

Consolidated statements of income

in thousands of EUR	Second quarter ended		First six months ended	
	Oct. 31, 2005	Oct. 31, 2004	Oct. 31, 2005	Oct. 31, 2004
Sales	32,668	31,830	57,257	55,972
Other operating income	1,158	728	1,924	2,186
Change in inventories of finished goods and work-in-process	(2,647)	(1,478)	(1,378)	(8)
Own work capitalized	21	63	38	128
Operating output	31,200	31,143	57,841	58,278
Cost of materials and purchased services	(5,029)	(5,428)	(11,167)	(11,553)
Staff costs	(13,661)	(13,517)	(28,533)	(28,513)
Amortization, depreciation and write-downs	(1,470)	(1,547)	(2,900)	(3,084)
Goodwill amortization and write-downs	0	(53)	0	(112)
Other operating expenses	(7,475)	(7,098)	(14,019)	(13,999)
Operating profit (EBIT)	3,565	3,500	1,222	1,017
Net interest cost	(238)	(358)	(468)	(553)
Net investment securities income	24	44	64	148
Interest paid for employee benefit funding	(156)	(183)	(362)	(366)
Profit before taxes (EBT)	3,195	3,003	456	246
Income taxes	(891)	(945)	178	76
Net profit for the period	2,304	2,058	634	322

Stock data

	Oct. 31, 2005	Oct. 31, 2004
Basic earnings per share in euros	0.13	0.07
Diluted earnings per share in euros	0.13	0.06
Average number of shares outstanding (basic) in thousands	4,750	4,750
Average number of shares outstanding (diluted) in thousands	5,000	5,000

Consolidated statements of cash flows

in thousands of EUR	First six months ended	
	Oct. 31, 2005	Oct. 31, 2004
Cash flow from operating activities	(3,977)	(1,541)
Cash flow from investing activities	(327)	(1,465)
Cash flow from financing activities	7,454	3,863
Change in cash and cash equivalents	3,150	857
Cash and cash equivalents at beginning of period	2,379	3,845
Effect of exchange rates on cash and cash equivalents at beginning of period	29	(32)
Cash and cash equivalents at end of period	5,558	4,670

Consolidated statements of changes in equity

in thousands of EUR	First six months ended	
	Oct. 31, 2005	Oct. 31, 2004
Shareholders' equity at beginning of fiscal year	60,894	65,054
Net profit for the period	634	322
Dividend	0	0
Capital increase	0	0
Purchase of treasury stock	0	0
Currency translation	(110)	(481)
Other changes	(132)	772
Shareholders' equity at the end of period	61,286	65,667

For further information

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Wolford

Report on the first half of

2005/06 fiscal year



Key Figures for Wolford Group

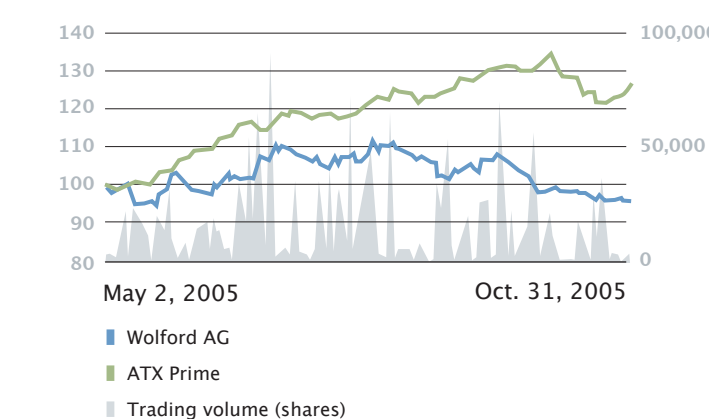
in thousands of EUR	First six months ended		Change in %
	Oct. 31, 2005	Oct. 31, 2004	
Sales	57,257	55,972	2.3 %
EBITDA	4,122	4,213	(2.2 %)
EBITDA margin	7.2 %	7.5 %	
EBIT	1,222	1,017	20.2 %
EBIT margin	2.1 %	1.8 %	
Financial result	(766)	(771)	0.6 %
EBT	456	246	85.4 %
Net profit for the period	634	322	96.9 %
Total assets	134,975	141,605	(4.7 %)
Gross liquidity	14,083	14,578	(3.4 %)
Bank and other debt	38,789	42,460	(8.6 %)
Net debt	24,706	27,882	(11.4 %)
Shareholders' equity	61,286	65,667	(6.7 %)
Equity ratio based on total assets	45.4 %	46.4 %	
Gearing	40.3 %	42.5 %	
Cash flow from operating activities	(3,977)	(1,541)	
Capital expenditure	2,550	2,832	(10.0 %)
Amortization, depreciation and write-downs	2,900	3,196	(9.3 %)
Number of employees (average for the period, in full-time equivalents)	1,381	1,380	0.1 %

Wolford's fiscal year end is April 30. The first half of the fiscal year thus represents the period from May 1 to October 31.

Stock Data

in EUR	2005	2004
ISIN	AT0000834007	
Number of Shares outstanding	5,000,000	
of which dividend-bearing	4,750,000	
Earnings per share for the period	0.13 EUR	0.07 EUR
Stock price on April 30	17.50 EUR	22.45 EUR
Stock price high for first half of fiscal year	19.50 EUR	28.80 EUR
Stock price low for first half of fiscal year	16.50 EUR	20.86 EUR
Stock price on Oct. 31	16.79 EUR	21.17 EUR
Market capitalization on Oct. 31	83,950,000 EUR	105,850,000 EUR
Trading volume (average daily number of shares)	8,151	10,285

Stock Performance (indexed)



Market Developments

The macroeconomic trends in Wolford's most important markets are quite heterogeneous. Economic growth worldwide, notably in the United States, is widely estimated by economists to ease from 3.9 percent (4.2 percent in the U.S.) in 2004 to 3.2 percent (3.6 percent) this year, but thus still remains robust. The pace of economic activity is significantly slower in core markets like Germany, Austria, Switzerland and Italy.

Conditions for the garment industry remain difficult, especially in Germany, Austria and Switzerland. In all three clothing markets, a slight declining trend, or at best a flat one, has persisted in 2005 for the industry. In Germany in particular, the high-income segment of the population generally still appears reluctant to buy fashion items.

Sales

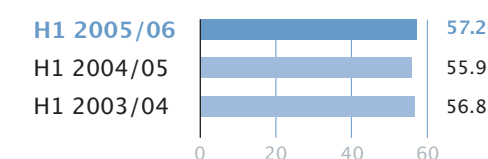
Against this backdrop, the positive sales trend in the first half of the 2005/06 fiscal year is all the more gratifying. In the period from May 1 to October 31, 2005, sales were up 2.3 percent, from EUR 56.0 million in the first half of the previous fiscal year to EUR 57.3 million. The currency-adjusted growth rate was 2.6 percent. The rising trend witnessed in the first quarter (when sales were up 1.9 percent) has thus strengthened.

The main driver of this growth was the sustained benign course of business at the partner-operated boutiques and Wolford's own such outlets. The Wolford owned channel saw sales rise by

18.8 percent compared to the year-earlier period. In the Retail segment as a whole (boutiques, shop-in-shops and factory outlets), sales expanded by 15.1 percent. The reasons for this included the opening of new Wolford owned boutiques and the acquisition of a number of Wolford locations previously operated by partners. The proportion of total revenues that was generated by the Wolford owned points of sale thus rose from 26.3 percent in the first half of 2004/05 to 29.5 percent in the reporting period. As of October 31 there were 227 Wolford boutiques.

In addition to continuing growth in Germany (up 5 percent year-over-year) as

Sales (in million of EUR)



Wolford's currently largest market and in the Austrian home market (3 percent), sales were pushed up substantially especially in Spain (28 percent), Scandinavia (21 percent), Eastern Europe (12 percent), Switzerland (7 percent) and Italy (6 percent). Sales in the first six months were down in Britain and the United States – but in these markets as well, sales via the strategic distribution channel of Wolford boutiques expanded.

Sales in the multibrand (specialist retailer) and department store channels did not keep pace with the growth at the Wolford boutiques. Revenues at the factory outlets were only marginally lower than in the prior-year period. The private-label business remained on the rise, with double-digit sales growth in the first half of the year compared to one year earlier.

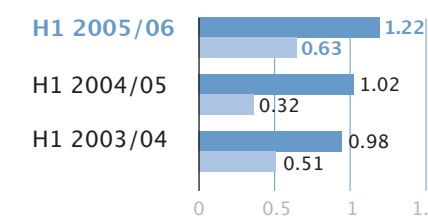
Earnings

Wolford's earnings situation improved disproportionately more strongly than its sales. Accordingly, all important measures of earnings increased. Despite slightly reduced operating output*, but at effectively unchanged levels of all cost items (materials, staff and other expenses), EBIT rose by one-fifth to EUR 1.2 million.

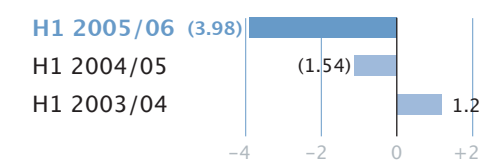
Even more substantial gains were made in profit before taxes (up 85.4 percent to EUR 0.5 million) and in net profit, which nearly doubled, rising by 96.9 percent to EUR 0.6 million as of the end of October 2005. Earnings per share for the first half of the fiscal year increased from EUR 0.07 to EUR 0.13.

* 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

Earnings (in million of EUR)



Cash flow from operating activities (in million of EUR)



Product-specific trends and fashion highlights

The consistent retirement of debt continued in the reporting period. The reduction of bank loans and overdrafts by EUR 3.7 million meant a corresponding further reduction in net debt. As a consequence, the gearing improved from 42.5 to 40.3 percent.

While the Legwear product group achieved a small increase in sales in the first half of the year, Bodywear in particular performed very well. The lines using high-quality luxury fibers, such as merino and cashmere wool, as well as the classic year-round products made critical con-

tributions to Bodywear's sales growth. The fashion community and retailers responded positively to the new designer partnership with Italian fashion house Missoni. The first orders for delivery in spring/summer 2006 are demonstrating promising uptake by retailers.

At the beginning of August, Wolford's stock price reached EUR 19.50, its highest point in the reporting period, and then eased steadily to a level just below EUR 17 (approximately the price at the beginning of the fiscal year), quoting at EUR 16.79 on October 31, 2005.

Outlook

The Executive Board expects a continuing positive trend and remains confident for the business performance going forward. The target for the full fiscal year

remains an increase in sales to at least EUR 120 million and an accompanying improvement in profitability at a rate exceeding the pace of sales growth.

Financial Calendar

February 9, 2006
March 15, 2006
May 11, 2006
July 25, 2006

Sales for third quarter of 2005/06
Earnings for third quarter of 2005/06
Sales for fiscal year 2005/06
Earnings for fiscal year 2005/06
Annual press conference

Consolidated Balance sheets at October 31, 2005

in thousands of EUR

	Oct. 31, 2005	Oct. 31, 2004	Apr. 30, 2005
ASSETS			
Non-current assets			
Property, plant and equipment	61,030	62,679	61,203
Goodwill	899	1,776	847
Other intangible assets	4,078	2,715	4,226
Financial assets	8,952	10,728	10,721
Long-term receivables and assets	405	379	427
	75,364	78,277	77,424
Deferred tax assets			
	4,963	7,076	4,571
Current assets			
Inventories	21,540	23,089	22,762
Current receivables and other assets	22,743	23,126	16,550
Prepaid expenses	3,107	3,367	1,127
Current securities and financial investments	1,700	2,000	1,500
Cash and cash equivalents	5,558	4,670	2,379
	54,648	56,252	44,318
Total assets	134,975	141,605	126,313

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity			
Capital stock and additional paid-in capital	38,167	38,167	38,167
Other reserves	32,490	32,627	32,656
Profit/loss	377	4,621	(181)
Treasury stock	(9,748)	(9,748)	(9,748)
	61,286	65,667	60,894
Non-current liabilities			
Long-term debt	6,404	13,943	13,624
Provisions for employee benefits	13,193	13,281	14,884
Other non-current liabilities	146	495	129
	19,743	27,719	28,637
Current liabilities			
Bank loans and overdrafts	32,385	28,517	17,458
Other current provisions	3,833	4,310	3,939
Trade payables	4,785	4,199	4,279
Advance payments received	751	713	799
Deferred income	12,192	10,480	10,307
	53,946	48,219	36,782
Total shareholders' equity and liabilities	134,975	141,605	126,313