



Press Information

Sales and earnings in the first quarter of 2012/13

Wolford Group Increases Sales in the First Quarter of 2012/13

- **Sales up 4.1 percent to EUR 33.1 million**
- **Operating expenses for new store openings impact earnings**
- **Equity capital base at a constantly high level**
- **Dividend of EUR 0.40 per share approved for the 2011/12 fiscal year**
- **Share of monobrand distribution further increased to 66.6 percent**

Vienna/Bregenz, September 14, 2012. Wolford Aktiengesellschaft, a publicly listed company on the Vienna Stock Exchange, seamlessly continued its positive sales development in the third and fourth quarters of the previous year during the first quarter of the current fiscal year. The Austrian luxury brand succeeded in increasing sales in the first three months of the 2012/13 fiscal year (May 1 - July 31, 2012) by 4.1 percent from the comparable prior-year period to EUR 33.1 million. This development can be attributed to the targeted expansion of Wolford's international distribution network, amongst other factors. The first quarter is traditionally the weakest of all quarterly sales periods due to the seasonality of business development and simultaneously involves disproportionately high costs in relation to sales. For this reason, Wolford's first-quarter earnings indicators are generally negative, also in growth years. This applies as well to the first quarter of the 2012/13 fiscal year, in which earnings were also impacted by costs relating to the opening of new locations.

Sales increase – earnings impacted by boutique openings

The Wolford Group achieved a further rise in sales of 4.1 percent in the first three months of the current fiscal year to EUR 33.1 million (Q1 2011/12: EUR 31.8 million) based on a strong performance in the first quarter of the previous 2011/12 fiscal year, which was characterized by sales growth of 6.5 percent in a quarterly comparison. Wolford's first-quarter earnings indicators were always negative up until now due to the traditionally disproportionately high costs in relation to sales, which in turn is related to the seasonality of first-quarter business development. The opening of new boutiques in the second half of the 2011/12 fiscal year featuring correspondingly necessary start-up periods intensified this effect in the first quarter of 2012/13. As a consequence, EBITDA reported by the Wolford Group amounted to EUR -1.3 million in the first quarter of 2012/13 (Q1 2011/12: EUR 0.6 million), and EBIT totaled EUR -3.3 million (Q1 2011/12: EUR -1.3 million). The net result for the period was EUR -3.2 million (Q1 2011/12: EUR -1.8 million).

Solid equity capital base

As at the reporting date of July 31, 2012, shareholders' equity of the Wolford Group amounted to EUR 80.9 million, slightly below the comparable figure of the previous year (July 31, 2011: EUR 81.6 million). The equity-to-asset ratio at the reporting date was 53.0 percent, thus maintaining the high prior-year level (July 31, 2011: 53.2 percent). Net debt in the first three months of 2012/13 totaled EUR 26.6 million (July 31, 2011: EUR 25.6 million), corresponding to a debt/equity ratio (gearing) of 32.9 percent (July 31, 2011: 31.4 percent).

Dividend of EUR 0.40 per share for the 2011/12 fiscal year

At the Annual General Meeting held on September 11, 2012, shareholders of Wolford Aktiengesellschaft resolved to distribute a dividend of EUR 0.40 for the past 2011/12 fiscal year for each share entitled to a dividend, the same amount as in the previous year. The dividend payment date was set for September 27, 2012.

Sales growth with Wolford's proprietary stores – monobrand distribution increased to 66.6 percent

As in previous quarters, Wolford's proprietary stores also showed a particularly good development in the reporting period. Accordingly, the Wolford Group achieved a sales increase of 13.3 percent with its own boutiques, shop-in-shops, factory outlets and e-commerce. Thus the share of total sales generated by retail in the first quarter of 2012/13 climbed to 54.7 percent (Q1 2011/12: 50.9 percent). This rise was partly due to the expansion of Wolford's own distribution network. However, the Wolford Group also achieved a gratifying sales growth of 7.4 percent with its own points of sale on a like-for-like basis. The online business also made an important contribution to this strong rise in sales, generating a significant sales increase compared to the prior-year period.

On balance, Wolford-controlled distribution channels i.e. those points of sale which exclusively offer Wolford products (own and partner-operated boutiques, factory outlets, concession shop-in-shops and e-commerce) accounted for 66.6 percent of total sales in the first quarter of 2012/13 (Q1 2011/12: 62.4 percent).

In the first quarter of 2012/13 the wholesale business developed satisfactorily, particularly with partner boutiques and department stores. Multi-brand retailers comprised the only distribution channel where sales fell compared to the prior-year period.

From a regional perspective, a positive picture generally emerged from Wolford's core geographic markets. The good sales development could be continued compared to the prior-year period, with the USA, France, Belgium and UK showing a particularly dynamic development characterized by significant growth in the double-digit percentage range.

Outlook

In the future Wolford will continue to expand its global monobrand distribution network, both via its own as well as partner-operated points of sale, in order to further strengthen the international presence of the Wolford brand. In this regard, the Wolford Group will not only concentrate on its core markets in Europe and Northern America but increasingly on the Greater China region. From today's perspective the Executive Board of the Wolford Group expects to generate further growth in the 2012/13 fiscal year.

Overview of sales and financial data for the first quarter of the 2012/13 fiscal year

(May 1 – July 31, 2012)

| in TEUR | Q1 2012/13 | Q1 2011/12 | Change absolute |
|---|------------|------------|-----------------|
| Sales | 33,074 | 31,777 | 1,297 |
| EBITDA | (1,292) | 649 | (1,941) |
| EBIT | (3,320) | (1,298) | (2,022) |
| Net result for the period | (3,242) | (1,753) | (1,489) |
| Net debt | 26,594 | 25,576 | 1,018 |
| Debt / equity ratio in % (gearing) | 32.9% | 31.4% | 1.5 |
| Equity-to-assets ratio | 53.0% | 53.2% | (0.2) |
| Number of employees at period-end (in full-time equivalents incl. apprentices) | 1,618 | 1,677 | (59) |

The interim financial report on Q1 2012/13 fiscal year is available on www.wolford.com, Investor Relations.

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About Wolford Aktiengesellschaft

Wolford Aktiengesellschaft headquartered in Bregenz on Lake Constance operates 15 subsidiaries and markets its own products in the Legwear, Ready-to-wear, Lingerie, Swimwear and Accessories segments in 68 countries via more than 260 monobrand stores (own and partner-operated), about 3,000 trading partners and online. The Austrian company, which has been publicly listed on the Vienna Stock Exchange since 1995, generated sales of EUR 154.1 million in the 2011/12 fiscal year (May 1,

2011 – April 30, 2012), and has about 1,600 employees. Since its founding in the year 1950, Welford has evolved from a local producer of hosiery to a global luxury fashion brand.