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PRESS RELEASE

- **Ahlers reports 3.2 percent sales growth in fiscal 2007/2008**
- **Premium segment grew by 11 percent**
- **Result impacted by restructuring measures and exchange rate differences**

Ahlers AG, Herford, Germany. Ahlers, the menswear company, today released its first preliminary figures for the 2007/2008 annual accounts.

German menswear company Ahlers saw sales rise by 3.2 percent to EUR 268 million (previous year: EUR 260 million) in the financial year 2007/2008. This growth is primarily attributable to the premium segment, which comprises Pierre Cardin, Baldessarini and Otto Kern and reported an impressive 11 percent increase in sales. The premium segment now accounts for 47 percent of total Group sales (previous year: 43 percent).

During the financial year the company systematically expanded the product offering of Pierre Cardin and achieved incremental retail distribution of knitwear, shirts and suits in addition to the brand's traditional strength in jeans. As for Baldessarini, the company launched Baldessarini Black, a high-quality line positioned below the luxury collection, which sold well in its initial year. Going forward, sales will be further stimulated by the recently announced eyewear partnership between Baldessarini and Rodenstock.

The regional breakdown shows that the sales growth was achieved in the international markets; the trend was led by eastern Europe where sales rose by 19 percent but was also supported by western Europe where sales were up 2 percent on the previous year. Following a weak fourth quarter 2007/2008, sales in Germany declined slightly by 2 percent.

The weak fourth quarter sales (-7 percent) were a key contributor to the 20 percent decline in EBIT for the year. While EBIT for the first nine months was still up on the previous year's figure, the preliminary 2007/2008 EBIT (adjusted for extraordinary factors) came in at EUR 7.8 million.

As already announced in October, Ahlers has launched a comprehensive cost cutting programme which will deliver a high single-digit million amount in savings already during the current financial year 2008/2009. Implementation of the programme has proceeded as scheduled. All redundancy and social plans were completed, and the required notices of termination given, already last year. At EUR 4.4 million, the non-recurrent charges remained within expectations and were provisioned for in the 2007/08 accounts. Towards the end of the year, profitability was additionally impacted by the unexpectedly rapid depreciation of the Polish zloty which put a EUR 1.8 million dent in the company's result.

After provisions for redundancy compensations, exchange rate losses, interest and taxes, Ahlers is reporting a net result of EUR 0.3 million (previous year: EUR 9.7 million) which is below management's expectations. At year-end, the Ahlers Group's cash and equivalent holdings remained positive and the equity ratio stood at a good 50 percent. The comfortable financial position should allow to pay out a satisfactory dividend.