

# FINANCIAL REPORT

Financial year from October 1, 2006, through September 30, 2007

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## CONSOLIDATED INCOME STATEMENT

in TCHF	2006/2007		2005/2006	
<b>Gross sales</b>	<b>308 945</b>		<b>294 921</b>	
Sales deductions	-22 340		-21 537	
<b>Net sales</b>	<b>286 605</b>	100,0%	<b>273 384</b>	100,0%
Cost of goods sold	-141 438		-134 501	
<b>Gross profit</b>	<b>145 167</b>	50,7%	<b>138 883</b>	50,8%
Sales and marketing expenses	-96 701		-94 055	
Administration expenses	-20 734		-19 594	
Research and development expenses	-8 490		-8 696	
Other operating income	1 550		1 435	
<b>EBIT</b>	<b>20 792</b>	7,3%	<b>17 973</b>	6,6%
Financial income	7	6 685	7 516	
Financial expenses	7	-5 493	-7 755	
<b>Profit before income taxes</b>	<b>21 984</b>	7,7%	<b>17 734</b>	6,5%
Income taxes	8	-3 640	-2 059	
<b>Profit for the year</b>	<b>18 344</b>	6,4%	<b>15 675</b>	5,7%
		<b>CHF</b>	<b>CHF</b>	
<b>Earnings per share</b>	22			
non diluted		117,91	101,62	
diluted		113,78	98,36	

## CONSOLIDATED BALANCE SHEET

in TCHF		30.09.2007		30.09.2006	
<b>Assets</b>					
Cash and cash equivalents	9	11 601		10 397	
Financial assets	15	12 711		21 915	
Trade receivables	10	44 430		39 842	
Other receivables	11	4 214		2 424	
Inventories	12	25 172		25 680	
Prepaid tax expenses		893		442	
Prepaid expenses		2 229		2 499	
<b>Current assets</b>		<b>101 250</b>	38,0%	<b>103 199</b>	38,9%
Property, plant and equipment	13	58 939		56 678	
Investment properties	13	56 466		52 972	
Intangible assets	14	21 508		19 662	
Financial assets	15	25 461		28 790	
Deferred tax assets	8	2 833		3 917	
<b>Non-current assets</b>		<b>165 207</b>	62,0%	<b>162 019</b>	61,1%
<b>Assets</b>		<b>266 457</b>	100,0%	<b>265 218</b>	100,0%
<b>Liabilities and shareholders' equity</b>					
Trade payables		21 017		17 025	
Financial liabilities	16	25 088		80 939	
Current tax liabilities		4 330		6 640	
Other liabilities	17	5 921		3 344	
Accrued liabilities		26 231		27 659	
<b>Current liabilities</b>		<b>82 587</b>	31,0%	<b>135 607</b>	51,1%
Financial liabilities	16	50 000		784	
Other liabilities	17	6 213		6 404	
Provisions	18	614		625	
Deferred tax liabilities	8	13 575		14 417	
<b>Non-current liabilities</b>		<b>70 402</b>	26,4%	<b>22 230</b>	8,4%
<b>Liabilities</b>		<b>152 989</b>	57,4%	<b>157 837</b>	59,5%
Share capital		168		168	
Own shares		-12		-13	
Capital reserves		12 547		10 626	
Retained earnings		100 765		96 600	
<b>Shareholders' equity</b>		<b>113 468</b>	42,6%	<b>107 381</b>	40,5%
<b>Liabilities and shareholders' equity</b>		<b>266 457</b>	100,0%	<b>265 218</b>	100,0%

## CONSOLIDATED CASH FLOW STATEMENT

in TCHF		2006/2007	2005/2006
<b>Profit before income taxes</b>		<b>21 984</b>	<b>17 734</b>
Depreciation of property, plant and equipment	13	7 300	7 439
Depreciation of investment properties	13	1 257	714
Amortization of intangible assets	14	2 637	2 967
Non-cash sales deductions		3 626	4 543
Gain on disposal of non-current assets	13	-77	-1 335
Changes in provisions	18	18	84
Interest expense net	7	2 721	2 838
Dividends and income from securities net	7	-2 980	-1 994
Interest paid		-3 320	-2 980
Income taxes paid		-5 985	-225
Other non-cash positions		-334	-604
<b>Cash flow before working capital changes</b>		<b>26 847</b>	<b>29 181</b>
Changes in trade receivables	10	-4 588	1 922
Changes in other receivables and prepaid expenses		-1 521	1 157
Changes in inventories	12	508	2 100
Changes in trade payables		3 992	618
Changes in other liabilities and accrued liabilities		411	-1 456
<b>Cash flow from operating activities</b>		<b>25 649</b>	<b>33 522</b>
Investments in property, plant and equipment	13	-10 401	-6 471
Investments in investment properties	13	-4 751	-7 126
Investments in intangible assets	14	-4 747	-1 862
Investments in financial assets	15	-4 428	-4 839
Acquisitions	28	0	-6 061
Divestments of property, plant and equipment	13	469	19
Divestments of investment properties	13	0	1 459
Divestments of financial assets	15	18 092	2 473
Interest and dividends received		1 075	984
<b>Cash flow from investing activities</b>		<b>-4 691</b>	<b>-21 424</b>
Proceeds from financial liabilities	16	50 000	28 808
Repayment of financial liabilities	16	-55 235	-40 000
Purchase of own shares		-3 774	-2 464
Sale of own shares		1 030	2 498
Exercise of management share options		1 005	1 916
Dividends paid		-12 552	-8 533
<b>Cash flow from financing activities</b>		<b>-19 526</b>	<b>-17 775</b>
<b>Changes in cash and cash equivalents</b>		<b>1 432</b>	<b>-5 677</b>
Cash and cash equivalents at beginning of the year		10 397	16 187
Effect of foreign currency translation on cash and cash equivalents		-228	-113
<b>Cash and cash equivalents at end of the year</b>	9	<b>11 601</b>	<b>10 397</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in TCHF	Share capital	Own shares <sup>2)</sup>	Capital reserves <sup>3)</sup>	Retained earnings	Accumulated translation differences	Hedge Accounting (IAS 39)	Total retained earnings	Total shareholders' equity
<b>Balance as of 1.10.2005</b>	<b>164</b>	<b>-13</b>	<b>8 084</b>	91 749	-111	-3 098	<b>88 540</b>	<b>96 775</b>
Changes in accounting of the management share option plan <sup>5)</sup>						1 751	1 751	1 751
Translation differences					-867		-867	-867
<b>Total gains and losses directly recognized in equity</b>					<b>-867</b>	<b>1 751</b>	<b>884</b>	<b>884</b>
Profit for the year				15 675			15 675	15 675
<b>Total recognized gains and losses in equity</b>				<b>15 675</b>	<b>-867</b>	<b>1 751</b>	<b>16 559</b>	<b>16 559</b>
Dividends <sup>4)</sup>				-8 533			<b>-8 533</b>	<b>-8 533</b>
Purchase of own shares		-2		-2 462			<b>-2 462</b>	<b>-2 464</b>
Sale of own shares		2		2 496			<b>2 496</b>	<b>2 498</b>
Management share option plan			630				<b>0</b>	<b>630</b>
Exercise of management share options	4		1 912				<b>0</b>	<b>1 916</b>
<b>Balance as of 30.09.2006</b>	<b>168<sup>1)</sup></b>	<b>-13</b>	<b>10 626</b>	98 925	-978	-1 347	<b>96 600</b>	<b>107 381</b>
<b>Balance as of 1.10.2006</b>	<b>168</b>	<b>-13</b>	<b>10 626</b>	98 925	-978	-1 347	<b>96 600</b>	<b>107 381</b>
Adjustment of financial instruments to fair value <sup>5)</sup>						1 400	1 400	1 400
Realized losses					-78		-78	-78
Translation differences					-1 616		-1 616	-1 616
<b>Total gains and losses directly recognized in equity</b>					<b>-1 694</b>	<b>1 400</b>	<b>-294</b>	<b>-294</b>
Profit for the year				18 344			18 344	18 344
<b>Total recognized gains and losses in equity</b>				<b>18 344</b>	<b>-1 694</b>	<b>1 400</b>	<b>18 050</b>	<b>18 050</b>
Dividends <sup>4)</sup>				-12 552			<b>-12 552</b>	<b>-12 552</b>
Purchase of own shares		-2		-3 772			<b>-3 772</b>	<b>-3 774</b>
Sale of own shares		1		1 029			<b>1 029</b>	<b>1 030</b>
Management share option plan			702				<b>0</b>	<b>702</b>
Tax income from management share option plan			1 056				<b>0</b>	<b>1 056</b>
Exercise of management share options		2	163	1 410			<b>1 410</b>	<b>1 575</b>
<b>Balance as of 30.09.2007</b>	<b>168<sup>1)</sup></b>	<b>-12</b>	<b>12 547</b>	103 384	-2 672	53	<b>100 765</b>	<b>113 468</b>

<sup>1)</sup> The share capital as of September 30, 2007, consists of 168 044 (previous year: 167 704) registered shares with a nominal value of CHF 1 each.

<sup>2)</sup> Nominal value own share holdings at cost reduced the consolidated equity by TCHF 15 918 (previous year: TCHF 15 120).

<sup>3)</sup> The capital reserves contain legal reserves which carry restrictions in respect of distributions.

<sup>4)</sup> A dividend of CHF 80 (previous year: CHF 55) per share was distributed in the reporting period.

<sup>5)</sup> The adjustment of financial instruments to the fair value concerns the valuation of an interest rate swap. For details refer to note 21.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Accounting principles

#### General

Eichhof Holding AG is a Swiss limited company, domiciled in Lucerne (Obergrundstrasse 110). It is the parent company of the Eichhof Beverage Group, the number one independent brewery and one of the biggest beverage distributors in Switzerland, and of the Datacolor Group, a leading provider of color measurement systems. In addition to its Swiss operations, the Eichhof Group also does business through its Datacolor Group in Europe, North America, and Asia.

#### Basis of preparation

The consolidated financial statements of Eichhof Group comply with International Financial Reporting Standards (IFRS) and comply with Swiss law.

The consolidated financial statements are prepared on a historical cost basis, except for derivative financial instruments and financial assets held for trading, which are measured at fair value. Non-current assets or groups of non-current assets available for sale are measured at the lower of amortized cost or fair value minus the expected cost of sale. Expenses and revenues are recognized on an accrual basis.

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate for the year in which the circumstances change.

Assumptions made by management, which may have a material effect on the financial statements or estimates next year, are described in note 4.

#### New International Financial Reporting Standards (IFRS)

Effective October 1, 2006 the Eichhof Group adopted the following new and revised Standards and Interpretations:

- Amendment to IAS 19 Employee Benefits: Actuarial Gains and Losses, Group Plans and Disclosures. This amendment introduced an alternative allowing for actuarial gains and losses to be recognized immediately with no effect on the income statement, as well as additional disclosures. Eichhof Group has not implemented the new alternative, but will continue to apply the corridor method.
- Amendment to IAS 39 Financial Instruments; Recognition and Measurement:
  - Cash flow hedge accounting of forecast intragroup transactions.
  - Fair value option.
  - Financial guarantees.
- Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates.
- IFRS 6 Exploration for and Evaluation of Mineral Resources.
- IFRIC 4 Determining Whether an Arrangement Contains a Lease.
- IFRIC 5 Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.
- IFRIC 6 Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

- IFRIC 7 Applying the Restatement Approach under IAS 29-Financial Reporting in Hyperinflationary Economies.
- IFRIC 8 Scope of IFRS 2.
- IFRIC 9 Reassessment of Embedded Derivatives.
- IFRIC 10 Interim Financial Reporting and Impairment.

The implementation of these new or revised Standards and Interpretations had no impact on the consolidated equity or consolidated results.

**IFRS standards and interpretations that have been approved but not yet applied:**

Standard/Interpretation	Effective date	Financial year planned for adoption
IFRS 7 Financial Instruments: Disclosures	January 1, 2007	2007/2008 <sup>2)</sup>
Changes to IAS 1 Presentation of Financial Statements:		
Disclosures about Capital	January 1, 2007	2007/2008 <sup>2)</sup>
IFRS 8 Operating Segments	January 1, 2009	2009/2010 <sup>2)</sup>
IAS 23 revised – borrowing costs	January 1, 2009	2009/2010 <sup>3)</sup>
IFRC 11 Group and treasury share transactions	March 1, 2007	2007/2008 <sup>1)</sup>
FRIC 12 Service Concession Arrangements	January 1, 2008	2008/2009 <sup>1)</sup>
RIC 13 Customer Loyalty Programmes	July 1, 2008	2008/2009 <sup>1)</sup>
IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	January 1, 2008	2008/2009 <sup>3)</sup>

<sup>1)</sup> No material effects on the consolidated financial statements are expected.

<sup>2)</sup> It is expected that the consolidated financial statements will be affected mainly by additional disclosures.

<sup>3)</sup> The effects on the consolidated financial statements cannot yet be determined with sufficient certainty.

**Scope of consolidation**

**General:**

The consolidated financial statements include the financial statements of Eichhof Holding AG and its subsidiaries that are controlled by Eichhof Holding AG. Control is presumed to exist when Eichhof Holding AG owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise or otherwise exercises management control.

The closing date for the financial statements of Eichhof Holding AG and all its subsidiaries is September 30, with the exception of Datacolor Technology (Suzhou) Co., Ltd. China, which closes as per December 31.

**Changes in the scope of consolidation:**

There was one change in the scope of consolidation in the reporting period. Datacolor Asia Pacific Pte. Ltd. in Singapore has been liquidated in September 2007. A listing of the Eichhof Group subsidiaries is included in note 31.

**Principles of consolidation**

The assets and liabilities included in the consolidated financial statements are measured according to uniform principles.

Intragroup balances, intragroup transactions and resulting unrealized profits are eliminated upon consolidation.

**Foreign currency translation**

The financial statements of foreign subsidiaries are prepared in their respective local currency (functional currency) and translated into Swiss francs (reporting currency) for consolidation purposes.

Assets and liabilities of foreign subsidiaries are translated at the exchange rate in effect at the balance sheet date. Transactions in foreign currency are translated at the actual exchange rate into the functional currency. The income statements of foreign subsidiaries are translated at weighted average exchange rates for the year. The resulting exchange differences are posted directly to equity.

In the financial statements of the local subsidiaries transactions in foreign currencies are recorded at the exchange rate in effect at the date of transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All resulting differences are recognized as exchange gains or losses in the income statement of the local subsidiary.

**Segment reporting**

Segment information is based on two segment formats: the primary format reflects the business segments whereas the secondary format presents the geographical segments. Segment reporting based on business segments represents the Group's management structure with independent managements.

## 2 Valuation principles

### Gross sales and realization of proceeds

Gross sales include all invoiced sales and services to third parties. Sales are recognized in the income statement when the economic benefits associated with the transaction will flow to the company and the amount of sales can be measured reliably.

Sales deductions include listing fees and volume discounts; the latter category also includes amortization of loans to secure distribution channels.

### Management share option plan

Options for purchase of Eichhof registered shares are granted as part of a performance-based variable compensation for certain management personnel and members of the Board of Directors. Quantity and prize are determined by the Human Resources and Compensation Committee, whereby the option premium is fixed by CHF 250. The granted options carry the right to purchase one share of Eichhof Holding AG per option. The options expire in ten years, have a blocking period of three years and can be sold back to the Eichhof Holding AG after a blocking period of six years for the prize of CHF 250. The exercise prize is determined in advance, respectively at the grant date, in accordance with the Black-Scholes-formula. The vesting period equals the year of service (financial year). The quantity of the granted options depends on the individual performance of the entitled persons and on the performance of their business unit. The fair value of the expected quantity to be granted is recorded on an accrual basis as personnel expense in line with the vesting period.

### Taxes

Income taxes are recognized on the basis of economic criteria on an accrual basis. Deferred income taxes are provided, using the "comprehensive balance sheet liability-method", on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. They are measured at the current tax rates. No deferred income taxes are recorded in respect of temporary differences associated with investments in subsidiaries as it is assumed that such differences will have no tax consequences in the foreseeable future.

Tax loss carryforwards are only recognized as deferred tax assets when it can be reasonably assumed that future taxable income will be sufficient to offset past losses before they expire.

If no dividend payments are planned, withholding taxes and other taxes on potential later dividends are not recognized, since retained earnings are generally reinvested.

### Research and development

Development expenses incurred are only capitalized on an individual project basis if such outlay is likely to be covered by corresponding future income. Research costs are expensed as incurred.

Capitalized development expenditures include material and personnel expenses, depreciation of equipment and machinery and the overhead costs directly attributable.

### Borrowing costs

Borrowing costs incurred during the construction of property, plant and equipment are recognized as an expense.

### Impairment of assets

The carrying amounts of non-current assets are reviewed for impairment at each balance sheet date or if there are indications that an asset may be impaired. If an indication exists the recoverable amount is estimated. If the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts. Impairment losses are recognized in the income

statement. The recoverable amount is the higher of the asset's net selling price and its value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between independent parties less the cost of disposal. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Annual impairment tests are performed for goodwill and intangible assets with an indefinite useful life annually or more often if there are any indications that an asset may be impaired.

### **Employee benefit liabilities**

Eichhof Group companies have different employee benefit plans in accordance with local regulations and customs in the relevant countries. These plans are based on defined contribution or defined benefit plans and cover a majority of employees. They provide benefits in case of death, disability, retirement, or termination of employment and are financed through a combination of employee and employer contributions or through employer contributions alone.

Assets covering existing and future benefit obligations for insured parties in the Eichhof Beverage are held in the Eichhof Pension Fund, an autonomous, independent foundation organized under the Occupational Pension Act (BVG). The Eichhof Group also has one employer foundation in Switzerland which is likewise governed by the provisions of the BVG.

#### **Defined contribution plans:**

Datacolor's benefit plans are mainly organized through arrangements with external savings banks. The Eichhof Group is not subject to any further obligations beyond ongoing contributions owed and recognized.

#### **Defined benefit plans:**

Actuarial calculations using the projected unit credit method are carried out to define the present value of the expected obligation for Swiss employee pension plans classified as defined benefit plans. All significant pension fund obligations and the assets covering them are assessed periodically. The latest actuarial calculations were carried out as of September 30, 2007, by external experts.

Benefit expenses resulting from employee services in the current period (current service costs) are recognized in the income statement. Benefit expenses associated with employee services in prior periods, resulting in the current period from the introduction of, or improvements of post-employment benefits (past service costs) are recognized on a straight-line basis over the average period until the benefits become vested. Actuarial gains and losses are recognized as income or expense when the cumulative unrecognized actuarial gains or losses for each individual plan exceed 10% of the higher of defined benefit obligation and the fair value of plan assets. These gains or losses are recognized over the expected average remaining working periods of the employees participating in the plans. Unrecognized actuarial gains and losses are reflected in the balance sheet.

Prepaid employee benefits (employer's contribution reserves) are reported as non-current financial assets. Other employee benefit surpluses are only capitalized if available to the Group as future contribution repayments or reductions.

### **Cash and cash equivalents**

Cash and cash equivalents include cash, bank accounts, demand deposits, money market instruments as well as short-term deposits with terms not exceeding three months.

### **Current financial assets and liabilities**

Current financial assets are investments which are classified as held for trading and comprise marketable, easily realized securities. They are measured at fair value. Not realized gains or losses on investments held for trading are recognized in financial result. Current financial liabilities include bank payables and loans, which are recorded at nominal value, since this corresponds usually with the fair value.

**Trade receivables**

Accounts receivable are recognized and carried at nominal values less necessary allowances for individual accounts and an overall allowance calculated by levels of aging based on experience.

**Inventories**

Inventories are measured at the lower of acquisition or production cost or net realizable value, using the weighted average cost formula.

**Property, plant and equipment and investment properties**

Property, plant and equipment including investment properties are reported at acquisition cost less accumulated depreciation and any impairment losses. Land is depreciated only if periodic appraisals reveal a sustained impairment loss. Expenditures which increase the useful life of an asset are capitalized. Property, plant and equipment are depreciated on a straight-line basis according to economic criteria corresponding to the estimated useful lives of the assets as set forth in the principles of valuation. Essentially, these are:

Buildings	30 – 40 years
Machinery and equipment	3 – 20 years
Vehicles	5 – 12 years

The residual values, if not immaterial, are reviewed annually.

**Intangible assets**

**Goodwill:**

Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is allocated to cash-generating units and is not amortized, instead an impairment test is carried out on an annual basis or if there are indications that an asset may be impaired (compare impairment of assets).

**Capitalized development expenditures:**

Capitalized development expenditures are reported at acquisition or production cost and amortized on a straight-line basis over their useful life of three to seven years. Impairments are recognized if necessary.

**Trademarks, licenses, and patents:**

Trademarks, licenses, and patents are reported at acquisition cost. Expenditures for internally generated trademarks are recognized as an expense in the current period. Acquired trademarks, licenses, and patents are amortized on a straight-line basis over their useful life of five to ten years. Trademarks, licenses, and patents are reported with indefinite useful life, when the cash generating periods are not foreseeable limited. These trademarks, licenses, and patents are not amortized, instead they are tested for impairment annually.

**Delivery rights:**

Delivery rights are measured at cost less accumulated amortization and impairment losses. Amortization is carried out systematically over the expected useful lives, which is in the range from three to six years.

**Other intangible assets:**

Other intangible assets are capitalized at cost and amortized on a straight-line basis over the useful life, which is between three to five years. Other intangible assets contain mainly software.

**Non-current financial assets**

Non-current financial assets consist of prepaid employee benefits and non-current loans.

Third-party on-trade loans to secure long-term distribution channels for Eichhof Beverage are amortized (repayment) in line with sales and are recognized as deductions from gross sales. These loans are recognized in the balance sheet at discounted net present values. The variance to the nominal value at the time of the first recognition represents a delivery right and is accordingly capitalized as an intangible asset.

**Non-current financial liabilities**

Debenture bonds and other interest-bearing loans are measured at amortized cost using the effective interest rate method. Amortized cost was calculated by taking into account any issue costs. Gains and losses through the amortization process are recognized in the financial result.

**Derivative financial instruments**

Derivative financial instruments are recognized as current or non-current financial assets or liabilities, depending on the duration. If Hedge Accounting according to IAS 39 is applied, the gains and losses on the hedging instruments are recognized directly in the equity until the realization of the hedged risk in the balance sheet. All other derivative financial instruments are recognized at fair value and not realized gains or losses are included in the financial result.

**Provisions**

Provisions are made for potential present obligations with uncertain timing or amounts as a result of a past event and for which a future outflow of resources is probable. The amount is based on the best possible estimate of the expected outflow of resources.

**Own shares**

Own shares are reported at par value and shown as a deduction from equity. Cost incurred or considerations received in excess of par value are recognized in retained earnings.

### 3 Financial risks and instruments

#### Risk management, risk hedging instruments and off-balance-sheet risks

The Eichhof Group's operating activities are exposed to a certain level of interest rate, foreign currency and credit risks. Individual categories of risks and their attached limits are continuously monitored and adjusted in relation to the overall risk exposure of the Eichhof Group. To hedge foreign currency and interest rate risks and to improve the yield on financial assets the Eichhof Group uses currency futures, option contracts and other financial instruments.

#### Management of interest rate risks

The Eichhof Group is exposed to interest rate fluctuations due to movements in financial markets. In order to hedge those risks, interest swaps may be entered.

#### Management of foreign currency risks

A significant portion of the Eichhof Group's cash flows is denominated in foreign currencies. The Eichhof Group attempts to minimize currency exposure by matching operating income and operating expenses in foreign currency. Any residual risk is hedged in accordance with the financial risk policy. Hedging instruments include standardized foreign currency futures and options denominated in various major currencies, generally with maturities of less than 12 months.

#### Management of prize risks

The Eichhof Group is exposed to equity securities prize risk because of investments held by the Eichhof Group, which are classified on the consolidated balance sheet as held for trading. The Eichhof Group is not significantly exposed to commodity price risk.

#### Management of credit risks

Credit risks comprise the credit and default risks associated with marketable securities and claims as well as of derivative financial instruments and money market contracts. The credit risk is minimized by only purchasing marketable securities of companies with high ratings.

Default risk for derivative financial instruments and money market contracts is reduced by entering into transactions only with banks or other financial institutions with a high rating at the time of closing. The credit risks are continually monitored and kept within defined parameters. No losses or impairments are expected based on non-execution of contracts, because of the excellent creditworthiness of the counter parties. Due to its large geographic diversification and number of customers, the Group is not exposed to material concentrations of credit risks.

#### Management of liquidity risks

Prudent risk management implies maintaining sufficient cash and marketable securities, the availability of an adequate amount of committed credit facilities and the ability to refinance.

#### Fair values

The carrying values of cash and cash equivalents, trade receivables and current liabilities approximate the fair values according to IAS 39. Current financial assets and derivative financial instruments are measured at fair values.

## 4 Material accounting estimates and judgments

### Impairment test of intangible assets

Note 14 contains information regarding assumptions and risk factors taken into account when carrying out impairment tests of intangible assets. Significant assumptions are for example growth rates, margins and discount rates. The cash flows actually generated may vary considerably from planned discounted future values. In addition, useful lives may become shorter, or an impairment can occur when the purpose of utilization changes. The carrying values of the intangibles are shown in note 14.

### Actuarial assumptions to calculate post-employment benefit liabilities

Eichhof Group uses various pension plans for employees, of which some are classified as defined benefit plans. For defined benefit plans actuarial assumptions are made for the purpose of estimating future developments. These include estimates and assumptions relating to the discount rate, the expected return on plan assets and future wage trends. The actuaries also use statistical data such as mortality and staff turnover rates in the actuarial calculations they perform with a view to determine employee benefit obligations. If these parameters change due to a change in economic or market conditions, the subsequent results can deviate considerably from the actuarial reports and calculations. Over the medium term, these deviations can have a significant effect on income and expenses arising from employee benefit plans. Refer to note 19 regarding the carrying value of the post-employment benefit assets and liabilities.

### Interest rate swap

As described in note 21, Eichhof Group hedges the interests by an interest rate swap over CHF 40 million (previous year: CHF 50 million). The interest rate swap has a positive fair value of TCHF 53 (previous year: TCHF 1 364 negative) at the balance sheet date. The result has been charged fully to equity, since the hedge is qualified as effective, as long as the Eichhof Group is financed by fixed advances, which have a duration of approximately six months. If Eichhof Group decided to change the refinancing and as a result the hedge became ineffective, changes in fair value would have to be charged to the income statement.

### Income tax

Current tax liabilities are measured on the basis of an interpretation of the tax regulations in place in the relevant countries. The adequacy of this interpretation is assessed by the tax authorities in the course of the final assessment or tax audits. This can result in material changes to tax expense. Furthermore, in order to determine whether tax loss carryforwards may be carried as an asset, it is first necessary to critically assess the probability that there will be future taxable profits against which to offset them. This assessment depends on a variety of influencing factors and developments.

## NOTES

The figures below are stated in thousands of Swiss Francs (TCHF) unless otherwise indicated.

## 5 Segment reporting

Business segments	Eichhof Beverage		Datacolor	
	2006/2007	2005/2006	2006/2007	2005/2006
<b>Net sales to third parties</b>	<b>196 761</b>	<b>185 186</b>	<b>87 472</b>	<b>84 848</b>
Net sales to other business segments	0	0	0	0
<b>Net sales of business segments</b>	<b>196 761</b> 100,0%	<b>185 186</b> 100,0%	<b>87 472</b> 100,0%	<b>84 848</b> 100,0%
Costs of goods sold	-107 574	-101 217	-32 345	-32 280
<b>Gross profit</b>	<b>89 187</b> 45,3%	<b>83 969</b> 45,3%	<b>55 127</b> 63,0%	<b>52 568</b> 62,0%
Sales and marketing expenses	-69 966	-66 068	-27 041	-27 557
Administration expenses	-4 674	-5 019	-11 757	-10 430
Research and development expenses	0	0	-8 490	-8 696
Other operating result, net	1 546	1 476	4	-41
<b>EBIT</b>	<b>16 093</b> 8,2%	<b>14 358</b> 7,8%	<b>7 843</b> 9,0%	<b>5 844</b> 6,9%
EBIT includes:				
Depreciation of property, plant and equipment	-6 305	-6 589	-951	-809
Amortization of intangible assets	-1 747	-1 478	-890	-1 489
Amortization of loans	-3 626	-4 543	0	0
<b>Cash flow from operating activities</b>	<b>17 050</b>	<b>25 686</b>	<b>10 142</b>	<b>11 671</b>
<b>Cash flow from investing activities</b>	<b>-9 180</b>	<b>-18 814</b>	<b>-5 191</b>	<b>-1 115</b>
<b>Cash flow from financing activities</b>	<b>-8 500</b>	<b>-8 410</b>	<b>-2 837</b>	<b>-8 088</b>
<b>Average number of employees</b>	<b>450</b>	<b>417</b>	<b>323</b>	<b>286</b>
	<b>30.09.2007</b>	<b>30.09.2006</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
Cash and cash equivalents and financial assets	2 439	3 096	8 683	6 691
Trade receivables	30 877	28 067	13 519	11 775
Inventories	17 578	17 189	7 594	8 491
Other current assets	6 175	3 634	2 813	1 924
Fixed assets	50 990	50 098	7 766	6 428
Intangible assets	8 772	8 434	12 736	11 228
Other non-current assets	25 284	29 507	3 533	3 820
<b>Total assets</b>	<b>142 115</b> 100,0%	<b>140 025</b> 100,0%	<b>56 644</b> 100,0%	<b>50 357</b> 100,0%
Financial liabilities	-9 000	-4 000	-11 577	-11 888
Other liabilities	-49 847	-51 808	-17 447	-17 765
<b>Net assets</b>	<b>83 268</b> 58,6%	<b>84 217</b> 60,1%	<b>27 620</b> 48,8%	<b>20 704</b> 41,1%
Gross investments in non-current assets:				
Fixed and intangible assets	9 864	11 255	5 285	1 149
Financial assets	4 428	6 757	0	0

<sup>1)</sup> Includes a gain on disposal of an investment property of TCHF 1 316.

Eichhof Real Estate		Other		Eichhof Group	
2006/2007	2005/2006	2006/2007	2005/2006	2006/2007	2005/2006
<b>2 372</b>	<b>3 350<sup>1)</sup></b>	<b>0</b>	<b>0</b>	<b>286 605</b>	<b>273 384</b>
346	330	-346	-330	0	0
<b>2 718</b> 100,0%	<b>3 680</b> 100,0%	<b>-346</b>	<b>-330</b>	<b>286 605</b> 100,0%	<b>273 384</b> 100,0%
-1 519	-1 004	0	0	-141 438	-134 501
<b>1 199</b> 44,1%	<b>2 676</b> 72,7%	<b>-346</b>	<b>-330</b>	<b>145 167</b> 50,7%	<b>138 883</b> 50,8%
0	0	306	-430	-96 701	-94 055
-986	-1 230	-3 317	-2 915	-20 734	-19 594
0	0	0	0	-8 490	-8 696
0	0	0	0	1 550	1 435
<b>213</b> 7,8%	<b>1 446</b> 39,3%	<b>-3 357</b>	<b>-3 675</b>	<b>20 792</b> 7,3%	<b>17 973</b> 6,6%
-1 257	-714	-44	-41	-8 557	-8 153
0	0	0	0	-2 637	-2 967
0	0	0	0	-3 626	-4 543
<b>1 909</b>	<b>235</b>	<b>-3 452</b>	<b>-4 070</b>	<b>25 649</b>	<b>33 522</b>
<b>-4 750</b>	<b>-5 667</b>	<b>14 430</b>	<b>4 172</b>	<b>-4 691</b>	<b>-21 424</b>
<b>3 220</b>	<b>5 238</b>	<b>-11 409</b>	<b>-6 515</b>	<b>-19 526</b>	<b>-17 775</b>
<b>2</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>781</b>	<b>711</b>
<b>30.09.2007</b>	<b>30.09.2006</b>	<b>30.09.2007</b>	<b>30.09.2006</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
650	271	12 540	22 254	24 312	32 312
34	0	0	0	44 430	39 842
0	0	0	0	25 172	25 680
197	1 538	-1 849	-1 731	7 336	5 365
56 465	52 972	184	152	115 405	109 650
0	0	0	0	21 508	19 662
330	0	-853	-620	28 294	32 707
<b>57 676</b> 100,0%	<b>54 781</b> 100,0%	<b>10 022</b>	<b>20 055</b>	<b>266 457</b> 100,0%	<b>265 218</b> 100,0%
-27 200	-23 480	-27 311	-42 355	-75 088	-81 723
-5 595	-4 993	-5 012	-1 548	-77 901	-76 114
<b>24 881</b> 43,1%	<b>26 308</b> 48,0%	<b>- 22 301</b>	<b>-23 848</b>	<b>113 468</b> 42,6%	<b>107 381</b> 40,5%
4 750	7 126	0	0	19 899	19 530
0	0	0	0	4 428	6 757

The products and the business activities of the three business units are described in the commentary. There are no material transactions between the segments.

## Geographical segments

	2006/2007		2005/2006	
		as % of total		as % of total
<b>Net sales to third parties</b>	<b>286 605</b>	100,0%	<b>273 384</b>	100,0%
Switzerland	200 393	69,9%	189 999	69,5%
Europa (exkl. Schweiz)	33 199	11,6%	30 789	11,2%
America	26 503	9,2%	28 648	10,5%
Asia/Pacific	26 510	9,3%	23 948	8,8%
<b>Assets</b>	<b>266 457</b>	100,0%	<b>265 218</b>	100,0%
Switzerland	234 861	88,1%	233 117	87,9%
Europe (excl. Switzerland)	5 211	2,0%	4 918	1,9%
America	17 225	6,5%	19 609	7,4%
Asia/Pacific	9 160	3,4%	7 574	2,8%
<b>Gross investments in non-current assets</b>	<b>24 327</b>	100,0%	<b>25 549</b>	100,0%
Switzerland	19 117	78,5%	24 560	96,1%
Europe (excl. Switzerland)	164	0,7%	114	0,4%
America	4 107	16,9%	630	2,5%
Asia/Pacific	939	3,9%	245	1,0%
<b>Average number of employees</b>	<b>781</b>	100,0%	<b>711</b>	100,0%
Switzerland	487	62,4%	450	63,3%
Europe (excl. Switzerland)	46	5,9%	49	6,9%
America	150	19,2%	141	19,8%
Asia/Pacific	98	12,5%	71	10,0%

## 6 Personnel expenses

	2006/2007		2005/2006	
Wages and salaries		60 134		56 889
Social security costs		8 101		7 417 <sup>1)</sup>
Pension costs				
– for defined benefit plans	19	2 139		2 821
– for defined contribution plans	19	904		825 <sup>1)</sup>
Share based payments	20	1 384		1 167
Other personnel expenses		2 216		2 271 <sup>1)</sup>
<b>Personnel expenses</b>		<b>74 878</b>		<b>71 390</b>

<sup>1)</sup> Adjusted following reclassifications of social contributions.

**7 Financial result**

	2006/2007	2005/2006
Interest income	1 235	923
Dividend income	324	466
Income on securities	3 176	4 506
Foreign exchange gains	1 950	1 621
<b>Financial income</b>	<b>6 685</b>	<b>7 516</b>
Interest expense	-3 956	-3 761
Expenses on securities	-520	-2 978
Foreign exchange losses	-1 017	-1 016
<b>Financial expenses</b>	<b>-5 493</b>	<b>-7 755</b>
<b>Financial result, net</b>	<b>1 192</b>	<b>-239</b>

**8 Income taxes**

	2006/2007	2005/2006
Current income taxes	-3 613	-4 249
Deferred income taxes	-27	2 190
<b>Effective tax expense</b>	<b>-3 640</b>	<b>-2 059</b>

Since the Eichhof Group operates across the world, it is subject to income taxes in different tax jurisdictions. The average expected tax rate is a weighted average of the tax rates in the tax jurisdictions where the Eichhof Group operates. The decrease of the average expected tax rate in the year under review was due to higher profits in countries with a lower tax rate.

The Eichhof Group's effective tax expense can be reconciled to the Group's average expected tax rate as follows:

	2006/2007	2005/2006
<b>Profit before income taxes</b>	<b>21 984</b>	<b>17 734</b>
Expected taxes (23,0%; previous year 25,4%)	-5 052	-4 512
Effect on deferred tax liabilities due to changes in income tax rates	49	-8
Recognition of tax losses not capitalized	599	725
Capitalization of tax loss carryforwards from previous periods	0	2 181
Adjustments relating to previous periods, net	591	-304
Other effects	173	-141
<b>Total income taxes</b>	<b>-3 640</b>	<b>-2 059</b>

Changes in deferred taxes were calculated as follows:

	2006/2007	2005/2006
<b>Deferred tax assets</b>		
Opening balance as of October 1	3 917	1 484
Capitalization of tax loss carryforwards	0	2 343
Usage of capitalized tax loss carryforwards	-1 805	0
Management stock option plan	644	0
Other effects	77	90
<b>Deferred tax assets as of September 30</b>	<b>2 833</b>	<b>3 917</b>

	2006/2007	2005/2006
<b>Deferred tax liabilities</b>		
Opening balance as of October 1	14 417	13 997
Charge/discharge to income statement	-842	420
<b>Deferred tax liabilities as of September 30</b>	<b>13 575</b>	<b>14 417</b>

	2006/2007	2005/2006
<b>Deferred taxes recognized in equity</b>		
Opening balance as of October 1	17	38
Interest rate swap	-18	-21
Management share option plan (current income taxes)	1 056	0
Management share option plan (deferred income taxes)	59	0
<b>Deferred taxes recognized in equity as of September 30</b>	<b>1 114</b>	<b>17</b>

The deferred tax assets and liabilities are attributable to the following balance sheet items:

	2006/2007	2005/2006
Capitalized tax loss carryforwards	1 709	3 517
Intercompany profits in inventories	425	305
Management share option plan	644	0
Other assets	55	95
<b>Deferred tax assets as of September 30</b>	<b>2 833</b>	<b>3 917</b>

	2006/2007	2005/2006
Inventories	1 195	1 209
Property, plant and equipment	8 526	8 435
Other assets	3 038	3 932
Liabilities	816	841
<b>Deferred tax liabilities as of September 30</b>	<b>13 575</b>	<b>14 417</b>

The Eichhof Group has total tax loss carryforwards whose potential tax effect is about CHF 3,9 million (previous year: CHF 4,0 million). These tax loss carryforwards can potentially be used in Switzerland for seven years and abroad partly unrestrictedly. These tax loss carryforwards, for which no deferred tax assets has been recognized, expire in the following periods:

	30.09.2007	30.09.2006
2009	0	862
2010	0	21
2011	0	0
2012	0	0
more than five years	14 838	14 488
<b>Total tax losses carried forward available for offsetting</b>	<b>14 838</b>	<b>15 371</b>

**9 Cash and cash equivalents**

	30.09.2007		30.09.2006	
Cash on hand, postal accounts	1 726		458	
Cash at bank	9 875		9 939	
<b>Cash and cash equivalents</b>	<b>11 601</b>		<b>10 397</b>	

Bank accounts, postal accounts and short-term deposits have interests at market rates.

**10 Trade receivables**

	30.09.2007		30.09.2006	
Trade receivables, gross	46 458	100%	42 107	100%
Allowance for doubtful debts	-2 028	-4%	-2 265	-5%
<b>Trade receivables – net</b>	<b>44 430</b>	<b>96%</b>	<b>39 842</b>	<b>95%</b>

**11 Other receivables**

	30.09.2007		30.09.2006	
Other accounts receivables due from				
– third parties	1 359		517	
– government	2 659		1 817	
– pension funds	0		58	
Prepayments to third parties	196		32	
<b>Other receivables</b>	<b>4 214</b>		<b>2 424</b>	

**12 Inventories**

	30.09.2007		30.09.2006	
Raw materials	259	1%	472	2%
Work in progress	586	2%	926	3%
Semi-finished and finished goods	10 549	36%	11 605	39%
Trading goods	17 882	61%	17 117	56%
<b>Gross inventories</b>	<b>29 276</b>	<b>100%</b>	<b>30 120</b>	<b>100%</b>
Allowances	-4 104	-14%	-4 440	-15%
<b>Net inventories</b>	<b>25 172</b>	<b>86%</b>	<b>25 680</b>	<b>85%</b>

## 13 Property, plant and equipment and investment properties

	Machinery, equipment, vehicles	Operating properties	Total property, plant and equipment	Investment properties	Investment properties under construction	Total investment properties
<b>Acquisition or production costs balance</b>						
<b>as of 01.10.2005</b>	<b>117 746</b>	<b>82 890</b>	<b>200 636</b>	<b>59 767</b>	<b>9 246</b>	<b>69 013</b>
Additions	5 891	580	6 471	63	7 063	7 126
Acquisitions	718	0	718	0	0	0
Reclassifications	1 992	-3 471	-1 479	1 479	0	1 479
Disposals	-261	-23	-284	-865	0	-865
Translation differences	-350	-311	-661	0	0	0
<b>Balance as of 30.09.2006</b>	<b>125 736</b>	<b>79 665</b>	<b>205 401</b>	<b>60 444</b>	<b>16 309</b>	<b>76 753</b>
Additions	8 266	2 135	10 401	3 442	1 309	4 751
Reclassifications	0	0	0	16 125	-16 125	0
Disposals	-8 625	-54	-8 679	0	0	0
Translation differences	-796	-725	-1 521	0	0	0
<b>Balance as of 30.09.2007</b>	<b>124 581</b>	<b>81 021</b>	<b>205 602</b>	<b>80 011</b>	<b>1 493</b>	<b>81 504</b>
<b>Accumulated depreciation</b>						
<b>Balance as of 1.10.2005</b>	<b>97 207</b>	<b>44 905</b>	<b>142 112</b>	<b>22 791</b>	<b>942</b>	<b>23 733</b>
Additions	6 334	1 105	7 439	699	15	714
Reclassifications	0	-56	-56	56	0	56
Disposals	-261	-23	-284	-722	0	-722
Translation differences	-288	-200	-488	0	0	0
<b>Balance as of 30.09.2006</b>	<b>102 992</b>	<b>45 731</b>	<b>148 723</b>	<b>22 824</b>	<b>957</b>	<b>23 781</b>
Additions	6 250	1 050	7 300	1 257	0	1 257
Reclassifications	0	0	0	957	-957	0
Disposals	-8 130	-157	-8 287	0	0	0
Translation differences	-627	-446	-1 073	0	0	0
<b>Balance as of 30.09.2007</b>	<b>100 485</b>	<b>46 178</b>	<b>146 663</b>	<b>25 038</b>	<b>0</b>	<b>25 038</b>
<b>Net carrying amount</b>						
<b>Balance as of 30.09.2006</b>	<b>22 744</b>	<b>33 934</b>	<b>56 678</b>	<b>37 620</b>	<b>15 352</b>	<b>52 972</b>
<b>Balance as of 30.09.2007</b>	<b>24 096</b>	<b>34 843</b>	<b>58 939</b>	<b>54 973</b>	<b>1 493</b>	<b>56 466</b>
<b>Fire insurance values</b>						
<b>as of 30.09.2006</b>	<b>103 728</b>	<b>80 504</b>	<b>184 232</b>	<b>40 482</b>	<b>13 475</b>	<b>53 957</b>
<b>as of 30.09.2007</b>	<b>102 837</b>	<b>79 541</b>	<b>182 378</b>	<b>53 680</b>	<b>0</b>	<b>53 680</b>

Investment properties under construction concern investment properties which are developed by the Eichhof Group itself. Market values of investment properties and investment properties under construction were determined based on valuations performed by independent experts and amount to CHF 71.0 million (previous year: CHF 66.6 million). Income from investment properties amounts to TCHF 2 681 (previous year: TCHF 2 307), expenses for investment properties amount to TCHF 1 519 (previous year: TCHF 1 020).

In the reporting period, the result on disposal of property, plant and equipment amounts to TCHF 77 (previous year: TCHF 19). A gain after tax on a sale of an investment property of TCHF 0 (previous year: TCHF 1 316) is included in the current year.

The net carrying amount of property, plant and equipment under finance leases is CHF 0 (previous year: CHF 0).

## 14 Intangible assets

	Goodwill	Trade marks, licenses, patents	Delivery rights	Capitalized development costs <sup>1)</sup>	Total
<b>Acquisition or production costs</b>					
<b>Balance as of 1.10.2005</b>	<b>1 929</b>	<b>20 115</b>	<b>7 810</b>	<b>10 244</b>	<b>40 098</b>
Additions	0	0	1 862	0	1 862
Acquisitions	1 853	1 500	0	0	3 353
Disposals	0	0	-1 956	0	-1 956
Translation differences	-8	-8	0	-216	-232
<b>Balance as of 30.09.2006</b>	<b>3 774</b>	<b>21 607</b>	<b>7 716</b>	<b>10 028</b>	<b>43 125</b>
Additions	0	150	2 182	2 415	4 747
Disposals	0	0	-1 612	0	-1 612
Translation differences	-18	-28	0	-625	-671
<b>Balance as of 30.09.2007</b>	<b>3 756</b>	<b>21 729</b>	<b>8 286</b>	<b>11 818</b>	<b>45 589</b>
<b>Accumulated amortization</b>					
<b>Balance as of 1.10.2005</b>	<b>0</b>	<b>8 419</b>	<b>4 098</b>	<b>9 636</b>	<b>22 153</b>
Additions	0	890	1 478	599	2 967
Disposals	0	0	-1 442	0	-1 442
Translation differences	0	-8	0	-207	-215
<b>Balance as of 30.09.2006</b>	<b>0</b>	<b>9 301</b>	<b>4 134</b>	<b>10 028</b>	<b>23 463</b>
Additions	0	1 192	1 445	0	2 637
Disposals	0	0	-1 513	0	-1 513
Translation differences	0	-19	0	-487	-506
<b>Balance as of 30.09.2007</b>	<b>0</b>	<b>10 474</b>	<b>4 066</b>	<b>9 541</b>	<b>24 081</b>
<b>Net carrying amount</b>					
<b>Balance as of 30.09.2006</b>	<b>3 774</b>	<b>12 306</b>	<b>3 582</b>	<b>0</b>	<b>19 662</b>
<b>Balance as of 30.09.2007</b>	<b>3 756</b>	<b>11 255<sup>2)</sup></b>	<b>4 220</b>	<b>2 277</b>	<b>21 508</b>

<sup>1)</sup> Out of the total development expenses of TCHF 8 490 (previous year: TCHF 8 696) no expenses were capitalized as in the previous year, because not all criteria for a capitalization were met (see valuation principles). In the year under review the cost for a new ERP system have been capitalized. The own development cost amount to approximately TCHF 300.

<sup>2)</sup> The trade marks, licenses and patents which have an indefinite useful life amount to TCHF 6 409 (previous year TCHF 6 409).

#### Impairment tests for cash-generating units containing goodwill or intangible assets with an indefinite useful life

	30.09.2007	30.09.2006
The following units have significant carrying amounts:		
Trade business of Ulmer & Knecht and Fliegender Harass	1 500	1 500
Operational business of brewery Ziegelhof	1 853	1 853
Other	403	421
<b>Total Goodwill</b>	<b>3 756</b>	<b>3 774</b>
Colorvision	6 139	6 139
Other	270	270
<b>Total other intangible assets</b>	<b>6 409</b>	<b>6 409</b>

The recoverable amount of the trade business of Ulmer & Knecht and of Fliegender Harass is based on value-in-use calculations. The value-in-use is the present value of the cash flows of the budget year and the two subsequent planning years. Those cash flow projections mainly depend on the growth rate of the hectoliters sold. Those rates are consistent to the rates which Eichhof Beverage achieved in the region of Zurich during the past two years. A pre-tax discount rate of 8% has been used. The recoverable amount exceeds the carrying amount. Eichhof Beverage would have to sell significantly less (approximately 25–30%) hectoliters in the region of Zurich in order to have to recognize an impairment.

The recoverable amount of the operational business of the brewery Ziegelhof is also based on a value-in-use calculation, as accordingly described above. Eichhof Beverage would have to sell significantly less (approximately 25–30%) hectoliters in the region of Basel in order to have to recognize an impairment.

Colorvision was acquired in 2000. Its technology for digital color-management solutions was amortized on a straight-line basis until the year before last. Due to new and revised IFRS- and IAS-Standards in the previous year the net carrying amount of TCHF 6 139 is not amortized anymore, since that was paid for patents and trademarks whose useful lives are regarded as indefinite. The recoverable amount of Colorvision is based on value-in-use calculations. Those calculations are based on actual operating results and a five-year business plan. Main drivers of the cash flows are the sales growth rate and the cost of goods sold per product. The sales growth rate is based on detailed budgets and business plans which are consistent with the sales growth rates achieved in the different channels during the past years. The cost of goods sold depend on both, the produced and sold quantity. A pre-tax discount rate of 15% has been used. Datacolor would have to fall short of the planned sales significantly (approximately 15–25%) in order to recognize an impairment.

## 15 Financial assets

	30.09.2007	30.09.2006
Marketable securities held for trading	12 711	21 915
<b>Current financial assets</b>	<b>12 711</b>	<b>21 915</b>
Prepaid employee benefits <sup>2)</sup>	1 649	1 443
Non-current loans to third parties <sup>1)</sup>	23 607	27 212
Other financial assets	205	135
<b>Non-current financial assets</b>	<b>25 461</b>	<b>28 790</b>
<b>Financial assets</b>	<b>38 172</b>	<b>50 705</b>

<sup>1)</sup> Non-current loans to third parties mainly comprise on-trade loans for long-term securing of distribution channels of Eichhof Beverage and have a duration in general of five years. The on-trade loans are recognized at amortized cost, respectively at the grant date of the loan the corresponding delivery right is valued. The average rate of interest of on-trade loans is 6% (previous year: 6%).

<sup>2)</sup> Regarding the prepaid employee benefits refer note 19.

**16 Financial liabilities**

	30.09.2007	30.09.2006
Fixed advances	25 000	80 000
Financial liabilities due to third parties	88	359
Derivative financial instruments	0	580
<b>Current financial liabilities</b>	<b>25 088</b>	<b>80 939</b>
Bank loans	50 000	0
Derivative financial instruments	0	784
<b>Non-current financial liabilities</b>	<b>50 000</b>	<b>784</b>
<b>Financial liabilities</b>	<b>75 088</b>	<b>81 723</b>

Eichhof Holding AG has repaid last year the CHF 40 million bond, 4%, on April 1, 2006. This bond was replaced by fixed advances with an average interest rate of 2,62% (previous year: 1,75%). Those interests were partly hedged by an interest rate swap of now CHF 40 million (refer note 21). In the year under review these fixed advances were partly refinanced by longer term bank loans with interest rates of 3,2%.

Thereby, common market debt covenants (interest coverage ratio, net debt ratio, equity quote) were entered, which were met at the balance sheet date and the time of the approval of the annual report. The interest rates mentioned above correspond with the effective interest rates and the carrying amounts of the current financial liabilities correspond approximately with their fair values.

<b>Repayable amounts as follows:</b>	30.09.2007	30.09.2006
Between 1 and 2 years	15 000	522
Between 2 and 5 years	35 000	262
<b>Non-current financial liabilities</b>	<b>50 000</b>	<b>784</b>
Credit lines available	100 000	100 000
Credit lines not drawn on	25 000	20 000

**17 Other liabilities**

	30.09.2007	30.09.2006
Other current liabilities due to		
– third parties	380	321
– government	3 634	1 405
– pension funds	349	293
Prepayments from third parties	1 558	1 325
<b>Other current liabilities</b>	<b>5 921</b>	<b>3 344</b>
<b>Other non-current liabilities<sup>1)</sup></b>	<b>6 213</b>	<b>6 404</b>
<b>Other liabilities</b>	<b>12 134</b>	<b>9 748</b>

<sup>1)</sup> Other non-current liabilities includes "deposits on containers".

**18 Provisions**

	Warranties	Other	Total
<b>Balance as of 1.10.2005</b>	<b>445</b>	<b>108</b>	<b>553</b>
Additions	89	36	125
Used	-22	-11	-33
Reversed	0	-8	-8
Translation differences	-14	2	-12
<b>Balance as of 30.09.2006</b>	<b>498</b>	<b>127</b>	<b>625</b>
Additions	75	50	125
Used	-67	-28	-95
Reversed	-9	-3	-12
Translation differences	-35	6	-29
<b>Balance as of 30.09.2007</b>	<b>462</b>	<b>152</b>	<b>614</b>

Provisions for warranty claims refer to Datacolor. The amount is estimated based on past experience with repairs of similar products.

**19 Employee benefits****Defined benefit plans**

Changes of present value of defined benefit obligation	2006/2007	2005/2006
Present value of funded obligation as of October 1	122 729	117 914
Current service cost, net of employees' contributions	2 888	3 208
Employees' contributions	1 815	1 737
Interest cost	3 783	3 248
Actuarial losses/(gains)	-1 887	-7 194
Plan amendments	79	6 338
Benefits paid	-5 524	-4 980
Acquisition brewery Ziegelhof	0	2 450
Translation differences	6	8
<b>Present value of funded obligation as of September 30</b>	<b>123 889</b>	<b>122 729</b>

Changes of fair value of plan assets	2006/2007	2005/2006
Fair value of plan assets as of October 1	110 046	106 114
Expected return on plan assets	4 912	5 019
Employer's contributions	2 339	2 289
Employees' contributions	1 815	1 737
Benefits paid	-5 524	-4 980
Actuarial (losses)/gains	-1 523	-1 831
Acquisition brewery Ziegelhof	0	1 698
Translation differences	6	0
<b>Fair value of plan assets as of September 30</b>	<b>112 071</b>	<b>110 046</b>

<b>Net prepaid employee benefits</b>	<b>30.09.2007</b>	<b>30.09.2006</b>
Present value of funded obligations	123 889	122 729
Market value of plan assets	-112 071	-110 046
<b>Funding deficit</b>	<b>11 818</b>	<b>12 683</b>
Present value of unfunded obligations	307	296
Unrecognized actuarial losses	-8 751	-9 059
Unrecognized transition cost (plan amendments)	-5 023	-5 363
<b>Prepaid employee benefits</b>	<b>-1 649</b>	<b>-1 443</b>

<b>Net benefit expenses</b>	<b>2006/2007</b>	<b>2005/2006</b>
Current service cost	4 703	4 945
Interest cost on benefit obligation	3 796	3 248
Expected return on plan assets	-4 912	-5 019
Amortization of transition cost (plan changes)	367	1 097
Amortization of actuarial losses	0	287
Employees' contributions	-1 815	-1 737
<b>Expense recognized in the income statement</b>	<b>2 139</b>	<b>2 821</b>

#### Movement in the net prepaid employee benefits

	<b>2006/2007</b>	<b>2005/2006</b>
Prepaid employee benefits as of October 1	-1 443	-2 735
Net expense recognized in the income statement	2 139	2 821
Employer's contributions	-2 339	-2 289
Acquisition brewery Ziegelhof	0	752
Translation differences	-6	8
<b>Prepaid employee benefits as of September 30</b>	<b>-1 649</b>	<b>-1 443</b>

The prepaid employee benefits of TCHF 1 649 are due mainly to Swiss pension plans. These plans are legally independent foundations, for which the Eichhof Group is not liable.

The required coverage is established according to national legislation, where contributions paid until the balance sheet date and the corresponding interest are included. Future salary and pension increases though, in contrary to IAS 19, are excluded. The Swiss pension plans are covered by 104% as of January 1, 2007 (previous year: 104%).

#### The experience gains and losses are as follows:

	<b>2006/2007</b>	<b>in %</b>
Actual return on assets	3 389	3,1%
Difference between expected and actual return on plan assets	1 523	1,4%
Experience loss (gain) on the pension liabilities	489	0,4%

The expected employer's contributions for financial year 2007/2008 amount to TCHF 2 342.

The plan assets also include 700 (previous year: 700) shares of Eichhof Holding AG at fair value of TCHF 1 401 as of September 30, 2007 (previous year: TCHF 1 120).

The weighted actuarial assumptions can be summarized as follows:

	30.09.2007	30.09.2006
Discount rate	3,30%	3,15%
Expected long-term rate of return on assets	4,50%	4,75%
Future salary increases	1,50%	1,50%
Future pension increases	0,25%	0,25%

Average weighted allocation of plan assets of the pension plans by category:

		targeted return
Shares	29,2%	6,7%
Bonds	33,9%	3,1%
Real estate	31,6%	4,5%
Cash and other financial assets	5,3%	1,5%
<b>Total</b>	<b>100,0%</b>	<b>4,5%</b>

#### Defined contribution plans

The Eichhof Group maintains various defined contribution plans for which expenses for 2006/2007 amount to TCHF 904 (previous year: TCHF 825).

## 20 Management share option plan

Options to subscribe Eichhof registered shares are granted to members of the Board of Directors and of certain members of management as part of their performance-related bonuses.

The exercise price of the granted options is determined in accordance with the Black-Scholes-formula taking into account a premium per option of CHF 250.

Options are conditional on the employee completing one year's service (the vesting period), which corresponds with the reporting period.

The options are exercisable starting three years from the grant date or can be sold back to the company after six years for CHF 250 (share option premium). The options expire in ten years.

The expenses in the reporting period amount to TCHF 1 384 (previous year: TCHF 1 167) and the accrual under accrued liabilities amount to TCHF 2 791 (previous year: TCHF 2 434).

For the potential exercise of the options a conditional share capital of maximally CHF 4 580 at nominal value of CHF 1 per share and also own shares are available.

In the reporting period, 2 280 options (previous year: 3 280) were exercised with an average exercise price including option premium of CHF 691 (previous year: CHF 584). The average share price during exercises was CHF 1 766 (previous year: CHF 1 454). 530 Options (previous year: 1 320) were exercisable at the balance sheet date.

Year issued	Quantity of outstanding options 1.10.2006 and expected granting	Exercise-price (CHF) <sup>1)</sup>	Expiration of blocking period	Expiration of exercise period	Quantity of options exercised 2006/2007	Quantity of options repurchased 2006/2007	Out-standing options 30.09.2007
1998	240	1 042	1.10.2001	1.10.2008	240	0	0
1999	80	665	1.10.2002	1.10.2009	80	0	0
2000	940	736	1.10.2003	1.10.2010	490	0	450
2001	40	212	1.10.2004	1.10.2011	0	0	40
2002	20	138	1.10.2005	1.10.2012	0	0	20
2003	1 490	232	1.10.2006	1.10.2013	1 470	0	20
2004	2 280	452	1.10.2007	1.10.2014	0	0	2 280
2005	3 040	745	1.10.2008	1.10.2015	0	0	3 040
2006	3 580	1 049	1.10.2009	1.10.2016	0	0	3 580
<b>Total carry forward</b>	<b>11 710</b>						
2007 (expected granting)	3 700	1 626	1.10.2010	1.10.2017	0	0	3 700
<b>Total</b>	<b>15 410</b>				<b>2 280</b>	<b>0</b>	<b>13 130</b>

Year issued	Quantity of outstanding options 1.10.2005 and expected granting	Exercise-price (CHF) <sup>1)</sup>	Expiration of blocking period	Expiration of exercise period	Quantity of options exercised 2005/2006	Quantity of options repurchased 2005/2006	Out-standing options 30.09.2006
1998	340	1 042	1.10.2001	1.10.2008	40	60	240
1999	1 020	665	1.10.2002	1.10.2009	880	60	80
2000	1 060	736	1.10.2003	1.10.2010	120	0	940
2001	1 000	212	1.10.2004	1.10.2011	960	0	40
2002	1 380	138	1.10.2005	1.10.2012	1 280	80	20
2003	1 640	232	1.10.2006	1.10.2013	0	150	1 490
2004	2 480	452	1.10.2007	1.10.2014	0	200	2 280
2005	3 080	745	1.10.2008	1.10.2015	0	40	3 040
<b>Total carry forward</b>	<b>12 000</b>						
2006 (expected granting)	3 200	1 049	1.10.2009	1.10.2016	0	0	3 200
<b>Total</b>	<b>15 200</b>				<b>3 280</b>	<b>590</b>	<b>11 330</b>

<sup>1)</sup> in addition the option premium of CHF 250.

The fair value of options granted during the period determined using the Black-Scholes valuation model was CHF 374 (previous period: CHF 365). The significant inputs into the model were the average share price in September of CHF 2 061 (previous year: CHF 1 631), the exercise prices shown above, standard deviation of expected share price returns of 23% (previous period: 23%), dividend yield of 4,9% (previous year 4,7%), option life of ten years and annual risk-free interest rate of 3,0% (previous period: 2,3%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of weekly share prices over the last ten years.

**21 Derivative financial instruments**

as of 30.09.	Contract values		Positive replacement value		Negative replacement value	
	2007	2006	2007	2006	2007	2006
<b>Currency instruments</b>						
Foreign exchange contracts	0	3 750	0	1	0	0
<b>Interest instruments</b>						
Interest rate swap	40 000	50 000	54	0	0	-1 364

The interests of the refinancing of the repaid debenture bond in the prior financial year were hedged by an interest rate swap for the period from April 1, 2005 to April 1, 2010. Eichhof Holding AG pays a fixed interest rate of 2,84% p.a. and receives a variable interest rate based on the six months CHF-LIBOR.

**22 Earnings per share (EPS)**

Earnings per share were calculated by dividing the profit for the year attributable to ordinary shares by the average number of ordinary shares outstanding during the year (issued shares less own shares).

Diluted earnings per share include the effect of dilution, which could arise as a result of exercising management share options.

	2006/2007	2005/2006
Profit for the year	18 344	15 675
Average number of shares outstanding	155 571	154 255
<b>Basic earnings per share in CHF</b>	<b>117,91</b>	<b>101,62</b>
Effect of dilution: Number of share options	5 648	5 100
Adjusted average number of shares for diluted earnings per share	161 219	159 355
<b>Diluted earnings per share in CHF</b>	<b>113,78</b>	<b>98,36</b>

**23 Related parties and companies**

The Eichhof Holding AG has related party relationships with its subsidiaries, their pension plans and with Members of the Board of Directors and with the Executive Committee.

**Eichhof Group subsidiaries**

A listing of the Eichhof Group subsidiaries is included in note 31. Transactions between the Eichhof Holding AG and its subsidiaries and between subsidiaries of Eichhof Group are eliminated on consolidation. There are no associated companies or joint ventures.

**Key management personnel**

Members of the Executive Committee control 33.6% (previous year: 33.1%) of the voting shares of the Eichhof Holding AG. As in the previous year, no claims or liabilities exist between the company and key management personnel.

Total payments to non-executive Members of the Board of Directors were TCHF 287 in the reporting period (previous year: TCHF 306). The remuneration to the President of the Board, who is also a Member of the Executive Committee, is included in the figures of the remuneration of Members of the Executive Committee as shown in the table below.

Remuneration of Members of the Executive Committee	2006/2007	2005/2006
Total remuneration paid in cash	6 304	6 615
Pension costs	245	324
Share-based payments	1 384	1 167
<b>Total</b>	<b>7 933</b>	<b>8 106</b>

No receivables or liabilities between the company and its related parties existed at the end of both, the reporting period and the previous year, with the exception of pension plans, refer to note 11, 15, 17 and 19.

**24 Leasing liabilities**

As in the previous year, no finance lease contracts existed at the balance sheet date.

The following overview shows future liabilities arising from non-capitalized operating lease contracts:

	30.09.2007	30.09.2006
Due in reporting period + 1 year	1 544	1 294
Due in reporting period + 2 years	1 390	1 131
Due in reporting period + 3 years	1 254	957
Due in reporting period + 4 years	370	883
Due in reporting period + 5 years	0	48
Due in reporting period + > 5 years	0	0
<b>Total operating leasing liabilities</b>	<b>4 558</b>	<b>4 313</b>

The leasing expenses in the financial year amount to TCHF 1 768 (previous year: TCHF 1 428).

**25 Contingent liabilities**

There were no sureties, guarantee obligations or pledges in favour of third parties either in the reporting period nor in the previous year.

The company is involved in legal disputes, lawsuits and court cases in the ordinary course of business. As far as the company can assess such legal claims are not currently expected to exceed existing provisions or otherwise significantly impact its financial situation or operational results.

**26 Securing of own liabilities**

No assets were pledged to secure own liabilities in the reporting and in the previous period.

## 27 Commitment to capital expenditure

Eichhof Beverage entered into contracts with construction companies to enhance the capacity and to build the visitors centre.

Datacolor is building a new production facility in Suzhou, China, and entered therefore into contracts with general construction and other construction companies.

Eichhof Real Estate realizes the project "Eiche", the street project and other various projects of smaller scale.

Up until the end of the construction work the following payments are expected to occur in next financial year according to the contracts:

Eichhof Beverage	3 915
Datacolor	2 712
Eichhof Real Estate	7 375
<b>Total</b>	<b>14 002</b>

## 28 Acquisitions

### Acquisitions 2006/2007

There have been no acquisitions in the financial year 2006/2007.

### Acquisitions 2005/2006

Eichhof Beverage acquired as per Mai 15, 2006, the operational business of the brewery Ziegelhof, Liestal, CH. The acquired business contributed CHF 2,5 million to sales and TCHF 261 to the profit of the Eichhof Group in the period from May 15 to September 30, 2006. If the acquisition had occurred on October 1, 2005, the contribution to sales would have been CHF 6,2 million.

The following assets and liabilities, at fair values, have been purchased during the acquisition.

	IFRS net carrying value before acquisition	Fair value adjustments	Fair value
	TCHF	TCHF	TCHF
Current assets	1 424		1 424
Deferred tax assets	165		165
Property, plant and equipment	718		718
Intangible assets (refer note 14)	1 500	1 500	
Financial assets	1 918		1 918
Accrued and other liabilities	-815		-815
Accruals for IAS 19	-752		-752
<b>Total net assets taken over</b>	<b>2 658</b>	<b>1 500</b>	<b>4 158</b>
<b>Deviation (Goodwill) (refer note 14)</b>			<b>1 853</b>
<b>Purchase price</b>			<b>6 011</b>
<b>Cost of acquisition (legal fees)</b>			<b>50</b>
<b>Total purchase price consideration (cash flow)</b>			<b>6 061</b>

The intangible assets contain the value of the trade mark and the consumer base. The goodwill exists of the specific market knowledge, the experience of the employees taken over and the synergies following the acquisition.

## 29 Post balance sheet events

Eichhof Real Estate acquired in October 2007 from the pension fund of Eichhof-Gruppe two properties in the total amount of CHF 34.8 million. The purchase has been financed with long term bank loans. Following this transaction Eichhof Immobilien AG increased its share capital to CHF 20 million.

The board of the pension fund of Eichhof-Gruppe, Lucerne, decided on November 13, 2007 to convert the fund from a defined benefit plan into a defined contribution plan as per January 1, 2008. The company does under the current circumstances not expect, that the change of the plan will have a significant impact on the consolidated income statement of the Group.

The Eichhof Group Financial Statements were released for publication by the Board of Directors on November 13, 2007. They must still be approved by the shareholders at the Annual General Meeting.

The Board of Directors proposes to the Annual General Meeting a dividend of CHF 90 per share or CHF 14,0 million respectively for the reporting period 2006/2007.

No significant events which might have any influence on the information presented in the 2006/2007 annual report or would require disclosure in this report have occurred between September 30 and November 13, 2007.

## 30 Foreign exchange rates

Currency	Unit	Year-end rates for balance sheet		Average rates for income statement	
		30.09.2007	30.09.2006	2006/2007	2005/2006
USD	1	1,160	1,250	1,230	1,270
EUR	1	1,660	1,590	1,620	1,560
GBP	1	2,380	2,340	2,400	2,280

31 Group entities

Company	Location	Currency	Share capital '000	Ownership interest in %
<b>Eichhof Beverage</b>				
Brauerei Eichhof AG*	CH-Luzern	CHF	15 000	100
Eichhof Getränke AG*	CH-Luzern	CHF	10 000	100
Bier-Import AG*	CH-Luzern	CHF	500	100
MABAG AG*	CH-Luzern	CHF	100	100
Kellerei St. Georg AG	CH-Luzern	CHF	100	100
AG "Der Fliegende Harass"	CH-Luzern	CHF	50	100
Ulmer & Knecht AG	CH-Zürich	CHF	392	100
<b>Eichhof Real Estate</b>				
Eichhof Immobilien AG *	CH-Luzern	CHF	10 000	100
<b>Datacolor</b>				
Datacolor Holding Ltd*	CH-Luzern	CHF	10 000	100
Datacolor Ltd	CH-Dietlikon	CHF	2 000	100
Datacolor Logistics Ltd **	CH-Luzern	CHF	1 000	100
Datacolor International France SA	F-Montreuil	EUR	274	100
Datacolor GmbH	D-Marl	EUR	256	100
Datacolor Asia Pacific (HK) Ltd.	Hong Kong	HKD	10	100
Datacolor Inc. ***	USA-Lawrenceville	USD	35 808	100
Datacolor International Ltd.	GB-Altrincham	GBP	7 500	100
Datacolor Italia S.r.l. ****	I-Bergamo	EUR	20	100
Datacolor Technology (Suzhou) Co., Ltd.	China-Suzhou	USD	920	100

\* These companies are held directly by Eichhof Holding AG.

\*\* Newly established in September 2007.

\*\*\* CV US Inc. and Applied Color Systems Inc. merged as per October 1, 2006, name changed into Datacolor Inc.

\*\*\*\* Change from branch into a separate legal entity in September 2007.

## REPORT OF THE GROUP AUDITORS

### to the General Meeting of Eichhof Holding AG, Lucerne

As group auditors, we have audited the consolidated financial statements (income statement, balance sheet, cash flow statement and notes and statement of changes in equity as set out on pages 33 to 64) of Eichhof Holding AG for the year ended September 30, 2007.

These consolidated financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing (ISA), which require that an audit be planned and performed to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the consolidated financial statements. We have also assessed the accounting principles used, significant estimates made and the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

We recommend that the consolidated financial statements submitted to you be approved.



KPMG Fides Peat

Markus Forrer  
Swiss Certified Accountant  
Auditor in Charge

Sandro Mascarucci  
Swiss Certified Accountant

Root/Luzern, 13. November 2007

## INCOME STATEMENT

in TCHF	2006/2007	2005/2006
Financial income	23 457	20 017
Financial expenses	-3 570	-4 824
Administration expenses	-1 416	-1 134
Income taxes	-584	-305
<b>Profit for the year</b>	<b>17 887</b>	<b>13 754</b>
Retained earnings at beginning of year	34 142	28 921
Dividend	-12 552	-8 533
<b>Retained earnings at end of year</b>	<b>39 477</b>	<b>34 142</b>

## BALANCE SHEET

in TCHF		30.09.2007		30.09.2006	
<b>Assets</b>					
Cash and cash equivalents		628		1 007	
Financial assets		11 912		21 247	
Other receivables					
– third parties		144		76	
– group companies		880		889	
Prepaid expenses		253		253	
<b>Current assets</b>		<b>13 817</b>	10,1%	<b>23 472</b>	17,1%
Investments in group companies	3	69 696		69 696	
Own shares	5	15 918		15 120	
Loans to group companies	3	37 777		29 368	
<b>Non-current assets</b>		<b>123 391</b>	89,9%	<b>114 184</b>	82,9%
<b>Assets</b>		<b>137 208</b>	100,0%	<b>137 656</b>	100,0%
<b>Liabilities and shareholders' equity</b>					
Financial liabilities	4	25 088		80 939	
Other current liabilities due to					
– third parties		0		0	
– group companies		166		202	
Accrued liabilities		3 459		2 734	
<b>Current liabilities</b>		<b>28 713</b>	20,9%	<b>83 875</b>	60,9%
Financial liabilities	4	50 000		784	
<b>Non-current liabilities</b>		<b>50 000</b>	36,4%	<b>784</b>	0,6%
<b>Liabilities</b>		<b>78 713</b>	57,4%	<b>84 659</b>	61,5%
Share capital	5	168		168	
Legal reserves		2 617		2 453	
Reserves for own shares	5	15 918		15 120	
Free reserves		315		1 114	
Retained earnings		39 477		34 142	
<b>Shareholders' equity</b>		<b>58 495</b>	42,6%	<b>52 997</b>	38,5%
<b>Liabilities and shareholders' equity</b>		<b>137 208</b>	100,0%	<b>137 656</b>	100,0%

## NOTES

### 1 Introduction

The financial statements of Eichhof Holding AG comply with the Swiss Code of Obligation.

### 2 Accounting and valuation principles

#### Financial assets

The short term financial assets contain securities held for trading and are measured at fair value, with fluctuations in value being recognized in the income statement. The fair value of these assets is the market value as of the balance sheet date.

#### Investments and loans

They are valued at acquisition cost less accumulated amortization.

### 3 Loans to and investments in group companies

Loans granted to group companies serve to finance them and are given on a long-term basis. Directly and indirectly held investments of Eichhof Holding AG are presented on page 64 of this report.

### 4 Financial liabilities

in TCHF	30.09.2007	30.09.2006
Current financial liabilities due to third parties	25 088	80 359
Derivative financial instruments	0	580
<b>Current financial liabilities</b>	<b>25 088</b>	<b>80 939</b>
Derivative financial instruments	0	784
Bankdarlehen	50 000	0
<b>Non-current financial liabilities</b>	<b>50 000</b>	<b>784</b>

### 5 Shareholders' equity

#### Share capital

The share capital of Eichhof Holding AG of CHF 168 044 (previous year: CHF 167 704) is fully paid-in and consists of 168 044 registered shares with a par value of CHF 1 each (previous year: 167 704).

In the current year 340 shares have been issued out of the conditional share capital due to exercised management share options.

The shares are listed on the Swiss Stock Exchange Zurich under issue number 853 104.

#### Conditional share capital

For the possible exercise of the management share options a conditioned share capital of maximally CHF 4 580 (previous year: CHF 4 920) exists at par value of CHF 1.

**Own shares**

Eichhof Holding AG holds a total of 12 289 (previous year: 12 823) of own shares, carried at TCHF 15 918 (previous year: TCHF 15 120). The voting rights for these shares are suspended. A reserve for own shares has been duly formed for these shares.

	2007			2006		
	Par value TCHF	Book value TCHF	Number	Par value TCHF	Book value TCHF	Number
<b>Balance as of 1.10.</b>	<b>13</b>	<b>15 120</b>	<b>12 823</b>	<b>13</b>	<b>14 541</b>	<b>12 848</b>
Shares purchased	2	3 774	1 906	2	2 464	1 620
Shares sold	-3	-4 296	-2 440	-2	-2 498	-1 645
Market value adjustment		1 320			613	
<b>Balance as of 30.09.</b>	<b>12</b>	<b>15 918</b>	<b>12 289</b>	<b>13</b>	<b>15 120</b>	<b>12 823</b>

The share capital entitled to a dividend amounts to CHF 155 755.

**Major shareholders**

The Board of Directors of Eichhof Holding AG is aware of the following individual shareholders and jointly voting shareholder groups whose holdings exceed 5% of all voting shares:

Dubach family 33,2% (previous year: 32,4%), Keller family 8,8% (previous year: 8,8%).

**6 Pledges and guarantees in favour of third parties**

On September 30, 2007, Eichhof Holding AG had provided pledges to a maximum amount of CHF 10 million (previous year: CHF 10 million) on behalf of group companies. None (previous year: none) were drawn on at the balance sheet date.

## PROPOSED APPROPRIATION OF AVAILABLE EARNINGS

### Proposal of the Board of Directors

#### Retained earnings

Profit for the year 2006/2007	CHF	17 886 702
Retained earnings carried forward	CHF	21 590 163

**Retained earnings** CHF **39 476 865**

The Board of Directors proposes the retained earnings of CHF 39 476 865 of Eichhof Holding AG to be distributed as follows:

Dividend on dividend-entitled capital of CHF 155 755	CHF	14 017 950
Retained earnings to be carried forward	CHF	25 458 915

**Total** CHF **39 476 865**

The dividend of CHF 14 017 950 corresponds to a gross dividend of CHF 90 per dividend-entitled share at par value of CHF 1. If this earnings appropriation proposal is accepted, the date of payment will be January 21, 2008.

## REPORT OF THE STATUTORY AUDITORS

### to the General Meeting of Eichhof Holding AG, Lucerne

As statutory auditors, we have audited the accounting records and the financial statements (income statement, balance sheet and notes as set out on pages 66 to 70) of Eichhof Holding AG for the year ended September 30, 2007.

These financial statements are the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Our audit was conducted in accordance with Swiss Auditing Standards, which require that an audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accounting records and financial statements and the proposed appropriation of available earnings comply with Swiss law and the company's articles of incorporation.

We recommend that the financial statements submitted to you be approved.



KPMG AG

Markus Forrer  
Swiss Certified Accountant  
Auditor in Charge

Sandro Masciarucci  
Swiss Certified Accountant

Root/Luzern, November 13, 2007

## INVESTORS' INFORMATION

### Stock exchange information

Expected dividend-date 2008	21.01.2008
Listing	SWX Swiss Exchange (Zurich)
Security ID	853 104
ISIN	CH0008531045
Reuters	EINZn.S
Bloomberg	EI/N
Investdata	EIN

Capital structure	30.09.2007	30.09.2006
Share capital in CHF	168 044	167 704
Conditional share capital in CHF	4 580	4 920
Number of registered shares	168 044	167 704
Nominal value per share in CHF	1	1
Registration restrictions	none	none
Voting restrictions	none	none
Opting out / opting up	none	none

Major shareholders (in %)	30.09.2007	30.09.2006
Dubach family	33,2	32,4
Keller family	8,8	8,8

Shareholders by category (in %)	30.09.2007	30.09.2006
Major shareholders	42,0	41,2
Private investors	69,9	69,3
Corporate investors	30,1	30,7
Non-registered shareholders	8,4	8,7

Number of registered shares	30.09.2007	30.09.2006
Shares	Shareholders	Shareholders
1 – 100	3 065	2 883
101 – 1 000	59	57
1 001 – 5 000	4	5
5 001 – 10 000	1	1
>10 000	3*	3*
Gesamt	3 132	2 949

\* incl. own shares of Eichhof Holding AG.

Share price data in CHF	2006/2007	2005/2006
First trading day	1 605 (02.10.2006)	1 410 (03.10.2005)
Low	1 600 (29.11.2006)	1 392 (23.11.2005)
High	2 240 (09.05.2007)	1 670 (21.08.2006)
Last trading day	2 002 (28.09.2007)	1 600 (29.09.2006)
Average	1 956	1 534
Market capitalization in million as of 30.09.	336,4	268,3

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