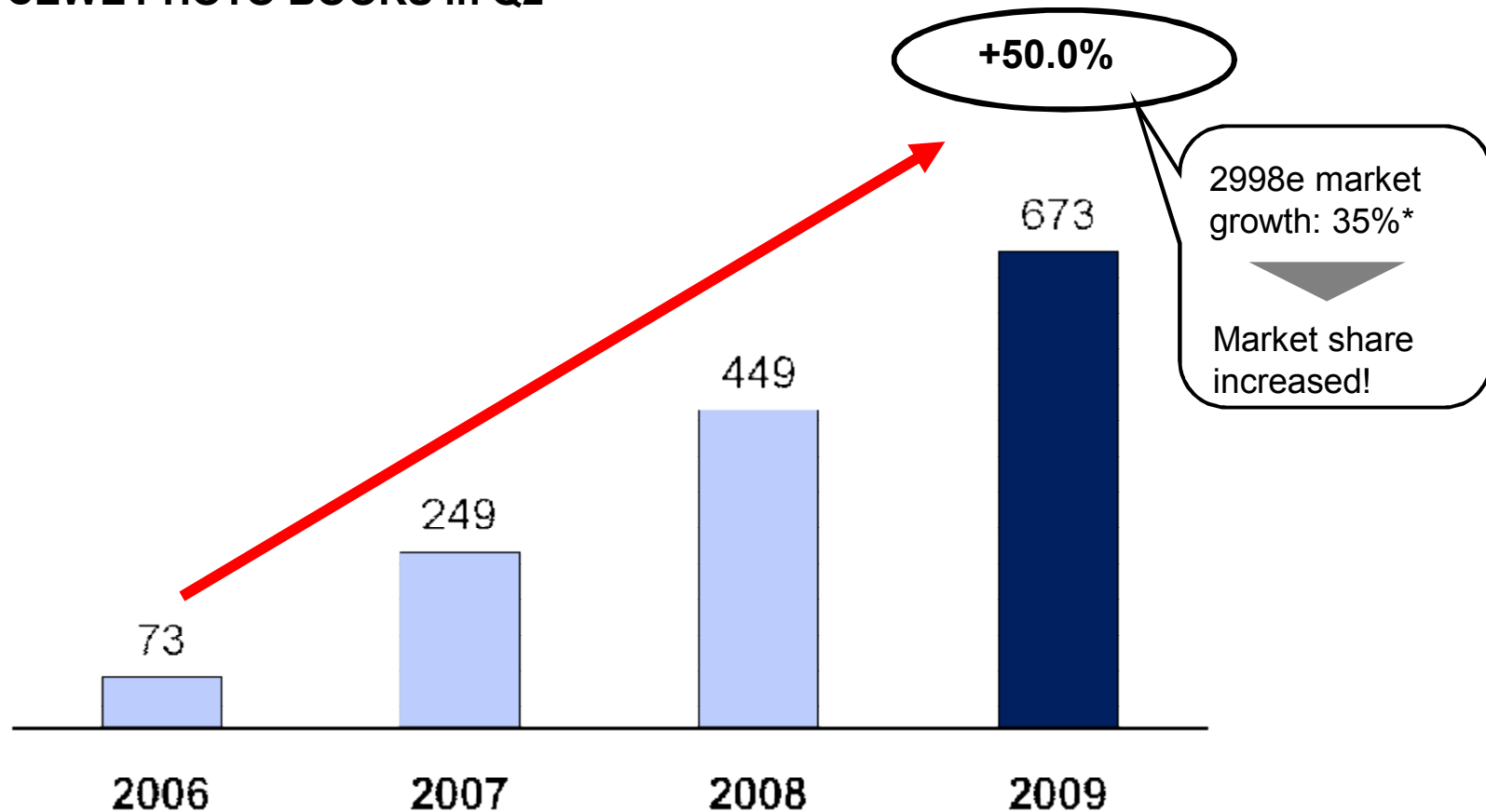


- ➔ Digital photos: +16.6%
- ➔ CEWE PHOTO BOOKS are a significant growth driver
- ➔ Quality of product mix to be further enhanced

CEWE PHOTO BOOK increases in Q2



Number of CEWE PHOTO BOOKS in Q2
in th. books



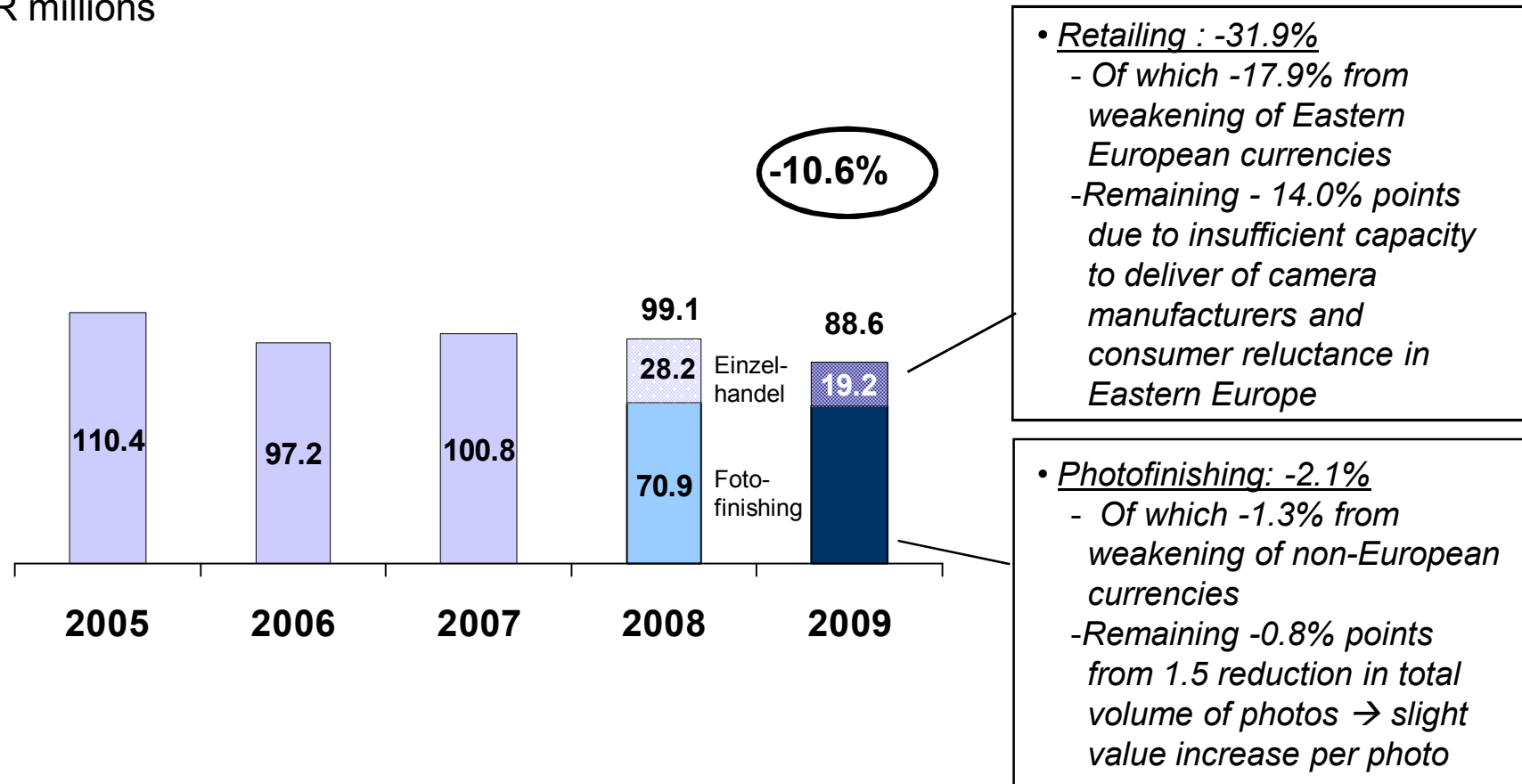
➔ **Very positive increases of 50% generated for CEWE PHOTO BOOKS**

➔ **Market share raised: No. 1 position reinforced**

* Quelle: Future-Source

Q2 turnover

Q2 turnover
in EUR millions

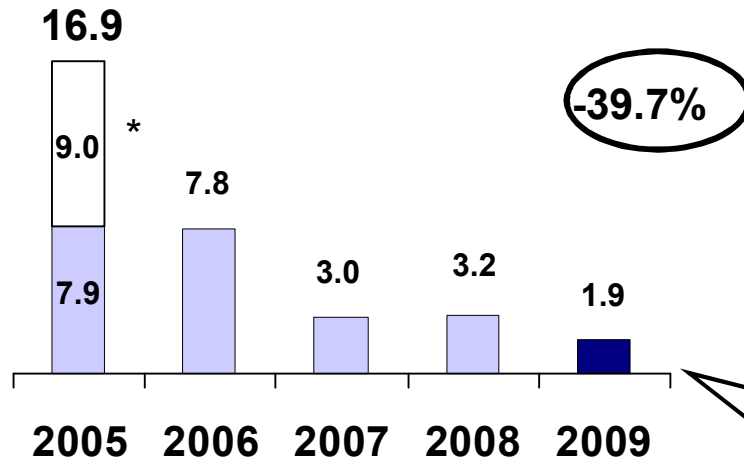


➡ Stable sales in photofinishing

➡ Non-European currencies decrease sales

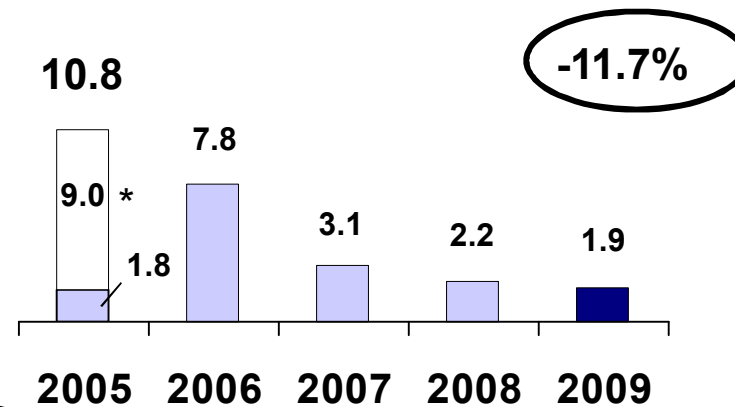
Q2 earnings before tax

EBT before restructuring and taxes in Q2
in EUR millions



* Income from insurance from fire damage in Lille (F)

EBT after restructuring and before taxes in Q2
in EUR millions



Difference against previous year: -1.3 million euros

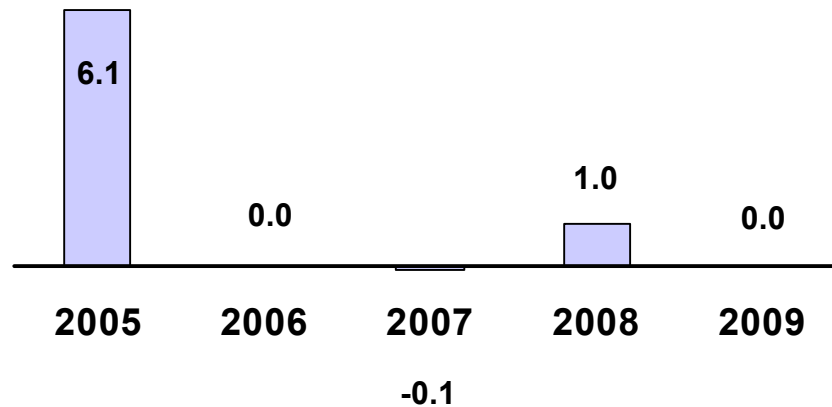
- Initial financing for commercial digital printing: < 1 million euros
- Additional marketing/R&D expenses
- Currency losses
- Decline in volume of high-margin analogue business
- Positive: price increases for analogue business, more digital products, reduction in financial expenses through increased fair value assessments of currency hedging transactions



Initial financing for commercial digital printing and additional marketing and R&D expenses reduce earnings

Q2 restructuring costs

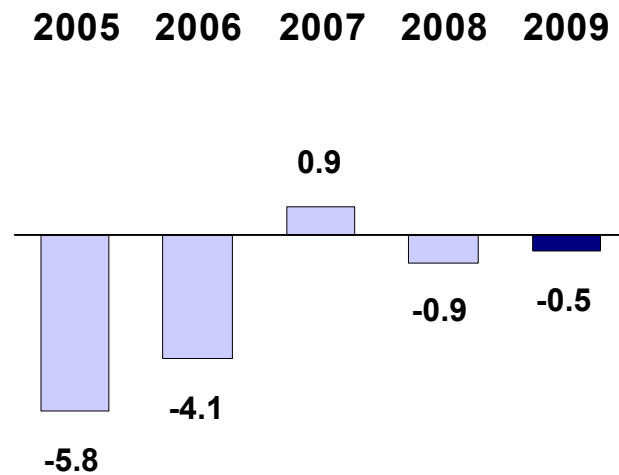
Q2 restructuring costs
in EUR millions



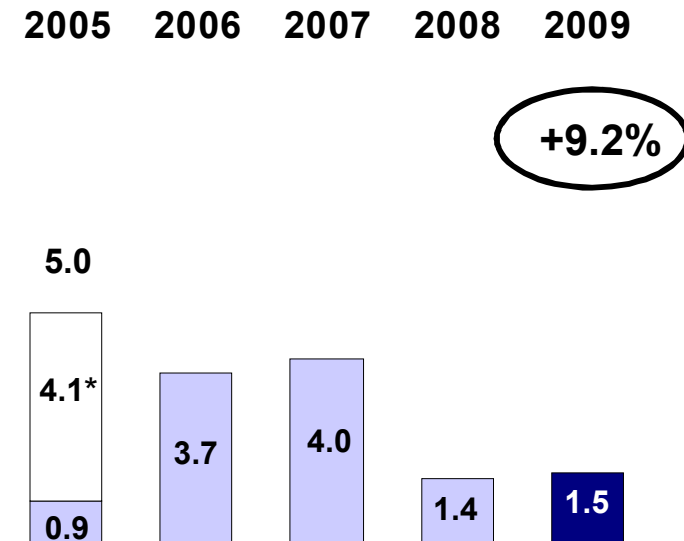
➔ No restructuring costs in Q2

Q2 tax effects

Q2 tax expenditure in EUR millions



Q2 earnings after tax in EUR millions

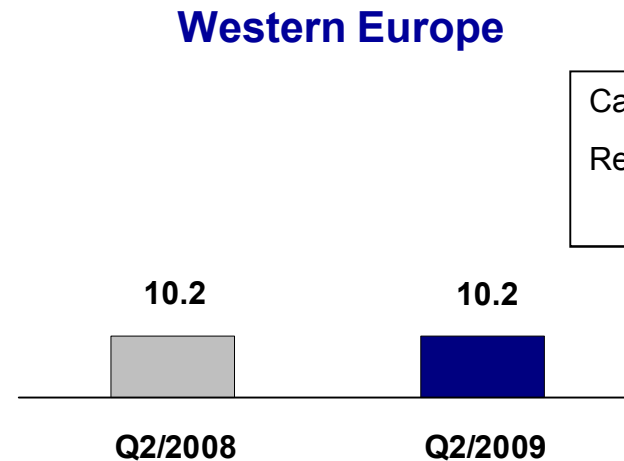
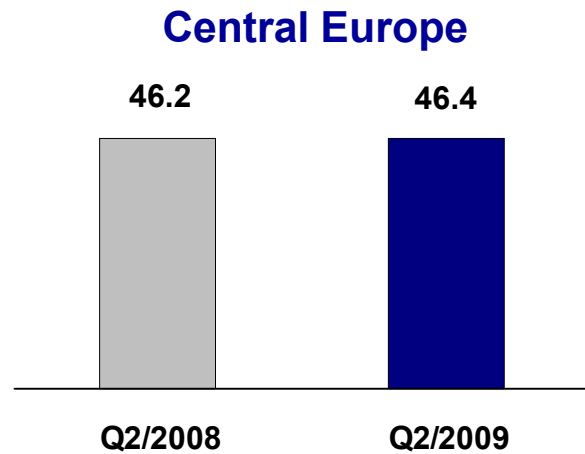


* Statistical proportion of income from fire-damage insurance for Lille (F)

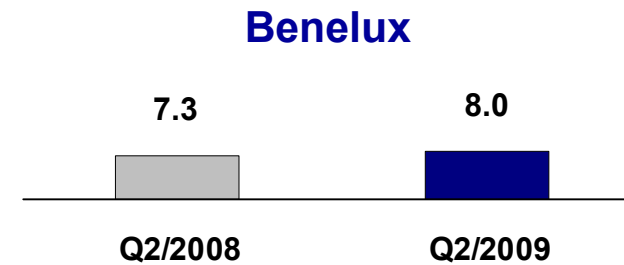
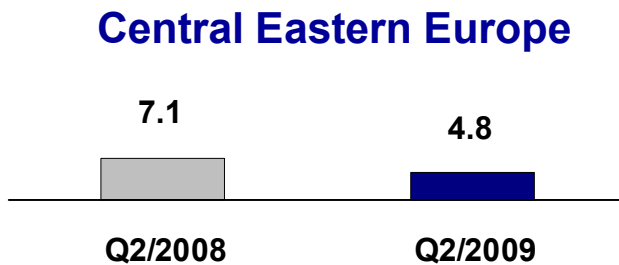
➡ After-tax earnings better than for the previous year

Segmental report on photofinishing

Sales in Q2/2009 (in EUR millions)



Calculated ph.f.	69.4
Ret.	<u>19.2</u>
	<u>88.6</u>

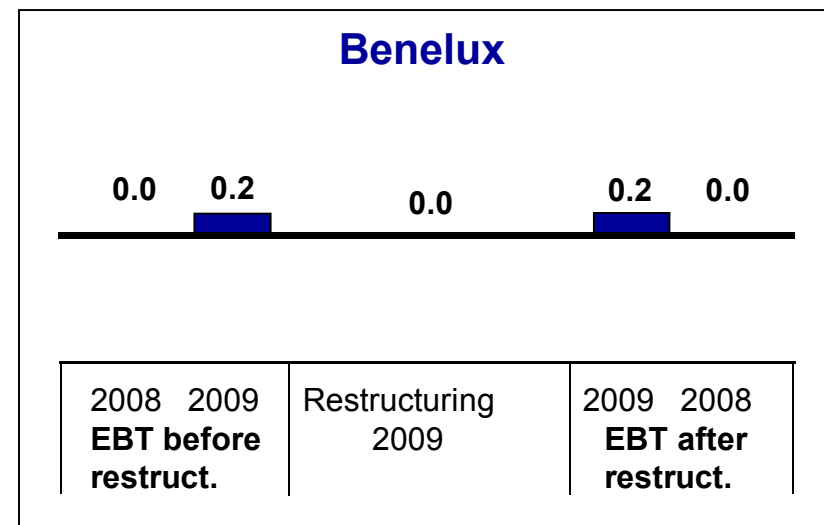
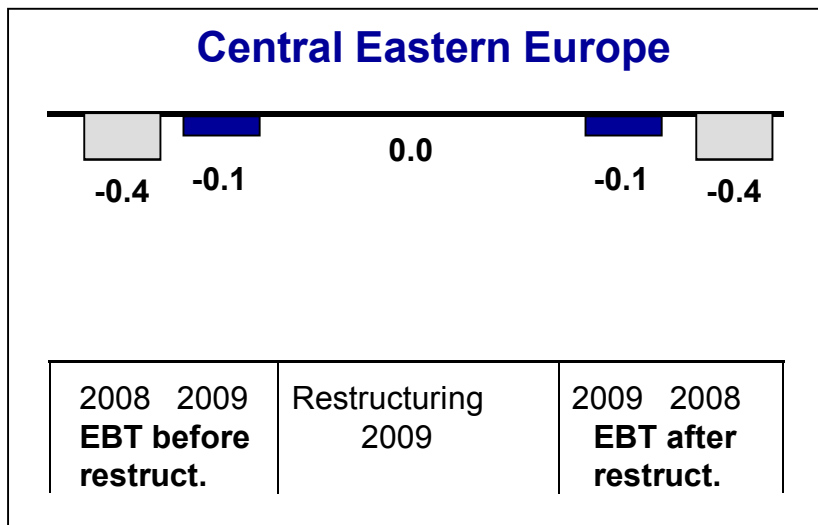
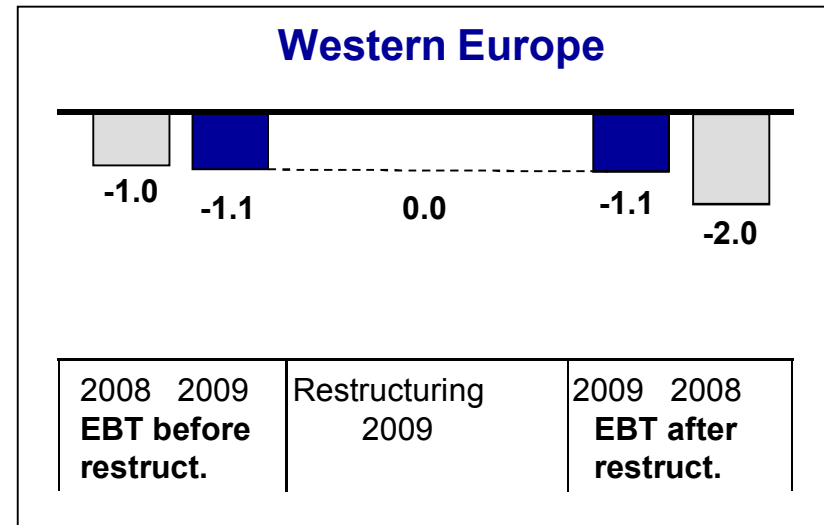
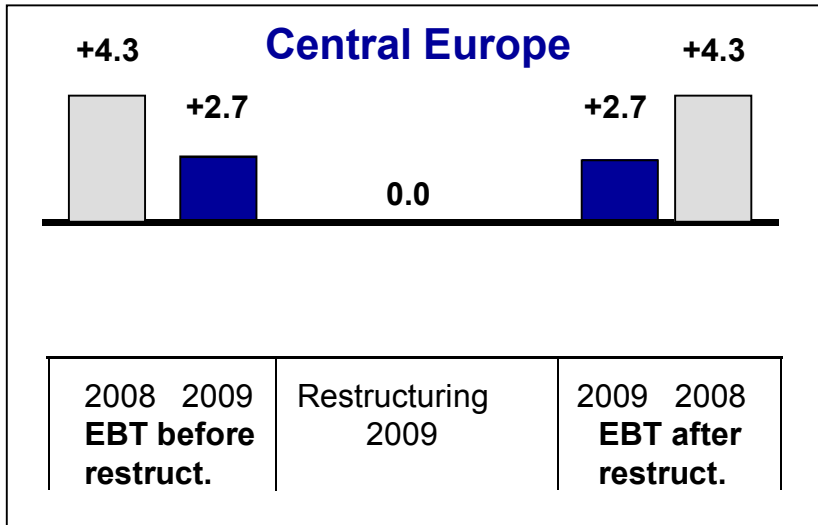


➔ **Development in currencies and consumer reluctance reduces turnover in Central Eastern Europe**

➔ **Remaining segments with stable turnover**

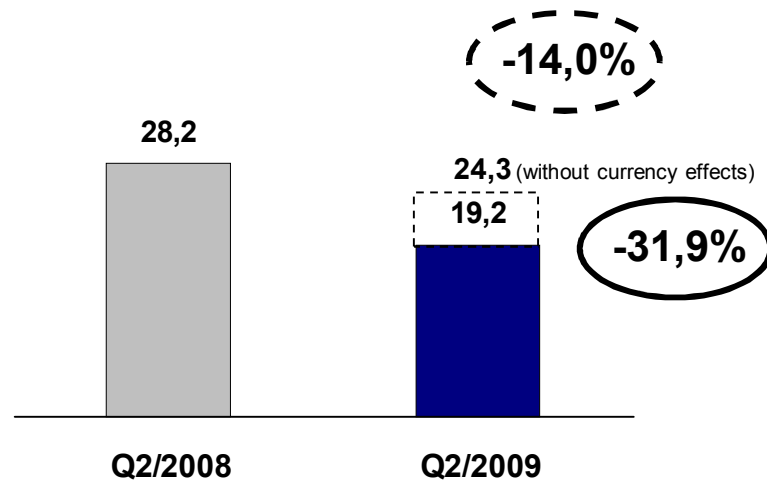
Segmental report on photofinishing

Earnings in Q2/2009 (in EUR millions)

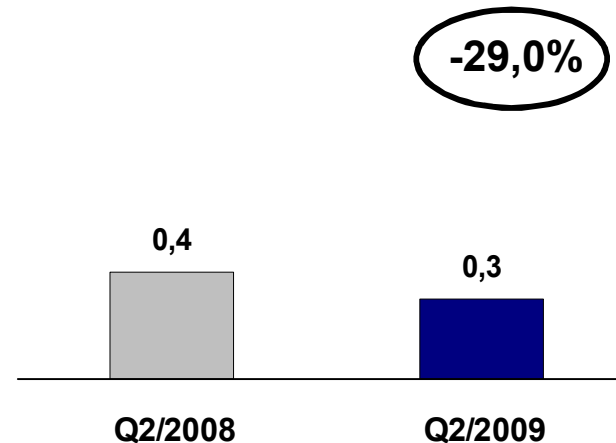


Segmental report on retailing in Q2

Retail sales in Q2
in EUR millions



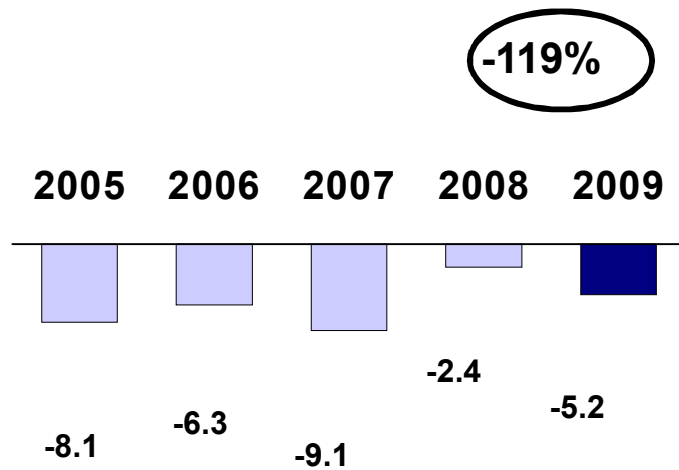
EBT in retailing in Q2
in EUR millions



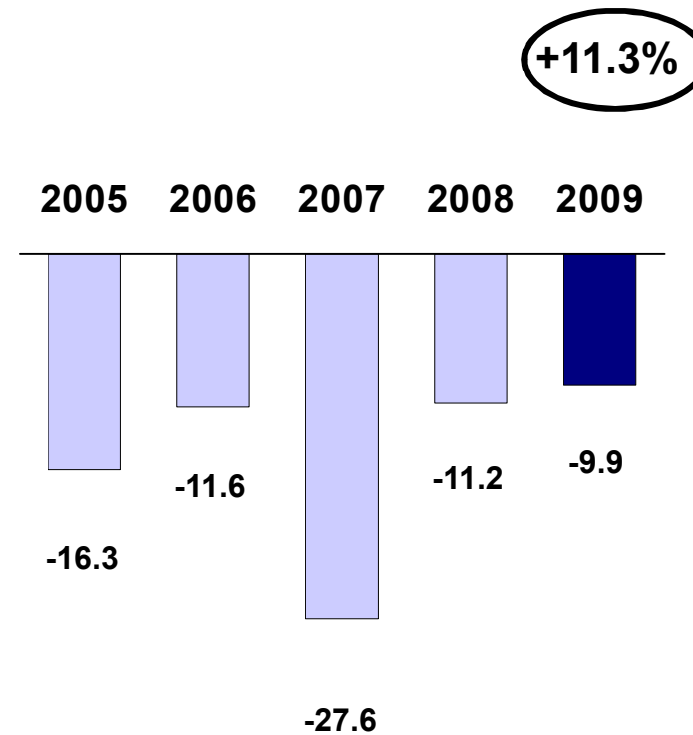
- ➔ **Weaker Eastern European currencies, camera Manufacturers' insufficient capacity to deliver and consumer reluctance reduce retail sales**
- ➔ **Sales profitability enhanced, profits almost maintained**

Capital expenditure

Q2 capital expenditure
in EUR millions



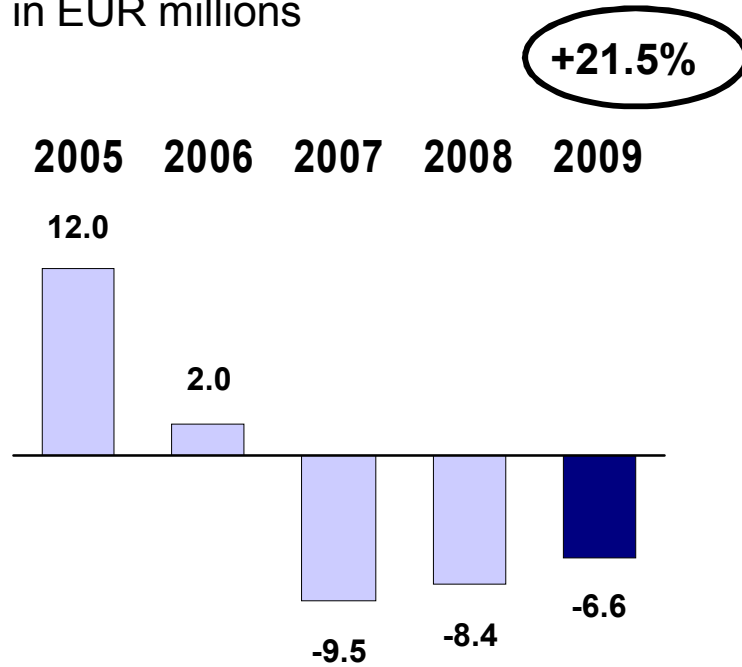
Capital expenditure up to H1
in EUR millions



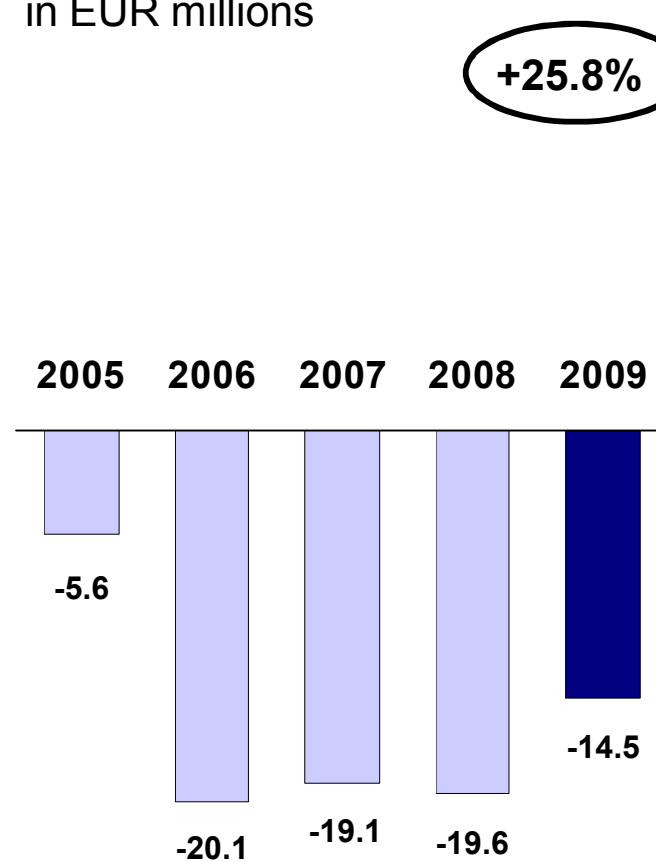
➔ Investments reduced up to mid-year

Free cash flow in Q2

Free cash flow in Q2
in EUR millions



Free cash flow in H1
in EUR millions

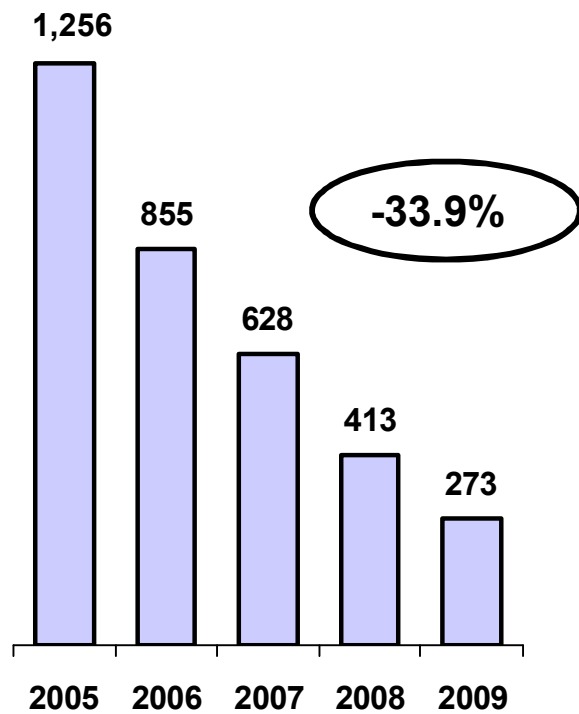


➔ Free cash flow considerably increased

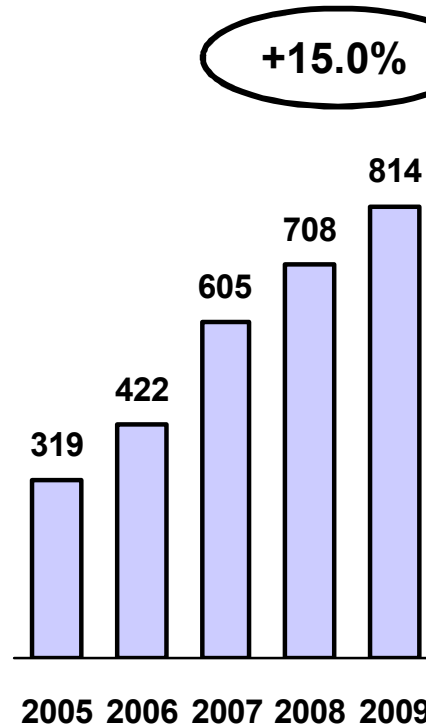
Backup H1/2009

No. of photos in H1

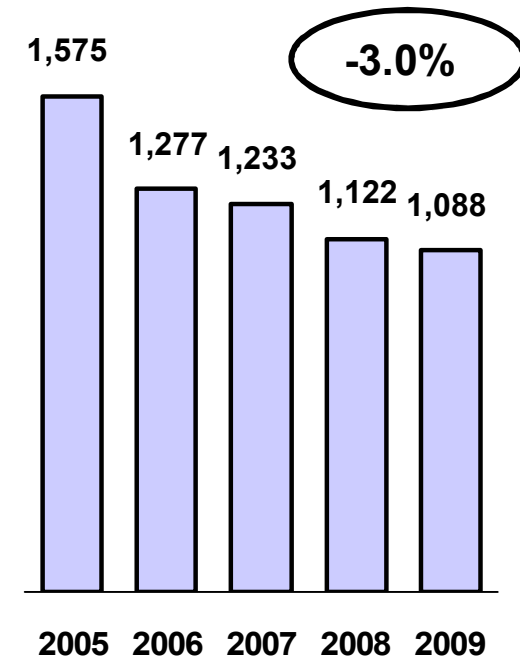
Photos from films at mid-year
in millions



Digital photos at mid-year
(incl. CEWE PHOTO BOOK prints)
in millions



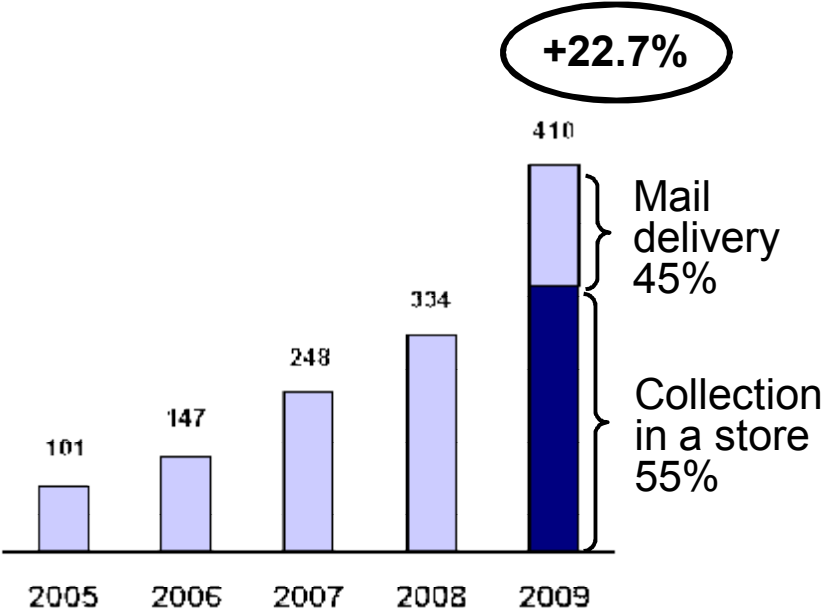
Total no. of photos
at mid-year
in millions



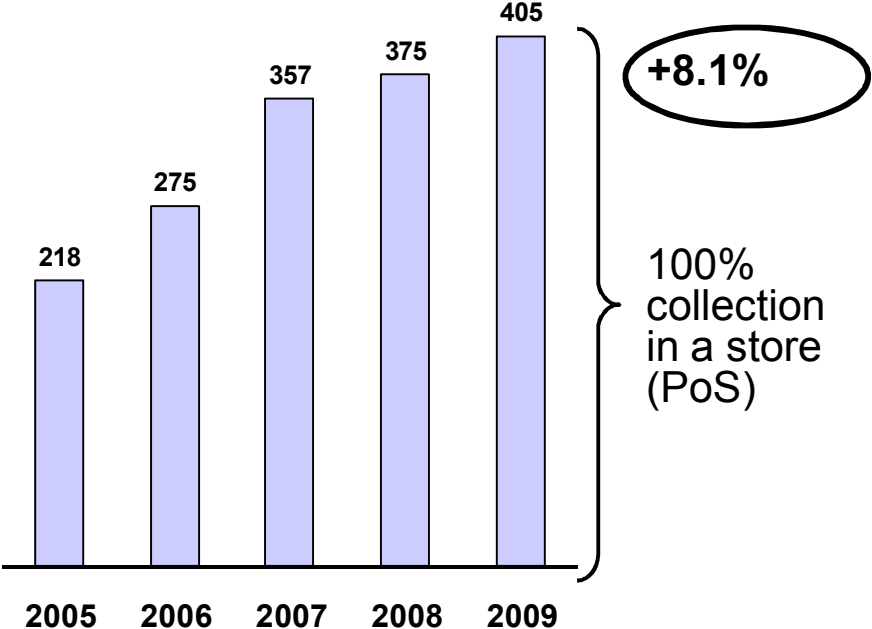
No. of digital photos in H1



Digital photos ordered online at mid-year in millions



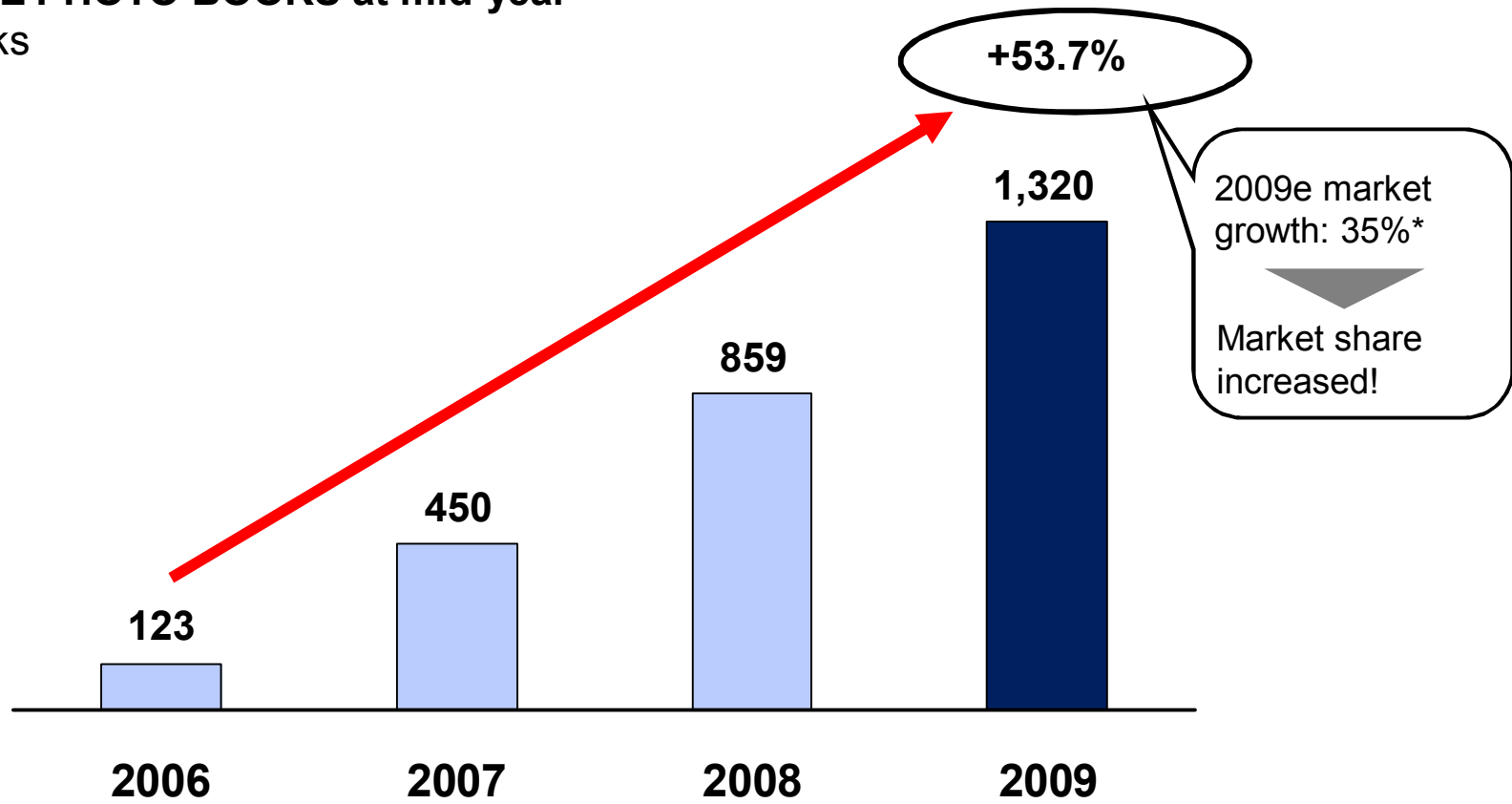
Digital photos ordered in stores (POS) at mid-year in millions



CEWE PHOTO BOOK growth at H1



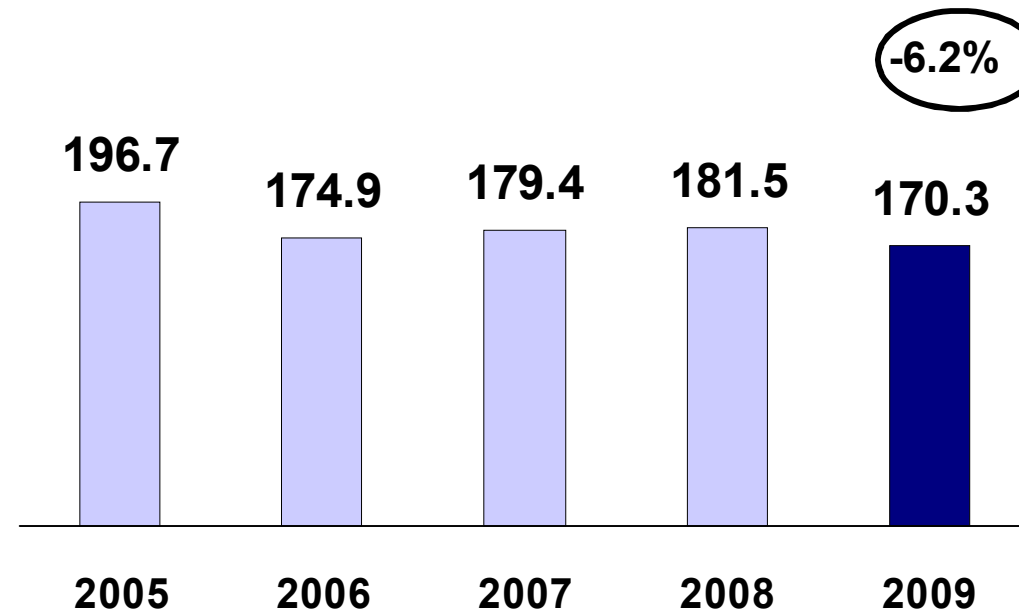
No. of CEWE PHOTO BOOKS at mid-year
in th. of books



* Source: Future-Source

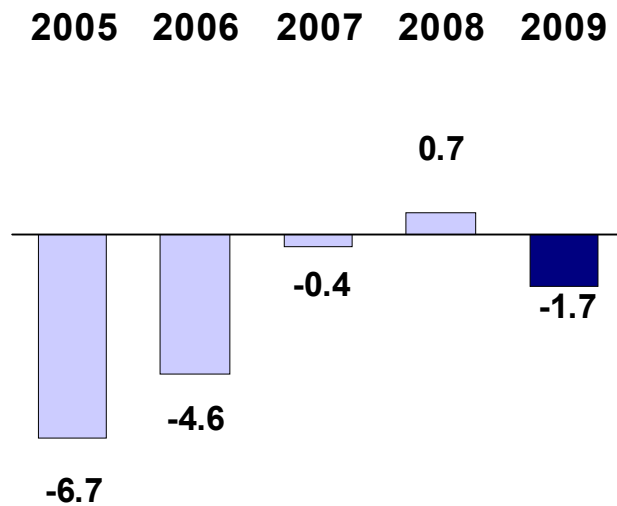
Sales at H1

Sales at mid-year
in EUR millions

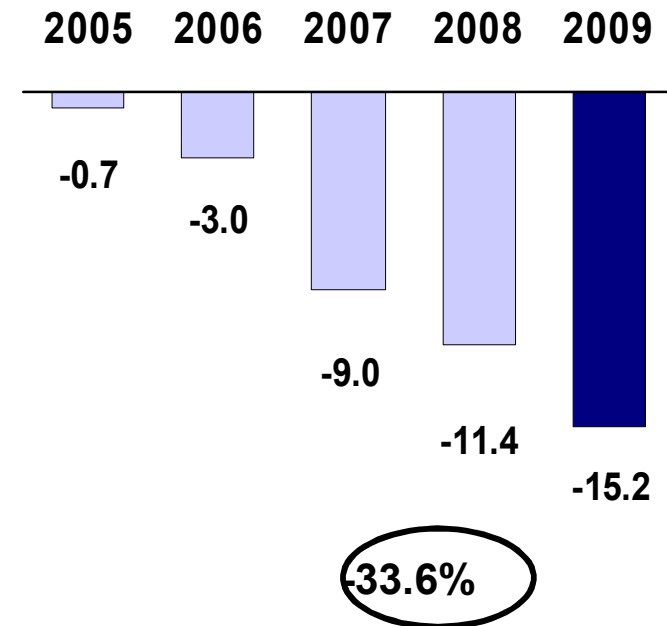


Tax effects at H1

Tax exp. at mid-year in
EUR millions

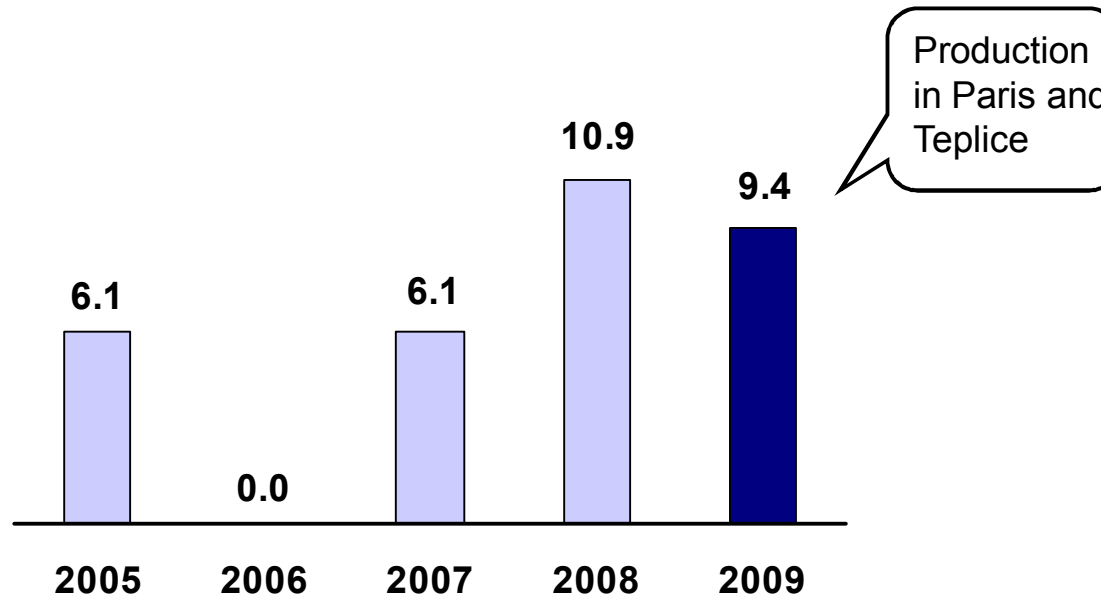


Earnings after tax at mid-year
in EUR millions



Restructuring costs at H1

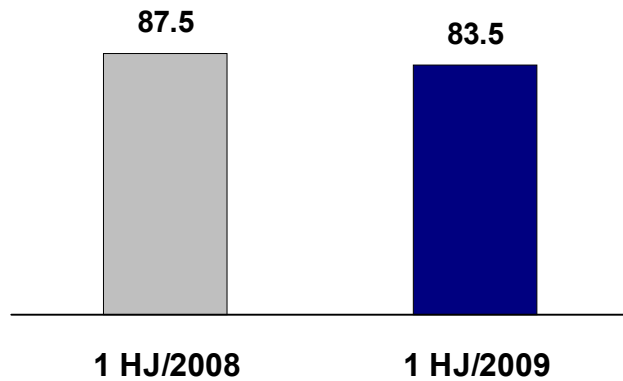
Restructuring costs at mid-year
in EUR millions



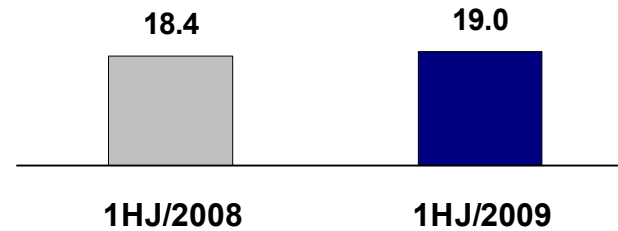
Segmental report on photofinishing sales at H1 (in EUR millions)



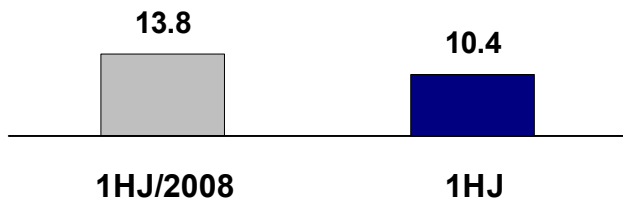
Central Europe



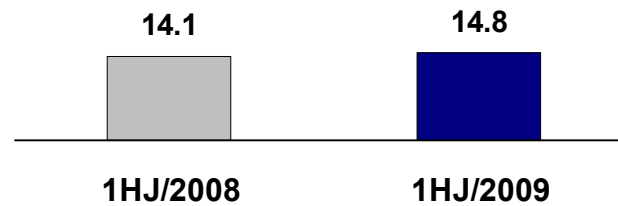
Western Europe



Central Eastern Europe

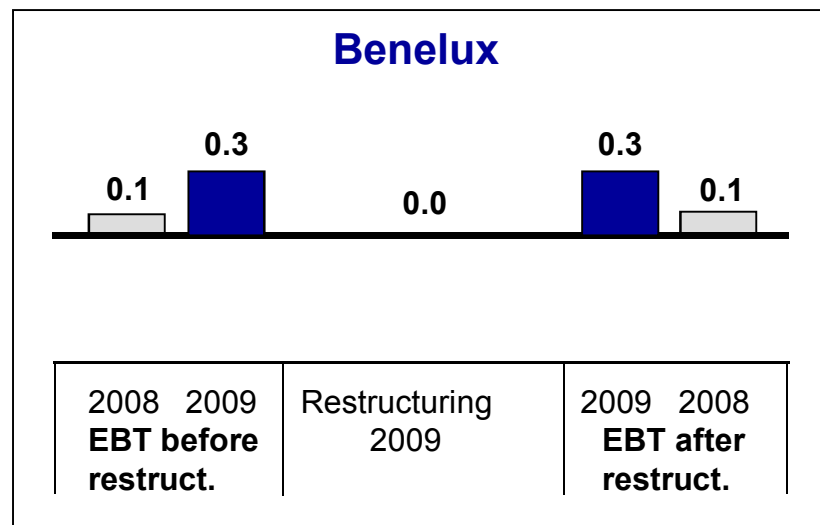
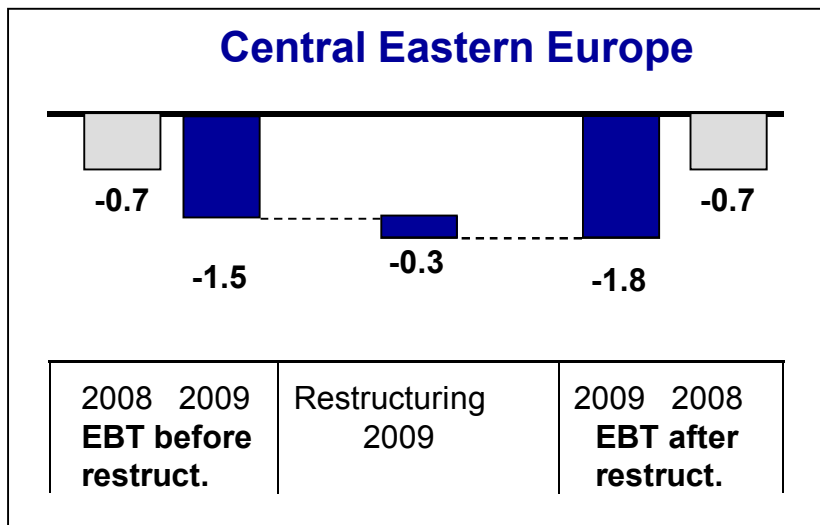
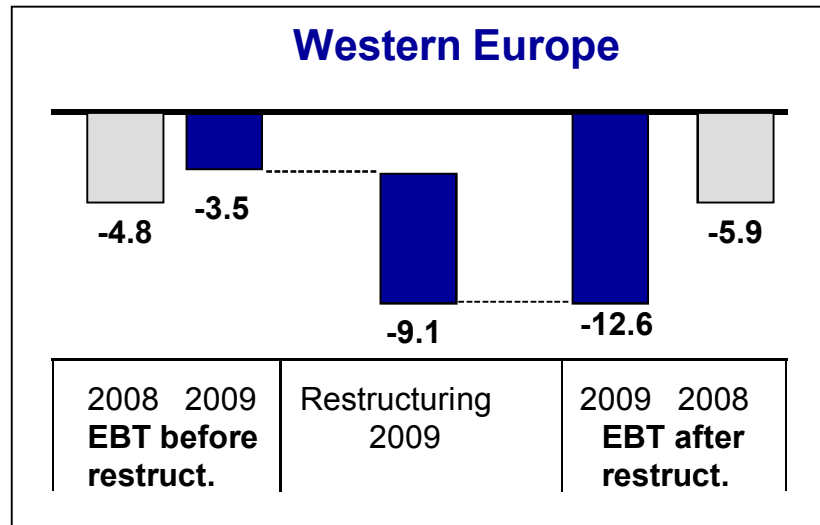
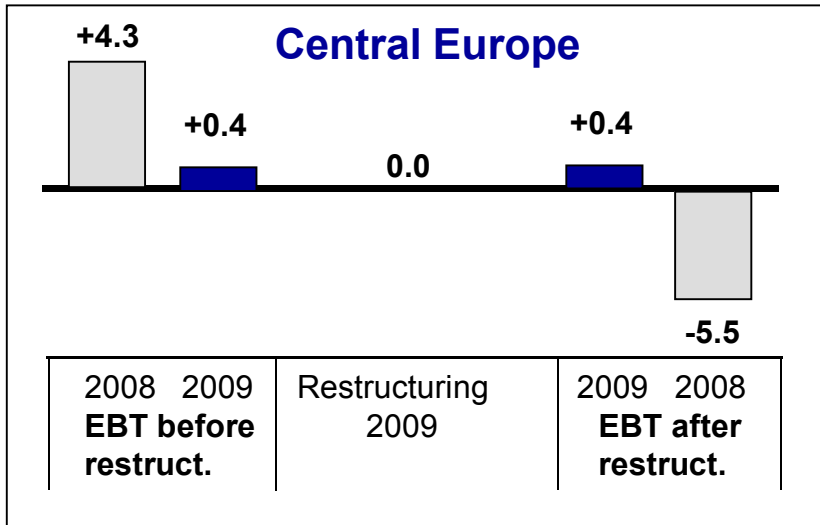


Benelux



Segmental report on photofinishing

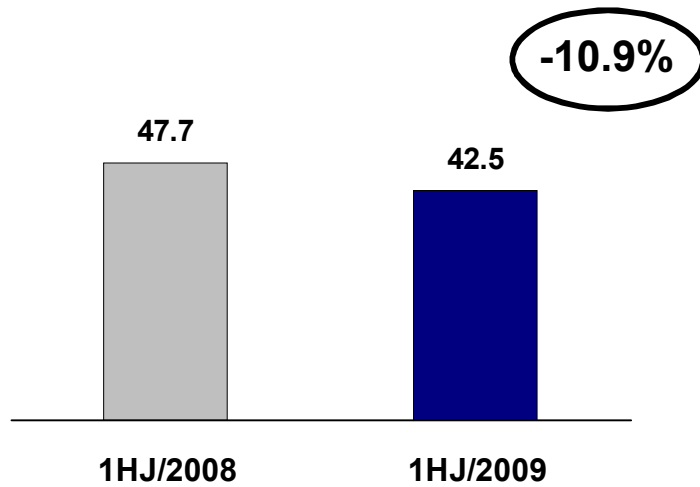
Earnings at H1 (in EUR millions)



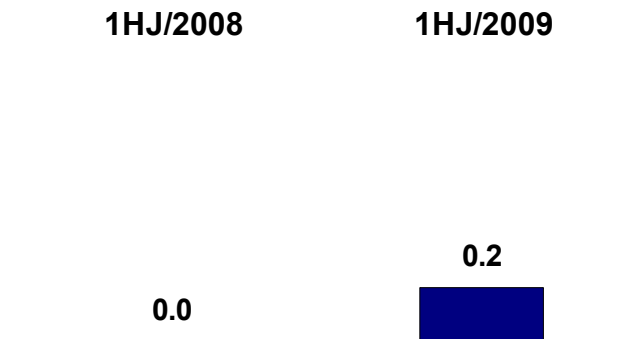
Segmental report on Retailing at H1



Retail sales at mid-year
in EUR millions



Retail EBT at mid-year
in EUR millions



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