Press Information
Sales and earnings in the first three quarters of 2011/12

Wolford Group:
Slight Increase in Sales and Net Result for the Period in the First Nine Months

- **Sales at EUR 121.1 million slightly above the prior-year level**
- **Significant sales increase at Wolford's proprietary stores**
- **EBITDA of EUR 15.6 million, EBITDA margin of 12.9 percent**
- **Net result for the period slightly higher year-on-year**
- **Product innovations well received by the market**
- **Outlook confirmed for the entire 2011/12 fiscal year**

Vienna/Bregenz, March 16, 2012. Wolford Aktiengesellschaft, a publicly listed company on the Vienna Stock Exchange, succeeded in slightly surpassing the high prior-year sales level in the first three quarters of the current fiscal year (May 1, 2011 – January 31, 2012). Thanks to a strong third quarter, the Wolford Group was able to largely compensate for the weather-related sales decline in the second quarter. On balance, sales of the Austrian luxury brand rose by 0.9 percent to EUR 121.1 million (Q1-Q3 2010/11: EUR 120.0 million). Adjusted for currency effects, the sales increase amounted to 1.9 percent. The net result for the period was EUR 7.1 million, slightly above the prior-year level (Q1-Q3 2010/11: EUR 7.0 million). From today´s perspective a slight increase in sales and earnings is expected for the entire 2011/12 fiscal year against the backdrop of a gratifying third quarter 2011/12 and the ongoing positive sales development of the retail business.

High sales level maintained – Solid earnings figures
The Wolford Group achieved a slight rise in sales during the first three quarters of 2011/12 based on a strong performance in the prior-year period, which was characterized by a significantly more favorable business environment. Whereas sales in the second quarter were considerably burdened by the general market uncertainty as well as the unusually warm weather conditions prevailing in many parts of Europe in the fall of 2011, the Wolford Group increased third-quarter sales by 3.4 percent year-on-year due to a strong Christmas season, amongst other reasons. All in all, sales in the first nine months of 2011/12 were up slightly by 0.9 percent from the prior-year period, to EUR 121.1 million (Q1-Q3 2010/11: EUR 120.0 million). Adjusted for currency effects, sales growth was 1.9 percent.

The earnings figures should be considered in the light of the ongoing investments on the part of the Wolford Group within the framework of the international expansion of its distribution network. EBITDA amounted to EUR 15.6 million in the first three quarters (Q1-Q3 2010/11: 15.9 million), which corresponds to an EBITDA margin of 12.9 percent (Q1-Q3 2010/11: 13.2 percent). The operating profit (EBIT) reached a level of EUR 9.7 million, compared to EUR 9.9 million in the comparable period of the previous year. The net result for the period rose to EUR 7.1 million (Q1-Q3 2010/11: EUR 7.0 million).

Strong equity basis

As at the reporting date of January 31, 2012, shareholders‘ equity of the Wolford Group amounted to EUR 89.0 million, higher than in the previous year (January 31, 2011: EUR 85.3 million). The equity-to-asset ratio at the reporting date was 58.0 percent, thus surpassing the high prior-year level (January 31, 2011: 57.1 percent). During the reporting period Wolford continually invested in the enlargement and optimization of its distribution network and the further expansion of its proprietary stores. Accordingly, capital investments in the first nine months of the 2011/12 fiscal year rose by 41.9 percent to EUR 6.2 million (Q1-Q3 2010/11: EUR 4.4 million). Net debt in the first three quarters of 2011/12 rose by EUR 4.3 million to EUR 17.2 million (January 31, 2011: EUR 12.9 million), and the debt/equity ratio (gearing) amounted to 19.3 percent (January 31, 2011: 15.1 percent).

Sales growth with Wolford’s proprietary stores – Strengthening of monobrand distribution

During the reporting period Wolford-controlled distribution channels (own and partner-operated boutiques, concession shop-in-shops and factory outlets) continued to develop positively, achieving sales growth of 5.1 percent. Thus the share of total sales generated with the 265 monobrand stores (Wolford-owned and partner-operated) increased once again in the third quarter of 2011/12, and achieved a level of 64.0 percent in the first nine months of the 2011/12 fiscal year (Q1-Q3 2010/11: 61.8 percent).

This development can also be attributed to the determined expansion of Wolford’s own distribution network. Accordingly, Wolford’s proprietary stores (own boutiques, concession shop-in-shops and factory outlets) posted sales growth of 7.3 percent in the reporting period. As a result, the share of total shares generated by retail outlets rose to 53.7 percent (Q1-Q3 2010/11: 50.6 percent). The strategic customer relationship program launched in the 2010/11 fiscal year and now firmly established made a major contribution to the positive business development in the first three quarters of 2011/12.

Innovative product lines well positioned on the market

Time and again the Wolford Group has achieved milestones in its more than 60-year corporate history thanks to numerous product innovations in all its five product groups (Legwear, Ready-to-wear, Lingerie, Swimwear and Accessories). In the current fiscal year Wolford particularly focused on the further development of its body shaping products, which was positively received by consumers around the world. Against this backdrop, the Shape & Control product line generated significant sales growth in the first three quarters of the 2011/12 fiscal year.

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 24.2 percent in the first nine months of the current fiscal year due to adaptations made to distribution structures. Wolford also succeeded in generating significant sales increases in Belgium (+ 9.8 percent), UK (+ 8.2 percent in Group currency, + 11.1 percent in the local currency), Germany (+ 6.0 percent), CEE (+ 3.9 percent) and Austria (+ 2.0 percent).

Sales in the USA were impacted by the exchange rate development, declining only slightly in the Group currency by - 0.8 percent but rising considerably in the local currency (USD) by 4.9 percent. The Asia/Oceania market posted a 3.1 percent rise in sales in the first three quarters of the 2011/12 fiscal year despite being partially burdened by the current exchange rate situation. In contrast, sales of the Wolford Group fell in Scandinavia (- 1.7 percent), Italy (- 2.8 percent), France (- 3.6 percent) and the Netherlands (- 4.1 percent). In Switzerland Wolford was faced with a sales decline of 13.4 percent in the Group currency as a consequence of the strong Swiss franc and the related outflow of purchasing power to neighboring countries.

Outlook

Within the context of its ongoing strategy implementation, the Wolford Group will continue to expand its own as well as its partner-operated distribution network in order to increase the share of total sales generated by monobrand distribution. The penetration of new markets, opening of additional international stores and the market launch of new products will be just as much the focal points of the company's efforts as the intensified cooperation with trade partners and the continuation of efficiency-enhancement measures. Against this backdrop and based on the perceptible signs of a sales recovery since the fall of 2011, the Executive Board of the Wolford Group expects, from today´s perspective, to generate a slight improvement in sales and earnings in the entire 2011/12 fiscal year.

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About Wolford AG

Wolford Aktiengesellschaft headquartered in Bregenz on Lake Constance operates 14 subsidiaries and markets its own products in the Legwear, Ready-to-wear, Lingerie, Swimwear and Accessories segments in 65 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 152.2 million in the 2010/11 fiscal year (May 1, 2010 – April 30, 2011), 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. www.wolford.com

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 690-0
www.wolford.com

Overview of sales and financial data for the first three quarters of 2011/12

(May 1, 2011 to January 31, 2012)

in TEUR	Q1-Q3 2011/12	Q1-Q3 2010/11	Change absolute	Change in %
Sales	**121,128**	**120,045**	1,083	0.9 %
EBITDA	**15,570**	**15,850**	(280)	-1.8 %
EBITDA margin	**12.9 %**	**13.2 %**	(0.3)	
EBIT	**9,660**	**9,895**	(235)	-2.4 %
EBIT margin	**8.0 %**	**8.2 %**	(0.2)	
Result from continuing operations (Result before taxes)	**8,352**	**8,931**	(579)	-6.5 %
Net result for the period	**7,059**	**6,986**	73	1.0 %
Earnings per share in EUR	**1.44**	**1.43**	0.01	1.0 %
Net cash from operating activities	**4,198**	**12,250**	(8,052)	-65.7 %
Gross cash flow*)	**13,314**	**13,499**	(185)	-1.4 %
Capital investments excluding financial assets	**6,246**	**4,402**	1,844	41.9 %
Shareholders‘ equity	**88,965**	**85,299**	3,666	4.3 %
Equity-to-assets ratio	**58.0 %**	**57.1 %**	0.9	
Net debt	**17,151**	**12,892**	4,259	33.0 %
Debt/equity ratio (gearing)	**19.3 %**	**15.1 %**	4.2	
Number of employees at period-end (in full-time equivalents incl. apprentices)	**1,692**	**1,647**	45	2.7 %

* Gross cash flow = Net result for the period
+/- Depreciation, amortization, impairment losses/reversals of impairment losses on intangible assets and property, plant and equipment
-/+ Gains/losses on the disposal of property, plant and equipment
+/- Change in non-current provisions
= Gross cash flow

The interim report for the first three quarters of the 2011/12 fiscal year is available on the Internet at www.wolford.com under Investor Relations.