Annual Results Press Conference
for the 2012/13 Financial Year
Vienna, July 19, 2013

Agenda

The 2012/13 Financial Year
 ▶ Overview
 ▶ Revenue development

Group Results in 2012/13
 ▶ Earnings analysis
 ▶ Cash flow and balance sheet analysis

Processes and Innovations
 ▶ Profitability
 ▶ Product development
 ▶ Time-to-market

Strategy and Outlook
 Holger Dahmen (CEO)
The 2012/13 Financial Year

► Revenues increased slightly by 1.6%
  ► Positive sales trend from recent years continued in 2012/13
  ► Group revenues up to € 156.5 million
  ► Satisfactory development in most core markets

► EBITDA and EBIT significantly lower than in the previous year

► Positive cash flow and consistently sound balance sheet structure

► Continuation of expansion strategy
  ► Extension of monobrand network
  ► Targeted expansion in the core markets in Europe and North America
  ► Store openings in the growth market of Greater China
  ► Market entry in the Middle East
Revenues by Product Group

- Lingerie 12%
- Ready-to-wear 21%
- Legwear 53%
- Swimwear 1%
- Accessories 2%

Revenue Development by Financial Year

- Revenue increase in 2012/13: + 1.6%
- Total revenues: € 156.5 million
Revenue Development by Quarter

![Graph showing revenue development by quarter for Wolford, including Q1 2011/12 and Q1 2012/13 with an increase of 4.1% and Q2 2011/12 and Q2 2012/13 with another increase of 4.1% and so forth.]

Revenue Development by Distribution

May 2012 – April 2013 vs. previous year

<table>
<thead>
<tr>
<th>Total distribution channels</th>
<th>Boutiques</th>
<th>Factory outlets</th>
<th>Department stores</th>
<th>Multi-brand retailers</th>
<th>Private label</th>
</tr>
</thead>
<tbody>
<tr>
<td>+1.6%</td>
<td>+6%</td>
<td>+7%</td>
<td>+3%</td>
<td>-6%</td>
<td>-5%</td>
</tr>
<tr>
<td>-5%</td>
<td>-0%</td>
<td>-6%</td>
<td>-5%</td>
<td>-2%</td>
<td></td>
</tr>
</tbody>
</table>

![Bar chart showing revenue distribution by channels, including total wholesale, retail, total wholesale retail, e-commerce, retail wholesale, and private label with respective percentage changes.]

Annual Results Press Conference, Vienna, July 19, 2013
Retail Distribution

267 Monobrand Points of Sale

► Status as at April 30, 2013
► 181 own points of sale (monobrand)
  ► 120 boutiques (operated by Wolford)
  ► 28 factory outlets (operated by Wolford)
  ► 33 concession shop-in-shops (operated by Wolford)
► 86 partner-operated points of sale (monobrand)
  ► 86 boutiques
► approx. 3,000 selected trading partners
► as well as online shops in 15 countries
Store Openings

Wolford Boutique Shanghai Citic Center, China, opening April 2013

Wolford Boutique Dubai, United Arab Emirates, official opening January 2013
Store Openings

Wolford Boutique Petrovka, Moscow, Russia, re-opening March 2013

Wolford Boutique Airport Frankfurt am Main, Germany, opening 2012
Revenue Development by Core Market

May 2012 – April 2013 vs. previous year

- AT: -6%
- DE: 4%
- CH: -3%
- FR: 4%
- IT: -12%
- ES: -12%
- UK: 2%
- SCAN: -1%
- NL: -5%
- BE: 3%
- CEE: 19%
- USA: 8%
- ASIA, OCEANIA: 0%

Revenues by Market

- North America: 17%
- Germany: 16%
- France: 12%
- Austria: 11%
- Other Europe: 35%
- Asia, Oceania: 4%
- Rest of world: 1%
### Earnings Data

<table>
<thead>
<tr>
<th>Earnings data</th>
<th>30.04.2013</th>
<th>30.04.2012</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues in € mill.</td>
<td>156.47</td>
<td>154.06</td>
<td>+1.6</td>
</tr>
<tr>
<td>EBITDA in € mill.</td>
<td>7.90</td>
<td>15.18</td>
<td>-48</td>
</tr>
<tr>
<td>EBIT in € mill.</td>
<td>0.91</td>
<td>6.86</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Earnings before tax in € mill.</td>
<td>-2.25</td>
<td>5.04</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Earnings after tax in € mill.</td>
<td>-2.76</td>
<td>1.26</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Capital expenditure in € mill.</td>
<td>6.03</td>
<td>7.94</td>
<td>-24</td>
</tr>
<tr>
<td>Free cash flow in € mill.</td>
<td>0.48</td>
<td>0.37</td>
<td>+30</td>
</tr>
<tr>
<td>Employees on average FTE</td>
<td>1,606</td>
<td>1,665</td>
<td>-4</td>
</tr>
</tbody>
</table>

1) Adjustments due to the early application of IAS 19 revised (Employee Benefits)
Revenue development below expectations
- Decline in the wholesale business
- Stagnating European market accounts for high share of sales (76%)
- Long and harsh winter in 2013 spoiled the fourth quarter (February to April 2013)

Significant cost increase could not be fully compensated by revenue growth
- Higher rental costs of about €2 million in own retail business due to new stores and increased rents in existing locations
- Advertising campaign to strengthen the brand in the DACH region (expenses of about €0.7 million)
- Non-recurring effects of €1.5 million (strategic measures, costs from past legacies)
  - Closing of low-performing retail stores and external storage facilities
  - Disposal of old merchandise
  - Evaluation of last year’s audit
  - Start-up costs for market development in Greater China
  - Consulting fees relating to the reorientation of the wholesale business
### Cash Flow Statement (summary)

<table>
<thead>
<tr>
<th>Cash flow statement</th>
<th>2012/13 in € mill.</th>
<th>2011/12 in € mill.</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operating activities</td>
<td>6.31</td>
<td>7.27</td>
<td>-13</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>-5.83</td>
<td>-6.90</td>
<td>+16</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>0.48</strong></td>
<td><strong>0.37</strong></td>
<td><strong>+30</strong></td>
</tr>
<tr>
<td>Cash flow from financing activities</td>
<td>-0.38</td>
<td>0.31</td>
<td>&gt;100</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>0.10</td>
<td>0.68</td>
<td>-85</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td><strong>4.99</strong></td>
<td><strong>4.91</strong></td>
<td><strong>+2</strong></td>
</tr>
</tbody>
</table>

### Balance Sheet Data

1) Adjustments due to the early application of IAS 19 revised (Employee Benefits)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>78.15</td>
<td>83.77</td>
<td>-7</td>
</tr>
<tr>
<td>Net debt</td>
<td>15.73</td>
<td>14.15</td>
<td>+11</td>
</tr>
<tr>
<td>Capital employed</td>
<td>93.88</td>
<td>97.92</td>
<td>-4</td>
</tr>
<tr>
<td>Working capital</td>
<td>38.26</td>
<td>39.77</td>
<td>-4</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>142.32</td>
<td>145.46</td>
<td>-2</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>54.9</td>
<td>57.6</td>
<td>-</td>
</tr>
<tr>
<td>Gearing</td>
<td>20.1</td>
<td>16.9</td>
<td>-</td>
</tr>
<tr>
<td>Working capital as a percent of revenues</td>
<td>24.5</td>
<td>25.8</td>
<td>-</td>
</tr>
<tr>
<td>Net debt to EBITDA</td>
<td>2.0</td>
<td>0.9</td>
<td>-</td>
</tr>
<tr>
<td>EBITDA to net interest cost</td>
<td>9.3</td>
<td>20.8</td>
<td>-</td>
</tr>
</tbody>
</table>
Financial Review

Clearly positive cash flow due to working capital optimization in spite of earnings decline
- Operating cash flow of €6.31 million (2011/12: €7.27 million), mainly due to a decrease in inventories
- Ratio of working capital to revenues reduced from about 26% to 25%
- Positive free cash flow of €0.48 million (2011/12: €0.37 million), primarily as a result of strict investment monitoring

Consistently sound balance sheet structure
- Equity ratio of 55% (2011/12: 58%)
- Gearing of 20% (2011/12: 17%)
- Debt repayment period (net debt to EBITDA) of 2.0 years

Financing of business strategy secured from today’s perspective
- Based on equity financing from cash flow and leveraging balance sheet
- Good long-term bank relations and sufficient unused lines of credit of about €75 million at the balance sheet date

Working Capital Optimization

<table>
<thead>
<tr>
<th>Year</th>
<th>Working Capital as % of Revenues</th>
<th>Revenues in € mil.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>29%</td>
<td>147.34</td>
</tr>
<tr>
<td>2009/10</td>
<td>24%</td>
<td>144.04</td>
</tr>
<tr>
<td>2010/11</td>
<td>23%</td>
<td>152.15</td>
</tr>
<tr>
<td>2011/12</td>
<td>26%</td>
<td>154.06</td>
</tr>
<tr>
<td>2012/13</td>
<td>25%</td>
<td>156.47</td>
</tr>
</tbody>
</table>
Equity and Net Debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Debt in € mil.</th>
<th>Gearing</th>
<th>Equity Ratio in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>32.72</td>
<td>50 %</td>
<td>55 %</td>
</tr>
<tr>
<td>2009/10</td>
<td>18.44</td>
<td>23 %</td>
<td>36 %</td>
</tr>
<tr>
<td>2010/11</td>
<td>11.48</td>
<td>14 %</td>
<td>17 %</td>
</tr>
<tr>
<td>2011/12</td>
<td>14.15</td>
<td>17 %</td>
<td>20 %</td>
</tr>
<tr>
<td>2012/13</td>
<td>15.73</td>
<td>20 %</td>
<td>25 %</td>
</tr>
</tbody>
</table>

Average Number of Employees (FTEs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Employees Wolford Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>1,663</td>
</tr>
<tr>
<td>2009/10</td>
<td>1,484</td>
</tr>
<tr>
<td>2010/11</td>
<td>1,560</td>
</tr>
<tr>
<td>2011/12</td>
<td>1,666</td>
</tr>
<tr>
<td>2012/13</td>
<td>1,606</td>
</tr>
</tbody>
</table>
### Earnings and Dividend per Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings per Share</th>
<th>Dividend per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008/09</td>
<td>-0.24</td>
<td>-0.80</td>
</tr>
<tr>
<td>2009/10</td>
<td>0.52</td>
<td>-0.60</td>
</tr>
<tr>
<td>2010/11</td>
<td>1.03</td>
<td>0.00</td>
</tr>
<tr>
<td>2011/12</td>
<td>0.40</td>
<td>0.20</td>
</tr>
<tr>
<td>2012/13</td>
<td>0.00</td>
<td>-0.56</td>
</tr>
</tbody>
</table>

(in €)

### Shareholder Structure

- **Based on available notifications of shareholdings**

- WMP Private Foundation: 38%
- Sesam Private Foundation: 25%
- Ralph Bartel: 15%
- Treasury stock: 20%
- Free float: 2%

Annual Results Press Conference, Vienna, July 19, 2013
Processes and Innovations

Priorities

► Improvement of efficiency
► Product development and innovations
► Optimization of time-to-market
Improvement of Efficiency

► Production and procurement
  ► Strengthening of operational and technological core competencies in Bregenz and Slovenia
  ► Improved utilization of existing production capacities
  ► Systematic expansion of supplier basis in selected product and process areas which do not belong to Wolford’s core competencies

► Warehouse and distribution logistics
  ► Concept to improve efficiency of the central warehouse in Bregenz

► Product development
  ► Establishment of standards, especially for materials and process technologies

Quality of a Manufacturer’s Brand

Technical Maintenance (L), Quality Control (r.)
Wolford Products: USPs

- Quality
- Product innovations
- Comfort
- Easy care
- Unique design
- Accentuates the female silhouette
- Fashion versatility
- Functionality
- Deliberate contrast to “fast fashion”

Product Development and Innovation

- Own research and development department
  - R&D expenditures in 2012/13: € 6.74 million (4.3% of revenues)

- Expansion of product portfolio
  - Focus on Shape & Control
  - Additional functionality for Lingerie and Legwear products

- Development priority: Ready-to-wear
  - Combination of Wolford’s wearing comfort and shaping functionality

- Targeted expansion of network of innovation partners
  - Development of new marketable products
Optimization of Time-to-Market

► Shortening of time span between product idea and availability on the market
  ► Innovative products: more quickly available on the marketplace
  ► Agility with respect to new trends (products, colors, functions)
  ► Reduction of financial and operating risks based on inventory reductions

► Establishing process-integrated, cross-functional product line teams

► Process and system integration
  ► From product development to the availability for end consumers

Environmental and Social Standards

► Responsibility as a flagship company
  ► Economy: Sustainable growth
  ► Ecology: Material cycles; water protection area at the site
  ► Society: Employer and company offering apprenticeship training
Distribution and Expansion

**Distribution strategy**
- Own retail business as growth driver
- Expansion of international monobrand distribution
- Intensified cooperation with wholesale partners
  - Establishment of **Commission Affiliation**
    - Strategic selection of boutique partners
    - Extensive support in logistics, merchandise planning, training
  - Introduction of **Soft Corner** concept
    - Modular concept for multi-brand retailers
    - Integrated merchandise logistics

**Continuation of expansion**
- Development of existing markets and entry into growth markets
- New points of sale in Europe, North America, Greater China, Middle East
- Expansion of travel retail
- Online business
Brand Development

- **Retention of existing customers**
  - Continuation of regular customers program “My Wolford”

- **Rejuvenation of the brand and attracting new customer groups**
  - Product development and innovation
  - Online business
  - Social media

- **Strong brand presence**
  - Implementation of globally uniform store concept
  - Continuation of marketing measures in core markets
  - Intensification of marketing measures in growth markets

Profitability

- **Closing of low-performing points of sale**

- **Strict investment monitoring**

- **Efficiency enhancement program for internal processes**

- **Optimization of time-to-market**

- **Improvement of efficiency in production and procurement**
Outlook

► Economic environment
  ► Europe: remains challenging
  ► USA: slight recovery
  ► Asia and Middle East: growth

► Priorities
  ► Continuation of expansion strategy
  ► Strengthening of marketing and distribution
  ► Product innovations
  ► Increased profitability

► Expectations for the 2013/14 financial year
  ► Further revenue growth
  ► Positive operating result

Thank you for your interest!

You are welcome to visit us at your Wolford boutique and on
www.wolford.com
www.wolfordshop.at
Wolford has always been a trendsetter on the international legwear market and lives up to this role on the basis of constantly new developments. In addition to classic all-year essentials, the product offering also encompasses seasonal trend designs, which complement the product range with the latest fashionable creations. An extensive range of functional Shape & Control products with a highly innovative character round off the Legwear product group.
Product Groups: Ready-to-wear

- Wolford offers timeless classic chic for women’s outerwear, combined with a moderate fashionable orientation for a woman’s entire wardrobe from head to toe.
- Quality and creativity are the top priorities in material selection and in the implementation of designs.
- The Ready-to-wear collection offers designs which stylishly highlight women’s femininity and features jackets, women’s suits, skirts, trousers, dresses, pullovers and blouses, tops, shirts and bodies.
- In addition to a seasonal trend collection, classic essentials round off the extensive product portfolio.

Product Groups: Lingerie

- The Lingerie collection boasts an elegant and discrete design, precise cuts, body-flattering materials and the perfect fit. These features are found in the seasonal trend collection as well as the essential series of the classic all-year product portfolio.
- The extensive collection encompasses different types of panties and bras in varying cuts tailored to reflect the multifaceted aspects of femininity.
- With Shape & Control, Wolford also offers body-shaping products for different needs, both in the classical and decorative product lines.
**Lingerie - Shape & Control**

► Wolford Shape & Control comprises products with an ideal effect for different needs, whether to cut a good figure or to lend vitality and ease to a woman’s legs.

► Wolford’s functional designs conceal small imperfections and accentuate the feminine form.

► The Shape & Control products are available in the following intensities: Light, Medium und Strong.

---

**Product Groups: Swimwear**

► Wolford fulfils the luxury demands of its customers with respect to sunbathing by offering a small but fine seasonal collection of swimwear creations.

► The product portfolio consists of creative swimsuits and bikinis and is optimally complemented by stylish beach accessories.
Product Groups: Accessories

► The Accessories product group harmonizes with Wolford's entire collection with respect to the materials used and the choice of colors, and offers the perfect complement to every outfit.
► Scarves, gloves and caps for the chillier time of year and also shawls, hair bands and belts set distinctive accents based on their dramatic details and patterns.

Development of the Brand

At the beginning, tights featured seams, which were replaced by round-knitted, seamless tights at the end of the 1950s. In the course of the next 40 years, Wolford emerged as a specialist for circularly knitted products. The product makes the Wolford brand!
Development of the Brand

Milestones of the 1990s

1994
Fatal 50
The world's first completely seamless tights, without front or back seams in the panty section.
Photo: Helmut Newton

1998
Stay Hip
A world's first—combining stay-ups and tights

1998
Men
The MEN line offers tights, knee-highs and socks in various qualities.

1999
Star[c]k Naked
Philippe Starck invents a tube with tights; multifunctional clothing
Photo: Jean-Baptiste Mondino

Milestones since 2000

2001
Logic
The first tights without the typical elasticated waist for a comfortable and perfect fit.

2001
Long Distance
The first tights with an anatomically pressure profile for people spending a lot of their time sitting.

2002
Individual Nature
Material innovation: the world’s most transparent tights made of natural fibers, featuring natural properties and an even appearance.

2003
Pure Energy
Compression promotes blood circulation in the legs; based on technical know-how and medical research.
**Development of the Brand**

**Milestones since 2000**

- **2010**
  - *Karen*
  - A new production process enables the knitting of fishnet patterns using the finest hosiery materials, thereby achieving exciting effects.

- **2011**
  - *Fatal 80 Seamless Stay-up*
  - No edges, no transitions, no seams. Perfect for tight-fitting garments.

- **2011**
  - *Fatal Dress bicolour*
  - The Wolford Fatal Dress is a real quick-change artist!

- **2012**
  - *Multifunction Scarf*
  - The Multifunction Scarf ensures an outstanding appearance for different situations.

---

**Production and Know-how**

- Own research and development department
- Own doubling mill, knitting mill, steaming facility, sewing and dyeing room, molding shop, color laboratory
- Approximately 430,000 km of yarn are processed every day
- 440 individually modified knitting machines
- Each day about 23,000 tights, 6,000 stockings and 2,000 bodies are produced
- One pair of basic tights: processing of up to 12 km of yarn
Presence on the Web 2.0

Financial Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 13, 2013</td>
<td>Q1 Report 2013/14</td>
</tr>
<tr>
<td>Sept. 17, 2013</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>Sept. 19, 2013</td>
<td>Ex-dividend payment date</td>
</tr>
<tr>
<td>Sept. 23, 2013</td>
<td>First day of dividend payment</td>
</tr>
</tbody>
</table>