LUDWIG BECK

Ludwig Beck

Annual > Report

2002

Key > Figures of the Group

RESULT		2002	2001	2000
Sales (gross)	€ million	95.1	98.0	100.3
VAT	€ million	13.0	13.5	13.8
Net sales	€ million	82.0	84.5	86.5
Gross profit	€ million	37.6	40.6	42.0
EBITDA	€ million	5.8	8.2	9.0
EBIT	€ million	2.5	5.2	6.1
Result from ordinary activities	€ million	0.4	3.9	5.2
Net income (loss)	€ million	0.4	3.8	5.2
DVFA/SG-based result	€ million	-0.2	2.5	2.7
SHARE				
Number of shares	million	3.20	3.18	3.31
DVFA/SG-result	€	-0.06	0.78	0.83
Dividend	€	0	0.87	0.87
PERSONNEL				
Employees	number	563	626	665
OTHER DETAILS				
Sales area	m^2	17,080	14,010	13,000
Sales per m^2	€/m^2	5,566	6,980	7,700
Locations	number	10	4	4

Ludwig Beck is one of Germany's **leading retail companies** with one of the country's **top locations** in Munich's central Marienplatz square.

Our **recipe for success** is the **»STORE OF THE SENSES«** **concept.**

We have never subscribed to price dumping, but focus on **superior quality, maximum expertise,** a **unique range** of goods and **individual presentation.**

We appeal to an **attractive consumer group** and achieve exceptionally high levels of loyalty.

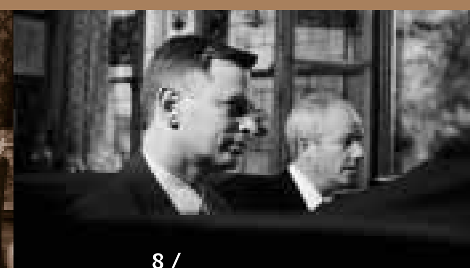
Our customers **value** the outstanding quality of advice and the friendliness of our sales assistants – a result of our **>commitment** to providing the best possible training.

We aim to utilize these strengths in order to generate **above-average revenues and earnings.**

> Management team

1 / Reiner Unkel (44), Chairman of the Executive Board of Ludwig Beck AG

Reiner Unkel's interests extend beyond economics and market 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. He is also Managing Director of Ludwig Beck Vertriebs GmbH and Ludwig Beck Beteiligungs GmbH.



2 / Dieter Münch (48), 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 Ludwig Beck flair, he joined the company's Controlling Department 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. After holding several positions within the organization, he joined the Executive Board in April 1998, where he has been responsible for finance, marketing and investor relations since May 1999. He is also Managing Director of Ludwig Beck Vertriebs GmbH and Ludwig Beck Beteiligungs GmbH.

3 / Lothar Fiss (62), Marketing Manager

Started his career at Ludwig Beck in 1975 as one of a young team entrusted with bringing the traditional store in line with consumer needs of the 80's. Originally responsible for communication and press relations, the complex field of investor relations was added in 1998. In 2000 he was charged with establishing the company's eCommerce activities as Managing Director of ludwigbeck-online GmbH and currently leads the project concerned with Ludwig Beck's strategic realignment.

»Thanks to our innovative concepts, which have manifested themselves since the 90's in our »Store of the Senses« philosophy, everyone was talking about Beck. Even in such uncertain times, the Ludwig Beck brand still represents a tremendous asset and will continue to secure our future development.«

4 / Wolfgang Mosebach (45), Purchasing Manager

Has been involved in purchasing and sales for a number of major retail clothing companies over the years and was appointed Purchasing Manager for Ludwig Beck in March 2003.

»I'm passionate about purchasing and the possibility it offers to shape product assortments. I aim to coordinate the store's various style worlds in accordance with the needs of future Beck target groups – constantly aware of the need to quickly realign concepts and strategies to changing market conditions.«

5 / Jürgen Neumüller (55), Personnel Manager

Has been loyal to Ludwig Beck for 22 years now. After working many years in personnel development, he assumed complete responsibility for human resources in 1987 and has since supported all measures relating to modern leadership and change management methods.

»Well-informed, highly skilled and deeply motivated employees are my primary objective – not least to ensure the unique Beck spirit and an unforgettable shopping experience for our customers.«

7 / Pedram Taghizadeh (39), Sales Manager Branch Stores

Following a number of management positions in retail clothing (Etienne Aigner, Peek & Cloppenburg), he assumed responsibility for all branch stores in December 2000 and has been Managing Director of Ludwig Beck Vertriebs GmbH since 2003.

»My job is mainly concerned with translating dramatic market changes and the experience gained from dealing with suppliers and franchise partners into current and future store concepts. In doing so, I tend to trust the old maxim – leave nothing to chance.«

8 / Robert Waloßek (38), Sales Manager Marienplatz

Discovered the »fascination of an incomparable store« in 1988 as a commercial apprentice at Ludwig Beck. Following various positions as purchaser and manager in the sales department, he was appointed Sales Manager of the flagship Marienplatz store on January 1, 2000. In early 2002 he began part-time studies for a degree in business administration (SGMI).

6 / Angelika Siefert (39), Head of IT/Logistics/Organisation

Joined Ludwig Beck in July 2002, bringing seven years of experience in sales/procurement controlling and supply chain management to the company as well as six years in pre-sales consulting for an American retail software specialist. Her tasks include optimizing the entire supply chain for all sales channels, standardizing processes and using forward-looking, flexible technologies to secure the company's market-driven approach.

»Do not fear chaos, for chaos gives birth to the new.«

»Awareness and respect for our customers, but also our staff, is my motto. I work daily on aligning all tasks to these needs. Our aim for the coming years is to continue optimizing these two aspects.«

9 / Axel Wilde (55), Head of Store Planning/Decoration/Merchandising

Having gathered a wealth of management experience with stores such as Karstadt, Jelmoli, Horten and Kaufhof, he has been responsible for visual marketing and the Ludwig Beck »look« since 1985. He is also President of the Central Association of German Store Decorators/Merchandisers.

»Ludwig Beck will remain an emotional, creative and innovative store of the senses. For me and my team, visual merchandising is about targeted, dynamic ordering of information.«

1 Inter > View

■ > **QUESTION:** In fiscal 2002 Ludwig Beck AG had to suffer declining sales and barely managed to break even. As a consequence, the company will not be paying a dividend to its shareholders this year. Is this the end of Ludwig Beck's success story? ■ > **UNKEL:** No, not at all, as Ludwig Beck already introduced and implemented the necessary changes to its cost structures and strategy last year. We were hit hard in the latter part of the year by a dramatic fall in consumer spending – the scale of which surprised even us. ■ > **MÜNCH:** It was really a culmination of several factors: highly irrational discussions about price rises caused by the new euro – fuelled mainly by the press – coupled with a weak economy, worries about further possible job losses and a terrible start to the government's new term in office. The result was a virtual consumption boycott in 2002, affecting all sectors and even consumers from our key target groups. We do not believe, however, that this attitude will last.

■ > **QUESTION:** With all due respect, this seems a little optimistic. In the past year, the German retail clothing sector suffered an overall drop in sales of 8% – the worst year since the Second World War. ■ > **UNKEL:** Yes, and Ludwig Beck fared significantly better than the market as a whole with a decline in sales of just 3%. This demonstrates our inner strength. Our disappointing earnings in fiscal 2002 will remain a one-off occurrence – strongly influenced, by the way, by non-recurrent charges resulting from our cost-saving and streamlining measures, especially in the field of personnel. ■ > **MÜNCH:** We expect that these measures will help us return to healthier profits again in fiscal 2003 and lead to a continuation of Ludwig Beck's success story.

■ > **QUESTION:** How can Ludwig Beck survive, if last year's discount war among German retailers continues? ■ > **UNKEL:** Thanks to our clear positioning, we were largely able to escape this problem last year. It has never been Ludwig Beck's philosophy to use price as a means of stimulating demand. The core business of Ludwig Beck AG is based on our successful »Store of the Senses« concept, as well as our well-defined marketing and target-group strategy. We do not engage in price wars. We prefer to offer quality, service, a shopping experience and an attractive product range at fair prices. Ludwig Beck is no ordinary store. It is a very sensual store, which constantly surprises and offers new experiences. We appeal to all the senses. This is recognized and honored by our customers. ■ > **MÜNCH:** By making unnecessary price cuts, you set off a dangerous, downward spiral. As the experience of our competitors has shown, consumers tend to be more confused than stimulated. In the end, you often lose more sales than you gain – not to mention the impact on earnings. Companies which choose this path will find it difficult to return to normal prices again. For the same reason, by the way, a lot of successful branded goods manufacturers are fighting hard to prevent major retailers from selling off their products at rock-bottom prices. Many have even refused delivery.

■ > **QUESTION:** OK. We've established that the competition tried to seek salvation by slashing prices, but how did Ludwig Beck react to the general slump in consumer demand? ■ > **UNKEL:** Rather than bury our head in the sand, we decided to formulate strategic answers to the underlying problem. Our position as a highly profitable company with an excellent financial structure and an equity ratio of almost 38% is an excellent basis for value-driven growth – even in adverse economic conditions. Ludwig Beck therefore used this difficult year to re-define its business concept, in order to successfully tackle the foreseeable challenges of 2003.

■ > **QUESTION:** What does that mean exactly? ■ > **UNKEL:** In future, we will focus on just two of the pillars defined by our previous »four-pillar« strategy. We will concentrate increasingly on our core business, i.e. on shop-based sales at our flagship store and the Beck branch stores, as well as on organic growth via our mono-label stores. This means, therefore, that we shall abandon our option to make further acquisitions and that we terminated our cost-intensive eCommerce activities in 2002.

■ > **QUESTION:** Considering Ludwig Beck's financial strength and the current market weakness, it's a little surprising that you've decided to abandon your acquisition plans in the medium term. There must be plenty of bargains around at present? ■ > **MÜNCH:** That depends on how you look at it. We prefer to seek profitable and organic growth, rather than burden ourselves with companies that need baling out of financial difficulties. We've been studying the market carefully since our IPO. At the moment, there are no truly attractive takeover candidates on the market. It was therefore no longer relevant to hold on to this pillar of our strategy. As a consequence, we placed the shares we had acquired as a possible takeover currency back on the market.

■ > **QUESTION:** And what about your withdrawal from eCommerce, the former great hope for all sorts of businesses? ■ > **UNKEL:** Right from the start, we regarded this outlet option as a test field and provided only limited resources. We concentrated solely on classical music and jazz – an area where we have a certain national status and for which we've been offering a successful mail order service since 1999. The initial, gratifying growth of our online subsidiary slowed down significantly in 2002 – due in part to the general economic downturn and the gradual slowdown in Internet euphoria. Sales fell to well below expectations and disappointing earnings led us to suspend trading on September 30, 2002 and put ludwigbeck-online GmbH into liquidation. With revenues of just € 0.2 million, this segment was relatively insignificant for the company as a whole. As a service for our customers, the Internet shop for classical music and jazz (www.onlybeck.de) will stay online, as it incurs only minimal administrative costs.

■ > **QUESTION:** Let's turn now to the remaining pillars of your strategy. Should we see them as supporting pillars or growth drivers? ■ > **UNKEL:** Definitely growth drivers. By sharpening our focus, we are now able to strengthen these two pillars of our strategy: by expanding our core business through the company's flagship Munich store and growing our new mono-label store business. The second pillar, in particular, enables us to tap substantial growth opportunities.

■ > **QUESTION:** In comparison to this new business, though, possibilities for further growth at the Munich store seem to be exhausted. How do you intend to achieve growth with new sales areas and product lines? ■ > **UNKEL:** Well, we've always succeeded so far... But seriously, though, last year we added a further 240 m^2 at our Marienplatz store. In August we re-launched our successful cosmetics department – one of our chief growth drivers – with additional floor space and offering unique, new product lines plus a direct connection to our new spa area. In this way, we can leverage the current trend toward wellness products, which has remained unscathed by the economic downturn so far. Further examples are our shoe department on the fourth floor. Because it failed to reach critical mass, we closed the department down and devoted the space to the much more profitable Young Designer section. One floor below, we launched a completely new range of Designer Sportswear clothing, aimed primarily at women seeking attractive leisure garments. This department leverages our strength in the business-oriented designer clothing section by adding a range of »after-work« products.

■ > **QUESTION:** That sounds like you've been spending heavily on re-building. ■ > **MÜNCH:** No, we always invest carefully and make sure we can achieve a positive return on investment as quickly as possible. Due to the high cash flows of recent years, we were easily able to pursue our long-term investment program in 2002. Ludwig Beck invested a total of € 7.3 (12.5) million last year. Of which € 2.7 million was devoted to expanding our flagship store (Wellness, Lingerie) and € 2.4 million to expanding our mono-label business (Vertriebs GmbH).

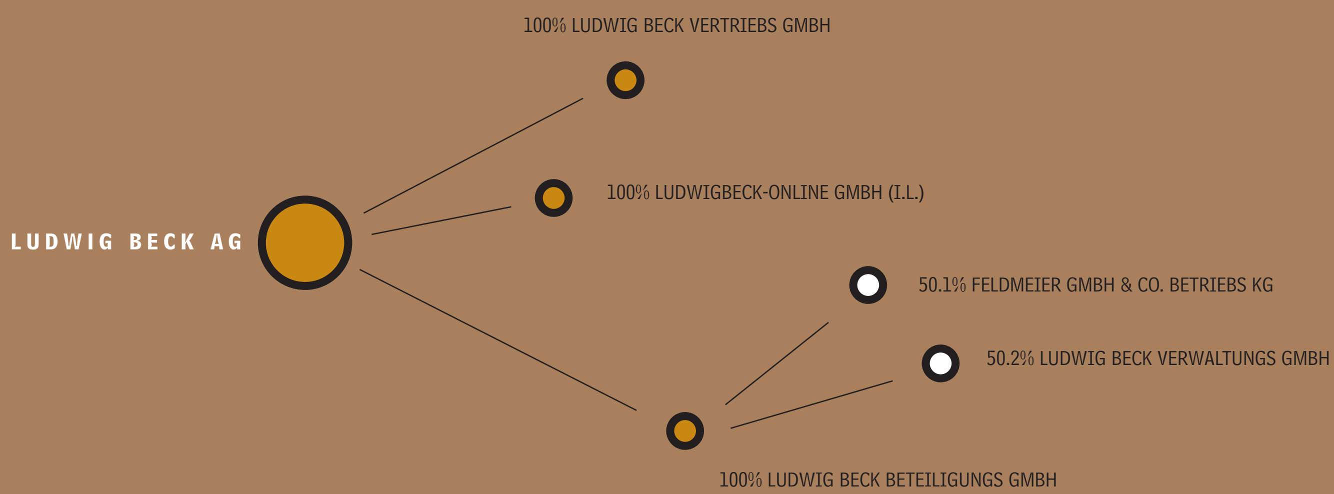
■ > **QUESTION:** As we know, though, Ludwig Beck not only invested last year, but also implemented a range of cost reduction programs – as did most companies. Presumably, these cost cuts focussed mainly on your store-based business in Munich. ■ > **MÜNCH:** Yes, in view of the foreseeable trend in sales we decided to implement cost savings as early as possible. We launched a whole package of internal measures aimed at simplifying processes, implementing outsourcing solutions, using floor space more efficiently and rigorously adapting cost structures at all levels. The most important step was adapting personnel costs. In the past year, we reduced the weighted number of full-time staff at Ludwig Beck AG from 467 to 420. ■ > **UNKEL:** What is not exactly typical, by the way, is that the Executive Board also played its part in contributing to these savings and accepted a cut in total remuneration for fiscal 2002. In times of cost savings and headcount reductions, we see this measure as a clear signal of solidarity with our staff. After all, our success would not be possible without their dedication and skill.

■ > **QUESTION:** Let's talk about the second pillar now. How does the company's mono-label business fit into the overall Ludwig Beck strategy? ■ > **UNKEL:** By entering the mono-label store business, we can leverage Ludwig Beck's know-how to generate additional sales and earnings potential. The principle here was: »If you can't beat them, join them.« The success of vertical sales channels, i.e. the production and retailing of a specific brand, has no doubt cost us sales volume over the past few years. But instead of fighting this trend, the foundation of our new sales subsidiary Ludwig Beck Vertriebs GmbH has helped us benefit from it. Obviously, we're able to draw on our tremendous expertise in purchasing and product range management. For example, we could advertise the stores with the slogan: »Powered by Ludwig Beck«. ■ > **MÜNCH:** After starting operations in February 2002, Ludwig Beck Vertriebs GmbH already opened six stores in the past year, which together contributed € 4.6 million to total revenues. We shall continue our expansion strategy in 2003, while strictly adhering to our investment plan and continually monitoring success. At least five new stores are due to open this year in Kempten and Landshut.

■ > **QUESTION:** Considering the ambitious targets you've set, one wonders whether mono-label activities in the booming vertical sales channel segment are not already more attractive for you than the company's traditional multi-label business. In Munich's Olympic Shopping Center (OEZ), for example, you converted a former multi-label »Beck« store into a mono-label store. Does this signal the end of the traditional »Beck« branches? ■ > **UNKEL:** No, on the contrary. The OEZ decision was purely location-based – and as the first sales figures since October show, turned out to be exactly the right decision. But our new concept for the »Beck« branch stores has also been a complete hit. The »Beck« store in the Perlach Shopping Center (»pep«), for example, posted growth of over 6% in 2002 – despite the adverse economic climate. The new Augsburg branch, opened in September 2001, also got off to a very successful start – fourth quarter sales at the store were up 16%. As you can see, the launch of our new »Beck« branch strategy featuring younger, more fashionable clothing is beginning to bear fruit. ■ > **MÜNCH:** Of course, we're also continuing to expand our multi-label business and strengthen our position with new concepts. With the opening in late June of a »Fashion Warehouse Outlet« in Munich-Parsdorf, Ludwig Beck succeeded in creating an additional sales channel for its business. The new outlet allows the company to market excess stock and special offers more directly, quickly and profitably to a completely different target group than Ludwig Beck's traditional customers. The move has proved so successful that we are currently searching for suitable premises for a second Munich site.

■ > **QUESTION:** Multi-label, mono-label and now warehouse outlets. Ludwig Beck seems to be wherever the action is in the retail sector. What's the outlook for 2003? ■ > **MÜNCH:** We will continue to expand very selectively and to multiply our most successful concepts. The Vertriebs GmbH plans to open a further five stores this year, concentrating on Kempten (Tommy Hilfiger, S.Oliver, Gerry Weber) and Landshut (Bestseller, S.Oliver). Furthermore, Ludwig Beck AG has planned the opening of a new store in the high-class »Fünf Höfe« shopping precinct in central Munich. Due to open in spring 2003, the 130 m^2 outlet is the company's first attempt to duplicate the success of its »Hautnah« concept outside the flagship Marienplatz store. We aim to continue growing the company, even in difficult times. ■ > **UNKEL:** By introducing these measures and continually developing its strategy, Ludwig Beck has succeeded in leveraging its clearly defined market profile and »Store of the Senses« concept and has reaffirmed its position as one of Germany's most innovative retail companies – despite the adverse market conditions.

■ > **MR. UNKEL, MR. MÜNCH,** thank you for the interview. I wish you every success in 2003 – a year which is expected to present further challenges for the whole retail sector.



> Company Structure

THE NEW GROUP STRUCTURE INTRODUCED IN 2001 ALLOWS LUDWIG BECK AG TO PRESENT MORE TRANSPARENT INFORMATION ABOUT ITS BUSINESS ACTIVITIES BY MEANS OF SEGMENT REPORTING. THE COMPANY'S BUSINESS SEGMENTS ARE HELD AS SEPARATE LEGAL ENTITIES.

The Ludwig Beck Group is now clearly structured according to its various business segments:

- »Ludwig Beck AG« comprises our traditional business with our flagship Marienplatz store and the »Ludwig Beck« branch stores.
- »Ludwig Beck Vertriebs GmbH« is a sales company aimed at exploiting the tremendous growth opportunities of mono-label stores.
- »Ludwig Beck Beteiligungs GmbH« contains the company's real estate assets.

For legal reasons, there are two further companies below the »Beteiligungs GmbH«: »Ludwig Beck Verwaltungs GmbH« (in which »Ludwig Beck AG« holds the majority share) is responsible for the management of »Feldmeier GmbH & Co. KG«, the owner of our Marienplatz premises.

The initial, gratifying growth of our online subsidiary »ludwigbeck-online GmbH« slowed down significantly in 2002 and finally fell below expectations. Due to disappointing earnings, we decided to suspend operations of ludwigbeck-online GmbH on September 30, 2002 and wind up the company (sales in 2002: € 0.2 million). In order to facilitate the liquidation process, we purchased the 8.5%-share in the company held by a minority shareholder.

Wow – Beck’s 4th floor is really cool and full of great ideas! They’ve got exactly what I’m looking for – all the hippest brands – and it’s great fun just trying it all out…

> LUDWIG BECK AG WAS UNABLE TO ESCAPE THE IMPACT OF DEPRESSED CONSUMER SPENDING IN FISCAL 2002. HOWEVER, THANKS TO ITS UNIQUE »STORE OF THE SENSES« CONCEPT AND CLEARLY FOCUSSED MARKETING AND TARGET GROUP STRATEGY, THE LUDWIG BECK GROUP PERFORMED BETTER THAN THE SECTOR AVERAGE. IN ORDER TO STRENGTHEN FUTURE SALES AND EARNINGS, THE COMPANY SUCCESSFULLY IMPLEMENTED A RANGE OF COST-SAVING MEASURES AND SHARPENED ITS FOCUS ON KEY TARGET GROUPS.

Market and > Strategy

2

■ > **CATASTROPHIC YEAR FOR THE GERMAN RETAIL SECTOR.** The deep uncertainty of German consumers with regard to the country's future economic development was felt throughout the retail sector in 2002. According to the German Retail Association (HDE), retail sales fell by 3.5% to € 365 (380) billion in Germany last year. Adjusted for inflation, the German Central Bank (Bundesbank) calculated a year-on-year fall of 2.3% (2001: +0.1%). This was the first absolute decline in retail sales since 1997. The German retail clothing sector was hit even harder by the slump, suffering an 8% fall in takings (or 5.1% accounting for inflation). There was an increase in demand for cosmetics and medicine, which posted real growth in sales of 4.1%. The sector's desperate situation is illustrated by the almost 9,000 insolvencies reported last year – following 7,000 in each of the two previous years. In general, 2002 was a further lean year for retailers with even greater revenue losses than in 2001 – a year that had already put considerable strain on resources.

The extreme caution displayed by German consumers was fed mainly by highly irrational media talk about »euro-related« price hikes, as well as the effects of the continuing economic downturn and the general fear of unemployment. Contrary to many forecasts, which had predicted a slight recovery in autumn, the catastrophic start of the newly elected government and its contradictory statements about possible future taxes resulted in a virtual consumption boycott by the end of the year. According to the Federal Statistics Office, average annual inflation reached around 1.3% in 2002 (prior year: 2.5%) – the lowest rate since 1999.

Retailers reacted to falling sales by announcing price discounts. A flood of special offers dominated the headlines for weeks: shoe retailers offered 20% discounts, while certain department stores promised cuts of up to 60%. Some retailers threw in valuable »bonus« goods; such as a skateboard with every bike or a tripod with every camera. Ludwig Beck made a conscious decision not to join this trend. At best, such special offers may raise sales in the short term. In the long run, however, we believe that such discounting is highly damaging to business.

The ongoing economic difficulties, the Iraq crisis and the announcement of sweeping tax increases mean that the current slump in consumer demand is not expected to improve before autumn 2003.

■ > **RECESSION REACHES MUNICH.** Even the traditionally strong growth region of Munich has been hit hard by the recession. Especially those sectors which characterized Munich's boom years, such as Media and Internet, experienced one of their worst years ever. There were some spectacular casualties, such as the Kirch Group, as well as countless insolvencies among New Economy companies. The result was a marked slowdown in the Bavarian capital's economic growth and an increase in unemployment – especially among former top earners and high-spending singles.

According to a report for the business magazine »Capital« published in January 2003 by the Bad Homburg-based research institute Feri, Munich has lost the top position it held in March 2001 and has been overtaken by Düsseldorf as Germany's strongest economic region. The study concluded, however, that major conurbations such as Düsseldorf, Munich or Hamburg (3rd position) were still best equipped to cope with the current difficulties and will remain Germany's major economic centers in the coming years. The study examined the regional economic strength of 60 major German cities for the period up to 2009, with regard to economic performance, jobs, population development and purchasing power.

Munich's retail sector clearly reflected the three major structural changes in retailing at present: the demise of specialist stores, the creation of new, high-value locations in the city center and the growth of vertical sales systems. With its clear positioning and market strategy, Ludwig Beck succeeded in profiting from all three trends last year. Thanks to the quality of its sales assistants and its tremendous depth in many product categories, Ludwig Beck is able to serve as a replacement for many specialist stores. The »Comeback of the City«, i.e. the significantly stronger growth of top, downtown locations in comparison with out-of-town, greenfield sites, has led to the development of high-quality shopping precincts, such as the »Schäffler Block« and »Fünf Höfe« (Theatiner-Block) projects. These developments have made Munich's city center more attractive and thus even busier – a result which also benefits Ludwig Beck. As of March 2003, we are even represented in the »Fünf Höfe« precinct with own »Hautnah« cosmetics store. The opening and expansion of mono-label stores, such as Esprit and H&M in downtown Munich locations, is aimed more at attracting customers in the medium-price segment. Ludwig Beck has already grasped this opportunity to benefit from the growth of mono-label stores with the foundation of its subsidiary Ludwig Beck Vertriebs GmbH.

The amount of action in Munich's retail sector is proof of the region's continuing importance. With 1.3 million inhabitants in Munich itself and 2.7 million in Greater Munich, the city remains a major European metropolis and a magnet for modern industries, the media, retailers and the service sector. As a trade fair venue and tourist attraction, Munich draws 3.2 million overnight guests per year and a further 52 million day-trippers. With an index score of 132 (based on a national average of 100), Munich and five of its surrounding districts are among the top ten German regions in terms of purchasing power. The city even reaches 158 in terms of retail sales – proof of its importance as a shopping center for the whole region. Munich can therefore be seen as a highly attractive shopping city which appeals to all the senses – lively, cosmopolitan and modern.

■ > **RAPID REACTION TO MARKET CHANGES: COST-SAVING PROGRAM IMPLEMENTED.** Ludwig Beck AG was unable to escape the twin impact of depressed consumer spending and price discounting by its competitors. However, thanks to its »Store of the Senses« concept and clearly focussed marketing and target group strategy, the Ludwig Beck Group suffered only a 3% fall in sales, compared with a sector-wide decline of 8%.

As a result of our internal risk management system, the negative development of sales was quickly recognized after a promising start to the year. The revenue situation continued to deteriorate in the second quarter, so that further cost savings had to be introduced in the course of the year. In an extensive package of internal measures, the company simplified its processes, streamlined internal structures, implemented outsourcing solutions, further enhanced its utilization of floor space and adapted costs at all levels.

One decisive measure was the organizational separation of purchasing and sales for the company's flagship store: it enabled us to focus more clearly on customer needs and to raise the efficiency of our procurement activities.

In order to reduce processing time and costs for goods while speeding up deliveries to our stores, the Ludwig Beck Group modified its logistics processes as of July 1. Price labeling was outsourced to a specialized service provider.

In total, these measures allowed us to reduce Group headcount by around 10% to a weighted total of 442 full-time employees. The largest proportion of cuts was made in the field of back-office functions, so that customers in the store could continue to rely on the accustomed level of high-quality service.

■ > POSITIONING OF LUDWIG BECK AG: REPRESENTED IN ALL GROWTH SEGMENTS.

Ludwig Beck's target group has always been the medium to upper segment. We communicate through our brands and product ranges and give our customers a sense of security with regard to quality and price: they have the feeling that they have bought the right product, with the right level of quality at a fair price. The skilled advice our assistants provide, helps protect them from buying the wrong article by offering individual service. Customers are strengthened in their belief of having made the right purchase decision – a key success factor in the premium segment. Our regular product range innovations provide new ideas, while reacting to fashion trends and strengthening the unique positioning of Ludwig Beck AG.

As a reaction to constantly changing market conditions and consumer behavior, Ludwig Beck AG adapted its own positioning last year in order to create greater added value for the customer. We were assisted by the management consultancy Roland Berger.

One key result of the study was a confirmation of Ludwig Beck's basic positioning strategy. However, the medium-price segment was found to need further expansion.

Ludwig Beck is represented in all of the retail sector's fastest growing segments:

- Upper segment: this segment has been least affected by the current slump in consumer spending. Apart from Ludwig Beck, it is mostly small to mid-size specialist stores – offering high quality, individuality and emotionality – which are most successful. Ludwig Beck has added the growing Casual/Leisure wear segment to its successful business-oriented Designer segment. This product range has been systematically strengthened at the company's flagship Marienplatz store.
- Well-functioning systems and brands in the mid-price segment: successful systems and brands, such as Esprit or S.Oliver, focussing on the mid-price segment have gained considerable market share in the past few years. A common factor of all these systems is their fast and highly sophisticated logistic operations, which enable them to supply ten to twelve programs per year. Traditional retailers generally manage just two to four programs. Ludwig Beck has reacted to this challenge by founding a subsidiary dedicated to exploiting the sales and earnings potential in this vertical sales segment (Ludwig Beck Vertriebs GmbH). We have also expanded these youth-oriented product ranges at our main store and throughout the »Beck« branch stores.

– Aggressively priced retailers: low-price suppliers, such as discount stores, supermarkets, coffee chains and factory outlets continue to gain market share. Ludwig Beck AG has reacted to this trend by establishing its own warehouse retail business and tapping additional sales potential with the launch of its »Fashion Warehouse Outlet« outside the city center in late June. The new outlet allows the company to market excess stock and special offers more directly, quickly and profitably to a completely different target group than Ludwig Beck's traditional customers. This new target group is extremely price sensitive, often avoids shops in central city locations and is drawn to good quality products at attractive prices. There is also a higher-than-average proportion of male shoppers – around 33%, compared with 10% at our Marienplatz store. After successfully establishing its first »Fashion Warehouse Outlet«, Ludwig Beck is currently searching for suitable premises for a second site in the Munich region.

>>The Ludwig Beck service guarantee: you're always welcome.

At the entrance door to Ludwig Beck the customer realizes that this is no ordinary department store: »Two 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.

■ > **TARGET GROUP FOCUS: URBAN PROFESSIONALS.** The study prepared in co-operation with consultants Roland Berger produced a number of findings which we intend to implement in 2003: a closer focus on our target groups; an adaptation of our product ranges to general changes in the population structure; a clearer segmentation of ranges into »target group worlds«. In order to meet the special requirements of our premium segment clients, we will also make further improvements to both quality and service.

Our menswear concept has also been revised: the primary target group is now the »Modern Man«, focussing mainly on casual clothing.

The newly defined target-group and product-world strategy forms the basis for a revision of our floor space concept. Ludwig Beck promotions will be adapted accordingly.

The new concept enhances our successful »Store of the Senses« approach. Ludwig Beck appeals to all the senses of our target groups. Customers can see, smell, hear, feel and even taste something. They don’t just get clothing, but a whole experience which they can take home with them.

■ > **TO PUT IT BRIEFLY: SHOPPING IS FUN. AND BECK MAKES YOU WANT TO SHOP. IT’S MORE THAN JUST A STORE.**

>> Ludwig Beck makes shopping a real pleasure – friendly, unobtrusive service with plenty of time to try things on and quality you can always rely on.

> LUDWIG BECK HAS ADOPTED A »TWO-PILLAR« STRATEGY: WE WILL EXPAND OUR TRADITIONAL, MULTI-LABEL CORE BUSINESS WITH NEW PRODUCT RANGES FOR OUR FLAGSHIP STORE AND WITH OUR SUCCESSFUL NEW CONCEPT FOR THE »BECK« BRANCHES. AT THE SAME TIME, WE WILL ALSO EXPAND OUR CHAIN OF MONO-LABEL RETAIL OUTLETS IN ONE OF THE FASTEST GROWING SEGMENTS OF THE GERMAN RETAIL CLOTHING SECTOR.

3

Ludwig Beck's > Success Factors

Flagship Store, Branch Concept, Mono-Label Stores

■ > STRATEGIC REACTION: CONCENTRATION ON TWO GROWTH PILLARS.

Ludwig Beck used the past year to revise its »four-pillar« strategy and to realign the company in preparation for the foreseeable challenges of 2003. The result of these strategic deliberations was to focus on the two strongest of our four growth pillars. The new »two-pillar« strategy of Ludwig Beck AG is based on the expansion of our traditional multi-label core business, i.e. shop-based sales through our flagship store and the »Beck branches«, and growth via our mono-label retail outlets.

■ > **GROWTH PILLAR 1: INNOVATIVE PRODUCT RANGE CONCEPTS FOR OUR CORE BUSINESS.** Our traditional business at the company's Marienplatz store and the »Beck« branch stores remains our most important growth pillar. Thanks to targeted investments, efficient floor space management and systematic expansion of sales areas, Ludwig Beck's flagship store remains extremely successful. The store is located in Munich's Marienplatz square, the historical center of the Bavarian capital. With over 500,000 visitors per day the famous Marienplatz square is now one of the most frequently visited European attractions and one of Europe's premier retail locations. As a junction for all major tram and underground lines, the Marienplatz is also easy to access for visitors, 80% of whom arrive by public transport. With its spectacular tourist attractions, such as the »Glockenspiel« bells, »Mariensäule« statue and historical town hall, the square acts as a magnet for all visitors to the city – a highly cosmopolitan location.

■ > **CONTINUED SUCCESS WITH TARGETED PRODUCT RANGE MODIFICATIONS.** By introducing innovative concepts and product ranges, Ludwig Beck once again succeeded in raising revenues in certain product areas last year – in stark contrast to the general market trend. Despite the adverse economic climate, several of the store's target-group oriented departments were able to continue their growth curve. Those segments which remained unscathed by the general slump in consumer spending include Wellness (»Hautnah« with its wide range of decorative and skincare cosmetics, as well as perfumes and an innovative spa area) and Lingerie (opened in late August, the »Dessous & Lingerie« department features a new range of top-quality, highly fashionable designer products).

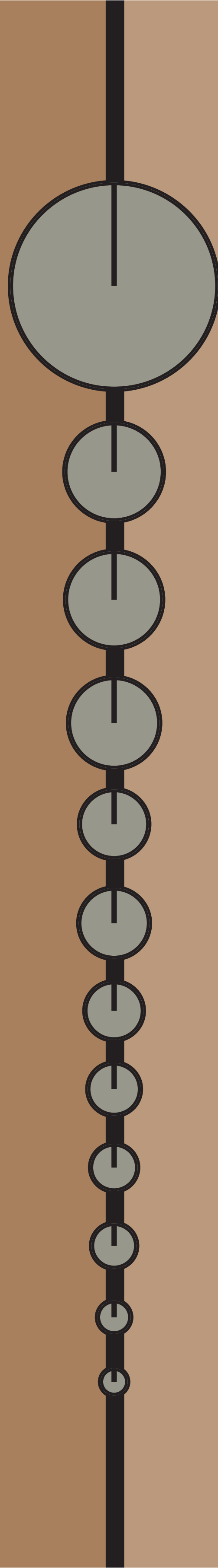
With its carefully targeted product range modifications, Ludwig Beck has focussed on those areas and articles where customers are not prepared to make savings. One example of this, is the success of our »Hautnah« cosmetics and wellness department, which once again posted double-digit growth figures (see p. 30). Ludwig Beck has positioned itself clearly above the low-priced, mass-manufactured perfumes: customers are still willing to pay higher prices for exceptional quality and exclusivity. Ludwig Beck's range of cosmetics and perfumes is unique throughout the entire Munich region. Most products are purchased from the USA, Great Britain and Italy, where they are prepared according to traditional recipes – often more than 100 years old – using only natural ingredients. The diversity of international brands presented in our »Hautnah« department is unrivaled in Europe. Many of the products are cult labels in their respective countries. It is no surprise, therefore, that most of our customers are also highly cosmopolitan.

■ > **NEW »HAUTNAH« STORE OPENED IN MUNICH'S »FÜNF HÖFE« SHOPPING ARCADE.** In order to exploit the success of our »Hautnah« department and secure our strong position on the Munich market, Ludwig Beck opened a separate store in March 2003 in the newly developed, high-class »Fünf Höfe« shopping arcade in central Munich. The successful »Hautnah« concept is presented in 130 m^2 of shop space and features mainly products not sold at our flagship store.

■ > **STEADY INCREASE IN FLOOR SPACE AT MARIENPLATZ STORE.** Although it may not appear so from the outside: there is still plenty of potential for extra space at the company's flagship Marienplatz store. Ludwig Beck is continually finding creative ideas and opportunities for expanding the store's retail floor space.

Example 2002: Two floors were added to part of the store's underwear house to create a further 250 m^2 in floor space and improve access to the surrounding departments. The new space was utilized by the cosmetics department, one of the store's strongest growth areas, which re-opened with new product lines and a small spa area in early August. Further changes: the lingerie department moved to the first floor, where customers can now find an extended range of highly feminine products. The second floor now also includes the stationery and gift departments.

As a result of further moves within the main store building, we also created a new department called »Designer Sportive«, featuring international, sports-oriented designer collections, such as Ralph Lauren, Tommy Hilfiger, Nuala, Armani Jeans and many more.



2002 SALES by category (Marienplatz)

Ladies' wear **46.5 (45.8) %**

Home textiles, stationery, cosmetics **10.5 (9.9) %**

Music **10.2 (10.3) %**

Menswear **9.0 (9.1) %**

Lingerie **5.4 (5.5) %**

Stockings **5.2 (5.4) %**

Accessories **3.7 (4.1) %**

Children's clothing **3.0 (3.2) %**

Swimwear **2.4 (3.2) %**

Haberdashery **2.2 (2.2) %**

Shoes **1.2 (1.1) %**

Books, wine **0.8 (0.8) %**

>>The Ludwig Beck philosophy: traditionally modern.

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.

■ > NEW CONCEPT FOR »BECK« BRANCHES: SUCCESSFUL STORE OPENINGS.

A further success factor for the growth of Ludwig Beck's core business is its branch store concept. The concept not only includes the opening of additional stores, but also the tapping of additional sales potential at our existing stores.

The new concept is tailored to branch stores with a floor space of between 1,000 and 2,000 m^2. Clothing focuses on young men and women seeking moderately fashionable clothing in the mid- to lower price range. This target group often shops at modern shopping centers – the preferred location for our stores. The product range consists of well-known fashion labels but – as always with Ludwig Beck – also offers something special: Beck is more individual and more creative. Beck presents variations, alternatives, cross-benefits. Customers can combine brands and lifestyles themselves. Ludwig Beck offers self-actualization at moderate prices.

This new branch store concept has been put into practice at the newly refurbished 1,300 m^2 store in Munich's Neuperlach (»pep«) shopping center, as well as at the new Augsburg store. With growth in sales of over 6%, the new »pep« store easily outperformed the market. Opened in September 2001, the new Augsburg branch has also steadily built up sales and firmly established itself in its new environment.

A further branch store is planned for 2004 in the shopping center of the new Munich-Riem trade fair district (»Riem-Arkaden«). The 1,000 m^2 store will help Ludwig Beck serve the whole eastern Munich region.

■ > **GROWTH PILLAR 2: VERTICAL EXPANSION – ADDITIONAL GROWTH VIA SUCCESSFUL FRANCHISE CONCEPTS.** The second growth pillar of our new strategy is the operation by Ludwig Beck Vertriebs GmbH of mono-label stores featuring well-known brands.

Whether as shop-in-shop or stand-alone franchise system: so-called mono-label stores have been the fastest growing segment in clothes retailing over the past few years. Take for example S.Oliver: based in Rottendorf, near Würzburg, the company already generates a third of its revenues on so-called »system sales« areas.

■ > **SUCCESSFUL FRANCHISE POWERED BY LUDWIG BECK.** In order to benefit from the exceptional growth opportunities offered by mono-label stores (production and retail under one brand), Ludwig Beck AG has founded a 100% sales subsidiary, Ludwig Beck Vertriebs GmbH. By forming strategic alliances, the new subsidiary will operate its own shops as a franchisee of well-known brands, such as S.Oliver, Gerry Weber, Vero Moda, Tommy Hilfiger and Esprit. With this step Ludwig Beck has successfully taken a share of the growing mono-label retail business, which will complement its existing and highly successful multi-label business by providing additional sales and earnings. Supported by its long-standing expertise in the marketing of a wide variety of product assortments, Ludwig Beck plans to capitalize on the benefits offered by this new retail concept.

In 2002, Ludwig Beck Vertriebs GmbH already opened a total of six new stores in Regensburg, Memmingen and Munich.

We shall continue our expansion strategy in 2003, while strictly adhering to our investment plan and continually monitoring success. Five new stores are due to open this year in Kempten and Landshut (Vero Moda, S.Oliver). A further new shop will be opened in spring 2003 with 500 m^2 of floor space – in addition to our own »Beck« store – in the newly developed »Riem-Arcaden« shopping center of the planned Munich-Riem trade fair district. Ludwig Beck Vertriebs GmbH has specifically chosen those shopping centers which offer the appropriate infrastructure and the possibility to open a variety of stores featuring different product labels.

■ > **STRATEGIC MEASURES: DEPARTURE FROM ACQUISITION PLANS AND CLOSURE OF ONLINE SUBSIDIARY.** In order to concentrate fully on the organic growth of its successful core business and mono-label store activities, Ludwig Beck has decided to abandon its former acquisition and eCommerce growth pillars.

Despite exploratory talks with numerous companies, none were considered to be suitable takeover candidates for Ludwig Beck. In the medium term, therefore, the company has decided to abandon its acquisition plans and focus on achieving organic growth. The Ludwig Beck shares purchased by the company as possible takeover currency were sold to an institutional investor in summer 2002.

Our eCommerce business also failed to grow as rapidly as we originally planned. In view of the unit's low level of revenues and negative results, it was decided that management overheads were simply too high to justify continuing the business. The Executive Board therefore passed a resolution to wind up ludwigbeck-online GmbH as of September 30, 2002. As a service for our customers, the Internet shop for classical music and jazz **(WWW.ONLYBECK.DE)** will stay online.

An Oasis in the >Store of the Senses

The »Hauth« wellness area

>> Peace, quiet and my special Kiehl's face mask...– and all that in the middle of my favorite department store! This is where I just love to spoil myself, especially in the new spa area...

> concept

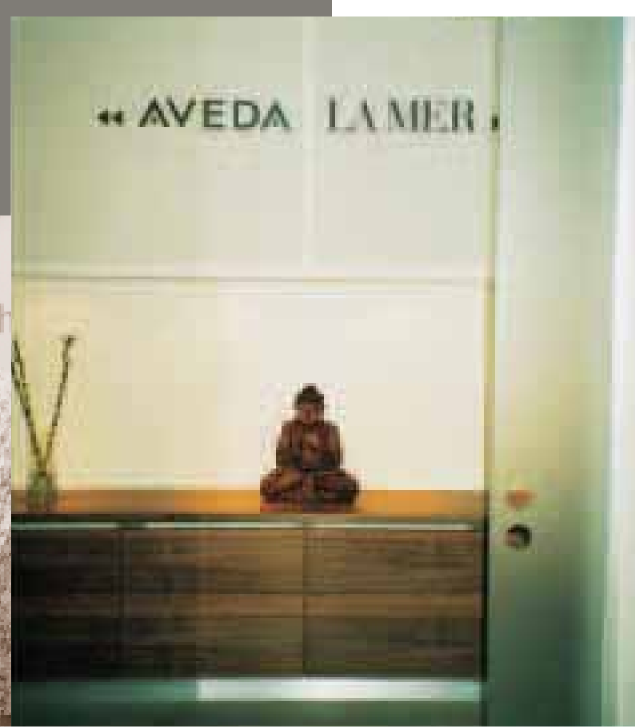
luxury redefines

Ludwig Beck

with its unique beauty and spa

>>Welcome to paradise. An eldorado of perfumes, make-up and lipsticks, of creams, peelings and lotions. Ludwig Beck's revamped »Hautnah« department features a range of decorative cosmetics and skin-care products second to none. Virtually every product on the shelf is available exclusively from Ludwig Beck. Cult labels such as »Kiehl's« of New York or »Benefit« with its own flagship stores; the complete European range of »Aveda« and »Origins« products. The main focus is on »individual fragrances«, whose high proportion of natural, organic essences ensure they develop their bouquet differently on every skin. The only thing you won't find in our »Hautnah« department are the usual designer-label products sold on every corner.

At the back of Ludwig Beck's Munich store, in the less frequented Burgstrasse, you'll find a second entrance to the »Hautnah« department. As if the tranquility of the quiet street were already an indication of what to expect, the customer steps through the door into another world: devoid of the usual downtown store bustle. Instead, there is peace and quiet – and the joy of anticipation. This is the entrance to our new wellness and spa area, a major and successful Ludwig Beck innovation. The concept of a spa attached directly to a cosmetics department – including hair stylist and manicure studio – is unique in Germany so far; you won't even find anything similar in London or New York. Although, like all the best ideas, combining two such closely related areas seems so obvious.



■ > The word »oasis« takes on a new meaning at »Hautnah«; anyone fortunate enough to experience a massage by our therapists will recognize that blend of professionalism and passion, so rarely found in Europe but so common in Asian spas. There are three cubicles in total; two reserved for »Aveda« treatments, and one for »La Mer« regeneration and relaxation treatment.

■ > The crowning glory of this personal indulgence service is to be found in »Hautnah's« own lingerie area. With its range of La Perla, Dolce Gabbana, Malizia, Calvin Klein, Chantelle, Triumph, Hanro, Mey and Bernd Berger creations, Ludwig Beck has everything the delicately pampered body needs.

»Ludwig Beck is the first department store to offer its customers a unique selection and composition of exceptional cosmetic products complete with holistic wellness treatment. The combination and quality we offer is an absolute innovation.«

Reiner Unkel, CEO of Ludwig Beck AG

Extensive spa range

>Sensation for the senses

■ > »LA MER« Offers two treatment alternatives: one for relaxation and one for regeneration. The relaxation program includes a gentle face treatment (including cleaning according to skin needs, peeling, massage and masks for the face, neck, cleavage, eyes and lips) as well as hand and arm massage.

■ > »AVEDA« The wide variety of Aveda treatments ranges from a 15-minute »eye zone« treatment to a two-hour body and face treatment, including such traditional techniques as acupressure, lymph drainage and Ayurvedic massage to resuscitate body and soul.

■ > »SAYURI TANI« Individual hairstyle and type consulting, progressive haircuts and color treatment. Sayuri Tani uses exclusively Aveda products. The first appointment includes extensive consultation and generally lasts about two hours.

The OPI nail studio features a wide variety of manicures and pedicures.

■ > TO INSPIRE THE SENSES. TO DEMONSTRATE CREATIVITY, INDIVIDUALITY AND MODERNITY. AND ABOVE ALL, TO SHOW EMOTIONALITY – THAT'S LUDWIG BECK.

>> First branch opened in »Fünf Höfe«

»Hautnah« – Ludwig Beck's new paradise of the senses – already opened its first branch store in March 2003. This eldorado of perfumes, make-up and lipsticks, of creams, peelings and lotions is now also to be found in Munich's upmarket »5 Höfe« shopping precinct. The store is an exclusive supplier of several product ranges, such as Aesop and BioCol skincare. »Individual fragrances« by Dyptique, Frédéric Malle, Cielo, Morgan Le Fay, Carthusia and Michael Kors feature a high proportion of natural, organic essences that ensure they develop their bouquet differently on every skin.

>Financial contents

Investor Relations

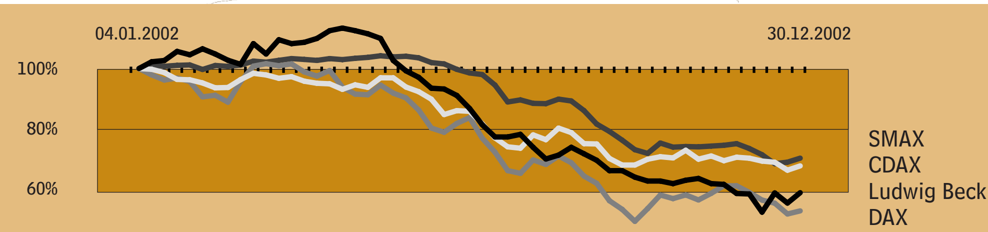
>Share

■ > **LUDWIG BECK SHARE IN LINE WITH THE MARKET.** During the course of 2002 the bearish mood of international markets since mid-2000 developed into the greatest slump since the stock market crash of 1929. The third consecutive year of depressed stock prices turned out to be the worst yet: the German blue chip index (DAX) lost 43.9% of its value to close at 2,892.63 (Dec. 12, 2001: 5,160.10) – its biggest loss ever (2001: –19.8%, 2000: –7.5%).

Since its all-time peak in March 2000, the DAX has lost almost two-thirds of its value. For the first time in years, not a single DAX-listed share was able to finish the year above its prior-year value. The DAX's poor performance in comparison with other international indices was due especially to its strong weighting of finance and technology stocks – some of the worst performers last year. Shares in insurer Münchener Rück, for example, fell by 62.6%, while Allianz lost as much as 65.9% in value.

The continuing dot.com crisis ensured that Germany's growth stock segment, the Neuer Markt, was among the year's heaviest losers. The Neuer Markt is to be discontinued at the end of 2003. The top fifty companies of the NEMAX 50 will be listed in the new TEC-DAX index from March this year.

LUDWIG BECK SHARE PRICE IN COMPARISON



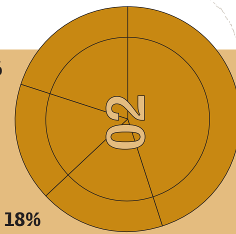
The Ludwig Beck share was unable to escape the market's strong downward pull and developed more or less in line with the DAX index. From its year-high of € 13.74 in May 2002, the share fell to an all-time low of € 6.46 in December before rallying to a year-end price of € 7.25.

■ > **CHANGE TO PRIME STANDARD.** In order to strengthen investor confidence in the German capital market, Deutsche Börse (German stock exchange operator) has decided to restructure the German market into new segments as of January 2003: the newly created Prime Standard has set Europe's highest transparency standards for those companies listed in this premium segment. The requirements include quarterly reports, analyst conferences, publication of a company event calendar and the adoption of international accounting standards. Companies listed in the newly formed General Standard segment need only meet the minimum legal requirements.

The planned closure of the SMAX quality segment at the end of 2003 motivated Ludwig Beck to change to the new Prime Standard segment as of December 31, 2002. Ludwig Beck AG was among the first companies to be selected by Deutsche Börse for inclusion in its high-quality SMAX index for second-line companies, introduced on April 26, 1999. Ludwig Beck was also listed in the SDAX index, composed of the top 50 second-line companies of the SMAX. Designated sponsor is the HypoVereinsbank AG, Munich (rating: AA).

Our listing in the new Prime Standard segment will enable us to reach a widely-spread base of international shareholders and a high proportion of institutional investors.

SHAREHOLDER STRUCTURE in %



THE LUDWIG BECK SHARE AT A GLANCE

DVFA result per share (Group)	-0.06 (0.78) €
Dividend	0.00 (0.87) €
Total dividend	0.0 (2.7) € million
Number of shares	3.20 (3.18) million
Year-end price	7.25 (12.00) €
Year-high price	13.74 (14.40) €
Year-low price	6.46 (9.70) €
Market capitalization	24.4 (40.3) € million
Dividend yield	0.00 (7.25)%
Reuters code	ECK
SIN	519 990
ISIN	DE0005199905
Designated Sponsor	HypoVereinsbank AG, Munich
Stock exchanges	Official trading in Munich and Frankfurt, Xetra, unlisted trading in Berlin, Stuttgart, Düsseldorf, Hamburg

FINANCIAL CALENDAR 2003

Press conference	April 8 (Munich)
DVFA analyst conference	April 9 (Frankfurt)
1st quarter report	May 8
AGM	May 28
Interim report	August 6
3rd quarter report	November 5
Sales figures 2003	January 2004

■ > **AGM ON MAY 17, 2002.** Over 600 shareholders representing more than 60% of total capital attended the company's Annual General Meeting in Munich on May 17. All items on the agenda were accepted almost unanimously, including the decision entitling the company to place the shares it had acquired in Ludwig Beck directly with private investors. The AGM also voted to accept a controlling and profit transfer agreement with the subsidiary Ludwig Beck Vertriebs GmbH. The contract helps the company optimize its tax obligations. The AGM confirmed the company's traditionally investor-friendly dividend policy and approved the proposal to pay an unchanged dividend of € 0.87 per share, which was tax-exempted due to the company's remaining loss carryforward.

■ > **OWN SHARES SOLD TO INSTITUTIONAL INVESTOR.** Due to its increased focus on organic growth and the current critical situation for German retailers, Ludwig Beck AG has abandoned its intention of acquiring other companies. As a consequence, the Executive Board did not pursue its share buy-back program in 2002 and decided in summer to sell those shares already held by the company. As of August 6, the 238,438 no-par value shares (common stock) held by Ludwig Beck AG were sold at a price of € 9.55 per share to Buchanan Holdings Ltd., based in the Isle of Man (Great Britain). The institutional investor, which already owned a small holding in Ludwig Beck AG, specializes in long-term investments in value-driven companies. The sale raised our free float ratio to 79.11%.

■ > **SHAREHOLDER STRUCTURE.** Ludwig Beck shares are spread widely throughout the world; over half of our free float portion is held by institutional investors. These are the results of a survey carried out via depositary banks as of September 30, 2002 and based on 3.113 million registrations. Considering the total number of 3.36 (3.36) million shares, there was an overwhelming response to the survey of 92.6% (96.1%). The free float proportion of Ludwig Beck AG amounts to 80% (72%). Of this amount 35% (29%) of shares are held by institutional investors – an increase brought about by the sale of own shares – of which 17% (12%) are foreign investors. 45% (43%) of shares are held by private investors. There is one major shareholder, who owns 20% (21%) of total shares. A total of 4,500 (4,902) depositary accounts were registered.

■ > CONFORMITY WITH GERMAN CORPORATE GOVERNANCE CODE.

The 4th Financial Market Promotion Act obliges listed public companies to state their compliance with the Code's guidelines or to explain any deviations in their annual reports on the basis of »comply or explain«. The Executive Board and Supervisory Board of Ludwig Beck AG filed their declaration pursuant to § 161 German Stock Corporation Law (AktG) on November 21, 2002. The recommendations of the »Government Commission for a German Corporate Governance Code« were all met, with one exception: in accordance with the company's articles, the members of the Supervisory Board have always received a fixed payment to date. The Executive Board and Supervisory Board will propose a new result-oriented remuneration system at the next AGM in May 2003.

■ > **ACTIVE INVESTOR RELATIONS.** In the past fiscal year Ludwig Beck AG once again reinforced the long-term trust of its current and future investors by means of its active investor relations policy. Investors receive all relevant details necessary to formulate an informed opinion concerning the underlying value of the Ludwig Beck share and its current market valuation. To ensure this, we provide open, comprehensive and up-to-date information about the current profit situation, strategy and value development of the company. In the past year we published a total of 15 ad hoc reports and press releases, which were sent directly to our institutional and private investors.

Management >Report

Ludwig Beck Group and Ludwig Beck AG

> ECONOMIC SITUATION. The German economy ground to a virtual standstill in 2002. Gross Domestic Product (GDP) just about managed to reach marginal growth of 0.2 (0.6)% in real terms. This was the second consecutive year that Germany had recorded its lowest growth since the recession of 1993. Consumer spending is on its knees. Private households spent 0.5% less on consumption in 2002, compared with an already modest increase of 1.5% in 2001. The slump in consumer spending over the past two years and the increasing propensity to save is one of the major causes of the country's current economic crisis. There has been a drastic fall in consumer confidence. At 10.3 (10.1)%, the personal savings ratio grew faster than disposable incomes. Discussions about price increases caused by the new euro currency continued throughout the year. This contributed just as much to consumer restraint as new tax burdens and a steadily deteriorating labor market.

> RETAIL TRADE. After Christmas sales also failed to boost flagging demand, the German retail sector can look back on its worst year ever in 2002. The year started amid accusations that traders were using the new currency to conceal price hikes. This debate continued to be fanned by the press throughout the year. Disposable incomes suffered a further blow from new tax burdens, such as the eco-tax on fuel, as well as from higher social security contributions. The high unemployment rate added to the perceived crisis and pessimistic mood of German consumers. Retail sales were down 3.5% on the previous year. According to the trade journal »TextilWirtschaft«, the German retail clothing sector suffered a decline of 8%.

Consumers were also confused by exceptionally early price reductions and veritable discount wars among retailers. Rather than achieve the desired boost in sales, these rebates only served to worsen the already poor returns achieved by Germany's retail organizations.

While the current situation has been alleviated slightly in many areas by allowing longer opening hours on the six designated Saturdays and four Sundays per year, the city of Munich still categorically refuses to follow suit.

■ > **SALES.** The economic downturn and resulting fall in consumer spending led to a decline in sales of the Ludwig Beck Group to € 95.1 (98.0) million.

The fall in sales affected all product areas of Ludwig Beck AG, whose sales declined to € 90.3 (97.8) million. Only the store's revamped beauty and wellness department »Hautnah«, with its range of make-ups, skincare products and perfumes, was able to escape the general trend and raise gross sales significantly in the fourth quarter to € 2.3 (1.6) million.

In addition to reduced consumer spending, sales were also affected last year by temporary closures for expansion work at our flagship Marienplatz store. Up to five percent of the store's total sales area was closed for a period of six months.

Our branch stores in the Perlach Shopping Center »pep« and Augsburg's »City Galerie« shopping mall also succeeded in bucking the overall trend with sales increases of 6% and 16% respectively in the fourth quarter.

Consolidated sales include first-time gross revenues of € 4.6 (0.0) million of the newly founded Ludwig Beck Vertriebs GmbH, which started trading in late February 2002.

In contrast to this, ludwigbeck-online GmbH made a final contribution to consolidated gross sales of € 0.3 (0.4) million in 2002. Due to the disappointing development of sales and earnings, the Executive Board decided to terminate the company's activities as of September 30, 2002.

■ > **EARNINGS.** In view of the economy's failure to show any signs of recovery, Ludwig Beck AG introduced further measures to cut costs in the first half of last year. These restructuring measures focussed mainly on the field of human resources. Once-only expenses for these personnel measures amounted to € 1.0 million.

Other operating income includes income of € 2.4 (0.6) million from sub-letting at our flagship Marienplatz store. This increase on the previous year's figure was a one-off occurrence.

The financial result deteriorated by € 0.6 million to € –2.2 (–1.6) million and includes charges of € –0.5 million from the assumption of losses transferred by Ludwig Beck Vertriebs GmbH.

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.

> PROFIT AND LOSS ACCOUNT FOR LUDWIG BECK AG

	2002		2001	
	€ million	%	€ million	%
Net sales	77.8	100.0	84.4	100.0
Total other operating income	4.3	5.5	2.8	3.3
	82.1	105.5	87.1	103.3
Material expenses	42.3	54.3	43.9	52.1
Total other operating expenses	39.5	50.8	37.9	44.8
Operating result (EBIT)	0.3	0.4	5.4	6.4
Financial result	−2.2	−2.8	−1.6	−2.0
Result from ordinary activities	−1.9	−2.4	3.7	4.4
Taxes	0.0	0.0	0.0	0.0
Net loss (income)		−1.9	−2.4	3.7

The consolidated financial accounts for the Ludwig Beck Group include the results of Ludwig Beck AG and the 100% subsidiaries: ludwigbeck-online GmbH (in liquidation), Ludwig Beck Beteiligungs GmbH and Ludwig Beck Vertriebs GmbH.

ludwigbeck-online GmbH i.L., which comprised the company's online activities, did not meet our expectations. As no sustained improvement in earnings was to be expected in the medium term, trading was terminated as of September 30, 2002.

Ludwig Beck Beteiligungs GmbH owns a majority holding in Feldmeier GmbH & Co. Betriebs KG and its fully liable partner. Feldmeier GmbH & Co. Betriebs KG is the owner of the company's flagship store premises in central Munich. As income in the early years is due to be somewhat less than finance charges and other costs, the company made an expected annual loss of € –0.1 (–0.4) million in 2002.

Ludwig Beck Vertriebs GmbH manages the Group's franchise store operations. The company began trading in February 2002 and currently operates six stores. Due to start-up costs and the current adverse economic climate, the company recorded an annual loss of € –0.5 (–0.1) million.

The consolidated accounts of Ludwig Beck include once-only consolidation amounts, according to HGB, of € 1.5 (0.7) million. In the past year, Ludwig BecK AG acquired existing liabilities of Feldmeier GmbH & Co. Betriebs KG towards banks. The consolidation amounts arose from the difference between these liabilities and their purchase values.

Consolidated EBIT fell strongly from € 5.2 million to € 2.5 million. This level of profitability is not satisfactory on a long-term basis and will improve as soon as there is any slight improvement in the economic climate.

> CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE LUDWIG BECK GROUP

	2002		2001	
	€ million	%	€ million	%
Net sales	82.0	100.0	84.5	100.0
Total other operating income	4.1	5.0	2.6	3.1
	86.1	105.0	87.1	103.1
Material expenses	44.4	54.2	43.9	52.0
Total other operating expenses	39.2	47.8	38.0	45.0
Operating result (EBIT)	2.5	3.0	5.2	6.1
Financial result	-2.0	-2.5	-1.3	-1.6
Result of ordinary activities	0.4	0.5	3.9	4.5
Taxes	0.1	0.1	0	0.0
Net income	0.4	0.4	3.8	4.5
Minority interests	-0.5	-0.7	0.3	0.4
Net loss (prior year: net income) after minority interests	-0.2	-0.2	4.2	4.9

■ > **PERSONNEL.** Personnel expenses of Ludwig Beck AG were reduced to € 18.6 (19.3) million. These expenses include restructuring charges of € 0.4 million for the period under review.

The cost reduction measures have already produced first results. As these cost-saving measures did not reach their full effect until the end of our fiscal year, however, personnel expenses corresponded to 23.9 (22.9)% of net sales.

The number of employees fell to a yearly average figure of 528 (626) plus a total of 84 (90) apprentices. The weighted number of full-time employees amounted to an annual average of 420 (467).

Apart from the staff of Ludwig Beck AG, the Ludwig Beck Group also includes personnel of Ludwig Beck Vertriebs GmbH for the first time. The annual average amounted to 35 (0). The weighted number of full-time employees amounted to an annual average of 22 (0).

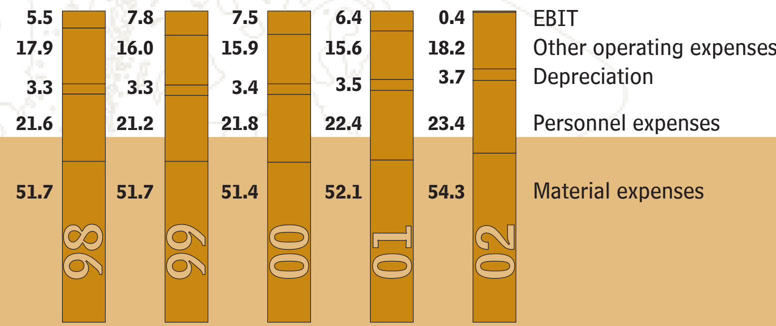
Personnel expenses for the Ludwig Beck Group amounted to € 19.2 (19.3) million and corresponded to 23.4 (22.9)% of net sales.

■ > **COST SITUATION.** Net sales of Ludwig Beck AG fell by € 6.6 million to € 77.8 (84.4) million. As a fall of this size could not be anticipated and goods have to be ordered six months before delivery, the special offers required to improve margins could not be ordered in sufficient quantities. The excess stock resulting from falling sales was sold mainly through our Fashion Warehouse Outlet in Parsdorf. With a cost of sales figure of € 42.3 (43.9) million, there was therefore a fall in gross margin to 45.7 (47.9)%.

Personnel expenses include restructuring charges amounting to 0.6% of sales. In addition, there was a time delay before staff reductions could benefit our cost situation due to loss of sales.

Other operating expenses amounted to 18.2 (15.6)% of sales. This position also includes restructuring charges amounting to 0.8% of sales.

COST STRUCTURE OF LUDWIG BECK AG
as % of net sales 1998-2002



The Ludwig Beck Group posted consolidated net sales of € 82.0 (84.5) million. The operating result (EBIT) amounted to € 2.5 (5.2) million. This corresponds to 3.0 (6.1)% of net sales.

■ > **FINANCIAL RESULT.** The financial result of Ludwig Beck AG was burdened for the last time by the final adjustment on the proportional holding in ludwigbeck-online GmbH amounting to € –0.4 (0.8) million as well as by the write-down on own shares of € –1.0 (0.0) million. All own shares were sold in August 2002. The financial result also includes an assumption of losses amounting to € –0.5 (0.0) million from Ludwig Beck Vertriebs GmbH.

For the Ludwig Beck Group as a whole, the figure amounted to € –2.0 (1.3) million and included a positive consolidation amount of € 1.5 (0.7) million as well as, for the first time, full-year interest charges resulting from real estate management of the central Munich store.

■ > **TAXES.** As of December 31, 2002 the loss carryforward of Ludwig Beck AG amounted to € 9.7 (8.8) million for trade earnings tax and € 14.9 (13.7) million for corporation tax.

Tax loss carryforwards will not be affected by the proposed minimum taxation regulation. However, as only half of earnings are to be taxed in future, the remaining loss carryforward will last longer.

■ > **NET LOSS.** Ludwig Beck AG posted a net loss of € –1.9 (+3.7) million, which was balanced by transfers from revenue reserves. In order to maintain the company's high equity ratio, it will be recommended to the AGM that no dividend be paid to shareholders for fiscal 2002 (prior year: € 0.87 per no-par-value share).

Consolidated net loss after minority interests amounted to € –0.2 (+4.2) million for the Ludwig Beck Group as a whole.

■ > **CONSOLIDATED DVFA/SG-BASED EARNINGS.** According to the DVFA/SG (German Association of Financial Analysts) calculation, earnings amounted to € –0.2 (+2.5) million. The minority interest share in earnings amounting to € 0.5 (–0.2) million results from claims of the minority shareholder of Feldmeier GmbH & Co. Betriebs KG, the owner of our Marienplatz premises in Munich.

	2002	2001
	€ million	€ million
Net income	0.4	3.8
Deferred taxes	0.0	-1.6
Minority interests	-0.5	0.2
DVFA/SG-based earnings	-0.2	2.5
Earnings per share (€)	-0.06	0.78

■ > **IAS (IFRS) EARNINGS.** Ludwig Beck AG was listed in the SMAX segment of the German stock exchange until December 31, 2002. On January 1, 2003 the Company was admitted to the new quality segment for official trading at the Frankfurt stock exchange (Prime Standard). This involved accepting the obligation to publish annual consolidated accounts according to international accounting standards in future.

In 2002, we have fulfilled this obligation by including a reconciliation table and publishing our balance sheet, profit and loss account and cash flow account according to IAS (IFRS) (International Accounting Standards, International Financial Reporting Standards) in this annual report.

> RECONCILIATION CHART ACC. TO IAS (IFRS)

	2002	2001
	€ million	€ million
Consolidated net income acc. to HGB	0.4	3.8
Adjustment to IAS (IFRS):		
Financial leasing	0.1	0.1
Intangible assets	0.1	0.1
Own shares	0.6	0.0
Discounted liabilities	-1.2	-0.7
Deferred taxes	0.4	-1.6
Result acc. to IAS (IFRS)	0.4	1.7
Outstanding shares (thousand)	3,201	3,180
Undiluted result per share in €	0.13	0.52

> **INVESTMENT AND FINANCE.** At € 4.3 (8.9) million, net cash used in investing activities of Ludwig Beck AG was well below the prior-year value in fiscal 2002. Investments in new fixed assets accounted for € 3.9 (2.2) million. By far the largest investment last year was the expansion and modernization of the »Hautnah« (beauty and wellness) and »Lingerie & Dessous« departments, which accounted for investments of € 2.7 million.

This outflow of cash was compensated for by net cash from operating and financing activities. As of December 31, 2002 cash and cash equivalents were virtually unchanged from the previous year at € 0.4 (0.5) million.

■ > CASH FLOW STATEMENT FOR LUDWIG BECK AG

	2002	2001
	€ million	€ million
Net loss (prior year: net income)	-1.9	3.7
Depreciation	2.9	2.9
Increase/Decrease (+/-) in long term accruals	0.0	-0.4
Non-cash expenditure/income (+/-)	1.5	0.9
Cash flow	2.5	7.1
Decrease/Increase (+/-) in working capital	-1.6	-0.8
Net cash from operating activities	0.9	6.3
Proceeds from disposal of fixed assets	0.0	0.4
Disbursements for additions to fixed assets	-3.9	-2.2
Disbursements for investments in affiliated companies	-1.1	-7.1
Capital repayment from affiliated companies	0.7	0.0
Net cash uesd in investing activities	-4.3	-8.9
Dividend payment	-2.7	-2.8
Sale/Purchase of own shares (+/-)	2.3	-0.8
Increase/Decrease (+/-) in interest bearing liabilities	3.8	6.2
Net cash from financing activities	3.3	2.6
Change in cash and cash equivalents	-0.1	0.0
Cash and cash equivalents at beginning of fiscal year	0.5	0.5
Cash and cash equivalents at end of fiscal year	0.4	0.5

In the consolidated cash flow statement for the Ludwig Beck Group, net cash from operating activities amounted to € 1.8 (3.4) million. Together with net cash from financing activities € 4.3 (9.4) million, this balanced out net cash used in investing activities of € –6.3 (–12.5) million.

Additions to fixed assets of € 6.3 million include investments of € 3.9 million by Ludwig Beck AG and € 2.4 million made by Ludwig Beck Vertriebs GmbH, which started operations in 2002.

In total, therefore, capital expenditures far exceeded depreciation, which amounted to € 3.3 (3.0) million.

CONSOLIDATED CASH FLOW STATEMENT FOR THE LUDWIG BECK GROUP

	2002	2001
	€ million	€ million
Net income	0.4	3.8
Depreciation	3.3	3.0
Increase/Decrease (+/-) in long-term accruals	0	-0.4
Non-cash expenditure/income (+/-)	-1.1	-0.7
Cash flow	2.5	5.7
Decrease/Increase (+/-) in working capital	-0.7	-2.3
Net cash from operating activities	1.8	3.4
Proceeds from disposal of fixed assets	0.1	0.4
Disbursements for additions to fixed assets	-6.3	-2.5
Disbursements for the acquisition of share in affiliated companies	-0.1	-10.4
Net cash used in investing activities	-6.3	-12.5
Contributions from/payments to minority interests (+/-)	-0.5	0.1
Dividend payment	-2.7	-2.8
Sale/Purchase of own shares (+/-)	2.3	-0.8
Decrease in non-interest bearing liabilities	-1.0	0
Increase/Decrease (+/-) in interest-bearing liabilities	6.3	12.9
Net cash from financing activities	4.3	9.4
Change in cash and cash equivalents	-0.1	0.3
Cash and cash equivalents at beginning of fiscal year	0.9	0.6
Cash and cash equivalents at end of fiscal year	0.8	0.9

BALANCE SHEET STRUCTURE. The balance sheet total of Ludwig Beck AG fell slightly to € 36.2 (37.7) million.

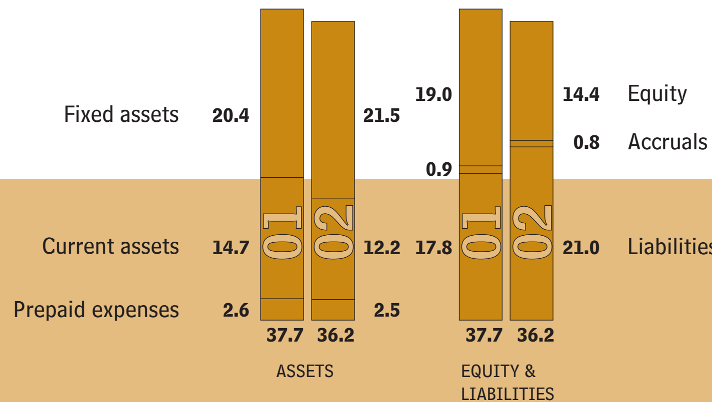
While fixed assets rose slightly to € 21.5 (20.4) million – due mainly to investments in expanding store space – current assets fell strongly by € 2.5 million to € 12.2 (14.7) million. This reduction resulted primarily from the sale of own shares valued at € 2.9 million, which were included in the previous year.

As of December 31, 2002 Ludwig Beck AG therefore no longer held any of its own shares (Dec. 31, 2001: 238,438). The 238,438 shares were sold in August 2002 at a price of € 9.55.

Shareholders' equity fell to € 14.4 (19.0) million. This resulted from the payment of dividends amounting to € 2.7 million and from the net loss in the period under review of € 1.9 million. At the same time, liabilities rose to € 21.0 (17.8) million.

At 39.7 (50.4)%, the company's equity ratio is still at a very healthy level.

BALANCE SHEET STRUCTURE OF LUDWIG BECK AG in € million

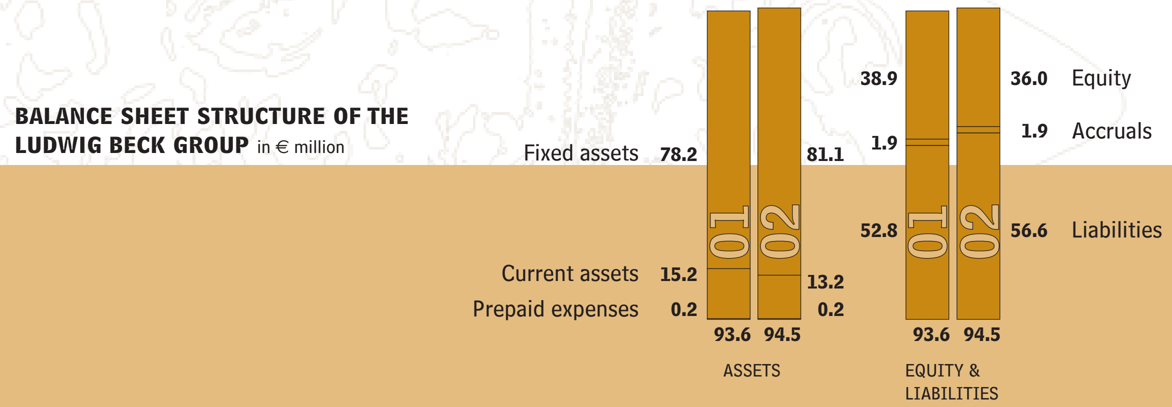


The consolidated balance sheet of the Ludwig Beck Group showed a slight increase in total assets to € 94.5 (93.6) million. This resulted from the increased balance sheet total of Ludwig Beck Vertriebs GmbH, which started trading in 2002.

The absolute total of the Group's assets includes the shareholding of Ludwig Beck Beteiligungs-GmbH in Feldmeier GmbH & Co. Betriebs KG and its real estate assets.

The Group's equity ratio remains at a very respectable 38.0 (41.6)%.

Liabilities were reduced from € 52.8 million to € 56.6 million. Liabilities due within one year amounted to € 14.6 (9.6) million.



■ > **RISK REPORT.** In its specified sales markets, the Ludwig Beck Group is exposed to those risks involved in any business operation. These may affect the Group's assets, finances and earnings.

We have established modern controlling instruments to recognize, monitor and communicate such risks. These instruments ensure that our executives receive information about the development of such risks in time to launch suitable countermeasures. Responsibilities have been clearly defined within the organization.

Especially with regard to the expansion of Ludwig Beck Vertriebs GmbH, these instruments are optimized on an ongoing basis in order to pay tribute to any changes in the organizational structure.

In addition to the usual business risks, the Group is exposed to the following additional risks:

■ > COMPETITION/ECONOMIC AND SECTOR RISKS. The development of the store-based retail sector is characterized by the continued growth of vertical sales systems, an increase in store selling space and the decline of traditional specialist stores.

With our clear positioning and corporate strategy, we are closely observing the opportunities within this environment. With our high-quality service and depth of product range, we are well placed to benefit from niches in the specialist store segment.

In the vicinity of our flagship store, we can utilize the opportunities offered by the increasing number of downtown shopping precincts by establishing new high-quality outlets.

Ludwig Beck can also benefit from the trend toward vertical retail systems by operating its own monolabel stores offering well-known brands.

The alignment of Ludwig Beck is aimed at expanding the market position of our flagship store, while utilizing existing know-how to generate additional sales and earnings through new vertical sales channels, thus occupying new market positions.

■ > SEASONAL RISKS. The Ludwig Beck Group publishes quarterly reports of its business development. These reports highlight certain seasonal fluctuations, which are common in our business. For example, the Group regularly generates a high proportion of its sales and earnings during the Christmas season in the fourth quarter. Some 33% of Group sales are generated during this period.

As goods are purchased much earlier than the seasonal peak sales periods, this causes outflows of cash at times during which there are not necessarily corrsponding inflows of cash from sales revenues. For such instances, we have established a variety of cash management instruments.

■ > LEGAL AND TAX RISKS. To the best of our knowledge the Ludwig Beck Group is not currently facing, nor expecting, legal proceedings or arbitration which might have a significant impact on our economic situation.

To the best of our knowledge, the Group is not subject to any tax risks which might have a significant impact on our economic situation.

■ > OVERALL RISK. With regard to fiscal 2003, the most significant risk lies in grossly misjudging the future development of sales.

There are no recognizable risks which might endanger the company's continued existence.

■ > **OUTLOOK.** Following sales losses of 8% in 2002, the German retail clothing sector faces a further challenging year in an extremely adverse economic climate. Uncertainty is mounting with regard to Germany's economic future. It is therefore unlikely that consumer spending will improve significantly.

Whereas the beginning of 2002 was heavily influenced by debate about the new euro currency, the mood of consumers this year has been dampened by rising unemployment, the crisis facing Germany's social security system as well as by fear and uncertainty caused by the continuing Iraq crisis.

While the German government expects annual average GDP growth of 1% in real terms, the first research institutes are already beginning to make downward corrections to their forecasts.

The majority of German retailers are attempting to counter the current negative scenario with ever fiercer price wars, with discounts often being offered on new collections as the season begins.

Ludwig Beck will not join those pursuing this trend. We will continue to satisfy the central need of our customers: an enjoyable shopping experience.

The strengths of Ludwig Beck have always been our expert and friendly service, a unique product mix and our long-term commitment to optimizing value-for-money and customer service. We will not sacrifice the credibility of Ludwig Beck by offering a marketing mix consisting almost entirely of non-transparent special offers.

The success of our »Hautnah« concept (beauty and wellness) confirms our belief that innovation and product quality are essential in ensuring a positive shopping experience and will be suitably honored by the customer.

With its central location in the heart of Munich, Ludwig Beck would obviously profit from any relaxing of the current restricted trading hours. Our core target group consists mainly of working men and women, who do most of their shopping on Saturdays. Our highest hourly takings so far have been between 2 and 4 p.m. on Saturday afternoon. An extension of opening hours on this day would be welcomed by consumers and would greatly enhance Munich's attraction for shoppers from the surrounding region.

Our Fashion Warehouse Outlet in Parsdorf, in the east end of Munich, was a tremendous success from day one. We are currently searching for a second location in the Munich region to open a further outlet at short notice. The concept is aimed at consumers who attach great importance to good-value fashion and generally prefer to avoid shopping in city centers.

We also expect to realize further growth with our subsidiary Ludwig Beck Vertriebs GmbH. The company will open a new store in the »Forum Allgäu Kempten«, to be opened in September, as well as in the »City Center Landshut« due to open in October.

We aim to counter the obvious difficulties of the retail sector, by enhancing our own performance. We expect a slight increase in sales, but have geared our cost structures to further adverse market conditions.

Munich, February 2003

The Executive Board

> Balance sheet of Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG, Munich

as of Dec. 31, 2002 acc. to German Commercial Code (HGB)

	ASSETS	in T€	31.12.2002	31.12.2001
A.	Equity	(1)		
	I. Intangible assets		2,013	2,281
	II. Tangible assets		12,209	10,940
	III. Financial assets		7,261	7,138
			21,483	20,359
B.	Current assets			
	I. Inventories	(2)	9,993	9,304
	II. Receivables and other assets	(3)	1,588	1,753
	III. Own shares	(4)	0	2,861
	IV. Cheques, cash-in-hand, bank balances		677	782
			12,258	14,700
C.	Prepaid expenses	(5)	2,506	2,610
			36,247	37,669

	SHAREHOLDERS' EQUITY AND LIABILITIES	in T€	31.12.2002	31.12.2001
A.	Equity	(6)		
	I. Subscribed capital	(7)	8,590	8,590
	II. Capital reserves		7	7
	III. Revenue reserves	(8)	5,801	7,663
	IV. Unappropriated net income	(9)	0	2,716
			14,398	18,976
B.	Accruals	(10)	868	869
C.	Liabilities	(11)	20,981	17,824
			36,247	37,669

>Profit and loss account of Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG, München

for the period Jan. 1 - Dec. 31, 2002 acc. to German Commercial Code (HGB)

		in T€	2002	2002	2001	2001
1.	Sales revenues	(12)				
	- sales (gross)		90,010		97,783	
	- minus sales tax		12,183	77,827	13,413	84,370
2.	Own work capitalized			162		115
3.	Other operating income			4,135		2,667
				82,124		87,152
4.	Cost of materials		42,278		43,922	
5.	Personnel expenses	(13)	18,610		19,312	
6.	Depreciation	(14)	2,866		2,938	
7.	Other operating expenses		18,046	81,800	15,588	81,760
				324		5,392
8.	Financial result	(15)		-2,186		-1,645
9.	Result from ordinary business activity			-1,862		3,747
10.	Net loss (prior year: net income)			-1,862		3,747
11.	Profit carryforward			0		138
12.	Transfers to/from reserves	(17)		1,862		1,169
13.	Unappropriated net income			0		2,716

> FINANCIAL STATEMENTS

>Development of fixed assets of Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG, München

for the period Jan. 1 - Dec. 31, 2002

	in T€	ACQUISITIONS /MANUFACTURING COSTS	
		As of 01.01.2002	Additions
I.	Intangible assets		
	1. Concessions, industrial and similar rights and assets as well as licences in such rights and assets	350	134
	2. Goodwill	5,033	0
		5,383	134
II.	Tangible assets		
	1. Land, land rights and buildings, including buildings on third party land	18,535	2,085
	2. Other fixtures and fittings, tools and equipment	8,412	1,511
	3. Payments on account and assets under construction	65	176
		27,012	3,772
III.	Financial assets		
	1. Shares in affiliated enterprises	4,830	60
	2. Participations	3,138	1,093
		7,968	1,153
		40,363	5,059

Disposals	Reclassifications	As of 31.12.2002	Cumulated depreciation	Book value 31.12.2002	Book value 31.12.2001	Depreciation of fiscal year
120	0	364	163	201	123	51
820	0	4,213	2,401	1,812	2,158	346
940	0	4,577	2,564	2,013	2,281	397
576	23	20,067	11,492	8,575	8,087	1,619
2,039	0	7,884	4,468	3,416	2,788	850
0	–23	218	0	218	65	0
2,615	0	28,169	15,960	12,209	10,940	2,469
0	0	4,217	1,187	3,030	4,000	1,030
0	0	4,231	0	4,231	3,138	0
0	0	8,448	1,187	7,261	7,138	1,030
3,555	0	41,194	19,711	21,483	20,359	3,896

Consolidated >balance sheet of Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG, München

as of Dec. 31, 2002 acc. to German Commercial Code (HGB)

	ASSETS	in T€	31.12.2002	31.12.2001
A.	Fixed assets	(1)		
	I. Intangible assets		2,014	2,363
	II. Tangible assets		79,114	75,825
			81,128	78,188
B.	Current assets			
	I. Inventories	(2)	10,473	9,316
	II. Receivables and other assets	(3)	1,625	1,751
	III. Own shares	(4)	0	2,861
	IV. Cheques, cash-in-hand, bank balances		1,116	1,260
			13,214	15,188
C.	Prepaid expenses	(5)	210	190
			94,552	93,566

	SHAREHOLDERS' EQUITY AND LIABILITIES	in T€	31.12.2002	31.12.2001
A.	Equity	(6)		
	I. Subscribed capital	(7)	8,590	8,590
	II. Capital reserves		7	7
	III. Revenue reserves	(8)	7,533	7,731
	IV. Minority interests		19,824	19,881
	V. Unappropriated consolidated net income	(9)	0	2,716
			35,954	38,925
B.	Accruals	(10)	1,945	1,917
C.	Liabilities	(11)	56,653	52,724
			94,552	93,566

Consolidated
>profit and loss account of
Ludwig Beck am Rathauseck
– Textilhaus Feldmeier AG, München

for the period Jan. 1 - Dec. 31, 2002 acc. to German Commercial Code (HGB)

		in T€	2002		2001	
1.	Sales revenues	(12)				
	- sales (gross)		95,074		98,038	
	- minus sales tax		13,093	81,981	13,481	84,557
2.	Own work capitalized			162		115
3.	Other operating income			3,933		2,473
				86,076		87,145
4.	Cost of materials			44,417		43,922
				41,659		43,223
5.	Personnel expenses	(13)	19,208		19,315	
6.	Depreciation	(14)	3,285		3,024	
7.	Other operating expenses		16,700	39,193	15,697	38,036
				2,466		5,187
8.	Financial result	(15)		-2,024		-1,333
9.	Result from ordinary business activity			442		3,854
10.	Other taxes			90		30
11.	Consolidated net income			352		3,824
12.	Minority interests	(16)		-550		335
				-198		4,159
13.	Profit carryforward			0		138
14.	Transfers to/from reserves	(17)		198		1,581
15.	Unappropriated consolidated net income			0		2,716

>Development of consolidated fixed assets of Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG, München

for the period Jan. 1 - Dec. 31, 2002

	in T€		ACQUISITION /MANUFACTURING COSTS	
			As of 01.01.2002	Additions
I.	Intangible assets			
	1.	Concessions, industrial and similar rights and assets as well as licences in such rights and assets	458	80
	2.	Goodwill	5,033	0
			5,491	80
II.	Tangible assets			
	1.	Land, land rights and buildings including buildings on third party land	83,417	2,727
	2.	Other fixtures and fittings, tools and equipment	8,476	2,893
	3.	Payments on accounts and assets under construction	65	563
			91,958	6,183
			97,449	6,263

Disposals	Reclassifications	As of 31.12.2002	Cumulated depreciation	Book value 31.12.2002	Book value 31.12.2001	Depreciation of fiscal year
119	0	419	217	202	205	80
820	0	4,213	2,401	1,812	2,158	346
939	0	4,632	2,618	2,014	2,363	426
583	23	85,584	11,727	73,857	72,930	1,823
2,059	0	9,310	4,658	4,652	2,830	1,036
0	-23	605	0	605	65	0
2,642	0	95,499	16,385	79,114	75,825	2,859
3,581	0	100,131	19,003	81,128	78,188	3,285

Consolidated
>cash flow statement of
Ludwig Beck am Rathauseck
– Textilhaus Feldmeier AG, München

for the period Jan. 1 - Dec. 31, 2002

in T€	2002	2001
Net income	352	3,824
Depreciation	3,285	3,024
Increase /Decrease (+/-) in long-term accruals	-24	-380
Non-cash expenditure /income (+/-)	-1,020	-723
Cash flow	2,593	5,745
Decrease/Increase (+/-) in working capital	-768	-2,330
Net cash from operating activities	1,825	3,415
Proceeds from disposal of fixed assets	19	376
Disbursements for additions to fixed assets	-6,264	-2,495
Disbursements for investments in affiliated companies	-60	-10,354
Net cash used in investing activities	-6,305	-12,473
Disbursements/Contributions to/from minority interests (-/+)	-532	124
Dividend payment	-2,716	-2,782
Sale/Purchase of own shares (+/-)	2,277	-830
Decrease in non-interest bearing liabilities	-970	0
Increase/Decrease (+/-) in interest bearing liabilities	6,306	12,890
Net cash from financing activities	4,365	9,402
Change in cash and cash equivalents	-115	344
Cash and cash equivalents at beginning of fiscal year	951	607
Cash and cash equivalents at end of fiscal year	836	951
Additional cheques	280	309
Cheques, cash-in-hand, bank balances	1,116	1,260

■ > Cash and cash equivalents were defined as including bank balances and cash-in-hand. Cheques are included under other assets.

The decrease/increase in working capital includes additions to inventories, trade receivables and other assets not included under investing or financing activities amounting to T€ –1,002 (2001: T€ –551), as well as disposals (2001: additions) to trade payables and other liabilities not included under investing or financing activities amounting to T€ 162 (2001:T€ –148). The position also includes additions (2001: disposals) to short-term accruals amounting to T€ 52 (2001: T€ –1,997) and the loss from disposals of fixed assets amounting to T€ 20 (2001:T€ 366).

The item »Increase/Decrease (+/–) in interest-bearing liabilities« includes new liabilities totalling T€ 9,844 and repayments amounting to T€ 3,538.

All interest charges were paid in fiscal 2002. Interest income includes the non-cash impact from debt consolidation of T€ 1,512. Together with the non-cash charge from the write-down on own shares amounting to T€ 584 (2001: T€ 31), these are the major items included in the position »Non-cash expenditure/income«.

The disbursement for investments in affiliated companies concerns the increased shareholding in ludwigbeck-online GmbH i.L., from 91.5% to 100%.

Consolidated > equity statement of Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG, München

for the period Dec. 31, 2000 - Dec. 31, 2002

in T€				PARENT COMPANY
	Share capital Ordinary shares	Capital Reserves	Generated consolidated capital	Generated equity acc. to balance sheet
Balance as of 31.12.2000	8,590	7	9,070	17,667
Purchase of own shares				
Dividend payments			−2,782	−2,782
Change in consolidated group				
Capital contributions				
Other changes				
Consolidated net income			4,159	4,159
Balance as of 31.12.2001	8,590	7	10,447	19,044
Sale of own shares				
Dividend payments			−2,716	−2,716
Changes in consolidated group				
Other changes				
Consolidated net income			−198	−198
Balance as of 31.12.2002	8,590	7	7,533	16,130

■ > The consolidated shareholders' equity figure for the previous year (T€ 36,064) differs from the consolidated shareholders' equity figure disclosed in the consolidated balance sheet (T€ 38,925) by the amount of own shares (T€ 2,861). In order to guarantee comparability with international accounting standards, the Company's own shares have been subtracted from consolidated shareholders' equity, in deviation from the consolidated financial statements acc. to the German Commercial Code (HGB).

Generated consolidated capital contains an amount of T€ 4,949 (prior year: T€ 6,666) for appropriation to shareholders of Ludwig Beck AG. The figure for 2002 refers to other revenue reserves of Ludwig Beck AG. The prior-year figure consists of other revenue reserves (T€ 3,950) and the unappropriated net income (T€ 2,716) of Ludwig Beck AG.

Own shares T€ 0 (prior year: T€ 2,861) and statutory reserves T€ 852 (prior year: T€ 852) are prohibited from being used for dividend payments. Other changes mainly include drawings by minority shareholders of Feldmeier GmbH & Co. Betriebs KG.

		MINORITY INTEREST	
Own shares	Shareholders' equity	Minority interest capital	Consolidated shareholders' equity
–2,062	**15,605**	**53**	**15,658**
–799	**–799**		**–799**
	– 2,782		**–2,782**
		21,091	**21,091**
		85	**85**
		–1,013	**–1,013**
	4,159	**–335**	**3,824**
–2,861	**16,183**	**19,881**	**36,064**
2,861	**2,861**		**2,861**
	–2,716		**–2,716**
		–75	**–75**
		–532	**–532**
	–198	**550**	**352**
0	**16,130**	**19,824**	**35,954**

Segment > reporting

> The business segments of the Ludwig Beck Group are shared between the various companies as follows:

– Ludwig Beck AG	Physical retail outlets under the Ludwig Beck brand (incl. general mail order)
– ludwigbeck-online GmbH i.L.	eCommerce (music)
– Ludwig Beck Vertriebs GmbH	Physical retail outlets under third-party brands (franchise activities)
– Ludwig Beck Beteiligungs GmbH	Shareholding in Feldmeier GmbH & Co. Betriebs KG and Ludwig Beck Verwaltungs GmbH (administration and leasing of own and third-party real estate)

The sales and earnings of these segments in **FISCAL 2002** were divided as follows:

in T€	Retail	eCommerce	Franchise	Real estate	Reconciliation	Group
Sales revenues (net)	77,826	238	4,046	4,946		87,056
Inter-segment sales	-212	-10	-91	-4,762		-5,075
Non-Group sales	77,614	228	3,955	184	0	81,981
Segment earnings (EBIT)	324	-207	-398	2,732	15	2,466
Interest income	271	25	22	15	1,272	1,605
Write-downs on marketable securities	0	0	0	0	584	584
Interest expenditure	1,047	0	94	2,144	-240	3,045
Financial result	-776	25	-72	-2,129	928	-2,024
Other taxes	0	0	0	90	0	90
Net income/loss	-452	-182	-470	528	928	352
Included in segment result:						
Depreciation	2,866	40	261	118	0	3,285
Non-cash expenditure	0	0	0	0	584	584
Non-cash income	0	0	0	0	1,604	1,604
Segment assets	36,247	55	3,182	65,150	-10,081	94,553
Segment liabilities	21,849	25	2,732	41,630	-7,637	58,599
Investment in fixed assets	5,059	8	2,431	11	-1,245	6,264

Explanations

■ > **DISCONTINUATION OF BUSINESS SEGMENTS:** The »eCommerce« segment was discontinued on commencement of liquidation proceedings for ludwigbeck-online GmbH i.L. (October 1, 2002). Online trading continues with reduced cost within the Retail segment.

■ > **RECONCILIATION:** The reconciliation of interest income (T€ 1,272) to consolidated interest income, includes an amount of T€ 1,512 resulting from the interest effect of debt consolidation, which cannot be attributed to any one specific segment.

■ > **INTER-SEGMENT BUSINESS:** Goods transactions between segments were calculated at Group purchase prices. An adjustment of these transactions to market prices does not significantly enhance the statement. Inter-company rental agreements (T€ 4,762) are conducted on the same basis as with third parties. Other inter-company charges result from the allocation of costs according to the degree to which they were incurred by the respective segment.

There are no geographical segments, as only a small amount of revenues were generated in varying regions.

As the flagship store (Marienplatz) generates over 75% of consolidated revenues, any further segmentation would not be sensible.

The sales and earnings of these segments were divided as follows in the **PREVIOUS YEAR (FISCAL 2001)**:

in T€	Retail	eCommerce	Franchise	Real estate	Reconciliation	Group
Sales revenues (net)	84,370	361	0	1,633		86,364
Inter segment sales	-235	0	0	-1,572		-1,807
Non-Group sales	84,135	361	0	61	0	84,557
Segment earnings (EBIT)	5,392	-793	-54	642	0	5,187
Interest income	94	54	4	8	0	160
Interest expenditure	878	0	0	1,293	-678	1,493
Financial result	-784	54	-50	-1,285	678	-1,333
Other taxes	0	0	0	30	0	30
Net income/loss	4,608	-739	-50	-673	678	3,824
Included in segment result:						
Depreciation	2,938	47	0	39	0	3,024
Non-cash expenditure	0	0	0	0	31	31
Non-cash income	0	0	0	0	754	754
Segment assets	34,808	949	461	65,281	-7,933	93,566
Segment liabilities	18,693	64	11	41,668	-5,796	54,640
Investment in fixed assets	9,277	143	0	64,883	-7,053	67,250

>Notes to the financial statements and consolidated financial statements of Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG, Munich for the financial year 2002

A. Basis of presentation

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 € 410 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 and, where necessary, written down to the lower of cost or market.

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.

The acquisition costs for own shares are calculated at the weighted average price and, where necessary, written down to the lower of cost or market.

Cheques, cash-in-hand and bank balances are listed at nominal values. Shareholders' equity is disclosed in accordance with § 272 of the German Commercial Code (HGB).

Prepaid expenses concern expenses before the balance sheet date for costs incurred at a certain time after this date.

Pension accruals listed in the consolidated balance sheet are calculated according to actuarial principles at going concern values, on the basis of an interest rate of 6% as allowed for by German tax law regulations (§ 6a EStG). The guidelines drawn up in 1998 by Prof. Dr. Klaus Heubeck are applied.

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

Liabilities are valued at their repayment values.

On the whole, the company used the same valuation methods as in the previous year.

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.

CONSOLIDATED GROUP

In addition to Ludwig Beck am Rathauseck – Textilhaus Feldmeier AG (Ludwig Beck AG) as parent company, the following companies are fully consolidated in the consolidated financial statements:

Company	First-time consolidation	Shareholding (%)
ludwigbeck-online GmbH i.L., Munich	27.07.2000	100.0
Ludwig Beck Beteiligungs GmbH, Munich	20.07.2001	100.0
Ludwig Beck Vertriebs GmbH, Munich	10.08.2001	100.0
Ludwig Beck Verwaltungs GmbH, Munich	20.07.2001	50.2
Feldmeier GmbH & Co. Betriebs KG, Munich	01.09.2001	50.1

With the signing of a purchase agreement on August 9, 2002, Ludwig Beck AG acquired 8.5% of the shares in ludwigbeck-online GmbH i.L. for T€ 60. As of October 1, 2002 ludwigbeck-online GmbH i.L. is in liquidation.

CONSOLIDATION PRINCIPLES

As of fiscal year 2002, capital is consolidated using the purchase method of accounting as of the point of acquisition, in accordance with German Accounting Standards (DRS 4).

The purchase method of accounting was already applied to the acquisition of Feldmeier GmbH & Co. Betriebs KG in fiscal 2001. The object of this subsidiary is the administration of its own and third party land and land rights.

Land belonging to the company was included at the attributable value. The revaluation was limited, however, to the acquisition cost of the shareholding. The land was valued at T€ 61,355. The building (valuation as of Sep. 1, 2001:T€ 3,527) will be depreciated from the moment of the revaluation over a period of 30 years at an amount of T€ 118 p.a. The equity revaluation resulted in an adjustment item for minority interests amounting to T€ 21,079.

In the case of all other consolidated companies, capital was consolidated in accordance with the book value method. The book value of the participations was netted against the consolidated equity capital of the subsidiaries. Capital consolidation was undertaken at the time of acquisition of the company.

There is no deviation from the purchase method of accounting.

There are 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. Withdrawals from the capital accounts of other shareholders (limited partners) reduced their share of shareholders' equity.

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

in T€	Ludwig Beck AG		Ludwig Beck Group	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001
Intangible assets	2,013	2,281	2,014	2,363
Tangible assets	12,209	10,940	79,114	75,825
Financial assets	7,261	7,138	0	0
	21,483	20,359	81,128	78,188

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 (§ 1, 7 (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 and, where necessary, at the lower of cost or market.

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

	Share of equity %	Amount of equity T€	Result for fiscal year T€
ludwigbeck-online GmbH i.L., Munich	100.0	30	-182
Ludwig Beck Beteiligungs GmbH, Munich	100.0	1,953	-124
Ludwig Beck Vertriebs GmbH, Munich	100.0	450	0

Due to a profit and loss transfer agreement between Ludwig Beck AG and Ludwig Beck Vertriebs GmbH, the entire net loss of Ludwig Beck Vertriebs GmbH amounting to T€ -470 was balanced out by Ludwig Beck AG.

2. > INVENTORIES

in T€	Ludwig Beck AG		Ludwig Beck Group	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001
Raw materials and supplies	66	60	68	72
Merchandise	9,927	9,244	10,405	9,244
	9,993	9,304	10,473	9,316

3. RECEIVABLES AND OTHER ASSETS

in T€	Ludwig Beck AG		Ludwig Beck Group	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001
Trade receivables	1,060	1,000	1,098	1,036
Receivable from affiliated companies	25	45	0	0
Other assets	503	708	527	715
	1,588	1,753	1,625	1,751

Other assets included loans due after more than one year amounting to T€ 63 (2001: T€ 63).

4. OWN SHARES

In fiscal year 2002, the company did not purchase any own shares.

On August 6, 2002 the Company sold its complete holding of 238,438 shares (= 7.10% of share capital with a nominal value of T€ 609) at a price of € 9.55. As a result Ludwig Beck AG owned no shares in the Company as of the balance sheet date. The sales proceeds (T€ 2,277) were used to finance investments in fixed assets.

5. PREPAID EXPENSES

in T€	Ludwig Beck AG		Ludwig Beck Group	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001
Rent repayments	2,395	2,508	143	143
Other allowances	111	102	67	47
	2,506	2,610	210	190

6. SHAREHOLDERS' EQUITY

The development of shareholders' equity is described in a separate table (Consolidated Equity Statement).

7. SUBSCRIBED CAPITAL

The subscribed capital of Ludwig Beck AG is divided as follows: 3,360,000 no-par shares (ordinary shares). The no-par shares are bearer shares.

8. REVENUE RESERVES

in T€	Ludwig Beck AG		Ludwig Beck Group	
	31.12.2002	31.12.2001	31.12.2002	31.12.2001
Statutory reserves	852	852	852	852
Reserves for own shares	0	2,861	0	2,861
Other revenue reserves	4,949	3,950	6,681	4,018
	5,801	7,663	7,533	7,731

Due the sale of all shares held in the Company, the reserves for own shares amounting to T€ 2,861 were reversed. The reversal amount was transferred to other revenue reserves.

The annual net loss of Ludwig Beck AG amounted to T€ –1,862 (Group: T€ –198). This amount was balanced out by drawings from revenue reserves.

9. UNAPPROPRIATED NET INCOME

The unappropriated net income includes a profit carryforward of T€ 0 (2001: T€ 138).

10. > ACCRUALS

in T€	Ludwig Beck AG 31.12.2002	Ludwig Beck AG 31.12.2001	Ludwig Beck Group 31.12.2002	Ludwig Beck Group 31.12.2001
Accruals for pensions and similar obligations	0	0	34	61
Other accruals	868	869	1,911	1,856
	868	869	1,945	1,917

Other accruals of Ludwig Beck AG include provisions for personnel (T€ 526) and administration (T€ 342).

The Group's accruals also include maintenance obligations amounting to T€ 938.

11. > LIABILITIES

A) LUDWIG BECK AG

in T€		Total	of which due within 1 year	of which due between 1 – 5 years	of which due over 5 years
1.	Liabilities to banks	16,824	9,480	6,296	1,048
2.	Advances received on customer orders	5	5	0	0
3.	Trade liabilities	1,517	1,517	0	0
4.	Liabilities to affiliated companies	456	456	0	0
5.	Other liabilities – of which taxes: T€ 1,116 (2001: T€ 1,450) – of which social security: T€ 416 (2001: T€ 479)	2,179	2,179	0	0
		20,981	13,637	6,296	1,048

B) GROUP

in T€		Total	of which due within 1 year	of which due between 1 – 5 years	of which due over 5 years
1.	Liabilities to banks	52,326	10,238	8,935	33,153
2.	Advances received on customer orders	5	5	0	0
3.	Trade	2,009	2,009	0	0
4.	Other liabilities – of which taxes: T€ 1,160 (2001: T€ 1,481) – of which social security: T€ 441 (2001: T€ 479)	2,313	2,313	0	0
		56,653	14,565	8,935	33,153

Liabilities to banks of Ludwig Beck Beteiligungs GmbH and Feldmeier GmbH & Co. Betriebs KG were secured as follows:

Mortgages	T€	33,234
Guaranties of minority shareholders	T€	176

C. Notes and explanations to items of the profit and loss account

12. > SALES REVENUES

in T€	Ludwig Beck AG 2002	Ludwig Beck AG 2001	Ludwig Beck Group 2002	Ludwig Beck Group 2001
	77,827	84,370	81,981	84,557

Sales revenues are explained in more detail in the Group's segment reporting section. With the exception of an amount totalling T€ 31 (2001: T€ 11), all sales revenues of Ludwig Beck AG and the Ludwig Beck Group were generated in Germany.

13. > PERSONNEL EXPENSES

in T€	Ludwig Beck AG 2002	Ludwig Beck AG 2001	Ludwig Beck Group 2002	Ludwig Beck Group 2001
Wages and salaries	15,173	15,991	15,680	15,991
Social security	2,936	3,075	3,012	3,075
Pension costs	501	246	516	249
	18,610	19,312	19,208	19,315

14. > DEPRECIATION

in T€	Ludwig Beck AG 2002	Ludwig Beck AG 2001	Ludwig Beck Group 2002	Ludwig Beck Group 2001
Amortization of intangible assets	397	475	426	498
Depreciation of tangible assets:				
– Land, land rights and buildings, including buildings on third party land	1,619	1,682	1,823	1,721
– Other fixtures and fittings, tools and equipment	850	781	1,036	805
	2,866	2,938	3,285	3,024

The consolidated accounts contain non-scheduled write-downs amounting to T€ 41 (2001: T€ 0).

15. > FINANCIAL RESULT

in T€	Ludwig Beck AG 2002	Ludwig Beck AG 2001	Ludwig Beck Group 2002	Ludwig Beck Group 2001
Income from affiliated companies	674	0	0	0
Other interest and similar income	12	29	1,605	753
Interest income from affiliated companies	259	65	0	0
Depreciation of financial assets	1,030	830	0	0
Depreciation of marketable securities	584	31	584	31
Expenses from assumption of losses from affiliated companies	470	0	0	0
Interest and similar expenditure	989	820	3,045	2,055
Interest expenditure of affiliated companies	58	58	0	0
	–2,186	–1,645	–2,024	–1,333

There was a write-down of T€ 1,030 (2001: T€ 830) on the shareholding of Ludwig Beck AG in ludwigbeck-online GmbH i.L. During the period under review there was also a payout of T€ 674 resulting from the partial reversal of capital reserves, as part of the liquidation proceedings for ludwigbeck-online GmbH i.L.

16. > MINORITY INTERESTS

The following proportion of income/loss (+/–) is attributable to minority interests:

in T€	2002	2001
ludwigbeck-online GmbH i.L.	0	63
Feldmeier GmbH & Co. Betriebs KG	–549	271
Ludwig Beck Verwaltungs GmbH	–1	1
	–550	335

17. TRANSFERS TO/FROM RESERVES

Transfers to/from reserves apply exclusively to revenue reserves.

in T€	Ludwig Beck AG		Ludwig Beck Group	
	2002	2001	2002	2001
Drawings from reserves for own shares	2,861	0	2,861	0
Drawings from other revenue reserves	1,862	0	198	0
Transfers to statutory reserves	0	149	0	149
Transfers to reserves for own shares	0	799	0	799
Transfers to other revenue reserves	2,861	221	2,861	633
	-1,862	1,169	-198	1,581

D. Other details

GUARANTIES AND OTHER FINANCIAL COMMITMENTS

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

in T€	Ludwig Beck AG		Ludwig Beck Group	
	2002	2001	2002	2001
GUARANTIES				
Liabilities due to guaranties, Bill and cheque guarantees	4,878	4,642	287	552
– of which for affiiated companies	4,591	4,090	0	0
Liabilites due to provision of security for third party liabilities	1,917	0	0	0
– of which for affiiated companies	1,917	0	0	0
Liabilities due to warranties	2,632	0	0	0
– of which for affiiated companies	2,632	0	0	0

Ludwig Beck AG accepted a guaranty for Ludwig Beck Beteiligungs GmbH amounting to T€ 4,090.

Furthermore, 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.

Ludwig Beck AG has also accepted an absolute guaranty for bank liabilities of Ludwig Beck Vertriebs GmbH amounting to T€ 501 and provided security (parent company guarantee) for bank liabilities of Ludwig Beck Vertriebs GmbH amounting to T€ 1,917.

As part of the transfer of rental agreements from Ludwig Beck AG to Ludwig Beck Vertriebs GmbH, joint and several liabilities amounting T€ 2,632 were accepted by Ludwig Beck AG.

Other financial commitments of Ludwig Beck AG and the Group are divided as follows:

in T€	Ludwig Beck AG		Ludwig Beck Group	
	annual	total	annual	total
OTHER FINANCIAL COMMITMENTS				
Lease commitments	**8,546**	**157,683**	**7,136**	**98,947**
– of which to affiliated companies	4,846	128,235	0	0
Leasing commitments	**623**	**1,766**	**623**	**1,766**
Advertising contribution commitments	**110**	**637**	**233**	**2,112**
Other contract commitments	**–**	**191**	**–**	**191**

Ludwig Beck AG has a storage and shipping agreement with a logistics operator, which expires on Dec. 31, 2005. Payment is linked to incoming goods.

NOTIFICATIONS PURSUANT TO § 21 (1) OF THE GERMAN SECURITIES TRADING ACT (WPHG)

Mr. Karl Schleicher (Ingolstadt) has given notification that, as of Sep. 20, 1999, his voting rights of Ludwig Beck AG exceeded the 10% threshold. He currently holds 17.24% of voting capital (579,264 voting shares).

DECLARATION OF CONFORMITY WITH CORPORATE GOVERNANCE CODE ACC. TO § 161 GERMAN STOCK CORPORATION (AKTG)

The Executive Board and Supervisory Board of Ludwig Beck AG filed their declaration of conformity acc. to § 161 AktG on Nov. 21, 2002. It is permanently available for inspection by shareholders on the Company's home page (www.ludwigbeck.de).

EXECUTIVE BODIES/REMUNERATION OF THE EXECUTIVE AND SUPERVISORY BOARD MEMBERS

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 T€ 602, of which the variable portion amounted to T€ 0; including D&O insurance of T€ 6 (2001: T€ 750, of which variable: T€ 157). As of December 31, 2002, the members of the Executive Board held 25,700 (2001: 36,015; sale: 10,315) no-par shares.

SUPERVISORY BOARD	Dr. Joachim Hausser, Kaufmann, Munich, Chairman
	Dr. Eva Annett Grigoleit, Berlin, Deputy Chairperson
	Dr. Ulla Ertelt, Frankfurt , Edgar Rosenberger, Hamburg
	Annemarie Geißler, Munich* (until April 30, 2002)
	Gabriele Keitel, Munich*, Eva-Maria Stähle, Weßling* (as of May 1, 2002)

Total net remuneration of the Supervisory Board in fiscal 2002 amounted to T€ 107 (incl. D&O insurance T€ 17).

An amount of T€ 146 was paid to Dr. Eva Annett Grigoleit (T€ 90) and Dr. Ulla Ertelt (T€ 56) for consultation services.

*Worker representatives

As of December 31, 2002, members of the Supervisory Board held 256 no-par shares (2001: 1,998; number bought or sold: 0). The deviation to the previous year results from changes in the structure of the Supervisory Board and not from the purchase or sale of shares.

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

REINER UNKEL

Advisory Council:	Henschel & Ropertz GmbH & Co. KG, Darmstadt (until Dec. 31, 2002)
	CJ. Schmidt GmbH & Co. KG, Husum

DR. JOACHIM HAUSSER

Advisory Council:	GETRAG Getriebe- und Zahnradfabrik
	Hermann Hagenmeyer GmbH & Cie KG, Untergruppenbach
Administrative Council:	Kühne & Nagel International AG, Schindellegi

DR. ULLA ERTELT

Advisory Council:	Henschel & Ropertz GmbH & Co. KG, Darmstadt

> PERSONNEL

	Ludwig Beck AG		Ludwig Beck Group	
	2002	2001	2002	2001
Full-time	271	293	287	293
Part-time	195	226	202	226
Temporary	62	107	74	107
	528	626	563	626

Apprentices are not included in these figures.

Auditor's opinion

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, 2002. 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 28, 2003

AWT Horwath GmbH
Wirtschaftsprüfungsgesellschaft

A. Bruckner	G. Wörl
Auditor	Auditor

Consolidated
>balance sheet of
Ludwig Beck am Rathauseck
– Textilhaus Feldmeier AG, Munich
as of Dec. 31, 2002 acc. to IASC

	ASSETS	in T€	31.12.2002	31.12.2001
A.	Current assets			
	I. Cash and cash equivalents		1,116	1,260
	II. Receivables and other assets		1,775	1,881
	III. Inventories		10,473	9,316
			13,364	12,457
B.	Fixed assets			
	I. Tangible assets		92,676	89,886
	II. Intangible assets		2,410	2,707
	III. Deferred taxes		4,829	4,395
	IV. Other assets		63	63
			99,978	97,051
			113,342	109,508

	SHAREHOLDERS' EQUITY AND LIABILITIES	in T€	31.12.2002	31.12.2001
A.	Short-term-liabilities			
	1. Bank liabilities		10,238	4,523
	2. Trade payables		2,009	1,541
	3. Accruals		35	55
	4. Other liabilities		3,995	5,044
			16,277	11,163
B.	Long-term-liabilities			
	1. Bank liabilities		42,010	41,866
	2. Accruals		1,010	1,049
	3. Other liabilities		5,127	5,910
	4. Deferred taxes		4,651	4,623
			52,798	53,448
C.	Minority interests		24,676	24,586
D.	Shareholders' equity		19,591	20,311
			113,342	109,508

Consolidated
> profit and loss account of
Ludwig Beck am Rathauseck
– Textilhaus Feldmeier AG, Munich

for the period Jan. 1 - Dec. 31, 2002 acc. to IASC

	in T€	2002		2001	
1.	Sales revenues				
	– sales (gross)	95,074		98,038	
	– minus sales tax	13,093	81,981	13,481	84,557
2.	Own work capitalized		162		115
3.	Other operating income		3,967		2,413
			86,110		87,085
4.	Cost of materials:	44,417		43,922	
5.	Personnel expenses	19,208		19,315	
6.	Depreciation	3,804		3,468	
7.	Other operating expenses	15,613	83,042	14,751	81,456
8.	EBIT		3,068		5,629
9.	Financial result – of which financing expenses T€ 3,468 (2001 2,480)		-3,059		-2,442
10.	Result before taxes		9		3,187
11.	Deferred taxes		-406		1,637
12.	Consolidated net income before minority interests		415		1,550
13.	Minority interests		-697		351
14.	Consolidated net loss (prior year: net income) after minority interests		-282		1,901
15.	Profit carryforward		0		138
16.	Transfer to/from reserves		282		677
17.	Unappropriated consolidated net income		0		2,716
Earnings per share (undiluted and diluted) in €			-0.09		0.60
Average number of outstanding shares (undiluted and diluted)			3,201,041		3,179,330

Consolidated
>cash flow statement of
Ludwig Beck am Rathauseck
– Textilhaus Feldmeier AG, Munich

for the period Jan. 1 - Dec. 31, 2002 acc. to IASC

in T€	2002
Net income before minority interest, taxes and special items	9
Adjustments for:	
Depreciation of fixed assets	3,803
Increase/Decrease (+/-) in long-term accruals	-39
Non-cash expenditure/income (+/-)	-15
Financial income	-409
Interest expenses	3,468
Operating result before changes to working capital	6,817
Loss/Profit (+/-) from disposal of fixed assets	22
Increase/Decrease (+/-) in short-term assets	
Inventories	-1,157
Trade receivables	-62
Other assets, prepaid expenses	197
Increase/Decrease (+/-) in short-term liabilities	
Trade payables	468
Other liabilities	-283
Increase/Decrease (+/-) in short-term-accruals	-20
Net cash from operating activities(before interest payments)	5,982
Interest paid	-3,447
Interest received	16
Net cash from operating activities	2,551

in T€	2002
Proceeds from disposals of fixed assets	19
Disbursements for additions to fixed assets	-6,264
Disbursements for investments in affiliated companies	-60
Net cash in investing activities	-6,305
Disbursements/Contributions to/from minority interests	-532
Dividend payment	-2,716
Sale/Purchase of own share (+/-)	2,277
Acceptance of bank liabilities	9,844
Repayment of bank liabilities	-3,613
Repayment of other short-and long-term borrowing	-895
Acceptance/Repayment (+/-) of financial leasing	-726
Net cash from financing activities	3,639
Change in cash and cash equivalents	-115
Cash and cash equivalents at beginning of fiscal year	951
Cash and cash equivalents at end of fiscal year	836

Report of the Supervisory Board

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 five 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. There was also a meeting of the management and personnel committee. Furthermore, at the Supervisory Board meeting on November 21, 2002 an audit committee was installed, which began its work in 2003. The Supervisory Board observed its legal and statutory duties and closely monitored the management of the company. There were no conflicts of interest among members of the Supervisory Board during the period under review.

The annual financial statements and the consolidated statements as at December 31, 2002 as well as the management report and consolidated management report were audited by the elected auditing firm AWT Horwath GmbH Wirtschaftsprüfungsgesellschaft (formerly: AWT Allgemeine Wirtschaftstreuhand GmbH Wirtschaftsprüfungsgesellschaft), Munich, who issued an unqualified opinion. The Supervisory Board examined the annual financial state-ments and the consolidated statements as well as the management report and consolidated management report itself and found no cause for objection. On March 20, 2003 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 2002 are therefore approved.

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 main subjects of our intensive discussions last year were the current development of business in an extremely difficult year for the German retail sector, the necessary operative and strategic measures as well as the further expansion of Ludwig Beck Vertriebs GmbH. The necessary investments were discussed in detail on several occasions, as well as the company's medium and long-term planning.

The closure of the Company's eCommerce subsidiary was also discussed and approved by the Supervisory Board. The Supervisory Board was informed about the regulations of the German Corporate Governance Code and discussed its implementation together with the Executive Board. Following intensive discussions, new rules of procedure for both the Supervisory Board and Executive Board were adopted and a joint declaration of conformity pursuant to § 161 German Stock Corporation Law (AktG) was submitted.

Regular management reports on sales and profits kept the Supervisory Board informed at all times about the company's current business situation. This also applies in particular to the development from the second quarter onward.

The Supervisory Board would like to thank all members of the Executive Board and the management team for their excellent work in fiscal year 2002. We would also like to extend our gratitude to all staff for their unfailing dedication to duty during 2002, which will remain a decisive factor for the success of Ludwig Beck in future.

The Supervisory board
Munich, March 2003

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 favor« the title of »Haberdasher to the Royal Bavarian Court«.

■ > **1892** Ludwig Beck exhibits and receives honors 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 neighboring 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 m^2) is opened in Munich's new Olympic stadium shopping center.

■ > **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 m^2) is opened in the »Perlacher Einkaufspassagen« shopping mall.

■ > **1982** The Olympic stadium shop is expanded to 400 m^2. 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 (1,400 m^2) 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 5,000 m^2.

■ > **1995** The Cologne store is closed. Participation of an equity fund managed by BC Partners and subsequent increase in share capital.

■ > **1996** A 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.
November 11 – www.onlybeck.de goes online.

■ > **2001**
July 7 – foundation of Ludwig Beck Beteiligungs GmbH.
August 10 – foundation of Ludwig Beck Vertriebs GmbH to operate own retail outlets as franchisee for various brands (e.g. S.Oliver, Esprit).
September 5 – Ludwig Beck secures rights to Marienplatz premises. Acquisition of 50.1% shareholding in store's owner Feldmeier GmbH & Co.Betriebs-KG.

■ > **2002**
February 28 – Ludwig Beck Vertriebs GmbH opens its first shop in Memmingen (S.Oliver),
March 1 – Expansion of mono-label stores through acquisition of two S.Oliver stores in Regensburg
April 17 – Next mono-label store opened in Regensburg »Arcaden« shopping center
June 27 – Opening of »Fashion Factory Outlet« in Munich-Parsdorf
September 30 – Closure of eCommerce subsidiary ludwig-beck online GmbH, Munich
October 16 – Ludwig Beck Vertriebs GmbH opens its sixth store: a mono-label »Esprit« shop in Munich's Olympic Shopping Center
December 31 – Ludwig Beck transfers to Prime Standard, the German Stock Exchange's new premium segment.

Key figures > Five-year-review

RESULT		2002	2001	2000	1999	1998
		Group	Group	Group	AG	AG
Sales (gross)	€ million	95.1	98.0	100.3	99.2	99.2
VAT	€ million	13.0	13.5	13.8	13.7	13.4
Net sales	€ million	82.0	84.5	86.5	85.6	85.8
	%	100.0	100.0	100.0	100.0	100.0
Gross profit	€ million	37.6	40.6	42.0	41.4	41.4
	%	45.8	48.0	48.5	48.3	48.3
EBITDA	€ million	5.8	8.2	9.0	9.5	7.6
	%	7.1	9.7	10.4	11.1	8.9
EBIT	€ million	2.5	5.2	6.1	6.6	4.8
	%	3.0	6.1	7.0	7.8	5.5
Result from ordinary activities	€ million	0.4	3.9	5.2	5.8	3.5
	%	0.5	4.5	6.0	6.8	4.1
Net income (loss)	€ million	0.4	3.8	5.2	5.8	2.7
	%	0.5	4.5	6.0	6.8	3.1
DVFA/SG-based result	€ million	-0.2	2.5	2.7	3.0	1.5
DVFA/SG-based cash flow	€ million	2.6	5.7	8.2	8.3	5.9
Result acc. to IAS	€ million	0.4	1.7	2.0		
BALANCE SHEET						
Equity	€ million	36.0	38.9	17.7	15.3	11.2
Equity ratio	%	38.1	41.6	57.5	52.8	39.6
Return on equity	%	1.0	9.8	29.5	37.8	23.6
Capital expenditure	€ million	6.3	12.5	4.0	2.8	4.7
Balance sheet total	€ million	94.6	93.6	30.8	29.0	28.4
Return on invested capital (ROIC)	%	2.8	6.2	27.1	30.1	21.9
PERSONNEL						
Employees	number	563	626	665	663	692
Personnel expenses	€ million	19.2	19.3	19.3	18.6	19.0
	%	23.4	22.9	22.3	21.7	22.2
Sales per employee (weighted average)	€	196,484	209,931	204,517	202,983	193,268
PER SHARE						
Number of shares	million	3.20	3.18	3.31	3.36	3.36
DVFA/SG-result	€	-0.06	0.78	0.83	0.89	0.46
Net income (loss)	€	0.10	1.20	1.59	1.72	0.79
Dividend	€	0	0.87	0.87	0.87	0.51
OTHER DETAILS (AS OF DEC. 31)						
Sales area	m^2	17,080	14,010	13,000	13,000	13,600
Sales per m^2	€/m^2	5,566	6,980	7,700	7,600	7,300

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