

# LUDWIG BECK

*seit 1861*

## Corporate News

### **LUDWIG BECK generates 2.2% gain in sales in 1<sup>st</sup> half of 2014**

**Munich, July 17, 2014** - Munich Fashion Group LUDWIG BECK (ISIN DE 0005199905) ends the 1<sup>st</sup> half of the 2014 fiscal year with a sales growth of 2.2%. The German textile retail sector reports sales at par with last year's same period, according to TextilWirtschaft (TW).

#### **Development of sales**

In the 1<sup>st</sup> six months of the current year, LUDWIG BECK generated gross sales in the amount of € 44.8m at Group level (previous year: € 43.9m). This equals a 2.2% increase. LUDWIG BECK thus was able to escape the general sector trend. The online store at ludwigbeck.de, which continued to develop positively, made its own contribution to this gain.

However, during the last weeks and months a new development was generally noticeable among the Eastern European tourists with money to spend: Due to the Ukraine crisis they were rather restraint in their shopping behavior and did not act as the stable contributor to sales they used to be.

#### **Earnings situation**

Gross profits were € 18.3m (previous year: € 18.5m). The reason for this development was, above else, an increase in cost of sales, due to the on-schedule clearance sale on the store's lower ground floor of the Marienplatz flagship store. Men's Fashion and the entire lower ground floor have been closed effective June 21, 2014 because of comprehensive remodeling and a significant expansion of the sales area. The re-opening is scheduled for the beginning of September.

With € 16.1m, absolute expenses against corresponding income exceeded last year's amount of € 15.5m. The cost increase can mostly be attributed to a rise in personnel costs due to a 6.5% wage increase for employees implemented in May 2013.

The operating result (EBIT) amounted to € 2.2m (previous year: € 3.0m). The EBIT margin was at 5.9% (previous year: 8.2%). Earnings before taxes (EBT) reached € 1.7m (previous year: € 2.1m). Due to tax optimization, earnings after taxes rose from € 1.3m in the previous year to € 1.4m.

#### **Outlook**

At the bottom line, the business performance for the 1<sup>st</sup> half of 2014 was within the scope of management's expectations. Starting in September 2014, the re-opening of the completely redesigned Men's Fashion department will create positive stimuli. The online store is also expected to make an essential contribution to Group sales in the 2<sup>nd</sup> half of 2014.

LUDWIG BECK Executive Board member Dieter Münch on the outlook for the 2<sup>nd</sup> half of 2014: *The Group has high expectations for the re-opening of Men's Fashion on a significantly larger sales area. Exclusive and stylish men's fashion in a special ambience on now 1,500 sqm in the heart of Munich – we are just creating a strong magnet for a sought after target audience.*

The 1<sup>st</sup> half of 2014 also brought a sad event. The company mourns the death of Mr. Toni Feldmeier, a former co-owner and current minority shareholder of Feldmeier GmbH & Co. Betriebs KG – the company owning the real estate at Munich Marienplatz. With the execution of his will his shares will be transferred to LUDWIG BECK, in accordance with an arrangement made in 2011. We will always honor the memory of Toni Feldmeier.

A detailed report for the 1<sup>st</sup> half of 2014 can be found online at [www.ludwigbeck.de/english](http://www.ludwigbeck.de/english) in the menu of the *Investor Relations* tab under *Financial Publications* in the *Quarterly Reports* section.

### Key Figures of the Group

| in €m   | 1/1/2014       | 1/1/2013       |
|---|----------------|----------------|
|   | –<br>6/30/2014 | –<br>6/30/2013 |
| Gross sales   | 44.8           | 43.9           |
| Net sales   | 37.7           | 36.9           |
| Earnings before interest, taxes and depreciation (EBITDA) | 3.8            | 4.4            |
| Earnings before interest and taxes (EBIT)                 | 2.2            | 3.0            |
| Earnings before taxes (EBT)                               | 1.7            | 2.1            |
| Earnings after taxes                                      | 1.4            | 1.3            |
| Equity (at the end of period 6/30)                        | 63.6           | 58.8           |
| Equity ratio (at the end of period 6/30)                  | 59.0           | 55.8           |
| Earnings per share (in €)                                 | 0.37           | 0.36           |
| Investments   | 2.7            | 1.2            |
| Employees (at the end of period 6/30) <sup>1)</sup>       | 462            | 459            |
| Apprentices (number)                                      | 43             | 49             |

<sup>1)</sup> without apprentices

### LUDWIG BECK

The Munich Fashion Group is one of the top fashion retail companies in Germany. With approximately 500 employees on an area of almost 11,600 sqm, it (incl. ludwigbeck.de GmbH) generates € 102.1m in sales (as of December 31, 2013).

LUDWIG BECK is located at Marienplatz in the heart of Munich. On seven floors LUDWIG BECK presents international fashion, leather goods and accessories, and exclusive cosmetics. With more than 120,000 songs, it offers the biggest collection of classical music, jazz, world music and audio books of any in-store location in Europe. Launched at the end of 2012, LUDWIG BECK is now offering the extraordinary brand portfolio of its beauty department online at [www.ludwigbeck.de](http://www.ludwigbeck.de). A unique selection of more than 9,000 products featuring more than 90 luxury and niche cosmetics brands awaits online customers.

**Investor Relations contact:**

esVedra consulting GmbH

Metis Tarta

t: +49 89 206021-210

f: +49 89 206021-610

mt@esvedragroup.com

**Group accounting contact:**

LUDWIG BECK am Rathauseck

Jens Schott

t: +49 89 2 36 91 – 798

f: +49 89 2 36 91 – 600

jens.schott@ludwigbeck.de