

Preliminary key figures for 2007:

Loewe reports definite jump in earnings

- **EBIT improves by 60 % to EUR 21 million**
- **Sales revenues rise 9% to about EUR 373 million**
- **EBIT margin rises to 5.6 %**
- **Profit-related bonus for employees**
- **Sales of large-screen, highly profitable LCD-TVs more than doubled**
- **Change of Chairman of the Executive Board in mid-2008**

Kronach, January 28, 2008 – The Loewe Group significantly increased its earnings before interest and taxes (EBIT) by 60% to EUR 21 million in the 2007 fiscal year just ended (01/01 - 12/31/2007). Sales in the reporting period rose 9% to approximately EUR 373 million. Loewe thus once again clearly exceeded its earnings forecast for fiscal year 2007 which was raised to EUR 20 million in the ad hoc announcement of November 6, 2007. "Loewe's performance in the 2007 fiscal year just ended was outstanding and we are well on the track to expanding our market leadership for home entertainment systems in Europe," underscored Dr. Rainer Hecker, Chairman of the Executive Board of Loewe AG.

EBIT improved by EUR 7.8 million to EUR 21 million in 2007, clearly exceeding the 2006 figure of EUR 13.2 million. This corresponds to an EBIT margin of 5.6 %, after 3.9 % a year before. The improvement in earnings is primarily due to the high demand for the attractive and individual Loewe premium products and the further improvement of the product mix. "Our stable and consistent price policy

.../page 2

page 2

contributed significantly to strengthening Loewe's earnings situation. At times, we deliberately forego increases in sales and market share in order to sustainably realize Loewe's premium positioning and the associated increase of the margin," continued Dr. Hecker.

Due to this very positive earnings trend, the company will distribute a profit-related bonus to the employees this year and propose to the annual Shareholders' Meeting on June 9, 2008 that a dividend be paid.

Loewe Group sales grew by 9% from EUR 341.9 million to approximately EUR 373 million in the reporting period. In addition to the sustained dynamic market growth for LCD-TV in Europe, the primary cause for Loewe's sales growth is the 15% increase in sales of LCD-TVs compared to 2006. In this connection, sales of large-screen, highly profitable LCD-TV-sets (37" and larger) more than doubled in 2007.

Loewe also plans to accomplish a great deal in the current fiscal year. "We want to tie in with the very positive developments of the past year. To that end, we will increase the strength of the Loewe brand and market our attractive home cinema solutions with an even greater value orientation," said Dr. Hecker. Loewe's starting position is very favourable. Within the LCD-TV market, Loewe's important large-screen categories are growing at a very high rate. In the next few quarters, the company will also systematically push ahead with the qualitative and quantitative expansion of distribution all over Europe and further increase the Loewe retail presence with flagship stores in selected European cities. Furthermore, in the future Loewe will gear its product portfolio even more closely to the individual desires and needs of the customers.

The sustained high demand for large-screen LCD-TVs, major sporting events such as the UEFA EURO 2008 in Austria and Switzerland, new attractive digital products and the increased brand awareness of consumers make Loewe confident about the further development of business. For 2008 as a whole, Loewe anticipates that sales will grow by 7% to approximately EUR 400 million and that EBIT will improve by 14% to approximately EUR 24 million.

.../page 3

As announced some time ago, Dr. Rainer Hecker will turn over the chairmanship of the Executive Board of Loewe AG of his own volition to take effect as of the completion of this year's annual Shareholders' Meeting on June 9, 2008. As an industrial engineer, he was responsible for finance and administration at Loewe from 1982 to 1990. Starting in 1990 he became Chairman of the Management Board and was appointed Chairman of the Executive Board of Loewe AG after the IPO in 1999. Under Dr. Rainer Hecker's leadership, Loewe has become firmly established in recent years as a premium brand in home entertainment systems in Europe.

The Supervisory Board appointed Frieder C. Löhner as the new member of the Executive Board and designated chairman. As of April 1, 2008, he will assume responsibility for marketing and sales at Loewe and the chairmanship of the Executive Board as of the completion of the annual Shareholders' Meeting on June 9, 2008. Since 2004, Frieder C. Löhner has been serving as Chairman of the Executive Board of Rolf Benz AG & Co KG, Nagold, where he is, among other things, responsible for focussing on the core business of high-quality seating furniture and the systematic orientation of the premium brand. His many years of experience in brand leadership and distribution ensure that the current Loewe strategy of higher positioning and profitable growth will be systematically continued. "We are convinced that the experienced Loewe team working together with Frieder C. Löhner will systematically continue the path we have followed," underscored Dr. Hecker.

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