



Press Release

## **Wolford to introduce strategic refocussing**

- **Sharper product line and collection statement**
- **Focus of innovative strength and creativity on core expertise**
- **Optimized monobrand distribution and investments in e-commerce**
- **Implementation of attractive concepts to support trading partners**
- **Refocused, intensified communications**
- **Optimized internal processes and structures**
- **Creation of new mission statement**

Vienna/Bregenz, December 13, 2013. The strategic refocussing of Wolford AG was approved by the Supervisory Board at a meeting on December 11, 2013. The related decisions were preceded by an intensive strategy process that covered several months, in which management revised the brand positioning, critically analyzed processes and structures at all levels and evaluated opportunities for optimization that will strengthen Wolford's competitive ability. The goal of this strategic refocussing is to sustainably increase and strengthen the enthusiasm of customers and partners for the Wolford brand. For over 60 years, this enthusiasm has been supported by characteristic features such as timeless fashionable elegance, the innovative strength of a manufacturing brand "Made in Europe", highest quality standards and unrivaled wearing comfort. The following sections explain the strategic focal points designated for the strategic refocussing of Wolford AG.

### **Sharper product line and collection**

Wolford plans to adjust the structure of the product line and collection statement to better reflect the expectations of customers in the future. This strategic refocussing is based on the results of market surveys as well as an extensive analysis of the product line. The focus will therefore shift to the company's core expertise of Legwear as the "DNA of the brand" and figure-embracing complementary products, with an expanded offering of (figure-shaping) Lingerie and Underpinnings (bodys, tops, shirts, etc.). The Ready-to-wear line will concentrate on products that fit with this more precise positioning. The Swimwear product group will be discontinued beginning with the 2015 spring/summer collection. The remaining elements in the collection will continue to underscore the fashionable-esthetic demands, high functionality, uncompromising quality approach and the unrivaled wearing comfort that distinguish the Wolford brand.

### **Focus of innovative strength and creativity on core expertise**

Creative employees in design, product management and product development have made it possible for Wolford to successfully launch new and innovative products for many years. The collection currently includes - amongst others - more than 60 Shape & Control products that meet specific customer needs, and this area will be a focal point of further development in the future. Research activities in all product groups are concentrated on new materials and production processes, and process-related development teams are being established to utilize opportunities for the creation of unrivaled products through internal networks and increased cooperation with suppliers.

### **Optimized monobrand distribution and investments in e-commerce**

The refocussing of distribution is intended to ensure the best possible access to customers by creating a balanced mix of Wolford's own locations and partner boutiques. Wolford is committed to the verticalization of distribution, but future plans will also concentrate on the opening of its own boutiques at top locations in key strategic markets and growth regions for the brand. The approach for locations that are not managed directly includes the introduction of new partner concepts for the assortment definition and marketing support to gain new boutique partners for the Wolford brand and thereby create win-win situations. The current strong emphasis on the expansion of Travel Retail will continue. The strategic optimization of distribution will also include increased investments in the expansion of the online business to optimally utilize the potential of this sales channel, which is particularly well suited for Wolford's products.

### **Implementation of attractive concepts to support trading partners**

Wolford also intends to redirect its efforts to give trading partners the attention they deserve. Activities in this area will concentrate on existing and new department store partners as well as specialized wholesalers and include attractive concepts to support sales. The product line will be tailored to meet the requirements of trading partners, appeal to end consumers with best-selling fashionable Legwear and classic Essentials, and include selected Ready-to-wear in the Trend and Essential lines as well as exclusive lingerie products, innovative shapewear and perfectly coordinated accessories. This intensified focus on trading partners will also be connected with a reallocation of personnel resources.

### **Refocused, intensified communications**

Market studies have shown that the Wolford brand has a very high positive emotional association. Women all over the world are enthusiastic over and committed to Wolford products, and the company therefore has a high share of loyal customers. However, Wolford also wants to win over new customers for its products by introducing the brand to this target group at suitable points of sale with entry price levels and appropriate communication measures. Wolford is well known for strong imagery with a special emphasis. In the future the company's message will be focused more directly on the target group in all communication channels and at the point of sale and also visually express the brand's strong emotionality.

### **Optimized internal processes and structures**

Only a flexible, market-oriented and innovative organization can be successful over the long-run. The strategic analysis therefore included a review of Wolford's core processes and existing structures as well as the identification of opportunities for optimization. New interdepartmental project and process management teams are being established to reduce the time-to-market by redesigning, streamlining and accelerating corporate processes. This will allow the company to adapt even better to rapidly changing market conditions, bring innovations more directly to the market and increase added value.

### **Creation of new mission statement**

In recent months a team of managers from different areas and markets has worked on the creation of a new mission statement that defines Wolford's vision and clearly states the key values for corporate management and cooperation. Through organizational changes and the optimization of processes and responsibilities, Wolford wants to create an environment that will allow employees to better contribute their talents and expertise and also strengthen its external positioning in competition for the "best talents".

The Management Board of Wolford AG is convinced that the refocussing of the corporate strategy and the related measures will set the right course for the company's positive development. By bundling its energy on the above seven goals, the company plans to create sustainable value for its employees, partners and shareholders and position itself as a producer of premium legwear and figure-embracing products with unrivaled fit and comfort.

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**About Wolford AG**

Wolford AG headquartered in Bregenz on Lake Constance (Austria) operates 16 subsidiaries and markets its products in about 70 countries via more than 260 monobrand stores (own and partner-operated), approximately 3,000 trading partners and online. The Austrian company, which has been publicly listed on the Vienna Stock Exchange since 1995, generated sales of EUR 156.47 million in the 2012/13 financial year (May 1, 2012 – April 30, 2013), and has about 1,600 employees. Since its founding in the year 1950, Wolford has evolved from a local producer of hosiery to a global fashion brand in the segment of affordable luxury products.

**Picture download** (high res.): from the Spring-Summer Collection 2014

**Pictures: Wolford AG.** Images may only be published in direct relation with Wolford editorial purposes until October 31, 2014.



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