



## Media information

### **Datacolor posts sales increase and profit in first half 2009/10**

**Net sales CHF 30.9 million – EBIT margin 8.1% – Net income CHF 1.7 million**

Datacolor's continued focus on the global color management business and on fulfilling the requirements of a company listed on the SIX Swiss Exchange already had a positive impact on the half-year results. Compared with the results for the first half of the previous year, which were hit by the challenging economic climate and extraordinary costs, Datacolor increased its consolidated net sales by 17% to CHF 30.9 million (H1 08/09: CHF 26.4 million), and in local currencies by as much as 26%. The operating result improved to CHF 2.5 million (CHF -2.8 million), the EBIT margin to 8.1% and net income from CHF -4.0 million (excluding one-off gain from the sale of the real estate division) to CHF 1.7 million. Free cash flow rose to CHF 7.2 million (CHF 4.6 million). At the end of March, the equity ratio was still a comfortable 54.6% (September 30, 2009: 59.6%). Despite the expansion prompted by a sharp rise in demand from the Asia/Pacific region, particularly China, the average headcount fell by 20 to 251 full-time equivalents.

### **Demand picks up noticeably in the Industrial and Consumer Business Units**

In the first half of fiscal 2009/10, Datacolor recorded a noticeable rise in demand in all key markets as the economic climate improved. Major customers, including multinational textile manufacturers from Asia, those in the automotive, furniture and packaging industries and manufacturers of coatings and paints in the specialty chemicals sector, are again investing in solutions that increase efficiency and quality. Strong demand, especially from China, boosted the Asia/Pacific region's share of sales to 27% (H1 08/09: 23.5%), while Europe accounted for another 43.3% (45.4%) and the American markets 29.7% (31.1%). In the Industrial Business Unit, sales of instruments and software packages rose by 22% to CHF 16.4 million (CHF 13.4 million) in the first half compared with the same period of the previous year, which had been impacted by a big drop in demand. The Service and Support arm also performed well, generating sales of CHF 7.2 million (CHF 6.6 million). The Consumer Business Unit, comprising the innovative Datacolor Spyder products for color calibration of cameras, monitors, printers and projectors, generated sales of CHF 7.4 million (CHF 6.4 million) in the first half of the year, thus beating the year-back figure, which was low because of the economic downturn, by 16%.

### **Higher investment in development and launch of new products**

In the first half of fiscal 2009/10, Datacolor again invested extra resources in developing new products and expanding the existing range with new versions of its 'Match Pigment' program for color management in the plastics, coatings, paint and cosmetics industries, its 'Select Kit' program for the retail paint and home décor market, and its 'Guardian' care and maintenance program for Datacolor high-end instruments. The Datacolor Spyder range was also expanded significantly with the addition of the 'Spyder3Print SR', a high-performance solution that enables professional photographers and designers in the art printing and production segment to color calibrate printers accurately, and the 'Spyder3Express', a user-friendly color calibration system for amateur photographers that supports the accurate color reproduction of photos on monitors. The appointment of Tae Park as Chief Technology Officer in April 2010 has strengthened the research and development department with a view to making development activities even more efficient and bringing innovative new technologies and products to market even faster.

### **Strict cost management and solid balance sheet**

Even after the dividend distribution, the net cash position increased significantly to CHF 17.3 million (end of fiscal 2008/09: CHF 11.9 million). Datacolor has a balance sheet total of CHF 45.8 million (CHF 41.6 million), is free of debt and still has a comfortable equity ratio of 54.6% (59.6%). Cash, cash equivalents and financial assets represent a high 42% of total assets, with the increase to CHF 19.4 million (CHF 14.0 million) mainly attributable to the company's tight control of working capital as well as to the profit generated. The financial result of CHF -0.7 million was largely influenced by the unfavorable trend of the euro against the Swiss franc. There was a significant year-on-year rise in the gross margin of 6.7 percentage points to 63.4%. This very pleasing trend in the gross margin is attributable to the completion in the last fiscal year of the relocation of production from the USA to the company's own facilities in the Chinese city of Suzhou, together with the associated efficiency improvements and cost reductions, as well as to the volume effect and a positive change in the sales mix.

### **Outlook**

Thanks to its greatly rejuvenated product range, Datacolor is well positioned for above-average growth as the economy continues to improve. The company has an experienced management team, an efficient production site in China, an effective global service and sales organization and a well-filled development pipeline featuring innovative technologies and products. Thanks to its focus on high-growth market segments, its solid balance sheet and its tight cost management, Datacolor is well placed to achieve its ambitious medium-term objectives for growth and profitability, in conjunction with selected acquisitions.

Lucerne, May 4, 2010

**The full half-year Report for fiscal 2009/10 can be downloaded from:**

**[www.datacolor.com / Investor Relations](http://www.datacolor.com/InvestorRelations) – <http://www.eichhof.com/1/1464/1489/1515.asp>**

### **For further information**

T +41 44 488 40 19  
www.datacolor.com

Datacolor AG  
Waldstätterstrasse 12, P.O. Box 2541, 6002 Lucerne

### **Agenda**

November 5, 2010	Publication of annual results
November 30, 2010	Annual Media Conference
January 13, 2011	Annual General Meeting

### **About Datacolor**

Datacolor is a global leader in the development and production of color management and color communication software and systems. Datacolor has an international sales, service and support network as well as a production center in China. Clients include the apparel and textile industry, paint and coatings producers, the automotive and plastics industries, manufacturers of home theater systems, and professional and hobby photographers.