Consolidated Interim Report for the 1st Quarter of the Fiscal Year 2009

for the Period from January 1 to March 31, 2009

LUDWIG BECK

Ludwig Beck

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Key Figures of the Group

€m	Jan. 1 – Mar. 31, 2009	Jan. 1 – Mar. 31, 2008
Gross sales (incl. sales tax)	21.4	21.6
Gross profit [1]	8.5	8.4
EBITDA	1.3	1.1
EBIT	0.5	0.2
Net loss	-0.3	-0.5
Earnings per share (in €)	-0.09	-0.15
Investments	0.7	1.0
Employees (as of Mar. 31) [2]	513	524
Apprentices (no.)	36	39

[1] Net sales minus cost of materials   [2] Without apprentices

Introduction

LUDWIG BECK's financial reporting is based on the International Financial Reporting Standards (IFRS) and conforms to § 37w Securities Trading Act (WpHG). Generally, the interim report is prepared as an update of the business report focusing on the current reporting period. The Group accounts prepared in addition thereto in accordance with IFRS serve as a fundamental basis for LUDWIG BECK's financial reporting in compliance with IFRS as leading accounting system. Therefore, the interim report should be read together with the IFRS-compliant group accounts and the business report published for the fiscal year 2008.

Report on earnings, financial and asset situation

Earnings situation

Development of sales

The German economy has been taking a nosedive for almost one year. Starting in the fall of 2008 the downward swing has become noticeably aggravated and, according to the Hamburg Institute of International Economics (HWWI), is developing into a cyclical recession. Almost all areas are hit by the ailing economy. Meanwhile the effects are also felt on the labor market. Increased unemployment figures and a sharp rise in – subsidized – short-time working can be observed. In February, the reported number of employees placed on short-time work was 700,000.

Nevertheless, the Association of Consumer Research (GfK) noticed that private consumption has remained relatively robust so far and has only declined insignificantly, car purchases for instance have been upheld by the car scrap bonus. The fashion trade however had to endure a tough 1st quarter. According to a study of TextilWirtschaft sales dropped 5 % on average in the first three months of 2009.

Against the background of this negative economic environment, the LUDWIG BECK Group was able to continue its individual business performance and development and to contrast favorably against the general branch trend. For the first three months of 2009, the Munich fashion house reports branch-adjusted gross sales on last year's level. Branch-unadjusted gross sales on group level dropped slightly by 0.8 % – the Regensburg s.Oliver branch was sold in September 2008 – and amounted to € 21.4m in the 1st quarter of 2009 in comparison to € 21.6m in the previous year. As usual, the flagship store at Marienplatz with sales amounting to € 18.6m (excl. FÜNF HÖFE) accounted for the largest portion, slightly increased by 1.5 % as compared to the previous year (€ 18.3m).

It has to be emphasized that the development of turnover was not only influenced by unfavorable economic conditions but also by the fact that this year's Easter sales fell in April while the year before they had positively affected the March turnover.

Earnings situation

In the 1st quarter of the fiscal year 2009, the Group could improve gross profits from € 8.4m to € 8.5m scoring a 1.7 % plus. The gross profit margin ratio amounting to 47.4 % could be increased by 1.1 percentage points in comparison to the previous year with 46.3 %.

The expense ratio (expenses against corresponding proceeds) could be reduced by 0.5 percentage points to 44.9 % in the 1st quarter of 2009 (previous year: 45.4 %). Absolute expenses against corresponding proceeds amounted to € 8.2m in the 1st quarter of 2009 as compared to € 8.1m in the previous year.

The EBIT development was marked by a significant € 0.3m increase from € 0.2m in the corresponding quarter of the previous year to € 0.5m in the 1st quarter of 2009.

The result from ordinary activities (EBT) was improved by 44.8 % and rose from € -0.7m in the corresponding reporting period of the previous year to € -0.4m.

The net loss which had amounted to € -0.5m in the 1st quarter of 2008 could be cut by 39.5 % € to € -0.3m in the first three months of 2009.

The trend of earnings of the first three months of the fiscal year turned out to be distinctly better than expected.

Financial situation

Cash flow

The cash flow from current business was increased to € -1.9m in the 1st quarter of 2009 (previous year: € -3.3m). The cash outflow from investing activities amounted to € 0.7m (previous year: € 1.0m). The cash inflow from financing activities slightly dropped in comparison to the last year and amounted to € 2.9m (previous year: € 3.1m).

Investments

In the first three months of the fiscal year 2009 investment expenses fell to € 0.7m (previous year: € 1.0m). The funds were mainly used for the refurbishment of the Designer Department on the 3rd floor which is being extended by 700 sqm.

Asset situation

Balance sheet structure

The balance sheet total of the LUDWIG BECK Group amounted to € 111.2m as of the relevant date, March 31, 2009 – a slight drop below last year's level as per December 31, 2008 (€ 112.9m). The seasonal increase in stocks and asset-side deferred taxes on the results as well as liquid funds were offset by a significant reduction of accounts receivable and other assets.

As of the relevant date, March 31, 2009, the LUDWIG BECK Group's equity capital amounted to € 41.5m as compared to € 41.8m as of the relevant date, December 31, 2008, equaling an equity ratio of 37.3 % (December 31, 2008: 37.0 %).

The Group's total liabilities could be reduced by € 1.5m in aggregate and amounted to € 60.9m (December 31, 2008: € 62.4m). It has to be emphasized that trade liabilities could be cut by € 3.3m from € 5.2m (December 31, 2008) to € 1.9m (March 31, 2009).

The reduction of other assets and trade liabilities was mainly the result of payment of the purchase price for the real estate in Munich-Haar acquired in the fiscal year 2008 and the related closure of the notarial trust account.

Employees

In the 1st quarter of 2009, the number of employees (without apprentices) was 513 in accordance with Section 267 par. 5 Commercial Code (previous year: 524). The weighted number of full-time employees at group level also dropped slightly to 358 (previous year: 376). At the relevant date, March 31, 2009, 36 apprentices were employed by LUDWIG BECK (previous year: 39).

Risk report

Within the scope of its activities in the sales markets, the LUDWIG BECK Group is exposed to various risks connected with entrepreneurial transactions. A detailed description is contained in our current business report for the year 2008 (page 62 et seq.). It can also be found on our website **www.ludwigbeck.de** under Investor Relations/Financial Publications.

Forecast report

Generally, for leading economic research institutes as well as for enterprises it proves difficult to make reliable forecasts for the further course of the year 2009 and beyond since the presently unfolding crisis cannot be compared to any other.

The general economic prospects for Germany remain dim. The HWWI in Hamburg predicts a 3.8 % decline in the gross domestic product (GDP). There is wide-spread insecurity about the further development of the economic cycle. The current trend shows that new shocks cannot be excluded. In order to counter the crisis, many countries took monetary or fiscal measures which are expected to gradually take effect later in 2009 according to the HWWI forecast. However, the HWWI analysts expect recessive influences to prevail in the beginning. They assume that the downward slide will be halted around the middle of the year and the economy will be stabilized in the second half. For 2010, HWWI expects 1 % growth.

The German Retail Federation (HDE) diagnosed sustained market strain for the retail trade. Even though the Federation confirmed its forecast that retail sales will remain at last year's level at least until the middle of the year, HDE visualizes a worsening of the situation later on. Nominal retail turnover in 2009 is expected to range between 0 to -1 %. Retailers had to adjust their expectations downwards. According to a HDE survey, 40 % of the enterprises are anticipating dropping sales.

Against the background of the expanding economic crisis and declining revenue expectations LUDWIG BECK does not consider the situation of the German retail trade to be on the verge of significant improvement. We only rely on our own business performance and development which have always helped LUDWIG BECK to compare favorably against competitors. For about 150 years we have offered our visitors a unique shopping ambiance in our 'Store of the Senses' at one of the most attractive locations in Europe. In order to maintain our top position among retail stores in the long term we have engaged in a successful "trading up" strategy for our product ranges and also carried out extensive reconstruction works in our sales rooms over the past years. Our skilled and committed employees, always endeavoring to satisfy our customers' wishes, are another vital success factor.

Hence LUDWIG BECK is built on a strong basis which will sustain the Munich enterprise also in an unstable economic environment. At a time when leading economic research institutes and the Federal Government are forced to adjust their forecasts downward in regular intervals, a company can hardly make any reliable predictions about the future development of its business. The LUDWIG BECK management nevertheless expects significant proceeds exceeding the 4 % EBT margin in fiscal year 2009.

Munich, in April 2009
The Executive Board

Appendix

Accounting in compliance with International Financial Reporting Standards (IFRS)

The present quarterly accounts of LUDWIG BECK AG as per March 31, 2009 have been prepared in compliance with the provisions of the International Financial Reporting Standards (IFRS) and the interpretations by the International Financial Reporting Interpretation Committee (IFRIC).

Presentation method

The quarterly accounts are prepared in compliance with IAS 34 (interim reporting).

Methods of accounting and valuation

The quarterly accounts are based on the same methods of accounting and valuation as the group accounts as per December 31, 2008. A comprehensive description of these methods is contained in the Appendix to the IFRS group accounts published as per December 31, 2008.

The sums were exactly computed and then rounded to € m. The percentages given in the text were determined on the basis of the exact (not rounded) values.

Consolidated Income Statement

Consolidated income statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2009, acc. to IASB

in €m	Jan.1 – Mar. 31, 2009		Jan.1 – Mar. 31, 2008	
1. Sales revenues				
- sales (gross)	21.4		21.6	
- minus sales tax	3.4	18.0	3.4	18.1
2. Other operating income		0.8		0.8
		18.7		**18.9**
3. Cost of materials	9.4		9.7	
4. Personnel expenses	4.2		4.1	
5. Depreciation	0.8		0.9	
6. Other operating expenses	3.8	18.3	4.0	18.8
7. EBIT		**0.5**		**0.2**
8. Financial result		-0.9		-0.9
- of which financing expenses € 0.7m (previous year: € 0.8m)				
- of which minority interests € 0.2m (previous year: € 0.1m)				
9. EBT		**-0.4**		**-0.7**
10. Deferred taxes		-0.1		-0.2
11. Consolidated net loss		**-0.3**		**-0.5**
Earnings per share (undiluted and diluted) in €		-0.09		-0.15
Average number of outstanding shares in million		3.70		3.70

Consolidated Balance Sheet

Consolidated balance sheet of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, as at March 31, 2009, acc. to IASB

Assets	Mar. 31, 2009	Dec. 31, 2008	Mar. 31, 2008
	€m	€m	€m
A. Long-term assets			
I. Intangible assets	3.2	3.2	3.3
II. Property, plant and equipment	93.2	93.3	89.0
III. Deffered taxes	1.3	1.1	2.5
IV. Other assets	0.2	0.2	0.2
	97.8	**97.8**	**95.0**
B. Short-term assets			
I. Inventories	11.0	9.1	11.3
II. Receivables and other assets	1.4	5.5	1.3
III. Cash and cash equivalents	0.9	0.6	0.6
	13.4	**15.1**	**13.2**
	111.2	**112.9**	**108.2**

Shareholders´ equity and liabilities	Mar. 31, 2009	Dec. 31, 2008	Mar. 31, 2008
	€m	€m	€m
A. Shareholders' equity			
I. Subscribed capital	9.4	9.4	9.4
II. Reserves	14.5	14.8	13.5
III. Net income	1.9	1.9	1.2
IV. Supplementary item from minority interests	15.6	15.5	15.6
	41.5	**41.8**	**39.7**
B. Potential compensation claim by minority shareholders	**8.8**	**8.8**	**8.8**
C. Long-term liabilities			
I. Liabilities to banks	36.2	36.5	35.9
II. Accruals	0.6	0.6	0.5
III. Other liabilities	3.9	4.0	4.2
IV. Deferred taxes	2.7	2.7	2.7
	43.4	**43.7**	**43.4**
D. Short-term liabilities			
I. Liabilities to banks	11.6	8.2	9.3
II. Trade liabilities	1.9	5.2	1.6
III. Tax liabilities	0.2	0.4	0.1
IV. Other liabilities	3.8	4.8	5.3
	17.5	**18.6**	**16.3**
	111.2	**112.9**	**108.2**

Consolidated Segment Reporting

Consolidated segment reporting of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2009, acc. to IASB

in €m	Marienplatz	Branches	Group
Jan. 1 – Mar. 31, 2009			
Sales (gross)	18.8	2.6	21.4
VAT	-3.0	-0.4	-3.4
Net sales	**15.8**	**2.2**	**18.0**
Cost of sales	8.2	1.2	9.4
Gross profit	**7.6**	**1.0**	**8.5**
Personnel expenses	1.7	0.4	2.0
Cost of occupancy	2.9	0.5	3.5
Interests	0.2	0.0	0.3
Segment result	**2.7**	**0.1**	**2.8**
Other operational income			0.8
Other personnel expenses			2.2
Depreciation			0.8
Other expenses			0.3
Other financial result			-0.6
Income tax			-0.1
Net loss			**-0.3**
Jan. 1 – Mar. 31, 2008			
Sales (gross)	18.5	3.1	21.6
VAT	-2.9	-0.5	-3.4
Net sales	**15.5**	**2.6**	**18.1**
Cost of sales	8.3	1.4	9.7
Gross profit	**7.2**	**1.2**	**8.4**
Personnel expenses	1.6	0.4	2.0
Cost of occupancy	3.1	0.6	3.7
Interests	0.2	0.0	0.3
Segment result	**2.3**	**0.1**	**2.4**
Other operational income			0.8
Other personnel expenses			2.1
Depreciation			0.9
Other expenses			0.3
Other financial result			-0.6
Income tax			-0.2
Net loss			**-0.5**

Consolidated Cash Flow Statement

Consolidated cash flow statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2009, acc. to IASB

in €m	Jan. 1 – Mar. 31, 2009	Jan. 1 – Mar. 31, 2008
Cash flow from operating activities:		
Net loss before taxes	-0.4	-0.7
Adjustments for:		
+ depreciation of fixed assets	0.8	0.9
+ interest expenses	0.7	0.8
+ minority interest profit	0.2	0.1
Operating result before changes to net working capital	**1.3**	**1.1**
Increase/decrease (-/+) in assets	2.0	-1.5
Increase/decrease (+/-) in liabilities	-4.6	-2.1
Net cash from operating activities (before interest payments)	**-1.3**	**-2.5**
Interest paid	-0.7	-0.8
Net cash from operating activities	**-1.9**	**-3.3**
Disbursements for additions to fixed assets	-0.7	-1.0
Net cash used in investing activities	**-0.7**	**-1.0**
Disbursements to minority interests	-0.1	-0.1
Acceptance/settlement of bank liabilities	3.2	5.9
Acceptance/settlement of other net interest-bearing liabilities	0.0	-2.5
Acceptance/settlement of other long-term borrowing (finance leasing)	-0.1	-0.1
Net cash from financing activities	**2.9**	**3.1**
Change in cash and cash equivalents	0.3	-1.1
Cash and cash equivalents at beginning of period	0.6	1.7
Cash and cash equivalents at end of period	**0.9**	**0.6**

Consolidated Equity Statement

Consolidated equity statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2009, acc. to IASB

in €m	Share capital	Capital reserve	Generated capital	Supplementary item from minority interests	Total
Balance as of Jan. 1, 2009	**9.4**	**3.5**	**13.4**	**15.5**	**41.8**
Net loss			-0.3		-0.3
Balance as of Mar. 31, 2009	**9.4**	**3.5**	**13.1**	**15.5**	**41.5**
Balance as of Jan. 1, 2008	**9.4**	**3.5**	**11.7**	**15.6**	**40.2**
Net loss			-0.5		-0.5
Balance as of Mar. 31, 2008	**9.4**	**3.5**	**11.2**	**15.6**	**39.7**