



AHLERS AG Financial Statements 2007/08
December 1, 2007 - November 30, 2008

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Five-year summary

		2003/04	2004/05	2005/06	2006/07	2007/08	Change
Financial statements							
Sales	in EUR million	102.4	97.9	94.2	94.7	100.5	6.1%
thereof abroad	in %	27.5%	29.0%	31.2%	31.1%	33.6%	2.5%
Gross profit	in EUR million	40.2	42.2	37.6	37.7	39.4	4.5%
as a percentage of sales	in %	39.2%	43.2%	39.9%	39.8%	39.2%	-0.6%
EBITDA	in EUR million	21.6	23.1	3.5	1.9	1.8	-5.3%
EBIT	in EUR million	21.5	22.5	-1.7	1.5	1.6	6.7%
Net income	in EUR million	15.1	14.0	-4.8	1.8	1.3	-27.8%
Depreciation and amortisation	in EUR million	0.1	0.7	5.3	0.4	0.2	-50.0%
Cash flow from operating activities	in EUR million	18.2	13.9	10.1	-7.8	3.9	150.0%
Balance sheet total	in EUR million	265.7	264.2	211.5	205.6	197.5	-3.9%
Non-current assets	in EUR million	190.4	189.7	90.2	91.7	96.7	5.5%
Equity	in EUR million	175.4	176.1	157.5	116.4	108.0	-7.2%
Equity ratio	in %	66.0%	66.7%	74.5%	56.6%	54.7%	-1.9%

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Corporate Bodies

MANAGEMENT BOARD

Dr. Stella A. Ahlers
Zurich, Chairwoman

Dr. Karsten Kölsch
Herford



Dr. Stella A. Ahlers
CEO

Dr. Karsten Kölsch
CFO



Prof. Dr. Carl-Heinz Heuer
Chairman of the Supervisory Board

SUPERVISORY BOARD

Prof. Dr. Carl-Heinz Heuer

Attorney
Königstein
Chairman

Jan A. Ahlers

Businessman
Herford
Deputy Chairman

Heidrun Baumgart

Administrative assistant
Bielefeld
Employee representative

Dieter Hoppe

Technical employee
Herford
Employee representative

Andreas Kleffel

Former member of the Regional
Board of Commerzbank AG
Düsseldorf

Prof. Dr. Wilfried Schulte

Accountant, attorney, tax advisor
Krefeld

HONORARY CHAIRMAN

Dr. Ewald Hilger

Attorney
Düsseldorf

SUPERVISORY BOARD COMMITTEES

AUDIT COMMITTEE

Prof. Dr. Wilfried Schulte

Chairman

Jan A. Ahlers**Prof. Dr. Carl-Heinz Heuer**

HUMAN RESOURCES COMMITTEE

Prof. Dr. Carl-Heinz Heuer

Chairman

Jan A. Ahlers**Andreas Kleffel**

MARKETING COMMITTEE

Andreas Kleffel

Chairman

Jan A. Ahlers**Prof. Dr. Carl-Heinz Heuer**

NOMINATION COMMITTEE

Prof. Dr. Carl-Heinz Heuer

Chairman

Jan A. Ahlers**Andreas Kleffel**

Letter to the Shareholders

DEAR LADIES AND GENTLEMEN,
DEAR SHAREHOLDERS,

The past fiscal year was a year of ups and downs for Ahlers. While we had a good start to the year, driven by the overall optimism, business began to slow down when the financial crisis started in the fourth quarter. External special effects additionally had an adverse impact, such as the sharp rise in costs of the Polish production facilities due to pay rises and exchange rate effects as well as collective wage increases in Germany. As a result, EBIT before special effects declined from the previous year's EUR 0.9 million to EUR 4.9 million on sales revenues of EUR 100.5 million (+6.1 percent).

This performance is not satisfactory. But we responded to the economic crisis at an early stage and launched a cost-cutting programme to boost efficiency and tap synergies throughout the Ahlers Group already in July 2008. The compensation plans were concluded at the end of 2008 and the measures will take full effect from mid-2009. Besides tapping synergies by merging activities, the programme focuses on optimised procurement and the relocation of production and logistic processes. To further raise efficiency throughout the Company, we will reduce the number of employees in the Central Services unit and implement general cost savings. Needless to say, the launch of the programme weighed on our result in the past fiscal year, but we expect to realise cost savings that exceed the amount of the provisions this year and cost savings in a high single digit EUR million amount in the following years. We are confident that we have thus laid the foundation that will enable us to emerge from the economic crisis stronger.

Building the image of our brands and pushing ahead our vertical integration and internationalisation will be at least as important as a sound cost base. We have made good progress in these areas.

First of all, we should mention the build-up of the Baldessarini Black premium line, which stands side by side with the luxury line and is targeted at a larger market. While the first collection was developed and the sales organisation established last year, the first items were delivered to the retail sector in early 2009. As far as Pierre Cardin is concerned, we have expanded our product expertise in knitwear and shirts and strengthened the sales organisation for casual and business wear. Following last year's efforts to reposition the Otto Kern brand, the label now benefits from a fully integrated collection built around jeans and shirts as core products. The expansion of our licensing activities has resulted in the successful "Signature" fragrance, a ladies' knitwear collection as well as home textiles. The Jupiter brand will be positioned in the market as a pure-play shirts and jackets specialist.

We were able to expand our retail space significantly also in 2008. We now have 1,925 retail spaces in Germany and 445 abroad. The total number has grown by an impressive 36 percent to 2,370 retail spaces. This shows that our efforts to develop new, professional retail space concepts for our brands in the past years are paying off.

Going forward, we plan to increase the number of dedicated stores for Pierre Cardin, Baldessarini, Gin Tonic and Otto Kern, which will give each of the brands a very own identity and broaden the revenue base.

This year we are again very pleased with the good performance of the Ahlers brands in international markets. Foreign sales now account for almost 50 percent of total sales. Market shares expanded significantly both in Eastern Europe and Western Europe. Our international expansion is extremely important for organic growth, as the German and Western European markets are very competitive. We will, however, keep a close eye on the future trends in Eastern Europe, where we have achieved excellent sales growth. We also want to gain a foothold in the Near and Middle East, where Otto Kern and Baldessarini have already been introduced successfully. In the medium term, we also want to expand to Asian and American markets, primarily with Baldessarini.

Dear shareholders, the fiscal year 2008/09 will bring great challenges. We are confident, however, that our restructuring programme, our sound financial situation and not least our good market position will help us master the economical downturn. To thank you, our shareholders, for your trust and confidence over many years, we propose a dividend of EUR 0.65 per common share and of EUR 0.70 per preferred share.

My special thanks go to our employees for their support and commitment in the past fiscal year, which confronted all of us with major challenges.

Yours,
Dr. Stella A. Ahlers
CEO

Report of the Supervisory Board

DEAR LADIES AND GENTLEMEN,

In the past fiscal year 2007/08, the tasks incumbent on the Supervisory Board and its Committees under applicable laws, the company statutes, the Corporate Governance Code and the code of conduct were again performed with due care. We advised the Management Board on management aspects and supervised it in the performance of its tasks. We were directly and immediately involved in all major decisions taken by the Management Board. We received regular and comprehensive written and oral reports from the Management Board on all relevant aspects of the Company's situation, all important incidents and the strategic development of the Company. All aspects that were relevant for decision-making were discussed with the Management Board. Where this was required by law or the statutes, the Supervisory Board voted, after comprehensive review and consultation, on reports and resolution proposals submitted by the Management Board.

Besides the intensive work of the full Supervisory Board and the Committees, I was in regular contact with the Chairwoman of the Management Board in my capacity as Chairman of the Supervisory Board. In this context, I sought information on the current course of business and all important operational events and discussed them with the CEO.

Focus of the consultations

The Supervisory Board held four ordinary meetings in fiscal 2007/08. Three of the meetings were attended by all members of the Supervisory Board, while one Supervisory Board member was excused from attending one meeting for good cause.

The Management Board and the Supervisory Board anticipated the general economic crisis at an early stage and therefore began to prepare the Company for difficult times. One focus of the work of the Supervisory Board therefore was the development and implementation of a cost-cutting programme. The current business situation was discussed in detail at all Supervisory Board meetings. The meeting on December 6, 2007 focused on the budget for the fiscal year 2007/08. The status of the revised risk management system including compliance was also on the agenda. In addition, we adopted the declaration of conformity with the German Corporate Governance Code. Our meeting on March 4, 2008 focused on the discussion and approval of the 2006/07 financial statements. The Annual Shareholders' Meeting in May 2008 was also on the agenda, and we submitted our proposal for resolutions to be passed at the Annual Shareholders' Meeting. Following the relevant preparations, we also addressed the efficiency review of the Supervisory Board. The agenda for the meeting

on May 15, 2008 included the current business situation and performance as well as organisational issues. The meeting on September 16, 2008 focused on the proposed restructuring programme. The Management Board provided us with detailed information of the progress of the programme and we discussed the next steps. Other items on the agenda included the planning process for the current year and the next years as well as the upcoming audit for fiscal 2007/08.

In October 2008, the Supervisory Board decided, by written vote, a stock repurchase programme, which was launched on November 4, 2008 and ended on January 31, 2009. A second stock repurchase programme was launched on February 5, 2009 and will end on May 5, 2009.

Committee work

Four committees – the Audit Committee, the Human Resources Committee, the Marketing Committee and the Nomination Committee – were established to ensure the efficiency of the work of the Supervisory Board. The Committees discuss all important topics within their sphere of responsibility in detail and prepare the plenary Supervisory Board meetings. The Audit Committee held six meetings in the past fiscal year, most of which were held at a different time than the meetings of the full Supervisory Board. The meetings focused, among other things, on the preparations for the financial statements, the earnings and financial position of the Company and the cost-cutting programme. In the context of the preparation of the Annual Shareholders' Meeting, the Nomination Committee met to propose three suitable candidates as well as three deputy members to the Supervisory Board for the latter's election proposals to the Annual Shareholders' Meeting. The Human Resources Committee and the Marketing Committee each held one meeting in the fiscal year. All meetings were attended by all Committee members. At the plenary Supervisory Board meetings, the Chairpersons of the committees provided detailed reports on the work of the committees.

Corporate governance

Ahlers attaches great importance to good and responsible corporate governance. The Supervisory Board monitored the amendments to the corporate governance standards on an ongoing basis. In the past year, we again closely addressed the recommendations and new aspects of the Code as amended on June 6, 2008. On December 2, 2008, the Management Board and the Supervisory Board jointly issued the declaration of conformity and published it on the Company's website at www.ahlers-ag.com. In accordance with Clause 3.10 of the Code, the Supervisory Board and the Management Board report on corporate governance at Ahlers in the Corporate Governance Report on pages 37 to 42.

Audit of the financial statements

In accordance with the resolution passed by the Annual Shareholders' Meeting on May 15, 2008, the Supervisory Board entrusted Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, based in Stuttgart (Hamburg branch), with the audit of the financial statements and the management report (HGB) as well as the consolidated financial statements and the Group management report (IFRS). The statement previously obtained from the auditors on their potential financial or business relationships with Ahlers AG, gave no cause for objections. The auditors issued unqualified audit opinions for the separate and the consolidated financial statements including the two management reports.

The auditors submitted the audit reports to the Chairperson of the Audit Committee, who immediately presented them to the members of the Audit Committee and brought them to the attention of the other members of the Supervisory Board. The Audit Committee addressed the management report and separate financial statements, the Group management report and consolidated financial statements in detail and examined them closely. The documents were discussed intensively at the Audit Committee meetings on February 18 and March 3, 2009 and the Supervisory Board meeting on March 14, 2009. The auditors attended the consultations of the two Committees. They reported on the main results of the audit and were available to answer questions and provide information.

Following our own audit, we raised no objections against the separate and consolidated financial statements and the management reports and agreed to the result of the audit. The Supervisory Board has accepted the separate and consolidated financial statements of Ahlers AG. The financial statements have thus been approved. We concur with the proposal of the Management Board to use the distributable profit to pay a dividend of EUR 0.65 per common share and of EUR 0.70 per preferred share.

The auditors also reviewed the report on related party transactions and issued the following opinion:

“Based on our audit in accordance with our professional duties and judgement, we confirm that

1. the factual statements in the report are correct,
2. and that the consideration paid by the Company for the legal transactions listed in the report was not unduly high.”

The report on related party transactions and the audit report were immediately submitted to the Supervisory Board. After having reviewed this report for completeness and accuracy in the presence of the auditors, we concur with the result of their audit. Therefore no objections are raised to the declaration of the Management Board concerning the Company's relations to affiliated companies.

The Supervisory Board is not satisfied with the net income for the year. Our thanks nevertheless go to the Management Board and all employees of Ahlers AG for their great personal commitment and their work in the past year.

Herford, March 14, 2009
The Supervisory Board

Prof. Dr. Carl-Heinz Heuer
Chairman of the Supervisory Board

Management report

for fiscal 2007/08

BUSINESS AND GENERAL CONDITIONS

Fiscal 2007/08 – Highlights

- Sales increase by 6.1 percent to EUR 100.5 million
- EBIT before special effects at EUR 4.9 million
- Successful launch of restructuring programme

Basis of presentation

Ahlers AG is the parent company of the Ahlers Group, which comprises 39 independent companies. Each brand is organised in a specific company; in addition, there are wholly owned distribution subsidiaries in the major international markets as well as four production plants. In the context of the relocation of production, two plants in Poland are being liquidated and will be closed at the end of March 2009. After the plant closure in March, the Ahlers Group will operate a jeans production plant in Lubin, Poland, and another one in Sri Lanka.

Ahlers AG is not merely a holding company but has signed servicing agreements. Under these contracts, the contractual partners (the commission agents) are responsible for the procurement of all required face fabrics, findings and accessories as well as merchandise, have these materials processed on behalf of Ahlers AG and then market them in their own name but on the account of Ahlers AG; they also perform administrative and service tasks. Contracts of this kind have been signed with the following companies: Ahlers Zentralverwaltung GmbH, Herford, Baldessarini GmbH, Munich, Pionier Berufskleidung GmbH, Herford, Jupiter Bekleidung GmbH, Herford, Pioneer Jeans-Bekleidung GmbH, Herford, as well as Pionier Sportive Freizeitkleidung GmbH, Herford. In return for the above activities, these companies receive a full refund of their expenses, interest on capital as well as appropriate compensation. Controlling and profit and loss transfer agreements have been signed with the above companies.

Ahlers AG also collects domestic income from investments as well as income and expenses from the controlling and profit and loss transfer agreements.

The management team of each brand is responsible for the creative and sales operations of their respective company. Central functions such as IT, accounting, production, logistics, outlet management, marketing or international sales are based in the holding company and Ahlers Zentralverwaltung GmbH and support the individual companies with their expertise to pool synergies within the Group. The Retail division is divided into a premium group and a team that manages the jeans and sportswear brands.

In the past fiscal year, the basis of consolidation was reduced from 40 to 39 subsidiaries, as Gin Tonic Vertrieb modischer Oberbekleidung Ges.m.b.H., Austria, was merged into Ahlers Austria Vertriebs Ges.m.b.H. The aim is to reduce the number of Group companies and to eliminate limited partnership-type companies to create a simplified and homogeneous corporate structure. The merger of Ahlers P.C. GmbH & Co. KG and jac Strickmoden GmbH to form a new Ahlers P.C. GmbH has been postponed from 2008 to 2009 and will soon reduce the basis of consolidation by one more company.

Controlling system

The internal controlling system of the Ahlers Group is fully geared to supporting and securing sustainable corporate success. Once a year, before the start of the new year, the Management Board and the Managing Directors of the individual subsidiaries prepare detailed budgets for the Group and its subsidiaries and revise them twice in the course of the year. On this basis, target performance indicators such as pricing margins, sales revenues, sales growth and EBIT margins as well as the average receivables in months are determined. Inventory turnover is an important controlling parameter, especially for the Managing Directors of the brands. In the past fiscal year, a special focus was on inventories, as the slowdown in retail sales means that inventories are growing both on the retailer side and the producer side. Target, prior year and actual figures are compared each month and reported directly to the Management Board.

Key management and financial indicators

		2007/08	2006/07
Sales	in EUR million	100.5	94.7
Gross margin	in %	39.2	39.8
EBITDA*	in EUR million	5.1	1.3
EBIT*	in EUR million	4.9	0.9
EBIT margin*	in %	4.8	0.9
Profit margin	in %	1.3	1.9
Net working capital**	in EUR million	29.0	29.9
Return on investment	in %	0.6	0.9

* before special effects

** Inventories, trade receivables and trade payables

Strategic overview

The long-term growth strategy of the Ahlers Group is based on the following cornerstones:

Image-building of our brands

One of the key objectives of our strategy is to successfully build the image of our brand. In the fashion sector, the visibility and likeability of a brand play a hugely important role. This applies not only to our premium brands but increasingly also to our other brands. Each brand must represent certain values. These values have to be communicated with the help of relevant collections and a sustainable marketing effort, which helps to build and maintain the brand image.

Vertical integration

In view of ever shorter collection cycles, it is indispensable for fashion manufacturers to push ahead their vertical integration so as to be able to respond swiftly and flexibly to changes in customer demand. It is also essential for a brand to present its products in a retail outlet to display a unique brand identity. Individualised shop concepts for each of the Ahlers brands - from 6 sqm corners to shop-in-shops to stand-alone stores - help to build the image of the respective brand. Increasingly bigger and stand-alone shops and stores will contribute to the success of the brands.

Systematic internationalisation and expansion of the local sales expertise

Internationalisation also plays an important role for Ahlers. By expanding to new markets, the Company seizes growth opportunities while at the same time reducing its dependence on individual markets. At present, the Eastern European markets play a particularly important role. As the middle class and, hence, purchasing power in these markets grow, clothing manufacturers faced great opportunities, especially in the premium segment, and will again face such opportunities once the economic crisis is over. We will also target markets in the Near and Middle East, initially with our premium brands. But even in Western Europe, which is characterised by slower growth, the systematic expansion of our distribution activities will open up numerous possibilities for growth.

Ongoing improvement of procurement and logistics processes

The optimisation of procurement is an ongoing task in the clothing industry. Formerly low-cost locations may quickly become expensive, while new locations open up for production. The question of the right location is additionally being influenced by exchange rate trends. We therefore examine all locations and suppliers closely to ensure reliable, low-cost production while assuring high quality at the same time.

Capacity to make acquisitions

In the context of our growth strategy, an acquisition remains a strategic objective. We are looking for a medium-sized menswear brand in the premium segment, which we can market on an international scale and integrate into our existing production portfolio. No concrete talks have been held so far.

Cost-cutting programme

In view of the financial crisis, we launched a cost-cutting programme at an early stage to strengthen the whole Group and steer it through the economic crisis. The aim is to boost efficiency and tap synergies throughout the Group. The programme was launched in July 2008 and will be completed by mid-2009. The headcount will be reduced by approx. 800 people as a result of the programme. Once fully implemented, the programme will help the Group save a high single digit EUR million amount per year. The focal points of the programme include:

- Merging activities for efficiency gains

All Pierre Cardin activities will be concentrated at the Herford head office in future and the Kassel branch will be closed down. The internal sales forces of Jupiter and Pionier Sportive will be merged. In addition, there will be a product-oriented central procurement organisation for all brands; for this purpose, the procurement processes will be concentrated at Herford-Elverdissen.

- Relocation of production and logistic processes for optimised procurement

In view of the rising costs at our Polish locations, we will close two of our suit and shirt production plants by the end of March 2009. The capacity of our Polish jeans plant will be scaled down. At the same time, we will expand our production capacity for jeans in Sri Lanka, where costs are low. Other parts of production will also be relocated to Asia. The logistics organisation for Jupiter shirts will be eliminated and sourced out to convert fixed costs into sales-dependent costs.

- Discontinuation of non-strategic activities and concentration on Jupiter's core competencies, i.e. shirts and jackets

- Staff reductions in the Central Services unit and general cost savings

Research and development

Every season, new collections are created for the individual brands in a target-oriented and customer-focused manner. In addition, Ahlers uses its long-standing expertise to develop advanced materials based on new technologies. This includes, for instance, enhanced wearing comfort, improved dirt resistance or new washes for jeans.

Economic and industry-specific trends

After a positive start to the year, the world economy has been in a downturn since the outbreak of the financial crisis in the second half of 2008. According to the German Institute for the World Economy (IfW), GDP grew by 3.6 percent, which means that the world economy grew at a much slower pace than in the previous years (2007: 5.1 percent). In the industrialised countries, economic activity slowed down markedly in the course of the year following a sharp rise in output at the beginning of 2008. In the emerging markets, the upswing also came to a standstill or slowed down noticeably in the course of last year as a result of shrinking demand and the unfavourable financial market environment. Many Eastern European countries are in a difficult situation due to high government debt, lower commodity prices and diminishing demand. Even though GDP growth in Ahlers' key target markets such as Russia (6.8 percent according to the IfW) and Poland (5.4 percent according to Eurostat) still appears quite strong, economic growth has slowed down significantly compared to the previous years. Commerzbank experts project total GDP growth of 4.2 percent for Central and Eastern Europe for 2008. The euro-zone has been in a recession since the second half of 2008. The joint project of the ifo-Institut, INSEE and ISAE projects GDP growth of 1.0 percent for the full year 2008 but this is exclusively attributable to the positive first half-year. Private consumption in the euro-zone, which increased by 0.3 percent in 2008 as a whole, had already fallen below the previous year's level in the fourth quarter of 2008.

The German economy more or less followed the euro-zone trend, with GDP growing by 1.3 percent (Federal Statistical Office), which was a much lower rate than in the previous years. Growth was exclusively stimulated by domestic activity in the form of gross investments. Private consumption stagnated, however, as the cost of living went up.

The exchange rate trend of the Polish zloty plays an important role for the Group, which maintains production facilities in Poland. The past fiscal year saw strong fluctuations in the exchange rate. Between the beginning of the fiscal year in December 2007 and the end of July 2008, the Polish currency gained up to 12.9 percent. In the wake of the financial crisis, the zloty lost in value – first slowly, then increasingly faster – by 15.1 percent between early August and the end of the fiscal year. The weak US dollar was positive for Ahlers as it reduced purchase costs. The strengthening of the greenback towards the end of the year had no effect on the fiscal year's results, as the low exchange rates are fixed until spring 2009 under the currency hedges.

2007/08 was a mixed year also for the fashion industry. Sheer optimism prevailed in the second half of 2007, leading to a strong increase in German clothing manufacturers' incoming orders for the 2008 summer season. At the beginning of 2008, however, rising energy and food prices sent retail sales falling, and this trend accelerated when the financial crisis started in autumn 2008. While incoming orders were still clearly above the previous year's level up to the summer season, incoming orders for the second half of the year were much lower.

Retailers' orders for the first half of the year had been placed in anticipation of growing sales; as retail sales declined, this led to huge excess inventories. As a result, manufacturers' follow-up business declined, leading to excess inventories also at the producer level. At the same time, the situation in the main export markets has deteriorated as a result of the economic crisis.

EARNINGS, FINANCIAL AND NET WORTH POSITION

Sales up by 6.1 percent

Sales revenues of Ahlers AG increased by 6.1 percent in 2007/08. The Company generated total sales of EUR 100.5 million, compared to EUR 94.7 million in the previous year. The export share increased by 2.5 percent to 33.6 percent in the fiscal year.

Earnings performance strongly influenced by special effects

Earnings position

	2007/08 in EUR million	2006/07 in EUR million	Change in %
Sales	100.5	94.7	6.1
Gross profit	39.4	37.7	4.5
in % of sales	39.2	39.8	-
Personnel expenses	-2.3	-2.5	-8.0
Balance of other expenses/income*	-32.0	-33.9	-5.6
EBITDA*	5.1	1.3	-
Depreciation and amortisation	-0.2	-0.4	-
EBIT*	4.9	0.9	-
Special effects	-3.2	0.6	-
EBIT after special effects	1.7	1.5	13.3
Net interest expense	-0.6	0.2	-
Income taxes	0.2	0.1	-
Net income	1.3	1.8	-27.8

* before special effects

Ahlers AG achieved a positive sales and earnings performance before special effects in the past fiscal year. Adjusted for non-recurrent and off-period effects, Ahlers AG's EBIT surged in the first half of 2007/08 due to strong sales growth, a slower rise in costs and the weak US dollar, which reduced purchasing expenses. Sales growth slowed down noticeably in the second half of the year, especially the last three months, and the gross profit margin was affected by price pressure and inventory valuations, while costs continued to rise as a result of pay rises in Poland and Germany. Ahlers AG's gross profit rose to EUR 39.4 million in fiscal 2007/2008 (previous year: EUR 37.7 million); at 4.5 percent, the increase was lower than the sales growth. Accordingly, the gross profit margin declined from 39.8 percent to 39.2 percent. The fact that gross profit rose at a lower rate than sales is attributable to higher write-downs of inventories as well as to lower margins resulting from price concessions at the end of the seasons. These measures helped to reduce inventories to EUR 1.8 million at year-end, though.

Personnel expenses decreased to EUR 2.3 million (previous year: EUR 2.5 million). Other operating income and expenses primarily include expenses incurred under servicing agreements as well as results from investments and profit and loss transfer agreements. This item declined from EUR 33.9 million to EUR 32.0 million, as the prior-year figure was affected by foreign exchange transactions and the loss from the Baldessarini merger. At the bottom line, EBIT before special effects increased from EUR 0.9 million to EUR 4.9 million.

Special effects in fiscal 2007/08 totalled EUR -3.2 million and mainly comprised provisions for severance payments and severance payments made under the cost-cutting programme. In 2006/07, by contrast, positive special effects in an amount of EUR 0.6 million occurred, which mainly comprised the release of provisions for Management Board and Supervisory Board bonuses.

The financial result sank from EUR 0.2 million in the previous year to EUR -0.6 million. The shift of the liquidity reserve from low-risk to risk-free investments after the start of the financial crisis had an adverse effect in the fiscal year. By contrast, interest income after the sale of Eterna and before the special dividend payout had a positive effect on the financial result in the previous year. The previous year's tax income of EUR 0.1 million rose to EUR 0.2 million in fiscal 2007/08 as a result of capital income and withholding taxes.

At EUR 1.3 million, net income for the year was slightly below the previous year's EUR 1.8 million.

Net worth position

Balance sheet structure

Assets	Nov. 30, 2008		Nov. 30, 2007	
	KEUR	%	KEUR	%
Intangible assets and property, plant, and equipment	537	0.3	1,092	0.5
Financial assets	96,131	48.7	90,578	44.1
Non-current assets	96,668	49.0	91,670	44.6
Inventories	22,331	11.3	24,115	11.7
Trade receivables	10,114	5.1	10,406	5.1
Other receivables and other assets	22,284	11.3	29,720	14.4
Liquid funds and securities	46,077	23.3	49,772	24.2
Current assets	100,806	51.0	114,013	55.4
Prepayments and accrued income	20	0.0	11	0.0
Total assets	197,494	100.0	205,694	100.0
Equity and liabilities	Nov. 30, 2008		Nov. 30, 2007	
	KEUR	%	KEUR	%
Equity	107,980	54.7	116,399	56.6
Pension provisions	600	0.3	627	0.3
Non-current liabilities	15,469	7.8	15,949	7.8
Other provisions	2,621	1.3	4,503	2.2
Other liabilities and accruals and deferred income	70,824	35.9	68,216	33.1
Debt capital	89,514	45.3	89,295	43.4
Total equity and liabilities	197,494	100.0	205,694	100.0

Equity ratio of 55 percent underlines sound balance sheet structure

As of November 30, 2008, the balance sheet of Ahlers AG had a very sound structure as evidenced by total assets of EUR 197.5 million (previous year: EUR 205.7 million) and an equity ratio of 54.7 percent (previous year: 56.6 percent). As at the balance sheet date, current bank liabilities were only EUR 0.5 million higher than liquid funds and securities.

On the assets side, non-current assets increased by 5.5 percent to EUR 96.7 million (previous year: EUR 91.7 million). An amount of EUR 0.2 million was invested in office and warehouse equipment while EUR 0.6 million was invested in works of art. As of year-end, the Company's pieces of art had a total value of EUR 18.2 million. The works of art in the Ahlers Collection, which are of world class quality, are measured and recognised at cost. The collection primarily comprises works by famous expressionists such as Alexej von Jawlensky and Emil Nolde as well as contemporary artists with a focus on Yves Klein. The investment in "Ahlers Poland" Spolka z o.o., Opole, Poland, was increased by EUR 10.0 million. In return, long-term loans to the company were reduced by EUR 5.0 million.

Inventories declined by EUR 1.8 million to EUR 22.3 million (previous year: EUR 24.1 million) in spite of the increase in sales. The drop in cash and cash equivalents from EUR 49.8 million to EUR 46.1 million is mainly attributable to dividend payments in an amount of EUR 9.7 million. This item also includes a liquidity reserve of EUR 45 million, which is maintained by the Company as a time deposit investment to facilitate an acquisition; it is refinanced in a similar amount.

On the liabilities side, equity capital declined from EUR 116.4 million to EUR 108.0 million. This was mainly due to the dividend payment in an amount of EUR 9.7 million. The AG's net income for the year contributed EUR 1.3 million to equity.

Non-current liabilities declined by 3.1 percent to EUR 16.1 million (previous year: EUR 16.6 million) as a result of scheduled repayments. Other provisions declined by 41.8 percent to EUR 2.6 million (previous year: EUR 4.5 million), mainly due to the strong reduction in provisions for bonuses and the non-recurrence of the previous year's provisions for forward exchange contracts. Other liabilities and accruals and deferred income rose by a moderate EUR 2.6 million to EUR 70.8 million, primarily as a result of the increase in liabilities to banks to counter-finance the cash reserve for possible acquisitions. Debt capital in the AG's balance sheet totalled EUR 89.5 million. This results in a low debt to equity ratio of 82.9 percent, which underlines the sound capital structure of Ahlers AG.

Financial position

Free cash flow

in EUR million	2007/08	2006/07
Net income for the year	1.3	1.8
Depreciation and amortisation	0.2	0.4
Change in working capital	0.8	-6.0
Change in other non-current and current assets	7.4	-2.5
Change in current provisions	-1.9	-0.7
Change in non-current provisions and other liabilities	-4.0	-0.7
Cash flow from operating activities	3.9	-7.8
Net payments on property, plant and equipment as well as intangible assets	-5.2	-1.9
Free cash flow before financing activity	-1.4	-9.6
Repayment of non-current financial liabilities	-0.5	-0.5
Dividend payments	-9.7	-42.8
Free cash flow	-11.5	-52.9
Liquid funds as of November 30 *	-0.5	11.1

* Cash and cash equivalents and other securities less current financial liabilities

The AG's financial position remains good despite the slightly lower result. Free cash flow before financing activity rose from EUR -9.6 million in the previous year to EUR -1.4 million in fiscal 2007/08. Net working capital (inventories, trade receivables and liabilities) declined by EUR 0.9 million following last year's strong increase by EUR 6.0 million. Additional cash was released due to the reduction in other assets, mainly due to tax refunds in an amount of EUR 4.4 million. Accordingly, cash flow from current operations improved from EUR -7.8 million to a positive EUR 3.9 million.

Financial figures

		2007/08	2006/07
Equity ratio	in %	54.7	56.6
Debt ratio	in %	82.9	76.7
Interest coverage ratio*	in %	91.4	23.1
Return on equity	in %	1.2	1.6
Investment in property, plant and equipment and intangible assets	in EUR million	0.2	0.4
Total assets	in EUR million	197.5	205.7

* before special effects

RISK REPORT

Every business activity inevitably entails risks and opportunities. The international activities of Ahlers constantly challenge the Company to weigh up these risks and opportunities. Seizing opportunities that arise while at the same time analysing the existing risks and mitigating them using appropriate measures are integral elements of our business activity. Apart from our security-oriented strategy, it is primarily our Group-wide risk management system that helps us minimise risks, thus protecting and preserving the value of our Company in the long term.

For this purpose, all relevant risk areas are identified and classified. The “central risks” relate to the Group as a whole and are therefore monitored across the Group. By contrast, the “divisional risks” refer only to individual divisions and the foreign subsidiaries. Indicators that show the size of the risk have been defined for each relevant risk. All managers monitoring “their” risks must report on it once a month and announce all major risk figures as well as any deviations from the target. The effectiveness of the risk management system is regularly reviewed by the Internal Audit Department, the Supervisory Board and the auditors in accordance with legal requirements and adjusted whenever necessary.

Ahlers’ central risks comprise:

- IT functionality
- Insurance against fire and business disruptions
- Receivables management and receivables insurance
- Trademark procedures, licensing rights and court proceedings
- Securing liquidity
- Protection against payment fluctuations
- Procurement risks
- Profitability of the divisions

IT risks result from the growing trend towards networking our systems with those of our business partners in the context of the internationalisation of the output and procurement markets as well as the growing number of partnership-based business models established as part of the vertical integration process. These risks include the breakdown of computer systems and networks, unauthorised data access and the misuse of data. In particular, extended computer failures would lead to major disruptions. Competent internal and external experts as well as various technical security instruments are therefore used to constantly protect and optimise Ahlers' IT systems. These measures are supported by regular investments in hardware and software, virus scanners, firewall systems and access controls. The security of Ahlers AG's IT infrastructure is not least reflected in the "Trusted Site Infrastructure" seal awarded by the German TÜV.

Risks such as business disruptions, loss of goods as well as claims for damages are covered by appropriate insurance, which is regularly checked for completeness in cooperation with a broker and an independent auditor. In the past fiscal year, new insurance was taken out for product recalls.

Bad debt risks are mitigated through strict examination of creditworthiness and insurance against bad debts. Credit limits for uninsured receivables outstanding are decided by the Management Board and reviewed whenever necessary or after six months at the latest. Thanks to this policy no major defaults have occurred so far. The growing internationalisation and the financial crisis have led to a moderate increase in receivables for which it is difficult to take out insurance, but these outstandings are monitored and analysed on an ongoing basis.

License risks may result from the termination of license agreements or the transfer of trademark rights to third parties. To minimise these risks, agreements are renewed for long terms. In addition, we constantly monitor the national and international registration of our trademarks.

Legal risks that arise from court or similar proceedings and may have an adverse impact on the earnings position of the Group cannot be identified at present. Warranty claims under product liability laws are covered by insurance and have been negligible so far.

Liquidity risks are mitigated by sufficient credit lines covering seasonal and unexpected cash needs. Regular communication with the lending banks as well as sufficiently long terms ensure that credit lines are available at all times. However, the liquidity risk has increased as a result of the financial crisis. At year-end 2008, Ahlers AG's cash position was almost balanced.

At Ahlers, the **risk of payment fluctuations** primarily relates to exchange rate risks, especially of the US dollar, in the procurement of goods. In contrast, the payment flows of the original business can be planned reliably throughout the season. The cash flow is mainly determined by profitability and net working capital. Exchange rates are hedged season after season in accordance with a guideline agreed with the Supervisory Board. According to this guideline, certain volumes are hedged at certain times on the basis of a demand plan. Regular risk reports show the cover provided by these financial instruments.

The **procurement risk** is a permanent challenge for the clothing industry, which is constantly challenged to reconcile the conflicting demands of cost-efficiency and reliability. The Company may be put at risk both by production standstills and by hasty switches to untested suppliers or factories. Ahlers minimises these risks through the careful and timely identification of competent suppliers as well as regular quality controls. Changes in procurement prices are monitored and analysed on an ongoing basis. Any relocation of production is accompanied by quality controls and volumes are increased gradually based on positive experience.

With a view to mitigating the **risk of declining profitability in the divisions**, Ahlers constantly monitors all relevant key figures of the brands including the pricing margins and gross profit margins. As soon as signs of declining profitability are detected, a situational analysis is conducted with the respective divisional manager and measures are planned to mitigate the risk at an early stage.

The divisional risks of the Ahlers Group fall into the following categories:

- Customer dependence
- Inventories
- Success of collections

The **customer dependence risk** mainly results from the fact that large chain stores and brand stores will put traditional specialist retailers under increasing pressure in the medium term. As a result, large customers account for a growing percentage of sales. This trend benefits larger suppliers that can provide retailers with professional service and deliver high-quality products. Ahlers regularly communicates with its customers at all levels to identify market needs and problems at an early stage. The growing internationalisation of the Group as well as vertical partnerships and the launch of our own retail activities lessen our dependence on individual customers. The Group's reporting system ensures ongoing and timely monitoring of delivery ratios, punctual deliveries, orders on hand and sales revenues.

Managing the **inventory risk** is of major importance in the fashion industry. On the one hand, high product availability is the key to successful cooperation with retailers; on the other hand, any excess products must be sold by the end of the season to ease the Company's liquidity position. Ahlers mitigates this risk through regular inventory checks and systematic planning and selling principles which help control these inventories.

The **collection risk** occurs in the clothing industry in every new season, as collections may fail to meet market expectations and sales revenues may decline as a result. This risk is mitigated by the product diversity and the high consumer awareness of the Ahlers brands. Early reports on pre-sales and monthly reports from the divisions about the market situation keep the Management Board informed about the market strength of our products. Growing vertical integration, i.e. the incorporation of sell-through information from retailers or our own stores, clearly helps us to create products that sell successfully.

With regard to the **overall risk situation**, we can say that the risk situation of the Ahlers Group did not change materially in fiscal 2007/08 as compared to the previous year. From today's point of view, we can identify no individual or combined risks that could jeopardise the continued existence of the Group. Nevertheless, the coming months will see us face major challenges in managing customer relations, inventories and receivables.

TAKEOVER-RELATED INFORMATION AND EXPLANATIONS PURSUANT TO SECTION 289 PARA. 4 OF THE GERMAN COMMERCIAL CODE (HGB)

Subscribed capital and voting right restrictions

The share capital of Ahlers AG amounts to EUR 43,200,000.00 and is divided into 8,000,000 common shares (55.6 percent) and 6,400,000 preferred shares (44.4 percent), each of which represents EUR 3.00 of the share capital. Pursuant to section 22 of the statutes, each common share represents one vote. According to section 5 para. 1 of the statutes, the preferred shares are non-voting shares. The shareholders exercise their rights, including their voting rights, at the Annual Shareholders' Meeting.

Control of voting rights

The Management Board is not aware of any voting right control in case that employees hold a share in the capital of Ahlers AG and do not exercise their controlling rights directly. 500 common shares are registered shares with transfer restrictions, which confer a right to nominate a Supervisory Board member. These shares are held by Westfälisches Textilwerk Adolf Ahlers KG. The remaining 14,399,500 shares are bearer shares.

Capital investments

As of November 30, 2008, the Deputy Chairman of the Supervisory Board of the Ahlers Group, Mr. Jan A. Ahlers, directly and indirectly held 51.9 percent (7,467,741 shares) of the share capital of Ahlers AG through Westfälisches Textilwerk Adolf Ahlers KG as well as through WTW-Beteiligungsgesellschaft mbH. He held 75.9 percent of the common shares (6,074,572 shares) and 21.8 percent of the preferred shares (1,393,169 shares). Accordingly, the free float – excluding own shares – was 24.0 percent for the common shares and 77.6 percent for the preferred shares as of the end of the year.

Appointment and dismissal of Management Board members

According to section 8 of the statutes, the Management Board of Ahlers AG consists of at least one member. The number of members is determined by the Supervisory Board, which may appoint a Chairperson or Spokesperson as well as a Vice Chairperson or Vice Spokesperson of the Management Board. Vice members of the Management Board may also be appointed.

Amendments to the statutes

In accordance with section 179 et seq. of the German Stock Corporation Act (AktG), amendments to the statutes may be decided by at least three quarters of the share capital represented at the time the resolution is passed. The Annual Shareholders' Meeting has authorised the Supervisory Board to autonomously make amendments to the statutes to the extent that such amendments merely relate to the wording (section 27 of the statutes).

Powers of the Management Board relating to the issue and repurchase of shares

The Management Board is authorised to increase, subject to the approval of the Supervisory Board, the Company's share capital by up to EUR 21,600,000.00 (authorised capital) by issuing new common bearer shares and/or non-voting preferred shares against cash or non-cash contributions once or several times. This authorisation will expire on April 30, 2013. The shareholders must be granted a subscription right. The shares may also be acquired by one or several banks designated by the Management Board, which are obliged to offer them to the shareholders (indirect subscription right). The Management Board is authorised to exclude the subscription right with the consent of the Supervisory Board.

The Management Board is also authorised, until October 30, 2009, to acquire own shares representing up to 10 percent of the share capital as of the time the resolution was passed. At no time may the repurchased shares, together with other own shares held by the Company or counted towards it pursuant to section 71 a et seq. of the German Stock Corporation Act (AktG), represent more than 10 percent of the share capital. In early November 2008, the Management Board decided to take advantage of this authorisation and began to repurchase own shares. This programme ended on January 31, 2009. As of the end of the fiscal year, Ahlers AG had repurchased a total of 44,050 shares, thereof 37,850 preferred shares and 6,200 common shares. In addition, the Company was entitled to 1,000 preferred shares and 300 common shares from purchases settled by the responsible bank but not accounted for as of the balance sheet date. Starting February 5, 2009, a second repurchase programme was launched, which will end on May 5, 2009.

Material agreements subject to a change of control

No material agreements that are subject to a change of control exist. Ahlers AG has not signed any compensation agreements with the members of the Management Board or other employees that would apply in case of a takeover bid.

COMPENSATION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

For information on the compensation of the Management Board and the Supervisory Board and the compensation scheme, please refer to the "Compensation Report" in the chapter entitled "Corporate Governance Report", which forms part of the management report.

POST BALANCE-SHEET EVENTS

No operational or structural changes or incidents that require reporting occurred at Ahlers AG after the balance sheet date.

FORECAST REPORT

Outlook for the macro economy

In spite of governments' and central banks' efforts to fight the recession with the help of economic stimulus programmes and zero interest policies, the world economy will shrink in 2009 and pick up only hesitantly thereafter, according to the IfW in January 2009. The latter projected an 0.4 percent increase in global output for 2009. The industrialised countries will be hit particularly hard by the downturn. The IfW expects industrial output to decline both in the USA and in Europe; GDP in the industrialised nations is projected to contract by 1.8 percent. Corporate sentiment in the euro-zone is subdued in view of flagging orders and stricter lending conditions. Consumer sentiment in the euro-zone also continued to deteriorate. Affected by fears of job losses and uncertainty about the future, private consumption is likely to decline. The IfW expects euro-zone GDP to fall by 2.7 percent in 2009. The outlook in the emerging markets has also deteriorated notably. The collapse in the industrialised countries has led to a sharp slump in exports, with financing possibilities deteriorating at the same time. Accordingly, Commerzbank experts expect GDP in Central and Eastern Europe to grow at a much lower rate of 2.0 percent. Russia and Poland, two of Ahlers' key markets, are expected to expand by 1.5 percent (IfW) and 3.8 percent (Eurostat), respectively.

The German economy, which had benefited especially from the strong global upswing, has now been hit hard by the consequences of the financial crisis. Aggregate output will contract sharply and GDP will shrink by 2.2 percent this year. In spite of rising average real incomes, private consumption will probably rise only little; the ifo-Institut expects consumer spending to increase by a moderate 0.6 percent. There is disagreement about the duration of the crisis. While some experts assume that the economy will bottom out in mid-2009, others expect the recession to last until mid-2010.

Subdued industry outlook

Leading German retailers expect sales to drop by 5 percent this year, whereas trade magazine *Textilwirtschaft* claims that the German fashion retail sector as a whole projects sales to fall by about 1 percent. The Western European markets will also see a downward trend in sales. A more differentiated look needs to be taken at the Eastern European markets. Countries with sound government budgets and several base industries will see a much better performance of the fashion market than highly indebted countries with a focus on one or only a few industries or commodities. Generally, the risk of a credit crunch for the retail sector exists everywhere. Some large customers will emerge stronger from the crisis than they went into it, while weaker retailers will probably get in trouble. Textile manufacturers will probably find some relief on the procurement side due to lower demand. This will offset the influence of the stronger US dollar. Competitive pressure will grow temporarily as the market shrinks, but this pressure is likely to subside in the medium term as some manufacturers give up. This will enable Ahlers to win market share. As far as the expansion of the Retail activities is concerned, Ahlers will benefit from softening rents for retail outlets.

This will open up great opportunities for the expansion of our own brand stores, which we had delayed deliberately in view of last year's very high rents.

Overall, we expect the high price premium segment of the menswear market to suffer from consumers' heightened price consciousness. This should benefit Ahlers' medium price premium products. At the lower end of the market, the trend towards no-name products will continue.

Pre-order figures for spring 2009

The premium segment again saw incoming orders for the first half-year rise sharply, with all three brands in this segment recording growth. This trend in a difficult market environment vindicates our strategy to focus increasingly on the premium segment. The Baldessarini Black premium line will be firmly established in the market in the current year. The aim is to add outlets steadily, win additional key accounts and expand our international distribution activities. We also expect to sign additional licensing agreements, with agreements for eyewear and jewellery signed already at the beginning of 2009. In the context of the restructuring programme, the Pierre Cardin activities will be concentrated in Herford, while the branch in Kassel will be closed. The Retail segment will be expanded further in the new year, with plans for a new Pierre Cardin Store in Germany. We will continue our efforts to establish Otto Kern in the market on the basis of the newly established sales organisation.

The jeans & workwear segment reported stable incoming orders for the spring/summer season.

Pre-orders for the two men's & sportswear brands were below the previous year's level. Sales will probably continue to fall in the year as a whole. Substantial cost savings will be achieved for the Jupiter brand as a result of the restructuring programme. As far as Gin Tonic is concerned, the processes will consistently be geared to the Retail sector. Moreover, the Retail activities and five stores of the Swiss distributor acquired in December 2008 will be integrated.

Sales and earnings performance

The highly uncertain outlook for the economy makes it virtually impossible to issue reliable sales and earnings projections for the current fiscal year. The unknown effects of the Western European economic stimulus programmes and the uncertain outlook for the Eastern European countries play an important role for Ahlers. Earnings are generally highly dependent on unimpeded product availability, customers' creditworthiness and realisable sales revenues. We have developed different forecast scenarios based on different assumptions. In the first, more optimistic scenario, we expect a slower but largely trouble-free performance. The preconditions for this include normal deliverability of customer orders, no major bankruptcies and a consistent, if slightly softening, sales trend throughout Eastern Europe. In such a scenario, sales should reach the previous year's level, while net income for the year should be in the high single digit million range as a result of the savings achieved under the cost-cutting programme. The second, more pessimistic scenario assumes that

sales are adversely affected by order cancellations, delayed customer payments, bankruptcies and economic problems in some countries. In such a scenario, we would have much higher earnings reserves thanks to the cost savings and the non-recurrence of provisions for severance payments and could thus withstand a sharp drop in sales without incurring a loss. We must aim, however, to close the year 2009 with a clearly positive result. New measures may have to be considered if the economic situation deteriorates significantly.

Generally, operating and personnel expenses will come down due to the cost-cutting programme. No further expenses will be incurred in the current fiscal year to implement the programme, which will be completed by mid-2009 and result in long-term savings in a high single digit EUR million amount. In fiscal 2008/09, savings will not reach this level, though.

Capital expenditure will decline moderately in 2009. Generally, the Company will aim to keep receivables and inventories as low as possible to minimise the risk.

Long-term projections are currently almost impossible to make as the economic outlook remains uncertain. From today's point of view, after-effects of the economic crisis such as increased unemployment will continue to weigh on consumer spending in 2010. We expect, however, to emerge from the crisis stronger than before thanks to our cost-cutting programme. We will aggressively exploit opportunities that arise, e.g. softening rents for retail outlets or the exit of competitors, to win market share and push ahead our vertical integration. We therefore hope for continued growth, especially for our Pierre Cardin, Otto Kern and Baldessarini premium brands.

FORWARD-LOOKING STATEMENTS

We would like to point out that in the case of forward-looking statements, actual events may differ considerably from the anticipated developments, should one of the uncertainties, whether mentioned or not, materialise or should the assumptions on which the statements are based prove to be inaccurate.

Related Party Disclosures

Westfälisches Textilwerk Adolf Ahlers KG, Herford, and WTW-Beteiligungsgesellschaft mbH, Herford, a wholly-owned subsidiary, jointly hold the majority of shares in Ahlers AG. The related party disclosures required under section 312 of the German Stock Corporation Act (AktG) were submitted to the Supervisory Board. The report closes with the following declaration by the Management Board:

“The Company has received appropriate compensation in respect of all legal transactions as deemed appropriate under the circumstances known to us at the time these legal transactions were effected. No measures were undertaken or not undertaken that were instigated by a controlling company or an affiliated company or undertaken or not undertaken on its behalf.”

The Share

The stock market year 2007/08

In the fiscal year 2007/08, the global financial crisis clearly left its mark on the international capital markets. The subprime crisis made itself felt at the beginning of the fiscal year already. Accordingly, the DAX and the SDAX reached their annual highs as early as December 2007. When the first banks collapsed in September 2008, investors increasingly lost confidence, which, in conjunction with liquidity bottlenecks, led to severe turmoil in the international financial markets. The marked deterioration in the global economic environment also left its mark on share prices. A look at the indices shows a negative performance throughout the year. The DAX lost approx. 40 percent, while the SDAX was approx. 52 percent below the previous year's level at the end of the fiscal year (November 30, 2008).

Ahlers share performance

The Ahlers shares did not remain unaffected by the negative environment. The common and preferred shares opened the year at EUR 11.60 and EUR 11.88 on December 1, 2007, respectively, and reached their highs in December 2007 at EUR 12.41 (common share) and EUR 12.18 (preferred share). In the further course of the year, the Ahlers shares followed the general capital market trend. After the Annual Shareholders' Meeting on May 15, 2008 and the subsequent dividend payout of EUR 0.65 per common share and EUR 0.70 per preference share, the share suffered a particularly strong loss. The shares closed the fiscal year 2007/08 at EUR 7.00 (common share) and EUR 5.99 (preferred share). Notwithstanding the drop in the share price, the shares outperformed the SDAX benchmark index. The market capitalisation declined from EUR 170.8 million to EUR 94.3 million, which was below the balance sheet equity of EUR 108.0 million.

Consistent dividend policy

Ahlers AG will maintain its consistent dividend policy in future and aim for a good dividend yield of its shares. The Management Board and the Supervisory Board will therefore propose to the Annual Shareholders' Meeting to pay out a dividend of EUR 0.65 per common share and of EUR 0.70 per preferred share. Based on the closing price of November 30, 2008, this would represent a dividend yield of 9.3 percent for the common share and of 11.7 percent for the preferred share.

Investor relations

Our investor relations activities continued to intensify our open-minded and trusting dialogue with all capital market players in fiscal 2007/08. The Management Board explained the performance and the strategy of the Company to institutional investors at two analysts' conferences and the German Equity Forum as well as in numerous one-on-one meetings. Ahlers AG also attaches great importance to its relations with private investors. The Annual Shareholders' Meeting on May 15, 2008, which was attended by more than 300 shareholders, again provided the opportunity for an intensive exchange of information. Information and documents on Ahlers AG are available to shareholders and the general public in the "Investor Relations" section of the Company's website (www.ahlers-ag.com). We will continue our investor relations activities and stay in touch with our shareholders also in 2009.

Basic information

The 14,400,000 no-par shares of Ahlers AG are divided into 8,000,000 common shares and 6,400,000 preferred shares. The common shares include 500 registered shares with transfer restrictions, which confer the right to appoint a Supervisory Board member. The remaining 14,399,500 shares are no-par bearer shares. At EUR 43.2 million, the share capital remained unchanged from the previous year.

Basic information Ahlers shares

		2007/08	2006/07
Total number of shares	item	14,400,000	14,400,000
thereof common shares	item	8,000,000	8,000,000
thereof preferred shares	item	6,400,000	6,400,000
Share price (Nov. 30)			
Common shares	in EUR	7.00	11.84
Preferred shares	in EUR	5.99	11.88
Share price			
Common shares			
High	in EUR	12.41	19.19
Low	in EUR	6.50	10.90
Preferred shares			
High	in EUR	12.18	19.00
Low	in EUR	5.13	10.31
Market capitalisation (Nov. 30)	in EUR million	94.3	170.8
Earnings per share*	in EUR	0.00	0.67
Price/earnings ratio* (Nov. 30)			
Common shares		-	17.67
Preferred shares		-	17.73
Dividend amount	in EUR million	9.68	9.68
Dividend			
Common shares	EUR per share	0.65	0.65
Preferred shares	EUR per share	0.70	0.70
Dividend yield (Nov. 30)			
Common shares	in %	9.3	5.5
Preferred shares	in %	11.7	5.9

* based on consolidated net income

Share type: No-par shares

	Security Code Number (WKN)	International Securities Identification Number (ISIN)
Common shares	500970	DE0005009708
Preferred shares	500973	DE0005009732

Shareholder structure

The shareholder structure of Ahlers AG changed slightly as compared to the previous year. WTW-Beteiligungsgesellschaft mbH increased its share moderately and now holds 75.6 percent of the common shares, while Westfälisches Textilwerk Adolf Ahlers KG continues to hold 0.3 percent. 24.0 percent of the common shares – excl. own shares – are in free float. The preferred shares previously held by Westfälisches Textilwerk Adolf Ahlers KG were transferred to WTW-Beteiligungsgesellschaft mbH, which now holds 21.7 percent of the preferred shares, with 0.1 percent counted towards Westfälisches Textilwerk Adolf Ahlers KG. The free float for the preferred shares – excl. own shares – is 77.6 percent.

On November 4, 2008, Ahlers AG began to repurchase own shares. The buyback programme comprised common and preferred shares and ended on January 31, 2009. It was continued starting February 5, 2009 and will end on May 5, 2009. The purpose of both programmes is to show that management considers the shares to be undervalued. No decision has been taken yet as to the use of the repurchased shares. As of the end of the fiscal year 2007/08 (November 30, 2008), Ahlers AG had repurchased a total of 44,050 shares, thereof 37,850 preferred shares and 6,200 common shares. In addition, the Company was entitled to 1,000 preferred shares and 300 common shares from purchases settled by the responsible bank but not accounted for as of the balance sheet date.

Corporate Governance Report

In recent years, the German Corporate Governance Code has become an integral element of the corporate culture of Germany's listed companies. Ahlers AG welcomes the recommendations of the Code and bases all its activities on the principles of transparent and responsible corporate governance. The Company complies with most of the provisions of the Code as last amended on June 6, 2008. Deviations from the recommendations result exclusively from the size, structure and specific aspects of the company. The Management Board and the Supervisory Board jointly issued the declaration of conformity on December 2, 2008 and published a supplement to the declaration on February 18, 2009.

Shareholders and Annual Shareholders' Meeting

The Annual Shareholders' Meeting is the central organ of Ahlers AG, which allows shareholders to exercise their rights, including their voting rights. Ahlers AG has both common and preferred shares. Unlike the common shares, the preferred shares are non-voting shares. Each common share carries one voting right at the Annual Shareholders' Meeting. To make it easier for all shareholders to represent their interests at the Annual Shareholders' Meeting, the Management Board appoints representatives to whom the shareholders may transfer their voting rights. It is guaranteed that these representatives can be reached throughout the Annual Shareholders' Meeting. The agenda and all relevant documents are made available to the shareholders on the Company's website at www.ahlers-ag.com prior to the Meeting.

Cooperation between Management Board and Supervisory Board

The Management Board and the Supervisory Board of Ahlers AG cooperate closely. The Management Board informs the Supervisory Board regularly, without delay and comprehensively, of all issues important to Ahlers with regard to planning, business performance, risk situation, risk management and compliance. The Management Board coordinates the Company's strategic approach with the Supervisory Board. The two bodies regularly exchange information about the Company also outside the Supervisory Board meetings. This information allows the Supervisory Board to provide the Management Board with relevant advice and recommendations. The cooperation is characterised by openness and trust. All Supervisory Board meetings were attended by the Management Board, although the Supervisory Board may meet without the Management Board if required.

The Management Board continues to be composed of two members and its composition remained unchanged. Dr. Stella A. Ahlers chairs the Management Board and is in charge of Trademarks, Sales and Marketing, while CFO Dr. Karsten Kölsch is responsible for Finance, Production, Logistics and Human Resources. The members of the Management Board are exclusively committed to the interests of Ahlers AG. Potential conflicts of interest must immediately be reported to the Supervisory Board. In fiscal 2007/08 this was not the case.

The composition of the Supervisory Board, which consists of six members, also remained unchanged. Prof. Dr. Carl-Heinz Heuer, Jan A. Ahlers and Prof. Dr. Wilfried Schulte were re-elected to the Supervisory Board at the end of their term in office by the Annual Shareholders' Meeting on May 15, 2008. The members of the Supervisory Board supervise and advise the Management Board in managing the Company. The Supervisory Board is of the opinion that it consists of a sufficient number of independent members. Potential conflicts of interest are reported to the Annual Shareholders' Meeting. This did not happen in the past fiscal year. The Supervisory Board examines its efficiency once a year.

Directors' dealings

According to section 15a of the German Securities Trading Act (WpHG) persons performing management tasks as well as natural and legal persons closely related to them must immediately disclose the acquisition and sale of shares in Ahlers AG if the value of the transactions made within a calendar year exceeds EUR 5,000. Ahlers publishes such notifications on its website at www.ahlers-ag.com in the "Investor Relations" section. In fiscal 2007/08, Ahlers AG was notified of the following transactions:

Between July 30, 2008 and November 28, 2008, WTW-Beteiligungsgesellschaft mbH, represented by Jan A. Ahlers, Managing Director and member of the Supervisory Board, acquired a total of 67,000 common shares worth EUR 541,655 and 75,800 preferred shares worth EUR 523,794. In addition, 1,312,469 preferred shares were transferred from Westfälisches Textilwerk Adolf Ahlers KG, represented by Mr Jan A. Ahlers, personally liable shareholder, to WTW-Beteiligungsgesellschaft mbH on May 13, 2008.

According to Clause 6.6 of the German Corporate Governance Code, the ownership of shares in the Company by Management Board and Supervisory Board members shall be reported if these directly or indirectly exceed 1 percent of the shares issued by the Company. Mr Jan A. Ahlers holds 75.9 percent of the common shares and 21.8 percent of the preferred shares of Ahlers AG through WTW-Beteiligungsgesellschaft mbH and Westfälisches Textilwerk Adolf Ahlers KG. No other Management Board or Supervisory Board members hold shares in Ahlers AG.

Compensation report

The compensation report outlines the structure of the compensation of the Management Board and the Supervisory Board of Ahlers AG.

Management Board compensation

The Human Resources Committee of the Supervisory Board is responsible for setting the compensation of the Management Board. The compensation of the individual members of the Management Board is based on the size and activity of the Company as well as its economic and financial situation. The respective tasks of the members and their contribution to the performance of the Company are taken into account as well. The compensation consists of four components: a fixed annual salary, a profit-related bonus, a target-related

bonus and a long-term share price-linked bonus. The fixed compensation is paid as a monthly salary and regularly reviewed by the Supervisory Board for appropriateness. The profit-related bonus is based on the consolidated net income for the year, of which a contractually agreed percentage is paid. The target-oriented bonus depends on the achievement of certain targets defined by the Supervisory Board. The amount depends on the degree to which the targets have been achieved and is capped. The share price-linked bonus is based on the price gain of the Ahlers shares in two four-year periods with possible payouts in 2012 and 2013. This bonus is linked to the achievement of profitability targets and can be increased through greater working capital efficiency and profitability. These long-term bonus rights have a fair value of EUR 180 thousand, for which provisions will be established for the annual periods until 2012 and 2013. Other compensation components exist in the form of an upper middle class company car, which may also be used for private purposes and a company flat at the head office. No pension commitments for Management Board members exist; nor are loans granted to members of the Management Board. The 2006 Annual Shareholders' Meeting decided not to report the compensation of the Management Board members individually for a period of five years in accordance with section 285 sentence 1 No. 9 letter a sentence 5 to 9 of the German Commercial Code (HGB) as well as section 314 para. 1 No. 6 letter a sentence 5 to 9 of the German Commercial Code (HGB). The Management Board contracts do not contain any explicit severance pay provisions that would apply in the event of premature termination of the contract, nor are there any change-of-control clauses which would take effect in the event of a takeover.

Total compensation of the Management Board

in KEUR	Salary	Annual bonus	Miscellaneous	Total
2006/07	607	607	106	1,320
2007/08	600	225	63	888

Former members of the Management Board and management of Adolf Ahlers GmbH and their survivors received total compensation of EUR 76 thousand (previous year: EUR 76 thousand) during fiscal 2007/08 under section 314, para. 1, no. 6b of the German Commercial Code.

Compensation of the Supervisory Board

The compensation of the Supervisory Board is geared to the size and the financial situation of Ahlers AG and the tasks of the individual members. The compensation consists of a fixed component and a profit-related variable component. Additional compensation is paid to the Chairman and the Deputy Chairman of the Supervisory Board as well as the Committee Chairmen. The Supervisory Board compensation is governed by section 18 of the statutes.

Total compensation of the Supervisory Board

in KEUR	Fixed compensation	Variable compensation	Total
2006/07	105	63	168
2007/08	105	0	105

All expenses incurred by the Supervisory Board members in conjunction with their mandates as well as the value-added tax charged on their compensation are refunded. No loans are granted to members of the Supervisory Board.

Transparency

To strengthen the confidence placed in Ahlers by its shareholders and the public at large, the Company relies on open-minded, timely and respectful dialogue with all target groups. Transparency and openness therefore play a key role for the Management Board. To ensure that all market participants are treated equally, Ahlers publishes all information immediately and simultaneously in German and English. The central information medium is our website www.ahlers-ag.com, which makes information available to all interested parties, from annual and quarterly reports to ad-hoc and press releases to our financial calendar. Upon request, publications such as annual and quarterly reports are sent to all investors free of charge.

Reporting and audit of the financial statements

The consolidated financial statements and the interim reports are prepared in accordance with applicable International Financial Reporting Standards (IFRS), while the separate financial statements of Ahlers AG are established in accordance with the German Commercial Code (HGB).

The separate and consolidated financial statements were again audited by Ernst & Young AG, which was elected auditor for the fiscal year 2007/08 by the 2008 Annual Shareholders' Meeting.

Declaration of compliance

“Ahlers AG has complied with the recommendations of the German Corporate Governance Code in its version of June 14, 2007, since its last declaration of compliance dated December 6, 2007, with the exceptions noted therein. In the future Ahlers AG will comply with the recommendations of the German Corporate Governance Code in its version dated June 6, 2008, with the exception of the following recommendations:

- 3.8.2 D&O insurance without deductible
- 4.2.5 Itemisation of compensation for members of the Management Board*
- 5.1.2 Age limit for members of the Management Board
- 5.4.1 Age limit for Supervisory Board members
- 5.4.6 Itemisation of compensation for Supervisory Board members

* The Annual Shareholders' Meeting of Ahlers AG resolved on July 26, 2006 to omit the itemised publication of remuneration of the members of the Management Board in accordance with section 285, clause 1, no. 9 (a) clauses 5 to 9 of the German Commercial Code, as well as section 314, paragraph 1, no. 6 (a), clause 5 to 9 of the German Commercial Code for a period of five years, initially for fiscal 2006/07.”

Ahlers AG
Herford, December 2, 2008

The Management Board

The Supervisory Board

Supplement to the declaration of conformity with the German Corporate Governance Code issued by the Management Board and the Supervisory Board of Ahlers AG pursuant to section 161 of the German Stock Corporation Act

“On December 2, 2008, the Management Board and the Supervisory Board issued a declaration of conformity, which needs to be complemented with regard to one clause:

7.1.2 Publication dates

The consolidated financial statements are not made available to the public within 90 days of the end of the fiscal year.”

Ahlers AG
Herford, February 18, 2009

The Management Board The Supervisory Board

Ahlers AG has taken out an insurance policy for its directors and officers to cover the D&O risk. The Management Board and Supervisory Board members perform their functions in a responsible manner and in the interest of the Company. Ahlers is of the opinion that a deductible is not a suitable means to further improve their sense of responsibility. Moreover, the introduction of a deductible would not reduce the insurance premiums.

Ahlers AG does not report the compensation of the Management Board and Supervisory Board individually. The compensation of the Management Board continues to comprise fixed and variable components. The Company is of the opinion that this information is sufficient to assess whether the Management Board and Supervisory Board compensation as a whole, as well as its individual components, are appropriate and whether the compensation structure has the desired incentivising effect on the Management Board. In addition, the compensation paid by the Company to the members of the Supervisory Board for personal achievements that are not related to their work on the Supervisory Board is shown separately and individually.

Ahlers AG has not defined age limits for the members of the Management Board and the Supervisory Board, as the membership of these two bodies is based on qualifications and performance, which cannot be assessed using standardised age limits.

Balance sheet

as of November 30, 2008

ASSETS

in EUR	Nov. 30, 2008	Nov. 30, 2007
A. FIXED ASSETS		
I. Intangible assets		
Industrial property rights and similar rights and assets	10,616.00	14,418.00
II. Property, plant and equipment		
1. Land and buildings	15,528.99	13,990.99
2. Other equipment, plant and office equipment	511,228.44	1,063,514.44
	526,757.43	1,077,505.43
III. Financial assets		
1. Shares in affiliated companies	77,033,291.95	67,018,200.65
2. Loans to affiliated companies	234,353.06	5,256,936.74
3. Long-term investments	297,405.60	297,405.60
4. Other loans	403,920.59	403,920.59
5. Other financial assets	18,161,947.64	17,601,327.33
	96,130,918.84	90,577,790.91
	96,668,292.27	91,669,714.34
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and consumables	6,185,239.54	6,708,206.93
2. Finished goods and merchandise	16,146,260.08	17,407,094.66
	22,331,499.62	24,115,301.59
II. Receivables and other assets		
1. Trade receivables	10,113,979.94	10,406,340.55
2. Receivables from affiliates	17,646,932.92	20,899,321.79
3. Other assets	4,636,814.68	8,820,348.30
	32,397,727.54	40,126,010.64
III. Securities		
Own shares	270,121.50	0.00
IV. Bank balances	45,806,578.89	49,772,319.29
	100,805,927.55	114,013,631.52
C. PREPAYMENTS AND ACCRUED INCOME	19,375.86	10,571.89
Total assets	197,493,595.68	205,693,917.75

EQUITY AND LIABILITIES

in EUR	Nov. 30, 2008	Nov. 30, 2007
A. EQUITY		
I. Subscribed capital		
1. Common shares	24,000,000.00	24,000,000.00
2. Preferred shares	19,200,000.00	19,200,000.00
	43,200,000.00	43,200,000.00
II. Capital reserve	15,575,841.00	15,575,841.00
III. Revenue reserves		
1. Reserve for own shares	270,121.50	0.00
2. Other revenue reserves	39,014,979.96	39,785,101.46
	39,285,101.46	39,785,101.46
IV. Accumulated profits	9,918,754.16	17,837,658.08
	107,979,696.62	116,398,600.54
B. PROVISIONS		
1. Pension provisions	600,353.00	627,430.00
2. Provisions for taxation	121,328.80	56,060.73
3. Other provisions	2,499,480.48	4,447,392.05
	3,221,162.28	5,130,882.78
C. LIABILITIES		
1. Liabilities to banks	54,504,882.08	48,152,412.85
2. Trade payables	3,406,294.47	4,663,352.56
3. Liabilities to affiliated companies	27,383,523.35	30,304,566.86
4. Other liabilities	997,541.05	1,043,606.33
	86,292,240.95	84,163,938.60
D. ACCRUALS AND DEFERRED INCOME		
	495.83	495.83
Total equity and liabilities	197,493,595.68	205,693,917.75

Income statement

for the year ending November 2008

	2007/08 in EUR	2006/07 in EUR
1. Sales	100,545,643.34	94,671,878.86
2. Increases/decreases in inventories of finished goods and work in progress	-1,260,834.58	3,577,565.69
3. Other operating income	1,502,707.68	2,484,450.63
4. Cost of materials		
a) Cost of raw materials, manufacturing and factory supplies as well as for goods purchased	-43,770,033.19	-43,571,663.50
b) Cost of purchased services	-16,155,916.67	-16,983,272.45
5. Personnel expenses		
a) Wages and salaries	-2,109,107.40	-2,300,872.24
b) Social insurance contributions and pension expenses and costs of employee support	-158,764.80	-165,871.02
6. Depreciation and amortisation on intangible assets and property, plant and equipment	-244,057.23	-346,502.62
7. Other operating expenses	-42,589,698.38	-40,633,355.15
8. Income from investments	9,860,552.62	7,220,654.25
9. Income from profit transfer agreements	204,639.34	384,284.45
10. Income from other investments and long-term loans	415,157.25	313,827.90
11. Other interest and similar income	4,293,446.53	3,660,115.87
12. Write-downs of financial assets	-5,226.25	-43,455.94
13. Expenses for losses taken over	-4,222,537.28	-2,822,570.64
14. Interest and similar expenses	-5,261,493.73	-3,783,951.91
15. Result from ordinary activities	1,044,477.25	1,661,262.18
16. Income taxes	219,836.51	170,924.78
17. Other taxes	-3,217.68	-4,020.68
18. Net income for the year	1,261,096.08	1,828,166.28
19. Profit carried forward from the previous year	8,157,658.08	16,009,491.80
20. Withdrawal from other revenue reserves	770,121.50	0.00
21. Allocation to the reserve for own shares	-270,121.50	0.00
22. Accumulated profits	9,918,754.16	17,837,658.08

Notes to the financial statements

for fiscal 2007/08

I. BASIS OF PRESENTATION

The financial statements of Ahlers AG are prepared in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

For the sake of clarity and structure, the legally required comments on items in the balance sheet and the income statement as well as such comments that may optionally be made in the balance sheet, the income statement or the Notes. The type of expenditure format is used for the income statement.

Accounting and valuation principles

The accounting and valuation principles have remained unchanged from the previous year. Valuation is performed in accordance with the regulations that are applicable to “Kapitalgesellschaften” (corporations).

Currency translation

Current receivables and liabilities in foreign currency were translated into the functional currency at the transaction date. Exchange losses were recognised in profit or loss at the lower or higher of cost or market as at the balance sheet date.

Intangible assets

Intangible assets are capitalised at cost and amortised over a period of 3 to 15 years.

Property, plant, and equipment

Property, plant, and equipment are recognised at cost and written off systematically where applicable. Write-offs are made at the maximum permissible amount for tax purposes using the declining balance method; otherwise the straight-line method is used. Acquisitions made on or after January 1, 2008 are written off using the straight-line method.

Write-downs of assets at the beginning of the fiscal year are continued systematically using the principles and methods applied in the previous years. The straight-line method of depreciation is adopted whenever this results in higher amounts of depreciation.

Additions to immovable property, plant and equipment are written down on a pro rata temporis basis in the year of addition. The annual depreciation amount for additions to movable property, plant and equipment is reduced by one twelfth for every month preceding the month of acquisition in the year of addition. Movable assets with finite useful lives acquired in the fiscal year whose acquisition cost is between EUR 150.00 and EUR 1,000.00 are booked as a collective item and written off over a period of five years using the straight-line method.

Financial assets

Financial assets are recognised at cost plus incidental acquisition cost or at the lower fair value.

Inventories

Inventories are measured at the lower of cost or market in accordance with section 253 para. 3 of the German Commercial Code (HGB). Manufacturing costs include cost of materials, direct labour and attributable production overheads as well as production-related depreciation of fixed assets. Interest on borrowed capital is not included. The lower of cost or market value principle is applied throughout.

Other current assets

Other current assets are stated at the lower of nominal and fair value pursuant to section 253 para. 3 of the German Commercial Code (HGB). Specific risks are covered by specific allowances. Default risk arising from trade receivables is covered by a lump-sum allowance.

Pension provisions

Pension provisions are calculated in accordance with actuarial methods. The carrying amount reflects the actuarial present value of the discounted obligations, calculated using a discount rate of six percent on the basis of 2005 G mortality tables.

Tax and other provisions

Tax provisions and other provisions adequately cover all discernible risks and uncertain liabilities.

Liabilities

Liabilities are shown at the repayment amount.

II. FINANCIAL STATEMENTS

Explanation of individual balance sheet items

Fixed assets

The development of cumulative acquisition or production costs and cumulative depreciation per fixed asset item is shown in the fixed-asset movement schedule for Ahlers AG in an exhibit to the Notes. The historical values are shown as acquisition costs for all intangible assets, property, plant and equipment and financial assets.

The fixed assets of Baldessarini GmbH & Co. KG that were transferred to Ahlers AG by way of accrual as of November 30, 2007 were sold to Baldessarini GmbH, Munich, at their carrying amounts with effect from December 1, 2007.

Intangible assets

Industrial property rights and similar rights are trademark rights.

Property, plant and equipment

Capital expenditures in fiscal 2007/08 were lower than write-downs. Additions to factory and office equipment of EUR 162 thousand primarily reflect replacement expenditures.

Financial assets

The changes in shares in affiliated companies are due to a capital increase at Ahlers-Poland Spolka z o.o., Opole, Poland. In addition, all minority interests in Ahlers Herford (España) S.L. Madrid, España were acquired.

The shareholdings of Ahlers AG (direct and indirect) are listed in an exhibit at the end of the Notes.

Loans to affiliated companies include an interest-bearing loan to "Ahlers-Poland" Spolka z o.o., Opole, Poland, in an amount of EUR 0.2 million (previous year EUR 5.3 million).

Other loans include a long-term, interest-bearing loan from Ahlers AG to Mr. Otto Kern of Monte Carlo, Monaco, granted to finance the capital increase of Otto Kern GmbH, Herford. No collateral was provided. No repayment agreement existed as of November 30, 2008.

Other financial assets mainly include works of art. These consist primarily of works of renowned Expressionist artists and contemporary art.

Inventories

Inventories decreased by EUR 1.8 million (previous year: increase of EUR 4.6 million). Allowances have been established for all identifiable risks.

Receivables and other assets

Appropriate itemised allowances have been established for all identifiable risks arising from trade receivables. The general allowance amounts to EUR 317 thousand (previous year: EUR 319 thousand). In addition, the majority of receivables are covered by trade credit insurance.

Receivables from affiliates relate to the exchange of goods and services with affiliated companies as well as short-term loans to domestic and foreign Group companies.

Other assets primarily include tax refund claims, loans, bonus claims as well as receivables from suppliers.

As in the previous year, none of the receivables has a remaining term of more than one year. Of the other assets, assets in an amount of EUR 2,797 thousand (previous year: EUR 2,903 thousand) have a term of more than one year.

Securities

Own shares

In fiscal 2007/08, a total of 6,200 common shares and 37.850 preferred shares were acquired on November 11, November 18 and November 25, 2008 at a cost of EUR 44,339.94 and EUR 230,064.81, respectively. Own shares held by the company in a nominal amount of EUR 132,150.00 represent 0.31% of the share capital. As of November 30, 2008, all shares were still held by the company. The acquisition costs were written down by EUR 4,283.25. The shares were repurchased in the context of a buyback programme adopted on October 29, 2008 pursuant to section 71 para. 1 No. 8 of the German Stock Corporation Act (AktG). It ended on January 31, 2009. It was continued on February 5, 2009 and will end on May 5, 2009.

Subscribed capital

Subscribed capital consists of a total of 14,400,000 common shares with no par value. This total is composed of 8,000,000 common shares and 6,400,000 preferred shares with no voting rights. The 8,000,000 common shares include 500 registered shares with transfer restrictions. They confer the right to nominate members of the Supervisory Board. The remaining 14,399,500 shares are bearer shares.

Mr. Jan A. Ahlers, general partner of Westfälisches Textilwerk Adolf Ahlers KG, Herford, announced that his share of voting rights in Ahlers AG exceeded the 75 percent threshold as of March 25, 2002. As of November 30, 2008, his share of voting rights remained at 75.99 percent, 75.69 percent of which is attributable to him in accordance with section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act ("WpHG").

Authorised capital

By resolution of the Annual Shareholders' Meeting held on May 15, 2008, the Management Board, with the approval of the Supervisory Board, was authorised to increase the Company's share capital prior to April 30, 2013, by issuing new common bearer shares and/or non-voting preferred shares in return for cash contributions on one or more occasions up to the amount of EUR 21.6 million. The Management Board is authorised to exclude the shareholders' subscription right with the consent of the Supervisory Board.

Capital reserve

The capital reserve has remained unchanged at EUR 15.6 million; EUR 12.8 million of this amount is due to the premium on the capital increase against cash contributions that occurred at the time of the IPO, and EUR 1.6 million from the issue of preferred shares.

Reserve for own shares

In fiscal 2007/08, own shares were acquired at a price of EUR 274,404.75 and written down by EUR 4,283.25 as of November 30, 2008. An amount of EUR 270,121.50 was allocated to the reserve for own shares.

Revenue reserves

Due to the formation of a reserve for own shares in an amount of EUR 0.3 million and the allocation of EUR 0.5 million to accumulated profits, other revenue reserves declined to EUR 39.0 million as of November 30, 2008.

Pension provisions

The pension provisions recognised in the balance sheet reflect the full amount of the existing obligations.

Provisions for taxation

The provisions for taxation were established for expected corporate income tax payments including solidarity surcharge and trade tax.

Other provisions

Other provisions primarily include EUR 0.5 million for bonuses, EUR 0.4 million for management bonuses and EUR 0.4 million for goods returned and price discounts. In addition, sufficient provisions were established for audit costs, Supervisory Board compensation, archiving expenses, invoices not yet received as well as all other discernible risks and obligations.

Liabilities schedule

in EUR million		Remaining term			Total
		up to 1 year	1 to 5 years	over 5 years	
1. Liabilities	Nov. 30, 2008	46.5	8.0	-	54.5
to banks	Nov. 30, 2007	38.7	9.5	-	48.2
2. Trade	Nov. 30, 2008	3.4	-	-	3.4
payables	Nov. 30, 2007	4.7	-	-	4.7
3. Liabilities	Nov. 30, 2008	19.9	-	7.5	27.4
to affiliates	Nov. 30, 2007	23.8	-	6.5	30.3
4. Other liabilities	Nov. 30, 2008	1.0	-	-	1.0
	Nov. 30, 2007	1.0	-	-	1.0
- thereof taxes	Nov. 30, 2008	-	-	-	-
	Nov. 30, 2007	0.1	-	-	0.1
- thereof social security	Nov. 30, 2008	-	-	-	-
contributions	Nov. 30, 2007	-	-	-	-

As in the previous year, all liabilities to banks are unsecured.

Contingent liabilities

	Nov. 30, 2008	Nov. 30, 2007
	KEUR	KEUR
Notes payable	10	20
Guarantees	3,128	7,100
	3,138	7,120

Other financial obligations

Other financial obligations are the result of rental, lease and maintenance agreements and are composed as follows:

	Nov. 30, 2008	Nov. 30, 2007
	KEUR	KEUR
due in the following year	1,178	1,156
thereof towards affiliated companies	(861)	(810)
due in the 2nd to 4th year	2,467	2,584
thereof towards affiliated companies	(2,281)	(2,080)
due from the 5th year	6,019	6,204
thereof towards affiliated companies	(6,019)	(6,181)
	9,664	9,944

Derivative financial instruments

Derivative financial instruments are used exclusively in the form of forward exchange contracts to hedge exchange rate risks in the operational area. As of the balance sheet date, the forward exchange contracts had a volume of USD 9.0 million (previous year: USD 19.6 million).

	Currency	Contractual volume		positive fair value KEUR	negative fair value KEUR
		in thousand currency units	in KEUR		
Purchases	USD	9,000	6,221	834	
Sales		-	-	-	-
Total		9,000	6,221	834	-

The fair values were determined by comparing the contract prices with the futures price on the reporting date.

Explanation of individual items in the income statement

Any analysis of the income statement should take into consideration the fact that in a number of companies, production, purchasing, and sales, as well as administration and service activities, are performed on the basis of servicing agreements with subsidiaries.

Sales

Sales break down by geographic markets as follows:

Sales by regions	2007/08		2006/07	
	EUR million	%	EUR million	%
Germany	66.8	66.4	65.2	68.9
Outside Germany	33.7	33.6	29.5	31.1
	100.5	100.0	94.7	100.0

Sales revenues were generated without exception by the sale of clothing. Foreign sales were generated primarily in Europe.

Other operating income

This item primarily includes income from the refund of costs, from the retransfer of provisions and allowances on receivables.

Pension expenses

The personnel expenses for the reporting year include pension expenses for the workforce in an amount of EUR 80 thousand (previous year: EUR 88 thousand).

Other operating expenses

Other operating expenses mainly relate to compensation for services provided by affiliated companies in the context of servicing agreements in an amount of EUR 38.2 million (previous year: EUR 30.3 million) as well as consulting expenses in an amount of EUR 0.9 million (previous year: EUR 1.4 million). In the previous year, this item included the loss of EUR 4.9 million from the accrual of Baldessarini GmbH & Co. KG, Munich, to Ahlers AG as of November 30, 2007.

Income from investments

Income from investments exclusively includes profits taken over and distributions from affiliated companies. It primarily relates to Ahlers P.C. GmbH & Co. KG, Herford (EUR 6.3 million), Ahlers Textilhandel GmbH & Co. KG, Herford (EUR 1.0 million), Adolf Ahlers AG, St. Gallen, Switzerland (EUR 1.1 million), and Dial Textile Industries Ltd., Sri Lanka (EUR 1.5 million).

Income/expenses under profit transfer agreements

This item represents the income of EUR 0.2 million (previous year: EUR 0.4 million) collected under various controlling and profit and loss transfer agreements in the fiscal year 2007/08.

Under the controlling and profit and loss transfer agreements signed between Ahlers AG and Otto Kern GmbH, Herford, Gin Tonic Special Mode GmbH, Sindelfingen, Ahlers Vertrieb GmbH, Herford, Jupiter Bekleidung GmbH, Herford, as well as Concordia-Wohnungsbaugesellschaft mbH, Herford, the losses accumulated in the fiscal year 2007/08 in an amount of EUR 4.2 million (previous year: EUR 2.8 million without Ahlers Vertrieb GmbH, Herford, and Jupiter Bekleidung GmbH, Herford) were taken over.

Income from long-term loans

This item primarily includes income from loans to affiliated companies.

Other interest and similar income

This item comprises interest received from affiliated companies in an amount of EUR 2.0 million (previous year: EUR 1.5 million).

Write-down of financial assets and current investments

The write-downs of financial assets refer to write-downs of own shares acquired in the fiscal year in an amount of EUR 4 thousand. In addition, works of art were written down by EUR 1 thousand.

Interest and similar expenses

Expenses include interest payments to affiliated companies in an amount of EUR 2.0 million (previous year: EUR 1.9 million).

Taxes on income

This item comprises corporate income tax including solidarity surcharge as well as trade tax. The figure for the past fiscal year includes trade tax refunds for prior years in an amount of EUR 224 thousand (previous year: EUR 16 thousand in tax payments).

III. OTHER DISCLOSURES

Number of employees (annual average)

In fiscal 2007/08, Ahlers AG employed six people on average (previous year: six).

CORPORATE BODIES

Supervisory Board

Prof. Dr. Carl-Heinz Heuer

Attorney, Königstein (Chairman)

Jan A. Ahlers

Businessman, Herford (Deputy Chairman)

Heidrun Baumgart

Administrative assistant, Bielefeld (employee representative)

Dieter Hoppe

Technical employee, Herford (employee representative)

Andreas Kleffel

Former member of the Regional Board of Commerzbank AG (until January 31, 2008),
Düsseldorf

Prof. Dr. Wilfried Schulte

Accountant, attorney, tax advisor, Krefeld

Management Board

Dr. Stella A. Ahlers, Zurich, Chairwoman

Dr. Karsten Kölsch, Herford

Further disclosures relating to Supervisory/Management Board members

On November 30, 2008 members of the Supervisory/Management Board of the Company are represented on the following boards of other companies:

Prof. Dr. Carl-Heinz Heuer

- Chairman of the Supervisory Board of BIEN-ZENKER AG, Schlüchtern
- Deputy Chairman of the Supervisory Board of M. M. Warburg & CO Gruppe KGaA, Hamburg

Andreas Kleffel

- Member of the Supervisory Board of Imperial Mobility International B. V. Ruten, Netherlands

Dr. Stella A. Ahlers

- President of the Advisory Board of Adolf Ahlers AG, St. Gallen, Switzerland

Supervisory/Management Board members not mentioned above are not represented on other companies' boards.

Shareholdings

As of November 30, 2008, Mr. Jan A. Ahlers, Supervisory Board member, held 51.86 percent of the shares in Ahlers AG, including shares attributable to him.

Westfälisches Textilwerk Adolf Ahlers KG, Herford, holds a majority interest in the voting share capital of Ahlers AG, mostly via its fully-owned subsidiary WTW-Beteiligungsgesellschaft mbH, Herford. The Ahlers AG financial statements are included in the consolidated financial statements of Westfälisches Textilwerk Adolf Ahlers KG, Herford, as the largest group of companies, and in the consolidated financial statements of Ahlers AG, Herford, as the smallest group of companies, pursuant to section 285 No. 14 of the German Commercial Code (HGB). The consolidated financial statements for the fiscal year 2007/08 of Ahlers AG were published in the electronic Federal Gazette.

Compensation of the Supervisory Board and the Management Board

The compensation of the Supervisory Board for its activities during fiscal 2007/08 amounts to EUR 105 thousand (previous year: EUR 168 thousand). The total compensation of the Management Board of Ahlers AG for the year under review amounts to EUR 888 thousand of which EUR 663 thousand is fixed and EUR 225 thousand is variable (previous year: EUR 1,320 thousand, of which EUR 713 thousand was fixed and EUR 607 thousand was variable).

In the fiscal year, the Management Board members were promised additional stock-based compensation in the form of a share price-linked bonus, which is based on the price gain of the Ahlers shares in two four-year periods with possible payouts in 2012 and 2013. This bonus is linked to the achievement of profitability targets and can be increased through greater working capital efficiency and profitability. As of November 30, 2008, it had a fair value of EUR 180 thousand.

The 2006 Annual Shareholders' Meeting of Ahlers AG resolved on July 26 to omit the itemised publication of compensation of the members of the Management Board in accordance with section 285, clause 1, no. 9 (a) clause 5 to 9 of the German Commercial Code for a period of five years.

KPMG Deutsche Treuhand-Gesellschaft AG Wirtschaftsprüfungsgesellschaft, Essen, in which Prof. Dr. Schulte is a partner, invoiced EUR 162 thousand in fiscal 2007/08 for services rendered apart from their duties on the Supervisory Board.

Former members of the Management Board or management of Adolf Ahlers GmbH and their surviving next-of-kin received EUR 76 thousand (previous year: EUR 76 thousand). As of November 30, 2008, provisions for current pensions to this group of persons amounted to EUR 411 thousand (previous year: EUR 430 thousand).

Declaration of conformity pursuant to section 161 of the German Stock Corporation Act (AktG)

Ahlers AG has submitted the declaration of conformity for 2008 pursuant to section 161 of the German Stock Corporation Act (AktG) and made the declaration permanently accessible to shareholders on the Ahlers AG website (www.ahlers-ag.com).

Exemption rule pursuant to sections 264 (3) and 264b of the German Commercial Code (HGB)

As of November 30, 2008, the exemption rule provided for in section 264 (3) and section 264b of the German Commercial Code (HGB) was applied to the following subsidiaries:

Gin Tonic Special Mode GmbH, Sindelfingen, Otto Kern GmbH, Herford, Concordia-Wohnungsbaugesellschaft mbH, Herford, Pionier Sportive Freizeitkleidung GmbH, Herford, Ahlers Zentralverwaltung GmbH, Herford, a-fashion.com GmbH, Herford, Ahlers Vertrieb GmbH, Herford, Jupiter Bekleidung GmbH, Herford, Pionier Berufskleidung GmbH, Herford, Pioneer Jeans-Bekleidung GmbH, Herford, Ahlers P.C. GmbH, Herford, Ahlers P.C. GmbH & Co. KG, Herford, Baldessarini GmbH, Munich and Ahlers Textilhandel GmbH & Co. KG, Herford.

Auditor's fee

The audit fee expensed in fiscal 2007/08 amounted to EUR 163 thousand, of which EUR 162 thousand referred to the audit and EUR 1 thousand to other consulting services.

PROPOSAL FOR THE APPROPRIATION OF PROFITS

The Management Board and Supervisory Board recommend using the distributable profit for fiscal 2007/08 in the amount of EUR 9,918,754.16 to pay shareholders a dividend of EUR 0.65 per common share (ISIN DE0005009708 and DE0005009740) and EUR 0.70 per preferred share (ISIN DE0005009732), totalling EUR 9,680,000.00, and to carry forward the remaining profit of EUR 238,754.16.

Herford, March 4, 2009

Ahlers AG
The Management Board

Dr. Stella A. Ahlers

Dr. Karsten Kölsch

Fixed-asset movement schedule

for fiscal 2007/2008

	Accumulated costs (in KEUR)			
	Dec. 1, 2007	Additions	Disposals	Nov. 30, 2008
Intangible assets				
Industrial property rights and similar rights and assets	763	-	6	757
Property, plant, and equipment				
Land and buildings	122	2	-	124
Plant and office equipment	2,504	160	806	1,858
	2,626	162	806	1,982
Financial assets				
Shares in affiliated companies	123,765	10,015	5,023	133,780
Loans to affiliated companies	5,257	-	-	234
Long-term investments	297	-	-	297
Other loans	404	-	-	404
Other financial assets	17,669	561	-	18,230
	147,392	10,576	5,023	152,945
	150,781	10,738	5,835	155,684

	Accumulated depreciation/amortisation (in KEUR)			Carrying amounts (in KEUR)		
	Dec. 1, 2007	Additions	Reversals	Nov. 30, 2008	Nov. 30, 2008	Nov. 30, 2007
	749	1	4	746	11	14
	108	-	-	108	16	14
	1,440	243	336	1,347	511	1,064
	1,548	243	336	1,455	527	1,078
	56,747	-	-	56,747	77,033	67,018
	-	-	-	-	234	5,257
	-	-	-	-	297	297
	-	-	-	-	404	404
	67	1	-	68	18,162	17,602
	56,814	1	0	56,815	96,130	90,578
	59,111	245	340	59,016	96,668	91,670

SHAREHOLDINGS OF AHLERS AG

(including direct and indirect investments)

Company	Equity share (in %)	thereof indirectly held		Equity ¹⁾ KEUR	Net income ²⁾ 2007/08 KEUR
		%	via		
1. Ahlers P.C. GmbH, Herford	100.00			27	³⁾
2. Ahlers P.C. GmbH & Co. KG, Herford	100.00			21,601	6,257
3. Ahlers Textilhandel GmbH & Co. KG, Herford	80.00			17,895	1,298
4. Ahlers Vertrieb GmbH, Herford	100.00			26	³⁾
5. Ahlers Zentralverwaltung GmbH, Herford	100.00			2,439	³⁾
6. a-fashion.com GmbH, Herford	100.00			25	³⁾
7. Baldessarini GmbH, Munich	100.00			28	³⁾
8. Concordia-Wohnungsbaugesellschaft mbH, Herford	100.00			51	³⁾
9. Gin Tonic Special Mode GmbH, Sindelfingen	100.00			1,298	³⁾
10. HEMINA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Herford KG, Düsseldorf	94.00	94.00	3.	-95	3
11. jac Strickmoden GmbH, Herford	100.00	100.00	2.	3,050	249
12. Jupiter Bekleidung GmbH, Herford	100.00			121	³⁾
13. Otto Kern GmbH, Herford	80.00			2,615	³⁾
14. Pioneer Jeans-Bekleidung GmbH, Herford	100.00			54	³⁾
15. Pionier Berufskleidung GmbH, Herford	100.00			29	³⁾
16. Pionier Sportive Freizeitkleidung GmbH, Herford	100.00			26	³⁾
17. Verwaltungs- und Handelsgesellschaft "Alconda" mbH, Herford	81.30	74.80	3.	4,031	140
18. A. Ahlers (U.K.) Ltd., London, UK	100.00			245	14 ⁴⁾
19. Adolf Ahlers AG, St.Gallen, Switzerland	100.00			6,125	1,430 ⁴⁾
20. Ahlers Austria Vertriebs Ges.m.b.H., Mariasdorf, Austria	100.00	99.00 1.00	32. 2.	2,017	479 ⁴⁾
21. Ahlers Europe Ltd., New York, USA	100.00			-87	-25 ⁴⁾
22. Ahlers Herford (España) S.L., Madrid, Spain	95.00			1,116	123 ⁴⁾
23. Ahlers Herford (Italia) S.R.L., Volpiano (To), Italy	100.00			57	13 ⁴⁾
24. Ahlers Premium Commerce Spolka z o.o., Opole, Poland	100.00			904	416 ⁴⁾
25. Ahlers Premium France S.A.S., Horbouurg-Wihr, France	100.00			2,111	160 ⁴⁾
26. "Ahlers-Poland" Spolka z o.o., Opole, Poland	100.00			6,886	-8,206 ⁴⁾
27. B-Beteiligungs- und Verwaltungsges.m.b.H., Mariasdorf, Austria	100.00	100.00	19.	2,359	92 ⁴⁾
28. "Bielkon" Spolka z o.o. i.L., Bielsko-Biala, Poland	100.00	100.00	26.	-153	-436 ⁴⁾
29. Dial Textile Industries Ltd., Katunayake, Sri Lanka	100.00			3,324	1,156 ⁴⁾

	Equity share (in %)	thereof indirectly held		Equity ¹⁾ KEUR	Net income ²⁾ 2007/08 KEUR
		%	via		
30. Fabriksverkauf Mariasdorf Ges.m.b.H., Mariasdorf, Austria	100.00	45.28 41.06 13.66	39. 27. 19.	2,733	158 ⁴⁾
31. "LUBINEX"-Spolka z o.o., Lubin, Poland	62.85	62.85	26.	2,075	-80 ⁴⁾
32. Pionier Freizeitkleidung Gesellschaft m.b.H., Mariasdorf, Austria	100.00			8,160	497 ⁴⁾
33. "ROMEO" Spolka z o.o. i.L., Zbaszyn, Poland	99.60	99.60	26.	412	-341 ⁴⁾
34. TEXART Bratislava, s r.o., Bratislava, Slovakia	100.00	100.00	39.	636	88 ⁴⁾
35. TEXART d.o.o., Zagreb, Croatia	100.00	100.00	39.	92	-157 ⁴⁾
36. TEXART d.o.o., Ljubljana, Slovenia	100.00	100.00	39.	41	-3 ⁴⁾
37. TEXART Magyarorszag Kft., Budapest, Hungary	100.00	90.61 9.39	39. 32.	233	-58 ⁴⁾
38. TEXART spol. s r.o., Prague, Czech Republic	100.00	100.00	39.	1,637	5 ⁴⁾
39. Texart Verwaltungsgesellschaft m.b.H., Mariasdorf, Austria	100.00	1.43	27.	2,398	255 ⁴⁾

1) Amounts in foreign currencies are stated at the mid-rate on the balance sheet date.

2) Net income stated in foreign currency is presented at the average rate for the fiscal year.

3) Control and profit and loss transfer agreement.

4) Equity and financial statement according to IFRS

Date of consolidation

The balance sheet date of the companies included in the consolidation coincides with that of the parent with one exception. The balance sheet date of HEMINA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Herford KG, Düsseldorf, is December 31 and an interim statement was therefore prepared as of November 30, 2008.

Currency translation

The consolidated financial statements are prepared in euros, the functional and reporting currency of the Group. Each company within the Group defines its functional currency. The items in the respective company's financial statements are measured using this functional currency. Foreign currency transactions are first translated into the functional currency at the spot rate on the day of the transaction. Monetary assets and liabilities in foreign currencies are translated into the function currency on every closing date using the closing rate. All currency translation differences are recorded against income. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction. The assets and liabilities of the foreign companies are translated into euros at the closing rate. Income and expenses are translated

Audit opinion

We have issued the following opinion on the financial statements and management report:

“We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Ahlers AG, Herford, for the fiscal year from December 1, 2007 to November 30, 2008. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company’s management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company’s position and suitably presents the opportunities and risks of future development.”

Hamburg, March 6, 2009

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Jöns Lüdemann
Wirtschaftsprüfer
[German Public Auditor]

Wirtschaftsprüfer
[German Public Auditor]

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the earnings, financial and net worth position of the Company, and the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Dr. Stella A. Ahlers

Dr. Karsten Kölsch

History

of Ahlers AG

- 1919 Establishment as a textile wholesale business in the Frisian town Jever
- 1932 Company moves to Herford/Westphalia
- 1975 Start of production shift to low-cost countries
- 1987 Initial public offering
- 1992 Licensing partnership with Pierre Cardin, Paris, begins
- 1996 Acquisition of Eterna Group
- 1998 Ahlers shares are traded in the Official Market segment of the German Stock Exchange
- 1999 Acquisition of Gin Tonic Special Mode GmbH
- 2000 Acquisition of the rights to the Otto Kern Brand
- 2004 Inclusion in the Prime Standard segment of the German Stock Exchange
- 2005 Dr. Stella A. Ahlers, granddaughter of Company founder Adolf Ahlers, is appointed to head the Management Board
- 2006 Sale of the Eterna Group to a financial investor
Acquisition of Baldessarini GmbH & Co. KG

Financial calendar

DATES

Annual accounts press conference in Düsseldorf	March 17, 2009
Interim report Q1 2008/09	April 14, 2009
Analysts' conference in Frankfurt/Main	April 21, 2009
Annual Shareholders' Meeting in Düsseldorf	May 6, 2009
Interim report Q2 2008/09	July 14, 2009
Interim report Q3 2008/09	October 12, 2009
Analysts' conference in Frankfurt/Main	October 13, 2009

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