

# DATACOLOR AG

**SEMIANNUAL REPORT OCTOBER 1, 2008 – MARCH 31, 2009**

## Reorganization proceeds on target

Following the sale of the beverage business and the real estate portfolio, the Eichhof Group has been systematically geared towards its continuing operation, the globally active color management company Datacolor, and was renamed Datacolor at the 2009 General Meeting. In the first half of fiscal 2008/2009, Datacolor's net sales came to CHF 26.4 million, representing a drop of 29.9 percent – or 26.3 percent in local currencies – compared with the same period of the previous year, owing to the global financial and economic crisis. EBITDA was CHF –2.2 million and EBIT CHF –3.3 million, influenced by significant one-off costs for the discontinued business operations and one-time expenditure of CHF 1.6 million for the structural and staffing changes at Datacolor necessary to prepare it to fulfill the requirements of an independent company listed on the Swiss Exchange. Adjusted for these one-off costs, Datacolor posted EBITDA of CHF –0.6 million and EBIT of CHF –1.7 million. The sale of the real estate portfolio brought Datacolor extraordinary income of CHF 5.5 million. In the first half, net earnings came to CHF 1.1 million. The average headcount fell by 43 to 271 full-time equivalents.

### **Industrial segment down – consumer segment holds up well**

When the economic downturn began in fall 2008, our customers in the industrial segment – mainly globally active textile manufacturers in Asia – suspended or postponed their investment programs. Order intake was in some cases significantly lower year on year in Datacolor's other key industrial markets, including the automotive industry, globally active furniture manufacturers, the printing and packaging industry, the food and beverage sector, and specialty chemicals companies producing paints and dyes. Sales fell by 35.3 percent to CHF 20.0 million. In the consumer segment, by contrast, the successful, innovative Datacolor Spyder brand, consisting of products for color calibration of

monitors, printers and projectors, achieved sales of CHF 6.4 million, almost equaling the excellent figure recorded for the same period in the previous year. In March, Datacolor purposefully expanded its successful consumer range with the launch of the SpyderCube™, thus adding to its portfolio of products an attractive and user-friendly color calibration solution targeted at advanced amateur and professional photographers. Today, the successful consumer products segment already accounts for one quarter of Datacolor's total sales. The service and support area, which was enlarged and expanded as a priority, produced very gratifying performance, lifting sales by 5.5 percent to CHF 6.7 million. The service and support network enables customers to keep their Datacolor instruments and software packages updated to the latest standards over the years.

#### **Substantial investment in long-term corporate development**

As part of the measures implemented to prepare Datacolor to fulfill the requirements of an independent company listed on the Swiss Exchange, the Executive Board under new CEO Albert Busch was streamlined at the beginning of the year and strengthened by the appointment of younger members with appropriate industry experience. Despite the challenging market situation, Datacolor continued to invest substantial sums in the development of a completely new sensor technology and new software solutions, as well as expanding the customer-focused service and support network; the company devoted around 13 percent of turnover to these projects in the first half. The transfer of production from the United States to the company's new, high-performance operations and production facility in Suzhou, China, which was commissioned last August, will be completed by the end of the current business year, having already been commenced some time ago. The development and production of the strategically important color sensors will continue to be based in the United States. Concentrating the manufacture and calibration of all Datacolor instruments at the Chinese operations and production facility will have a beneficial impact on production costs. Talks are currently in progress with parties interested in moving into the recently vacated premises in the United States and in temporarily renting the excess capacity in Suzhou; this will enable costs to be cut further.

#### **Solid financing structure**

The financial result declined by CHF -0.8 million year on year as a result of the difficult financial market environment. Consolidated earnings per share (EPS) came to CHF 6.77. At the end of March, the balance sheet total stood at CHF 54.4 million. Cash, cash equivalents and financial assets represented 24 percent of total assets. Although the proceeds from the sale of Eichhof Beverage to Heineken were passed on to shareholders in full, Datacolor is largely debt-free following the divestment of the real estate portfolio and has a net cash position of CHF 13.2 million. Shareholders' equity was a very high 63 percent.

#### **Datacolor ready for successful future as independent listed company**

As a strong number two in the international color management market, Datacolor is well prepared to exploit any recovery in the global economy to the full, thanks to its structural advantages and its dynamic new management team. It has a development pipeline featuring innovative – and in some cases ground-breaking – color measurement technologies, an attractive product range and a robust balance sheet. The measures introduced by the Board of Directors in order to prepare Datacolor to fulfill the requirements of an independent company listed on the Swiss Exchange will have a beneficial impact on results as of the second half of the financial year, and will enable a positive earnings trend to be sustained. Thanks to its clear market focus and healthy financial situation, and supported by targeted acquisitions, over the medium term Datacolor is in a position to achieve its ambitious objectives for growth and returns, provided that economic conditions stabilize.

Lucerne, May 5, 2009

**The full Semi Annual Report for fiscal 2008/2009 can be downloaded from [www.eichhof.com](http://www.eichhof.com).**

## KEY FIGURES DATACOLOR GROUP

	Half-year 2008/2009		Half-year 2007/2008 restated	Difference in %
<b>in CHF million</b>				
<b>Income statement</b>				
Gross sales	26,7		38,1	-29,9
Net sales	26,4		37,7	-29,9
Special charges	-1,6		0,0	n/a
EBITDA	-2,2		2,9	-175,9
Depreciation and amortization	-1,1		-1,0	10,0
EBIT	-3,3		1,9	-273,7
Profit from discontinued operations	5,5		1,9	n/a
Net profit	1,1		2,3	-52,2
Cash flow from operating activities	4,8		9,7	n/a
Cash flow from investing activities	106,0		-48,8	n/a
<b>in CHF million</b>				
	<b>31.03.2009</b>	<b>%</b>	<b>30.09.2008</b>	<b>%</b>
<b>Balance Sheet</b>				
Total assets	54,4	100,0	183,0	100,0
Current assets	30,1	55,3	158,5	86,6
Non-current assets	24,3	44,7	24,5	13,4
Liabilities	20,0	36,7	145,5	79,5
Net debt	-12,3	-22,6	72,4	39,6
Shareholders' equity	34,5	63,3	37,5	20,5
<b>Per share data in CHF</b>				
	Half-year 2008/2009		Half-year 2007/2008	Difference in %
Net profit	6,77		14,42	-53,1
Cash flow from operating activities	30,54		61,94	-50,7
Shareholders' equity	205,03		582,69	-64,8
Share price as of March 31	200,00		1940,00	-89,7
Market capitalisation in CHF millions	33,60		326,01	-89,7
<b>Personnel</b>				
	31.03.2009		31.03.2008	Difference
Number of employees	246		320	-74
Average during 1st half-year	271		314	-43

### Agenda

November 3, 2009	Press release
December 1, 2009	Press Conference
January 14, 2010	Shareholder's meeting

## SEGMENT INFORMATION

Geographical segments (continued operations) in TCHF	Half-year 2008/2009		Half-year 2007/2008	
		as % of total		as % of total
<b>Net sales with third parties</b>	<b>26 424</b>	100,0	<b>37 704</b>	100,0
Europe (incl. Switzerland)	12 002	45,4	17 022	45,2
America	8 224	31,1	10 499	27,8
Asia/Pacific	6 198	23,5	10 183	27,0
<b>Gross investments in property, plant and equipment</b>	<b>211</b>	100,0	<b>2 711</b>	100,0
Europe (incl. Switzerland)	5	2,4	106	3,9
America	71	33,6	965	35,6
Asia/Pacific	135	64,0	1 640	60,5
<b>Average number of employees</b>	<b>271</b>	100,0	<b>314</b>	100,0
Europe (incl. Switzerland)	67	24,7	75	23,9
America	111	41,0	136	43,3
Asia/Pacific	93	34,3	103	32,8
	<b>31.03.2009</b>		<b>30.09.2008</b>	
		as % of total		as % of total
<b>Assets</b>	<b>54 449</b>	100,0	<b>82 106</b>	100,0
Europe (incl. Switzerland)	19 625	36,0	55 894	68,1
America	19 135	35,2	17 144	20,9
Asia/Pacific	15 689	28,8	9 068	11,0
	<b>Half-year 2008/2009</b>		<b>Half-year 2007/2008</b>	
<b>Business segments in TCHF</b>		as % of total		as % of total
<b>Net sales with third parties</b>	<b>26 424</b>	100,0	<b>37 704</b>	100,0
Industrial	20 048	75,9	30 968	82,1
Consumer	6 376	24,1	6 736	17,9