



Wolford continues its positive revenue development

Vienna/Bregenz, March 18, 2016. Wolford AG, which is listed on the Vienna Stock Exchange, generated revenue growth in all its product groups in the first three quarters of the current financial year (May 1, 2015 to January 31, 2016) and slightly increased EBIT adjusted for all one-off effects. Higher revenue is also expected in the entire 2015/16 financial year.

Against the backdrop of a challenging economic and political environment additionally burdened by the warm winter temperatures, the Wolford Group reported a revenue increase of 6.3% in the first nine months of the 2015/16 financial year to € 128.7 million, not least thanks to positive currency effects. The revenue increase equaled 1.1% when adjusted to take account of these effects. Cost increases arising especially from the increase in value of the US dollar and the British pound as well as one-off effects reported in 2014/15 negatively impacted the development of Wolford's operating results. EBIT in the first nine months of the current financial year amounted to € 2.16 million, compared to the prior-year level of € 7.08 million. Adjusted to include all one-off effects, EBIT in the first three quarters of 2015/16 was up by € 1.02 million from the previous year. In the same period, earnings after tax amounted to € 0.70 million, compared to € 4.46 million in the prior-year period. Earnings per share equaled € 0.14, down from € 0.91 in the first nine months of 2014/15. Wolford employed an average of 1,574 people (FTE) in the first three quarters of the current financial year, compared to 1,567 employees in the previous year.

Solid contributions to revenue growth from the retail and online businesses

In terms of distribution channels, Wolford's own retail business made a substantial contribution to revenue growth, expanding by 5% (4% on a like-for-like basis) in the first three quarters of 2015/16. The online business was also successful once again, as shown by its 66% growth. At the same time, on a cumulative basis the wholesale business remained at about the same level as in the previous year. This was in contrast to a third-quarter decline mainly attributable to a shift in delivery dates into the first half of the current financial year.

Revenue increase in all product groups

The trend towards figure-shaping lingerie with a functional character continued unabated. Accordingly, the Lingerie segment showed significant revenue growth. At the same time, the other segments of the Wolford Group i.e. Legwear, Ready-to-wear, Accessories and Trading Goods also generated revenue increases in the same period.

Uneven regional market development

From a regional perspective, Wolford generated double-digit growth in Italy and Spain, and also clearly increased revenues in Scandinavia, Netherlands and Belgium. Positive currency effects supported the positive revenue development in the USA, Great Britain and Switzerland. Wolford faced a weakening of sales momentum in its relevant Asian markets, but still continued to report double-digit revenue growth in Asia during the first three quarters of the year in contrast to the general trend. Wolford still succeeded in maintaining revenues in France at the prior-year level in spite of the revenue decrease related to the dramatic events which took place in Paris in the middle of November. In contrast, the core markets of Austria and Germany showed a slight drop in revenues. The tense economic situation in Russia negatively affected revenue development in Central and Eastern Europe.

Healthy balance sheet structure

The asset and capital structure of the Wolford Group remained very sound at the balance sheet date of January 31, 2016. The balance sheet total fell to € 145.91 million compared to € 150.51 million at the end of the prior-year period. This was the result of lower receivables and the drop in cash and cash equivalents. Equity of the Wolford Group as of January 31, 2016 amounted to € 75.21 million, a drop of € 4.01 million from the comparable figure in the previous year. Accordingly, net debt rose from € 15.76 million to € 17.37 million. The equity ratio was 52% (January 31, 2015: 53%) and gearing equaled 23% (January 31, 2015: 20%).

Unabated innovative strength

Wolford repeatedly demonstrated its innovative strength, as shown by product innovations such as PURE tights, the Cotton Contour line or the large selection of Shape & Control styles. The latest innovation from Wolford – Comfort Cut 40 tights: a pair of tights, which adjusts to fit every figure, will be presented as part of the autumn/winter collection 2016/17. At present, the R&D team is collaborating with the industry network smart-textiles on a project to develop a completely recyclable lingerie product line which can be returned to the so-called cradle to cradle production process.

Outlook

It is difficult at the present time to make predictions about the further development of Wolford's core markets. This especially applies to the company's retail activities in France. As long no recovery takes place in these markets, it will be a challenge for Wolford to achieve its declared objective of generating positive operating results. Nevertheless, despite these circumstances Wolford's management also expects higher revenues in the 2015/16 financial year as a whole compared to the previous year.

The report for the first three quarters of the 2015/16 financial year can be downloaded under company.wolford.com, Investor Relations.

http://company.wolford.com/wp-content/uploads/2016/03/Wolford_Q3-Report_2015_16_EN.pdf

Earnings Data		05/15 - 01/16	05/14 - 01/15	Chg. in %	2014/15
Revenues	in € mill.	128.71	121.13	+6	157.35
EBIT	in € mill.	2.16	7.08	-70	2.17
Earnings before tax	in € mill.	1.39	6.39	-78	1.21
Earnings after tax	in € mill.	0.70	4.46	-84	1.03
Capital expenditure	in € mill.	5.24	8.24	-36	10.97
Free cash flow	in € mill.	1.10	0.79	+39	-0.54
Employees (on average)	FTE	1,574	1,567	+1	1,574

Balance Sheet Data		31.01.2016	31.01.2015	Chg. in %	30.04.2015
Equity	in € mill.	75.21	79.22	-5	74.83
Net debt	in € mill.	17.37	15.76	+10	17.12
Working capital	in € mill.	38.97	39.14	-1	38.14
Balance sheet total	in € mill.	145.91	150.51	-3	147.44
Equity ratio	in %	52	53	-2	51
Gearing	in %	23	20	+15	23

Stock Exchange Data		05/15 - 01/16	05/14 - 01/15	Chg. in %	2014/15
Earnings per share	in €	0.14	0.91	-85	0.21
Share price high	in €	25.48	24.05	+6	24.12
Share price low	in €	21.35	18.75	+14	18.75
Share price at end of period	in €	25.05	21.29	+18	24.00
Shares outstanding (weighted)	in 1,000	4,912	4,900	+1	4,900
Market capitalization (ultimo)	in € mill.	125.23	106.45	+18	120.00

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About Wolford AG

Wolford AG, which is headquartered in Bregenz on Lake Constance (Austria) has 16 subsidiaries and markets its products in more than 60 countries through 270 Monobrand points of sale (company-owned and partner-operated), approx. 3,000 distribution partners and online. The company, which has been listed on the Vienna Stock Exchange since 1995, generated revenues of € 157.4 million in the 2014/15 financial year (May 1, 2014 – April 30, 2015) with roughly 1,570 employees. Since its founding in 1950, Wolford has grown to become the leading global brand for luxurious legwear, exclusive lingerie and high-quality bodywear.