

LUDWIG BECK

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CORPORATE NEWS

LUDWIG BECK Group expresses satisfaction with the result of the first half of 2017

Munich, July 25, 2017 – The Munich Fashion Group LUDWIG BECK (ISIN DE 0005199905) concluded the first half of 2017 with a decline in sales, yet was able to maintain its result at last year's level thanks to a further optimization of its cost structure. The German fashion trade was faced with a 3% decrease in sales in the first half of the year (TextilWirtschaft).

Development of sales

The LUDWIG BECK Group generated gross sales in the amount of € 77.1m (June 30, 2016: € 79.5m). The LUDWIG BECK segment accounted for sales in the amount of € 43.2m (June 30, 2016: € 44.5m). As expected, the online trade at www.ludwigbeck.de continued to develop well in the period under report. The WORMLAND segment contributed sales in the amount of € 33.9m (June 30, 2016: € 35.0m).

Earnings situation

Gross profit amounted to € 30.7m (June 30, 2016: € 31.2m). The gross profit margin could be noticeably improved from 46.7% in the same period of the previous year to 47.4%. This development was not only due to an optimization of the brand structure but also to the further development of existing assets. In the previous year, the sell-off of old goods to clear out inventories and the clearance sale at the THEO Oberhausen branch, which was closed on June 30, 2016 as scheduled, had a negative impact on the gross profit. As per June 30, 2017 with all inventories almost completely cleared of old goods, the clearing of inventories from old goods at WORMLAND was completed.

Personnel expenses sank by € 0.7m to € 14.7m as compared to the year 2016 as a result of structural adjustments at managerial level (June 30, 2016: € 15.4m).

Other operational expenses came to € 17.2m (June 30, 2016: € 17.4m).

All in all, earnings before interest and taxes (EBIT) could be maintained at € -1.6m (June 30, 2016: € -1.6m) despite the decline in sales. The LUDWIG BECK segment contributed € 1.4m (June 30, 2016: € 1.6m), and the WORMLAND segment recorded a projected negative amount of € -3.1m (June 30, 2016: € -3.2m).

Accordingly, consolidated earnings before taxes (EBT) amounted to € -2.1m (June 30, 2016: € -2.1m).

Outlook

Dieter Münch, member of the Executive Board of LUDWIG BECK AG stated: *The brick-and-mortar textile trade is still facing major challenges. LUDWIG BECK and WORMLAND are well equipped to face them.*

The Executive Board reaffirms its forecast for the year 2017 and expects sales of goods at Group level to reach between € 170m and € 180m and earnings before interest and taxes (EBIT) to amount to € 4m to € 6m.

For further information regarding the company and the share please refer to the corporate website at kaufhaus.ludwigbeck.de/english/ in the *Investor Relations* section under *Financial Publications*.

Key figures of the Group

in €m	1/1/2017 – 6/30/2017	1/1/2016 – 6/30/2016
Gross sales	77.1	79.5
Net sales	64.8	66.8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	0.6	0.5
Earnings before interest and taxes (EBIT)	-1.6	-1.6
Earnings before taxes (EBT)	-2.1	-2.1
Earnings after taxes	-2.3	-2.4
Equity (as per reporting date 6/30)	74.0	74.0
Equity ratio in % (as per reporting date 6/30)	55.7	56.9
Earnings per share (in €)	-0.62	-0.64
Investments	1.3	2.0
Employees (average number without apprentices)	849	882
Apprentices (average number)	36	49

Segment information

in €m		GROUP	LUDWIG BECK	WORMLAND
Gross sales		77.1	43.2	33.9
Gross profit		30.7	17.3	13.4
Earnings before interest, taxes, depreciation and amortization (EBITDA)		0.6	3.0	-2.4
Earnings before interest and taxes (EBIT)		-1.6	1.4	-3.1

About LUDWIG BECK

LUDWIG BECK is one of the top fashion retail companies in Germany. In 2016 with 467 employees it generated gross sales of € 101.1m (as per December 31, 2016) on an area of about 12,400 sqm as well as through its online shop.

LUDWIG BECK is located in the heart of Munich, directly at Marienplatz. On seven floors the Munich fashion company showcases international fashion, leather goods and accessories, exclusive cosmetics and with over 120,000 titles Europe's largest onsite collection of classical, jazz and world music and audiobooks.

Since the end of 2012, the singular brand portfolio of the beauty department is also available for online shopping at www.ludwigbeck.de. Customers can expect a unique selection of almost 10.000 products of more than 100 luxury and niche cosmetics brands.

About WORMLAND:

THEO WORMLAND GmbH & Co. KG, based in Hanover, generated sales in the amount of € 76.0m (as per December 31, 2016) with 425 employees on a total area of about 16,200 sqm in 2016. The Group is based on two differing store concepts: WORMLAND and THEO. Today, THEO WORMLAND GmbH & Co. KG ranges among Germany's top men's fashion retailers with a total of 15 branches.

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