Press Information
Sales and earnings in the 2011/12 fiscal year

Wolford Group: Sales Increase in the 2011/12 Fiscal Year

- **Sales up 1.3 percent to EUR 154.1 million**
- **Monobrand distribution almost at 65 percent threshold**
- **EBITDA and EBIT slightly below prior-year level**
- **Consistently solid capital structure**
- **Dividend proposal: EUR 0.40 per share**
- **Further growth expected in 2012/13**

Vienna/Bregenz, July 20, 2012. Wolford Aktiengesellschaft, a publicly listed company on the Vienna Stock Exchange, succeeded in increasing sales slightly by 1.3 percent to EUR 154.1 million in the 2011/12 fiscal year (May 1, 2011 – April 30, 2012) from the prior-year level of EUR 152.2 million in spite of the difficult economic environment. EBITDA amounted to EUR 15.3 million, slightly below the comparable level of EUR 15.7 million in 2010/11, whereas EBIT totaled EUR 7.0 million (previous year: EUR 7.3 million). Earnings were impacted by the intensification of future-oriented measures around the world, such as the expansion of Wolford-owned points of sales and the corresponding initial costs as well as preparations for expanding distribution in China and the effects of a tax audit. "*Although we were confronted with generally difficult economic conditions in the past fiscal year, along with unusually warm autumn weather and the resulting buying restraint on the part of consumers and the retail sector, we still managed to achieve gratifying sales growth on balance. I generally consider the development of our operating earnings indicators to be closely linked to our targeted, future-oriented activities designed to strengthen the global presence of the brand. Thus we often take advantage of short-term opportunities to expand distribution in the current volatile market environment and we have opened numerous new sales locations in the past fiscal year in order to increase the density of our sales network",* says Holger Dahmen, Chief Executive Officer of Wolford Aktiengesellschaft.

Moderate sales growth as a result of a gratifying second half-year
The 2011/12 fiscal year was shaped by the European sovereign debt and bank crisis. Moreover, the unusually warm weather conditions prevailing in many areas of Europe in the period September to October 2011 had a negative impact on the consumer climate in the fashion industry in several core European markets. This environment also affected the sales and earnings development of the Wolford Group, which nevertheless managed to maintain first half-year sales at about the same level as in the comparable prior-year period. Demand for Wolford products perceptibly increased in the course of the fiscal year, so that the Austrian luxury brand succeeded in raising sales by 1.3 percent to EUR 154.1 million (previous year: EUR 152.2 million) for the entire 2011/12 fiscal year as a consequence of a gratifying second half-year.

Earnings affected by investment activity and special effects

Initial costs related to the expansion of the company's distribution channels as well as the weather-related buying restraint on the part of consumers and the retail sector in the second quarter of 2011/12 had a dampening effect on the development of earnings indicators. As a consequence, EBITDA in the past fiscal year declined slightly to EUR 15.3 million (previous year: EUR 15.7 million), and EBIT reached a level of EUR 7.0 million (previous year: EUR 7.3 million). Accordingly, the EBITDA margin of the Wolford Group was 9.9 percent. In the same period, the result from continuing operations (result before taxes) decreased to EUR 5.2 million (previous year: EUR 5.8 million).

An external tax audit was carried out at Wolford Aktiengesellschaft for an audit period of seven years (2003/04 to 2009/10). It is likely that a subsequent tax expense of EUR 0.4 million will be incurred. In addition, reported tax loss carry-forwards and current value depreciations on investments in affiliated companies amounting to EUR 2.5 million were not recognized. On balance, the total additional expense resulting from the tax audit was approximately EUR 2.9 million. Due to these special effects, the net result for the 2011/12 fiscal year was EUR 1.4 million (previous year: EUR 5.1 million). Adjusted for special effects arising from the tax audit, the net result for the 2011/12 fiscal year totaled EUR 4.3 million.

Solid equity capital base

As at the reporting date of April 30, 2012, shareholders' equity of the Wolford Group amounted to EUR 83.6 million (April 30, 2011: EUR 83.9 million). The equity ratio was thus at 57.5 percent and could be maintained at the high level of the previous year (April 30, 2011: 58.0 percent). Capital investments in the past fiscal year rose by 24.1 percent to EUR 7.9 million (previous year: EUR 6.4 million), which can be attributed to the targeted expansion of Wolford-owned points of sale. Net debt reached a level of EUR 15.4 million (April 30, 2011: EUR 12.7 million), corresponding to a dept/equit ratio of 18.4 percent (April 30, 2011: 15.1 percent).

Dividend proposal: EUR 0.40 per share

The Executive Board will propose to the Supervisory Board and the Annual General Meeting that the company distribute a dividend of EUR 0.40 for the past 2011/12 fiscal year for each share entitled to a dividend. A dividend of EUR 0.40 for the 2010/11 fiscal year was already paid for each no par value bearer share.

Balanced product portfolio

For more than 60 years, the Wolford Group has served as a trendsetter setting major milestones in the fashion industry. The company has evolved from an exclusive supplier of legwear to a globally present luxury brand with five product groups (Legwear, Ready-to-wear, Lingerie, Swimwear and Accessories). In the 2011/12 fiscal year the Legwear product group made the largest contribution to the Group's brand sales with a share of 55 percent. The Ready-to-wear segment generated 31 percent of total brand sales, followed by the Lingerie product group with a 10 percent share. The Accessories segment posted a strong rise in sales, almost doubling its moderate brand sales share compared to the 2010/11 fiscal year. The Swimwear product group accounted for about one percent of the Wolford Group's brand sales.

Monobrand distribution almost at 65 percent threshold

As in past fiscal years, those points of sale which exclusively offer Wolford products showed a particularly good development during the reporting period. Sales via Wolford-controlled distribution channels – own and partner-operated boutiques, factory outlets, concession shop-in-shops and e-commerce – climbed by 5.3 percent. Thus the share of total sales generated by Wolford's monobrand stores has increased significantly over the last five years, from 53.6 percent in the 2006/07 fiscal year to the current level of 64.6 percent (2010/11: 62.7 percent).

Continued expansion of proprietary stores

Within the context of its concentration on monobrand distribution, the Wolford Group is focusing in particular on the expansion of its retail business via Wolford-owned points of sale. Supported by a strategic customer loyalty program launched in 2010/11, complementary activities in the field of social media and the increasing importance of online business, Wolford's proprietary stores (own boutiques, shop-in-shops, factory outlets and e-commerce) posted a sales increase of 8.4 percent in the 2011/12 fiscal year. Accordingly, the share of total sales generated by retail stores rose to 54.9 percent by the end of the 2011/12 fiscal year (2010/11: 51.4 percent). This growth in the past fiscal year was partially due to the expansion of Wolford's own distribution network. However, a gratifying sales growth of 3.3 percent was also achieved on a like-for-like basis.

Positive development in most core geographic markets

From a regional perspective, a positive picture generally emerged from Wolford's core geographic markets. In particular, Spain showed a very good development, with sales up 18.5 percent due to adaptations made to distribution structures. Wolford also succeeded in generating significant sales increases, with sales up in Belgium (+ 12.2 percent), UK (+ 8.5 percent in Group currency, + 10.6 percent in the local currency), Germany (+ 4.8 percent), USA (+ 3.6 percent in Group currency, + 7.1 percent in the local currency) and Austria (+ 1.7 percent). In contrast, sales fell slightly in France (- 0.5 percent) and Scandinavia (- 1.4 percent). The sales decline was more pronounced in CEE (- 3.7 percent), the Netherlands (- 4.4 percent) and Italy (- 5.4 percent). In Switzerland Wolford was faced with a sales drop of 12.6 percent in Group currency (- 20.4 percent in the local currency) as a consequence of the strong Swiss franc and the related outflow of purchasing power to neighboring countries. Sales in the Asia/Oceania region fell slightly (- 1.0 percent) and thus almost matched the comparable level in the 2010/11 fiscal year, which was characterized by strong sales growth.

Outlook

Wolford will continue to increase the density of its global network of monobrand stores. The opening of new Wolford-owned and partner-operated boutiques to strengthen the company's controlled distribution is planned along with the targeted continuation of its cooperation with trade partners. In addition, the online business activities of the Wolford Group will be expanded in order to intensify existing customer relationships and attract new customer groups. All in all the objective is to further develop and strengthen the international presence of the Wolford brand. In addition to concentrating on its core European markets as well as North America, the Wolford Group plans to extend its involvement in Greater China in order to steadily grow the business there in the future.

In the first weeks of the new fiscal year, the company succeeded in achieving a considerable sales increase compared to the previous year. On the basis of the measures which are being implemented, the Executive Board of the Wolford Group is optimistic to generate further growth in the 2012/13 fiscal year via higher market penetration in existing markets, entering new markets and the continuation of the efficiency-enhancement measures which have already been initiated.

Contact:

Holger Dahmen (Chief Executive Officer)
Peter Simma (Deputy Chief Executive Officer)

investor@wolford.com
Wolford Aktiengesellschaft, Wolfordstrasse 1, A-6901 Bregenz
+43 (0) 5574 690-1477
www.wolford.com

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About Wolford

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, Wolford has evolved from a local producer of hosiery to a global luxury fashion brand.
www.wolford.com

Overview of sales and financial data for the 2011/12 fiscal year

(May 1, 2011 to April 30, 2012)

in TEUR	2011/12	2010/11	Change absolute	Change in %
Sales	**154,064**	152,151	1,913	1.3 %
EBITDA	**15,318**	15,740	(422)	- 2.7 %
EBITDA margin	**9.9 %**	10.3 %	(0.4)	
EBIT	**6,996**	7,327	(331)	- 4.5 %
Result from continuing operations (Result before taxes)	**5,173**	5,811	(638)	- 11.0 %
Net result for the year	**1,361**	5,050	(3,689)	- 73.1 %
Net result for the year, adjusted for special effects*	**4,318**	5,531	(1.213)	- 21.9 %
Net debt	**15,383**	12,693	2,690	21.2 %
Debt / equity ratio (gearing)	**18.4 %**	15.1 %	3.3	
Shareholders‘ equity	**83,607**	83,853	(246)	- 0.3 %
Equity-to-assets ratio	**57.5 %**	58.0 %	(0.5)	
Capital investments excluding financial assets	**7,942**	6,397	1,545	24.1 %
Depreciation, amortization, impairment and reversal of impairment	**8,322**	8,413	(91)	- 1.1 %
Number of employees at year-end (in full-time equivalents incl. apprentices)	**1,630**	1,649	(19)	- 1.1 %

*Special effects: external tax audit in Austria (2011/12) and Germany (2010/11)

The Annual Report 2011/12 is available on the Internet at www.wolford.com under Investor Relations.