



PRESS RELEASE

14 July 2016

- **Revenues from core activities climb 2.6 percent in H1 2015/16**
- **Baldessarini, Pierre Cardin and Pioneer Authentic Jeans grow in a declining market**
- **Increased sales revenues and cost-saving lead to higher results**
- **Increased cash flow and reduced net debt**

Half-year revenues pick up – core activities grow notably

In the second quarter of 2016, Ahlers' sales revenues increased by a strong 3.5 percent or EUR 1.8 million. At EUR 118.3 million, the company's revenues for the first six months of the fiscal year 2015/16 thus exceeded the prior year level by a moderate EUR 0.2 million or 0.2 percent (previous year: EUR 118.1 million). Although the market as a whole declined, the Group's core activities grew by EUR 2.9 million or 2.6 percent in the first half of 2015/16 compared to the previous year.

Sales revenues of the Premium segment rose by EUR 1.7 million or 2.2 percent, with the biggest contribution made by Pierre Cardin. Baldessarini grew its domestic sales revenues by a strong 9 percent, winning market share in Germany, and its total revenues by 6 percent. The remaining brands of the Jeans, Casual & Workwear segment – Pioneer Authentic Jeans, Pionier Jeans & Casuals, Pionier Workwear and Jupiter – recorded an increase in sales revenues of EUR 1.2 million (3.4 percent) in the first six months of the current fiscal year. Pioneer Authentic Jeans achieved particularly strong, double-digit growth. Business in Central and Eastern Europe showed a solid trend, also thanks to Russia and Ukraine, where the downward trend of the previous year was halted and sales revenues grew by 5.5 percent. As had been expected, the discontinued business activity of Gin Tonic and sales to the last remaining private label customer declined by a total of EUR 2.7 million.

Cost-saving measures taking effect – notable growth at all earnings levels

The cost-saving measures initiated last year led to notably higher earnings at all levels during the reporting period. EBIT before special effects amounted to EUR 2.2 million in the first half of 2015/16 (previous year: EUR 0.7 million; +214 percent). With gross profit essentially remaining stable, the reduction in personnel expenses by EUR 1.2 million or 4.5 percent made the biggest contribution to this improvement. Ahlers' total operating expenses were down by 3 percent on the previous year. Extraordinary expenses went up by EUR 0.3 million to EUR 0.5 million in the reporting period (previous year: EUR 0.2 million). They included increased severance payments for employees and sales agents as well as early termination costs for the leases of the last remaining Gin Tonic stores. Income taxes for the reporting period rose moderately due to one-time effects unrelated to the accounting period (EUR -0.2 million). Notwithstanding these influences, consolidated net income advanced from a balanced result in the previous year to EUR 0.8 million in the first half-year.



Higher cash flow and reduced net debt

The Ahlers Group's balance sheet at the 2015/16 interim reporting date was as solid as usual and EUR 4.9 million leaner than at the prior year reporting date. The reduction in the balance sheet was primarily due to lower inventories (EUR -1.7 million) and reduced trade receivables (EUR -2.5 million). As trade payables increased moderately at the same time, the liquidity tied up in net working capital dropped by EUR 4.8 million or 5.2 percent. As a result, net debt was reduced by EUR 4.1 million from EUR 33.0 million at the prior year reporting date to EUR 28.9 million. Operating cash flow climbed by 40 percent or EUR 0.4 million to EUR 1.4 million due to the improved results and the reduced cash tied up in net working capital. The equity ratio remained unchanged at a solid 58 percent.

Stable sales revenues and notable earnings growth expected for FY 2015/16

The Management Board expects the revenue and earnings trend of the first six months to continue in the second half of the year. Revenues from core activities are projected to grow by about 3 percent, which should offset the lower revenues from discontinued activities. Total revenues should more or less remain stable (previous year EUR 242 million). This assumption is supported by the positive pre-orders for autumn/winter 2016. Consolidated net income should exceed the previous year's EUR 1.4 million by a high double-digit percentage.

Summary of Ahlers Group figures:

		H1 2015/16	H1 2014/15	Change
Sales	in Mio. EUR	118.3	118.1	0.2%
Gross profit	in Mio. EUR	57.8	58.0	-0.3%
Gross profit margin	in %	48.9	49.1	0.2PP
EBIT before Special effects	in Mio. EUR	2.2	0.7	214%
EBIT-Margin before Special effects	in %	1.9	0.6	1.3PP
Net income	in Mio. EUR	0.8	0.0	>500%
Cash flow from operating activities	in Mio. EUR	1.4	1.0	40%
Net Working Capital*	in Mio. EUR	86.9	91.7	-5.2%
Equity ratio	in %	57.6	57.6	-
Employees		2,060	2,141	-3.8%

*Inventories, trade receivables and trade payables

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