REPORT ON THE THIRD QUARTER OF 2013/14

(MAY 2013 – JANUARY 2014)

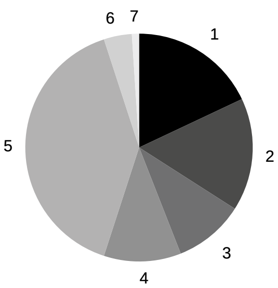
Wolford Group Key Data

Earnings Data		05/13 - 01/14	05/12 - 01/13	Chg. in %	2012/13
Revenues	in € mill.	123.42	124.13	-1	156.47
EBITDA adjusted	in € mill.	8.68	10.71	-19	7.90
EBIT adjusted	in € mill.	2.80	4.57	-39	-0.91
Earnings before tax	in € mill.	1.26	3.71	-66	-2.25
Earnings after tax	in € mill.	1.74	3.17	-45	-2.76
Capital expenditure	in € mill.	6.06	4.22	44	6.03
Free cash flow	in € mill.	0.92	1.00	-8	0.48
Employees on average	FTE	1,563	1,614	-3	1,606

Balance Sheet Data		31.01.2014	31.01.2013	Chg. in %	30.04.2013
Equity	in € mill.	78.95	84.75	-7	78.15
Net debt	in € mill.	14.93	15.22	-2	15.73
Working capital	in € mill.	35.72	42.27	-16	38.26
Balance sheet total	in € mill.	144.72	148.27	-2	142.32
Equity ratio	in %	55	57	-	55
Gearing	in %	19	18	-	20

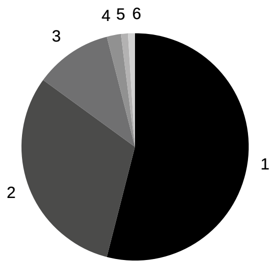
Stock Exchange Data		05/13 - 01/14	05/12 - 01/13	Chg. in %	2012/13
Earnings per share	in €	0.35	0.65	-46	-0.56
Share price high	in €	22.77	28.90	-21	28.90
Share price low	in €	16.81	23.31	-28	20.53
Share price at end of period	in €	18.20	23.72	-23	20.62
Shares outstanding (weighted)	in 1,000	4,900	4,900	0	4,900
Market capitalization (ultimo)	in € mill.	91.00	118.58	-23	103.08

REVENUES BY MARKET



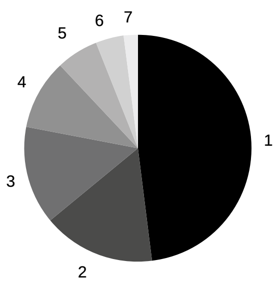
1 North America 18%
2 Germany 16%
3 Austria 11%
4 France 10%
5 Rest of Europe 40%
6 Asia/Oceania 4%
7 Rest of World 1%

REVENUES BY PRODUCT GROUP



1 Legwear 53%
2 Ready-to-wear 31%
3 Lingerie 11%
4 Accessories 3%
5 Swimwear 1%
6 Trading goods 1%

REVENUES BY DISTRIBUTION



1 Boutiques 48%
2 Multi-brand Retailers 16%
3 Department Stores 14%
4 Factory Outlets 10%
5 Concession Shop-in-Shops 6%
6 Online Business 4%
7 Private Label 2%

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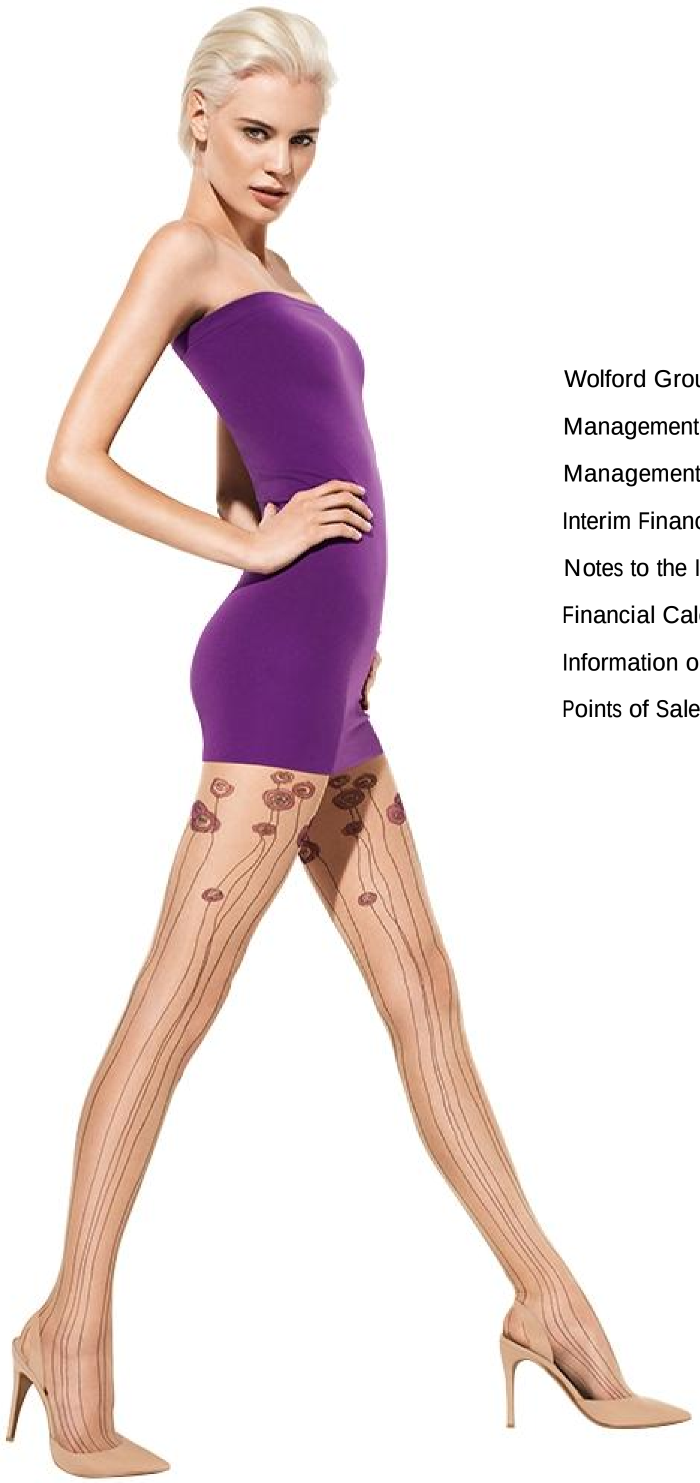

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From the Wolford Spring / Summer Collection 2014: Fatal Dress, Belle Tights

Management Review

Thomas Melzer and Axel Dreher,
Management Board of the Wolford AG

Dear Shareholders, Ladies and Gentlemen,

Wolford is currently in a state of transformation and undergoing sustainable changes. The strategic refocusing plan presented in December 2013 is being speedily and consistently implemented. All employees are involved and are working with great determination and commitment to further expand the enthusiasm of our customers and partners for the Wolford brand and to return the company to profitability as quickly as possible.

Currency adjusted turnover rises slightly in the first nine months thanks to a good third-quarter performance

In the first nine months of the current financial year, revenues of the Wolford Group amounted to € 123.42 million, a slight decline of 0.6% or € 0.70 million from the prior-year level. After an adjustment for foreign exchange effects, revenues actually increased by 1%. We had to cope with negative foreign exchange effects of € 1.94 million resulting mainly from the US dollar and British pound. A good third quarter with a satisfactory Christmas business pushed revenues up 2.2% but could not fully compensate for the revenue decline in the first two quarters of 2013/14. In the first three quarters, revenues in Wolford's own retail locations (own boutiques, factory outlets, concession shop-in-shops) rose by 5%. On a like-for-like basis, revenues in the retail business rose by 1%. Wolford-operated concession shop-in-shops and factory outlets generated sound growth of 8% and 12% respectively, whereas Wolford-owned boutiques achieved a 2% rise. Online shops once again developed very positively, with revenues up 21%. In contrast, the wholesale business (partner-operated boutiques, department stores and multi-brand retailers) registered a 9% decline in revenues, which led to a development of revenues and earnings below expectations.

Decrease in Q1-3 adjusted EBIT, but Q3 improvement, cost reduction measures are succeeding

Adjusted EBITDA in the first nine months of the 2013/14 financial year fell from € 10.71 million to € 8.68 million, and adjusted EBIT dropped to € 2.80 million from the prior-year level of € 4.57 million. However, an upward trend was clearly perceptible in the third quarter due to the ongoing cost reduction measures, which mainly resulted in optimized staff, material and logistics expenditures. As a consequence, adjusted EBIT in the period from November 2013 to January 2014 rose from € 4.66 million to € 5.09 million.

Balance sheet indicators remain very solid, substantial cash flow improvement

The balance sheet indicators of Wolford remain very solid on the reporting date of January 31, 2014. Equity totals € 78.95 million (31.01.2013: € 84.75 million), and the equity ratio equals 55% (31.01.2013: 57%). The gearing ratio reaches 19% (31.01.2013: 18%). In the first nine months of the current financial year, the cash flow from operating activities improved by € 1.84 million. This development can be attributed to the targeted reduction of inventories. The company has sufficient financial resources at its disposal to finance its ongoing business operations. The strong balance sheet and optimization of working capital ensure that the measures designed to restore profitability can be financed from Wolford's own resources and consistently implemented.

Revenue growth in the USA, Italy, Greater China and the Gulf Region, Germany and France below the prior-year levels

Wolford's core markets did not show a uniform development in the first nine months of the current financial year. In spite of the negative foreign exchange effects, satisfactory revenue growth was achieved in the USA, which currently generates the highest revenues in the Wolford Group. Double-digit revenue increases were reported in the growth markets of Greater China and the Gulf Region. The Italian market also achieved significant revenue growth, which amongst other reasons can be attributed to the opening of new Wolford-owned and partner-operated points of sale. Belgium and Spain also clearly surpassed their prior-year revenue figures. Revenues in Great Britain declined slightly as a consequence of foreign exchange effects, but increased on a local currency basis. Revenues were down year-on-year in Scandinavia, Germany, France and the Netherlands. Higher declines were reported in Central and Eastern Europe as well as in Switzerland. We returned to a growth path in our Austrian domestic market after the two boutiques at Vienna Airport, one recently renovated and the other newly opened, made first relevant contributions.

Revenue growth in the product groups Lingerie, Accessories and Swimwear, slight decline in Legwear and Ready-to-wear

In the Lingerie product group, the ongoing trend towards body-shaping products led to a positive revenue development. Growth was also recorded in the product groups Accessories, Swimwear and Trading goods. In contrast, revenues declined slightly in the Ready-to-wear product line and in Legwear, the largest product group.

CEO Holger Dahmen left the company as of 31.01.2014

Holger Dahmen, who had served as Chief Executive Officer of Wolford AG since January 2004, left the company at his own request effective January 31, 2014 in order to assume new professional challenges outside of the Wolford Group. We would like to take this opportunity to wish him all the best for the future.

Consistent implementation of strategic refocusing: Wolford Story and new imagery developed, sharpened collections, revision of store concept

Within the context of the strategic refocusing efforts of the company, we are currently concentrating on those measures which will directly strengthen the top line and improve profitability. In addition to the focus on cost and process optimization, our declared goals are to sustainably strengthen the Wolford brand and its image and enhance the desirability of our products at the point of sale for customers in our own retail sales locations as well as for our trading partners. The core components of this strategy will be the Wolford Story and a new imagery. With respect to our fashion collections, we will once again promote those figure-hugging products which comprise the core of the brand, and which make Wolford's innovation leadership clearly visible to everyone. In this regard we are working on a new store concept and an improvement of Wolford's visual merchandising. This will serve to enhance our customers' enthusiasm in their shopping experience and their passion for the brand as well as to attract new customers.

Guidance confirmed for the 2013/14 financial year

After the third quarter the Management Board of Wolford AG confirms the guidance for the current financial year. From today's perspective, revenues should remain at around the previous year's level, whereas EBIT is expected to total up to approximately € -5 million, including non-recurring expenses of roughly € 3 million. Our goal remains to finance the strategic refocusing from our own internal cash flow and the sale of non-operating assets. The Management Board of Wolford AG is convinced that it has set the right course for a sustainably positive development of the company.

Axel Dreher, COO/CTO	Thomas Melzer, CFO
Speaker of the Board	Member of the Board

Management Report

EARNINGS DEVELOPMENT IN THE FIRST NINE MONTHS (MAY 2013 TO JANUARY 2014)

Revenues slightly down from the prior year but show a currency-adjusted rise of 1 %, plus 5 % for retail locations and 21 % in the online segment, 9 % drop in wholesale business

Revenues of the Wolford Group amounted to € 123.42 million in the first nine months of the 2013/14 financial year, slightly below the comparable prior-year level. The revenue decline totaled 0.6 % or € 0.70 million. However, adjusted for negative foreign exchange effects of € 1.94 million, revenues actually climbed by 1 %. A good third quarter featuring a satisfactory Christmas business resulted in a 2.2 % increase in revenues in the period from November 2013 to January 2014 which could not fully compensate for the drop in revenues during the first two quarters of the financial year. Wolford's own points of sale (own boutiques, factory outlets, concession shop-in-shops) developed positively during the first nine months, registering a positive revenue development of 5 % compared to the previous year. On a like-for-like basis, i.e. excluding newly opened or closed points of sale, retail revenues increased by 1 %. Wolford-operated concession shop-in-shops and factory outlets generated 8 % and 12 % revenue increases respectively, whereas revenues at Wolford's own boutiques were up by 2 %. The online business also developed very positively, with a 21 % rise in revenues. In contrast, the wholesale business (partner-operated boutiques, department stores and multi-brand retailers) once again recorded a considerable drop in revenues, which were down 9 % year-on-year and led to a revenue and earnings development below expectations.

Revenue growth in the USA, Italy, Greater China and the Gulf Region, Germany and France below prior-year levels

A regional analysis of the first nine months shows an ambivalent picture. In spite of the negative foreign exchange effects, considerable revenue growth was achieved in the USA, which currently generates the highest revenues in the Wolford Group. Satisfying double-digit revenue increases were recorded in the growth markets of Greater China and the Gulf Region. Revenues in the Italian market also climbed significantly, which amongst others can be attributed to the opening of new Wolford-owned shops and partner-operated points of sale. Belgium and Spain also clearly exceeded their prior-year revenues. In contrast, revenues in Great Britain declined slightly as a consequence of foreign exchange effects, but were higher year-on-year in local currency. Revenues were down year-on-year in Germany, France, Scandinavia and the Netherlands. Higher declines were reported in Central and Eastern Europe as well as in Switzerland, which was especially due to the closing down of points of sale. The Austrian domestic market returned to a growth path after the two boutiques at Vienna Airport, one of which was recently renovated and the other newly opened, made first relevant contributions.

Revenue growth in the product groups Lingerie, Accessories and Swimwear, slight declines in Legwear and Ready-to-wear

In the Lingerie product group, the ongoing trend towards body-shaping products led to a positive revenue development. Growth was also recorded in the product groups Accessories, Swimwear and Trading goods. In contrast, revenues derived from the Ready-to-wear product line and from Legwear, the largest product group, were down slightly year-on-year.

Cost savings in many areas, but higher expenses for advertising and rents

The active working capital management had a significant impact on business results. Inventories could be significantly cut back compared to the prior-year level. This is reflected in the position "changes in inventories of finished goods and work-in-process", which was reduced by € -4.47 million. At the same time, the cost of materials fell by € 3.46 million, and staff costs also dropped by € 0.72 million. Savings were also generated with freight, consulting and travel costs and lower bad debt than the comparable prior-year levels as well. In contrast, advertising and rental costs increased, which is related to intensified measures designed to strengthen the Wolford brand and expand the network of sales locations. Against this backdrop, adjusted EBITDA declined from € 10.71 million to € 8.68 million in the first nine months of the 2013/14 financial year, and adjusted EBIT fell from € 4.57 million to € 2.80 million.

In order to ensure greater transparency with respect to the development of the Wolford business operations, the calculation of the previously mentioned adjusted indicators (adjusted EBITDA and adjusted EBIT) will exclude all non-recurring items. They will be reported separately in the statement of comprehensive income as non-recurring effects. These effects basically refer to all significant expenses incurred in connection with the strategic refocusing of the company, for example costs for store closures and impairment losses as well as the severance payment for the previous CEO. If any book gains should arise from the planned disposal of non-operating assets, they will also be recognized separately as non-recurring income. Non-recurring staff costs of € 0.64 million were reported in the third quarter of the 2013/14 financial year. In total, non-recurring expenses of approximately € 3 million are expected for the current financial year.

Non-recurring effects will be reported separately in order to create transparency on the operational development of Wolford

The financial result declined only slightly from € -0.86 million to € -0.90 million due to the further optimization of inventories and the continued low interest rate on borrowed capital. Earnings before tax for the Wolford Group totaled € 1.26 million in the first nine months of 2013/14, compared with € 3.71 million in the previous year. Earnings after tax amounted to € 1.74 million (previous year: € 3.17 million), and earnings per share equaled € 0.35 (previous year: € 0.65).

Slightly lower financial result, earnings after tax down

THIRD QUARTER 2013/14

After declining revenues in the first two quarters of the 2013/14 financial year, revenues in the third quarter (November 2013 – January 2014) increased by € 1.07 million or 2.2% compared to the previous year and totaled € 48.61 million. The previously decreasing development in Germany, the Netherlands and Great Britain could be turned into a positive trend in the third quarter. Revenue growth from previous quarters was further boosted in Spain, Belgium, the Gulf Region and Greater China. Negative changes in inventories of finished goods and work-in-process on the one hand and savings in material and staff costs on the other hand led to an adjusted EBIT of € 5.09 million, which is € 0.43 million higher than in the prior-year quarter. This is a first visible sign for the efficiency of optimization measures. Earnings after tax reached prior-year levels with € 3.70 million.

Positive revenue development in the third quarter, earnings after tax match previous year's level

CASH FLOW

The cash flow from operating activities (operating cash flow) improved by € 1.84 million in the first nine months of the current financial year. Starting from lower earnings before tax, this positive development can be primarily attributed to the reduction of inventories. The cash outflow encompassed in the cash flow from investing activities was € 1.92 million higher than in the previous year, which is particularly due to the setting up of new points of sales and the payment of key money for a new Wolford boutique in the Rue de Sèvres, Paris. Free cash flow (cash flow from operating activities less cash flow from investing activities) amounted to € 0.92 million, close to the comparable figure of € 1.00 million in the previous year. Cash flow from financing activities increased by € 2.81 million, which is mainly due to the suspension of the dividend payment for the 2012/13 financial year. Cash and cash equivalents totaled € 9.17 million as of January 31, 2014, compared with € 6.43 million on January 31, 2013.

Free cash flow close to prior-year level

ASSET AND FINANCIAL POSITION

The balance sheet indicators of the Wolford Group remained sound at the reporting date of January 31, 2014. Compared to January 31, 2013, the balance sheet total rose from € 142.32 million to € 144.72 million for seasonal reasons. Equity of the Wolford Group amounted to € 78.95 million, which is € 0.80 million above the level on April 30, 2013. The equity ratio equaled 55% and gearing was at 19%. Net debt decreased by € 0.29 million from the level on January 31, 2013 to € 14.93 million.

Solid balance sheet structure, equity ratio of 55%

Interim Financial Statements (IFRS)

STATEMENT OF COMPREHENSIVE INCOME

in TEUR	11/13 - 01/14	11/12 - 01/13 [1]	05/13 - 01/14	05/12 - 01/13 [1]
Revenues	**48,607**	**47,538**	**123,421**	**124,125**
Other operating income	693	1,189	2,126	2,861
Changes in inventories of finished goods and work-in-process	-4,295	-2,660	-4,471	-902
Own work capitalized	15	38	27	66
Operating output	**45,020**	**46,105**	**121,103**	**126,150**
Cost of materials and purchased services	-6,230	-6,750	-19,733	-23,194
Staff costs	-18,088	-19,082	-54,646	-55,365
Other operating expenses	-13,670	-13,568	-38,047	-36,879
Depreciation and amortization	-1,942	-2,044	-5,881	-6,139
EBIT adjusted	**5,090**	**4,661**	**2,796**	**4,573**
Non-recurring expenses	-637	0	-637	0
Non-recurring income	0	0	0	0
EBIT	**4,453**	**4,661**	**2,159**	**4,573**
Net interest cost	-175	-167	-497	-480
Net investment securities income	11	10	-10	53
Interest cost of employee benefit liabilities	-131	-145	-392	-436
Financial result	**-295**	**-302**	**-899**	**-863**
Earnings before tax	**4,158**	**4,359**	**1,260**	**3,710**
Income tax	-458	-604	478	-539
Earnings after tax	**3,700**	**3,755**	**1,738**	**3,171**
Amounts that will not be recognised in future periods	-617	-250	-617	-690
thereof actuarial gains and losses	-617	-250	-617	-690
Amounts that will potentially be recognised	-26	-220	-318	457
thereof currency translation differences	2	-261	-307	352
thereof change from cash flow hedges	-28	41	-11	105
Other comprehensive income [2]	**-643**	**-470**	**-935**	**-233**
Total comprehensive income	**3,057**	**3,285**	**803**	**2,938**
thereof attributable to the equity holders of parent company	3,057	3,285	803	2,938
Earnings after tax attributable to equity holders of parent company	3,700	3,755	1,738	3,171
Earnings per share (diluted = undiluted)	**0.76**	**0.77**	**0.35**	**0.65**

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

2) The components of other comprehensive income are presented after tax.

CASH FLOW STATEMENT

in TEUR	05/13 - 01/14	05/12 - 01/13 [1)]
Earnings before tax	**1,260**	**3,710**
Depreciation and amortization	5,881	6,139
Interest result	507	427
Gains / losses from disposal of assets	389	85
Changes in non-current provisions	646	306
Changes in inventories	4,940	1,684
Changes in trade receivables	-2,867	-1,851
Changes in other assets	-1,119	-2,856
Changes in trade payables	360	-391
Changes in current provisions	-544	176
Changes in other liabilities	-772	-406
Changes in the cash flow hedge reserve	-14	-140
Currency translation differences	-493	-277
Net interest paid	-505	-436
Income taxes paid / received	-445	-785
Cash flow from operating activities	**7,224**	**5,385**
Investments in property, plant and equipment and other intangible assets	-6,303	-4,420
Proceeds from the sale of property, plant and equipment and other intangible assets	2	35
Proceeds from disposal of securities	0	0
Cash flow from investing activities	**-6,301**	**-4,385**
Payment received from current and non-current financing liabilities	3,645	3,197
Repayment of current and non-current financing liabilities	-343	-744
Dividends paid	0	-1,960
Cash flow from financing activities	**3,302**	**493**
Change in cash and cash equivalents	**4,225**	**1,493**
Cash and cash equivalents at the beginning of the period	4,990	4,911
Effects of exchange rate fluctuations on cash and cash equivalents	-47	28
Cash and cash equivalents at the end of the period	**9,168**	**6,432**

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

BALANCE SHEET

in TEUR	31.01.2014	31.01.2013 [1)]	30.04.2013
Property, plant and equipment	58,461	60,504	59,683
Goodwill	1,176	1,183	1,200
Other intangible assets	10,423	9,697	9,571
Financial assets	1,452	1,485	1,533
Non-current receivables and assets	1,340	1,024	1,269
Deferred tax assets	5,905	5,730	5,568
Non-current assets	**78,757**	**79,623**	**78,824**
Inventories	37,752	42,487	42,692
Trade receivables	11,700	11,447	8,833
Other receivables and assets	3,059	3,979	4,044
Deferred expenses	4,057	4,083	2,707
Liquid funds	9,399	6,646	5,216
Current assets	**65,967**	**68,642**	**63,492**
Total assets	**144,724**	**148,265**	**142,316**
Share capital	36,350	36,350	36,350
Capital reserves	1,817	1,817	1,817
Other reserves	43,675	49,107	42,565
Currency translation differences	-2,890	-2,526	-2,583
Equity	**78,952**	**84,748**	**78,149**
Financial liabilities	6,591	4,969	19,149
Other liabilities	1,109	2,332	1,249
Employee-related provisions	15,868	14,034	15,222
Deferred tax liabilities	108	205	139
Non-current liabilities	**23,676**	**21,540**	**35,759**
Financial liabilities	19,188	18,375	3,327
Trade payables	4,737	4,263	4,618
Other liabilities	12,059	11,378	12,691
Income tax liabilities	1,226	2,981	2,342
Other provisions	4,886	4,980	5,430
Current liabilities	**42,096**	**41,977**	**28,408**
Total equity and liabilities	**144,724**	**148,265**	**142,316**

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

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent company							
in TEUR	Share capital	Capital reserves	Hedging reserve	Actuarial gain/loss	Other reserves	Currency translation	Treasury stock	Total equity
Balance 01.05.2012 [1)]	**36,350**	**1,817**	**-9**	**218**	**52,935**	**-2,878**	**-4,663**	**83,770**
Dividend for 2011/12 FY	0	0	0	0	-1,960	0	0	-1,960
Total comprehensive income	0	0	105	-690	3,171	352	0	2,938
Balance 31.01.2013 [1)]	**36,350**	**1,817**	**96**	**-472**	**54,146**	**-2,526**	**-4,663**	**84,748**
Balance 01.05.2013	**36,350**	**1,817**	**-5**	**-985**	**48,218**	**-2,583**	**-4,663**	**78,149**
Dividend for 2012/13 FY	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	-11	-617	1,738	-307	0	803
Balance 31.01.2014	**36,350**	**1,817**	**-16**	**-1,602**	**49,956**	**-2,890**	**-4,663**	**78,952**

SEGMENT REPORTING

Key Data by Segment 05/13 - 01/14 in TEUR	Austria	Other Europe	North America	Asia	Consolidation	Group
Revenues	73,755	75,433	21,930	4,168	-51,865	123,421
thereof intersegment	48,591	3,274	0	0	-51,865	0
External revenues	25,164	72,159	21,930	4,168	0	123,421
EBITDA adjusted [2)]	4,255	3,314	504	499	105	8,677
Depreciation and amortization	3,735	1,773	251	166	-44	5,881
EBIT adjusted [2)]	520	1,540	253	334	149	2,796
Capital expenditure	1,846	3,497	151	592	-24	6,062
Employees on average (FTE)	758	647	123	35	0	1,563

Key Data by Segment 05/12 -01/13 in TEUR [1)]	Austria	Other Europe	North America	Asia	Consolidation	Group
Revenues	76,610	77,738	21,103	2,595	-53,921	124,125
thereof intersegment	50,570	3,351	0	0	-53,921	0
External revenues	26,040	74,387	21,103	2,595	0	124,125
EBITDA adjusted [2)]	6,799	4,142	909	304	-1,442	10,712
Depreciation and amortization	3,663	1,913	536	77	-50	6,139
EBIT adjusted [2)]	3,136	2,230	372	227	-1,392	4,573
Capital expenditure	1,947	1,604	600	108	-42	4,217
Employees on average (FTE)	842	633	117	22	0	1,614

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

2) Adjusted for non-recurring expenses and income.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

The consolidated interim financial statements of the Wolford Group for the first nine months of the 2013/14 financial year (May 1, 2013 to January 31, 2014) were prepared in accordance with International Financial Reporting Standards (IFRS) on the basis of IAS 34 “Interim Financial Reporting”. The accounting and valuation policies applied in preparing the consolidated interim financial statements reflect the policies applied to the consolidated financial statements for the 2012/13 financial year with the following exceptions: IFRS 13 “Fair Value Measurement“, the additions to IAS 1 “Presentation of Financial Statements“ and the Improvements to IFRS (2009 – 2011) were applied as of May 1, 2013. These changes in accounting and valuation policies had no material effect on the consolidated interim financial statements. The consolidated interim financial statements do not include all information and disclosures required for consolidated annual financial statements. Therefore, the consolidated interim financial statements should also be read in connection with the latest consolidated financial statements as of April 30, 2013. The amounts included in this quarterly report are presented in thousand euros (TEUR). The use of automated data processing equipment may lead to rounding differences. In connection with the retrospective application of IAS 19 (revised) “Employee Benefits“, the comparable prior year data were adjusted in these interim financial statements. In order to ensure greater transparency with respect to the development of the Wolford Group’s business operations, the calculation of adjusted EBITDA and adjusted EBIT will exclude all non-recurring items. They will be reported separately in the statement of comprehensive income as non-recurring effects. These effects basically refer to all significant expenses incurred in connection with the strategic refocusing of the company, for example costs for store closures and impairment losses as well as the severance payment for the previous CEO. If any book profits should arise from the planned disposal of non-operating assets, they will also be recognized separately as non-recurring income.

SCOPE OF CONSOLIDATION

The number of companies included in the scope of consolidation did not change since the last balance sheet date on April 30, 2013.

SEASONALITY OF BUSINESS DEVELOPMENT

Wolford generates lower revenues in the first and last months of the financial year due to the weather. These seasonal fluctuations are reflected in revenues for the first and fourth quarters, which are generally lower than the comparable figures for the second and third quarters. For this reason, the business results in the reporting period ending January 31, 2014 are not necessarily indicative of future results.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

Revenues generated by the Wolford Group declined slightly by 1% or TEUR 704 to TEUR 123,421 for the first nine months of 2013/14 (previous year: TEUR 124,125). Adjusted for negative foreign exchange effects to the amount of TEUR 1,935, the Wolford Group registered a 1% growth in revenues. Operating output fell by TEUR 5,047 to TEUR 121,103 (previous year: TEUR 126,150). In addition to the decline in sales proceeds and lower other operating income, the main reason was the negative change in inventories due to a reduction of finished goods and work-in-process. The negative change in inventories showed a significant higher reduction of TEUR 3,569 compared to the previous period.

The development of adjusted EBIT was positively impacted by a substantial reduction of TEUR 3,461 in the cost of materials and the decrease in staff costs of TEUR 719. Higher costs related to the opening of new boutiques that have not yet reached their full revenue potential yet, higher rental expenses for the company's own retail business and increased advertising expenses to strengthen the brand led to a TEUR 1,168 rise in other operating expenses. As a result, adjusted EBIT totaled TEUR 2,796 in the first nine months of the 2013/14 financial year (previous year: TEUR 4,573).

The financial result declined only slightly, from TEUR -863 to TEUR -899 due to the further optimization of inventories and low interest on borrowed capital.

The receipt of final tax assessments led to the correction of advance tax payments for the 2010/11 financial year and, in turn, to tax income of TEUR 478 for the first nine months of 2013/14 (previous year: tax expense of TEUR 539). Earnings after tax equaled TEUR 1,738 (previous year: TEUR 3,171).

IAS 19 (revised) requires the recording of actuarial gains/losses from defined benefit plans under other comprehensive income without recognition through profit or loss, i.e. directly in equity. This standard was applied prematurely as of April 30, 2013 and, in keeping with IAS 8, the changes were made retrospectively. This led to a reduction of staff costs and a corresponding increase in the earnings before tax for the prior-year period to the amount of TEUR 923. Earnings after tax rose by TEUR 690, whereas the actuarial losses reduced the other comprehensive income by the same amount.

Negative currency translation differences of TEUR -307 for the first nine months of 2013/14 (previous year: TEUR 352), which are due to the currency translation of foreign subsidiaries and reported under other comprehensive income, resulted primarily from the US dollar and British pound. The change in the hedging reserve totaled TEUR -11 during the reporting period (previous year: TEUR 105). Accordingly, other comprehensive income amounted to TEUR -935 (previous year: TEUR -233). Total comprehensive income led to a change in equity of TEUR 803 for the first three quarters of the reporting year (previous year: TEUR 2,938).

NOTES ON SEGMENT REPORTING

The reportable segments in the Wolford Group are classified into four segments, i.e. Austria, Other Europe, North America and Asia. Segment reporting is generally based on the same accounting and valuation policies as applied in preparing the consolidated financial statements.

Revenues in the segments Austria and Other Europe were down by 4% and 3% respectively compared to the previous year, whereas the segment North America recorded a 4% increase in revenues. Revenues in Asia rose by a total of 61% following the opening of several locations in China. Adjusted EBIT in the segment Asia improved from TEUR 227 to TEUR 334, whereas all other segments reported in part substantial declines. The decline in the segment Austria is related to a decrease in operating output that was not fully offset by reductions in material and staff costs, and in the segment Other Europe the decline is attributable to revenue drop and higher marketing and sales expenses. The increased marketing and sales costs also led to a drop in the adjusted EBIT in North America. Segment assets decreased by TEUR 3,541 year-on-year to TEUR 144,724, which is mainly the consequence of lower inventories.

NOTES TO THE CASH FLOW STATEMENT

The cash flow from operating activities (operating cash flow) improved by TEUR 1,839 in the first nine months of the current financial year to TEUR 7,224. Starting from lower earnings before tax, this positive development can be primarily attributed to the reduction of inventories. The cash outflow encompassed in the cash flow from investing activities, which climbed by TEUR 1,916 from the prior-year level, was primarily devoted to the setting up of new points of sale and the payment of key money for the new Wolford boutique in the Rue de Sèvres, Paris. Free cash flow (cash flow from operating activities less cash flow from investing activities) amounted to TEUR 923, close to the comparable figure of TEUR 1,000 in the previous year. At the same time, the cash flow from financing activities increased by TEUR 2,809, which can be chiefly attributed to the suspension of dividends. Cash and cash equivalents totaled TEUR 9,168 at the end of the reporting period compared with TEUR 6,432 in the previous year.

CASH AND CASH EQUIVALENTS

The reconciliation of liquid funds as reported on the balance sheet to cash and cash equivalents involves an adjustment to exclude restricted cash.

in TEUR	31.01.2014	31.01.2013	30.04.2013
Liquid funds	9,399	6,646	5,216
Restricted cash	-231	-214	-226
Cash and cash equivalents	**9,168**	**6,432**	**4,990**

NOTES TO THE CONSOLIDATED BALANCE SHEET

The balance sheet total amounted to TEUR 144,724 on January 31, 2014, which represents a decline of 2% from the level on January 31, 2013. Non-current assets represented 54% of total assets and equaled TEUR 78,757 as of the balance sheet date (January 31, 2013: TEUR 79,623). Investments of TEUR 6,062 in intangible assets and property, plant and equipment were contrasted by scheduled amortization and depreciation of TEUR 5,881. Current assets equaled 46% of total assets as of January 31, 2014. Inventories declined by 11% to TEUR 37,752, or to 26% of total assets. Liquid funds rose from TEUR 6,646 to TEUR 9,399.

Equity totaled TEUR 78,952 on the reporting date of January 31, 2014, which equals an equity ratio of 55% (previous year: 57%). Non-current liabilities increased from TEUR 21,540 to TEUR 23,676, or to16% of the balance sheet total. This development was due to higher financial liabilities due to long-term borrowing amounting to TEUR 2,000 for equity financing in China and Italy and employee-related provisions.

Current liabilities remained virtually unchanged at TEUR 42,096 (previous year: TEUR 41,977). This development resulted from the lower income tax provisions offset by a higher level of trade payables and other liabilities. Working capital was reduced from TEUR 42,272 in the comparable prior-year period to TEUR 35,715. This improvement was mainly achieved by a reduction in inventories. Net debt totaled TEUR 14,930 as of January 31, 2014, a drop of TEUR 285 compared to January 31, 2013.

DETERMINATION OF FAIR VALUE

The following hierarchy is used to determine and report fair value:

Level 1: Quoted prices on active markets for identical assets and liabilities.

Level 2: Methods under which all input parameters that have a material effect on the recognized fair value are directly or indirectly observable.

Level 3: Methods under which all input parameters that have a material effect on the recognized fair value are not based on observable market data.

The financial investments classified under Level 1 consist of publicly traded investment fund shares, while the securities and financial investments reported under current assets represent securities used to secure rental and leasing obligations. The other receivables and other liabilities included under Level 2 result from the valuation of outstanding foreign currency derivative transactions. No financial instruments were valued in accordance with Level 3, and there were no reclassifications between the fair value hierarchy levels during the reporting period. The carrying amounts of liquid funds, trade receivables and other assets, trade payables and other liabilities can be considered to be reasonable estimates of their current value due to the short-term nature of these assets and liabilities.

31.01.2014 in TEUR	Level	Carrying amount	Fair Value
Financial assets	1	1,452	1,452
Trade receivables		11,700	11,700
Other receivables and assets		2,929	2,929
thereof derivates	2	2	2
Deferred expenses		4,057	4,057
Securities and financial investments	1	130	130
Liquid funds		9,399	9,399
Total financial assets		**29,667**	**29,667**
Financial liabilities, non-current		6,591	6,591
Financial liabilities, current		19,188	19,188
Trade payables		4,737	4,737
Other liabilities		12,059	12,059
thereof Derivates	2	22	22
Total financial liabilities		**42,575**	**42,575**

CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since the last balance sheet date on April 30, 2013.

RELATED PARTY TRANSACTIONS

DORDA BRUGGER JORDIS Rechtsanwälte GmbH, a law firm whose managing partner, Theresa Jordis, was a member of the Supervisory Board of Wolford AG until September 7, 2013, advised the company on legal matters. RCI Unternehmensberatung AG, a Swiss company, advises the company on business matters. Emil Flückiger, a member of this firm's administrative board, serves on the Supervisory Board of Wolford AG. The fees for services rendered by related parties reflect standard market rates and are billed on the basis of time worked.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No major events occurred after the balance sheet date that had a significant effect on assets, liabilities, cash flow or earnings of the Wolford Group.

REPORT ON THE AUDITOR'S REVIEW

This interim report on the first three quarters the 2013/14 financial year was neither audited nor subject to a review by a certified public accountant.

Bregenz, March 14, 2014

Speaker of the Board

Management responsibility for the Distribution Channels Wholesale and E-Commerce, Marketing, Market Services, Merchandising, Technical Product Development, Production and Technology, Procurement, Distribution Logistics and Quality Management

Member of the Board

Management responsibility for the Distribution Channel Monobrand (Retail), Finance, Internal Audit, Investor Relations, Legal Affairs, Human Resources and IT

FINANCIAL CALENDAR

Date	Event
March 14, 2014	Q3 Report 2013/14
July 18, 2014	Press conference on 2013/14 annual results
September 12, 2014	Q1 Report 2014/15
September 18, 2014	27th Annual General Meeting in Bregenz
September 22, 2014	Deduction of dividends (ex-day)
September 24, 2014	First day of dividend payment
December 12, 2014	Half-Year Report 2014/15
March 13, 2015	Q3 Report 2014/15

INFORMATION ON THE COMPANY AND THE SHARE

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The report on the third quarter of 2013/14 is available in the Internet at www.wolford.com in the Investor Relations section:
http://www.wolford.com/en/quarterly-reports/Wolford_Quarterly_Report_Q3_201314.pdf

To ensure good readability, statements referring to people are considered to be neutral and are equally valid for both women and men.

Disclaimer

This report on the third quarter 2013/14 was prepared with the greatest possible care, including repeated checks of all data. Nevertheless, rounding, typesetting or printing errors cannot be excluded. The report was also prepared in English, but only the German version is binding. Certain statements in this report on the third quarter 2013/14 are forward-looking. They reflect the opinions and expectations of the Management Board at this time and include risks and uncertainties that could have a significant impact on actual circumstances and, consequently, on actual results. Readers are therefore cautioned not to place undue reliance on these forward-looking statements. Wolford AG is not obliged to publish any updates or revisions of the forward-looking statements contained in this report, unless required by law.

Points of Sale

WORLDWIDE
Monobrand locations
January 31, 2014: 270

- ● Thereof Wolford-owned points of sale:
  123 boutiques
  31 concession shop-in-shops
  27 factory outlets

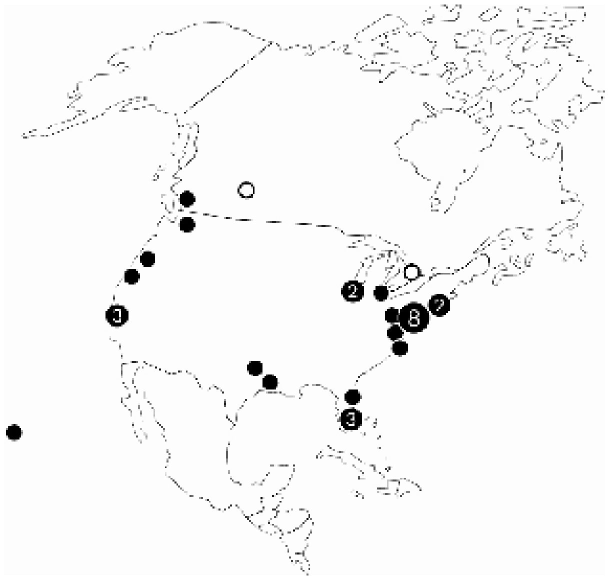
- ○ Thereof partner-operated points of sale:
  89 boutiques
  and about 3,000 other distribution partners

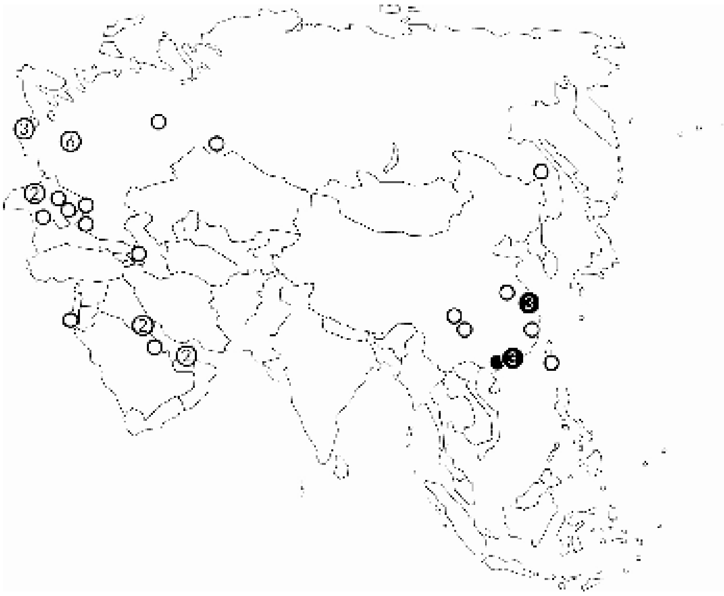
Australia: 5, Africa: 1, South America: 2

NORTH AMERICA: 32

- ● Thereof Wolford-owned points of sale:
  27 boutiques
  3 factory outlets

- ○ Thereof partner-operated points of sale:
  2 boutiques





ASIA: 38 1)

- ● Thereof Wolford-owned points of sale:
  6 boutiques
  1 concession shop-in-shop

- ○ Thereof partner-operated points of sale:
  31 boutiques

1) Including Russia and Ukraine

EUROPE: 192 [2)]

● Thereof Wolford-owned points of sale:
90 boutiques
30 concession shop-in-shops
24 factory outlets

○ Thereof partner-operated points of sale:
48 boutiques

[2)] Excluding Russia and Ukraine