Ad-hoc announcement pursuant to Article 17 MAR

Ahlers AG, Herford

ISIN DE0005009708 and ISIN DE0005009732

Ahlers in Q2 2017/18: Unexpected decline in revenues also in Q2 due to cancellation of orders from Eastern European customers and weak stock sales of suits and sportswear. Total first-half revenues were down by 5.5 percent on the previous year. EBITDA fell from EUR 4.2 million to EUR 2.7 million (-36 percent). Consequently, the Management Board downgrades the revenue and earnings forecast for the full year 2017/18 and now projects declining revenues slightly above the trend of the first six months (-5.5 percent). Consolidated earnings 2017/18 are expected to come in close to break-even point from today's point of view. Various restructuring and cost-cutting measures have been initiated.

As Eastern European customers failed to make advance payments, Ahlers was forced to cancel orders in the second quarter of 2018. Moreover, stock sales of suits and outdoor jackets in Germany declined sharply. The denim business of Pierre Cardin and Pioneer Authentic Jeans continued to grow against this trend but failed to offset the above-mentioned decline. At EUR 110.8 million, sales revenues in the first half of 2017/18 were thus down by 5.5 percent on the previous year's EUR 117.3 million. In view of later deliveries in the first quarter and larger consignment warehouse spaces, the Management Board had projected higher revenues for the second quarter. Although the balance of operating expenses was reduced in the second quarter due to cost-saving measures, the results for the first six months of the fiscal year were nevertheless down on the previous year. EBITDA amounted to EUR 2.7 million (previous year: EUR 4.2 million). Consolidated earnings declined from EUR 0.9 million to EUR -0.4 million.

Due to the negative experience gained in the summer season, orders placed by certain Eastern European customers for the coming season were cancelled. With suit sales expected to remain weak, the Management Board projects for the second half of the year a declining but slightly better trend than in the first six months (-5.5 percent). Although cost discipline will remain a top priority, consolidated earnings for 2017/18 are expected to be close to break-even point. The Management Board is currently implementing various restructuring and cost-cutting measures.

All figures are still preliminary. The company will publish its 2017/18 half-year figures on July 11, 2018.

Herford, June 21, 2018

The Management Board

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