## Ad-hoc announcement
## Wolford AG: Publication of preliminary results for the 2012/13 fiscal year

- **Revenues increase by 1.6% or € 2.4 million to € 156.5 million**
- **EBITDA down 48% to € 7.9 million, EBIT slightly negative at € -0.9 million**
- **Positive free cash flow of € 0.5 million (previous year: € 0.4 million)**

*Vienna/Bregenz, June 14, 2013.* Today Wolford AG announces its preliminary results for the 2012/13 fiscal year (May 1, 2012 – April 30, 2013), which came in below expectations. The company generated total revenues of € 156.5 million, a rise of 1.6% or € 2.4 million, but incurred a decline in EBITDA of 48% to € 7.9 million (previous year: € 15.2 million), and a slightly negative EBIT of € -0.9 million (previous year: € 6.9 million). Due to the earnings situation, the Management Board will propose to the Annual General Meeting to suspend the dividend payment for the 2012/13 fiscal year and to focus the financial resources on profitable growth.

Against the backdrop of a difficult economic environment, Wolford succeeded in raising revenues in its own retail business by 6%. However, this growth was substantially reduced by the 5% decrease in the wholesale segment. The weak economic situation, especially in Southern Europe, negatively impacted sales in the core market of Europe (accounting for about 76% of Group revenues). In addition, the unusually long and tough winter in 2013 perceptibly reduced customer demand in the entire industry. Accordingly, Wolford was not able to generate the level of revenue growth required in order to compensate for the future-oriented expansion of its international distribution network.

Moreover, start-up costs in preparing for the company´s market entry in Greater China, higher rental costs for its own retail stores, increased advertising expenditures designed to strengthen the brand as well as write-downs on inventories and consulting expenses focusing on the reorientation of the wholesale business and for last year’s tax audit all burdened earnings. In addition, the Management Board decided to shut down loss-making stores in Europe and the USA and external warehouses, and to destroy old merchandise. This all led to non-recurring expenses of approximately € 1.5 million.

However, the consistant optimization of working capital enabled Wolford to generate a positive cash flow from operating activities of € 6.3 million (previous year: € 7.3 million) and a positive free cash flow of € 0.5 million (previous year: € 0.4 million). Thus Wolford boasts an ongoing solid financing structure and balance sheet as a means of continuing its growth strategy. On this basis the Management Board is striving to return to positive operating results in the current fiscal year.

The final results for 2012/13 will be announced at the annual results press conference scheduled to take place in Vienna on July 19, 2013.

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