

Loewe Annual Shareholders' Meeting for 2010:

Loewe off to a good start in 2010

- **Sales and earnings in Q1 2010 slightly above Q1 2009**
- **Dividend proposal of EUR 0.25 per share**
- **Three new product lines in 2010**
- **Majority interest in multimedia company**
- **Moderate sales growth expected for year as a whole**

Kronach/Munich, May 20, 2010 – "Loewe is off to a good start in 2010. Our first quarter sales and earnings are somewhat ahead of the comparable figures for 2009. In addition, our Company has recently noticed that the World Cup is starting to have an impact. The FIFA World Cup again appears to be performing its traditional role as an economic driving force this year," pointed out Frieder C. Löhner, Loewe CEO, during the Company's annual shareholders' meeting in Munich.

Last year Loewe bucked the industry trend, generating EBIT of EUR 13.5 million (previous year: EUR 28.5 million). "We came through the turbulence of the global financial crisis in the premium market very well," said Löhner. In accomplishing this, margin had a clear priority over sales. In a market dominated by sharp price declines, Loewe was able to keep its prices almost steady. This had an adverse effect on sales which declined from EUR 374 million in the previous year to EUR 324 million in 2009. In addition to marketing at stable prices, the continued high percentage of large-screen TVs, more favorable procurement costs and a relatively robust business in Germany had a positive impact on earnings.

As a result of the positive earnings trend, a proposal will be made to the annual shareholders' meeting to pay a dividend of EUR 0.25 per share for 2009, down from EUR 0.50 per share for 2008.

The systematic expansion of the premium strategy also contributed to the good outcome in 2009. "Loewe is more than ever the European premium brand for entertainment electronics. We have achieved this by focusing the entire Company on our primary brand values of meaningful innovation, minimalist design and exclusive individuality." Loewe

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impressively underscored its presence as a premium brand by successfully launching the new high-end line Loewe Reference last year. In the meantime, Loewe Reference has gained multiple awards and has been the winner in numerous tests.

"We also plan to launch a dazzling array of new products in the current year," continued Löhner. In the run-up to the football World Cup, the new Loewe Individual line is currently being launched on the market – extremely individualized home entertainment systems that offer more than a million different options for technology and design. Two additional new television lines will be launched in the autumn.

Loewe's acquisition of a majority interest in the multimedia company MacroSystem will be completed in the next few weeks. "It will enable us to strengthen our expertise in product related multimedia software and we will also take over production for MacroSystem," commented Löhner. In recent years, MacroSystem has systematically built up its home entertainment business line to include innovative product solutions, in particular Blu-ray hard disk recorders for digital television. Loewe will use this expertise in particular for very powerful and customizable electronic program guides and also for the simple editing and archiving of video, audio and image files. In addition, the platform provides the optimal basis for making further progress in the convergence of Internet and television applications. The payments for the majority interest in the company operating to date under a self-administered insolvency plan will be in the low single-digit million range.

Loewe expects sales to grow moderately in the current fiscal year. 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 2010 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.

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