



PRESS RELEASE

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Ahlers reports growing core business and greatly increased earnings at all levels for nine-month period 2015/16

- Baldessarini, Pierre Cardin and Pioneer grow by an adjusted 2.4 percent in first nine months of 2015/16
- Third-quarter revenues decline due to shift in autumn/winter deliveries
- Higher earnings before and after taxes
- Reduced net debt and equity ratio of 56 percent testify to solid, further improved financial position
- Revenue and earnings forecast for full year 2015/16 confirmed

Growth at Pierre Cardin, Baldessarini and Pioneer, but sales revenues decline due to delayed deliveries

The Pierre Cardin, Baldessarini and Pioneer brands grew by a combined EUR 4.2 million or 2.4 percent against a downward market trend. In Russia and the Ukraine, in particular, the Pierre Cardin and Baldessarini Premium brands again recorded a gratifying 6.6 percent increase in sales revenues. Sales revenues, primarily of Pierre Cardin, also picked up by 5.2 percent in France, Spain and Belgium. Pioneer recorded strong growth of 14 percent and was able to gain significant market share. The discontinuation of Gin Tonic and the decreasing business with the last remaining private label customer had the opposite effect and led to a total decline by EUR 4.6 million or 2.5 percent of total sales revenues. Furthermore the delayed deliveries of the autumn/winter season reduced third-quarter revenues by EUR 2.5 million (1.3 percent of total sales revenues). Total sales revenues for the first nine months of 2015/16 declined by 1.5 percent from EUR 187.4 million in the prior year period to EUR 184.5 million (EUR -2.9 million).

“Building on its brands, Ahlers’ is well positioned and is steadily moving forward in what is a difficult market environment. We continue to focus on the wholesale business with retailers and have been able to open 71 shop-in-shops in Germany and 25 points of sale abroad in the current financial year. At the same time we are vigorously expanding our e-commerce activities,” CEO Dr. Stella A. Ahlers commented on the company’s performance.

Pierre Cardin launches new own online shop – Relaunch of the existing Otto Kern and Baldessarini e-stores

At the end of August 2016, the start of the autumn/winter season, a dedicated Pierre Cardin e-shop was launched in Germany. At the same time, the online shops of Baldessarini and Otto Kern underwent a comprehensive overhaul. Baldessarini now has its own online shops also in Austria and



Switzerland. E-commerce revenues increased by 26 percent in the first nine months of 2015/16. The company's own Retail revenues grew by 6.3 percent during the same period. Like-for-like revenues were up by 1.4 percent.

Increased earnings at all levels thanks to cost-cutting measures

In the first nine months of 2015/16, the Ahlers Group's earnings after taxes increased by 13.3 percent or EUR 0.6 million to EUR 5.1 million (previous year: EUR 4.5 million). EBIT before special effects climbed EUR 0.6 million from EUR 8.1 million in the prior year period to EUR 8.7 million. This was primarily due to the cost-cutting measures initiated already last year such as the closure of Gin Tonic. These measures helped to cut operating and personnel expenses by a total of EUR 2.4 million or 2.7 percent, which more than offset the revenue-related EUR 1.8 million drop in gross profit.

Low net debt and equity ratio of 56 percent testify to solid financial position

As of the balance sheet date, net working capital, which comprises inventories, receivables and trade liabilities, was 3.7 percent or EUR 4.0 million lower than one year ago. This is one of the main reasons for the EUR 2.3 million drop in net debt. The equity ratio remained unchanged at a solid 56 percent.

Revenue and earnings forecast for the full year confirmed

The Management Board expects fourth-quarter revenues to pick up moderately, as sales will be shifted from the third to the fourth quarter due to the delayed delivery of the autumn/winter collections. The Board therefore continues to project stable to maybe slightly lower sales revenues for the full year (2014/15 revenues: EUR 241.9 million). Consolidated net income should increase by a high double-digit percentage on the previous year's EUR 1.4 million. The very solid balance sheet structure is not expected to change much and should rather tend to improve.

Summary of Ahlers Group figures:

		Q1-Q3 2015/16	Q1-Q3 2014/15	Change
Sales revenues	in EUR million	184,5	187,4	-1,5%
EBIT before special effects	in EUR million	8,7	8,1	7,4%
Pre-tax profit	in EUR million	7,5	6,7	11,9%
Net income	in EUR million	5,1	4,5	13,3%
Equity ratio	in %	55,5	55,6	+/-
Employees (Aug. 31)		2.051	2.059	-8

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