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Eigenkapitalforum 2011

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CEO / Spokesman Management Board

Agenda

- Brief introduction of Beate Uhse Group
- 2010 financial year
- Restructuring and strategic orientation
- 2011 financial year (up to Q3 2011)

Beate Uhse Group

Beate Uhse AG is european marketleader in erotic trading

The brands	beate uhse, beate uhse pabo, Christine le Duc, adam & eve				SCALA Playhouse, ZBF
Distribution channels	**Retail**	**Mail Order**	**E-Commerce**	**Entertainment**	**Wholesale**
Countries	**Group:** Germany, France, Netherlands, Belgium, Great Britain, Italy, Spain, Slovakia,, Czech Republic **Licence:** Austria, Switzerland, Poland, Slovenia				Worldwide
Growth driver	**Focus on e-commerce activieties**				

Beate Uhse key data

Key data	
Sales (9 m /2011)	109,4 Mio. €
EBIT (9 m /2011)	- 4,8 Mio. €
Countries (9 m /2011)	13
Shops (9 m /2011)	208
FTE (9 m /2011)	836
Management Board	Serge van der Hooft (CEO, Spokesman MB) Sören Müller (COO)
Share data	
Share Price (14.11.2011)	0,32 €
Number of Shares	78.074.696
Ø sales / day	32.222 Shares
Segment	Prime Standard
Designated Sponsor	Close Brothers Seydler Bank AG
Shareholder Structure	Consipio Holding B.V. 27,2%, Global Vastgoed B.V. 9,1%, UniCredit Bank AG 8,9% Rotermund Holding AG 6,8%, Own Shares 0,4%, Free Float 47,7%

2010 financial year – One-time effects

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EUR 000s	2009	2010 (operativ)	2010 (OTE*)	2010
Sales	230,7	197,7		197,7
Cost of sales	-97,3	-89,6	-0,8	-90,5
Other operating income	12,9	14,1		14,1
Selling expenses	-114,3	-112,7	-4,9	-117,5
General admin. expenses	-27,1	-27,8	-3,5	-31,3
Other operating expenses	-2,2	-1,0	-27,8	-28,8
Share of ass. Companies			-2,7	-2,7
EBIT (opeative)	**2,7**	**-19,5**	**-39,7**	**-59,0**

OTE*: One-time effects

- **Selling expenses:**
  - Creation of provisions for possible losses from existing tenancy agreements in the Wholesale and Retail divisions
  - Impairment of property, plant and equipment in Retail, and receivables in Entertainment
- **General administrative expenses:**
  - Creation of provisions for staff reductions in Wholesale and Retail
  - Possible losses as a result of the cancellation of service contracts
- **Other operating expenses:**
  - Adjustment of the value of the investment in tmc Content Group AG
  - Impairment of company value in Wholesale and Retail
  - Losses from the sale of subsidiaries in the Wholesale and Retail divisions that no longer tie in with the sales concept
- **Share of associated companies:**
  - Share of losses from the interest held in tmc Content Group AG, which is accounted for using the equity method

2010 financial year – operating P&L statement

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EUR 000s	2009	2010 (operativ)
Sales	230,7	197,7
Cost of sales	-97,3	-89,6
Other operating income	12,9	14,1
Selling expenses	-114,3	-112,7
General admin. expenses	-27,1	-27,8
Other operating expenses	-2,2	-1,0
EBIT (opeative)	**2,7**	**-19,5**

- **Sales:**
  - Mail Order (EUR -15.2 million): Customers rejected the soft and hard concept and the additional line of merchandise introduced during the first six months
  - Wholesale (EUR -10.2 million): Dwindling DVD sales, sale of cut-price warehouse goods, reorganisation of supply processes
  - Retail: Reassessment of store locations
- **Cost of sales:**
  - Strong competition in DVD sales
  - Decline in high-margin cinema and private cabin sales
  - Sale of cut-price warehouse stock in Mail Order, Retail and Wholesale
- **Selling expenses:**
  - Lower advertising efficiency due to the introduction of the soft and hard concept
  - Increase in advertising success through a greater focus on e-Commerce
  - Reduction of expenses in the Retail division

2010 financial year – distribution channels

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EUR 000s	2009	2010 (operativ)
Sales	**230,7**	**197,7**
Retail	62,8	57,2
Mail Order	104,1	88,9
Wholesale	51,2	41,0
Entertainment	12,6	10,6
EBIT (without OTE)	**2,7**	**-19,5**
Retail	0,2	-3,6
Mail Order	6,8	-9,7
Wholesale	0,0	-7,2
Entertainment	1,6	2,1
Holding	-6,0	-1,1

OTE*: One-time effects

- **Retail:**
  - Branch closures
  - Dwindling DVD sales
  - Falling private cabin and cinema sales
- **Mail Order:**
  - Introduction of the soft and hard concept failed
  - New range of merchandise was rejected by the customers
  - High level of investment in advertising
- **Wholesale:**
  - Intense competition
  - Sustained drop in DVD sales
  - Initial difficulties with the reorganisation of logistic operations
  - Cut-price sale of warehouse stock
- **Entertainment:**
  - Competitive pressure from providers of free content
  - Successful negotiations with advertising partners

2010 financial year – Balance sheet

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EUR 000s	2009	2010
Assets	**183,6**	**124,0**
Non-current assets	94,8	57,2
Current assets	88,8	66,8
SE & liabilities	**183,6**	**124,0**
Shareholders´ equity	100,8	33,6
Long-term liabilities	12,4	12,2
Short-term liabilities	70,4	78,2
Working Capital	55,8	32,5
Net dept	29,5	34,6

Assets:

- Adjustment of company value and property, plant and equipment in Wholesale and Retail units
- Depreciation of the investment in tmc Content Group AG
- Adjustment of deferred tax assets
- Reduction of stocks and receivables

Equity and liabilities:

- One-off effects and operating losses result in less shareholders' equity
- Higher trade payables and a larger proportion of current liabilities

- Less working capital as a result of a reduction in inventories and receivables
- Net debt increased by EUR 5.1 million due to losses

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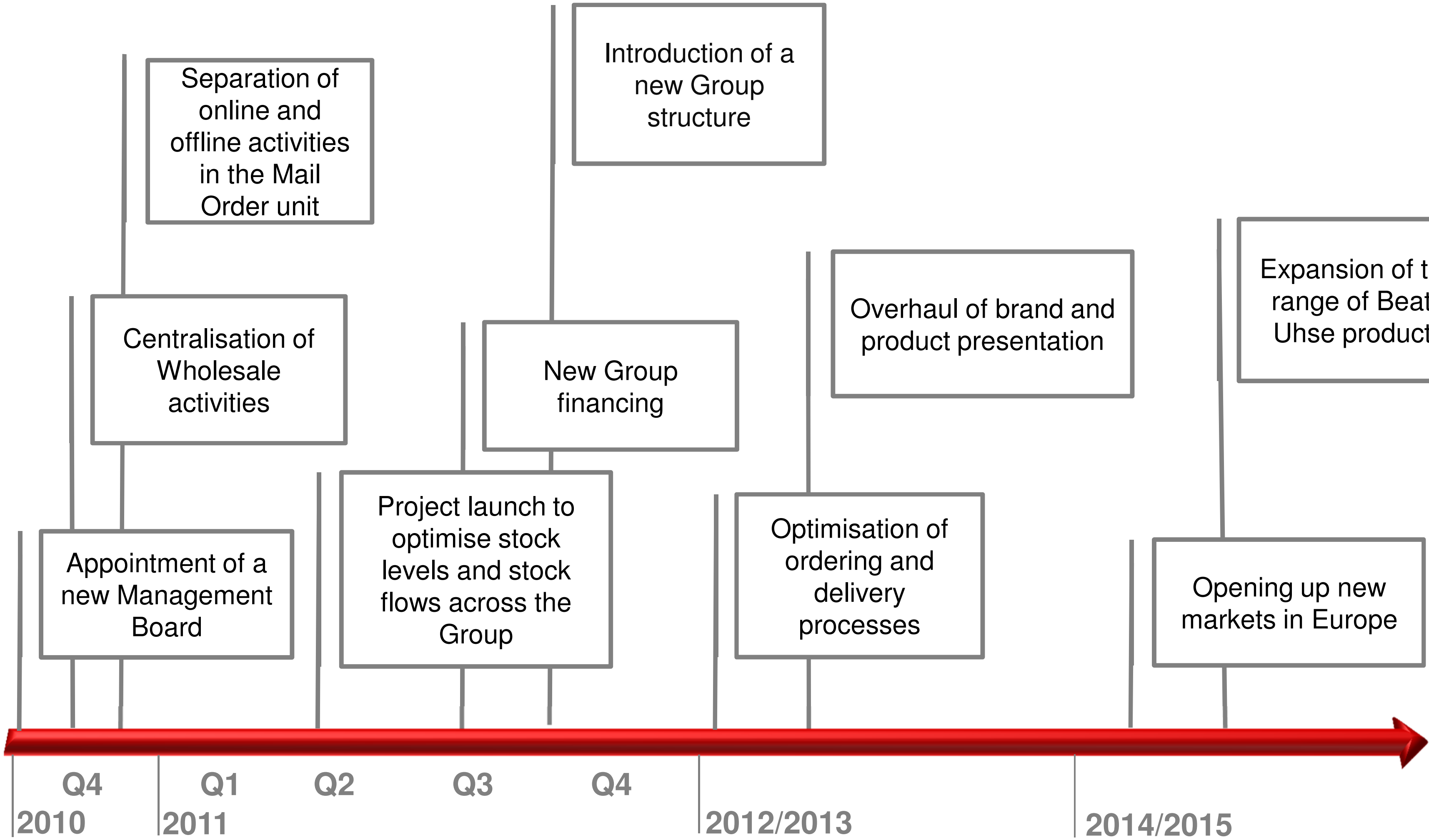
Restructuring and strategic orientation

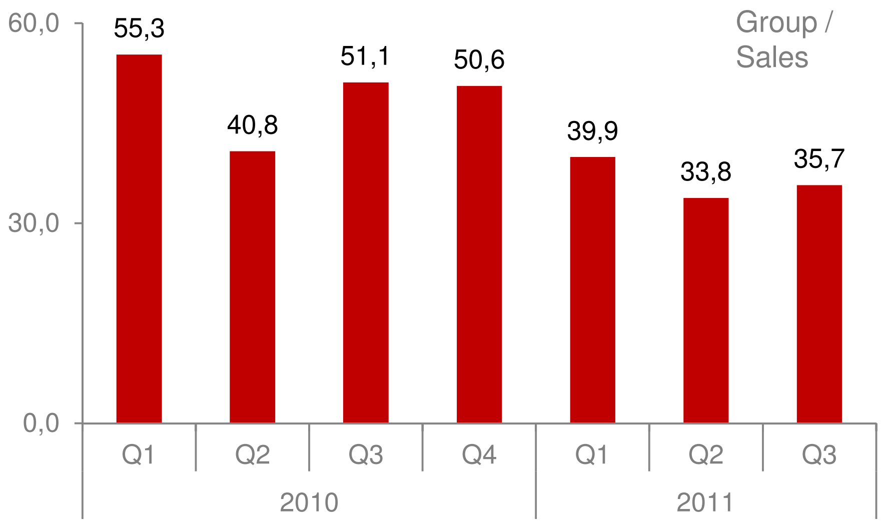


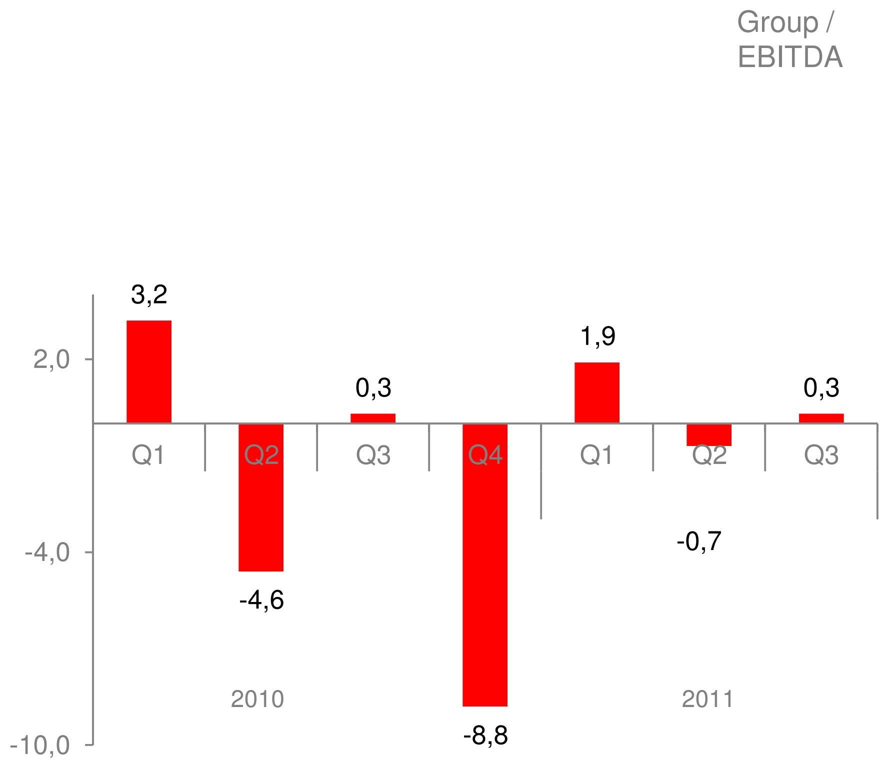
2011 financial year - P&L

EUR 000s	9m / 2010	9m / 2011
Sales	147,1	109,4
Cost of sales	-65,5	-54,5
Other operating income	11,5	9,2
Selling expenses	-80,7	-49,9
General admin. expenses	-19,9	-17,8
Other operating expenses	-0,7	-0,3
Shares without dominant influence		-0,8
EBIT **(opeativ)**	-8,2	-4,8

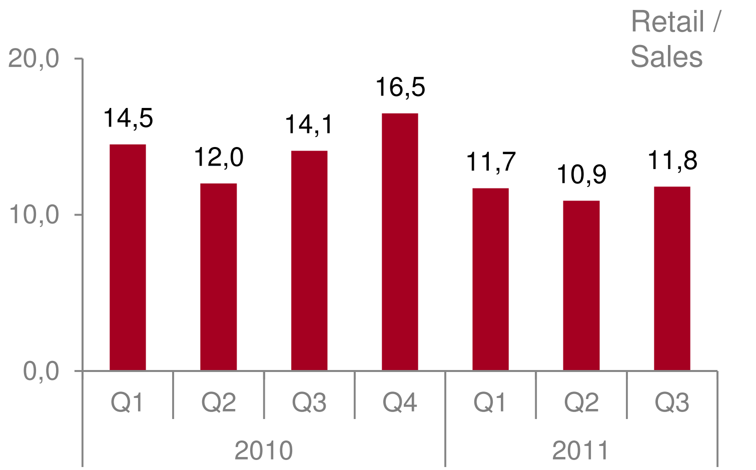
- **Sales:**
  - Fall in sales as a result of restructuring measures in:
    - Mail Order: Focus on e-Commerce and profitable customer groups in the catalogue business
    - Wholesale: Bundling of all sales activities, sale and/or discontinuation of outdated activities
    - Retail: Reassessment of branch locations
- **Cost of sales:**
  - Sales-related fall in material expenses
  - Negative impact on share of material expenses due to significant product range optimisation as part of the supply chain project
- **Other operating income:**
  - Lower income from mail order and reminder fees as part of the amended business model in the Mail Order unit
  - Lower rental income due to branch closures
- **Selling expenses:**
  - Reduction by seeing through restructuring measures, in particular by:
    - Increasing advertising efficiency
    - Streamlining receivables management
    - Concentrating on profitable branches

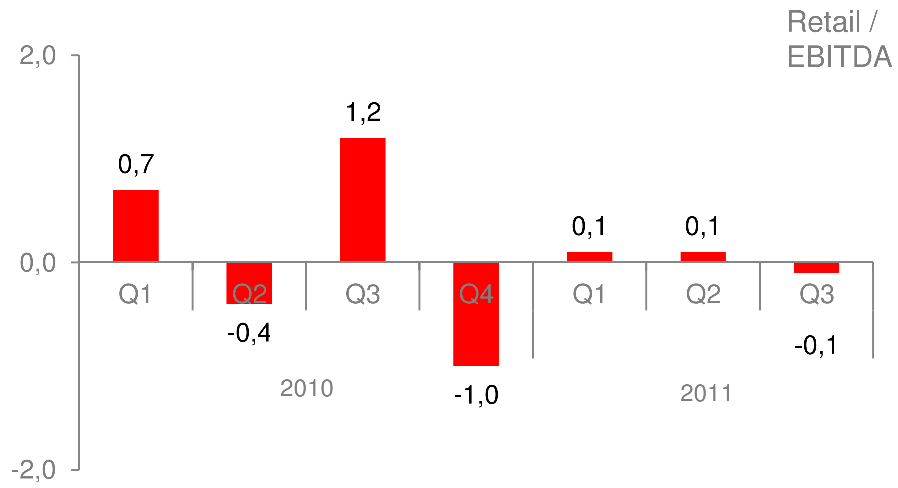
2011 financial year - Sales- /earning growth

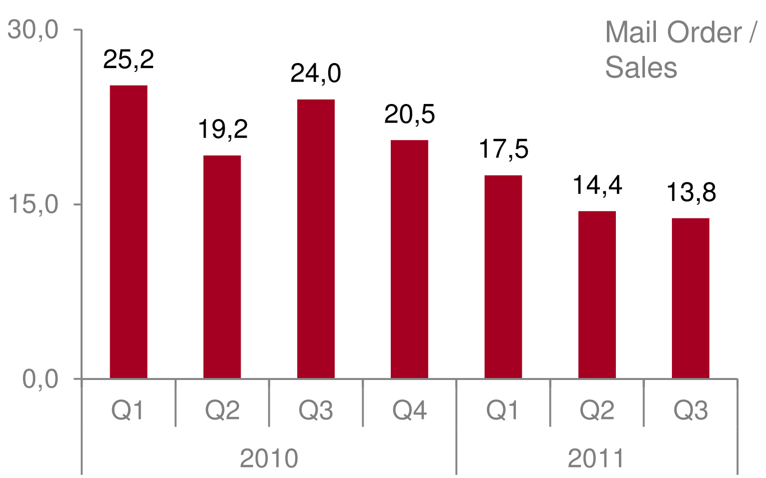




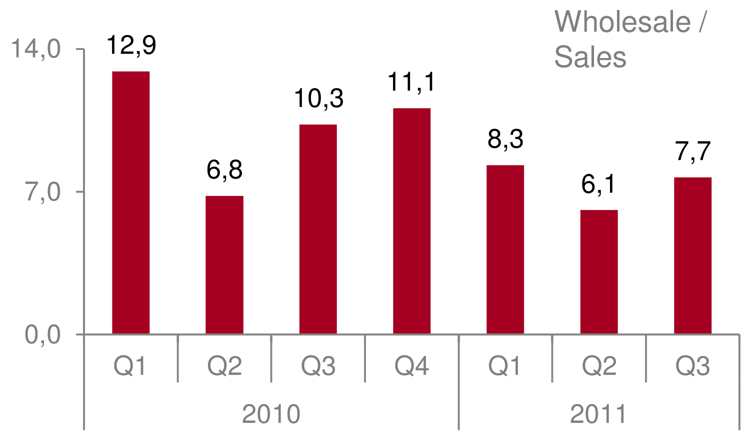
2011 financial year - Sales- /earning growth

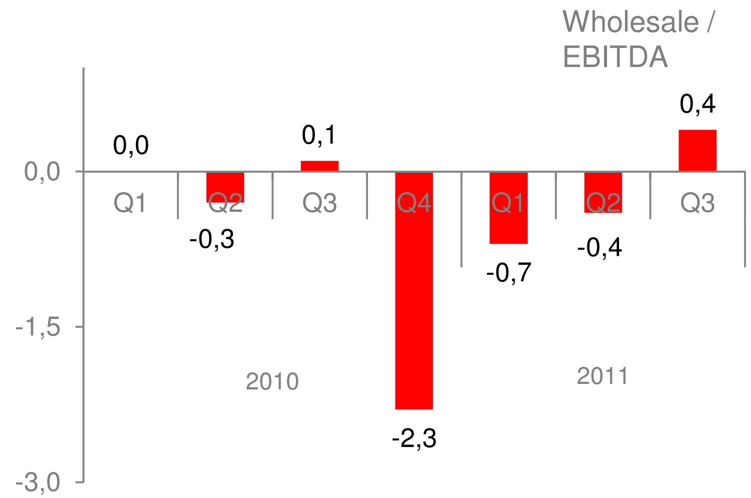


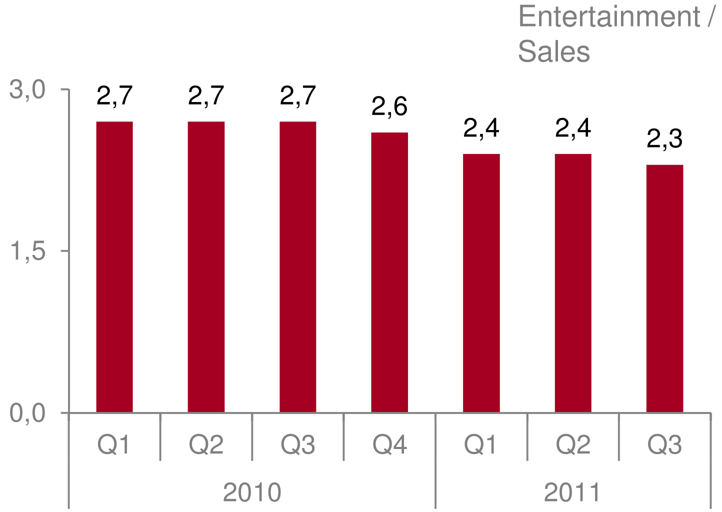


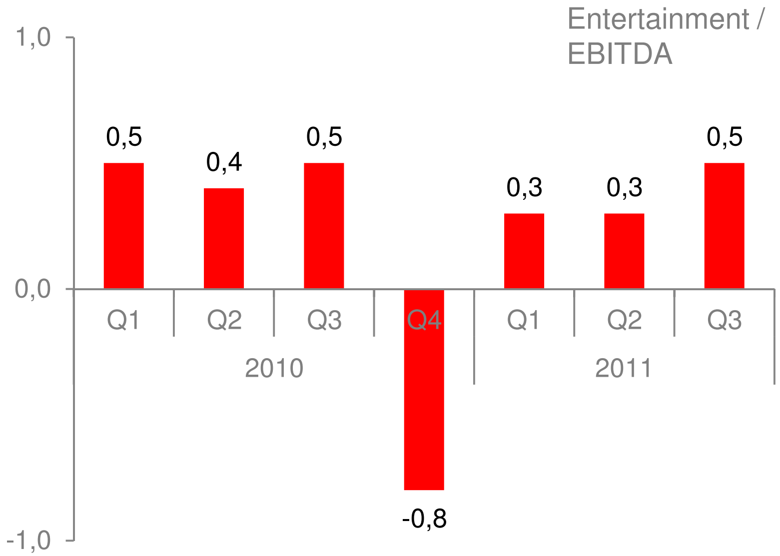


2011 financial year - Sales- /earning growth









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2011 financial year - Balance sheet

EUR 000s	Dec. 10	9m/2011
Assets	**124,0**	**96,9**
Non-current assets	57,2	50,8
Current assets	66,8	46,2
SE & liabilities	**124,0**	**96,9**
Shareholders´ equity	33,6	30,0
Long-term liabilities	12,2	20,7
Short-term liabilities	78,2	46,2
Working Capital	32,5	25,0
Net dept	34,6	23,0

Assets:

- Reduction of non-current assets as a result of the deconsolidation of subsidiaries during the restructuring process
- Significant reduction of stock levels as a result of the optimisation of inventories and stock flows across the Group

Equity and liabilities:

- Operating loss results in less shareholders' equity
- Higher share of non-current loans as a result of the new financing structure
- Reduction of current liabilities by:
  - Restructuring into non-current liabilities
  - Repaying loans
- Lowering trade payables

- Less working capital as the result of a reduction in inventories in the course of the project to optimise procurement and inventory management
- Net debt was reduced by EUR 11.6 million by selling assets, lowering the working capital and repayments made by tmc Content Group AG.

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Thank you for
your attention