1st quarter 2010:

Loewe off to a good start in fiscal year 2010 – sales and earnings slightly higher than in 2009

Moderate increase in sales from EUR 72.8 million to EUR 73.4 million

At EUR 0.8 million, EBIT slightly higher than in the previous year

Sales in Germany 3% lower than in 2009

Export sales up by 7%

Targeted price adjustments result in lower gross margin

New Individual product family the most important market launch in 2010

Continued systematic focus on results with cost discipline

Kronach, May 5, 2010 – "Our Company has made a good start in fiscal year 2010 – Loewe is within the scope of its expectations and has slightly exceeded the corresponding 2009 figures, with regard to both sales and earnings," was how Frieder C. Löhrer, CEO of Loewe AG, summed up the first quarter of 2010. In line with expectations, sales of the Loewe Group in the first three months of 2010 at EUR 73.4 million were slightly higher than the 2009 figure of EUR 72.8 million. A moderate increase in sales and production volume enabled the Loewe Group to achieve EBIT of EUR 0.8 million compared to EUR 0.7 million in the first quarter of 2009.

As expected, Loewe Group sales rose moderately by 1% from EUR 72.8 million to EUR 73.4 million in the period under review. Business development in the different markets showed divergent trends. While sales in Germany at EUR 42.2 million in the first three months of 2010 were 3% lower than in 2009, export sales grew by 7% to EUR 31.2 million. Its systematic positioning in the premium segment and its attractive and individual product portfolio have enabled Loewe to keep selling prices at an almost stable level over an extended period of time, although the average market prices in Europe have trended sharply downwards. "In order for the Company to secure strategically reasonable price premiums and create additional incentives to buy high-quality Loewe products, we took this market trend into account in the first quarter, in particular in the entry level TV segment. This was also included in our planning for fiscal year 2010," continued Löhrer.

The percentage of large-screen LCD TVs 37 inches and larger in Loewe's total LCD sales

continues to be pleasing. Their share increased to 63% in the first three months of 2010 from 58% a year earlier. The Audio/DVD product group displayed exceptionally positive growth in the period under review. The very successful market launch of the new Mediacenter audio/video system enabled Loewe to increase its revenues to EUR 9.7 million, nearly double those of the first three months of 2009. "The launch of the Mediacenter has brought us an important step closer to our goal of making Loewe the most significant international premium brand for home entertainment systems," said Löhrer.

A moderate increase in sales and production volume enabled Loewe to achieve EBIT of EUR 0.8 million compared to EUR 0.7 million in the first quarter of 2009. Despite the planned price adjustments in the entry level TV segment and the somewhat lower sales volume in Germany, Loewe achieved a gross margin of 24.8% in the first three months of 2010. It is thus only 1.6 percentage points lower than the high level in the same period of the previous year of 26.4%. "Our value-based marketing and continued good product mix have been instrumental in safeguarding our earnings situation," explained Oliver Seidl, CFO of Loewe AG. The higher percentage of large-screen LCD TVs 37 inches and above in total TV sales also supported earnings.

The Company is currently making intensive preparations for the most important market launch of the year. "Our new Individual product line with the most advanced LED backlighting will be launched on the market just in time for the FIFA World Cup in South Africa . Loewe Individual offers individuality in a unique form," commented Löhrer. Loewe Individual offers the customer more than one million options with regard to colors, materials, placement solutions and technical features for configuring one's own personal TV system. No other home entertainment system offers so much freedom of choice and can be so consistently adapted to the living situation, tastes and expectations of every individual. Moreover, the current year will see a systematic continuation of the product offensive with the launch of additional large-screen, high-definition LCD TVs with LED backlighting.

Loewe expects sales to grow moderately in the current fiscal year 2010. Loewe's innovative home entertainment solutions put it in a very good position for repeating its high level of sales in Germany in 2010. Profitable double-digit growth in sales will be realized in the other key European markets. As a premium brand, Loewe will continue to focus systematically on results with cost discipline and value-based marketing. EBIT in the current year is expected to be at the 2009 level. Moreover, Loewe’s sound capital structure and wide-ranging financing agreements put the company in an optimal position for future growth.

Contact:

Loewe AG
Industriestraße 11
96317 Kronach
Germany

Investor Relations
Axel Gentzsch
Phone: +49 9261 99-240
Fax: +49 9261 99-994
Mobile: +49 170 7667212
axel.gentzsch@loewe.de
http://www.loewe-int.de

Public Relations
Dr. Roland Raithel
Phone: +49 9261 99-217
Fax: +49 9261 99-444
Mobile: +49 171 2005476
roland.raithel@loewe.de
http://www.loewe-int.de