

## 2008 Shareholders' Meeting of Loewe AG:

# Premium strategy continues Loewe's success story

- **A successful start in 2008 continues the outstanding results for 2007**
- **Dividend of EUR 0.27 per share proposed**
- **One-time performance-linked bonus for all employees**
- **Financial targets confirmed**
- **Dr. Rainer Hecker turns over Executive Board chairmanship to Frieder C. Löhner**
- **Two new Supervisory Board members**

Munich/Kronach. "Loewe is off to a good start in the new 2008 fiscal year and our attractive and individual home cinema systems put us well on the way to further expanding our position of market leadership in home entertainment systems in Europe," stressed Dr. Rainer Hecker, Loewe CEO, during the company's shareholders' meeting in Munich. The company improved earnings before interest and taxes (EBIT) by EUR 7.9 million to EUR 21.1 million in 2007, thereby surpassing prior year's figure of EUR 13.2 million by 60%. With a 9% increase in sales to EUR 372.5 million, this reflects an EBIT margin of 5.7%, up from 3.9% in 2006. The significant improvement in earnings is primarily due to the high demand for the high-quality and individual Loewe premium products, the further improvement of the product mix and the value-based marketing of the products at consistently stable prices.

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For the first time since 2003, the Executive Board will propose to the Shareholders' Meeting the payment of a dividend of EUR 0.27 per share. Due to the very successful year for Loewe in 2007, the employees also received a one-time performance-linked bonus totaling EUR 1.5 million.

The company's very positive trend has continued in the first quarter of 2008. As reported, EBIT of the Loewe Group at EUR 6.3 million was 30% higher than the Q1 2007 figure (EUR 4.9 million). The sustained dynamic market growth of LCD TVs in Europe and the initial positive impact of the UEFA European Football Championship in Austria and Switzerland in the period under review increased sales by 10% to EUR 90.2 million. From a seasonal perspective, Loewe's growth will be higher in the first half -- supported by the major sporting events such as the UEFA Euro 2008. "All of this is the result of our value-based management which seeks to balance the interests of shareholders, employees, customers and the public," said Dr. Hecker. "We feel that this is the only way for the company to achieve sustained profitable growth."

Last year, Loewe also systematically continued to sharpen the image of its premium brand. "The sole basis for our success is the attractive premium brand Loewe. On the product side in particular, we have taken three significant steps to strengthen the brand in recent years," continued Dr. Hecker. In 2005, Loewe launched the Individual product family, bringing highly customizable technical and design features to the market for the first time. In 2006, this TV line was morphed into an extremely appealing home cinema system in the form of the Individual Compose and similarly customizable speaker systems. And most recently, Loewe's new Connect TV line

has tapped into entirely new target groups who value the connectivity of multiple digital, multimedia applications in the home.

Loewe's focus in fiscal 2008 will be on targeted investments. In addition to enhancing its attractive product portfolio, Loewe will invest in a production line of the most advanced technology, in a comprehensive customer relations management (CRM) system and in a competence offensive among its employees and retail partners.

A special focus is on the systematic internationalization of the business. Loewe will continue to expand in its European core markets step by step, especially in Italy, France, the United Kingdom and Switzerland. Furthermore, flagship stores will be established in each country that will provide a top-notch presentation of the brand to the end customer. Outside of the core European countries, Loewe's urban strategy will develop international centers, for example in the Near East or in Asia, and in so doing selectively establish Loewe as the premium brand. Moreover, the company will in the future take greater advantage of its opportunities in the international hotel business to acquaint the discriminating hotel guests with the brand and also create additional sales potential.

Due to the sustained high demand for large-screen flat-panel TVs, major sporting events such as the UEFA Euro 2008 and the Olympic Games, new digital products and the increased brand awareness of consumers, the European home cinema TV market will continue to show positive development in 2008. For that reason, Loewe confirmed

its financial targets for 2008 in the Shareholders' Meeting with an expectation that sales will grow by 7% to approximately EUR 400 million and that EBIT will improve by 14% to approximately EUR 24 million.

As has been reported numerous times, Dr. Rainer Hecker will turn over the chairmanship of the Executive Board of Loewe AG to Frieder C. Löhner as of the end of the current Shareholders' Meeting. On reaching retirement age, Professor Dr. Eberhard Scheffler and Mr. Helmut Ricke will step down as members of the Supervisory Board. Dr. Rainer Hecker, Kronach, and Dr. h.c. Axel Berger, Rösraath, Vice President of the German Financial Reporting Enforcement Panel have been nominated as new members of the Loewe Supervisory Board.

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