



Consolidated Interim Report

FOR THE 1ST QUARTER OF
THE FISCAL YEAR

2010

for the Period from January 1 to March 31, 2010

LUDWIG BECK

Ludwig Beck

+ ISIN DE0005199905 + LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG + Marienplatz 11 + 80331 Munich +
+ Tel. +49. 89. 23691-0 + Fax +49. 89. 23691-600 + www.ludwigbeck.com + info@ludwigbeck.de +

Key Figures of the Group

| €m | 01/01/2010 – 31/03/2010 | 01/01/2009 – 31/03/2009 |
|--|-------------------------|-------------------------|
| Gross sales (incl. VAT) | 22.3 | 21.4 |
| Gross profit ¹⁾ | 9.1 | 8.5 |
| Earnings before interests, taxes on income, depreciation and amortization (EBITDA) | 1.8 | 1.3 |
| Operational result (EBIT) | 1.0 | 0.5 |
| Earnings before taxes on income (EBT) | 0.2 | -0.4 |
| Net profit or loss for the period | 0.1 | -0.3 |
| Earnings per share (in €) | 0.02 | -0.09 |
| Investments | 1.0 | 0.7 |
| Employees (as of 31/03) ²⁾ | 510 | 513 |
| Apprentices (no.) | 45 | 36 |

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 2009.

Report on earnings, financial and asset situation

Earnings situation

Macroeconomic development

After the positive turnaround in the summer of 2009 the German economy began to flag once again and in the final quarter of 2009 the real gross domestic product (GDP) already stagnated. The exceptionally cold winter and the expiration of the car-scrap bonus dampened the further development of the German economy also in the first three months of 2010. For the 1st quarter of 2010 the economists of the Kiel Institute for the World Economy (IfW) are therefore expecting a 1.5 % decline in the gross domestic product projected onto the full year.

The German Federal Ministry of Economics (FME) however still sees the labor market in quite robust condition. According to the observations of the Association for Consumption Research (GfK) the labor market is stable and the prospect of economic recovery in Germany revives the federal citizens' economic optimism.

Development of retail trade

In the reporting period the German textile retail trade suffered particularly from the long protected, cold winter. However, in the second half of the quarter, the branch benefitted from considerably warmer temperatures and the additional selling day in comparison to last year's period. Furthermore, Easter shopping already occurred in March, when many special sales offers lured customers into the shops. According to TW-Testclub, the most frequented panel in German textile retail trade, fashion retailers concluded the 1st quarter with a 6.0 % plus on average.

Development of sales of LUDWIG BECK

The LUDWIG BECK Group was also able to continue the successful trend of the year 2009. In the lapsed fiscal year the company had managed to achieve the best result in the company's history. In the first three months of 2010 the Munich fashion house increased gross sales by 4.4 % to € 22.3m (previous year: € 21.4m). The flagship store at Marienplatz generated revenues in the amount of € 19.5m, i.e. 4.9 % more than in the previous year (€ 18.6m) thus accounting for the largest share as usual.

Earnings situation

In the 1st quarter of the fiscal year 2010 the Group also clearly increased gross profit from € 8.5m to € 9.1m and achieved 6.2 % growth in comparison to the previous year. The gross profit ratio could be improved by 0.8 percentage points from 47.4 % in the previous year to 48.3 %.

The expense ratio (expenses against corresponding proceeds) dropped 1.9 percentage points to 43.0 % in the 1st quarter of 2010 (previous year: 44.9 %). The absolute amount of expenses against corresponding proceeds amounted to € 8.1m thus remaining on last year's level (€ 8.1m).

EBIT could be more than doubled in comparison to the reporting period of the previous year and amounted to € 1.0m (previous year: € 0.5m; +117.2 %). The EBIT margin was 5.3 % as compared to 2.5 % in the corresponding quarter of the previous year.

The earnings before taxes on income (EBT) rose even more clearly and reached € 0.2m thus exceeding last year's result (€ -0.4m) by € 0.6m.

So, for the first time ever the LUDWIG BECK Group generated a positive net profit for the period already in the 1st quarter. It amounted to € 0.1m corresponding to € 0.4m growth in comparison to previous year's reporting period (previous year: € -0.3m).

Hence, the trend in Group earnings developed more than satisfactorily in the first three months of the year 2010 and clearly exceeded the company's expectations.

Financial situation

Cash flow

The cash flow from operating activities improved to € -1.3m (previous year: € -1.9m) in the 1st quarter of 2010. The cash outflow from investing activities amounted to € 1.0m in the reporting period and rose slightly in comparison to the previous year (€ 0.7m). The increase is mainly due to enhanced investment activities in the 1st quarter of 2010. Owing to the positive liquidity situation of the LUDWIG BECK Group, resulting from the excellent results of the fiscal year 2009 and the 1st quarter of 2010, the cash flow from

financing activities was € -0.5m, while € 2.9m had to be borrowed in the same quarter of the previous year.

Asset situation

Balance sheet structure

The balance sheet total of the LUDWIG BECK Group amounted to € 108.1m as per March 31, 2010 (December 31, 2009: € 109.3m). Aggregate long-term assets accounting for the largest share like in the previous year amounted to € 95.4m (December 31, 2009: € 95.2m). The principal asset side item concerned tangible fixed assets worth € 92.2m (December 31, 2009: € 92.0m), comprising predominantly the value of the real estate at Marienplatz in Munich.

The seasonal increase in inventories to € 10.0m led to a slight rise in short-term assets in comparison to € 8.3m as per the relevant date December 31, 2009, yet fell short of the increase in comparison to March 31, 2009. Liquid funds decreased to € 1.5m in comparison to December 31, 2009, owing in particular to the need for funds for stock building.

The equity ratio went up as a result of the slightly positive result and the reduced balance sheet total and reached 39.6 % (December 31, 2009: 39.1 %). The LUDWIG BECK Group's equity was € 42.8m as per the relevant date March 31, 2010 (December 31, 2009: € 42.8m).

The Group's aggregate liabilities could be cut by € 1.3m and came to € 56.3m in total (December 31, 2009: € 57.6m).

Employees

As of March 31, 2010 the number of employees (without apprentices) was 510 in accordance with Section 267 par. 5 Commercial Code (HGB) (previous year: 513). The weighted number of full-time employees at Group level slightly dropped to 354 (previous year: 358). At the relevant date March 31, 2010, 45 apprentices were employed by LUDWIG BECK (previous year: 36).

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 the company's current business report for the year 2009 (page 62 et seq.). It can also be found on the company's website www.ludwigbeck.com in the Investor Relations section under Financial Publications.

Forecast report

Business and general conditions

Obviously, the German economy is carving its way out of the crisis. According to the observations of the Hamburg-based Institute of International Economics (HWWI) several economic indicators hint to economic stabilization and continuing recovery. It should be possible to make up for losses, which were mainly due to unfavorable weather in the 1st quarter, in the further course of the year – also as a result of government measures of economic stimulation. All in all, experts anticipate moderate 1.5 % growth in the current fiscal year and plus 2.0 % in 2011. Even though this indicates that the German economy has reached a turning point in recovering from the crisis the pre-crisis level will not be reached before the year 2012.

Development of retail trade

On the basis of a survey of retail traders the German Retail Federation (HDE) noticed improved overall satisfaction amount interviewees. The business situation starting out from a very low level has improved in the spring of 2010. Hence, HDE expects slightly improved retail sales in the first half of 2010 in comparison to rather weak sales in the previous year. For the fiscal year 2010 the Federation forecasts sales on last year's level which will probably translate into a 0.5 % minus adjusted for price differences.

LUDWIG BECK in 2010

In an environment marked by moderate economic recovery the LUDWIG BECK management is confident that the company will be able to continue and expand the positive business trend of the passed months also in the fiscal year 2010. The company's success is largely based on the interplay of known factors. These include the unique

concept to create the "Store of the Senses" with its exceptional and distinguished shopping atmosphere at one of Europe's most attractive locations – Marienplatz in Munich. As a consequence of the "trading up" strategy product ranges and rooms are upgraded on a continuous basis. New, exclusive brands of international and national top designers are constantly being added to the existing product variety, and following comprehensive refurbishing work mainly on the façade and 5th floor in the years 2007 and 2008, other departments all over the house are being adjusted to the new, high-grade design concept. Stringent cost policy is also a vital pillar of success for LUDWIG BECK.

Also in the future it will be the company's foremost goal to further develop the unique selling proposition of the fashion house and to distinguish itself favorably against the general branch trend.

Based on the foregoing statements, the LUDWIG BECK management is upholding its forecast for the current fiscal year and expecting earnings before taxes on income to exceed € 6.0m in 2010 (previous year: € 6.4m). EBT margin is expected to reach 6.9 % or more as compared to 7.3 % in the previous year.

Change Executive Board in 2011

On March 24, 2010, LUDWIG BECK AG announced that Mr. Christian Greiner will be appointed as member of the Executive Board for Purchasing, Sales and Marketing (Chief Operating Officer) with effect as of January 1, 2011. He is to succeed Oliver Haller who will leave the company on December 31, 2010 at his own request and in mutual amicable agreement with the company. For more information see www.ludwigbeck.com.

Munich, April 2010

The Executive Board

Notes

Accounting in compliance with International Financial Reporting Standards (IFRS)

The present quarterly accounts of LUDWIG BECK AG as per March 31, 2010 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, 2009. A comprehensive description of these methods is contained in the Appendix to the IFRS group accounts published as per December 31, 2009.

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 the rounded) values.

Consolidated Statement of Comprehensive Income

Consolidated statement of comprehensive income of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2010, acc. to IASB

| €m | 01/01/2010 – 31/03/2010 | | 01/01/2009 – 31/03/2009 | |
|--|----------------------------|------|----------------------------|-------|
| 1. Sales revenues | | | | |
| - sales (gross) | 22.3 | | 21.4 | |
| - minus VAT | 3.6 | | 3.4 | |
| - sales (net) | | 18.8 | | 18.0 |
| 2. Other work capitalized | | 0.0 | | 0.0 |
| 3. Other operating income | | 0.7 | | 0.7 |
| | | 19.5 | | 18.7 |
| 4. Cost of materials | 9.7 | | 9.4 | |
| 5. Personnel expenses | 4.1 | | 4.2 | |
| 6. Depreciation | 0.8 | | 0.8 | |
| 7. Other operating expenses | 3.9 | 18.5 | 3.8 | 18.3 |
| 8. EBIT | | 1.0 | | 0.5 |
| 9. Financial result | | -0.8 | | -0.9 |
| - of which financing expenses € 0.6m (previous year: € 0.7m) | | | | |
| - of which minority interests € 0.2m (previous year: € 0.2m) | | | | |
| 10. Earnings before taxes on income (EBT) | | 0.2 | | -0.4 |
| 11. Taxes on income | | 0.1 | | -0.1 |
| 12. Net profit or loss for the period | | 0.1 | | -0.3 |
| Earnings per share (undiluted and diluted) in € | | 0.02 | | -0.09 |
| 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 of March 31, 2010, acc. to IASB

| Assets | 31/03/2010 | 31/12/2009 | 31/03/2009 |
|-----------------------------------|--------------|--------------|--------------|
| | €m | €m | €m |
| A. Long-term assets | | | |
| I. Intangible assets | 3.0 | 3.0 | 3.2 |
| II. Property, plant and equipment | 92.2 | 92.0 | 93.2 |
| III. Deferred taxes | 0.0 | 0.0 | 1.3 |
| IV. Other assets | 0.2 | 0.2 | 0.2 |
| Total long-term assets | 95.4 | 95.2 | 97.8 |
| B. Short-term assets | | | |
| I. Inventories | 10.0 | 8.3 | 11.0 |
| II. Receivables and other assets | 1.3 | 1.4 | 1.4 |
| III. Cash and cash equivalents | 1.5 | 4.4 | 0.9 |
| Total short-term assets | 12.7 | 14.1 | 13.4 |
| | 108.1 | 109.3 | 111.2 |

| Shareholders' equity and liabilities | 31/03/2010 | 31/12/2009 | 31/03/2009 |
|---|--------------|--------------|--------------|
| | €m | €m | €m |
| A. Shareholders' equity | | | |
| I. Subscribed capital | 9.4 | 9.4 | 9.4 |
| II. Capital reserves | 3.5 | 3.5 | 3.5 |
| III. Profit accrued | 14.5 | 14.4 | 12.9 |
| IV. Supplementary item from minority interests | 15.4 | 15.4 | 15.6 |
| Total shareholders' equity | 42.8 | 42.8 | 41.5 |
| B. Potential compensation claim by minority shareholders | 9.0 | 9.0 | 8.8 |
| C. Long-term liabilities | | | |
| I. Liabilities to banks | 36.8 | 37.0 | 36.2 |
| II. Accruals | 1.5 | 1.5 | 0.6 |
| III. Other financial liabilities | 3.7 | 3.7 | 3.9 |
| IV. Deferred tax liabilities | 3.5 | 3.4 | 2.7 |
| Total long-term liabilities | 45.4 | 45.6 | 43.4 |
| D. Short-term liabilities | | | |
| I. Liabilities to banks | 3.5 | 3.5 | 11.6 |
| II. Other financial liabilities | 0.5 | 0.4 | 0.4 |
| III. Trade liabilities | 1.8 | 1.3 | 1.9 |
| IV. Tax liabilities | 2.1 | 2.1 | 0.2 |
| V. Other liabilities | 3.1 | 4.7 | 3.3 |
| Total short-term liabilities | 10.9 | 12.0 | 17.5 |
| Total debt (B. - D.) | 65.3 | 66.5 | 69.7 |
| | 108.1 | 109.3 | 111.2 |

Consolidated Segment Reporting

Consolidated segment reporting of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2010, acc. to IASB

| €m | Marlenplatz complex | Branches | Group |
|----------------------------------|---------------------|------------|-------------|
| 01/01/2010 - 31/03/2010 | | | |
| Sales (gross) | 19.7 | 2.7 | 22.3 |
| VAT | -3.1 | -0.4 | -3.6 |
| Sales (net) | 16.5 | 2.2 | 18.8 |
| Cost of sales | 8.5 | 1.2 | 9.7 |
| Gross profit | 8.1 | 1.0 | 9.1 |
| Personnel expenses | 1.7 | 0.4 | 2.0 |
| Cost of occupancy | 2.9 | 0.5 | 3.5 |
| Interests | 0.2 | 0.0 | 0.2 |
| Segment results | 3.3 | 0.1 | 3.3 |
| Other operational income | | | 0.7 |
| Other personnel expenses | | | 2.1 |
| Depreciation | | | 0.8 |
| Other expenses | | | 0.4 |
| Other financial result | | | -0.6 |
| Taxes on income | | | 0.1 |
| Net profit for the period | | | 0.1 |

| €m | Marlenplatz complex | Branches | Group |
|--------------------------------|---------------------|------------|-------------|
| 01/01/2009 - 31/03/2009 | | | |
| Sales (gross) | 18.8 | 2.6 | 21.4 |
| VAT | -3.0 | -0.4 | -3.4 |
| Sales (net) | 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 results | 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 |
| Taxes on income | | | -0.1 |
| Net loss for the period | | | -0.3 |

Consolidated Cash Flow Statement

Consolidated cash flow statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2010, acc. to IASB

| €m | 01/01/2010 – 31/03/2010 | 01/01/2009 – 31/03/2009 |
|--|----------------------------|----------------------------|
| Cash flow from operating activities: | | |
| Earnings before taxes on income | 0.2 | -0.4 |
| Adjustments for: | | |
| + depreciation of fixed assets | 0.8 | 0.8 |
| + interest expenses | 0.6 | 0.7 |
| + minority interest profit | 0.2 | 0.2 |
| Operating result before changes to net working capital | 1.8 | 1.3 |
| Increase/decrease (-/+) in assets | -1.5 | 2.0 |
| Increase/decrease (+/-) in liabilities | -1.0 | -4.6 |
| Net cash from operating activities (before interest payments) | -0.7 | -1.3 |
| Interest paid | -0.6 | -0.7 |
| Net cash from operating activities | -1.3 | -1.9 |
| Disbursements for additions to fixed assets | -1.0 | -0.7 |
| Net cash used in investing activities | -1.0 | -0.7 |
| Disbursements to minority interests | -0.2 | -0.1 |
| Acceptance/settlement of bank liabilities | -0.2 | 3.2 |
| Acceptance/settlement of other long-term borrowing (finance leasing) | -0.1 | -0.1 |
| Net cash from financing activities | -0.5 | 2.9 |
| Change in cash and cash equivalents | -2.9 | 0.3 |
| Cash and cash equivalents at beginning of period | 4.4 | 0.6 |
| Cash and cash equivalents at end of period | 1.5 | 0.9 |

Consolidated Equity Statement

Consolidated equity statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2010, acc. to IASB

| €m | Share capital | Capital reserve | Generated capital | Supplementary item from minority interests | Total |
|---------------------------------|---------------|-----------------|-------------------|--|-------------|
| Balance as of 01/01/2010 | 9.4 | 3.5 | 14.4 | 15.4 | 42.8 |
| Net profit for the period | | | 0.1 | | 0.1 |
| Balance as of 31/03/2010 | 9.4 | 3.5 | 14.5 | 15.4 | 42.8 |
| Balance as of 01/01/2009 | 9.4 | 3.5 | 13.2 | 15.6 | 41.8 |
| Net loss for the period | | | -0.3 | | -0.3 |
| Balance as of 31/03/2009 | 9.4 | 3.5 | 12.9 | 15.6 | 41.5 |