



L U D W I G B E C K
is one of **Germany's leading retail companies**

with one of the country's top locations in
Munich's central Marienplatz square.

We enjoy above-average growth
in both sales and earnings. Our recipe for success
is the **»Store of the Senses«** concept.

Our core values are **quality, expertise,**
a unique range of goods and individual presentation.

We appeal to an attractive consumer group
and achieve an **exceptionally** high degree of loyalty.
Our customers value the outstanding quality of advice **and**
friendliness of our sales staff.

We aim to **utilize these strengths** in order to become
the most **profitable** and **productive store in Germany.**

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Key figures LUDWIG BECK AG

Group

Result

		2000	1999	2000
Net sales	DM million	169.1	167.4	169.2
Gross profit	DM million	82.1	80.9	82.1
EBITDA	DM million	18.3	18.6	17.6
EBIT	DM million	12.7	13.0	11.9
Result from ordinary activities	DM million	11.0	11.3	10.2
DVFA/SG-based result	DM million	5.7	5.9	5.4
DVFA/SG-based cash flow	DM million	16.7	16.3	16.0
IAS-based result	DM million	-	6.3	3.9

Balance sheet

Equity	DM million	35.2	30.0	34.7
Capital expenditure	DM million	8.8	5.5	7.8
Balance sheet total	DM million	61.1	56.8	60.3

Personnel

Employees	Pers.	665	663	665
Sales per employee (weighted average)	DM	400,000	397,000	400,000

Per share

DVFA/SG-result	DM	1.72	1.74	1.63
Net income	DM	3.31	3.37	3.09
Dividend	DM	1.70	1.70	1.70
Dividend yield	%	6.7	6.4	6.7

Other details

Sales area	m ²	13,000	13,000	13,000
Sales per m ²	DM/m ²	15,100	14,900	15,100
Locations	Number	4	4	4

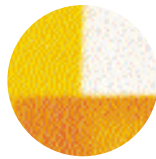
"We cannot reach objects with our eyes,
it is the rays emanating from these

OBJECTS WHICH REACH OUR EYES."

[Heinrich Sachs/Bau und Tätigkeit des menschlichen Körpers. 1907]

*"At the very beginning,
early in the morning, I saw a colourful
object running across a green surface.
Every now and again it paused,
and I could distinguish the colours,
yellow, red, blue, but all mixed up,
hardly perceivable,
and after a while a little clearer,
until individual patches of colour developed,
which no longer merged together.
A ball rolling across a meadow, delicately,
a beach ball, so light that the wind was spinning it."*

[Brigitte Kronauer/Strophen zu einer Beobachtung 1969-73]



“Think big! said the man who wanted to discover

Look big!

said the child and discovered.”

[Peter Handke/Lucie im Wald mit den Dingsda. 1999]

“We are all aware that the major part of our lives escapes our senses.”

[Peter Brook/Der leere Raum. 1988]

L O O K



I N T E R V I E W >>

Reiner Unkel, [42]_Chairman of the Executive Board of LUDWIG BECK AG

Reiner Unkel's interests extend beyond economics and markets to the people behind the figures. After graduating in economics, he went straight into retailing: »I wanted not only to achieve objectives with others but to feel the daily reaction of the customer,« says Unkel. After eleven years in various management positions and departments with well-known clothes retailer E. Breuninger GmbH & Co., in Stuttgart, he joined the Executive Board of LUDWIG BECK AG in March 1997. Since April 1998 he has been Chairman of the Executive Board with special responsibility for purchasing, sales and personnel.

Dieter Münch, [46]_

Member of the Executive Board of LUDWIG BECK AG

Dieter Münch made his first contact with LUDWIG BECK as a student intern while studying business administration in Munich. Fascinated by the special BECK atmosphere, he joined the company's Controlling department directly after graduating in 1980. He was drawn by the peculiar attraction exerted by financial statistics and the opportunity to control the business processes of a clearly structured organization. He joined the Executive Board in April 1998, where he has been responsible for finance, marketing and investor relations since May 1999.



Q U E S T I O N Despite the difficult market environment LUDWIG BECK AG once again succeeded in out-pacing the sector as a whole in fiscal 2000, but fell slightly short of expectations. What were the reasons for this?

U N K E L Well, you could say we got a “warm” surprise. Sales and earnings were developing very well right into the third quarter. But then the weather played a trick on both us and our shareholders: the warmest September since weather records began ruined our autumn season, and the adverse effect of this mild weather lasted right into our Christmas period. It is quite surprising, therefore, that we can still be so satisfied with the year as a whole. We raised sales once again and are still earning one of the best returns in the German retail sector.

M Ü N C H Let me just state the actual figures for the year. After adjustment for store space variations, sales rose by about 1% to DM 196.0 (194.0) million. Net income for the AG reached a respectable DM 11.0 (11.3) million. Despite being burdened by start-up costs for our e-commerce subsidiary, Group earnings also exceeded the DM 10 million mark. That is still quite a decent result.

Q U E S T I O N You were quick to inform the public about the impact on sales of these record temperatures, which affected mainly the region of southern Germany. How did shareholders react to the news?

M Ü N C H Our shareholders displayed a remarkable degree of understanding for the unpredictable nature of our often quite weather-dependent business. They also showed great respect for the early warning, which was noted to be in stark contrast to the information policy of many other companies. Obviously, they would have preferred to receive more cheerful news – so would we.

U N K E L It was important that we were suddenly facing losses, but that we could still present a very respectable profit for the year which will allow us to continue our dividend policy. Both the Executive Board and Supervisory Board recommend an unchanged dividend payment of DM 1.70 (1.70) per share. The dividend is paid tax-free and is therefore not classed as taxable income for our shareholders.

Q U E S T I O N LUDWIG BECK has been growing considerably faster than the sector average for a number of years now. Did this change in any way in the past year?

M Ü N C H No, just the opposite. The retail clothing sector as a whole was posting growth in sales until the end of September, but then slipped into negative figures in the last three months and finished the year 2% down in total. This puts us three percentage points ahead of the market, underlining once more our inherent strength. Due to its unique store concept and unswerving marketing and customer-oriented strategy LUDWIG BECK AG was able to extend its lead once more in the past year. This applies in particular to the Munich region.



U N K E L LUDWIG BECK is no ordinary department store; it is the “Store of the Senses”. We appeal to all the senses of our customers. The customer is aware of this and rewards us for it.

Q U E S T I O N **But it is obviously more than just this concept which appeals to customers. The success of the past year in a difficult market pays tribute to a remarkable management achievement.**

M Ü N C H In the past fiscal year LUDWIG BECK not only continued to improve its internal processes but also launched aggressive, new product range concepts – for example in its Young Fashions department. Our customer-centred staff training program – “Continual Sales Development” – gave a further boost to employee motivation while enhancing the quality of our sales service.

U N K E L Our floor space management concept has helped us to raise productivity from DM 13,100 to DM 15,100 (1999: DM 14,900) per square metre since 1997. LUDWIG BECK is therefore far ahead of comparable retailers with average square metre sales of well under DM 10,000.

Q U E S T I O N **The overall development of the retail trade in the past year did not prevent LUDWIG BECK AG from charting an unswerving course for the future. What are the company’s prospects for the coming years?**

U N K E L In the past year we developed and launched a new strategy with which we intend to build on our position as a highly profitable company with an excellent equity ratio of almost 58% and utilize it for further profit-oriented growth. Our target is to more than double sales revenues from DM 196.0 million (2000) to DM 400 million in 2004. But again, our primary aim is to grow earnings and not just sales revenues.

The growth concept is based on four pillars:

- The first pillar is the further expansion of our flagship store in Munich’s Marienplatz. Sales here are to continue to outpace the sector average.
- The second pillar is our new e-commerce business started in November last year.
- The third pillar is expansion with a new branch concept based on experience made with the »pep« shopping center in Munich.
- And the fourth pillar is to expand through acquisitions. We are looking for companies which can add to our own expertise or which can provide useful synergy effects.

Q U E S T I O N That all sounds very ambitious. Let's start with the expansion of the Marienplatz store. What do you aim to achieve here?

M Ü N C H Expansion of our main store in the Marienplatz represents a major focus of capital expenditure as it has a direct impact on our ability to grow both sales and earnings. Last year we already expanded our air conditioning system enabling us to reduce our dependency on weather conditions, especially during the hot summer months. Our flagship store has one of Germany's most exclusive locations in Munich's main city square, one of the most frequented sites in Germany. This is where we still generate a large share of our revenues.

Q U E S T I O N And where you earn a large share of your reputation, I might add. After all, LUDWIG BECK and the "Store of the Senses" enjoys an excellent reputation far beyond the boundaries of Munich.

U N K E L Right. And it is exactly this potential which we aim to utilize with our e-commerce project. The newly founded ludwigbeck-online GmbH aims to exploit our excellent reputation in Germany and abroad as the "Store of the Senses" by adding the possibilities of electronic commerce to our normal physical outlets. We are ideally positioned for such a sales channel: those who rely completely on e-commerce often face many problems – with the odd exception. In our case we are adding the possibilities of e-commerce to our physical sales outlets – which are currently more popular than ever. At our *www.onlybeck.de* site, customers can choose from over 50,000 CDs in the categories jazz and classical music – more than any other Internet provider.

M Ü N C H We should stress, however, that we have taken a very conservative approach to the e-commerce project. It suits us particularly well, because we already started mail order CD sales in 1990. The new Web-based offer is simply an extension of our sales activities via the Internet.



Q U E S T I O N The third pillar is the branch concept. How do you aim to generate growth here?

U N K E L We already operate two branch stores in Munich and one in Hamburg, which work on a different concept to our flagship store in central Munich. They are based mainly in shopping centers and aimed therefore predominantly at young families, and especially young women – a group we have already successfully attracted with our Young Fashions line. We aim to exploit this tremendous potential even further: we have already decided to re-open our store in Augsburg's City-Galerie in autumn 2001 and we are planning to double floor space at our existing store in the Olympic Shopping Center in Munich in autumn 2002. In the coming years we also plan to open further stores of up to 2,000 square metres floor space, mainly in shopping centers.

Q U E S T I O N That leaves us with the fourth pillar: acquisitions. What can you tell us about this?

M Ü N C H Obviously, this is quite a sensitive subject which one should not speak about too much in advance. But I can say one thing: we included the fourth pillar in our strategy for a very specific reason. There are a number of attractive candidates. And the share buy-back program has provided us with an additional acquisition currency.

Q U E S T I O N On the subject of your share buy-back program: you stated at the AGM that LUDWIG BECK shares were undervalued. Is this still the case?

U N K E L Yes, because we are offering a stake in a highly attractive retail company, which promises above-average growth in sales and earnings over the coming years. Our share price remained solid during the turbulence of last year's stock market trading and offers justified expectations of further growth.

Q U E S T I O N What are the prospects for 2001?

U N K E L We are very confident about our prospects for the current year. LUDWIG BECK expects to grow faster than the sector average once again. We will continue to pursue our floor space management program. Adjusted for variations in floor space, we expect sales to grow by more than 3% to well over DM 200 million in 2001. The non-clothing segments are expected to make a particularly strong contribution to this overall growth. Earnings of the AG will also grow considerably, and despite start-up costs for our e-commerce subsidiary we expect the Group's consolidated earnings to also rise. The German tax reform and improved consumer spending figures are expected to add further momentum to the company's own healthy development. LUDWIG BECK traditionally benefits more than average from any recovery in the retail sector.

M Ü N C H Let me just add one more important point: the company's success would never have been possible without the tremendous commitment and superb quality of our staff. The extremely high level of customer loyalty which we have enjoyed for many years is a direct result of their efforts. Many of our regular customers have a very personal relationship to the store with their "own" sales assistants. Once again we would like to express our gratitude for the dedication and hard work of all our employees.

Q U E S T I O N Which areas will you be focussing on in 2001?

U N K E L We will continue to invest in the expansion of our stores and product ranges. Above all, however, we intend to strengthen our efforts with regard to marketing activities aimed at specific target groups in 2001. This not only applies to the extremely successful departments, such as Young Fashions or Coordinates, but also to those whose potential has not yet been fully exploited, such as Men's Clothing. Finally, we will also focus on making our branch stores more profitable and repeating this success in Augsburg.

M Ü N C H With these measures LUDWIG BECK AG can continue its growth course independent of any developments in the retail sector. We will stick to our strategy and continue to pursue the target which we have set ourselves: to be Germany's most profitable and productive department store.

Mr. Unkel, Mr. Münch, thank you for the interview – and every success for the new business year.



“The sense organ with the simplest construction is the skin. The sensory nerves mostly end,
without the aid of any particular device, by simply splitting up into bundles of fine threads.”

[Heinrich Sachs/Bau und Tätigkeit des menschlichen Körpers. 1907]

.....

“It was a particular comfort to feel myself
swaddled in the warmth of my uncle’s clothes,
and there were times when I imagined the suit
was actually holding me together,
that if I did not wear it my body would fly apart.
It functioned as a protective membrane,
a second skin that shielded me from the blows of life.”

[Paul Auster/Moon Palace 1989]

My hands

Open the curtains of your being

Clothe you in a further nudity

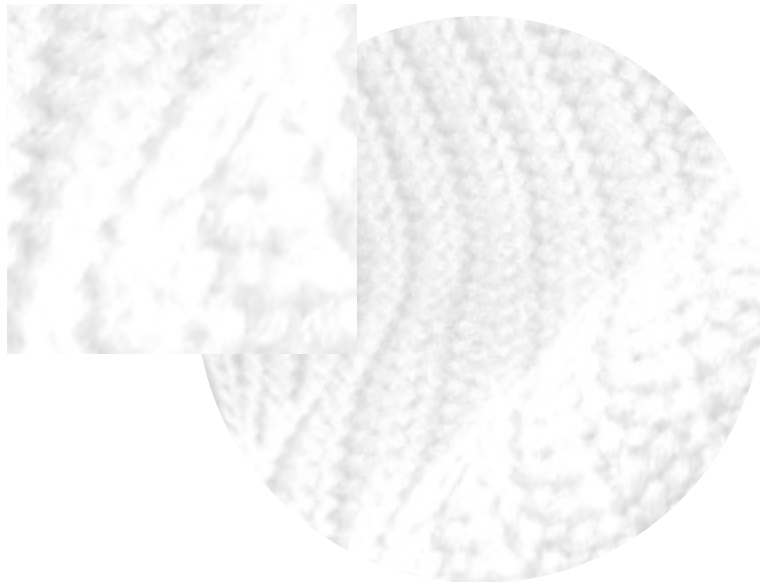
Uncover the bodies of your body

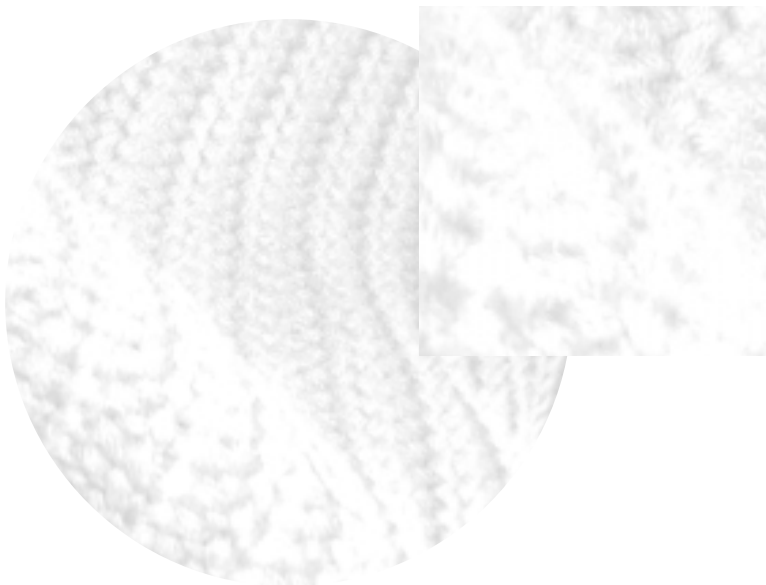
My hands

Invent another body for your body

[Octavio Paz/Touch]

. *"Personally . . . I believe it's not a question, of what things look like, . . but of what feelings they inspire."*
[Philippe Starck/Architektur&Wohnen 1/99]





F E E L



STORE OF THE SENSES >>

SHOPPING WITH ALL THE SENSES

| || || | CONCEPT FOR SUCCESS

| || || | INDIVIDUAL STYLE

| || || | INNOVATIVE PRODUCT
RANGE STRATEGY

| || || | SUCCESSFUL EXPANSION OF OWN LABELS

| || || | SUCCESS WITH EXCLUSIVE COSMETICS

CONCEPT FOR SUCCESS | || || | At the entrance door to LUDWIG BECK the customer realizes that this is no ordinary department store: “2 minutes to closing time – Welcome to LUDWIG BECK!” Customers are still treated with individual care if they arrive shortly before closing time – and even if it means staying a quarter of an hour longer.

There are a number of things which are different about LUDWIG BECK – the service, the level of competence, the range of goods and the store’s fittings and decorations. LUDWIG BECK has always set high standards of creativity, individuality, quality, modernity and emotionality. The tradition started with the foundation of the main store by the button-maker and master haberdasher LUDWIG BECK in 1861. Since this time the store has been committed to embracing new ideas, product ranges and innovations.

The recipe for success is called: “Store of the Senses”. This concept combines the unique features of LUDWIG BECK. It is an emotional promise which emphasizes the individuality of LUDWIG BECK and has the power to activate the public. Opinion polls carried out by the research institute Infratest discovered numerous positive associations: LUDWIG BECK appeals to all the senses. The customer can see, smell, hear, feel and even taste something. He doesn’t just buy clothes, he gets more. The atmosphere is pleasant: people feel at home. BECK’s highly motivated staff make sure of that. The customer feels relaxed and that he is being individually attended to.

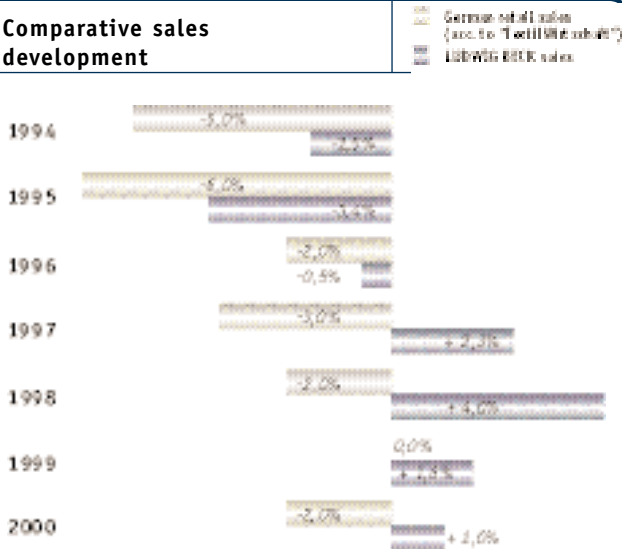
To put it briefly: shopping is fun – and BECK makes you want to shop. It’s more than just a store.

STRONGER GROWTH EXPECTED FOR CONSUMER SPENDING IN 2001

For Germany's retail sector 2000 was a year of mixed fortunes – and of minor sensations: although clothing stores suffered from the effects of warm autumn weather and car salesmen had to face a strong decline in sales, the retail sector as a whole fared reasonably well. The classic retail sectors grew stronger than in the years before. This surprised many in the sector considering the sluggish demand stores have been experiencing for almost a decade now. The news led to a new upbeat mood in the sector: the German Association of Wholesalers and Exporters expects sales to increase by 2% in 2001, while even the usually conservative German Retail Association forecasts real growth of 2.5 to 3.5% for 2001.

The signals are also being interpreted positively by the German retail clothing sector. The general economic recovery should be sufficient to boost consumer spending in Germany. As a result of the latest tax reform, consumers now have somewhat more money in their pockets. This extra income is more than enough to compensate for higher energy costs as a result of the new eco-taxes.

Comparative sales development



INDIVIDUAL STYLE | || || | The first prerequisite in implementing the LUDWIG BECK philosophy is the creation of an individual style. It begins with design – from the building's exterior to its window displays, entrance and into the departments. LUDWIG BECK presents a sensory concept, reflected in its interior decoration, lighting, shop layout and, of course, in its selection of goods. Every floor and every department is designed to form a separate unit, in terms of both decoration and the goods on offer. The store's entire fittings were specially designed for LUDWIG BECK. We reject standardized store systems by major shop designers as well as shop-in-shop systems.

UNIQUE LOCATION IN MUNICH'S MARIEN-PLATZ SQUARE | || || | The unique location of our flagship store in Munich's Marienplatz with over 500,000 passers-by per day assures us of the highest visitor frequency of the whole downtown Munich area.



LUDWIG BECK is in a strong position to benefit from two key structural changes in the retail trade: the demise of the specialist store and the creation of new, top-quality locations in city centers. Due to its high standards of service and tremendous depth in many specialized areas, LUDWIG BECK can replace the function of the specialist store. The “comeback of the city”, i.e. the faster growth rates in city locations compared with out-of-town sites, has led to hectic construction work and the opening of new stores in downtown locations. A perfect example of this trend are the two HypoVereinsbank projects, the “Schäffler-Block” and “Fünf Höfe” (Theatiner-Block). These new developments will make Munich’s city center even more attractive and further increase the number of shoppers – to the benefit of LUDWIG BECK.

COMBINING THE STRENGTHS OF DEPARTMENT AND SPECIALIST STORES | || || | One of LUDWIG BECK’s strengths is that it combines the advantages of both department store and specialist shop: we provide the breadth of range of the large store as well as the individual product expertise of the specialist.

We are the market leader in several categories of our product assortment. Our socks and stockings department, for example, has the largest range of its kind in Germany – from fish-net tights to medical support stockings. The traditional haberdashery department for buttons and sewing accessories follows in the footsteps of company founder LUDWIG BECK: it is without competition in Munich and indeed throughout Europe. Every third swimming garment bought in Munich comes from our swimwear department, which maintains its full range of swimming fashions even during the winter season.

WHO ARE OUR CUSTOMERS?

At least 30% of our customers are “regulars”, who visit the store at least once a week. The most recent findings of LUDWIG BECK’s regular customer loyalty surveys show that our customer loyalty index had reached an extremely high 86 points (out of 100). When asked about the reasons for their exceptional loyalty to LUDWIG BECK, customers mentioned the store’s excellent reputation, the outstanding quality and competence of our fashion ranges, the pleasant shopping atmosphere and the comprehensive service.

In addition to fashions and textiles – our main sources of revenues – LUDWIG BECK also offers its customers a wide range of articles which complement and support the BECK image. These include classical music and jazz, Italian wines and gift items. Special activities, such as fashion shows, exhibitions, readings and musical performances, add to the overall BECK experience. The store's "Christmas House" is famous far beyond Munich's boundaries. Up to 50 artists from all over the world demonstrate their crafts and offer their work for sale at our main store in the Marienplatz.

All these measures have one common aim: from floor to floor and from department to department, the customer must be able to discover new product and lifestyle worlds.

INNOVATIVE PRODUCT RANGE STRATEGY

| || |||| | A further decisive aspect of the "Store of the Senses" is its product range: LUDWIG BECK offers a unique mixture of products with a strong focus on fashion and clothing. The store rounds off its core product ranges with goods which help define the specific BECK style. We consciously avoid lower-priced goods and concentrate mainly on the medium-price and premium segments.

Garments in the ladies', men's and children's departments are targeted specifically at well-defined consumer groups. They are aimed at consumers with strong brand-name and fashion-oriented preferences. Customers will be able to find all their favourite major fashion labels at LUDWIG BECK – from Armani and Boss to Strenesse and Toni Gard. In the case of all-embracing fashion labels, such as Esprit, S. Oliver, Gerry Weber or Betty Barclay, we concentrate solely on those product lines which will appeal to our target groups – and ignore the rest. We present the chosen collections as part of our own topic-based arrangements (colour, pattern or style) and lifestyle worlds.

MUNICH – THE GERMAN CAPITAL OF CONSUMPTION

Munich is an ideal location for LUDWIG BECK. Throughout Germany and Europe the city is regarded as "the capital of consumption". With 1.3 million inhabitants in the city and a further 2.4 million in the immediate region, the Bavarian capital is a European metropolis and an attractive location for modern industries, media, retailers and services.

In addition to its high educational standards and favourable infrastructure, the city attracts an increasing number of new companies – especially from young industries such as IT and media – due to its special atmosphere. Its high concentration of high-tech companies has earned Munich the label among US firms as Germany's Silicon Valley. Over 500 foreign companies, including e.g. Microsoft, Cisco and Compaq, have already



..settled in the Munich region. Media companies are also well represented in Munich: almost 130,000 people working for companies such as Kirch Media, ProSieben and Constantin Film generated sales of DM 38 billion in 2000. In the last five years the number of media companies located in Munich has grown by 32%.

The high level of purchasing power and strong regional importance of the city is coupled with a marked affinity of Munich's citizens for consumption. The rich and beautiful of Munich are famous for their love of shopping and displaying their wealth, as made famous by TV series such as "Kir Royal" and films like "Rossini". But even those with average salaries are noted for their above-average propensity to consume. Over 50% of the city's inhabitants belong to the most attractive retail target group – the consumption-friendly and adventure-seeking singles. With an index score of 133.2, Munich's purchasing power is well above the national average (100). The city even reaches 158.1 in terms of retail sales – proof of its importance as a shopping center for the whole region.

**2000 sales by category
(Marienplatz)**

	in %	
	2000	1999
Ladies' wear	45.2	42.9
Music	10.7	10.8
Men's wear	9.2	10.0
Home textiles. stationery. cosmetics	8.8	8.7
Stockings	5.3	5.9
Lingerie	5.7	6.2
Accessories	4.5	4.7
Children's clothing	3.4	3.5
Haberdashery	2.2	2.3
Swimwear	2.9	3.1
Shoes	1.3	1.1
Books. wine	0.8	0.8
Total	100.0	100.0

Constant modernization and careful adaptation of our ranges to the latest trends is one of the key factors for LUDWIG BECK's high level of growth. In the past four years over 60% of total shopfloor space has been rebuilt and completely modernized, at a cost of almost DM 30 million.

YOUNG FASHION: A NEW SHOPPING EXPERIENCE FOR COUPLES ON OUR FASHION FLOOR

|| || || | A unique new concept for the Young Fashions department has enabled LUDWIG BECK to access completely new target groups: the Marienplatz store presents a compact range of top quality fashion for young men and women on one floor. On over 1,300 square metres of sales space, we specialize in those labels which cater to both male and female customers – such as Hugo, CK Calvin Klein, Marc O’Polo, New York, French Connection and others. The new department presents hand-in-hand brand and lifestyle concepts, in which young couples can enjoy shopping together. After all, young people enjoy making shopping a shared experience: an increasing number of young customers prefer choosing and trying on clothes together with their friends or partners.

With total investments of DM 1.9 million we not only changed our product range but the entire look of the department. The architectural design was kept deliberately simple and clear-cut. The light floors in museum terrazo together with the white rack systems contrast starkly with the black ceiling, creating an almost theatrical atmosphere. The perfect stage to live out fantasies.

And the result: after opening in autumn 1999, the trend floor with Young Fashions, Jeans and Shoes posted growth in sales of 18% in 2000.

SUCCESSFUL EXPANSION OF OWN LABELS

The expansion of the store’s own labels contributes significantly towards improving trading margins while strengthening our own exclusivity. Their share of total sales was raised to 12 (1999: 10)% during the period under review.

The “CLASSICS by LUDWIG BECK” label already came fourth in a straw poll testing our customers’ knowledge of fashion labels. 60% of all customers now know and own products of this brand. The two new labels launched in autumn 1998, “BECK MUNICH” in the upmarket fashions and price segment and “Beck concept” in the medium-range segment, support and strengthen our unique store profile and complement our “Store of the Senses” philosophy. Our aim is to generate 15% of total sales with our own fashion labels.



NEW DEPARTMENT: COORDINATES FOR
YOUNG WOMEN | || |||

We have expanded our growing youth fashions segment by investing in the newly created Coordinates department for young women, which has been given 400 square metres of space on the first floor of our Marienplatz store. With popular medium-priced brands, such as Esprit and S.Oliver, the new department appeals in particular to a wider, consumption-oriented youth group. The completely refurbished area was opened in April 2000 and proved a tremendous success from the very start.

SUCCESS WITH EXCLUSIVE COSMETICS | ||
||| There was a further positive development of sales in our cosmetics department: products in the body care and wellness categories recorded one of the strongest growth rates of all segments with an increase in sales of 19% in the past year.

This growth can be attributed to our exclusive product range strategy: LUDWIG BECK's cosmetics department does not stock the well-known designer perfumes and cosmetic ranges which are available from virtually every department store and chemist shop.

We have established an individual product assortment comprising ranges with a rich tradition, such as the British Molton Brown skincare and cosmetics line, or "in" brands from the United States, such as Aveda and M.A.C., a decorative cosmetics series with an exceptionally wide range of colours. The product assortment is rounded off by a wide range of skincare and bathroom accessories, such as soaps, vanity bags, shower and bath gels, sponges and hairbrushes.

The regular presentation of new product lines, often exclusive to the Munich region, never fails to generate fresh interest in the department. In the last year, the new additions included "Just Pure" – a cosmetics line following the phases of the moon, which generated tremendous demand. The special service of LUDWIG BECK is that we not only supply products, but also offer treatment by our own beauticians. In October the international cult brand Bobbi Brown was launched in a specially extended area.

BRANCH CONCEPT >>

BRANCH RANGE: LEADING FASHION COLLECTIONS

GROWTH FACTOR:
NEW BRANCH STORES | FILIALSORTIMENT: FÜHRENDE MARKENKOLLEKTIONEN
"MODERN WOMAN" | "PEP" PILOT PROJECT STARTED

GROWTH FACTOR: NEW BRANCH STORES |

A major pillar of LUDWIG BECK's 2004 growth strategy is its new branch store concept: the new concept not only includes the opening of additional stores, we intend to apply the strategy also to our existing stores in order to tap further sales potential.

The new concept is tailored to stores with a floor space of between 1,000 and 2,000 square metres: the product range will focus on the needs of young women ("Modern Woman"). These are professional women with children, who have a strong affinity to fashion but mostly choose medium to lower-price range goods. This target group generally frequents shopping centers, which will be the preferred location for our stores.

The product range will consist of well-known fashion labels but – as always with LUDWIG BECK – offer something special: BECK is more individual and more creative. BECK presents variations, alternatives, cross-benefits. Customers can combine between brands and lifestyle, helping them break through the monolabel culture, in which everyone is dressed the same. LUDWIG BECK offers self-actualization at moderate prices.

"PEP" PILOT PROJECT STARTED |

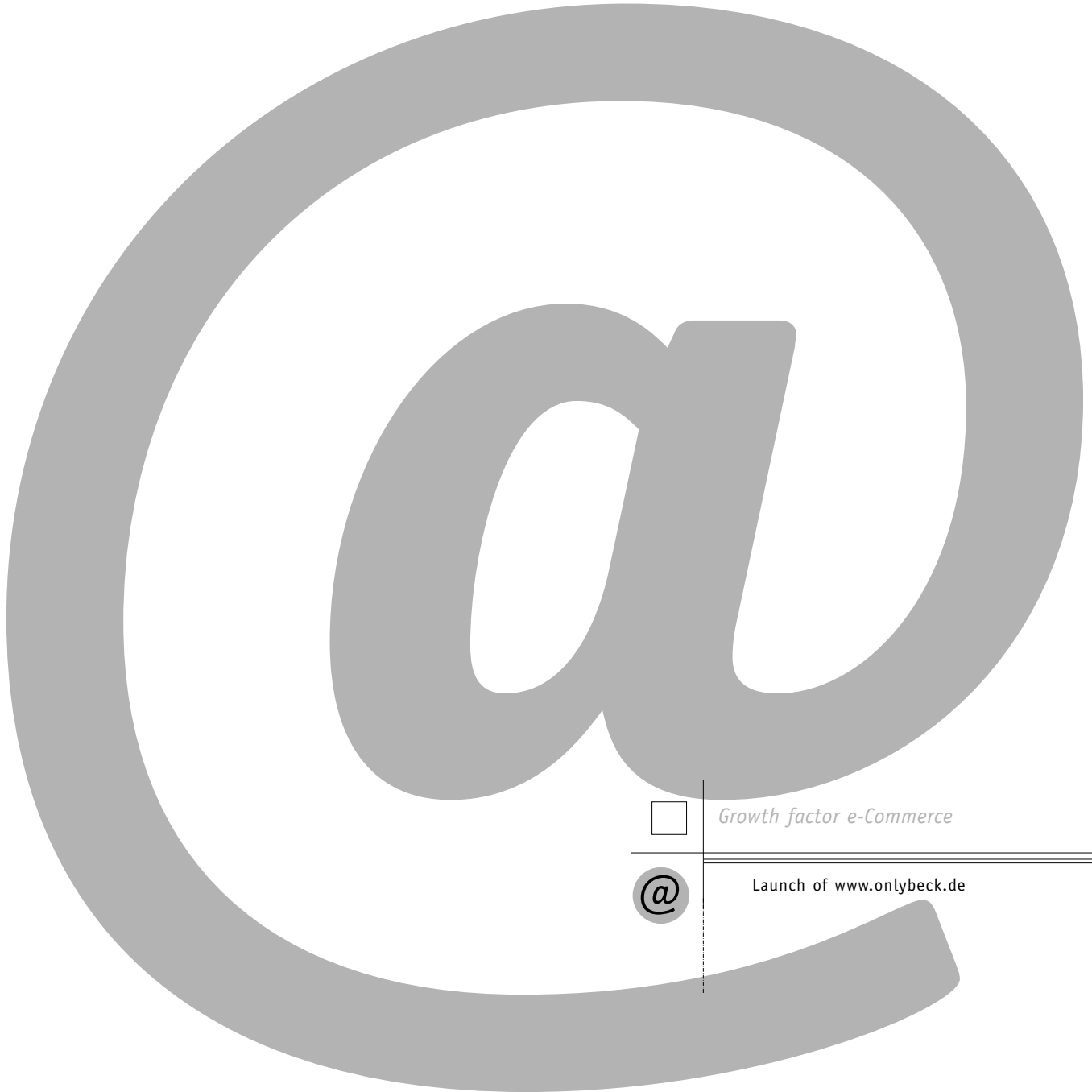
Our newly refurbished 1,300 square metre store in Munich's Neuperlach ("pep") shopping center opened in September 2000 serves as a pilot project for our new branch store concept. Experience made here will be used to optimize the concept for our Augsburg store, due to open in autumn 2001. In a third step, the concept will be implemented at our store in the Olympic Shopping Center in Munich, which will be re-opened in autumn 2002 with twice its current floor space.

To reflect the importance of our branch strategy for growth, we have established separate responsibility for purchasing and sales at our current and future branch stores. This enhances the responsibility of branch stores for their own sales and earnings.

With this new concept the branch stores are expected to become one of the driving forces for growth within the Group.



e - C O M M E R C E > >



Growth factor e-Commerce



Launch of www.onlybeck.de

www.onlybeck.de

launch of www.onlybeck.de

As of November 2000 the LUDWIG BECK brand has been marketed throughout Germany by means of the store's new Internet site. A basic version of the shop at *www.onlybeck.de* was launched in mid-November in order to gain first experience of the Christmas season. The first expansion stage will be completed in the first quarter of 2001 – providing access to the complete BECK range of jazz and classical music with over 50,000 CDs.

As one of its four major pillars of future growth LUDWIG BECK decided to spin off its e-commerce operations and establish a separate subsidiary. The online trading company, ludwig-beck online GmbH was founded on July 27, 2000. LUDWIG BECK holds 91.5% of the new company, while the remaining share is owned by the Internet agency, id-medien GmbH, Munich. The Internet specialist id-medien has a wide range of experience in designing online solutions and will coordinate all graphical elements for the project.

LUDWIG BECK also aims to achieve solid growth via the Internet. We started with the fields of classical music and jazz, as LUDWIG BECK is already the German market leader in these categories. Using our reputation and experience in traditional mail order sales of CDs, we aim to quickly establish ourselves alongside the major players and traders.

Multi-channel approach for e-commerce success

e-commerce, the electronic trading of goods via the Internet, continues to grow in popularity but has still to achieve the final breakthrough. In addition to the consumer's lack of trust and reservations about safety, it is often the logistic problems which lead to consumer dissatisfaction.

Those companies enjoying success are mostly those with a multi-channel sales approach. They use e-commerce as an additional channel to their traditional sales outlets. A perfect example of this is Deutsche Post, which benefits from its excellent distribution network as the former state monopolist. The virtual shopping center Evita registered almost 2.9 million visitors in the third quarter of 2000. The most popular products are technical goods, classic mail order goods, presents and perfume. The cosmetics retailer Douglas has also added an e-commerce service. If a book is not available at a "Phoenix" book store, customers are invited to place their order with buch.de at the store's own terminals.

LUDWIG BECK'S e-commerce operations also complement our traditional business: we can utilize a functioning infrastructure which has already been tried and tested by our existing mail order business, and we can approach the wide pool of customers which already know our store.



LEIV BOTNEN (38)

(MANAGING DIRECTOR OF
LUDWIGBECK-ONLINE GMBH)

"A successful Internet business needs a lot

"LUDWIG BECK is different – also on the Internet. **more than just a smart facade: an attractive**

Customers at LUDWIG BECK are also served on the **"front end" has to be backed up by a func-**

Internet by professional and well-trained staff. **tioning back office. Due to the wealth of expe-**

Customer enquiries made by either phone, e-mail or **rience of both partners these two aspects have**

fax are answered within just a short space of time. **been brought together ideally at ludwigbeck-**

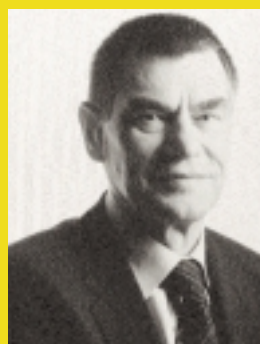
Parcels are sent within 48 hours at the latest to des- **online."**

tinations all over the world. Our aim is live up to the

high standards of LUDWIG BECK AG with regard to

quality of service and customer satisfaction."





LOTHAR FISS (60)

(MANAGING DIRECTOR OF
LUDWIG BECK-ONLINE GMBH)

"The combination of classic retail trading and new Internet

business is the most exciting and promising challenge

which our sector currently has to offer. Electronic com-

merce is an ideal addition to the physical outlets of

LUDWIG BECK AG – and it requires excellent marketing and

advertising. As the manager with responsibility for marke-

ting and advertising at LUDWIG BECK AG in the last 25

"We will ensure that our service and logistics meet

years I have helped to make LUDWIG BECK one of the most

the required standards and that customer wishes

innovative and respected department stores in Germany.

and needs are taken seriously. In this way customers

We aim to complement and expand this success with our

become regular visitors, as we have learned at our

online sales channel."

traditional retail stores."

modern technological basis

The shop utilizes the latest version of Oracle's iStore, the world's most sophisticated Internet shop system from the world's leading supplier of e-business solutions. The software runs on a SUN SOLARIS platform, the best technical solution currently available. LUDWIG BECK's new online store is planned to become an international reference project for Oracle. Many leading consumer websites throughout the world use Oracle's Internet databases.

in tune with its customers – also via the Internet

The first stage of our e-commerce strategy was in the field of music (classical music and jazz), where LUDWIG BECK already enjoys an excellent nationwide reputation.

Music has long played an important role in our product range: the classical music department opened in 1988 contains over 40,000 titles on over 320 square metres of the fourth floor. The department can be proud of its achievements to date: it has a market share of 4% – of the whole German market. With annual sales of over DM 13.5 million we are Germany's largest single retailer of classical music.

Our jazz and world music departments also boast the largest selection of their kind in Germany. Introduced in 1989, the jazz department currently features over 20,000 recordings. The world music department added in 1991 with over 10,000 titles, comprises world music, musicals, soundtracks and literature. With 8% of the German market for jazz and world music recordings, we are also the country's largest single retailer in this segment.

LUDWIG BECK utilized its excellent reputation and strong market position to found a mail order service for Jazz CDs in 1990. In 2000 customers received 10 new catalogues. In late 1999 the first nationwide campaign for classical music was launched. A direct mail campaign targeted 20,000 lovers of classical music in an attempt to transfer the success of our jazz catalogues to the classical market. In 2000 a further 4 mailings cemented the successful start of this new segment. An increase in the number of mailings and the expansion of our customer base are aimed at further developing our classical music business.



EXCEPTIONAL SALES STAFF

- COMPANY LOYALTY – A VALUABLE ASSET
- CUSTOMER-ORIENTATED TRAINING
- MOTIVATION PROGRAM
- OPTIMIZED CUSTOMER SERVICE
- CAREFUL NURTURING OF APPRENTICES

COMPANY LOYALTY – A VALUABLE ASSET

Although not listed among the company's assets in the balance sheet, the quality of our personnel remains a decisive factor for the success of LUDWIG BECK. Their level of commitment is exceptionally high: 96% of customers interviewed rated our friendly and helpful sales assistants as "good", "very good" or "excellent".

Staff loyalty at LUDWIG BECK is high: for managers, the average period of service is over 15 years; in total it is more than 10 years. We attach great importance to this high degree of loyalty, for without staff loyalty we cannot hope to achieve customer loyalty.

LUDWIG BECK has a team-oriented management style with clear profit targets and objectives. All our employees are involved in decision-making processes and are paid on a performance basis. The purchasers receive profit-based bonuses and our sales assistants are paid a sales-related team bonus. The variable payment scheme for the whole first- and second-tier management level introduced in early 1998 raised our profit-orientation to a new level. The variable element can be as much as 35 per cent of their fixed salary. The bonus depends on both the company's and the employee's personal success.

The coaching and target agreement process started in 1997 has been joined by a new staff appraisal system. In addition to the normal performance assessment carried out by management personnel, we have also turned the tables: sales staff appraise their superiors and the performance of their departments. This has led not only to increased openness and transparency, but also to many useful discussions.



CONTINUAL SALES DEVELOPMENT – NEW
CUSTOMER-ORIENTED QUALIFICATION PRO-
GRAM | || || |

In March 2000 we began an additional qualification program for sales assistants titled “Continual Sales Development”. The aim is to strengthen customer-oriented behaviour in all sales departments. With even greater emphasis on customer and visitor service, we aim to intensify our utilization of sales potential. The program is led by experienced consultants and trainers.

There are three major areas of customer service which are vital for the success of a sales assistant:

- the behaviour at contact,
- the quality of the sales talk,
- the offering of additional or complementary products.

Instead of sporadic sales training sessions, lasting one or two days, we take a more holistic approach to improving sales staff behaviour. Regular, performance-oriented feedback and coaching talks between managers and sales staff are aimed at enhancing the sales technique of our store assistants.

Preparation is based on the potential analyses resulting from test purchases as well as (self) evaluation of sales behaviour based on a detailed checklist. In addition, we also run sales-oriented, intensive training sessions for individual teams, which help motivate staff and extend their abilities.

SPECIAL SUPPORT FOR OUR TRAINEES | ||

|| || | In order to secure its high degree of quality and service LUDWIG BECK has always placed great emphasis on developing its own young personnel. Within the district of our local chamber of commerce, LUDWIG BECK apprentices regularly rank among the highest examination scores. In addition to comprehensive support during their working day, company trainers provide additional support to the standard technical college courses.

After the apprenticeship has been completed, special development groups are formed aimed at preparing selected employees for management responsibilities. The majority of middle management positions are recruited from these groups of our own young, qualified personnel. Many of our department managers also originally took the same route through our trainee development programs.



"What nature creates rarely smells unpleasant
and never smells the same."

[Jean-Paul Guerlain/Der Feinschmecker 4/89]

"It was already well after
four, when Anna
Gawrinina dabbed her
neck, earlobes and pulse
with perfume...

She sank gently into the scent and
heard, eyes almost closed, a song
which she now recalled from long ago."

[Ingo Schulze/33 Augenblicke des Glücks. 1997]

"The sense of smell,

as the old school saying goes,

allows us to perceive

the smell of bodies that smell.

"In order to smell better,
we have to breathe in deeply through the nose,
by means of sniffing."

[Heinrich Sachs/Bau und Tätigkeit des menschlichen Körpers. 1907]

A completely

redundant statement

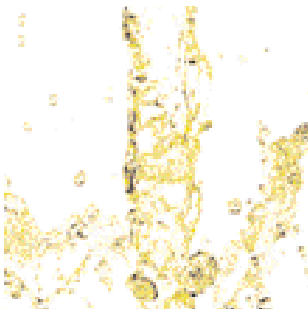
as there is no body

which doesn't smell;

even stainless steel smells.

My nose did not deceive me."

[Manuel Vázquez Montalbán/
Robinsons Überlegungen angesichts einer Kiste Stockfisch]



S M E L L

fragrance_fragrance_fra-
grance_fragrance_fragran-
ce_fragrance_fragrance_fra-
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T H E S H A R E >>

A VALUE STOCK WITH GREAT POTENTIAL

DAX DOWN ON THE YEAR – LUDWIG BECK STOCK STABLE

DIVIDEND ONCE AGAIN DM 1.70

SHARE BUY-BACK PROGRAM IMPLEMENTED

AN ATTRACTIVE INVESTMENT

ACTIVE INVESTOR RELATIONS

DAX DOWN ON THE YEAR – LUDWIG BECK STOCK STABLE | Nearly all major share indexes around the world suffered losses in 2000. For the first time since 1994 the German Stock Exchange Index (DAX) ended the year below its starting level after sliding 7.54% to 6,433.61 (31 December 1999: 6,958.14) points. There were even greater losses among shares in the high-tech Neuer Markt segment, with a decline of 43.63% to 2,869.01 (5,089.76) for the Nemax 50 – an index of the top 50 Neuer Markt stocks. This was the first ever annual decline for the index since its launch in March 1997.

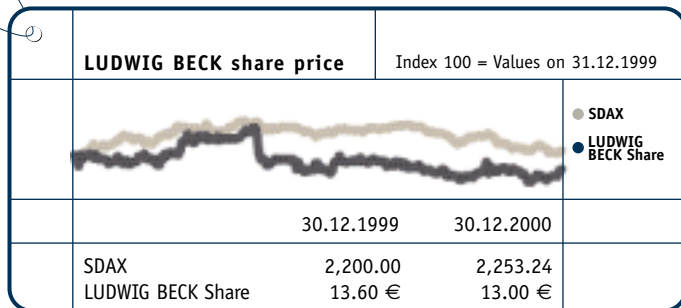
The year followed a typical pattern: a strong increase in spring to over 8,000 points followed by a sideways slide in summer and a sharp decline in autumn. However, shares failed to rally in the last few months and the year end in a very depressed state.

LUDWIG BECK shares made a very successful start to the year (year-end 1999: € 13.60) and continued to rise steadily to € 15.98. Following the Annual General Meeting in May the share price began to weaken – more than is normally expected after a dividend payment – and by autumn the price had slid to € 12.10.

As investors fled back to the more conservative, quality shares of the SMAX segment in the last few months of the year the share price became firmer and ended the year at € 13.00.

The average daily trading volume amounted to about 8,000 shares. The majority of shares were traded at the Munich Stock Exchange (over 50%), followed by Frankfurt (30.1%) and the electronic trading system Xetra (12.3%).

LUDWIG BECK AG was among the first companies to be selected by the German Stock Exchange (Deutsche Börse) for inclusion in its high-quality SMAX index for second-line companies, introduced on April 26, 1999. The SMAX makes high requirements with respect to liquidity, sponsors, transparency and investor relations. LUDWIG BECK is also listed in the SDAX index, composed of the top 100 second-line companies of the SMAX. Designated sponsor is the HypoVer-einsbank AG, Munich (rating: AA).



DIVIDEND ONCE AGAIN DM 1.70 | |||||

The unchanged dividend payment of DM 1.70 per no-par-value share reflects the investor-friendly dividend policy of LUDWIG BECK. The dividend is paid tax-free and is not a taxable capital gain in Germany, nor is it subject to German withholding tax. From fiscal 2001 onwards half of the gains from dividend payments will be subject to capital gains tax. From the company's point of view, the existing loss carry-forward will continue to free the company from future tax demands.

AGM ON MAY 17, 2000 | |||||

Around 650 shareholders representing almost 50% of total capital were in Munich on May 17 to attend the company's Annual General Meeting. All items on the agenda were overwhelmingly accepted, including the decision entitling the company to purchase its own shares. The provision allows the Executive Board, after approval of the Supervisory Board, to purchase a volume of up to 10% of company capital in either one or several blocks in the period ending October 31, 2001. The AGM approved a dividend payment of DM 1.70 per share for fiscal 1999.

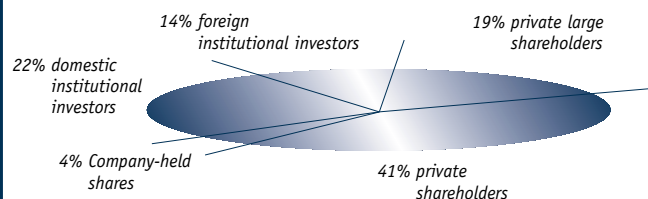
SHARE BUY-BACK PROGRAM IMPLEMENTED

||||| With regard to our 2004 growth strategy alone, we feel that the Ludwig Beck share is grossly undervalued and therefore began our share buy-back program in July, as approved by the AGM of May 17, 2000. Shares were purchased from July 13 via the Stock Exchange. The price paid varied between € 12.36 and € 13.70 with an average of € 13.29. As of December 31, 2000 LUDWIG BECK AG owned 158,580 of its own shares (4.72%).

CURRENT SHAREHOLDER STRUCTURE | ||

||||| LUDWIG BECK shares are spread widely throughout the world; approximately half of the free float portion is in the hands of institutional investors. These are the results of a survey carried out via the depositary banks as of September 30, 2000 and based on 3.0 million registrations. Considering the total number of 3.36 million shares, there was an overwhelming response to the survey of almost 89%. The free float portion of LUDWIG BECK AG amounts to 77%. 36% of shares are held by institutional investors. 14% of shareholders live outside Germany. 41% of shares are held by private investors. There is one major shareholder (19%) and the remaining 4% are held by the company.

Current shareholder structure



THE LUDWIG BECK SHARE: AN ATTRACTIVE INVESTMENT | || || | The LUDWIG BECK share is an attractive investment with constant growth in earnings and an investor-friendly dividend policy. Its high dividend yield secures the bottom end of its market price range.

The following factors support an investment decision:

- value-oriented corporate strategy
- consistent growth in sales
- sound profitability and finances
- solid base for further earnings potential
- excellent market positioning
- strong position in the affluent Bavarian region
- continual growth of cash flow and profits
- high dividend
- experienced management
- dedicated staff
- active investor relations policy

The aim of LUDWIG BECK AG is to strengthen the long-term trust of its current and future investors by means of our active investor relations policy. Investors receive all relevant details necessary to form an informed opinion concerning the underlying value of the LUDWIG BECK share and its market valuation. To ensure this, we provide open, comprehensive and up-to-date information about the current profit situation, strategy and future developments of the company. As of 1999, quarterly reporting has become as much an integral feature of our investor relations work as analyst conferences, roadshows, company presentations and one-on-one meetings.

The LUDWIG BECK share at a glance

	2000	1999
DVFA result per share (AG):	0.88 €	0.89 €
Cash flow per share	2.54 €	2.48 €
Proposed dividend	0.87 €	0.87 €
Year-end price	13.00 €	13.60 €
Year-high price	15.98 €	16.05 €
Year-low price	12.10 €	12.50 €
Market capitalization	43.68 € million	45.70 € million
Dividend yield	6.7%	6.4%
Reuters code	ECK	
WKN (share code)	519 990	
Stock exchanges	Official trading in Munich and Frankfurt, Xetra (computer trading), unlisted trading in Berlin, Stuttgart, Düsseldorf, Hamburg	

During the course of 2000, we once again presented our company to analysts, fund managers and private investors from home and abroad at a number of separate events. Numerous banks and analyst companies prepare regular research reports on LUDWIG BECK. In order to intensify our dialogue with the financial community we also introduced a number of one-on-one meetings and round table discussions.

Furthermore, we have strengthened our investor relations activities for private investors. We have carried out a series of company presentations for private investors at events organized by financial institutes. In the past year we sent eleven ad hoc reports and financial press releases directly to several hundred shareholders and investors.



Financial calendar 2001	
Press conference	March 27 (Munich)
DVFA analyst conference	March 28 (Frankfurt)
1st quarter report	May 10
AGM	May 10
Interim report	August 7
3rd quarter report	November 6
Sales figures 2001	January 2002

**JOINING OF THE GERMAN
FUND FOR COMPENSATION
OF FOREIGN LABOURERS**

LUDWIG BECK AG is aware of its special responsibilities not only towards its staff and customers but also towards society in general. Last year LUDWIG BECK AG joined the German Industry's Initiative "Remembering, Responsibility and Future" – even though the company never actually employed forced labourers. The foundation was formed to compensate foreign workers forced to work in Germany during the Second World War. The initiative enjoys the support of the German government. By joining the fund LUDWIG BECK, as a representative of contemporary German industry, takes on part of the nation's responsibility towards the former victims of national socialism.

"Taste is located in **the tips, the edges**

“Melt

a pound of butter, and mix in cream,

then stir 4 egg yokes together with

a pound of sugar

and **the very back of the tongue,** as well as in the soft gums. The middle of the tongue cannot taste at all.”
[Heinrich Sachs/Bau und Tätigkeit des menschlichen Körpers. 1907]

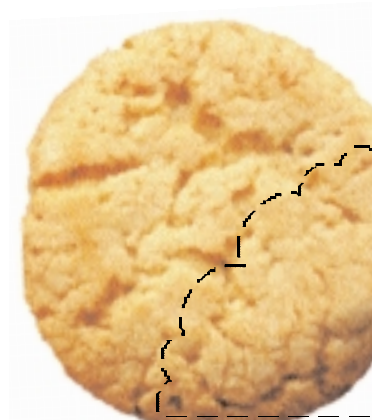
and a pound of flour.

Roll out the dough,

cut out small round cakes,

and bake very slowly.”

[Sophie Wilhelmine Scheibler/Allgemeines deutsches Kochbuch für bürgerliche Haushaltungen. 182]



T A S T E





MANAGEMENT REPORT >>

LUDWIG BECK GROUP AND LUDWIG BECK AG

	GENERAL ECONOMIC SITUATION AND SECTOR TRENDS
	RETAIL TRADE
	DEVELOPMENT OF SALES
	ENCOURAGING RESULT
	PERSONNEL
	FURTHER REDUCTION OF COSTS
	FINANCIAL RESULT STABLE
	EARNINGS: VERY SATISFACTORY

	DVFA/SG-BASED EARNINGS
	EARNINGS CALCULATED ON IAS BASIS
	INVESTMENT AND FINANCE
	FINANCIAL POSITION
	RISK MANAGEMENT
	OUTLOOK

GENERAL ECONOMIC SITUATION AND
SECTOR TRENDS ||| ||| The general economic situation in Germany improved considerably in fiscal 2000. Gross Domestic Product (GDP) rose in real terms by 3.1 (1999: 1.6)% and thus reached the highest growth rate of the last ten years. This is all the more impressive as the year had three working days less than 1999. Consumer spending played a less than average role in the general development, with growth in real terms of just 1.9%.

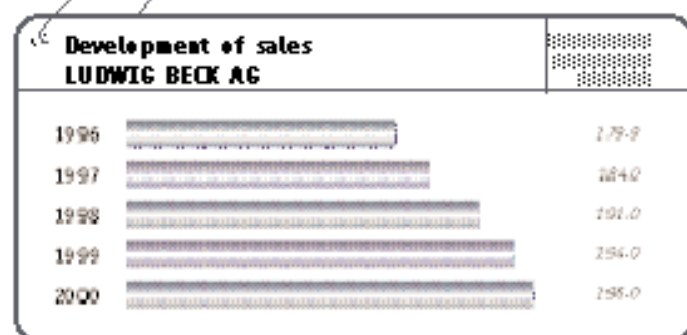
It would be wrong, however, to assume that consumers were over-cautious in their spending: the improved economic conditions and fall in unemployment to 9.6 (10.5)% led to a somewhat more optimistic mood. The nominal increase in consumer spending amounted to 3.3% and thus exceeded the rise in disposable incomes of 3.1%. The personal savings ratio fell once again compared with the previous year to 9.7 (9.9)%.

RETAIL TRADE | || || | Despite the positive economic indicators, retail sector sales remained sluggish in 2000. According to the German Retail Association (HDE), specialist retail stores moved sideways during 2000. One of the exceptions to this trend was the retail clothing sector, which posted a decline in sales of 1% (HDE) or 2% according to the trade journal "TextilWirtschaft". A major cause for this slide in revenues was the unusually warm weather in the 4th quarter.

The discussions concerning a further liberalization of Germany's restrictive shop opening hours continued in 2000, but once again found no conclusion. There are signs, however, of a possible compromise: shops are to be free to open whenever they like during working days while the existing ruling would be maintained for Sundays and public holidays. LUDWIG BECK would not only welcome this compromise, but also a speedy end to the whole discussion about further liberalization. The compromise is aimed at satisfying consumer wishes and can be easily harmonized with the interests of store staff.

DEVELOPMENT OF SALES | || || | Despite the difficult sector conditions LUDWIG BECK AG was once again able to continue its positive development with sales of DM 196.0 (194.0) million in the past business year. The group's new subsidiary founded in July 2000, ludwigbeck-online GmbH, posted sales of DM 0.2 million after launching a basic version of its online shop in mid-November.

The major source of growth remained the company's flagship store in Munich's Marienplatz, which contributed an increase of 2.0% or DM 3.7 million to total sales. The branch stores suffered the same decline in sales as the rest of the retail clothing sector with a fall of DM 1.8 million. However, the group's Neuperlach (pep) store was closed for several weeks during the year for major refurbishments.







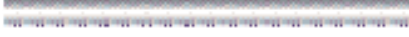
The development in our cosmetics department was further proof of the success of our exclusive and innovative product range strategy. The unique mixture of carefully selected, exclusive cosmetic lines underlines our expertise in this field. With the aid of new product launches for Just Pure (moon phase cosmetics) and Bobbi Brown (American cult brand), sales were raised a further 19% to DM 7.5 million. The strong growth in this sector helped to further increase the store's proportion of non-clothing sales.

The success of the past financial year would not have been possible without the tremendous commitment of our employees. Their service competence and exceptional friendliness towards our customers are success factors which ensure that LUDWIG BECK continues to outpace the sector trend. Sales per employee were raised once again to reach DM 400,000 (379,000).

In order to maintain this competitive advantage, all sales assistants participated in a customer-oriented sales training program during the past year. The quality of our staff is the decisive factor for continued growth, even in difficult economic conditions.

1) Sales per square metre of LUDWIG BECK AG

in DM per square

1996		22,700
1997		23,800
1998		24,300
1999		24,900
2000		25,100

As the German retail clothing sector suffered a further decline in sales in 2000, LUDWIG BECK was able to extend its lead in terms of sales productivity. At DM 15,100 (14,900) per square metre LUDWIG BECK AG was well above the sector average of below DM 10,000 per square metre.

The stable growth of LUDWIG BECK is due mainly to the expansion of those departments which return the best sales and earnings, as well as to the continual development and launching of innovative, new ranges.

The store's trendy fashion floor, refurbished in summer 1999, was able to raise sales by over 18% again in its first full year. The Young Fashion, Jeans and Shoes departments on this floor also helped enhance the appeal of LUDWIG BECK to attractive, new target groups.

2) Sales per employee of LUDWIG BECK AG

in DM 000

1996		348
1997		363
1998		370
1999		397
2000		400

Consolidated Profit and Loss Account of the LUDWIG BECK Group

	2000 DM million	2000 %
Net sales	169.1	100.0
Total other operating income	3.6	2.1
	172.8	102.1
Material expenses	87.0	51.4
Total other operating expenses	73.8	43.7
Operating result (EBIT)	11.9	7.0
Financial result	-1.7	-1.0
Result from ordinary activities	10.2	6.0
Taxes	0.0	0.0
Net income	10.2	6.0
Minority interests	0.1	0.1
Net income after minority interests	10.3	6.1

Other operating income and other operating expenditure should be regarded together, but are not allowed by German Commercial Law (HGB) to be netted off against each other.

Following the foundation of our subsidiary, ludwigbeck-online GmbH, the company drew up its first consolidated financial statement for the year under review. In its short fiscal year 2000, this subsidiary posted a loss of DM 0.7 million. The loss was due mainly to marketing expenditure and set-up costs which could not be covered by the low level of sales resulting solely from the closing months of the year. Despite these start-up losses in its online business, the group achieved an EBIT margin of 7.0%. This figure places the LUDWIG BECK Group once again among the leaders in the retail clothing sector.

The new e-commerce business represents an important future sales channel for LUDWIG BECK AG, which is expected to play an ever greater role in the coming years. ludwigbeck-online GmbH currently concentrates on sales of classical music and jazz CDs – a sector in which LUDWIG BECK is market leader in Germany. We are aware that this sector is unlikely to produce profits in the next few years and regard the business as an important investment in our future.

**Profit and Loss Account
LUDWIG BECK AG**

	2000 DM million	2000 %	1999 DM million	1999 %
Net sales	169.1	100.0	167.4	100.0
Total other operating income	3.8	2.3	4.9	2.9
	172.9	102.3	172.3	102.9
Material expenses	87.0	51.4	86.5	51.7
Total other operating expenses	73.2	43.3	72.7	43.4
Operating result (EBIT)	12.7	7.5	13.0	7.8
Financial result	-1.7	-1.0	-1.7	-1.0
Result from ordinary activities	11.0	6.5	11.3	6.8
Taxes	0.0	0.0	0.0	0.0
Net income	11.0	6.5	11.3	6.8

Net sales of LUDWIG BECK AG rose by 1% to DM 169.1 million. There was also a satisfactory reduction in material expenses of 0.3 percentage points. As a result, the gross margin rose to 48.6 (48.3)%. The reasons for this improvement were an increase to 12 (10)% in the proportion of sales of our own brands, as well as the further development and utilization of our management-information-system.

Due to stringent cost management, other operating expenses rose by only a moderate 0.7% to DM 73.2 million.

This encouraging development is proof that LUDWIG BECK AG is well on the way to becoming one of Germany's most productive retail companies.

The financial result remained unchanged at DM -1.7 million, representing 1.0 % of net sales.

Due to the existing loss carryforward of LUDWIG BECK AG, net income is not encumbered by income taxes.

Personnel expenses LUDWIG BECK AG

1996	50.8	28.1	3.9	21.2
1997	50.3	21.9	1.7	18.6
1998	51.7	21.8	3.3	17.9
1999	51.7	21.2	1.3	16.0
2000	51.1	21.8	3.4	15.0

(offset by incomes)
as % of net sales

Material expenses	■
Personnel expenses	■
Depreciation	■
Other operating expenses	■
EBIT	■

PERSONNEL | ■ ■ ■ | Increased use of staff in our sales departments led to a rise in personnel expenses of 3.7% to DM 37.8 (36.4) million. This represents 22.3 (21.7)% of net sales. Offset by corresponding incomes, this resulted in an increase to 21.8 (21.2)% of net sales. The number of employees (without apprentices) rose slightly to 665 (663). This figure consists of 297 (285) full-time staff, 247 (262) part-time staff and 121 (116) temporary staff. In addition, LUDWIG BECK AG employed an annual average of 82 (77) apprentices. The traditionally high proportion of international customers at LUDWIG BECK AG is also reflected by the composition of our employees, who originate from over 30 different nations.

FURTHER REDUCTION OF COSTS | ■ ■ ■

Other operating costs of LUDWIG BECK AG were reduced by a further 3.0% to DM 29.8 (30.8) million in fiscal 2000. The greatest savings were made in the field of office and floor space (DM 0.5 million) and other costs (DM 0.8 million). Sales and marketing expenses remained unchanged at DM 5.6 (5.6) million.

Offset by corresponding incomes, other operating expenses were reduced by 0.1 percentage points to 15.9 (16.0)% of net sales. Our strict cost management program therefore enabled us to reduce our cost-to-sales ratio for the fourth year in succession.

FINANCIAL RESULT STABLE | ■ ■ ■ | The financial result of LUDWIG BECK AG remained unchanged at DM -1.7 (-1.7) million. A reduction in interest charges was offset by depreciation of current assets amounting to DM 0.4 million.

Total other operating expenses of LUDWIG BECK AG

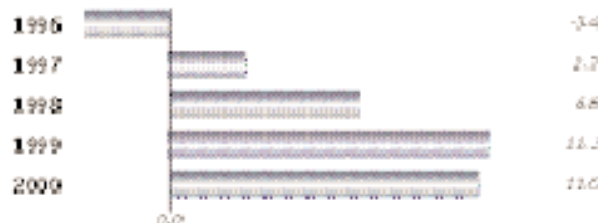
1996	15.9	2.2	2.2	0.8	21.2
1997	16.2	1.8	2.3	0.3	18.6
1998	17.5	2.3	2.6	0.3	17.9
1999	16.8	2.0	2.7	0.7	16.0
2000	16.5	2.2	2.7	0.6	15.9

(offset by incomes)
as % of net sales

Cost of office and store space	■
Acquisition expenses	■
Sales and marketing expenses	■
Other costs	■

Result from ordinary activities LUDWIG BECK AG

DM million



EARNINGS: VERY SATISFACTORY | || ||

With a slight increase in sales revenues and a further reduction of costs LUDWIG BECK AG was able to post very satisfactory earnings in fiscal 2000. At DM 11.0 (11.3) million the result was only marginally below the previous year's record level.

Due to a loss carryforward the result is not encumbered by taxes and is therefore identical with the company's net income. As of 31.12.2000 the remaining loss carryforward amounted to DM 24 million trade earnings tax and DM 35 million corporation tax.

An amount of DM 5.2 (5.6) million from net income was transferred to revenue reserves, leaving an unappropriated net income of DM 5.7 (5.7) million.

A dividend payment of DM 1.70 (1.70) per no-par-value share is to be recommended to the AGM.

CONSOLIDATED DVFA/SG-BASED EARNINGS | || || According to the 3rd revision of the joint DVFA (German Association of Financial Analysts) and Schmalenbach-Gesellschaft recommendation regarding the calculation of earnings per share after adjustment for extraordinary effects, profits are to be encumbered with deferred taxes in years following losses, even though LUDWIG BECK was effectively exempted from tax by the German Commercial Code (HGB).

DVFA/SG-based earnings of LUDWIG BECK Group

	2000
Net income	10.2
Deferred taxes	4.9
Minority interests	0.1
DVFA/SG-based earnings	5.4
Earnings per share (DM)	1.63

DVFA/SG-BASED EARNINGS OF LUDWIG BECK AG REMAIN STABLE | || || In addition to the first consolidated DVFA/SG-based result for the group, DVFA/SG-based earnings were also calculated for the AG to aid comparison.

DVFA/SG-based earnings of LUDWIG BECK AG

DM million

	2000	1999
Net income	11.0	11.3
Deferred taxes	5.3	5.4
DVFA/SG-based earnings	5.7	5.9
Earnings per share (DM)	1.72	1.74

||||| In order to satisfy the requirements of the capital market for greater transparency and comparability of company accounting methods, the Deutsche Börse Group (German Stock Exchange) has introduced a number of changes. Companies listed in the SMAX segment are obliged to publish annual financial statements for years beginning after 31.12.2001 according to either US-GAAP (U.S.-Generally Accepted Accounting Principles) or IAS (International Accounting Standards).

LUDWIG BECK has already fulfilled this future obligation in its annual financial statements for 2000 with the inclusion of a reconciliation table.

Reconciliation chart		DM million
	2000	1999
Net income acc. to HGB	10.2	11.3
Adjustments to IAS		
Financial leasing	0.2	0.1
Intangible assets	0.1	0.1
Interest hedging	0.1	0.3
Own shares	0.1	0.0
Others	0.1	0.3
Deferred taxes	-4.6	-5.8
Result acc. to IAS (without change in value of loss carry- forward)	6.2	6.3
Change in value of loss carryforward	-2.3	0.0
Result acc. to IAS	3.9	6.3
Outstanding shares	3,310,000	3,360,000
Undiluted result per share (without change in value of loss carryforward)	DM 1.88	DM 1.86

Due to the reduction of corporation tax to 25%, as part of a german tax reform program in 2000, the loss carryforward of LUDWIG BECK AG was revalued. This one-off revaluation amounted to DM -2.3 million.

INVESTMENT AND FINANCE ||||| In fiscal 2000 capital expenditures of the LUDWIG BECK Group were once again well above depreciation. A total of DM 7.8 million was invested in fixed assets, while depreciation amounted to just DM 5.7 million. As in previous years, these investments were financed completely from the group's cash flow. In addition, there were investments on a sale-and-lease-back basis totalling over DM 1.0 million.

Major investments during the year were the refurbishment of shop floor space in the pep shopping center (DM 1.3 million) and in the Young Fashion department of our Marienplatz store (DM 0.7 million) as well as technical improvements (DM 3.2 million).

LUDWIG BECK AG raised cash flow to DM 16.7 (16.3) million in the past business year. Net cash from operating activities amounting to DM 18.3 (16.0) million covered net cash used in investing activities of DM 8.7 million. After dividend payments of DM 5.7 million and the purchase of own shares totalling DM 4.1 million, cash and cash equivalents fell by DM 0.6 million.

Bank liabilities were reduced by DM 0.3 million.

LUDWIG BECK AG invested a total of DM 8.8 million in fixed assets in the past year – an increase of DM 3.2 million over the previous year.

Of total capital expenditures, DM 7.0 million was invested in tangible assets and DM 1.8 million in financial assets.

Cash flow statement LUDWIG BECK AG			Group
	2000 DM million	1999 DM million	2000 DM million
Net income	11.0	11.3	10.2
Depreciation	5.7	5.5	5.7
Decrease/Increase (-/+) in long-term accruals	0.1	-0.6	0.1
Non-cash income	0.0	-0.1	0.0
Cash flow	16.7	16.3	16.0
Decrease/Increase (-/+) in working capital	1.6	-0.3	1.4
Net cash from operating activities	18.3	16.0	17.4
Disbursements for additions to financial assets	-1.8	0.0	0.0
Disbursements for additions to tangible fixed assets	-7.0	-5.6	-7.8
Net cash used in investing activities	-8.7	-5.5	-7.8
Dividend payment	-5.7	-3.4	-5.7
Purchase of own shares	-4.1	0.0	-4.1
Contributions of minority shareholders	0.0	0.0	0.2
Reduction of interest-bearing liabilities	-0.3	-6.4	-0.3
Net cash used in financing activities	-10.2	-9.8	-10.0
Change in cash and cash equivalents	-0.6	0.6	-0.4
Cash and cash equivalents at the beginning of fiscal year	1.6	1.0	1.6
Cash and cash equivalents at end of fiscal year	1.0	1.6	1.2

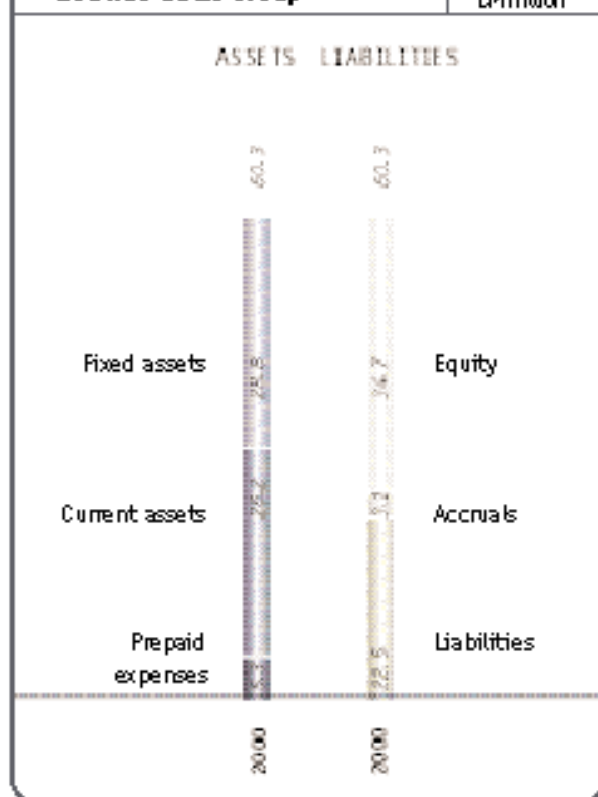
FINANCIAL POSITION LUDWIG BECK GROUP | |||| LUDWIG BECK prepared its first consolidated balance sheet in the past business year. The consolidated group comprises LUDWIG BECK AG and ludwigbeck-online GmbH, in which the AG holds a 91.5% stake.

The net income of DM 10.2 million raised shareholders' equity of the LUDWIG BECK Group to DM 34.7 million and led to an equity ratio of 57.5%.

FINANCIAL POSITION LUDWIG BECK AG | |||| At DM 11.0 million earnings of LUDWIG BECK AG were well above the distributed profit for 1999 of DM 5.7 million. This led to a further strengthening of our equity base to DM 35.2 (30.0) million and an increase in the equity ratio to 57.7 (52.8)%. Shareholders' equity includes accruals for the first time of DM 4.0 million for the purchase of own shares. As of the balance sheet date (31.12.2000) LUDWIG BECK AG owned a total of 158,580 own shares. From July 13, 2000 the company bought own shares at prices between € 12.26 and € 13.70 as part of the share buy-back program. The average share price amounted to € 13.29 plus purchase costs. As of the balance sheet date these own shares were valued at € 13.00.

7. Balance sheet structure of
LUDWIG BECK Group

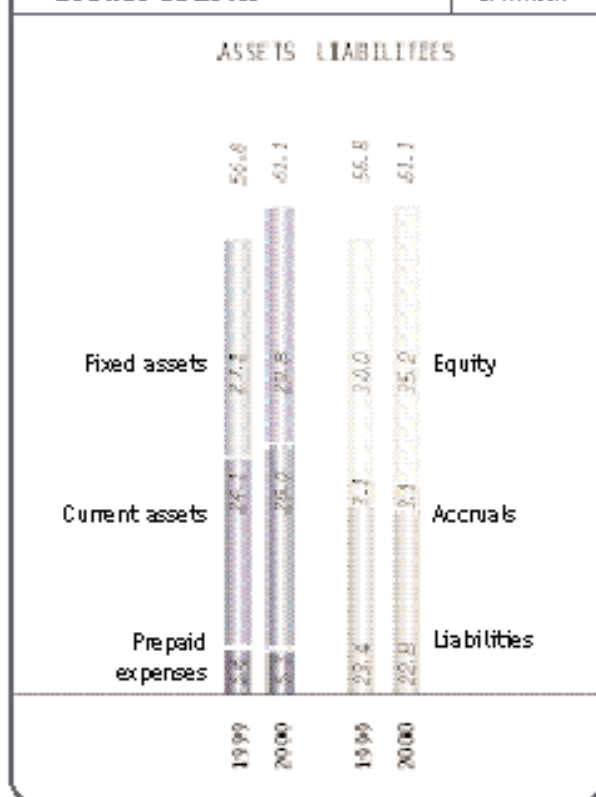
DMmillion



The proceeds from net income were used to reduce liabilities to DM 22.8 (23.4) million, while fixed assets rose to DM 29.8 (27.1) million. Of the total increase in fixed assets, DM 1.8 million was invested in financial assets (equity capital contribution for ludwigbeck-online GmbH). The remaining fixed assets grew by DM 0.9 million, as capital expenditure exceeded depreciation allowances.

Balance sheet structure of
LUDWIG BECK AG

DMmillion



Current assets increased by DM 1.9 million to DM 26.0 million and now include own shares amounting to DM 4.0 million. Measures aimed at reducing inventories resulted in a decline in stock of DM 1.2 million to DM 18.0 (19.2) million.

The balance sheet total rose to DM 61.1 (56.8) million.

RISK MANAGEMENT | || || | In order to recognize and limit risks endangering the continuation of business at any early stage, LUDWIG BECK's risk management system is subject to continual revision and improvement. Our active risk management system also allows us to control risks and opportunities as part of a value-driven corporate strategy.

Measurable and significant areas of risks are defined by early warning indicators, which are regularly presented to the Executive Board. There are specified members of staff responsible for the constant observation of risk areas; the Executive Board is chiefly responsible for monitoring the functioning of the risk management system.

As part of a revolving planning process, the opportunities and threats of our business activities are analyzed with regard to their strategic and operative importance. An up-to-the-minute reporting system provides the necessary information for top management. Mistakes are recognized at an early stage, allowing us to take corrective action as soon as possible. The risk localization and analysis system takes account of all departments.

The risk management system is rounded off by a detailed controlling system, which comprises strategic planning, operative planning on a monthly and annual basis with clear targets, a detailed reporting system and analysis of any deviations.

In the period under review and up to the present day, no risks were localized which might jeopardize the existence or continued development of the company.

OUTLOOK | || || | Despite the difficult fourth quarter of 2000, the German retail clothing sector began the new year in an optimistic mood. Hopes are based on the improving mood of consumers and the beneficial effects of the new tax reform. Although the economic conditions in Germany were already favourable in the past year, the retail clothing sector failed to benefit from increased consumer spending. We expect that companies without a clear market positioning will continue to lag behind the general trend in the retail sector in 2001.

In its annual economic report the German government forecasts growth in real terms of 2.75 (2000: 3.1)% for 2001. The government aims to reduce unemployment once again in 2001 to 9.0 (9.6)%. Following the economic upswing of the past year (led mainly by exports), the government also expects a noticeable improvement in domestic demand in the coming months. In its economic report, the government forecasts a rise in real consumer spending of 2.5 (1.9)%. Inflation is expected to remain below 2%.

The current changes and concentration processes within the German retail trade will continue in 2001. With its innovative concepts and aggressive growth strategy LUDWIG BECK is excellently positioned within the sector and well placed to benefit from these developments. A further positive factor is the rejuvenation and increasing significance of city centers, which will further enhance the value of our unique location in Munich's Marienplatz square.

In addition to the discussions concerning shop opening hours, a new debate has broken out in Germany about the impact of liberalizing traditional discount regulations. If the Rebates Law is abolished, companies operating in the discount segment will be given new possibilities to seek success through special offers and store sales. This will lead to a reduction in transparency for consumers with regard to price and performance.

LUDWIG BECK is likely to benefit from this development, as we have never used low prices to sell our goods but have always concentrated on offering superior quality and service. The abolition of the Rebates Law, however, will also offer us the opportunity to use the new possibilities in a creative way with the aim of raising customer satisfaction.

A further topic will be the withdrawal of the German Mark and the final stage of the euro's introduction. LUDWIG BECK is already well prepared for the change-over: the basic and standard lines under our own labels are already priced in round euro figures. As a result of preliminary discussions with our suppliers, the forthcoming autumn and winter collections will also be priced in euros. There will therefore be only a small number of goods requiring re-pricing at the beginning of the new year.

In general, LUDWIG BECK expects a further continuation of our successful development in fiscal 2001 with growth above the sector average. The Executive Board aims to achieve an increase in sales of 3% (after adjustment for floor space changes). Despite the scheduled increase in start-up costs for our e-commerce subsidiary, earnings are expected to exceed the previous year's level.

Against the backdrop of several promising projects and our 2004 growth strategy, we are convinced that in fiscal 2001 LUDWIG BECK AG will continue along the successful course which we have charted for the company.

Munich, in January, 2001
The Executive Board

“The organ for hearing is the ear.
We distinguish between an outer,
a middle and an inner ear.”

[Heinrich Sachs/Bau und Tätigkeit des menschlichen Körpers. 1907]

“A true song takes you from

heaven to hell within minutes;

“However I soon got to hear something
something which fascinated me
without being immediately comprehensible.
There was no melody,
hardly any lyrics,

just a repetitive,
rhythmic drive

with the occasional horn
line thrown in and a hoarse,
male voice.

I’ll let you in on the secret –

it was "Ain’t It Funky Now” by James Brown.
My first taste of funk.”

[Diedrich Diederichsen/Endlos und Afrikanisch ;"du" Heft 701]

"The voices of a fugue intertwined,
came together and broke apart,

passed on the theme,
countered with counterpoint,
recovered in loose figures,
according to their nature,
to their natural lifespan
and approached their end.

They all came to life

under my hands."

[Jan Lurvink/Windladen. 1998]

"Good conversation does not mean,
that one has to say something intelligent,
but that one can listen to something stupid."

[W. Busch, dt. Dichter und Zeichner, 1832-1908]

you disappear into a miniature world, which comes alive around you, and from which you are released as from a dream."

[Ernst-Jürgen Dreyer: Robert Gund. 1988]

"Sound loves to revel in a summer night:

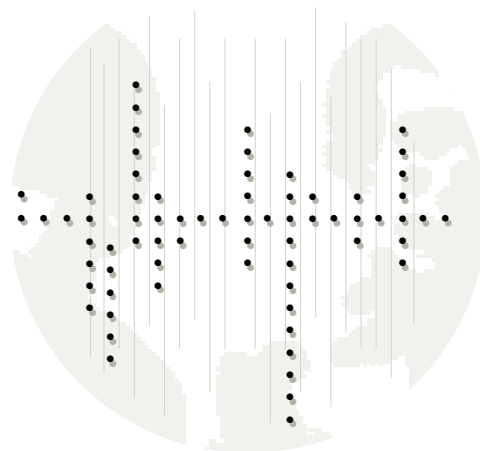
Witness the murmur of the grey twilight

That stealeth ever on the ear of him

Who, musing, gazeth on the distance dim

And sees the darkness coming as a cloud."

[Edgar Allan Poe/Al Araaf]



L I S T E N





**Balance sheet of LUDWIG BECK am Rathauseck –
Textilhaus Feldmeier AG, Munich**
as of Dec. 31, 2000 (HGB)

Assets	Notes	31.12.2000 DM 000	31.12.1999 DM 000
A. FIXED ASSETS	(1)		
I. Intangible assets		5,768	7,145
II. Tangible assets		22,205	19,962
III. Financial assets		1,790	5
		29,763	27,112
B. CURRENT ASSETS			
I. Inventories	(2)	17,970	19,199
II. receivables and other assets	(3)	2,522	2,864
III. Own shares	(4)	4,032	0
IV. cheques, cash-in-hand, bank balances		1,473	1,988
		25,997	24,051
C. PREPAID EXPENSES	(5)	5,307	5,598
		61,067	56,761
Shareholders` equity and liabilities			
A. EQUITY	(6)		
I. Subscribed capital	(7)	16,800	16,800
II. Capital reserves		15	15
III. Revenue reserves	(8)	12,701	7,453
IV. Unappropriated net income		5,712	5,712
		35,228	29,980
B. ACCRUALS	(9)	3,053	3,414
C. LIABILITIES	(10)	22,777	23,358
D. DEFERRED INCOME		9	9
		61,067	56,761

**Profit and Loss Account of LUDWIG BECK am
Rathauseck – Textilhaus Feldmeier AG, Munich**
from Jan. 01 – Dec. 31, 2000 (HGB)

	Notes	2000 DM 000		1999 DM 000	
1. Sales revenues	(11)			194,048	
- sales (gross)		196,036			
- minus sales tax		26,937	169,099	26,663	167,385
2. Own work capitalized			312		439
3. Other operating income			3,502		4,447
			172,913		172,271
4. Cost of materials		87,008		86,534	
5. Personnel expenses	(12)	37,754		36,395	
6. Depreciation	(13)	5,669		5,548	
7. Other operating expenses		29,804		30,775	
			160,235		159,252
			12,678		13,019
8. Financial result	(14)		-1,718		-1,699
9. Result from ordinary business activity	(15)		10,960		11,320
10. Net income	(16)		10,960		11,320
11. Transfers to revenue reserves	(17)		5,248		5,608
12. Unappropriated net income			5,712		5,712

**Development of fixed assets of LUDWIG BECK –
am Rathauseck Textilhaus Feldmeier AG, Munich**
from Jan. 01 – Dec. 31, 2000

	Acquisition / Manufacturing costs							
	As of 01.01.2000	Additions	Disposals	As of 31.12.2000	Cumulative depreciation	Book value 31.12.2000	Book value 31.12.1999	Depreciation of the fiscal year
	DM 000	DM 000	DM 000	DM 000	DM 000	DM 000	DM 000	DM 000
A. FIXED ASSETS								
I. Intangible assets								
1. Concessions, industrial and similar rights and assets	1,105	86	0	1,191	885	306	287	67
2. Goodwill	10,691	0	0	10,691	5,229	5,462	6,370	908
3. Option rights	610	0	610	0	0	0	488	61
	12,406	86	610	11,882	6,114	5,768	7,145	1,036
II. Tangible assets								
1. Land, land rights and buildings, including buildings on third party land	31,031	4,956	0	35,987	19,415	16,572	14,509	2,893
2. Other fixtures and fittings, tools and equipment	22,251	1,714	277	23,688	18,264	5,424	5,453	1,740
3. Payments on account and assets under construction	0	209	0	209	0	209	0	0
	53,282	6,879	277	59,884	37,679	22,205	19,962	4,633
III. Financial assets								
1. Shares in affiliated enterprises	0	1,790	0	1,790	0	1,790	0	0
2. Participations	6	0	6	0	0	0	5	0
	6	1,790	6	1,790	0	1,790	5	0
	65,694	8,755	893	73,556	43,793	29,763	27,112	5,669

CONSOLIDATED FINANCIAL STATEMENTS >>

Consolidated balance sheet of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich

as of Dec. 31, 2000 (HGB)

Assets	Notes	31.12.2000 DM 000
A. FIXED ASSETS	(1)	
I. Intangible assets		6,277
II. Tangible assets		22,483
		28,760
B. CURRENT ASSETS		
I. Inventories	(2)	17,970
II. Receivables and other assets	(3)	2,522
III. Own shares	(4)	4,032
IV. Cheques, cash-in-hand, bank balances		1,678
		26,202
C. PREPAID EXPENSES	(5)	5,326
		60,288
Shareholders' equity and liabilities		
A. EQUITY	(6)	
I. Subscribed capital	(7)	16,800
II. Capital reserves		15
III. Revenue reserves	(8)	12,028
IV. Minority interests		104
V. Unappropriated consolidated net income		5,712
		34,659
B. ACCRUALS	(9)	3,080
C. LIABILITIES	(10)	22,540
D. DEFERRED INCOME		9
		60,288

**Consolidated Profit and Loss Account of LUDWIG BECK
am Rathauseck – Textilhaus Feldmeier AG, Munich**
from Jan. 01 – Dec. 31, 2000 (HGB)

	Notes	2000 DM 000
1. Sales revenues	(11)	
- sales (gross)		196,112
- minus sales tax		26,962
2. Own work capitalized		312
3. Other operating income		3,309
		172,771
4. Cost of materials		87,008
		85,763
5. Personnel expenses	(12)	37,754
6. Depreciation	(13)	5,712
7. Other operating expenses		30,378
		73,844
		11,919
8. Financial result	(14)	-1,694
9. Result from ordinary business activity		10,225
10. Consolidated net income		10,225
11. Minority interests	(15)	62
		10,287
12. Withdrawals from revenue reserves	(16)	5
13. Transfers to revenue reserves	(17)	4,580
14. Unappropriated net income		5,712

**Development of consolidated fixed assets of LUDWIG BECK –
am Rathauseck Textilhaus Feldmeier AG, Munich**
from Jan. 01 – Dec. 31, 2000

	Acquisition / Manufacturing costs							
	As of 01.01.2000	Additions	Disposals	As of 31.12.2000	Cumulative depreciation	Book value 31.12.2000	Book value 01.01.2000	Depreciation of the fiscal year
	DM 000	DM 000	DM 000	DM 000	DM 000	DM 000	DM 000	DM 000
A. FIXED ASSETS								
I. Intangible assets								
1. Concessions, industrial and similar rights and assets	1,105	164	0	1,269	889	380	287	71
2. Goodwill	10,691	0	0	10,691	5,229	5,462	6,370	908
3. Option rights	610	0	610	0	0	0	488	61
4. Payments on account	0	435	0	435	0	435	0	0
	12,406	599	610	12,395	6,118	6,277	7,145	1,040
II. Tangible assets								
1. Land, land rights and buildings, including buildings on third party land	31,031	4,956	0	35,987	19,415	16,572	14,509	2,893
2. Other fixtures and fittings, tools and equipment	22,251	2,031	277	24,005	18,303	5,702	5,453	1,779
3. Payments on account and assets under construction	0	209	0	209	0	209	0	0
	53,282	7,196	277	60,201	37,718	22,483	19,962	4,672
III. Financial assets								
Participations	6	0	6	0	0	0	5	0
	6	0	6	0	0	0	5	0
	65,694	7,795	893	72,596	43,836	28,760	27,112	5,712

NOTES TO THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS >>

LUDWIG BECK AM RATHAUSECK – TEXTILHAUS FELDMEIER AG, MUNICH

A | || || | BASIS OF PRESENTATION

B | || || | NOTES AND EXPLANATIONS TO
ITEMS OF THE BALANCE SHEET

C | || || | NOTES AND EXPLANATIONS TO ITEMS
OF THE PROFIT AND LOSS ACCOUNT

D | || || | SEGMENT REPORTING

E | || || | OTHER DETAILS

A. BASIS OF PRESENTATION

1. Accounting principles and valuation methods

Acquired **intangible** assets are capitalized at acquisition cost and amortized pro rata temporis using the straight-line method.

Goodwill is amortized over its expected useful life using the straight-line method.

Tangible assets are capitalized at acquisition or manufacturing cost, including any ancillary costs, and always depreciated in scheduled amounts using the straight-line method. Movable fixed assets whose value does not exceed DM 800 are written off fully in the year of acquisition. Half-year depreciation amounts are allocated wherever permissible under German tax regulations.

Financial assets are valued at acquisition cost.

Raw materials and supplies are valued at the lower of acquisition and replacement cost.

Merchandise is valued at acquisition cost. Ancillary acquisition costs are accounted for. Appropriate deductions are made for old stock and goods of reduced saleability.

Receivables and other assets are valued pursuant to § 253 (3) German Commercial Code (HGB). Recognizable risks are covered by appropriate allowances. A lump-sum allowance has been formed to cover the general risk of non-payment.

Prepaid expenses consist mainly of rent prepayments, which are retransferred over the corresponding lease periods using the straight-line method.

Tax and other accruals cover all recognizable risks and uncertain obligations, insofar as they can be classified as liabilities.

Liabilities are valued at their repayment values.

The company used the same **valuation methods** as in the previous year.


2. Principles of foreign currency translation

Receivables and payables in foreign currencies are converted at the exchange rate valid on the day of transaction.

Receivables and payables in foreign currencies whose exchange rate is not secured are valued at the lower buying rate or higher selling rate valid on the balance sheet date.

3. Consolidated group

In addition to LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG as parent company, the following company was fully consolidated in the consolidated financial statements:



Company		
	Share of equity capital %	Amount of equity capital DM 000
ludwigbeck-online GmbH, München	91.50	1,790

The above subsidiary was consolidated for the first time as of July 27, 2000.

4. Consolidation principles

The above subsidiary was consolidated for the first time as of July 27, 2000.

Capital was consolidated in accordance with the book value method. The book value of the participation was netted against the consolidated equity capital of the subsidiary.

There were no credit balances resulting from the first-time consolidation nor from subsequent consolidations.

Minority interests of other shareholders in equity capital and net income were accounted for by the formation of an appropriate position according to their relative shareholding and disclosed under shareholders' equity in the consolidated balance sheet.

There was no need for elimination of unrealized profits resulting from intercompany sales and services.

Intercompany sales and other operating incomes were offset against material expenses and the corresponding other operating expenses. Interest income and expenditures within the group were also netted against each other.

Receivables and liabilities between consolidated companies were netted against each other.

The consolidated companies apply identical disclosure, valuation and accounting principles in their financial statements.

B. NOTES AND EXPLANATIONS TO ITEMS OF THE BALANCE SHEET

(1) Fixed assets

LUDWIG BECK AG			Group
	31.12.2000 DM 000	31.12.1999 DM 000	31.12.2000 DM 000
Intangible assets	5,768	7,145	6,277
Tangible assets	22,205	19,962	22,483
Financial assets	1,790	5	0
	29,763	27,112	28,760

Details as to individual balance sheet items can be seen in the development of fixed assets table.

Activated goodwill included under intangible assets are always amortized pursuant to section 7, paragraph 1, sentence 3 German Income Tax Law (EStG) over a useful lifetime of 15 years.

Accrued goodwill is amortized over the remaining lease period of the locations concerned.

Financial assets are valued at acquisition cost.

The AG balance sheet includes the following shares in affiliated enterprises:

Company			
	Share of equity capital %	Amount of equity capital DM 000	Result for fiscal year DM 000
ludwigbeck-online GmbH, Munich	91.50	1,790	-735

(2) Inventories

LUDWIG BECK AG			Group
	31.12.2000 DM 000	31.12.1999 DM 000	31.12.2000 DM 000
Raw materials and supplies	165	126	165
Merchandise	17,805	19,073	17,805
	17,970	19,199	17,970

(3) Receivables and other assets

LUDWIG BECK AG			Group
	31.12.2000 DM 000	31.12.1999 DM 000	31.12.2000 DM 000
Trade receivables	1,079	1,782	1,133
Receivable from affiliated companies	61	0	0
Other assets	1,382	1,082	1,389
	2,522	2,864	2,522

Other assets include loans due after more than one year amounting to TDM 165 (99: TDM 54).

(4) Own shares

On the basis of a resolution adopted by the AGM of May 17, 2000, the company acquired 158,580 own shares in the period July 13 – December 31, 2000 pursuant to § 71 (1) No. 8 German Stock Corporation Law (AktG) at prices between € 12.26 and € 13.70. The average share price amounted to € 13.29. The primary reason for the share buy-back program was the possible use of own shares as an acquisition currency for the purchase of controlling or minority interests in other companies. No sales were made.

As of the balance sheet date these shares were valued at € 13.00 (TDM 4,032).

The 158,580 own shares held on the balance sheet date represented TDM 793 (= 4.72%) of total share capital.

(5) Prepaid expenses

Of total prepaid expenses, prepayment of rent accounted for TDM 5,285 and other allowances for TDM 22 (Group: TDM 41).

(6) Shareholders' equity

LUDWIG BECK AG			Group
	2000 DM 000	1999 DM 000	2000 DM 000
As of Jan. 1	29,980	22,020	29,980
Dividend	-5,712	-3,360	-5,712
Capital contributions of other shareholders	0	0	166
Net income	10,960	11,320	10,225
As of Dec, 31	35,228	29,980	34,659

(7) Subscribed capital

The subscribed capital of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft is divided as follows:

3,360,000 no-par shares (ordinary shares)

The no-par shares are bearer shares.

(8) Revenue reserves

LUDWIG BECK AG			Group
	31.12.2000 DM 000	31.12.1999 DM 000	31.12.2000 DM 000
Statutory reserves	1,374	826	1,374
Reserves for own shares	4,032	0	4,032
Other revenue reserves	7,295	6,627	6,622
	12,701	7,453	12,028

From the net income of the fiscal year Jan. 1 – Dec. 31, 2000, an amount of TDM 548 was transferred to statutory reserves, TDM 4,032 to reserves for own shares and TDM 668 to other revenue reserves. In the consolidated balance sheet, an amount of TDM 5 was withdrawn from revenue reserves.

(9) Accruals

LUDWIG BECK AG			Group
	31.12.2000 DM 000	31.12.1999 DM 000	31.12.2000 DM 000
Other accruals	3,053	3,414	3,080

In addition to maintenance obligations amounting to TDM 893, other accruals of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft concern mainly provisions for personnel (TDM 1,145) and administration (TDM 802).

(10) Liabilities

a) LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG

LUDWIG BECK AG			
	31.12.2000	Due within one year	31.12.1999
	DM 000	DM 000	DM 000
1. Liabilities to banks	14,580	9,617	14,906
2. Advances on customer orders	32	32	13
3. Trade liabilities	3,029	3,029	3,250
4. Liabilities to affiliated companies	288	288	0
5. Other liabilities	4,848	4,848	5,189
• of which taxes: TDM 2,677 (99: 2,682)			
• of which social security: TDM 925 (99: 928)			
	22,777	17,814	23,358

Liabilities to banks due between one and five years
amounted to TDM 4,963.

b) Group

LUDWIG BECK Group		
	31.12.2000 DM 000	Due within one year DM 000
1. Liabilities to banks	14,580	9,617
2. Advances on customer orders	32	32
3. Trade liabilities	3,029	3,029
4. Other liabilities	4,899	4,899
• of which taxes: TDM 2,677		
• of which social security: TDM 925		
	22,540	17,577

Liabilities to banks due between one and five years amounted to TDM 4,963.

C. NOTES AND EXPLANATIONS TO ITEMS OF THE PROFIT AND LOSS ACCOUNT

(11) Sales revenues

LUDWIG BECK AG			Group
	2000 DM 000	1999 DM 000	2000 DM 000
Munich and Hamburg	169,099	167,385	169,150

Group sales revenues also include the mail order activities (incl. e-commerce) of ludwigbeck-online GmbH.

(12) Personnel expenses

LUDWIG BECK AG			Group
	2000 DM 000	1999 DM 000	2000 DM 000
Wages and salaries	31,197	30,055	31,197
Social security	6,013	5,825	6,013
Pension costs	544	515	544
	37,754	36,395	37,754

(13) Depreciation

LUDWIG BECK AG			Group
	2000 DM 000	1999 DM 000	2000 DM 000
Amortization of intangible assets	1,036	1,089	1,040
Depreciation of tangible assets:			
• Improvements in third party property	2,893	2,750	2,893
• Other fixtures and fittings, tools and equipment	1,740	1,709	1,779
	5,669	5,548	5,712

(14) Financial result

LUDWIG BECK AG			Group
	2000 DM 000	1999 DM 000	2000 DM 000
Other interest and similar income	21	22	21
Depreciation of marketable securities	-105	0	-105
Interest and similar expenditure	-1,610	-1,721	-1,610
Interest expenditure of affiliated companies	-24	0	0
	-1,718	-1,699	-1,694

(15) Minority interests

The proportion of losses attributable to the minority shareholder (8.5%) of ludwigbeck-online GmbH amounted to TDM 62.

(16) Withdrawals from revenue reserves

The consolidated accounts include a withdrawal from revenue reserves amounting to TDM 5.

(17) Transfers to revenue reserves

LUDWIG BECK AG			Group
	31.12.2000 DM 000	31.12.1999 DM 000	31.12.2000 DM 000
Transfers to statutory reserves	548	566	548
Transfers to reserves for own shares	4,032	0	4,032
Transfers to other revenue reserves	668	5,042	0
	5,248	5,608	4,580

D. SEGMENT REPORTING

LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG differentiates between the segments “Physical Retail Outlets” and “Mail Order (incl. e-commerce)”, which is operated by the subsidiary ludwigbeck-online GmbH.

The sales and earnings of these segments were divided as follows:

LUDWIG BECK Group				
	Physical retailoutlets	Mail order (incl. e- Commerce)	Intersegment- consolidations	Group
	2000 DM 000	2000 DM 000	2000 DM 000	2000 DM 000
Sales revenues (net)	169,099	145	-94	169,150
Net income/loss	10,960	-735	0	10,225

E. OTHER DETAILS

The following guaranty liabilities are listed pursuant to § 251 and § 268 (7) HGB:

Guaranties and other financial commitments

LUDWIG BECK AG			Group
	2000 DM 000	1999 DM 000	2000 DM 000
Guaranties			
Liabilities due to guaranties, bill and cheque guaranties	1,598	2,117	1,598

As part of the dissolution process for one of the company's stores, the company accepted a guaranty for rent payments to its former landlord by the following tenant. The guaranty is limited to 90% of the respective monthly rent (poss. plus other claims, e.g. ancillary costs) and expires on Dec. 31, 2004.

The guaranty was secured by a counter guaranty granted by the parent company of the following tenant.

Other financial commitments of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft and the Group are divided as follows:

LUDWIG BECK AG and Group		
	annual DM 000	total DM 000
Other financial commitments		
Lease commitments	15,396	301,322
Leasing commitments	707	3,081
	16,103	304,403

Executive bodies/Remuneration of the Supervisory and Executive Boards

EXECUTIVE BOARD:

Reiner Unkel (Chairman)
Dieter Münch

Total remuneration of the Executive Board of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft in the year under review amounted to TDM 1,145. As of December 31, 2000, members of the Executive Board held 44,825 shares.

SUPERVISORY BOARD:

Dr. Joachim Hausser, Kaufmann, Munich
(Chairman)
Dr. Eva Annett Grigoleit, Deputy Chairperson, Berlin
Dr. Ulla Ertelt, Frankfurt
Edgar Rosenberger, Hamburg
Annemarie Geißler, Munich*)
Gabriele Keitel, Munich*)

*) Worker representatives

Total net remuneration of the Supervisory Board in fiscal 2000 amounted to TDM 145 net (incl. D&O insurance TDM 32).

As of December 31, 2000, members of the Supervisory Board held 3,998 shares.

The following members of the Executive and Supervisory Boards hold seats on supervisory boards or other executive bodies of further companies:

Herr Reiner Unkel:

ADVISORY COUNCIL:

Henschel & Ropertz GmbH & Co. KG, Darmstadt

CJ. Schmidt GmbH & Co. KG, Husum

Herr Dr. Joachim Hausser:

SUPERVISORY BOARD:

Philipp Morris GmbH, Munich

STRABAG Hoch- und Ingenieurbau AG, Cologne

ADVISORY COUNCIL:

GETRAG Getriebe- und Zahnradfabrik

Hermann Hagemeyer GmbH & Co., Ludwigsburg

Klöpfer & Königer GmbH & Co. KG,
Munich

MRF Michael Rosenthal GmbH, Munich

ADMINISTRATIVE COUNCIL:

Kühne & Nagel Intern. AG, Schindellegi

Frau Dr. Eva Annett Grigoleit:

SUPERVISORY BOARD:

Techem Geschäftsführungs AG, Frankfurt

Herr Edgar Rosenberger:

SUPERVISORY BOARD:

ESCADA AG, Munich

ADVISORY COUNCIL:

Gunther Lambert GmbH, Mönchengladbach

Frau Dr. Ulla Ertelt:

ADVISORY COUNCIL

Henschel & Ropertz GmbH & Co. KG, Darmstadt

Personnel

During fiscal 2000 LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft employed an average of 665 people, of which 247 were part-time employees and 121 temporary staff. Apprentices are not included in these figures.

Proposed appropriation of profit

At the Annual General Meeting of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier Aktiengesellschaft the following proposal will be made concerning the appropriation of the company's unappropriated net income of TDM 5,712:

A dividend payment of DM 1.70 per no-par share.

Consolidated Cash flow	
	2000 DM million
Net income	10,225
Depreciation	5,712
Increase in long-term accruals	50
Cash flow	15,987
Decrease in working capital	1,368
Net cash from operating activities	17,355
Proceeds from disposal of fixed assets	13
Disbursements for additions to fixed assets	-7,797
Net cash used in investing activities	-7,784
Contributions from minority interests	166
Dividend payment	-5,712
Purchase of own shares	-4,137
Reduction of interest-bearing liabilities	-326
Net cash used in financing activities	-10,009
Change in cash and cash equivalents	-438
Cash and cash equivalents at the beginning of the financial year	1,625
Cash and cash equivalents at the end of the financial year	1,187



We have audited the annual financial statements and accounts of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, and the consolidated financial statements and joint management report for the Company and Group which it prepared for the fiscal year January 1 to December 31, 2000. The preparation and content of these statements in accordance with German company law and the additional requirements of the company's articles are the responsibility of the Company's Executive Board. Our responsibility is to express an opinion on these annual financial statements and accounts as well as on the consolidated financial statements and joint management report, on the basis of our audits.

We conducted our audits pursuant to § 317 of the German Commercial Code (Handelsgesetzbuch) in accordance with generally accepted auditing standards established by the German Institute of Certified Public Accountants (Institut der Wirtschaftsprüfer). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements and consolidated financial statements are free of material misstatement and the consolidated and company management report is consistent with the consolidated financial statements. In planning the audit, we also take into consideration knowledge of the business activity, economic and legal environment as well as expectations of possible errors. An audit of the financial statements includes examining the efficacy of the internal controlling system as well as evidence, mainly on a test basis, supporting the amounts and disclosures in the accounts, annual financial statements, consolidated financial statements and joint management report.

The audit also includes assessing the accounting, valuation and consolidation principles used and significant estimates made by the Executive Board, as well as evaluating the overall presentation of the annual financial statements, consolidated financial statements and joint management report. We believe that our audits provide a reasonable basis for our opinion.

Our audits did not give rise to objections.

In our opinion, the financial statements and consolidated statements give a true and fair view of the assets, liabilities, financial position and earnings of the Company and Group with due regard to generally accepted accounting principles. The joint management report presents a true and fair view of the company's position and future risks.

Munich, February 20, 2001

**AWT Allgemeine Wirtschaftstreuhand GmbH
Wirtschaftsprüfungsgesellschaft**

**J. Zimmermann
Auditor**

**A.Bruckner
Auditor**

||| During the course of the past financial year, the Supervisory Board was provided with comprehensive and up-to-date information on the company's business development by the Executive Board. The information was presented during four Supervisory Board meetings as well as in numerous oral and written reports. The Executive Board also called upon the Supervisory Board to discuss all fundamental policy questions with them. The Supervisory Board observed its legal and statutory duties and closely monitored the management of the company.

The annual financial statements and the consolidated statements as at December 31, 2000 as well as the management report and consolidated management report were audited by the elected auditing firm AWT Allgemeine Wirtschaftstreuhand GmbH Wirtschaftsprüfungsgesellschaft, Munich, who issued an unqualified opinion.

The Supervisory Board examined the annual financial statements and the consolidated statements as well as the management report and consolidated management report itself and found no cause for objection. On March 8, 2001 the Supervisory Board adopted the annual statements prepared by the Executive Board and as presented by AWT in their audit report. The annual accounts for 2000 are therefore approved. The Supervisory Board supports the proposal of the Executive Board with regard to the appropriation of profit.

The Executive and Supervisory Boards of LUDWIG BECK once again worked in close cooperation during the past year. They informed each other in numerous talks, meetings and phone calls. The long-term growth strategy of the four-pillar concept as well as the company's medium and long-term plans were the main subjects of our intensive discussions. The main topics at last year's Supervisory Board meetings were the management's investment plans with regard to its branch store strategy and the company's e-commerce operations. Due to regular management reports on sales and profits, the Supervisory Board was kept informed about the current business situation. This also applies in particular to the development in the fourth quarter.

The Supervisory Board would like to thank all members of the Executive Board and the management team for their excellent work in our 2000 business year. We would also like to extend our gratitude to all staff for their unfailing dedication to duty during 2000, which was once more a decisive factor for the success of Ludwig Beck.

**Supervisory Board
Munich, March 2001**

**Dr. Joachim Hausser
Chairman of the Supervisory Board**

HISTORY | || ||| |

- 1861 Born on 29th March 1833, the button-maker and haberdasher Ludwig Beck founds the company on 1st May 1861 at the age of 29. He opens a button-making and haberdashery workshop in his father's premises in Landschaftsgasse No. 1 with four skilled tradesmen and one apprentice as well as a shop in Dienergasse No. 15 with two sales assistants and an apprentice.
- 1874 Ludwig Beck buys the buildings Dienergasse 23 and Burggasse 2. He rebuilds and expands his business premises. The site still forms the cornerstone of Beck's Munich premises.
- 1876 BECK workshops supply gold and silver ornamentation to the royal palaces Linderhof, Neuschwanstein and Herrenchiemsee as well as genuine gold decorations for the royal carriages and sleighs. His Majesty King Ludwig II awards Ludwig Beck »without cost or favour« the title of »Haberdasher to the Royal Bavarian Court«.
- 1892 LUDWIG BECK exhibits and receives honours at the World Trade Fair in Chicago.
The Munich premises are expanded.
- 1921 On the occasion of the company's 60th anniversary, records show a total workforce of 61 employees.
- 1938 Franziska Beck sells the business to the textile merchant Gustl Feldmeier, partner in the textile business of Feldmeier S. Feldmeier und Sohn, Zenettistraße. LUDWIG BECK employs 158 staff at the time and has an annual turnover of 1.1 million Reichsmarks.
- 1945 The Munich store is totally destroyed.
- 1948 "LUDWIG BECK am Rathauseck" and the textile merchants "Feldmeier S. Feldmeier und Sohn" merge to become the limited partnership "LUDWIG BECK am Rathauseck – Textilhaus Feldmeier KG".
- 1954 Gustl Feldmeier acquires the neighbouring properties Marienplatz 11 and Burgstraße 11 and expands the business premises.
- 1971 Opening of the new basement floor with direct connection to the new tram and underground station in the Marienplatz.
- 1972 A small BECK outlet (100 m²) is opened in Munich's new Olympic stadium shopping centre.
- 1974 LUDWIG BECK becomes the »Textilissima House« and catches the consumer mood of the 70's and 80's.
- 1978 Introduction of the company's individual working hours system.
- 1981 A BECK store (240 m²) is opened in the "Perlacher Einkaufspassagen" shopping mall.
- 1982 The Olympic stadium shop is expanded to 400 m².
The company is restructured as "Toni und Peter Feldmeier Besitzverwaltung GbR" and "Betriebsgesellschaft LUDWIG BECK am Rathauseck – Textilhaus Feldmeier GmbH", owned by 13 of the company's managers (65%) and 5 external partners.
- 1987 Start of the company's expansion program with the opening of new branches throughout Germany. The first branch is opened in Hamburg.
- 1989 BECK moves into larger premises (1400 m²) in the Perlach shopping mall.
- 1992 LUDWIG BECK becomes a public limited company (AG).
- 1993 LUDWIG BECK opens its second-biggest store in Cologne's Schildergasse with a floor space of 5000 square metres.
- 1995 The Cologne store is closed.
Participation of an equity fund managed by BC Partners and subsequent increase in share capital.
- 1996 EA strict consolidation strategy is launched.
- 1997 The flagship store in Munich's top location, the Marienplatz, is modernized.
- 1998 Restructuring process successfully completed
May 18 – Initial Public Offering (IPO)
LUDWIG BECK ends the year with an annual net income of DM 5.2 million.
- 1999 First AGM as a listed public limited company in May.
Shareholders receive dividend of DM 1 per share.
December 31 – LUDWIG BECK ends the year with the highest net income in the company's history. At DM 11.3 million, it is up more than 100% on the previous year.
- 2000 The dividend payment rises to DM 1.70 per share.
July 27 – foundation of e-commerce subsidiary ludwigbeck-online GmbH, Munich
November 11 – www.onlybeck.de goes online

Key figures LUDWIG BECK AG

Group

Result

			1996**	1997**	1998	1999	2000	2000
Sales (gross)	DM million		192.3	193.6	194.1	194.0	196.0	196.1
VAT	DM million		24.9	25.2	26.3	26.6	26.9	26.9
Net sales	DM million		167.4	168.4	167.8	167.4	169.1	169.2
Gross profit	DM million		79.0	80.4	81.0	80.9	82.1	82.1
	% *		47.2	47.7	48.3	48.3	48.6	48.5
EBITDA	DM million		6.6	12.1	14.9	18.6	18.3	17.6
	% *		3.9	7.2	8.9	11.1	10.8	10.4
EBIT	DM million		0.0	5.8	9.3	13.0	12.7	11.9
	% *		0.0	3.5	5.5	7.8	7.5	7.0
Result from ordinary activities	DM million		-3.4	2.7	6.8	11.3	11.0	10.2
	% *		-	1.6	4.1	6.8	6.5	6.0
Net income	DM million		0.0	-1.9	5.2	11.3	11.0	10.2
	% *		0.0	-	3.1	6.8	6.5	6.0
DVFA/SG-based result	DM million		0.0	-0.8	3.0	5.9	5.7	5.4
DVFA-based cash flow	DM million		6.4	7.5	11.5	16.3	16.7	16.0
IAS-based result	DM million					6.3	0.0	3.9

Balance sheet

Equity	DM million		6.1	4.2	22.0	30.0	35.2	34.7
Equity ratio	%		10.2	7.6	39.6	52.8	57.7	57.5
Return on equity	%		0.4	-45.1	23.6	37.8	31.1	29.5
capital expenditure	DM million		2.6	3.0	9.1	5.5	8.8	7.8
Balance sheet total	DM million		59.9	55.2	55.6	56.8	61.1	60.3
Return on invested capital (ROIC)	%		-0,1	15,1	22,0	30.3	28.6	27.4

Personnel

Employees	Pers.		740	727	692	663	665	665
Personnel expenses	DM million		37.7	37.5	37.2	36.4	37.8	37.8
	% *		22.5	22.3	22.2	21.7	22.3	22.3

Sales per employee (weighted average)	DM		348,000	363,000	378,000	397,000	400,000	400,000
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Per share

Number of shares	million		3.36	3.36	3.36	3.36	3.31	3.31
DVFA/SG-based result	DM		0.00	-0.24	0.90	1.74	1.72	1.63
Net income	DM		0.00	0.00	1.55	3.37	3.31	3.09
Dividend	DM		0.00	0.00	1.00	1.70	1.70	1.70

Other details

Sales area	m ²		15,200	14,800	13,600	13,000	13,000	13,000
Sales per m ²	DM/m ²		12,700	13,100	14,300	14,900	15,100	15,100
Locations	Number		12	10	6	4	4	4

* in relation to sales

** based on 3.36 million shares

I M P R I N T

PUBLISHED BY

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