



PRESS RELEASE

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Ahlere reports 4.2 percent revenue growth for FY 2013/14

- **Double-digit growth for Baldessarini and e-commerce, solid single-digit growth at Pierre Cardin and Pioneer Authentic Jeans**
- **EBIT before special effects up 46 percent on previous year**
- **Consolidated net income after taxes up 8 percent**
- **Solid equity ratio of 58 percent**
- **Stable or slightly lower sales and earnings expected for 2014/15**

Ahlere achieved strong revenue growth of 4.2 percent in the fiscal year 2013/14. The first six months of 2013/14 saw the company grow by 8 percent; in the second half, Ahlers continued to show strength, as testified in a growth rate of 1 percent, and defied the Russia crisis as well as the general downward trend in the clothing retail sector

Growing sales revenues in the Premium and Jeans & Workwear segments

At 5.4 percent, the Premium brands again posted high growth rates. This was primarily attributable to strong double-digit growth at Baldessarini and solid single-digit growth at Pierre Cardin. Growing by 6.3 percent, sales in the Jeans & Workwear segment also showed a successful trend. This is mainly attributable to the positive performance of the Pioneer Authentic Jeans and Pioneer Jeans & Casuals brands. Ahlers' own Retail revenues increased by 1.8 percent, while e-commerce revenues again rose at a double-digit rate.

Strategic decisions form the basis for continued growth

Important strategic decisions taken in the past fiscal year have paved the way for future growth. 2014 saw Ahlers take over additional licenses for Pierre Cardin for Belgium, France and Spain. This means that these markets can now be supplied with the full range of the brand and additional sales potential can be tapped. Moreover, Ahlers launched the new "Elsbach Denim Library" multi-brand concept and opened a first store in Hamburg. A second store will follow in Potsdam in April 2015. The new concept complements the Retail strategy, which has so far been based on the expansion with Baldessarini and Pierre Cardin branded stores. Gin Tonic will be operated together with Pioneer Authentic Jeans under the same management at the head office in Herford starting 2015. The sales teams have largely been merged in order to increase the customer reach and create cost-saving and sales-boosting synergies.

Strong earnings growth at all levels

The good sales performance and its positive impact on gross profit sent EBIT before special effects rising sharply by 46 percent to EUR 11.7 million in 2013/14 (previous year: EUR 8.0 million). In spite of high extraordinary expenses, especially for the closure of Gin Tonic's Sindelfingen branch, consolidated net income after taxes also picked up by 8 percent from EUR 5.6 million to EUR 6.0 million.

Solid equity ratio and reduced net debt

The consolidated balance sheet as of November 30, 2014 shows a solid equity ratio of 57.9 percent (previous year: 59.9 percent). Net debt, i.e. the balance of financial debt and liquid means, declined by EUR 1.0 million from EUR 26.6 million to EUR 25.6 million between the reporting dates.

Dividend proposal to the Annual General Meeting

In view of the solid financial position, the Management Board and the Supervisory Board will propose a dividend of EUR 0.40 per common share and EUR 0.45 per preferred share (previous year: EUR 0.45 and EUR 0.50, respectively) to the Annual General Meeting. A total amount of EUR 5.78 million is to be paid out to the shareholders. This is equivalent to a payout ratio of 100 percent of the consolidated net income for the year 2013/14 that is attributable to the shareholders of Ahlers AG and represents a dividend yield of 3.6 percent and 4.0 percent for the common share and for the preferred share, respectively, based on the closing price (November 2014).

Challenging market environment

The persistent Russia crisis and generally declining sales in the German clothing retail sector currently make for a difficult market environment, which is why the forecast for the fiscal year 2014/15 is cautious. The Ahlers Management Board projects stable to moderately declining sales revenues and earnings for the current fiscal year. As the cost savings resulting from the restructuring of Gin Tonic take effect and additional revenues are generated in France and Belgium, earnings should improve in the second half of the year. Thanks to its solid financials and the strategic decisions taken, Ahlers AG is well positioned for the future.

Summary of Ahlers Group figures:

in EUR millions	2013/14	2012/13	Change in %
Sales revenues	257.1	246.7	4.2
EBIT before special effects	11.7	8.0	46.3
EBIT margin (in %) before special effects	4.6	3.2	
Consolidated net income after taxes	6.0	5.6	8.0
Cash flow from operating activities	10.9	1.5	>100
Dividend	5.8	6.5	-10.7
Dividend per share (EUR)			
Common share	0.40	0.45	
Preferred share	0.45	0.50	
Earnings per share (EUR)	0.42	0.38	10.5
Employees as of the reporting date	2,250	2,201	2.2
Equity ratio (in %)	57.9	59.9	



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