

Q1 Q2 2017
Interim Report

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 the service partner for the leading brands on the European photography market. In 2016, the company developed and produced 2.2 billion photos, also in 6.2 million CEWE PHOTOBOOKS and photo gifts. CEWE PHOTOBOOK (Europe’s leading photo book brand) and the company’s other product brands CEWE CALENDARS, CEWE CARDS and CEWE WALL ART, easy-to-use ordering applications (PC, Mac and 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 supplied and over 14,000 CEWE PHOTOSTATIONS 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, in its Commercial Online Printing business unit CEWE is increasingly serving customers as an on-line printing service provider through printed advertising media which can be ordered online, such as flyers, posters, brochures, business cards, etc.



HIGHLIGHTS Q2 2017

Photofinishing business unit

- ▶ Sales, turnover and profit on track
- ▶ CEWE WALL ART, CEWE CALENDARS and photo gifts growth compensates for CEWE PHOTOBOOK decline
- ▶ CEWE is innovative: in the second quarter, 97 % of all photos are digital, 67 % of all digital photos are ordered via the Internet
- ▶ Turnover per photo increases by 5.4 %: 19.36 euro cents per photo (Q2 2016: 18.36 euro cents)
- ▶ At 82.1 million euros, Photofinishing turnover exceeds previous year's level by 1.2 % (Q2 2016: 81.1 million euros)
- ▶ Positive EBIT figure achieved with special item in Q2: 0.2 million euros (Q2 2016: -0.7 million euros)

Commercial Online Printing business unit

- ▶ Brexit weakens UK business and results in decline in turnover in second quarter: 19.9 million euros (Q2 2016: 20.7 million euros)
- ▶ Q2 EBIT figure amounts to -0.3 million euros (Q2 2016: 0.3 million euros)

Retail business unit

- ▶ Earnings match improved prior-year level, despite decline in turnover
- ▶ Stronger focus on margins and decline in market for SLR cameras reduce turnover volume: 13.2 million euros (Q2 2016: 14.5 million euros)

- ▶ *Balanced EBIT figure almost exactly at previous year's level: -52 thousand euros (Q2 2016: -3 thousand euros)*

Consolidated profit and loss account

- ▶ Group turnover in the second quarter amounts to 116.0 million euros (Q2 2016: 116.8 million euros)
- ▶ Consolidated income matches strong prior-year level in Q2 and thus also in H1.

Asset and financial position

- ▶ 8.6 million euros increase in total assets due to liquidity
- ▶ Solid balance sheet: equity ratio rises to 62.4 %
- ▶ Operating net working capital falls by 6.1 % in the second quarter

Cash flow

- ▶ Tax payments in particular cause cash flow from operating activities to decrease to 1.0 million euros
- ▶ Decline in net cash used in investing activities for operational investments
- ▶ Cash flow from operating activities causes free cash flow to fall to -8.3 million euros

Return on capital employed

- ▶ Average capital employed increased to 229.3 million euros, on grounds of liquidity
- ▶ ROCE significantly increased to 20.5 %

| | | |
|-----------|--|-----------|
| 01 | TO THE SHAREHOLDERS | 6 |
| | Letter to the shareholders | 6 |
| | CEWE share | 12 |
| 02 | INTERIM CONSOLIDATED MANAGEMENT REPORT | 16 |
| | Basic information on the Group | 18 |
| | Economic report | 19 |
| | Forecast, opportunities and risk report | 42 |
| | Glossary | 46 |
| 03 | INTERIM CONSOLIDATED FINANCIAL STATEMENTS | 48 |
| | Consolidated profit and loss account | 50 |
| | Consolidated statement of comprehensive income | 51 |
| | Consolidated balance sheet | 52 |
| | Consolidated statement of changes in equity | 54 |
| | Consolidated cash flow statement | 56 |
| | Segment reporting by business unit | 58 |
| | Selected notes | 60 |
| | Statement from the company's legal representatives | 68 |
| | Review report | 69 |
| 04 | FURTHER INFORMATION | 70 |
| | Multi-year overview | 72 |
| | Financial diary | 76 |
| | Imprint | 76 |







Dr Christian Friege, Chairman of the Board of Management of Neumüller CEWE COLOR Stiftung

Dear Shareholder,

In many respects, the second quarter represents a continuation of the trend seen in the past few years

One year ago, in our report for the second quarter of 2016, we had already characterized the company's performance in the first half of 2016 as exceptionally strong. The results for the first and second quarters of 2017 now confirm this judgment. In the current year, the figures for many key indicators are continuing the positive trend seen in the period before 2016. The differences by comparison with 2016 are attributable, in particular, to the increase in the rate of value added tax for photo books in Photofinishing and to Brexit in Commercial Online Printing. As always, we will already outline the most important of these variables here, with full transparency.

Advertising expenses consolidate brand strength in Photofinishing

At first glance, at 0.2 million euros the EBIT figure in Photofinishing was 0.9 million euros higher than in the same quarter in the previous year. However, adjusted for one-off factors which had a positive impact in the 2017 quarter under review in particular this amounts to a negative EBIT figure of -0.1 million euros. This represents a decrease of 0.6 million euros on 2016. In the same period, your company increased its marketing expenses by many times this amount and thus countered the effect of the value added tax increase (since the start of 2017) in Germany, a key market for us. A 5% reduction in CEWE PHOTOBOK sales was thus made up for through an increase in demand for other product groups. Accordingly, Photofinishing turnover actually picked up by 1.2%. Moreover, through these marketing investments we have already succeeded in significantly boosting our brand profile over the summer period. This is a very favourable starting point for our key Christmas business. Our brand profile has been further strengthened.

Higher-value products and a further improvement in service in Retail

In Retail, too, the fourth quarter plays a key role in our profit for the year, since cameras, lenses, tripods, bags and other photo hardware products are always popular Christmas gifts. The second quarter of each year therefore only represents an interim result. This was positive in the quarter under review. As in previous years, through our continuing focus on higher-margin products and the shift in our customer focus away from bargain hunters we have further reduced the volume of turnover in Retail and thus strengthened the margin quality of this turnover. Despite the resulting 8 % decline in turnover, we have achieved an almost balanced EBIT figure (-52 thousand euros), which was virtually in line with the previous year's level (-3 thousand euros). This suggests a solid basis for the Christmas quarter, which in the current year will once again play a key role for our profit in Retail.

At the start of the third quarter, Brexit effect in Commercial Online Printing is now one year old

In the past year, despite the negative Brexit effect which made itself felt in the second half of the year significant growth was achieved (+ 7.9 % to 84.0 million euros) and positive earnings were realised in Commercial Online Printing for the first time, even including all of the effects of the purchase price allocation (1.6 million euros, compared to -0.9 million euros in 2015). The first six months of 2017 have continued to suffer due to the Brexit effect, ahead of its first anniversary in the third quarter. While turnover growth in the first quarter of 2017 was actually slightly positive without any Brexit effects, before Brexit factors the first six months of the year registered growth of just 1 %. To be quite honest, that's below our expectations. However you look at it, our fundamentally positive outlook for this business – summarised on p. 23f. of the Annual Report 2016 – has not changed. We need to allow this fundamental changeover from offline to online printing the necessary period of time. The key point is that, after some years of EBIT investments in this business unit, we will continue along a path of positive earnings as in 2016. In anticipation of slightly stronger growth, in the first half of the year we had entered into cost items which have now reduced the EBIT figure to -0.2 million euros (Q2 2016: 0.8 million euros). We are dealing with that. Since the Brexit effects are now one year old, this should provide its own contribution to earnings in the second half of the year, particularly in the key fourth quarter.

On track for our target for the year

While we are noticing a headwind from two different directions in the current year, 2017 – the value added tax increase for CEWE PHOTOBOOK in Photofinishing and Brexit in Commercial Online Printing – we remain well on track for our targets for the year. Including all of the special items, in the second quarter the EBIT figure amounted to – 1.0 million euros and is thus actually 0.1 million euros higher than in the same quarter in the previous year. For the first six months of the year as a whole, the figure is -0.4 million – this too is slightly stronger (0.1 million euros) than in the previous year. On the basis of rolling twelve-month periods (i. e. including Q3 and Q4 2016), we are therefore looking at an EBIT figure of 47 million euros, even though the fourth quarter of 2016 included impairment-related depreciation with a volume of 6.9 million euros which is unlikely to be repeated in this amount. The target range for 2017 is between 45 and 51 million euros. If earnings in the second half of 2017 thus reach the same level as in the previous year, the target for the year as a whole is eminently achievable. The first half of the year is already on target.

Unity as a source of strength

Our general meeting on May 31, 2017 was another impressive coming-together of the CEWE family. As well as the shareholder meeting itself, our product display was once again very well attended. Many shareholders use the opportunity for an active discussion, and our colleagues were delighted to receive this feedback. It is great that many of CEWE's "stakeholders" are shareholders, customers and in some cases also employees at the same time. This encourages strong mutual understanding in relation to the various groups which focus on CEWE and their different needs. With this aim in mind, we intend to further strengthen long-term share ownership among all of our CEWE colleagues. With this aim in mind, we will further expand our next employee shares programme.

Eighth consecutive dividend increase confirms direction taken

Our dividend is a key word for us. Our shareholders are to be able to rely on this dividend. We have been outstandingly successful in this aim over the past few years. Since the end of the analogue/digital transformation, we have consistently increased our dividend. The increase to 1.80 euros/share which our shareholders resolved in May 2017, by way of payment for the success achieved in the financial year 2016, represents the eighth consecutive increase and confirms the reliability of the CEWE dividend.

Your CEWE team is limbering up for Christmas

In 2017 Christmas business – and thus the fourth quarter – should once again play a very strong role in earnings for the year. Leading up to this, the third quarter may produce less income, in line with the seasonal migration trend seen in Photofinishing over the past ten years or so. Your CEWE team is mindful of this. We are making comprehensive preparations for our Christmas business. Despite the summer temperatures, we are already putting up our Christmas tree. Our marketing team are getting into the groove for the festive season. Purchasing, production and all of our other functions are making capacities available and optimising procedures.

Enjoy the summer

Getting ready for Christmas is our work. Hopefully, you can enjoy the summer. As a consumer, be sure to capture lots of memorable moments with your photos. When the autumn arrives and, at the very latest, when Christmas is just around the corner, this is the right time to immortalise your special moments with a CEWE PHOTOBOOK, a CEWE CALENDAR or with CEWE CARDS and thus delight your loved ones.

We will also be pleased to support you in your business activities and in your relationships with clubs and societies: through Saxoprint, CEWE-PRINT and Viaprinto, we will be delighted to print your price lists for the fourth quarter, your posters for a party event, your flyers for an advent concert or the banner for your stand at a Christmas market. Your CEWE team is there for you.

Enjoy the summer!

Oldenburg, August 10, 2017



Christian Friege

CEWE SHARE

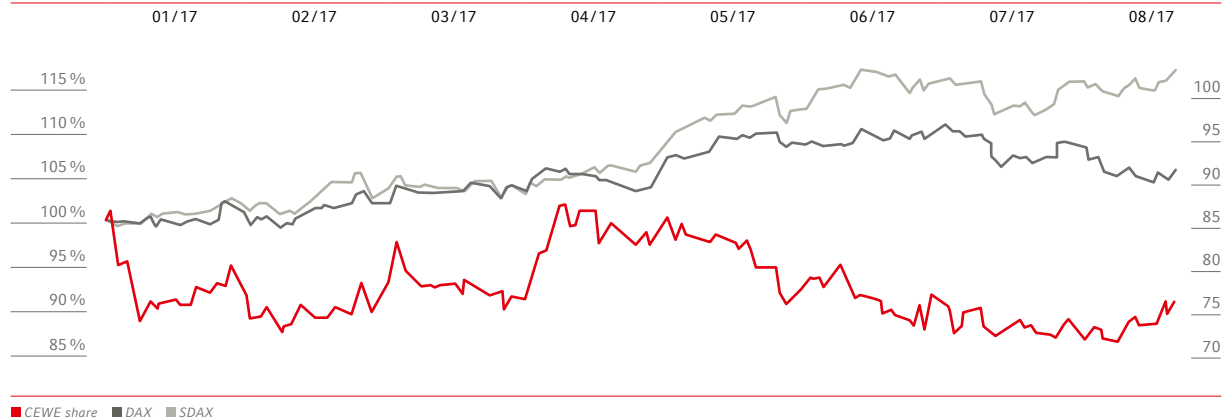
Price trend for CEWE share affected by profit-taking

By comparison with its closing price as of the end of the first quarter of 2017 (82.15 euros), in the second quarter up to late June 2017 the CEWE share registered a decline of 10.1 % to 73.83 euros. Following a strong price performance in 2016, with growth of +54.9 % (DAX: +11.6 %, SDAX: +6.5 %), in overall terms the first half of 2017 was thus affected by profit-taking. The DAX and the SDAX – which had strongly underperformed the CEWE share in 2016 – varied considerably in the second quarter of 2017: the DAX picked up by a significant +9.4 %, while the SDAX ended the period at +0.1 %, at almost exactly the same level as in the previous quarter.

General meeting resolves eighth consecutive dividend increase

On May 31, 2017, CEWE's general meeting resolved a dividend increase to 1.80 euros per share conferring a dividend entitlement for the financial year 2016 (dividend in previous year: 1.60 euros). This increase is the eighth 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 1.80 euros.


CEWE share January 1, 2017 to August 5, 2017 in euros



On average, CEWE shares traded for more than 1.2 million euros every day in the first half of 2017.

In the first six months of 2017, on average 15,921 CEWE shares were traded every day on German stock markets. This was marginally higher than the level in the same period in the previous year (H1 2016: 15,837 shares per day). Due to the higher price level than in the previous year, the daily euro trading volume now increased to an average level in excess of 1.2 million euros (H1 2016: approx. 866,000 euros per day). The daily volume of CEWE shares traded now clearly and continuously exceeds the

level of 1 million euros per day which influences the investment decisions of many institutional investors. As well as the positive operating trend, this has also made the CEWE share attractive for other, larger institutional investors on a long-term basis.

 company.cewe.de/en/home.html >
[Investor Relations](#) >
[The Share of CEWE](#) >
[Analysts](#)

| Overview of current analysts' assessments | Analysis | Date |
|---|---------------|---------------|
| Bankhaus Lampe | Hold | Jun. 19, 2017 |
| GSC Research | Buy | Jun. 16, 2017 |
| Baader Bank | Buy | Apr. 03, 2017 |
| Warburg Research | Buy | Mar. 27, 2017 |
| Oddo Seydler | Neutral | Mar. 24, 2017 |
| Deutsche Bank | Hold | Nov. 04, 2016 |
| Berenberg Bank | Hold | Sep. 29, 2016 |
| BHF Bank | Market weight | Aug. 30, 2016 |

Analysts continue to have a consistently positive view of CEWE

All of the analysts who follow CEWE continue to concur in their positive analysis. Three analysts are signalling “Buy” for the CEWE share and four “Hold/Neutral”. The detailed studies are available for downloading in the Investor Relations section of CEWE’s website (company.cewe.de).

CEWE share solidly positioned in the SDAX

According to the “Trading volume” criterion, in June 2017 CEWE was in 78th position (previous year: 87th position) and in terms of “Market capitalisation” it was in 93rd position (previous year: 86th position). The CEWE share is thus a permanent fixture on the SDAX index, which normally features shares with a ranking of 110 or higher.

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.

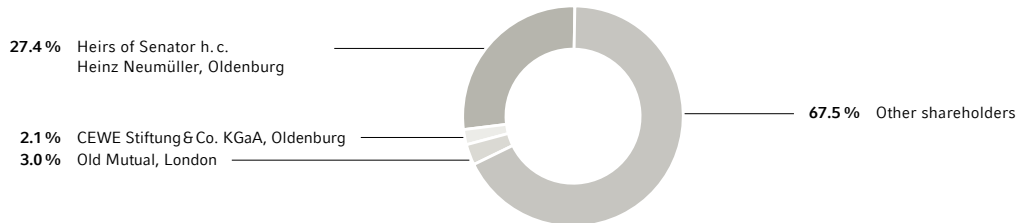
CEWE thus naturally also publishes all of its annual and interim reports and capital market information online at company.cewe.de. All analyst telephone conferences are immediately made availa-

ble 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 2017, please refer to the financial diary on the penultimate page of this report.

 <http://ir.cewe.de>

Shareholder structure (July 2017) as % (100 % = 7.4 million shares)



02

INTERIM CONSOLIDATED MANAGEMENT REPORT

| | |
|--|-----------|
| Basic information on the Group | 18 |
| Business model | 18 |
| Economic report | 19 |
| Photofinishing business unit | 19 |
| Commercial Online Printing business unit | 24 |
| Retail business unit | 26 |
| Other Activities business unit | 27 |
| Consolidated profit and loss account | 28 |
| Employees | 30 |
| Asset and financial position | 31 |
| Cash flow | 38 |
| Return on capital employed | 41 |
| Forecast, opportunities and risk report | 42 |
| Glossary | 46 |



BASIC INFORMATION ON THE GROUP

Business model

CEWE operates in three strategic business units: Photofinishing, Retail and Commercial Online Printing. Its segment reporting by business unit also reflects these strategic business units (together with a further business unit, Other Activities).

Photofinishing – CEWE’s traditional core business unit achieves growth

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 and growth generators now including CEWE CALENDARS, CEWE CARDS, CEWE WALL ART and CEWE INSTANT PHOTOS.

CEWE RETAIL: proprietary Retail business unit handles important functions

CEWE has multichannel 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 – a new key business area

CEWE is active in its Commercial Online Printing business unit through the production and marketing of printed advertising media via the distribution platforms CEWE-PRINT.de, Saxoprint and viaprinto.de. 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. The depth of added value in Commercial Online Printing is very similar to Photofinishing. However, CEWE does not provide any software here for the creation of printed products (unlike in the case of CEWE PHOTOBOOK, for instance).

For further details of CEWE’s business model, please see pp. 32ff. of its Annual Report 2016 or its website at company.cewe.de > Investor Relations > News & Publications > Business reports > Annual Report 2016.

ECONOMIC REPORT

Photofinishing business unit

- ▶ *Sales, turnover and profit on track*
- ▶ *CEWE WALL ART, CEWE CALENDARS and photo gifts growth compensates for CEWE PHOTOBOOK decline*
- ▶ *CEWE is innovative: in the second quarter, 97 % of all photos are digital, 67 % of all digital photos are ordered via the Internet*
- ▶ *Turnover per photo increases by 5.4 %: 19.36 euro cents per photo (Q2 2016: 18.36 euro cents)*
- ▶ *At 82.1 million euros, Photofinishing turnover exceeds previous year’s level by 1.2 % (Q2 2016: 81.1 million euros)*
- ▶ *Positive EBIT figure achieved with special item in Q2: 0.2 million euros (Q2 2016: –0.7 million euros)*

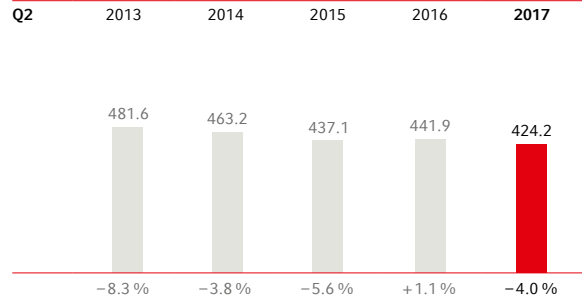
In principle, sales of CEWE photo products continue to be shaped by two enduring consumer trends: higher-quality products and the shift in demand to the fourth quarter especially. Further information on general developments and on current trends in Photofinishing may be found on pp. 64ff. of the Annual Report 2016.

Q2 sales in line with expectations

In previous years, the second quarter was only slightly affected by the seasonal migration, with only a minor decline in its volume share. Two peculiarities should be considered for an assessment of the sales trend in this second quarter.

| Sales results | H1 2016 | H1 2017 | Change |
|---|---------|---------|--------|
| Total volume of photos <i>(in millions of units)</i> | 924.3 | 861.8 | –6.8 % |
| CEWE PHOTOBOOKS <i>(in thousands of units)</i> | 2,474.4 | 2,279.1 | –7.9 % |

Total volume of photos in millions of units



Change on previous year

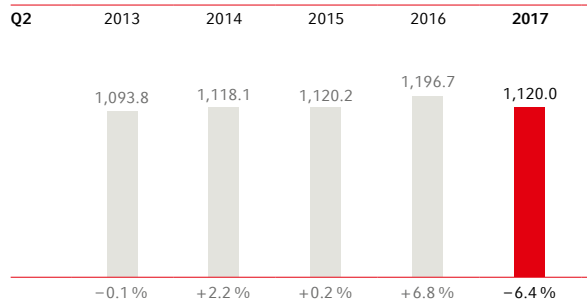
On the one hand, the termination of deliveries to a business partner that had offered a scarcely adequate margin – which was already reported in the first quarter – continued to affect the second quarter of 2017. For CEWE PHOTOBOOK in particular, around 1/3 of the decline in the volume of sales resulted from the relinquishment of deliveries to this business partner, as a base effect. The decline in CEWE PHOTOBOOK volumes presumably also partly reflects the increase in the rate of value added tax charged on photo books in Germany and Austria. The company continuously analyses the demand trend for this product.

On the other hand, at the level of turnover factors such as the positive growth trend for CEWE WALL ART, CEWE CALENDARS and other CEWE brand products have fully compensated for the decline in CEWE PHOTOBOOK turnover (see below), but have

been unable to make up for the decrease in terms of the volume of sales/images, since in almost all cases for CEWE WALL ART and other CEWE brand products in particular only one item at a time is added to the quantity statistics, while for photo books and the photos featured in them many more items are added with each order.

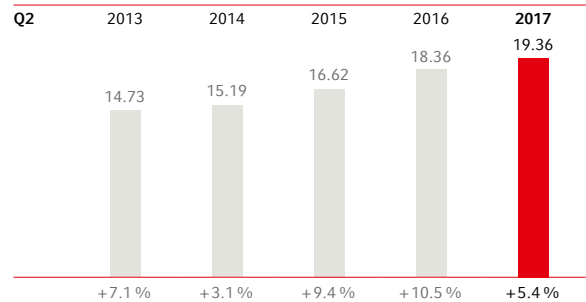
Overall, in its planning CEWE had assumed a volume share of around 19.5 %, which represents a slight decline on the previous year (Q2 2016: 19.8 %). On the basis of the goal for the year as a whole of between 2.12 and 2.23 billion photos for 2017, the predicted volume for the second quarter is thus 0.413 to 0.435 billion photos. In this context, with 0.424 billion photos the second quarter is squarely in the middle of the envisaged range and is thus consistent with the target for the year (Q2 2016: 0.442 billion photos, –4.0 %).

Number of CEWE PHOTOBOOKS in thousands of units



Change on previous year

Turnover per photo in euro cents



Change on previous year

97 % 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 second quarter of 2016, in the quarter under review 97 % of all photos were once again digital in origin.

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

At 67 % (274 million photos), the proportion of digital photos ordered via the Internet was roughly in line with the previous year's level. 49 % of customers placing orders via the Internet opted to collect their completed orders from the retail outlets supplied by CEWE, while 51 % chose postal delivery. Customers thus collected a total of approx. 67 % of all photos (both analogue and digital, ordered via the Internet and over-the-counter) from 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 5.4 %

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 5.4 %, from 18.36 euro cents per photo in the second quarter of 2016 to 19.36 euro cents per photo in the second quarter of 2017.

The overall trend for the first half of 2017 looks similarly positive: for this period, too, turnover per photo increased by 8.0 %, from 18.02 euro cents in the same six-month period in the previous year to 19.46 euro cents.

Photofinishing turnover within the expected range:

82.1 million euros (+1.2% on same quarter in previous year)

At 82.1 million euros, Photofinishing turnover in the second quarter of 2017 is 1.2% higher than the turnover figure for the same quarter in the previous year of 81.1 million euros. In its planning based on the continuing seasonal migration and the above-mentioned base effects, CEWE had assumed Q2 Photofinishing turnover of between 80 and 85 million euros for the current quarter under review. The realised Photofinishing turnover figure of 82.1 million euros is in the upper half of this range and thus bears out the expectations for the second quarter as well as for the goal for the year.

The same is true of the 6-month perspective: over the first six months of the year, the Photofinishing business unit realised turnover of 167.7 million euros – slight growth of 0.7% by comparison with the previous year's turnover (H1 2016: 166.6 million euros).

With a special item, second-quarter Photofinishing earnings are positive for the first time: 0.2 million euros (Q2 2016: –0.7 million euros)

In the second quarter of 2017, CEWE improved the EBIT figure reported for its Photofinishing business unit by 0.9 million euros on the previous year to 0.2 million euros (Q2 2016: –0.7 million euros).

In the quarter under review, one-off income in the amount of 0.5 million euros was realised due to the sale of the property in Denmark which CEWE's old laboratory site had occupied. In addition, non-operating depreciation resulting from the purchase price allocation of DeinDesign was recognised as a special item in the amount of 0.1 million euros.

Special items also arose in the second quarter of the previous year, 2016: goodwill amortisation on CEWE's UK company in the amount of 0.9 million euros and restructuring costs of approx. 0.2 million euros for a plant merger in Photofinishing. In addition, in the previous year non-operating depreciation resulting from the purchase price allocation of DeinDesign was once again recognised in the amount of 0.1 million euros.

Adjusted for these one-off items, at –0.1 million euros Photofinishing’s Q2 operating EBIT figure was 0.6 million euros weaker than in the same quarter in the previous year (operating EBIT for Q2 2016: 0.5 million euros), but supports a significantly stronger increase in marketing costs than this change in earnings.

EBIT figure for the first six months of the year improved by 1.1 million euros, before special items at same level as in previous year

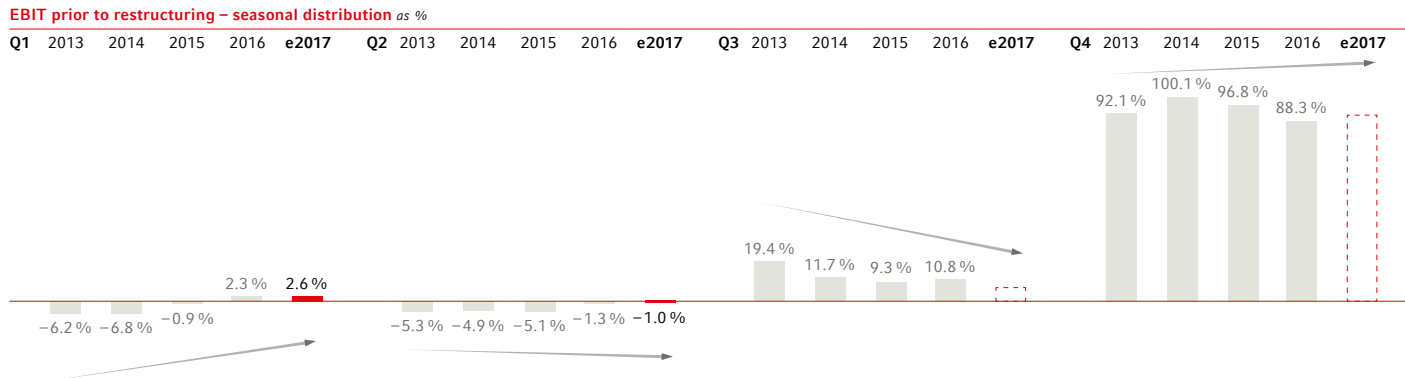
In the first six months of 2017, the EBIT figure reported for CEWE’s Photofinishing business unit amounted to 1.6 million euros, an improvement of 1.1 million euros on the previous year (H1 2016: 0.5 million euros).

In the current year, as well as the above-mentioned one-off effects in the second quarter the depreciation resulting from the purchase-price allocation for DeinDesign in the amount of

0.1 million euros – which was also already recognised in the first quarter of 2017 – is a further one-off factor. In the previous year, as special items in the first quarter of 2016 the sales proceeds for the US Internet presence “Smilebooks” amounted to 0.4 million euros, and non-operating depreciation resulting from the purchase price allocation of DeinDesign was recognised in the amount of 0.1 million euros.

Accordingly, despite higher marketing expenses than in the previous year in the first half of 2017 the adjusted operating EBIT figure in Photofinishing is at 1.32 million euros at almost exactly the same level as in the previous year (H1 2016: 1.37 million euros).

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.





Commercial Online Printing business unit



- ▶ *Brexit weakens UK business and results in decline in turnover in second quarter: 19.9 million euros (Q2 2016: 20.7 million euros)*
- ▶ *Q2 EBIT figure amounts to –0.3 million euros (Q2 2016: 0.3 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 structures in these countries, so as to enter markets rapidly and successfully. 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 has thus generated a growing clientele in Commercial Online Printing which the company will continue to benefit from in future.

Further general information on Commercial Online Printing may be found on pp. 79ff. of the Annual Report 2016.

Brexit effects continue to weaken Commercial Online Printing turnover

In the second quarter of 2017, the turnover of the Commercial Online Printing business unit decreased from 20.7 million euros in the same quarter in the previous year to 19.9 million euros (–3.7 %).

Commercial Online Printing growth was once again subdued, above all, by the performance of the British market. Due to Brexit-induced demand and currency declines (approx. 11 % fall in the value of the British pound against the euro alone since June 2016), in the United Kingdom the Commercial Online Printing business unit once again registered a fall in turnover in the second quarter of 2017. If one were to merely assume a stable volume of UK business as in the previous year, the Commercial Online Printing business unit would have actually ended the first six months of 2017 with slight growth, with a low single-digit turnover growth rate. As of the end of the first six months of 2017, one year has now elapsed since the Brexit effect came into being, together with Commercial Online Printing's subsequent weak turnover trend in the UK.

Overall in the first six months of 2017, the Commercial Online Printing business unit achieved a turnover figure of 40.5 million euros, a slight decline of 1.6 % (H1 2016: 41.1 million euros).

Despite its weaker performance in the UK especially, the Commercial Online Printing business unit remains on track to achieve its target for the year 2017 of rising turnover in most markets.

Commercial Online Printing earnings are likewise suffering due to the UK's weak performance

With an EBIT figure of –0.3 million euros, in the second quarter of 2017 the Commercial Online Printing business unit registered earnings which were 0.6 million euros lower than in the same quarter in the previous year (Q2 2016: 0.3 million euros). This earnings trend resulted due to the weaker turnover trend with declining raw margins due to UK business, a somewhat lower personnel costs ratio and slightly increased marketing costs in the second quarter.

In the current year, earnings also include non-operating expenses resulting from the purchase price allocation for the Saxoprint Group. In particular, these comprise amortisation on identified intangible assets. This amounted to –0.1 million euros in the second quarter of 2017. For the financial year

2017, overall this will entail expenses of approx. –0.7 million euros. Adjusted for this non-operating effect associated with the purchase price allocation for Saxoprint's acquisition, Commercial Online Printing's EBIT in the second quarter of 2017 amounted to –0.2 million euros (EBIT figure adjusted for this effect in the same quarter in the previous year, Q2 2016: 0.7 million euros).

Overall in the first six months of the year 2017, Commercial Online Printing has achieved an EBIT figure of –0.2 million euros, compared to 0.8 million euros in the same period in the previous year.

Following the second quarter of 2017, CEWE stands by its goal for the year of the Commercial Online Printing business unit providing a positive earnings contribution (incl. the effects of the purchase price allocation for Saxoprint) to consolidated income. As in Photofinishing, in Commercial Online Printing the strongest month 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.

Retail business unit

- ▶ *Earnings match improved prior-year level, despite decline in turnover*
- ▶ *Stronger focus on margins and decline in market for SLR cameras reduce turnover volume: 13.2 million euros (Q2 2016: 14.5 million euros)*
- ▶ *Balanced EBIT figure almost exactly at previous year's level: –52 thousand euros (Q2 2016: –3 thousand euros)*

CEWE RETAIL has both retail outlets and online shops

CEWE operates multichannel 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. 81ff. of the Annual Report 2016.

Focus on margins and decline in market for high-quality cameras once again reduce turnover in the second quarter

CEWE RETAIL's large and attractive product range and its strong customer focus are a key competitive factor. Moreover, in the past year CEWE repositioned its Retail business in Poland especially, more strongly focused on sales of Photofinishing products (which are reported in the Photofinishing business unit) and introduced an optimised price strategy in order to improve margins for photo hardware.

Reflex camera business continued to decline in the second quarter of 2017. Moreover, it was the deliberate abandonment of low-margin turnover which in the current quarter under review reduced turnover in the Retail business unit by 8.6 % to 13.2 million euros, compared to 14.5 million euros in the same quarter in the previous year.

The same picture applies for the figures for the first six months of the year: following declining turnover in the first quarter of 2017 for the same reasons, H1 2017 has ended with a turnover volume of 25.0 million euros, a decrease of 8.3 % (H1 2016: 27.3 million euros).

Balanced EBIT at same level as in the previous year, despite decline in turnover

CEWE's successful repositioning – in Poland particularly – once again had a positive impact on earnings in the second quarter of 2017: cost savings were realised through the branch closures implemented last year as well as the adjustment of the company's business model. Moreover, the focus on a higher-margin pricing policy provided a positive contribution to the earnings situation. With an almost balanced EBIT figure of –52 thousand euros, the Retail business unit has almost exactly matched the level realised in the previous year (Q2 2016: –3 thousand euros).

In the first six months of 2017, the Retail business unit thus continued to match the improved (by comparison with previous years) EBIT figure achieved in the previous year: –0.4 million euros, following the same figure of –0.4 million in the first six months of 2016.

Other Activities business unit

Structural and company expenses, real estate and equity investments summarised in the Other Activities business unit. CEWE reports its structural and company costs as well as the result of its real estate holdings and equity investments in its Other Activities business unit.

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 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.

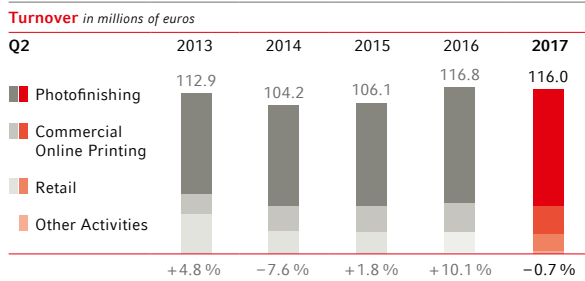
In the second quarter of 2017, CEWE realised turnover in the amount of 0.7 million euros (Q2 2016: 0.5 million euros) in its Other Activities business unit. In the quarter under review, the EBIT contribution to consolidated income deriving from the expense items for structural and company costs and the result of real estate holdings and equity investments amounted to –0.9 million euros (Q2 2016: –0.7 million euros). In addition, the earnings contribution has deteriorated slightly due to somewhat higher structural and company costs. The reported EBIT figure includes amortisation of intangible assets amount-

ing to –0.1 million euros in the current period under review and also in the same quarter in the previous year, for the purchase price allocation recognisable in accordance with the IFRS for the investment acquired in futalis.

In the first six months of 2017, CEWE thus realised revenues in the amount of 1.4 million euros (H1 2016: 1.0 million euros) in its Other Activities business unit, all of which were provided by futalis. The Other Activities business unit yielded a –1.4 million euros contribution to Group EBIT in this period, at exactly the same level as in the previous year (H1 2015: –1.4 million euros).

Consolidated profit and loss account

- ▶ *Group turnover in the second quarter amounts to 116.0 million euros (Q2 2016: 116.8 million euros)*
- ▶ *Consolidated income matches strong prior-year level in Q2 and thus also in H1.*



Change on previous year

Group turnover reaches 116.0 million euros in the second quarter. Turnover growth in the Photofinishing business unit was unable to compensate for the turnover trend in the Retail and Commercial Online Printing business units, and Group turnover **1** in

the second quarter of 2017 thus declined slightly to 116.0 million euros (Q2 2016: 116.8 million euros).

In the first six months of 2017, Group turnover amounted to 234.6 million euros, compared to 236.0 million euros in the previous year (-0.6%). Here too, the same trend as in the second quarter of the year holds true: turnover growth in Photofinishing is not quite able to compensate for the slight declines in turnover in Commercial Online Printing and Retail.

In the second quarter of 2017, changes in individual P&L items once again largely reflect business development

Other operating income **2** has increased by almost 1.7 million euros by comparison with the previous year. In the quarter under review, on the one hand more income was realised from passed-on charges for advertising activities than in the same period in the previous year. On the other hand, this item includes one-off income from the sale of the property in Denmark which CEWE's former laboratory site had occupied (cf. the chapter for the Photofinishing business unit). The cost of materials **3** has decreased on business-related grounds, in particular due to the decline in retail activity. The cost of sales ratio has thus fallen to

| EBIT by business unit | Q2 2013 | Q2 2014 | Q2 2015 | Q2 2016 | Q2 2017 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Photofinishing | -3.1 | -1.9 | -2.1 | -0.7* | 0.2 |
| Retail | -0.3 | -0.4 | -0.2 | 0.0 | -0.1 |
| Commercial Online Printing | -0.7 | -0.7 | -0.9 | 0.3 | -0.3 |
| Other Activities | 0.0 | -0.6* | -0.4* | -0.7* | -0.9 |
| Group | -4.1 | -3.6 | -3.6 | -1.1 | -1.0 |

* The reference figures have been restated.

31.9 % (Q2 2016: 32.3 %). The slight absolute increase in personnel expenses **4** has resulted in personnel costs amounting to 32.0 % of turnover (Q2 2016: 30.8 %). This increase has resulted from new hirings in the Photofinishing and Commercial Online Printing business units as well as the company's acquisitions of the start-ups DeinDesign and futalis. Other operating expenses **5** have increased by 1.1 million euros by comparison with the same period in the previous year, while the share of turnover has risen from 33.5 % in the same quarter in the previous year to 34.7 % in the current quarter. The absolute increase in this position has almost entirely resulted from the higher marketing costs in the Photofinishing business unit. In the depreciation item **6**, the depreciation ratio has failed to match the turnover trend, above

all because goodwill amortisation in the amount of 0.9 million euros (for CEWE's plant in the UK) had been recognised in the same quarter in the previous year.

Reported Group EBIT figure in Q2 matches previous year's level: –1.0 million euros (Q2 2016: –1.1 million euros)

At –1.0 million euros, the Group EBIT figure reported for the quarter under review has improved slightly but is almost unchanged on the same quarter in the previous year (Q2 2016: –1.1 million euros). Before the one-off factors described in the chapters on the business units, the consolidated operating EBIT figure amounts to –1.1 million euros (adjusted consolidated operating EBIT for Q2 2016: 0.6 million euros).

| Consolidated profit and loss account <i>in millions of euros</i> | Q2 2016 | % of turnover | Q2 2017 | % of turnover | Change as % | Change millions of euros |
|--|-------------|------------------|-------------|------------------|----------------|-----------------------------|
| Revenues | 116.8 | 100 % | 116.0 | 100 % | –0.7 % | –0.8 1 |
| Increase/decrease in finished and unfinished goods | 0.1 | 0.0 % | –0.1 | –0.1 % | — | –0.1 |
| Other own work capitalised | 0.2 | 0.2 % | 0.2 | 0.2 % | +16.9 % | +0.0 |
| Other operating income | 4.1 | 3.5 % | 5.8 | 5.0 % | +40.4 % | +1.7 2 |
| Cost of materials | –37.7 | –32.3 % | –37.0 | –31.9 % | +1.7 % | +0.6 3 |
| Gross profit | 83.5 | 71.5 % | 84.9 | 73.2 % | +1.7 % | +1.4 |
| Personnel expenses | –36.0 | –30.8 % | –37.1 | –32.0 % | –3.2 % | –1.2 4 |
| Other operating expenses | –39.2 | –33.5 % | –40.2 | –34.7 % | –2.7 % | –1.1 5 |
| EBITDA | 8.4 | 7.2 % | 7.6 | 6.5 % | –9.8 % | –0.8 |
| Depreciation | –9.5 | –8.1 % | –8.6 | –7.4 % | +9.4 % | +0.9 6 |
| EBIT | –1.1 | –0.9 % | –1.0 | –0.9 % | +6.4 % | +0.1 |
| Financial income | 0.0 | 0.0 % | 0.0 | 0.0 % | +4.2 % | +0.0 |
| Financial expenses | –0.1 | –0.1 % | –0.1 | –0.1 % | +42.5 % | +0.0 |
| EBT | –1.2 | –1.0 % | –1.1 | –0.9 % | +10.1 % | +0.1 |
| Income taxes | 0.4 | 0.3 % | 0.3 | 0.2 % | –36.8 % | –0.1 7 |
| Earnings after taxes | –0.8 | –0.7 % | –0.8 | –0.7 % | –3.7 % | –0.0 |

At –0.4 million euros, the reported consolidated EBIT figure for the first half of 2017 is now at almost the same level as in the previous year (–0.5 million euros). Before the one-off factors described in the chapters on the business units, the consolidated operating EBIT figure for the first six months of 2017 amounts to –0.1 million euros (adjusted consolidated operating EBIT for H1 2016: 1.5 million euros).

Normalised Group tax rate of 32.4 %

Due to the negative EBT in the first half of the year, tax income **7** amounts to approx. 68 thousand euros. The notional tax rate is thus 16.7 %. Adjusted for non-period effects of approx. 64 thousand euros, a normalised tax rate of 32.4 % applies (normalised tax rate for H1 2016: 33.0 %).

Employees

Increase in number of employees to 3,411

At the end of June 2017, the number of employees of the CEWE Group was at 3,411 higher than in the previous year (3,301 employees).

On the one hand, the increase in personnel by comparison with the previous year has resulted from new hirings in Photofinishing's central functions such as research and development and marketing/product management. On the other hand, several new positions have been filled within the scope of development of business for the start-ups DeinDesign and futalis and also in Commercial Online Printing.

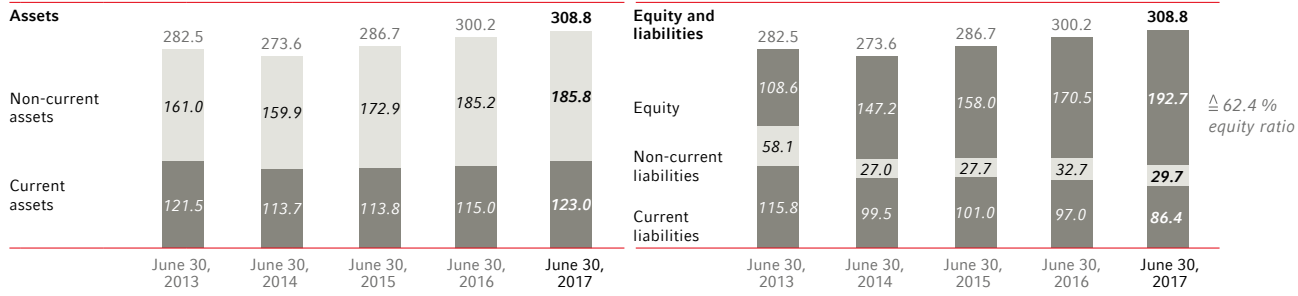
| Employees by business unit (as of reporting date) | H1 2016 | H1 2017 | Change |
|--|--------------|----------------|---------------|
| Photofinishing | 2,150 | 2,214 | +3.0 % |
| Retail | 528 | 547 | +3.6 % |
| Commercial Online Printing | 580 | 596 | +2.8 % |
| Other Activities | 43 | 54 | +25.6 % |
| Group | 3,301 | 3,411 | +3.3 % |

Asset and financial position

- ▶ 8.6 million euros increase in total assets due to liquidity
- ▶ Solid balance sheet: equity ratio rises to 62.4 %
- ▶ Operating net working capital falls by 6.1 % in the second quarter

The following comments on the balance sheet mainly refer to the development of the management balance sheet during the quarter under review. They are preceded by a section detailing general balance sheet trends by comparison with June 30, 2016.

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



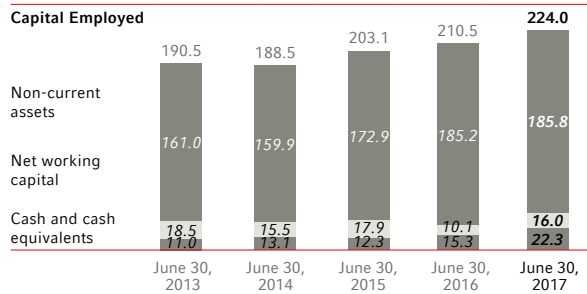
8.6 million euros increase in total assets due to liquidity

While the balance sheet as of June 30, 2016 was strongly affected by the consolidation of acquisitions, as of June 30, 2017 it has been influenced above all by the solid business trend. Non-current assets have thus increased by just 0.6 million euros to 185.8 million euros, since the investment effects have been dampened by the goodwill amortisation recognised in the 4th quarter of 2016. At the same time, current assets have increased by 8.0 million euros to 123.0 million euros on grounds of liquidity.

Solid balance sheet: equity ratio rises to 62.4 %

Equity has increased by a total of 22.3 million euros by compari-

son with June 30, 2016 and amounts to 192.7 million euros. This mainly reflects positive comprehensive income for the past four quarters, in the amount of 33.7 million euros. The company's equity ratio has risen by 5.6 percentage points to 62.4 %. The Group's debt has decreased by 13.7 million euros to 116.0 million euros, by comparison with June 30, 2016. The recent slight rise in interest rates has resulted in actuarial gains for the pension accruals, which have thus decreased. Non-current liabilities have thus declined by 3.0 million euros to 29.7 million euros. Current liabilities have even decreased by 10.7 million euros to 86.4 million euros, mainly due to the further reduction in current interest-bearing financial liabilities.

Management balance sheet figures millions of euros (total) and as % (proportion)**Capital employed increases by 13.5 million euros year-on-year, due to acquisitions**

On June 30, 2017, the volume of capital employed totalled 224.0 million euros and was thus 13.5 million euros higher than in the previous year. The non-current assets included in this figure only increased by 0.6 million euros to 185.8 million euros. The goodwill amortisation which was recognised due to impairment testing has had a dampening effect on the investment-related increase which has otherwise resulted (cf. consolidated management report for the financial year 2016: p. 91). Net working capital totalled 16.0 million euros and was thus 5.9 million euros higher than in the previous year. With an increase of 7.1 million euros to 22.3 million euros, the cash and cash equivalents item is the key factor in the growth of the volume of capital employed.

| Capital employed <i>in millions of euros</i> | Mar. 31, 2017 | % of CE | Jun. 30, 2017 | % of CE | Change as % | Change in millions of euros |
|--|---------------|--------------|----------------------|----------------|----------------|--------------------------------|
| Non-current assets | 184.6 | 77.4 % | 185.8 | 82.9 % | +0.6 % | +1.2 |
| + Net working capital | 9.7 | 4.1 % | 16.0 | 7.1 % | +63.8 % | +6.2 |
| + Cash and cash equivalents | 44.1 | 18.5 % | 22.3 | 10.0 % | -49.4 % | -21.8 |
| Capital employed | 238.4 | 100 % | 224.0 | 100 % | -6.0 % | -14.4 |

Capital employed decreases by 14.4 million euros in quarter under review, on grounds of liquidity

Since the start of the quarter, the volume of capital employed ¹ has decreased by 14.4 million euros due to a 21.8 million euros

reduction in the company's cash and cash equivalents. On the other hand, non-current assets have increased by 1.2 million euros and net working capital by 6.2 million euros.

| Non-current assets <i>in millions of euros</i> | Mar. 31, 2017 | % of CE | Jun. 30, 2017 | % of CE | Change as % | Change in millions of euros |
|--|---------------|---------------|----------------------|----------------|----------------|--------------------------------|
| Property, plant and equipment | 121.1 | 50.8 % | 122.7 | 54.8 % | +1.3 % | +1.6 ³ |
| Investment properties | 4.8 | 2.0 % | 4.8 | 2.1 % | -1.5 % | -0.1 |
| Goodwill | 25.8 | 10.8 % | 25.8 | 11.5 % | — | +0.0 |
| Intangible assets | 18.6 | 7.8 % | 17.7 | 7.9 % | -4.5 % | -0.8 ⁴ |
| Financial assets | 6.4 | 2.7 % | 6.5 | 2.9 % | +1.2 % | +0.1 |
| Non-current financial assets | 0.5 | 0.2 % | 0.4 | 0.2 % | -6.3 % | -0.0 |
| Non-current other receivables and assets | 0.6 | 0.2 % | 0.9 | 0.4 % | +49.6 % | +0.3 |
| Deferred tax assets | 6.8 | 2.8 % | 6.9 | 3.1 % | +1.9 % | +0.1 |
| Non-current assets | 184.6 | 77.4 % | 185.8 | 82.9 % | +0.6 % | +1.2 ² |

In the quarter under review, non-current assets ² increased by 1.2 million euros, particularly due to investments in property, plant and equipment and the depreciation registered for these items. The company has invested 2.5 million euros in digital printing and finishing, 2.2 million euros in point-of-sale presences, 0.8 million euros in offset printing and finishing, 0.8 million euros in IT infrastructure and 2.1 million euros in various items of property, plant and equipment ³. At 0.9 million euros, investments in intangible assets ⁴ were less than the depreciation figure and mainly related to software.

| Net working capital <i>in millions of euros</i> | Mar. 31, 2017 | % of CE | Jun. 30, 2017 | % of CE | Change as % | Change in millions of euros |
|---|---------------|---------|----------------------|----------------|----------------|--------------------------------|
| Operating net working capital | 35.9 | 15.0 % | 33.7 | 15.0 % | -6.1 % | -2.2 |
| Other net working capital | -26.1 | -11.0 % | -17.7 | -7.9 % | +32.1 % | +8.4 |
| Net working capital | 9.7 | 4.1 % | 16.0 | 7.1 % | 63.8 % | +6.2 |

The increase 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 <i>in millions of euros</i> | Mar. 31, 2017 | % of CE | Jun. 30, 2017 | % of CE | Change as % | Change in millions of euros |
|---|---------------|---------------|----------------------|----------------|----------------|--------------------------------|
| Inventories | 46.3 | 19.4 % | 47.7 | 21.3 % | +3.2 % | +1.5 |
| + Current trade receivables | 35.6 | 14.9 % | 36.0 | 16.1 % | +1.2 % | +0.4 |
| Operating gross working capital | 81.9 | 34.3 % | 83.8 | 37.4 % | +2.3 % | +1.9 |
| - Current trade payables | 46.0 | 19.3 % | 50.1 | 22.4 % | +8.8 % | +4.1 |
| Operating net working capital | 35.9 | 15.0 % | 33.7 | 15.0 % | -6.1 % | -2.2 |

Operating net working capital falls by 6.1 % in the second quarter

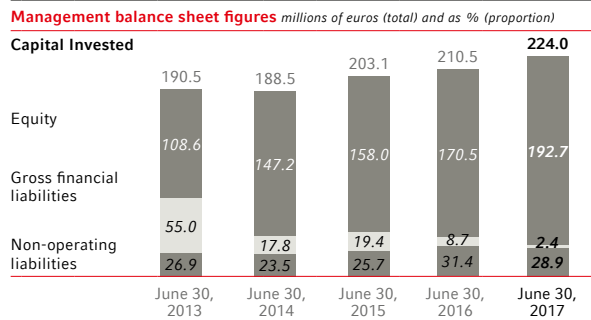
During the quarter under review, operating net working capital ⁶ decreased by 2.2 million euros to 33.7 million euros. The scope of operating net working capital was at 26 days higher than the level of 23 days reached on the same date in the 2nd quarter of 2016. CEWE has increased its inventories ⁷ by 1.5 million euros to 47.7 million euros. The scope of its inventories has thus increased by 2 days on the previous quarter, having amounted to 32 days at the same point in the previous year. This mainly reflects the hardware-related decrease in turnover in the Retail

business unit. On turnover-related grounds, trade receivables ⁸ have increased by 0.4 million euros to 36.0 million euros. The average payment period has decreased from 31 days as of June 30, 2016 to 28 days, since receivables have declined over the course of the year; by comparison with the 1st quarter of 2017, the average payment period has increased by one day. On the other hand, trade payables ⁹ have risen by 4.1 million euros to 50.1 million euros – in line with normal seasonal trends – and the accounts payable collection period thus amounted to 39 days (previous year: 40 days).

| Other net working capital <i>in millions of euros</i> | Mar. 31, 2017 | % of CE | Jun. 30, 2017 | % of CE | Change as % | Change in millions of euros |
|---|---------------|----------------|----------------------|----------------|----------------|--------------------------------|
| Non-current assets held for sale | 0.5 | 0.2 % | 0.2 | 0.1 % | −65.0 % | −0.3 |
| + Current receivables from income tax refunds | 4.1 | 1.7 % | 6.2 | 2.8 % | +53.3 % | +2.2 |
| + Current financial assets | 2.5 | 1.0 % | 3.0 | 1.3 % | +19.0 % | +0.5 |
| + Other current receivables and assets | 7.9 | 3.3 % | 7.5 | 3.4 % | −5.3 % | −0.4 |
| Other gross working capital | 15.0 | 6.3 % | 16.9 | 7.5 % | +12.5 % | +1.9 |
| − Current tax liabilities | 11.0 | 4.6 % | 7.0 | 3.1 % | −36.3 % | −4.0 |
| − Current other accruals | 3.5 | 1.5 % | 2.4 | 1.1 % | −31.5 % | −1.1 |
| − Current financial liabilities | 1.0 | 0.4 % | 1.0 | 0.4 % | — | +0.0 |
| − Current other liabilities | 25.7 | 10.8 % | 24.3 | 10.8 % | −5.6 % | −1.4 |
| Other current liabilities | 41.2 | 17.3 % | 34.6 | 15.5 % | −15.8 % | −6.5 |
| Other net working capital | −26.1 | −11.0 % | −17.7 | −7.9 % | +32.1 % | +8.4 |

Other net working capital continues to contribute to financing
Since March 31, 2017, other net working capital ¹⁰ has increased by 8.4 million euros and has provided a −17.7 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 as current receivables from income tax refunds and eliminated from tax expenses shown in the profit and loss account, so that only

deferred tax expenses are reported there. Current tax liabilities ¹² decreased due to tax payments. Current other accruals ¹³ declined as of the reporting date, in particular due to the use of accruals of relevance for costs associated with financial statements as well as accruals for supervisory bodies. Current other liabilities ¹⁴ decreased due to declines in wage taxes and social security contributions.



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

On June 30, 2017, the capital invested – identical with the capital employed – totalled 224.0 million euros and was thus 13.5 million euros higher than in the previous year. This was mainly attributable to the 22.3 million euros increase in the equity included in this figure to 192.7 million euros. On the other hand, gross financial liabilities have decreased by 6.3 million euros to 2.4 million euros, while non-operating liabilities have fallen by 2.5 million euros to 28.9 million euros.

| Capital invested in millions of euros | Mar. 31, 2017 | % of CE | June 30, 2017 | % of CE | Change as % | Change in millions of euros |
|--|---------------|---------------|----------------------|----------------|----------------|--------------------------------|
| Equity | 205.8 | 86.3 % | 192.7 | 86.0 % | -6.4 % | -13.1 |
| Non-current accruals for pensions | 25.9 | 10.9 % | 25.3 | 11.3 % | -2.6 % | -0.7 |
| + Non-current deferred tax liabilities | 3.1 | 1.3 % | 2.9 | 1.3 % | -6.9 % | -0.2 |
| + Non-current financial liabilities | 0.2 | 0.1 % | 0.2 | 0.1 % | — | +0.0 |
| + Non-current other liabilities | 0.5 | 0.2 % | 0.5 | 0.2 % | +0.6 % | +0.0 |
| Non-operating liabilities | 29.8 | 12.5 % | 28.9 | 12.9 % | -3.0 % | -0.9 |
| Non-current interest-bearing financial liabilities | 1.2 | 0.5 % | 0.8 | 0.3 % | -33.4 % | -0.4 |
| + Current interest-bearing financial liabilities | 1.7 | 0.7 % | 1.7 | 0.7 % | — | +0.0 |
| Gross financial liabilities | 2.8 | 1.2 % | 2.4 | 1.1 % | -13.8 % | -0.4 |
| Capital invested | 238.4 | 100 % | 224.0 | 100 % | -6.0 % | -14.4 |

16

18

17

19

15

In the quarter under review, the volume of capital invested ¹⁵ decreased by –14.4 million euros. Equity ¹⁶ has declined by 13.1 million euros, mainly due to the dividend paid in the amount of –12.9 million euros. Non-operating liabilities ¹⁷ have decreased by –0.9 million euros to 28.9 million euros. This has resulted (see

page 31) from reduced pension accruals ¹⁸, which have also been recognised in income and expenses not affecting net income in the equity item. The reduction in gross financial liabilities ¹⁹ has resulted due to repayments.

| Net cash position <i>in millions of euros</i> | Mar. 31, 2017 | % of CE | June 30, 2017 | % of CE | Change as % | Change in millions of euros |
|---|---------------|---------|----------------------|----------------|----------------|--------------------------------|
| Gross financial liabilities | 2.8 | 1.2% | 2.4 | 1.1% | –13.8% | –0.4 ²¹ |
| – Cash and cash equivalents | 44.1 | 18.5% | 22.3 | 10.0% | –49.4% | –21.8 ²² |
| Net cash position | –41.3 | — | –19.9 | — | –51.8% | +21.4 ²⁰ |

Net cash position decreases by 21.4 million euros to 19.9 million euros

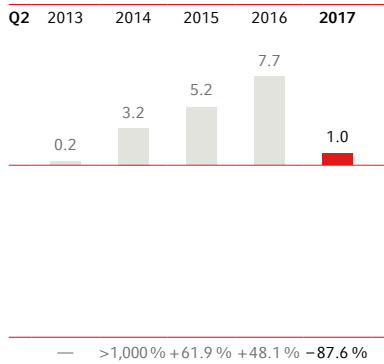
The company's net cash position ²⁰ has decreased by 21.4 million euros to 19.9 million euros. This reflected the seasonal decrease in cash and cash equivalents ²² by a further 21.8 million euros to 22.3 million euros. This is consistent with the normal liquidity trend: the cash and cash equivalents position is maximised as of December 31 of each year and subsequently run down over the course of the year due to operational expenditure, investments and dividends. The dividend was distributed to the shareholders in the second quarter. In addition, gross financial liabilities ²¹ were reduced by 0.4 million euros to 2.4 million euros.

Cash flow

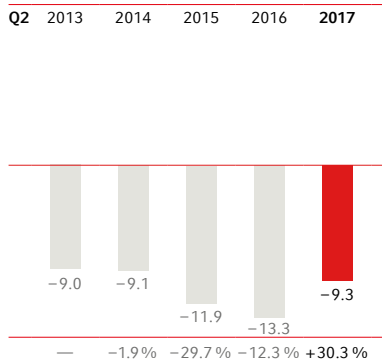
- ▶ Tax payments in particular cause cash flow from operating activities to decrease to 1.0 million euros
- ▶ Decline in net cash used in investing activities for operational investments
- ▶ Cash flow from operating activities causes free cash flow to fall to –8.3 million euros

Free cash flow declines by 2.7 million euros to –8.3 million euros
 Due to the decrease in cash flow from operating activities to 1.0 million euros and the reduction in cash outflows from investments to –9.3 million euros, free cash flow declined by 2.7 million euros to –8.3 million euros.

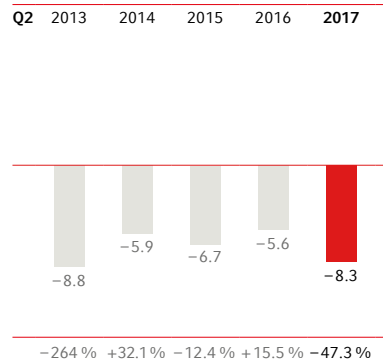
Cash flow from operating activities in millions of euros



Cash flow from investing activities in millions of euros



Free cash flow in millions of euros



| Cash flow from operating activities <i>in millions of euros</i> | Q2 2016 | Q2 2017 | Change as % | Change in millions of euros |
|---|------------|------------|----------------|--------------------------------|
| EBITDA | 8.4 | 7.6 | -9.8 % | -0.8 |
| +/- Non-cash factors | 0.3 | -0.5 | — | -0.8 |
| + Decrease in operating net working capital | 3.0 | 2.4 | -21.7 % | -0.7 ³ |
| - Increase in other net working capital | -2.3 | -2.2 | +0.1 % | +0.0 |
| - Taxes paid | -1.8 | -6.2 | -240 % | -4.4 ² |
| + Interest received | 0.0 | 0.0 | -23.5 % | -0.0 |
| = Cash flow from operating activities | 7.7 | 1.0 | -87.6 % | -6.7 ¹ |

Tax payments in particular cause cash flow from operating activities to decrease to 1.0 million euros

In the second quarter of 2017, at 1.0 million euros cash flow from operating activities ¹ was 6.7 million euros lower than in the same period in the previous year (7.7 million euros). In the quarter under review, income tax payments ² in particular have increased by 4.4 million euros on the same quarter in the previous year, on account of earnings, and amounted to -6.2 million euros. Operating net working capital released

2.4 million euros, which was 0.7 million euros less in cash than in the same period in the previous year. The main reason for the decline in cash flow for operating net working capital ³ was an increase in inventories due to a broader product range – particularly in Retail – even if this was partially financed through an increased volume of trade payables. Other net working capital tied up 2.2 million euros, which was almost as much as cash as in the previous year.

| Cash flow from investing activities <i>in millions of euros</i> | Q2 2016 | Q2 2017 | Change as % | Change in millions of euros |
|--|--------------|-------------|----------------|--------------------------------|
| - Outflows from investments in fixed assets | -13.4 | -9.6 | +28.2 % | +3.8 |
| - Outflows from investments in financial assets | -0.1 | -0.1 | +35.9 % | +0.0 |
| + Inflows from investments in non-current financial instruments | 0.0 | 0.0 | — | -0.0 |
| + Inflows from the sale of property, plant and equipment and intangible assets | 0.2 | 0.4 | +152 % | +0.2 |
| = Cash flow from investing activities | -13.3 | -9.3 | +30.3 % | +4.0 |

Decline in net cash used in investing activities for operational investments

Net cash used in investing activities ⁴ was reduced by 4.0 million to 9.3 million euros in the second quarter. At 9.6 million euros, the outflows for investments in fixed assets ⁵ were 3.8 million euros lower than in the same quarter in the previous year, mainly due to the fact that no investments were made in offset printing machines in this quarter. In the current reporting quarter, the cash inflow of 0.4 million euros resulting from the disposal of fixed assets of the company ⁶ was 0.2 million euros higher than in the same quarter in the previous year. As in the same quarter in the previous year, only minor investments have been made in financial assets ⁷.

Free cash flow in H1 2017 dominated by developments in the 1st quarter

Free cash flow in the first half of 2017 declined by 19.7 million euros to -15.4 million euros. Unlike the second quarter of 2017, this mainly reflects developments in the operating net working capital figure. This now decreased by just 5.3 million euros, following 20.7 million euros in the same half-year period in the previous year. Of this decrease, 14.7 million euros are attributable to the first quarter of 2017. This mainly relates to the payments already brought forward by various business partners in 2016 as well as the settlement of the downstream conditions for business partners, which have increased due to the higher volume of turnover in 2016. On the basis of a higher volume of trade payables as of December 31, 2016 than in the previous year, suppliers received a higher volume of cash and cash equivalents due to seasonal factors. These developments dominated the free cash flow in the first half of 2017.

Return on capital employed

- ▶ Average capital employed increased to 229.3 million euros, on grounds of liquidity
- ▶ ROCE significantly increased to 20.5 %

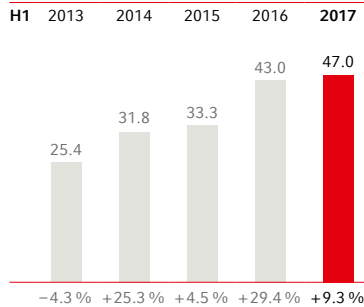
Average capital employed increased to 229.3 million euros, on grounds of liquidity

As of June 30, 2017, the capital employed figure was 224.0 million euros and thus 14.4 million euros lower than as of March 31, 2017. This reflects the seasonal nature of business. On June 30, 2017, at 229.3 million euros the average capital employed – calculated on the basis of the four quarterly reporting dates within a given 12-month period – was 11.2 million euros higher than in the previous year. This increase is mainly due to the investing activities of the CEWE Group and the strong level of liquidity.

ROCE significantly increased to 20.5 %

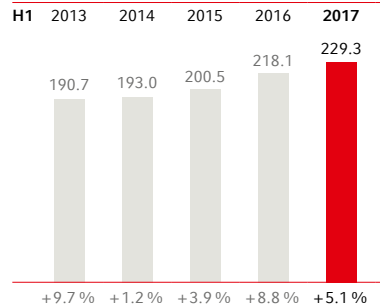
The return on capital employed (ROCE) – a ratio indicating the return on capital – has risen from 19.7 % to 20.5 % since June 30, 2016. The value of 20.5 % reflects a twelve-month EBIT figure of 47.0 million euros and an average volume of capital employed of 229.3 million euros. Despite the higher capital employed figure, the yield has continued to increase due to the rise in earnings for the EBIT figure. As outlined on page 100 of the Annual Report 2016, all three of the company’s strategic business units have provided a positive contribution to its profitability through their earnings trends.

12-month EBIT
in millions of euros

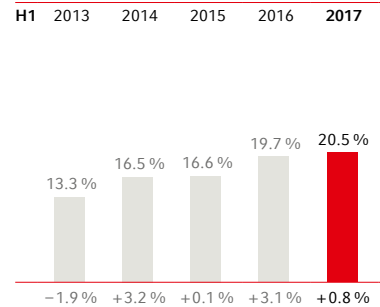


Change on previous year

Average capital employed over the past 4 quarters
in millions of euros



ROCE
as %



FORECAST, OPPORTUNITIES AND RISK REPORT

Risks and opportunities

The consolidated management report for the financial year 2016 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. 112ff. of the Annual Report 2016.

Forecast for 2017

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 2016 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. 119ff. of the Annual

Report 2016). Our assessments of the development of our three business units Photofinishing, Retail and Commercial Online Printing likewise continue to apply as before (cf. pp. 121ff. of the Annual Report 2016).

Higher rate of value added tax on photo books in Germany applicable from 2017

A non-objection regulation deferred 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. The regulation in question is no longer applicable. Accordingly, since January 1, 2017 photo books have been subject to a 19 % rate of value added tax, instead of the previous 7 % rate.

EBIT earnings target range in 2017: +5 million euros

Despite the increased rate of value added tax on photo books, on average Group turnover will increase slightly in 2017, from 593.1 million euros in the previous year, 2016, to between 585 million euros and 615 million euros. The turnover trend in Photofinishing will be roughly stable or pick up slightly, while turnover in the Retail business unit will be more or less constant or else decrease slightly and Commercial Online Printing will achieve further turnover growth in most markets, with the possible exception of the British market following the Brexit decision (cf. the “Commercial Online Printing business unit” chapter in the Annual Report 2016 and the Q1 2017 Interim Report).

Group EBIT will fall within a range of between 45 million euros and 51 million euros, the EBT figure will amount to between 44.5 million euros and 50.5 million euros and earnings after tax to between 30 million euros and 34 million euros.

This corresponds to an increase of approx. 5 million euros in the scope of the operating EBIT results by comparison with the goals for 2016.

The ROCE should nonetheless decline slightly, since a further increase in the average level of capital employed included in this calculation may be expected, until a period of one year has elapsed since the increases which are already apparent.

The earnings target forecast includes any effects on earnings resulting from the higher rate of value added tax on photo books.

The investments planned for 2017 will amount to approx. 55 million euros.

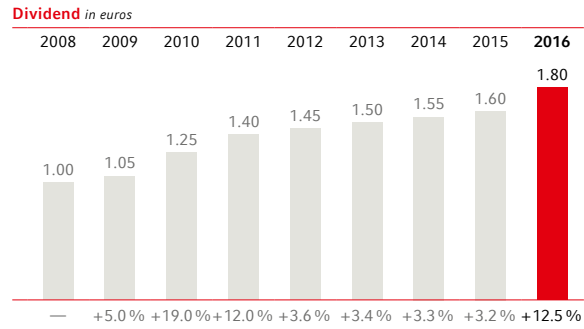
| Goal for 2017 | | Change on previous year |
|-------------------------------|--------------------------------|-------------------------|
| Digital photos | 2.08–2.18 billion units | –4 % to 0 % |
| Photos from film | 0.040–0.045 billion units | –29 % to –20 % |
| Total volume of photos | 2.12–2.23 billion units | –5 % to 0 % |
| CEWE PHOTOBOOKS | 6.00–6.25 million units | –3 % to +1 % |
| Investments* | 55 million units | — |
| Turnover | 585–615 million units | +1 % to +4 % |
| EBIT | 45–51 million units | –4 % to +8 % |
| Earnings before taxes (EBT) | 44.5–50.5 million units | –4 % to +9 % |
| Earnings after tax | 30–34 million units | 0 % to +13 % |
| Earnings per share | 4.23–4.81 euros/unit | 0 % to +14 % |

* 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.

On May 31, 2017, CEWE's general meeting resolved a dividend increase to 1.80 euros per share conferring a dividend entitlement for the financial year 2016 (dividend in previous year: 1.60 euros). This increase is the eighth 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 1.80 euros.



GLOSSARY



Please note:
Where digital photos are referred to in this interim report, figures include CEWE PHOTO-BOOK 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 investment properties, 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 cash position/net financial liabilities

Non-current interest-bearing financial liabilities plus current interest-bearing financial liabilities less cash and cash equivalents; this represents a net cash position in case of a negative difference, and otherwise net financial liabilities

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 (ROCE)

The ratio of earnings before interest and taxes (EBIT) versus the capital employed; in general, the twelve-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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

| | |
|--|----|
| Consolidated profit and loss account | 50 |
| Consolidated statement of comprehensive income | 51 |
| Consolidated balance sheet | 52 |
| Consolidated statement of changes in equity | 54 |
| Consolidated cash flow statement | 56 |
| Segment reporting by business unit | 58 |
| Selected notes | 60 |
| Statement from the company's legal representatives | 68 |
| Review report | 69 |

My
cewe photobook
My Life



CONSOLIDATED PROFIT AND LOSS ACCOUNT

for H1 2016 and 2017 of CEWE Stiftung & Co. KGaA

| <i>Figures in thousands of euros</i> | Q2 2016 | Q2 2017 | Change | H1 2016 | H1 2017 | Change |
|--|---------------|---------------|---------------|----------------|----------------|---------------|
| Revenues | 116,809 | 116,005 | -0.7 % | 235,983 | 234,603 | -0.6 % |
| Increase/decrease in finished and unfinished goods | 52 | -76 | — | -598 | -268 | 55.2 % |
| Other own work capitalised | 178 | 208 | 16.9 % | 297 | 469 | 57.9 % |
| Other operating income | 4,137 | 5,808 | 40.4 % | 9,383 | 10,191 | 8.6 % |
| Cost of materials | -37,680 | -37,043 | 1.7 % | -73,582 | -70,736 | 3.9 % |
| Gross profit | 83,496 | 84,902 | 1.7 % | 171,483 | 174,259 | 1.6 % |
| Personnel expenses | -35,969 | -37,128 | -3.2 % | -72,381 | -75,075 | -3.7 % |
| Other operating expenses | -39,157 | -40,221 | -2.7 % | -81,097 | -82,506 | -1.7 % |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 8,370 | 7,553 | -9.8 % | 18,005 | 16,678 | -7.4 % |
| Amortisation of intangible assets, depreciation of property, plant and equipment | -9,473* | -8,585 | 9.4 % | -18,461* | -17,121 | 7.3 % |
| Earnings before interest and taxes (EBIT) | -1,103 | -1,032 | 6.4 % | -456 | -443 | 2.9 % |
| Financial income | 24 | 25 | 4.2 % | 65 | 173 | 166 % |
| Financial expenses | -113 | -65 | 42.5 % | -221 | -138 | 37.6 % |
| Financial result | -89 | -40 | 55.1 % | -156 | 35 | 122 % |
| Earnings before taxes (EBT) | -1,192 | -1,072 | 10.1 % | -612 | -408 | 33.3 % |
| Income taxes | 405* | 256 | -36.8 % | 219* | 68 | -68.9 % |
| Earnings after taxes | -787 | -816 | -3.7 % | -393 | -340 | 13.5 % |
| Earnings per share (in euros) | | | | | | |
| undiluted | -0.11* | -0.11 | — | -0.05* | -0.05 | — |
| diluted | -0.11* | -0.11 | — | -0.05* | -0.05 | — |

* The reference figures have been restated, as outlined on page 62 f.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for H1 2016 and 2017 of CEWE Stiftung & Co. KGaA

| <i>Figures in thousands of euros</i> | Q2 2016 | Q2 2017 | Change | H1 2016 | H1 2017 | Change |
|---|---------|---------|--------|---------|---------|--------|
| Earnings after taxes | -787* | -816 | -3.7 % | -393* | -340 | 13.5 % |
| Difference resulting from currency translation | -469 | -414 | 11.7 % | -651 | -184 | 71.7 % |
| Amounts which may be reclassified to the profit and loss account in future periods | | | | | | |
| Actuarial profits and losses | -2,989 | 774 | — | -2,989 | 774 | — |
| Amounts not reclassified to the profit and loss account | | | | | | |
| | -2,989 | 774 | — | -2,989 | 774 | — |
| Other comprehensive income | -3,458 | 360 | — | -3,640 | 590 | — |
| Comprehensive income | -4,245 | -456 | 89.3 % | -4,033 | 250 | — |

* The reference figures have been restated, as outlined on page 62 f.

CONSOLIDATED BALANCE SHEET

as of June 30, 2017 of CEWE Stiftung & Co. KGaA

| ASSETS | <i>Figures in thousands of euros</i> | Jun. 30, 2016 | Mar. 31, 2017 | Jun. 30, 2017 | Change by comparison with Mar. 31, 2017 | Change by comparison with Jun. 30, 2016 |
|---|--------------------------------------|----------------|----------------|----------------------|---|---|
| Property, plant and equipment | | 112,767 | 121,137 | 122,746 | 1.3 % | 8.8 % |
| Investment properties | | 5,006 | 4,824 | 4,751 | -1.5 % | -5.1 % |
| Goodwill | | 31,799* | 25,839 | 25,839 | — | -18.7 % |
| Intangible assets | | 21,179* | 18,573 | 17,739 | -4.5 % | -16.2 % |
| Financial assets | | 5,638 | 6,427 | 6,501 | 1.2 % | 15.3 % |
| Non-current receivables from income tax refunds | | 536 | 0 | 0 | — | -100 % |
| Non-current financial assets | | 650 | 461 | 432 | -6.3 % | -33.5 % |
| Non-current other receivables and assets | | 381 | 575 | 860 | 49.6 % | 126 % |
| Deferred tax assets | | 7,266* | 6,779 | 6,909 | 1.9 % | -4.9 % |
| Non-current assets | | 185,222 | 184,615 | 185,777 | 0.6 % | 0.3 % |
| Inventories | | 41,688 | 46,276 | 47,734 | 3.2 % | 14.5 % |
| Current trade receivables | | 40,391 | 35,619 | 36,033 | 1.2 % | -10.8 % |
| Current receivables from income tax refunds | | 4,803 | 4,058 | 6,219 | 53.3 % | 29.5 % |
| Current financial assets | | 2,933 | 2,497 | 2,971 | 19.0 % | 1.3 % |
| Other current receivables and assets | | 8,746 | 7,941 | 7,521 | -5.3 % | -14.0 % |
| Cash and cash equivalents | | 15,257 | 44,081 | 22,314 | -49.4 % | 46.3 % |
| | | 113,818 | 140,472 | 122,792 | -12.6 % | 7.9 % |
| Non-current assets held for sale | | 1,136 | 525 | 184 | -65.0 % | -83.8 % |
| Current assets | | 114,954 | 140,997 | 122,976 | -12.8 % | 7.0 % |
| Assets | | 300,176 | 325,612 | 308,753 | -5.2 % | 2.9 % |

* The reference figures have been restated, as outlined on page 62 f.

| PASSIVA | <i>Figures in thousands of euros</i> | Jun. 30, 2016 | Mar. 31, 2017 | Jun. 30, 2017 | Change by | Change by |
|---|--------------------------------------|----------------|----------------|----------------------|----------------------------------|----------------------------------|
| | | | | | comparison with Mar. 31, 2017 | comparison with Jun. 30, 2016 |
| Subscribed capital | | 19,240 | 19,240 | 19,240 | — | — |
| Capital reserve | | 70,441 | 71,417 | 71,647 | 0.3 % | 1.7 % |
| Treasury shares at acquisition cost | | -8,671 | -8,482 | -8,482 | — | 2.2 % |
| Retained earnings and unappropriated profits | | 89,448* | 123,651 | 110,305 | -10.8 % | 23.3 % |
| Total equity attributable to the shareholders of CEWE KGaA | | 170,458 | 205,826 | 192,710 | -6.4 % | 13.1 % |
| Non-current accruals for pensions | | 26,484 | 25,933 | 25,259 | -2.6 % | -4.6 % |
| Non-current deferred tax liabilities | | 3,907* | 3,133 | 2,917 | -6.9 % | -25.3 % |
| Non-current other accruals | | 153 | 0 | 0 | — | -100 % |
| Non-current interest-bearing financial liabilities | | 1,317 | 1,163 | 775 | -33.4 % | -41.2 % |
| Non-current financial liabilities | | 230 | 230 | 230 | — | — |
| Non-current other liabilities | | 601 | 494 | 497 | 0.6 % | -17.3 % |
| Non-current liabilities | | 32,692 | 30,953 | 29,678 | -4.1 % | -9.2 % |
| Current tax liabilities | | 6,849 | 10,971 | 6,985 | -36.3 % | 2.0 % |
| Current other accruals | | 3,067 | 3,468 | 2,375 | -31.5 % | -22.6 % |
| Current interest-bearing financial liabilities | | 7,382 | 1,655 | 1,655 | — | -77.6 % |
| Current trade payables | | 52,204 | 46,024 | 50,078 | 8.8 % | -4.1 % |
| Current financial liabilities | | 346 | 1,008 | 1,008 | — | 191 % |
| Current other liabilities | | 27,178 | 25,707 | 24,264 | -5.6 % | -10.7 % |
| Current liabilities | | 97,026 | 88,833 | 86,365 | -2.8 % | -11.0 % |
| Equity and liabilities | | 300,176 | 325,612 | 308,753 | -5.2 % | 2.9 % |

* The reference figures have been restated, as outlined on page 62 f.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for H1 2016 and 2017 of CEWE Stiftung & Co. KGaA

| <i>Figures in thousands of euros</i> | Subscribed capital | Capital reserve | Generated Group equity |
|--------------------------------------|-----------------------|--------------------|---------------------------|
| As of Jan. 1, 2016 | 19,240 | 70,223 | 114,607 |
| Comprehensive income | 0 | 0 | -393* |
| Dividend paid out | 0 | 0 | -11,468 |
| Stock option plans | 0 | 218 | 0 |
| Owner-related equity changes | 0 | 218 | -11,468 |
| As of Jun. 30, 2016 | 19,240 | 70,441 | 102,746 |
| As of Jan. 1, 2017 | 19,240 | 71,188 | 133,502 |
| Comprehensive income | 0 | 0 | -340 |
| Dividend paid out | 0 | 0 | -12,890 |
| Stock option plans | 0 | 459 | 0 |
| Owner-related equity changes | 0 | 459 | -12,890 |
| As of Jun. 30, 2017 | 19,240 | 71,647 | 120,272 |

* The reference figures have been restated, as outlined on page 62 f.

| 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 |
|------------------------------|---|---------------------------------------|--|---------|-------------------------------------|--|
| -9,182 | -3,730 | 3,254 | 104,949 | 194,412 | -7,454 | 186,958 |
| -2,989 | -651 | 0 | -4,033 | -4,033 | 0 | -4,033 |
| 0 | 0 | 0 | -11,468 | -11,468 | 0 | -11,468 |
| 0 | 0 | 0 | 0 | 218 | 0 | 218 |
| 0 | 0 | 0 | -11,468 | -11,250 | -1,217 | -12,467 |
| -12,171 | -4,381 | 3,254 | 89,448 | 179,129 | -8,671 | 170,458 |
| -9,822 | -4,164 | 3,429 | 122,945 | 213,373 | -8,482 | 204,891 |
| 774 | -184 | 0 | 250 | 250 | 0 | 250 |
| 0 | 0 | 0 | -12,890 | -12,890 | 0 | -12,890 |
| 0 | 0 | 0 | 0 | 459 | 0 | 459 |
| 0 | 0 | 0 | -12,890 | -12,431 | 0 | -12,431 |
| -9,048 | -4,348 | 3,429 | 110,305 | 201,192 | -8,482 | 192,710 |

CONSOLIDATED CASH FLOW STATEMENT

for H1 2016 and 2017 of CEWE Stiftung & Co. KGaA

| <i>Figures in thousands of euros</i> | Q2 2016 | Q2 2017 | Change as % |
|--|----------------|----------------|----------------|
| EBITDA | 8,370 | 7,553 | -9.8 % |
| +/- Non-cash factors | 333 | -493 | — |
| + Decrease in operating net working capital | 3,020 | 2,364 | -21.7 % |
| - Increase in other net working capital (excl. income tax items) | -2,252 | -2,249 | 0.1 % |
| - Taxes paid | -1,832 | -6,237 | -240 % |
| + Interest received | 17 | 13 | -23.5 % |
| = Cash flow from operating activities | 7,656 | 951 | -87.6 % |
| - Outflows from investments in fixed assets | -13,359 | -9,593 | 28.2 % |
| - Outflows from investments in financial assets | -117 | -75 | 35.9 % |
| +/- Inflows (+)/outflows (-) from investments in non-current financial instruments | 14 | -4 | — |
| + Inflows from the sale of property, plant and equipment and intangible assets | 160 | 403 | 152 % |
| = Cash flow from investing activities | -13,302 | -9,269 | 30.3 % |
| = Free cash flow | -5,646 | -8,318 | -47.3 % |
| - Dividends paid | -11,468 | -12,890 | -12.4 % |
| - Purchase of treasury shares | -1,217 | 0 | — |
| = Outflows to shareholders | -12,685 | -12,890 | -1.6 % |
| + Inflows from change in financial liabilities | 5,873 | -388 | — |
| - Interest paid | -113 | -65 | 42.5 % |
| +/- Other financial transactions | 0 | 4 | — |
| = Cash flow from financing activities | -6,925 | -13,339 | -92.6 % |
| Cash and cash equivalents at the beginning of the period | 27,825 | 44,081 | 58.4 % |
| +/- Exchange-rate-related changes in cash and cash equivalents | 3 | -110 | — |
| + Cash flow from operating activities | 7,656 | 951 | -87.6 % |
| - Cash flow from investing activities | -13,302 | -9,269 | 30.3 % |
| +/- Cash flow from financing activities | -6,925 | -13,339 | -92.6 % |
| = Cash and cash equivalents at the end of the reporting period | 15,257 | 22,314 | 46.3 % |

| H1 2016 | H1 2017 | Change as % |
|---------|---------|-------------|
| 18,005 | 16,678 | -7.4 % |
| -122 | 128 | — |
| 20,651 | 5,266 | -74.5 % |
| -10,883 | -13,466 | -23.7 % |
| -3,844 | -9,239 | -140 % |
| 30 | 26 | -13.3 % |
| 23,837 | -607 | — |
| -20,738 | -15,032 | 27.5 % |
| -198 | -327 | -65.2 % |
| 6 | 125 | >1,000 % |
| 1,387 | 474 | -65.8 % |
| -19,543 | -14,760 | 24.5 % |
| 4,294 | -15,367 | — |
| -11,468 | -12,890 | -12.4 % |
| -1,217 | 0 | 100 % |
| -12,685 | -12,890 | -1.6 % |
| 2,025 | 2,220 | 9.6 % |
| -221 | -138 | 37.6 % |
| 24 | 130 | 442 % |
| -10,857 | -10,678 | 1.6 % |
| 21,679 | 48,557 | 124 % |
| 141 | -198 | — |
| 23,837 | -607 | — |
| -19,543 | -14,760 | 24.5 % |
| -10,857 | -10,678 | 1.6 % |
| 15,257 | 22,314 | 46.3 % |

SEGMENT REPORTING BY BUSINESS UNIT*

for Q2 2016 and 2017 of CEWE Stiftung & Co. KGaA

| Q2 | <i>Figures in thousands of euros</i> | Photofinishing | Retail | Commercial Online Printing | Other Activities | CEWE Group |
|---|--------------------------------------|----------------|---------------|-------------------------------|---------------------|-----------------------|
| External revenues | 2017 | 82,129 | 13,238 | 19,915 | 723 | 116,005 |
| | 2016 | 81,143 | 14,477 | 20,687 | 502 | 116,809 |
| External revenues, adjusted for currency effects | 2017 | 82,158 | 13,132 | 20,044 | 723 | 116,057 |
| | 2016 | 81,143 | 14,477 | 20,687 | 502 | 116,809 |
| EBIT prior to restructuring | 2017 | 216 | -52 | -301 | -895 | -1,032 |
| | 2016 | -493** | -3 | 292 | -713** | -917** |
| Restructuring | 2017 | 0 | 0 | 0 | 0 | 0 |
| | 2016 | -186 | 0 | 0 | 0 | -186 |
| EBIT | 2017 | 216 | -52 | -301 | -895 | -1,032 |
| | 2016 | -679** | -3 | 292 | -713** | -1,103** |

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

** The reference figures have been restated, as outlined on page 62 f.

Comments on the business units:

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

SEGMENT REPORTING BY BUSINESS UNIT*

for H1 2016 and 2017 of CEWE Stiftung & Co. KGaA

| H1 | <i>Figures in thousands of euros</i> | Photofinishing | Retail | Commercial Online Printing | Other Activities | CEWE Group |
|---|--------------------------------------|----------------|---------------|-------------------------------|---------------------|-----------------------|
| External revenues | 2017 | 167,694 | 25,021 | 40,481 | 1,407 | 234,603 |
| | 2016 | 166,603 | 27,291 | 41,135 | 954 | 235,983 |
| External revenues, adjusted for currency effects | 2017 | 167,625 | 24,569 | 40,767 | 1,407 | 234,368 |
| | 2016 | 166,603 | 27,291 | 41,135 | 954 | 235,983 |
| EBIT prior to restructuring | 2017 | 1,565 | -375 | -192 | -1,441 | -443 |
| | 2016 | 686** | -400 | 819 | -1,375** | -270** |
| Restructuring | 2017 | 0 | 0 | 0 | 0 | 0 |
| | 2016 | -186 | 0 | 0 | 0 | -186 |
| EBIT | 2017 | 1,565 | -375 | -192 | -1,441 | -443 |
| | 2016 | 500** | -400 | 819 | -1,375** | -456** |

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

** The reference figures have been restated, as outlined on page 62 f.

Comments on the business units:

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

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 June 30, 2017

The interim consolidated financial statements of CEWE KGaA as of June 30, 2017 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.

No new standards have become applicable for the first time in the reporting year 2017.

The following IFRS endorsed in EU law had been issued up to June 30, 2017 but are only mandatorily applicable in subsequent reporting periods:

| | Date of publication | Date of endorsement within the scope of EU law | Date of adoption (EU) |
|--|---------------------|--|-----------------------|
| IFRS 15 Revenue from Contracts with Customers (incl. Amendments to IFRS 15: Date on Which IFRS 15 Enters into Force) | September 11, 2015 | September 22, 2016 | January 1, 2018 |
| IFRS 9 Financial Instruments | July 24, 2014 | November 22, 2016 | January 1, 2018 |

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 June 30, 2017. 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 14 Regulatory Deferral Accounts | January 30, 2014 | The European Commission has decided not to launch the endorsement process for this interim standard and to wait for the final standard. | |
| IFRS 16 Leases | January 13, 2016 | 2nd half of 2017 | January 1, 2019 |
| Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | September 11, 2014 | Postponed | Postponed indefinitely |
| Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses | January 19, 2016 | 4th quarter of 2017 | January 1, 2017 |
| Amendments to IAS 7: Disclosure Initiative | January 29, 2016 | 4th quarter of 2017 | January 1, 2017 |
| Clarification of IFRS 15: Revenue from Contracts with Customers | April 12, 2016 | 4th quarter of 2017 | January 1, 2018 |
| Amendments to IFRS 2: Classification and Measurement of Share Based Payment Transactions | June 20, 2016 | 2nd half of 2017 | January 1, 2018 |
| Amendments to IFRS 4: Adoption of IFRS 9 Financial Instruments together with IFRS 4 Insurance Contracts | September 12, 2016 | 4th quarter of 2017 | January 1, 2018 |
| Annual improvements to the IFRS (AIP) – Cycle 2014–2016 | December 8, 2016 | 2nd half of 2017 | January 1, 2018/ January 1, 2017 |
| IFRIC Interpretation 22: Foreign Currency Transactions and Advance Consideration | December 8, 2016 | 2nd half of 2017 | January 1, 2018 |
| Amendments to IAS 40: Transfers of Investment Property | December 8, 2016 | 2nd half of 2017 | January 1, 2018 |

Insofar as any further new standards which are not yet valid for 2017 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 quarterly 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. On the effects on the net assets, financial position and results of operations, please refer to the comments on the consolidated financial statements 2016 (p. 179).

These accounting, valuation and recognition policies and consolidation methods were applied to the semi-annual financial report as of June 30, 2017, without any significant changes in relation to December 31, 2016. These policies and methods are detailed in the consolidated financial statements as of December 31, 2016. Nor have the fundamental principles and methods of estimation for the semi-annual financial report changed in comparison to previous periods.

Finalisation of purchase price allocations

Purchase price allocations were completed in the financial year 2016. The figures for the second quarter and the first six months of 2016 have been restated (cf. p. 179 of the Annual Report 2016).

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

| | Jun. 30, 2016 |
|--|--------------------------------------|
| Balance sheet | <i>Figures in thousands of euros</i> |
| Goodwill | -4,742 |
| Intangible assets | 5,867 |
| Deferred tax assets | 131 |
| Retained earnings and unappropriated profits | -1,231 |
| Non-controlling interests | 668 |
| Non-current deferred tax liabilities | 1,819 |
| Total assets | 1,256 |

| | Q2 2016 | H1 2016 |
|---|--------------------------------------|--|
| Consolidated profit and loss account | <i>Figures in thousands of euros</i> | <i>Finalisation of purchase price allocation</i> |
| Depreciation | -229 | -458 |
| EBIT | -229 | -458 |
| Income taxes | 94 | 164 |
| Earnings after taxes | -135 | -294 |

| | Q2 2016 | H1 2016 |
|---|--------------------------------------|--|
| Consolidated statement of comprehensive income | <i>Figures in thousands of euros</i> | <i>Finalisation of purchase price allocation</i> |
| Comprehensive income | -135 | -294 |
| Earnings per share (in euros) | | |
| undiluted | -0.04 | -0.08 |
| diluted | -0.04 | -0.08 |

Scope of consolidation

Apart from CEWE KGaA, the interim consolidated financial statements as of June 30, 2017 include domestic and foreign companies over which CEWE KGaA has a direct or indirect controlling interest.

As of June 30, 2017, apart from CEWE KGaA as the parent company, the scope of consolidation includes eleven German and 20 foreign companies. CEWE ZAGREB d. o. o., Zagreb (Croatia), which had previously been included in the scope of consolidation, was liquidated in the second quarter of 2017. 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.

Seasonal effects on business activities

Please see the notes in the interim management report regarding seasonal and economic effects on the interim financial statements as of June 30, 2017.

Key business transactions

In the second quarter of 2017, the right of first refusal was exercised for the Dresden production plant site, for a purchase price of 26.4 million euros. This purchase transaction has not yet been completed. 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 up to June 30 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 June 30, 2017.

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 "Asset and financial position" and "Cash flow". The development of equity is shown separately in the statement of changes in equity.

Equity

On December 31, 2016, CEWE Stiftung & Co. KGaA, Oldenburg, held 143,836 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, 2016 a total of 256,588 no-par value shares were reportable as treasury shares in the consolidated financial statements of CEWE KGaA.

On June 30, 2017, CEWE KGaA's treasury shares portfolio pursuant to § 71 of the German Stock Corporation Act (AktG) amounted to 143,836 no-par shares (total amount: 4,709 thousand euros, average purchase price: 32.74 euros/share; previous year: 151,146 no-par shares, 4,898 thousand euros, 32.40 euros/share) and for the Group a total of 256,588 no-par shares (total amount: 8,482 thousand euros, average purchase price: 33.06 euros/share, previous year: 263,898 no-par shares, 8,671 thousand euros, 32.86 euros/share).

As of June 30, 2017, the share capital of CEWE KGaA was unchanged on December 31, 2016 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 "Asset and financial position" 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.

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 1,450 thousand euros (end of the same quarter in the previous year: 1,449 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 second quarter of 2017. 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, 2016.

| Earnings per share | <i>Figures in thousands of euros</i> | Q2 2016 | Q2 2017 | H1 2016 | H1 2017 |
|--|--------------------------------------|-----------|----------------|-----------|----------------|
| Earnings after taxes | | -787* | -816 | -393* | -340 |
| Weighted average number of shares, undiluted (<i>in units</i>) | | 7,150,813 | 7,143,432 | 7,153,418 | 7,143,432 |
| Undiluted earnings per share (<i>in euros</i>) | | -0.11 | -0.11 | -0.05 | -0.05 |
| Consolidated profits after minority interests | | -787* | -816 | -393* | -340 |
| Weighted average number of shares, diluted (<i>in units</i>) | | 7,150,813 | 7,143,432 | 7,153,418 | 7,143,432 |
| Diluting effect of stock options issued | | 24,736 | 82,389 | 10,567 | 79,329 |
| Diluted earnings per share (<i>in euros</i>) | | -0.11 | -0.11 | -0.05 | -0.05 |

* The reference figures have been restated, as outlined on page 62 f.

Pages 19 ff.
Business units

Pages 50 ff.
Consolidated profit
and loss account

Page 52
Asset and financial
position

Page 56
Cash flow

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 interim consolidated management report

presents 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, August 10, 2017
CEWE Stiftung & Co. KGaA

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



Dr Christian Friege
(Chairman of the Board of Management)



Patrick Berkhouwer



Dr Reiner Fageth



Carsten Heitkamp



Dr Olaf Holzkämper



Thomas Mehls



Frank Zweigle

REVIEW REPORT

CEWE Stiftung & Co. KGaA

We have reviewed the condensed interim consolidated financial statements of CEWE Stiftung & Co. KGaA, Oldenburg, comprising the balance sheet, the profit and loss account, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and selected explanatory notes, together with the interim consolidated management report of CEWE Stiftung & Co. KGaA, Oldenburg, for the period from January 1, 2017 to June 30, 2017, that are part of the semi-annual financial report pursuant to § 37w of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim consolidated management report in accordance with the requirements of the WpHG applicable to interim consolidated management reports, is the responsibility of the company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim consolidated management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim consolidated management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW). Those standards require that we plan and perform the review such that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim con-

solidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and that the interim consolidated management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim consolidated management reports. A review is limited primarily to questioning of company employees and analytical assessments and therefore does not provide the level of assurance attainable in an audit of financial statements. Since, in accordance with our engagement, we have not performed an audit of financial statements, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, or that the interim consolidated management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim consolidated management reports.

Hamburg, August 10, 2017

BDO AG
Wirtschaftsprüfungsgesellschaft

| | |
|---------|---------|
| Glaser | Härle |
| Auditor | Auditor |

04

FURTHER INFORMATION

| | |
|---------------------|----|
| Multi-year overview | 72 |
| Financial diary | 76 |
| Imprint | 76 |



MULTI-YEAR OVERVIEW

Key indicators

| Volumes and employees | | Q2 2011 | Q2 2012 | Q2 2013 |
|---|--|---------|---------|---------|
| Digital photos | <i>in millions of units</i> | 449.7 | 480.9 | 451.6 |
| Photos from film | <i>in millions of units</i> | 69.3 | 44.5 | 30.0 |
| Total volume of photos | <i>in millions of units</i> | 519 | 525 | 482 |
| CEWE PHOTOBOOKS | <i>in thousands of units</i> | 970.4 | 1,095.0 | 1,093.8 |
| Employees (average) | <i>converted to full-time equivalent</i> | 2,635 | 3,109 | 3,077 |
| Employees (as of the reporting date) | <i>converted to full-time equivalent</i> | 2,632 | 3,259 | 3,089 |
| Income | | Q2 2011 | Q2 2012 | Q2 2013 |
| Turnover | <i>in millions of euros</i> | 96.8 | 107.7 | 112.9 |
| EBITDA | <i>in millions of euros</i> | 8.9 | 8.7 | 4.5 |
| EBITDA margin | <i>as % of turnover</i> | 9.2 | 8.0 | 4.0 |
| EBIT | <i>in millions of euros</i> | 0.5 | -0.7 | -4.1 |
| EBIT margin | <i>as % of turnover</i> | 0.5 | -0.7 | -3.6 |
| Restructuring expenses | <i>in millions of euros</i> | 0.0 | 0.0 | 1.0 |
| EBIT prior to restructuring | <i>in millions of euros</i> | 0.5 | -0.7 | -3.1 |
| EBT | <i>in millions of euros</i> | 0.1 | -1.2 | -4.3 |
| Earnings after taxes | <i>in millions of euros</i> | -0.3 | -0.6 | -4.1 |
| Capital | | Q2 2011 | Q2 2012 | Q2 2013 |
| Total assets | <i>in millions of euros</i> | 238.5 | 278.1 | 282.5 |
| Capital employed (CE) | <i>in millions of euros</i> | 147.9 | 191.4 | 190.5 |
| Equity | <i>in millions of euros</i> | 106.2 | 103.5 | 108.6 |
| Equity ratio | <i>as % of the balance sheet total</i> | 44.5 | 37.2 | 38.4 |
| Net financial liabilities (+)/net cash position (-) | <i>in millions of euros</i> | 14.4 | 55.7 | 44.0 |
| ROCE (last 12 months) | <i>as % of capital employed</i> | 18.2 | 15.3 | 13.3 |

| Q2 2014 | Q2 2015 | Q2 2016 | Q2 2017 | H1 2011 | H1 2012 | H1 2013 | H1 2014 | H1 2015 | H1 2016 | H1 2017 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 440.1 | 418.4 | 427.2 | 412.2 | 872.6 | 942.7 | 914.4 | 891.1 | 868.9 | 898.8 | 840.6 |
| 23.1 | 18.7 | 14.7 | 12.0 | 120.4 | 78.9 | 53.4 | 41.1 | 32.8 | 25.5 | 21.2 |
| 463 | 437 | 442 | 424 | 993 | 1,022 | 968 | 932 | 902 | 924 | 862 |
| 1,118.1 | 1,120.2 | 1,196.7 | 1,120.0 | 1,890.2 | 2,121.6 | 2,195.4 | 2,259.7 | 2,279.9 | 2,474.4 | 2,279.1 |
| 3,173 | 3,213 | 3,305 | 3,421 | 2,655 | 3,130 | 3,105 | 3,160 | 3,251 | 3,319 | 3,446 |
| 3,177 | 3,199 | 3,301 | 3,411 | 2,632 | 3,259 | 3,089 | 3,177 | 3,199 | 3,301 | 3,411 |

| Q2 2014 | Q2 2015 | Q2 2016 | Q2 2017 | H1 2011 | H1 2012 | H1 2013 | H1 2014 | H1 2015 | H1 2016 | H1 2017 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 104.2 | 106.1 | 116.8 | 116.0 | 186.3 | 203.9 | 221.1 | 207.2 | 212.9 | 236.0 | 234.6 |
| 4.5 | 5.0 | 8.4 | 7.6 | 12.1 | 10.7 | 7.0 | 8.4 | 9.8 | 18.0 | 16.7 |
| 4.3 | 4.7 | 7.2 | 6.5 | 6.5 | 5.2 | 3.2 | 4.1 | 4.6 | 7.6 | 7.1 |
| -3.6 | -3.6 | -1.1 | -1.0 | -4.9 | -7.7 | -10.7 | -7.8 | -7.1 | -0.5 | -0.4 |
| -3.4 | -3.4 | -0.9 | -0.9 | -2.6 | -3.8 | -4.8 | -3.8 | -3.3 | -0.2 | -0.2 |
| 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 3.3 | 0.0 | 1.0 | 0.2 | 0.0 |
| -3.6 | -3.6 | -0.9 | -1.0 | -4.9 | -7.7 | -7.4 | -7.8 | -6.1 | -0.3 | -0.4 |
| -4.0 | -3.7 | -1.2 | -1.1 | -5.5 | -8.7 | -11.3 | -8.5 | -7.4 | -0.6 | -0.4 |
| -2.9 | -2.4 | -0.8 | -0.8 | -6.0 | -7.7 | -10.2 | -7.2 | -6.1 | -0.4 | -0.3 |

| Q2 2014 | Q2 2015 | Q2 2016 | Q2 2017 | H1 2011 | H1 2012 | H1 2013 | H1 2014 | H1 2015 | H1 2016 | H1 2017 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 273.6 | 286.7 | 300.2 | 308.8 | — | — | — | — | — | — | — |
| 188.5 | 203.1 | 210.5 | 224.0 | — | — | — | — | — | — | — |
| 147.2 | 158.0 | 170.5 | 192.7 | — | — | — | — | — | — | — |
| 53.8 | 55.1 | 56.8 | 62.4 | — | — | — | — | — | — | — |
| 4.7 | 7.1 | -6.6 | -19.9 | — | — | — | — | — | — | — |
| 16.5 | 16.6 | 19.7 | 20.5 | — | — | — | — | — | — | — |

MULTI-YEAR OVERVIEW

Key indicators

| Cash flow | | Q2 2011 | Q2 2012 | Q2 2013 |
|--|-----------------------------|-----------|-----------|-----------|
| Cash flow from operating activities | <i>in millions of euros</i> | 10.3 | -5.9 | 0.2 |
| Cash flow from investing activities | <i>in millions of euros</i> | -5.1 | 3.5 | -9.0 |
| Free cash flow | <i>in millions of euros</i> | 5.2 | -2.4 | -8.8 |
| Cash flow from financing activities | <i>in millions of euros</i> | -10.6 | -8.9 | 8.2 |
| Change in cash and cash equivalents | <i>in millions of euros</i> | -5.4 | -11.3 | -0.5 |
| Share | | Q2 2011 | Q2 2012 | Q2 2013 |
| Number of shares (nominal value: 2.60 euros) | <i>in units</i> | 7,380,020 | 7,380,020 | 7,380,020 |
| Earnings per share | | | | |
| undiluted | <i>in euros</i> | -0.04 | -0.10 | -0.62 |
| diluted | <i>in euros</i> | -0.04 | -0.10 | -0.62 |

| Q2 2014 | Q2 2015 | Q2 2016 | Q2 2017 | H1 2011 | H1 2012 | H1 2013 | H1 2014 | H1 2015 | H1 2016 | H1 2017 |
|-----------|-----------|-----------|------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------|
| 3.2 | 5.2 | 7.7 | 1.0 | 12.6 | -8.8 | -3.1 | 12.2 | 4.2 | 23.8 | -0.6 |
| -9.1 | -11.9 | -13.3 | -9.3 | -10.7 | -24.1 | -13.0 | -12.9 | -23.4 | -19.5 | -14.8 |
| -5.9 | -6.7 | -5.6 | -8.3 | 1.9 | -32.9 | -16.1 | -0.7 | -19.1 | 4.3 | -15.4 |
| 4.8 | 4.2 | -6.9 | -13.3 | -11.9 | 9.4 | 13.9 | -0.4 | 3.8 | -10.9 | -10.7 |
| -1.1 | -2.4 | -12.6 | -21.7 | -10.0 | -23.5 | -2.2 | -1.1 | -15.4 | -6.6 | -26.0 |
| Q2 2014 | Q2 2015 | Q2 2016 | Q2 2017 | H1 2011 | H1 2012 | H1 2013 | H1 2014 | H1 2015 | H1 2016 | H1 2017 |
| 7,400,020 | 7,400,020 | 7,400,020 | 7,400,020 | 7,380,020 | 7,380,020 | 7,380,020 | 7,400,020 | 7,400,020 | 7,400,020 | 7,400,020 |
| -0.41 | -0.34 | -0.11 | -0.11 | -0.88 | -1.18 | -1.55 | -1.05 | -0.85 | -0.05 | -0.05 |
| -0.41 | -0.34 | -0.11 | -0.11 | -0.88 | -1.18 | -1.54 | -1.05 | -0.85 | -0.05 | -0.05 |

FINANCIAL DIARY

September 20, 2017

Berenberg & Goldman Sachs
German Corporate Conference, Munich

September 21, 2017

Baader Investment Conference, Munich

November 10, 2017

Publication of the Interim Report
for Q3 2017

November 27–28, 2017

German Equity Forum, Frankfurt

IMPRINT

This interim report is also available in German. We will be pleased to send you a copy upon request.

Tel.: +49 (0) 4 41/404–22 88

Fax: +49 (0) 4 41/404–421

IR@cewe.de

CEWE Stiftung & Co. KGaA
is a member of Deutscher
Investor Relations Kreis e. V.

Publisher

CEWE Stiftung & Co. KGaA

Meerweg 30–32

26133 Oldenburg

Germany

Tel.: +49 (0) 4 41/404–0

Fax: +49 (0) 4 41/404–421

www.cewe.de

info@cewe.de

Concept and design

FIRST RABBIT GmbH, Cologne

Photos

CEWE Stiftung & Co. KGaA, Oldenburg

Printing

CEWE Stiftung & Co. KGaA, Oldenburg

Auditor of the consolidated financial statements

BDO AG

Wirtschaftsprüfungsgesellschaft

Fuhlentwiete 12

20355 Hamburg

Germany



This report has been produced by viaprinto.de,
CEWE's online printing service.



1,000 flyers

from
19,90 €*



* Prices incl. print, processing, transmission and VAT.

cewe-print.com

Your online print partner

Europe's
No.1
photo book



My
cewe photobook
My Life

www.cewe-photobook.com

 **cewe**
BEST IN PRINT