

## Preliminary key figures for 2008: Loewe posts record result

- EBIT improves by 35% to about EUR 28.5 million
- EBIT margin up significantly from 5.7% to 7.6%
- Sales at approx. EUR 374 million slightly surpass the previous year
- Sales of large-screen LCD TVs increased by 24%
- Continued systematic focus on results
- Moderate increase in sales projected for 2009

**Kronach, January 27, 2009** – The Loewe Group significantly increased its earnings before interest and taxes (EBIT) by 35% to approximately EUR 28.5 million in the fiscal year 2008 (01/01 - 12/31/2008). At approximately EUR 374 million, sales in the reporting period were slightly higher than in the previous year. Loewe thus once again exceeded its earnings forecast for fiscal year 2008 which was raised to EUR 28 million in the ad hoc announcement of October 20, 2008. “Thanks to the systematic implementation of our premium strategy, Loewe generated the best result in our company's 86-year history in the fiscal year just ended. With its attractive and individual home cinema solutions, Loewe has been successful in further consolidating its position as the leading premium brand in the European consumer electronics market,” commented Frieder C. Löhner, Chairman of the Executive Board of Loewe AG.

EBIT improved by EUR 7.4 million to approximately EUR 28.5 million in 2008, clearly surpassing the 2007 figure of EUR 21.1 million. This corresponds to an EBIT margin of 7.6%, after 5.7% a year before. The further improvement in earnings is primarily due to the value-oriented marketing of products, the further improvement of the product mix and lower procurement costs which are partly attributable to the weakness of the U.S. dollar. “In 2008 Loewe was again very successful in staying mostly clear of the general market trend toward lower prices,” said CFO Oliver Seidl. “Accordingly, Loewe is one of the few companies at all to succeed in significantly improving its very good

financial performance under the current macroeconomic conditions,” continued Seidl. Due to the very positive earnings trend, Loewe will also propose to the annual Shareholders' Meeting on May 26, 2009 in Munich that a dividend be paid.

Loewe Group sales grew slightly from EUR 372.5 million to approximately EUR 374 million in the reporting period, although fiscal year 2007 still included sales of plasma TVs totaling EUR 11.9 million. In addition to the sustained market growth of LCD TVs in Europe, Loewe benefited strongly from the increase in demand in connection with the 2008 UEFA European Football Championship in Austria and Switzerland. Sales of LCD TVs were up by 5.1% year on year to EUR 323 million, with sales of large-screen LCD sets (37 inches and larger) even rising by 24%. “We at times deliberately passed up increases in sales in order to sustainably realize Loewe's premium positioning and the associated increase of the margin. We will continue to stand by this very successful strategy of value-based marketing in the current fiscal year,” said Löhner. In the reporting period, Loewe grew slightly stronger than the European market and accordingly moderately increased its retail market share for LCD TVs from 4.2% to 4.3% in euro terms year on year.

Loewe is continuing to pursue a clear strategy for the current fiscal year and will expand its position in the European core markets by continuously upgrading the points of sale – in particular in Italy, France, the United Kingdom but also in the Scandinavian countries, Eastern Europe and Russia. Furthermore, by following its urban strategy, Loewe is establishing additional flagship stores in population centers of selected growth regions – e.g. in Riyadh and Hong Kong – that will optimally present the brand to the end customer. “We will continue on this path in future years as an appropriate addition to our comprehensive activities in the European core markets. We will continue to consistently present the Loewe brand in a unique and uniform fashion wherever people come into contact with it,” said Löhner. Moreover,

Loewe will in the future take greater advantage of opportunities in the target market of international hotels in order to open up additional sales potential.

The turmoil caused by the financial markets crisis has reached the real economy and the risk of a global recession has definitely increased in recent months. Consequently, the economic and early indicators for the industrial nations in Europe in particular have also considerably worsened, which can result in the postponement of purchases of durable consumer goods. In light of this, specific forecasts concerning the development of business for Loewe in 2009 are at the present time linked with great uncertainty. For that reason, the company will continue to observe the economic development in Europe very closely in the coming quarters and act flexibly and proactively in case of any changes.

Despite the currently dampened fundamental economic data, Loewe expects the European LCD TV market to continue to develop positively in the current fiscal year due to the high replacement demand, technological innovations and consumers' increased brand awareness. For that reason, the company expects sales to grow modestly in 2009. As a premium brand, Loewe will continue to be known for a focus on results and above-average margins. "Loewe's sound capital structure and long-term financing agreements equip the company very well for the future," Seidl said.

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