

Loewe AG: Preliminary results for the first nine months of 2009

New forecast for 2009: Sales decline to EUR 350 million / EBIT of EUR 12 million

Kronach, October 27, 2009 – On a preliminary basis, total sales of the Loewe Group of EUR 76.6 million in the third quarter of 2009 were only 3% below the level achieved a year earlier (Q3 2008: EUR 79.3 million). Accordingly, in the first nine months of 2009 Group sales declined by 15% from EUR 259.0 million to EUR 220.4 million. Loewe's various markets showed diverse business trends. Sales in Germany in the third quarter of 2009 rose by 7% to EUR 50.4 million year on year, while export sales decreased by 18% to EUR 26.2 million.

Loewe's export performance in the first nine months of 2009 was impacted primarily by the continued difficult economic situation in parts of Europe, with Spain, an important market for Loewe, being particularly affected. In addition, the production start of Loewe's audio/video device, Mediacenter, which had been planned for the third and fourth quarter of 2009 will be postponed due to the significantly delayed assembly of components delivered by external cooperation partners. From today's perspective, production will begin in the second quarter of 2010. Both effects will probably cause a drop in Group sales of approximately EUR 25 million as compared to the existing forecast for 2009.

Despite the lower sales and production volume year on year and continued investments in the premium positioning of the Loewe brand, the Company did achieve a positive EBIT in the third quarter of 2009 in the amount of EUR 3.2 million (Q3 2008: EUR 6.3 million). Group EBIT for the first nine months of 2009 was EUR 4.6 million (Q1-3 2008: EUR 20.5 million).

Although we expect sales to grow in the fourth quarter, our initial target of achieving at least the sales level of the previous year in 2009 is no longer a realistic goal. The Executive Board of Loewe AG expects sales for 2009 as a whole to decline to approximately EUR 350 million. Despite the difficult economic situation in some European markets, Loewe continues to focus on marketing its high-value home entertainment systems at stable prices in line with the consistent application of its premium strategy and expects an EBIT for the whole of 2009 in the amount of EUR 12 million.

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The final results for the first nine months of 2009 will be published, as previously announced, on Wednesday, November 4, 2009.

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About Loewe

Outstanding design, innovative technology and superior quality are features of all products sold under the Loewe premium brand. Technological highlights include: home entertainment systems with high-resolution picture quality, an integrated hard disk recorder and a digital TV receiver. The company was founded in Berlin in 1923. Today, Loewe is a listed Group with approximately 1,000 employees. In fiscal 2008, Loewe achieved sales of EUR 374 million and EBIT of EUR 28.5 million; about half of total sales are recorded internationally. Loewe produces and distributes televisions, Blu-ray players, DVD recorders and audio components, which are also offered as complete Home Cinema solutions.

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