

Report on the
First Three Months of Fiscal 2007

- Sales of EUR 82.0 million in line with expectations
- Large-screen LCD-TVs double their share in total sales
- EBIT of EUR 4.9 million nearly at the 2006 level
- EBIT ratio rises to 6.0%



LOEWE.



■ **Dr. Rainer Hecker**
Industrial Engineer
Chief Executive Officer

■ **Oliver Seidl**
Graduate in business
administration
Chief Financial Officer

■ **Gerhard Schaas**
Engineer
Chief Technology Officer

Dear Shareholders,

Loewe has made a strong start into the new fiscal year – the first three months of 2007 have fully met our expectations. The value-oriented marketing of our individual premium products in the home consumer electronics segment has successfully established Loewe as the leading premium brand in the European television market. Price stability is an important factor for Loewe's lasting success. At times, we deliberately forego increases in sales and market share because our activities are clearly focused on systematically realizing Loewe's premium positioning in Europe and the associated increase of the margin.

Against this backdrop, the sales of the Loewe Group in the first three months of 2007 declined slightly, as expected, by 8% to EUR 82.0 million from EUR 88.7 million a year earlier. The FIFA World Cup had provided a strong stimulus for sales in the prior-year quarter. Moreover, picture-tube sets and Sharp OEM TV sales were still included in the first quarter of 2006. LCD televisions continue to be the primary source of sales for Loewe. Compared to the strong 2006 figures, their sales were up moderately to EUR 67.1 million.

The higher percentage of highly profitable LCD sets in sales improved the EBIT ratio to 6.0%, after 5.8% in 2006. Despite the lower sales and production volume in the first three months of 2007, earnings before interest and taxes (EBIT) of EUR 4.9 million are only slightly below the 2006 level.

The highlight of the first quarter of 2007 was the market launch of Loewe Individual Compose. At the focus of the innovative home cinema solution are the two large-screen Loewe LCD televisions, Individual 40 Compose and Individual 46 Compose, with integrated reception of high-definition television. In combination with the audio solutions developed by Loewe and perfectly visually coordinated to match the Individual product family, Individual Compose is a flexible and personal first-rate home cinema system. The hard disk recorder DR⁺ which is integrated in the TV set is a global innovation. It enables convenient, time shift recording of both high-definition and standard TV content.

The favorable response by retailers to Individual Compose confirms our premium product strategy. Numerous test prizes and national and internationally renowned design awards are another proof of the top quality of the Loewe products. Loewe has won the German design award two times. The LCD television Individual 32 and the Loewe exhibition stand at IFA 2005 each won a silver design award.

In addition, the Loewe Individual 40 Selection won the coveted IF gold award. Furthermore, the trade publication HomeVision published an exclusive test report on the Loewe Individual 46 Compose in its 4/2007 issue. The editorial staff's summation was, "What was most impressive was that it garnered the highest number of points ever for a television set in a HomeVision test."

In the coming months, Loewe will continue its product offensive with large-screen, high-definition LCD-TVs in the new screen diagonals of 42", 46" and 52". In addition, we are continuously expanding our home cinema solutions line to include new speaker systems. We will push ahead with the qualitative and quantitative expansion of distribution within and outside of Germany and further step up the brand-adequate Loewe retail presentation with flagship stores all over Europe. In Great Britain we have also established our own sales subsidiary which will take over the distribution activities from our partner Linn in May 2007. We have implemented all of these concrete measures for positioning Loewe beyond the TV segment to make it the leading premium brand for home cinema solutions in Europe in the medium range.

Despite the resumption of steep price declines for flat TVs in the early months of 2007, the trend of the European TV market will continue to be positive. The positive market trend particularly for large-screen flat-panel TVs in Europe, consumers' increased brand awareness, new digital products, the annually occurring International Consumer Electronics Fair (IFA) in Berlin and the fascination with high-definition television (HDTV) should continue to stimulate demand in 2007. For 2007 as a whole, Loewe anticipates that sales will grow by approximately 10% to EUR 380 million and that EBIT will improve by at least 20% to EUR 16 to 18 million.

Sincerely yours,



Dr. Rainer Hecker
Chief Executive Officer of Loewe AG

The Loewe Group at a Glance*

| EUR million | 1 st quarter 2007 | 1 st quarter 2006 | ± in % |
|-------------------------------------|---------------------------------|---------------------------------|--------|
| Sales | 82.0 | 88.7 | - 8 |
| EBIT | 4.9 | 5.1 | |
| Net income after minority interests | 2.6 | 2.6 | |
| Earnings per share in euros** | 0.20 | 0.20 | |
| Free cash flow | 13.2 | 7.5 | |
| Number of employees | 966 | 988 | - 2 |

* All figures relate to the continuing division.

The consolidated financial statements as of December 31, 2006 and the consolidated interim financial statements were prepared in accordance with IFRS using uniform accounting policies.

** Relating to a total of 13,009,229 shares (previous year: 13,009,229 shares)

Sales of EUR 82.0 million in line with expectations

As expected, sales of the Loewe Group in the first quarter of 2007 were down by 8% to EUR 82.0 million from EUR 88.7 million in the first quarter of 2006, in which the FIFA World Cup in Germany had provided a strong stimulus for sales. Furthermore, the first quarter 2006 figures still included sales of picture-tube sets of EUR 6.4 million and OEM deliveries to Sharp. Sales of LCD sets increased moderately in the first quarter. Other sales, stereo products in particular, as well as deliveries of modules were increased significantly.

EBIT of EUR 4.9 million

In the first three months of 2007, earnings before interest and taxes (EBIT) amounted to EUR 4.9 million. Despite the decline in sales, EBIT almost equaled the comparable figure of EUR 5.1 million of Q1 2006. The EBIT ratio climbed to 6%. As in the first quarter of 2006, net income after minority interests was EUR 2.6 million and earnings per share came to EUR 0.20.

Positive free cash flow of EUR 13.2 million

In the first three months, Loewe AG generated EUR 13.2 million in free cash flow. The year-on-year increase resulted primarily from the reduction of receivables and inventories.

Number of employees reduced 2% to 966

Compared to a year ago, the average number of employees fell by 22 to 966 persons. The decrease is primarily due to the reduced need for personnel in production.

Dynamic market growth and persistent price erosion

In the period January to March 2007, the European consumer electronics market grew by 8% compared to the same period in 2006*. Television sets are by far the fastest growing segment, having gained 19%. The increase was exclusively generated by the growth in the market for flat-panel display sets. In the first three months of 2007, sales of LCD televisions in Europe increased by 51% compared to the year before. In contrast, sales of picture-tube sets continued to decline rapidly by 53%. The percentage of flat-panel sets in sales increased from approximately 80% in 2006 to more than 92% in the period under review.

The decline in prices for LCD sets gained pace in recent months due to the fact that some manufacturers reduced inventories in early 2007 and individual competitors marketed their products with more aggressive pricing, especially in the large-screen segment. In the 32" and 40" segments, prices for LCD-TVs have fallen by 36% and 33%, respectively. In a year-on-year comparison, the 42% decline in prices for the larger screen diagonals above 40" was particularly strong. Prices for HD plasma TVs also continued to decline and prices were 43% lower than in 2006 for units with 42" and 43" screen diagonals.

Except for Germany and Italy, the market for TV sets grew at a double-digit pace based on sales in all the key European countries. The strongest growth was recorded in France (+28%), Spain (+27%) and the Benelux countries (+27%). In Switzerland, flat-panel displays already account for more than 96% of TV sales. The market share for flat-panel displays in Europe currently averages 93.2%.

At 3.1%, Loewe's market share in terms of value across all technologies among European retailers was 1.2 percentage point below the 2006 figure in the period from January to March 2007. Loewe's focus on price stability in the marketing of its products caused its market share in the important LCD segment to decline from 5.2% in 2006 to 3.8%. The greater focus on LCD technology reduced the market share for plasma TV from 2.1% to 1.1%. Loewe increased its market share for LCD-TV most significantly in Switzerland and Germany. In Germany, Loewe's most important market, the company increased its market share for LCD-TV to 11.5% from 11.2% in the first three months of 2006.

* All market data relate to the European electronics retail trade from January to March 2007. Source: GfK.

Loewe sales down by 8%

As expected, the sales of EUR 82.0 million in the first quarter of 2007 were 8% or EUR 6.7 million lower than a year earlier. This was due to the discontinuation of sales of picture-tube sets and OEM deliveries to Sharp in the amount of EUR 6.4 million, which were included in the previous year's figures. Adjusted for these items, sales almost equalled the high figure for 2006 which benefited from the positive stimuli from the FIFA World Cup in Germany.

Sales structure by product area

| EUR million | 1 st quarter 2007 | 1 st quarter 2006 | ± in % |
|--------------------------------|---------------------------------|---------------------------------|-------------|
| Flat screen | 70.2 | 74.8 | - 6 |
| – LCD | 67.1 | 66.2 | 1 |
| – Plasma/rear projection | 3.1 | 8.6 | - 64 |
| Picture-tube | 0.0 | 4.3 | |
| Total Loewe televisions | 70.2 | 79.1 | - 11 |
| Televisions (non branded) | 0.0 | 2.1 | |
| Other | 11.8 | 7.5 | 57 |
| Total sales | 82.0 | 88.7 | - 8 |
| thereof: Loewe Germany | 41.5 | 38.8 | 7 |
| thereof: Loewe export | 40.5 | 47.8 | - 15 |
| thereof: non-branded | 0.0 | 2.1 | |

Televisions are still the primary source of sales for Loewe, representing nearly 85% of total sales.

Compared to the strong first quarter of 2006, sales of LCD-TVs increased slightly by 1% to EUR 67.1 million in the first three months of 2007. The percentage of large-screen TV sets of 37" and above in sales doubled from 22% in the first three months of 2006 to 44% in the first quarter of 2007. 32" LCD sets accounted for most of our sales in the period under review.

Sales of plasma televisions declined by EUR 5.5 million. With the greater concentration on LCD technology, the business with plasma televisions will be deliberately cut back.

After the planned cessation of production of picture-tube sets in mid-2006, this product group is no longer included in the sales of the first quarter of 2007. In the first three months of 2006, the share in sales was EUR 4.3 million.

Other sales rose by EUR 4.3 million, or 57%, to EUR 11.8 million in the first three months of 2007, from EUR 7.5 million a year earlier. This is primarily due to the positive development in stereo components (up EUR 2.1 million) and the higher OEM production of electronic modules (tuners).

In the first quarter of 2007, the business trend for flat-panel display sets was uneven in the various markets. In Germany, Loewe's most important sales market, sales increased by 7% to EUR 41.5 million.

The restructuring of our sales organization in the United Kingdom as well as organizational and structural changes in the product line of a key customer in Spain reduced export sales in the first quarter of 2007 by 15% to EUR 40.5 million compared to the same period in 2006. In the United Kingdom, we expect a moderate increase in sales for 2007 as a whole.

Operating income nearly at the high level of 2006 – EBIT ratio rises to 6.0%

Earnings before interest and taxes (EBIT) amounted to EUR 4.9 million in the first three months of 2007, down slightly from the previous year by EUR 0.2 million. However, the EBIT ratio improved by 0.2 percentage points to 6.0%.

The improved product mix and the stronger resilience of Loewe's selling prices when compared to the competition made it possible to increase the gross margin from 25.6% in 2006 to 25.8% in the first quarter of 2007. The lower business and production volume caused a reduction in gross margin from the high level of EUR 22.7 million in 2006 to EUR 21.2 million in the first three months of 2007. Compared to the first three months of 2006, the selling prices of Loewe flat-panel TVs, especially in the lower and medium price segments, have fallen significantly while the selling prices in the higher price segments were maintained at a largely stable level.

Compared to the previous year, selling expenses were down by EUR 0.6 million. The decline results for the most part from lower sales-dependent costs, in particular freight and packaging. As a percentage of sales, selling expenses at 16.9% are at a slightly higher level than in the previous year.

Compared to the first three months of 2006, administrative expenses were higher, rising from 2.4% to 2.8% of sales due to the lower business volume.

The other operating loss was EUR 0.1 million. The 2006 loss of EUR 1.0 million contained a one-time payment to the principal banks in connection with the termination of the security pooling arrangement of February 28, 2006.

The significantly improved financial position in the first quarter of 2007 made it possible to reduce interest expense by EUR 0.3 million to EUR 0.6 million.

Capital expenditure

Capital expenditure/depreciation and amortization

| EUR million | Capital expenditure | | Depreciation/amortization | |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 1 st quarter 2007 | 1 st quarter 2006 | 1 st quarter 2007 | 1 st quarter 2006 |
| Intangible assets | 1.6 | 1.4 | 2.0 | 1.5 |
| Property, plant, and equipment | 2.6 | 4.1 | 1.9 | 2.2 |
| Total | 4.2 | 5.5 | 3.9 | 3.7 |

At EUR 4.2 million, capital expenditure in the first quarter of 2007 was EUR 1.3 million lower than in 2006 due to the extremely high investments in tools for new products in the prior-year quarter. Capital expenditure in the first quarter of 2007 primarily concerns presentation systems for retailers, modernization investments in production and replacement investments in IT as well as development costs subject to mandatory capitalization.

Improved financial position

Financial position

| EUR million | March 31, 2007 | Dec. 31, 2006 | March 31, 2006 |
|--|-------------------|------------------|-------------------|
| Non-current assets | 67.0 | 67.6 | 68.8 |
| Current assets | 139.1 | 150.4 | 145.2 |
| Assets of the discontinued division | 0.0 | 0.0 | 0.1 |
| Total assets | 206.0 | 218.0 | 214.1 |
| Equity including minority interests | 68.8 | 66.1 | 61.9 |
| Non-current liabilities | 55.0 | 55.2 | 56.8 |
| Current liabilities | 82.0 | 96.3 | 94.7 |
| Non-current/current liabilities of the discontinued division | 0.3 | 0.4 | 0.7 |
| Total liabilities and shareholders' equity | 206.1 | 218.0 | 214.1 |

The profit available for distribution raised equity to EUR 68.8 million. The equity-to-assets ratio rose to 33.4% compared to 28.9% in the first three months of 2006.

The lower trade receivables and the decreased inventories reduced current assets. Trade liabilities and current financial liabilities were also lower.

Net current assets

| EUR million | March 31, 2007 | Dec. 31, 2006 | March 31, 2006 |
|--|-------------------|------------------|-------------------|
| Inventories | 54.7 | 59.9 | 57.6 |
| Trade accounts receivable and other assets | 68.6 | 83.1 | 71.9 |
| Other provisions | - 42.7 | - 45.6 | - 33.6 |
| Trade accounts payable and other liabilities | - 34.1 | - 40.4 | - 54.0 |
| Total | 46.5 | 57.0 | 41.9 |

Net current assets increased by EUR 4.6 million from March 31, 2006. Inventories fell by EUR 2.9 million because most LCD panels are now purchased from central warehouses in Europe and only a small portion is purchased from the Far East. Due to the lower level of sales, trade receivables and other provisions declined from 2006. The lower trade accounts payable primarily result from the purchase of panel shipments from central warehouses, for which the credit terms are shorter. The increase in other provisions year-on-year primarily relates to the provision set up at year-end 2006 for the inspection campaign and the reclassifications from non-current provisions to current provisions.

| EUR million | Subscribed capital | Capital reserve | Accumulated profit/loss | Equity attributable to equity holders of the parent | Minority interests | Shareholders' equity |
|---|--------------------|-----------------|-------------------------|---|--------------------|----------------------|
| Balance as of Dec. 31, 2005 | 13.0 | 47.0 | - 2.1 | 57.9 | 1.3 | 59.2 |
| Net income, 1 st quarter 2006 | | | 2.6 | 2.6 | 0.1 | 2.7 |
| Balance as of March 31, 2006 | 13.0 | 47.0 | 0.5 | 60.5 | 1.4 | 61.9 |
| Net income, 2 nd to 4 th quarter 2006 | | | 3.9 | 3.9 | 0.3 | 4.2 |
| Balance as of Dec. 31, 2006 | 13.0 | 47.0 | 4.4 | 64.4 | 1.7 | 66.1 |
| Net income, 1 st quarter 2007 | | | 2.6 | 2.6 | 0.1 | 2.7 |
| Balance as of March 31, 2007 | 13.0 | 47.0 | 7.0 | 67.0 | 1.8 | 68.8 |

The net income in the first quarter of 2007 improved equity by EUR 2.7 million to EUR 68.8 million.

Positive free cash flow

Cash flow

| EUR million | 1 st quarter 2007 | 1 st quarter 2006 |
|---|---------------------------------|---------------------------------|
| Net cash from operating activities | 17.4 | 13.0 |
| Investing activities | - 4.2 | - 5.5 |
| Free cash flow | 13.2 | 7.5 |
| Free cash flow of the discontinued division | 0.0 | - 0.1 |
| Net cash from financing activities | 0.0 | - 4.2 |
| Cash-effective change in liquidity | 13.2 | 3.2 |

Loewe generated significantly higher positive free cash flow in the first three months of 2007 compared to a year earlier. In addition to the stable earnings trend, the increase was supported by reduced receivables and inventories.

The negative net cash from financing activities in the first three months of 2006 was due to the repayment of long-term loans.

Cash and cash equivalents were higher by EUR 10 million in the first quarter of 2007 than in 2006.

Financing

| EUR million | March 31, 2007 | Dec. 31, 2006 | March 31, 2006 |
|---------------------------------|-------------------|------------------|-------------------|
| Cash and cash equivalents | 15.1 | 6.5 | 16.0 |
| Long-term liabilities to banks | - 4.2 | - 4.2 | - 5.2 |
| Short-term liabilities to banks | - 1.2 | - 5.8 | - 2.6 |
| Subtotal | 9.7 | - 3.5 | 8.2 |
| Factoring | 0.0 | 0.0 | - 0.3 |

As of March 31, 2007, cash and cash equivalents exceeded short-term and long-term bank debt by EUR 9.7 million. Factoring was not utilized in the first quarter of 2007.

Development and production

In the first quarter of 2007, the new Individual Compose line of televisions was successfully launched in screen sizes 40" and 46". The LCD-TVs are equipped with Loewe's new L2700 TV platform. In addition to analog and digital television, the TVs are capable of receiving high-definition television (HDTV) with outstanding picture quality. The displays have a resolution of 1920 x 1080 (full HD). Of course, the units are equipped with the Loewe hard disk recorder DR⁺. This global innovation makes it possible to record HDTV broadcasts in their original resolution. A digital photo viewer rounds out the features of these top-notch products.

The Spheros R 37 Full HD⁺ was the first set of the reference line to be converted to the new HDTV chassis. The Modus L 32 was launched as a new set for attractive price positioning.

Development is working at full steam on a new line of sets for a younger target group. At the same time, work was started on a version of the L2700 chassis that will make it possible to improve picture quality even further. This electronic system can also be used to control the newest 100 Hz screens.

In Loewe Sound, the output of the Individual Sound subwoofer was increased to 350 watts. Development toward a sound projector that will make it possible to produce impressive surround sound without distributed speakers was initiated with an OEM partner.

Advance development is continuing work on the subsidized research projects according to plan. These projects are primarily focused on an intelligent on-screen menu and integration of the TV set into a home network. The research project "OVAL" supported by the Bavarian Research Foundation was focused on the transfer of image content via optical waveguides such as glass and plastic fiber lines. "OVAL" was successfully completed according to plan on March 31, 2007. In general, Loewe is continuously expanding its existing contacts with research institutions, institutes and universities to be able to generate technical differentiating features as a premium brand in Europe in the future.

Marketing and sales

Loewe is the leading premium brand in the European TV market. This positioning entails both claims and responsibilities and is underscored on a lasting basis through the designation of the Individual 46 Compose as the best television in the world*.

The new LCD line builds on the individualization ideas of the Loewe product philosophy. In screen sizes of 40" and 46", Individual Compose is equipped with the high-resolution Digital⁺ platform, a modular sound concept and an HDTV-capable hard disk recorder DR⁺. Outstanding test results for picture and sound quality underscore the set's technical superiority compared to the competition.

To ensure optimal marketing for Loewe's new product highlight, all marketing activities in the first quarter of 2007 were concentrated on the launch of Individual Compose. Convincing advertising motifs marked the beginning of the Loewe marketing campaign in January 2007. Integrated communication activities specifically guided interested persons to retail shops via diverse communication channels. For the market launch, almost 600 Loewe points of sale were equipped with special shop system elements throughout Europe to enable the set to impressively demonstrate its unique selling points in a brand-adequate environment.

* Test report of HomeVision 4/2007

Loewe systematically continued the gradual qualitative expansion of its points of sale in the first quarter of 2007, which culminated in the opening of a Loewe flagship store in Zurich.

Marketing activities in the first quarter of 2007 focused on the Europe-wide launch of Individual Compose. The products that were launched on the market represent a significant expansion of the product line not only in the area of high-resolution display devices. Audio components that can be individually configured clearly reinforce our premium positioning as a leading supplier of home cinema solutions.

In the first quarter of 2007, the market showed that the price decline that was already evident in late 2006 significantly intensified. This trend impacted all significant screen sizes, with the sizes 37" and 40" in particular. By further increasing the price premium compared to the A brands, Loewe succeeded somewhat in decoupling itself from this effect. As a consequence of our value-oriented marketing, Loewe deliberately accepted lower unit sales than planned; this decline, however, was compensated for by more stable prices and higher gross margins.

The focus in the second quarter will be on conveying the message of added value and additional benefit of Loewe's individual home cinema solutions and on keeping prices constant for the most part. At the same time, the expansion of the points of sale with the Loewe distribution concept "Gallery/Partner Plus/Partner" will be continued in all European markets in order to properly support the value-oriented marketing of our products.

In marketing communications, the second quarter will primarily be concerned with the preparations for IFA 2007. This will enable us to use exceptional communication solutions to set a spectacular backdrop for the planned launch of new Loewe products. With a new line of sets, Loewe will expand its performance spectrum in a target group that, in addition to exceptional design features, especially values intelligent networking. Multimedia applications increasingly demand wired or wireless home networks into which the television set is perfectly integrated.

Number of employees slightly lower

The number of employees fell from 988 to 966 persons year-on-year. As of March 31, 2007, the number of direct employees in production was lower by 34 because of the hiring of temporary employees in 2006 due to capacity bottlenecks. The number of indirect employees rose slightly due to necessary buildups in development, marketing and sales.

Opportunities and risks of future development

The Company's most important opportunities are in its successful positioning as a premium provider in the rapidly growing market for flat-panel TVs in Europe. In the next few years, many households will be replacing their picture-tube units with flat-panel sets. This trend could be further intensified by the increased availability of HDTV (high-definition television), which provides considerably improved picture quality. For many years, Loewe has enjoyed a strong premium position in the picture tube market, and it is confident that it has a good opportunity to achieve a comparable position in the more mature market for flat-panel TVs. This should make it possible to outperform past benchmarks in sales and earnings.

The most significant risks are related to the successful positioning of a competitive flat-panel product range in the premium segment and the implementation of our product and price policy oriented to quality and desirability. In order to do so, it is necessary to realize technological differentiation potentials in addition to the attractive design of the products. Moreover, attractive procurement conditions and sufficient materials availability are of tremendous importance, above all with regard to the relatively expensive LCD panels purchased from manufacturers in the Far East.

The detailed outlook and risk report is published in the annual report for 2006 on pages 43 to 49. There were no significant changes from the previous year in the first three months of 2007.

Other disclosures

As of March 31, 2007, the Executive Board held 622,718 shares in Loewe AG, which was unchanged from the figure reported on December 31, 2006.

No events of special significance occurred after the end of the quarter.

Outlook for the fiscal year 2007

Despite the resurgence of the rapid decline in prices for LCD sets in the last few months, Loewe is confident about the current fiscal year due to the sustained dynamic market growth in large-screen flat-panel TVs in Europe, new attractive digital products as well as the increased brand awareness of consumers. In contrast to the World Cup year of 2006, Loewe's growth in sales is expected to occur in the second half of 2007. For 2007 as a whole, Loewe anticipates that sales will grow by approximately 10% to EUR 380 million and that EBIT will improve by at least 20% to EUR 16 to 18 million.

Kronach, May 9, 2007

The Executive Board



Dr. Rainer Hecker



Gerhard Schaas



Oliver Seidl

Consolidated Income Statement 1st Quarter 2007

| | January – March 2007 | | January – March 2006 | |
|---|-------------------------|--------------|-------------------------|--------------|
| | EUR million | % | EUR million | % |
| Sales | 82.0 | 100.0 | 88.7 | 100.0 |
| Cost of sales | - 60.8 | - 74.2 | - 66.0 | - 74.4 |
| Gross margin | 21.2 | 25.8 | 22.7 | 25.6 |
| Selling expenses | - 13.9 | - 16.9 | - 14.5 | - 16.3 |
| General administrative expenses | - 2.3 | - 2.8 | - 2.1 | - 2.4 |
| Other operating income | - 0.1 | - 0.1 | - 1.0 | - 1.1 |
| EBIT | 4.9 | 6.0 | 5.1 | 5.8 |
| Interest and similar income | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest and similar expenses | - 0.7 | - 0.8 | - 0.9 | - 1.0 |
| Profit from ordinary activities (EBT) | 4.3 | 5.3 | 4.3 | 4.9 |
| Income taxes | - 1.6 | - 2.0 | - 1.6 | - 1.8 |
| Net income before minority interests | 2.7 | 3.3 | 2.7 | 3.1 |
| Minority interests | - 0.1 | - 0.1 | - 0.1 | - 0.1 |
| Net income after minority interests | 2.6 | 3.2 | 2.6 | 3.0 |
| Earnings per share of the continuing division | 0.20 | | 0.20 | |
| Number of shares issued as of March 31 | 13,009 | | 13,009 | |

Consolidated Balance Sheet as of March 31, 2007

| EUR million | March 31, 2007 | Dec. 31, 2006 | March 31, 2006 |
|--|-------------------|------------------|-------------------|
| Assets | | | |
| Non-current assets* | | | |
| Intangible assets | 5.4 | 5.5 | 5.9 |
| Property, plant, and equipment | 36.6 | 36.3 | 36.8 |
| Financial assets | 0.7 | 0.7 | 0.8 |
| Other non-current receivables | 1.0 | 1.0 | 0.6 |
| Deferred tax assets | 23.3 | 24.1 | 24.7 |
| Total non-current assets | 67.0 | 67.6 | 68.8 |
| Current assets* | | | |
| Inventories | 54.7 | 59.9 | 57.6 |
| Trade accounts receivable | 67.6 | 81.9 | 67.4 |
| Other current receivables | 1.7 | 2.1 | 4.2 |
| Cash and cash equivalents | 15.1 | 6.5 | 16.0 |
| Total current assets | 139.1 | 150.4 | 145.2 |
| Assets of the discontinued division | 0.0 | 0.0 | 0.1 |
| Total assets | 206.1 | 218.0 | 214.1 |
| Liabilities and shareholders' equity | | | |
| Shareholders' equity | | | |
| Equity attributable to equity holders of the parent | | | |
| Subscribed capital | 13.0 | 13.0 | 13.0 |
| Capital reserve | 47.0 | 47.0 | 47.0 |
| Distributable profit | 7.0 | 4.4 | 0.5 |
| | 67.0 | 64.4 | 60.5 |
| Minority interests | 1.8 | 1.7 | 1.4 |
| | 68.8 | 66.1 | 61.9 |
| Non-current liabilities* | | | |
| Provisions for pensions and similar obligations | 37.8 | 37.9 | 36.8 |
| Other provisions | 13.0 | 13.1 | 14.8 |
| Financial liabilities | 4.2 | 4.2 | 5.2 |
| Total non-current liabilities | 55.0 | 55.2 | 56.8 |
| Current liabilities* | | | |
| Tax provisions | 4.0 | 3.9 | 4.5 |
| Other provisions | 42.7 | 45.6 | 33.6 |
| Financial liabilities | 1.2 | 5.8 | 2.6 |
| Trade accounts payable | 29.7 | 34.2 | 49.3 |
| Other liabilities | 4.4 | 6.8 | 4.7 |
| Total current liabilities | 82.0 | 96.3 | 94.7 |
| Provisions and liabilities of the discontinued division | 0.3 | 0.4 | 0.7 |
| Total liabilities and shareholders' equity | 206.1 | 218.0 | 214.1 |

* of the continuing division

Consolidated Cash Flow Statement January to March 2007/2006

| EUR million | 2007 | 2006 |
|---|--------------|--------------|
| Operating activities | | |
| EBIT | 4.9 | 5.1 |
| Interest paid | - 0.6 | - 0.8 |
| Depreciation and amortization of non-current assets | 3.9 | 3.7 |
| Decrease in non-current provisions | - 0.1 | - 0.2 |
| Decrease in pension provisions | - 0.1 | 0.0 |
| Income taxes paid | - 1.1 | - 0.1 |
| Cash flow before changes in net current assets | 6.9 | 7.7 |
| Change in net current assets | | |
| Decrease (+)/increase (-) in inventories | 5.2 | - 18.1 |
| Decrease in trade accounts receivable and other assets | 14.5 | 21.1 |
| Decrease in other provisions | - 2.9 | - 0.7 |
| Decrease/increase in trade accounts payable and other liabilities | - 6.3 | 3.0 |
| Change in net current assets | 10.5 | 5.3 |
| Net cash from operating activities | 17.4 | 13.0 |
| Investing activities | | |
| Payments for purchases of intangible assets and property, plant and equipment | - 4.2 | - 5.5 |
| Net cash from investing activities | - 4.2 | - 5.5 |
| Free cash flow of the continuing division | 13.2 | 7.5 |
| Free cash flow of the discontinued division | 0.0 | - 0.1 |
| Total free cash flow | 13.2 | 7.4 |
| Financing activities | | |
| Repayment of loans | 0.0 | - 4.2 |
| Net cash from financing activities | 0.0 | - 4.2 |
| Cash-effective change in liquidity | 13.2 | 3.2 |

| Composition of liquidity | March 31, 2007 | Dec. 31, 2006 | ± |
|----------------------------------|-------------------|------------------|-------------|
| Cash and cash equivalents | 15.1 | 6.5 | 8.6 |
| Drawing credits | - 0.3 | - 4.9 | 4.6 |
| Use of factoring | 0.0 | 0.0 | 0.0 |
| Cash and cash equivalents | 14.8 | 1.6 | 13.2 |

Contacts

Loewe AG
Industriestrasse 11
D-96317 Kronach

PO Box 1554
D-96305 Kronach

Investor Relations: +49 (0) 92 61/99-984
Email: ir@loewe.de
Fax: +49 (0) 92 61/99-994


Public Relations: +49 (0) 92 61/99-477
Email: presse@loewe.de

Customer Care Center: +49 (0) 18 01/22 25 63 93
Email: ccc@loewe.de

Telephone switchboard: +49 (0) 92 61/99-0
Internet: www.loewe.de

Ticker symbol: LOE
WKN: 649410
ISIN: DE 0006494107

Loewe shares are traded in the Prime Segment of the German Stock Exchange.

Indices:  SDAX®
Classic All share®
Prime All share
CDAX®

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Industriestrasse 11
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Phone: +49 (0) 92 61/99-984
Email: ir@loewe.de



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