Corporate News

LUDWIG BECK increased sales and profit in 2011

Munich, March 14, 2012 – The Munich-based fashion group LUDWIG BECK (Security Identification Number: 519 990) concluded the fiscal year 2011 with branch-adjusted gross sales up 1.7%. Even the record result of 2010 could be topped with earnings before taxes (EBT) soaring 13.9%.

Development of sales
Branch-adjusted gross sales were raised by € 1.7m to € 103.3m in comparison to € 101.6m in the preceding year.

Branch-unadjusted sales also came to € 103.3m (previous year: € 107.2m). The reduction can be explained by LUDWIG BECK´s closure of nearly all of its branches in the reference period.

The flagship store at Marienplatz itself (incl. FÜNF HÖFE) registered a disproportionate 2.3% increase in sales in comparison to the previous year, allowing the Munich "Store of the Senses" to once again finish ahead of the sector. This success was owed to the company's „trading up" strategy, effectively deployed for years. The trade in general ended the year 2011 only at par.

Earnings situation
The operative result (EBIT) amounted to € 12.9m in comparison to last year`s € 13.7m. This result already incorporates special costs of € 1.2m incurred for the 150-year anniversary. Relating to net sales, the EBIT margin nevertheless reached a respectable 14.8% as compared to 15.2% in the previous year.

With earnings before taxes (EBT) at € 11.3m, the last year's result of € 9.9m could be surpassed by 13.9%.

Consolidated net income amounted to € 8.8m exceeding last year's level (€ 6.4m) by 36.2%. In 2011, special items amounting to € 1.4m resulted from a tax audit and the acquisition of Feldmeier GmbH - the company holding the shares in the flagship store at the Munich Marienplatz. Adjusted for these non-recurring special items, consolidated net income still came to € 7.4m (previous year: € 6.4m), thus topping last year's result by approximately 15%.

Dividend payment
In the light of the successful figures of the year 2011, the Executive Board and Supervisory Board will propose to the Annual General Meeting on May 8, 2012 to distribute a dividend in the amount of € 0.35 per eligible no-par share. Furthermore, a special dividend of € 0.10 per no-par share is planned, to mark the 150th anniversary of LUDWIG BECK. Remaining profits shall be transferred to other profit reserves, as a way to further enhance the company's equity base. The equity ratio will be increased to a solid 49.9% (previous year: 43.7%).

Outlook
Currently, published forecasts for the macroeconomic development in 2012 may be vague, yet the LUDWIG BECK Group has often produced good results in similar situations and has continuously been able to position itself above the general branch trend. Sound, cost-effective management, „trading up“ strategy and sustained high demand by the main target group surely give cause for optimism also in 2012.

Relying thereon, the Executive Board expects branch-adjusted sales to rise by 2% to 3% in the current fiscal year and earnings before taxes (EBT) to range between € 10.0m and € 12.0m. More specifically, the management anticipates sales to increase by approximately 2% in the textile segment and by approximately 3% in the non-textile segment.

“We intend to set strong stimuli also in 2012, thus building upon our excellent results of the past years“, Dieter Münch, CFO of LUDWIG BECK AG stated. “’New game, new chances, new records’, this is our maxim“, Münch concluded.

Key figures of the group

in €m	**2011**	**2010**
Sales (gross)	103.3	107.2
Sales (net)	86.8	90.1
Gross profit[1)]	44.3	45.5
Earnings before interest, taxes and depreciation (EBITDA)	15.6	16.9
Operative result (EBIT)	12.9	13.7
Earnings before taxes (EBT)	11.3	9.9
Consolidated net income	8.8	6.4
Earnings per share (in €)	2.37	1.74
Investments	11.6	1.9
Employees (number)[2)]	473	513

[1)] Net sales less costs of material used [2)] without apprentices

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