



Corporate News

LUDWIG BECK accelerates on road to success – branch-adjusted sales up almost 4%, EBT grows more than 80%

Munich, July 19, 2012 – After a good start into the current year, Munich fashion group LUDWIG BECK (WKN: 519 990) successfully expanded its market position as one of Munich's leading department stores in the 1st half of 2012. Again, sales rose far above the overall industry trends and clearly exceeded last year's earnings.

Development of sales

In the months from January to June 2012, LUDWIG BECK achieved gross sales in the amount of € 45.9m, up 2.1% compared to € 45.0m in the 1st half of 2011. With 3.9%, the growth in like-to-like sales was even more pronounced. The retail industry, by contrast, had to bemoan a 2% drop in sales for the same period (source: TextilWirtschaft). Adding to this positive sales result is the fact, that in the 1st half of 2011, the now closed Augsburg branch contributed € 0.8m to the sales volume. With sales of € 44.3m (previous year: € 42.3m), the flagship store at Munich's Marienplatz (incl. FÜNF HÖFE) contributed a disproportionately high share to these top results. Thus the "Store of the Senses" achieved a 4.6% gain compared to last year's sales and once again cemented its position as *the* guarantor of success for LUDWIG BECK.

Earnings situation

In the 1st half of 2012, gross profit was € 19.3m moving laterally compared to last year's € 19.3m. The gross profit margin reached 50.0% (last year: 51.0%). Non-recurring items and contributions by suppliers for the 150-year anniversary led to a better gross profit margin in the previous year.

At € 14.7m, the absolute expenses against corresponding income remained clearly below last year's € 16.1m. In the 1st half of 2012, the expense ratio fell by 4.3%-points to 38.1%. Last year it was 42.5% for the same period.

During the 1st half of 2012, EBIT of € 4.6m exceeded the previous year's result of € 3.2m by an impressive 42.1%. Last year, net effects resulting from the 150-year anniversary weighed on profits with € 0.7m. Reaching 11.8% in the 1st half of 2012, the EBIT margin was clearly higher than in the previous year (8.5%).

Earnings before taxes (EBT) also showed a very pleasing development. Due to a strong improvement of the financial result to € -0.9m (previous year: € -1.2m), EBT increased to € 3.7m in the 1st half of 2012 (previous year: € 2.0m) - a remarkable gain of 80.5%. The EBT margin climbed to 9.5% (previous year: 5.4%).

The period net profit after minority interests jumped 77.4%, from € 1.4m in the previous year to € 2.4m.

As part of the strategic focus on the flagship store at Munich's Marienplatz, the Esprit branch located in the Olympia Shopping Mall was sold as of June 30, 2012. This measure had a positive effect of € 0.2m on the earnings of the 1st half of 2012.

Outlook

In their forecasts, economic researchers agree that during the course of this year the German economy will face the effects of the Euro crisis, but will experience a slight expansion by the 4th quarter. The Kiel Institute for the World Economy (IfW) assumes a 0.9% growth of the gross domestic product in 2012, the ifo-Institute for Economic Research predicts a 0.7% increase. According to the results of the Association for Consumption Research (GfK), the Germans maintain their positive shopping mood, detached from the overall Euro pessimism. Therefore, researchers expect private consumption to grow by one percent. The retail industry places great hopes in this trend in regards to the rest of the year.

Dieter Münch, Executive Board member of LUDWIG BECK AG, sees the current development as a confirmation for the Group's strategy: "The results of the 1st six months of 2012 show that we have full control over the success factors for our company's economic situation."

Investors agree with this view. FOCUS Money (27/2012) admitted LUDWIG BECK stock into the exclusive club of the World's safest stocks. Based on the most important stock market indexes, the magazine filters out those stocks featuring a 10-year volatility of less than 30 and with losses under 30% within the last 12 months. Furthermore, the stocks must have produced a minimum of 15% in capital gains over a 3-year period and, in a five to ten year perspective, spared their investors losses. In the last years, LUDWIG BECK shares have repeatedly done better than DAX and Prime Retail and placed a proud 5th in this study within the CDAX analysis.

LUDWIG BECK's Management has every reason to describe the earnings performance for the 1st half of 2012 as exceptionally pleasing and steadily maintains its prognosis for the coming months. Under the wholly owned subsidiary ludwigbeck.de GmbH, an e-commerce platform is in the making to accompany the physical store location. Management intends to start producing sales out of activities in the cosmetics segment in the 4th quarter of 2012. On this basis, company management once again underlines its forecast for the current fiscal year, anticipating a branch-adjusted sales growth of 2% to 3% and earnings before taxes (EBT) between € 10.0m and € 12.0m for 2012. Considering the figures for the 1st half of the year, the company expects to clearly top last year's result of € 11.3m in the current year. With that, LUDWIG BECK would be on route for a new record annual profit in 2012.

A detailed report for the 1st half of 2012 will be published online at <http://www.ludwigbeck.de/english/ir-english/financial-publications/quarterly-reports/>.

Key Figures of the Group

in €m	1/1/2012 – 6/30/2012	1/1/2011 – 6/30/2011
Gross sales	45.9	45.0
Net sales	38.6	37.8
Gross profit¹⁾	19.3	19.3
Earnings before interest, taxes and depreciation (EBITDA)	6.0	4.7
Operating result (EBIT)	4.6	3.2
Earnings before taxes (EBT)	3.7	2.0
Period net profit after minority interests	2.4	1.4
Earnings per share (in €)	0.68	0.37
Investments	0.7	0.6
Employees (number at end of period 6/30)²⁾	459	453

¹⁾ Net profits from turnover minus costs of material used; ²⁾ without apprentices

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 2011, LUDWIG BECK generated gross sales of € 103.3m and earnings before taxes (EBT) of € 11.3m.

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