HALF-YEAR REPORT 2013/14

(MAY – OCTOBER 2013)

Wolford Group Key Data

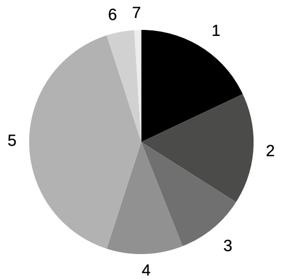
Earnings Data		1st half year 05 - 10/13	1st half year 05 - 10/12[1]	Chg. in %	2012/13
Revenues	in € mill.	74.81	76.59	-2	156.47
EBITDA	in € mill.	1.64	4.01	-59	7.90
EBIT	in € mill.	-2.29	-0.09	>100	-0.91
Earnings before tax	in € mill.	-2.90	-0.65	>100	-2.25
Earnings after tax	in € mill.	-1.96	-0.59	>100	-2.76
Capital expenditure	in € mill.	4.42	3.16	+40	6.03
Free cash flow	in € mill.	-9.64	-7.98	-21	0.48
Employees on average	FTE	1,562	1,611	-3	1,606

Balance Sheet Data		31/10/2013	31/10/2012[1]	Chg. in %	30/04/2013
Equity	in € mill.	75.90	81.46	-7	78.15
Net debt	in € mill.	25.38	24.13	+5	15.73
Working capital	in € mill.	42.74	46.35	-8	38.26
Balance sheet total	in € mill.	150.91	156.56	-4	142.32
Equity ratio	in %	50	52	–	55
Gearing	in %	33	30	–	20

Stock Exchange Data		05 - 10/13	05 - 10/12[1]	Chg. in %	2012/13
Earnings per share	in €	-0.40	-0.12	>100	-0.56
Share price high	in €	22.77	28.90	-21	28.90
Share price low	in €	17.80	23.41	-24	20.53
Share price at end of period	in €	19.66	25.01	-21	20.62
Shares outstanding (weighted)	in 1,000	4,900	4,900	0	4,900
Market capitalization (ultimo)	in € mill.	98.30	125.03	-21	103.08

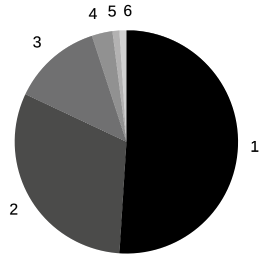
1) Adjustment to reflect the earlier application of AS 19 (revised).

REVENUES BY MARKET



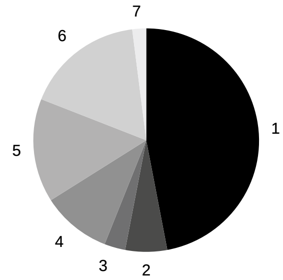
1 North America 18%
2 Germany 16%
3 France 10%
4 Austria 11%
5 Rest of Europe 40%
6 Asia/Oceania 4%
7 Rest of World 1%

REVENUES BY PRODUCT GROUP



1 Legwear 51%
2 Ready-to-wear 31%
3 Lingerie 13%
4 Accessories 3%
5 Swimwear 1%
6 Trading goods 1%

REVENUES BY DISTRIBUTION



1 Boutiques 47%
2 Concession Shop-in-Shops 6%
3 Online Business 3%
4 Factory Outlets 10%
5 Department Stores 15%
6 Multi-brand Retailers 17%
7 Private Label 2%

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From the Wolford Spring / Summer Collection 2014: Shirin Dress, Marchesa Tights

Chief Executive's Review

Holger Dahmen, Chief Executive Officer of Wolford AG

Dear Shareholders, Ladies and Gentlemen,

Challenging first half-year with growth in Retail business and declines in Wholesale area

Our company can look back on a very challenging first six months in the 2013/14 financial year. The period from May to October 2013 closed with a decline of 2.3% in revenues to € 74.81 million and EBITDA of € 1.64 million, compared with € 4.01 million in the previous year. EBIT totaled € -2.29 million (previous year: € -0.09 million). After an adjustment for foreign exchange effects, the revenue decline was a comparatively low 0.7%. Negative foreign exchange effects resulted chiefly from the weaker US dollar and British pound. Revenues in our own retail locations rose by 5% (after an adjustment for foreign exchange effects +7%) and the online shops generated sound 20% growth, but the wholesale business remained reserved throughout the reporting period. This led to a decline of 11% in wholesale revenues and, in total, to negative revenue and earnings development for the reporting period. This trend continued during the second quarter, and results for the three months from August to October were therefore below expectations with revenues of € 42.53 million (previous year: € 43.51 million) and EBIT of € 2.89 million (previous year: € 2.92 million).

Balance sheet indicators remain solid

The balance sheet structure of Wolford AG remained solid as of the quarterly closing date on October 31, 2013. Equity totaled € 75.90 million (October 31, 2012: € 81.46 million), and the equity ratio equaled 50% (October 31, 2012: 52%). Gearing reached 33% (October 31, 2012: 30%), and the company has sufficient funds to finance ongoing business operations and the strategic refocussing. Our strong balance sheet also ensures the quick and consistent implementation of the necessary measures to restore profitability.

Higher revenues on Lingerie, Accessories and trading goods, decline in Ready-to-wear and Legwear, especially in Wholesale

Our product group analysis shows a continuing trend to body-shaping underwear, which was also reflected in an increase in revenues for the Lingerie Segment during the first half-year. Higher revenues were also reported by the Accessories and Trading Goods product groups, while the Ready-to-wear business recorded a slight decline. Revenues in the Swimwear segment were slightly lower than the previous year. Wolford's largest product group Legwear showed good development in our retail business but remained below expectations in comparison with the first half of 2012/13 due to a substantial decline in sales to wholesale partners.

Revenue growth in USA, Austria and Italy as well as Greater China and the Gulf Region, Germany and France below prior year

An analysis by region shows different developments. The USA, which currently generates the highest revenues in the Wolford Group, ended the reporting period with sound revenue development in spite of negative foreign exchange effects. Italy generated significant growth, among others due to the opening of new own shops and partner-operated points of sale. Revenue development was also positive in Belgium. Moderate growth was recorded in our home market of Austria, whereby the recent renovation of our existing boutique and the newly opened point of sale at Vienna Airport are expected to make a substantial contribution to revenues in the coming years. Revenues in Great Britain declined slightly due to foreign exchange effects, but were considerably higher than the previous year in local currency. In contrast, revenues were lower than the previous year in Scandinavia, Germany, France, the Netherlands and Spain. Revenue declines were also registered in Central and Eastern Europe and Switzerland. In contrast, sound double-digit revenue increases were generated in the growth markets of Greater China and the Gulf Region.

New Guidance for 2013/14 financial year

The Management Board of Wolford AG has revised its guidance for the current financial year based on the development of revenues and earnings during the first six months and the implementation of optimization measures. From the current point of view, EBIT is expected to total up to approximately € -5 million, including non-recurring expenses of up to € 3 million, and revenues should remain at the previous year's level. The Management Board plans to finance the strategic refocussing described below from internal cash flow and the sale of non-operating assets.

Course set for positive development

The Management Board of Wolford AG is convinced that the strategic refocussing and the related measures will set the right course for the company's positive development.

Yours

Holger Dahmen

Strategic Refocussing

Strengthening of Wolford's competitive ability

The strategic refocussing of Wolford AG was approved by the Supervisory Board at a meeting on December 11, 2013. The related decisions were preceded by an intensive strategy process that covered several months in which management revised the brand positioning, critically analyzed processes and structures at all levels and evaluated opportunities for optimization that will strengthen Wolford's competitive ability. The goal of this strategic refocussing is to sustainably increase and strengthen the enthusiasm of customers and partners for the Wolford brand. For over 60 years, this enthusiasm has been supported by characteristic features such as timeless fashionable elegance, the innovative strength of a manufacturer brand "Made in Europe", highest quality standards and unrivaled wearing comfort.

The refocussing of Wolford AG covers the following strategic points:

- Sharpen the product line and collection statement
- Focus innovative strength and creativity on core expertise
- Optimize monobrand distribution and invest in e-commerce
- Implement attractive partner concepts for trading partners
- Refocus and intensify communications
- Optimize internal processes and structures
- Create a new mission statement

SHARPEN THE PRODUCT LINE AND COLLECTION STATEMENT

Refocussing on core expertise of Legwear and figure-embracing complementary products

Wolford plans to adjust the structure of the product line and collection statement to better reflect the expectations of customers in the future. This new strategic emphasis is based on the results of market surveys as well as an extensive analysis of the product line. The focus will therefore shift to the company's core expertise of Legwear as the "DNA of the brand" and figure-embracing complementary products, with an expanded offering of (figure-shaping) Lingerie and Underpinnings (bodies, tops, shirts, etc.). The Ready-to-wear line will concentrate on products that fit with this more precise positioning. The Swimwear product group will be discontinued beginning with the 2015 spring/summer collection. The remaining elements in the collection will continue to underscore the fashionable-esthetic demands, high functionality, uncompromising quality approach and the unrivaled wearing comfort that distinguish the Wolford brand.

FOCUS INNOVATIVE STRENGTH AND CREATIVITY ON CORE EXPERTISE

Expansion of innovation leadership

Creative employees in design, product management and product development have made it possible for Wolford to successfully launch new and innovative products for many years. The collection currently includes - amongst others - more than 60 Shape & Control products that meet specific customer needs, and this area will be a focal point of further development in the future. Research activities in all product groups are concentrated on new materials and production processes, and process-related development teams are being established to utilize opportunities for the creation of unrivaled products through internal networks and increased cooperation with suppliers.

OPTIMIZE MONOBRAND DISTRIBUTION AND INVEST IN E-COMMERCE

Commitment to vertical integration of distribution and new partner concepts

The refocussing of distribution is intended to ensure the best possible access to customers by creating a balanced mix of Wolford's own locations and partner boutiques. Wolford is committed to the vertical integration of distribution, but future plans will concentrate on the opening of its own boutiques at top locations in key strategic markets and growth regions for the brand. The approach for locations that are not managed directly includes the introduction of new partner concepts for the assortment definition and marketing support to gain new boutique partners for the Wolford brand and thereby create win-win situations. The current strong emphasis on the expansion of Travel Retail will continue. The strategic optimization of distribution will also include increased investments in the expansion of the online business to optimally utilize the potential of this sales channel, which is particularly well suited for Wolford's products.

IMPLEMENT ATTRACTIVE CONCEPTS FOR TRADING PARTNERS

Reallocation of resources to increase support for retail partners

Wolford also intends to redirect its efforts to give trading partners the attention they deserve. Activities in this area will concentrate on existing and new department store partners as well as specialized retailers and include attractive concepts to support sales. The product line will be tailored to meet the requirements of wholesalers, appeal to end consumers with best-selling fashionable Legwear and classic Essentials, and include selected Ready-to-wear in the Trend and Essential lines as well as exclusive lingerie products, innovative shapewear and perfectly coordinated accessories. This intensified focus on trading partners will also be connected with a reallocation of personnel resources.

REFOCUS AND INTENSIFY COMMUNICATIONS

Emotionalize the brand in all communication channels

Market studies have shown that the Wolford brand has a very high positive emotional association. Women all over the world are enthusiastic over and committed to Wolford products, and the company therefore has a high share of loyal customers. However, Wolford also wants to convince new customers for its products by introducing the brand to this target group at suitable points of sale with entry price levels and appropriate communication measures. Wolford is well known for strong imagery with a special emphasis. In the future the company's message will be focused more directly on the target group in all communication channels and at the point of sale and also visually express the brand's strong emotionality.

OPTIMIZE INTERNAL PROCESSES AND STRUCTURES

Reduce time-to-market in order to act faster and with greater flexibility

Only a flexible, market-oriented and innovative organization can be successful over the long-run. The strategic analysis therefore included a review of Wolford's core processes and existing structures as well as the identification of opportunities for optimization. New interdepartmental project and process management teams are being established to reduce the time-to-market by redesigning, streamlining and accelerating corporate processes. This will allow the company to adapt even better to rapidly changing market conditions, bring innovations more directly to the market and increase added value.

CREATE A NEW MISSION STATEMENT

Clear statement on values for corporate management and cooperation

In recent months a team of managers from different areas and markets has worked on the creation of a new mission statement that defines Wolford's vision and clearly states the key values for corporate management and cooperation. Through organizational changes, Wolford wants to create an environment that will allow employees to better contribute their talents and expertise and also strengthen its external positioning in competition for the "best talents".

Set the right course

The Management Board of Wolford AG is convinced that the refocussing of the corporate strategy and the related measures will set the right course for the company's positive development. By refocussing and bundling its energy on the above seven goals, the company plans to create sustainable value for its partners, employees and shareholders and position itself as a producer of premium legwear and figure-embracing products with unrivaled fit and comfort.

The Management Board

Holger Dahmen | Axel Dreher | Thomas Melzer

Management Report

EARNINGS DEVELOPMENT IN THE FIRST HALF-YEAR (MAY TO OCTOBER 2013)

2% decline in Group revenues, plus 5% for Wolford's own retail locations, 11% drop in wholesale business

The Wolford Group recorded a 2.3%, or € 1.77 million, decline in revenues to € 74.81 million for the first six months of the 2013/14 financial year. Business development in Wolford's own points of sale (own boutiques, factory outlets, concession shop-in-shops) was positive with a 5% year-on-year increase in revenues. On a like-for-like basis, i.e. excluding newly opened or closed points of sale, retail revenues were 2% higher. Wolford's own boutiques and factory outlets registered positive revenue development of 4% and 12%, respectively. The online shops continued their solid growth with a 20% increase in revenues. However, revenues in the wholesale business (partner-operated boutiques, department stores and specialized retailers) fell by 11%, and the overall development of revenues and earnings therefore remained below expectations.

Different developments in regional markets: sound plus in USA and China, Europe below prior year

A regional analysis of the first half-year shows different developments. The USA, which currently generates the highest revenues in the Wolford Group, closed the reporting period with sound revenue development in spite of negative foreign exchange effects. Italy generated significant growth, among others due to the opening of new own shops and partner-operated points of sale. Revenue development was also positive in Belgium. Moderate growth was recorded in Austria, Wolford's home market, whereby the recent renovation of our existing boutique and the newly opened point of sale at Vienna Airport are expected to make a substantial contribution to revenues in the coming years. Revenues in Great Britain declined slightly due to foreign exchange effects, but were considerably higher year-on-year in local currency. In contrast, revenues were lower than the previous year in Scandinavia, Germany, France, the Netherlands and Spain. Revenue declines were also registered in Central and Eastern Europe and Switzerland. In contrast, sound double-digit revenue increases were generated in the growth markets of Greater China and the Gulf Region.

Revenue growth in Lingerie and Accessories, declines in Ready-to-wear and Legwear

The development of revenues by product group shows growth in Lingerie (primarily based on body-shaping products), Accessories and trading goods. Slight declines were recorded by the strong-selling Ready-to-wear product line and the seasonal Swimwear line. Revenues from Legwear, the largest product group, were clearly lower year-on-year, above all due to the wholesale business.

First positive effects of inventory and cash optimization, significant reduction in material costs, only slight rise in personnel expenses

The first half of the previous year was characterized by a substantial rise in inventories, but the past months were focused on further inventory and cash optimization. The results are reflected in the position "changes in inventories of finished goods and work-in-process", which was reduced by € 1.93 million to € -0.18 million. Also the cost of materials fell by € 2.94 million to € 13.50 million. The decline in operating output led to personnel adjustments in the production area, which were more than offset by wage and salary increases mandated by collective bargaining agreements and expenses for the opening of new retail locations. However, staff costs rose by a comparatively low € 0.28 million.

Earnings negatively influenced by higher costs for expansion of distribution network, advertising expenses and foreign exchange effects

Freight, consulting and travel costs as well as valuation adjustments to receivables were lower than the comparable prior year levels. Other operating expenses rose by € 1.07 million to € 24.38 million due to higher costs related to the opening of numerous boutiques that have not yet reached their full revenue potential as well as higher advertising expenses and negative foreign exchange effects. Against this backdrop, EBITDA recorded by the Wolford Group declined from € 4.01 million to € 1.64 million for the first six months of 2013/14 and EBIT fell from € -0.09 million to € -2.29 million.

Financial results declined only slightly from € -0.56 million to € -0.60 million due to the further optimization of inventories and lower interest rates on borrowings. Earnings before tax for the Wolford Group totaled € -2.90 million in the first six months of 2013/14, compared with € -0.65 million in the previous year. Earnings after tax amounted to € -1.96 million (H1 2012/13: € -0.59 million), and earnings per share equaled € -0.40 (H1 2012/13: € -0.12).

Slight decline in financial results, earnings after tax fall by € 1.37 million

SECOND QUARTER 2013/14

The second quarter of 2013/14 (August – October) brought a decline of € 0.98 million in revenues to € 42.53 million. However, this represents an improvement of 32% over the previous quarter (Q1 2013/14: € 32.28 million). This increase is explained above all by seasonal factors because comparatively lower revenues in the first quarter are normally contrasted by above-average costs. Revenue growth combined with comparatively lower cost increases led to clearly positive EBIT of € 2.89 million in the second quarter (2012/13: € 2.92 million). Earnings after tax equaled the prior year level at € 2.39 million based on a slight decline in income taxes. In total, the development of revenues and earnings in the second quarter remained below expectations.

Q2 EBIT and earnings after tax at prior year level; but below expectations

CASH FLOW

Cash flow from operating activities fell by € -0.36 million to € -5.21 million in the first half of the reporting year, primarily due to the decline in earnings and the repayment of a € 1.08 million investment subsidy for the plant in Slovenia. This effect is reflected in a reduction of other current liabilities. The development of cash flow from operating activities was substantially improved by the optimization of working capital, which was € 3.61 million lower year-on-year primarily due to the reduction of inventories. Cash flow from investing activities totaled € -4.44 million for the first six months of 2013/14, which is € -1.31 million lower than the previous year. Free cash flow (cash flow from operating activities minus cash flow from investing activities) declined from € -7.98 million to € -9.64 million as a result of the above-mentioned factors. Cash flow from financing activities rose from € 10.88 million to € 13.17 million during the reporting period. Cash and cash equivalents totaled € 8.50 million as of October 31, 2013, compared with € 7.85 million on October 31, 2012.

Cash flow from operating activities negative for seasonal reasons, positive effects from inventory optimization

ASSET AND FINANCIAL POSITION

The balance sheet indicators of the Wolford Group remained sound as of October 31, 2013. The balance sheet total rose from € 142.32 million on April 30, 2013 to € 150.91 million for seasonal reasons. The equity of the Wolford Group amounted to € 75.90 million as of October 31, 2013, which is € 2.25 million below the level on April 30, 2013. The equity ratio equaled 50% at the end of the reporting period, and gearing was 33%. Net debt rose by € 1.25 million over the level on October 31, 2012 to € 25.38 million as of October 31, 2013.

Solid balance sheet structure, equity ratio at 50%

Interim Financial Statements (IFRS)

STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income in TEUR	08 - 10/13	08 - 10/12 [1]	05 - 10/13	05 - 10/12 [1]
Revenues	**42,533**	**43,513**	**74,814**	**76,587**
Other operating income	807	937	1,433	1,672
Changes in inventories of finished goods and work-in-process	-2,450	-1,948	-176	1,758
Own work capitalized	8	16	12	28
Operating output	**40,898**	**42,518**	**76,083**	**80,045**
Cost of materials and purchased services	-5,760	-7,018	-13,504	-16,444
Staff costs	-17,614	-17,560	-36,558	-36,283
Other operating expenses	-12,693	-12,948	-24,377	-23,311
Depreciation and amortization	-1,942	-2,069	-3,939	-4,095
Operating profit (EBIT)	**2,889**	**2,923**	**-2,295**	**-88**
Net interest cost	-177	-157	-321	-313
Net investment securities income	10	6	-22	43
Interest cost of employee benefit liabilities	-131	-146	-261	-291
Financial result	**-298**	**-297**	**-604**	**-561**
Earnings before tax	**2,591**	**2,626**	**-2,899**	**-649**
Income tax	-202	-237	936	63
Earnings after tax	**2,389**	**2,389**	**-1,963**	**-586**
Amounts that will not be recognized in future periods	0	-210	0	-440
thereof remeasurement of defined benefit plans (IAS 19)	0	-210	0	-440
Amounts that will potentially be recognized	-207	219	-289	676
thereof currency translation differences	-181	61	-306	612
thereof change from cash flow hedges	-26	158	17	64
Other comprehensive income after tax 2)	**-207**	**9**	**-289**	**236**
Total comprehensive income	**2,182**	**2,398**	**-2,252**	**-350**
Attributable to the equity holders of the parent company	2,182	2,398	-2,252	-350
Earnings after tax attributable to equity holders of the parent company	2,389	2,389	-1,963	-586
Earnings per share (diluted = undiluted)	**0.49**	**0.49**	**-0.40**	**-0.12**

1) Adjustment to reflect the earlier application of IAS 19 (revised).

2) The components of other comprehensive income are presented after tax.

CASH FLOW STATEMENT

Cash Flow Statement in TEUR	05 - 10/13	05 - 10/12 [1)]
Earnings before tax	**-2,899**	**-649**
Depreciation and amortization	3,939	4,095
Interest costs	343	270
Gains / losses from disposal of assets	309	62
Changes in non-current provisions	315	224
Changes in inventories	338	-1,589
Changes in trade receivables	-5,110	-5,471
Changes in other assets	-734	-1,444
Changes in trade payables	6	455
Changes in current provisions	-832	-527
Changes in other liabilities	-492	921
Changes in the cash flow hedge provision	-23	-85
Currency translation differences	307	-41
Net interest paid	-367	-299
Income taxes paid / received	-306	-769
Cash flow from operating activities	**-5,206**	**-4,847**
Investments in property, plant and equipment and other intangible assets	-4,439	-3,140
Proceeds from the sale of property, plant and equipment and other intangible assets	2	12
Proceeds from the disposal of securities	0	0
Cash flow from investing activities	**-4,437**	**-3,128**
Assumption of current and non-current financing liabilities	13,515	13,586
Repayment of current and non-current financing liabilities	-343	-744
Dividends paid	0	-1,960
Cash flow from financing activities	**13,172**	**10,882**
Change in cash and cash equivalents	**3,529**	**2,907**
Cash and cash equivalents at the beginning of the period	4,990	4,911
Effects of exchange rate fluctuations on cash and cash equivalents	-20	27
Cash and cash equivalents at the end of the period	**8,499**	**7,845**

1) Adjustment to reflect the earlier application of IAS 19 (revised).

BALANCE SHEET

Balance Sheet in TEUR	31/10/2013	31/10/2012 [1]	30/04/2013
ASSETS			
Property, plant and equipment	58,672	61,599	59,683
Goodwill	1,175	1,205	1,200
Intangible assets	10,605	9,790	9,571
Financial assets	1,512	1,545	1,533
Non-current receivables and assets	1,240	1,091	1,269
Deferred tax assets	5,905	5,850	5,568
Non-current assets	**79,109**	**81,080**	**78,824**
Inventories	42,354	45,759	42,692
Trade receivables	13,943	15,067	8,833
Other receivables and assets	3,368	3,550	4,044
Prepaid expenses	3,378	3,037	2,707
Liquid funds	8,760	8,063	5,216
Current assets	**71,803**	**75,476**	**63,492**
Total assets	**150,912**	**156,556**	**142,316**
EQUITY AND LIABILITIES			
Share capital	36,350	36,350	36,350
Capital reserves	1,817	1,817	1,817
Other reserves	40,619	45,559	42,565
Currency translation differences	-2,889	-2,266	-2,583
Equity	**75,897**	**81,460**	**78,149**
Financial liabilities	4,035	4,400	19,149
Other liabilities	1,126	2,341	1,249
Provisions for post-employement benefits	15,537	13,950	15,222
Deferred tax liabilities	118	206	139
Non-current liabilities	**20,816**	**20,897**	**35,759**
Financial liabilities	31,613	29,333	3,327
Trade payables	4,603	5,328	4,618
Other liabilities	12,321	12,695	12,691
Income tax provisions	1,064	2,566	2,342
Other provisions	4,598	4,277	5,430
Current liabilities	**54,199**	**54,199**	**28,408**
Total equity and liabilities	**150,912**	**156,556**	**142,316**

1) Adjustment to reflect the earlier application of IAS 19 (revised).

STATEMENT OF CHANGES IN EQUITY

Changes in Equity in TEUR	Share capital	Capital reserves	Hedging reserve	Actuarial gain/loss on defined benefit plan	Other reserves	Currency translation	Treasury stock	Total equity
	Attributable to equity holders of the parent company							
Balance 01.05.2012 [1]	**36,350**	**1,817**	**-9**	**218**	**52,935**	**-2,878**	**-4,663**	**83,770**
Dividend for 2011/12 FY	0	0	0	0	-1,960	0	0	-1,960
Total comprehensive income	0	0	64	-440	-586	612	0	-350
Balance 31.10.2012 [1]	**36,350**	**1,817**	**55**	**-222**	**50,389**	**-2,266**	**-4,663**	**81,460**
Balance 1.5.2013	**36,350**	**1,817**	**-5**	**-985**	**48,218**	**-2,583**	**-4,663**	**78,149**
Dividend for 2012/13 FY	0	0	0	0	0	0	0	0
Total comprehensive income	0	0	17	0	-1,963	-306	0	-2,252
Balance 31.10.2013	**36,350**	**1,817**	**12**	**-985**	**46,255**	**-2,889**	**-4,663**	**75,897**

SEGMENT REPORTING

Key Data by segment 05 - 10/13 in TEUR	Austria	Other Europe	North America	Asia	Consolidation	Group
Revenues	45,800	45,787	13,500	2,135	-32,408	74,814
thereof intersegment	-30,210	-2,198	0	0	32,408	0
External revenues	15,590	43,589	13,500	2,135	0	74,814
EBITDA	1,339	483	-199	-26	47	1,644
Depreciation and amortization	2,481	1,124	267	105	-38	3,939
EBIT	-1,142	-641	-466	-131	85	-2,295
Investments	1,183	2,764	91	400	-19	4,419
Employees on average	765	639	125	33	0	1,562

Key Data by segment 05 - 10/12 in TEUR [1]	Austria	Other Europe	North America	Asia	Consolidation	Group
Revenues	49,214	48,346	12,670	1,349	-34,992	76,587
thereof intersegment	-32,742	-2,250	0	0	34,992	0
External revenues	16,472	46,096	12,670	1,349	0	76,587
EBITDA	4,089	1,866	-256	14	-1,706	4,007
Depreciation and amortization	2,432	1,278	368	50	-33	4,095
EBIT	1,657	588	-624	-36	-1,673	-88
Investments	1,367	1,122	588	107	-29	3,155
Employees on average	835	636	117	23	0	1,611

1) Adjustment to reflect the earlier application of IAS 19 (revised).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

GENERAL INFORMATION

The consolidated interim financial statements of the Wolford Group for the first six months of the 2013/14 financial year (May 1 to October 31, 2013) were prepared in accordance with International Financial Reporting Standards (IFRS) on the basis of IAS 34 "Interim Financial Reporting". The accounting and valuation policies applied in preparing the consolidated interim financial statements reflect the policies applied to the consolidated financial statements for the 2012/13 financial year with the following exceptions: IFRS 13 "Fair Value Measurement", the additions to IAS 1 "Presentation of Financial Statements" and the Improvements to IFRS (2009 – 2011) were applied as of May 1, 2013. These changes in accounting and valuation policies had no material effect on the consolidated interim financial statements. The consolidated interim financial statements do not include all information and disclosures required for consolidated annual financial statements. Therefore, the consolidated interim financial statements should also be read in connection with the latest consolidated financial statements as of April 30, 2013. The amounts included in this quarterly report are presented in thousand euros (TEUR). The use of automated data processing equipment may lead to rounding differences. In connection with the early application of IAS 19 (revised) "Employee Benefits", the comparable prior year data were adjusted in these interim financial statements.

CONSOLIDATION RANGE

The number of companies included in the consolidation range did not change since the last balance sheet date on April 30, 2013.

SEASONALITY OF BUSINESS DEVELOPMENT

Wolford generates lower revenues in the first and last months of the financial year due to the weather. These seasonal fluctuations are reflected in revenues for the first and fourth quarters, which are generally lower than the comparable figures for the second and third quarters.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

Revenues recorded by the Wolford Group declined by 2% or TEUR 1,773 to TEUR 74,814 for the first six months of 2013/14 (previous year: TEUR 76,587). Operating output fell by TEUR 3,962 to 76,083 (previous year: TEUR 80,045) because of a TEUR 1,934 year-on-year decrease in finished goods and work-in-process.

The development of operating profit was influenced by the following factors: a substantial reduction of TEUR 2,940 in the cost of materials, a slight increase of only TEUR 275 in staff costs, higher costs related to the opening of new boutiques that have not yet reached their full revenue potential, higher rental expenses for the company's own retail business, increased advertising expenses to strengthen the brand and negative foreign exchange effects from the US dollar and the British pound. The result was a decline in EBIT to TEUR –2,295 for the first half of the reporting year (previous year: TEUR -88).

Financial result deteriorated slightly by TEUR -43 to TEUR -604 for the first six months of 2013/14. The main factors for this development were the continuing low interest rates for borrowings, lower interest on employee-related provisions and negative results of TEUR -22 (previous year: TEUR 43) from the fair value measurement of securities.

The receipt of final tax assessments led to the correction of advance tax payments for the 2010/11 financial year and, in turn, to tax income of TEUR 936 for the first six months of 2013/14 (previous year: TEUR 63). Earnings after tax equaled TEUR -1,963 (previous year: TEUR -586).

IAS 19 (revised) requires the recording of actuarial gains/losses from defined benefit plans under other comprehensive income without recognition through profit or loss, i.e. directly in equity. This standard was applied on an early basis as of April 30, 2013 and, in keeping with IAS 8, the changes were made retrospectively. The result was an adjustment of TEUR -440 for the first half of 2012/13. Negative currency translation differences of TEUR -306 for the first six months of 2013/14 (previous year: TEUR 612), which are reported under other comprehensive income without recognition through profit or loss, resulted primarily from the US dollar. The hedging reserve increased by TEUR 17 during the reporting period (previous year: TEUR 64). Other comprehensive income amounted to TEUR -289 (previous year: TEUR 236). Total comprehensive income after tax led to a decrease of TEUR -2,252 in equity for the first quarter of the reporting year (previous year: TEUR -350).

NOTES ON SEGMENT REPORTING

The reportable segments in the Wolford Group are Austria, Other Europe, North America and Asia. Segment reporting is generally based on the same accounting and valuation policies applied in preparing the consolidated financial statements.

Revenues in the Austria and Other Europe segments were 5% lower than the first six months of the previous year. The North America segment recorded a 7% increase in revenues, while revenues in Asia rose by a total of 58% following the opening of several locations in China. EBIT in the North America segment improved from TEUR -624 to TEUR -466. All other segments reported in part substantial declines: the decline in Asia resulted, above all, from the high start-up costs for market entry in China; in the Austria segment from a decrease in operating output that was not fully offset by reductions in material costs and personnel expenses; and in the Other Europe segment from higher marketing and selling expenses.

Segment assets declined by TEUR 5,644 to TEUR 150,912 due to a decrease in inventories and trade receivables.

NOTES TO THE CASH FLOW STATEMENT

Cash flow from operating activities fell by TEUR -359 to TEUR -5,206 for the first six months of 2013/14, primarily due to the decline in earnings and the repayment of a TEUR 1,080 investment subsidy for the plant in Slovenia. This effect is reflected in a reduction of other current liabilities. The development of cash flow from operating activities was positively influenced by the optimization of working capital, primarily through a reduction in inventories. Cash flow from investing activities totaled TEUR -4,437 for the first six months of 2013/14, which is TEUR -1,309 lower than the previous year. Free cash flow (cash flow from operating activities minus cash flow from investing activities) declined from TEUR -7,975 to TEUR -9,643 as a result of the above-mentioned factors. Cash flow from financing activities rose from TEUR 10,882 to TEUR 13,172 during the reporting period. Cash and cash equivalents totaled TEUR 8,499 as of October 31, 2013, compared with TEUR 7,845 on October 31, 2012. This increase resulted chiefly from a capital increase for the sales company in China.

CASH AND CASH EQUIVALENTS

The reconciliation of liquid funds as reported on the balance sheet to cash and cash equivalents involves the adjustment of cash on hand and cash equivalents to exclude demand deposits that are not available for discretionary use.

in TEUR	31/10/2013	31/10/2012	30/04/2013
Cash on hand and cash equivalents	8,760	8,063	5,216
not available for discretionary use	-261	-218	-226
Cash and cash equivalents	**8,499**	**7,845**	**4,990**

NOTES TO THE CONSOLIDATED BALANCE SHEET

The balance sheet total amounted to TEUR 150,912 on October 31, 2013, which represents a decline of 4% below the level on October 31, 2012. Non-current assets represented 52% of total assets and equaled TEUR 79,109 as of the balance sheet date (October 31, 2013: TEUR 81,080). Investments of TEUR 4,419 in intangible assets and property, plant and equipment were contrasted by scheduled amortization and depreciation of TEUR 3,939. Current assets equaled 48% of total assets as of October 31, 2013. Inventories declined by 7% to TEUR 42,354, or to 28% of total assets, and trade receivables by 7% to TEUR 13,943, or to 9% of total assets. Cash and cash equivalents rose from TEUR 8,063 to TEUR 8,760.

Shareholders‘ equity totaled TEUR 75.897 as of October 31, 2013, which represents an equity ratio of 50% (previous year: 52%). Non-current liabilities declined slightly from TEUR 20,897 to TEUR 20,816, or to14% of the balance sheet total.

Current liabilities remained unchanged at TEUR 54,199 (previous year: TEUR 54,199). This development resulted above all from an increase of TEUR 2,280 in financial liabilities to TEUR 31,613, a reduction of TEUR 725 in trade payables to TEUR 4,603, a decrease of TEUR 374 in other liabilities to TEUR 12,321 and a decline of TEUR 1,181 in income tax provisions and other provisions to a total of TEUR 5,662. Working capital was reduced from TEUR 46,353 in the comparable prior year period to TEUR 42,741. This improvement was achieved, above all, through a reduction in inventories and trade receivables. Net debt totaled TEUR 25,376 as of October 31, 2013, for an increase of TEUR 1,251 over the level on October 31, 2012.

DETERMINATION OF FAIR VALUE

The following hierarchy is used to determine and report fair value:

Level 1: Quoted prices on active markets for identical assets and liabilities.

Level 2: Methods under which all input parameters that have a material effect on the recognized fair value are directly or indirectly observable.

Level 3: Methods under which all input parameters that have a material effect on the recognized fair value are not based on observable market data.

The financial investments classified under Level 1 consist of publicly traded investment fund shares, while the securities and financial investments reported under current assets represent securities used to hedge rental and leasing obligations. The other receivables and other liabilities included under Level 2 result from the valuation of outstanding foreign currency derivative transactions. No financial instruments were valued in accordance with Level 3, and there were no reclassifications between the fair value hierarchy levels during the reporting period.

31/10/2013 in TEUR	Level	Carrying amount	Fair Value
Financial assets	1	1,512	1,512
Trade receivables		13,943	13,943
Other receivables and assets		3,239	3,239
thereof Derivates	2	17	17
Prepaid expenses and deferred charges		3,378	3,378
Securities and financial investments	1	129	129
Cash and cash equivalents		8,760	8,760
Total financial assets		**30,961**	**30,961**
Financial liabilities, non-current		4,035	4,035
Financial liabilities, current		31,613	31,613
Trade payables		4,603	4,603
Other liabilities		12,321	12,321
thereof Derivates	2	0	0
Total financial liabilities		**52,572**	**52,572**

CONTINGENT LIABILITIES

There were no material changes in contingent liabilities since the last balance sheet date on April 30, 2013.

RELATED PARTY TRANSACTIONS

DORDA BRUGGER JORDIS Rechtsanwälte GmbH, a law firm whose managing partner, Theresa Jordis, was a member of the Supervisory Board of Wolford AG until September 7, 2013, advised the company on legal matters. The fees for these services reflected standard market rates and were billed on the basis of time worked. RCI Unternehmensberatung AG, a Swiss company, advises the company on business matters. Emil Flückiger, a member of this firm's administrative board, serves on the Supervisory Board of Wolford AG. The fees for these services also reflect standard market rates and are billed on the basis of time worked.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The 26th Annual General Meeting (AGM) of Wolford AG on September 17, 2013 elected three new members to the Supervisory Board: Antonella Mei-Pochtler, Claudia Beermann and Lothar Reiff. At the constituent meeting following the AGM, the Supervisory Board functions were newly assigned as follows: Emil Flückiger, was appointed chairman to succeed Theresa Jordis, who died on September 7, 2013, and will therefore ensure continuity on the Presidium of the Supervisory Board. Antonella Mei-Pochtler was elected vice-chairwoman of this body. The Audit Committee was newly constituted and a Strategy and Marketing Committee was created. The Audit Committee now includes: Claudia Beermann (chairwoman), Emil Flückiger, Antonella Mei-Pochtler and Anton Mathis. The members of the Strategy and Marketing Committee are: Lothar Reiff (chairman), Antonella Mei-Pochtler and Birgit Wilhelm.

No major events occurred after that balance sheet date that had a significant effect on the financial position, financial performance of cash flows of the Wolford Group.

REPORT ON THE AUDITOR'S REVIEW

This report on the first half of 2013/14 was neither audited nor reviewed by a certified public accountant.

STATEMENT BY THE MANAGEMENT BOARD IN ACCORDANCE WITH § 87 (1) NO. 3 OF THE AUSTRIAN STOCK EXCHANGE ACT

The Management Board of Wolford AG hereby confirms the best of its knowledge that these condensed consolidated interim financial statements provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report provides a true and fair view of the important events that occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Bregenz, December 13, 2013

Holger Dahmen
CEO

Management responsibility for Corporate Communications, Marketing, Sales and coordination of Corporate Strategy and Planning

Axel Dreher
COO/CTO

Management responsibility for Product Development, Production and Technology, Procurement, Distribution Logistics and Quality Management

Thomas Melzer
CFO

Management responsibility for Finance, Internal Audit, Investor Relations, Legal Affairs, Human Resources and IT

FINANCIAL CALENDAR

Date	Event
December 13, 2013	Half-Year Report 2013/14
March 14, 2014	Q3 Report 2013/14
July 18, 2014	Press conference on 2013/14 results
September 12, 2014	Q1 Report 2014/15
September 18, 2014	27th Annual General Meeting in Bregenz
September 22, 2014	Deduction of dividends (ex-day)
September 24, 2014	First day of dividend payment
December 12, 2014	Half-Year Report 2014/15
March 13, 2015	Q3 Report 2014/15

INFORMATION ON THE COMPANY AND THE SHARE

Investor Relations	Karolina Tasek
Telephone	+43 5574 690 1268
E-Mail	investor@wolford.com
Internet	www.wolford.com
Vienna Stock Exchange	WOL
Reuters	WLFD.VI
Bloomberg	WOL:AV, WLFDY:US, WOF:GR
ISIN	AT0000834007

WOLFORD AG
Wolfordstrasse 1
6900 Bregenz
AUSTRIA

Telephone: +43 5574 690 0
Fax: +43 5574 690 1219
investor@wolford.com
www.wolford.com

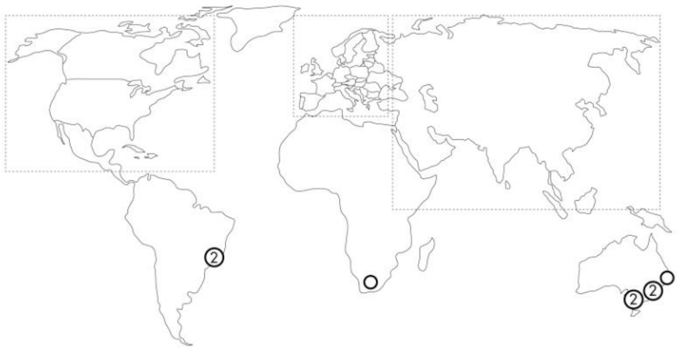
The report on the first half of 2013/14 is available in the Internet under www.wolford.com in the Investor Relations section.

Disclaimer

This half-year report was prepared with the greatest possible care, including repeated checks of all data. Nevertheless, rounding, typesetting or printing errors cannot be excluded. The report was also prepared in English, but only the German version is binding. Certain statements in this half-year report are forward-looking. They reflect the opinions and expectations of the Management Board at this time and include risks and uncertainties that could have a significant impact on actual circumstances and, consequently, on actual results. Readers are therefore cautioned not to place undue reliance on these forward-looking statements. Wolford AG is not obliged to publish any updates or revisions of the forward-looking statements contained in this report, unless required by law.

Points of Sale

WORLDWIDE
Monobrand locations
October 31, 2013: 270



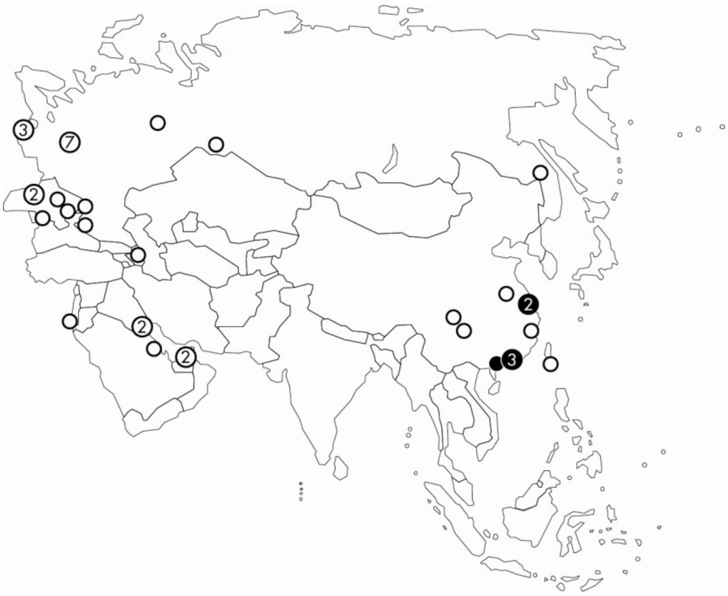
- ● Thereof own points of sale:
  122 boutiques
  33 concession shop-in-shops
  28 factory outlets

- ○ Thereof partner-operated points of sale:
  87 boutiques
  3,000 other distribution partners

NORTH AMERICA: 34

- ● Thereof own points of sale:
  28 boutiques
  4 factory outlets

- ○ Thereof partner-operated points of sale:
  2 boutiques



ASIA: 38 [1)]

- ● Thereof own points of sale:
  5 boutiques
  1 concession shop-in-shop

- ○ Thereof partner-operated points of sale:
  32 boutiques

1) Including Russia and Ukraine

EUROPE: 190 [2)]

● Thereof own points of sale:
89 boutiques
32 concession shop-in-shops
24 factory outlets

○ Thereof partner-operated points of sale:
45 boutiques

[2)] Excluding Russia and Ukraine