



## **PRESS RELEASE**

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### **Ahlers AG reports strong sales growth for first six months**

**Ahlers AG, Herford – In the first half of the fiscal year, the Ahlers Group boosted its sales revenues from EUR 121.3 million to EUR 129.6 million (+7 percent) primarily on the back of strong growth (+20 percent) in its premium segment. All premium brands - pierre cardin, Baldessarini and Otto Kern - grew dynamically.**

As in the previous periods, Ahlers reported double-digit growth in Eastern Europe (+19 percent) and solid growth rates of 4 percent and 5 percent in Germany and Western Europe, respectively.

Due to the planned sales growth, the operating result before effects related to prior periods increased by 82 percent. Group profit after tax declined from EUR 3.3 million (2006/07) to EUR 1.7 million in 2007/08, reflecting non-recurrent positive special effects in the previous year such as the release of provisions, a high positive financial result following the sale of eterna and the capitalisation of tax assets.

In view of the deterioration in the economic environment, the Ahlers Group expects sales growth to slow down moderately in the current fiscal year 2008. Management's aim for the second half of the year is to generate earnings after tax in a similar amount as in the previous year (EUR 6.4 million in H2 2006/07). Despite the increase in the operating result, earnings after tax for the full year will therefore probably come in below the previous year's level.

Based on the sound financial position, Ahlers continued to invest in new business segments in the first half of the year and consistently expanded its retail programmes. The company opened nine franchise stores and 1,700 square metres of retail space in cooperation with retailers. At the same time, Ahlers has launched a cost-cutting programme.

During the sales season for spring/summer 2009, the second Baldessarini menswear line will be presented to retailers. The Ahlers Group expects the fully integrated collection, which is positioned below the existing luxury line, to stimulate growth in the coming years.

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