

First nine months of 2007

Loewe stays on track for success with premium strategy

- **EBIT improves by 41% to EUR 13.0 million**
- **Sales rise 1 % to EUR 244.5 million**
- **EBIT margin rises significantly to 5.3%**
- **Large-screen LCD-TVs nearly double their share in total LCD-TV-sales**
- **Projected EBIT for 2007 raised to EUR 20 million**

Kronach, November 7, 2007 - The Loewe Group increased its earnings before interest and taxes (EBIT) to EUR 13.0 million in the first nine months of 2007, representing a 41% growth compared to the first nine months of 2006. Sales in the reporting period rose moderately by 1% to EUR 244.5 million compared to the same period of 2006. In particular in the first half of 2006, the FIFA World Cup 2006 in Germany had provided a strong sales boost. The value and profit-oriented marketing of Loewe products as well as the improved product mix caused the EBIT margin to increase significantly from 3.8% to 5.3% in the reporting period. "Our attractive and individual home cinema solutions put Loewe well on the way to further expanding its position of market leadership in home entertainment systems in Europe," commented Dr. Rainer Hecker, Loewe CEO.

In the third quarter of 2007, Loewe improved EBIT significantly from EUR 1.1 million by EUR 4.0 million to EUR 5.1 million, reflecting an EBIT margin of

.../page 2

page 2

5.7%, up from 1.6% in Q3 2006. EBIT thus came to EUR 13.0 million in the first nine months of 2007. The definite improvement in earnings is primarily due to the value-oriented marketing of the individual home cinema solutions at stable prices and the further improvement of the product mix. "Our systematic premium positioning has made it possible for us to largely avoid the general market trend toward lower prices and thus to significantly increase the margin," continued Dr. Hecker. Despite of the general market trend, Loewe has been able to increase the average price per LCD-TV sold compared to 2006.

In the third quarter of 2007, Loewe's sales were up noticeably by 27% to EUR 89.4 million. Sales in the first nine months of 2007 of EUR 244.5 million were 1% higher than in the same period of 2006. In particular in the first half of 2006, the FIFA World Cup 2006 in Germany had provided a strong sales boost. LCD televisions are the primary source of sales for Loewe. In the first nine months of 2007, their sales rose by 9% to EUR 199.5 million. The sales growth was primarily in large-screen LCD sets of 37 inches and larger. The percentage of these highly profitable TV sets in sales nearly doubled year-on-year from 26% to 49% in the first nine months of 2007.

The third quarter 2007 highlight was the International Consumer Electronics Fair (IFA) in Berlin. Loewe once again underscored its role as the leading brand for individual home entertainment systems in Europe with numerous innovative home cinema solutions. The company's IFA motto was 'Loewe brings together what belongs together!' The focus of the trade show appearance was Loewe Connect. With its youthful design and 32, 37 and 42 inch screen sizes, the new family of TVs appeals to modern, tech-savvy buyers, and it introduces completely new options in terms of connectivity to portable devices, including digital cameras, game consoles and MP3 players. "The International Consumer Electronics Fair gave us an excellent start into the important holiday shopping season," said Dr. Hecker. "We will

.../page 3

page 3

systematically enhance the strength of the Loewe brand in the coming months and market our high-quality and individual home cinema solutions in a manner consistent with its premium standing and at stable prices. Precisely because of this, we at times deliberately forego increasing our sales and market share.”

In an environment of continuously lower prices for LCD sets, Loewe looks forward to the 2007 holiday shopping season with confidence because of the sustained high demand for large-screen flat-panel TVs in Europe, new attractive digital products and the increased brand awareness of consumers. Against this backdrop, the Executive Board of Loewe AG raised its previous EBIT forecast of EUR 16 – 18 million to now EUR 20 million for the current fiscal year 2007. This is an improvement of around 50% in comparison to EUR 13.2 million a year earlier. Loewe continues to aim for sales growth of 10% to approximately EUR 380 million for 2007 as a whole.

For further details, please contact:

Investor Relations

Axel Gentzsch

Fon: +49 9261 99-240

Fax: +49 9261 99-994

Mobil: +49 170 7667212

axel.gentzsch@loewe.de

Public Relations

Dr. Roland Raithel

Fon : +49 9261 99-217

Fax : +49 9261 99-444

Mobil: +49 171 2005476

roland.raithel@loewe.de