



AHLERS AG, HERFORD
Interim Report Q3 2009/10

AHLERS AG

INTERIM REPORT Q3 2009/10

(December 1, 2009 to August 31, 2010)

BUSINESS PERFORMANCE IN THE FIRST NINE MONTHS OF FISCAL 2009/10

Q3 2009/10 - HIGHLIGHTS

- Earnings position improves significantly in the first nine months
- Sales rise in third quarter
- Premium brands grow by 4 percent
- Premium brands account for 52.5 percent of total sales, up from 49.6 percent in previous year
- Sound financial situation with high equity ratio
- Retail management team to be expanded swiftly

1. BUSINESS AND GENERAL CONDITIONS

The world economy continued to improve in the third quarter of the fiscal year 2009/10. While growth in most European markets has been moderate and in line with expectations, Germany's GDP increased robustly.

Positive economic news and the declining jobless rate have led to positive consumer sentiment and growing sales in the German fashion retail sector. In conjunction with cautious pre-orders from retailers for the current season, this has resulted in lower inventories and good intra-seasonal sales as well as rising pre-orders for the coming spring/summer season 2011.

Retail sales also picked up in many other European markets such as France, Switzerland, Poland, Austria, the Netherlands and Russia, albeit at a more moderate pace. Only those countries that were hit hard by the crisis, i.e. Italy, Greece, the UK, Spain and the Baltic countries, remain difficult sales markets.

2. EARNINGS, FINANCIAL AND NET WORTH POSITION

Increased sales in the third quarter

Based on stable order figures for the second half of 2010, menswear manufacturer Ahlers achieved a moderate 0.7 percent increase in sales revenues in the third quarter. As a result, the decline in sales for the total nine-month period of 2009/10 was reduced to 1.9 percent (H1 2009/10: -3.4 percent). Total sales for the nine-month period amounted to EUR 186.2 million (previous year: EUR 189.9 million).

Sales by segments

in EUR million	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Premium Brands*	97.7	94.1	3.8
Jeans & Workwear	47.4	49.1	-3.5
Men's & Sportswear	41.1	46.7	-12.0
Total	186.2	189.9	-1.9

* incl. "miscellaneous" EUR 0.2 million (previous year: EUR 0.1 million)

EBIT before special effects

in EUR million	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Premium Brands	8.5	3.4	>100
Jeans & Workwear	5.6	5.3	5.7
Men's & Sportswear	-0.5	-1.4	64.3
Total	13.6	7.3	86.3

Accelerated growth in premium segment

The positive performance is primarily attributable to the premium segment, which comprises the Pierre Cardin, Baldessarini and Otto Kern brands. At the nine-month stage, this segment reported a 3.8 percent increase in sales as compared to the previous year (H1 2009/10: +2.9 percent) and accounted for 52.5 percent of total sales, up from 49.6 percent in the previous year.

The Jeans & Workwear segment also showed a good performance, with third-quarter sales almost on a par with the previous year. As a result, the decline in sales for the total nine-month period was reduced to 3.5 percent (H1 2009/10: -4.4 percent). In particular, workwear sales picked up in the third quarter as a result of the improved economic situation.

The business trend in the Men's & Sportswear segment remained negative (-12.0 percent), with Jupiter suffering a sharp drop in sales. However, incoming orders for the spring/summer season indicate growing revenues both for the sportswear business, which will be continued by Ahlers, and for the shirts business, which has been transferred to a joint venture. The Gin Tonic brand again reported stable revenues.

Retail revenues picked up sharply across all brands. In the nine-month period, they increased by 28 percent and accounted for 8.2 percent (2009/10: 6.3 percent) of total sales revenues.

Earnings Position

in EUR million	Q1-Q3 2009/10	Q1-Q3 2008/09	Change in %
Sales	186.2	189.9	-1.9
Gross profit	93.6	90.6	3.3
in % of sales	50.3	47.7	
Personnel expenses	-37.3	-39.1	4.6
Balance of other expenses/income*	-38.7	-40.1	3.5
EBITDA*	17.6	11.4	54.4
Depreciation and amortisation	-4.0	-4.1	2.4
EBIT*	13.6	7.3	86.3
Special effects	-1.0	-0.5	
Financial result	-1.0	-1.1	9.1
Pre-tax profit	11.6	5.7	>100
Income taxes	-4.1	-1.6	<-100
Net income for the period	7.5	4.1	82.9

* before special effects

EARNINGS POSITION

Earnings rise sharply thanks to cost savings and optimised procurement

In the first nine months of fiscal 2009/10, menswear manufacturer Ahlers almost doubled its earnings. At EUR 7.5 million, earnings after taxes were up by 83 percent on the previous year's EUR 4.1 million.

On the one hand, this was attributable to the reduced operating expenses (down by EUR 3.3 million or 4.0 percent) resulting from the cost-saving programme implemented in the past years. On the other hand, gross profit increased by EUR 3.0 million thanks to the consistent optimisation of the production facilities. The combination of these two effects led to a EUR 6.3 million increase in EBIT before special effects to EUR 13.6 million (previous year: EUR 7.3 million, +86 percent).

Improved results in all segments

The measures taken to improve the bottom line impacted all segments of the Ahlers Group and led to improved EBIT figures. The premium segment increased its contribution to earnings before special effects by 150 percent and generated an EBIT margin of 8.7 percent (previous year: 3.6 percent). The Jeans & Workwear segment, which has traditionally generated high earnings, gained 5.7 percent and achieved an EBIT margin of 12 percent (previous year: 11 percent). In the Men's & Sportswear segment, last year's loss of EUR -1.4 million was reduced significantly (2009/10: EUR -0.5 million).

Special effects had only little influence on earnings in both periods. In the nine-month period of 2009/10, extraordinary expenses of EUR 1.0 million resulted from exchange differences, expenses for the social plan for the spin-off of the Jupiter shirts business and the sale of a former production plant below the book value. Last year's extraordinary expenses amounted to EUR 0.5 million.

In fiscal 2009/2010, the tax ratio climbed from 28 to 36 percent due to special effects, namely the non-deductible book loss from the sale of the production building as well as off-period tax expenses resulting from a tax audit. Due to the low debt level, net financial expenses declined moderately from EUR 1.1 million to EUR 1.0 million.

This report contains a consolidated statement of comprehensive income (page 12), which shows the additional impact of amounts recorded in equity on comprehensive income besides Group net income. This statement of comprehensive income primarily reflects the effects of currency fluctuations in both periods. On the one hand, currency hedges for procurement processes in USD and foreign currencies received from international activities increased equity by EUR 0.6 million in the current fiscal year, compared to a reduction by EUR 0.7 million in the previous year. On the other hand, the depreciation of the Polish zloty in the previous year resulted in book losses of EUR 1.7 million due to exchange differences, which have now been reversed on account of the currency's recovery (+EUR 1.2 million).

Key management and financial indicators

		Q1-Q3 2009/10	Q1-Q3 2008/09
Sales	in EUR million	186.2	189.9
Gross margin	in %	50.3	47.7
EBITDA*	in EUR million	17.6	11.4
EBIT*	in EUR million	13.6	7.3
EBIT margin*	in %	7.3	3.8
Net income for the period	in EUR million	7.5	4.1
Profit margin	before taxes	6.2	3.0
	after taxes	4.0	2.2
Earnings per share	in EUR	0.54	0.29
Net Working Capital**	in EUR million	97.6	104.7
Equity ratio	in %	58.5	53.7

* before special effects

** inventories, trade receivables and trade payables

FINANCIAL AND NET WORTH POSITION

Equity ratio of 59 percent

As of August 31, 2010, the traditionally sound balance sheet of the menswear manufacturer showed an increased equity ratio of 59 percent once again (August 31, 2009: 54 percent).

Reduced net working capital tie-up

Due to the increased results, equity was strengthened in the reporting period and accounted for a higher percentage of total assets. At the same time, net working capital was reduced by EUR 7.1 million through strict receivables management. This led to a decline in total assets and an increase in the equity ratio. Inventories rose moderately due to the fact that seasonal goods were delivered a bit later.

Greatly improved cash flow

The Q1 and Q3 balance sheets of fashion manufacturers are characterised by a high seasonal tie-up of capital in inventories and receivables. This is due to the fact that these balance sheets are prepared in the middle of the main delivery periods of the seasonal goods, when inventories and receivables tend to be higher. This is why the cash flow from operating activities is negative in both periods. This year, the cash flow from operating activities improved by EUR 7.7 million to EUR -1.0 million (2008/09: EUR -8.7 million) due to the improved earnings position and lower receivables.

At the same time, cash flow from investing activities climbed from EUR -3.9 million to EUR -1.8 million. This is attributable to the fact that last year saw the company make high investments in the expansion of the production facility in Sri Lanka. At the bottom line, the financial position of the Ahlers Group continued to improve.

3. POST BALANCE SHEET EVENTS

No events of special significance occurred between the end of the third quarter and the publication of the interim report.

4. RISK REPORT

No changes with respect to risks related to future developments have occurred since the start of the new fiscal year. The statements made in the risk report of the 2008/09 consolidated financial statements remain valid.

5. EMPLOYEES

As of August 31, 2010, the Ahlers Group employed 2,209 people, 224 more than in the previous year (August 31, 2009: 1,985). This is primarily attributable to the fact that the capacity of our Sri Lankan production facility was increased and we now employ 808 people at this plant, 228 more than in the previous year. In the context of the expansion of our own Retail activities, the headcount in this division increased by 50 people, while the headcount in the other divisions declined by 54. In Germany, 614 people (previous year: 649) work for the Ahlers Group.

6. PERFORMANCE OF THE AHLERS SHARES

On August 31, 2010, Ahlers shares were trading at EUR 7.50 (common share) and EUR 7.45 (preferred share), which was 10 percent and 24 percent, respectively, above the previous year's level. Including the dividend, which was paid out in May 2010, the share prices were up by as much as 14 percent and 29 percent, respectively, on the previous year.

Since the end of the past fiscal year on November 30, 2009, Ahlers shares have gained 8 percent and 9 percent, respectively, taking the dividend payment into account.

7. FORECAST REPORT

The Management Board of Ahlers AG assumes that the economic environment will remain favourable in the final three months of the fiscal year. The positive employment situation in Germany will continue to support retail turnover and is nurturing hopes of good Christmas sales. The economic situation in Ahlers' most important foreign markets, i.e. France, Poland, Russia, Austria, the Netherlands and Switzerland, is also likely to improve beyond the turn of the year 2010/2011.

Significantly improved result expected

In view of the favourable environment, the Management Board of Ahlers AG again confirms its projections for the full fiscal year. Stable or moderately rising sales revenues are projected for the second half of 2009/10. Earnings after taxes for the full fiscal year should clearly exceed the previous year's level.

Sound financial position projected for year-end

Management will continue its efforts to reduce the net working capital. In conjunction with capital expenditures that will not exceed the level of depreciation, the financial situation of the Group should continue to show a positive trend towards the end of the year.

Based on the improved earnings position, the high cash flow and the good financial position, a higher dividend should be possible, which would once more demonstrate the dividend strength of the Ahlers shares.

Higher incoming orders for spring/summer 2011

Pre-sales for the spring/summer season 2011 are underway. At this stage, incoming orders are up by a low double-digit percentage in the premium segment and by a medium single-digit percentage for all brands of the Ahlers Group, adjusted for the Jupiter shirts business, which has been spun off. We therefore see good chances for the company to continue its positive performance in the next fiscal year. In the short term, the Management Board aims to expand the Retail activities and is therefore looking for suitable store locations as well as for employees to manage the company's Retail operations out of the Herford head office.

Consolidated balance sheet

as of August 31, 2010

ASSETS

KEUR	Aug. 31, 2010	Aug. 31, 2009	Nov. 30, 2009
A. Non-current assets			
I. Property, plant and equipment			
1. Land, land rights and buildings	18,449	19,768	19,872
2. Technical equipment and machines	1,915	1,696	1,642
3. Other equipment, plant and office equipment	11,823	12,280	13,063
4. Payments on account and plant under construction	121	401	96
	32,308	34,145	34,673
II. Intangible assets			
1. Industrial property rights and similar rights and assets	12,582	12,896	12,625
2. Payments on account	-	-	-
	12,582	12,896	12,625
III. At-equity investments	211	-	-
IV. Other non-current assets			
1. Other financial assets	922	1,185	1,094
2. Other assets	18,273	18,186	18,177
	19,195	19,371	19,271
V. Deferred tax assets	2,344	4,856	2,694
Total non-current assets	66,640	71,268	69,263
B. Current assets			
I. Inventories			
1. Raw materials and consumables	17,286	14,293	18,913
2. Work in progress	291	175	229
3. Finished goods and merchandise	40,593	43,030	36,655
	58,170	57,498	55,797
II. Trade receivables	48,938	55,219	40,240
III. Other current assets			
1. Other financial assets	1,379	584	591
2. Receivables from affiliates	3,345	480	825
3. Current income tax claims	2,880	2,652	3,679
4. Other assets	3,950	5,436	4,666
	11,554	9,152	9,761
IV. Cash and cash equivalents	9,501	10,116	14,013
Total current assets	128,163	131,985	119,811
Total assets	194,803	203,253	189,074

EQUITY AND LIABILITIES

KEUR	Aug. 31, 2010	Aug. 31, 2009	Nov. 30, 2009
A. Equity			
I. Subscribed capital	43,200	43,200	43,200
II. Own shares	-5,040	-5,040	-5,040
III. Capital reserve	15,024	15,024	15,024
IV. Retained earnings	59,121	55,505	56,121
V. Currency translation adjustments	-436	-1,588	-2,270
Equity attributable to shareholders of Ahlers AG	111,869	107,101	107,035
VI. Non-controlling interest	2,112	2,093	2,129
Total equity	113,981	109,194	109,164
B. Non-current liabilities			
I. Pension provisions	5,150	5,293	5,108
II. Other provisions	2,090	4,101	1,693
III. Financial liabilities			
1. Other financial liabilities	22,608	15,525	23,064
2. Non-controlling interests in partnerships	1,281	1,289	1,201
	23,889	16,814	24,265
IV. Trade payables	1,930	1,552	1,659
V. Other liabilities	35	42	35
VI. Deferred tax liabilities	1,485	2,244	1,351
Total non-current liabilities	34,579	30,046	34,111
C. Current liabilities			
I. Current income tax liabilities	2,394	2,116	3,119
II. Other provisions	2,717	3,849	4,147
III. Financial liabilities	14,248	32,993	12,364
IV. Trade payables	9,503	7,992	13,323
V. Other liabilities			
1. Liabilities to affiliates	920	729	2,328
2. Other liabilities	16,461	16,334	10,518
	17,381	17,063	12,846
Total current liabilities	46,243	64,013	45,799
Total liabilities	80,822	94,059	79,910
Total equity and liabilities	194,803	203,253	189,074

Consolidated income statement

for Q1-Q3 of 2009/10

KEUR	Q1-Q3 2009/10	Q1-Q3 2008/09
1. Sales	186,184	189,897
2. Change in inventories of finished goods and work in progress	3,506	1,675
3. Other operating income	2,402	1,937
4. Cost of materials	-96,108	-100,964
5. Personnel expenses	-37,593	-39,208
6. Other operating expenses	-41,838	-42,415
7. Depreciation, amortisation, and impairment losses on property, plant, and equipment, intangible assets and other non-current assets	-3,975	-4,138
8. Interest and similar income	170	413
9. Interest and similar expenses	-1,161	-1,547
10. Pre-tax profit	11,587	5,650
11. Income taxes	-4,123	-1,562
12. Net income for the period	7,464	4,088
13. of which attributable to:		
- Shareholders of Ahlers AG	7,408	4,018
- Non-controlling interest	56	70
Earnings per share (EUR)	0.54	0.29

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KEUR	Q1-Q3 2009/10	Q1-Q3 2008/09
12. Consolidated net income	7,464	4,088
14. Net result from cash flow hedges	607	-685
15. Currency translation differences	1,227	-1,685
16. Other changes	-72	-97
17. Other comprehensive income after taxes	1,762	-2,467
18. Comprehensive income	9,226	1,621
19. of which attributable to:		
- Shareholders of Ahlers AG	9,242	1,648
- Non-controlling interest	-16	-27

Consolidated income statement

for Q3 of 2009/10

KEUR	Q3 2009/10	Q3 2008/09
1. Sales	67,346	66,904
2. Change in inventories of finished goods and work in progress	7,023	6,742
3. Other operating income	790	601
4. Cost of materials	-38,908	-39,993
5. Personnel expenses	-12,985	-12,537
6. Other operating expenses	-13,870	-14,360
7. Depreciation, amortisation, and impairment losses on property, plant, and equipment, intangible assets and other non-current assets	-1,332	-1,406
8. Interest and similar income	64	33
9. Interest and similar expenses	-441	-422
10. Pre-tax profit	7,687	5,562
11. Income taxes	-2,633	-1,714
12. Net income for the period	5,054	3,848
13. of which attributable to:		
- Shareholders of Ahlers AG	5,025	3,786
- Non-controlling interest	29	62
Earnings per share (EUR)	0.37	0.27

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

KEUR	Q3 2009/10	Q3 2008/09
12. Consolidated net income	5,054	3,848
14. Net result from cash flow hedges	-1,398	422
15. Currency translation differences	265	-1,349
16. Other changes	-25	-64
17. Other comprehensive income after taxes	-1,158	1,707
18. Comprehensive income	3,896	5,555
19. of which attributable to:		
- Shareholders of Ahlers AG	3,892	5,557
- Non-controlling interest	4	-2

Consolidated cash flow statement

for Q1-Q3 of 2009/10

KEUR	Q1-Q3 2009/10	Q1-Q3 2008/09
Net income for the period	7,464	4,088
Income taxes	4,123	1,562
Interest income / Interest expenses	991	1,134
Depreciation and amortisation	3,975	4,138
Gains / losses from the disposals of non-current assets (net)	566	-497
Increase / decrease in inventories and other current and non-current assets	-13,545	-6,255
Change in non-current provisions	439	332
Change in non-controlling interests in partnerships and other non-current liabilities	351	113
Change in current provisions	-1,430	-2,921
Increase / decrease in other current liabilities	520	-8,167
Interest paid	-772	-1,176
Interest received	170	413
Income taxes paid	-5,113	-3,030
Income taxes received	1,234	1,525
Cash flow from operating activities	-1,027	-8,741
Cash receipts from disposals of items of property, plant, and equipment	961	1,640
Cash receipts from disposals of intangible assets	-	4
Payments for investment in property, plant, and equipment	-2,487	-5,084
Payments for investment in intangible assets	-77	-436
Payments for acquisition of an At-equity investment	-211	-
Cash flow from investing activities	-1,814	-3,876
Divident payments	-4,409	-9,271
Repurchase of own shares	-	-4,766
Payments to non-controlling shareholders from capital decrease	-	-2,499
Repayment of non-current financial liabilities	-456	391
Cash flow from financing activities	-4,865	-16,145
Net change in liquid funds	-7,706	-28,762
Effects of changes in the scope of consolidation and exchange rates	1,232	-1,933
Liquid funds as of December 1	3,102	8,921
Liquid funds as of August 31	-3,372	-21,774

Consolidated statement of changes in equity

as of August 31, 2010 (previous year as of August 31, 2009)

KEUR	Equity attributable to shareholders of Ahlers AG			
	Subscribed capital		Own shares	Capital-reserve
	Common shares	Preferred shares		
Balance as of Dec. 1, 2008	24,000	19,200	-274	15,024
Total net income for the period				
Dividends paid				
Share repurchase			-4,766	
Balance as of August 31, 2009	24,000	19,200	-5,040	15,024
Balance as of Dec. 1, 2009	24,000	19,200	-5,040	15,024
Total net income for the period				
Dividends paid				
Share repurchase				
Balance as of August 31, 2010	24,000	19,200	-5,040	15,024

Retained earnings	Adjustment item for currency translation	Total Group holdings	Non-controlling interest	Total Equity
60,757	782	119,489	2,120	121,609
4,019	-2,370	1,649	-27	1,622
-9,271		-9,271		-9,271
		-4,766		-4,766
55,505	-1,588	107,101	2,093	109,194
56,121	-2,270	107,035	2,129	109,164
7,409	1,834	9,243	-17	9,226
-4,409		-4,409		-4,409
		0		0
59,121	-436	111,869	2,112	113,981

Group segment reporting

as of August 31, 2010 (previous year as of August 31, 2009)

by business segment

	Premium Brands		Jeans & Workwear		Men's & Sportswear	
KEUR	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Sales	97,528	93,983	47,446	49,096	41,055	46,659
Intersegment sales	-	-	-	-	-	-
Segment result	7,314	3,038	5,300	5,308	-1,013	-2,672
thereof						
Depreciation and amortisation	1,999	1,770	911	930	1,050	1,422
Other non-cash items	327	266	156	291	86	105
Interest income	100	207	30	109	40	97
Interest expense	733	660	243	275	185	612
Net assets	104,953	103,216	33,387	29,249	32,331	44,399
Capital expenditure	1,431	2,417	658	1,121	474	1,981
Liabilities	43,371	44,722	17,266	17,749	14,664	25,595

by geographic region

	Premium Brands		Jeans & Workwear		Men's & Sportswear	
KEUR	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
Germany						
Sales	45,519	43,481	32,436	34,143	20,454	23,550
Assets	72,082	68,818	16,741	13,668	20,300	29,372
Western Europe						
Sales	29,609	27,861	10,797	10,702	15,261	16,784
Assets	8,851	8,974	10,933	9,588	7,734	8,774
Central/Eastern Europe/Other						
Sales	22,400	22,641	4,213	4,251	5,340	6,325
Assets	24,020	25,424	5,713	5,993	4,297	6,253

Miscellaneous		Reconciliation		Total	
2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
155	159	-	-	186,184	189,897
-	-	-	-	-	-
-14	-24	-	-	11,587	5,650
15	16	-	-	3,975	4,138
-	-	-	-	569	662
-	-	-	-	170	413
-	-	-	-	1,161	1,547
18,908	18,880	-	-	189,579	195,744
99	16	-	-	2,662	5,535
855	744	-	-	76,156	88,810

Miscellaneous		Reconciliation		Total	
2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
155	159	-	-	98,564	101,333
18,894	18,826	-	-	128,017	130,684
-	-	-	-	55,667	55,347
-	-	-	-	27,518	27,336
-	-	-	-	31,953	33,217
14	54	-	-	34,044	37,724

8. NOTES TO THE FINANCIAL STATEMENTS

Accounting and valuation principles

The interim financial statements for the first nine months of fiscal 2009/10 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee's interpretations of the IFRS (IFRIC). The interim statements for the first nine months of fiscal 2009/10 comply in particular with the provisions of IAS 34 -Interim financial reporting.

The accounting and valuation principles and principles of consolidation are consistent with those applied in the preparation of the consolidated financial statements as of November 30, 2009. A detailed explanation of these principles has been published in the notes to the consolidated financial statements of the 2008/09 Annual Report.

The changes to the presentation of the financial statements pursuant to IAS 1 "Presentation of Financial Statements" (2007), which the Ahlers Group is obliged to apply with effect from the current fiscal year, were implemented with effect from December 1, 2009. Pursuant to IAS 1.81(b), comprehensive income is shown in two statements, i.e. a separate income statement and a statement of comprehensive income. The first-time application had no effect on the interim financial statements.

The interim report is prepared in euros and all figures are given in thousands of euros (KEUR). Due to the fact that the report is prepared in EUR thousands, rounding differences can arise, since computations of individual items are based on figures in euros.

Own shares

During the first nine months of the current fiscal year, Ahlers AG did not buy back any own shares. Accordingly, the number of own shares held by Ahlers AG remained unchanged from November 30, 2009, which means that the Company held 399,686 common shares and 318,794 preferred shares, i.e. a total of 718,480 own shares, as of August 31, 2010. These represent 5.0 percent (rounded up) of the total share capital.

Earnings per share

Earnings per share are defined as net income (attributable to the shareholders of the Ahlers AG) divided by the weighted average number of shares outstanding during the reporting period. No shares existed either as of August 31, 2010, or August 31, 2009, that would have a diluting effect on earnings per share.

Contingent liabilities

Contingent liabilities have not changed materially since the last balance sheet date on November 30, 2009.

Segment reporting

With effect from the beginning of the fiscal year 2009/10, the segment report is prepared in accordance with IFRS 8 “Operating Segments” (2006), which is now compulsory for the Ahlers Group. As in the past, the Ahlers Group defines its reporting segments by the type of products. This primarily reflects the internal reporting system as well as the internal decision-making processes. Application of this standard did not entail any changes as compared to the previous year.

The Group’s reporting segments are Premium Brands, Jeans & Workwear and Men’s & Sportswear. Expenses for central functions are charged to the segments with due consideration to the arm’s length principle and based on actual usage. Due to the different positionings of the segments, no inter-segment revenues are generated. Where a clear allocation of assets and liabilities is not possible, these are allocated using appropriate distribution ratios. The segment result is the result before taxes, as income taxes are not segmented due to the central management. For the same reason, assets and liabilities do not include deferred or current tax assets and liabilities.

The valuation principles for the segment report are the same as for the consolidated financial statements.

Herford, October 2010

The Management Board

Forward-looking statements

This report contains forward-looking statements, which are subject to a number of uncertainties that could cause actual results to differ materially from expectations of future developments should one or more of these uncertainties, whether specified or not, materialise or if the assumptions underlying the statements above prove to be incorrect.

Financial calendar

DATES

October 7, 2010	Interim report Q3 2009/10
October 26, 2010	Analysts' conference in Frankfurt/Main
November 22, 2010	German Equity Forum in Frankfurt/Main
May 4, 2011	Annual Shareholders' Meeting in Düsseldorf

If you have any questions regarding
this interim report, please contact:

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ISIN DE0005009708 und DE0005009732

AHLERS AG

- produces menswear under several brands, tailored to its respective target groups
- is one of the leading European menswear manufacturers
- family-run in the third generation by Dr. Stella A. Ahlers
- was established by Adolf Ahlers in 1919 and listed as a joint stock corporation in 1987
- employs approximately 2,200 people
- generates over 50 percent of its sales revenues from premium brands
- produces 10 million fashion items per year

The brands

Baldessarini
BALDESSARINI


pierre cardin


OTTO KERN

PIONEER[®]
AUTHENTIC JEANS

GIN TONIC[®]

GIN FIZZ[®]
— WOMAN —


PIONIER[®]
JEANS & CASUALS

JUPITER[®] 

Pionier[®]
workwear

Ahlers AG, Herford

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