

First half of 2008:

Another jump in earnings for Loewe

- EBIT improves by 80% from EUR 7.9 million to EUR 14.2 million
- EBIT margin up significantly from 5.1% to 7.9%
- Sales increase by 16% to EUR 179.7 million
- Sales of large-screen LCD TVs rise by 52%
- The UEFA Euro 2008 provides positive impact
- Loewe again receives the IFA Preview awards
- Outlook for the current 2008 fiscal year affirmed

Kronach, August 6, 2008 - The Loewe Group significantly increased its earnings before interest and taxes (EBIT) to EUR 14.2 million in the first six months of 2008, representing 80% growth year on year. Sales in the reporting period rose by 16% to EUR 179.7 million. The consistent value-based marketing of Loewe's premium products and the further improvement of the product mix caused the EBIT margin to rise significantly to 7.9% in the first half of 2008 compared to 5.1% in 2007. "Loewe's development has been outstanding in the last six months and our attractive and individual home cinema solutions made it possible for us to further expand our position of market leadership in home entertainment systems in Europe," underscored Frieder C. Löhner, CEO of Loewe AG.

In the second quarter of 2008, Loewe improved EBIT significantly by 163% or EUR 4.9 million, from EUR 3.0 million to EUR 7.9 million, reflecting an EBIT

margin of 8.8%, up from 4.1% in the prior year period. In the first six months of 2008, EBIT came to EUR 14.2 million, up from EUR 7.9 million in 2007. The further improvement in earnings is primarily due to the value-oriented and consistent marketing of products at stable prices, the further improvement of the product mix and lower procurement costs which are partly attributable to the weakness of the U.S. dollar. "In the first six months of 2008, Loewe has been very successful in avoiding as far as possible the general market trend toward lower prices, enabling us to continuously improve the Company's profitability," said Löhner. By systematically implementing its premium strategy, Loewe was even able to increase slightly the average price per LCD TV set sold compared to the same period in 2007.

Loewe group sales increased to EUR 89.5 million in Q2 2008, up 22% from EUR 73.1 million in Q2 2007. "In addition to the sustained dynamic market growth for LCD TVs in Europe, in the second quarter we benefited in particular from the positive impact on demand from the 2008 UEFA European Football Championship in Austria and Switzerland," explained CFO Oliver Seidl. In the first six months of 2008, total group sales increased to EUR 179.7 million, up 16% from EUR 155.1 million in H1 2007. Sales of LCD TVs were up by 24% year on year, with sales of large-screen and highly profitable LCD sets (≥37 inches) rising by 52%. In the period under review, Loewe grew more robustly than the European market and increased its market share in the important LCD segment in the European retail market from 4.0% to 4.6%.

As part of the noteworthy IFA Preview events in Hamburg and Munich, more than 250 journalists from well-known daily newspapers, trade journals and magazines presented the IFA Preview awards.

In advance of the International Consumer Electronics Fair in Berlin (IFA), they chose the most outstanding innovation and the best design accomplishment in the field of consumer electronics. As in the previous year, the winner in both categories was again Loewe. The media representatives saw the new Individual Media Center as an outstanding innovation. This intelligent multiroom media center facilitates the use of a wide range of multimedia content and serves as a central unit for the perfect playback of music and radio. The journalists ranked the new TV family Loewe Art SL as the best design accomplishment. Art SL is Loewe's flattest television and nonetheless is equipped with all the convenience features for an outstanding cinema experience at home.

Loewe's focus will continue to be on targeted investments in the second half of 2008. "We will continue to systematically push ahead with the qualitative and quantitative expansion of distribution within and outside of Germany and steadily increase our presence at qualified retailers in international urban centers," said Löhner. Loewe will also 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.

Despite the currently somewhat weaker fundamental economic data in parts of the eurozone, Loewe expects the European home cinema-TV market to continue to develop positively in 2008 due to the sustained high demand for large-screen LCD TVs, new digital products and consumers' increased brand awareness. However, from the present perspective, it must be assumed that the generally somewhat softer summer months of July and August and the changed seasonal business due to the UEFA Euro 2008 could have a dampening effect on the third quarter of 2008. Nonetheless, the Company anticipates that the IFA in September and the traditionally good Christmas

business will be positive influences in the second half of the year. For 2008 as a whole, Loewe therefore continues to anticipate that sales will grow by 7% to approximately EUR 400 million and that EBIT will improve by 14% to approximately EUR 24 million.

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