



## Corporate News

### **Weather conditions dominate fashion retail performance of the previous months - LUDWIG BECK earnings within expectations**

**Munich, July 18, 2013** – Adverse weather conditions over long stretches of the 1<sup>st</sup> half of the fiscal year 2013 only had a minor effect on the financial key figures of Munich Fashion Group LUDWIG BECK (ISIN DE 0005199905). The online shop launched at the turn of the year gains further momentum.

#### **Development of sales**

In the 1<sup>st</sup> two quarters of 2013, the LUDWIG BECK Group achieved gross sales of € 43.9m compared to € 45.9m in the year-earlier period. Like-for-like sales went down only € 0.4m, showing a 0.9% decrease – last year's figure included € 1.6m from the sold Esprit branch. For comparison: The German fashion retail closed the 1<sup>st</sup> half of 2013 with an average 3% drop in sales.

The main reasons were the gloomiest winter on record, the coldest March in 25 years and, not least, a May that was the second-wettest month since 1881. These factors were detrimental to the entire sector and there are no counter-strategies against them. LUDWIG BECK's online business, ludwigbeck.de GmbH, developed in an unabatedly pleasing fashion. It proved to be completely weatherproof. Development of sales clearly exceeded management's expectations.

#### **Earnings situation**

Earnings have only been partially overshadowed by unsatisfactory weather conditions. LUDWIG BECK achieved gross profits of € 18.5m (previous year: € 19.3m). The gross profit margin rose slightly to 50.2% (previous year: 50.0%). Last year's figure included gross profits of € 0.6m from the OEZ Esprit branch, which was sold at the end of June 2012.

The expense ratio (operating expenses minus corresponding proceeds in relation to net sales) was 42.0% compared to last year's 38.1%. The expense ratio exactly matched the level the management expected. Absolute expenses against corresponding income were € 15.5m (previous year: € 14.7m).

Earnings before interest and taxes (EBIT) for the 1<sup>st</sup> six months of 2013 amounted to € 3.0m (previous year: € 4.6m). The EBIT margin reached 8.2% compared to 11.8% in the previous year.

Earnings before taxes (EBT) were € 2.1m (previous year: € 3.7m). Period net profit after minority interests amounted to € 1.3m compared to € 2.4m in 2012.

The overall earnings of the fashion Group were, despite climatic imponderables, within the scope of the management's expectations.

## Outlook

While general climatic conditions will always be unpredictable, economic conditions are encouraging. The Institute for the World Economy (IfW) assumes a 0.5% growth for the German Gross Domestic Product (GDP) and a further stabilization of the economy. Real recovery, however, is thwarted by the markets' uncertainty in regards to the reform ability of the Euro crisis countries and the possible impact on Germany as well as a mild recession in the Euro zone. The GDP is expected to grow by 1.8% as early as in 2014. The Association for Consumption Research detects a level of consumer confidence Germany has not experienced for six years – a shopping mood that could persist for a while.

LUDWIG BECK's management counts on these positive factors and emphasizes that, traditionally, the Group has its strongest sales in the second half of the year. With its flagship store in a prime location at Munich Marienplatz, its premium product range and unique store ambience it still has the capacity and strength to balance the effects of unpredictable weather periods for the year. The online store came off to a good start and gives cause for excitement about growth in a dynamic market. "We know our strengths." says Dieter Münch, Member of the executive board of LUDWIG BECK. „Our prognosis remains. We aim for earnings before taxes (EBT) between € 11.0m and € 13.0m for the current fiscal year."

A detailed report for the 1<sup>st</sup> half of 2013 will be published online at <http://kaufhaus.ludwigbeck.de> in the Investor Relations section under Interim Reports/Financial Publications.

## Key Figures of the Group

in €m	1/1/2013 – 06/30/2013	1/1/2012 – 06/30/2012
Gross sales	43.9	45.9
Net sales	36.9	38.6
Earnings before interest, taxes and depreciation (EBITDA)	4.4	6.0
Operating result (EBIT)	3.0	4.6
Earnings before taxes (EBT)	2.1	3.7
Net profit for the period after minority interests	1.3	2.4
Equity	59.1	54.2
Equity ratio	56.1	52.5
Earnings per share (in €)	0.35	0.65
Investments	1.2	0.7
Employees (number at relevant date 6/30) *	459	461

\* 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 m<sup>2</sup> 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.