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PRESS RELEASE

Ahlers reports 7.6 percent revenue growth for H1 2013/14

- **Jeans & Workwear segment grows by 14 percent**
- **Premium brands achieve 7.6 percent increase in sales revenues**
- **EBIT and consolidated net income increase at double to three-digit rates**
- **Positive expectations for the full year 2013/14**

Following strong growth of 9.3 percent in the first three months of 2013/14 Ahlers reported a sharp 5.1 percent increase also for the second quarter. Total sales revenues for the six-month period rose by 7.6 percent to EUR 123.9 million (previous year: EUR 115.2 million).

“We were able to grow strongly in the German market against the general industry trend. We are also pushing ahead our international expansion, with store openings in Poland and the Baltics, for instance. Gin Tonic is also back on the growth path,” said Dr. Stella A. Ahlers, CEO of Ahlers AG.

The traditionally dynamic Premium segment was in line with the general growth trend of the company and reported a 7.6 percent increase in sales revenues to EUR 79.1 million (previous year: EUR 73.5 million), which represents an unchanged 64 percent of total revenues. All brands, i.e. Baldessarini, Pierre Cardin and Otto Kern, grew strongly, with Baldessarini even posting a double-digit growth rate. Sales in the Jeans & Workwear segment picked up 14 percent in the reporting period to EUR 34.8 million (previous year: EUR 30.5 million). In this segment, too, all brands were able to increase their revenues: Pioneer Authentic Jeans, Pionier Jeans & Casuals and Pionier Workwear. The segment’s share in total revenues climbed from 26 percent to 28 percent.

The discontinuation of Gin Tonic Retail activities shaved EUR 1.2 million or 11 percent off the Men’s & Sportswear segment’s revenues. The segment currently accounts for 8 percent (previous year: 10 percent) of total sales revenues. The continued Wholesale operations of Jupiter and Gin Tonic grew moderately in the reporting period.

Notable improvement in EBIT and consolidated net income

As a result of the increase in sales revenues, Ahlers’ EBIT before special effects also picked up sharply by EUR 2.0 million or 182 percent. Due to positive influences in the previous year, earnings before and after taxes increased at a slightly lower rate than EBIT before special effects. Both results nevertheless grew at high percentage rates. Earnings before taxes soared 156 percent to EUR 2.3 million (previous year: EUR 0.9 million) and consolidated net income rose by 70 percent to EUR 1.7 million (previous year: EUR 1.0 million).



Equity ratio of 60 percent reflects solid financial position

The balance sheet for the period ended May 31, 2014 again posted a solid equity ratio of 60 percent (previous year: 61 percent). Both equity, at EUR 105.0 million (previous year: EUR 105.5 million), and total assets, at EUR 176.3 million (previous year: EUR 174.6 million), were largely unchanged compared to the prior year period. The cash flow from operating activities increased sharply from EUR -1.8 million to EUR +5.6 million in the first six months of the year. On the one hand, this was due to the improved consolidated net income. On the other hand, Ahlers reduced its inventories in H1 2013/14, which had been expanded in the first six months of the previous fiscal year.

Ahlers projects 5 - 6 percent revenue growth and double-digit increase in EBIT before special effects for the full year of 2013/14

Pre-sales for the 2014 autumn/winter season clearly exceed the prior year level. In addition to rising pre-order figures, the company expects higher stock and Retail sales. The Management Board expects sales revenues for the full year to grow by 5 to 6 percent and projects a strong increase in EBIT before special effects.

The Management Board and the Supervisory Board jointly decided to continue Gin Tonic on a permanent basis at the Herford headquarters. The Sindelfingen branch will therefore be closed, which will entail significant extraordinary expenses. From today's point of view, the Management Board expects consolidated net income to come in at about the prior year level (2012/13: EUR 5.6 million). The relocation will clearly improve the results of Gin Tonic and, hence, also the Group's total result as of the fiscal year 2014/15. The Management Board of Ahlers AG projects a positive cash flow trend for the fiscal year 2013/14, which should allow the company to pay out a satisfactory dividend.

Summary of Ahlers Group figures:

in EUR million	H1 2013/14	H1 2012/13	Change in %
Sales	123.9	115.2	7.6
EBIT before special effects	3.1	1.1	181.8
Consolidated net income before taxes	2.3	0.9	155.6
after taxes	1.7	1.0	70.0
Cash flow from operating activities	5.6	-1.8	n.a.
Employees (May 31)	2,235	2,203	1.5
Equity ratio (in %)	59.5	60.4	



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