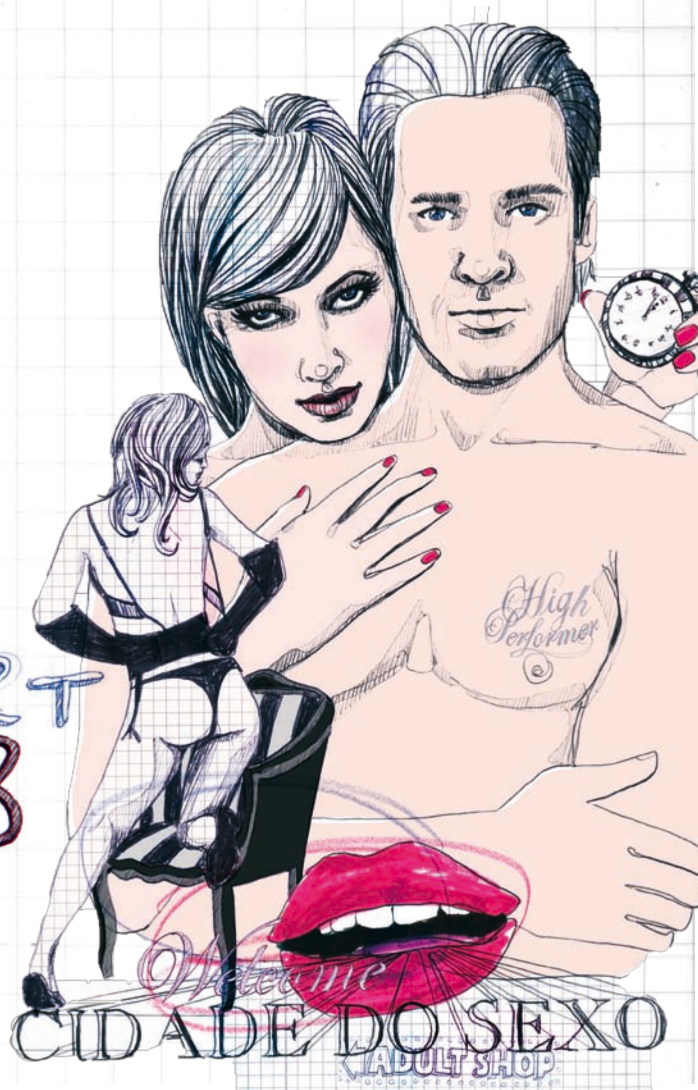
beate uhse

6 MONTH REPORT 2008



BEATE UHSE AT A GLANCE

EUR 000s		6 months 30.06.2007	6 months 30.06.2008	Change %
SALES PERFORMANCE				
Retail		39,268	35,553	-9.5
Mail Order		52,030	51,703	-0.6
Wholesale		29,142	27,087	-7.1
Entertainment		8,205	7,041	-14.2
Holding Services		0	0	0.0
Total sales		128,645	**121,384**	-5.6
International share of sales	%	63.3	61.3	-3.2
RESULTS				
EBITDA		13,480	12,352	-8.4
EBIT		7,389	6,846	-7.3
EBT		5,697	6,063	6.4
Net income of ongoing business divisions		4,528	3,017	-33.4
OTHER EARNINGS INDICATORS				
Return on sales before tax	%	4.4	5.0	12.8
Return on sales after tax	%	3.5	2.5	-29.4
Return on equity	%	6.8	3.2	-53.5
Gross profit margin	%	56.2	58.4	3.9
FINANCIAL SITUATION				
Cash flow from operating activities		-21,389	-775	-96.4
Investments		6,298	3,479	-44.8
Depreciation		6,091	5,506	-9.6
Dividend paid		-4,704	0	-100.0
BALANCE SHEET DATA (2007: 31 DECEMBER)				
Total assets		183,404	183,992	0.3
Shareholders' equity		66,367	95,030	43.2
Equity ratio	%	36.2	51.6	42.7
Non-current assets		106,012	103,200	-2.7
Current assets		77,392	80,792	4.4
OTHER DATA				
Employees	total	1,424	1,345	-5.5
Personnel expenses		23,746	22,809	-3.9
Cost of sales		56,347	50,475	-10.4
Cost of distribution		61,399	60,792	-1.0
SHARES				
Number of shares	total	47,323,696	70,984,696	50.0
Closing price	EUR	3.54	1.11	-68.6
Annual high	EUR	5.80	2.03	-65.0
Annual low	EUR	3.44	1.11	-67.7
Earnings per share	EUR	0.09	0.04	-54.5
Cash flow per share	EUR	0.21	0.14	-33.3

FOREWORD OF THE MANAGEMENT BOARD

DEAR SHAREHOLDERS,

We had the opportunity of welcoming many of you in person to our Annual General Meeting, which this year was convened at the company's headquarters in Flensburg once again. Around 300 shareholders, investors and guest took the opportunity of hearing at first hand of our strategies and plans for the future, as well as our review of the past financial year and first quarter. We would like to thank you for the great trust you have shown by approving our actions as the Management and Supervisory Board. We are also pleased that you have elected Gerard Cok to the Supervisory Board. This will enable him to continue to support us with his longstanding experience and in-depth knowledge of the sector.

Economic expectations have had to be trimmed back substantially across the whole of Europe. Higher living costs and increased petrol and energy prices have significantly dampened consumer's propensity to spend. This development is also leaving its mark on the erotica sector. The decline in the DVD and cabin business, previously highly profitable activities, has thus gained notably in momentum. Beate Uhse has also not been able to escape this development. We nevertheless see this change as representing an opportunity. We are confronting the challenge placed by new market conditions by changing ourselves and our structures to align them to the future – a process which will require all of our energies for some time to come. Step by step, we are nevertheless putting our plans into action. We have already tackled and achieved a great deal.

We are pressing ahead with the consistent implementation of our reorganisation programme. To date, 26 stores have been closed in Germany, the Netherlands and Belgium, while 15 stores receive a facelift or converted to premium stores.

We have brought the mail order business back on track. The figures for June, usually a weak month for our business and made even harder by high temperatures this year, reveal a clear upward trend.

We have asserted our claims against the insurance company, which has now compensated the water damage with Euro 4 million for the loss of earnings – over and above the Euro 1.2 million already paid last year for the material damage incurred.

We have built up our production of high-quality sex toys in Hungary. The sex toy line developed in-house under the Mae B. brand is the first in Germany to be certified by the Technical Inspection Agency. The plant in Börcs in Hungary is probably the world's first factory producing sex toys in line with the ISO 9000 norms.

In cooperation with PepperParties, a well-known direct sales company in Germany, we have launched the sale of our own sex toys at home parties.

We have concluded initial cooperation agreements with leading telecommunications companies in the Benelux countries, Germany and Scandinavia in order to market our film rights as videos-on-demand.

We have successfully launched the production of films under our own Daring! label. “Roma”, its first film, has reached 6th position in the US best erotic film charts.

We are principal sponsor for this year’s Venus and, as the market leader, will be hoisting our ensign in Berlin at this, the erotica sector’s largest international trade fair.

In summary, we have a highly interesting product and are operating in a market with potential. Demand for erotica will remain high and continue to grow. We are aligning our traditional distribution channels to meet changing standards in the market. One example is our premium erotica store concept, whose positive performance affirms our strategy. We see new media and the modern distribution channels via which we will increasingly market our products and services as harbouring great opportunities. Establishing Beate Uhse as the digital marketplace for erotica – that is our objective.

Lindemann

Otto Christian Lindemann	Serge van der Hooft
CFO and Spokesman for the Management Board	COO

INTERIM MANAGEMENT REPORT

BUSINESS AND ECONOMIC FRAMEWORK

Macroeconomic developments

In the wake of the US real estate crisis and turbulences on the financial markets, the global economy lost considerable momentum in the first half of 2008. The economic cycle would appear to have peaked. According to a joint research project, consisting of INSEE, ISAE and the ifo-Institut, euro area GDP is expected to have grown year-on-year by 2.4 percent in the second quarter. GDP has nevertheless stagnated compared with the strong first quarter of 2008. Private consumer spending only showed subdued developments in the first half of 2008. Positive factors, such as the favourable situation on the labour market and the nominal increase in wages and salaries, have been offset by high levels of inflation. Private consumer spending therefore rose by 0.8 percent in the second quarter compared with the same period in the previous year.

According to the ifo-Institut, the German economy showed robust developments in the first half of 2008, with year-on-year GDP growth of 2.7 percent in spite of negative underlying conditions, such as the appreciation in the euro and higher commodity prices. This positive development was nevertheless mainly attributable to the strong first quarter. Factors with a clearly negative effect, such as the slowing of the global economy and rising commodity prices, became apparent in the second quarter, leading GDP to decline slightly compared with the equivalent quarter in the previous year. Higher energy and food prices mean that German consumer confidence has also taken a sever knock. Private consumer spending showed marginal growth of just 0.6 percent compared with the same period in the previous year.

Erotica market

The erotica market has also been affected by the overall decline in consumers’ propensity to spend due to increased energy and petrol costs and higher living costs. This has impacted on the direct business with end customers, as well as on indirect B2B activities.

The erotica sector is currently undergoing a process of transformation affecting both demand and supply structures. Change within society is being accompanied by an increasingly open-minded attitude towards sex and erotica. The products are becoming consumer goods. It has become absolutely normal to buy toys, lingerie and erotic wellness products. New customer potential is opening up. While customers tended to be male in the past, today’s consumers also include self-confident women and couples keen to experiment. Alongside the quality and appearance of products, these customers also attach importance to an appealing ambience for their erotic shopping sprees. This trend is reflected in the performance of the various product groups. Ever greater demand has been seen for products such as toys, lingerie and wellness items, while the DVD, cabin and magazine business is on the decline.

On the supply side, the main change in the market is the increasing importance of the internet. Smaller companies alien to the sector have entered the market and offer a variety of erotica products at an equally wide variety of quality, mostly via online shops. The volume of content freely available on the internet has increased continuously, a development which has not only intensified competition in the entertainment business, but which has also impacted negatively on DVD and magazine turnover, as well as on the cabin business.

Beate Uhse views these changes in the market as representing not only a challenge, but also an opportunity. The foundation for realigning the Group was laid with the two modern logistics centres in Almere und Walsoorden. The Group has introduced its multi-channel strategy under three strong brands and with new organisational structures, thus enabling it to access and retain both today’s and tomorrow’s customers.

EARNINGS POSITION

Sales performance

The Beate Uhse Group generated sales of Euro 121.4 million in the first half of 2008. As planned, sales therefore fell short of the previous year's figure of Euro 128.6 million. The downturn in sales affected all profit centres, but was especially marked in the retail division, where the effects of the restructuring programme and resultant closure of retail outlets were apparent. Taken alone, the second quarter witnessed only a slight decline in sales to Euro 53.1 million, as against Euro 55.8 million in the equivalent quarter in the previous year.

Breaking sales down by region, the large country markets of Germany and France posted the most convincing performances. While sales in Germany matched the previous year's figure in spite of the weak consumer climate, in France the Group was able to increase its sales by 1.3 percent. The third large country market, the Netherlands, reported reduced sales due to falling DVD and magazine prices and the decline in the video cabin business. Of the smaller country markets, Scandinavia and Italy in particular posted pleasing sales performances with double-digit growth rates. East European countries also reported positive trends.

SALES BY REGION

EUR 000s	6 months 30.06.2007	**6 months 30.06.2008**	Change %
Germany	47,166	46,972	-0.4
Netherlands	23,143	21,279	-8.1
Belgium	8,112	7,604	-6.3
France	20,731	21,009	1.3
United Kingdom	5,846	4,907	-16.1
Austria	10,052	5,555	-44.7
Switzerland	513	620	20.8
Scandinavia	5,463	6,203	13.5
Italy	1,692	1,973	16.6
Other European countries	5,666	5,141	-9.3
Other regions	260	122	-53.2
	128,645	**121,384**	-5.6

Earnings performance

The Beate Uhse Group increased its earnings before taxes to Euro 6.1 million in the first six months of 2008, compared with Euro 5.7 million in the first half of 2007. This growth was due to two extraordinary factors. Firstly, in the second quarter the Beate Uhse Group received the insurance payment for the water damage, which benefited earnings to the tune of Euro 4.0 million. Secondly, IFRS require catalogue expenses to be recognised immediately as expenses, a factor which can lead to considerable fluctuations between individual reporting dates. This meant that a significantly lower volume of catalogue expenses was reported in the first half of the year than is to be expected based on previous experience for the second half of the year. Excluding the impact of catalogue expenses, earnings before taxes would have amounted to Euro 1.4 million in the first half of 2008, and would thus have been correspondingly lower.

To adjust the figures as required and enhance comparability, the sales-related expenses for the equivalent period in 2007 have been reduced by Euro 4.5 million, with tax expenses being correspondingly increased by Euro 0.9 million. All in all, therefore, earnings for the equivalent period in the previous year have been increased by Euro 1.2 million. In the second half of the year, this factor will be cancelled out for both 2007 and 2008, as a result of which earnings will be significantly burdened by catalogue expenses.

Costs of sales decreased more markedly than sales in the period under report, showing a pleasing reduction of 10.4 percent to Euro 50.5 million (previous year: Euro 56.3 million). This was due to lower sales input expenses in the retail and mail order businesses. Mail order logistics expenses declined substantially due to a reduction in external services. The optimised cost situation thus enabled the downturn in sales to be compensated for virtually in full; the gross profit declined by a mere 1.9 percent to Euro 70.9 million (previous year: Euro 72.3 million). The development in the gross margin thus reveals the initial success of the cost-cutting programmes. In the first half of 2008, Beate Uhse improved this key figure to 58.4 percent, up 2.2 percentage points on the previous year (previous year: 56.2 percent). This positive development is also apparent from an analysis of the individual quarters in 2008. While the gross margin still amounted to 58.0 percent in the first quarter of 2008, by the second quarter it had already risen to 59.0 percent in spite of a seasonal decline in sales volumes.

Other operating income, which had been affected in 2007 by the sale of the building in Walsoorden, improved significantly by 24.2 percent to Euro 10.5 million due to the insurance payment of Euro 4.0 million received in connection with the water damage. Sales-related expenses, by contrast, dropped by a mere 1.0 percent to Euro 60.8 million (previous year: Euro 61.4 million). The savings achieved in sales-related expenses were due in particular to store closures in the retail division and to optimised shipment expenses in the mail order business. General administration expenses, by contrast, rose by Euro 1.0 million to Euro 13.2 million (previous year: Euro 12.2 million). This notable increase was mainly due to the integration of Daring!, as well as to the rental expenses now incurred for the building in Walsoorden following its sale in summer 2007.

Operating earnings (EBIT) thus fell by 7.3 percent to Euro 6.8 million, down from Euro 7.4 million in the same period in the previous year. At Euro -0.8 million, the financial result was considerably better than the figure of Euro -1.7 million reported for the first half of 2007. This was due to the improved financing situation following the capital increase executed in March. With a positive financial result of Euro 0.3 million, the second quarter of 2008 made a pleasing contribution in this respect due to the positive valuation of the interest swap. As a result, earnings before taxes (EBT) rose by 6.4 percent to Euro 6.1 million (previous year: Euro 5.7 million). Non-capitalised deferred taxes on losses led taxes on income to rise substantially to Euro 3.0 million (previous year: Euro 1.2 million). Consolidated net income for the first half of 2008 thus amounted to Euro 3.0 million, as against Euro 4.5 million in the previous year. The second quarter contributed a marginal loss of Euro -0.9 million (previous year: Euro +0.2 million). Earnings per share thus amounted to Euro 0.04 in the first half of 2008 (based on 70,703,337 shares), compared with Euro 0.09 in the previous year (based on 47,042,337 shares).

Segment performance

Retail

EUR 000s	30.06.2007	30.06.2008	Change %
Sales	39,268	35,553	-9.5
EBITDA	3,037	1,892	-37.7
EBIT	252	-447	-277.4
EBT	-509	-1,197	135.2
Investments	3,465	1,143	-67.0

At Euro 35.6 million, the sales reported by the retail division in the first six months were, as expected, down on the previous year's figure, a development primarily due to the lower number of stores as a result of the restructuring programme. The premium store concept launched in Germany in 2007 has been very successful. Shops already converted have performed considerably better than their traditional counterparts. The same applies for the stores operating in the premium class under the Christine le Duc brand in the Netherlands. The restructuring programme is running on schedule and the company is pressing consistently ahead with the individual measures.

Two further Beate Uhse stores – in Joachimstalerstrasse in Berlin and at Munich Airport – were converted to the premium concept in the second quarter. The store in Nuremberg is currently being converted and is due to reopen in mid-August 2008.

Unprofitable stores are being consistently relinquished. This led to three stores being closed in Germany in the second quarter; one store was sold externally, one to a franchise partner and the third was closed. Within the restructuring programme a total of 17 stores are due for closure in Germany alone by the end of 2008. For 12 of these stores, steps have already been initiated for them to be closed and not replaced or to be sold by the end of the year. In Belgium and the Netherlands, six stores have already been closed, two sold and two further properties sublet.

BEATE UHSE SHOPS BY COUNTRY
OWN SHOPS

	6 months 30.06.2007	%	6 months 30.06.2008	%
Germany	72	43.9	65	42.8
Italy	5	3.1	6	3.9
Switzerland	0	0.0	1	0.7
Netherlands	64	39.0	58	38.2
Belgium	11	6.7	11	7.2
France	8	4.9	7	4.6
Norway	4	2.4	4	2.6
	164	100.0	152	100.0

LICENCE & FRANCHISE

	6 months 30.06.2007	%	6 months 30.06.2008	%
Germany	58	46.4	60	47.3
Austria	40	32.0	43	33.9
Switzerland	4	3.2	4	3.1
Norway	2	1.6	1	0.8
Italy	1	0.8	2	1.6
Hungary	15	12.0	12	9.4
Poland	5	4.0	5	3.9
Slovenia	0	0.0	0	0.0
	125	100.0	**127**	100.0

The focusing of the product range on lingerie, toys and wellness products has also had a tangible positive effect. Sales in the new product groups showed further marked growth in the second quarter, thus affirming the strategy of compensating for sales in hardcore product groups in the long term. The latter performed weakly once again in the second quarter. Particularly successful was the launch of the Mae B. products manufactured under the company's own management at its Hungarian production company bu productions Kft. This toy collection, which has been certified by the Technical Inspection Agency, has exceeded all expectations since its sales launch in April 2008.

Earnings at this division have been significantly affected by the restructuring programme and the resultant downturn in sales due to the lower number of stores. Earnings before taxes (EBT) amounted to Euro -1.2 million in the first half of 2008, compared with Euro -0.5 million in the previous year. The implementation of the new store concept meant that the investments of Euro 1.1 million mainly involved store conversion measures.

Mail Order

EUR 000s	30.06.2007	30.06.2008	Change %
Sales	52,030	51,703	-0.6
EBITDA	4,357	8,732	100.4
EBIT	3,177	7,746	143.8
EBT	2,862	7,570	164.5
Investments	2,045	628	-69.3

The mail order division generated sales of Euro 51.7 million in the first two quarters of 2008, thus more or less matching the previous year's figure (Euro 52.0 million). Particularly positive developments were seen in June, traditionally a weak month for sales in the erotica sector, in which the mail order business achieved year-on-year growth of more than 9 percent. The division's improved service levels and enhanced supply capability are thus taking effect.

To build on these positive developments, the mail order division is planning additional investments from autumn/winter 2008 onwards. These will focus in particular on targeted, customer-oriented advertising programmes and on developing new product ranges. Product innovations are due to be introduced in the online shop from October 2008 already. The broad product range will then be supplemented by erotic home accessories offered in the "Home" section. The existing product range will be streamlined, by contrast, thus enabling the division to focus in future on high-volume bestselling products. Regional customer advertising will be boosted by e-mail. France, the largest market in terms of its share of sales, continues to perform stably. The mail order business has also further expanded its sales in new high-growth markets in Eastern Europe, notably the Czech Republic, and has also been granted a warm reception in Poland following its market entry with a small catalogue in the first quarter of 2008. The performance of the Austrian and British markets, by contrast, fell short of expectations.

The entry into the Spanish market is scheduled for the third quarter, with the opening of an online shop under the Adam & Eve brand. Catalogues in individual markets will be converted to the national brands of Beate Uhse and Adam & Eve starting with the forthcoming Christmas catalogue. The aim is to strengthen brand focus in the mail order business as well and to generate synergies with other divisions. Mail order products will also be advertised in the shops. It will also be possible to order and collect these products at the shops. In future, there will be three main catalogues for each season, rather than two as in the past. With around 160 pages, these will also be significantly longer than previously. Experience has shown that larger main catalogues have significantly longer life spans than smaller, thinner interim catalogues. Not only that, in future each catalogue will contain an amended product range and differ significantly from preceding catalogues in terms of its design scheme. Products will be allocated to various topical focuses. Following the launch of new software solutions in the second half of the year, the compilation of catalogues with simultaneous sales via the online shop will also become notably easier and less costly.

Online orders, which are even more convenient for customers now that new software has been deployed, have shown very pleasing developments and now account for 31 percent of orders. This field of activity is to be gradually expanded, thus turning Beate Uhse into **the** marketplace for digital erotica. Customised online programmes will enable the various target groups to be addressed far more directly, a process which will also lead to reduced costs. To provide customers with a clear, uniform image, the e-shop at Christine le Duc was already converted to this model in June.

Earnings at the mail order division were substantially affected by the water damage insurance payment. This enabled the division to improve its total earnings before taxes (EBT) to Euro 7.6 million, as against Euro 2.9 million in the same period in the previous year. Investments amounted to Euro 0.6 million in the first half of the year and mainly involved software solutions aimed at optimising service levels.

Wholesale

EUR 000s	30.06.2007	30.06.2008	Change %
Sales	29,142	27,087	-7.1
EBITDA	3,544	2,488	-29.8
EBIT	2,192	777	-64.6
EBT	1,545	126	-91.8
Investments	555	1,314	136.6

The wholesale division has also indirectly felt the effects of the global decline in consumer confidence. At Euro 27.1 million, the division's sales were around Euro 2.0 million lower than in the previous year (Euro 29.1 million). Product groups involving high-quality toys, lingerie and wellness products also developed well in this division, while sales of DVDs and magazines performed negatively.

This development shows that the wholesale division's focus on high-quality products and private labels is the right strategy. The new shop-in-shop systems for presenting the Toy-Joy line have been successfully launched and have already received multiple follow-up orders. What's more, around 35 new toys from this line are due to come onto the market by the end of 2008. The first toy collection to be certified by the Technical Inspection Agency (TÜV) has already reported great success. The toys are manufactured at bu productions Kft., the company's own production subsidiary in Hungary. They have been on sale together with high-quality wellness products under the Mae B. brand since April and are sold on an exclusive basis via the company's own distribution channels. In future, this product range should also be sold via proprietary merchandise presentations in select department stores, thus also enabling completely new customer groups to be accessed.

With its in-house production of top-quality films under the Daring! Label, the wholesale division has filled the gap in the market for high-quality content, while at the same time laying the foundation for marketing these products via seminal new media distribution channels. Daring SARL, a Barcelona-based subsidiary established for this purpose, now produces three films a month in various genres. The films are made in cooperation with renowned film directors in the sector. As well as winning numerous prizes, the success of the Daring! productions is also reflected in the erotic film charts. "Roma", the first production, has now reached 6th position in the US erotic film charts.

Especially positive developments have been reported for the Beate Uhse Licensing B.V. licensing company only founded in 2008. Cooperation agreements have already been signed with several well-known telecommunications companies, thus preparing the way for marketing film rights as videos-on-demand. The takeover of Bestseller AB has enabled the company to increase its market share in Scandinavia.

At Euro 0.1 million, the earnings before taxes (EBT) of the wholesale division are down on the equivalent figure of Euro 1.5 million for the previous year. This was due to lower margins on the sale of DVDs. A total of Euro 1.3 million was invested in the first six months, mainly in the acquisition of film rights.

Entertainment

EUR 000s	30.06.2007	30.06.2008	Change %
Sales	8,205	7,041	-14.2
EBITDA	1,853	1,341	-27.6
EBIT	1,728	1,179	-31.8
EBT	1,766	1,263	-28.5
Investments	119	149	26.0

At Euro 7.0 million, the sales posted by the entertainment division in the first half of 2008 fell short of the equivalent figure of Euro 8.2 million in the previous year. With growth of 5 percent, the online business showed very pleasing developments in this respect. Given the increase in competition, the sales growth achieved by the company's own portals, such as the MovieOn streaming platform, is to be viewed especially positively. Overall, the online division faces the challenge of maintaining its ground against products available free of charge. Successful differentiation clearly depends on the high quality of the products offered by the company, a factor which the free platforms are unable to match. The internationalisation of the products on offer is progressing on schedule. Following the successful international launch of MovieOn, in June 2008 the Amateurcams product was introduced in the Netherlands and Belgium. The second half of 2008 will also witness further expansion, with the launch of Amateurcams and Privatporno in further European countries. An affiliate platform for website operators is due to be completed shortly. On this platform, Beate Uhse new media will provide all operators of small and large-scale sites websites with the opportunity of boosting their revenues by drawing on well-known Beate Uhse entertainment offerings.

Sales performed more weakly in the telephony business. This continues to be profoundly affected by the increase in end customer prices introduced by mobile phone operators at the end of last year, as well as by restrictions on advertising opportunities for telephony services.

The earnings before taxes (EBT) of the entertainment division amounted to Euro 1.3 million in the first six months of 2008 (previous year: Euro 1.8 million) and were notably affected by the expenses incurred for preparing the planned internationalisation of all entertainment products and services across all platforms. The investments of Euro 0.1 million thus mostly related to the technology required to further promote the process of internationalisation.

Starting in the autumn, BEATE-UHSE.TV will broaden its offering to include new formats, but will continue to focus on German topics in order to differentiate itself from foreign competitors. The restructuring of the Premiere platform means that the company's programmes will be offered within the "Premiere Family" package from July 2008 (previously "Premiere Topic").

NET ASSET AND FINANCIAL POSITION

Total assets rose marginally from Euro 183.4 million on 31 December 2007 to Euro 184.0 million at the reporting date on 30 June 2008.

Assets

There were only minor changes in the individual items on the asset side. Non-current assets decreased slightly by Euro 2.8 million to Euro 103.2 million (2007: Euro 106.0 million). Within this item, property, plant and equipment saw a marked decline of Euro 2.2 million to Euro 30.6 million (2007: Euro 32.8 million) due to store closures. Deferred tax claims also fell by Euro 1.7 million to Euro 8.3 million (2007: Euro 10.0 million).

Current assets rose to Euro 80.8 million, up from Euro 77.4 million at the previous year's reporting date. Within this item, inventories increased by Euro 3.0 million to Euro 37.7 million due to higher volumes of stock in the mail order business prior to the catalogue being dispatched. Accounts receivable, by contrast, dropped to Euro 27.2 million (2007: Euro 30.1 million) as a result of lower receivables in the wholesale division. Other current financial assets and other assets more than doubled to Euro 9.0 million (2007: Euro 3.9 million). This was due to the receivable from the insurance company in connection with the water damage reimbursement. The payment was received by Beate Uhse AG after the reporting date on 2 July 2008. Consistent cash management led cash and cash equivalents to reduce to Euro 4.7 million (2007: Euro 7.4 million).

Shareholders' equity and liabilities

On the liabilities side of the balance sheet, by contrast, the capital increase, repayment of existing credit lines and conclusion of a new syndicated loan agreement led to substantial changes in individual items.

As a result of the capital increase, the share capital rose by 50.0 percent to Euro 71.0 million (2007: Euro 47.3 million). Shareholders' equity therefore improved to Euro 95.0 million, compared with Euro 66.4 million as of 31 December 2007. Beate Uhse thus optimised its equity ratio from 36.2 percent to its solid current level of 51.6 percent.

Non-current debt increased significantly from Euro 15.3 million to Euro 49.0 million. This was due to the taking up of the new syndicated loan facility, which led interest-bearing loans to rise to Euro 40.7 million (2007: Euro 6.8 million).

Current debt, by contrast, fell sharply from Euro 101.7 million to Euro 40.0 million as a result of the repayment of existing credit lines. This reduction mainly involved the items loans and short-term portion of long-term loans. Income tax liabilities also decreased from Euro 2.7 million to Euro 1.8 million.

Cash flow and investments

The cash flow from operating activities improved substantially from Euro -21.4 million to Euro -0.8 million. When comparing the figures directly, however, it should be noted that the previous year's figure included a considerable rise in accounts receivable due to the sale of the building in Walsoorden. Other assets showed a particularly marked increase in the first half of 2008 due to the water damage insurance reimbursement receivable.

The cash flow from investing activities declined sharply from Euro 15.7 million to Euro -2.9 million, although the previous year's figure was affected by the building sale. Investment activity nevertheless fell substantially to Euro 3.5 million in the first half of 2008 (previous year: Euro 6.3 million). The largest areas of investment were the retail division, with store conversions, and the wholesale division.

The cash flow from financing activities dropped significantly from Euro 4.7 million to Euro 1.1 million. Funds from the capital increase were used to repay bank liabilities. Unlike in the previous year, however, there was no outflow of funds to finance any dividend.

The Beate Uhse Group had liquid funds of Euro 4.7 million at the reporting date (previous year: Euro 5.3 million).

INVESTMENTS BY REGION

EUR 000s	6 months 30.06.2007	**6 months 30.06.2008**	Change %
Germany	2,570	1,067	-58.5
Netherlands	3,058	1,176	-61.6
Belgium	233	189	-18.8
France	161	58	-63.8
United Kingdom	36	42	15.5
Austria	0	1	-
Other European countries	238	945	297.9
Other regions	2	0	-100.0
	6,298	**3,479**	-44.8

EMPLOYEES

The Beate Uhse Group had a total workforce of 1,345 employees as of 30 June 2008, compared with 1,424 at the previous year's reporting date. Alongside store closures in the retail division, the reduction in personnel was also due to optimised logistics and administrative processes in the mail order business and to the internal restructuring of the holding company. Beate Uhse accords high priority to ensuring that these measures are implemented in a socially responsible manner. All retail employees affected by store closures in Germany to date have been offered the possibility of relocation to another store or alternative employment. Less than a quarter of store employees have left the company.

EMPLOYEES AT THE BEATE UHSE GROUP

By Region	6 months 30.06.2007	**6 months 30.06.2008**	Change %
Germany	698	653	-6.4
Netherlands	525	488	-7.0
Belgium	31	30	-3.2
France	59	60	1.7
United Kingdom	6	6	0.0
Austria	18	11	-38.9
Scandinavia	43	50	16.3
Other European countries	44	47	6.8
	1,424	**1,345**	-5.5

By Profit Centre	6 months 30.06.2007	**6 months 30.06.2008**	Change %
Retail	820	779	-5.0
Mail Order	274	230	-16.1
Wholesale	227	220	-3.1
Entertainment	65	81	24.6
Holding Services	40	33	-17.5
	1,461	**1,379**	-5.6

As part of the restructuring programme, Beate Uhse has also terminated most of its company agreements in Germany, some of which date from the seventies and eighties, in order to adapt these to customary standards on the labour market and replace them with up-to-date agreements. Negotiations have been initiated with the Works Council. The measures planned will be communicated to employees in person by the Management Board and relevant managers at regional information meetings.

SHARE

Performance and liquidity

The international capital markets witnessed a high degree of volatility once again in the first half of 2008. Key sources of uncertainty included fears of recession and the sharp rise in commodities prices. Beate Uhse's share also developed negatively in the first six months. The share reached its annual high of Euro 2.03 on 29 January and concluded the first half of 2008 on at its annual low of Euro 1.11 on 30 June. This corresponds to a market capitalisation of Euro 78.8 million. A daily average of 50,745 Beate Uhse shares were traded on Xetra in the first half of the year.

Investor Relations

The highpoint of the company's investor relations activities in the second quarter was the Annual General Meeting on 16 June, which was held at the company's headquarters in Flensburg once again after several years in Hamburg. The Spokesman of the Management Board, Otto Christian Lindemann, presented the company's restructuring concept and strategy for the future to the total of around 300 shareholders attending the meeting. Introducing himself to shareholders for the first time in person, the new COO, Serge van der Hooft, provided a convincing summary in his inaugural speech of the opportunities for the future resulting from positioning Beate Uhse within the changing market climate as a digital erotica marketplace. All agenda items, including the election of Gerard P. Cok to the Supervisory Board, were approved with large majorities. The investor relations team will continue to extend its contacts to investors and analysts in the coming months. The CFO, Otto Christian Lindemann, will present the company and its strategies for the future at the SCC Small Cap Conference in August and at the German Equity Forum (Deutsches Eigenkapitalforum) in November.

Changes have arisen in the shareholder structure as of 10 July 2008. Consipio BV continues to own a 29.9 percent shareholding, while Bayerische Hypo- und Vereinsbank now owns 9.8 percent of the shares in Beate Uhse AG. The shareholding held by Rotermund Holding AG has reduced to 7.4 percent, while treasury stock still accounts for 0.4 percent. The free float remains unchanged at 52.5 percent.

PERFORMANCE OF SHARE PRICE

		6 months 30.06.2007	**6 months 30.06.2008**	Change %
Opening	EUR	4.07	1.85	-54.5
Closing	EUR	3.54	1.11	-68.6
High	EUR	5.80	2.03	-65.0
Low	EUR	3.44	1.11	-67.7
Performance	%	-12.4	-40.0	

Source: Xetra

KEY SHARE DATA

		6 months 30.06.2007	**6 months 30.06.2008**	Change %
Earnings per share	EUR	0.09	0.04	-55.56
P/E ratio		19	13	-31.58
Cash flow per share		8.0	4.0	-50.0
Quote / sales		0.7	0.3	-57.1
Quote / EBITDA		6.0	3.0	-50.0
Quote / book value		3.0	1.0	-66.7
Book value per share	EUR	1.2	1.2	0.0
Share capital	no. of shares	47,323,696	70,984,696	50.0
Market capitalisation	EUR million	167.5	78.8	-53.0
Market capitalisation of free float	EUR million	82.8	41.6	-49.7
Average sales / day	no. of shares	74,410	50,745	-32.0

Source: Xetra

RISK REPORT

No changes in the risk factors facing the Beate Uhse Group have arisen compared with the risks outlined in the risk report chapter of the 2007 Annual Report.

EVENTS AFTER THE REPORTING DATE

No events of significance requiring report here occurred between the end of the second quarter of 2008 and the compilation of this report.

OUTLOOK

As the financial crisis has progressed, there have been increasing indications that the pace of growth in the global economy will slow down further in the coming months. Economic growth will be held back in particular by the deterioration in financing terms, the appreciation in the euro and high commodity prices. According to the joint research project, consisting of INSEE, ISAW and the ifo-Institut, GDP growth in the euro area is now only expected to amount to 1.6 percent for 2008 as a whole, while the increase forecast for private consumer spending has been trimmed back to 0.9 percent.

The German economy began 2008 in comparably robust shape but can also expect to lose some of its dynamism in the second half of the year. The ifo-Institut expects to see GDP growth of 2.4 percent in Germany in 2008. Consumer spending should rise by 0.5 percent. However, the spending power of private households has been curtailed by the sharp rise in food and energy prices. Growth in private consumer spending will therefore come at the expense of specialist retailers, who face the prospect of reduced sales.

In the second half of 2008, Beate Uhse will channel all of its energies into maintaining its restructuring course. By reorganising group and management functions, a foundation has been laid for implementing a customer-oriented, multi-channel strategy. The core business will be placed under the three strong country-specific brands at all distribution channels. The mail order business will focus on acquiring new customers and expanding its e-commerce activities. The online business is due to be launched in Spain in the third quarter. The retail division will press consistently ahead with the restructuring programme for its store network. Unprofitable stores will be closed, a measure which will affect around 17 stores in Germany and three in the Benelux countries by the end of the year. Shops earmarked as premium erotica stores have been converted – the final conversion planned for this year is in Nuremberg and will already be completed in August. Following their successful launch, the Mae B. and Toyjoy private labels will be expanded further. A new Mae B. sex toy collection will be launched onto the market under the name Art O'Bration in September already and will be sold exclusively at Beate Uhse.

Given the reduced number of stores, the Beate Uhse Group expects sales to decline by around three percent in the 2008 financial year as a whole. Earnings will be significantly burdened by catalogue expenses in the second half of 2008. The Management Board is nevertheless upholding its original forecast and expects to post earnings before taxes (EBT) in a range of Euro 3 million to Euro 5 million in 2008.

BALANCE SHEET

ASSETS

EUR 000s	31.12.2007	30.06.2008
NON-CURRENT ASSETS		
Intangible assets	10,590	11,012
Goodwill	14,940	15,157
Property, plant & equipment	32,807	30,614
Other financial assets	8,494	8,857
Investments	26,223	26,232
Shares in associated companies	2,989	3,049
Income taxes	9,969	8,279
	106,012	**103,200**
CURRENT ASSETS		
Inventories	34,770	37,727
Accounts receivable	30,114	27,196
Other current financial assets and other assets	3,867	8,963
Income tax refund claims (current)	1,233	2,201
Liquid funds	7,408	4,705
	77,392	**80,792**
Total assets	183,404	**183,992**

SHAREHOLDERS‘ EQUITY AND LIABILITIES

EUR 000s	31.12.2007	30.06.2008
SHAREHOLDERS‘ EQUITY		
Subscribed capital	47,324	70,985
Treasury stock at cost of acquisition	-3,463	-3,463
Capital reserves	745	2,647
Revenue reserves	3,295	3,295
Other reserves	133	133
Retained earnings	18,235	21,243
Balancing item for currency conversion	-41	53
Minority interests	139	137
	66,367	**95,030**
NON-CURRENT DEBT		
Interest-bearing loans	6,822	40,682
Pensions and similar obligations	3,283	3,222
Other accruals	2,876	2,770
Other financial liabilities	529	524
Deferred tax liabilities	1,811	1,811
	15,321	**49,009**
CURRENT DEBT		
Accounts payable	20,423	18,472
Other financial liabilities	14,738	14,555
Pensions and similar obligations	247	247
Other accruals	4,437	3,923
Income tax liabilities	2,647	1,799
Loans	26,427	168
Short-term portion of long-term loans	32,797	789
	101,716	**39,953**
Total shareholders‘ equity and liabilities	183,404	**183,992**

CONSOLIDATED INCOME STATEMENT

EUR 000s	Q2/2007 1.4.-30.6.2007	**Q2/2008 1.4.-30.6.2008**	6 months 30.06.2007	**6 months 30.06.2008**	Change EUR 000s	Change %
Sales	55,840	**53,070**	128,645	**121,384**	-7,261	-5.6
Cost of sales	-24,578	-21,754	-56,347	-50,475	5,872	-10.4
Gross profit on sales	31,262	**31,316**	72,298	**70,909**	-1,389	-1.9
Other operating income	4,953	7,249	8,437	10,475	2,038	24.2
Sales-related expenses	-29,012	-32,588	-61,399	-60,792	607	-1.0
General administration expenses	-6,472	-6,492	-12,178	-13,170	-992	8.1
Other operating expenses	-50	-152	-515	-727	-212	41.2
Share in earnings of associated companies	267	49	770	136	-634	-82.3
Other income from shareholdings	6	0	-24	15	39	-162.5
Earnings before interest and taxes	954	**-618**	7,389	**6,846**	-543	-7.3
Financial income	305	464	400	581	181	45.3
Financial expenses	-1,054	-174	-2,092	-1,364	728	-34.8
Earnings before taxes	205	**-328**	5,697	**6,063**	366	6.4
Taxes on income	6	-593	-1,169	-3,046	-1,877	160.6
Earnings of ongoing business divisions	211	**-921**	4,528	**3,017**	-1,511	-33.4
ALLOCABLE TO:						
Shareholders in the holding company	161	-911	4,398	3,008	-1,390	-31.6
Minority shareholders	-50	10	-130	-9	121	-93.1
EARNINGS PER SHARE (EPS)						
Basic (EUR)			47,042,337	70,703,337	23,661,000	50.3
Diluted (EUR)			47,042,337	70,703,337	23,661,000	50.3
Basic earnings per share			0.09	0.04	-0.05	-54.5
Diluted earnings per share			0.09	0.04	-0.05	-54.5

CASH FLOW STATEMENT

EUR 000s	6 months 30.06.2007	**6 months 30.06.2008**	Change EUR 000s	Change %
CASH FLOW FROM OPERATING ACTIVITIES				
Operating earnings (EBIT) at ongoing and discontinuted business divisions	7,389	**6,846**	-543	-7.3
CORRECTIONS FOR:				
Expenses not affecting payments pursuant to IFRS 2	0	31	31	-
Depreciation of property, plant and equipment, amortization of intangible assets	5,924	5,507	-417	-7.0
Losses / profits incurred on the disposal of property, plant and equipment and intangible assets	-1,244	-44	1,200	-96.5
Other income not affecting payments	-764	-136	628	-82.2
CHANGES IN:				
Accounts receivable	-19,952	2,964	22,916	-114.9
Other assets	-1,666	-7,717	-6,051	363.2
Accounts payable	-7,261	-2,625	4,636	-63.8
Other liabilities	-983	-1,230	-247	25.1
Interest received	157	81	-76	-48.4
Interest paid for loans and hedging instruments	-2,357	-1,895	462	-19.6
Income tax refunded / repaid	-632	-2,557	-1,925	304.6
Cash flow from operating activities	-21,389	**-775**	20,614	-96.4
CASH FLOW FROM INVESTMENT ACTIVITIES				
Cash received from the sale of property, plant and equipment, intangible assets and other fixed assets	20,898	308	-20,590	-98.5
Cash paid for investments in property, plant and equipment, intangible assets and other fixed assets	-6,298	-3,479	2,819	-44.8
Cash paid in connection with short-term financial management	-714	-124	590	-82.6
Cash received in connection with short-term financial	1,767	67	-1,700	-96.2
Cash paid from the acquisition of subsidiaries	0	285	285	-
Cash flow from investment activities	15,653	**-2,943**	-18,596	-118.8
CASH FLOW FROM FINANCING ACTIVITIES				
Capital allocation (capital increase)	0	25,532	25,532	-
Dividends paid	-4,705	0	4,705	-
Taking up of bank liabilities	22,594	33,860	11,266	49.9
Taking up of borrowers´note loans	10,000	-10,000	-20,000	-
Redemption of bank liabilities	-20,499	-50,988	-30,489	148.7
Redemption of borrowers‘ note loans	-2,714	2.714	5,428	-
Cash flow from financing activities	4,676	**1,118**	-3,558	-76.1
Net change in cash, cash equivalents and securities	-1,060	**-2,600**	-1,540	145.3
Changes due to movements in exchange rates	-76	-102	-26	34.2
Cash, cash equivalents and securities at beginning of period	6,431	7,408	977	15.2
Cash, cash equivalents and securities at end of period	5,295	4,705	-590	-11.1
COMPOSITION OF CASH AND CASH EQUIVALENTS AT END OF PERIOD				
Cash holdings, credit balances at banks, cheques and securities	5,283	4,693	-590	-11.2
Short-term money investments	12	12	0	0.0
	5,295	**4,705**	-590	-11.1

STATEMENT OF CHANGES IN EQUITY

EUR 000s	Equity allocable to the shareholders in the parent company									
	Share capital	Treasury stock	Capital reserve	Revenue reserves	Other reserves	Net profits	Balancing item for currency conversion	Total	Minority interests	Total equity
Balance as of 1 January 2007	47,324	-3,463	664	3,295	305	36,782	15	84,922	-438	84,484
Foreign currency conversion							-51	-51	104	53
Profits on hedging of cash flows					488			488		488
Tax effects relating to profits on hedging of cash flows					-185			-185		-185
Total earnings recorded directly under equity					303		-51	252	104	356
Group amount for June 2007						4,397		4,397	-130	4,267
Total period earnings					303	4,397	-51	4,649	-26	4,623
Dividend distribution						-4,704		-4,704		-4,704
Balance as of 30 June 2007	47,324	-3,463	664	3,295	608	36,475	-36	84,867	-464	84,403
Balance as of 1 January 2008	47,324	-3,463	745	3,295	133	18,235	-41	66,228	139	66,367
Capital increase	23,661		1,902					25,563		25,563
Foreign currency conversion							94	94	-11	83
Total earnings recorded directly under equity	23,661		1,902		0		94	25,657	-11	25,646
Group amount for 31 March 2007						3,008		3,008	9	3,017
Balance as of 30 June 2008	70,985	-3,463	2,647	3,295	133	21,243	53	94,893	137	95,030

SEGMENT REPORT 30 JUNE 2007

EUR 000s	Retail	Mail Order	Wholesale	Entertainment	Holding	Consolidation	Group value
Sales	39,512	52,054	38,142	9,350	0	-10,413	128,645
-of which with third parties	39,268	52,030	29,142	8,205	0	0	128,645
-of which with other segments	244	24	9,000	1,145	0	-10,413	0
Amortisation of intangible assets	-136	-30	-665	-78	-130	0	-1,039
Depreciation of property, plant and equipment	-2,649	-1,150	-687	-47	-352	0	-4,885
Exceptional depreciation	0	0	0	0	0	0	0
Amortisation of financial assets	0	0	0	0	-167	0	-167
Financial result	-761	-315	-647	38	-7	0	-1,692
Income from shareholdings in associated companies	0	0	354	0	416	0	770
Income from other shareholdings	0	0	0	0	-24	0	-24
EBT	-509	2,862	1,545	1,766	71	-38	5,697
Taxes on income	34	-378	-478	-97	-250	0	-1,169
Net income	-475	2,484	1,067	1,669	-179	-38	4,528
excluding profit and loss transfer agreements							
Assets (incl. shareholdings)	48,683	39,631	55,043	12,378	201,301	-178,596	178,440
Shareholdings in associated companies	0	0	0	0	32,598	0	32,598
Investments in non-current assets	3,465	2,045	860	119	84	0	6,573
Liabilities	42,596	32,505	34,540	2,644	97,868	-77,214	132,939

SEGMENT REPORT 30 JUNE 2008

EUR 000s	Retail	Mail Order	Wholesale	Entertainment	Holding	Consolidation	Group value
Sales	35,780	51,738	37,512	8,154	0	-11,800	121,384
-of which with third parties	35,553	51,703	27,087	7,041	0	0	121,384
-of which with other segments	227	35	10,425	1,113	0	-11,800	0
Amortisation of intangible assets	-170	-39	-906	-111	-218	0	-1,444
Depreciation of property, plant and equipment	-2,169	-947	-745	-51	-90	0	-4,002
Exceptional depreciation	0	0	-60	0	0	0	-60
Amortisation of financial assets	0	0	0	0	0	0	0
Financial result	-750	-176	-651	84	710	0	-783
Income from shareholdings in associated companies	0	0	0	0	136	0	136
Income from other shareholdings	0	0	15	0	0	0	15
EBT	-1,197	7,570	126	1,263	-1,699	0	6,063
Taxes on income	-10	-1,016	-41	-323	-1,656	0	-3,046
Net income	-1,207	6,554	85	940	-3,355	0	3,017
excluding profit and loss transfer agreements							
Assets (incl. shareholdings)	43,799	37,003	52,037	13,886	191,420	-167,682	170,463
Shareholdings in associated companies	0	0	0	0	3,049	0	3,049
Investments in non-current assets	1,143	628	1,552	149	245	0	3,717
Liabilities	40,130	27,645	35,619	4,386	45,343	-67,771	85,352

NOTES

ACCOUNTING AND VALUATION METHODS

Beate Uhse AG is the parent company pursuant to Section 290 of the German Commercial Code (HGB). As a result of the issuing of equity titles on the capital market, the company is required under Article 4 of Regulation No. 1606/2002 of the European Parliament and Council dated 19 July 2002 to compile its consolidated financial statements in accordance with IFRS. These interim consolidated financial statements as of 30 June 2008 have accordingly been compiled in line with the currently valid IFRS accounting standards. It was not necessary to make any adjustments to the accounting and valuation methods. This interim report has been compiled in line with the requirements of IFRS international accounting standards and in accordance with German Accounting Standard (DRS) 16. The accounting and valuation policies are consistent with those applied in the most recent consolidated financial statements for the 2007 financial year. Individual items in the income statement, balance sheet and cash flow statement of the Beate Uhse Group have been summarised in the interests of clarity and in order to enhance their legibility.

The report for the first six months of 2008 has not been subject to any audit review by the auditor.

SCOPE OF CONSOLIDATION

Bestseller Filmdistribution Europa AB, Täby, Sweden, and its wholly-owned subsidiary, Bestseller Rättigher Scandinavia AB, were consolidated for the first time in the report for the first six months of 2008. The companies are wholly-owned subsidiaries of Beate Uhse Max AB and were acquired on 4 January 2008. Furthermore, RT BVBA, Belgium, was also consolidated for the first time. This company is a wholly-owned group company (99.5 percent: Beate Uhse Retail Holding BV; 0.5 percent: Beate Uhse BV).

Bestseller Filmdistribution Europa AB generated sales of EUR 5k and operating earnings of EUR 3k in the first six months of 2008. The company has assets of EUR 282k. Bestseller Rättigher Scandinavia AB generated sales of EUR 535k and operating earnings of EUR -74k in the first six months of 2008. The company has assets of EUR 627k.

RT BVBA generated sales of EUR 633k and operating earnings of EUR -106k in the first six months of 2008. The company has assets of EUR 564k.

SEGMENT REPORTING

The reporting structure applied in the most recent annual financial statement has been retained without amendment in this interim report.

EARNINGS PER SHARE

Earnings per share have been calculated by dividing the Group's net earnings (excluding minority interests) by the number of shares.

EARNINGS PER SHARE

		6 months 30.06.2007	**6 months 30.06.2008**
Net earnings for period	EUR million	4,528	3,017
Number of shares (basic)	No. of share	47,042,337	70,703,337
Number of shares (diluted)	No. of share	47,042,337	70,703,337
Earnings per share (basic)	EUR	0.09	0.04
Earnings per share (undiluted)	EUR	0.09	0.04

CHANGES IN THE MANAGEMENT AND SUPERVISORY BOARDS

As previously announced, Gerard P. Cok retired from the Management Board on 31 May 2008 and was elected to the Supervisory Board by the Annual General Meeting held on 16 June 2008. He has assumed the position previously held by Michael Papenfuss. Carlo Floridi, and employee representative on the Supervisory Board, stepped down from his position on 30 June 2008 in line with the relevant contractual terms. He was succeeded by Michael Petersen, his deputy, as of 1 July 2008.

RELATED PARTY TRANSACTIONS

Transactions were undertaken with the following related parties in the reporting period from 1 April 2008 to 30 June 2008:

Reuben Rotermund
Immo Almere BV
Summa Finance BV
Crop Registeracccountants
MVW Medien-Vertriebs GmbH
Gerard Cok
Consipio Holding BV

DISCLOSURES RELATING TO BEATE UHSE AG

Beate Uhse AG has no proprietary operating business activities. It acts as the holding company for the subsidiaries and shareholdings of the Group. As such, it performs central group management functions, including accounting, controlling, finance, human resources, legal and communications services. The development of earnings at Beate Uhse AG is primarily dependent on the profit and loss transfer agreements concluded with its subsidiaries and on further investment income, as well as on the expenses relating to its function as the holding company.

STATEMENT BY THE LEGAL REPRESENTATIVES PURSUANT TO SECTION 37Y IN CONJUNCTION WITH SECTION 37W (2) NO. 3 OF THE GERMAN SECURITIES TRADING ACT (WPHG)

We hereby confirm that to the best of our knowledge the interim consolidated financial statements provide a true and fair picture of the net asset, financial and earnings position of the Group in accordance with the accounting principles governing interim reporting and that the course of business, including business results and the situation of the Group, are presented in such a way in the interim management report that a true and fair picture of actual circumstances is provided, as well as of the major opportunities and risks involved in the expected development of the Group in the remainder of the financial year.

Flensburg, 14 August 2008

The Management Board

Lindemann

Otto Christian Lindemann
CFO and Spokesman for the Management Board

Serge van der Hooft
COO

DISCLAIMER

This interim report includes statements concerning the future which are based on assumptions and estimates made by the management of Beate Uhse. In spite of the assumption that these forwardlooking statements are realistic, no guarantee can be given that these expectations will also prove to be accurate.

FINANCIAL CALENDAR 2008

SCC_Small Cap Conference, Frankfurt	26 August 2008
Eigenkapitalforum, Frankfurt	10 November 2008
9-month report	14 November 2008
End of financial year	31 December 2008

CONTACT FOR CORPORATE COMMUNICATIONS

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The report for the 2nd quarter of 2008 is available online only in German and English.