

CONSOLIDATED INTERIM REPORT

for the 1st Quarter of the Fiscal Year 2011
for the Period from January 1 to March 31, 2011

LUDWIG BECK

seit 1861

Key Figures of the Group

| in €m | 01/01/2011 – 31/03/2011 | 01/01/2010 – 31/03/2010 |
|--|-------------------------|-------------------------|
| Sales (gross) | 22.0 | 22.3 |
| Sales (net) | 18.5 | 18.8 |
| Gross profit ¹⁾ | 9.1 | 9.1 |
| Earnings before interests, taxes on income, depreciation and amortisation (EBITDA) | 1.5 | 1.8 |
| Operational result (EBIT) | 0.8 | 1.0 |
| Earnings before taxes on income (EBT) | 0.2 | 0.2 |
| Net profit for the period | 0.1 | 0.1 |
| Earnings per share (in €) | 0.03 | 0.02 |
| Investments | 0.5 | 1.0 |
| Employees (as of 31/03) ²⁾ | 466 | 510 |
| Apprentices (no.) | 46 | 45 |

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). 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 2010.

Report on earnings, financial and asset situation

Earnings situation

Macroeconomic development

After the expansion of the global economy had slowed down in the last quarter of the year 2010, an upward trend has been discernible in Germany lately, according to the observations of the economists at the Hamburg-based Institute of International Economics (HWWI). They expect the German economy to reach and even exceed its pre-crisis level this year. Even though external risks soared as a consequence of recent geopolitical events, and price increases for crude oil and other commodities were curbing the global economic development, the economic situation in Germany was clearly improving and employment has reached a new high. Mounting inflationary pressure however was an issue of concern. The experts expect an increase of the gross domestic product of 2.3 % projected onto the full year 2011.

Retail trade development

According to the observations of the Association for Consumption Research (GfK) the somewhat insecure political environment as well as consumers' fears of inflation had a slightly negative effect on the general buying mood. Nevertheless, consumers clearly considered the German economy as still being on the rise. Consequently, spending was at a good level. According to TW-Testclub, the most frequented panel in German textile retail trade, the German fashion trade got off to a dream start into the fiscal year 2010 (10.0 % sales increase in January). However, as the following months were marked by unfavorable weather conditions and the traditionally weak carnival week, performance in the lapsed 1st quarter only was at par with the same period last year.

Development of sales of LUDWIG BECK

The sales trend in the LUDWIG BECK Group remained at a high level in the first three months of 2011 despite a significant cut of the branch portfolio by a total of four branches and the absence of Easter sales which will mainly shift to April. All in all, the LUDWIG BECK Group recorded gross sales in the amount of € 22.0m (previous year: € 22.3m). Branch-adjusted sales of LUDWIG BECK could be increased by 3.9 % and were above the sector average which was at par with the previous year in the 1st quarter. The flagship store at Marienplatz (incl. FÜNFF HÖFE) generated sales in the amount of € 20.4m thus outperforming last year's result of € 19.7m by € 0.7m in aggregate.

Earnings situation

In the first three months of the fiscal year 2011 the gross profit of the LUDWIG BECK Group was at last year's level (€ 9.1m) and amounted to € 9.1m. The gross profit margin of 49.3 % exceeded last year's level (48.3 %) by 1.0 percentage points.

The expense ratio (expenses against corresponding income) was 45.1 % (previous year: 43.0 %) in the 1st quarter of 2011. This figure already includes special expense items of € 0.7m thus far incurred for the company's 150th anniversary. All in all, anniversary costs will amount to approximately € 1.1m in the year 2011. The absolute amount of expenses netted against corresponding income was € 8.3m (previous year: € 8.1m).

As a result of the neutral sales development – due to cuts in the branch network – and increased costs – relating to the 150th company anniversary – EBIT reached € 0.8m and was slightly below last year's level of € 1.0m. The EBIT margin was 4.2 % in comparison to 5.3 % in the previous quarter.

Earnings before taxes (EBT) remained unchanged in comparison to the same period last year because of the improved financial result and reached € 0.2m. The EBT margin was 1.0 % (previous year: 1.0 %).

Net profit for the first three months of 2011 was € 0.1m, and at par with last year's net profit (previous year: € 0.1m).

Financial situation

Cash flow

The cash flow from operating activities was € -3.0m (previous year: € -1.5m) in the 1st quarter of 2011; this sum includes taxes on income in the amount of € 1.5m paid in the 1st quarter (previous year: € 0.0m). The cash outflow from investing activities fell to € 0.5 in the period under report (previous year: € 1.0m). The decline is basically due to the fact that less refurbishing work was performed at the flagship store at Marienplatz in the first three months of 2011. The cash flow from financing activities was € -0.2m, i.e. almost at last year's level (€ -0.3m).

Asset situation

Balance sheet structure

In comparison to the end of the year 2010 the balance sheet total of the LUDWIG BECK Group decreased by € 1.5m and amounted to € 107.3m (December 31, 2010: € 108.8m).

Long-term assets remained almost unchanged and amounted to € 93.6m in aggregate as per the relevant date March 31, 2011 (December 31, 2010: € 93.9m). Like in the previous year, fixed assets – mainly consisting of the real estate at Munich's Marienplatz – accounted for the largest portion of the total assets value of € 90.5m (December 31, 2010: € 90.7m).

As regards short-term assets, inventories climbed to € 11.4m at the end of the reporting period (December 31, 2010: € 8.8m) – partly for seasonal reasons, partly as a result of the marked upturn in business. This compared with the usual seasonal decline in liquid funds as per the relevant date March 31, 2011 which came to € 1.1m (December 31, 2010: € 4.8m). All in all, short-term assets amounted to € 13.7m thus falling short of last year's level (December 31, 2010: € 14.9m); this contributed to the aforementioned reduction of the asset-side of the balance sheet total.

The traditionally sound balance sheet of the fashion group showed an increase in the equity ratio to 44.4 % (December 31, 2010: 43.7 %) as per March 31, 2011. This was the result of the slight reduction of the balance sheet total. With € 47.6m, the company's equity remained at last year's level (December 31, 2010: € 47.6m).

The Group's aggregate liabilities could be cut by € 1.6m in aggregate and amounted to € 50.4m (December 31, 2010: € 52.0m). Hence, the lower liabilities-side of the balance sheet total was only due to the reduction of liabilities.

Employees

In the first three months of 2011 the number of employees (without apprentices) was 466 in accordance with Section 267 par. 5 Commercial Code (previous year: 510). The weighted number of full-time employees at Group level also went down to 330 (previous year: 354). The staff cuts were the result of the changed branch structure. As per the relevant date March 31, 2011, 46 apprentices were employed by LUDWIG BECK (previous year: 45).

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 2010 (page 56 et seq.). It can also be found on the Company's website www.ludwigbeck.de in the Investor Relations section under "Financial Publications".

On account of the current nuclear disaster in Japan the risk report is supplemented by the imminent risk of a nuclear worst case scenario. Severe accidents may happen at each nuclear plant as a result of technical defects, human error, terrorist attacks or natural disasters and large amounts of radiation may be released into the environment. According

to the official "German Nuclear Plant Risk Study – Phase B", commissioned by the Federal Ministry of Research and Technology, the probability of a nuclear worst case scenario in a German nuclear plant is 0.1 % in 40 years' operation time. More than 150 nuclear plants are being operated in the European Union which increases the probability of a nuclear worst case scenario in Europe to 16 %. There are 440 active nuclear plants world-wide. Hence, the world-wide probability of a nuclear worst case scenario in 40 years is 40 %. Potential damages resulting from nuclear disasters in highly industrialized countries are almost unratable as there are no empirical values. However, any nuclear worst case scenario in a highly industrialized area would definitely cause long-term damages with significant effects on the economic development of the region.

Forecast report

Business and general conditions

Even though HWWI economists anticipate a sustained upswing of the German economy, they slightly lowered their forecast for the economic development in view of the latest oil price increases and the insecure geopolitical situation. Since no reliable predictions can be made about the future political development in the Arabian world and other regions, the Institute, in its basic forecast, assumes that markets will calm down and that the nuclear disaster in Japan will hardly affect the German economy. Accordingly, experts still consider the internal economic framework conditions as favorable even if expectations are slightly subdued. However, the surprisingly positive development of the labor market will spur income dynamics and support private consumption. All in all, HWWI experts expect a 2.3 % increase of the real GDP in the fiscal year 2011.

Development of retail trade

The Association for Consumption Research (GfK) also found that consumers lowered their economic expectations and consequently also their income expectations – however only on a moderate scale due to the positive employment situation. The propensity to buy was still at a good level in Germany, even though expected price rises had a dampening effect on the consumption mood. All in all, private consumption – despite of some reservation – will continue to play an important role for the global development of the economy. On the basis of the positive sentiment in retail trade and the sound consumer mood, the German Retail Federation (HDE) anticipates a robust development of the German retail trade as a whole. In ten years, the interviewed entrepreneurs haven't

assessed their prospects as positively, and they are looking optimistically towards the coming months. This outlook is mainly clouded by the price development triggered by rising crude oil and food costs. Therefore, HDE experts expects a nominal sales plus of 1.5 % projected onto the full year 2011; at a price-adjusted basis, this figure would be at par with last year's level.

LUDWIG BECK 2011

Not only because of the estimations of economic experts but also on account of the Company's own economic development, the management of LUDWIG BECK AG looks highly confidently at the current fiscal year 2011.

In the 2nd quarter of the year, LUDWIG BECK will celebrate its 150th company anniversary. In the time since its foundation in the year 1861, the Company was able to establish itself as a style institution at Marienplatz in Munich. Approximately 95 % of sales are generated at the flagship store in the heart of the Bavarian capital. In the course of the last years, the tradition-rich "Store of the Senses" has been gently upgraded through the so called "trading up" strategy in order to satisfy the increasing demands of customers without losing sight of the very special ambience of the fashion house.

In line with this philosophy, the seven floors of the flagship store will be further optimized on an ongoing basis also in the future and will present themselves to customers with elegant and extraordinary spatial concepts. A supreme mixture of international and national brands and designer names – partly exclusive in Munich – has already become the hallmark of LUDWIG BECK. In order to expand the fashion house's position in the upper market segment this premium concept will remain decisive for the selection and presentation of the product range.

Furthermore, stringent cost management and continuous optimization of the cost-of-goods-sold ratio will have a positive effect on the yield development of the LUDWIG BECK Group.

Based on these deliberations, the LUDWIG BECK management seeks to achieve branch-adjusted sales growth in the order of magnitude of 3 % to 4 % in the current fiscal year and expects earnings before taxes (EBT) to reach between € 9m and € 11m (2010: € 9.9m).

Munich, April 2011
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, 2011 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).

Accounting and valuation methods

The quarterly accounts are based on the same methods of accounting and valuation as the group accounts as per December 31, 2010. A comprehensive description of these methods is contained in the Appendix to the IFRS group accounts published as per December 31, 2010.

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 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, 2011, acc. to IASB

| | 01/01/2011 – 31/03/2011 | | 01/01/2010 – 31/03/2010 | |
|---|-------------------------|-------------|-------------------------|-------------|
| | €m | €m | €m | €m |
| 1. Sales revenues | | | | |
| - sales (gross) | 22.0 | | 22.3 | |
| - minus VAT | 3.5 | | 3.6 | |
| - sales (net) | | 18.5 | | 18.8 |
| 2. Other work capitalized | | 0.0 | | 0.0 |
| 3. Other operating income | | 0.8 | | 0.7 |
| | | 19.3 | | 19.5 |
| 4. Cost of materials | 9.4 | | 9.7 | |
| 5. Personnel expenses | 4.0 | | 4.1 | |
| 6. Depreciation | 0.7 | | 0.8 | |
| 7. Other operating expenses | 4.4 | 18.5 | 3.9 | 18.5 |
| 8. EBIT | | 0.8 | | 1.0 |
| 9. Financial result | | -0.6 | | -0.8 |
| - of which financing expenses € 0.4m (previous year: € 0.6m) | | | | |
| - of which minority interests € 0.2m (previous year: € 0.2m) | | | | |
| 10. Earnings before taxes on income (EBT) | | 0.2 | | 0.2 |
| 11. Taxes on income | | 0.1 | | 0.1 |
| 12. Net profit for the period | | 0.1 | | 0.1 |
| Earnings per share (undiluted and diluted) in € | | 0.03 | | 0.02 |
| 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, 2011, acc. to IASB

| Assets | 31/03/2011 | 31/12/2010 | 31/03/2010 |
|-----------------------------------|--------------|--------------|--------------|
| | €m | €m | €m |
| A. Long-term assets | | | |
| I. Intangible assets | 3.0 | 3.0 | 3.0 |
| II. Property, plant and equipment | 90.5 | 90.7 | 92.2 |
| III. Other assets | 0.1 | 0.1 | 0.2 |
| Total long-term assets | 93.6 | 93.9 | 95.4 |
| B. Short-term assets | | | |
| I. Inventories | 11.4 | 8.8 | 10.0 |
| II. Receivables and other assets | 1.2 | 1.3 | 1.3 |
| III. Cash and cash equivalents | 1.1 | 4.8 | 1.5 |
| Total short-term assets | 13.7 | 14.9 | 12.7 |
| | 107.3 | 108.8 | 108.1 |

| Shareholders' equity and liabilities | 31/03/2011 | 31/12/2010 | 31/03/2010 |
|---|--------------|--------------|--------------|
| | €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 | 19.7 | 19.6 | 14.5 |
| IV. Supplementary item from minority interests | 15.1 | 15.1 | 15.4 |
| Total shareholders' equity | 47.6 | 47.6 | 42.8 |
| B. Potential compensation claim by minority shareholders | 9.3 | 9.3 | 9.0 |
| C. Long-term liabilities | | | |
| I. Liabilities to banks | 29.8 | 29.9 | 36.8 |
| II. Accruals | 0.6 | 0.6 | 1.5 |
| III. Other financial liabilities | 3.4 | 3.4 | 3.7 |
| IV. Deferred tax liabilities | 3.0 | 3.5 | 3.5 |
| Total long-term liabilities | 36.8 | 37.5 | 45.4 |
| D. Short-term liabilities | | | |
| I. Liabilities to banks | 3.4 | 3.4 | 3.5 |
| II. Other financial liabilities | 0.5 | 0.5 | 0.5 |
| III. Trade liabilities | 2.9 | 1.6 | 1.8 |
| IV. Tax liabilities | 2.8 | 3.8 | 2.1 |
| V. Other liabilities | 4.0 | 5.2 | 3.1 |
| Total short-term liabilities | 13.6 | 14.5 | 10.9 |
| Total debt (B. - D.) | 59.7 | 61.2 | 65.3 |
| | 107.3 | 108.8 | 108.1 |

Consolidated Segment Reporting

Consolidated segment reporting of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2011, acc. to IASB

| in €m | Marienplatz complex | Branches | Group |
|----------------------------------|------------------------|------------|-------------|
| 01/01/2011 – 31/03/2011 | | | |
| Sales (gross) | 20.4 | 1.6 | 22.0 |
| VAT | -3.3 | -0.3 | -3.5 |
| Sales (net) | 17.1 | 1.4 | 18.5 |
| Cost of sales | 8.5 | 0.8 | 9.4 |
| Gross profit | 8.6 | 0.5 | 9.1 |
| Personnel expenses | 1.7 | 0.2 | 1.9 |
| Cost of occupancy | 3.0 | 0.2 | 3.2 |
| Interests | 0.3 | 0.0 | 0.3 |
| Segment results | 3.7 | 0.1 | 3.8 |
| Other operational income | | | 0.8 |
| Other personnel expenses | | | 2.1 |
| Depreciation | | | 0.7 |
| Other expenses | | | 1.2 |
| Other financial result | | | -0.3 |
| Taxes on income | | | 0.1 |
| Net profit for the period | | | 0.1 |

| in €m | Marienplatz 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 |

Consolidated Cash Flow Statement

Consolidated cash flow statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2011, acc. to IASB

| in €m | 01/01/ 2011 – 31/03/2011 | 01/01/ 2010 – 31/03/2010 |
|--|-----------------------------|-----------------------------|
| Cash flow from operating activities: | | |
| Earnings before taxes on income | 0.2 | 0.2 |
| Adjustments for: | | |
| + depreciation of fixed assets | 0.7 | 0.8 |
| + interest expenses | 0.4 | 0.6 |
| + minority interest profit | 0.2 | 0.2 |
| Operating result before changes to net working capital | 1.5 | 1.8 |
| Increase/decrease (-/+) in assets | -2.5 | -1.5 |
| Increase/decrease (+/-) in liabilities | 0.1 | -1.0 |
| Net cash from operating activities (before interest and tax payments) | -0.9 | -0.7 |
| Interest paid | -0.4 | -0.6 |
| Disbursement to minority interests | -0.2 | -0.2 |
| Taxes on income paid | -1.5 | 0.0 |
| Net cash from operating activities | -3.0 | -1.5 |
| Disbursements for additions to fixed assets | -0.5 | -1.0 |
| Net cash used in investing activities | -0.5 | -1.0 |
| Acceptance/settlement of bank liabilities | -0.1 | -0.2 |
| Acceptance/settlement of other liabilities (finance lease) | -0.1 | -0.1 |
| Net cash from financing activities | -0.2 | -0.3 |
| Change in cash and cash equivalents | -3.7 | -2.9 |
| Cash and cash equivalents at beginning of period | 4.8 | 4.4 |
| Cash and cash equivalents at end of period | 1.1 | 1.5 |

Consolidated Equity Statement

Consolidated equity statement of LUDWIG BECK am Rathauseck – Textilhaus Feldmeier AG, Munich, for the period January 1 – March 31, 2011, acc. to IASB

| in €m | Share capital | Capital reserve | Generated capital | Supplementary item from minority interests | Total |
|---------------------------------|---------------|-----------------|-------------------|--|-------------|
| Balance as of 01/01/2011 | 9.4 | 3.5 | 19.6 | 15.1 | 47.6 |
| Net profit for the period | | | 0.1 | | 0.1 |
| Balance as of 31/03/2011 | 9.4 | 3.5 | 19.7 | 15.1 | 47.6 |
| 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 |