



Press Release

Earnings for first three quarters of 2004/05

WOLFORD DELIVERS FURTHER PROFIT IMPROVEMENT

- EBIT up 17.9%, EBT up 41.0%
- Debt again significantly reduced
- Equity ratio of 49.1%

Bregenz, Austria, March 15, 2005

Earnings data for first three quarters of 2004/05

Amounts in millions of euros	First three quarters ended January 31,		Change in %
	2004/05	2003/04	
Sales	90.48	90.55	-0.1
EBITDA	7.97	7.76	+2.7
EBITDA margin	8.8%	8.6%	
EBIT	3.23	2.74	+17.9
EBIT margin	3.6%	3.0%	
Financial result	-0.96	-1.14	+15.8
EBT	2.27	1.61	+41.0
Net profit for the period	1.09	1.71	-36.3
Cash flow from operating activities	5.74	10.59	-45.8
Earnings per share in euros	0.23	0.36	-36.1

For the first three quarters of the 2004/2005 fiscal year, the Wolford Group achieved a significant improvement in two important earnings figures, EBIT (operating profit) and EBT (profit before taxes). "This gratifying trend amid effectively steady sales is proof that our strategy of rigorous efficiency gains is succeeding" commented Chief Executive Officer Holger Dahmen at the publication of earnings and sales data for the nine months from May

2004 to January 2005. The CEO attributes these good results in part to optimized cost and financial management and higher operating output^{x)}.

The positive earnings momentum of the first two quarters was maintained. Compared to the prior-year period, in the first three quarters Wolford achieved a cumulative increase in EBIT of 17.9 percent to EUR 3.23 million (Q1-Q3 2003/04: EUR 2.74 million). A healthy trend was also witnessed in EBITDA, which grew by 2.7 percent year-over-year to EUR 7.97 million in the first three quarters of this fiscal year.

The financial result continued to improve, with the negative amount decreasing from EUR -1.14 million to EUR -0.96 million. The unbroken reduction in net debt from EUR 25.67 million to EUR 21.99 million led to an improvement in the debt-equity gearing from 38.8 percent to 33.0 percent. Remarking on this achievement, Chief Financial Officer Peter Simma noted: "We are thus ahead of schedule in approaching our medium-term debt target of 30 percent." The equity ratio again rose slightly to 49.1 percent (January 31, 2004: 47.9 percent).

Pronounced growth was also delivered in EBT, where the increase compared to the first three quarters of the previous year was 41.0 percent, bringing EBT to EUR 2.27 million.

As already explained in the reporting for the first half of the fiscal year, the announced cut in the Austrian corporate income tax rate from 34 to 25 percent led to a reduction in deferred tax credit and hence to a tax expense. This resulted in lower net profit for the period: Compared to the first three quarters of 2003/04, net profit fell from EUR 1.71 million to EUR 1.09 million, or by 36.3 percent. Earnings per share were EUR 0.23 compared to the year-earlier result of EUR 0.36. Cash flow from operating activities eased, reflecting primarily a short-term increase in the amount of funds tied up in accounts receivable.

Sales

Sales of the Wolford Group in the third quarter (November 2004 - January 2005) grew by 2.5 percent compared to the year-earlier quarter. Cumulative sales in the first three quarters of the 2004/05 fiscal year (May 2004 - January 2005) effectively matched the prior-year level (down just 0.1 percent from EUR 90.55 million to EUR 90.48 million).

The chief reasons for this trend were the significant cumulative sales growth of 8.7 percent this fiscal year to date in Austria and stabilizing sales in Germany, the Group's most

^{x)} Operating output represents the following: Sales plus Other operating income (loss) plus Change in inventories of finished goods and work in progress plus Other internally generated assets

important market. Double-digit growth in the first nine months of the fiscal year was attained in CEE (24.8 percent), Scandinavia (15.4 percent), Italy (14.1 percent), U.K. (12.3 percent, or 9.4 percent in local currency) and the Netherlands (11.4 percent). As a result of the weak dollar, sales in the U.S. declined by 6.5 percent, while remaining constant in local currency.

In Germany in the third quarter, Wolford recorded quarterly sales growth for the first time since 2001, at 5.7 percent. This reduced the year-over-year cumulative decrease in the first three quarters of this fiscal year to 4.8 percent. The sales trend remained negative in Switzerland (cumulative sales down 13.6 percent) and the Far East.

The number of Wolford boutiques rose from 226 at the beginning of the fiscal year to 230 at the end of January 2005 (including 58 outlets owned by Wolford).

Outlook

Whether the positive trend continues in the final quarter of the year will depend very much on the follow-up order volume and at present is still difficult to predict with sufficient accuracy. For the 2004/05 fiscal year the management aims for a profit improvement.

The full consolidated balance sheet and income statement are available on the Internet in the Investor Relations section of www.wolford.com

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	3. Quarter acc. 31.01.2005 TEUR	3. Quarter acc. 31.01.2004 TEUR	Last B.Y. / Period 30.04.2004 TEUR
ASSETS			
<i>Non-current assets</i>			
Tangible assets	62.102	64.679	63.922
Goodwill	1.853	1.166	1.140
Intangible assets	2.771	2.935	2.911
Financial investments	10.693	10.616	10.702
Long-term receivables and assets	389	835	901
	77.808	80.231	79.576
<i>Deferred tax assets</i>			
	5.883	6.236	6.727
<i>Current assets</i>			
Inventory	20.971	21.175	22.268
Receivables and other assets	21.283	19.928	20.028
Prepaid expenses	3.598	2.727	1.006
Securities and shares	1.500	2.500	2.500
Cash and cash equivalents	4.606	5.392	3.845
	51.958	51.722	49.647
TOTAL ASSETS	135.649	138.189	135.950
EQUITY AND LIABILITIES			
<i>Shareholder's Equity</i>			
Share capital and capital reserves	38.167	38.167	38.167
Other reserves	32.758	33.172	32.989
Result of the year	5.378	4.608	3.646
Treasury stock	-9.748	-9.748	-9.748
	66.555	66.199	65.054
<i>Long-term liabilities</i>			
Long-term financial liabilities	8.285	12.423	12.634
Accrued expenses	13.586	12.355	12.645
Other long-term liabilities	479	428	520
	22.350	25.206	25.799
<i>Short-term liabilities</i>			
Bank loans and overdraft	27.741	28.806	25.138
Short-term accruals	4.638	8.669	3.929
Accounts payable-trade	4.342	4.138	5.052
Payments received on account of orders	872	908	819
Deferred revenues	9.151	4.263	10.159
	46.744	46.784	45.097
TOTAL EQUITY AND LIABILITIES	135.649	138.189	135.950



	3. Quarter 31.01.2005 TEUR	3. Quarter 31.01.2004 TEUR	3. Quarter acc. 31.01.2005 TEUR	3. Quarter acc. 31.01.2004 TEUR
PROFIT AND LOSS ACCOUNT				
Sales revenues	34.507	33.664	90.479	90.547
Other operating income	609	738	2.794	2.330
Change in finished goods and work in progress	-1.795	-2.238	-1.803	-3.117
Own work capitalized	65	-5	193	64
OPERATING OUTPUT	33.386	32.159	91.663	89.824
Cost of material and services	-6.466	-5.956	-18.019	-17.042
Personnel expenses	-15.456	-14.707	-43.968	-43.304
Amortisation and depreciation of intangible and tangible assets	-1.488	-1.582	-4.572	-4.841
Amortisation of goodwill	-53	-51	-165	-173
Other operating expenses	-7.708	-8.095	-21.707	-21.719
OPERATING RESULT	2.215	1.768	3.232	2.745
Finance income	-250	-293	-803	-1.019
Income from investments	245	223	393	412
Interest on employee benefit obligations	-183	-177	-550	-531
RESULT ON ORDINARY ACTIVITIES	2.027	1.521	2.272	1.607
Extraordinary result	0	0	0	0
Total taxes on income	-1.263	-320	-1.186	105
CONSOLIDATED LOSS / NET INCOME	764	1.201	1.086	1.712
Earnings per share (basic) in EUR			0,23	0,36
Earnings per share (diluted) in EUR			0,22	0,34
Weighted average shares outstanding (basic) in Tpcs.			4.750	4.750
Weighted average shares outstanding (diluted) in Tpcs.			5.000	5.000



WOLFORD GROUP
2004/05

	3. Quarter acc. 31.01.2005 TEUR	3. Quarter acc. 31.01.2004 TEUR
CASH FLOW - STATEMENT		
CASH FLOW FROM OPERATING ACTIVITIES	5.739	10.587
CASH FLOW FROM INVESTING ACTIVITIES	-2.369	1.744
CASH FLOW FROM FINANCING ACTIVITIES	-2.571	-10.977
Change in cash and cash equivalents	799	1.354
Cash and cash equivalents at the beginning of the period	3.845	4.460
Foreign currency translation adjustment at the beginning of the period	-38	-422
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4.606	5.392



WOLFORD GROUP
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SHAREHOLDER'S EQUITY

	3. Quarter acc. 31.01.2005 TEUR	3. Quarter acc. 31.01.2004 TEUR
Equity at the beginning of the business year	65.054	64.397
Net income / Net loss of the period	1.086	1.712
Dividends	0	0
Increase of share capital	0	0
Purchase of own shares	0	0
Translation component	-659	-1.010
Other changes	1.074	1.100
Equity at the end of the period	<u>66.555</u>	<u>66.199</u>