Q1 2016
Interim Report

BEST IN PRINT

CEWE – Europe's online printing and photo service

CEWE supplies consumers with photos and digital print products via over-the-counter trade as well as Internet sales. CEWE is a service partner for the leading brands on the European photography market. In 2015 the company developed and produced 2.2 billion photos, also in 6.0 million CEWE PHOTOBOOKS and photo gifts. "CEWE PHOTOBOOK" (Europe's leading photobook brand) and the company's other product brands CEWE CALENDARS, CEWE CARDS and CEWE WALL ART, easy-to-use ordering applications (PC, Mac and the mobile iOS, Android and Windows), our high level of expertise in digital printing, the benefits of scale offered by our efficient industrial production and logistics system, broad distribution via the Internet, 25,000 retailers and over 20,000 CEWE INSTANT PHOTO stations are the key competitive advantages of CEWE's Photofinishing business.

As well as these photo products, CEWE's Retail business also distributes photographic hardware (e.g. cameras) in several countries.

Through its brands CEWE-PRINT.de, Saxoprint and Viaprinto, CEWE is increasingly serving customers as an online printing service provider through printed advertising media which can be ordered online, such as flyers, posters, brochures, business cards etc.

cewe
BEST IN PRINT

HIGHLIGHTS Q1 2016

Photofinishing business unit

- *Sales, turnover and profit on track*
- *CEWE PHOTOBOOK sales up + 10.2 %: 1.278 million books in the first quarter of 2016*
- *CEWE is innovative: In the first quarter, 98 % of all photos are digital, 75 % of all digital photos are ordered via the Internet*
- *Photofinishing turnover increases by 10 million euros: 85.5 million euros (Q1 2015: 75.5 million euros)*
- *Photofinishing EBIT positive in Q1 for the first time: 1.3 million euros (Q1 2015: – 0.8 million euros)*

Commercial Online Printing business unit

- *First-quarter turnover grows at faster rate of + 14.3 % and amounts to 20.4 million euros*
- *Q1 EBIT increases by 1.8 million euros and is positive for the first time: 0.5 million euros (Q1 2015: – 1.3 million euros)*

Retail business unit

- *Repositioning of Retail pays off, further improvement in earnings*
- *Turnover adjusted for currency effects increases very slightly, by 0.4 % to 13.5 million euros (Q1 2015: 13.4 million euros)*
- *Reported turnover incl. negative currency effects reaches 12.8 million euros (– 4.4 % on the same quarter in the previous year)*
- *EBIT improved by 0.7 million euros to – 0.4 million euros (Q1 2015: – 1.1 million euros), operating improvement of 0.2 million euros achieved*

Consolidated profit and loss account

- *Group turnover increases by 11.6 % in first quarter to 119.2 million euros (Q1 2015: 106.8 million euros)*
- *EBIT from operations improves by 3.0 million euros*
- *Positive Group EBIT already realised in the first quarter: 0.9 million euros (Q1 2015: – 3.5 million euros)*

Net assets and financial position

- *Total assets decrease by 51.5 million euros due to seasonal factors*
- *Solid balance sheet: Equity ratio increases to 61.7 %*
- *Significant reduction in Group's debt*

Cash flow

- *Operating result and working capital cause cash flow from operating activities to increase to 16.2 million euros*
- *Decrease in net cash used in investing activities*
- *Free cash flow rises by 22.4 million euros to 9.9 million euros*

Return on capital employed

- *Average capital employed increased to 215.0 million euros, due to acquisitions*
- *ROCE significantly increased to 19.2 %*

Page reference Reference to table or graphic Internet reference Supplementary information

"Our customers love to use innovative products as a way of immortalising their fondest memories. We ensure that they are able to rapidly hold these memories in their hands."

Xi Lu, Mail-Order Shipping, CEWE shareholder

Dr Rolf Hollander, Chairman of the Board of Management of Neumüller CEWE COLOR Stiftung

Dear Shareholders,

For the first time ever, a first quarter with a positive Photofinishing result

"Photofinishing in the first quarter is like selling ice cream in the winter." We have all been familiar with that maxim for a period of some decades. But over the past few years there have been signs of a different trend which has now actually come to fruition: In the digital world, the cold and dark time of year is a good opportunity to design and order a CEWE PHOTOBOOK, a CEWE CALENDAR or other great CEWE products. This has now been reflected in a positive first-quarter EBIT from operations figure (EBIT of 0.9 million euros, growth of 1.3 million euros on the same quarter in the previous year – after one-off factors, growth even amounts to 2.1 million euros). The summer season used to be the driver of annual profits in times of analogue photography, but now the second and third quarters are increasingly relinquishing this role. The fourth quarter in particular, with its Christmas business, and also the first quarter are taking on this role more and more – as results for the first quarter of 2016 show.

Retail on track for a positive profit for the year

Retail, which suffered an operating loss of 0.6 million euros in the first quarter of the previous year, also improved its EBIT from operations figure (by 0.2 million euros) in the quarter under review (after one-off factors, even by 0.7 million euros).

Commercial Online Printing realises strongest improvement in earnings

This year, Commercial Online Printing will likely achieve a positive profit for the year for the first time. It established outstanding foundations for this goal in the first quarter of the year, with EBIT growth of 1.8 million euros to 0.5 million euros.

CEWE invests in growth

This earnings growth means that your company is in a position to invest in the future, through start-ups. Due to these investments and also on account of the structural costs for the Group as a whole, which were likewise recognised under "Other activities", this segment realised a loss of 0.5 million euros (–0.3 million euros in Q1 2015).

As usual, all improvements in earnings are based on "down-to-earth" reporting

For the first quarter of 2016, the company achieved an EBIT from operations figure of 0.5 million euros. Overall, the above-mentioned changes in earnings represent an improvement of 3.0 million euros. This is a genuine improvement in our operating performance. In our view, this is a tidy sum.

If we were to adjust the EBIT figure for all of the one-off factors for the first quarter of the previous year and of the current year (this time, restructuring costs in the previous year and sales proceeds for a small US Internet presence in the current year), we could even point to earnings growth of 4.4 million euros. Naturally, we are offering you this figure on the basis of accounting necessity. But we don't intend to bask in its glory. There are always one-off factors … sometimes they push things in one direction, and other times in a different direction. We would prefer to tell you about our operational growth of 3.0 million euros. Your company is proud of that.

Value-added tax hike will not be implemented in Germany in 2016

In the first quarter of the year, in press releases and in our Annual Report 2015 we had notified you of impending value-added tax increases in Germany, Austria, Slovenia and Slovakia. Our industry's association, the German federal association of industrial photo laboratories (Bundesverband der Photo-Grosslaboratorien, BGL), and retailers' associations subsequently pursued a process of dialogue with political decision-makers. In Germany at least, the tax authorities will now waive the introduction of the new rules in 2016. So this will not pose any additional burden in 2016. The nature of the long-term solution is unclear.

Goal for the year confirmed: increased earnings

This postponement is in line with the underlying assumptions for our published annual planning for 2016. Due to this trend and the company's increased earnings for the first quarter, the Board of Management has confirmed its planning for the year, which assumes EBIT growth from 36.8 million euros (2015) to between 38 and 44 million euros in 2016.

New quarterly report format, for more efficient reading

Over the past few years, the readers of our reports have frequently expressed a desire for us to shorten our quarterly reports at least, but to continue to publish the usual detailed information. We have fulfilled this request in the present report. We have made two key changes in this respect:

First of all, we have not repeated the key passages which we have already published in our Annual Report for the year 2015, and instead refer to our Annual Report 2015. Where changes are necessary, we will naturally indicate this in quarterly reports. Secondly, we have inserted comments regarding our P&L account, balance sheet and cash flow directly next to the relevant tables of figures, as we have done for many years in earnings presentations at our balance sheet press conferences and in our telephone conferences for our quarterly earnings.

We hope that this will now make it even easier for you to gain a transparent picture of your company's current situation.

General meeting on June 1, 2016: The CEWE family meets up

CEWE is one big family. Many members of the CEWE family have several different roles: shareholder, customer and employee. In this sense, our general meeting always also offers you a chance to talk shop about products and ordering channels as a customer, but likewise to find out about job opportunities as a potential future employee. Please do attend our general meeting on June 1, 2016 at the Weser-Ems-Hallen in Oldenburg and talk to our employees. We look forward to seeing you there!

Have a great time taking your summer photos!

Oldenburg, May 12, 2016

Rolf Hollander

CEWE SHARE

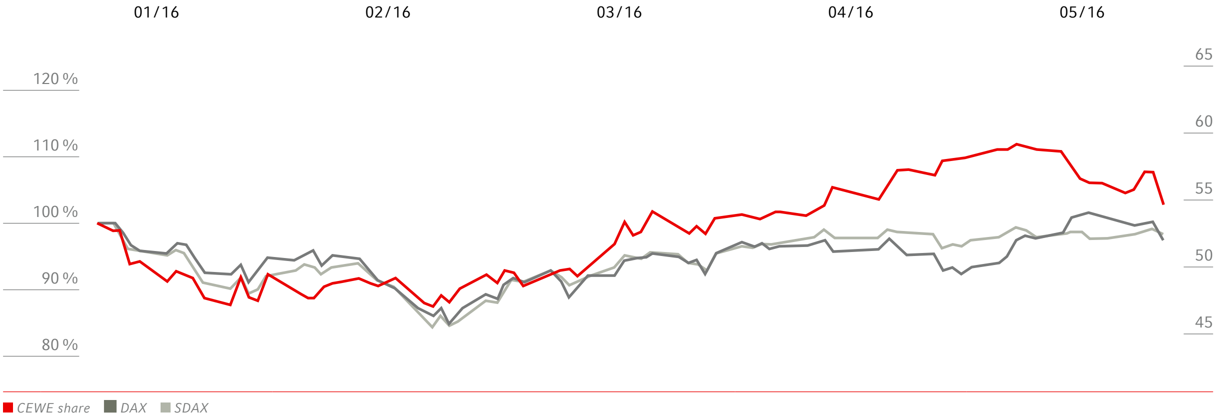
CEWE share gains 5.8 % in the first quarter

By comparison with its 2015 year-end closing price (54.61 euros), in the period up to the end of March 2016 the CEWE share achieved growth of 3.19 euros to 57.80 euros (+5.8 %). The CEWE share thus clearly outperformed its benchmark indexes: The DAX suffered the strongest loss in the first quarter of 2016 (−7.2 %), but the SDAX (−3.2 %) likewise failed to deliver a strong performance.

Supervisory Board and Board of Management once again propose increased dividend

In a joint proposal with the Board of Management, at the general meeting which will be held on June 1, 2016 the Supervisory Board will propose a dividend increase to 1.60 euros per share conferring a dividend entitlement for the financial year 2015. This increase is the seventh consecutive dividend increase: Since 2008, the dividend issued by CEWE has risen continuously, year-on-year, from 1.00 euros per share to the current figure of 1.60 euros.

CEWE share price in the period from Jan. 1, 2016 to May 1, 2016 *in euros*



On average, more than 12,000 CEWE sales traded every day in the first quarter of 2016

In the first three months of 2016, on average 12,525 CEWE shares were traded every day on German stock markets. This was lower than the level in the same period in the previous year (Q1 2015: 18,859 shares per day). The daily euro trading volume amounted to an average figure of approx. 642,000 euros (Q1 2015: approx. 1,041,000 euros per day). Demand for CEWE shares was particularly strong in the first quarter of the previous year, with a price rise of almost 15 %.

Overview of current analysts' assessments	Analysis	Date
BHF Bank	Market weight	Apr. 20, 2016
Bankhaus Lampe	Buy	Apr. 21, 2016
Warburg Research	Buy	Apr. 21, 2016
Baader Bank	Buy	Apr. 20, 2016
GSC Research	Hold	Apr. 12, 2016
Oddo Seydler	Buy	Mar. 23, 2016
Deutsche Bank	Buy	Feb. 25, 2016
Berenberg Bank	Buy	Nov. 26, 2015

Analysts continue to have a consistently positive view of CEWE

The analysts who follow CEWE concur in their positive analysis. Six analysts are signalling "buy" for the CEWE share, while two further analysts recommend "holding" the share. The detailed studies are available for downloading in the Investor Relations section of CEWE's website.

www.cewe.de>
Investor Relations>
CEWE-Aktie>Analysten

CEWE share solidly positioned in the SDAX

According to the “trading volume” criterion, in March 2016 CEWE was in 88th position (previous year: 78th position) and in terms of “market capitalisation” it was in 90th position (previous year: 84th position). The CEWE share is thus a permanent fixture on the SDAX index, which normally features shares with a ranking of 110 or higher.

www.cewe.de

Stable shareholder structure strengthens management’s strategy

CEWE enjoys a high level of ownership stability thanks to its anchor investor, the heirs of Senator h. c. Heinz Neumüller (ACN Vermögensverwaltungsgesellschaft mbH & Co. KG) who hold 27.4 % of its shares.

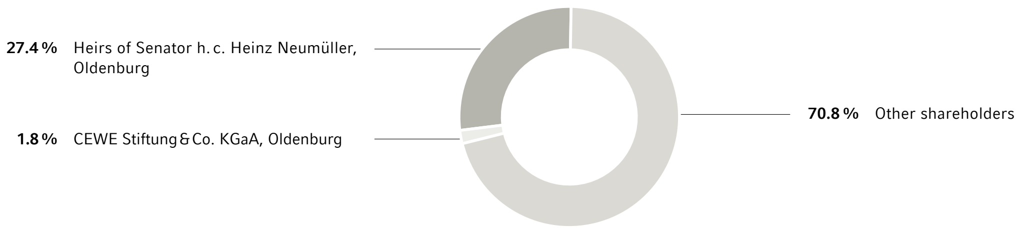
CEWE is there for its shareholders

The clear objective of investor relations activities at CEWE is to notify all market participants promptly, comprehensively and equally in line with the principles of “fair disclosure”, while achieving a high level of overall transparency.

CEWE thus naturally publishes all of its annual and interim reports and capital market information online at www.cewe.de. All analyst telephone conferences are immediately made available as webcasts and audiocasts on the CEWE website. All of the company’s key presentations at conferences and other events are published online at the same time.

The Board of Management and the Investor Relations team present the company at key capital market conferences and attend road shows in European and US financial centres. For details of the dates currently planned for 2016, please refer to the financial diary on the penultimate page of this report.

Shareholder structure (April 2016) *as % (100 % = 7.4 million shares)*



02

INTERIM MANAGEMENT REPORT

Page reference Reference to table or graphic Internet reference Supplementary information

"CEWE's employees are a particularly important resource: They are open to innovation while relying upon experience. They are thus a cornerstone of the company's success."

Henning Meyer, Group Tax department, CEWE shareholder

BASIC INFORMATION ON THE GROUP

Business model

CEWE operates in three strategic business units: Photofinishing, Retail and Commercial Online Printing. This segment reporting by business unit reflects these strategic business units.

Photofinishing – CEWE's traditional core business

Photofinishing is the name we give to our photo products business. CEWE is the European market leader in photofinishing, previously based on analogue film and now replaced by digital data. CEWE PHOTOBOOK has established itself as the key product in this field. As such, it has superseded individual photos. CEWE has also rigorously expanded its product range, with other significant turnover generators now including CEWE CALENDARS, CEWE CARDS and CEWE WALL ART.

CEWE RETAIL: Proprietary Retail segment handles important functions

CEWE has multi-channel retailing operations for photo hardware and photofinishing products in Poland, the Czech Republic, Slovakia, Norway and Sweden. In addition to selling photo hardware, over-the-counter outlets and online shops are a key channel for distributing CEWE photo products directly to end-consumers. Turnover and income from photofinishing products are shown in the Photofinishing business unit.

Commercial Online Printing – the growth field

In its Commercial Online Printing business unit, CEWE is currently enjoying growth through the production and marketing of printed advertising media via the distribution platforms CEWE PRINT, Saxoprint and Viaprinto. In 2012, in this business unit CEWE acquired the Saxoprint Group, a specialist in online offset printing. CEWE launched Commercial Online Printing for printed advertising media in Germany and is now rolling out this business model in many other European countries, where local websites are already present and are increasingly generating business. Turnover is thus mainly generated in the German market, which is the most developed market, but other countries are increasingly contributing to overall turnover in this new business unit, with solid growth levels.

For further details of CEWE's business model, please see pp. 32ff. of its Annual Report 2015 or its website at www.cewe.de > Investor Relations > News & Publications > Business reports > Annual Report 2015.

ECONOMIC REPORT

Photofinishing business unit

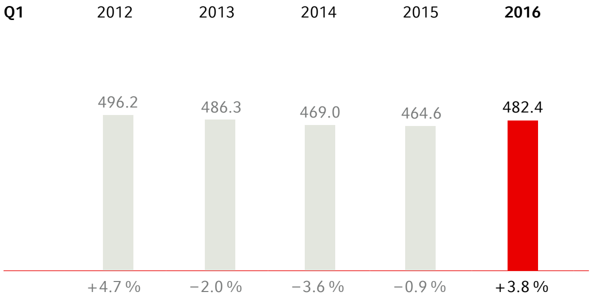
- *Sales, turnover and profit on track*
- *CEWE PHOTOBOOK sales up +10.2 %: 1.278 million books in the first quarter of 2016*
- *CEWE is innovative: In the first quarter, 98 % of all photos are digital, 75 % of all digital photos are ordered via the Internet*
- *Photofinishing turnover increases by 10 million euros: 85.5 million euros (Q1 2015: 75.5 million euros)*
- *Photofinishing EBIT positive in Q1 for the first time: 1.3 million euros (Q1 2015: −0.8 million euros)*

In principle, sales of CEWE photo products continue to be shaped by two enduring consumer trends: higher-quality products and the shift in demand to the fourth quarter especially, but also to the first quarter. Further information on general developments and on current trends in Photofinishing may be found on pp. 67ff. of the Annual Report 2015.

Q1 sales better than expected

The first quarter has only been slightly affected by the seasonal migration. A volume share of around 21.5 % – which is consistent with or even represents a slight increase on the previous year – should be expected. On the basis of the goal for the year as a whole of 2.10 to 2.21 billion photos for 2016, the predicted volume for the first quarter is 0.452 to 0.475 billion photos. In this context, with 0.482 billion photos the first quarter has even exceeded the upper limit of the envisaged range and thus confirms the company's target for the year (Q1 2015: 0.465 billion photos, +3.8 %).

Total volume of photos *millions of units*



Change on previous year

Strong brand helps CEWE PHOTOBOOK sales: +10.2 %

In the first quarter, the volume of CEWE PHOTOBOOKS increased by 10.2 % or approx. 118,000 books to 1.278 million books. With this figure, the rate of increase clearly exceeds the growth range predicted for 2016 as a whole of between +1 % and +2 %. The continuously growing brand power of CEWE PHOTOBOOK, which now has a level of aided brand awareness of 70 % in Germany (level of unaided brand awareness: 44 %), is a key factor in the company's sales.

In terms of the number of individual photos featured in photo books, CEWE PHOTOBOOK thus remains the key volume driver, also in relation to the overall volume of photos.

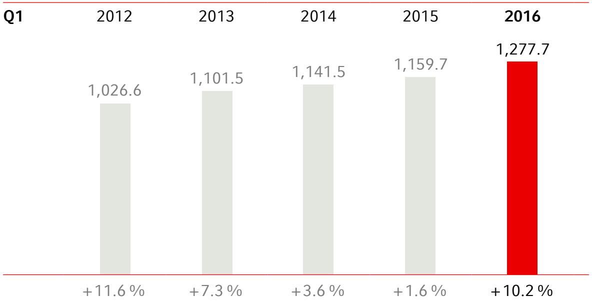
98 % of photos are digital

With the success of CEWE PHOTOBOOK and the other CEWE brands, digitalisation is increasingly approaching the 100 % mark. Following 97 % in the first quarter of 2015, in the quarter under review 98 % of all photos were now digital in origin.

CEWE's positioning bolstered through ideal combination of "Internet ordering and retail outlet collection"

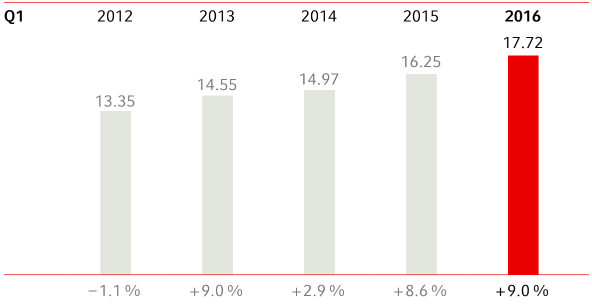
At 75 % (354 million photos), the proportion of digital photos ordered via the Internet was roughly in line with the previous year's level. 48 % of customers placing orders via the Internet opted to collect their completed orders from the retail outlets supplied by CEWE, while 52 % chose postal delivery. Customers thus collected a total of approx. 62 % of all photos (both

Number of CEWE PHOTOBOOKS *thousands of units*



Change on previous year

Turnover per photo *in euro cents*



Change on previous year

analogue and digital, ordered via the Internet and over-the-counter) at retail outlets of CEWE's trading partners. This confirms the strength of CEWE's "bricks and clicks" positioning, i.e. a strategic combination of retail outlet and Internet-based sales.

Value-added products continue to strengthen Photofinishing turnover – turnover per photo increases by 9 %

In the quarter under review, CEWE brand and value-added products once again accounted for an increased share of overall turnover. The trend of higher-quality photo products thus continues to strengthen the turnover trend. Turnover per photo once again rose in the quarter under review: by 9.0 % from 16.25 euro cents per photo in the first quarter of 2015 to 17.72 euro cents per photo in the first quarter of 2016.

Photofinishing turnover exceeds the expected range: 85.5 million euros

Due to the higher overall number of photos and the increased average turnover per photo, in the first quarter of 2016 Photofinishing turnover amounted to 85.5 million euros (Q1 2015: 75.5 million euros, +13.2 %). Even allowing for the seasonal migration, this turnover exceeds expectations: Assuming a slight rise in the share of turnover accounted for by the first quarter to 19 % on the basis of the trend of higher-end photo products, this gives rise to a predicted target range for the first quarter of 2016 of between 77.3 and 81.1 million euros (calculated on the basis of the total annual turnover expected for Photofinishing in 2016 of between 407 and 427 million euros). The realised Photofinishing turnover figure of 85.5 million euros thus clearly exceeds this range.

Selling ice cream is now worthwhile even during the winter: Photofinishing's Q1 EBIT is positive for the first time

A negative first-quarter EBIT figure always used to be typical for the start of a Photofinishing year. Due to the seasonal migration of Photofinishing business to the fourth quarter which has been apparent for some years now, the share of profits and the level of absolute income provided by the Christmas quarter are continuously increasing. The fourth quarter is stronger very largely at the expense of the second and third quarters of the year. Over a period of some years, the first quarter had achieved continuous slight improvements in its profitability but had been unable to provide any positive earnings contribution due to strong residual fixed costs. This has now changed: The strong CEWE PHOTOBOOK brand has refuted the previously applicable maxim "Photofinishing in the first quarter is like selling ice cream in the winter."

Photofinishing result 2.1 million euros (excluding one-off factors: 1.3 million euros) higher than in the previous year

In the quarter under review, CEWE improved the EBIT figure for its Photofinishing business unit by 2.1 million euros on the previous year to 1.3 million euros (Q1 2015: −0.8 million euros).

This once again confirms the trend which has been intact for some years now: All in all, the changeover in the product mix away from individual photo prints towards value-added products such as CEWE PHOTOBOOK, CEWE CALENDARS, CEWE CARDS or CEWE WALL ART – which entails ever higher marketing expenses – is generating growing profitability for CEWE's core business, despite the increased marketing expenses.

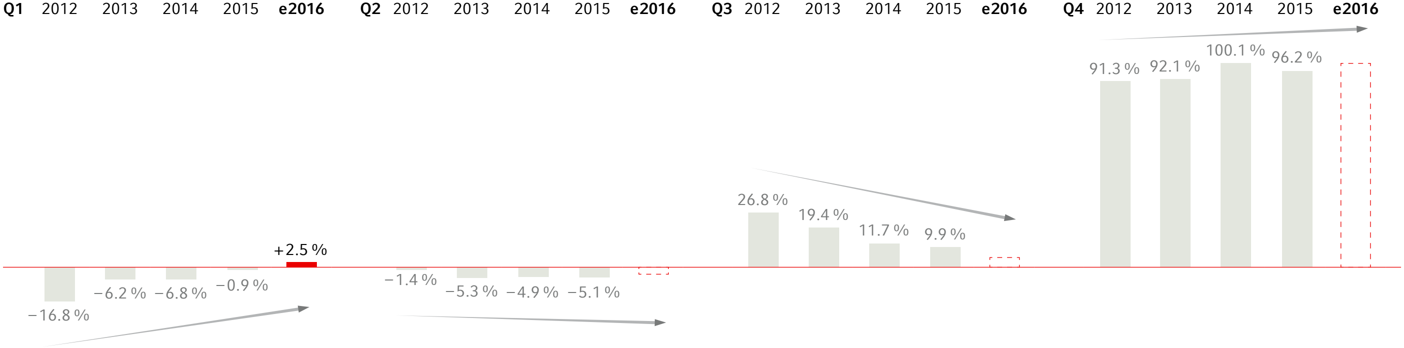
The proceeds of the sale of the US Internet presence "Smilebooks" in the amount of 0.4 million euros are a one-off factor in the first quarter of 2016. CEWE established a small Internet presence, "smilebooks.com", a few years ago in the USA, in order to find out more about the US Internet market, which is slightly more advanced than the European market.

In the same quarter in the previous year, one-off expenses arose as a special item for the closure of a customer service office at the Group's former photographic laboratory location in Dresden, in the amount of 0.4 million euros.

Adjusted for these two one-off factors, at 0.9 million euros the EBIT from operations figure was approx. 1.3 million euros better than in the same quarter in the previous year.

In overall terms, Photofinishing profits are thus consistent with the annual target, as the graphic showing the seasonal distribution of Photofinishing's EBIT figure makes clear.

EBIT prior to restructuring – seasonal distribution of Photofinishing *as % of EBIT*



Structural and company expenses, real estate and equity investments summarised in the "Other activities" business unit. Since its reporting for the financial year 2015, CEWE has reported its structural and company costs as well as the result of its real estate holdings and equity investments in its new business unit "Other activities". These positions had been previously allocated to the "Photofinishing" business unit, even though they were not exclusively related to Photofinishing in terms of costs and were not directly associated with Photofinishing in terms of business or products. The reference figures from Q1 2014 onwards have been restated accordingly.

Structural and company costs mainly comprise the costs associated with the company's Supervisory Board and committees as well as the costs of its general meetings and the costs of Investor Relations activities for all of the company's business units. The earnings generated by the Group company futalis are also reported in this new business unit, since its business activities cannot be allocated to CEWE's other business units. As a premium brand, online at www.futalis.de futalis produces and markets highly personalised pet food which is tailored to each animal's specific veterinary requirements.

In the first quarter of 2016, CEWE realised turnover in the amount of 0.5 million euros (Q1 2015: 0.0 million euros) in its "Other activities" business unit. In the quarter under review, the EBIT contribution to consolidated income resulting from the expense items for structural and company costs and the result of real estate holdings and equity investments amounted to −0.5 million euros (Q1 2015: −0.3 million euros).

Commercial Online Printing business unit

- *First-quarter turnover grows at faster rate of + 14.3 % and amounts to 20.4 million euros*
- *Q1 EBIT increases by 1.8 million euros and is positive for the first time: 0.5 million euros (Q1 2015: – 1.3 million euros)*

CEWE is already active in ten countries in its Commercial Online Printing business unit

Through its brands CEWE-PRINT, Saxoprint and Viaprinto, in Commercial Online Printing CEWE is now active in 10 countries: As well as online shops in Germany, the United Kingdom, France, Spain, Italy, Switzerland and Austria, CEWE currently also markets business stationery in the Netherlands, Belgium and Poland. It also has plans to expand into further European countries. The aim is to exploit CEWE's existing distribution structures in these countries, so as to enter markets rapidly and successfully. CEWE decides on which of its Online Printing brands to market in each country in line with specific market conditions. Further general information on Commercial Online Printing may be found on pp. 81ff. of the Annual Report 2015.

Commercial Online Printing turnover increases at faster rate and amounts to 20.4 million euros in the first quarter

In the first quarter of 2016, the turnover of the Commercial Online Printing business unit increased from 17.9 million euros in the same quarter in the previous year to 20.4 million euros – a growth rate of 14.3 %. Turnover growth has thus picked up further, following + 9.5 % in the same quarter in the previous year (Q1 2015) and + 10.4 % over the year 2015 as a whole.

The Commercial Online Printing business unit is thus on track to achieve its target for the year 2016 of around 86 million euros. As in Photofinishing, in Commercial Online Printing the strongest month in terms of turnover falls in the fourth quarter: In November, many business customers are preparing for their Christmas business and ramp up their orders of printed advertising media.

Marketing investments pay off: EBIT improved by 1.8 million euros

To date, the growth investments required for brand-building have strongly influenced this business unit's profit and loss account. For CEWE has exploited the profitability of its established Photofinishing core business unit in order to rapidly develop the high-potential growth field of Commercial Online Printing through intensive marketing. CEWE is thus generating a growing clientele in Commercial Online Printing which the company will continue to benefit from in future.

With an EBIT figure of 0.5 million euros, the Commercial Online Printing business unit has realised an improvement of 1.8 million euros in its quarterly earnings (Q1 2015: – 1.3 million euros) and has thus made a positive Q1 earnings contribution to consolidated income for the first time.

The results for the Commercial Online Printing business unit in the first quarter of 2016 thus clearly confirm the goal for the year of a "positive" EBIT figure (incl. the effects of the purchase price allocation for Saxoprint).

Retail business unit

- *Repositioning of Retail pays off, further improvement in earnings*
- *Turnover adjusted for currency effects increases very slightly, by 0.4 % to 13.5 million euros (Q1 2015: 13.4 million euros)*
- *Reported turnover incl. negative currency effects reaches 12.8 million euros (–4.4 % on the same quarter in the previous year)*
- *EBIT improved by 0.7 million euros to – 0.4 million euros (Q1 2015: – 1.1 million euros), operating improvement of 0.2 million euros achieved*

CEWE RETAIL has both retail outlets and online shops

CEWE operates multi-channel retailing in Poland, the Czech Republic, Slovakia, Norway and Sweden in the form of retail outlets and online shops. CEWE RETAIL offers its customers an attractive selection of cameras, lenses, accessories and services as well as CEWE's entire Photofinishing range. The related turnover and earnings contribution provided by CEWE's photofinishing product range is reported in the Photofinishing business unit. Further general information on CEWE RETAIL may be found on pp. 83ff. of the Annual Report 2015.

Turnover increases very slightly to 13.5 million euros, adjusted for currency effects

CEWE RETAIL's large and attractive product range and its strong customer focus remain the key competitive factor in this business unit. Moreover, in the past year CEWE repositioned its Retail business in Poland especially, more strongly focused on sales of Photofinishing products and introduced an optimised price strategy for photo hardware.

These measures are now beginning to pay off: Following quarters with a significant decline in turnover in some cases, in the quarter under review turnover adjusted for currency factors once again increased slightly, by + 0.4 % to 13.5 million euros (Q1 2015: 13.4 million euros). However, negative currency effects in Norway especially resulted in a decline in the turnover reported for the Retail business unit to 12.8 million euros (–4.4 % on the same quarter in the previous year).

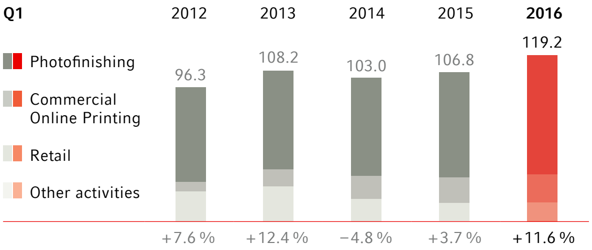
EBIT improved by 0.7 million euros, operating improvement of 0.2 million euros achieved

The company's repositioning – in Poland especially – is also paying off in terms of earnings: CEWE RETAIL has improved its EBIT figure by 0.7 million euros to – 0.4 million euros (Q1 2015: – 1.1 million euros). Before restructuring costs in the previous year (in Poland, expenses with a volume of 0.6 million euros had resulted in the first quarter of last year), CEWE RETAIL achieved an operational improvement of 0.2 million euros.

Consolidated profit and loss account

- *Group turnover increases by 11.6 % in first quarter to 119.2 million euros (Q1 2015: 106.8 million euros)*
- *EBIT from operations improves by 3.0 million euros*
- *Positive Group EBIT already realised in the first quarter: 0.9 million euros (Q1 2015: −3.5 million euros)*

Turnover *millions of euros*



Veränderung zum Vorjahr

Group turnover reaches 119.2 million euros in the first quarter

In the first quarter of 2016, turnover growth 1 in the Photofinishing and Commercial Online Printing business units delivered turnover growth for the Group as a whole of 11.6 % by comparison with the same quarter in the previous year: Group turnover increased from 106.8 million euros in the first quarter of 2015 to 119.2 million euros in the quarter under review.

Changes in individual P&L items largely reflect business growth

The change in the item “Changes in inventories” 2 reflects a stronger decline in the volume of finished and unfinished goods than in the previous year. Other operating income 3 includes the one-off income from the sale of the company’s US Internet presence Smilebooks, which has already been outlined in the chapter on the Photofinishing business unit. The disposal of fixed assets also provided a small amount of income. Due to business trends, the increase in the cost of materials 4 has actually fallen slightly short of the rate of turnover growth. The slight rise in personnel expenses 5 in absolute terms has resulted from new hirings in the Photofinishing business unit as well as the company’s acquisitions of start-ups in the previous year. However, the personnel costs ratio (relative to turnover) has actually declined. Other operating expenses 6 have also decreased as a percentage of turnover. The absolute increase

EBIT by business units *millions of euros*	Q1 2012	Q1 2013	Q1 2014	Q1 2015	**Q1 2016**
Photofinishing	−5.3	−4.7	−2.7	−0.8	1.3
Retail	−0.5	−0.7	−0.7	−1.1	−0.4
Commercial Online Printing	−1.2	−1.2	−1.2	−1.3	0.5
Other activities	0.0	0.0	0.4*	−0.3*	−0.5
Group	**−7.0**	**−6.5**	**−4.2**	**−3.5**	**0.9**

** The reference figures have been restated.*

in this position has mainly resulted from higher selling expenses and marketing costs, costs for maintenance and accruals for outstanding invoices.

In respect of the depreciation 7 figure, the trend for the depreciation ratio has failed to match the turnover trend.

3.0 million euros operational improvement in Group EBIT

Before the one-off factors already outlined in the chapter for the Photofinishing and Retail business units (proceeds from the sale of Smilebooks in Photofinishing and prior-year restructuring costs in Photofinishing and Retail), Group EBIT from operations improved by 3.0 million euros to +0.5 million euros. Including these one-off factors, the Group EBIT shown in the P&L account has actually improved by 4.4 million euros, from −3.5 million euros in the same quarter in the previous year to +0.9 million euros in the quarter under review.

Group tax rate of 31.6 %

Due to the positive EBT in the first quarter, tax expenses 8 amount to 0.256 million euros. The company's tax rate is 31.6 %.

Consolidated profit and loss account *millions of euros*	Q1 2015	as % of turnover	**Q1 2016**	**as % of turnover**	Change as %	Change millions of euros	
Revenues	106.8	100 %	**119.2**	**100 %**	+11.6 %	+12.4	1
Change in inventories	−0.1	−0.1 %	−0.7	−0.5 %	−446 %	−0.5	2
Other own work capitalised	0.2	0.2 %	0.1	0.1 %	−26.5 %	−0.0	
Other operating income	4.5	4.2 %	5.2	4.4 %	+17.1 %	+0.8	3
Cost of materials	−32.9	−30.8 %	−35.9	−30.1 %	−9.2 %	−3.0	4
Gross profit	**78.4**	**73.4 %**	**88.0**	**73.8 %**	**+12.2 %**	**+9.6**	
Personnel expenses	−34.2	−32.0 %	−36.4	−30.6 %	−6.5 %	−2.2	5
Other operating expenses	−39.4	−36.9 %	−41.9	−35.2 %	−6.4 %	−2.5	6
EBITDA	**4.8**	**4.5 %**	**9.6**	**8.1 %**	**+100 %**	**+4.8**	
Depreciation	−8.3	−7.8 %	−8.8	−7.3 %	−5.0 %	−0.4	7
EBIT	**−3.5**	**−3.3 %**	**0.9**	**0.7 %**	**—**	**+4.4**	
Financial income	0.0	0.0 %	0.0	0.0 %	+128 %	+0.0	
Financial expenses	−0.2	−0.2 %	−0.1	−0.1 %	+34.1 %	+0.1	
EBT	**−3.7**	**−3.4 %**	**0.8**	**0.7 %**	**—**	**+4.5**	
Income taxes	0.0	0.0 %	−0.3	−0.2 %	—	−0.3	8
Earnings after taxes	**−3.6**	**−3.4 %**	**0.6**	**0.5 %**	**—**	**+4.2**	

Employees

Slight increase in volume of employees to 3,303

At the end of March 2016, the number of employees of the CEWE Group was at 3,303 slightly higher than in the previous year (3,229 employees).

The increase in the volume of personnel was mainly associated with the start-ups DeinDesign and futalis which the company acquired in the third quarter of 2015. CEWE has also once again slightly increased its personnel for central functions such as research and development and marketing / product management by comparison with the previous year. The positive business trend in our core Photofinishing business has also resulted in some new hirings in our production divisions.

On the other hand, CEWE has reduced its workforce in its Retail business unit.

Employees by business unit *(as of reporting date)*	Q1 2015	**Q1 2016**	Change
Photofinishing	2,022	2,157	+6.7 %
Retail	608	535	−12.0 %
Commercial Online Printing	599	571	−4.7 %
Other activities	0	40	—
Group	3,229	**3,303**	+2.3 %

Net assets and financial position

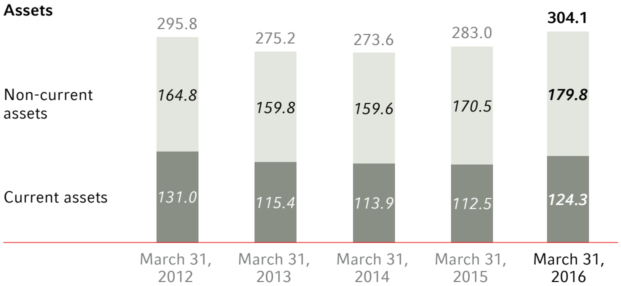
- *Total assets decrease by 51.5 million euros due to seasonal factors*
- *Solid balance sheet: Equity ratio increases to 61.7 %*
- *Significant reduction in Group's debt*

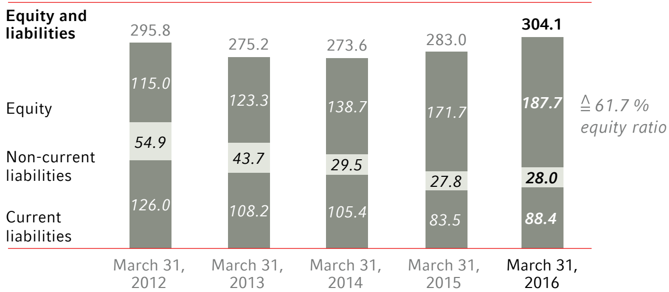
The following comments on the balance sheet mainly refer to the trend during the quarter under review. General developments by comparison with March 31, 2015 are also outlined.

Total assets decrease by 51.5 million euros due to seasonal factors

Due to seasonal effects, the balance sheet total has declined significantly, by 51.5 million euros, by comparison with the start of the quarter, i. e. between December 31, 2015 and March 31, 2016. Total assets increased by 21.1 million euros to 304.1 million euros relative to their volume as of March 31, 2015, since non-current assets rose by 9.3 million euros to 179.8 million euros and current assets by 11.8 million euros to 124.3 million euros.

Balance sheet *millions of euros (total) and as % (proportion)*



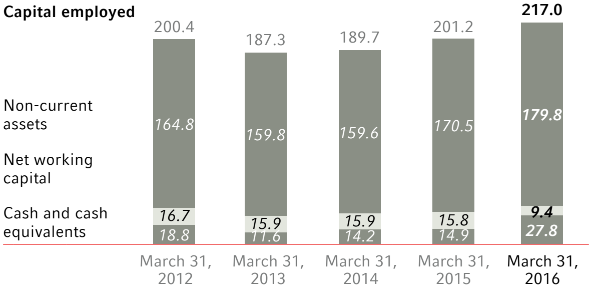


Solid balance sheet: Equity ratio increases to 61.7 %

Equity has increased by 16.0 million euros by comparison with March 31, 2015 and amounts to 187.7 million euros. The company's equity ratio has risen by 1.0 percentage points to 61.7 %. During the quarter under review, equity increased slightly (by 0.5 million euros), mainly due to positive comprehensive income.

The Group's debt has increased by 5.1 million euros to 116.4 million euros, by comparison with March 31, 2015. While non-current liabilities have increased slightly, by 0.2 million euros to 28.0 million euros, current liabilities have risen by 4.9 million euros to 88.4 million euros. This is mainly due to increased value-added tax liabilities as well as liabilities to employees. By comparison with the start of the quarter, the Group's debt has decreased by 52.0 million euros due to seasonal factors.

Management balance sheet figures *millions of euros (total) and as % (proportion)*



Capital employed increases by 15.8 million euros year-on-year

On March 31, 2016, the volume of capital employed 1 totalled 217.0 million euros and was thus 15.8 million euros higher than in the previous year. The non-current assets included in this figure have increased by 9.3 million euros to 179.8 million euros, driven by the previous year's acquisitions of futalis and DeinDesign. Operating net working capital increased by 2.0 million euros to 33.4 million euros. At –24.0 million euros, other net working capital was 8.5 million euros lower than in the previous year. With an increase of 13.0 million euros to 27.8 million euros, the cash and cash equivalents item is another key factor in the growth of the volume of capital employed.

Capital employed *millions of euros*	Dec. 31, 2015	% of CE	**Mar. 31, 2016**	**% of CE**	Change as %	Change millions of euros
Non-current assets	182.3	83.0 %	179.8	82.8 %	–1.4 %	–2.6
+ Net working capital	15.6	7.1 %	9.4	4.3 %	–39.6 %	–6.2
+ Cash and cash equivalents	21.7	9.9 %	27.8	12.8 %	+28.4 %	+6.1
Capital employed	**219.6**	**100 %**	**217.0**	**100 %**	**–1.2 %**	**–2.6** 1

Since the start of the quarter, the volume of capital employed has decreased by 2.6 million euros due to reductions in the company's non-current assets and net working capital. On the other hand, cash and cash equivalents have increased by 6.1 million euros.

Non-current assets *millions of euros*	Dec. 31, 2015	% of CE	**Mar. 31, 2016**	**% of CE**	Change as %	Change millions of euros	
Property, plant and equipment	108.6	49.4 %	**107.0**	**49.3 %**	−1.4 %	−1.5	3
Real estate held as financial investments	5.1	2.3 %	**5.1**	**2.3 %**	−1.3 %	−0.1	
Goodwill	37.4	17.0 %	**37.4**	**17.2 %**	—	+0.0	
Intangible assets	17.2	7.9 %	**15.8**	**7.3 %**	−8.2 %	−1.4	4
Financial assets	4.3	1.9 %	**4.3**	**2.0 %**	+1.9 %	+0.1	
Non-current receivables from income tax refunds	0.5	0.2 %	**0.5**	**0.2 %**	—	+0.0	
Non-current financial assets	1.6	0.8 %	**1.9**	**0.9 %**	+12.7 %	+0.2	
Non-current other receivables and assets	0.4	0.2 %	**0.6**	**0.3 %**	+51.3 %	+0.2	
Deferred tax assets	7.2	3.3 %	**7.1**	**3.3 %**	−0.5 %	−0.0	
Non-current assets	**182.3**	**83.0 %**	**179.8**	**82.8 %**	**−1.4 %**	**−2.6**	2

In the quarter under review, non-current assets 2 declined by 2.6 million euros – particularly since seasonal investments fell short of the depreciation figure. The company has invested 4.2 million euros in offset printing and finishing, 0.3 million euros in digital printing and finishing, 0.4 million euros in point-of-sale presences, 0.3 million euros in IT infrastructure and 0.8 million euros in various items of property, plant and equipment 3. Investments in intangible assets 4 amounted to 0.5 million euros.

Net working capital *millions of euros*	Dec. 31, 2015	% of CE	**Mar. 31, 2016**	**% of CE**	Change as %	Change millions of euros	
Operating net working capital	**50.2**	**22.9 %**	**33.4**	**15.4 %**	**−33.5 %**	**−16.8**	
Other net working capital	−34.6	−15.8 %	**−24.0**	**−11.0 %**	+30.8 %	+10.7	
Net working capital	**15.6**	**7.1 %**	**9.4**	**4.3 %**	**−39.6 %**	**−6.2**	5

The decline in net working capital 5 has resulted from the seasonal decrease in operating net working capital as well as the increase in other net working capital which likewise reflects seasonal factors.

Operating net working capital *millions of euros*	Dec. 31, 2015	% of CE	**Mar. 31, 2016**	**% of CE**	Change as %	Change millions of euros	
Inventories	50.7	23.1 %	43.2	19.9 %	−14.7 %	−7.5	7
+ Current trade receivables	90.4	41.2 %	39.2	18.1 %	−56.6 %	−51.2	8
Operating gross working capital	**141.1**	**64.3 %**	**82.4**	**38.0 %**	**−41.6 %**	**−58.7**	
– Current trade payables	90.9	41.4 %	49.0	22.6 %	−46.0 %	−41.8	9
Operating net working capital	**50.2**	**22.9 %**	**33.4**	**15.4 %**	**−33.5 %**	**−16.8**	6

Lower inventories result in decline in operating net working capital

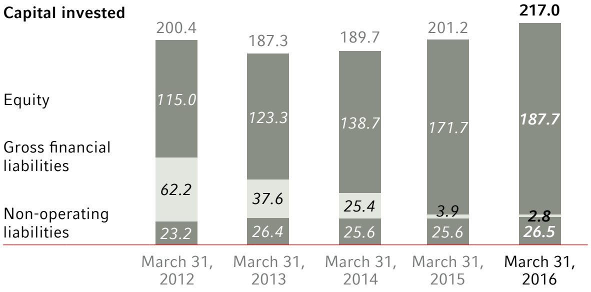
During the quarter under review, operating net working capital 6 decreased by 16.8 million euros to 33.4 million euros. As of the same date, the scope of operating net working capital was at 25 days (due to seasonal factors) higher than the level of 21 days reached in the previous quarter. CEWE has reduced its inventories 7 by 7.5 million euros to 43.2 million euros and its trade receivables 8 associated with year-end business by 51.2 million euros to 39.2 million euros. Due to this significant reduction in the volume of receivables, the average payment period has fallen from 38 days as of December 31, 2015 to 30 days. On the other hand, trade payables 9 have decreased by 41.8 million euros to 49.0 million euros due to the usual seasonal factors.

Other net working capital *millions of euros*	Dec. 31, 2015	% of CE	**Mar. 31, 2016**	**% of CE**	Change as %	Change millions of euros	
Assets held for sale	1.2	0.5 %	1.2	0.5 %	+0.1 %	+0.0	
+ Current receivables from income tax refunds	1.1	0.5 %	3.2	1.5 %	+177 %	+2.0	11
+ Current financial assets	2.5	1.1 %	2.6	1.2 %	+5.6 %	+0.1	
+ Other current receivables and assets	5.7	2.6 %	7.1	3.3 %	+25.7 %	+1.5	12
Other gross working capital	**10.5**	**4.8 %**	**14.1**	**6.5 %**	**+34.6 %**	**+3.6**	
– Current tax liabilities	7.1	3.2 %	7.1	3.3 %	−0.3 %	−0.0	
– Current other accruals	2.9	1.3 %	3.0	1.4 %	+1.9 %	+0.1	
– Current financial liabilities	0.3	0.2 %	0.3	0.2 %	—	+0.0	
– Current other liabilities	34.7	15.8 %	27.6	12.7 %	−20.4 %	−7.1	13
Other current liabilities	**45.1**	**20.5 %**	**38.0**	**17.5 %**	**−15.6 %**	**−7.1**	
Other net working capital	**−34.6**	**−15.8 %**	**−24.0**	**−11.0 %**	**+30.8 %**	**+10.7**	10

Other net working capital continues to contribute to financing

Since December 31, 2015, other net working capital 10 has increased by 10.7 million euros and has provided a −24.0 million euros contribution to the company's financing. This growth is attributable to various factors: As of the quarterly reporting date, income tax prepayments 11 are capitalised in the balance sheet and eliminated from tax expenses shown in the profit and loss account, prepaid expenses are shown for prepayments which are recognised as expenses in other quarters and value-added tax claims result on fixed assets purchases as of the reporting date 12 . At the same time, current other liabilities 13 are reduced due to settlement of the high value-added tax payment burden as of the end of the year and through settlement of wage and salary liabilities resulting from outstanding vacation and bonuses.

Management balance sheet figures *millions of euros (total) and as % (proportion)*



Capital invested: increase in equity – further reduction in Group's debt

On March 31, 2016, the volume of capital invested – identical with the volume of capital employed – totalled 217.0 million euros and was thus 15.8 million euros higher than in the previous year. The equity capital included in this figure has increased by 16.0 million euros to 187.7 million euros. On the other hand, gross financial liabilities have decreased by 1.0 million euros to 2.8 million euros, while non-operating liabilities have risen by 0.9 million euros to 26.5 million euros.

Capital invested *millions of euros*	Dec. 31, 2015	% of CE	**Mar. 31, 2016**	**% of CE**	Change as %	Change millions of euros	
Equity	187.2	85.3 %	**187.7**	**86.5 %**	+0.3 %	+0.5	15
Non-current accruals for pensions	22.9	10.4 %	23.4	10.8 %	+1.9 %	+0.4	16
Non-current deferred tax liabilities	2.1	1.0 %	2.3	1.1 %	+11.9 %	+0.2	17
Non-current other accruals	0.2	0.1 %	0.2	0.1 %	−6.9 %	−0.0	
Non-current other liabilities	0.5	0.2 %	0.6	0.3 %	+11.6 %	+0.1	
Non-operating liabilities	25.7	11.7 %	**26.5**	**12.2 %**	+3.1 %	+0.8	
Non-current interest-bearing financial liabilities	1.8	0.8 %	1.5	0.7 %	−15.7 %	−0.3	
+ Current interest-bearing financial liabilities	4.9	2.2 %	1.3	0.6 %	−72.8 %	−3.6	
Gross financial liabilities	6.7	3.0 %	**2.8**	**1.3 %**	−57.7 %	−3.8	18
Capital invested	219.6	100 %	**217.0**	**100 %**	−1.2 %	−2.6	14

In the quarter under review, the volume of capital invested 14 declined by 2.6 million euros. Equity 15 has increased by 0.5 million euros. This mainly comprises earnings after taxes in the amount of 0.6 million euros, income and expenses not affecting net income in the amount of −0.2 million euros and additions to reserves for stock option plans in the amount of 0.1 million euros.

Non-operating liabilities have increased slightly due to the amount added to the pension accruals 16 and to the deferred tax assets determined at a flat rate as of the quarterly reporting dates 17. The decrease in gross financial liabilities 18 reflected repayments.

Net cash position *millions of euros*	Dec. 31, 2015	% of CE	**Mar. 31, 2016**	**% of CE**	Change as %	Change millions of euros	
Gross financial liabilities	6.7	3.0 %	**2.8**	**1.3 %**	−57.7 %	−3.8	20
– Cash and cash equivalents	21.7	9.9 %	**27.8**	**12.8 %**	+28.4 %	+6.1	21
Net cash position	−15.0	—	**−25.0**	**—**	+66.6 %	−10.0	19

Net cash position increases by 10.0 million euros to 25.0 million euros

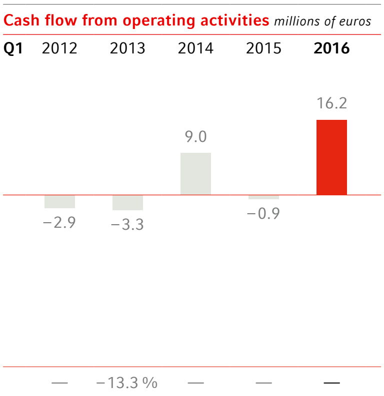
Net cash position grows by a further 10.0 million euros to 25.0 million euros 19. As well as a 3.8 million euros repayment of financial liabilities, which now amount to 2.8 million euros 20, this also reflected the seasonal increase in cash and cash equivalents by a further 6.1 million euros to 27.8 million euros 21.

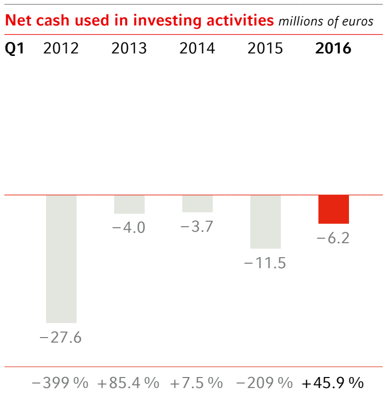
Cash flow

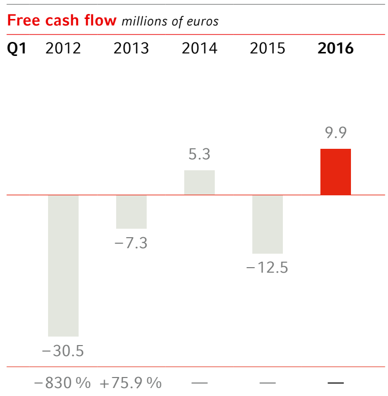
- *Operating result and working capital cause cash flow from operating activities to increase to 16.2 million euros*
- *Decrease in net cash used in investing activities*
- *Free cash flow rises by 22.4 million euros to 9.9 million euros*

Free cash flow rises by 22.4 million euros to 9.9 million euros

Due to the increase in cash flow from operating activities to 16.2 million euros and the decline in cash outflows from investments to −6.2 million euros, free cash flow rose by 22.4 million euros to 9.9 million euros.







Cash flow from operating activities *millions of euros*		Q1 2015	**Q1 2016**	Change as %	Change millions of euros	
EBITDA		4.8	9.6	+100 %	+4.8	2
+/−	Non-cash factors	1.5	−0.5	—	−2.0	
+	Decrease in operating net working capital	4.1	17.6	+330 %	+13.5	3
−	Increase in other net working capital	−9.9	−8.6	+13.0 %	+1.3	4
+	Taxes paid	−1.5	−2.0	−36.6 %	−0.5	5
+	Interest received	0.0	0.0	−5.6 %	−0.0	
=	**Cash flow from operating activities**	**−0.9**	**16.2**	—	+17.1	1

Operating result and working capital cause cash flow from operating activities to increase to 16.2 million euros

In the 1st quarter of 2016, at 16.2 million euros cash flow from operating activities 1 was a significant 17.1 million euros higher than in the same period in the previous year (−0.9 million euros). As well as the 4.8 million euros increase in EBITDA to 9.6 million euros 2, cash flow from operating activities benefited from increased inflows from working capital.

This positive factor was mainly attributable to operating net working capital 3. This was 17.6 million euros lower in the quarter under review, since the strong seasonally determined decline in the high volume of receivables from year-end business and also the volume of inventories following the rundown of stock – particularly in the Retail business unit – resulted overall in a 13.5 million euros increase in inflows by comparison with the same quarter in the previous year. In the quarter under review other net working capital 4 has, at −8.6 million euros, absorbed 1.3 million euros less in cash than in the same quarter in the previous year, mainly due to suppliers' advertising costs subsidies. In the quarter under review, income tax payments 5 increased by 0.5 million euros on the same quarter in the previous year and amounted to −2.0 million euros.

Cash flow from investing activities *millions of euros*	Q1 2015	**Q1 2016**	Change as %	Change millions of euros	
– Outflows from investments in fixed assets	−7.7	−7.4	+4.3 %	+0.3	7
– Outflows from purchases of consolidated interests/acquisitions	−3.0	0.0	—	+3.0	8
– Outflows from investments in financial assets	−0.4	−0.1	+80.6 %	+0.3	9
– Outflows from investments in non-current financial instruments	−0.4	0.0	+98.1 %	+0.4	10
+ Inflows from the sale of property, plant and equipment and intangible assets	0.0	1.2	> 1,000 %	+1.2	11
= Cash flow from investing activities	**−11.5**	**−6.2**	**+45.9 %**	**+5.3**	6

Decrease in net cash used in investing activities

In the 1st quarter, net cash used in investing activities 6 was reduced by 5.3 million euros to just −6.2 million euros. At 7.4 million euros, outflows due to investments in fixed assets 7 roughly matched the same quarter in the previous year. By comparison with the same quarter in the previous year, no outflows arose due to purchasing of consolidated interests and acquisitions 8 and the company made only minor investments in financial assets 9 and non-current financial instruments 10. This difference is mainly due to the fact that a cash inflow of 1.2 million euros due to the disposal of fixed assets 11 of the company reduced the volume of cash outflows.

Return on capital employed

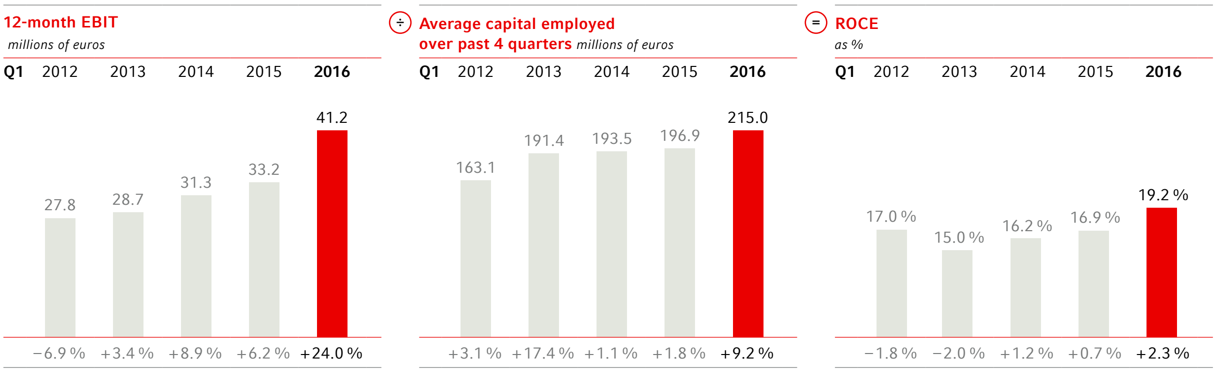
- *Average capital employed increased to 215.0 million euros, due to acquisitions*
- *ROCE significantly increased to 19.2 %*

Average capital employed increased to 215.0 million euros, due to acquisitions

As of March 31, 2016, the capital employed figure was 217.0 million euros and thus 2.6 million euros higher than as of December 31, 2015. This reflects the seasonal nature of business. On March 31, 2016, at 215.0 million euros the average capital employed – calculated on the basis of the four quarterly reporting dates within a given 12-month period – was thus 18.1 million euros higher than in the previous year. This increase mainly related to the acquisitions of DeinDesign and futalis which were outlined in the company's Annual Report as of December 31, 2015.

ROCE significantly increased to 19.2 %

Since March 31, 2015, the return on capital employed (ROCE) – a ratio indicating the capital yield – has improved from 16.9 % (after restructuring)/17.4 % (before restructuring) to 19.2 % (after one-off factors)/19.0 % (before one-off factors). The value of 19.2 % reflects a 12-month EBIT figure of 41.2 million euros and an average volume of capital employed of 215.0 million euros.



Change on previous year

FORECAST, OPPORTUNITIES AND RISK REPORT

Risks and opportunities

The consolidated management report for the financial year 2015 outlines the key risks and opportunities associated with the envisaged development of the CEWE Group. Ongoing systematic risk monitoring and control measures implemented by the Group's risk management have not identified any risks which, individually or collectively, are liable to jeopardise the Group's status as a going concern. You will find further information on pp. 110ff. of the Annual Report 2015.

Forecast for 2016

As of the preparation of this interim report, there have not been any changes in relation to the key statements provided in the company's Annual Report 2015 concerning its long-term business development, market focus, innovation, its assessment of the overall economic conditions and the company's far-reaching independence from economic trends (cf. pp. 116ff. of the Annual Report 2015).

Our assessments of the development of our three business units Photofinishing, Retail and Commercial Online Printing also continue to apply as before. With a volume of turnover of approx. 86 million euros in 2016, Commercial Online Printing will provide a positive contribution to the Group's EBIT figure for the first time (cf. pp. 119ff. of the Annual Report 2015).

Non-objection regulation resolved for value added tax on photo books

In April 2016, the German Federal Ministry of Finance announced a non-objection regulation for the increase in the rate of value-added tax on photo books (Finance Ministry's notice III C 2 -S 7225/12/10001, 2016/0368010). This non-objection regulation defers until December 31, 2016 the increase in the rate of value added tax on photo books in Germany from 7 % to 19 %. This rise was originally due to come into effect on December 25, 2015. This value-added tax increase is now to be introduced from January 1, 2017. CEWE is not ruling out the possibility of this value-added tax hike on photo books being cancelled outright after this date. If the higher rate of value added tax does apply from 2017, we currently assume an EBIT burden of between 0 euros and a high seven-digit figure at the most, e.g. due to a possible fall in demand resulting from consumer price increases.

All goals for 2016 confirmed

Since the company's annual planning for 2016 had already been prepared on the basis of an unchanged rate of value added tax for photo books in its main market, Germany, and the results for the first quarter of 2016 confirm this planning, with this interim report CEWE is confirming all of its sales, turnover and income goals for 2016:

Goal for 2016		Change on previous year
Digital photos	2.05 – 2.15 billion units	– 5 % to – 1 %
Photos from film	0.050 – 0.055 billion units	– 29 % to – 22 %
Total volume of photos	**2.10 – 2.21 billion units**	**– 6 % to – 1 %**
CEWE PHOTOBOOKS	6.10 – 6.15 million units	+ 1 % to + 2 %
Investments *	48 million euros	—
Turnover	555 – 575 million euros	+ 0 % to + 4 %
EBIT	38 – 44 million euros	+ 3 % to + 20 %
Earnings before taxes (EBT)	37 – 43 million euros	+ 2 % to + 18 %
Earnings after tax	25 – 29 million euros	+ 11 % to + 29 %
Earnings per share	3.53 – 4.10 euros/unit	+ 9 % to + 27 %

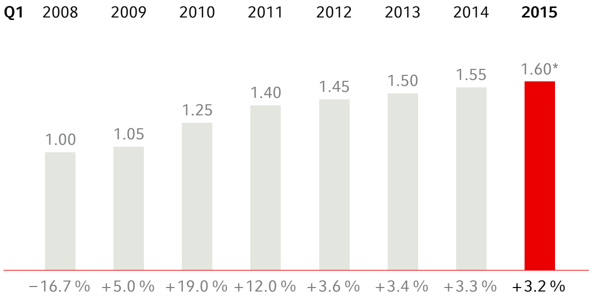
** Operational investments excl. possible investments in expansion of the Group's volume of business, e.g. corporate acquisitions or purchasing of customer bases*

Minimum goal of dividend continuity

In general, CEWE pursues the goal of dividend continuity where this appears appropriate in view of the company's economic situation and the available investment opportunities. At the same time, the company's shareholders are to share in increased income. This policy clearly focuses on the absolute dividend value, with the payout ratio as a secondary element.

In a joint proposal with the Board of Management, at the general meeting which will be held on June 1, 2016 the Supervisory Board will propose a dividend increase to 1.60 euros per share conferring a dividend entitlement for the financial year 2015. This increase is the seventh consecutive dividend increase: Since 2008, the dividend issued by CEWE has risen continuously, year-on-year, from 1.00 euros per share to the current figure of 1.60 euros.

Dividend *in euros*



** Dividend proposal of the Board of Management and the Supervisory Board for the general meeting on June 1, 2016*

GLOSSARY

Please note:
Where digital photos are referred to in this interim report, figures include CEWE PHOTOBOOK prints and the images included in photo gifts.

As a rule, all figures are calculated as precisely as possible and are rounded off in the tables in line with applicable commercial procedures. This rounding-off may give rise to discrepancies, particularly in totals lines.

Borrowed capital
The total value reported as non-current and current liabilities under equity and liabilities

Capital employed (CE)
Net working capital plus non-current assets and cash and cash equivalents

Capital invested (CI)
Equity plus non-operating liabilities and gross financial liabilities

Days working capital
Term of net working capital in days, measured in relation to turnover in the past quarter

EBIT
Earnings before interest and taxes

EBITDA
Earnings before interest, taxes, depreciation and amortisation

EBT
Earnings before taxes

Equity
The residual claim to the net assets remaining after deduction of liabilities according to IAS 32

Equity ratio
Equity as a share of total capital; the ratio of equity to the balance sheet total

Fixed assets
Property, plant and equipment plus real estate held as financial investments, goodwill, intangible assets and financial assets

Free cash flow
Cash flow from operating activities less cash flow from investing activities (both according to the cash flow statement)

Free float
The proportion of the company's freely tradable shares on the market

Gross cash flow
Earnings after taxes plus amortisation on intangible assets and depreciation on property, plant and equipment

Gross financial liabilities
Total of non-current interest-bearing financial liabilities and current interest-bearing financial liabilities; cf. interest-bearing financial liabilities

Gross working capital
Current assets without cash and cash equivalents

Interest-bearing financial liabilities
Non-current and current interest-bearing financial liabilities shown as such, without rights to repayment subject to interest shown in the balance sheet under other credit lines

Liquidity ratio
Ratio of cash and cash equivalents versus the balance sheet total

Net cash flow
Gross cash flow less investments

Net financial liabilities
Non-current interest-bearing financial liabilities plus current interest-bearing financial liabilities less cash and cash equivalents

Net working capital
Current assets excl. cash and cash equivalents less current liabilities excl. current special items for investment grants and excl. current interest-bearing financial liabilities

Non-operating liabilities
Current and non-current special items for investment grants, non-current provisions for pensions, non-current deferred tax liabilities, other non-current provisions, non-current financial liabilities and other non-current liabilities

NOPAT
EBIT less income taxes and other taxes

Operating net working capital
Inventories plus current trade receivables less current trade payables

Other current liabilities
Current provisions for taxes, other current provisions, other current financial liabilities and other current liabilities

Other gross working capital
Assets held for sale, current receivables from income tax refunds, other current financial assets and other current receivables and assets

Other net working capital
Other gross working capital less other current liabilities

Other operating cash flows
Changes resulting from taxes paid as well as proceeds from interest received

P & L
Profit and loss account

POS
The points of sale are the retail outlets of the company's business partners and also its own retail branches

Return on capital employed
See return on capital employed

Return on capital employed (ROCE)
The ratio of earnings before interest and taxes (EBIT) versus the capital employed; in general, the 12-month perspective is chosen for the calculation of a rolling annual return on investment

Return on capital employed (ROCE) before restructuring
The ratio of earnings before interest and taxes (EBIT) – adjusted for restructuring expenses – versus the capital employed

Working capital-induced cash flow
Changes resulting from net working capital

03

CONSOLIDATED FINANCIAL STATEMENTS

Page reference Reference to table or graphic Internet reference Supplementary information

"It's using the latest technologies, services and products that makes work at CEWE so exciting. It's obvious that you're working for the innovation and market leader in the photofinishing business."

David Bollmann, CEWE PHOTOBOOK Production, CEWE shareholder

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for Q1 2015 and 2016 of CEWE Stiftung & Co. KGaA

Figures in thousands of euros	Q1 2015	**Q1 2016**	Change
Revenues	106,772	119,174	11.6 %
Increase/decrease in finished and unfinished goods	−119	−650	−446 %
Other own work capitalised	162	119	−26.5 %
Other operating income	4,480	5,246	17.1 %
Cost of materials	−32,871	−35,902	−9.2 %
Gross profit	**78,424**	**87,987**	**12.2 %**
Personnel expenses	−34,184	−36,412	−6.5 %
Other operating expenses	−39,432	−41,940	−6.4 %
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**4,808**	**9,635**	**100 %**
Amortisation of intangible assets, depreciation of property, plant and equipment	−8,341*	−8,759	−5.0 %
Earnings before interest and taxes (EBIT)	**−3,533**	**876**	—
Financial income	18	41	128 %
Financial expenses	−164	−108	34.1 %
Financial result	**−146**	**−67**	**54.1 %**
Earnings before taxes (EBT)	**−3,679**	**809**	—
Income taxes	33	−256	—
Earnings after taxes	**−3,646**	**553**	—
of which attributable to non-controlling interests	—	−121	—
of which attributable to the shareholders of CEWE KGaA (consolidated income/loss)	−3,646	674	—
Earnings per share (in euros)			
undiluted	−0.51	0.09	—
diluted	−0.51	0.09	—

** The reference figures have been restated, as outlined on pp. 54ff.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for Q1 2015 and 2016 of CEWE Stiftung & Co. KGaA

Figures in thousands of euros	Q1 2015		Q1 2016		Change
Earnings after taxes		−3,646*		**553**	—
of which attributable to non-controlling interests		—		−121	—
of which attributable to the shareholders of CEWE KGaA		−3,646		674	—
Difference resulting from currency translation	1,612		−182		—
Amounts which may be reclassified to the profit and loss account in future periods		1,612		**−182**	—
Other comprehensive income		1,612		**−182**	—
of which attributable to the shareholders of CEWE KGaA		—		−182	—
Comprehensive income		−2,034		**371**	—
of which attributable to non-controlling interests		0		−121	—
of which attributable to the shareholders of CEWE KGaA		−2,034		492	—

** The reference figures have been restated, as outlined on pp. 54ff.*

CONSOLIDATED BALANCE SHEET

of March 31, 2016 of CEWE Stiftung & Co. KGaA

ASSETS *Figures in thousands of euros*	Mar. 31, 2015	Mar. 31, 2016	Change
Property, plant and equipment	105,113	107,034	1.8 %
Real estate held as financial investments	4,952	5,066	2.3 %
Goodwill	25,360	37,417	47.5 %
Intangible assets	18,126*	15,824	−12.7 %
Financial assets	3,685	4,339	17.7 %
Non-current receivables from income tax refunds	1,071	536	−50.0 %
Non-current financial assets	3,345	1,858	−44.5 %
Non-current other receivables and assets	243	590	143 %
Deferred tax assets	8,589	7,124	−17.1 %
Non-current assets	**170,484**	**179,788**	**5.5 %**
Inventories	46,250	43,218	−6.6 %
Current trade receivables	37,637	39,207	4.2 %
Current receivables from income tax refunds	2,870	3,162	10.2 %
Current financial assets	2,728	2,634	−3.4 %
Other current receivables and assets	6,806	7,127	4.7 %
Cash and cash equivalents	14,870	27,825	87.1 %
	111,161	**123,173**	**10.8 %**
Non-current assets held for sale	1,369	1,158	−15.4 %
Current assets	**112,530**	**124,331**	**10.5 %**
Assets	**283,014**	**304,119**	**7.5 %**

** The reference figures have been restated, as outlined on pp. 54ff.*

EQUITY AND LIABILITIES *Figures in thousands of euros*	Mar. 31, 2015	**Mar. 31, 2016**	Change
Subscribed capital	19,240	19,240	—
Capital reserve	69,332	70,332	1.4 %
Treasury shares at acquisition cost	−8,463	−7,454	11.9 %
Retained earnings and unappropriated profits	91,633*	106,072	15.8 %
Equity	**171,742**	**188,190**	**9.6 %**
Non-controlling interests	—	−483	—
Equity	**171,742**	**187,707**	**9.3 %**
Non-current accruals for pensions	22,355	23,383	4.6 %
Non-current deferred tax liabilities	2,800	2,336	−16.6 %
Non-current other accruals	225	162	−28.0 %
Non-current interest-bearing financial liabilities	2,229	1,489	−33.2 %
Non-current financial liabilities	—	46	—
Non-current other liabilities	223	576	158 %
Non-current liabilities	**27,832**	**27,992**	**0.6 %**
Current tax liabilities	4,500	7,092	57.6 %
Current other accruals	3,852	2,993	−22.3 %
Current interest-bearing financial liabilities	1,625	1,337	−17.7 %
Current trade payables	52,551	49,044	−6.7 %
Current financial liabilities	346	346	—
Current other liabilities	20,566*	27,608	34.2 %
Current liabilities	**83,440**	**88,420**	**6.0 %**
Equity and liabilities	**283,014**	**304,119**	**7.5 %**

** The reference figures have been restated, as outlined on pp. 54ff.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for Q1 2015 and 2016 of CEWE Stiftung & Co. KGaA

Figures in thousands of euros	**Subscribed capital**	**Capital reserve**	Generated Group equity	Special item for Stock Option Plans
As of Jan. 1, 2015	**19,240**	**69,332**	103,073	141
Comprehensive income	**—**	**—**	−3,646*	—
Stock Option Plans	—	—	72	8
Other equity changes	—	—	—	—
Owner-related equity changes	—	—	72	8
As of Mar. 31, 2015	**19,240**	**69,332**	99,499	149
As of Jan. 1, 2016	**19,240**	**70,223**	115,238	—
Comprehensive income	**—**	**—**	674	—
Stock Option Plans	—	109	—	—
Owner-related equity changes	**—**	**—**	—	—
As of Mar. 31, 201	**19,240**	**70,332**	115,912	—

** The reference figures have been restated, as outlined on pp. 54ff.*

Actuarial profits and losses	Compensating item from currency translation	Income taxes not affecting net income	**Retained earnings and unappropriated profits**	**Total**	**Treasury shares at acquisition cost**	Total equity attributable to the shareholders of CEWE KGaA	Non-controlling interests	**Group equity**
−8,837	−3,916	3,126	93,587	182,159	−8,511	173,648	—	173,648
0	1,612	0	−2,034	−2,034	0	−2,034	0	−2,034
0	0	0	80	80	0	80	0	80
0	0	0	0	0	48	48	0	48
0	0	0	80	80	48	128	0	128
−8,837	−2,304	3,126	91,633	180,205	−8,463	171,742	0	171,742
−9,182	−3,730	3,254	105,580	195,043	−7,454	187,589	−362	187,227
0	−182	0	492	492	0	492	−121	371
0	0	0	—	109	0	109	0	109
0	0	0	—	109	0	109	0	109
−9,182	−3,912	3,254	106,072	195,644	−7,454	188,190	−483	187,707

CONSOLIDATED CASH FLOW STATEMENT

for Q1 2015 and 2016 of CEWE Stiftung & Co. KGaA

Figures in thousands of euros	Q1 2015	**Q1 2016**	Deviation as %
EBITDA	4,808	9,635	100 %
+/− Non-cash factors	1,533	−459	—
+/− Decrease (+)/increase (–) in operating net working capital	4,105	17,631	330 %
– Increase in other net working capital (excluding income tax items)	−9,923	−8,631	13.0 %
– Taxes paid	−1,473	−2,012	−36.6 %
+ Interest received	18	17	−5.6 %
= Cash flow from operating activities	**−932**	**16,181**	**—**
– Outflows from investments in fixed assets	−7,709	−7,379	4.3 %
– Outflows from purchases of consolidated interests/acquisitions	−3,000	0	—
– Outflows from investments in financial assets	−418	−81	80.6 %
– Outflows from investments in non-current financial instruments	−412	−8	98.1 %
+ Inflows from the sale of property, plant and equipment and intangible assets	13	1,227	>1,000 %
= Cash flow from investing activities	**−11,526**	**−6,241**	**45.9 %**
= Free cash flow	**−12,458**	**9,940**	**—**
+ Stock Option Plans	43	0	—
– Outflows from change in financial liabilities	−361	−3,848	−966 %
– Interest paid	−164	−108	34.1 %
+/− Other financial transactions	0	24	—
= Cash flow from financing activities	**−482**	**−3,932**	**−716 %**
Cash and cash equivalents at the start of the reporting period	**27,665**	**21,679**	**−21.6 %**
+/− Exchange rate-related changes in cash and cash equivalents	145	138	−4.8 %
– Cash flow from operating activities	−932	16,181	—
– Cash flow from investing activities	−11,526	−6,241	45.9 %
+ Cash flow from financing activities	−482	−3,932	−716 %
= Cash and cash equivalents at the end of the reporting period	**14,870**	**27,825**	**87.1 %**

SEGMENT REPORTING BY BUSINESS UNIT*

for Q1 2015 and 2016 of CEWE Stiftung & Co. KGaA

Q1		Photofinishing	Retail	Commercial Online Printing	Other activities	CEWE Group
External revenues	**2016**	**85,460**	**12,814**	**20,448**	**452**	**119,174**
	2015	75,476	13,409	17,887	—	106,772
External revenues, adjusted for currency effects	**2016**	85,814	13,465	20,534	452	**120,265**
	2015	75,476	13,409	17,887	—	106,772
EBIT prior to restructuring	**2016**	**1,289**	**−397**	**527**	**−543**	**876**
	2015	−383**	−575	−1,294	−277	−2,529
Restructuring	**2016**	—	—	—	—	—
	2015	−439	−565	—	—	−1,004
EBIT	**2016**	**1,289**	**−397**	**527**	**−543**	**876**
	2015	−822**	−1,140	−1,294	−277	−3,533

* *Segment reporting by business unit is an integral part of the notes.*

** *The reference figures have been restated, as outlined on pp. 54ff.*

Comments on the business units

- *Photofinishing incl. turnover and earnings from CEWE photo products from own retail activities*
- *Retail only consists of merchandise business, excluding CEWE's photography products.*
- *Other activities comprises holding / structural costs (mainly Supervisory Board and IR costs), real estate, futalis.*

SELECTED NOTES

Corporate information

CEWE Stiftung & Co. KGaA, Oldenburg (hereinafter: CEWE KGaA), is a stock market-listed partnership limited by shares (Kommanditgesellschaft auf Aktien) under German law and is seated in Germany. CEWE KGaA is the parent company of the CEWE Group (hereinafter: CEWE). CEWE is an internationally active group which focuses on photofinishing, commercial online printing and photo retail business as a technology and market leader.

Principles for the preparation of the interim consolidated financial statements as of March 31, 2016

The interim consolidated financial statements of CEWE KGaA as of March 31, 2016 have been prepared in accordance with the International Financial Reporting Standards (IFRS) applicable on the reporting date and the interpretations of the International Accounting Standards Board (IASB) to be applied in the European Union. These interim financial statements contain all data and information required according to IAS 34 for abridged interim financial statements.

In preparing the abridged interim financial statements, the Board of Management is obliged to make estimates and assumptions in compliance with the applicable accounting principles regarding the presentation of assets and liabilities as well as income and expenses and the disclosure of contingent liabilities and assets. The actual future amounts may deviate from these estimates.

The following standards, revisions and interpretations were applicable for the first time in the year under review:

- Amendments of IFRS 1, IFRS 13 and IAS 40 through “Annual improvements to the IFRS cycle 2012–2014” (published on September 25, 2014)
- Amendments to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations” (published on May 6, 2014)
- Amendments to IAS 1 “Disclosure Initiative” (published on June 30, 2014)

- Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation” (published on May 12, 2014)
- Amendments to IAS 16 and IAS 41 “Bearer Plants” (published on June 30, 2014)
- Amendments to IAS 27 “Equity Method in Separate Financial Statements” (published on June 30, 2014)

The first-time adoption of these standards has not had any significant effect on the Group’s net assets, financial position and results of operations.

The following standards and interpretations and amendments of existing standards which have also been issued by the IASB are not yet mandatorily applicable in the interim consolidated financial statements as of March 31, 2016. They will become applicable following their adoption within the scope of the EU’s endorsement of the IFRS.

Amendment/standard	Date of publication	Expected endorsement within the scope of EU law	Date of adoption
IFRS 9 Financial Instruments	July 24, 2014	2nd half of 2016	January 1, 2018
IFRS 14 Regulatory Deferral Accounts	January 30, 2014	Suspended	January 1, 2016
IFRS 15 Revenue from Contracts with Customers	May 28, 2014	Q3 2016	
IFRS 15 Revenue from Contracts with Customers (Clarification)	April 12, 2016	Q1 2017	January 1, 2018
IFRS 16 Leases	January 13, 2016	Not yet decided	January 1, 2019
IAS 7 Disclosure Initiative	January 29, 2016	Q4 2016	January 1, 2017
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses	January 19, 2016	Q4 2016	January 1, 2017
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	September 11, 2014	Not yet decided	January 1, 2016
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	December 18, 2014	Q3 2016	January 1, 2016

Insofar as any further new standards which are not yet valid for 2016 may be adopted voluntarily, the Group has not made use of this option. The future effects on the Group's net assets, financial position and results of operations resulting from implementation of the standards issued as of the reporting date but not yet mandatorily applicable are still being reviewed. Several standards may necessitate additional notes. The new standards will be adopted in the EU upon completion of the endorsement procedure.

Apart from the first-time adoption of standards as outlined above, these accounting, valuation and recognition policies and consolidation methods were applied to the quarterly financial report as of March 31, 2016 without any significant changes in relation to December 31, 2015. These policies and methods are detailed in the consolidated financial statements as of December 31, 2015. Nor have the fundamental principles and methods of estimation for the quarterly financial report changed in comparison to previous periods.

Change of method

In the previous year, methods were revised in line with IAS 8 as follows:

Within the scope of the balance-sheet treatment of a portion of the bonuses due on a long-term basis for members of the Board of Management of CEWE KGaA, this was previously fully recognised in the results for the period and thus carried as a liability. This affects other current liabilities. Since the financial year 2015, these tranches have only been recognised upon expiry of the term of office of the respective member of the Board of Management. The previous year's figures have been restated accordingly.

Since the Annual Report 2015, segment reporting by business unit has been restated. For the first time, activities which cannot be allocated to any other business unit have been reported as "Other activities". The previous-year figures for the segment reporting have been restated accordingly.

Finalisation of purchase price allocation

A purchase price allocation was completed in the financial year 2015. The figures for the 1st quarter of 2015 have been restated (cf. p. 172 of the Annual Report 2015).

The changes have had the following effects on the reference figures:

Balance sheet *Figures in thousands of euros*	Change of method	Finalisation of purchase price allocation	Total change
			Mar. 31, 2015
Intangible assets	—	3	**3**
Retained earnings and unappropriated profits	−42	3	**−39**
Current other liabilities	42	—	**42**
Total assets	—	3	**3**

Consolidated profit and loss account *Figures in thousands of euros*	Finalisation of purchase price allocation	Total change
		Q1 2015
Depreciation	−34	**−34**
EBIT	−34	**−34**
Earnings after taxes	−34	**−34**

Consolidated statement of comprehensive income *Figures in thousands of euros*	Finalisation of purchase price allocation	Total change
		2015
Comprehensive income	34	**34**

Scope of consolidation

Apart from CEWE KGaA, the interim consolidated financial statements as of March 31, 2016 include domestic and foreign companies over which CEWE KGaA has a direct or indirect controlling interest.

As of March 31, 2016, apart from CEWE KGaA as the parent company, the scope of consolidation includes eleven German and 21 foreign companies. The pension commitments transferred to CEWE COLOR Versorgungskasse e. V., Wiesbaden, also continue to be included in the consolidated financial statements. Insofar as this pension fund is unable to meet its obligations on the basis of its own resources, resources are provided by CEWE KGaA. Bilderplanet.de GmbH, Cologne, has not been included in the scope of consolidation due to its economic insignificance since its balance sheet total represents only 0.00 % of the consolidated balance sheet total and its revenue 0.00 % of total Group revenue.

Seasonal effects on business activities

Please see the notes in the interim management report regarding the seasonal and economic effects on the interim financial statements as of March 31, 2016.

Key business transactions

In the first quarter, the Photofinishing business unit realised sales proceeds in the amount of 410 thousand euros for the sale of a customer base.

No further events affecting the balance sheet, the profit and loss account or the cash flow which are significant on account of their nature, size or frequency have occurred in the period to March 31 of the current financial year.

Events following the reporting date

No events which are significant on account of their nature, size or frequency have occurred since March 31, 2016.

Notes on the profit and loss account, balance sheet, cash flow statement

Detailed notes concerning the profit and loss account are set down in the interim management report in the chapters for the individual business units as well as the “Consolidated profit and loss account”; the notes on the balance sheet and the cash flow statement are provided in the chapters “Balance sheet and financing” and “Cash flow”. The development of equity is shown separately in the statement of changes in equity following the profit and loss account, the statement of comprehensive income, the balance sheet, the cash flow statement and the segment reporting.

Equity

On December 31, 2015, CEWE Stiftung & Co. KGaA, Oldenburg, held 131,246 no-par value shares as treasury shares. In addition, CEWE COLOR Versorgungskasse e. V., Wiesbaden, held 112,752 no-par value shares of the company on the same date. The latter were required to be included in the consolidated financial statements by way of adjustment, so that as of the reporting date December 31, 2015 a total of 243,998 no-par value shares were reportable as treasury shares in the consolidated financial statements of CEWE KGaA.

On March 31, 2016, CEWE KGaA's treasury shares portfolio pursuant to § 71 of the German Stock Corporation Act (AktG) amounted to 131,246 no-par value shares (total amount: 3,681 thousand euros, average purchase price: 28.05 euros / share; previous year: 167,248 no-par value shares, 4,691 thousand euros, 28.05 euros / share) and for the Group a total of 243,998 no-par value shares (total amount: 7,454 thousand euros, average purchase price: 30.55 euros / share, previous year: 280,000 no-par value shares, 8,463 thousand euros, 30.23 euros / share).

As of March 31, 2016, the share capital of CEWE KGaA was unchanged on December 31, 2015 at 19,240 thousand euros, divided up into 7,400,020 shares. Changes in equity are described in the consolidated statement of changes in equity and relevant explanations are provided in the "Balance sheet and financing" chapter of the interim management report.

Financial instruments

With the exception of the derivatives carried in the balance sheet at fair value, all assets and liabilities are measured at amortised cost. For assets and liabilities carried at amortised cost, the book values of the financial assets and liabilities in the balance sheet represent a reasonable approximation of the fair value.

Derivatives reported in the balance sheet are carried at fair value.

Seite 17 ff.
Business segments

Seite 44 ff.
Consolidated profit and loss account

Seite 46
Balance sheet and financing

Seite 50
Cash flow

Notes on the segment reporting

Detailed notes on the segment reporting can be found in the segments chapter of the interim management report.

Contingent liabilities

Contingent liabilities resulted from the grant of suretyships and guarantees for third parties, possible litigation risks and other issues and amounted to 1,451 thousand euros (end of the same quarter in the previous year: 1,465 thousand euros).

Transactions with related parties

The members of the Board of Management and the Supervisory Board and the heirs of Senator h. c. Heinz Neumüller, Oldenburg, and the affiliates of the heirs are defined as related parties of the CEWE Group. Transactions with other related parties occurred in the first quarter of 2016. Key transactions relate to individual commercial tenancies concluded between the Group and affiliates of the heirs of Senator h. c. Heinz Neumüller, Oldenburg. There has not been any significant change in the nature or scope of these transactions by comparison with the consolidated financial statements as of December 31, 2015.

Earnings per share *Figures in thousands of euros*	Q1 2015	**Q1 2016**
Earnings after taxes	–3,646	553
of which attributable to other stakeholders	0	–121
of which attributable to the shareholders of CEWE KGaA (consolidated income/loss)	–3,646	674
Weighted average number of shares, undiluted *(in units)*	7,118,846	7,156,022
Undiluted earnings per share *(in euros)*	**–0.51**	**0.09**
Consolidated profits after minority interests	–3,646	553
of which attributable to other stakeholders	0	–121
of which attributable to the shareholders of CEWE KGaA (consolidated income/loss)	–3,646	674
Weighted average number of shares, diluted *(in units)*	7,118,846	7,156,022
Diluting effect of stock options issued	4,564	–6,437
Diluted earnings per share *(in euros)*	**–0.51**	**0.09**

STATEMENT FROM THE COMPANY'S LEGAL REPRESENTATIVES

To the best of our knowledge, we hereby confirm that the interim consolidated financial statements provide a true and fair view of the Group's net assets, financial position and results of operations in line with applicable accounting principles for interim reporting and that the consolidated interim management report includes a fair review of the development and performance of the business and the position of the Group, while describing the key risks and opportunities associated with the Group's envisaged development in the remainder of the financial year.

Oldenburg, May 12, 2016
CEWE Stiftung & Co. KGaA

For the general partner
Neumüller CEWE COLOR Stiftung
– The Board of Management –

Dr Rolf Hollander
(Chairman of the Board of Management)

Patrick Berkhouwer | Dr Reiner Fageth | Dr Christian Friege | Carsten Heitkamp

Dr Olaf Holzkämper | Thomas Mehls | Frank Zweigle

04

FURTHER INFORMATION

Page reference Reference to table or graphic Internet reference Supplementary information

"Our customers expect us to deliver a high level of quality. At CEWE, we always live up to our quality commitment by using the newest and highest-quality machinery and systems."

Stefan Blawat, CEWE PHOTOBOOK production, CEWE shareholder

MULTIPLE-YEAR OVERVIEW

Key figures

Volumes and employees		Q1 2010	Q1 2011	Q1 2012	Q1 2013	Q1 2014	Q1 2015	**Q1 2016**
Digital photos	*millions of units*	434.9	422.9	461.8	462.9	451.0	450.5	471.6
Photos from film	*millions of units*	82.0	51.1	34.4	23.4	18.0	14.1	10.8
Total volume of photos	*millions of units*	517	474	496	486	469	465	482
CEWE PHOTOBOOKS	*millions of units*	825	920	1,027	1,102	1,142	1,160	1,278
Employees (average)	*converted to full-time equivalent*	2,623	2,671	3,130	3,145	3,115	3,261	3,348
Employees (as of the reporting date)	*converted to full-time equivalent*	2,609	2,654	2,697	3,114	3,156	3,229	3,303

Income		Q1 2010	Q1 2011	Q1 2012	Q1 2013	Q1 2014	Q1 2015	**Q1 2016**
Turnover	*millions of euros*	84.0	89.5	96.3	108.2	103.0	106.8	119.2
EBITDA	*millions of euros*	3.2	3.2	2.0	2.5	3.9	4.8	9.6
EBITDA margin	*as % of turnover*	3.8	3.5	2.1	2.3	3.8	4.5	8.1
EBIT	*millions of euros*	−8.0	−5.4	−7.0	−6.5	−4.2	−3.5	0.9
EBIT margin	*as % of turnover*	−9.6	−6.0	−7.3	−6.1	−4.1	−3.3	0.7
Restructuring expenses	*millions of euros*	2.3	0.0	0.0	2.3	0.0	1.0	0.0
EBIT prior to restructuring	*millions of euros*	−5.8	−5.4	−7.0	−4.3	−4.2	−2.5	0.9
EBT	*millions of euros*	−8.3	−5.4	−7.3	−7.0	−4.5	−3.7	0.8
Earnings after taxes	*millions of euros*	−8.2	−5.7	−7.1	−6.1	−4.2	−3.6	0.6

Capital		Mar. 31, 2010	Mar. 31, 2011	Mar. 31, 2012	Mar. 31, 2013	Mar. 31, 2014	Mar. 31, 2015	**Mar. 31, 2016**
Total assets	*millions of euros*	233.7	242.6	295.8	275.2	273.6	283.0	304.1
Capital employed (CE)	*millions of euros*	158.4	158.1	200.4	187.3	189.7	201.2	217.0
Equity	*millions of euros*	105.4	114.8	115.0	123.3	138.7	171.7	187.7
Equity ratio	*as % of the balance sheet total*	45.1	47.3	38.9	44.8	50.7	60.7	61.7
Net financial liabilities	*millions of euros*	28.8	10.8	43.3	26.0	11.2	−11.0	−25.0
ROCE (last 12 months)	*as % of capital employed*	16.0	18.9	17.0	15.0	16.2	16.9	19.2

Cash flow		Q1 2010	Q1 2011	Q1 2012	Q1 2013	Q1 2014	Q1 2015	**Q1 2016**
Cash flow from operating activities	*millions of euros*	2.4	2.2	−2.9	−3.3	9.0	−0.9	16.2
Cash flow from investing activities	*millions of euros*	−6.6	−5.5	−27.6	−4.0	−3.7	−11.5	−6.2
Free cash flow	*millions of euros*	−4.1	−3.3	−30.5	−7.3	5.3	−12.5	9.9
Cash flow from financing activities	*millions of euros*	6.7	−1.3	18.3	5.6	−5.3	−0.5	−3.9
Change in cash and cash equivalents	*millions of euros*	2.6	−4.6	−12.2	−1.7	0.0	−12.9	6.0

Share		Q1 2010	Q1 2011	Q1 2012	Q1 2013	Q1 2014	Q1 2015	**Q1 2016**
Number of shares (nominal value: 2.60 euros)	*units*	7,380,020	7,380,020	7,380,020	7,380,020	7,400,020	7,400,020	7,400,020
Earnings per share								
undiluted	*in euros*	−1.20	−0.84	−1.08	−0.93	−0.64	−0.51	0.09
diluted	*in euros*	−1.20	−0.84	−1.08	−0.92	−0.64	−0.51	0.09

FINANCIAL DIARY

June 1, 2016
General meeting,
Weser-Ems-Hallen, Oldenburg

August 11, 2016
Publication of the semi-annual report
for Q2 2016

September 19–21, 2016
Berenberg & Goldman Sachs
German Corporate Conference

September 20–22, 2016
Baader Investment Conference, Munich

November 10, 2016
Publication of the interim report
for Q3 2016

November 21–22, 2016
German Equity Forum, Frankfurt

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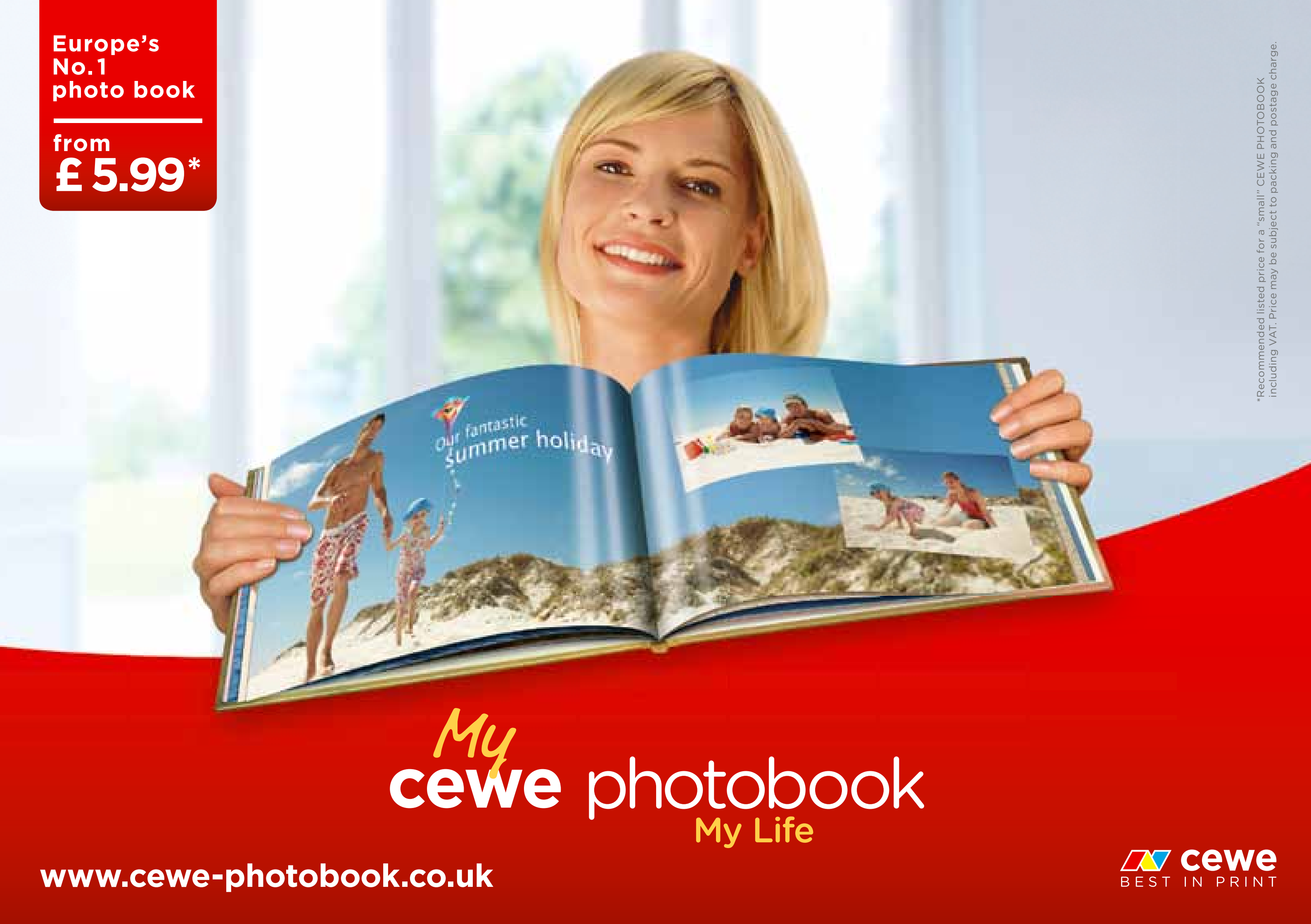
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