

INTERNATIONAL REVIEW

Cewe announces good preliminary results for 2016

Cewe Stiftung & Co. KGaA (Cewe) has reached or exceeded its sales and profit targets for the business year of 2016. According to a press release, preliminary figures show a 7.0 percent increase in turnover to Euro 593.1 million (2015: 554.2 million; target for 2016: Euro 555 million to 575 million). Earnings from operations (EBIT) improved by 29.2 percent to Euro 47.0 million (2015: Euro 36.4 million), slightly above the 2016 EBIT target range of Euro 40 million to 46 million. "Our Christmas business once again showed how much we benefit from the high level of satisfaction among our customers, our strong brand and our outstanding quality", said Dr. Rolf Hollander, CEO of Cewe. "Cewe Photo Books, Cewe Cards, Cewe Calendars and Cewe Wall Pictures, which we have offered as climate-neutral branded products since Q3 2016, and the other photo gifts were all clear growth drivers."

According to preliminary unaudited figures, it was not only the business segment of photofinishing,

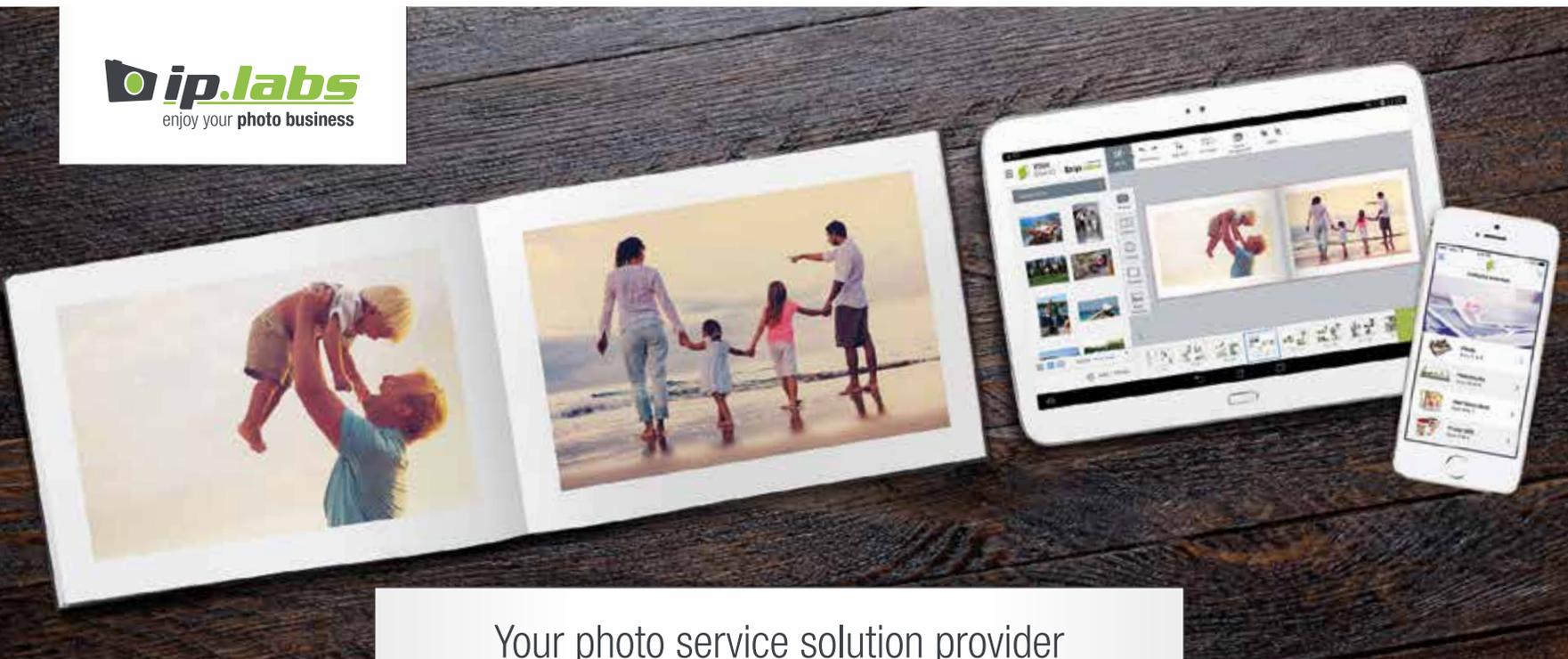
but also the commercial online printing and retailing businesses that contributed to the positive development. Cewe exceeded the break-even point in its young commercial online printing business and, in the repositioned business segment of retailing, the company confirmed the turnaround in earnings and improved profits once again.

With an increase in turnover from Euro 215.8 million in 2015 to Euro 228.5 million, and the EBIT growing from Euro 40.8 million in the previous year to Euro 42.9 million, the last quarter of 2016 met the management's expectations. In fact, the fourth quarter now accounts for 38.5 percent of total sales and 91.3 percent of the generated income. The new products and the user-friendly apps for mobile devices such as smartphones and tablets accelerated the dynamics of the growth.

Besides coming out first in many tests, the Cewe operations had once again documented their excellent performance in production and delivery in the Holiday business and supplied many consumers with very personal photo gifts in time for their Christmas celebrations, the company said.

"Our Cewe Photo Book and our wide range of personalized picture products are among the most popular Christmas gifts", explained Hollander. "This makes it all the more important for us to ensure that our customers can also rely on the performance promise of our brand even in peak times, namely excellent service, high level of on-time delivery and, of course, the first-class quality of our products. Considerable brand awareness, the excellent image of the Cewe product family and satisfied customers are the basis for future growth."

Cewe produced a total of 2.23 billion prints in 2016, slightly exceeding the top end of the target range of 2.10 to 2.21 billion prints. The number of digital prints, 2.18 billion (target: 2.05 to 2.15 billion), is complemented by only 56 million pictures from films. Already at a considerable 97.5 percent in 2016, the digital rate is gradually approaching 100 percent. Sales of the company's flagship product, the Cewe Photo Book, increased further to 6.2 million units (target: 6.10 to 6.15 million). The majority of other branded products such as Cewe Calendars, Cewe Cards and Cewe Wall Pictures also generated double-digit growth rates.



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