

Results Q3 2016 CEWE Stiftung & Co. KGaA

Analyst Conference Call

Oldenburg
November 10, 2016



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My
cewe photobook
My Life

This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of CEWE. 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.



Dr. Olaf Holzkämper
CFO

Dr. Rolf Hollander
CEO

Dr. Christian Friege: New CEO as of 1 July 2017



Professional training and career

1993	MBA, Mannheim University
1995	Doctor of Political Science, Catholic University, Eichstätt/Ingolstadt
1995 to 2004	Bertelsmann AG, including 1998 to 2000 Member of Doubleday Direct management, Garden City, NY, USA and 2000 to 2004 Managing Director, British Book Club in London, UK
2005 to 2006	Member of the Board of Management of debitel AG, Stuttgart
2008 to 2012	CEO of LichtBlick AG, Hamburg
2012 to 2015	Independent Management Consultant
since 2015	CEWE Stiftung & Co. KGaA
since 2016	Member of the Board of Management of the Neumüller CEWE COLOR Foundation
as of 1 July 2017	Chairman of the Board of Management of the Neumüller CEWE COLOR Foundation

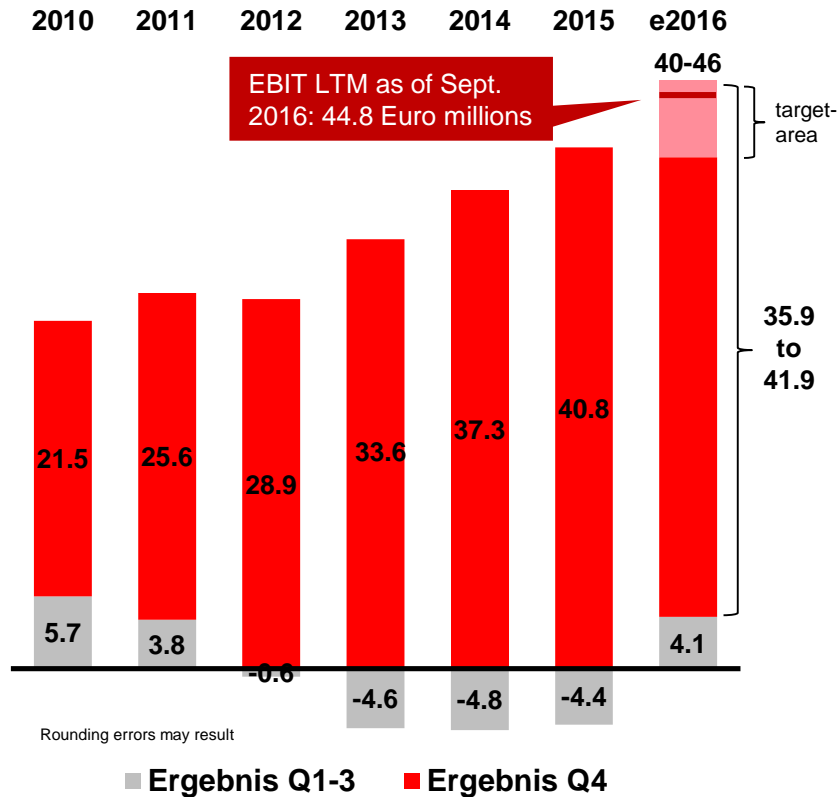
Highlights Q3 2016		Q3 2015	Q3 2016	Comment
Photofinishing				
Sales Volume	in photo m.	557	529	<ul style="list-style-type: none"> At 5.2% lower than 2015, volume meets expected range Added-value products drive the increase in turnover (+4.3%) and profitability One-time items in Q3 2016: EUR 0.3 m. sale of the operation in Graudenz (Poland) and EUR 1.8 m. initial supply for business partners
Turnover	in EUR m.	91.5	95.4	
EBIT		3.8	5.6	
EBIT w/o one-offs		3.8	3.5	
Commercial Online-Print				
Turnover	in EUR m.	18.7	19.7	<ul style="list-style-type: none"> Turnover (Q1-3: +10.6%) on track to achieve 2016 target EBIT (Q1-3: EUR 0.5 m.) on track to be positive for full year
EBIT		-0.4	-0.3	
Retail				
Turnover	in EUR m.	15.1	12.9	<ul style="list-style-type: none"> Focus on profitability successful EBIT continues to improve
EBIT		-0.1	0.0	
Other				
Turnover	in EUR m.	0.2	0.6	<ul style="list-style-type: none"> Segment Other covers administrative costs for company structure, supervisory board costs, IR costs, real estate, futalis
EBIT		-0.6	-0.8	
Group				
Turnover	in EUR m.	125.5	128.6	<ul style="list-style-type: none"> Photofinishing and commercial online printing increase turnover EBIT due to one-offs better than previous year
EBIT		2.7	4.5	
EBIT w/o one-offs		2.7	2.4	
Free Cash Flow	in EUR m.	-14.4	-1.9	<ul style="list-style-type: none"> Operative cash flow and less investments in Q3 increase FCF
ROCE	%	15.9	20.6	<ul style="list-style-type: none"> ROCE continues to rise
Equity ratio	%	52.3	57.2	<ul style="list-style-type: none"> Solid equity ratio

▶ **Also Q3 above expectations: annual targets for 2016 increased**

EBIT contribution of Q1-3 and Q4

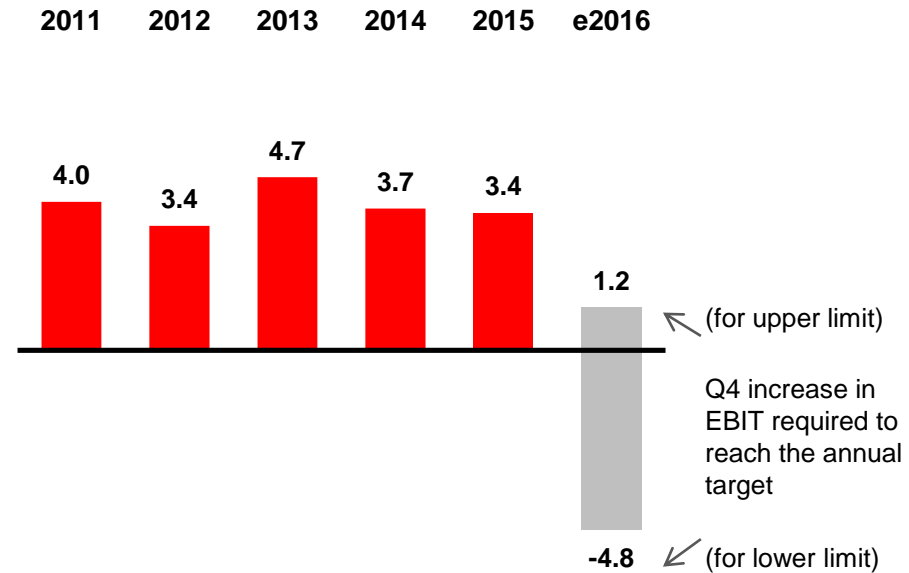
Distribution of profits Q1-3 vs. Q4

Group-EBIT in Euro millions



EBIT-growth Q4

in Euro millions



- ▶ EBIT target adjusted from 38-44 million euros to 40-46 million euros
- ▶ Even a decline in the Q4 profit would be sufficient to reach the target corridor

Agenda

1. Results

- Photofinishing

- Commercial Online-Print

- Retail

- Group

2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)

3. Outlook

4. Q&A







CEWE FOTOBUCH Hardcover
Veredelung mit erhabenen
Effektlack



Mein
cewe fotobuch
Mein Leben

CEWE FOTOBUCH auf
Fotopapier Premium-Matt



Mein
cewe fotobuch
Mein Leben

CEWE FOTOBUCH Compact
Panorama Softcover mit HGV

Auf Entdeckungstour...



Neue Layouts für Fotocollagen / Optimierung Usability

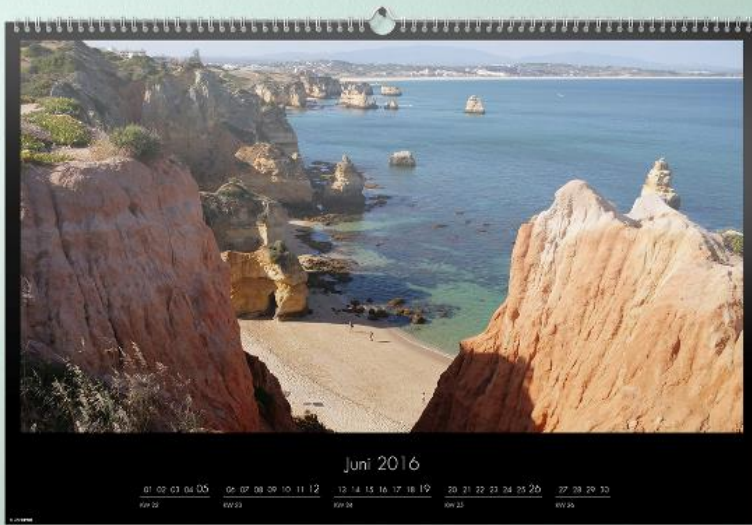


Mein
cewe kalender
Ganz persönlich



Wandkalender Premium-Matt

Mein
cewe kalender
Ganz persönlich



Wandkalender A2 Matt



Meine
cewe cards
Freude teilen

Karten Quadratisch 10er Set



Meine
cewe cards
Freude teilen

CEWE CARDS
mit Goldveredelung







Fotogeschenke

Sleeve Tasche

Fotogeschenke

Premium-Kissen



Fotogeschenke

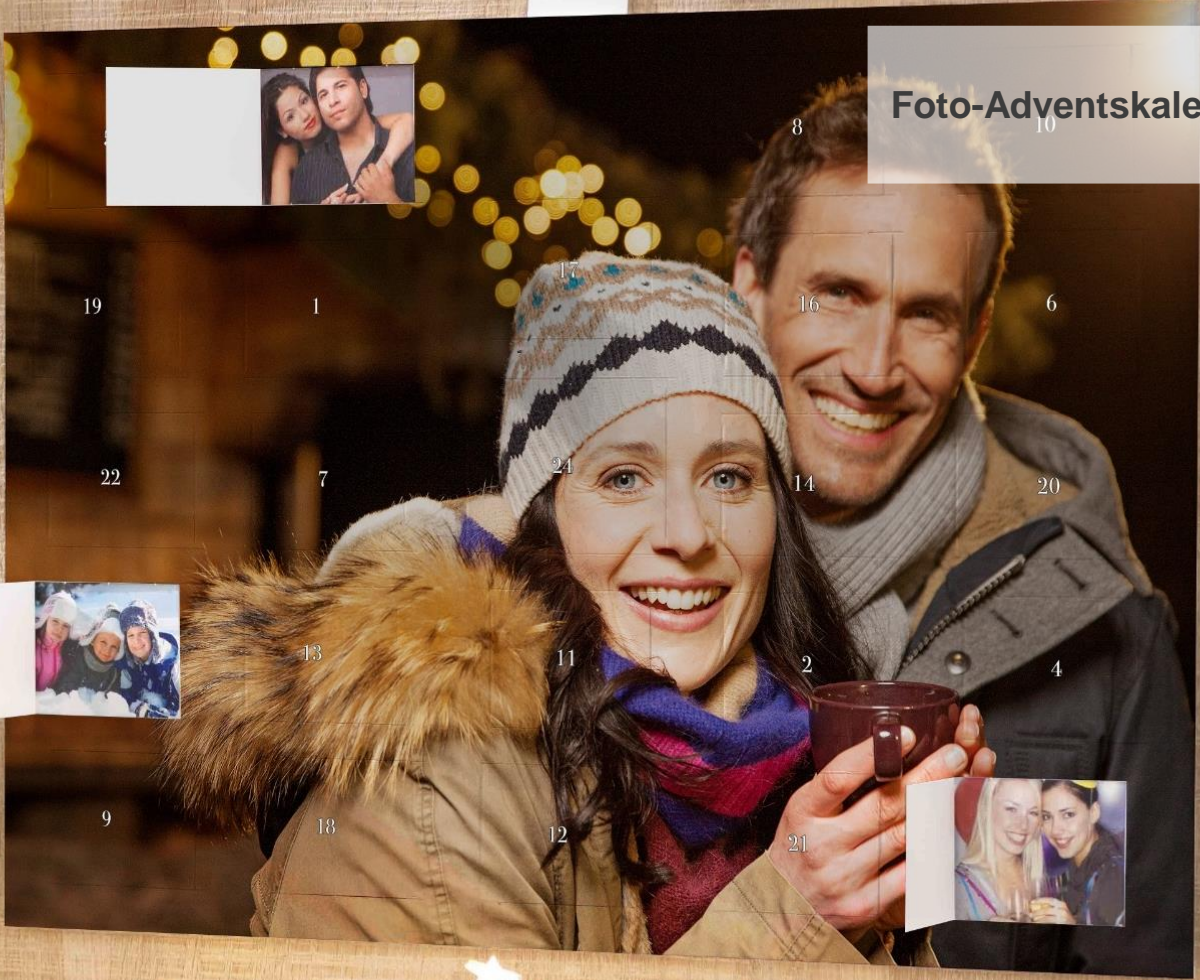


Porzellan Fototasse



Fotogeschenke

Foto-Adventskalender A3



Fotogeschenke

FOTO-Adventskalender mit
Produkten von kinder®



Fotogeschenke

Premium Foto-Adventskalender
mit Ferrero Pralinen XXL



Fotogeschenke



Mini Prints

Fotos

Square Prints



Fotos

Fine Art Prints



Fotos

Rückseitengestaltung
Retro Prints

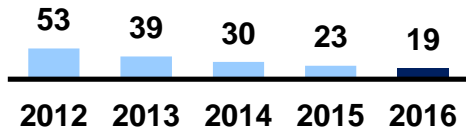


Photos Q3

Photos from films in millions

target 2016:
-29 to -22%

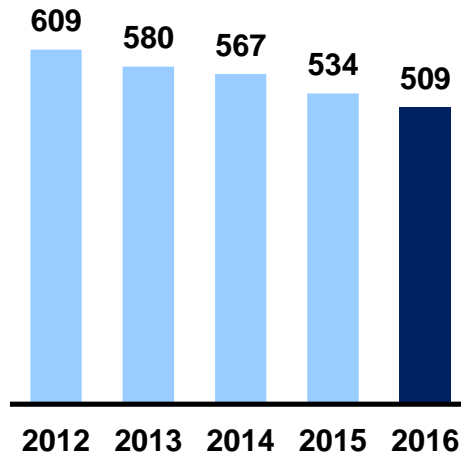
-18.4%



Digital photos in millions

target 2016:
-5% to -1%

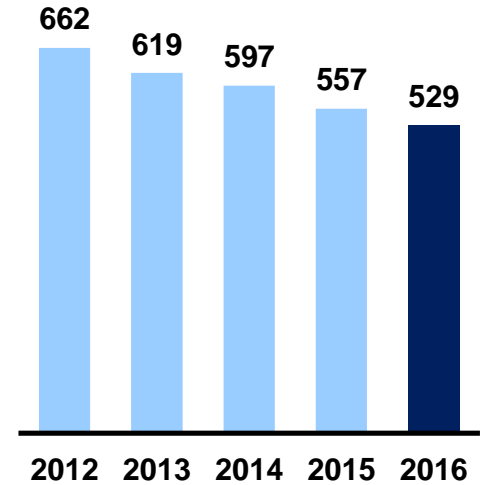
-4.6%



Photos total in millions

target 2016:
-6% to -1%

-5.2%



▶ **Q3 volume on track, especially given the seasonal shift continuously strengthening Q4**

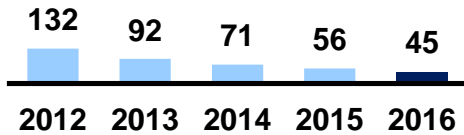
Rounding differences may occur

Photos Q1-3

Photos from films in millions

target 2016:
-29 to -22%

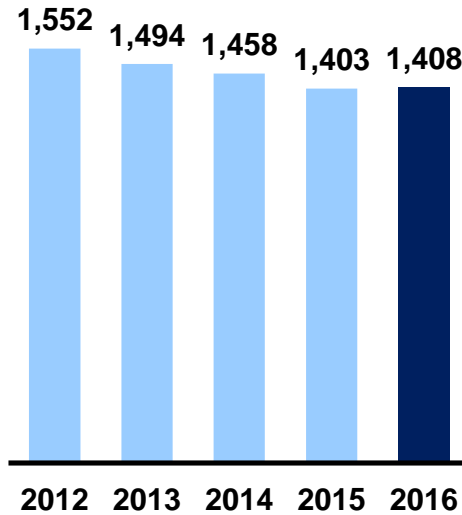
-20.8%



Digital photos in millions

target 2016:
-5% to -1%

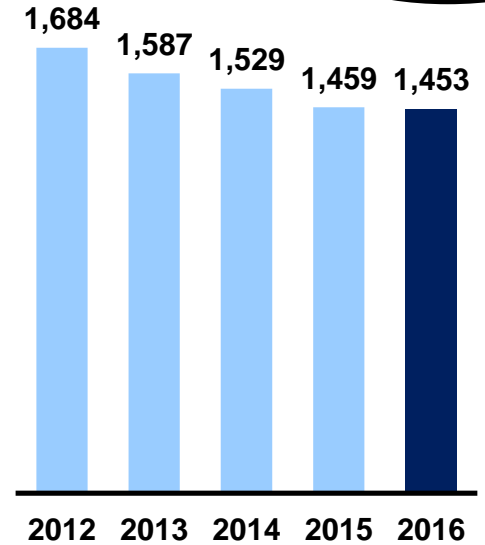
+0.4%



Photos total in millions

target 2016:
-6% to -1%

-0.4%



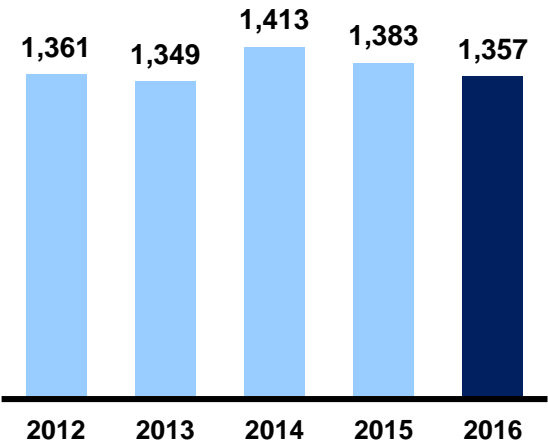
- ▶ Q1-3 volume on track, especially given the seasonal shift continuously strengthening Q4 – and also supporting Q1

Rounding differences may occur

CEWE PHOTOBOOK

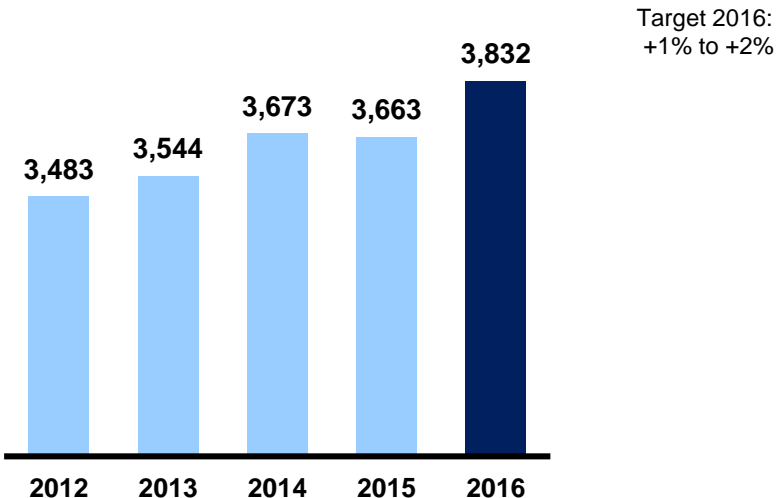
Number of CEWE PHOTOBOOKS Q3
in thousands

-1.9%



Number of CEWE PHOTOBOOKS Q1-3
in thousands

+4.6%



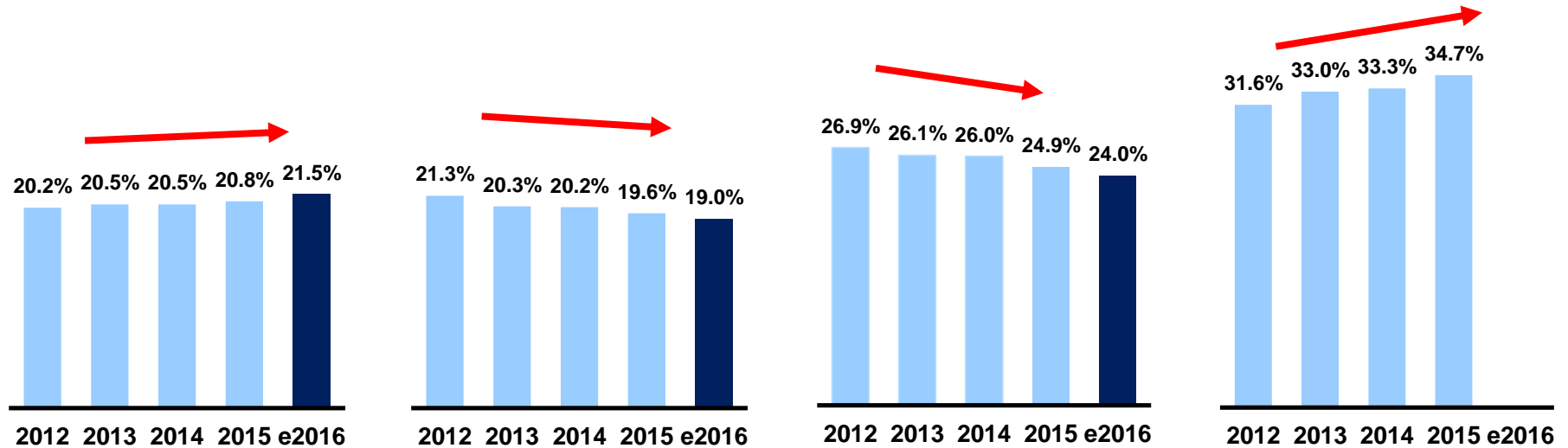
▶ **CEWE PHOTO BOOK increases volume and clearly enhances photo value**

Rounding differences may occur

Photos Total by Quarter

Saisonal distribution: CEWE 2012 to 2016

Total share of photos per quarter as a percentage



Q1

Q2

Q3

Q4

2.10 – 2.21
billion photos
2016

0.452-0.475
billion

target

0.399-0.420
billion

target

0.504-0.530
billion

target

482.4
million

✓
actual

441.8
million

✓
actual

528.5
million

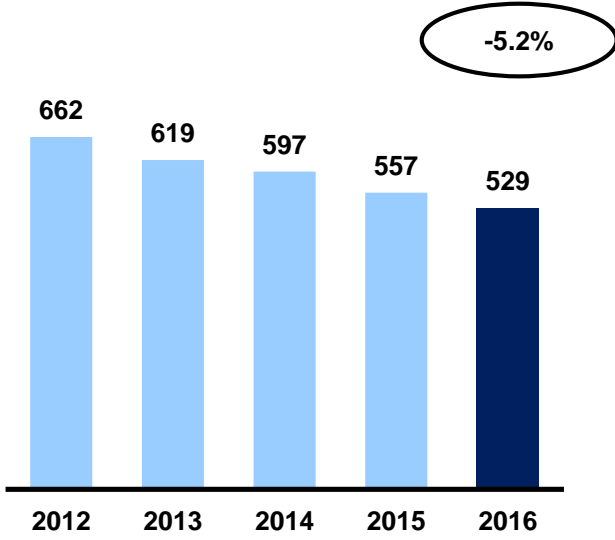
✓
actual

▶ **Photofinishing
volume meets
expected range**

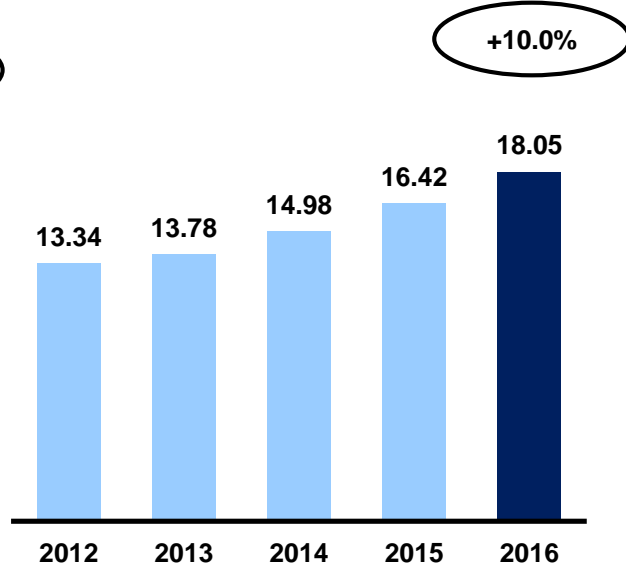
Rounding differences may occur

Value of Photos Q3

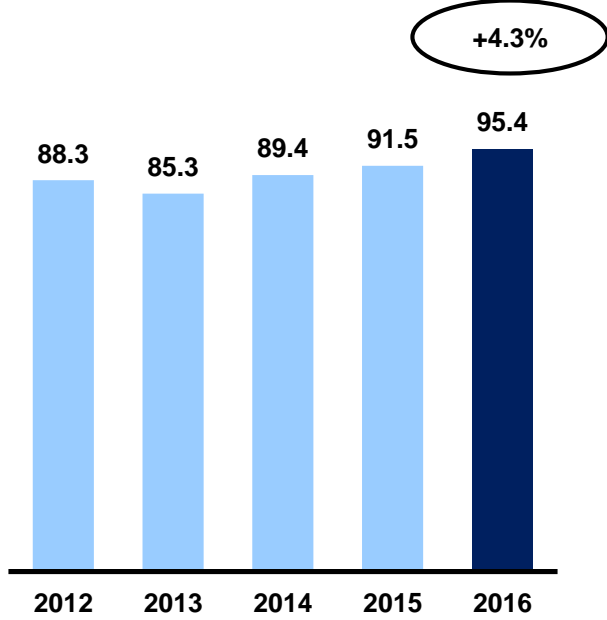
Total prints
in Euro millions



Value per photo
Turnover/photo [Euro cent/photo]



Turnover Photofinishing Q3*
in Euro millions



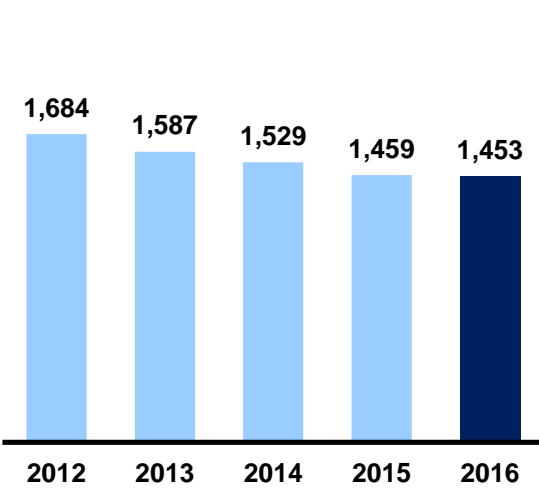
▶ **Continuous increase of turnover per photo in Q3 driven by value added-products**

*turnover since 2013 adjusted
Rounding differences may occur

Value of Photos Q1-3

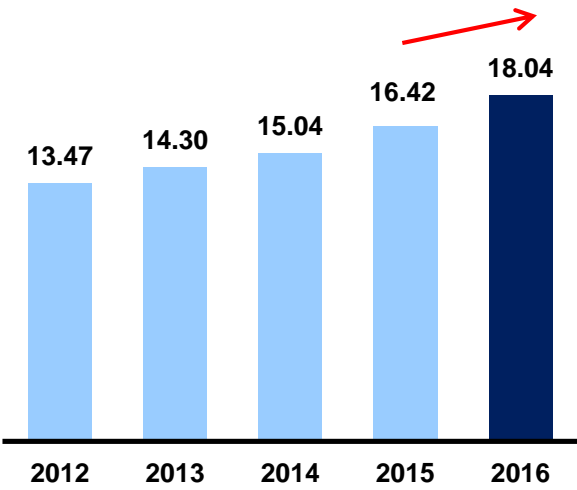
-0.4%

Total prints
in Euro millions



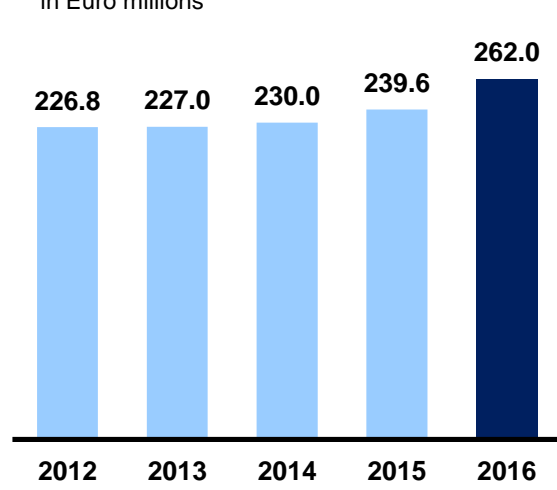
+9.8%

Value per photo
Turnover/photo [Euro cent/photo]



+9.3%

Turnover photofinishing Q1-Q3*
in Euro millions



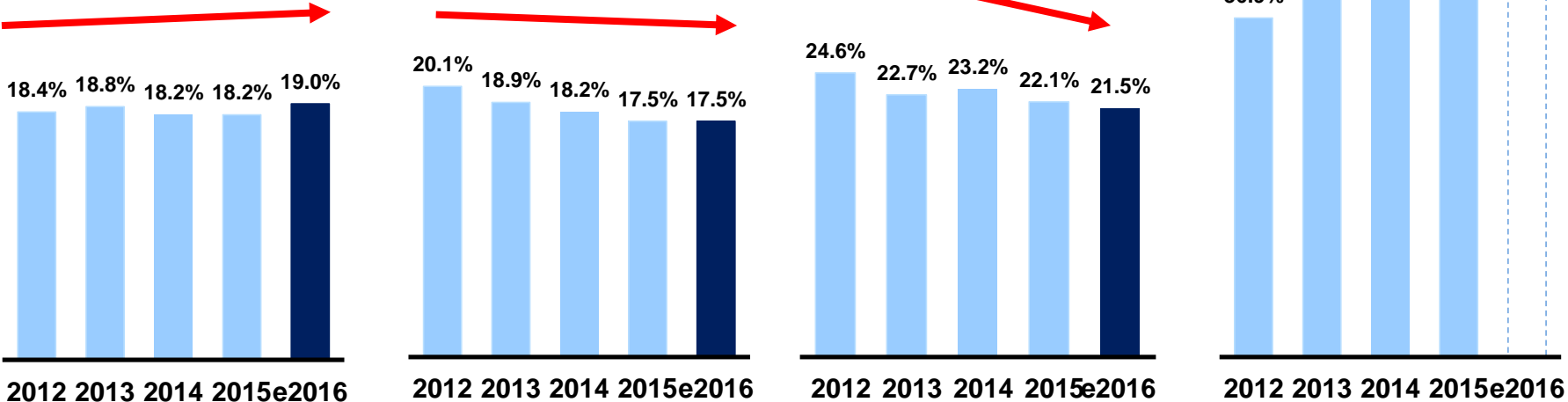
▶ **Continuous increase of turnover per photo in Q1-Q3 driven by value added-products**

*turnover since 2013 adjusted
Rounding differences may occur

Shares in Turnover by Quarter - Photofinishing

Seasonal distribution: CEWE 2012 to 2016

Share in turnover by quarter as a percentage



Approx. 407-427m€* turnover target 2016	Q1		Q2		Q3	
	77.3 – 81.1 Euro mill.	target	71.2 – 74.7 Euro mill.	target	87.5 – 91.8 Euro mill.	target
	85.5 Euro mill.	✓ actual	81.1 Euro mill.	✓ actual	95.4 Euro mill.	✓✓ actual

Photofinishing exceeds expected revenue range in Q3 due to increase in value added products and initial supply for business partners

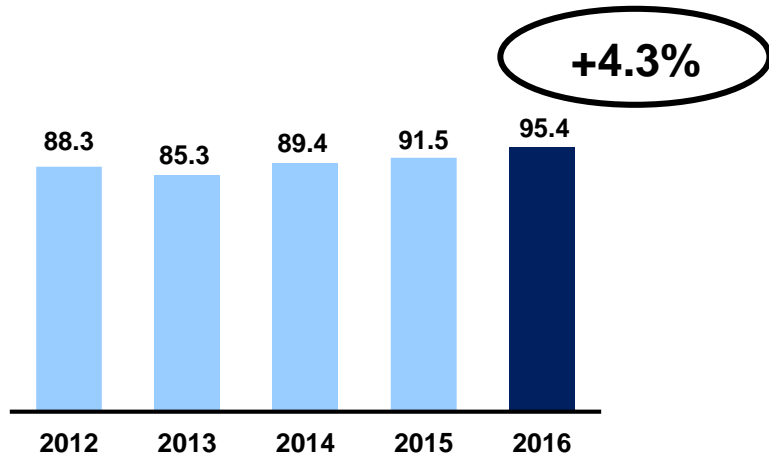
* Photofinishing turnover approx. on previous year's level (2015: 415.0 Euro mill.)

Rounding differences may occur

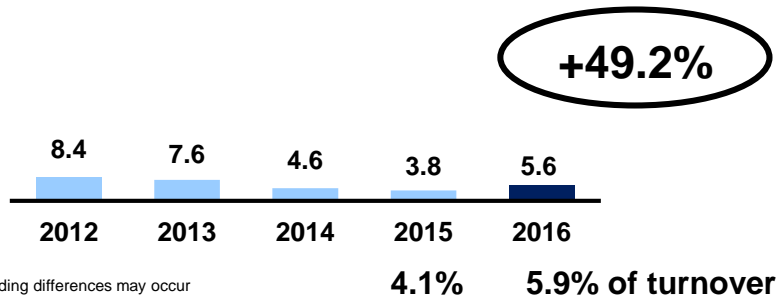
Photofinishing Segment in Q3

in Euro millions

Turnover



EBIT



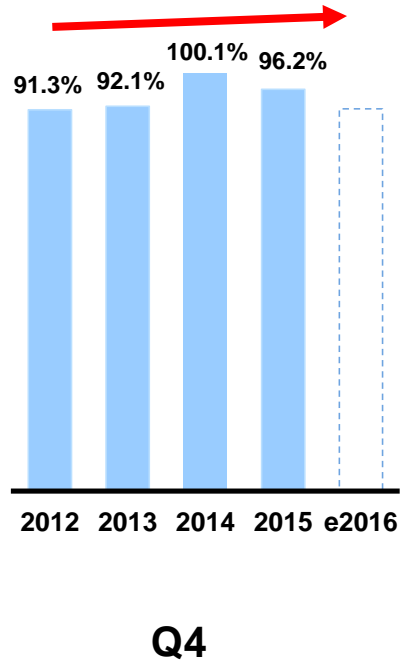
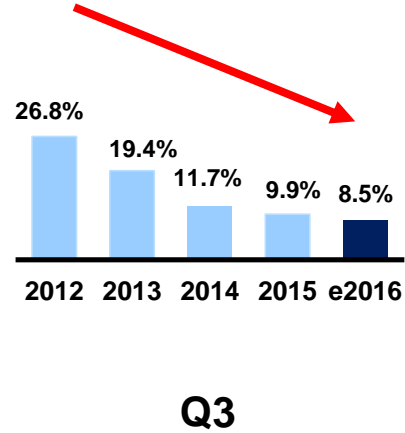
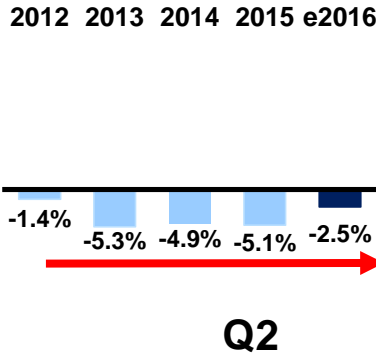
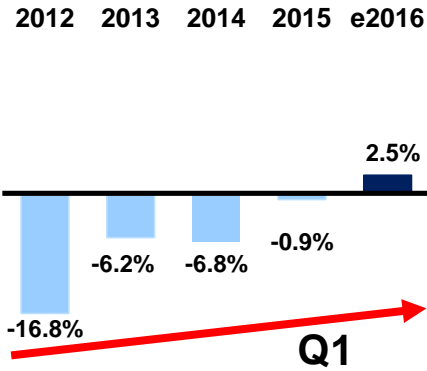
Rounding differences may occur

- After two positive first quarters, Q3 2016 sees sales continuing to rise: +4.3%
- CEWE brand and added-value products support increase in sales
- Trend towards these "brand added-value products" reinforces photofinishing sales
- EBIT backed up by positive one-off effects: Sale of the operation in Graudenz in Poland generates special income of 0.3 million euros, and the initial supply for business partners 1.8 million euros
- EBIT before these one-off effects, at 3.5 million euros falls just short of that of the previous year by 0.3 million euros

- ▶ Increase of turnover in Q3 driven by value added-products
- ▶ EBIT before one-offs slightly below previous year

EBIT before Restructuring by Quarter – Photofinishing

Seasonal distribution: CEWE 2012 to 2016
 EBIT share by quarter as a percentage



37.0-43.0 Euro mill.* EBIT-target 2016 Photofinishing

Quarter	Target Range (Euro mill.)
Q1	+0.93 – +1.08
Q2	-0.93 – -1.08
Q3	+3.1 – +3.7

Quarter	Actual (Euro mill.)	Status
Q1	1.179	Actual ✓
Q2	-493	Actual ✓
Q3	5.609	Actual ✓
Q3	3.524 (w/o one-offs)	Actual ✓

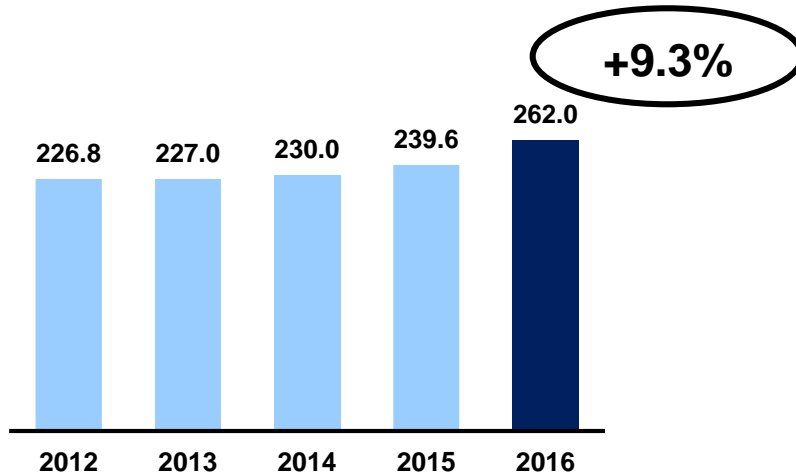
- ▶ **Photofinishing EBIT exceeds expected range**
- ▶ **Excluding all one-time effects the expectation is fully met (3,5 Euro mill. EBIT)**

* 38.0-44.0 Euro mill. group EBIT-target less planned retail, online printing and from segment Others
 EBIT 2012 – 2013: EBIT adjusted to other tax
 Rounding differences may occur

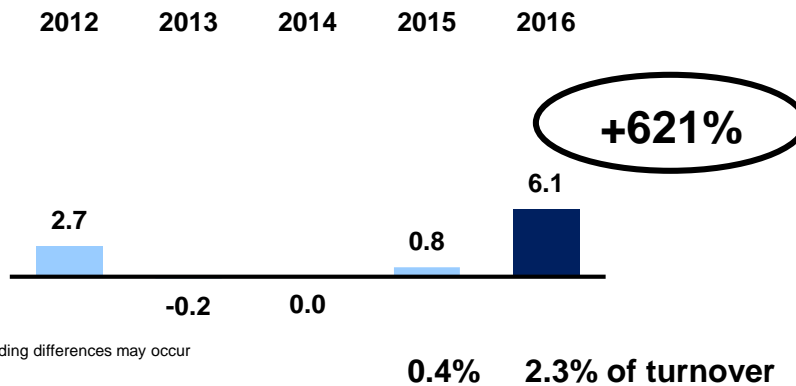
Photofinishing Segment in Q1-3

in Euro millions

Turnover



EBIT



Rounding differences may occur

- Q1, Q2 and Q3 all increase turnover in comparison to the previous year: Total for 2016: + 9.3%

- Added value products drive increase: CEWE PHOTO BOOK, CEWE CALENDAR, CEWE CARDS, CEWE WALL ART

- EBIT (rounded off) improves by 5.3 m. euros
- EBIT before one-off effects improved by 3.1 m. euros:

One-off effects in 2016: +0.4 million euros in sales revenue for Smilebooks USA, -0.9 million euros in goodwill depreciation in the UK, -0.2 million euro closure of DeinDesign operation in Berlin, +0.3 million euros in sale at Graudenz operation, +2.1 million euros basic equipment for business partners

One-off effects in 2015: - 0.4 million euros in restructuring costs for closing a customer service office in Dresden

▶ In spite of seasonal shift photofinishing better than in same period of previous year

Agenda

1. New Products and Results

- Photofinishing

- Commercial Online-Print

- Retail

- Group

2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)

3. Outlook

4. Q&A

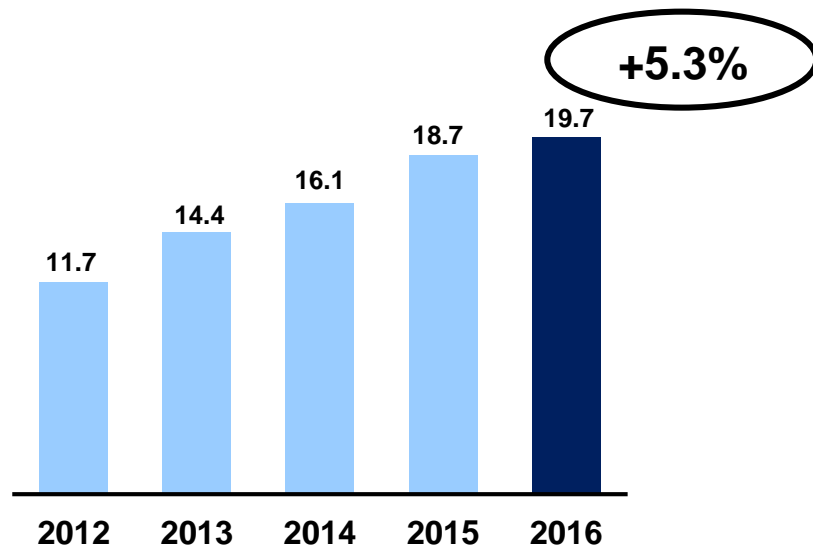
CEWE's Commercial Online-Print activities in Europe



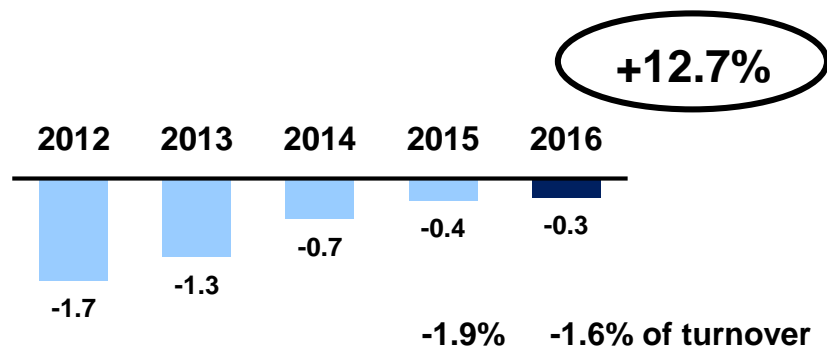
▶ **CEWE operates with webshops in 10 different countries**

Commercial Online-Print Segment in Q3

Turnover



EBIT



Rounding differences may occur

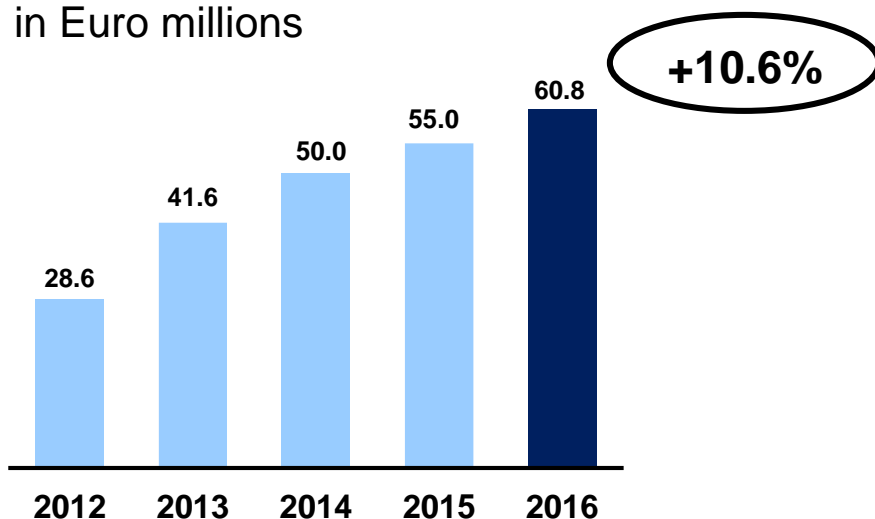
- After 12.3% in Q2, Q3 growth in sales declines to 5.3% for seasonal reasons (and thus to approx. the scheduled level)
- Brexit-induced currency losses in the UK reduce growth in sales (0.2 million euros)
- Q3 confirms the fully-year target of "approx. around" 86 million euros (+10% against the previous year)
- Q3 EBIT slightly better than in the previous year
- Currency losses in the UK have a negative effect on the profit
- Q3 also clearly confirms the annual target set for a "positive" EBIT (including the effects from the Saxoprint purchase price allocation)

▶ **Commercial online printing continues to increase its turnover, and annual targets for turnover and profits are to be achieved**

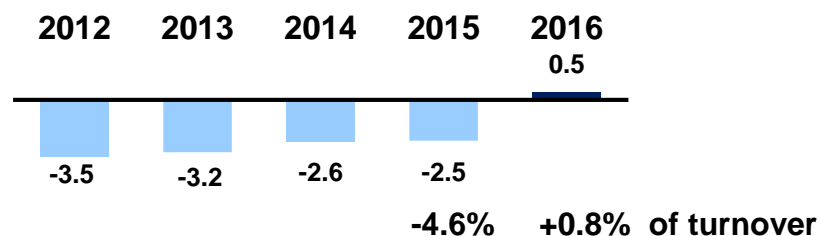
Commercial Online-Print Segment in Q1-3

in Euro millions

Turnover



EBIT



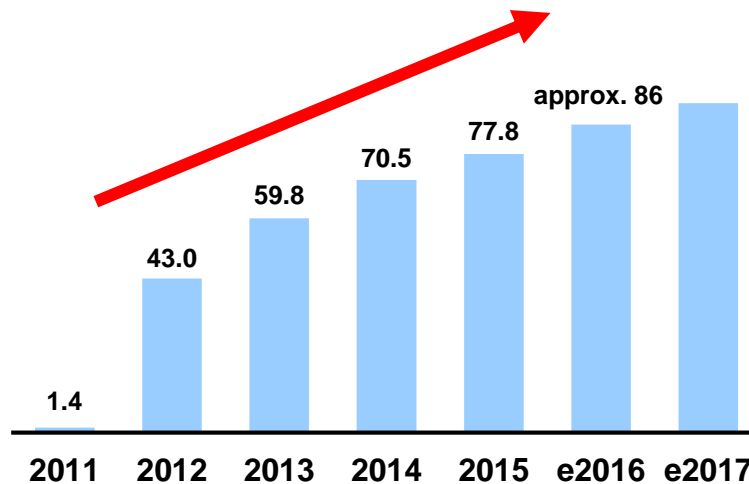
Rounding differences may occur

- The total increase in turnover, at 10.6%, is on track for the increase in turnover planned at around 10% for 2016 as a whole ("approximately around" 86 million euros)
- EBIT improved by a total of 3.0 million euros in comparison to the previous year and is thus positive for the first time: +0.5 million euros
- Q1-3 clearly confirms the annual target set for a "positive" EBIT (including the effects from the Saxoprint purchase price allocation)

► **Commercial online printing continues to increase its turnover, Q1-Q3 EBIT positive for the first time**

Growth outlook CEWE Commercial Online-Print

Revenue
in Euro millions



► **Commercial Online-Print is a growth driver**

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Repositioning of Retailing in Poland

Photo-Hardware



Photofinishing-Products

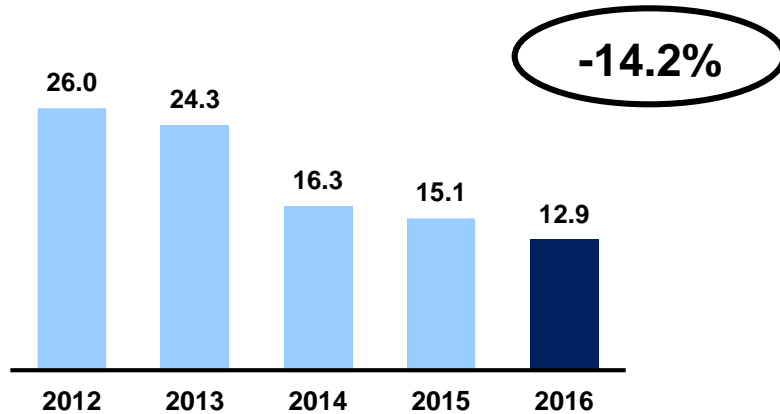


- ▶ Focus on photofinishing products in CEWE-retail shops
- ▶ Adjustments in hardware pricing to improve margins

Retail* Segment in Q3

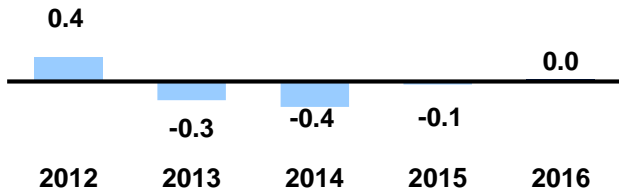
in Euro millions

Turnover*



- Photo hardware sales decrease in almost all the markets
- Stronger focus on photofinishing and earnings (not selling via price)

EBIT*



- Repositioning, particularly of business in Poland, pays off: CEWE RETAIL improves EBIT by 0.1 million euros

-0.3% +0.2% of turnover

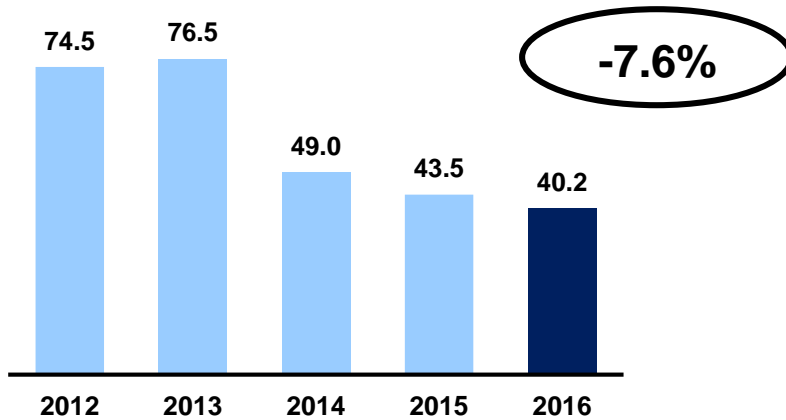
* Only hardware, no photofinishing
Rounding differences may occur

▶ **New positioning of retailing successful, profits further improved**

Retail* Segment in Q1-3

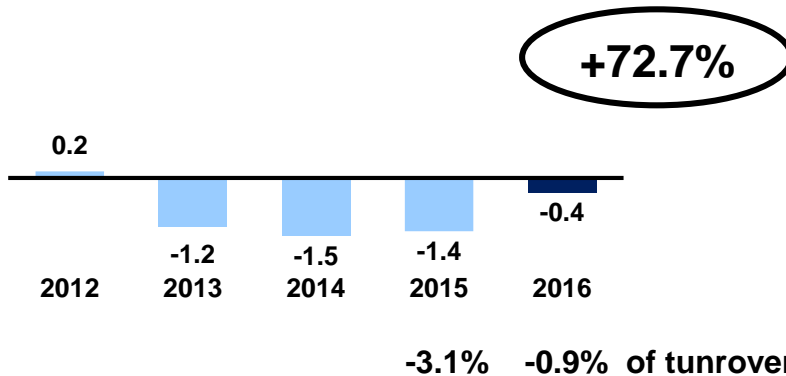
Turnover*

in Euro millions



- Photo hardware sales decrease in almost all the markets
- Stronger focus on photofinishing and earnings (not selling via price)

EBIT*



- Repositioning, particularly of business in Poland, pays off: CEWE RETAIL improves EBIT by 1.0 million euros
- CEWE RETAIL improves operatively before restructuring costs for the previous year (0.6 million euros) by 0.4 million euros

* Only hardware, no photofinishing
Rounding differences may occur

► **New positioning of retailing successful, profits further improved**

Agenda

1. Results

- Photofinishing

- Commercial Online-Print

- Retail

- **Group**

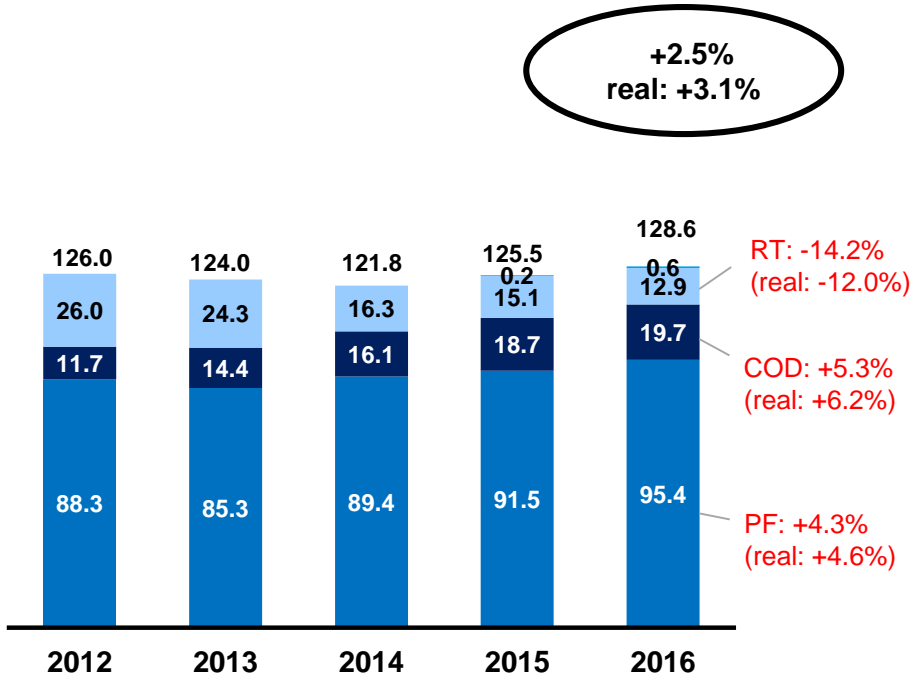
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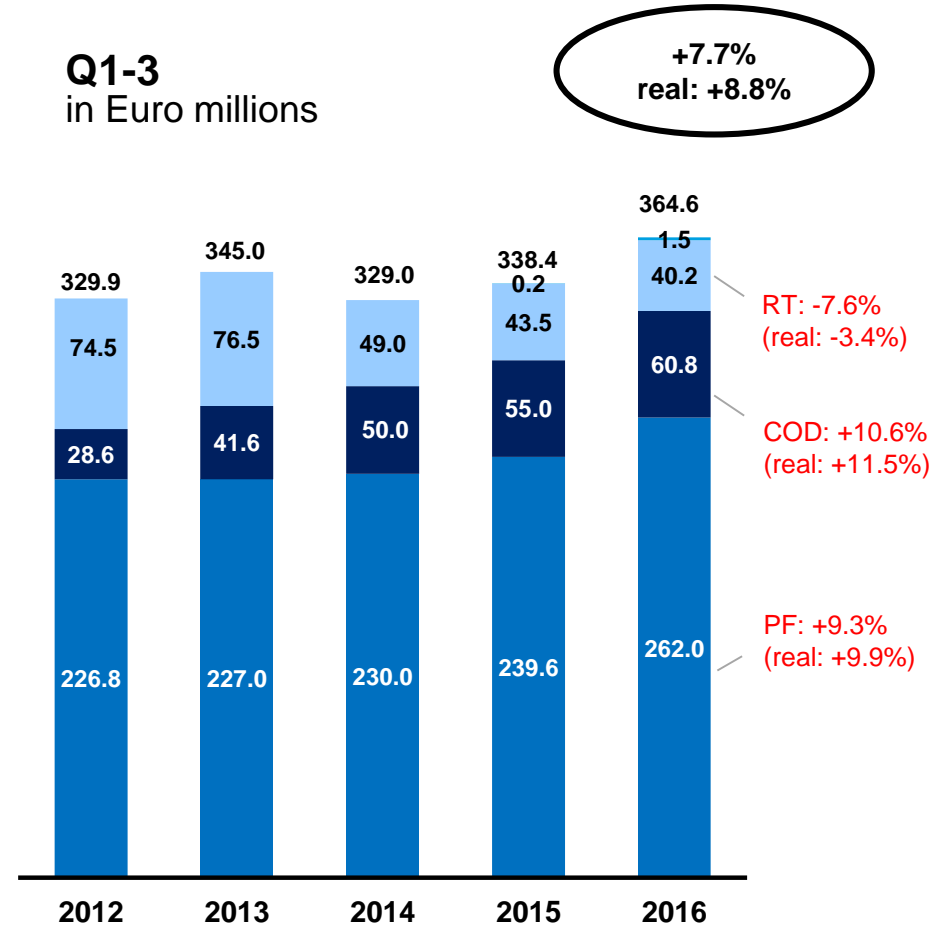
4. Q&A

Turnover

Q3
in Euro millions



Q1-3
in Euro millions



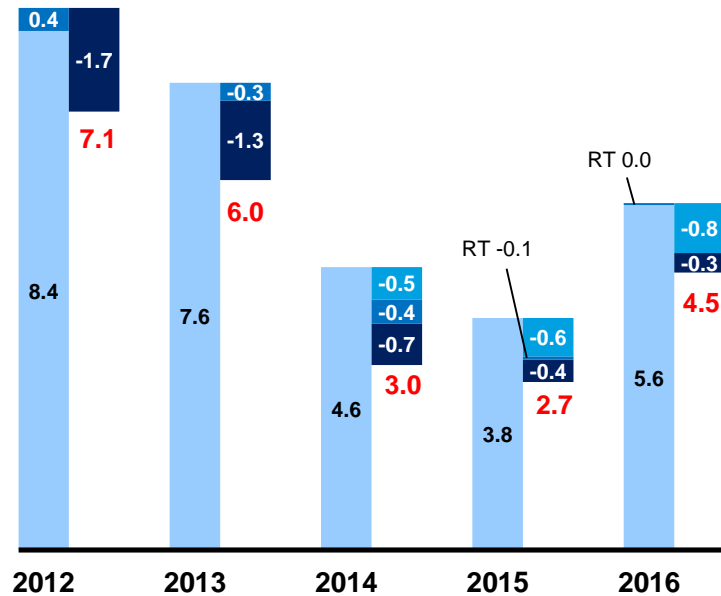
► **Increase in turnover in photofinishing and commercial online printing exceeds reduction in turnover in retailing**

- Photofinishing (PF)
- Commercial Online-Print (COD)
- Retail (RT)
- Other

Rounding differences may occur

EBIT Q3

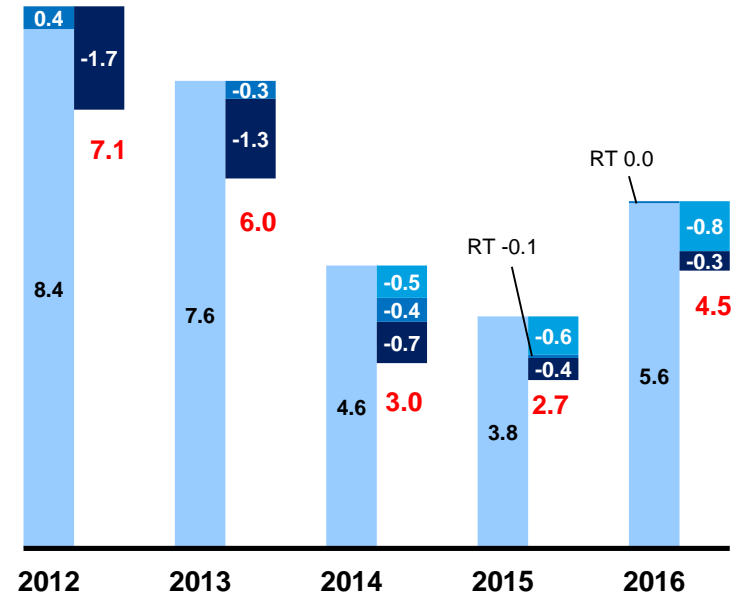
EBIT Q3 after restructuring in Euro millions



- Photofinishing (PF)
- Commercial Online-Print (COD)
- Retail (RT)
- Other

Rounding differences may occur

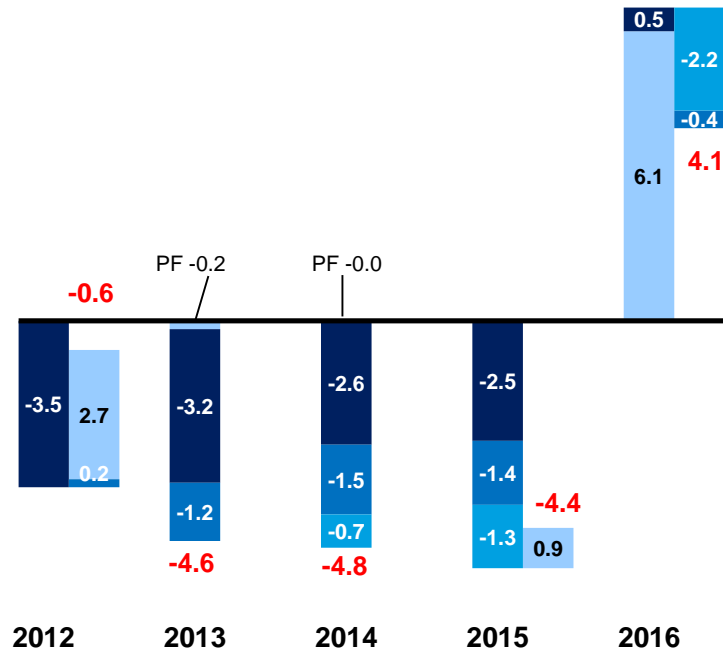
EBIT Q3 before restructuring in Euro millions



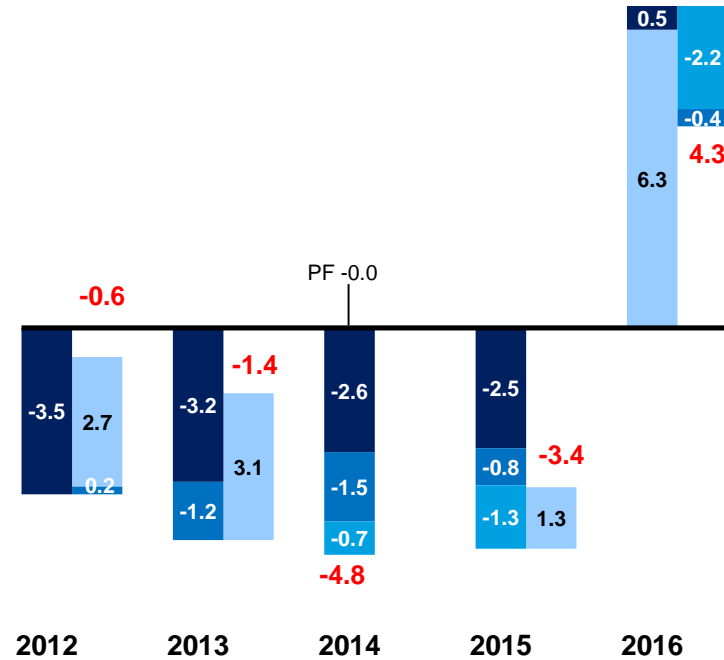
► **Mainly the photofinishing business segment sees Q3 profit increasing**

EBIT Q1-3

EBIT Q1-3 after restructuring in Euro millions



EBIT Q1-3 before restructuring in Euro millions



► **Positive Q1-3 profit based on positive development in earnings by all the business segments**

Rounding differences may occur

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Group P&L – Q3

in millions of euros	Q3 2015	% of revenues	Q3 2016	% of revenues	Change* as %	Change* m€
Revenues	125.5	100.0%	128.6	100.0%	+2.5	+3.1
Increase / decrease in finished and unfinished goods	0.2	0.2%	0.1	0.1%	-72.0	-0.2
Other own work capitalised	0.3	0.2%	0.2	0.2%	-17.2	-0.0
Other operating income	5.8	4.7%	4.4	3.4%	-25.5	-1.5
Cost of materials	-39.2	-31.3%	-39.3	-30.6%	-0.2	-0.1
Gross profit	92.6	73.8%	93.9	73.0%	+1.4	+1.3
Personnel expenses	-33.7	-26.9%	-35.5	-27.6%	-5.3	-1.8
Other operating expenses	-47.4	-37.8%	-45.0	-35.0%	+5.1	+2.4
EBITDA	11.5	9.2%	13.5	10.5%	+16.7	+1.9
Amortisation of intangible assets, depreciation of property, plant and equipment	-8.8	-7.0%	-8.9	-7.0%	-1.5	-0.1
EBIT	2.7	2.2%	4.5	3.5%	-66.2	+1.8
Financial income	0.0	0.0%	0.7	0.6%	>1,000	+0.7
Financial expenses	-0.3	-0.2%	-0.2	-0.1%	+32.2	+0.1
EBT	2.5	2.0%	5.1	4.0%	-105	+2.6
Income taxes	0.1	0.1%	0.3	0.2%	+239	+0.2
Earnings after taxes	2.6	2.0%	5.4	4.2%	-110	+2.8

Distribution of sales returns:
 € 95.4 m. photofinishing (PY: € 91.5 m.)
 € 19.7 m. (COP) (PY: € 18.7 m.)
 € 12.9 m. retail (PY: € 15.1 m.)
 € 0.6 m. other (PY: € 0.2 m.)

(-) Irregular revenue unrelated to acc. income in previous year: release of provision for advertising expense subsidies no longer required

(-) Photofinishing (more employees and tariff increase)
 (-) DeinDesign and futalis acquisitions

(+) Irregular expenses in the previous year: Purchase of a customer base already previously supplied

(+) Interest from tax refunds for 2008 (due to "waiving claim on receivables in 2008")

(+) Tax refund for the 2008 assessment period (due to "waiving a claim on receivables in 2008")

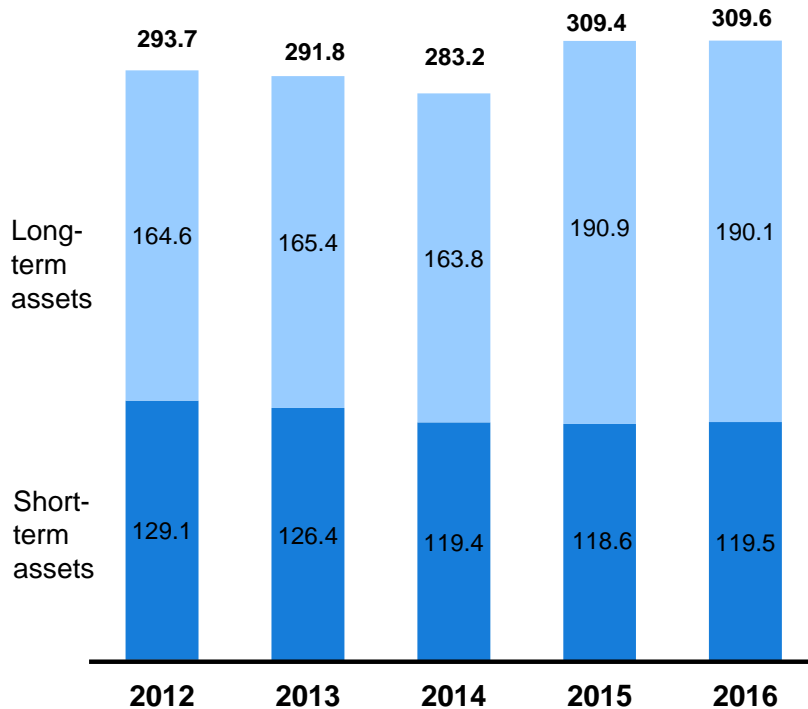
Rounding differences may occur

Only the substantial, significant differences to the previous year are illustrated.

Balance Sheet as of September 30

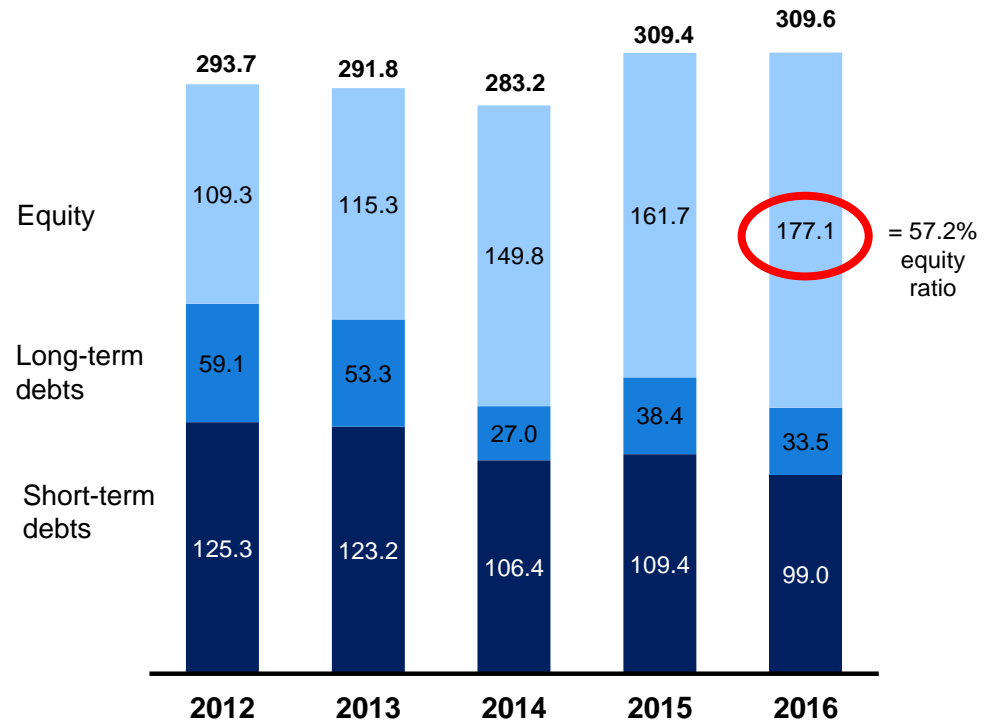
Assets

in Euro millions



Liabilities

in Euro millions



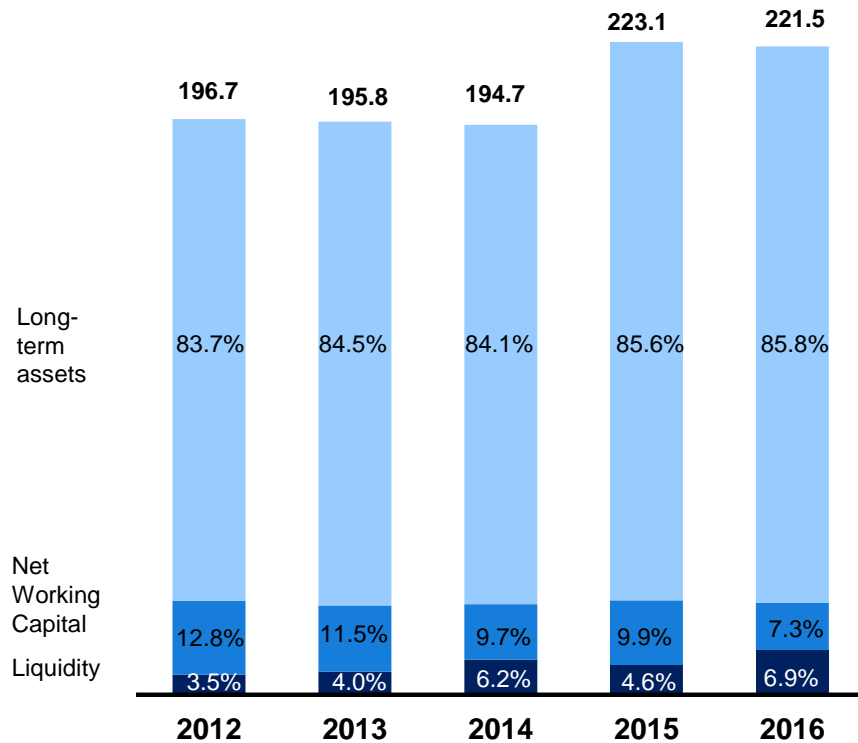
► **Equity ratio increases to a sound 57.2%**

Rounding differences may occur

Management-Balance Sheet as of September 30

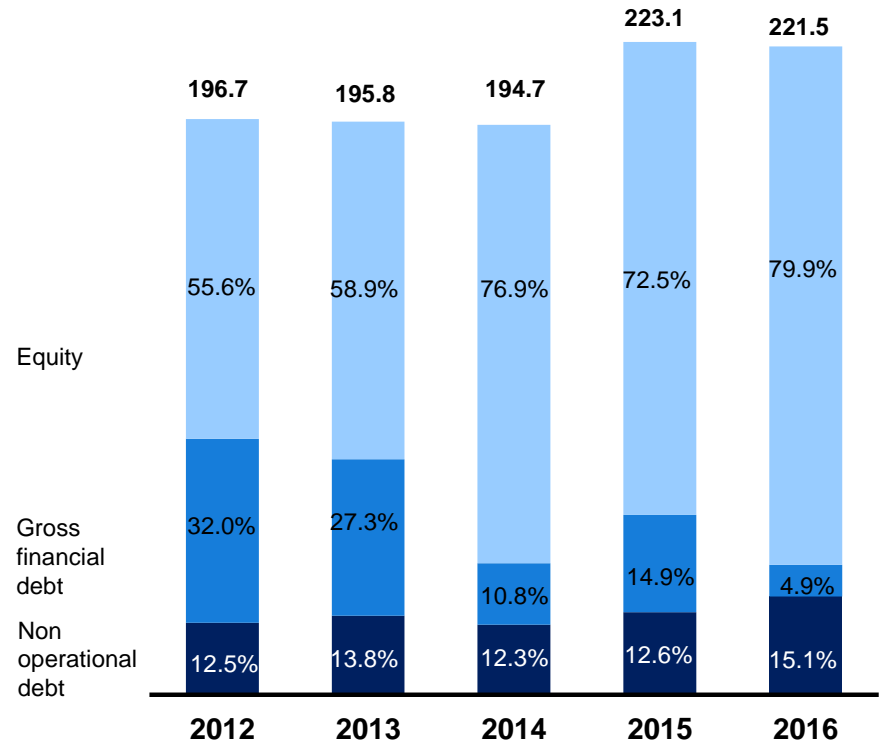
Capital Employed

in Euro millions



Capital Invested

in Euro millions



- ▶ **Net working capital reduced**
- ▶ **Gross financial debts paid back as scheduled**

Rounding differences may occur

Capital Employed I

in millions of euros	June 30, 2016	% of CE	Sep. 30, 2016	% of CE	Change as %	Change m€
Property, plant and equipment	112.8	53.3 %	116.8	52.7 %	+3.6 %	+4.0
Investment properties	5.0	2.4 %	5.0	2.3 %	+0.0 %	+0.0
Goodwill	32.8	15.5 %	32.8	14.8 %	+0.0 %	+0.0
Intangible assets	21.2	10.0 %	20.5	9.3 %	-3.2 %	-0.7
Financial assets	5.6	2.7 %	5.8	2.6 %	+3.7 %	+0.2
Non-current receivables from income tax refunds	0.5	0.3 %	0.5	0.2 %	+0.0 %	+0.0
Non-current financial assets	0.7	0.3 %	0.6	0.3 %	-0.2 %	-0.0
Non-current other receivables and assets	0.4	0.2 %	0.8	0.4 %	+106 %	+0.4
Deferred tax assets	7.3	3.4 %	7.2	3.2 %	-1.0 %	-0.1
Non-current assets	186.2	88.0 %	190.1	85.8 %	+2.1 %	+3.9
Inventories	41.7	19.7 %	43.6	19.7 %	+4.6 %	+1.9
+ Current trade receivables	40.4	19.1 %	41.0	18.5 %	+1.5 %	+0.6
Operating gross working capital	82.1	38.8 %	84.6	38.2 %	+3.1 %	+2.6
- Current trade payables	52.2	24.7 %	54.0	24.4 %	+3.5 %	1.8
Operating net working capital	29.9	14.1 %	30.6	13.8 %	+2.5 %	+0.7

Invest > amortisation
 (+) On-site finishing, shop items
 (+) Digital and offset printing machines
 (+) EDP infrastructure
 (+) Land and buildings

Invest < amortisation

(+) Raw materials, consumables and
 supplies; merchandise
 (+) Stocking up for the Christmas season

(+) Increase due to growth in sales in Q3

(+) Business-driven through growth in
 turnover
 (+) Stocking up for the Christmas season

Rounding differences may occur

Only the substantial, significant differences to the previous year are illustrated.

Capital Employed II

in millions of euros	June 30, 2016	% of CE	Sep. 30, 2016	% of CE	Change as %	Change m€
Assets held for sale	1.1	0.5 %	0.5	0.2 %	-53.9 %	-0.6
+ Current receivables from income tax refunds	4.8	2.3 %	7.4	3.4 %	+54.8 %	+2.6
+ Current financial assets	2.9	1.4 %	3.2	1.5 %	+9.5 %	+0.3
+ Other current receivables and assets	8.7	4.1 %	8.4	3.8 %	-4.3 %	-0.4
Other gross working capital	17.6	8.3 %	19.5	8.8 %	+10.9 %	+1.9
- Current tax liabilities	6.8	3.2 %	3.9	1.8 %	-42.4 %	-2.9
- Current other accruals	3.1	1.4 %	3.1	1.4 %	+0.1 %	+0.0
- Current financial liabilities	0.3	0.2 %	0.3	0.2 %	+0.0 %	+0.0
- Current other liabilities	27.2	12.8 %	26.7	12.1 %	-1.6 %	-0.4
Other current liabilities	37.4	17.7 %	34.1	15.4 %	-8.9 %	-3.3
Other net working capital	-19.8	-9.4 %	-14.6	-6.6 %	-26.6 %	+5.3
Operating net working capital	29.9	14.1 %	30.6	13.8 %	+2.5 %	+0.7
Other net working capital	-19.8	-9.4 %	-14.6	-6.6 %	-26.6 %	+5.3
Net working capital	10.1	4.8 %	16.1	7.3 %	+59.8 %	+6.0
Non-current assets	186.2	88.0 %	190.1	85.8 %	+2.1 %	+3.9
+ Net working capital	10.1	4.8 %	16.1	7.3 %	+59.8 %	+6.0
+ Cash and cash equivalents	15.3	7.2 %	15.3	6.9 %	+0.5 %	+0.1
Capital employed	211.5	100.0 %	221.5	100.0 %	+4.7 %	+10.0

(-) Sales at Graudenz operation

(+) Earnings-induced increase

(-) Tax refunds (Saxoprint)

(-) Utilisation of the tax accrual for 2015

(+) Wages and salaries
(-) Value added tax and income tax

Rounding differences may occur

Only the substantial, significant differences to the previous year are illustrated.

Capital Invested

in millions of euros	June 30, 2016	% of CI	Sep. 30, 2016	% of CI	Change as %	Change m€
Equity	171.3	81.0 %	177.1	79.9 %	+3.4 %	+5.8
Non-current accruals for pensions	26.5	12.5 %	26.9	12.2 %	+1.7 %	+0.4
Non-current deferred tax liabilities	4.1	1.9 %	5.7	2.6 %	+39.1 %	+1.6
Non-current other accruals	0.2	0.1 %	0.1	0.1 %	-7.8 %	-0.0
Non-current financial liabilities	0.2	0.1 %	0.2	0.1 %	+0 %	+0.0
Non-current other liabilities	0.6	0.3 %	0.6	0.3 %	-2.8 %	-0.0
Non-operating liabilities	31.5	14.9 %	33.5	15.1 %	+6.4 %	+2.0
Non-current interest-bearing financial liabilities	1.3	0.6 %	0.0	0.0 %	-100 %	-1.3
+ Current interest-bearing financial liabilities	7.4	3.5 %	10.9	4.9 %	+47 %	+3.5
Gross financial liabilities	8.7	4.1 %	10.9	4.9 %	+25 %	+2.2
Capital invested	211.5	100.0 %	221.5	100.0 %	+4.7 %	+10.0

(+) Earnings after tax

(+) Allocation to accruals for pensions

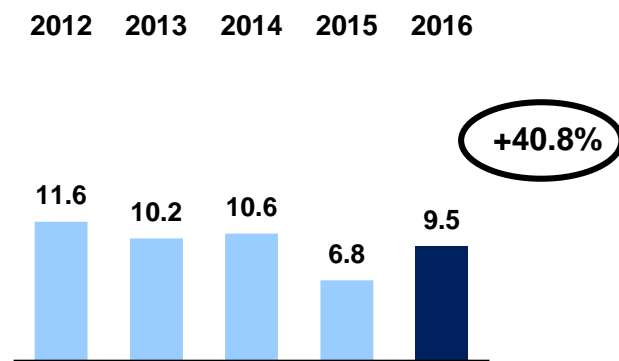
(+) Earnings-induced increase

Rounding differences may occur

Only the substantial, significant differences to the previous year are illustrated.

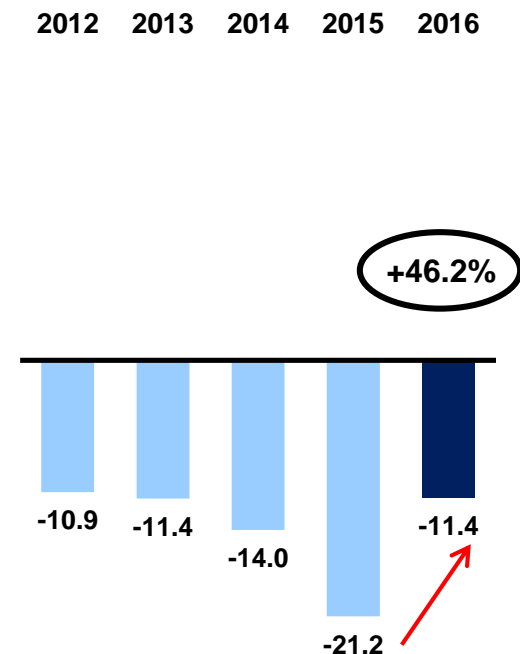
Free Cash Flow Q3

Cash Flow from operative business
in Euro millions

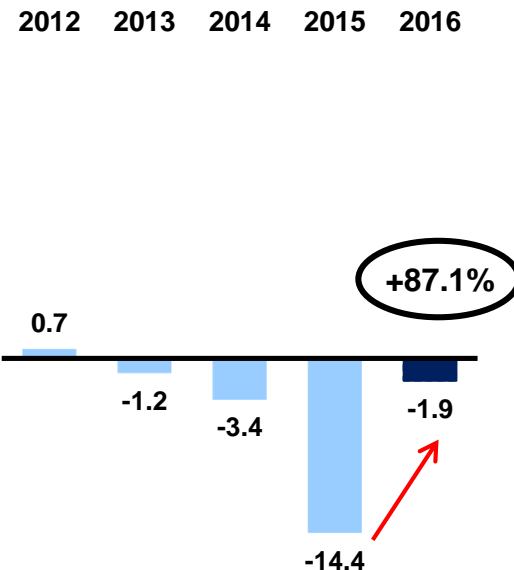


Rounding differences may occur

Outflow of funds from investment activities
in Euro millions



Free Cash Flow
in Euro millions



- ▶ Operative result and working capital increase cash flow from operative business
- ▶ Outflow of funds from investment activities return to "normal" after outflows of funds for corporate acquisitions in the previous year

Free Cash Flow Q3

in millions of euros

	Q3 2015	Q3 2016	Change as %	Change m€
EBITDA	11.5	13.5	16.7%	1.9
+/- Non-cash factors	-0.5	-0.2	-56.0%	0.3
+ Decrease/-Increase in operating net working capital	-3.7	-1.1	-70.4%	2.6
+ Decrease/- Increase in other net working capital (excluding income tax items)	1.2	0.3	77.7%	-0.9
- Taxes paid	-1.8	-3.6	-104%	-1.8
+ Interest received	0.0	0.7	>1.000%	0.7
= Cash flow from operating activities	6.8	9.5	40.8%	2.8
- Outflows from investments in fixed assets	-9.8	-12.2	-24.8%	-2.4
- Outflows from purchases of consolidated interests / acquisitions	-11.5	0.0	-	11.5
- Outflows from investments in financial assets	-0.1	-0.2	-43.4%	-0.1
- Outflows from investments in non-current financial instruments	0.0	0.0	-	0.0
+ Inflows from the sale of property, plant and equipment and intangible assets	0.2	1.1	362%	0.8
= Cash flow from investing activities	-21.2	-11.4	46.2%	9.8
= Free cash flow	-14.4	-1.9	87.1%	12.5

Build-up of inventory of stocks (stocking up for Christmas season)

Higher payments of value-added tax

Higher payments of income tax

Interest income from tax refunds (due to "waiving a claim on receivables in 2008")

Higher investments in digital printing and administration building

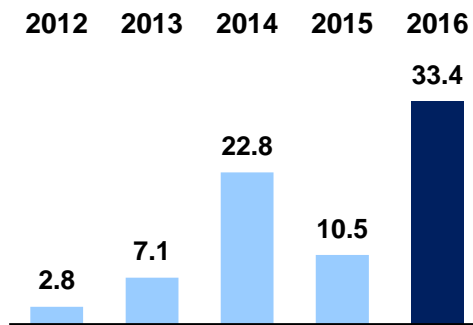
Acquisition of DeinDesign and futalis in the previous year

Rounding differences may occur

Only the substantial, significant differences to the previous year are illustrated.

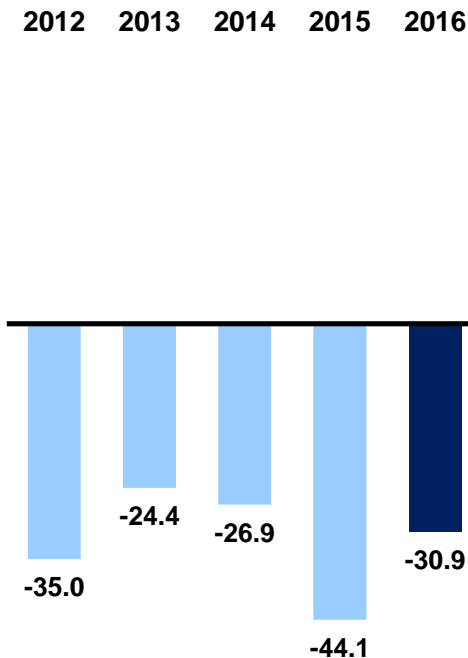
Free Cash Flow Q1-3

Cash Flow from operative business
in Euro millions

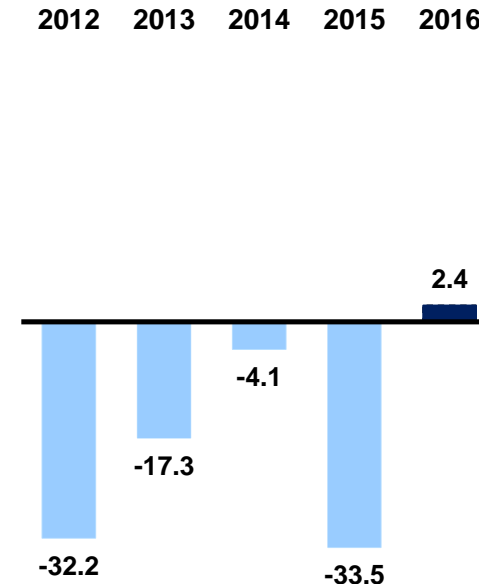


Rounding differences may occur

Outflow of funds from investment activities
in Euro millions



Free Cash Flow
in Euro millions



- ▶ **Growth in earnings and reduction in working capital increase operative cash flow**
- ▶ **Elimination of payments for corporate acquisitions reduces outflow of funds for investments**

ROCE as of September 30

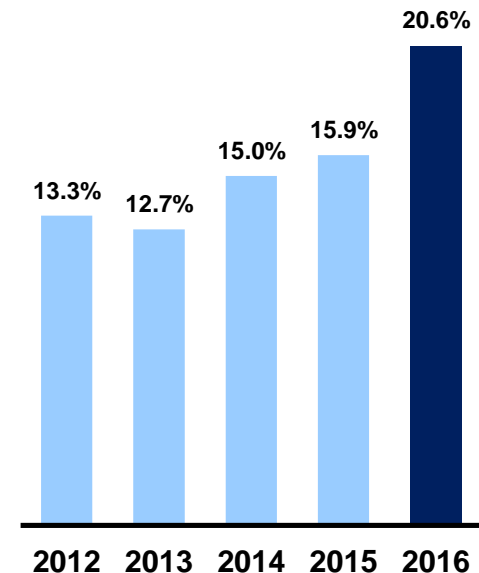
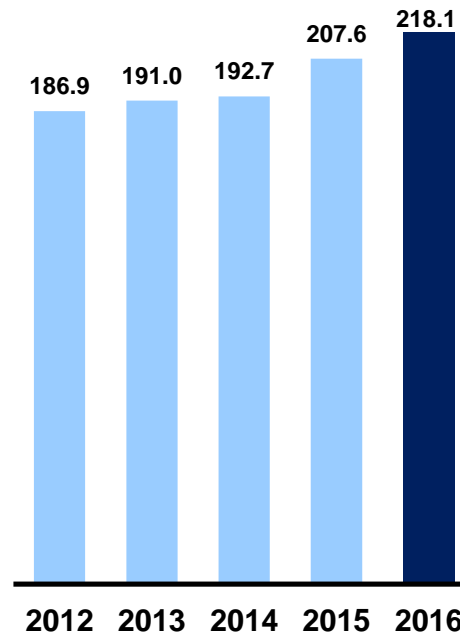
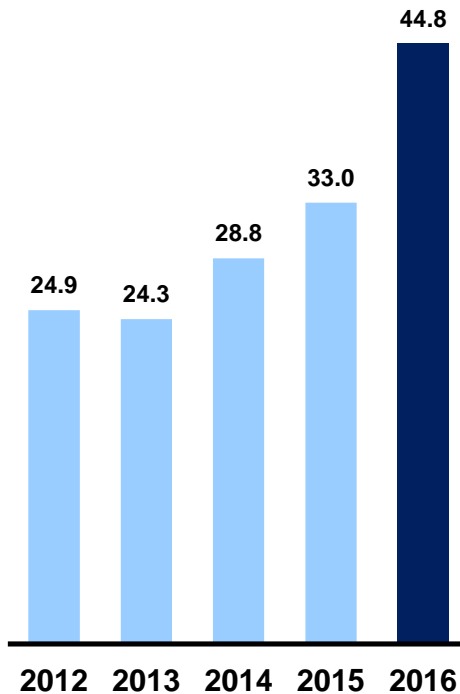
12 months EBIT
in Euro millions

÷

Average capital employed
in the past 4 quarters
in Euro millions

=

ROCE*
in %



► Increase in 12-month EBIT pushes up ROCE to more than 20 %
in spite of increase in capital employed

* ROCE = EBIT / Capital Employed

Rounding differences may occur

Agenda






1. Results

2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)

3. Outlook

4. Q&A

Outlook 2016

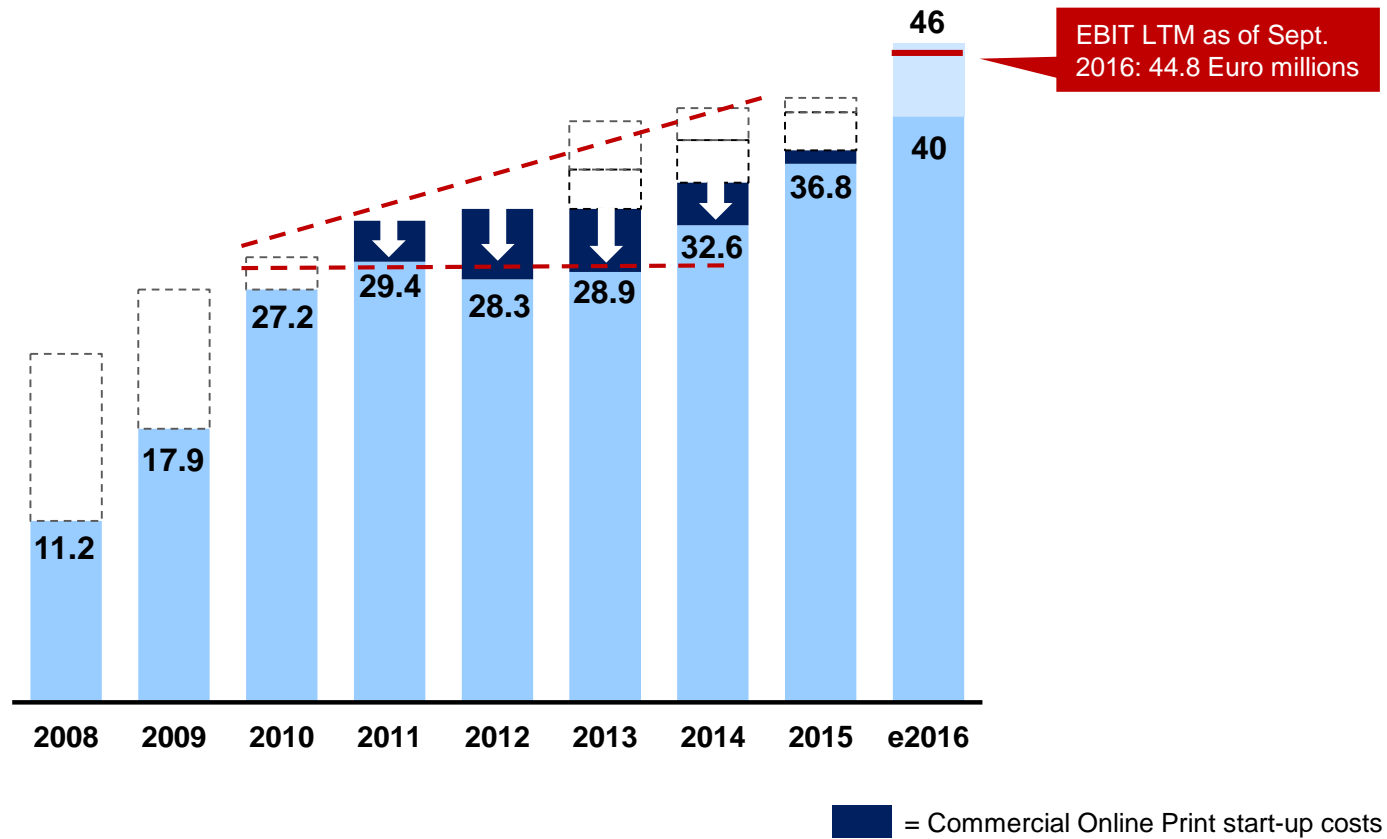
		2015	e2016	Change	
	Photos digital	billion photos	2.16	2.05 to 2.15	-5% to -1%
	Photos analogue	billion photos	0.07	0.050 to 0.055	-29% to -22%
	Photos total	billion photos	2.24	2.10 to 2.21	-6% to -1%
	CEWE PHOTO BOOK	million books	6.0	6.10 to 6.15	+1% to +2%
	Investments*	Euro millions	39.3	51 (old: 48)	
	Revenue	Euro millions	554.2	555 to 575	-0% to +4%
	EBIT	Euro millions	36.8	40 to 46 (old: 38 to 44)	+9% to +25% (old: +3% to +20%)
	EBT	Euro millions	36.3	39 to 45 (old: 37 to 43)	+7% to +24% (old: +2% to +18%)
	Earnings after tax	Euro millions	22.7	29 to 33 (old: 27 to 31)	+28% to +45% (old: +19% to +36%)
	Earnings per share	Euro per share	3.24	4.00 to 4.57 (old: 3.81 to 4.38)	+23% to +41% (old: +18% to +35%)

* without acquisitions (companies or customer bases)

► **Outlook 2016 increased**

EBIT Development

in Euro millions



▶ Annual EBIT-target for 2016 increased: 40-46 Euro millions

Agenda

1. Results

2. Financial Report (P&L-Details, Balance Sheet, Cash Flow, Return On Capital)

3. Outlook

4. Q&A

Q&A-Session

Q3 2016 Analyst Conference Call

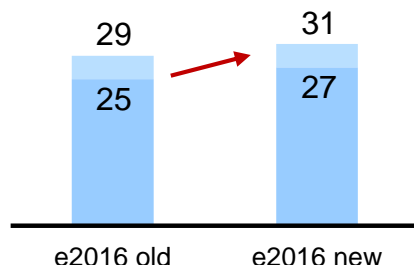
November 10, 2016



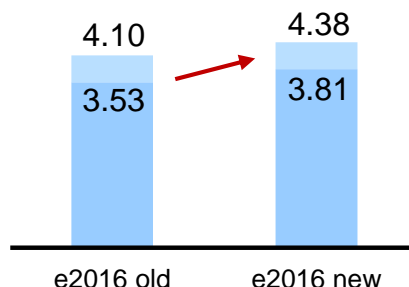
Analyst Call H1 2016: Special tax effect raises 2016 after-tax earnings

Backup

Earnings after tax
in Euro millions



Earnings per share
in Euro/share



Due to an unscheduled tax refund of more than 2 million euros, after-tax earnings for 2016, currently in a range of 25 to 29 million euros, will now be in a corridor of 27 to 31 million euros.

The target set for earnings per share increased correspondingly to 3.81 to 4.38 euros (previously 3.53 to 4.10 euros/share).

Reason: In 2008, the amount of tax payable was reduced when the German CEWE company declared that it would waive a claim due to be paid by the French CEWE company. When the tax assessment for 2008 was received, a tax liability in the same amount had to be entered in July 2010, since the financial authorities initially did not recognise this procedure.

CEWE challenged this tax assessment by way of legal remedy, and has now been awarded a tax refund including interest in the amount of more than two million euros. This refund will be realised in the third quarter of 2016, thus improving the tax result.