



Corporate News

LUDWIG BECK closes the first half-year of 2015 very satisfactorily/Integration of WORMLAND essentially completed

Munich, July 21, 2015 – The Munich fashion group LUDWIG BECK (ISIN DE 0005199905) has closed the first half-year of 2015 very satisfactorily. The dominant event in the second quarter was the acquisition of 100% of the shares in WORMLAND, a men's fashion retailer based in Hanover. This strategically significant step has already been reflected in the financial figures of the Group, whose comparability with those of the same period last year is thus strongly reduced. The integration of WORMLAND is therefore essentially completed. Since not all information required for the conclusive recognition of the business combination in the balance sheet is currently available, a preliminary purchase price allocation has been undertaken.

Development of sales

At group level, LUDWIG BECK generated gross sales in the amount of € 56.8m (previous year: € 44.8m), of which € 11.2m were attributable to the WORMLAND segment. On a like-for-like basis gross sales totaled € 45.6m. Unsurprisingly, the flagship store at Marienplatz in Munich made the largest contribution to sales. With like-for-like sales up 1.5% the Munich fashion group once again distinguished itself from the German textile retail trade, which had to face a 2% loss in sales in the same period according to TextilWirtschaft. Not only the brick-and-mortar business underwent a favorable development, but also the online shop at ludwigbeck.de was able to further pursue its growth course.

Earnings situation

The gross profit amounted to € 23.3m (previous year: € 18.3m). WORMLAND contributed a share of € 4.8m to this result. The gross profit margin was 48.9% in aggregate (previous year: 48.6%).

Expenses against corresponding proceeds were at € 12.0m (previous year: € 16.1m). Adjusted for the effects of the acquisition of WORMLAND netted costs came to € 16.5m.

Earnings before interest and taxes (EBIT) amounted to € 11.3m (previous year: € 2.2m). Adjusted for non-recurring effects EBIT reached € 2.0m.

Earnings before taxes (EBT) came to € 10.8m (previous year: € 1.7m), respectively € 1.5m without non-recurring effects.

Since earnings from initial consolidation exclusively figure as Group proceeds, no taxes arise for this non-recurring effect. Regarding adjusted EBT, deferred tax effects at the date of the consolidated financial statements lead to the recording of only € 0.1m in taxes in the consolidated profit and loss account.

Earnings after taxes were at € 10.6m. Adjusted for non-recurring effects they were at last year's level of € 1.4m.

Outlook

The management of LUDWIG BECK considers the Group to be on a good path after having achieved an increase in sales and earnings in the first half of the year even under oftentimes challenging macroeconomic framework conditions. The acquisition of WORMLAND will enable the company to show a strong presence in the overall German market in the future as a provider of high-end men's fashion and to attract new groups of buyers. The *trading up* concept pursued at the flagship store at Marienplatz, Munich, and the parallel development of the online business will remain the supporting pillars, on which the company's stable growth can be based.

Also in the future LUDWIG BECK will go for growth under its own steam. Our own store-generated economic pace is based on the consistently high attractiveness of the flagship store in Munich and the market position newly gained with the acquisition of WORMLAND, Dieter Münch, member of the Executive Board of LUDWIG BECK AG stated.

On the basis of the latest developments the Executive Board re-adjusted its sales expectancy for 2015 at Group level. The quarterly forecast still anticipated an increase in sales between 2% - 4% and EBIT in the amount of approximately € 10m. With the acquisition of WORMLAND and the pro rata temporis addition of the resulting sales the management is now expecting sales in the amount of € 158m - 163m. Especially on account of non-recurring effects EBIT is expected to rise to € 17m - 19m.

The detailed Half Year Report can be found online at kaufhaus.ludwigbeck.de/english/ in the *Financial Publications* section under the heading *Quarterly Reports*.

Key figures of the Group

in €m	1/1/2015 – 6/30/2015	1/1/2014 – 6/30/2014
Gross sales	56.8	44.8
Net sales	47.7	37.7
Earnings before interest, taxes, depreciation & amortization (EBITDA)	13.0	3.8
Earnings before interest & taxes (EBIT)	11.3	2.2
Earnings before taxes (EBT)	10.8	1.7
Earnings after taxes	10.6	1.4
Equity (as per reporting date 6/30)	74.9	63.6
Equity ratio (as per reporting date 6/30) in %	52.0	59.0
Earnings per share (in €)	2.88	0.37
Investments	0.8	2.7
Employees ^{*)}	912	460

^{*)} without apprentices

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LUDWIG BECK

The Munich fashion group is one of the top fashion retail companies in Germany. With approximately 500 employees it generates € 102.7m in group sales on an area of about 12,400 sqm (as per December 31, 2014). LUDWIG BECK is located in the heart of Munich, directly at Marienplatz. On seven floors LUDWIG BECK 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, LUDWIG BECK has offered the singular brand portfolio of the beauty department with over 100 luxury and niche cosmetics brands also at its online shop www.ludwigbeck.de.

WORMLAND:

Theo Wormland GmbH & Co. KG, based in Hannover, generates sales in the amount of approximately € 79.6m (as per December 31, 2014) with 465 employees on a total area of 13,600 sqm. 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 15 outlets. It also operates an online shop at www.shop.wormland.de.