



Corporate News

LUDWIG BECK exceeds industry barometer again with stable growth – branch-adjusted sales rise 3.6%, EBT gains remarkable 24%

Munich, October 18, 2012 – Despite unstable economic conditions, Munich Fashion Group LUDWIG BECK AG (WKN: 519 990) continues on its road to success and once again ends the 3rd quarter 2012 with improved figures.

Development of sales

In the months from January to September 2012, LUDWIG BECK achieved gross sales in the amount of € 70.4m, a 1.2% increase compared to € 69.6m in the same period of last year. In 2011 and 2012, LUDWIG BECK parted with its branches in Augsburg and in the Olympiaeinkaufszentrum (Esprit branch). Branch-adjusted sales rose strong 3.6%. The flagship store at Munich's Marienplatz incl. FÜNF HÖFE, achieved a 4.1% jump in sales (+ € 2.7m). Gross sales reached € 68.8m (previous year: € 66.1m). By contrast, the retail industry ended the first nine months of the year with a 1% decline in sales (source: TextilWirtschaft).

Earnings situation

Despite the closing of the branches, gross profit remained with € 29.6m at about the same level as in 2011 (€ 29.5m). The gross profit margin reached 50.0% (2011: 50.5%). Non-recurring items and contributions by suppliers for the 150-year anniversary led to a better gross profit margin in the previous year.

The Group's expense ratio fell by 2.7%-points to 37.3% (2011: 40.0%). Absolute expenses against corresponding income fell € 1.3m from last year's € 23.4m and reached € 22.1m.

Earnings before interests and taxes (EBIT) also gained ground compared to last year: € 7.6m against € 6.2m – a remarkable 22.7% increase. EBIT margin climbed 2.2%-points to 12.8% (2011: 10.6%). In the previous year, non-recurring net effects resulting from the 150-year anniversary weighed on the EBIT with € 0.7m.

During the first nine months of 2012, the financial result amounted to € -1.4m (previous year: € -1.2m). Due to a tax audit, other shareholders' holdings of Group profits positively influenced the result with € 0.3m in the previous year.

Earnings before taxes (EBT) also showed a very positive development. In the first three quarters of 2012, EBT grew by 23.7% to € 6.2m. It reached € 5.0m during the same period of 2011.

Taxes on income paid amounted to € 2.0m compared to € 2.6m in the previous year for the reporting period. A non-recurring effect resulting from a tax audit weighed on the previous year with € 1.3m.

Net profit for the period after minority interests reached € 4.1m. Previous year's result was € 2.4m, also due to the effects of a tax audit.

Overall, earnings performance was very pleasing during the first nine months of 2012 and clearly backs the goals management set at the beginning of the year.

Outlook

The Euro-crisis has become a permanent condition and made its way into many German households. The Kiel Institute for the World Economy (IfW) nonetheless exercises cautious optimism and forecasts economic growth of 0.8% for Germany in 2012. According to the IfW, German exports can be relied upon even in times of reorientation to new markets. With confidence in Euro-crisis policy rising, businesses will be more willing to invest, the researchers believe. The shopping mood of Germans is still unabated and active. Just one fly in the ointment: when it came to the textile sector, consumers practiced restraint. At LUDWIG BECK however, no such tendency could be observed.

Executive Board member Dieter Münch: "We are convinced that LUDWIG BECK's development will continue to be very successful. We do not observe any uncertainty in buying behavior due to an increasingly overcast economy. Munich has an outstanding position and is just the measure of all things in so many ways."

Traditionally, the 4th quarter is the strongest for LUDWIG BECK. Thus, there is every reason to believe, that the results achieved so far will be exceeded by fall and Christmas sales. Management sustains its earlier communications and predicts a 2% to 3% increase in branch-adjusted sales and earnings before taxes (EBT) between € 10.0m and € 12.0m. The company aims at a new record EBT that will clearly top the € 11.3m result of the anniversary year 2011.

A detailed report for the first nine months of 2012 will be published online at www.ludwigbeck.de in the "Quarterly Reports" section under "Financial Publications". The URL is www.ludwigbeck.de/english/ir-english/financial-publications/quarterly-reports/.

Key Figures of the Group

in €m	1/1/2012 – 9/30/2012	1/1/2011 – 9/30/2011
Gross sales	70.4	69.6
Net sales	59.2	58.5
Gross profit¹⁾	29.6	29.5
Earnings before interests, taxes, depreciation and amortisation (EBITDA)	9.7	8.3
Earnings before interests and taxes (EBIT)	7.6	6.2
Earnings before taxes (EBT)	6.2	5.0
Net profit for the period after minority interests	4.1	2.4
Earnings per share (in €)	1.14	0.64
Investments	2.0	1.0
Employees (number at end of period 9/30)²⁾	467	470

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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