LUDWIGBECK

CONSOLIDATED INTERIM REPORT

for the 1st Quarter of the Fiscal Year 2013
for the Period from January 1 to March 31, 2013

LUDWIG BECK
seit 1861

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KEY FIGURES OF THE GROUP

€m	1/1/2013 – 3/31/2013	1/1/2012 – 3/31/2012
Sales (gross)	21.3	22.9
Sales (net)	17.9	19.2
Earnings before interests, taxes on income, depreciation and amortization (EBITDA)	1.7	2.6
Operational result (EBIT)	1.0	1.8
Earnings before taxes (EBT)	0.6	1.4
Net profit for the period	0.4	0.9
Equity	60.2	54.5
Equity ratio in %	56.7	51.7
Earnings per share (in €)	0.09	0.24
Investments	0.4	0.3
Employees (as of 3/31)*	462	443
Apprentices (no.)	49	51

* Without apprentices

INTRODUCTION

LUDWIG BECK's financial reporting is based on the International Financial Reporting Standards (IFRS). 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

The Euro zone is currently going through a slight recession. Germany, however, is slowly recovering from the economic downturn, which produced a 2.4% deficit for the fourth quarter 2012. The Kiel Institute for the World Economy (IfW) corroborates this assessment with its analysis of the business climate indicators, which have been on the rise for five consecutive months now. Utilization of industrial capacity has significantly increased, as did export expectations in a lately weakened foreign trade, the IFW states. Therefore, the Kiel economic researchers anticipate a 1.9% production increase for the first quarter of 2013. But the overall brightening climate of the German economy in the first three months goes hand in hand with deep-rooted uncertainty about the future development in the Euro zone and ensuing prospects for the world economy. Slowing exports to China are a clear indicator for this concern.

Retail trade development

While the German retail trade reported little growth, the fashion retail trade's situation was much more pessimistic. The very cold and unusually long winter lead to a slump in sales of cumulative 6%. With a 10% minus, the sales development in March particularly reflected the extremely cold weather conditions. According to TextilWirtschaft's Testclub, the demand for spring fashion was generally way too low. Because of the low temperatures, customers did not notice the new season had started. The Federal Association of the German Textile Trade (BTE) calls it a "bad first quarter" and adds, that this is no reason to give up on the whole year. The Association for Consumption Research (GFK) pointed out that consumer confidence remains strong and consumer demand is considerably higher than in many fellow European countries.

LUDWIG BECK development of sales

Even LUDWIG BECK could not escape the extreme weather conditions. This year, the traditionally rather moderate first three months affected the sales figures a tad more than usual, due to weather. Furthermore, the first quarter of the 2013 fiscal year was two days short of last year's. Thus corporate sales amounted to € 21.3m (previous year: € 22.9m). Last year, the branch located at Munich OEZ contributed € 0.8m to corporate sales. Sales of ludwigbeck.de GmbH, launched in December 2012 to operate LUDWIG BECK's beauty online shop, developed exceedingly positive and clearly surpassed management's expectations.

Earnings situation

LUDWIG BECK's earnings were below last year's figures, because of decreased sales due to bad weather and the on-schedule start-up expenses for ludwigbeck.de GmbH, which launched in December 2012.

The Group's gross profit amounted to € 8.8m (previous year: € 9.4m). Last year, the Esprit branch at OEZ, which was sold at the end of June, contributed € 0.3m to the consolidated gross profit. The gross profit margin rose from 48.7% to 49.0%.

With € 7.8m, the absolute amount of expenses netted against corresponding income was slightly higher than in the previous year with € 7.5m. Reasons for this rise are, amongst others, the on-schedule start-up costs of ludwigbeck.de GmbH in the areas of personnel, administration and sales and marketing.

Accordingly, the EBIT for the first three months of 2013 amounted to € 1.0m (previous year: € 1.8m), the EBIT margin was at 5.4% (previous year: 9.6%). Earnings before taxes (EBT) reached € 0.6m (previous year: € 1.4m). Net profits for the first three months amounted to € 0.4m compared to last year's € 0.9m.

Overall, earnings concurred with a typical retail earnings cycle and are still within the planning parameters of the corporation. The promising start of ludwigbeck.de GmbH will generate additional positive momentum in the coming months.

Financial situation

Cash flow

In the first quarter of 2013, cash flow from current operating activities amounted to € -1.8m (previous year € -2.5m), due to seasonal fluctuations. Cash outflow from investment activities slightly increased to € 0.4m (previous year: € 0.3m). These are investments into the department store complex at Munich's Marienplatz. Cash flow from financing activities was € 2.0m (previous year: € -0.6m).

Asset Situation

Balance sheet structure

At the end of period, March 31, 2013, the balance sheet total of the LUDWIG BECK Group was € 106.2m and thus slightly above the level of last year's on December 31, 2012 (€ 105.6m).

As usual, fixed assets dominated the asset side; together with the real estate at Munich's Marienplatz, they accounted for € 88.3m of long-term assets. In total, long-term assets slightly decreased by € 0.3m and amounted to € 91.5m (previous year: € 91.8m).

Short-term assets rose from € 13.8m in the previous year to € 14.7m, adding € 0.9m. While inventories showed a seasonal increase, liquid funds decreased, as did receivables and other assets.

At the end of period, March 31, 2013, the LUDWIG BECK Group held equity in the amount of € 60.2m compared to € 59.9m at the end of period date December 31, 2012. The corresponding equity ratio is 56.7% (December 31, 2012: 56.8%).

The Group's aggregate liabilities showed a slight seasonal increase and added up to € 46.0m (December 31, 2012: € 45.6m). The Group was able to reduce its long-term liabilities from € 32.7m to € 30.2m. This decrease in long-term liabilities is mostly due to a special repayment of a mortgage loan. Short-term liabilities increased to € 15.8m (December 31, 2012: € 12.9m). The reasons are the special repayment of a mortgage loan, which was funded with low-interest current account credit lines, and the seasonal increase of inventories.

EMPLOYEES

In the first three months of 2013 the number of employees (apprentices not included) was 462 in accordance with Section 267 par. 5 Commercial Code (previous year: 443). The weighted number of full-time employees at Group level also rose to 325 (previous year: 319). At the end of period, March 31, 2013, LUDWIG BECK employed 49 apprentices (previous year: 51).

OPPORTUNITY AND 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 65ff). You can find the report on the company's website **http://kaufhaus.ludwigbeck.de** in the "Investor Relations" section under "Financial Publications".

FORECAST REPORT

Business and general conditions

In the coming months, the Germany economy will, albeit slowly, gain momentum. The Kiel Institute for the World Economy (IfW) is sure of it and estimates a 0.6% increase of the Gross Domestic Product for the current year. It even anticipates a 1.5% growth for 2014. According to the IfW, unemployment will decline to 6.7%, inflation will be around 2% and public budgets will almost be balanced. All this will be provided by economic stimuli alone, because, the IfW claims, a change in the unusually expansive monetary environment of the Euro zone can not at all be expected. This fosters great risks for the German economy, such as the misapplication of resources due to a boom induced by low interest rates, the researchers think. In addition, the Kiel researchers do not expect German foreign trade to have a significant effect on industrial production. More than anything else, renewed investment activity will deliver the necessary impetus and make for growing capacity utilization, they reckon.

Retail trade development

It happens in a sneaky way: For years now, the German consumers have spent an ever decreasing portion of their monetary budget in the retail trade. The Association for Consumption Research (GfK) holds inflation-driven price increases, such as energy costs, responsible. According to the GfK, the overall positive and surprisingly crisis-proof German consumer confidence will also stabilize the retail trade. Accelerating online sales form a major trend that is detrimental to brick-and-mortar retailers, the GfK states. Presence is critical to achieve growing sales in a location – to be in the right place with the right offerings, the researchers advise. In order to be fit for the future, brick-and-mortar retailers have to develop concepts to sharpen their profile and create synergetic effects with online businesses. This development particularly concerns the fashion retail sector. Here the Federal Association of the German Textile Trade (BTE) cautiously estimates that sales will at least be at par by the end of the year.

LUDWIG BECK 2013

No big fashion retailer can completely detach itself from general economic developments and extreme weather escapades – the darkest winter in the history of temperature recording and the coldest March since 1987. In the knowledge that the current year still offers much potential, the management of LUDWIG BECK shares the cautious forecast made by economic researchers and anticipates a moderately positive development.

LUDWIG BECK already activated the growth possibilities identified by the GfK, such as creating an attractive location and online growth, and they have had an impact. The still young online shop at ludwigbeck.de already produces its first successes. At the same time, the Marienplatz flagship store is unique in the German as well as in the European fashion retail when it comes to location, product range, presentation and sales culture. Strengthening this appeal and approaching the customer with new, emotionally appealing messages is, and has been for years, the most important ingredient of its self-supporting economic momentum. Online active, downtown attractive – LUDWIG BECK's course for 2013 brought to the point.

Based on these deliberations, the LUDWIG BECK management confirms its forecast for the current fiscal year of a branch-adjusted sales growth on group's level of 4% to 6% and earnings before taxes (EBT) between € 11.0m and € 13.0m.

Munich, April 2013
The Executive Board

NOTES

Accounting in compliance with International Financial Reporting Standards (IFRS)

The present quarterly accounts of LUDWIG BECK AG as per March 31, 2013 have been prepared in compliance with the provisions of the International Financial Reporting Standards (IFRS) and the interpretations by the International Financial Reporting Interpretation Committee (IFRIC).

Presentation method

The quarterly accounts are prepared in compliance with IAS 34 (interim reporting).

Accounting and valuation methods

The quarterly accounts are based on the same methods of accounting and valuation as the group accounts as per December 31, 2012. A comprehensive description of these methods is contained in the Appendix to the IFRS group accounts published as per December 31, 2012.

The sums were exactly computed and then rounded to €m. This may lead to summation-related rounding differences. The percentages given in the text were determined on the basis of the exact (not rounded) values.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF LUDWIG BECK AM RATHAUSECK – TEXTILHAUS FELDMEIER AG, MUNICH, FOR THE PERIOD JANUARY 1 – MARCH 31, 2013, ACC. TO IASB

		1/1/2013 – 3/31/2013		**1/1/2012 – 3/31/2012**	
		€m	**€m**	**€m**	**€m**
1.	Sales revenues				
	- sales (gross)	21.3		22.9	
	- minus VAT	3.4		3.7	
	- sales (net)		17.9		19.2
2.	Other own work capitalized		0.0		0.0
3.	Other operating income		0.7		0.7
			18.6		**20.0**
4.	Cost of materials	9.1		9.9	
5.	Personnel expenses	4.1		3.9	
6.	Depreciation	0.7		0.7	
7.	Other operating expenses	3.8	17.7	3.6	18.1
8.	**EBIT**		**1.0**		**1.8**
9.	Financial result		-0.4		-0.5
	- Of which financing expenses € 0.4m (previous year: € 0.5m)				
10.	**Earnings before taxes (EBT)**		**0.6**		**1.4**
11.	Taxes on income		0.2		0.4
12.	**Net profit for the period**		**0.4**		**0.9**
13.	Minoriy interests in net profit for the period		0.1		0.0
14.	**Net profit for the period after minory interests**		**0.3**		**0.9**
Earnings per share (undiluted and diluted) in €			0.09		0.24
Average number of outstanding shares in million			3.70		3.70

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET OF LUDWIG BECK AM RATHAUSECK – TEXTILHAUS FELDMEIER AG, MUNICH, AS OF MARCH 31, 2013, ACC. TO IASB

Assets		3/31/2013	12/31/2012	3/31/2012
		€m	€m	€m
A.	**Long-term assets**			
I.	Intangible assets	3.1	3.1	3.2
II.	Property, plant and equipment	88.3	88.6	88.7
III.	Other assets	0.1	0.1	0.1
	Total long-term assets	**91.5**	**91.8**	**92.0**
B.	**Short-term assets**			
I.	Inventories	11.9	10.2	10.8
II.	Receivables and other assets	2.0	2.6	2.0
III.	Cash and cash equivalents	0.8	1.0	0.5
	Total short-term assets	**14.7**	**13.8**	**13.4**
		106.2	**105.6**	**105.4**

Shareholders' equity and liabilities		3/31/2013	12/31/2012	3/31/2012
		€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	39.4	39.0	33.0
IV.	Equity participation acc. to "anticipated acquisition method"	7.9	8.1	8.6
	Total shareholders' equity	**60.2**	**59.9**	**54.5**
B.	**Long-term liabilities**			
I.	Financial liabilities	29.1	30.8	31.6
II.	Accruals	0.6	0.6	0.6
III.	Deferred tax liabilities	0.5	1.2	0.8
	Total long-term liabilities	**30.2**	**32.7**	**32.9**
C.	**Short-term liabilities**			
I.	Financial liabilities	10.5	6.6	10.0
II.	Trade liabilities	1.2	1.1	2.0
III.	Tax liabilities	0.4	0.5	1.5
IV.	Other liabilities	3.7	4.7	4.5
	Total short-term liabilities	**15.8**	**12.9**	**17.9**
	Total debt (B. + C.)	**46.0**	**45.6**	**50.9**
		106.2	**105.6**	**105.4**

CONSOLIDATED SEGMENT REPORTING

CONSOLIDATED SEGMENT REPORTING OF LUDWIG BECK AM RATHAUSECK – TEXTILHAUS FELDMEIER AG, MUNICH, FOR THE PERIOD JANUARY 1 – MARCH 31, 2013, ACC. TO IASB

in €m	**Textile**		**Non-Textile**		**Group**	
1/1/2013 – 3/31/2013 *1/1/2012 – 3/31/2012*						
Sales (gross)	**15.6**	**119.0%**	**5.7**	**119.0%**	**21.3**	**119.0%**
Previous year	*17.5*	*119.0%*	*5.4*	*119.0%*	*22.9*	*119.0%*
VAT	-2.5	19.0%	-0.9	19.0%	-3.4	19.0%
Previous year	*-2.8*	*19.0%*	*-0.9*	*19.0%*	*-3.7*	*19.0%*
Sales (net)	**13.1**	**100.0%**	**4.8**	**100.0%**	**17.9**	**100.0%**
Previous year	*14.7*	*100.0%*	*4.5*	*100.0%*	*19.2*	*100.0%*
Cost of sales	-6.8	51.9%	-2.8	59.5%	-9.6	53.9%
Previous year	*-7.6*	*52.1%*	*-2.6*	*57.5%*	*-10.3*	*53.3%*
Gross profit	**6.3**	**48.1%**	**1.9**	**40.5%**	**8.2**	**46.1%**
Previous year	*7.0*	*47.9%*	*1.9*	*42.5%*	*9.0*	*46.7%*
Personnel expenses	-1.2	9.2%	-0.7	14.4%	-1.9	10.6%
Previous year	*-1.3*	*8.5%*	*-0.6*	*12.9%*	*-1.8*	*9.6%*
Cost of occupancy	-2.5	19.0%	-0.5	10.2%	-3.0	16.7%
Previous year	*-2.6*	*17.7%*	*-0.5*	*10.8%*	*-3.1*	*16.1%*
Interests	-0.2	1.4%	-0.1	1.9%	-0.3	1.6%
Previous year	*-0.2*	*1.2%*	*-0.1*	*1.7%*	*-0.3*	*1.3%*
Segment result	**2.4**	**18.5%**	**0.7**	**14.0%**	**3.1**	**17.3%**
Previous year	*3.0*	*20.4%*	*0.8*	*17.1%*	*3.8*	*19.7%*
Cash discounts, other discounts etc. on cost of sales					0.5	3.0%
Previous year					*0.4*	*2.0%*
Other operational income					0.7	4.1%
Previous year					*0.7*	*3.9%*
Other personnel expenses					-2.2	12.3%
Previous year					*-2.1*	*10.9%*
Depreciation					-0.7	3.9%
Previous year					*-0.7*	*3.7%*
Other expenses					-0.8	4.3%
Previous year					*-0.5*	*2.7%*
Other financial result					-0.1	0.7%
Previous year					*-0.2*	*1.1%*
Taxes on income					-0.2	0.9%
Previous year					*-0.4*	*2.2%*
Net profit for the period					**0.4**	**2.2%**
Previous year					*0.9*	*4.9%*

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT OF LUDWIG BECK AM RATHAUSECK – TEXTILHAUS FELDMEIER AG, MUNICH, FOR THE PERIOD JANUARY 1 – MARCH 31, 2013, ACC. TO IASB

in €m	1/1/2013 – 3/31/2013	1/1/2012 – 3/31/2012
Cash flow from operating activities:		
Earnings before taxes	0.6	1.4
Adjustments for:		
+ Depreciation of fixed assets	0.7	0.7
+ Interest expenses	0.4	0.5
Operating result before changes to working capital	**1.7**	**2.6**
Increase/decrease (-/+) in assets	-1.1	-1.6
Increase/decrease (+/-) in liabilities	-0.8	0.0
Cash flow from operating activities (before interest and tax payments)	**-0.3**	**1.0**
Interest paid	-0.3	-0.4
Disbursements to minorities	-0.2	-0.2
Taxes on income paid	-1.1	-2.9
A. Cash flow from operating activities	**-1.8**	**-2.5**
Disbursements for investments in fixed assets	-0.4	-0.3
B. Cash flow from investing activities	**-0.4**	**-0.3**
Acceptance/repayment of bank liabilities	2.1	-0.5
Acceptance/repayment of other financial liabilities	-0.1	-0.1
C. Cash flow from financing activities	**2.0**	**-0.6**
D. Changes in cash and cash equivalents affecting cash flows (A.+B.+C.)	**-0.2**	**-3.4**
Cash and cash equivalents at beginning of period	1.0	3.9
Changes D.	-0.2	-3.4
Cash and cash equivalents at the end of period	**0.8**	**0.5**

CONSOLIDATED EQUITY STATEMENT

CONSOLIDATED EQUITY STATEMENT OF LUDWIG BECK AM RATHAUSECK – TEXTILHAUS FELDMEIER AG, MUNICH, FOR THE PERIOD JANUARY 1 – MARCH 31, 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			0.4		0.4
Change in equity participation item acc. to "anticipated acquisition method"			0.0	-0.2	-0.2
Balance as of 3/31/2013	**9.4**	**3.5**	**39.4**	**7.9**	**60.2**
Balance as of 1/1/2012	**9.4**	**3.5**	**31.9**	**8.9**	**53.7**
Net profit for the period			0.9		0.9
Change in equity participation item acc. to "anticipated acquisition method"			0.1	-0.3	-0.2
Balance as of 3/31/2012	**9.4**	**3.5**	**33.0**	**8.6**	**54.5**