

LUDWIGBECK

CONSOLIDATED INTERIM REPORT

for the 3rd Quarter and the 1st nine Months of the Fiscal Year 2013
for the Period from January 1 to September 30, 2013

LUDWIG BECK

seit 1867

KEY FIGURES OF THE GROUP

€m	1/1/2013 – 9/30/2013	1/1/2012 – 9/30/2012
Sales (gross)	68.5	70.4
Sales (net)	57.6	59.2
Earnings before interest, taxes and depreciation (EBITDA)	7.5	9.7
Earnings before interest and taxes (EBIT)	5.4	7.6
Earnings before taxes (EBT)	4.1	6.2
Net profit for the period after minority interests	2.6	4.1
Equity	60.3	55.8
Equity ratio (in %)	55.6	51.6
Earnings per share (in €)	0.70	1.10
Investments	2.7	2.0
Employees (as of 9/30)*	444	467
Apprentices (no.)	56	58

* Without apprentices

INTRODUCTION

LUDWIG BECK's financial reporting is based on the International Financial Reporting Standards (IFRS) and is pursuant to § 37w WpHG. Generally, the interim report is prepared as an update of the business report focusing on the current reporting period. The Group accounts prepared in addition thereto, in accordance with IFRS, serve as a fundamental basis for LUDWIG BECK's financial reporting in compliance with IFRS as leading accounting system. Therefore, the interim report should be read together with the IFRS-compliant group accounts and the business report published for the fiscal year 2012.

REPORT ON EARNINGS, FINANCIAL, AND ASSET SITUATION

Earnings situation

Macroeconomic development

After a weak start and cautious approaches to staying on course despite the prevailing recession in the Eurozone, the German economy slowly gained momentum over the course of the year. According to the German Institute for Economic Research (DIW), rising consumer spending and slowly increasing investment activity spur the moderate growth. While the Kiel Institute for the World Economy (IfW) perceives the German foreign trade as nearly neutral, DIW analysts see exports picking up gradually, which should further stimulate the economy. The increasing dynamic of important outlets,

such as the US market, supports this trend, as does the Eurozone. According to positive data collected by the IfW, it came out of its recession in spring of 2013. Because of flagging developments in Brazil, China and other emerging economies, the Federation of German Industry (BDI) sees German exports still restrained and lagging behind expectations.

Retail trade development

In August 2013, the Germans' propensity to buy reached its highest level since December 2006. The Association for Consumption Research (GfK) sees this shopping euphoria calming down. The Ifo Institute reports a rise in the business climate index. Retailers find the present state of business satisfactory. The Trade Research Institute (IfH) came to less optimistic conclusions. In a recent survey, just under half of brick and mortar retailers stated, that they feel the effects of the Euro crisis. However, they still assess the German retail trade as stable. According to TW-Testclub information, fashion retail has been on a roller coaster for several weeks now – exciting increases, some of them reaching two figures, interrupted by weekly sales slumps. The sector started October off with a 6% increase compared to 0% for the whole of September. Retailers unanimously agreed that the 2013 summer heat arrived too late, when they were already displaying their fall collections (source: TextilWirtschaft).

LUDWIG BECK development of sales

In the 1st half of the year, LUDWIG BECK's sales figures were already negatively affected by weather conditions that were, with a hard winter reaching into April, extremely bad for fashion retail.

Then the 3rd quarter was fraught with an extreme heat wave in July. Munich recorded seven days with temperatures above 30 °C (86 °F).

Furthermore, Tram network construction added considerable adversity. All of the Tram trunk routes were closed to traffic for four weekends in August. This was a blow for the corporation, as Saturday, traditionally, is by far the day with the strongest sales for LUDWIG BECK and most customers use public transportation to get to the Munich Marienplatz.

Therefore, Group gross sales amounted to € 68.5m (previous year: € 70.4m) for the 1st nine months of 2013, a € 1.9m decrease. Accounting for € 1.6m, the Olympia Shopping Mall Esprit branch, which was sold in 2012, had contributed to last year's sales, the Group looks at a slight decrease in like-for-like sales of only € 0.3m or 0.4%. The Marienplatz flagship store reached gross sales of € 66.7m (previous year: € 67.9m), a loss of 1.7%. HAUTNAH at FÜNF HÖFE, however, recorded significant growth. So did the online store of ludwigbeck.de GmbH, which was just launched in December 2012. It reached very satisfactory sales by the end of September 2013 and clearly exceeded management's expectations.

Earnings situation

At the end of the 1st nine months of the 2013 fiscal year, decreased sales, the loss of positive sales results the Esprit branch at Munich OEZ had added in the 1st half of 2012, and on-schedule start-up expenses for ludwigbeck.de GmbH launched in December 2012 were the reasons, the performance of LUDWIG BECK was below last year's figures.

The Group's gross profit amounted to € 28.7m (previous year: € 29.6m). Last year, the OEZ Esprit branch, which was sold at the end of June, still contributed € 0.6m to gross profits. The gross profit margin was at 49.8% (previous year: 50.0%).

Absolute expenses against corresponding income were at € 23.3m (previous year: € 22.1m) and thus within the margins of the management's plan. The expense ratio (operating expenses minus corresponding proceeds in relation to net sales) was 40.4% (previous year: 37.3%).

Consistent with sales development, earnings before interest and taxes (EBIT) reached € 5.4m (previous year: € 7.6m). Accordingly, the EBIT margin was 9.4% (previous year: 12.8%). Last year's EBIT had a positive influx of € 0.3m (amount of earnings of the Esprit Branch at Olympia Shopping Mall and proceeds of sale). This year's EBIT has a € 0.6m outflow through on-schedule start-up losses of ludwigbeck.de GmbH.

The financial result slightly improved to € -1.3m (previous year: € -1.4m). This includes a negative special item from an early loan repayment.

Earnings before taxes (EBT) reached € 4.1m compared to € 6.2m in the previous year's 3rd quarter. The EBT margin was at 7.2% (previous year: 10.5%)

Period net profits after minority interests amounted to € 2.6m after € 4.1m in the previous year.

Financial & asset situation

Cash flow

Compared to last year, cash flow from current operating activities improved to € -0.6m (previous year € -1.2m) in the 1st nine months of 2013. This development was mostly due to decreased income tax payments compared to the previous year.

Cash outflow from investment activities increased from € 2.0m to now € 2.7m. These are mainly investments in the department store complex at Munich's Marienplatz for the haberdashery & yarn department and construction in the lower ground floor.

At the end of the 1st nine months of 2013, cash flow from financing activities was € 2.8m compared to € -0.2m in the previous year.

Balance sheet structure

At the end of period, September 30, 2013, the balance sheet total of LUDWIG BECK Group rose to € 108.4m (December 31, 2012: € 105.6m).

The increased balance sheet total on the asset side is mostly due a seasonal increase in inventories to € 13.9m (December 31, 2012: € 10.2m). Traditionally, fashion retailers have a high amount of funds committed to inventories during the 3rd quarter. A reduction in receivables and other assets as well as in cash and cash equivalents had an opposite effect.

On the liabilities side, the corporation's equity increased to € 60.3m (December 31, 2012: € 59.9m). This increase is due to the positive result of the 1st nine months of the 2013 fiscal year. The dividend payout as per resolution of the Annual General Meeting on May 8, 2013 and contractual payments to minority shareholders had an opposite effect. As of September 30, 2013 the equity ratio was 55.6% (December 31, 2012: 56.8%).

The Group's aggregate liabilities showed a slight seasonal increase and amounted to € 48.1m (December 31, 2012: € 45.6m).

At the end of the period, September 30, 2013, the Group was able to reduce its long-term liabilities by € 7.7m to € 25.0m (December 31, 2012: € 32.7m) by means of a loan repayment. This led to an increase of short-term liabilities to € 23.1m. On December 31, 2012 they were at € 12.9m. This restructuring of financial liabilities is mostly the result of special loan repayments made in order to take advantage of the currently very low interest rates. With the annual figures for 2012, LUDWIG BECK further improved its rating and currently pays less than 1 percent per annum in short-term interest.

EMPLOYEES

In the 1st nine months of 2013, the number of employees (apprentices not included) was 455 in accordance with Section 267 par. 5 Commercial Code (previous year: 456). The weighted number of full-time employees at Group level slightly decreased to 325 (previous year: 327). At the end of period, September 30, 2013, LUDWIG BECK employed 56 apprentices (previous year: 58).

RISK REPORT

In the course of its activities in the sales markets, the LUDWIG BECK Group is exposed to various risks connected with entrepreneurial transactions. A detailed description thereof is contained in our current annual report for the year 2012 (page 65 ff). It can also be found on the company's website <http://kaufhaus.ludwigbeck.de> in the "Investor Relations" section under "Financial Publications".

FORECAST REPORT

Business and general conditions

The German economy will continue to recover and gain momentum. DIW Economic researchers estimate a 0.4% growth of the Gross Domestic Product, IfW researchers still go for a moderate 0.5% expansion. Forecasts for 2014 predict a growth of 1.7% and 1.8%. A predicted upsurge of investment activity caused by favorable financing terms, increasingly high levels of capacity utilization, slightly decreased unemployment and a soft stimulation of foreign trades build the foundation for the emerging growth. However, the Kiel researchers foresee the economic upturn fraught with considerable risks due to imponderables of the Euro crisis.

Retail trade development

According to ifo-institute surveys, expectations of German retailers are hopeful and at their highest level since January 2011. The Trade Research Institute on the other hand, reports that the majority of retailers assume that the Euro crisis will have an effect on retail development. TW-Testclub states, that 73% of fashion retailers expect rising sales at least for the entry into fall. This corresponds with the GfK's consumer confidence barometer. It predicts that the great shopping mood will, after a short rest, increase slightly in fall and continue its upswing. The analysts attribute this trend to a stable employment situation and the lack of alternative investment options. Savings will henceforth remain unattractive for consumers. With a 1% increase in private consumer spending, they continue to be the pillar of the German economy.

LUDWIG BECK 2013

In years past, the Group has repeatedly proven its ability to absorb or dampen the effect of unpredictable weather on fashion retail, missing sales days and consumer uncertainty. LUDWIG BECK's success has always been an expression of healthy growth based on inner stability. Strategically, the corporation continues to rely on continuity and reliability rather than achieving short-term results. Investors and partners appreciate the company because of its reliable, stable course, on which it will continue in the future.

Throughout the year, LUDWIG BECK redesigned and enhanced the appearance of sales areas in the flagship store at Marienplatz, thus consistently following its upgrade strategy. In August, the haberdashery & yarn department – the roof of our flagship store – reopened in an expanded area. Simultaneously, the Group began preparations for the expansion of the sales area in the lower ground floor. In 2014, 500 m² of new sales area will be developed here to continue to shape LUDWIG BECK's positive development into the future.

The appeal of the LUDWIG BECK brand is the foundation for trusting in its own strength. An exclusive collection presented in an upscale sales culture at a near perfect location. These outstanding criteria profit even more from an emotionally enticing design, making the Group a unique landmark in the landscape of the European fashion retail.

Even though bad weather and detrimental construction work on the Tram network and in close proximity of the department store at Marienplatz have taken their toll, the management expects sales in the amount of app. € 103m. Earlier forecasts predicted amounts of € 105.6m to € 107.6m.

Nonetheless, earnings before taxes (EBT) are expected to reach the lower end of the predicted range (EBT € 11m to € 13m) due to an improved expense ratio for the last quarter based on the management's expectations.

Munich, October 2013

The Executive Board

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF LUDWIG BECK
AM RATHAUSECK – TEXTILHAUS FELDMIEIER AG, MUNICH, FOR THE PERIOD
JANUARY 1 – SEPTEMBER 30, 2013, ACC. TO IASB

	1/1/2013 – 9/30/2013		1/1/2012 – 9/30/2012		7/1/2013 – 9/30/2013		7/1/2012 – 9/30/2012	
	€m		€m		€m		€m	
1. Sales revenues								
- sales (gross)	68.5		70.4		24.6		24.5	
- minus VAT	10.9		11.2		3.9		3.9	
- sales (net)		57.6		59.2		20.7		20.6
2. Other own work capitalized		0.1		0.1		0.0		0.0
3. Other operating income		2.1		2.5		0.8		0.9
		59.8		61.8		21.5		21.6
4. Cost of materials	28.9		29.6		10.5		10.3	
5. Personnel expenses	12.6		12.0		4.3		4.1	
6. Depreciation	2.1		2.1		0.7		0.7	
7. Other operating expenses	10.8	54.4	10.5	54.2	3.6	19.1	3.5	18.6
8. EBIT		5.4		7.6		2.4		3.0
9. Financial result		-1.3		-1.4		-0.3		-0.5
- Of which financing expenses: as of 9/30: € 1.3m (previous year: € 1.4m) 3 rd quarter: € 0.3m (previous year: € 0.5m)								
10. Earnings before taxes (EBT)		4.1		6.2		2.1		2.5
11. Taxes on income		1.4		2.0		0.7		0.8
12. Net profit for the period		2.7		4.2		1.4		1.7
13. Minority interests in net profit for the period		0.1		0.2		0.1		0.1
14. Net profit for the period after minority interests		2.6		4.1		1.3		1.7
Earnings per share (undiluted and diluted) in €		0.70		1.10		0.35		0.45
Average number of outstanding shares in million		3.70		3.70		3.70		3.70

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET OF LUDWIG BECK AM RATHAUSECK – TEXTILHAUS FELDMEIERS AG, MUNICH, AS OF SEPTEMBER 30, 2013, ACC. TO IASB

Assets	9/30/2013	12/31/2012	9/30/2012
	€m	€m	€m
A. Long-term assets			
I. Intangible assets	3.0	3.1	3.1
II. Property, plant and equipment	89.2	88.6	89.1
III. Other assets	0.1	0.1	0.1
Total long-term assets	92.3	91.8	92.3
B. Short-term assets			
I. Inventories	13.9	10.2	13.4
II. Receivables and other assets	1.6	2.6	1.9
III. Cash and cash equivalents	0.5	1.0	0.6
Total short-term assets	16.1	13.8	15.8
	108.4	105.6	108.2
Shareholders' equity and liabilities	9/30/2013	12/31/2012	9/30/2012
	€m	€m	€m
A. Shareholders' equity			
I. Subscribed capital	9.4	9.4	9.4
II. Capital reserves	3.5	3.5	3.5
III. Profit accrued	39.9	39.0	34.7
IV. Equity participation acc. to "anticipated acquisition method"	7.5	8.1	8.2
Total shareholders' equity	60.3	59.9	55.8
B. Long-term liabilities			
I. Financial liabilities	24.4	30.8	32.8
II. Accruals	0.6	0.6	0.6
III. Deferred tax liabilities	0.0	1.2	0.8
Total long-term liabilities	25.0	32.7	34.2
C. Short-term liabilities			
I. Financial liabilities	18.1	6.6	11.0
II. Trade liabilities	1.2	1.1	1.8
III. Tax liabilities	0.4	0.5	0.6
IV. Other liabilities	3.4	4.7	4.8
Total short-term liabilities	23.1	12.9	18.2
Total debt (B.+C.)	48.1	45.6	52.4
	108.4	105.6	108.2

CONSOLIDATED SEGMENT REPORTING

CONSOLIDATED SEGMENT REPORTING OF LUDWIG BECK AM RATHAUSECK –
TEXTILHAUS FELDMEIER AG, MUNICH, FOR THE PERIOD
JANUARY 1 – SEPTEMBER 30, 2013, ACC

in €m	Textile		Non-Textile		Group	
1/1/2013 – 9/30/2013						
<i>Previous year</i>						
Sales (gross)	51.3	119.0%	17.2	119.0%	68.5	119.0%
<i>Previous year</i>	54.5	119.0%	15.9	119.0%	70.4	119.0%
VAT	-8.2	19.0%	-2.7	19.0%	-10.9	19.0%
<i>Previous year</i>	-8.7	19.0%	-2.5	19.0%	-11.2	19.0%
Sales (net)	43.1	100.0%	14.5	100.0%	57.6	100.0%
<i>Previous year</i>	45.8	100.0%	13.3	100.0%	59.2	100.0%
Cost of sales	-21.8	50.7%	-8.5	58.5%	-30.3	52.6%
<i>Previous year</i>	-23.0	50.3%	-7.7	57.8%	-30.8	52.0%
Gross profit	21.3	49.3%	6.0	41.5%	27.3	47.4%
<i>Previous year</i>	22.8	49.7%	5.6	42.2%	28.4	48.0%
Personnel expenses	-3.8	8.9%	-2.2	14.9%	-6.0	10.4%
<i>Previous year</i>	-3.9	8.6%	-1.8	13.6%	-5.7	9.7%
Cost of occupancy	-7.5	17.5%	-1.4	10.0%	-9.0	15.6%
<i>Previous year</i>	-7.7	16.8%	-1.4	10.8%	-9.1	15.5%
Interests	-0.6	1.3%	-0.3	2.0%	-0.9	1.5%
<i>Previous year</i>	-0.5	1.2%	-0.2	1.8%	-0.8	1.3%
Segment result	9.4	21.7%	2.1	14.7%	11.5	19.9%
<i>Previous year</i>	10.6	23.2%	2.1	16.0%	12.8	21.6%
Cash discounts, other discounts etc. on cost of sales					1.4	2.4%
<i>Previous year</i>					1.2	2.0%
Other operational income					2.2	3.8%
<i>Previous year</i>					2.6	4.4%
Other personnel expenses					-6.6	11.5%
<i>Previous year</i>					-6.3	10.6%
Depreciation					-2.1	3.6%
<i>Previous year</i>					-2.1	3.6%
Other expenses					-1.8	3.2%
<i>Previous year</i>					-1.3	2.3%
Other financial result					-0.4	0.7%
<i>Previous year</i>					-0.6	1.0%
Taxes on income					-1.4	2.5%
<i>Previous year</i>					-2.0	3.3%
Net profit for the period					2.7	4.7%
<i>Previous year</i>					4.2	7.1%
Minority interests in net profit for the period					-0.1	0.3%
<i>Previous year</i>					-0.2	0.3%
Net profit for the period after minority interests					2.6	4.5%
<i>Previous year</i>					4.1	6.9%

CONSOLIDATED SEGMENT REPORTING OF LUDWIG BECK AM RATHAUSECK –
TEXTILHAUS FELDMEIERS AG, MUNICH, FOR THE PERIOD
JULY 1 – SEPTEMBER 30, 2013, ACC. TO IASB

in €m	Textile		Non-Textile		Group	
7/1/2013 – 9/30/2013						
<i>Previous year</i>						
Sales (gross)	18.8	119.0%	5.8	119.0%	24.6	119.0%
<i>Previous year</i>	19.0	119.0%	5.5	119.0%	24.5	119.0%
VAT	-3.0	19.0%	-0.9	19.0%	-3.9	19.0%
<i>Previous year</i>	-3.0	19.0%	-0.9	19.0%	-3.9	19.0%
Sales (net)	15.8	100.0%	4.9	100.0%	20.7	100.0%
<i>Previous year</i>	16.0	100.0%	4.6	100.0%	20.6	100.0%
Cost of sales	-8.2	51.7%	-2.8	57.0%	-11.0	53.0%
<i>Previous year</i>	-8.1	50.5%	-2.6	57.1%	-10.7	52.0%
Gross profit	7.6	48.3%	2.1	43.0%	9.7	47.0%
<i>Previous year</i>	7.9	49.5%	2.0	42.9%	9.9	48.0%
Personnel expenses	-1.3	8.2%	-0.7	15.0%	-2.0	9.8%
<i>Previous year</i>	-1.3	8.2%	-0.6	13.3%	-1.9	9.3%
Cost of occupancy	-2.5	15.9%	-0.5	9.8%	-3.0	14.5%
<i>Previous year</i>	-2.5	15.5%	-0.5	10.2%	-3.0	14.3%
Interests	-0.2	1.3%	-0.1	2.1%	-0.3	1.5%
<i>Previous year</i>	-0.2	1.2%	-0.1	1.9%	-0.3	1.4%
Segment result	3.6	22.9%	0.8	16.1%	4.4	21.3%
<i>Previous year</i>	3.9	24.5%	0.8	17.5%	4.7	23.0%
Cash discounts, other discounts etc. on cost of sales					0.4	2.1%
<i>Previous year</i>					0.4	2.2%
Other operational income					0.8	4.0%
<i>Previous year</i>					1.0	4.8%
Other personnel expenses					-2.2	10.9%
<i>Previous year</i>					-2.2	10.7%
Depreciation					-0.7	3.3%
<i>Previous year</i>					-0.7	3.3%
Other expenses					-0.7	3.2%
<i>Previous year</i>					-0.6	2.7%
Other financial result					0.0	0.1%
<i>Previous year</i>					-0.2	0.8%
Taxes on income					-0.7	3.3%
<i>Previous year</i>					-0.8	3.9%
Net profit for the period					1.4	6.6%
<i>Previous year</i>					1.7	8.4%
Minority interests in net profit for the period					-0.1	-0.4%
<i>Previous year</i>					-0.1	-0.3%
Net profit for the period after minority interests					1.3	6.2%
<i>Previous year</i>					1.7	8.1%

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT OF LUDWIG BECK AM RATHAUSECK –
TEXTILHAUS FELDMIEIER AG, MUNICH, FOR THE PERIOD
JANUARY 1 – SEPTEMBER 30, 2013, ACC. TO IASB

in €m	1/1/2013 – 9/30/2013	1/1/2012 – 9/30/2012
Cash flow from operating activities:		
Earnings before taxes	4.1	6.2
Adjustments for:		
+ Depreciation of fixed assets	2.1	2.1
+ Interest expenses	1.3	1.4
Operating result before changes to working capital	7.5	9.7
Increase/decrease (-/+) in assets	-2.8	-4.0
Increase/decrease (+/-) in liabilities	-1.1	0.3
Cash flow from operating activities (before interest and tax payments)	3.6	5.9
Interest paid	-0.9	-1.1
Disbursements to minorities	-0.5	-0.5
Taxes on income paid	-2.7	-5.4
A. Cash flow from operating activities	-0.6	-1.2
Disbursements for investments in fixed assets	-2.7	-2.0
B. Cash flow from investing activities	-2.7	-2.0
Dividend payment	-1.8	-1.7
Acceptance/repayment of bank liabilities	5.1	1.9
Acceptance/repayment of other financial liabilities	-0.4	-0.4
C. Cash flow from financing activities	2.8	-0.2
D. Changes in cash and cash equivalents affecting cash flows (A.+B.+C.)	-0.5	-3.4
Cash and cash equivalents at beginning of period	1.0	3.9
Changes D.	-0.5	-3.4
Cash and cash equivalents at the end of period	0.5	0.6

CONSOLIDATED EQUITY STATEMENT

CONSOLIDATED EQUITY STATEMENT OF LUDWIG BECK AM RATHAUSECK –
TEXTILHAUS FELDMIEIER AG, MUNICH, FOR THE PERIOD
JANUARY 1 – SEPTEMBER 30, 2013, ACC. TO IASB

in €m	Subscribed capital	Capital reserve	Accumulated profit	Equity participation acc. to "anticipated acquisition method"	Total
Balance as of 1/1/2013	9.4	3.5	39.0	8.1	59.9
Net profit for the period			2.7		2.7
Dividend payment			-1.8		-1.8
Change in equity participation item acc. to "anticipated acquisition method"			0.1	-0.6	-0.5
Balance as of 9/30/2013	9.4	3.5	39.9	7.5	60.3
Balance as of 1/1/2012	9.4	3.5	31.9	8.9	53.7
Net profit for the period			4.2		4.2
Dividend payment			-1.7		-1.7
Change in equity participation item acc. to "anticipated acquisition method"			0.2	-0.7	-0.5
Balance as of 9/30/2012	9.4	3.5	34.7	8.2	55.8