



Corporate News

LUDWIG BECK Group generates significant increase in sales in the first half of 2016

Munich, July 26, 2016 – The Munich fashion group LUDWIG BECK (ISIN DE 0005199905) recorded a substantial growth in sales in the first half of 2016, attributable to the WORMLAND segment newly acquired in May 2015. The German fashion trade concluded the first six months of the year under report with a cumulative 1% decline in sales.

Development of sales

At group level, LUDWIG BECK generated gross sales in the amount of € 79.5m (previous year: € 56.8m). The new WORMLAND segment contributed € 35.0m to this result (previous year: € 11.2m). The LUDWIG BECK segment including the flagship store at Marienplatz in Munich with sales amounting to € 44.5m (previous year: € 45.6m) produced a slight decrease, basically due to erratic weather conditions prevailing over extended periods of time. The online store at www.ludwigbeck.de continued its positive performance trend also in the past half-year.

Earnings situation

The Group's gross profit reached € 31.2m (previous year: € 23.3m). The gross profit margin was at 46.7% (previous year: 48.9%). This decline was not only due to the development of sales but also to the continuous sell-off of old WORMLAND stocks and the intensified sell-off of old goods in the Theo branch in Oberhausen, which was closed on June 30, 2016 as scheduled. In this context it also has to be mentioned that the launch of a new WORMLAND branch in Nuremberg is planned for the fall of 2016. As per reporting date, WORMLAND's stocks have been cleared by and large so that the gross profit margin can be expected to rise in the second half of the year.

Personnel expenses went up to € 15.4m (previous year: € 10.6m). Other expenses were recorded in the amount of € 17.4m (previous year: € 11.1m).

At group level, earnings before interest and taxes (EBIT) amounted to € -1.6m (previous year: € 11.3m). The LUDWIG BECK segment could improve its result from € 1.1m to € 1.6m. The WORMLAND segment recorded an EBIT of € -3.2m.

Consolidated earnings before taxes (EBT) came to € -2.1m (previous year: € 10.8m).

Outlook

The development in the first half of the year has provided proof that the measures initiated by LUDWIG BECK to integrate WORMLAND are taking hold and that the new segment has made an important step towards consolidation.

Dieter Münch, member of the Executive Board of LUDWIG BECK AG, stated: *In the medium term, we will lead WORMLAND back to its original strength and economic efficiency.*

At the same time the management is keeping a watchful eye on potential changes of the political and macroeconomic framework conditions in Germany and in Europe. At any rate, an event like the recent killing spree in the Olympia shopping mall (OEZ) in Munich provides an example of some unforeseen occurrences that can significantly affect a forecast. Furthermore, it is currently impossible to predict whether the terrorist attacks committed in Europe will lead to distinctly slackened tourist traffic in the second half of 2016.

At present, the Executive Board expects sales of goods at group level to reach between € 180m and € 190m and earnings before interest and taxes (EBIT) to amount to € 8m to € 9m.

The comprehensive Half-year Report for the fiscal year 2016 is published online at <http://kaufhaus.ludwigbeck.de/english/> under *Investor Relations*, in the *Financial Publications* section under the heading *Quarterly Reports*.

Key figures of the Group

in €m	1/1/2016 – 6/30/2016	1/1/2015 – 6/30/2015
Gross sales	79.5	56.8
Net sales	66.8	47.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	0.5	13.0
Earnings before interest and taxes (EBIT)	-1.6	11.3
Earnings before taxes (EBT)	-2.1	10.8
Earnings after taxes	-2.4	10.6
Equity (at end of period 6/30)	74.0	74.9
Equity ratio in % (at end of period 6/30)	56.9	52.0
Earnings per share (in €)	-0.64	2.88
Investments	2.0	0.8
Employees ^{*)}	882	912
Apprentices (number)	49	53

^{*)}without apprentices

Segment information

in €m	LUDWIG BECK	WORMLAND	GROUP
Gross sales	44.5	35.0	79.5
Earnings before interest, taxes, depreciation and amortization (EBITDA)	3.2	-2.6	0.5
Earnings before interest and taxes (EBIT)	1.6	-3.2	-1.6

LUDWIG BECK

LUDWIG BECK is one of the top fashion retail companies in Germany. In 2015, with approximately 500 employees it generated gross sales of € 104m (as per December 2015) 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.

WORMLAND:

THEO WORMLAND GmbH & Co. KG, based in Hanover, generated sales in the amount of approximately € 80m (as per December 31, 2015) with 470 employees on a total area of about 14,800 sqm in 2015. The group of companies 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 14 outlets.

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