



Corporate News

LUDWIG BECK performs satisfactorily in 1st quarter – new online shop gains strong momentum

Munich, April 18, 2013 – Given the adverse weather conditions, the Executive Board of LUDWIG BECK AG (ISIN DE 0005199905) finds the company's performance in the first quarter to be very satisfactory. The new online shop for beauty products (www.ludwigbeck.de) was just launched at the end of 2012 and is already on the road to success.

Development of sales

From January to March 2013, the Group achieved gross sales of € 21.3m compared to € 22.9m in the previous year. In addition to prolonged cold weather completely ruining the beginning of spring business, two missing shopping days also had an impact. Last year, the Esprit branch at OEZ, which was sold at the end of June, positively influenced the Group's sales figures with € 0.8m. On the other hand, sales of ludwigbeck.de GmbH, launched in December 2012 to operate LUDWIG BECK's online beauty shop, developed exceedingly positive and clearly surpassed management's expectations. The HAUTNAH franchise in FÜNF HÖFE defied the unfavorable climate conditions and generated great sales figures.

Earnings situation

Earnings reflected the prolonged bad weather conditions and expected start-up expenses for ludwigbeck.de GmbH. Thus LUDWIG BECK generated a gross profit of € 8.8m (previous year: € 9.4m) in the first quarter of 2013. Last year's gross profit included € 0.3m from the Esprit branch at OEZ, which was sold at the end of June. The gross profit margin rose to 49.0% (previous year: 48.7%).

With € 7.8m, the absolute amount of expenses netted against corresponding income was slightly higher than in the previous year with € 7.5m. This increase was predominantly caused by the on-schedule start-up costs of ludwigbeck.de GmbH in the areas of personnel, administration as well as sales and marketing.

Accordingly, the EBIT for the first quarter of 2013 amounted to € 1.0m (previous year: € 1.8m). The EBIT margin was at 5.4% compared to 9.6% in 2012.

Earnings before taxes (EBT) reached € 0.6m (previous year: € 1.4m). Net profit for the period amounted to € 0.4m compared to last year's € 0.9m.

Nonetheless, this performance reflects a typical retail earnings cycle and is still within the planning parameters of the corporation.

Outlook

Despite a mild recession in the Euro zone, Germany is currently recovering from the economic downturn that defined the last quarter of 2012. The Kiel Institute for the World Economy (IfW) states that investment activities are gradually increasing and utilization of industrial capacity is significantly growing. Thus hopes are high for a moderate 0.6% increase of the Gross Domestic Product during the rest of the year. With the job market remaining strong and additional tax cuts on the horizon, consumer spending will also show a slight growth of 0.6%, the researchers reckon. The Association for Consumption Research (GfK) also sees German consumer confidence stabilizing, unfazed by the current crisis in Cyprus. Based on the latest research, the GfK optimistically estimates a 1% increase in private spending. An assessment shared by the German Retail Association (HDE), whose calculations generated the same figures for the retail trade. At the same time, the HDE expects online sales to again rise 12% and reach 33b Euro.

It is the view of the LUDWIG BECK management that these trends are, again, confirming the Group's strategy. Because of its unique location, its premium selection and sales culture, the Marienplatz flagship store will definitely continue to generate the same excellent results as in previous years. With its new path into online sales, the company is, at the same time, perfectly equipped to activate as yet fallow potentials in an attractive growing market. "We are well positioned for 2013 and we trust, as we did in the past, in our own company dynamic. Adverse weather conditions will not deter us from our course," says Dieter Münch, Executive Board member of LUDWIG BECK AG.

The Executive Board still anticipates a branch-adjusted sales growth on group's level of 4% to 6% and earnings before taxes (EBT) between € 11.0m and € 13.0m for the current fiscal year.

The detailed Interim Report will be published online at <http://kaufhaus.ludwigbeck.de> in the "Financial Publications" section under "Quarterly Reports".

Key Figures of the Group

| in €m | 1/1/2013 – 3/31/2013 | 1/1/2012 – 3/31/2012 |
|---|-------------------------|-------------------------|
| Gross sales | 21.3 | 22.9 |
| Net sales | 17.9 | 19.2 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 1.7 | 2.6 |
| Operating 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 (number at relevant date 3/31) ¹⁾ | 462 | 443 |

¹⁾ without apprentices

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About LUDWIG BECK

Founded in 1861 as a trimmings and button-making workshop with four journeymen and one apprentice, over time, LUDWIG BECK advanced to become one of the most innovative retail businesses in Germany.

Located at Marienplatz in the heart of Munich, with a sales area of 11,500 m² spread over seven floors, and close to 500 employees, LUDWIG BECK offers an extraordinary blend of goods in its selection: hip fashion, exclusive leather goods and accessories, unique beauty products, original gift ideas, traditionally exquisite sewn and knitted creations, and the finest of auditory pleasures.

In 2012, LUDWIG BECK generated gross sales of € 103.2m and earnings before taxes (EBT) of € 12.1m.