Interim financial report on the third quarter of the 2010/11 fiscal year

(May 1, 2010 – January 31, 2011)

Contents

Interim Report Q3 2010/11

Key Figures for the Wolford Group

May 1, 2010 – January 31, 2011

in EUR '000	Q3		Q1-Q3		Change from previous year	
	Jan. 31, 2011	Jan. 31, 2010	Jan. 31, 2011	Jan. 31, 2010	*absolute*	*percent*
Sales	46,020	44,170	120,045	112,641	7,404	6.6%
EBITDA	8,709	6,189	15,850	12,123	3,727	30.7%
EBITDA margin	18.9%	14.0%	13.2%	10.8%	2.4	
Operating profit (EBIT)	6,690	4,170	9,895	6,227	3,668	58.9%
EBIT margin	14.5%	9.4%	8.2%	5.5%	2.7	
Result from continuing operations (before taxes)	6,464	3,343	8,931	4,630	4,301	92.9%
Net result for the period	5,076	2,998	6,986	3,753	3,233	86.1%
Earnings per share in EUR	1.04	0.62	1.43	0.77	0.66	86.1%
Cash flow from operating activities			12,250	16,524	-4,274	-25.9%
Gross cash flow*			13,499	9,762	3,737	38.3%
Capital investments excluding financial assets			4,402	7,154	-2,752	-38.5%
Shareholders' equity			85,299	80,533	4,766	5.9%
Equity-to-assets ratio			57.1%	52.5%	4.6	
Net debt			12,892	24,700	-11,808	-47.8%
Debt/equity ratio (gearing)			15.1%	30.7%	-15.6	
Number of employees at period end (in full-time equivalents)			1,634	1,466	168	11.5%

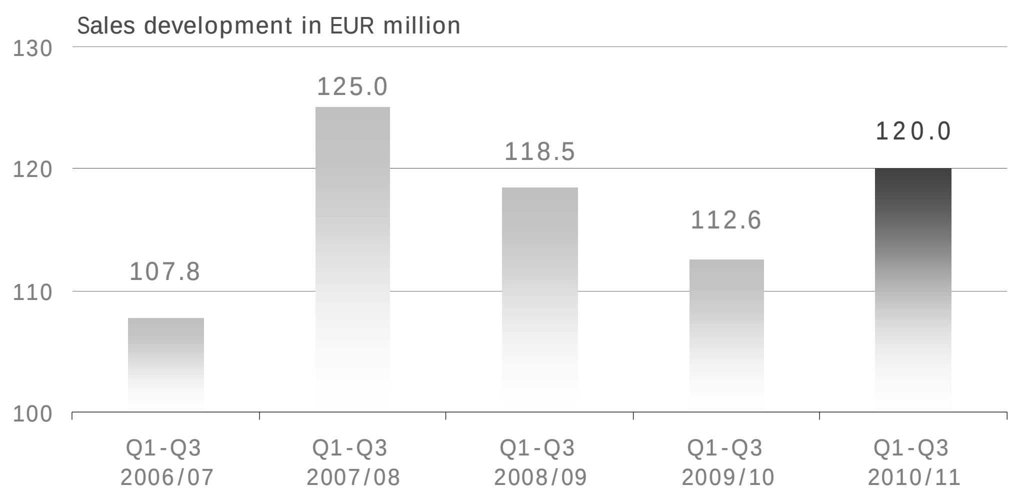
Gross cash flow = Net profit/loss for the period
+ / - Depreciation, amortization, impairment losses/reversals of impairment losses on intangible assets and property, plant and equipment
- / + Gains/losses on the disposal of property, plant and equipment
+ / - Change in non-current provisions
= ***Gross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

Management Report

May 1, 2010 – January 31, 2011

Sales development

Total sales of the Wolford Group rose 6.6 percent in the first three quarters of the 2010/11 fiscal year, amounting to EUR 120.0 million (Q1-Q3 2009/10: EUR 112.6 million). This development can primarily be attributed to the performance of Wolford's proprietary stores, which raised sales by 14.1 percent during the period under review.



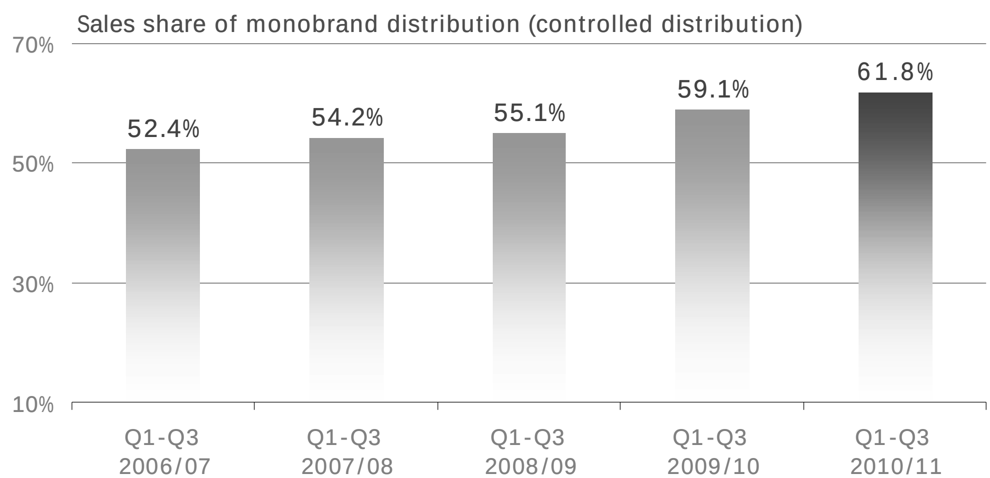
From a regional perspective, most of Wolford's core geographic markets generated considerable sales increases during the reporting period. The strongest growth rates were achieved by the Wolford Group in the region Asia/Oceania, where sales were raised by 33.7 percent. A similar development took place in Spain, where sales expanded by 27.9 percent, and in the USA, which posted growth of 23.2 percent. Wolford also achieved double-digit growth in Switzerland (+14.1 percent), Scandinavia (+ 12.3 percent) and Great Britain (+11.8 percent). Wolford also managed to further increase total sales in Belgium (+ 7.4 percent), Italy (+ 5.8 percent) and Germany (+ 2.2 percent). Sales in France during the first three quarters of 2009/10 also rose (+ 0.5 percent) due to a clearly positive development in the third quarter, whereas Wolford suffered a slight decline in sales in Austria (- 1.6 percent) and in the Netherlands (-3.9 percent) compared to the prior-year period.

May 1, 2010 – January 31, 2011

Sales with Wolford's proprietary stores (boutiques, shop-in-shops and factory outlets) showed a positive development during the period under review, featuring a 14.1 percent rise in sales. This growth was partially due to the consistent expansion of Wolford's own distribution network. On a like-for-like basis, sales were up 5.9 percent. The share of total sales generated by retail outlets also increased further in the third quarter of the current fiscal year, rising from 47.4 percent in the first half of 2010/11 to 50.6 percent in the first nine months (Q1-Q3 2009/10: 47.4 percent).

Considering the sales development of the individual distribution channels in greater detail, Wolford's own boutiques showed a pronounced positive development, achieving a 12.7 percent rise in sales. At the same time, sales with partner-operated boutiques also improved by 3.4 percent. As a result, sales with boutiques, the most important distribution channel accounting for 48.0 percent of total sales (Q1-Q3 2009/10: 46.6 percent), rose by 10.4 percent during the first three quarters of the 2010/11 fiscal year. At the reporting date of January 31, 2011, Wolford distributed its products via a network of 215 boutiques, of which 105 are operated by Wolford and 110 are operated by partners.

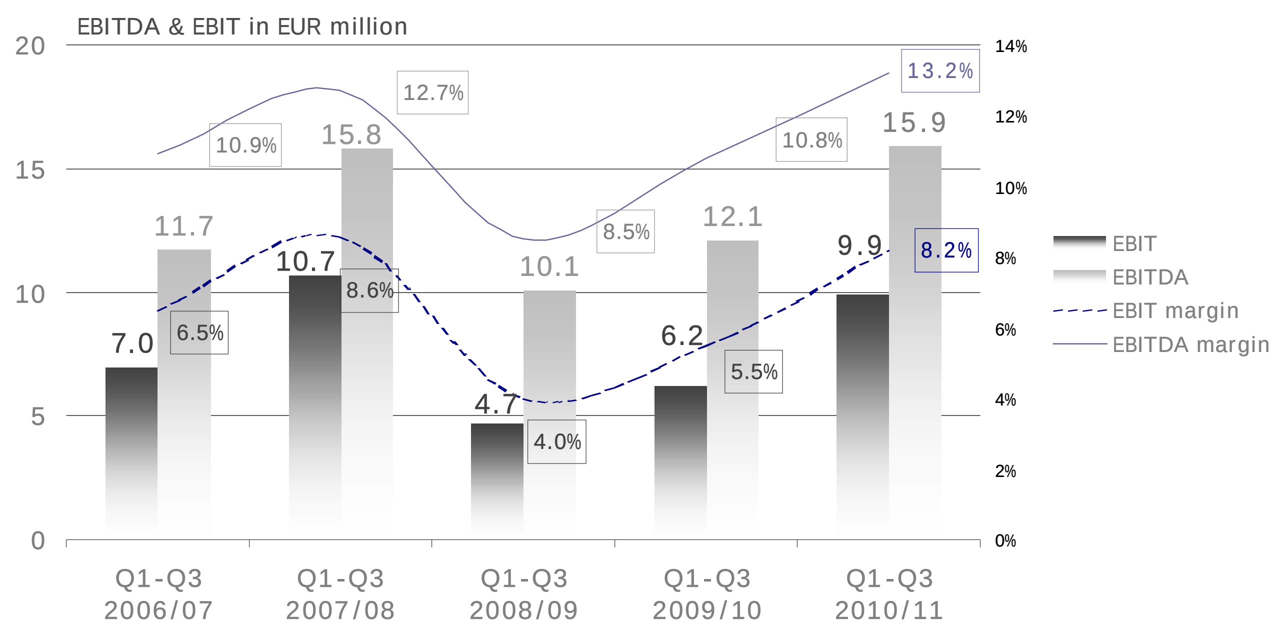
The business with department stores in the first three nine months of 2010/11 also developed particularly gratifyingly, increasing by 14.2 percent. This development is primarily due to the performance of Wolford's own concession shop-in-shops. Whereas sales with multi-brand retailers were slightly down from the prior-year period (-1.6 percent), Wolford's online business climbed 35.4 percent on a like-for-like basis, providing a clear continuity to the upward trend. As of the end of January 2011, Wolford operated online shops in 13 countries.



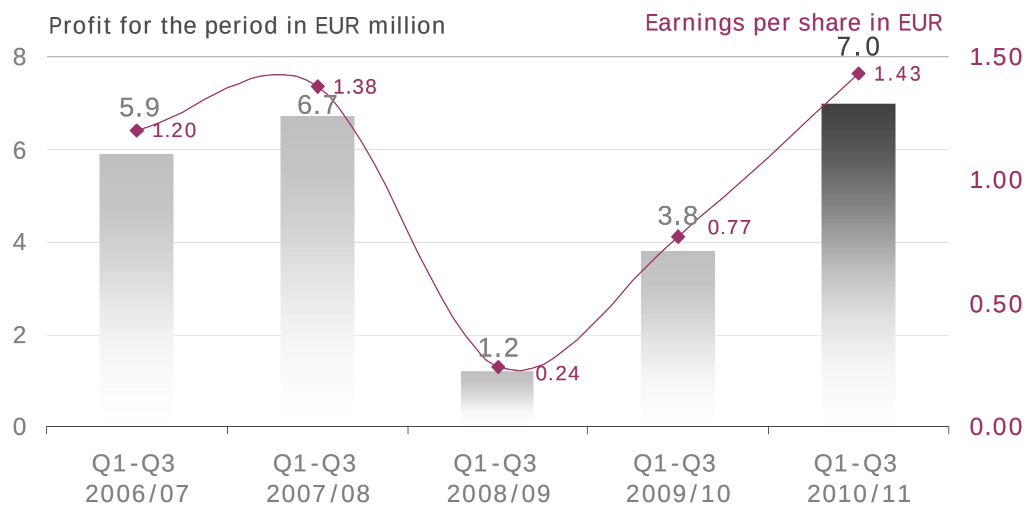
The positive development of Wolford's controlled distribution channels (own and partner-operated boutiques, factory outlets and concession shop-in-shops) was reflected by the rising sales share of monobrand distribution. With 61.8 percent of total sales (Q1-Q3 2009/10: 59.1 percent), monobrand distribution exceeded the 60 percent threshold for the first time in the company's history.

Development of earnings

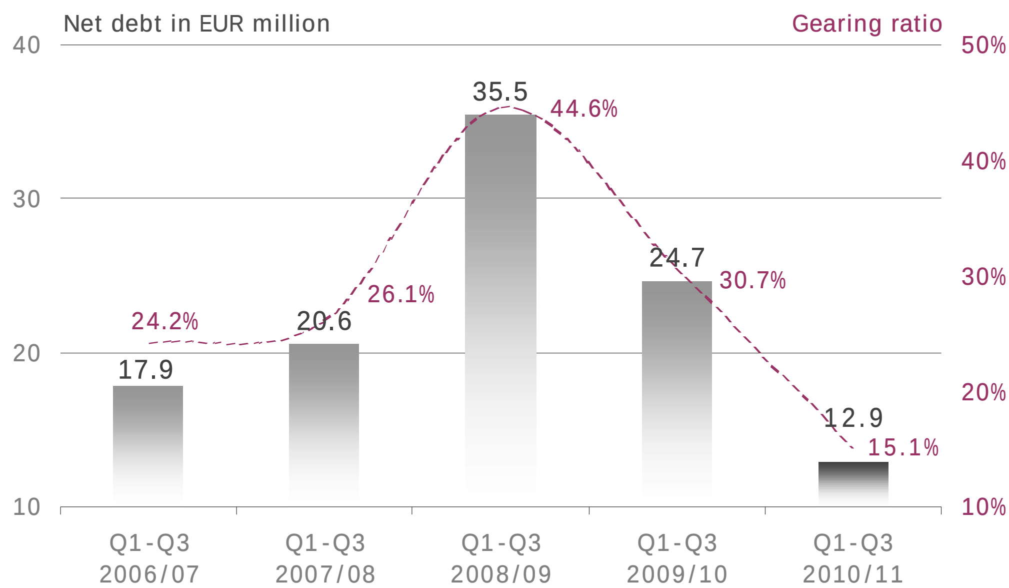
The positive development of key earnings indicators was even more pronounced in the reporting period, posting above-average growth compared to the rise in sales. Accordingly, EBITDA of the Wolford Group amounted to EUR 15.9 million, representing an increase of 31 percent from the level of EUR 12.1 million in the first nine months of 2009/10. The corresponding EBITDA margin improved to 13.2 percent (Q1-Q3 2009/10: 10.8 percent). The increase in the operating profit (EBIT) was even more impressive, climbing by 59 percent to EUR 9.9 million, up from EUR 6.2 million in the first three quarters of the previous year. In addition to the growth in sales, the gratifying development in the operating performance indicators also reflects the persistent implementation of far-reaching cost reduction and efficiency enhancement measures.



Against this backdrop, the Wolford Group came close to doubling the result from continuing operations, which totaled EUR 8.9 million in the reporting period (Q1-Q3 2009/10: EUR 4.6 million). The net profit for the period rose to EUR 7.0 million compared to EUR 3.8 million in the first three quarters of the previous year, a rise of 86 percent. Earnings per share were EUR 1.43 (Q1-Q3 2009/10: EUR 0.77).



In the first nine months of the current fiscal year, Wolford continued its efforts to optimize financial resources tied up in working capital. At the same time, the Wolford Group succeeded in reducing liabilities to banks, which in turn resulted in a significant reduction of net debt, which was almost cut in half to EUR 12.9 million as at January 31, 2011, from EUR 24.7 million on January 31, 2010. The gearing ratio clearly improved from 30.7 percent to 15.1 percent. On an absolute basis, shareholders' equity rose from EUR 80.5 million at the third-quarter 2009/10 reporting date to the current level of EUR 85.3 million as at January 31, 2011. The equity ratio as at January 31, 2011 improved to 57.1 percent (January 31, 2010: 52.5 percent).



Outlook

The business results of the Wolford Group reflect the persistent focus on improving distribution quality in line with the targeted expansion of monobrand sales outlets and the implementation of cost reduction and efficiency enhancement measures. Wolford will further strengthen its market presence in the future by continuing these measures, as well as by expanding its sales and marketing activities, particularly in the Asian region. Moreover, the implementation of these measures will be supported by the timely market launch of new products. Retailers reacted very positively to the new Wolford fashion collection. Pre-orders which were placed for the spring-summer 2011 collection could be increased by 6.8 percent, and Wolford has already received consistently positive feedback on its fall-winter 2011/12 collection presented in January 2011.

Against this backdrop, the Executive Board confirms its recently published forecasts, and expects a rise in sales as well as a significant improvement in earnings for the entire 2010/11 fiscal year compared to 2009/10.

Interim Consolidated Financial Statements

May 1, 2010 – January 31, 2011

Consolidated balance sheet at January 31, 2011 (IFRS)

ASSETS	Jan. 31, 2011	Jan. 31, 2010	April 30, 2010
in EUR '000			
Non-current assets			
Property, plant and equipment	63,248	66,053	64,418
Goodwill	1,175	1,163	1,188
Intangible assets excluding goodwill	10,013	10,720	10,580
Non-current available-for-sale financial assets	3,693	4,837	4,977
Non-current receivables and other assets	1,083	1,209	1,120
	79,212	**83,982**	**82,283**
Deferred tax assets	**4,332**	**4,923**	**4,903**
Current assets			
Inventories	36,614	37,020	37,557
Current receivables and other assets	17,526	17,595	13,933
Prepaid expenses	3,663	3,125	2,144
Current available-for-sale financial assets	83	38	38
Cash and cash equivalents	7,948	6,683	4,677
	65,834	**64,461**	**58,349**
TOTAL ASSETS	**149,378**	**153,366**	**145,535**

SHAREHOLDERS' EQUITY & LIABILITIES	Jan. 31, 2011	Jan. 31, 2010	April 30, 2010
in EUR '000			
Shareholders' equity			
Share capital and capital reserves	38,168	38,168	38,168
Other reserves	32,943	32,606	32,852
Currency translation differences	-3,267	-3,191	-3,076
Retained earnings	22,119	17,614	16,099
Treasury stock	-4,664	-4,664	-4,664
	85,299	**80,533**	**79,379**
Deferred tax liabilities	**197**	**315**	**228**
Non-current liabilities			
Long-term debt	5,494	7,849	16,359
Provisions for employee benefits	14,402	13,902	13,893
Other non-current liabilities	1,418	145	1,470
	21,314	**21,896**	**31,722**
Current liabilities			
Current portion of long-term debt	2,889	2,313	2,235
Bank loans and overdrafts	14,966	24,945	9,500
Current provisions	6,222	6,303	5,554
Trade payables	5,006	4,101	4,776
Other current liabilities	13,485	12,960	12,141
	42,568	**50,622**	**34,206**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	**149,378**	**153,366**	**145,535**

Consolidated income statement for the first nine months of 2010/11 (IFRS)

in EUR '000	Q3 Jan. 31, 2011	Q3 Jan. 31, 2010	Q1-Q3 Jan. 31, 2011	Q1-Q3 Jan. 31, 2010
Sales	46,020	44,171	120,045	112,641
Other operating profit	806	693	2,501	2,459
Change in inventories of finished goods and work-in-process	-653	-5,165	-657	-6,226
Own work capitalized	55	16	139	77
Operating output	**46,228**	**39,715**	**122,028**	**108,951**
Cost of materials and purchased services	-7,276	-6,148	-20,606	-18,686
Staff costs	-19,615	-17,676	-54,177	-50,297
Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets	-2,019	-2,020	-5,955	-5,896
Other operating expenses	-10,628	-9,701	-31,395	-27,845
Operating result (EBIT)	**6,690**	**4,170**	**9,895**	**6,227**
Net interest cost	-202	-823	-563	-1,221
Net investment securities income	166	183	168	185
Interest cost of employee benefit liabilities	-190	-187	-569	-561
Financial result	**-226**	**-827**	**-964**	**-1,597**
RESULT FROM CONTINUING OPERATIONS (BEFORE TAXES)	**6,464**	**3,343**	**8,931**	**4,630**
Income taxes	-1,388	-345	-1,945	-877
NET RESULT FOR THE PERIOD	**5,076**	**2,998**	**6,986**	**3,753**
Earnings per share in EUR (diluted = undiluted)			1.43	0.77
Weighted average number of shares outstanding in '000			4,900	4,900

Consolidated cash flow statement (IFRS)

in EUR '000	Q1-Q3 Jan. 31, 2011	Q1-Q3 Jan. 31, 2010
Gross cash flow	**13,499**	**9,762**
Net cash from operating activities	**12,250**	**16,524**
Net cash used in investing activities	**-3,257**	**-7,468**
Net cash from financing activities	**-5,725**	**-6,138**
Net increase in cash and cash equivalents	3,268	2,918
Cash and cash equivalents at beginning of period	4,677	3,752
Effect of exchange rate fluctuations on cash and cash equivalents at beginning of period	3	13
Cash and cash equivalents at end of period	**7,948**	**6,683**

Consolidated statement of changes in equity (IFRS)

in EUR '000	at April 30, 2010	Dividends 2009/10	Consolidated statement of comprehensive income	at Jan. 31, 2011
Share capital	36,350	0	0	**36,350**
Capital reserves	1,817	0	0	**1,817**
Fair value reserve for available-for-sale financial assets	-387	0	-153	**-540**
Cash flow hedging reserve	-185	0	289	**104**
Other reserves	49,524	-980	6,955	**55,499**
Currency translation differences	-3,076	0	-191	**-3,267**
Treasury stock	-4,664	0	0	**-4,664**
Total	**79,379**	-980	6,900	**85,299**

in EUR '000	at April 30, 2009	Dividends 2008/09	Consolidated statement of comprehensive income	at Jan. 31, 2010
Share capital	36,350	0	0	**36,350**
Capital reserves	1,817	0	0	**1,817**
Fair value reserve for available-for-sale financial assets	-546	0	62	**-484**
Cash flow hedging reserve	0	0	0	**0**
Other reserves	46,963	0	3,742	**50,705**
Currency translation differences	-3,102	0	-89	**-3,191**
Treasury stock	-4,664	0	0	**-4,664**
Total	**76,818**	0	3,715	**80,533**

Operating segment report (IFRS)

in EUR '000	2010/11 Austria	Rest of Europe	North America	Asia	Consolidations/ Eliminations	Group	2009/10 Austria	Rest of Europe	North America	Asia	Consolidations/ Eliminations	Group
Sales	**73,367**	**74,924**	**19,077**	**2,363**	**-49,686**	**120,045**	**71,065**	**70,570**	**15,429**	**1,633**	**-46,056**	**112,641**
thereof inter-segment	47,980	1,706	0	0	-49,686	0	45,725	331	0	0	-46,056	0
external sales	25,387	73,218	19,077	2,363	0	120,045	25,340	70,239	15,429	1,633	0	112,641
Result from continuing operations (before taxes)	**3,554**	**3,888**	**816**	**634**	**39**	**8,931**	**979**	**3,045**	**261**	**138**	**207**	**4,630**
Segment assets	**150,574**	**43,101**	**13,242**	**1,026**	**-58,565**	**149,378**	**148,795**	**46,450**	**12,843**	**1,410**	**-56,132**	**153,366**
Segment liabilities	**49,554**	**27,900**	**5,074**	**-229**	**-18,220**	**64,079**	**61,184**	**28,063**	**4,607**	**802**	**-21,823**	**72,833**

The basis for segment reporting and the valuation of segment profit have remained unchanged since the consolidated financial statements for the 2009/10 fiscal year.

Notes on the Interim Financial Report

at January 31, 2011

General information

The consolidated interim financial statements of the Wolford Group for the first nine months of the 2010/11fiscal year were prepared under the responsibility of the Executive Board in compliance with the International Financial Reporting Standards (IFRS) on the basis of IAS 34 (Interim Financial Reporting).

The accounting and valuation policies applied to the consolidated financial statements of the Wolford Group for the 2009/10 fiscal year remained unchanged.

The consolidated interim financial statements do not include all information and explanatory notes which are required in relation to the consolidated financial statements for the fiscal year as a whole. For this reason, this interim report should be read together with the Annual Report 2009/10 of the Wolford Group applying to the balance sheet date of April 30, 2010.

In all financial reporting of the Wolford Group, amounts are reported in thousands of euros (TEUR). Rounding differences may occur due to the use of automated aids.

Change in the scope of consolidation

The number of companies included in the scope of consolidation has not changed since the last reporting date.

Acquisition and disposal of property, plant and equipment and intangible assets

In the first nine months of the 2010/11 fiscal year, the Wolford Group acquired property, plant and equipment and intangible assets amounting to TEUR 4,402 (previous year: TEUR 7,154). In the same period, TEUR 2 (previous year: TEUR 2) of property, plant and equipment and intangible assets were disposed of.

Seasonality of business operations

Sales in the third quarter of the fiscal year are usually driven by the Christmas shopping season. Due to the good consumer demand in the third quarter (November 1, 2010 – January 31, 2011), sales rose by 4.0 percent from the comparable period of the previous year. Earnings indicators improved even more. The result from continuing operations could be almost doubled from the prior-year quarter.

Comment on the financial result

Based on the application of cash flow hedge accounting since April 30, 2010, fair value fluctuations of the deployed derived financial instruments no longer have an impact on the net profit/loss for the particular reporting period, but are directly recognized in shareholders' equity (provision for cash flow hedging). For this reason, the financial result of the first nine months of the 2010/11 fiscal year is not comparable with the previous year's period. If the effects from cash flow hedge accounting in the current fiscal year were not recognized in shareholders' equity but in the income statement, as in the comparable period of the previous year, the financial result in the first nine months of the 2010/11 fiscal year and thus the result from continuing operations would be improved by TEUR 385 (before deferred taxes), and the net profit/loss for the period would be higher by TEUR 289, as the following presentation of results shows:

in EUR '000	**Q1-Q3**		**Change**	
	2010/11	**2009/10**	***absolute***	***in percent***
Profit from continuing operations with hedge accounting	**8,931**	4,630	4,301	92.9%
Profit from continuing operations without hedge accounting effect	***9,316***	*4,630*	*4,686*	*101.2%*
Net profit for the period with hedge accounting	**6,986**	3,753	3,233	86.1%
Net profit for the period without hedge accounting effect	***7,275***	*3,753*	*3,522*	*93.8%*
Net profit for the period per share in EUR with hedge accounting	**1.43**	0.77	0.66	86.1%
Net profit for the period per share in EUR without hedge accounting effect	***1.48***	*0.77*	*0.71*	*93.8%*

Contingent liabilities

There have been no material changes in contingent liabilities since the last reporting date.

Related party transactions

There are immaterial business relationships with related companies and individuals. All transactions are conducted at normal market prices, terms and conditions.

Significant events after the reporting date

Wolford changed part of its sales structure in Spain after the reporting date. In the meantime time, it operates its own concession shop-in-shops at eleven locations of an important Spanish customer. The other sales locations of this customer in Spain will continue to be operated as wholesale outlets.

Report on the auditor’s review

The consolidated interim financial statements were neither subject to a comprehensive audit nor to an auditor’s review by chartered accountants.

Statement of all Legal Representatives

according to Para. 87 Sect. 1 (3) Austrian Stock Exchange Act

The members of the Executive Board of Wolford Aktiengesellschaft confirm to the best of their knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the group as required by the applicable accounting standards. The interim report of the Wolford Group for the third quarter of the 2010/11 fiscal year gives a true and fair view of important events that have occurred during the first nine months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining three months of the financial year, and of the major related party transactions to be disclosed.

Bregenz, March 2011

The Executive Board signed:

Holger Dahmen
Chairman of the Executive Board

Management responsibility for Marketing, Sales, Production and Technology, Strategic License Management and Designer Partnerships

Peter Simma
Deputy Chairman of the Executive Board

Management responsibility for Finance, Human Resources, IT and Procurement

Wolford Share

Share performance May 1, 2010 – January 31, 2011

Highest closing price:
EUR 26.40 (Dec. 10, 2010)

Lowest closing price:
EUR 13.78 (May 28, 2010)

General information on the Wolford share

ISIN Code	AT0000834007
Stock exchange centers	Vienna Stock Exchange (Prime Market segment)
	Frankfurt (OTC segment)
	New York (ADR program, Level 1)
Initial listing	February 14, 1995
Stock type	Bearer shares (no par value)
Total number of shares	5,000,000
thereof entitled to dividend	4,900,000
Authorized capital	36.350.000 EUR
Indices	ATX Prime
Ticker symbols	Reuters: WLFD.VI, Bloomberg: WOL AV

Coverage

In the third quarter of the current fiscal year analysts of the following banks published research reports on the Wolford Group: Deutsche Bank AG, Erste Group Bank AG, Raiffeisen Centrobank AG and UniCredit Bank AG.

Ownership structure

In the first nine months of the 2010/11 fiscal year the WMP family private trust held more than 25 percent, and the Sesam private trust more than 15 percent. The Bartel 2006 Trust und Bartel Family Trust held eight percent. Wolford Aktiengesellschaft held another two percent as treasury stock. The remaining shares were in free float.

Financial Calendar

Friday	July 22, 2011	Press conference on 2010/11 annual results, 9.30 a.m., Vienna
Thursday	September 15, 2011	Annual General Meeting of Shareholders, 2.00 p.m., Bregenz
Friday	September 16, 2011	Results Q1 2011/12
Thursday	September 22, 2011	Ex-dividend date
Thursday	September 29, 2011	Dividend payment date
Friday	December 16, 2011	Results H1 2011/12
Friday	March 16, 2012	Results Q3 2011/12

Updates are available at www.wolford.com

About this report

For further information

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This interim report is available in German and English on the internet at www.wolford.com.

Definitions of financial indicators are contained in the latest annual report for the 2009/10 fiscal year.

Disclaimer

This interim financial report of the Wolford Group has been put together with the greatest possible care. All data has been carefully checked. Nevertheless, rounding off, typesetting or printing errors cannot be excluded.

This report has also been prepared in English. However, only the German version is definite.
This annual report contains forward-looking statements which reflect the opinions and expectations of the Executive Board, and include risks and uncertainties which could have a significant impact on actual circumstances and thus actual results. For this reason, readers are cautioned not to place undue reliance upon any forward-looking statements. Wolford Aktiengesellschaft is not obliged to publish any update or revision of the forward-looking statements contained in this report, unless otherwise required by law.

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