

Report of the Supervisory Board

Report of the Supervisory Board of Wolford Aktiengesellschaft

Dear shareholders,

In the fiscal year under review, the Supervisory Board fulfilled the responsibilities assigned to it by Austria's legal code and by the company's Articles of Association. The focus of its work was the regular consultation with the Executive Board on the key aspects of corporate development. The Executive Board provided the Supervisory Board, in both writing and verbally, and on a regular, prompt and comprehensive basis, with reports covering all relevant issues pertaining to the company's business development, including the exposure to risk, its risk management, as well as in major corporate participations.

Meetings of the Supervisory Board

The Supervisory Board convened four times during the fiscal year. Each member attended at least half of its meetings.

The following key issues were dealt with at these meetings:

The first meeting in the 2010/11 fiscal year examined the Auditor's and Management Report of the Wolford Aktiengesellschaft for 2009/10 as well as the proposal of the Executive Board regarding the distribution of the profit, and approved them in accordance with the recommendation issued by the Audit Committee. It also examined and approved the consolidated financial statements for 2009/10 including the Management Report of the Wolford Group and the proposal of the Executive Board regarding the distribution of the profit.

In the following meetings, the Supervisory Board focused on the further strategic development of the company, and in particular discussed brand orientation and the opening of new outlets in potential new markets.

The Executive Board discussed individual topical issues and decisions with the Chairwoman of the Supervisory Board or with her deputies. In accordance with the company's Articles of Association, the approval of the Supervisory Board was secured for each transaction requiring such said approval.

Supervisory Board committees

These include the Executive Committee, which administers the agenda of the Remuneration Committee, and the Audit Committee, to which all members of the Supervisory Board belong.

The Executive Committee convened four times, whereas the Audit Committee met twice during the year under review.

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In its meeting on July 22, 2010, which was attended by the official auditor, the Audit Committee examined the financial statements for the 2009/10 fiscal year. In its second meeting, which was held on December 16, 2010, the Audit Committee dealt with the internal audit as well as the operational capabilities of the company's ICS, and with the opportunity and risk management system.

Corporate Governance

The Supervisory Board of Woford AG is fully committed to complying with the Austrian Corporate Governance Code, and thus to assuring responsible and accountable corporate management and supervision with the aim of achieving sustained value creation.

An overview of the corporate governance policies of Woford AG is provided in the Corporate Governance section of this annual report and is also published on the Website of Woford AG.

Financial statements for the fiscal year

The financial statements and Management Report as well as the consolidated financial statements, Group Management Report and Notes to the Accounts for the 2010/11 fiscal year were audited by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna. The results of the audit did not give rise to any objections, and thus an unqualified auditor's certificate was issued.

Representatives of the independent auditors participated in the financial statements review meetings of the Executive Board and of the Supervisory Board, and provided further explanations.

The Supervisory Board examined and concurred with the conclusions of the financial statements audit, and approved the proposal of the Executive Board for the distribution of the profit. Pursuant to § 96 paragraph 4 of Austria's Stock Corporation Act, the financial statements have thus been formally adopted. The Management Report, consolidated financial statements, Group Management Report and Corporate Governance Report were also examined and approved by the Supervisory Board.

The Supervisory Board wishes to take this opportunity to express its sincere thanks and recognition to the Executive Board and to all employees of the Woford Group for their personal commitment and dedication during the challenging 2010/11 fiscal year.

Theresa Jordis
Chairwoman of the Supervisory Board

Vienna, July 2011