

PRESS RELEASE

Ahlers reports 7.9 percent increase in sales revenues for the nine-month period 2013/14

- **Jeans & Workwear segment grows by 10 percent**
- **Premium brands achieve 8.2 percent increase in sales revenues**
- **Double-digit increase in EBIT and consolidated net income**
- **Forecast for full-year consolidated net income raised**

The Ahlers Group's strong growth of the first half-year continued in the third quarter of 2014, when sales revenues rose by 8.6 percent. On the one hand, this was due to both increased pre-sales and very positive, higher-than-expected stock sales. On the other hand, winter apparel was delivered earlier this year, which means that sales revenues were brought forward from the fourth quarter. Nine-month sales 2013/14 climbed 7.9 percent to EUR 197.9 million (previous year: EUR 183.4 million).

"We are pushing ahead the development of Ahlers AG and laying the foundations to secure the sustainable growth of the company," says Dr. Stella A. Ahlers, CEO of Ahlers AG. "We continue to work on the structures and orientation of our brands. The positive trend in our sales revenues vindicates the strategy we are pursuing."

Growing as dynamically as ever, Ahlers' Premium segment reported an 8.2 percent increase in sales revenues, which was almost exactly in line with the company-wide trend. This pleasant performance was attributable to Pierre Cardin, which posted high single-digit growth, and to Baldessarini, which achieved double-digit growth. The strongest growth in the 2013/14 reporting was reported by the Jeans & Workwear segment, whose revenues grew by 10.4 percent to EUR 53.0 million. Both Workwear and the Pioneer Jeans brands contributed to this growth.

Jupiter posted strong revenue growth in the third quarter of 2014, which means that the decline in the Men's & Sportswear segment's sales of the previous months was almost entirely offset in the third quarter of 2014. Total nine-month sales revenues were down by only 1.8 percent or EUR 0.3 million on the previous year. The decline was primarily attributable to the discontinuation of Gin Tonic's Retail activities in the previous year. Gin Tonic's Wholesale business with retailers picked up this year.

Notable improvement in EBIT and consolidated net income

Thanks to the higher sales revenues, Ahlers' EBIT before special effects also increased sharply by EUR 5.4 million or 64 percent to EUR 13.8 million. At the half-year stage of 2013/14, the Management Board of Ahlers AG had announced that the Sindelfingen branch would be closed within the next twelve months and that Gin Tonic would be integrated into the Herford headquarters following successful reorganisation. A social plan for the employees affected was negotiated and signed with the staff council in the third quarter of 2014. The related costs were



already recognised in the financial statements for Q3 2014. In spite of these high extraordinary expenses, earnings before income taxes grew by a strong 35 percent to EUR 10.7 million (previous year: EUR 7.9 million), while consolidated net income after taxes climbed 23 percent to EUR 7.5 million (previous year: EUR 6.1 million).

Management Board projects 5 to 6 percent increase in sales revenues and approximately 5 to 10 percent rise in consolidated net income after taxes for the full year 2013/14

For the full fiscal year, the Management Board projects a 5 to 6 percent increase in sales revenues and has confirmed its forecast of a strong double-digit increase in EBIT before special effects. In spite of high extraordinary expenses far in excess of EUR 2 million, consolidated net income after taxes should also pick up moderately. From today's point of view, the company projects a 5 to 10 percent increase in net income (2012/13 consolidated net income: EUR 5.6 million). The Management Board had previously expected consolidated net income to remain stable. Cash flow projections for the fiscal year 2013/14 are also positive and should enable payment of a satisfactory dividend.

All figures in this press release are preliminary. The final figures will be published on October 14, 2014.

Ahlers' consolidated figures (preliminary):

in EUR million	Q1-Q3 2013/14	Q1-Q3 2012/13	Change in %
Sales	197.9	183.4	7.9
EBIT before special effects	13.8	8.4	64.3
Consolidated net income before taxes	10.7	7.9	35.4
after taxes	7.5	6.1	23.0
Employees (August 31)	2,254	2,192	2.8
Equity ratio (in %)	55.8	56.3	

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