Statement of Comprehensive Income

in TEUR	Note	2016/17	2015/16*
Revenues	**(1)**	**154,277**	**162,404**
Other operating income	(2)	956	2,302
Changes in inventories of finished goods and work-in-process		1,584	4,396
Own work capitalized		135	86
Operating output		**156,952**	**169,188**
Cost of materials and purchased services	(3)	-27,634	-27,376
Staff costs	(4)	-75,209	-73,862
Other operating expenses	(5)	-57,493	-59,570
Depreciation and amortization	(6)	-12,331	-11,303
EBIT		**-15,715**	**-2,923**
Net interest cost	(7)	-539	-575
Net investment securities income	(8)	4	-61
Interest cost of employee benefit liabilities		-324	-292
Financial result		**-859**	**-928**
Earnings before tax		**-16,574**	**-3,851**
Income tax	(9)	-1,304	-6,807
Earnings after tax		**-17,878**	**-10,658**
Amounts that will not be recognized through profit and loss in future periods		-87	-203
thereof actuarial gains and losses	(21)	-87	-203
Amounts that will potentially be recognized through profit and loss in future periods		15	578
thereof currency translation differences	(20)	14	567
thereof change from cash flow hedges	(20)	1	11
Other comprehensive income[1)]	**(10)**	**-72**	**375**
Total comprehensive income		**-17,950**	**-10,283**
Attributable to the equity holders of the parent company		-17,950	-10,283
Earnings after tax attributable to equity holders of the parent company		-17,878	-10,658
Earnings per share (diluted = basic)	**(11)**	**-3.64**	**-2.17**

1) The items presented under other comprehensive income are shown after tax.

*) Adjusted (see Section II of the Notes).

Cash Flow Statement

in TEUR	Note	2016/17	2015/16*
Earnings before tax		**-16,574**	**-3,851**
Depreciation and amortization / write-backs		12,331	11,303
Gains / losses from disposals of non-current assets		331	-1,011
Other non-cash income and expenses		375	833
Changes in inventories		-1,557	-5,370
Changes in trade receivables		-2,431	1,455
Changes in other receivables and assets		1,850	1,628
Changes in trade payables		-52	432
Changes in other provisions and employee-related provisions		4,478	37
Changes in other liabilities		-446	-957
Cash flow from operating activities		**-1,695**	**4,499**
Interest received		43	26
Interest paid		-575	-601
Net balance of income taxes paid / received		-711	-968
Net cash flow from operating activities		**-2,938**	**2,956**
Payments for investments in property, plant and equipment and other intangible assets	(30)	-6,658	-7,667
Proceeds from disposals of property, plant and equipment and other intangible assets	(30)	153	1,472
Changes in securities and other financial assets		0	258
Cash flow from investing activities		**-6,505**	**-5,937**
Proceeds from current and non-current financial liabilities		23,522	5,673
Repayment of current and non-current financial liabilities		-6,697	-3,150
Dividends paid		-982	-980
Changes in treasury stock		0	250
Cash flow from financing activities		**15,843**	**1,793**
Cash-effective change in cash and cash equivalents		**6,400**	**-1,188**
Cash and cash equivalents at beginning of period		3,870	4,785
Effects of exchange rate movements on cash and cash equivalents		42	273
Cash and cash equivalents at end of period		**10,312**	**3,870**

*) Adjusted (see Section II of the Notes).

Balance Sheet

in TEUR	Note	30.04.2017	30.04.2016*
Property, plant and equipment	(12)	45,553	50,240
Goodwill	(13)	188	686
Other Intangible assets	(14)	10,681	11,570
Financial assets	(15)	1,283	1,305
Non-current receivables and assets	(16)	1,891	1,931
Deferred tax assets	(17)	1,891	2,898
Non-current assets		**61,487**	**68,630**
Inventories	(18)	49,392	47,836
Trade receivables	(19)	11,190	8,758
Other receivables and assets	(20)	3,261	5,111
Prepaid expenses		2,744	3,262
Cash and cash equivalents		10,312	3,870
Current assets		**76,899**	**68,837**
Total assets		**138,386**	**137,467**
Share capital		36,350	36,350
Capital reserves		1,817	1,817
Other reserves		7,375	26,321
Currency translation differences		-660	-674
Equity	**(21)**	**44,882**	**63,814**
Financial liabilities	(22)	214	974
Other liabilities	(24)	924	972
Provisions for long-term employee benefits	(23)	17,546	17,896
Other long-term provisions	(25)	2,347	2,018
Deferred tax liabilities	(16)	53	60
Non-current liabilities		**21,084**	**21,920**
Financial liabilities	(22)	42,645	25,060
Trade payables		5,035	5,086
Other liabilities	(27)	13,076	13,476
Income tax liabilities		520	1,464
Other provisions	(26)	11,144	6,647
Current liabilities		**72,420**	**51,733**
Total equity and liabilities		**138,386**	**137,467**

*) Adjusted (see Section II of the Notes).

Statement of Changes in Equity

in TEUR	Note	Share capital	Capital reserves	Hedging reserve	Actuarial gain/loss	Other reserves	Treasury stock	Currency translation	Total equity
		Attributable to equity holders of the parent company							
01.05.2015		**36,350**	**1,817**	**-5**	**-3,867**	**46,437**	**-4,663**	**-1,241**	**74,828**
Dividends 2014/15	(21)	0	0	0	0	-980	0	0	-980
Issue of treasury stock		0	0	0	0	0	250	0	250
Earnings after tax*		0	0	0	0	-10,659	0	0	-10,659
Other comprehensive income*		0	0	11	-203	0	0	567	375
30.04.2016*		**36,350**	**1,817**	**6**	**-4,070**	**34,798**	**-4,413**	**-674**	**63,814**
Dividends 2015/16	(21)	0	0	0	0	-982	0	0	-982
Issue of treasury stock		0	0	0	0	0	0	0	0
Earnings after tax		0	0	0	0	-17,878	0	0	-17,878
Other comprehensive income		0	0	1	-87	0	0	14	-72
30.04.2017		**36,350**	**1,817**	**7**	**-4,157**	**15,938**	**-4,413**	**-660**	**44,882**

*) Adjusted (see Section II of the Notes).

Segment Reporting

2016/17 in TEUR	Austria	Rest of Europe	North America	Asia	Consolidations	Group
Revenues	**83,840**	**93,967**	**30,901**	**6,426**	**-60,857**	**154,277**
thereof intersegment	50,843	10,014	0	0	-60,857	0
External revenues	**32,997**	**83,953**	**30,901**	**6,426**	**0**	**154,277**
EBIT	**-13,327**	**1,959**	**-671**	**-3,345**	**-331**	**-15,715**
Segment assets	158,331	47,739	10,732	4,417	-82,833	138,386
Segment liabilities	77,778	37,476	13,273	6,615	-41,638	93,504
Investments	3,367	1,693	695	971	-7	6,719
Depreciation	6,819	3,889	539	1,089	-5	12,331
Employees on average (FTE)	678	720	108	38	0	1,544

2015/16 in TEUR	Austria	Rest of Europe	North America*	Asia	Consolidations	Group
Revenues	**94,331**	**98,725**	**31,932**	**7,435**	**-70,019**	**162,404**
thereof intersegment	60,925	9,094	0	0	-70,019	0
External revenues	**33,406**	**89,631**	**31,932**	**7,435**	**0**	**162,404**
EBIT	**4,360**	**-340**	**-4,980**	**-904**	**-1,059**	**-2,923**
Segment assets	156,831	47,999	11,724	3,811	-82,897	137,468
Segment liabilities	58,482	38,334	13,429	3,319	-39,911	73,653
Investments	3,762	2,274	937	341	-17	7,297
Depreciation	5,149	3,114	2,618	439	-17	11,303
Employees on average (FTE)	714	726	97	34	0	1,571

*) Adjusted (see Section II of the Notes).

Statement of Changes in Fixed Assets

in TEUR	01.05.2016	Costs Currency translation differences	Additions	Disposals	Reclassi-fication	30.04.2017
Property, plant and equipment						
Land, land rights and buildings, including buildings on third-party land	89.278	172	1.691	1.760	58	89.439
thereof land	3.095	0	0	0	0	3.095
Technical equipment and machinery	31.545	0	619	436	648	32.376
Other equipment, furniture and fixtures	31.772	84	1.788	1.691	344	32.296
Prepayments made and assets under construction	1.538	0	1.785	79	-1.512	1.732
	154.133	**256**	**5.883**	**3.966**	**-463**	**155.843**
Goodwill	**1.460**	**28**	**0**	**0**	**0**	**1.488**
Other Intangible assets						
Concessions, patents and licenses	16.278	4	836	839	463	16.742
Self-developed intangible assets	471	0	0	0		471
Security deposits paid for leased real estate	13.384	7	0	0	0	13.391
Customer relationship	727	0	0	0	0	727
	30.860	**11**	**836**	**839**	**463**	**31.331**
Total	**186.453**	**295**	**6.719**	**4.805**	**0**	**188.661**

in TEUR	01.05.2015	Costs Currency translation differences	Additions	Disposals	Reclassi-fication	30.04.2016
Property, plant and equipment						
Land, land rights and buildings, including buildings on third-party land	90,142	-286	831	1,623	214	89,278
thereof land	3,075	0	20	0	0	3,095
Technical equipment and machinery	30,972	0	1,029	449	-7	31,545
Other equipment, furniture and fixtures	31,335	-167	2,581	2,115	138	31,779
Prepayments made and assets under construction	365	0	1,537	12	-352	1,538
	152,814	**-453**	**5,978**	**4,199**	**-7**	**154,133**
Goodwill	**1,477**	**-17**	**0**	**0**	**0**	**1,460**
Other Intangible assets						
Concessions, patents and licenses	15,924	-10	471	114	7	16,278
Self-developed intangible assets	0	0	471	0		471
Security deposits paid for leased real estate	13,106	-92	370	0	0	13,384
Customer relationship	727	0	0	0	0	727
	29,757	**-102**	**1,312**	**114**	**7**	**30,860**
Total	**184,048**	**-572**	**7,297**	**4,313**	**0**	**186,460**

Accumulated depreciation and amortization						Carrying amounts	
01.05.2016	Currency translation differences	Impairment	Additions	Disposals	30.04.2017	01.05.2016	30.04.2017
50,979	145	993	3,569	1,599	54,087	38,298	35,352
0	0	0	0	0	0	3,095	3,095
27,518	0	0	978	395	28,101	4,027	4,275
25,395	93	263	2,109	1,492	26,369	6,377	5,928
0	0	0	1,731	0	1,731	1,538	0
103,892	**238**	**1,257**	**8,388**	**3,486**	**110,289**	**50,240**	**45,554**
774	**29**	**497**	**0**	**0**	**1,300**	**686**	**188**
12,862	4	0	1,280	835	13,311	3,416	3,431
0	0	0	51	0	51	471	420
5,701	1	213	646	0	6,561	7,683	6,830
727	0	0	0	0	727	0	0
19,290	**5**	**213**	**1,977**	**835**	**20,649**	**11,570**	**10,681**
123,956	**272**	**1,967**	**10,364**	**4,321**	**132,238**	**62,496**	**56,423**

Accumulated depreciation and amortization						Carrying amounts	
01.05.2015	Currency translation differences	Impairment	Additions	Disposals	30.04.2016*	01.05.2015	30.04.2016*
48,050	-251	1,139	3,590	1,549	50,979	42,092	38,299
0	0	0	0	0	0	3,075	3,095
26,871	0	0	1,010	363	27,518	4,101	4,027
24,423	-137	355	2,608	1,846	25,403	6,912	6,376
0	0	0	0	0	0	365	1,538
99,344	**-388**	**1,493**	**7,208**	**3,758**	**103,899**	**53,470**	**50,240**
199	**-21**	**596**	**0**	**0**	**774**	**1,278**	**686**
11,647	-9	0	1,336	112	12,862	4,277	3,416
0	0		0	0	0	0	471
5,072	-41	0	670	0	5,701	8,034	7,683
727	0	0	0	0	727	0	0
17,446	**-50**	**0**	**2,006**	**112**	**19,290**	**12,311**	**11,570**
116,989	**-459**	**2,089**	**9,214**	**3,870**	**123,963**	**67,059**	**62,496**

Notes to the Consolidated Financial Statements

The Wolford Group is an international group specialized in the production and marketing of Legwear, Ready-to-wear and Lingerie, Beachwear, Accessories and Trading goods and is positioned in the segment of affordable luxury products. The parent company, Wolford AG, is a stock corporation that is headquartered in Austria, 6900 Bregenz, Wolfordstrasse 1 and registered with the provincial court of Feldkirch, Austria, under FN 68605s.

The business activities of the subsidiaries primarily focus on marketing products purchased from the parent company.

I. Accounting Principles

1. BASIS OF PREPARATION

The consolidated financial statements of Wolford AG as of April 30, 2017 were prepared pursuant to § 245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The 2016/17 financial year covers the period from May 1, 2016 to April 30, 2017.

Application has been made of the current versions of all valid and binding standards issued by the IASB and interpretations of the IFRS Interpretations Committee that are applicable in the EU for the 2016/17 financial year.

In accordance with § 245a of the Austrian Commercial Code in conjunction with Art.4 of Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19,2002, all publicly traded companies whose headquarters are located in the EU are required to prepare their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

The following standards and interpretations required application in the EU for the first time in the financial year under report:

Standard / Interpretation	Description	Effective date
Amendments to IAS 1	Note Disclosures	January 1, 2016
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants	January 1, 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28	Applying the Consolidation Exception	January 1, 2016
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 1, 2016
Improvements to IFRS 2012-2014	Amendments to IFRS 5, IFRS 7, IAS 19, and IAS 34	January 1, 2016

Overview of standards and interpretations requiring application in subsequent financial years:

Standard / Interpretation	Description	Effective date
IAS 12	Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses	January 1, 2017
IAS 7	Statement of Cash Flows: Disclosure Initiative	January 1, 2017
IFRS 2	Share-based Payment: Clarification of Classification and Measurement of Share-based Payment Transactions	January 1, 2018
IAS 40	Accounting for Investment Properties under Construction	January 1, 2018
IFRS 9	Financial Instruments	January 1, 2018
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	January 1, 2018
IFRS 15	Revenue from Contracts with Customers (including clarification to IFRS 15)	January 1, 2018
Sundry	Amendments to several IFRSs as a result of the 2014-2016 Improvement Process	January 1, 2017 & January 1, 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRS 16	Leases	January 1, 2019

Given its lease arrangements, Wolford expects the first-time application of IFRS 16 to have implications for its consolidated financial statements. These are currently being evaluated.

Apart from additional or amended note disclosures, the other amendments are not expected to have any significant implications for the consolidated financial statements.

The preparation of the consolidated financial statements is the responsibility of the Management Board. The financial reporting of the Wolford Group is based on thousand euros (€ k). Discrepancies may arise due to figures being rounded up or down in line with commercial practice.

2. SCOPE OF CONSOLIDATION AND CONSOLIDATION PRINCIPLES

The scope of consolidation is determined in accordance with IFRS 10 (Consolidated Financial Statements). In addition to the parent company, the following subsidiaries are directly included in the consolidated financial statements:

Company	Registered office	Direct interest in %
Wolford Beteiligungs GmbH	Bregenz	100
Wolford proizvodnja in trgovina d.o.o.	Murska Sobota	100

Wolford Beteiligungs GmbH holds all shares in the following companies:

Company	Registered office	Direct interest in %
Wolford Deutschland GmbH	Munich	100
Wolford (Schweiz) AG	Glattbrugg	100
Wolford Paris S.A.R.L.	Paris	100
Wolford London Ltd.	London	100
Wolford Italia S.r.L.	Milan	100
Wolford España S.L.	Madrid	100
Wolford Scandinavia ApS	Copenhagen	100
Wolford America, Inc.	New York	100
Wolford Nederland B.V.	Amsterdam	100
Wolford Canada Inc.	Vancouver	100
Wolford Boutiques, LLC.[1)]	New York	100
Wolford Asia Limited	Hong Kong	100
Wolford Belgium N.V.	Antwerp	100
Wolford (Shanghai) Trading Co., Ltd.	Shanghai	100

1) Wolford Boutiques, LLC., New York, is a wholly owned subsidiary of Wolford America, Inc.

Branch offices are operated in Norway, Finland, and Sweden by Wolford Scandinavia ApS, in Ireland by Wolford London Ltd., in Luxembourg by Wolford Belgium N.V., in Macao by Wolford Asia Limited, and in Portugal by Wolford España S.L.

There were no changes in the scope of consolidation compared with the previous year.

The balance sheet date for the consolidated financial statements of the parent company and all companies included in consolidation is April 30, with the exception of Wolford Asia Limited and Wolford (Shanghai) Trading Co., Ltd., whose balance sheet date is December 31 in accordance with national laws. For consolidation purposes, these two companies prepare interim financial statements as of April 30.

The consolidated financial statements include estimates and discretionary decisions made by the management.

The consolidated financial statements include all assets, liabilities, income, and expenses at Wolford AG and its consolidated subsidiaries after the elimination of all intragroup transactions.

The capital consolidation for fully consolidated companies is based on the requirements of IFRS 3. This requires the assets, liabilities and contingent liabilities at subsidiaries identifiable upon acquisition to be measured at fair value as of the acquisition date. Where the acquisition cost for the respective company exceeds the fair value of the identifiable assets, liabilities, and contingent liabilities thereby acquired, the difference is recognized as goodwill. Negative differences are recognized immediately through profit or loss. Companies acquired or sold during the financial year are included in the consolidated financial statements as of the acquisition date or up to the disposal date.

The functional currency method is used to translate the foreign currency financial statements of companies included in consolidation. This is the respective national currency for all companies. The assets and liabilities of companies with functional currencies other than the euro are translated using the reporting date rate. Income and expenses are translated at annual average rates. Any resultant differences are recognized in the statement of comprehensive income.

The major exchange rates used for financial currency translation developed as follows:

	Average rate on the balance sheet date		Average rate for the year	
Currency	**30.04.2017**	**30.04.2016**	**2016/17**	**2015/16**
1 EUR / USD	1.0948	1.1380	1.09374	1.10264
1 EUR / GBP	0.8439	0.7789	0.83783	0.73520
1 EUR / CHF	1.0822	1.0958	1.08269	1.07303
1 EUR / DKK	7.4389	7.4430	7.44003	7.46072
1 EUR / SEK	9.6325	9.1575	9.49777	9.38693
1 EUR / NOK	9.3150	9.2100	9.14873	9.13657
1 EUR / CAD	1.4905	1.4235	1.43233	1.45162
1 EUR / HKD	8.4980	8.8250	8.49583	8.56193
1 EUR / CNY	7.5133	7.3859	7.36493	7.05410

3. ACCOUNTING POLICIES

Property, plant and equipment are measured at cost pursuant to IAS 16. Depreciation is generally recognized on a straight-line basis over the expected useful life of the asset. Borrowing costs are capitalized if the asset meets the criteria for recognition as a qualifying asset pursuant to IAS 23. No borrowing costs were capitalized in 2016/17 financial year or the previous year.

Straight-line depreciation of property, plant and equipment is based on the following useful lives:

Site values (based on rental agreements)	max. 10 years
Land, land rights and buildings	10 to 50 years
Technical equipment and machinery	4 to 20 years
Other equipment, furniture and fittings	2 to 10 years

Where necessary, material reductions in value exceeding depreciation are accounted for by recognizing impairment losses pursuant to IAS 36 (Impairment of Assets).

Repair and maintenance costs relating to property, plant and equipment are generally expensed as incurred. These costs are only capitalized if the additional expenditures are likely to increase the future economic benefits from use of the respective asset.

Assets that are obtained through lease or rental contracts are attributed to the lessor or landlord and accounted for as operating leases if the applicable requirements are met. The related lease and rental payments are recognized as expenses.

Goodwill resulting from business combinations is recognized as an asset. In accordance with IAS 36, goodwill is tested for impairment at least once a year and more frequently if there are indications of impairment.

Other amortizable intangible assets are measured at cost and subject to straight-line amortization over a useful life of three to ten years, with the additional recognition of impairment losses where necessary. Intangible assets with indefinite useful lives are annually tested for impairment. The procedure for impairment testing involves comparing the recoverable amount of the cash-generating unit (CGU), i.e. the higher of the fair value less costs to sell and the value in use, with the carrying amount as of the balance sheet date. If the recoverable amount is less than the carrying amount recognized for the respective asset, the carrying amount is reduced to the recoverable amount. The management estimates referred to when determining recoverable amounts relate above all to expected cash flows, discount rates and growth rates, as well as to expected changes in disposal prices and related direct costs.

The discount factors used for the impairment tests (WACC) range from 7.7% to 12.4% (2015/16: 6.8% to 12.5%) and are derived from regional interest rates. The discount factors reflect the differences in inflation compared with the risk-free base rate, country risk premiums and different tax rates in the respective countries. The changes in disposal prices and related direct costs are based on past experience and estimates of possible future changes in the relevant markets. Boutique locations are included up to the end of the respective lease Given the limited usage period, no perpetual yield is calculated. The Wolford Group prepares cash flow forecasts for the next four years based on the latest budget presented to the Supervisory Board.

In accordance with IAS 38 (Intangible Assets), research expenses are not eligible for capitalization and are therefore expensed in the year in which they are incurred. Development expenses may only be capitalized when there is sufficient likelihood that the related activities will generate inflows of financial resources that will cover not only the normal costs, but also the associated development expenses. Moreover, development projects must cumulatively meet various criteria listed in IAS 38. No development expenses were eligible for capitalization in the 2016/17 financial year (2015/16: € 471k). Research and development expenses of € 6,931k were recognized as expenses in the 2016/17 financial year (2015/16: € 7,384k).

Financial instruments: Transactions involving financial instruments are recognized as of the settlement date in accordance with IAS 39. The financial assets line item comprises other securities and investment funds. These are classified as available for sale and measured at fair value pursuant to IAS 39. Fair value corresponds to the market prices of the instruments as of the balance sheet date. Measurement gains or losses are recognized under other comprehensive income. Upon the sale of these securities, previously accumulated gains and losses are transferred to the income statement and recognized under net investment securities income.

Inventories: Raw materials and supplies are measured at the lower of cost or net realizable value. Work in progress und finished goods are measured at the lower of cost or net realizable value. Production costs include all expenses that can be directly allocated to the product. Appropriate allowances are recognized to reflect inventory risks resulting from stockholding periods and reduced marketability.

Receivables and other assets: In accordance with IAS 39, receivables are capitalized at the fair value of the goods or services provided. Other assets are capitalized at cost. Appropriate allowances are recognized to reflect any risks discernible.

Consistent with IAS 32, treasury stock is recognized in the balance sheet as a deduction to equity.

Taxes on income: The provisions for current taxes include all tax obligations known of as of the balance sheet date. Deferred tax assets and liabilities are recognized using the balance sheet liability method prescribed by IAS 12. This involves the recognition of deferred taxes for all temporary measurement and recognition differences arising between the tax balance sheets and the IFRS balance sheets of the individual companies and for consolidation processes. Reference is made to the tax rate expected to be valid in the period in which the asset will be realized or the liability settled. Furthermore, deferred tax assets are recognized for all loss carryovers that are realistically expected to be utilized. For domestic entities, the measurement of deferred taxes is based on a tax rate of 25%. For foreign entities, the respective local tax rate is used.

Liabilities are initially recognized at the fair value of the goods or services provided. Financial liabilities are measured at amortized cost as of the balance sheet date.

Employee-related provisions: Provisions for severance pay and anniversary bonuses at the Austrian parent company are measured in accordance with the requirements of IAS 19 (revised) and the projected unit credit method. Application was made of the following parameters:

Biometric parameters	**AVÖ 2008 - P**
Interest rate	1.64% p.a. (2015/16: 1.90%)
Wage/salary trend	2.29% p.a. (2015/16: 2.43%)
Retirement age	64 – 65/59 – 65 years
Employee turnover (graduated):	
0 – 3 years	19%
3 – 5 years	13%
5 – 10 years	9%
10 – 15 years	5%
15 – 20 years	1%
over 20 years	0%

The calculation of severance pay provisions at subsidiaries is based on local biometric parameters, interest rates, wage and salary trends, and suitably adjusted retirement ages.

The provision for pensions is calculated in accordance with recognized actuarial principles taking due account of the requirements of IAS 19 (revised). The calculation of the provision recognized using the projected unit credit method was based on the following parameters:

Biometric parameters	**AVÖ 2008 - P**
Interest rate	1.64% p.a. (2015/16: 1.90%)
Wage/salary trend	2.29% p.a. (2015/16: 2.43%)

Provisions: Other provisions are recognized in accordance with IAS 37 when the company has a current obligation arising from a past event and it is probable that an outflow of resources will be required to meet this obligation. Non-current provisions are discounted if the interest component of the obligation is material.

Earnings per share are calculated by dividing earnings after tax by the number of shares issued and in circulation.

The following table shows the basis for the calculation of earnings per share:

	2016/17	**2015/16**
Total number of shares outstanding	5,000,000	5,000,000
Less average number of treasury shares	-88,140	-96,783
	4,911,860	**4,903,217**

Revenue recognition: Revenue is regularly recognized when the risks and rewards of ownership have been transferred or when the service has been rendered and in accordance with the other criteria listed in IAS 18. Interest income and expenses are recognized using the effective interest method, while step-up leases are recognized on a time-apportioned basis.

Foreign currency translation: Foreign exchange differences arising from the translation of monetary items resulting from exchange rate movements between the transaction date and the balance sheet date are recognized through profit or loss in the respective period. Currency translation differences of € 31k were recognized in the 2016/17 financial year (2015/16: € -529k).

Derivative financial instruments: Wolford concludes hedging transactions in the form of forward exchange contracts to hedge the currency risks on existing balance sheet items and on future transactions. When entering into hedging transactions, the individual derivatives are assigned to specified hedged items. The IAS 39 requirements governing qualification as hedges are therefore met.

Assets and liabilities with terms to maturity of up to one year are classified as current, whereas items with terms to maturity of more than one year are classified as non-current. The Wolford Group received government grants as defined in IAS 20 totaling € 214k in the financial year under report (2015/16: € 306k). These grants are recognized as revenue on the basis of binding commitments, official notifications, and legal entitlement. They mainly comprise non-repayable subsidies for research and development projects and employee qualification measures.

Discretionary decisions: The preparation of the consolidated financial statements requires certain estimates and assumptions to be made that influence the recognition and measurement of assets, provisions and liabilities, the disclosure of other obligations as of the balance sheet date, and the recognition of revenues and expenses during the reporting period. These assumptions and estimates mainly relate to the determination of the economic useful lives for property, plant and equipment and intangible assets, the forecasts and assumptions used for impairment tests, the recognition of impairment losses for receivables and inventories, the recognition of deferred taxes, and the measurement of financial liabilities and provisions. The amount of provisions required is estimated on the basis of past experience and reflects all information available upon the preparation of the consolidated financial statements. Reference is made to actuarial calculations when determining long-term employee-related provisions. These calculations are based on assumptions for factors including discount rates, future increases in wages and salaries, employee turnover and mortality rates, retirement ages and life expectancy, as well as future pension trends. Changes in these parameters may significantly impact on the results of the calculations. The calculation of impairments of receivables was also significantly based on assumptions and estimates relating, among other factors, to customer creditworthiness, and expected future economic developments.

In the context of a random audit review performed by the Austrian Financial Reporting Enforcement Panel (OePR), the Wolford Group's consolidated financial statements as of April 30, 2016 and its half-year financial reports as of October 31, 2015 and October 31, 2016 were selected and reviewed pursuant to § 2 (1) No. 2 of the Austrian Accounting Inspection Act (audit without particular cause).

In the consolidated financial statements as of 30 April 2016, the assumptions underlying the cash flow forecasts referred to when determining the values in use for IAS 36 impairment test purposes were erroneous. Furthermore, the cash flow statement for the period from May 1, 2015 to April 30, 2016 included erroneous information in several detailed items (e.g. due to netting).

Errors from earlier periods are adjusted retrospectively. These retrospective adjustments did not have any implications for the information presented in the opening balance sheet for the previous period (May 1, 2015). The implications of these retrospective adjustments for individual line items are presented in the tables in Section II, Adjustments pursuant to IAS 8.

4. SEGMENT REPORTING

The Wolford Group is organized in regions in order to achieve the maximum possible level of market penetration. Each sales company has a market director who is best able to evaluate the country-specific circumstances on location and manage business operations accordingly. The country companies are responsible for the distribution of all products developed by Wolford: high-quality Legwear, Ready-to-wear, Lingerie, Swimwear, Accessories, and Trading goods.

The Wolford Group has four reporting segments: Austria, Other Europe, North America, and Asia. The Austria segment includes production and sales activities for Austria and for those countries which do not have their own Wolford subsidiaries. Other Europe contains the European sales subsidiaries outside Austria, as well as the manufacturing subsidiary in Slovenia. North America cover the company's operations in the U.S. and Canada, while Asia includes the companies in Hong Kong and Shanghai.

The regional sales companies are managed by reference to their operating earnings (EBIT). Monthly reports also containing an evaluation of the retail points of sale at boutique level are prepared for the sales companies. Reporting for the wholesale segment focuses on the most important key accounts. Intersegment pricing is based on standard wholesale prices less country-specific discounts.

Revenues in the Other Europe segment were generated in the following countries: 20% in Germany (2015/16: 23%), 17% in France (2015/16: 16%), 12% in the U.K. (2015/16: 16%), 10% in Scandinavia (2015/16: 12%), 5% in Switzerland (2015/16: 6%), and 36% in other European countries (2015/16: 27%). Of the revenues in the North America segment, 91% were attributable to the USA (2015/16: 92%) and 9% to Canada (2015/16: 8%). Segment information is prepared by reference to the same accounting, recognition, and measurement methods as applied in the consolidated financial statements. No customers or customer groups account for more than 10% of total revenues. The amounts shown in the consolidation column are the result of group consolidation procedures. The Legwear product group generated more than half of the Group's revenues in the 2016/17 financial year, with a 53% share of revenues (2015/16: 53%). Ready-to-wear, which contributed 29% of revenues (2015/16: 29%), was the second-largest product group once again in the 2016/17 financial year. Lingerie, Beachwear, Accessories, and Trading goods were responsible for a combined share of 18% of revenues in the past financial year (2015/16: 18%).

II. Adjustments pursuant to IAS 8

(1) STATEMENT OF COMPREHENSIVE INCOME AND BALANCE SHEET

The adjustments made to the 2015/16 statement of comprehensive income and the balance sheet as of April 30, 2016 involve the recognition of impairment losses for cash generating units (especially on goodwill and property, plant and equipment at boutiques), as well as for pending losses in the U.S., and can be summarized as follows:

STATEMENT OF COMPREHENSIVE INCOME

in TEUR	Reported 2015/2016	Adjustment	Adjusted 2015/2016
Revenues	**162,404**	**0**	**162,404**
Other operating income	2,302	0	2,302
Changes in inventories of finished goods and work-in-process	4,396	0	4,396
Own work capitalized	86	0	86
Operating output	**169,188**	**0**	**169,188**
Cost of materials and purchased services	-27,376	0	-27,376
Staff costs	-73,862	0	-73,862
Other operating expenses	-56,940	-2,630	-59,570
Depreciation and amortization	-9,464	-1,839	-11,303
EBIT	**1,546**	**-4,469**	**-2,923**
Net interest cost	-575	0	-575
Net investment securities income	-61	0	-61
Interest cost of employee benefit liabilities	-292	0	-292
Financial result	**-928**	**0**	**-928**
Earnings before tax	**618**	**-4,469**	**-3,851**
Income tax	-6,807	0	-6,807
Earnings after tax	**-6,189**	**-4,469**	**-10,658**
Other comprehensive income	**236**	**139**	**375**
Total comprehensive income	**-5,953**	**-4,330**	**-10,283**

BALANCE SHEET

in TEUR	Reported 30.04.2016	Adjustment	Adjusted 30.04.2016
Property, plant and equipment	51,444	-1,204	50,240
Goodwill	1,263	-577	686
Other Intangible assets	11,570	0	11,570
Financial assets	1,305	0	1,305
Non-current receivables and assets	1,931	0	1,931
Deferred tax assets	2,898	0	2,898
Non-current assets	**70,411**	**-1,781**	**68,630**
Inventories	47,836	0	47,836
Trade receivables	8,758	0	8,758
Other receivables and assets	5,111	0	5,111
Prepaid expenses	3,262	0	3,262
Cash and cash equivalents	3,870	0	3,870
Current assets	**68,837**	**0**	**68,837**
Total assets	**139,248**	**-1,781**	**137,467**
Share capital	36,350	0	36,350
Capital reserves	1,817	0	1,817
Other reserves	30,790	-4,469	26,321
Currency translation differences	-812	138	-674
Equity	**68,145**	**-4,331**	**63,814**
Financial liabilities	974	0	974
Other liabilities	972	0	972
Provisions for long-term employee benefits	17,896	0	17,896
Other long-term provisions	0	2,018	2,018
Deferred tax liabilities	60	0	60
Non-current liabilities	**19,902**	**2,018**	**21,920**
Financial liabilities	25,060	0	25,060
Trade payables	5,086	0	5,086
Other liabilities	13,476	0	13,476
Income tax liabilities	1,464	0	1,464
Other provisions	6,115	532	6,647
Current liabilities	**51,201**	**532**	**51,733**
Total equity and liabilities	**139,248**	**-1,781**	**137,467**

(2) CASH FLOW STATEMENT

The adjustments made to the 2015/16 cash flow statement result on the one hand from the adjustments made to the 2015/16 statement of comprehensive income and the balance sheet as of April 30, 2016 and on the other to corrections made to several detailed items (e.g. due to netting in the previous year):

CASH FLOW STATEMENT

in TEUR	Reported 2015/2016	Adjustment	Adjusted 2015/2016
Earnings before tax	**618**	**-4,469**	**-3,851**
Depreciation and amortization / write-backs	9,464	1,838	11,302
Gains / losses from disposals of non-current assets	-824	-187	-1,011
Other non-cash income and expenses	603	231	834
Changes in inventories	-5,419	49	-5,370
Changes in trade receivables	1,215	240	1,455
Changes in other receivables and assets	2,403	-775	1,628
Changes in trade payables	502	-70	432
Changes in other provisions and employee-related provisions	-2,983	3,020	37
Changes in other liabilities	-659	-298	-957
Cash flow from operating activities	**4,920**	**-421**	**4,499**
Interest received	0	26	26
Interest paid	-574	-27	-601
Net balance of income taxes paid / received	-967	-1	-968
Net cash flow from operating activities	**3,379**	**-423**	**2,956**
Payments for investments in property, plant and equipment and other intangible assets	-7,110	-557	-7,667
Proceeds from disposals of property, plant and equipment and other intangible assets	1,117	355	1,472
Changes in securities and other financial assets	258	0	258
Cash flow from investing activities	**-5,735**	**-202**	**-5,937**
Proceeds from current and non-current financial liabilities	6,524	-851	5,673
Repayment of current and non-current financial liabilities	-4,569	1,419	-3,150
Dividends paid	-980	0	-980
Changes in treasury stock	250	0	250
Cash flow from financing activities	**1,225**	**568**	**1,793**
Cash-effective change in cash and cash equivalents	**-1,131**	**-57**	**-1,188**
Cash and cash equivalents at beginning of period	4,785	0	4,785
Effects of exchange rate movements on cash and cash equivalents	216	57	273
Cash and cash equivalents at end of period	**3,870**	**0**	**3,870**

III. Notes to the Statement of Comprehensive Income

(1) REVENUES

Detailed information on revenues can be found in information about operating segments contained in the segment report in I. Accounting Principles under 4. Segment Report.

(2) OTHER OPERATING INCOME

in TEUR	2016/17	2015/16
Grants and subsidies	214	306
Restaurant revenue	215	194
Insurance benefits	83	124
Commissions	0	78
Gain on disposal of property, plant and equipment and intangible assets	34	1,117
Rental income	0	182
Other	410	301
Total	**956**	**2,302**

(3) COST OF MATERIALS

in TEUR	2016/17	2015/16
Cost of raw materials	19,505	20,154
Cost of energy	1,409	1,500
Cost of services	6,720	5,722
Total	**27,634**	**27,376**

(4) PERSONNEL EXPENSES

in TEUR	2016/17	2015/16
Wages	8,906	9,928
Salaries	48,246	47,808
Expenses for statutory social security contributions, payroll-based duties and other mandatory contributions	13,005	13,299
Expenses for severance compensation and pensions	3,762	1,471
thereof Management Board	0	0
thereof management	97	84
Other employee benefits	1,290	1,356
Total	**75,209**	**73,862**

Personnel totals

The Wolford Group had the following average number of employees (full-time equivalents):

Number of employees, full-time basis	2016/17	2015/16
Average number of employees	1,544	1,571
thereof wage	472	501
thereof salaried	1,042	1,042
thereof apprentices	30	28

(5) OTHER OPERATING EXPENSES

in TEUR	2016/17	2015/16*
Rental and lease payments	22,474	22,536
Marketing expenses	5,836	7,131
Legal and consulting fees	5,425	3,146
Freight costs	2,345	2,668
Online distribution	5,320	3,461
Travel costs	1,368	1,622
Customs duties	2,912	3,050
Credit card fees and bank charges	1,573	1,755
IT expenses	1,926	1,628
Insurance premiums	900	1,172
Other taxes	686	925
Maintenance expenses	627	942
Vehicle fleet	666	647
Other*	5,435	8,886
Total	**57,493**	**59,570**

*) Adjusted (see Section II of the Notes).

Other non-current and current provisions were increased in the 2015/16 financial year to account for the risk of losses on pending transactions in connection with rental agreements in the U.S. This adjustment has affected the “Rental and lease payments” and “Other” line items within other operating expenses.

The expenses for services performed by the group auditor, Deloitte Audit Wirtschaftsprüfung GmbH, are structured as follows:

in TEUR	2016/17	2015/16
Audit of financial and consolidated financial statements	129	119
Other assurance services	4	5
Other services	51	0
Total	**184**	**124**

(6) DEPRECIATION AND AMORTIZATION

Scheduled depreciation and amortization amounted to € 12,331k in the 2016/17 financial year (2015/16: € 11,303k). Due to the impairment tests performed, impairment losses of € 1,967k were recognized on intangible assets and property, plant and equipment in the 2016/17 financial year. These related to property, plant and equipment (€ 1,257k), goodwill (€ 497k), and other intangible assets (€ 213k).

The adjustments to depreciation and amortization recognized in the 2015/16 financial year relate to goodwill and property, plant and equipment. Having revised its forecasts for its U.S. business performance, Wolford AG deemed it necessary to recognize impairment losses retrospectively as of April 30, 2016 already. These adjustments are structured as follows:

in TEUR	Reported 2015/2016	Adjustment	Adjusted 2015/2016
Depreciation and amortization	9,464	1,839	11,303

(7) NET INTEREST COST

in TEUR	2016/17	2015/16
Interest and similar income	49	26
Interest and similar expenses	-588	-601
Total	**-539**	**-575**

(8) NET INVESTMENT SECURITIES INCOME

in TEUR	2016/17	2015/16
Income from investments in securities	4	0
Expenses from investments in securities	0	-61
Total	**4**	**-61**

(9) INCOME TAX

The major components of income tax expenses are structured as follows:

in TEUR	2016/17	2015/16
Statement of comprehensive income		
Tax expense / income for the reporting year	-345	-412
Deferred taxes	-959	-6,395
Total	**-1,304**	**-6,807**

in TEUR	2016/17	2015/16
Development of net deferred taxes		
Net deferred tax assets and deferred tax liabilities as of 01.05.	2,838	10,391
Currency translation differences	-61	48
Deferred taxes recognized in after tax profit	-959	-6,395
Deferred taxes recognized in other comprehensive income	21	-1,206
Net deferred tax assets and deferred tax liabilities as of 30.04.	**1,839**	**2,838**

The reconciliation of the income tax charge based on the Austrian corporate tax rate of 25% with the effective tax rate for the period is as follows:

in TEUR	2016/17	2015/16
Profit before tax	**-16,574**	**618**
Tax expense / income at 25%	4,144	-155
Foreign tax rates	107	210
Losses for which no deferred tax assets were recognized	-4,749	0
Permanent differences	-47	19
Taxes from prior periods	161	88
Reversal of deferred taxes	-1,085	-6,528
Other	165	-441
Effective tax expense / income	**-1,304**	**-6,807**
Effective tax rate	**-8 %**	**1,101 %**

The “Other” line item also includes corrections for currency differences. The effective tax rate of -8% (previous year: due to write-downs of € 6,528k on deferred tax assets and further write-downs of € 1,188k on deferred tax assets recognized in OCI, the effective tax rate amounted to 1,101%) is mainly attributable to the non-recognition of deferred tax assets for current losses.

(10) NOTES TO OTHER COMPREHENSIVE INCOME

A reduction in benchmark interest rates in particular gave rise to an actuarial loss of € 87k. Together with a result of € 14k from currency translation of foreign operations and a positive change of € 1k in the hedging reserve, other comprehensive income (OCI) came to € -72k (previous year: € 375k). Added to the earnings after tax of € -17,878k (previous year: € -10,658k), this produced total comprehensive income of € -17,950k (previous year: € -10,283k).

The adjustments made to the previous year's figure for depreciation and amortization, other operating expenses, and foreign currency measurement led to the following changes in comprehensive income:

in TEUR	Reported 2015/2016	Adjustment	Adjusted 2015/2016
Earnings after tax	-6,189	-4,469	-10,658
Other comprehensive income	236	+139	375
Total comprehensive income	-5,953	-4,330	-10,283

(11) EARNINGS PER SHARE/RECOMMENDATION FOR THE USE OF EARNINGS

Earnings per share are calculated by dividing earnings after tax by the weighted average number of ordinary shares excluding time-apportioned treasury stock holdings (2016/17: 4,911,860; previous year: 4,903,217). Earnings per share for the 2016/17 financial year amounted to € -3.64 (2015/16: € -2.17). In view of this earnings situation, the Management Board will propose to the Annual General Meeting due to be held on September 14, 2017 that no dividend should be paid for the 2016/17 financial year.

IV. Notes to the Consolidated Balance Sheet

(12) PROPERTY, PLANT AND EQUIPMENT

The development in this line item is presented in detail in the non-current asset schedule.

Total obligations for the purchase of property, plant and equipment as of the balance sheet date amounted to € 558k (April 30, 2016: € 4,723k).

The adjustments made to property, plant and equipment reported for the 2015/16 financial year related to buildings on third-party land, other equipment, and plant and office equipment. Having revised the forecasts for its U.S. business performance, Wolford AG deemed it necessary to recognize impairment losses for Wolford Boutiques LLC., New York, retrospectively as of April 30, 2016, already. These adjustments are structured as follows:

in TEUR	Reported 2015/2016	Adjustment	Adjusted 2015/2016
Property, Plant and Equipment	51,444	-1,204	50,240

(13) GOODWILL

Having revised the forecasts for its U.S. business performance, Wolford AG deemed it necessary to recognize impairment losses of € 577k for Wolford Boutiques LLC., New York, and Wolford America Inc., New York, retrospectively as of April 30, 2016, already.

Due to a persistently negative business performance, impairment losses of € 437k and € 60k were recognized for Wolford Belgium N.V. and Wolford Deutschland GmbH respectively in the 2016/17 financial year.

(14) OTHER INTANGIBLE ASSETS

The development in this line item is presented in detail in the non-current asset schedule. There were no commitments to purchase intangible assets in the current or previous financial years. Key money (payments for rental rights) totaling € 6,830k was capitalized as of the balance sheet date (April 30, 2016: € 7,683k). Of this amount, € 5,293k represented key money with an indefinite useful life (April 30, 2016: € 4,172k) and € 1,537k involved key money with a limited useful life (April 30, 2016: € 3,510k). An impairment requirement of EUR 213k was recognized for intangible assets in the 2016/17 financial year in connection with Wolford's proprietary location in Nice. No development expenses were capitalized in the 2016/17 financial year (April 30, 2016: € 471k).

(15) FINANCIAL ASSETS

The securities included in this line item are classified as available for sale and recognized at fair value in accordance with IAS 39. The fair value of these financial assets corresponds to the respective market value as of the balance sheet date. The change in fair value amounted to € -22k in the 2016/17 financial year (2015/16: € +32k).

(16) NON-CURRENT RECEIVABLES AND ASSETS

The amounts recognized in this line item chiefly involve advance rental and lease payments and security deposits.

(17) DEFERRED TAXES

Deferred tax assets and deferred tax liabilities result from temporary measurement and recognition differences between the carrying amounts recognized in the IFRS financial statements and the corresponding tax base of the respective items.

	30.04.2017		30.04.2016	
in TEUR	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Property, plant and equipment, intangible assets	118	0	80	-40
Valuation of inventories	9	-28	0	-36
Accrued rental costs	0	0	0	0
Provisions for employee benefits	127	0	119	0
Other provisions	38	-16	0	0
Treasury shares	0	0	0	0
Untaxed reserves	0	0	0	0
Foreign currency translation	0	0	0	0
Deferred taxes on loss carryforwards and write-downs to fair value	30	0	892	0
Consolidation entries	1,541	0	1,603	0
Other	37	-18	247	-27
Deferred tax assets and deferred tax liabilities	**1,900**	**-62**	**2,941**	**-103**
Offset within legal tax units and jurisdictions	**-9**	**9**	**-43**	**43**
Net deferred tax assets and liabilities	**1,891**	**-53**	**2,898**	**-60**

As of the balance sheet date, the company had unutilized tax loss carryovers of € 57,961k (April 30, 2016: € 29,379k). Of existing tax loss carryovers, an amount of € 12,237k is forfeitable (April 30, 2016: € 12,204k).

(18) INVENTORIES

Inventories are structured as follows:

in TEUR	**30.04.2017**	**30.04.2016**
Finished goods and trading goods	34,748	33,111
Work-in-process	8,089	8,305
Raw materials and supplies	6,555	6,420
Total	**49,392**	**47,836**

Inventories are measured separately by article. This valuation procedure accounts for the different resale characteristics of the Essentials and Trend models, as well as for the age of the respective articles. These assessments were updated by reference to sell-through rates and discounting patterns in the 2016/17 financial year. Write-downs on inventories amounted to € 3,494k as of the balance sheet date (April 30, 2016: € 2,488k).

(19) TRADE RECEIVABLES

in TEUR	30.04.2017	30.04.2016
Trade receivables	11,594	9,296
Impairment losses	-404	-538
Trade receivables after impairment losses	**11,190**	**8,758**

No trade receivables were secured by bills of exchange either in the 2016 / 17 financial year or in the previous financial year.

Impairment losses of € 404k were recognized on trade receivables (April 30, 2016: € 538k). The development in these items was as follows:

in TEUR	2016 / 17	2014 / 15
01.05.	**538**	**468**
Addition (+) / release (-)	-16	259
Use	-116	-184
Currency translation differences	-2	-5
30.04.	**404**	**538**

When determining the recoverability of trade receivables, account is taken of all changes in the creditworthiness of customers from the initial establishment of payment terms through to the balance sheet date. There are no material clusters of credit risks because individual items account for a low share of total receivables and are not correlated.

The payment terms granted vary from customer to customer and reflect standard practices in the respective country. Customer creditworthiness is checked in advance before entering into any business relationship. Trade receivables are monitored continuously and external service providers are used to collect overdue payments. Furthermore, the company reduces its receivable default risk with credit insurance policies.

in TEUR	30.04.2017	30.04.2016
Trade receivables after impairment losses	**11,190**	**8,758**
thereof neither impaired nor overdue as of the balance sheet date	6,751	6,698
thereof overdue as of the balance sheet date as follows (net amount):		
less than 30 days	1,791	1,084
30 – 90 days	1,493	500
91 – 180 days	852	399
181 – 365 days	278	61
over 1 year	25	16

Receivables of € 101k were derecognized due to uncollectibility in the 2016 / 17 financial year (2015 / 16: € 90k). This amount includes the deduction of compensation received from credit insurance. With respect to trade receivables that are neither impaired nor overdue, there were no indications at the balance sheet date that customers would be unable to meet their contractual obligations.

(20) OTHER RECEIVABLES AND ASSETS

in TEUR	30.04.2017	30.04.2016
Other receivables and assets	3,261	5,111
thereof cash flow hedge	11	15
Total	**3,261**	**5,111**

Other receivables and assets, prepaid expenses and deferred charges have terms to maturity of less than one year.

(21) EQUITY

The composition of equity and its development are presented separately in the statement of changes in equity.

Share capital

Share capital consists of 5,000,000 zero par value shares, each of which represents an equal interest in share capital. There are no preferred shares or shares with special control rights.

Capital reserves

Appropriated reserves result from the premium (less issue costs) on the stock issue in 1995.

Other reserves

Due to the adjustments outlined in the notes to the statement of comprehensive income, other reserves as of April 30, 2016 decreased from € 30,790k to € 26,321k.

A dividend of € 982k was distributed for the 2015/16 financial year.

Reserve for cash flow hedges

in TEUR	2016/17	2015/16
01.05.	**6**	**-5**
Fair value measurement of derivatives	55	-42
Realized hedge transactions	-58	59
Applicable income taxes	4	-6
30.04.	**7**	**6**

Reserve for actuarial gains/losses

in TEUR	2016/17	2015/16
01.05.	**-4,070**	**-3,867**
Actuarial gains and losses resulting from changes in actuarial parameters	-87	898
Revaluation of deferred taxes	0	-1,101
30.04.	**-4,157**	**-4,070**

Currency translation differences

Due to the adjustments outlined in the notes to the statement of comprehensive income, the net balance of currency translation differences as of April 30, 2016 changed from € -812k to € -674k.

Treasury stock

Wolford AG holds 88,140 treasury stock shares (April 30, 2016: 88,140). As a result, 2% of share capital is held by the company (April 30, 2016: 2%). Within its long-term incentive program, on January 22, 2016 Wolford AG sold a total of 11,860 zero par bearer treasury stock shares to members of the Management Board at an equivalent value of € 21.08 per share. The shares were acquired by Ashish Sensarma, CEO, and Axel Dreher, COO/CFO, on January 22, 2016 and are subject to a holding period running until April 30, 2018. The shares thereby disposed of by the company had a total value of € 250k. The sale and purchase of these shares was executed over the counter.

Stock appreciation rights

The Wolford Group has granted a long-term variable bonus (LTI) to its Management Board in the form of stock appreciation rights (SARs). Participation is based on a mandatory proprietary investment in return for which the company assigns treasury stock shares at a stipulated average price. The proprietary investment remains mandatory through to the time at which the SARs are exercised.

The SARs oblige the Wolford Group for each right thereby granted to make a cash payment to settle the differential amount between the average closing price of Wolford AG shares on the Vienna Stock Exchange in the twelve calendar months preceding the actual exercise date and a defined average price, multiplied by a percentage based on average EBIT in the 2015/16, 2016/17, and 2017/18 financial years.

The differential amount has an upper limit (cap) in each case.

The SARs granted are subject to a lockup period running until April 30, 2018. Following expiry of the lockup period, the SARs may be exercised by the participants in the plan provided that the following conditions are met and no blackout periods apply:

Performance conditions:

- Net annual revenues averaging at least € 150.0 million are generated in the financial years from 2015/16 and 2017/18;
- EBT averaging at least 5% of annual net sales is generated in the financial years from 2015/16 and 2017/18.

Should these conditions not be met, then the respective rights lapse. This is also the case when a plan participant leaves the company in circumstances other than due to expiry of the employment contract except in cases in which the conclusion of employment is not due to termination or dismissal for reasons justified by the employment contract of the respective Management Board member or to the legitimate premature departure of the Management Board member.

The present value of the SARs upon being granted is determined using an option price model. Expected volatility is derived by reference to observable historic market prices. Where no historic information is available concerning exercise patterns for the SARs, it is assumed that the expected term corresponds to the period of time until the SARs lapse. The assessment of the expected number of exercisable SARs accounts for performance conditions that do not include any market conditions.

As of April 30, 2017, this did not result in any relevant obligation for the Wolford Group, as the performance conditions mean that the expected number of SARs deemed exercisable amounted to zero at this date.

The assumptions used to calculate the present value of the SARs upon being granted are as follows.

		2016/17
Average share price	**EUR**	**22.75**
Average dividend yield	%	0.74
Average interest rate	%	-0.56
Expected volatility	%	18.24

(22) FINANCIAL LIABILITIES

Financial liabilities are structured as follows:

in TEUR	30.04.2017	30.04.2016
Loans from banks, variable interest rates from 0.25% to 1.7% (30.04.2016: 0.25% to 6.2%)	41,556	20,844
Loans from banks, fixed interest rates from 1.75% (30.04.2016: 1,75% to 5.1%)	800	4,600
Loans from the Austrian Research Promotion Agency, fixed interest rates from 0.75% (30.04.2016: 0.75%)	439	466
Interest-free loan from the Federal Province of Vorarlberg	64	124
Total	**42,859**	**26,034**
thereof current	42,646	25,060

The scheduled repayments for financial liabilities have the following maturity structures:

in TEUR	Up to 1 year	1 – 5 years	Over 5 years
As of 30.04.2017	42,646	214	0
As of 30.04.2016	25,060	974	0

As of April 30, 2017, the fair value of fixed-interest financial liabilities was € 16k higher than cost (April 30, 2016: € 98k).

The carrying amounts of liabilities to banks are equivalent to their respective cost. Collateral for current liabilities is provided by maturity-linked surety commitments issued by the Republic of Austria with refinancing commitments by Oesterreichische Kontrollbank Aktiengesellschaft.

On account of the losses incurred, the company has breached the requirements of existing loan agreements and classified the relevant financial liabilities as current.

To secure its liquidity, in July 2017 the company agreed a financing arrangement with a consortium of banks. This is limited until the end of June 2018 and is subject to various terms and conditions, the fulfilment of which is dependent on future events. These conditions particularly include the initiation of an investor identification process with the objective of obtaining a significant equity injection by the end of June 2018.

Furthermore, upon agreement of the financing arrangement the company was obliged to provide extensive security (global assignment of all receivables, pledging of machinery and all properties, as well as of intellectual property).

Although the Management Board currently expects all terms and conditions to be successfully met, the fact that fulfilment of such also depends on circumstances outside the company's control means that substantial uncertainties remain. These may also involve a residual risk (especially for the period following expiry of the financing arrangement at the end of June 2018) in terms of the Group's ability to uphold its business operations.

(23) PROVISIONS FOR LONG-TERM EMPLOYEE BENEFITS

The provisions for pensions, severance pay, and anniversary payments are calculated in accordance with IAS 19 (revised).

in TEUR	30.04.2017	30.04.2016
Provisions for pensions	4,922	4,984
Provisions for severance pay	10,416	10,599
Provisions for jubilee payments	2,209	2,313
Total	**17,547**	**17,896**

Provision for pensions

Wolford AG has direct pension obligations based on individual commitments to three former Management Board members. Collective agreements in France require the company to make payments to employees upon retirement. The relevant calculation is based on generally accepted actuarial rules.

Provisions for severance pay

Legal requirements entitle employees who joined the Austrian parent company before 2003 to a one-off severance payment if their employment relationship is terminated or when they retire. The amount of these payments depends on the length of service and the employee's wage or salary at the end of employment. In Switzerland, the company is required to make certain payments to employees on retirement, death, or inability to work. The payments are dependent on the employee's age, number of years worked, salary, and individual contributions. This plan is financed jointly by the employees and the employer, with the obligation being counter-financed by the insurance company Swiss Life by way of qualified insurance policies that serve as plan assets. There are other smaller defined benefit severance pay plans in Italy and Slovenia. Provisions for pensions and severance pay developed as follows:

in TEUR	2016/17	2015/16	2014/15	2013/14	2012/13
Present value of obligations as of 01.05.	**15,583**	**16,949**	**13,730**	**13,319**	**12,069**
Current service cost	680	508	534	601	561
Past service cost	0	0	0	0	0
Interest expense	282	258	412	466	522
Pension and severance compensation payments	-1,294	-1,234	-822	-1,401	-1,443
Actuarial gain / loss	87	-898	3,095	745	1,610
Present value of obligations as of 30.04.	**15,338**	**15,583**	**16,949**	**13,730**	**13,319**

Expenses of € 238k were recognized in the year under report for defined contribution obligations (2015/16: € 244k). Defined benefit payments of € 465k are planned for provisions for pensions and severance pay in the coming 2017/18 financial year (2016/17: € 467k).

Provision for jubilee payments

The provision for jubilee payments developed as follows:

in TEUR	2016/17	2015/16	2014/15	2013/14	2012/13
Present value of obligation as of 01.05.	**2,313**	**2,271**	**1,967**	**1,903**	**1,658**
Current service cost	141	126	161	156	141
Interest expense	42	34	59	67	72
Jubilee payments	-112	-109	-136	-71	-54
Actuarial gain / loss	-175	-9	220	-88	86
Present value of obligation as of 30.04.	**2,209**	**2,313**	**2,271**	**1,967**	**1,903**

Defined benefit payments from jubilee obligations are expected to total € 38k in the 2017/18 financial year (2016/17: € 146k).

Provisions for pensions, severance and jubilee payments

The actuarial gains and losses result solely from changes in financial assumptions and are reported under other comprehensive income for the retirement and severance pay provisions and under personnel expenses for the anniversary payment provisions.

Current and past service cost are reported under expenses for severance pay and pensions, while interest expenses are included under interest on employee benefits.

in TEUR	2016/17	2015/16	2014/15	2013/14	2012/13
Expenses for pensions, severance compensation and jubilee payments	821	634	695	757	702
Interest on employee benefits	324	292	471	533	594

The weighted average term of the defined benefit obligation amounts to 15 years.

(24) OTHER NON-CURRENT LIABILITIES

Other non-current liabilities are structured as follows:

in TEUR	30.04.2017	30.04.2016
Government grant for Slovenia project	850	908
Other	74	64
Total	**924**	**972**

The construction of the production facility in Slovenia was subsidized with a grant that is being written back by way of depreciation and amortization and expenses (personnel expenses).

(25) OTHER NON-CURRENT PROVISIONS

Provisions for onerous contracts have been recognized as non-current provisions at an amount of € 2,347k for the risk of losses on pending transaction in connection with rental agreements in the U.S., Canada, Asia, and Europe (2015/16: € 2,018k). The classification of these items as non-current provisions has been based on the terms of the respective rental agreements.

(26) CURRENT PROVISIONS

Other major provisions recognized in accordance with IAS 37 are structured as follows:

in TEUR	01.05.2016*	Currency translation differences	Use	Reversal	Addition	30.04.2017
Sales bonuses	894	2	-778	-2	709	825
Staff	1,569	8	-823	-357	2,853	3,250
Advertising	1,166	1	-462	-703	303	305
Tax consulting / auditing	524	-1	-417	-31	751	826
Legal fees	57	1	-47	0	692	703
Other*	2,437	20	-6,020	-69	8,867	5,235
Total	**6,647**	**31**	**-8,547**	**-1,162**	**14,175**	**11,144**

*) Adjusted (see Section II of the Notes).

The current provisions reported for the 2015/16 financial year have been increased to account for the risk of losses on pending transactions in connection with short-term rental agreements in the US. This adjustment affects other provisions and is structured as follows:

in TEUR	Reported 30.04.2016	Adjustment	Adjusted 30.04.2016
Other	1,905	+532	2,437

The provision for sales bonuses relates to as yet unsettled obligations to customers. The staff provisions mainly involve provisions for variable salary components and severance pay. Among other items, other provisions include outstanding compensation for the Supervisory Board and outstanding commissions on revenues.

The provisions also recognized under current provisions as of May 1, 2016 to account for the risk of losses on pending transactions in connection with short-term rental agreements in the U.S. were fully utilized in the financial year under report.

(27) OTHER CURRENT LIABILITIES

Other current liabilities are structured as follows:

in TEUR	30.04.2017	30.04.2016
Outstanding vacation entitlement	2,701	2,982
Liabilities to taxation authorities	2,494	2,420
Special payments	1,767	1,821
Accrued rental and lease payments	2,334	1,803
Liabilities for credit vouchers	1,310	1,296
Liabilities for social security	1,237	1,231
Liabilities to staff	37	783
Overtime	198	219
Other	997	921
of which cash flow hedges	4	4
Total	**13,075**	**13,476**

(28) CONTINGENT LIABILITIES

The company has issued rental guarantees totaling € 3,023k (2015/16: € 3,008k) and other guarantees of € 1,042k (2015/16: € 1,657k).

(29) OTHER FINANCIAL OBLIGATIONS

The company has concluded a substantial volume of rental agreements that qualify as operating lease arrangements in terms of their economic content, as a result of which the leased items are attributed to the lessor. Lease arrangements will result in the following payments in subsequent periods:

in TEUR	30.04.2017	30.04.2016
Minimum lease and rental payments due in		
up to 1 year	16,264	14,495
1 to 5 years	33,183	31,819
over 5 years	12,395	7,782

The rental agreements relate to office space used by group companies and to the worldwide retail activities of the Wolford Group. Most of the related leases are based on minimum lease payments. The Wolford Group has also concluded rental agreements that call for contingent, in particular revenue-based, payments. Rental and leasing expenses totaled € 22,474k in the 2016/17 financial year (2015/16: € 22,536k). This total includes contingent payments due to revenue-based rents (rents and ancillary costs) of € 9,637k (2015/16: € 9,877k). As of April 30, 2017, the Wolford Group expects future payments of € 46k from sub-leases (April 30, 2016: € 42k). These are due within one year.

V. Notes to the Cash Flow Statement

The cash flow statement of the Wolford Group shows the changes in cash and cash equivalents resulting from inflows and outflows of cash during the financial year. Within the cash flow statement, a distinction is made between cash flows from operating, investing, and financing activities. The cash flow from operating activities is calculated using the indirect method. This calculation is based on earnings before tax, which are adjusted to exclude non-cash income and expenses. The cash flow from operating activities is then determined by including the impact of changes in net working capital. Inflows and outflows of cash from interest income and interest expenses are recognized in the cash flow from operating activities.

(30) INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS

In the period under report, the Wolford Group invested a total amount of € 6,719k in property, plant and equipment and other intangible assets (2015/16: € 7,297k), of which an amount of € 6,658k was cash-effective (2015/16: € 7,667k). In the same period, the Group received proceeds of € 153k from disposals of property, plant and equipment and intangible assets (2015/16: € 1,472k).

VI.Financial Instruments

FINANCIAL RISK MANAGEMENT

Objectives and methods of financial and capital management

The objective of financial risk management is to record and assess uncertain factors that could impact negatively on the company's business performance. Financial risk management serves to protect liquidity, ensure efficient liquidity management throughout the Group, increase the Group's financial strength, and reduce financial risk, also by deploying financial instruments. The most important objective of Wolford's financial and capital management is to ensure sufficient liquidity at all times to enable the Group to offset seasonal fluctuations customary to its sector and finance its further strategic growth.

The main risks to which the Group is exposed in connection with financial instruments are interest-related cash flow risks, as well as liquidity, creditworthiness, currency, and credit risks. The Management Board has implemented strategies and processes to manage individual types of risk.

Major primary financial liabilities include bank loans, overdrafts, and trade payables. The main purpose of these financial liabilities is to finance the Wolford Group's business activities. Wolford has a variety of financial assets, such as trade receivables, credit balances at banks, cash on hand, and short-term investments directly relating to its business activities.

The Wolford Group also deploys derivative financial instruments, especially forward exchange contracts. Derivative financial instruments are financial instruments whose value changes in response to a change in a hedged item (e.g. interest rate), that require little or no initial net investment and that are settled at a future date. At the Wolford Group, derivative financial instruments are used exclusively to hedge risks resulting from exchange rate movements and interest rate changes. The purpose of exchange rate hedging is to create a sufficiently secure calculation basis for a budgeting horizon of a minimum of three months and a maximum of six months.

Capital risk management

The primary objective of capital risk management is to minimize the company's cost of capital by maintaining a high equity ratio and a sound credit rating and thereby limit any negative effects on earnings. Wolford AG manages the Group's capital structure and makes adjustments where necessary to account for changes in the underlying economic climate. The strategy of the Wolford Group has remained largely unchanged since the previous year.

The key indicator used in the Group's capital risk management is the gearing ratio, which presents the ratio of net debt to equity. Net debt is defined as non-current and current financial liabilities less financial assets and cash and cash equivalents. Based on medium-term forecasts, the Management Board expects a long-term capital structure with gearing of around 20%. The development in this key figure in recent years is presented in the following table:

in %	30.04.2017	30.04.2016	30.04.2015	30.04.2014
Gearing	69.7%	32.7%*	22.9%	22.9%

*) Adjusted (original gearing in 2015/16: 30.6%).

Credit and default risk management

The Wolford Group only concludes business transactions with creditworthy partners and checks the creditworthiness of new customers. Furthermore, trade receivables are continuously monitored and default risk is limited by credit insurance. There is no significant concentration of default risk at the Group.

The default risk associated with other financial assets held by the Wolford Group, such as cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, is deemed low as the company works exclusively with banks with strong credit ratings.

Interest rate risk management

The Wolford Group manages its interest charge by ensuring a combination of fixed and floating interest rates on its borrowings. The following table shows the sensitivity of earnings before tax to changes in the interest rates on floating-rate financial liabilities. The sensitivity refers to an interest rate change of +/- 0.5 percentage points:

in TEUR	2016/17	2015/16
Interest rate risk	+/- 235	+/- 117

The following table shows the sensitivity of other comprehensive income before tax to changes of +/- 1.0 percentage points in the interest rates for employee-related provisions:

in TEUR	2016/17	2015/16
Interest rate risk	+/- 332	+/- 150

Foreign exchange risk management

Exchange rate risks arising from existing foreign currency receivables and planned revenues are partly hedged by the group treasury department using forward ex-change contracts and options.

The following table shows the sensitivity of earnings before tax to exchange rate movements of +/- 10 percent based on the cash flows of the Wolford Group:

in TEUR for currency	2016/17	2015/16
USD	+/- 669	+/- 688
GBP	+/- 383	+/- 483
CHF	+/- 46	+/- 130
DKK	+/- 283	+/- 375
SEK	+/- 70	+/- 73
NOK	+/- 82	+/- 50
CAD	+/- 46	+/- 44
HKD	+/- 16	+/- 178

The carrying amounts of the Group's assets and liabilities held in foreign currencies as of the balance sheet date were as follows:

in TEUR for currency	Assets 30.04.2017	Assets 30.04.2016	Liabilities 30.04.2017	Liabilities 30.04.2016
USD in USA	10,313	8,839	380	1,802
GBP in Great Britain	2,449	3,613	386	1,341
CHF in Switzerland	1,251	1,807	29	599
DKK in Denmark	0	2,895	168	442
Other	5,148	4,330	282	666
Total	**19,161**	**21,484**	**1,245**	**4,850**

The following table shows the sensitivity of other comprehensive income before tax to exchange rate movements of +/- 10 percent based on the carrying amounts of the assets and liabilities held by the Wolford Group:

in TEUR for currency	2016/17	2015/16
USD	+/- 1,104	+/- 782
GBP	+/- 229	+/- 252
CHF	+/- 136	+/- 134
Other	+/- 522	+/- 680

For derivative financial instruments, exchange rate movements of +/- 10 percent would lead to currency sensitivities of € +/- 79k (April 30, 2016: €+/- 159k).

Liquidity risk management

At the Wolford Group, liquidity risks are managed and financial risks monitored by a central treasury department. This department compiles monthly liquidity forecasts for the overall Group and reports to the Management Board on the current financial status.

The aim is to ensure sufficient liquidity at all times by concluding appropriate credit lines with banks, continuously monitoring forecast and actual cash flows, and coordinating the maturity profiles of financial assets and liabilities.

The following table shows the contractual terms of the financial liabilities held by the Wolford Group. The figures are based on the undiscounted cash flows (interest and principal) of the financial liabilities.

in TEUR	Carrying amount 30.04.2017	Cash flows 2017/18	Cash flows 2018/19 to 2021/22	Cash flows 2022/23 ff
Financial liabilities - interest-bearing	42,795	41,896	977	0
Financial liabilities - non-interest-bearing	64	19	46	0
Total	**42,859**	**41,914**	**1,023**	**0**

in TEUR	Carrying amount 30.04.2016	Cash flows 2016/17	Cash flows 2017/18 to 2020/21	Cash flows 2021/22 ff
Financial liabilities - interest-bearing	25,910	25,101	946	0
Financial liabilities - non-interest-bearing	124	71	52	0
Total	**26,034**	**25,172**	**998**	**0**

As of April 30, 2017, 99% of existing credit lines had been drawn down (April 30, 2016: 49%). Of total credit lines, 61% are committed.

Primary financial instruments

The primary financial instruments held by the Wolford Group are reported in the balance sheet. On the asset side, these include securities, cash and cash equivalents, trade receivables, and other receivables. On the liabilities side, they involve trade payables, other liabilities, and interest-bearing financial liabilities. The carrying amounts of the primary financial instruments reported in the balance sheet are largely equivalent to their fair values. The amounts recognized also represent the maximum creditworthiness and default risks as no offsetting agreements are in place.

Derivative financial instruments

Forward exchange contracts are used to hedge the risks resulting from exchange rate movements. The derivative positions open as of April 30, 2017, had terms of less than twelve months.

	Nominal amount		Fair value	
	Foreign currency		Positive	Negative
30.04.2017	in 1,000	TEUR	TEUR	TEUR
Currency forwards				
USD	400	374	8	0
GBP	200	233	0	-4
CHF	200	187	3	0
DKK	0	0	0	0
SEK	0	0	0	0
NOK	0	0	0	0
CAD	0	0	0	0
HKD	0	0	0	0

	Nominal amount		Fair value	
	Foreign currency		Positive	Negative
30.04.2016	in 1,000	TEUR	TEUR	TEUR
Currency forwards				
USD	500	450	12	0
GBP	600	765	1	-4
CHF	300	275	2	0
DKK	0	0	0	0
SEK	0	0	0	0
NOK	0	0	0	0
CAD	0	0	0	0
HKD	1,000	113	0	0

Forward exchange contracts are measured at fair value in accordance with IAS 39. In cash flow hedge accounting, the effective portion of the change in fair value is recognized in other comprehensive income, while the ineffective portion is recognized in earnings before tax. If a cash flow hedge results in an asset or a liability, the amounts recognized in equity are transferred to the income statement at the time when the hedged item influences earnings. All hedges were effective in the 2016/17 and 2015/16 financial years.

Fair value

Due to the short-term nature of the assets and liabilities involved, the carrying amounts of cash holdings, current financial funds, receivables and other assets, trade payables, current liabilities, and provisions can be regarded as reasonable estimates of their respective fair values.

30.04.2017 in TEUR	Level 1	Level 2	Level 3
Non-current assets			
Financial investments	1,283	0	0
Current assets			
Other receivables	0	11	0
Securities and financial investments	0	0	0
Current liabilities			
Other liabilities	0	-4	0
Total	**1,283**	**7**	**0**

30.04.2016 in TEUR	Level 1	Level 2	Level 3
Non-current assets			
Financial investments	1,305	0	0
Current assets			
Other receivables	0	15	0
Securities and financial investments	0	0	0
Current liabilities			
Other liabilities	0	-4	0
Total	**1,305**	**11**	**0**

The following hierarchy is used to determine and report the fair values of financial instruments in line with the respective valuation method:

Level 1: Listed prices for identical assets or liabilities on active markets;

Level 2: Input factors other than listed prices that are observable for assets and liabilities either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Input factors for assets and liabilities that are not based on observable market data.

The financial assets reported in Level 1 include publicly listed investment fund shares, while the securities and financial assets presented in current assets involve securities used to hedge rental and lease obligations. The other receivables and other liabilities reported in Level 2 result from the valuation of outstanding foreign currency derivative transactions.

The **cost, fair values, and carrying amounts** of non-current securities are as follows:

30.04.2017 **in TEUR**	**Cost**	**Market value = carrying amount**	**Recognized gains/losses**	**thereof recognized in profit or loss**
Non-current securities				
Investment fund shares	1,398	1,283	-115	-115
Total	**1,398**	**1,283**	**-115**	**-115**

30.04.2016 **in TEUR**	**Cost**	**Market value = carrying amount**	**Recognized gains/losses**	**thereof recognized in profit or loss**
Non-current securities				
Investment fund shares	1,668	1,555	-113	-113
Disposal	270	250	-20	-20
Total	**1,398**	**1,305**	**-93**	**-93**

Carrying amounts, valuation base and fair values of financial instruments according to measurement criteria, maturities and classes

The following table shows the reconciliation of the carrying amounts of financial instruments with IAS 39 measurement categories:

30.04.2017 in TEUR	IAS 39 valuation category	Carrying amount	Amortized cost	Fair value not through profit / loss	Fair value through profit / loss	Current	Non-current
Cash and cash equivalents	L&R	10,312	10,312	0	0	10,312	0
Securities and financial investments	Afs	0	0	0	0	0	0
Trade receivables	L&R	11,190	11,190	0	0	11,190	0
Prepaid expenses and deferred charges	L&R	2,744	2,744	0	0	2,744	0
Other receivables and assets	L&R	5,152	5,152	0	0	3,261	1,891
Derivatives	CFH	11	0	11	0	11	0
Financial assets	Afs	1,283	0	1,283	0	0	1,283
Total financial assets		**30,692**	**29,398**	**1,294**	**0**	**27,518**	**3,174**
Trade payables	FL	5,035	5,035	0	0	5,035	0
Bank loans and overdrafts	FL	41,846	41,846	0	0	41,846	0
Financial liabilities, non-current	FL	1,014	1,014	0	0	0	1,014
Financial liabilities, current	FL	0	0	0	0	0	0
Derivatives	CFH	4	0	4	0	4	0
Other financial liabilities	FL	14,000	14,000	0	0	13,076	924
Total financial liabilities		**61,899**	**61,895**	**4**	**0**	**59,961**	**1,938**

The financial instruments are classified into the following IAS 39 categories:

Loans and receivables	L&R	TEUR	29,398
Cash flow hedge	CFH	TEUR	7
Available-for-sale assets	Afs	TEUR	1,283
Other financial obligations	FL	TEUR	61,895

30.04.2016 in TEUR	**IAS 39 valuation category**	**Carrying amount**	**Amortized cost**	**Fair value not through profit / loss**	**Fair value through profit / loss**	**Current**	**Non-current**
Cash and cash equivalents	L&R	3,870	3,870	0	0	3,870	0
Securities and financial investments	Afs	0	0	0	0	0	0
Trade receivables	L&R	8,758	8,758	0	0	8,758	0
Prepaid expenses and deferred charges	L&R	3,262	3,262	0	0	3,262	0
Other receivables and assets	L&R	7,027	7,027	0	0	5,096	1,931
Derivatives	CFH	15	0	15	0	15	0
Financial assets	Afs	1,303	0	1,305	0	0	1,305
Total financial assets		**24,235**	**22,917**	**1,320**	**0**	**21,001**	**3,236**
Trade payables	FL	5,086	5,086	0	0	5,086	0
Bank loans and overdrafts	FL	24,867	24,867	0	0	24,867	0
Financial liabilities, non-current	FL	974	974	0	0	0	974
Financial liabilities, current	FL	193	193	0	0	193	0
Derivatives	CFH	4	0	4	0	4	0
Other financial liabilities	FL	14,442	14,442	0	0	13,390	1,052
Total financial liabilities		**45,566**	**45,562**	**4**	**0**	**43,540**	**2,026**

The financial instruments are classified into the following IAS 39 categories:

Loans and receivables	L&R	TEUR	22,917
Cash flow hedge	CFH	TEUR	11
Available-for-sale assets	Afs	TEUR	1,305
Other financial obligations	FL	TEUR	45,562

Net results by class

2016/17 in TEUR	From interest	From other [1]	From subsequent measurement at fair value	From disposal	Total through profit or loss	Total not through profit or loss
Loans and receivables (L&R)	49	0	0	0	49	0
Derivatives (CFH)	0	0	4	-58	-58	4
Available-for-sale assets (AfS)	4	0	0	0	4	0
Other financial liabilities (FL)	-463	-125	0	0	-588	0
Net results	**-410**	**-125**	**4**	**-58**	**-593**	**4**

2015/16 in TEUR	From interest	From other [1]	From subsequent measurement at fair value	From disposal	Total through profit or loss	Total not through profit or loss
Loans and receivables (L&R)	26	0	0	0	26	0
Derivatives (CFH)	0	0	-42	59	59	-42
Available-for-sale assets (AfS)	-61	0	0	0	-61	0
Other financial liabilities (FL)	-263	-337	0	0	-600	0
Net results	**-298**	**-337**	**-42**	**59**	**-576**	**-42**

1) “From other”: fees and other premiums that cannot be directly classified as interest income.

VII. Other Disclosures

EVENTS AFTER THE BALANCE SHEET DATE

On June 9, 2017, Wolford's principal shareholder group, comprising the WMP private family foundation, the Sesam private foundation, their joint subsidiary M. Erthal & Co. Beteiligungsgesellschaft m.b.H., and closely related natural persons announced their intention to sell their majority interest in Wolford AG. To this end, the shareholders have initiated an investor selection process that is being supported by the management of Wolford AG. The acquisition of an equity package by a future core shareholder should be linked to an equity measure that sustainably boosts the company's liquidity.

On July 5, 2017, Wolford announced that Ashish Sensarma, CEO of Wolford AG since January 2015, would be standing down from the company's Management Board as of July 31, 2017. Axel Dreher, previously Deputy CEO, has been appointed as CEO as of August 1, 2017, and now has additional Board responsibility for strategy, marketing, and sales. The Supervisory Board of Wolford AG has also appointed Brigitte Kurz, previously head of the finance department, to the Management Board, in this case also as of August 1, 2017. She will take over the function of Chief Financial Officer (CFO) from Axel Dreher and will also assume Board responsibility for human resources, IT, legal affairs, and investor relations. The tasks of COO, with responsibility for development, production, and logistics, will continue to be performed by Axel Dreher.

On July 11, 2017, Wolford AG communicated by ad-hoc announcement that it had agreed with its Austrian banking partners to extend its credit lines through to June 30, 2018, as well as a bridge financing facility of up to € 10 million to cover peak seasonal liquidity requirements. The company has therefore secured its financing for the current financial year.

RELATED PARTY TRANSACTIONS

The company maintains business relationships with individual members of the Supervisory Board. These are immaterial in scope and are all invoiced at customary market rates.

INFORMATION ON THE MANAGEMENT AND SUPERVISORY BOARDS

2016/17 in TEUR	Remuneration	Severance compensation	Pensions	Total
Expenses for members of the Management Board	1,075	0	0	1,075
thereof variable	0	0	0	0
Former members of the Management Board	0	0	200	200
Total	**1,075**	**0**	**200**	**1,275**

2015/16 in TEUR	Remuneration	Severance compensation	Pensions	Total
Expenses for members of the Management Board	1,115	0	0	1,115
thereof variable	66	0	0	66
Former members of the Management Board	0	0	241	241
Total	**1,115**	**0**	**241**	**1,356**

A provision of € 196k was recognized for Supervisory Board compensation in the 2016/17 financial year (2015/16: € 194k).

The members of the Management Board in 2016/17 were:
Ashish Sensarma, Chief Executive Officer
Axel Dreher, Deputy Chief Executive Officer

The members of the Supervisory Board in 2016/17 were:
Antonella Mei-Pochtler, Chairwoman
Claudia Beermann, Deputy Chairwoman
Lothar Reiff, Member
Birgit G. Wilhelm, Member

The Staff Council's representatives on the Supervisory Board were:
Anton Mathis
Peter Glanzer

The terms of office of the Supervisory Board members and the composition of the Supervisory Board committees are presented in the Corporate Governance Report.

The Management Board approved the consolidated financial statements for submission to the Supervisory Board on July 31, 2017. The Supervisory Board is required to perform its own review of the consolidated financial statements and to declare whether it has approved them.

Audit Opinion

Report on consolidated financial statements

AUDIT OPINION

We have audited the consolidated financial statements of Wolford AG, Bregenz, and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of April 30, 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flow statement for the financial year ending on that date, as well as the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and provide a true and fair view of the financial position of the Group as of April 30, 2017, as well as of its financial performance and its cash flows for the financial year ending on that date in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and additional requirements of § 245a UGB.

BASIS FOR AUDIT OPINION

We conducted our audit in accordance with the Austrian Standards on Auditing. These standards require application of International Standards on Auditing (ISA). Our responsibilities pursuant to these requirements and standards are set out in greater detail in the "Responsibilities of the Auditor for the Audit of the Consolidated Financial Statements" section of our audit opinion. Consistent with the requirements of Austrian corporate law and our own professional standards, we are independent of the Group and performed our other professional obligations in accordance with the aforementioned requirements and standards. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Material uncertainties in respect of the company's continuation

We refer to the disclosures made in Sections III (22) and VII of the consolidated financial statements and the "Financial Review" section of the group management report, which set out the disadvantageous changes that have arisen in the company's asset, financial, and earnings position, as well as the conditions governing the financing arrangement intended to safeguard its liquidity. As stated in these sections, circumstances would indicate the existence of material uncertainties which give rise to significant doubts concerning the Group's ability to continue its business activities. We have not modified our audit opinion to account for this circumstance.

PARTICULARLY IMPORTANT AUDIT MATTERS

Particularly important audit matters designate those matters which, based on our professional assessment, are of the greatest significance for our audit of the consolidated financial statements for the financial year under report. These matters were accounted for in our audit of the consolidated financial statements as a whole and in the forming of our audit opinion in respect of the consolidated financial statements. We have not issued any separate audit opinion on these matters. In addition to the circumstance referred to in "Material uncertainties in respect of the company's continuation", we have identified the matters referred to below as particularly important audit matters requiring communication in our audit opinion.

ADJUSTMENTS PURSUANT TO IAS 8 (IMPAIRMENT OF ASSETS AND CONSOLIDATED CASH FLOW STATEMENT)

Description of matter

It was ascertained in the 2016/17 financial year that the cash flow forecasts used to determine the values in use for the impairment tests performed on cash-generating units in the past financial year and to measure provisions for onerous contracts in the United States of America were not appropriate.
Furthermore, the presentation of individual items in the consolidated cash flow statement included in the previous year's consolidated financial statements was erroneous (e.g. due to netting).

The Management Board adjusted these items retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The scope of retrospective adjustments to the impairments and provisions for onerous contracts is highly dependent on the assessment made by the company's legal representatives in respect of the cash flow forecasts.

Reference is made to the relevant disclosures in Section II of the notes to the consolidated financial statement.

Audit approach

We assessed the appropriateness of the retrospective adjustments to the impairments of assets and provisions for onerous contracts in the United States of America by reference to the planning documents used by the Management Board (including cash flow forecasts). We reviewed the adjustments made to the comparative figures in the consolidated cash flow statement by reference to the detailed analyses compiled by the company.

IMPAIRMENT OF ASSETS

Description of matter

The disadvantageous changes arising in the company's financial performance in the 2016/17 financial year and the associated reduction in expected earnings constitute an indication for impairment of assets and cash-generating units. Based on the impairment tests performed, impairments of EUR 2.0 million were recognized on intangible assets and property, plant and equipment in the 2016/17 financial year.
The scope of impairment is highly dependent on the assessment made by the company's legal representatives with regard to future developments, as well as on other parameters relevant to valuation.

Reference is made to the relevant disclosures in Section III (6) of the notes to the consolidated financial statements.

Audit approach

We assessed the recoverability of intangible assets and property, plant and equipment, as well as the scope of impairments recognized, also by reference to the budgets compiled by the Management Board and approved by the Supervisory Board, and appraised the appropriateness of the assumptions on which the budgets were based. In checking the plausibility of the assumptions thereby used in individual aspects of the budgeting we also drew on advice from internal experts. Furthermore, we evaluated the consistency and arithmetic accuracy of the valuation model thereby used.

OTHER INFORMATION

The company's legal representatives are responsible for the other information. This information involves all information included in the annual report apart from the consolidated financial statements, group management report, and audit opinion. We assume that the annual report will be published after the date of the audit opinion.

Our audit opinion on the consolidated financial statements does not cover the other information and we can offer no assurances as to that information.

In connection with our audit of the consolidated financial statements, it is our responsibility to read the other information referred to above and to consider whether, in view of the understanding we have gained from our audit, such information materially contradicts the information included in the consolidated financial statements or otherwise appears to constitute a materially misstatement.

RESPONSIBILITIES OF THE COMPANY'S LEGAL REPRESENTATIVES AND OF THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The company's legal representatives are responsible for preparing the consolidated financial statements and ensuring that these provide a true and fair view of the Group's financial position, its financial performance and its cash flows in accordance with IFRS as adopted by the EU and the additional requirements of § 245a UGB. Furthermore, the company's legal representatives are responsible for the internal control measures they deem necessary to ensure that the consolidated financial statements as prepared are free of material misstatements, whether intended or unintended.

In preparing the consolidated financial statements, the company's legal representatives are responsible for assessing the Group's ability to continue its business activities, to disclose any matters pertaining to the continuation of its business activities, where relevant, and to apply the going concern accounting principle unless they intend to wind up the Group or discontinue its business activities, or have no realistic alternative to doing so.

The Audit Committee is responsible for monitoring the Group's financial reporting processes.

RESPONSIBILITIES OF THE AUDITOR FOR AUDITING THE CONSOLIDATED FINANCIAL STATEMENTS

Our aim is to gain reasonable assurance that the consolidated financial statements as a whole are free of any material misstatements, whether intended or unintended, and to issue an audit opinion that contains our audit findings. Reasonable assurance is a high degree of assurance, but does not constitute any guarantee that the audit of the financial statements conducted in accordance with the Austrian Standards on Auditing, which require application of ISA, will always detect any material misstatement, should such be the case. Misstatements may result from acts of intent or errors and are deemed material when they, individually or aggregately, can be expected to influence the financial decisions taken by users on the basis of these consolidated financial statements.

The audit of the financial statements does not entail any assurance concerning the future existence of the Group thereby audited or of the economic expedience or effectiveness of its present or future management.

One component of our audit of the financial statements in accordance with Austrian Standards on Auditing, which require application of ISA, involves exercising professional discretionary judgement throughout the audit process and maintaining a critical basic approach.

The following aspects also apply:

- We identify and assess the risks of material misstatements, whether intended or unintended, in the financial statements, plan audit actions in response to these risks, perform these actions, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion. The risk that material misstatements resulting from acts of intent will not be detected is higher than the risk of non-detection of misstatements resulting from error. This is because acts of intent may also involve fraudulent cooperation, falsified documents, intentional incompleteness, misleading statements, or the bypassing of internal control measures.
- We gain an understanding of the internal control system relevant to the audit of the financial statements to enable us to plan audit actions that are appropriate in the given circumstances, but not with the aim of issuing an audit opinion concerning the effectiveness of the Group's internal control system.
- We assess the appropriateness of the accounting policies applied by the company's legal representatives and the reasonableness of the values presented by the representatives in the accounts and associated disclosures.
- We draw conclusions as to how appropriately the company's legal representatives have applied the going concern accounting principle and, based on the audit evidence thereby obtained, whether there is material uncertainty in connection with events or circumstances which may give rise to significant doubts concerning the Group's ability to continue its business activities. Should we conclude that there is material uncertainty in this respect, we are obliged to refer in our audit opinion to the relevant disclosures in the consolidated financial statements or, should these disclosures be inappropriate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit opinion. Future events or circumstances may nevertheless result in the Group discontinuing its business activities.
- We assess the overall presentation, structure, and contents of the consolidated financial statements, including the note disclosures, and evaluate whether the consolidated financial statements provide a true and fair view of the underlying business transactions and events.
- We obtain adequate and suitable audit evidence concerning the financial information provided for units or business activities within the Group to enable us to issue an audit opinion on the consolidated financial statements. We are responsible for initiating, monitoring, and executing the audit of the consolidated financial statements. We bear sole responsibility for our audit opinion.

We exchange information with the Audit Committee on matters including the planned scope and schedule for the audit of the financial statements, as well as on material audit findings, including any material deficiencies in the internal control system that we identify during our audit of the financial statements.

We also submit a declaration to the Audit Committee in which we confirm that we have complied with the relevant professional code of conduct with respect to our independence and exchange information with the Audit Committee on all relationships and other matters that can reasonably be assumed to influence our independence and, where relevant, any related precautionary measures.

Based on the matters discussed with the Audit Committee, we determine which matters were of greatest significance for the audit of the consolidated financial statements for the financial year under report and which matters therefore constitute particularly important audit matters. We set out these matters in our audit opinion, unless laws or other legal requirements preclude the public disclosure of such or we ourselves determine in exceptional cases that such matters should not be disclosed in our audit opinion because the negative effects of such disclosure could reasonably be expected to exceed the benefits of such in terms of the public interest.

REPORT ON GROUP MANAGEMENT REPORT

Pursuant to the requirements of Austrian corporate law, the group management report is to be audited to ascertain whether it is consistent with the consolidated financial statements and whether it was prepared in accordance with applicable legal requirements.

The company's legal representatives are responsible for preparing the group management report in accordance with the requirements of Austrian corporate law.

We conducted our audit in accordance with the professional standards applicable to audits of group management reports.

OPINION

In our opinion, the group management report has been prepared in accordance with the applicable legal requirements, includes accurate disclosures pursuant to § 243a UGB, and is consistent with the consolidated financial statements.

DECLARATION

Based on the insights gained from the audit of the consolidated financial statements and the understanding gained of the Group and its environment, we did not identify any material misstatements in the group management report.

SUPPLEMENT

With regard to the material uncertainties in respect of the continuation of business activities, reference is made to the "Financial Review" section of the group management report, which provides an analysis of the Group's situation. Furthermore, reference is made to the "Outlook and Targets" section of the group management report, which addresses the Group's expected development.

AUDITOR RESPONSIBLE FOR ASSIGNMENT

The auditor responsible for the auditor of the financial statements is Walter Müller.

Vienna, August 1, 2017

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Walter Müller

Certified Public Auditor

These consolidated financial statements may only be published or transmitted together with our audit opinion based on the above audited version. This audit opinion refers exclusively to the complete German version of the consolidated financial statements and the group management report. The requirements of § 281 (2) of the Austrian Commercial Code (UGB) apply to all different versions.