

LUDWIG BECK

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Corporate News

LUDWIG BECK ends 1st quarter with 2.4% gain in sales

Munich, April 23, 2014 – Munich Fashion Group LUDWIG BECK (ISIN DE 0005199905) ends the 1st quarter of the 2014 fiscal year with an increase in sales. Consideration deserves the fact that this year's *revenue effect* of Easter business will be delayed into the 2nd quarter.

Development of sales

In the 1st three months of the 2014 fiscal year, LUDWIG BECK generated gross sales of € 21.8m on Group level (previous year: € 21.3m), corresponding a 2.4% increase. The main reasons are consumer-friendly weather conditions and an undampened shopping mood among consumers. According to TextilWirtschaft (TW), the fashion retail sector also generated a 3% gain in the same period. The flagship store at Munich Marienplatz, again, contributed the biggest portion to sales. Likewise, the development underlined the great popularity of the relatively young online store. Thus, the 1st quarter, usually the one generating the lowest sales, fulfilled management's expectations even without the effect of Easter sales.

Earnings situation

Gross profits showed a neutral development, amounting to € 8.8m, similar to the previous year, due to one-time positive special items adding to last year's 1st quarter. The gross profit margin reached 48.0% (previous year: 49.0%).

With € 8.3m, the absolute amount of expenses netted against corresponding income was higher than in the previous year with € 7.8m. Mainly responsible were a 6.5% pay raise for the company's employees effective in the 2nd quarter of 2013 and higher distribution costs in connection with the online store.

The operating result (EBIT) reached € 0.5m (previous year: € 1.0m). The EBIT margin was at 2.5% (previous year: 5.4%).

Earnings before taxes (EBT) reached € 0.2m (previous year: € 0.6m).

Net profit for the period amounted to € 0.2m compared to last year's € 0.4m.

Outlook

For the remainder of the business year, the Group continues to rely on the implementation of its successful *Trading Up* strategy. The Executive Board trusts the dynamic of its own economic strength in connection with favorable political, economic and weather conditions. The grand re-opening of Men's Fashion on the lower ground floor of the Munich flagship store on an enlarged sales area will be a highlight of the current business year. It comes with further quality upgrades in presentation and product line. "On now 1,500 sqm, we create a top address for classy upscale apparel for fashion conscious men," so Dieter Münch, member of the LUDWIG BECK Executive Board. Furthermore, the Executive Board expects the online store www.ludwigbeck.de to continue its strong positive development as top-selling second pillar next to the in-store business.

Considering these driving forces, the Executive Board expects a sales growth in the middle one-figure percentage area and a result at the level of the previous year for the 2014 business year.

A detailed interim report for the 1st quarter will be published online at www.ludwigbeck.de/english under *Investor Relations, Financial Publications* in the *Quarterly Reports* section.

Key Figures of the Group

in €m	1/1/2014	1/1/2013
	3/31/2014	3/31/2013
Gross sales	21.8	21.3
Net sales	18.3	17.9
Earnings before interest, taxes, depreciation and amortization (EBITDA)	1.2	1.7
Earnings before interest and taxes (EBIT)	0.5	1.0
Earnings before taxes (EBT)	0.2	0.6
Net profit for the period	0.2	0.4
Equity (at end of period 3/31)	64.4	59.9
Equity ratio in % (at end of period 3/31)	60.3	56.4
Earnings per share (in €)	0.05	0.11
Investments	0.6	0.4
Employees (at end of period 3/31) ^{*)}	457	462
Apprentices (Number)	44	49

*) without apprentices

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The Munich Fashion Group is one of the top fashion retail companies in Germany. With approx. 500 employees on an area of almost 11,600 m², it (incl. ludwigbeck.de GmbH) generates € 102.1m in sales (as of December 31, 2013).

LUDWIG BECK is located at Marienplatz in the heart of Munich. On seven floors LUDWIG BECK presents international fashion, leather goods and accessories, and exclusive cosmetics. With more than 120,000 songs, it offers the biggest collection of classical music, jazz, world music and audio books of any in-store location in Europe. Launched at the end of 2012, LUDWIG BECK is now offering the extraordinary brand portfolio of its beauty department online at www.ludwigbeck.de. A unique selection of more than 9,000 products featuring more than 90 luxury and niche cosmetics brands awaits online customers.

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