



**Institutional  
Investors Conference  
Zürs**

**Wolford AG**  
Thomas Melzer, CFO

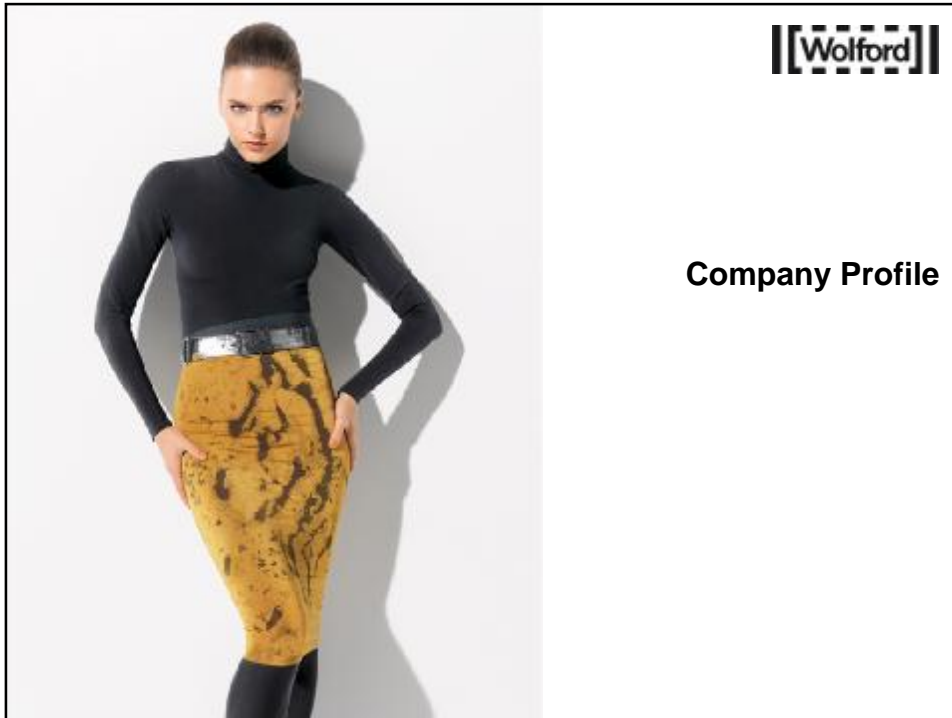
Zürs, April 10-13, 2013

[www.wolford.com](http://www.wolford.com)

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## **Woford at a Glance**

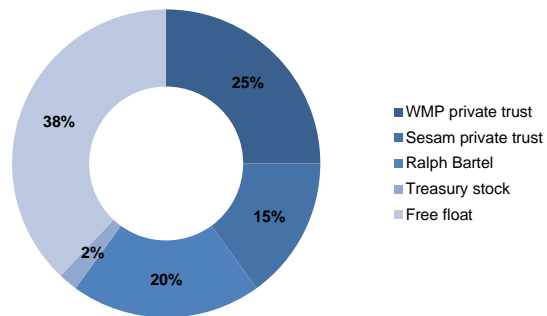


- ▶ **Founded in 1950 by Reinhold Wolff and Walter Palmers**
- ▶ **Headquarters in Bregenz (AT)**
- ▶ **15 subsidiaries in**
  - ▶ Europe: DE, CH, AT, SLO, FR, GB, IT, ES, DK, NL, BE
  - ▶ North America: USA, CDN
  - ▶ Asia: HK, CN
- ▶ **€154 mill. turnover with 1,630 employees in BY 2011/12**
- ▶ **Points of sale in 68 countries**
- ▶ **Production sites in Bregenz (AT) and Murska Sobota (SLO)**
- ▶ **Listed on the Prime Market of the Vienna Stock Exchange (WOL)**

## Shareholder Structure










► Based on previous ownership notifications



## Wolford USPs



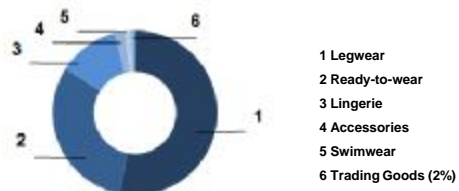
 <p><b>Comfort</b> Merino Luxe Pullover</p>	 <p><b>Quality</b> New Haven Pullover</p>	 <p><b>Easy Care</b> Cordoba Pullover</p>
 <p><b>Unique</b> Fatal Sheer Dress</p>		
 <p><b>Versatility</b> Multi Functional Scarf</p>	 <p><b>Function</b> Boudoir Forming Body</p>	 <p><b>Sihouette-enhancing</b> Gliter Leggings</p>
	 <p><b>San Jose Shirt</b></p>	

## Product Groups



1 Legwear: 54%    2 Ready-to-wear: 31%    3 Lingerie: 11%    4 Swimwear: 1%    5 Accessories: 1%

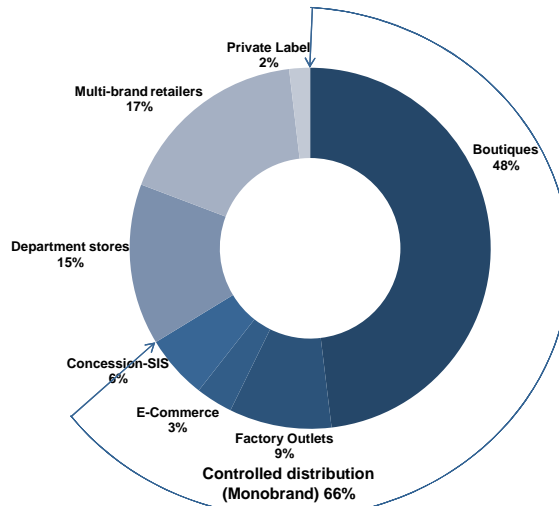
Revenues by Product Group



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## Distribution Channels



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## 262 Monobrand Points of Sale



### ► Status per January 31, 2013

#### ► 177 owned points of sale (Monobrand)

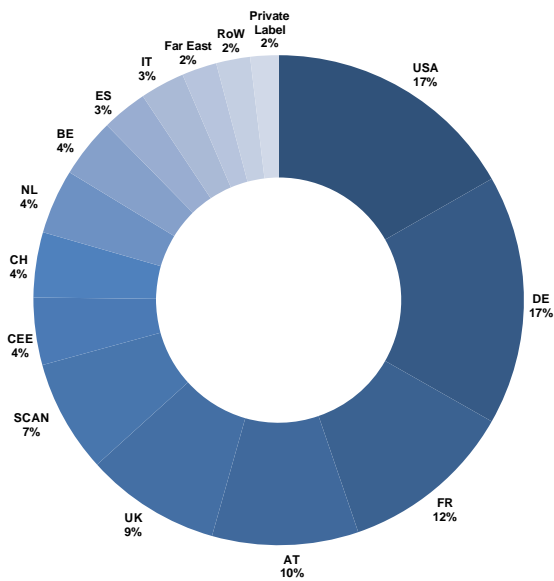
- 119 Boutiques (managed by Wolford)
- 25 Factory outlets (managed by Wolford)
- 33 Concession shop-in-shops (managed by Wolford)

#### ► 85 partner points of sale (Monobrand)

- 85 Boutiques (managed by partners)

#### ► as well as approx. 3,000 further trading partners

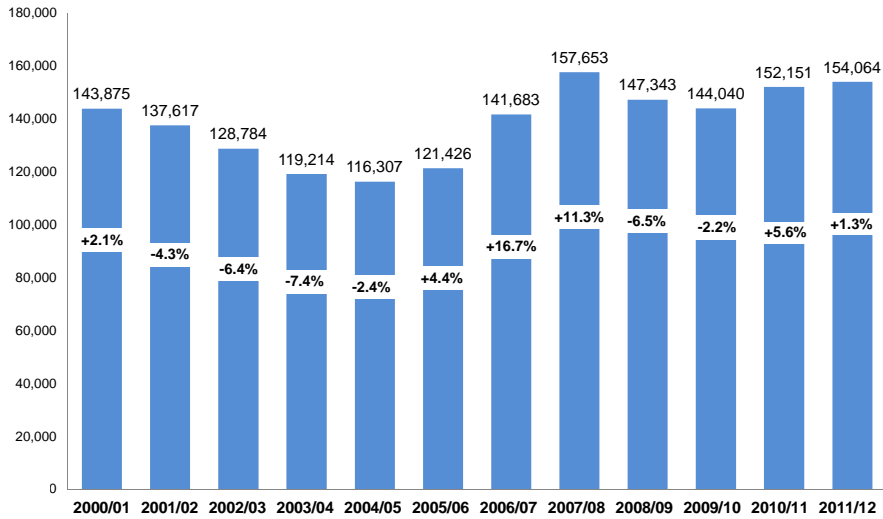
## Revenues by Country



## Long-term Development of Revenues



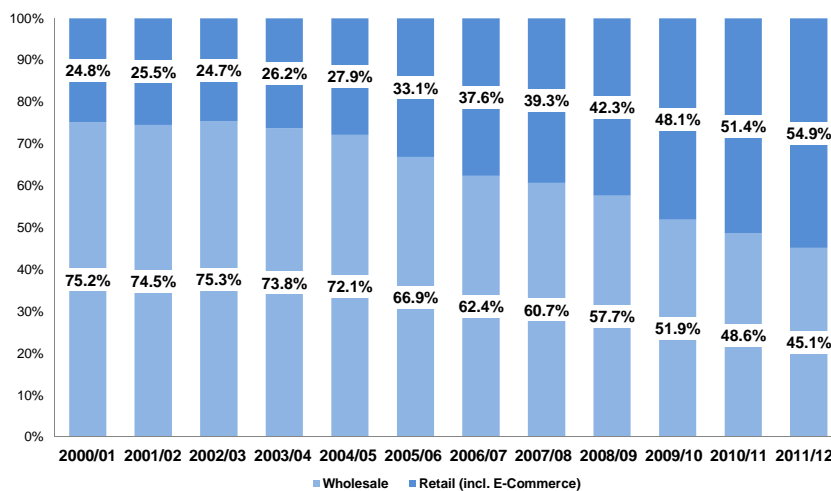
in TEUR  
Net Sales



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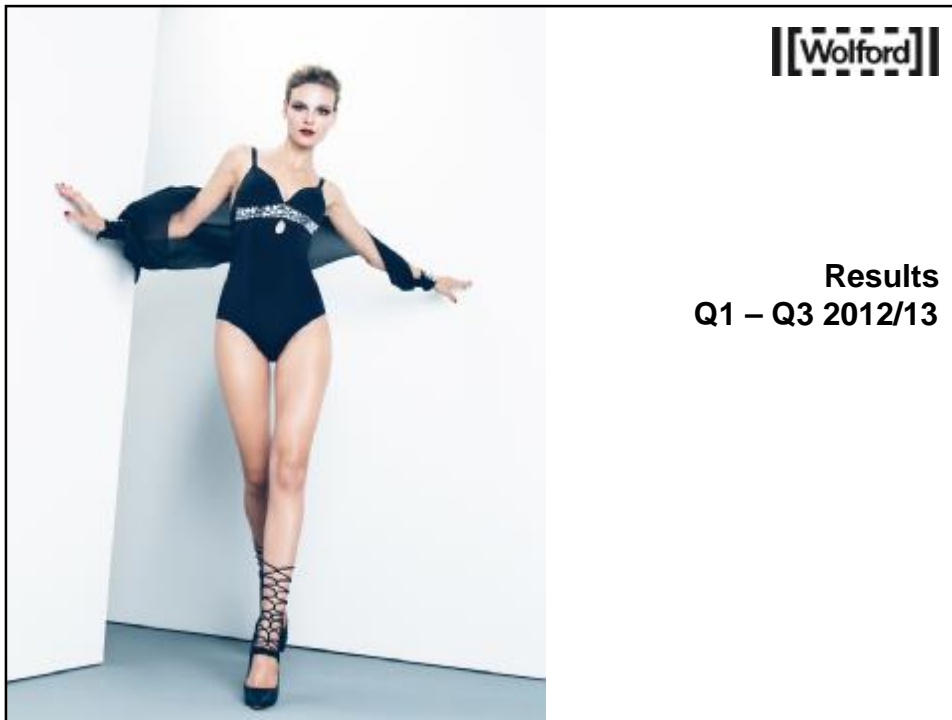
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## Share of Revenues Retail vs. Wholesale



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**Welford**

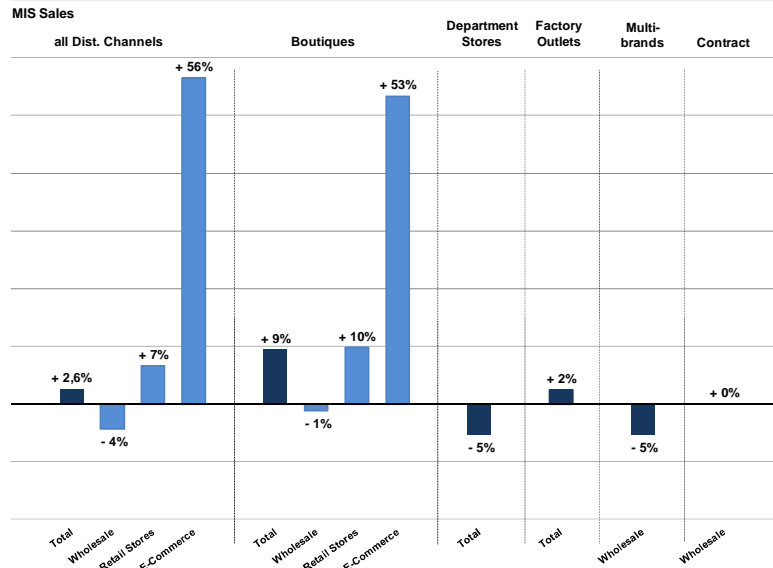
**Group Results Q1 – Q3 2012/13**

Earnings Data		05/12 - 01/13	05/11 - 01/12	Chg. %	2011/12
Revenues	in € mill.	124.13	121.13	+2.5	154.06
EBITDA	in € mill.	9.79	15.57	-37	15.32
EBIT	in € mill.	3.65	9.66	-62	7.00
Earnings before tax	in € mill.	2.79	8.35	-67	5.17
Earnings after tax	in € mill.	2.48	7.06	-65	1.36
Earnings per share	in €	0.51	1.44	-65	0.28
Capital expenditure	in € mill.	4.22	6.25	-32	7.94
Free cash flow	in € mill.	1.00	(1.36)	>100	0.40
Employees on average		1,614	1,673	-4	1,665

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## Development of Revenues by Distribution Channel

May 2012 – Jan 2013 vs. previous year

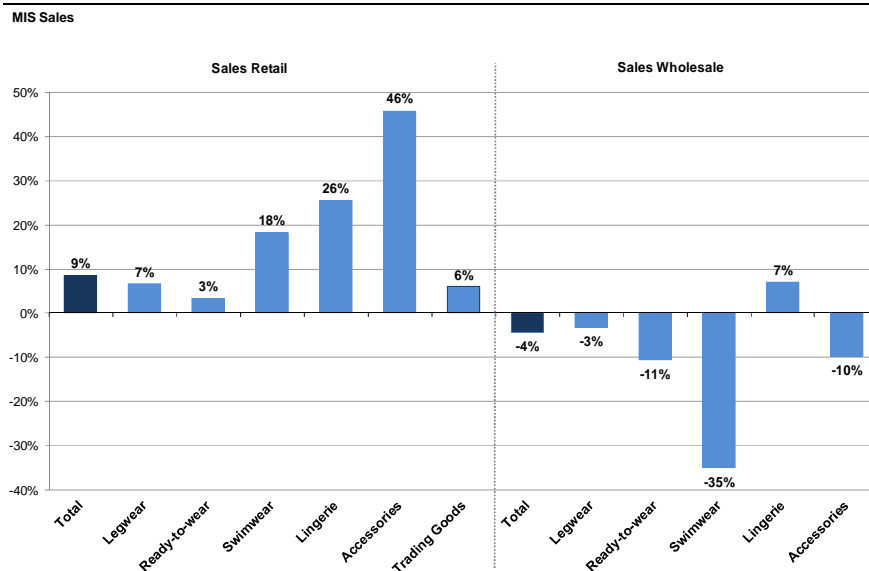


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## Development of Revenues by Product Group

May 2012 – Jan 2013 vs. previous year

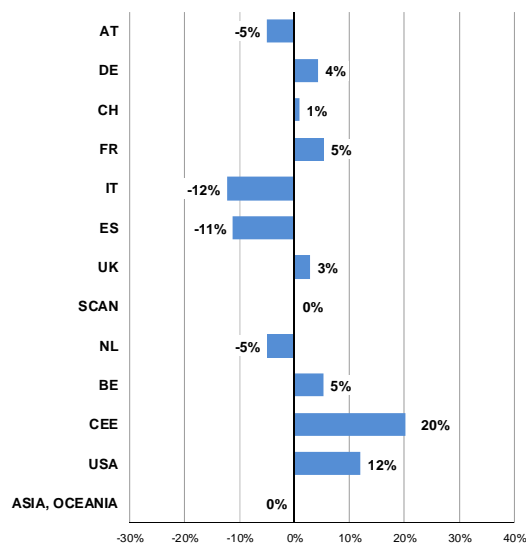


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## Development of Revenues by Country May 2012 – Jan 2013 vs. previous year



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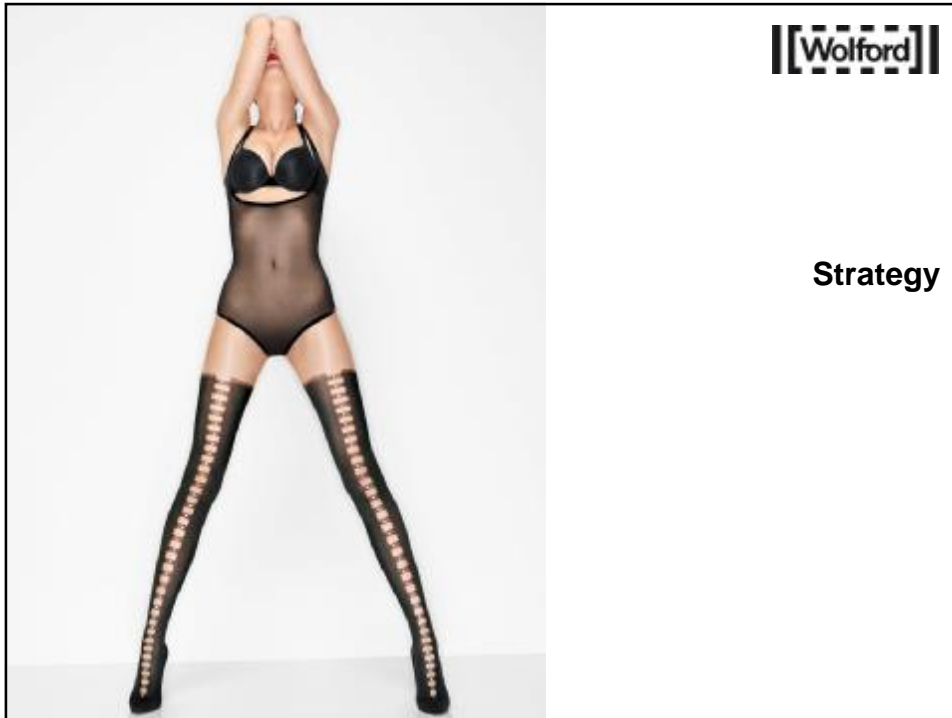
## Balance Sheet Data 31/01/13



Balance Sheet Data		31/01/13	31/01/12	30/04/12	Chg. %	
					31/01/12	30/04/12
Equity	in € mill.	84.59	88.97	83.61	-5	+1
Net debt	in € mill.	16.44	17.15	15.38	-4	+7
Capital employed	in € mill.	117.60	123.31	115.30	-5	+2
Working capital	in € mill.	42.27	42.53	39.77	-1	+6
Balance sheet total	in € mill.	148.31	153.35	145.50	-3	+2
Equity ratio	in %	57	58	57	-	-
Gearing	in %	19	19	18	-	-

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## Strategy

### Strategy: Distribution

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- ▶ **Expansion of the own Retail Sales Network**
  - ▶ Several new boutique openings, especially in Greater China and the Middle East are planned for the 2013 calendar year
  - ▶ Continuous improvement and modernisation of the boutique interior in order to increase like-for-like revenues
- ▶ **Intensified co-operation with boutique partners via our COAFF-concept ("Commission Affiliation")**
  - ▶ Far-reaching support for boutique partners through supply of shop interior, selection of merchandise, replenishment and stock keeping, logistics and marketing, sales and product training
- ▶ **Optimized co-operation with the wholesale via our Soft Corner concept**
  - ▶ Furniture concept for multi-brand retailers, partly redemption of products which could not be sold, plus marketing support
- ▶ **Expansion of the Travel Retail / Duty Free business**
- ▶ **Optimization and Expansion of the Online Business**
- ▶ **Strengthening the global presence of our brand by intensified marketing**

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## Strategy: Geographies



- ▶ **Targeted improvement and expansion of location quality in the main markets of Europe and North America**
  - ▶ New boutiques solely in top locations
  - ▶ Closing down of loss-generating locations
- ▶ **Development of growth markets, especially in Greater China and the Middle East**
  - China:
    - ▶ Establishment of a subsidiary, preparation of logistics, labelling, etc. completed
    - ▶ 2012/13: the first Wolford-owned boutique in Shanghai, 2 boutiques and 2 shop-in-shops managed by partners were opened; 4 shop-in shops managed by partners are intended
    - ▶ 2013/14: planned opening of an additional Wolford-owned boutique in Shanghai, 2 Wolford-owned shop-in-shops, 5 partner-managed shop-in-shops and 1 partner boutique are planned
  - Middle East:
    - ▶ Partner boutique in Dubai was opened – very promising start
    - ▶ Openings of further partner boutiques and shop-in-shops in Dubai, Abu Dhabi, Kuwait and Saudi Arabia are planned for 2013

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## Strategy: Products



- ▶ **Development of the Lingerie Portfolio (Shape & Control)**
  - ▶ New products with additional functions
    - ▶ Bestseller Satin Touch Tights with additional compression around the leg (in order to enhance the blood circulation)
    - ▶ Bestseller Individual 10 Tights with additional compression around the leg complemented by forming panties (Individual 10 Complete Support)
    - ▶ New Swimwear product: Estrella Forming Swimbody
- ▶ **Innovation of the Accessories portfolio**
  - ▶ Legcessories: Gaiters in various designs
- ▶ **Innovation regarding Multifunctional Clothing**
  - ▶ Development of the Multifunctional Scarf with various high-quality fabrics from SS 2013 onwards
  - ▶ Additional innovative products with new cut and wearing variations are in the pipeline

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## Strategy: Profitability



- ▶ **Further relocation of labour-intensive production areas in those product groups, which are part of our core competence**
  - ▶ From Bregenz to the proprietary production site in Slovenia
  - ▶ Maintaining the Wolford-owned production with highest quality standards
  - ▶ Advantages: more skilled employees in Slovenia, reduction of staff costs by ca. 50%
- ▶ **Step-by-step expansion of sourcing finished products from suppliers, in those product areas, which are not part of our core competence**
  - ▶ In order to optimally use advantages in cost of goods sold regarding development, procurement and production
  - ▶ By safeguarding the high product quality of Wolford
- ▶ **Measures to increase efficiency of internal processes**
- ▶ **Closing down of loss-generating points of sale**
  - ▶ Close monitoring of boutique performance
  - ▶ Support and closure measures
- ▶ **Stringent monitoring of investments**
  - ▶ Optimization of store construction costs for new locations and refurbishments

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## Outlook and Goals

## Outlook and Goals



- ▶ **Continuing difficult economic environment in Europe, slight recovery in the USA expected**
  - ▶ Use of growth potential in existing markets
- ▶ **Economic growth in Asia and the Middle East**
  - ▶ Significant expansion of Wolford's presence via new locations
- ▶ **Strengthening the wholesale business by new distribution models**
- ▶ **Ongoing optimization of the points of sale network**
- ▶ **Further relocation of production processes from Austria to Slovenia**
- ▶ **Product innovation**
- ▶ **Optimization of inventories and cash**
- ▶ **Intensified marketing measures**
  
- ▶ **Slight top-line growth in the 2012/13 business year and positive operating result, however significantly below the previous year**

## IR Information



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**Thank you  
for your interest!**