



Ad-hoc Press Release

Wolford announces results for the first six months and revised guidance for the 2013/14 financial year

- Revenues decline by 2.3% to € 74.81 million, earnings below prior year
- Negative operating earnings expected for 2013/14 financial year
- Continued solid balance sheet structure and financial indicators
- Strategic refocussing and optimization measures launched

Vienna/Bregenz, December 11, 2013. Wolford AG, which is listed on the Vienna Stock Exchange, today announced results for the first half of 2013/14 in an ad-hoc press release. The first six months of the current financial year closed with a 2.3% decline in revenues to € 74.81 million and EBITDA of € 1.64 million, compared with € 4.01 million in the previous year. EBIT totaled € -2.29 million (H1 2012/13: € -0.09 million). After an adjustment for foreign exchange effects, the revenue decline amounted to a comparatively low 0.7%. Negative foreign exchange effects for the Group's currency, the euro, resulted chiefly from the weaker US dollar and British pound. Wolford recorded a 5% increase in revenues at its own retail locations as well as sound 20% growth in the online shops. The wholesale business remained reserved during the reporting period, which led to a decline of 11% and, in total, to negative revenue and earnings development for the reporting period. This trend continued during the second quarter, and revenues and earnings for the period from August to October were therefore below expectations.

The balance sheet structure of Wolford AG remained solid as of the quarterly closing date on October 31, 2013. Equity totaled € 75.90 million (October 31, 2012: € 81.46 million) and the equity ratio equaled 50% (October 31, 2012: 52%). Gearing reached 33% (October 31, 2012: 30%), and the company has sufficient funds to finance ongoing business operations and the growth strategy. This strong balance sheet also ensures the quick and consistent implementation of the necessary measures to restore profitability.

The Management Board of Wolford AG has revised its guidance for the current financial year based on the development of revenues and earnings during the first six months and the implementation of optimization measures. From the current point of view, EBIT is expected to total up to approx. € -5 million, including non-recurring expenses of up to € 3 million, and revenues should remain at the previous year's level. The Management Board plans to finance the strategic refocussing and optimization measures described below, which were approved by the Supervisory Board in a meeting today, from internal cash flow and the sale of non-operating assets.

Wolford intends to focus the structure of its product lines and its collection even more on customers' expectations in the future. This will be reflected in concentration on the core expertise of Legwear and figure-embracing complementary products, with an increased offering, above all, of (body-shaping) Lingerie and Underpinnings (e.g. bodys, tops, shirts, etc.). The Ready-to-wear line will be reduced to products that match this more precise positioning. The Swimwear product group will be discontinued beginning with the 2015 spring/summer collection. This refocusing is designed to support a more systematic

market orientation, to bundle innovative power and creativity, to reduce complexity and to streamline and optimize internal processes and the related costs. Efforts in the distribution area will include a further critical analysis of the company's own locations and the implementation of suitable measures. Wolford is committed to the verticalization of distribution, but future plans will also concentrate on the opening of its own boutiques at top locations in key strategic markets and growth regions for the brand. In order to effectively counter the longstanding declines in the wholesale business, Wolford will introduce new concepts to gain new boutique partners and to inspire department store and multibrand customers even more for its products in future. Further investments will be made in the development of the online business to optimally utilize the potential of this sales channel, which is particularly well suited for Wolford's products. Market communications will also be intensified to strengthen the recognition of the Wolford brand by end customers, partners and the retail trade. With these measures, the company wants to return to profitability as quickly as possible and sustainably improve its competitive position.

Details on results for the first six months are provided in the report on the first half-year, which is available on the company's website under www.wolford.com as of December 13, 2013.

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Results for the first half of 2013/14

Earnings Data		05 - 10/13	05 - 10/12 ¹⁾	Chg. in %	2012/13
Revenues	in € mill.	74.81	76.59	-2	156.47
EBITDA	in € mill.	1.64	4.01	-59	7.90
EBIT	in € mill.	-2.29	-0.09	>100	-0.91
Earnings before tax	in € mill.	-2.90	-0.65	>100	-2.25
Earnings after tax	in € mill.	-1.96	-0.59	>100	-2.76
Employees (on average)	FTE	1,562	1,611	-3	1,606

Balance Sheet Data		31.10.2013	31.10.2012 ¹⁾	Chg. in %	30.4.2013
Equity	in € mill.	75.90	81.46	-7	78.15
Net debt	in € mill.	25.38	24.13	+5	15.73
Working capital	in € mill.	42.74	46.35	-8	38.26
Balance sheet total	in € mill.	150.91	156.56	-4	142.32
Equity ratio	in %	50	52	-	55
Gearing	in %	33	30	-	20

1) Adjustment to reflect the earlier application of IAS 19 (revised)