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PRESS RELEASE

Ahlers sales decline 3.7 percent in difficult environment

Ahlers AG, Herford. In the first half of 2008/09, sales revenues of the Ahlers Group declined by 3.7 percent to EUR 123 million in exchange rate adjusted terms (previous year: EUR 130 million). On an unadjusted basis, sales were down by 5.1 percent.

In the premium segment, Baldessarini and Otto Kern again posted higher sales. Pierre Cardin also reported an increase in sales in exchange rate adjusted terms. Due to the drop in sales and negative exchange rate effects, earnings after taxes declined from EUR 1.7 million to EUR 0.2 million. As a result of last year's cost saving programme, the headcount was reduced from 2,928 to 2,078. As of May 31, 2009, the menswear manufacturer employed 694 people in Germany, down from 753 in the previous year.

The financial situation of the Ahlers Group remained very sound as of May 31, 2009. The equity ratio rose from 51 percent in May 2008 to 56 percent. Thanks to the reduction in inventory levels, operating cash flow remained at the prior year level in spite of the payments for redundancies made in the context of the compensation plans.

The Management Board has issued no quantitative projections for the full year 2008/09. Based on pre-orders for the autumn/winter season, a similar sales performance as in the first six months is expected. Due to the fact that the autumn/winter collection accounts for a higher percentage of sales and that the cost saving programme will take full effect in the second half-year, the result in the second half of 2008/09 should be clearly positive.

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