Consolidated Interim Report for the 2nd Quarter and the First Six Months of the Fiscal Year 2009

for the Period from January 1 to June 30, 2009

LUDWIG BECK

Ludwig Beck

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Key Figures of the Group

in €m	Jan. 1. – Jun. 30, 2009	Jan. 1. – Jun. 30, 2008
Gross sales (incl. sales tax)	44.3	43.8
Gross profit 1)	18.2	17.6
EBITDA	3.6	3.1
EBIT	1.7	1.3
Net loss for the period	-1.8	-0.4
Earnings per share (in €)	-0.49	-0.11
Investments	1.5	3.5
Employees (as of Jun. 30) 2)	516	519
Apprentices (no.)	34	38

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.

Share

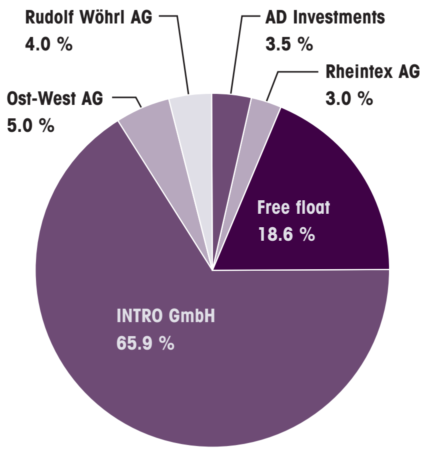
Compulsory offer of INTRO-Verwaltungs GmbH

In May 2009, INTRO-Verwaltungs GmbH increased its share in LUDWIG BECK AG to 40.2 % through purchases from ATON GmbH and Hans Rudolf Wöhrl Verwaltungs GmbH, and in compliance with its statutory obligations, offered the shareholders of LUDWIG BECK AG to take over the shares held by them at the cash price of € 11.90 per share.

The term for acceptance expired on June 19, 2009, and, as notified by INTRO-Verwaltungs GmbH, was accepted for 947,921 shares of LUDWIG BECK AG. This corresponds to about 25.7 %. Consequently, the company currently holds approximately 65.9 % of the shares in LUDWIG BECK AG.

In line with the purchase offer, Rudolf Wöhrl AG which has been the largest single shareholder of LUDWIG BECK AG to that date, sold 810,000 shares in the Munich fashion house to INTRO-Verwaltungs GmbH, and currently holds 4.0 % of the shares in the company.

Furthermore, AD Investments, Ost-West Beteiligungs- und Grundstücksverwaltungs-AG and Rheintex Verwaltungs AG purchased shares in free trade and joined the ranks of the shareholders of LUDWIG BECK AG exceeding the 3 % notification threshold. AD Investments holds 3.5 % of the shares in LUDWIG BECK AG, Ost-West-Beteiligungs- und Grundstücksverwaltungs-AG holds 5.0 %, and the participating interests of Rheintex Verwaltungs AG amount to 3.0 % of the shares in LUDWIG BECK AG. Approximately 18.6 % are free float shares.



As per June 30, 2009

Report on earnings, financial and asset situation

Earnings situation

Development of sales

The German economy is immersed in the most severe crisis since the foundation of the Federal Republic of Germany. As a distinctly export-oriented nation, Germany has been severely hit by the global financial crisis. However, the Association of German Banks noticed that after the most drastic slump of the 2008/2009 winter half year the world economy and the German economy have overcome the worst. Even though the 2nd quarter of 2009 was again marked by a decline in the overall economic performance, the effect was less dramatic than in preceding quarters. Also the Institute for Economic Research (ifo) noticed that the economy is on the verge of stabilizing. This development should not hide the fact that the way out of recession will be hard with swift successes unlikely. For the 1st half of 2009 the institute reported a 5.2 % drop in the gross domestic product (GDP).

According to the Association for Consumption Research (GfK), the buying mood in Germany shows a slightly upward trend after many months of stagnation. Market researchers found that the pessimism about the economy is decreasing and consumers tend to assume the grave economic downturn could be stopped little by little. What contributed to their expectations was the fact that the anticipated labor market slump has not manifested yet. The German Retail Federation (HDE) is expecting a moderate 2 % decline in the retail sector in the 1st half of 2009.

In the light of this situation, the LUDWIG BECK Group once again relied on its positive business development in the 1st half of 2009 and contrasted favorably against the general branch which scored a 3 % minus in the 1st half of the fiscal year 2009 (according to TextilWirtschaft). Branch-adjusted gross sales of the Munich fashion house climbed 2.1 % to € 44.3m (previous year: € 43.4m) in the first six months of 2009. Branch-unadjusted gross sales on group level could also be improved and rose 1.1 % from € 43.8m in the previous year to € 44.3m in the 1st half of 2009.
It has to be noted that last year's turnover also included the sales generated by the s.Oliver branch in Regensburg which was sold in September 2008. The flagship store at Marienplatz reported sales in the amount of € 38.5m (previous year: € 37.6m) corresponding to a 2.6 % plus which contributed considerably to the positive sales development. The department store presents itself with a completely refurbished 3rd floor displaying designer fashion and evening dresses in an elegant ambiance with exclusive metropolitan flair.

Earnings situation

In the 1st half of the fiscal year 2009 the LUDWIG BECK Group registered a 3.5 % increase of gross profits from € 17.6m in the corresponding period of the previous year to € 18.2m. The gross profit ratio was increased 1.1 percentage points from 47.9 % in the previous year to 49.0 %.

The cost ratio (expenses in comparison to corresponding proceeds) remained on last year's level in the first half of 2009 and came to 44.4 % (previous year: 44.3 %). In absolute figures, expenses set off against the corresponding income amounted to € 16.5m in the first six months of 2009 (previous year: € 16.3m).

With a 33.1 % EBIT plus from € 1.3m in the previous year to € 1.7m, the result of the previous year could be significantly improved. The EBIT margin was 4.6 % as compared to 3.5 % in the previous year. Earnings before taxes (EBT) were already well balanced after the first six months of the fiscal year 2009 (previous year: € -0.5m).

According to § 8c of the German Corporation Income Tax Act (KStG) existing loss carryforwards for corporation income tax and trade tax of LUDWIG BECK were forfeited with effect as per June 30, 2009 because of the acquisition of more than 50 % of the shares by INTRO-Verwaltungs GmbH. For that reason, LUDWIG BECK had to write down asset-side deferred taxes in the amount of € 1.7m with effect on expenses in the profit and loss account. This item was reported under income taxes.

Due to the tax situation, the deficit in the accounting period came to € -1.8m in the 1st half of 2009 (previous year: € -0.4m).

Financial situation

Cash flow

The LUDWIG BECK Group concluded the 1st half of 2009 with a positive cash flow from current business in the amount of € 1.4m as compared to € -1.5m in the previous year. The cash outflow from investing activities which had been raised to € 3.5m in the previous year in the course of the investment offensive came to € 1.5m in the reporting period. The inflow from financing activities dropped significantly in comparison to the previous year and amounted to € 0.2m (previous year: € 4.1m).

Investments

Investment expenses went down to € 1.5m in the first six months of the fiscal year 2009 (previous year: € 3.5m). The funds were mainly used for the refurbishment and extension of the 3rd floor which now houses designer fashion and evening dresses departments and two new premium sections.

Asset situation

Balance sheet structure

The balance sheet total of the LUDWIG BECK Group amounted to € 107.6m as per the relevant date June 30, 2009 (December 31, 2008: € 112.9m). The decrease was mainly due to the significant reduction of accounts receivable and other assets and the write-down of asset-side deferred taxes as a result of forfeited loss carryforwards.

As per June 30, 2009 the equity capital of the LUDWIG BECK Group amounted to € 38.8m as compared to € 41.8m as per the relevant date December 31, 2008. This corresponds to an equity ratio of 36.0 % (as per December 31, 2008: 37.0 %). The reduction is the result of the resolution of the General Meeting on May 15, 2009 to distribute dividends to the shareholders in the amount of € 1.1m on the one hand, and of the release of asset-side deferred taxes on loss carryforwards with effect on expenses in the aggregate amount of € 1.7m on the other hand.

The Group's accounts payable could be reduced by € 2.4m in total and amounted to € 59.9m (as per December 31, 2008: € 62.3m). In particular, the drastic reduction of trade accounts payable by € 3.8m from € 5.2m as per December 31, 2008 to € 1.4m as per June 30, 2009 is worth mentioning.

The reduction of other asset items and trade accounts payable was the result of the purchase price payment for the real estate in Munich-Haar in the fiscal year 2008 and the related closure of the notary's trust account.

Employees

In accordance with § 267 par. 5 Commercial Code (HGB), the number of employees (without apprentices) was 515 in the 1st half of 2009 (previous year: 521). The weighted number of full-time employees at group level went down to 358 (previous year: 373). As per the relevant date June 30, 2009, 34 apprentices were employed by LUDWIG BECK (previous year: 38).

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 annual 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

In spite of some early indicators signaling a stabilization of economic performance, the further development is still difficult to assess and the risk of a set-back severe. The prospects for the years 2009 and 2010 remain highly doubtful not only because of the lack of empirical data concerning the handling of a crisis of this dimension, but also because the future development will to a considerable degree depend on the economic decisions of politicians as the Hamburg-based Institute of International Economics (HWWI) stated. Even though the political, monetary and fiscal measures adopted by most countries begin to take effect, the development of the labor markets remains a major insecurity factor. Thanks to new statutory regulations concerning short-time work, most companies were able to bridge times of under-utilization without having to dismiss staff; this kept incomes and private consumption at a stable level. Should the recession continue, dismissals could not be excluded. The HWWI predicts a 6 % drop in the gross domestic product in comparison to the year 2008.

The German Retail Federation (HDE) has revised its economic forecast for the current year downwards and is expecting nominal turnover losses of 2 %. This figure has been computed in consideration of the fact that the year 2008 had two business days more than this year, which accounts for a 0.7 percentage points factor.

Against this economic background, LUDWIG BECK will rely on its own positive development and is optimistic that the company will contrast favorably against the general branch trend also in the future.

For many years, the Munich fashion house has focused on its successful "trading up" strategy for sales rooms and product ranges and is committed to attract and seduce customers with ever changing exclusive and surprising shopping worlds. In the last years the 'Store of the Senses' underwent the most extensive refurbishing measures in the company's history; and also this year LUDWIG BECK presents its newly opened and enlarged departments for designer fashion and evening dresses on the 3rd floor to visitors. Again the company set new standards for design concept, selection of product ranges and product presentation, and the traditional department store is expecting the new premium departments to exert a positive influence on the sales and earnings situation of the entire Group.

A very special, high-quality product mix, presented in a luxurious ambience combined with the services of a well-trained, skilled staff – these unique qualities characterizing LUDWIG BECK are the foundations on which the fashion house can build on even in economically troubled times.

A further acknowledgement of the company's business model can be seen in the interest and commitment of the new shareholders who acquired shares in the LUDWIG BECK Group in free trade and had to disclose their investments in excess of the 3 % threshold. Furthermore, the company gained INTRO-Verwaltungs GmbH as a well-meaning and long-term oriented major shareholder with which a capital increase had already been successfully placed in the year 2007.

The earnings development in the 1st half of the year already exceeded the expectations of LUDWIG BECK. The company will focus on the continuation of its positive business policy also in the 2nd half of the year.
LUDWIG BECK is convinced that the company will develop more favorably than the branch in general also in the year 2010.

The financial dates for the coming fiscal year 2010 will be published on the company's website www.ludwigbeck.de as of December 2009.

Munich, in July 2009
The Executive Board

Notes

Accounting in compliance with International Financial Reporting Standards (IFRS)

The present quarterly accounts of LUDWIG BECK AG as per June 30, 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 half-year financial statement was not audited or reviewed by the auditors according to § 317 Commercial Code (HGB).

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.

Affirmation of the legal representatives § 37y Securities Trading Act (WpHG) in connection with § 37w para 2 No. 3 Securities Trading Act (WpHG)

"To the best of our knowledge we affirm that the interim group accounts are conforming to the applicable accounting principles for interim reporting and reflect the actual asset, financial and earnings situation of the Group and the group interim management report describes the course of business including the operating result and the situation of the Group as to give an accurate picture of the actual state of affairs and the opportunities and risks of the Group's future development in the further course of this fiscal year."

Consolidated Income Statement

Consolidated income statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – June 30, 2009, acc. to IASB

	in €m	Jan. 1 – Jun. 30, 2009		Jan. 1 – Jun. 30, 2008		Apr. 1 – Jun. 30, 2009		Apr. 1 – Jun. 30, 2008	
1.	Sales revenues								
	- sales (gross)	44.3		43.8		22.9		22.2	
	- minus sales tax	7.1	37.2	7.0	36.8	3.7	19.3	3.5	18.7
2.	Other operating income		1.5		1.6		0.7		0.8
			38.7		**38.5**		**20.0**		**19.5**
3.	Cost of materials	19.0		19.2		9.5		9.5	
4.	Personnel expenses	8.4		8.3		4.2		4.2	
5.	Depreciation	1.9		1.8		1.0		0.9	
6.	Other operating expenses	7.8	37.0	7.9	37.2	4.0	18.7	3.9	18.4
7.	**EBIT**		**1.7**		**1.3**		**1.3**		**1.1**
8.	Financial result		-1.7		-1.8		-0.8		-0.9
	- of which financing expenses € 1.4m (previous year: € 1.5m)								
	- of which minority interests € 0.3m (previous year: € 0.3m)								
9.	**EBT**		**0.0**		**-0.5**		**0.4**		**0.3**
10.	Deferred taxes		1.9		0.0		1.9		0.1
11.	**Net profit or loss for the period**		**-1.8**		**-0.4**		**-1.5**		**0.1**
	Earnings per share (undiluted and diluted) in €		-0.49		-0.11		-0.40		0.04
	Average number of outstanding shares in million		3.70		3.70		3.70		3.70

Consolidated Balance Sheet

Consolidated balance sheet of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, as at June 30, 2009, acc. to IASB

Assets		Jun. 30, 2009	Dec. 31, 2008	Jun. 30, 2008
		€m	€m	€m
A.	**Long-term assets**			
I.	Intangible assets	3.1	3.2	3.3
II.	Property, plant and equipment	93.0	93.3	90.7
III.	Deffered taxes	0.0	1.1	2.4
IV.	Other assets	0.2	0.2	0.2
		96.3	**97.8**	**96.6**
B.	**Short-term assets**			
I.	Inventories	9.5	9.1	10.3
II.	Receivables and other assets	1.0	5.5	1.3
III.	Cash and cash equivalents	0.7	0.6	0.7
		11.2	**15.1**	**12.3**
		107.6	**112.9**	**108.9**

Shareholders´ equity and liabilities		Jun. 30, 2009	Dec. 31, 2008	Jun. 30, 2008
		€m	€m	€m
A.	**Shareholders` equity**			
I.	Subscribed capital	9.4	9.4	9.4
II.	Reserves	15.7	14.8	14.1
III.	Net profit or loss for the period	-1.8	0.0	-0.4
IV.	Net income	0.0	1.9	0.0
V.	Supplementary item from minority interests	15.5	15.5	15.6
		38.8	**41.8**	**38.7**
B.	**Potential compensation claim by minority shareholders**	**8.9**	**8.8**	**8.8**
C.	**Long-term liabilities**			
I.	Liabilities to banks	36.0	36.5	35.5
II.	Accruals	0.6	0.6	0.6
III.	Other liabilities	3.9	4.0	4.1
IV.	Deferred taxes	3.3	2.7	2.7
D.	**Short-term liabilities**	**43.7**	**43.7**	**42.9**
I.	Liabilities to banks	10.6	8.2	13.6
II.	Trade liabilities	1.4	5.2	1.4
III.	Tax liabilities	0.2	0.4	0.1
IV.	Other liabilities	4.1	4.8	3.3
		16.2	**18.6**	**18.5**
		107.6	**112.9**	**108.9**

Consolidated Segment Reporting

Consolidated segment reporting of LUDWIG BECK am Rathhauseck –Textilhaus Feldmeier AG, Munich, for the period January 1 – June 30, 2009, acc. to IASB

in €m	Marienplatz	Branches	Group
Jan. 1 – Jun. 30, 2009			
Sales (gross)	38.5	5.8	44.3
VAT	-6.1	-0.9	-7.1
Net sales	**32.4**	**4.8**	**37.2**
Cost of sales	16.3	2.6	19.0
Gross profit	**16.0**	**2.2**	**18.2**
Personnel expenses	3.4	0.8	4.1
Cost of occupancy	6.0	1.1	7.0
Interests	0.5	0.1	0.5
Segment result	**6.2**	**0.3**	**6.6**
Other operational income			1.5
Other personnel expenses			4.2
Depreciation			1.9
Other expenses			0.8
Other financial result			-1.2
Income tax			1.9
Net loss for the period			**-1.8**

in €m	Marienplatz	Branches	Group
Apr. 1 – Jun. 30, 2009			
Sales (gross)	19.8	3.2	22.9
VAT	-3.2	-0.5	-3.7
Net sales	**16.6**	**2.6**	**19.3**
Cost of sales	8.1	1.4	9.5
Gross profit	**8.5**	**1.2**	**9.7**
Personnel expenses	1.7	0.4	2.1
Cost of occupancy	3.0	0.5	3.6
Interests	0.2	0.0	0.2
Segment result	**3.5**	**0.3**	**3.8**
Other operational income			0.7
Other personnel expenses			2.0
Depreciation			1.0
Other expenses			0.5
Other financial result			-0.6
Income tax			1.9
Net loss for the period			**-1.5**

Consolidated segment reporting of LUDWIG BECK am Rathhauseck –Textilhaus Feldmeier AG, Munich, for the period January 1 – June 30, 2008, acc. to IASB

in €m	Marienplatz	Branches	Group
Jan. 1 – Jun. 30, 2008			
Sales (gross)	37.6	6.3	43.8
VAT	-6.0	-1.0	-7.0
Net sales	**31.6**	**5.2**	**36.8**
Cost of sales	16.4	2.8	19.2
Gross profit	**15.2**	**2.4**	**17.6**
Personnel expenses	3.4	0.8	4.2
Cost of occupancy	6.2	1.2	7.4
Interests	0.5	0.1	0.5
Segment result	**5.2**	**0.3**	**5.5**
Other operational income			1.6
Other personnel expenses			4.1
Depreciation			1.8
Other expenses			0.5
Other financial result			-1.2
Income tax			0.0
Net loss for the period			**-0.4**

in €m	Marienplatz	Branches	Group
Apr. 1 – Jun. 30, 2008			
Sales (gross)	19.1	3.2	22.2
VAT	-3.0	-0.5	-3.5
Net sales	**16.0**	**2.7**	**18.7**
Cost of sales	8.0	1.4	9.5
Gross profit	**8.0**	**1.3**	**9.2**
Personnel expenses	1.8	0.4	2.2
Cost of occupancy	3.1	0.6	3.7
Interests	0.2	0.0	0.3
Segment result	**2.9**	**0.2**	**3.1**
Other operational income			0.8
Other personnel expenses			2.0
Depreciation			0.9
Other expenses			0.2
Other financial result			-0.6
Income tax			0.1
Net profit for the period			**0.1**

Consolidated Cash Flow Statement

Consolidated cash flow statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – June 30, 2009, acc. to IASB

in €m	Jan. 1 – Jun. 30, 2009	Jan. 1 – Jun. 30, 2008
Cash flow from operating activities:		
Net profit or loss for the period before taxes	0.0	-0.5
Adjustments for:		
+ depreciation of fixed assets	1.9	1.8
+ interest expenses	1.4	1.5
+ minority interest profit	0.3	0.3
Operating result before changes to net working capital	**3.6**	**3.1**
Increase/decrease (-/+) in assets	4.1	-0.6
Increase/decrease (+/-) in liabilities	-4.8	-2.5
Net cash from operating activities (before interest payments)	**2.9**	**0.0**
Interest paid	-1.3	-1.4
Tax on earnings paid	-0.2	-0.1
Net cash from operating activities	**1.4**	**-1.5**
Disbursements for additions to fixed assets	-1.5	-3.5
Net cash used in investing activities	**-1.5**	**-3.5**
Disbursements to minority interests	-0.3	-0.3
Dividend payment	-1.1	-1.1
Acceptance/settlement of bank liabilities	1.9	9.8
Acceptance/settlement of other net interest-bearing liabilities	0.0	-4.0
Acceptance/settlement of other long-term borrowing (finance leasing)	-0.2	-0.3
Net cash from financing activities	**0.2**	**4.1**
Change in cash and cash equivalents	0.1	-1.0
Cash and cash equivalents at beginning of period	0.6	1.7
Cash and cash equivalents at end of period	**0.7**	**0.7**

Consolidated Equity Statement

Consolidated equity statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – June 30, 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 for the period			-1.8		-1.8
Dividend payment			-1.1		-1.1
Balance as of Jun. 30, 2009	**9.4**	**3.5**	**10.4**	**15.5**	**38.8**
Balance as of Jan. 1, 2008	**9.4**	**3.5**	**11.7**	**15.6**	**40.2**
Net loss for the period			-0.4		-0.4
Dividend payment			-1.1		-1.1
Balance as of Jun. 30, 2008	**9.4**	**3.5**	**10.2**	**15.6**	**38.7**