



Press Information

Sales and earnings in the first half of the 2012/13 fiscal year

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

- **Sales up 4 % to €76.59 million**
- **Significant growth of sales with proprietary stores**
- **Earnings below prior-year, amongst others due to inventory optimization**
- **Ongoing solid capital structure**
- **Continuation of expansion strategy**

Vienna/Bregenz, December 14, 2012. Wolford AG, a publicly listed company on the Vienna Stock Exchange, increased its total sales by 4 % in the first half of the current fiscal year (May 1, 2012 – October 31, 2012) from € 73.56 million to € 76.59 million. Accordingly, the company performed well in a volatile market environment characterized by the sovereign debt crisis and the related uncertainty on the part of consumers. The solid sales development can be attributed to the continuing and systematic expansion of the international distribution network as well as the like-for-like sales growth generated by Wolford's own retail business.

In turn, the development of earnings can be seen in connection with the targeted and future-oriented measures designed to strengthen the global presence of the Wolford brand. Store openings, preparations for expanding distribution in China as well as the optimization of inventories resulted in a slightly negative EBIT of € -0.68 million in the first half year of 2012/13 fiscal year, particularly against the backdrop of a seasonally weak first quarter. However, in the second quarter of 2012/13, Wolford already succeeded in generating a clearly positive EBIT totaling € 2.64 million.

“The sustainable sales growth shows that our expansion strategy is having a positive impact. We will persistently continue on our strategic path, which involves enlarging our own network of proprietary stores, intensifying the cooperation with partners and the retail sector and in addition further expanding our online business. From today's perspective, we anticipate sales growth as well as positive operating results for the entire 2012/13 fiscal year. However, earnings will most likely be below the comparable prior-year figure”, comments Holger Dahmen, Chief Executive Officer of Wolford AG.

Ongoing solid capital structure

The Wolford Group continued to boast a solid asset and capital structure as of October 31, 2012. Shareholders' equity amounted to € 81.30 million as at October 31, 2012, comprising a sound equity-to-assets ratio of 52 %, the debt/equity ratio totaled 31 %. Net debt totaled € 25.35 million, below the prior-year level (October 31, 2011: € 26.83 million).

Significant sales growth with proprietary stores – retail share up to 53 %

Similar to the situation in previous quarters, Wolford-owned points of sale showed a particularly good development during the reporting period. In this regard, the Wolford Group succeeded in posting a sales increase of more than 12 % with its own boutiques, shop-in-shops, factory outlets and online shops. As a result, the share of total sales generated by the retail business rose to 53 % in the first half of 2012/13 fiscal year.

In total, Wolford-controlled distribution channels i.e. those points of sale which exclusively offer Wolford products (own retail points of sale and partner-operated boutiques) accounted for more than 63 % of total sales in the first half of 2012/13.

From a regional perspective, sales climbed in most of Wolford's core geographic markets, showing a particularly dynamic development in the USA, France, Belgium, Germany, Switzerland and Central Eastern Europe. In contrast, the Wolford Group suffered sales declines in Italy and Spain due to the well-known difficult economic conditions prevailing in these markets.

Outlook

In the coming months the management of the Wolford Group does not anticipate any major change in the economic development of its most important markets in Europe, the USA and Asia. Against the backdrop of this economic environment, the Wolford Group will determinedly continue its expansion strategy in the second half of the 2012/13 fiscal year and strongly focus on expanding the monobrand distribution. In addition to the systematic improvement and the expansion of points of sale in its core markets of Europe and North America, Wolford is also concentrating on further developing its business in growth markets, especially Greater China as well as in the Middle East. The Managing Board plans additionally intensified marketing measures in important markets in order to promote the further growth of the Wolford brand.

The Executive Board expects further sales growth in the entire 2012/13 fiscal year as well as positive operating results. However, from today's perspective, earnings will be below the prior-year level due to the increased expansion and marketing costs. The company's ability to precisely predict its business development in the coming months is very limited due to the difficult economic conditions. Nevertheless, Wolford's management anticipates ongoing and sustainable growth in the future as well.

**Financial data for the first half of the 2012/13 fiscal year
(May 1, 2012 – October 31, 2012)**

Earnings data		05-10/12	05-10/11	Chg. %	2011/2012
Sales	€ million	76.59	73.56	+4	154.06
EBITDA	€ million	3.41	6.63	-49	15.32
EBIT	€ million	(0.68)	2.72	>100	7.00
Earnings before tax	€ million	(1.29)	1.76	>100	5.17
Earnings after tax	€ million	(1.07)	1.00	>100	1.36
Earnings per share	€	(0.22)	0.20	>100	0.28
Capital expenditure	€ million	3.16	4.36	-28	7.94
Free cash flow	€ million	(8.10)	(10.97)	+26	0.37
Average number of employees		1,611	1,671	-4	1,630 ¹⁾

Balance sheet data		31.10.12	31.10.11	Chg. %	30.04.12
Shareholders' equity	€ million	81.30	82.64	-2	83.61
Net debt	€ million	25.35	26.83	-6	15.38
Capital employed	€ million	123.15	125.74	-2	115.30
Working capital	€ million	46.35	45.29	+2	39.77
Total assets	€ million	156.60	158.95	-1	145.50
Equity-to-assets ratio	%	52	52	-	57
Gearing	%	31	32	-	18

1) as of balance sheet date

The detailed Wolford Half-Year Financial Report 2012/13 is available at [www.wolford.com/Investor Relations](http://www.wolford.com/InvestorRelations).

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About Wolford AG

Wolford AG headquartered in Bregenz on Lake Constance (Austria) 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), 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 154,06 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, Wolford has evolved from a local producer of pantyhose to a global luxury fashion brand.