Half Year Report 2012/13
(May – October 2012)

Wolford Group Key Data

Earnings Data		05-10/12	05-10/11	Chg. %	2011/12
Revenues	in € mill.	76.59	73.56	*+4*	154.06
EBITDA	in € mill.	3.41	6.63	*-49*	15.32
EBIT	in € mill.	(0.68)	2.72	*>100*	7.00
Earnings before tax	in € mill.	(1.29)	1.76	*>100*	5.17
Earnings after tax	in € mill.	(1.07)	1.00	*>100*	1.36
Earnings per share	in €	(0.22)	0.20	*>100*	0.28
Capital expenditure	in € mill.	3.16	4.36	*-28*	7.94
Free cash flow	in € mill.	(8.10)	(10.97)	*+26*	0.37
Employees on average		1,611	1,671	*-4*	1,665

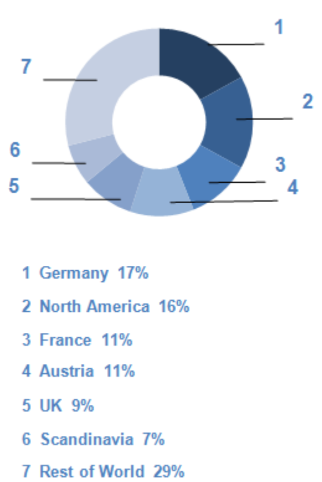
Balance Sheet Data		31/10/12	31/10/11	Chg. %	30/04/12
Equity	in € mill.	81.30	82.64	*-2*	83.61
Net debt	in € mill.	25.35	26.83	*-6*	15.38
Capital employed	in € mill.	123.15	125.74	*-2*	115.30
Working capital	in € mill.	46.35	45.29	*+2*	39.77
Balance sheet total	in € mill.	156.60	158.95	*-1*	145.50
Equity ratio	in %	52	52	-	57
Gearing	in %	31	32	-	18

Stock Exchange Data		05-10/12	05-10/11	Chg. %	2011/12
Share price high	in €	28.80	27.48	*+5*	27.48
Share price low	in €	24.07	21.03	*+14*	21.03
Share price at end of period	in €	25.01	26.95	*-7*	23.31
Shares outstanding (weighted)	in 1,000	4,900	4,900	*0*	4,900
Market capitalization (ultimo)	in € mill.	125.03	134.75	*-7*	116.53

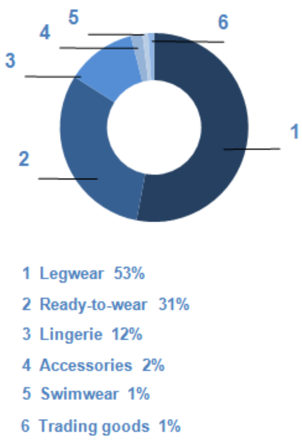
Segments 05-10/2012 in € mill.	Austria		Rest of Europe		North America		Asia	
External revenues	16.47	*(+2%)*	46.10	*(+2%)*	12.67	*(+17%)*	1.35	*(-1%)*
EBITDA	3.49	*(-37%)*	1.87	*(+26%)*	(0.26)	*(>100%)*	0.01	*(-63%)*
EBIT	1.06	*(-67%)*	0.59	*(>100%)*	(0.62)	*(-77%)*	(0.04)	*(>100%)*
Capital expenditure	1.37	*(-31%)*	1.12	*(-36%)*	0.59	*(-4%)*	0.11	*(>100%)*
Employees on average	849	*(-12%)*	622	*(+6%)*	118	*(+19%)*	22	*(+8%)*

1) Capital employed = shareholders´ equity plus interest-bearing debt less cash and cash equivalents
2) Working capital = sum of inventories, trade receivables and other current receivables and assets less trade payables and other current liabilities

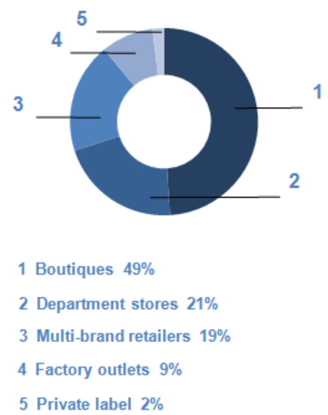
Revenues by countries



Revenues by product groups



Revenues by distribution channels



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Wolford Collection Spring/Summer 2013: Glitter String Body, Jersey Deluxe Skirt, Glamour Belt, Silver Glam Stay-Up

Chief Executive´s Review

Holger Dahmen,
Chief Executive Officer of Wolford AG

Dear Shareholders, Ladies and Gentlemen:

Sales growth of 4 % despite a difficult economic environment achieved

The Wolford Group looks back at a challenging first half of the 2012/13 fiscal year, which was shaped by the sovereign debt crisis in Europe and the related uncertainty on the part of consumers. Wolford succeeded in performing well in this business environment, and concluded the first half year with sales of € 76.59 million, a rise of 4 % year-on-year. The development of our earnings should be seen in relation to our targeted and future-oriented measures designed to strengthen the global presence of our brand. Store openings and preparations for the distribution of Wolford products in China as well as the seasonality of our business and the optimization of our inventories of finished goods led to a slightly negative EBIT totaling € -0.68 million in the first six months. Nevertheless, in the second quarter we already reported a clearly positive EBIT of € 2.64 million, the basis for our expectation that this development will continue in the coming months.

Implementation of targeted expansion of the distribution network, launch of advertising campaign in Germany

This solid sales development against the backdrop of a volatile environment reinforces our commitment to persistently continue on our chosen path. The expansion of the international distribution network, the promotion of our retail business based on Wolford-owned boutiques, factory outlets and online shops as well as the intensive cooperation with our partners in the wholesale segment will continue to comprise the fundamental cornerstones of Wolford's expansion strategy. In addition, we launched an advertising campaign in Germany in November, our largest sales market, in order to more prominently position the fashion brand Wolford and its outstanding products among consumers there. These communication measures will be expanded to other core markets in the coming years.

Wolford-owned boutiques served as the growth driver in the first half year

In particular, Wolford-owned points of sale served as the decisive growth driver of the Group in the first half year 2012/13, generating notable sales growth totaling over 12 %. This solid development is the result of the systematic expansion of our own distribution network, amongst other reasons. Even on a like-for-like basis, we succeeded in increasing sales with our own points of sale by more than 6 %. The growth at our online shops came up to impressive 65 %. At the same time, the share of total sales generated by our retail business rose above 53 %. We also attach considerable importance to business with our partner-operated boutiques, we achieved 6 % sales growth in the first half year. Our objective is to significantly increase the number of partner-operated boutiques in the future to complement our own boutiques. For this reason, we are continually negotiating with potential partners, and have completely revamped our concept to make it even more customer-oriented. The support of our partners with respect to inventory management, logistics and brand image is very positively received by our partners.

The systematic expansion of Wolford's own and partner-operated points of sale has further increased the share of sales generated by monobrand distribution, so that Wolford-controlled distribution channels (own and partner-operated boutiques, factory outlets, concession shop-in-shops, online shops) now account for more than 63 % of total sales. We also developed a new concept for multi-brand retailers and the points of sale in department stores in order to create a more harmonized brand image of Wolford on an international basis.

Share of sales generated by monobrand stores up to over 63 %

From the product perspective, the company is profiting from the global trend towards shapewear products, which Wolford decisively influences. Our extensive Shape & Control product line comprises more than 60 individual products in the Legwear and Lingerie segments, and is being very well received by consumers. Accordingly, this product area posted above-average sales growth in the first six months of the current fiscal year.

Wolford is decisively impacting the trend towards shapewear products

From a regional perspective, a positive picture generally emerges. On balance, Wolford managed to considerably raise sales in Europe, although large economies such as Italy and Spain are in the midst of a recession and we have had to report a significant drop in sales there. In contrast, Wolford USA developed dynamically further strengthening the upward trend in the previous year and leading to a considerable sales growth. In addition to its core markets in Europe and North America, Wolford is increasingly focusing on the growth regions in the Middle and Far East. The successful opening of a new partner boutique in Dubai was an important step in this regard. Important preparatory measures were taken for the planned expansion in China, as demonstrated by the founding of a subsidiary in Shanghai and the identification of several partners and potential sites for our own stores.

Sales developed positively in the core geographic markets. A subsidiary was established in China, and several partners were identified.

Over the previous quarter there was a change in the composition of the Executive Board of Wolford AG. After eleven years of successful work, Peter Simma left the company. Subsequently, on September 11, 2012, the Supervisory Board appointed Thomas Melzer to serve as the new Chief Financial Officer of the Wolford Group. I would like to take this opportunity to sincerely thank Peter Simma for the longstanding, good cooperation, and wish Mr. Melzer much success in his new position.

New Chief Financial Officer Thomas Melzer appointed by the Supervisory Board

From today's perspective, I anticipate sales growth and positive operating results for the entire 2012/13 fiscal year. However, earnings will be below the prior-year level due to the increased expansion and marketing costs. The company's ability to precisely predict its business development in the coming months is very limited due to the difficult economic conditions. However, I am confident that the Wolford Group will also achieve ongoing and sustainable growth in the future as well.

Sales growth and positive operating results expected in the 2012/13 fiscal year

Sincerely yours,
Holger Dahmen

Management Report

Earnings development in the first six months of 2012/13 (May to October 2012)

Sales growth with Wolford's proprietary stores, slight decline in the wholesale business

In the first six months of the current fiscal year, the Wolford Group succeeded in increasing sales by 4 % or € 3.02 million from the prior-year level to € 76.59 million. This is largely attributable to the positive development of Wolford's proprietary stores (own boutiques, factory outlets, concession shop-in-shops and online shops), which on balance achieved a 12 % rise in sales. The Wolford Group also posted sales growth of 6 % in the retail segment on a like-for-like basis (excluding newly opened or closed point of sales). In particular, Wolford-owned boutiques and online shops showed a very positive development, generating sales increases of 14 % and 65 % respectively.
In contrast, sales declined slightly by 2 % overall in the wholesale business (multi-brand retailers, department stores and the private label segment).

Sales increases in most core geographic markets

From a regional perspective, sales climbed in most of Wolford's core geographic markets, showing a particularly dynamic development in the USA, France, Belgium, Germany, Switzerland and Central East Europe. In contrast, due to the well-known difficult economic conditions, the Wolford Group suffered sales declines in Italy and Spain.

Growth generated with five product groups

In terms of product groups, growth was achieved in the Legwear, Swimwear, Lingerie, Accessories and Trading Goods. First half year sales fell slightly in the Ready-to-wear product group in contrast to double-digit sales growth generated with the Lingerie and Accessories segments.

Cash-oriented production planning leads to lower stock increase of finished goods and lower EBIT

Whereas the prior-year period was characterized by a strong expansion of the stock of finished goods, the company focused on inventory and cash optimization during the first half of the current fiscal year. Accordingly, there was a significant lower increase in the production volume of finished goods to be kept as stock compared to the first half year of 2011/12. This was reflected in the item "Changes in inventories of finished goods and work-in-process", which was reduced from € +4.51 million in the prior year to € +1.76 million in the first six months of the current fiscal year. The rise in the costs of materials and purchased services from € 15.16 million to € 16.44 million is primarily due to negative currency translation effects as well as a higher level of inventory write-off. The higher costs related to the opening of numerous boutiques which have not yet been able to realize their full sales potential led to a corresponding increase in other operating expenses from € 20.62 million to € 23.31 million. Against this backdrop, EBITDA of the Wolford Group in the first six months of the 2012/13 fiscal year fell as expected, from € 6.63 million to € 3.41 million, and EBIT was down to € -0.68 million from the comparable prior-year figure of € 2.72 million. This development is mainly attributable to the first-quarter losses, whereas the Wolford Group achieved clearly positive results again in the second quarter.

Net loss for the period despite the improved financial result

On the basis of the inventory optimization and the related reduction in net debt, the financial result improved in the first half year by € 0.36 million to € -0.60 million. On balance, earnings before tax of the Wolford Group amounted to € -1.29 million in the first half of the 2012/13 fiscal year, compared to € 1.76 million in the previous year. Accordingly, the earnings after tax for the period totaled € -1.07 million (previous year: € 1.00 million), and earnings per share were € -0.22 (previous year: € 0.20).

Earnings development in the second quarter (August to October 2012)

32 % sales growth from Q1 to Q2 shows seasonality of Wolford's business

In the second quarter of the 2012/13 fiscal year, sales of the Wolford Group rose by 4 % or € 1.73 million to € 43.51 million. This corresponds to an increase of 32 % compared to the first quarter sales of € 33.07 million. The sales increase in a quarterly comparison is primarily due to the seasonality of Wolford's business development, which traditionally translates into a moderate level of sales against the backdrop of disproportionately high costs in the first quarter. The generated sales growth combined with the relatively minor cost increases resulted in a clearly positive EBIT in the second quarter, which was nevertheless about € 1.38 million below the prior-year level. On balance, the second quarter EBIT of the Wolford Group was € 2.64 million (Q2 2011/12: € 4.02 million), and EBITDA amounted to € 4.70 million (Q2 2011/12: € 5.98 million).

Cash flow

The cash flow from operating activities improved significantly in the first half of 2012/13, rising from € -7.73 million to € -4.97 million. This was mainly due to the optimization of working capital. The net cash used in investing activities amounted to € -3.13 million during the period under review, the same level as in the previous year. Capital expenditure in property, plant and equipment and intangible assets were reduced to € 3.16 million in the first six months from the prior-year level of € 4.36 million. Compared to the first half of the previous year, no shares in investment funds were disposed of during the first six months of this fiscal year (previous year: € 1,14 million). On the basis of the operational optimization measures, the free cash flow (cash flow from operating activities less cash flow used in investing activities) improved by € 2.87 million during the reporting period to € -8.10 million. At the same time, the cash flow from financing activities declined from € 13.56 million to € 10.88 million. Cash and cash equivalents amounted to € 7.85 million as at the end of the first half of the 2012/13 fiscal year, compared to € 6.71 million in the previous year.

Improvement of operating cash flow related to working capital optimization leads to free cash flow increase

Assets and financial position

The Wolford Group continued to boast a solid asset and capital structure as at October 31, 2012. Compared to the balance sheet date of April 30, 2012, total assets rose by € 11.10 million to € 156.60 million as at October 31, 2012, which can be attributed to seasonal fluctuations. Share-holders' equity totaled € 81.30 million as at October 31, 2012 or € 2.31 million below the year-end figure at April 30, 2012. The equity ratio at the reporting date was at a sound level of 52 %, and the gearing totaled 31 %. Due to the seasonality of Wolford's business operations, which involves the targeted increase in inventories in the first half of each fiscal year for the subsequent third-quarter Christmas shopping season, net debt climbed to € 25.35 million, € 9.97 million higher from the balance sheet date of April 30, 2012. However, this was still below the comparable figure in the previous year (October 31, 2011: € 26.83 million).

Solid capital structure with equity ratio of 52 % and gearing of 31 %

Research and development

The sustainable positioning of Wolford in the luxury segment requires ongoing research and development activities, which was continued in a target-oriented manner in the first half year 2012/13. In terms of the company's product portfolio, the focus was on further developing the functional, body shaping products in order to expand the successful Shape & Control line. The 2013/14 autumn/winter collection will present the Individual Leg Support 100, a new and almost completely opaque pantyhose with a support function for the leg, fulfilling the highest demands on wearing comfort and material quality. In the Ready-to-wear segment, the successful Fatal series will be complemented by new material varieties.

Ongoing product developments in the Shape & Control and Ready-to-wear segments

In its production operations, Wolford implemented significant process improvements by restructuring its knitting mill and reorganizing its cutting activities. Measures to bundle and optimize working procedures as well as logistic changes in production were also successfully concluded in the first half year 2012/13.

Significant process improvements based on a restructuring of the knitting mill

Human resources

The average number of employees at the Wolford Group in full-time equivalents (FTEs) declined from 1,671 to 1,611 in the period May 1 to October 31, 2012. As at October 31, 2012, the total number of staff at the Wolford Group amounted to 1,611, a drop of about 6 % from the prior-year level of 1,706 as at October 31, 2011.

Average number of employees of the Wolford Group fell by 4 % year-on-year.

Outlook

Economic stagnation in Europe until the middle of 2013, moderate growth in the USA and expansion in Asia expected

In the coming months the management of the Wolford Group does not anticipate any major change in the economic development in its most important sales markets in Europe, the USA and Asia. In particular, no substantial economic growth is expected in Europe up until the middle of 2013 due to the ongoing sovereign debt crisis. A moderate economic upturn is forecast in the USA, as soon as the government and Congress agree on appropriate measures to avoid the fiscal cliff. Relevant growth should take place in Asian markets, where uncertainty also exists as a consequence of the problems prevailing in the Western economic regions of Europe and the USA.

Focus on exploiting growth markets in Asia and planned implementation of intensified marketing measures

Against the backdrop of this economic environment, the Wolford Group will determinedly proceed with its expansion strategy in the second half of the 2012/13 fiscal year. As in the past, it will strongly focus on expanding the monobrand distribution on the basis of opening new Wolford boutiques and factory outlets. In addition to the systematic improvement and expansion of its points of sale in its core markets of Europe and North America, Wolford is also concentrating on further penetrating growth markets, especially Greater China and the Middle East. In addition the Executive Board plans intensified marketing measures in important markets in order to promote the further growth of the Wolford brand.

Objective to achieve sales growth and positive operating results

The Executive Board expects sales growth in the entire 2012/13 fiscal year as well as positive operating results. However, earnings will be below the prior-year level due to the increased expansion and marketing costs. The company’s ability to predict its business development in the coming months is very limited due to the difficult economic conditions. Nevertheless, from today’s perspective, Wolford’s management anticipates ongoing and sustainable growth in the future as well.

First Half Year Accounts (IFRS) of the Wolford Group

Group Income Statement in TEUR	08-10/12	08-10/11	05-10/12	05-10/11
Revenues	43,513	41,786	76,587	73,563
Other operating income	937	793	1,672	1,466
Changes in inventories of finished goods and work-in-process	(1,947)	(810)	1,758	4,506
Own work capitalized	15	57	28	91
Operating output	**42,518**	**41,826**	**80,045**	**79,626**
Cost of materials and purchased services	(7,018)	(6,687)	(16,444)	(15,162)
Staff costs	(17,848)	(17,922)	(36,879)	(37,212)
Other operating expenses	(12,949)	(11,233)	(23,311)	(20,620)
Depreciation and amortization	(2,068)	(1,967)	(4,095)	(3,913)
Operating profit (EBIT)	**2,635**	**4,017**	**(684)**	**2,719**
Net interest cost	(157)	(216)	(313)	(391)
Net investment securities income	0	(104)	0	(172)
Interest cost of employee benefit liabilities	(145)	(200)	(291)	(399)
Financial result	**(302)**	**(520)**	**(604)**	**(962)**
Earnings before tax	**2,333**	**3,497**	**(1,288)**	**1,757**
Income tax	(160)	(746)	219	(759)
Earnings after tax	**2,173**	**2,751**	**(1,069)**	**998**
Currency translation differences	42	187	612	(95)
Changes in fair values of available-for-sale financial assets	6	89	43	149
Change from cash flow hedges	158	(5)	64	(310)
Other comprehensive income after taxes	**206**	**271**	**719**	**(256)**
Total comprehensive income	**2,379**	**3,022**	**(350)**	**742**
Attributable to:				
attributable to the equity holders of the parent company	2,379	3,022	(350)	742
attributable to minor interests	0	0	0	0
Earnings per share (diluted=undiluted)	**0.44**	**0.56**	**(0.22)**	**0.20**

Key ratios by segment 05-10/12 in TEUR	Austria	Rest of Europe	North America	Asia	Consoli-dations	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	-	76,587
EBITDA	3,493	1,867	(256)	14	(1,707)	3,411
Depreciation and amortization	2,432	1,278	368	50	(33)	4,095
EBIT	1,061	589	(624)	(36)	(1,674)	(684)
Capital expenditure	1,367	1,122	588	107	(29)	3,155
Employees on average	849	622	118	22	-	1,611

Key ratios by segment 05-10/11 in TEUR	Austria	Rest of Europe	North America	Asia	Consoli-dations	Group
Revenues	48,022	47,227	10,835	1,360	(33,881)	73,563
thereof intersegment	31,891	1,990	0	0	(33,881)	0
External revenues	16,131	45,237	10,835	1,360	-	73,563
EBITDA	5,574	1,486	(64)	38	(402)	6,632
Depreciation and amortization	2,402	1,241	288	38	(56)	3,913
EBIT	3,172	245	(352)	0	(346)	2,719
Capital expenditure	1,978	1,745	616	41	(23)	4,357
Employees on average	965	588	98	20	-	1,671

Cash Flow Statement in TEUR	05-10/12	05-10/11
Earnings before tax	(1,288)	1,757
Depreciation and amortization	4,095	4,093
Interest costs	313	383
Gains / losses from disposal of property, plant and equipment	105	69
Changes in non-current provisions	223	274
Changes in inventories	(1,589)	(4,985)
Changes in trade receivables	(5,471)	(6,634)
Changes other assets	(1,444)	(1,023)
Changes in trade payables	455	139
Changes current provisions	(527)	(1,077)
Changes other liabilities	921	1,193
Changes in the cash flow hedge provision	(85)	415
Currency translation differences	391	(1,113)
Net interest paid	(299)	(380)
Income taxes paid / received	(769)	(837)
Cash flow from operating activities	**(4,969)**	**(7,726)**
Investments in property, plant and equipment and other intangible assets	(3,140)	(4,441)
Proceeds from the sale of property, plant and equipment and other intangible assets	12	58
Proceeds from the disposal of securities	0	1,141
Cash flow from investing activities	**(3,128)**	**(3,242)**
Increase / repayment of current financial liabilities	26,494	21,122
Increase / repayment of non-current financial liabilities	(13,652)	(5,605)
Dividends paid	(1,960)	(1,960)
Cash flow from financing activities	**10,882**	**13,557**
Change in cash and cash equivalents	**2,785**	**2,589**
Cash and cash equivalents at the beginning of the period	4,911	4,043
Effects of exchange rate fluctuations on cash and cash equivalents	149	74
Cash and cash equivalents at the end of the period	**7,845**	**6,706**

Balance Sheet in TEUR	31/10/2012	31/10/2011	30/04/2012
ASSETS			
Property, plant and equipment	61,599	62,946	62,414
Goodwill	1,205	1,166	1,193
Intangible assets	9,790	10,199	9,955
Financial assets	1,545	1,488	1,488
Non-current receivables and assets	1,091	1,078	1,068
Deferred tax assets	5,896	5,784	5,208
Non-current assets	**81,126**	**82,661**	**81,326**
Inventories	45,759	46,417	44,170
Trade receivables	15,067	16,862	9,596
Other receivables and assets	3,550	2,368	2,611
Prepaid expenses	3,037	3,607	2,555
Liquid funds	8,063	7,034	5,246
Current assets	**75,476**	**76,288**	**64,178**
Total assets	**156,602**	**158,949**	**145,504**
EQUITY AND LIABILITIES			
Share capital	36,350	36,350	36,350
Capital reserves	1,817	1,817	1,817
Other reserves	45,400	47,634	48,322
Currency translation differences	(2,270)	(3,166)	(2,882)
Equity	**81,297**	**82,635**	**83,607**
Financial liabilities	4,400	4,725	18,052
Other liabilities	2,341	1,372	2,371
Provisions for post-employement benefits	14,164	14,906	13,940
Deferred tax liabilities	201	220	203
Non-current liabilities	**21,106**	**21,223**	**34,566**
Financial liabilities	29,333	29,415	2,839
Trade payables	5,328	5,872	4,858
Other liabilities	12,695	14,488	11,745
Income tax provisions	2,566	1,487	3,085
Other provisions	4,277	3,829	4,804
Current liabilities	**54,199**	**55,091**	**27,331**
Total equity and liabilities	**156,602**	**158,949**	**145,504**

Changes in equity in TEUR	Attributable to equity holders of the parent company							
	Share capital	Capital reserves	Available for sale reserve	Hedging reserve	Other reserves	Currency translation	Treasury stock	Total equity
Balance 01/05/2012	**36,350**	**1,817**	**0**	**(9)**	**52,994**	**(2,882)**	**(4,663)**	**83,607**
Dividends 2011/12	0	0	0	0	(1,960)	0	0	(1,960)
Total comprehensive income	0	0	43	64	(1,069)	612	0	(350)
Balance 31/10/2012	**36,350**	**1,817**	**43**	**55**	**49,965**	**(2,270)**	**(4,663)**	**81,297**
Balance 01/05/2011	**36,350**	**1,817**	**(406)**	**233**	**53,593**	**(3,071)**	**(4,663)**	**83,853**
Dividends 2010/11	0	0	0	0	(1,960)	0	0	(1,960)
Total comprehensive income	0	0	149	(310)	998	(95)	0	742
Balance 31/10/2011	**36,350**	**1,817**	**(257)**	**(77)**	**52,631**	**(3,166)**	**(4,663)**	**82,635**

Notes on the First Half Year Accounts

General information

The consolidated interim financial statements of the Wolford Group for the first six months of the 2012/13 fiscal year (May 1, 2012 – October 31, 2012) were prepared in compliance with the International Financial Reporting Standards (IFRS) on the basis of IAS 34 (Interim Financial Reporting). The accounting and valuation policies applied to the consolidated financial statements of the Wolford Group for the 2011/12 fiscal year remained unchanged. The consolidated interim financial statements do not include all information and explanatory notes which are required in relation to the consolidated financial statements for the fiscal year as a whole. For this reason, this Interim Report should be read together with the Annual Report 2011/12 of the Wolford Group applying to the balance sheet date of April 30, 2012. In all financial reporting of the Wolford Group, amounts are reported in thousands of euros (TEUR). Rounding differences may occur due to the use of automated aids.

Scope of consolidation

The number of companies included in the scope of consolidation has not changed since the last balance sheet date on April 30, 2012.

Seasonality of business development

Wolford generates lower sales in the first and last months of the fiscal year than in the middle of the year, which is related to the prevailing weather conditions. These seasonable fluctuations are reflected in the sales figures for the first and fourth quarters, which are generally below the comparable figures for the second and third quarters.

Notes on the consolidated statement of comprehensive income

Sales of the Wolford Group rose by 4 % year-on-year, or TEUR 3,024, to TEUR 76,587 in the first six months of the 2012/13 fiscal year (previous year: TEUR 73,563). Operating output improved by only TEUR 419 to TEUR 80,045 (previous year: TEUR 79,626) due to the relatively significant reduction in the item “Changes in inventories of finished goods and work-in-process”. The operating results were influenced by a slight rise in the cost of materials in relation to the revenues, an improvement in staff costs and additional expenses related to the opening of new boutiques. This led to an EBIT of TEUR -684 in the first half of the 2012/13 fiscal year (previous year: TEUR 2,719).

On the basis of the lower average interest rates, lower interest on social capital and the elimination of losses arising from the partial disposal of securities, the financial result improved by TEUR 358 from the prior-year period, to TEUR -604. In the first six months of the current fiscal year, the earnings after tax totaled TEUR -1,288 (previous year: TEUR 1,757).

During the reporting period, positive currency translation differences of TEUR 612 (previous year: TEUR -95), which were not recognized in profit or loss and which are reported as other comprehensive income, primarily related to the US dollar. Changes in the market valuation of available-for-sale financial assets amounted to TEUR 43 (previous year: TEUR 149). The cash flow hedging reserve increased by TEUR 64 during the period under review (previous year: TEUR -310). As a consequence, other comprehensive income totaled TEUR 719 (previous year: TEUR -256). Total comprehensive income after taxes resulted in a change in total equity of TEUR -350 (previous year: TEUR 742).

Notes on segment reporting

The Wolford Group is organized according to regions, pursuing the goal of achieving the highest possible level of market penetration. Segment reporting is basically subject to the same disclosure and valuation methods as used in the consolidated financial statements. Segment assets are not reported due to the fact that the figures only marginally changed from the comparable prior-year period.

Notes on the cash flow statement

The cash flow from operating activities improved by TEUR 2,757 from the prior-year period, rising to TEUR -4,969. This was achieved by optimization of working capital, carried out under the premise that it was essential not to limit the delivery capacity of company to resellers and own boutiques.

The cash flow from investing activities amounted to TEUR -3,128 during the reporting period and remained at the same level as in the previous year. The cash out for capital expenditure in intangible assets and property, plant and equipment were reduced by TEUR 1,301 to TEUR -3,140. The investments primarily focused on the further expansion of monobrand distribution, IT and machinery. Compared to the first half of the previous year, no shares in investment funds were disposed of during the first six months of this fiscal year (previous year: TEUR 1,141).

The cash flow from financing activities declined by TEUR 2,675 during the reporting period to TEUR 10,882, which can be attributed to the reduced use of lines of credit supplied by banks to the amount of TEUR 2,675 as well as the payment of an unchanged dividend to shareholders of Wolford AG totaling TEUR 1,960 (previous year: TEUR 1,960).

The reconciliation of liquid funds to cash and cash equivalents consists of the balance sheet items cash on hand and cash equivalents adjusted for demand deposits at banks which are not freely available and which feature a term to maturity of more than three months.

in TEUR	31/10/2012	31/10/2011	30/04/2012
Liquid funds	8,063	7,034	5,246
Not freely available	(218)	(328)	(335)
Cash and cash equivalents	**7,845**	**6,706**	**4,911**

Notes on the consolidated balance sheet

On October 31, 2012 the balance sheet total amounted to TEUR 156,602, which comprises a decline of 1 % from the comparable figure on October 31, 2011. Non-current assets of TEUR 81,126 at the reporting date (October 31, 2011: TEUR 82,661) comprised 52 % of total assets. Capital expenditure in intangible assets and property, plant and equipment to the amount of TEUR 3,155 were in contrast to scheduled depreciation and amortization of TEUR 4,095.

The share of current assets as a proportion of total assets was 48 % as at October 31, 2012. Inventories were down by 1 % to TEUR 45,759, or 29 % of total assets, and trade receivables decreased by about 11 % to TEUR 15,067, or 10 % of total assets. Liquid funds rose by TEUR 1,029, from TEUR 7,034 on October 31, 2011 to TEUR 8,063.

As at October 31, 2012, shareholders' equity amounted to TEUR 81,297, corresponding to an equity ratio of 52 % (October 31, 2011: TEUR 52 %). Non-current liabilities remained basically unchanged at TEUR 21,106 compared to the prior-year level of TEUR 21,223.

Current liabilities were down by 2 % to TEUR 54,199 compared to TEUR 55.091 on October 31, 2011. This was mainly related to the reduction of other current liabilities by TEUR 1,793 to TEUR 12,695. At the same time, trade payables fell by TEUR 544 to TEUR 5,328. Working capital is now defined as the sum of inventories, trade receivables and other receivables and assets less trade payables and other current liabilities, and amounted to TEUR 46,353 at the balance sheet date of October 31, 2012 (October 31, 2011: TEUR 45,287). At the reporting date net debt totaled TEUR 25,350, comprising an improvement of TEUR 1,481 compared to October 31, 2011.

Contingent liabilties

There have been no material changes in contingent liabilities since the last reporting date.

Related party transactions

DORDA BRUGGER JORDIS Rechtsanwälte GmbH, a law firm whose managing partner, Theresa Jordis, is a member of the Supervisory Board of Wolford AG, advises the company in legal matters. A fee schedule in line with market rates has been agreed for these services, which are billed on the basis of time worked. The Swiss company RCI Unternehmens-beratung AG, whose member of the administrative board is Emil Flückiger, a member of the Supervisory Board of Wolford AG, advises the company in business matters. A fee schedule in line with market rates has been agreed for these services, which are also billed on the basis of time worked.

Significant events after the reporting date

On September 11, 2012, the Supervisory Board of Wolford AG appointed Thomas Melzer to serve on the Executive Board of the company. Peter Simma, Member of the Executive Board of Wolford AG, left the company effective September 14, 2012.

Report on the auditor's review

The consolidated interim financial statements were neither subject to a comprehensive audit nor to an auditor's review.

Statement of all legal representatives according to Section 87 Para. 1 (3) Austrian Stock Exchange Act

The members of the Executive Board of Wolford AG confirm to the best of their knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit and loss of the group as required by the applicable accounting standards. The interim report of the Wolford Group for the first half of the 2012/13 fiscal year gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed 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 14, 2012

The Executive Board signed:

Holger Dahmen
Chief Executive Officer

Management responsibility for
Marketing, Sales, Production and
Technology

Thomas Melzer
Chief Financial Officer

Management responsibility for
Finance, Investor Relations, Legal Affaires,
Human Resources, IT and Procurement

Financial Calender

Date Event	Event
March 15, 2013	Report on the first three quarters of 2012/13
July 19, 2013	Annual Report 2012/13 and Press conference
September 13, 2013	Report on the first quarter of 2013/14
September 17, 2013	Shareholder Meeting

Informationen on the Company and the Share

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The report on the half year 2012/13 is available on the Internet at www.wolford.com in the rubric Investor Relations.

To ensure good readability statements referring to people are considered to be neutral and are equally valid for both women and men.

Disclaimer

This report on the first half year 2012/13 has been put together with the greatest possible care. All data has been carefully checked several times. Nevertheless, rounding off, typesetting or printing errors cannot be excluded. This report has been prepared in English. However, only the German version is definite. This half year report contains forward-looking statements which reflect the opinions and expectations of the Executive Board at this particular time, and include risks and uncertainties which could have a significant impact on actual circumstances and thus actual results. For this reason, readers are cautioned not to place undue reliance upon any forward-looking statements. Wolford AG is not obliged to publish any update or revision of the forward-looking statements contained in this report, unless otherwise required by law.

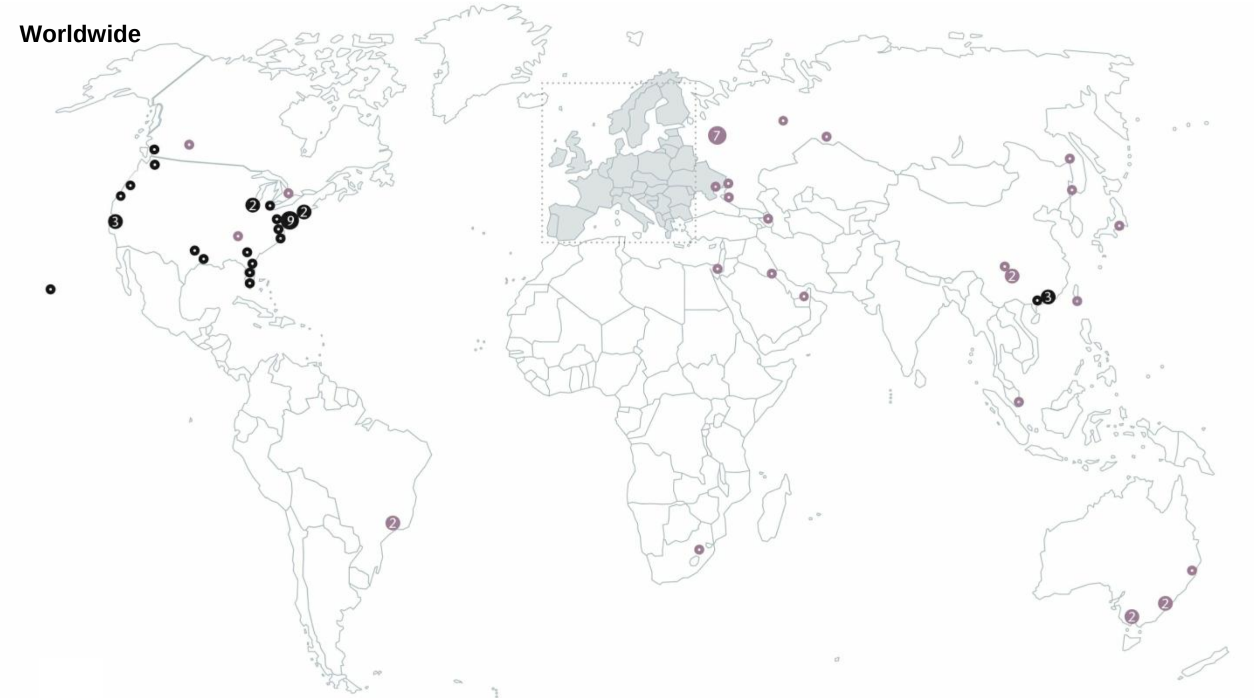
Monobrand Points of Sale

October 31, 2012: **266**

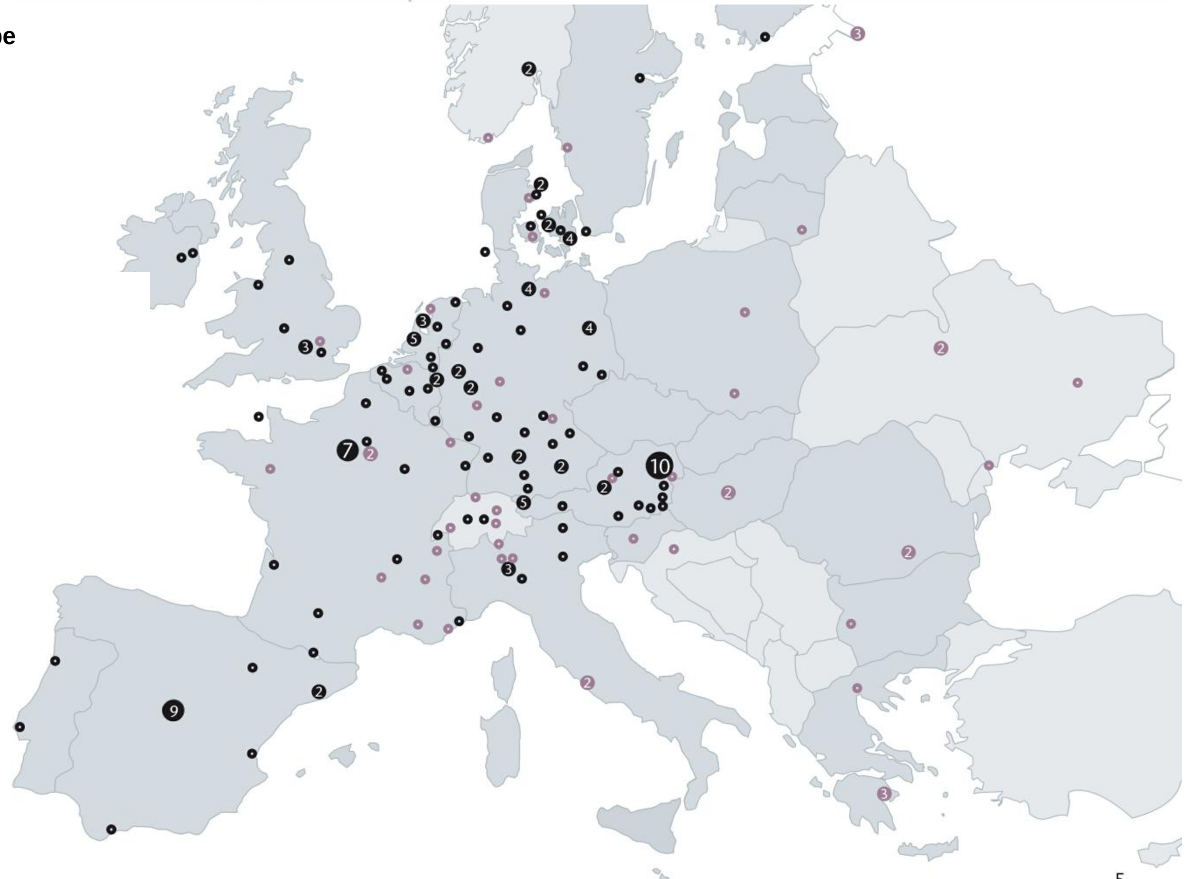
- thereof **own points of sale**: 120 boutiques, 34 concession shop-in-shops, 25 factory outlets
- thereof **partner-operated points of sale**: 87 boutiques

… and about 3,000 other distribution partners

Worldwide



Europe



www.wolford.com