



**AHLERS AG, HERFORD**  
Half Year Report 2010/11



# AHLERS AG

## HALF YEAR REPORT 2010/11

(December 1, 2010 to May 31, 2011)

### BUSINESS PERFORMANCE IN THE FIRST SIX MONTHS OF FISCAL 2010/11

#### HJ 2010/11 - Highlights

- Revenues from continued operations climb 7.5 percent
- Premium and Jeans & Workwear segments grow by 10 percent
- Consolidated net income up 67 percent on previous year
- Solid equity ratio of over 60 percent
- Stronger sales growth expected for second half-year

### 1. BUSINESS AND GENERAL CONDITIONS

The economic recovery process in Germany continues and the gross domestic product is growing strongly. As a result, the situation in the labour market remains positive, which gives the population a feeling of security and keeps the GfK consumer climate index at a high level. As a result, German clothing retailers again reported growing sales revenues.

The situation in most Eastern European countries is also returning to normal, and the drop in sales suffered in the crisis year was offset by rising sales in the reporting period. While very few retailers are still experiencing payment problems due to losses incurred during the economic crisis, this situation has eased.

The situation is more differentiated in Western European countries outside Germany. Some countries such as Austria and the Netherlands show similarly positive trends as the German market. By contrast, the situation in countries affected by the euro crisis, e.g. Greece, Spain and Portugal, tends to become more difficult and clothing retailers have reported declining sales.

### 2. EARNINGS, FINANCIAL AND NET WORTH POSITION

#### Strong revenue growth of 12 percent in the second quarter

In the second quarter of 2011, the Ahlers Group generated an impressive 12.2 percent increase in revenues from continued operations. Sales for the six-month period rose by 7.5 percent to EUR 121.5 million (previous year: EUR 113.0 million). Including Jupiter Shirts, which has been spun off, the increase came to 2.7 percent.

### Double-digit growth in Premium and Jeans- & Workwear segments

The positive sales performance was primarily due to strong growth in the Premium and Jeans & Workwear segments of 10 percent each. All brands in these segments picked up markedly, especially Pierre Cardin, Baldessarini, Otto Kern and Pionier Workwear. The 12 percent increase in sales revenues in the Retail segment also supported the growth trend of the fashion company.

The transfer of the Jupiter Shirts business into the joint venture with shirts specialist Hatico has strengthened the Jupiter business as a whole. Operations continue smoothly both in the Shirts segment and in the Sportswear segment. The Sportswear segment, which remains part of the Ahlers Group, achieved 2 percent growth. By contrast, Gin Tonic reported a moderate decline in sales. This was due to the discontinuation of the Gin Fizz oversize collection as well as to the continued moderate delay in deliveries, which are attributable to the difficult procurement situation in Asia.

### Sales by segments

in EUR million	H1 2010/11	H1 2009/10	Change in %
Premium Brands*	67.4	61.2	10.1
Jeans & Workwear	33.7	30.6	10.1
Men's & Sportswear - continued operations	20.4	21.2	-3.8
- Jupiter Shirts	0.5	5.8	-91.4
<b>Total - continued operations</b>	<b>121.5</b>	<b>113.0</b>	<b>7.5</b>
- incl. Jupiter Shirts	122.0	118.8	2.7

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

### EBIT before special effects

in EUR million	H1 2010/11	H1 2009/10	Change in %
Premium Brands	4.1	3.7	10.8
Jeans & Workwear	3.8	2.7	40.7
Men's & Sportswear	-2.1	-1.2	-75.0
<b>Total</b>	<b>5.8</b>	<b>5.2</b>	<b>11.5</b>

### 12 percent increase in EBIT before special effects

Earnings before interest and taxes (EBIT before special effects), which are an important indicator, rose by 12 percent primarily because of the higher revenues from continued operations. The EBIT margin climbed from 4.4 percent to 4.8 percent.

Earnings in the Premium segment increased by 11 percent despite the upfront investments in the Pierre Cardin Ladies' Jeans and Retail growth segments. In the Jeans & Workwear segment, earnings rose by as much as 41 percent, driven by the higher percentage of low-cost own production in Sri Lanka. Earnings in the Men's & Sportswear segment declined by EUR 0.9 million, primarily because of the drop in revenues from continued operations and the residual costs of the shirts business.

## EARNINGS POSITION

### Sharp increase in earnings in H1 2010/11

In the first half of 2010/011, Ahlers generated consolidated net income after taxes of EUR 4.0 million, up 67 percent on the previous year's EUR 2.4 million.

This was primarily due to the above mentioned rise in EBIT before special effects. The result also increased due to the non-recurrence of special effects from depreciation and taxes, which had weighed on the bottom line in the prior year period. The tax ratio now stands at a "normal" 30 percent, compared to 38 percent in the previous year, which was due to the non-deductibility of extraordinary write-downs.

At 6 percent, the increase in gross profit was higher than the rise in sales revenues (+3 percent) in the reporting period. This was due to the fact that we have increased the percentage of own production, especially in our plant in Sri Lanka. As a result, personnel expenses at the production facilities increased by EUR 0.6 million.

In addition, personnel and operating expenses rose primarily because of the expansion of the Pierre Cardin ladieswear collection and the own Retail segment. Operating expenses also picked up because of revenue-linked items such as commissions and licenses.

### Earnings Position

in EUR million	H1 2010/11	H1 2009/10	Change in %
<b>Sales</b>	<b>122.0</b>	<b>118.8</b>	<b>2.7</b>
Gross profit	61.5	58.1	5.9
in % of sales	50.4	48.9	
Personnel expenses	-25.7	-24.6	-4.5
Balance of other expenses/income*	-27.2	-25.7	-5.8
<b>EBITDA*</b>	<b>8.6</b>	<b>7.8</b>	<b>10.3</b>
Depreciation and amortisation	-2.8	-2.6	-7.7
<b>EBIT*</b>	<b>5.8</b>	<b>5.2</b>	<b>11.5</b>
Special effects	0.3	-0.7	
Financial result	-0.4	-0.6	33.3
<b>Pre-tax profit</b>	<b>5.7</b>	<b>3.9</b>	<b>46.2</b>
Income taxes	-1.7	-1.5	-13.3
<b>Net income</b>	<b>4.0</b>	<b>2.4</b>	<b>66.7</b>

\* before special effects

## Key management and financial indicators

		H1 2010/11	H1 2009/10
Sales - continued operations	in EUR million	121.5	113.0
- incl. Jupiter Shirts	in EUR million	122.0	118.8
Gross margin	in %	50.4	48.9
EBITDA*	in EUR million	8.6	7.8
EBIT*	in EUR million	5.8	5.2
EBIT margin*	in %	4.8	4.4
Net income	in EUR million	4.0	2.4
Profit margin before taxes	in %	4.7	3.3
Profit margin after taxes	in %	3.3	2.0
Earnings per share			
common shares	in EUR	0.27	0.15
preferred shares	in EUR	0.32	0.20
Net Working Capital**	in EUR million	89.1	80.5
Equity ratio	in %	60.3	61.3

\* before special effects

\*\* inventories, trade receivables and trade payables

## FINANCIAL AND NET WORTH POSITION

## Equity ratio above 60 percent

Following the payout of the greatly increased dividend in May 2011, the equity capital stood at EUR 110 million on May 31, 2011, which was the same level as one year ago. With total assets almost unchanged at EUR 183 million (previous year: EUR 180 million), the equity ratio remains sound at 60 percent (previous year: 61 percent).

Due to the improved economic situation in Eastern Europe and the continued strict debtor management, trade receivables declined by EUR 4 million (-11 percent). At the same time, inventories increased by EUR 13 million (+24 percent) to EUR 67 million (previous year: EUR 54 million) as a result of the higher percentage of Asian production and the resulting longer transport routes, the stockkeeping of raw materials to ensure punctual deliveries and the higher incoming orders for the second half 2011.

As a result, total net working capital increased by EUR 8 million (+11 percent) to EUR 89 million (previous year: EUR 81 million).

## 3. POST BALANCE SHEET EVENTS

No events of special significance for the Ahlers Group occurred between the end of the first six months 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 2009/10 consolidated financial statements remain valid.

## 5. EMPLOYEES

As of May 31, 2011, the Ahlers Group employed 2,289 people, 110 more than one year ago. The increase is primarily attributable to the expansion of production in Sri Lanka, where Ahlers now employs 863 people (previous year: 772). More staff were hired also for the expansion of the Retail activities (+24) and the Pierre Cardin Ladies' Jeans activities. Due to the spin-off of Jupiter Shirts with effect from October 31, 2010, the headcount in this segment declined by 17.

In Germany, the fashion company employed 646 people as of the reporting date. One year ago, the number of employees stood at 617, i.e. 29 people less.

## 6. PERFORMANCE OF THE AHLERS SHARES

On May 31, 2011, Ahlers shares traded at EUR 9.80 (common share) and EUR 9.67 (preferred share). The price of both shares was thus up 32 percent on the previous year. Including the dividend paid out in May 2011, the share prices were up by as much as 40 percent and 41 percent, respectively, on the previous year.

Including the dividend, the preferred shares have gained 9 percent and the common shares have lost 2 percent since the end of the past financial year on November 30, 2010.

## 7. FORECAST REPORT

### Positive macroeconomic forecast with uncertainties

We expect the economic environment in our European output markets to remain positive for the next six months of the financial year 2010/11. Although the consumer climate has weakened slightly in recent months, it is set to remain friendly against the background of continued low unemployment and rising incomes should contribute to a friendly consumer climate in Germany. This has been anticipated by retailers, who have placed higher orders to producers.

The risks for a turnaround in the upward economic trend and, hence, for intra-seasonal orders and our own Retail business continue to apply in the second half of 2011: The unresolved debt problems of many countries, speculation and price increases in all commodity and foreign exchange markets and the conflicts in North Africa and the Middle East could potentially lead to a quick turnaround.

### Optimistic sales and earnings forecasts

Incoming orders for the second half of 2011 are up by a double-digit percentage. The Management Board of Ahlers therefore expects sales revenues to increase at a higher rate than projected in the Annual Report. Total sales revenues for the year 2010/11 should grow by approx. 5 percent, with sales revenues from continued activities expected to rise by as much as 9 percent. From today's point of view, the Management Board expects consolidated net income after taxes to increase by at least 15 percent.

### Financial and net worth position remains sound

The financial situation will probably not change fundamentally in the coming months. It will remain very solid. We expect a higher result and growing investments - approximately in line with depreciation/amortisation - especially in our own Retail stores. Special attention will be paid to net working capital so as to be prepared for a sudden economic turnaround.

# Consolidated balance sheet

as of May 31, 2011

## ASSETS

KEUR	May 31, 2011	May 31, 2010	Nov. 30, 2010
<b>A. Non-current assets</b>			
I. Property, plant and equipment			
1. Land, land rights and buildings	17,418	18,529	17,875
2. Technical equipment and machines	1,584	1,965	1,792
3. Other equipment, plant and office equipment	12,119	12,216	11,886
4. Payments on account and plant under construction	333	163	278
	<b>31,454</b>	<b>32,873</b>	<b>31,831</b>
II. Intangible assets			
Industrial property rights and similar rights and assets	12,204	12,564	12,127
III. At-equity investments	211	211	211
IV. Other non-current assets			
1. Other financial assets	1,643	914	1,001
2. Other assets	18,317	18,273	18,282
	<b>19,960</b>	<b>19,187</b>	<b>19,283</b>
V. Deferred tax assets	1,811	2,350	1,690
<b>Total non-current assets</b>	<b>65,640</b>	<b>67,185</b>	<b>65,142</b>
<b>B. Current assets</b>			
I. Inventories			
1. Raw materials and consumables	29,078	21,115	20,979
2. Work in progress	282	289	331
3. Finished goods and merchandise	37,965	32,881	37,330
	<b>67,325</b>	<b>54,285</b>	<b>58,640</b>
II. Trade receivables	31,236	35,056	36,069
III. Other current assets			
1. Other financial assets	526	2,974	1,036
2. Receivables from affiliates	3,933	1,231	177
3. Current income tax claims	1,230	3,382	2,574
4. Other assets	3,740	4,222	4,330
	<b>9,429</b>	<b>11,809</b>	<b>8,117</b>
IV. Cash and cash equivalents	9,383	11,326	21,322
<b>Total current assets</b>	<b>117,373</b>	<b>112,476</b>	<b>124,148</b>
<b>Total current assets</b>	<b>183,013</b>	<b>179,661</b>	<b>189,290</b>



## EQUITY AND LIABILITIES

KEUR	May 31, 2011	May 31, 2010	Nov. 30, 2010
<b>A. Equity</b>			
I. Subscribed capital	43,200	43,200	43,200
II. Own shares	-	-5,040	-5,040
III. Capital reserve	15,024	15,024	15,024
IV. Retained earnings	51,204	54,096	60,144
V. Currency translation adjustments	-1,495	697	-353
<b>Equity attributable to shareholders of Ahlers AG</b>	<b>107,933</b>	<b>107,977</b>	<b>112,975</b>
VI. Non-controlling interest	2,346	2,108	2,147
<b>Total equity</b>	<b>110,279</b>	<b>110,085</b>	<b>115,122</b>
<b>B. Non-current liabilities</b>			
I. Pension provisions	5,099	5,148	5,123
II. Other provisions	1,062	1,908	957
III. Financial liabilities			
1. Other financial liabilities	22,448	22,760	23,306
2. Non-controlling interests in partnerships	1,248	1,254	1,292
	<b>23,696</b>	<b>24,014</b>	<b>24,598</b>
IV. Trade payables	1,915	1,758	1,808
V. Other liabilities	28	35	28
VI. Deferred tax liabilities	2,016	2,031	2,193
<b>Summe langfristige Schulden</b>	<b>33,816</b>	<b>34,894</b>	<b>34,707</b>
<b>C. Current liabilities</b>			
I. Current income tax liabilities	2,166	3,152	2,344
II. Other provisions	2,709	2,929	2,735
III. Financial liabilities	9,293	8,518	4,687
IV. Trade payables	9,465	8,794	15,062
V. Other liabilities			
1. Liabilities to affiliates	795	855	3,386
2. Other liabilities	14,490	10,434	11,247
	<b>15,285</b>	<b>11,289</b>	<b>14,633</b>
<b>Total current liabilities</b>	<b>38,918</b>	<b>34,682</b>	<b>39,461</b>
<b>Total liabilities</b>	<b>72,734</b>	<b>69,576</b>	<b>74,168</b>
<b>Total equity and liabilities</b>	<b>183,013</b>	<b>179,661</b>	<b>189,290</b>

# Consolidated income statement

for the first half year 2010/11

KEUR	H1 2010/11	H1 2009/10
1. Sales	121,963	118,838
2. Change in inventories of finished goods and work in progress	320	-3,517
3. Other operating income	1,762	1,612
4. Cost of materials	-60,752	-57,200
5. Personnel expenses	-25,741	-24,609
6. Other operating expenses	-28,664	-27,968
7. Depreciation, amortisation, and impairment losses on property, plant, and equipment, intangible assets and other non-current assets	-2,769	-2,643
8. Interest and similar income	128	106
9. Interest and similar expenses	-580	-719
<b>10. Pre-tax profit</b>	<b>5,667</b>	<b>3,900</b>
11. Income taxes	-1,620	-1,490
<b>12. Net income for the period</b>	<b>4,047</b>	<b>2,410</b>
13. of which attributable to:		
- Shareholders of Ahlers AG	3,932	2,384
- Non-controlling interest	115	26
<b>Earnings per share (EUR)</b>		
- common shares	0.27	0.15
- preferred shares	0.32	0.20

# Consolidated statement of comprehensive income

for the first half year 2010/11

KEUR	H1 2010/11	H1 2009/10
<b>12. Consolidated net income</b>	<b>4,047</b>	<b>2,410</b>
14. Net result from cash flow hedges	-1,033	2,005
15. Currency translation differences	-109	962
16. Other changes	84	-47
<b>17. Other comprehensive income after taxes</b>	<b>-1,058</b>	<b>2,920</b>
<b>18. Comprehensive income</b>	<b>2,989</b>	<b>5,330</b>
19. of which attributable to:		
- Shareholders of Ahlers AG	2,790	5,351
- Non-controlling interest	199	-21

## Consolidated income statement

for Q2 for 2010/11

KEUR	Q2 2010/11	Q2 2009/10
1. Sales	55,403	51,746
2. Change in inventories of finished goods and work in progress	-786	-3,588
3. Other operating income	1,034	1,042
4. Cost of materials	-27,641	-23,738
5. Personnel expenses	-12,931	-12,194
6. Other operating expenses	-14,382	-14,007
7. Depreciation, amortisation, and impairment losses on property, plant, and equipment, intangible assets and other non-current assets	-1,412	-1,328
8. Interest and similar income	53	54
9. Interest and similar expenses	-307	-359
<b>10. Pre-tax profit</b>	<b>-969</b>	<b>-2,372</b>
11. Income taxes	354	357
<b>12. Net income for the period</b>	<b>-615</b>	<b>-2,015</b>
13. of which attributable to:		
- Shareholders of Ahlers AG	-681	-2,035
- Non-controlling interest	66	20
<b>Earnings per share (EUR)</b>		
- common shares	-0.04	-0.15
- preferred shares	-0.04	-0.15

## Consolidated statement of comprehensive income

for Q2 for 2010/11

KEUR	Q2 2010/11	Q2 2009/10
<b>12. Consolidated net income</b>	<b>-615</b>	<b>-2,015</b>
14. Net result from cash flow hedges	-296	857
15. Currency translation differences	-230	52
16. Other changes	92	-37
<b>17. Other comprehensive income after taxes</b>	<b>-434</b>	<b>872</b>
<b>18. Comprehensive income</b>	<b>-1,049</b>	<b>-1,143</b>
19. of which attributable to:		
- Shareholders of Ahlers AG	-1,207	-1,127
- Non-controlling interest	158	-16

# Consolidated cash flow statement

for the first half year 2010/11

KEUR	H1 2010/11	H1 2009/10
Net income	4,047	2,410
Income taxes	1,620	1,490
Interest income / Interest expenses	452	614
Depreciation and amortisation	2,769	2,643
Gains / losses from the disposals of non-current assets (net)	-354	534
Increase / decrease in inventories and other current and non-current assets	-7,190	4,446
Change in non-current provisions	81	255
Change in non-controlling interests in partnerships and other non-current liabilities	63	152
Change in current provisions	-26	-1,218
Change in other current liabilities	-4,659	-5,934
Interest paid	-378	-473
Interest received	128	106
Income taxes paid	-1,817	-1,874
Income taxes received	1,547	849
<b>Cash flow from operating activities</b>	<b>-3,717</b>	<b>4,000</b>
Cash receipts from disposals of items of property, plant, and equipment	648	931
Payments for investment in property, plant, and equipment	-2,551	-1,720
Payments for investment in intangible assets	-202	-63
Payments for acquisition of an At-equity investment	-	-211
<b>Cash flow from investing activities</b>	<b>-2,105</b>	<b>-1,063</b>
Dividend payments	-7,832	-4,409
Repayment of non-current financial liabilities	-2,612	-304
<b>Cash flow from financing activities</b>	<b>-10,444</b>	<b>-4,713</b>
Net change in liquid funds	-16,266	-1,776
Effects of changes in the scope of consolidation and exchange rates	-1,068	2,456
Liquid funds as of December 1	21,529	3,102
<b>Liquid funds as of May 31</b>	<b>4,195</b>	<b>3,782</b>

# Consolidated statement of changes in equity

as of May 31, 2011 (previous year as of May 31, 2010)

## Equity attributable to shareholders of Ahlers AG

KEUR	Subscribed capital		Own shares	Capital-reserve	Retained earnings	Adjustment item for currency translation	Total Group holdings	Non-control-ling interest	Total Equity
	Common shares	Preferred shares							
<b>Balance as of Dec. 1, 2009</b>	<b>24,000</b>	<b>19,200</b>	<b>-5,040</b>	<b>15,024</b>	<b>56,121</b>	<b>-2,270</b>	<b>107,035</b>	<b>2,129</b>	<b>109,164</b>
Total net income for the period					2,384	2,967	5,351	-21	5,330
Dividends paid					-4,409		-4,409		-4,409
Share repurchase							0		0
<b>Balance as of May 31, 2010</b>	<b>24,000</b>	<b>19,200</b>	<b>-5,040</b>	<b>15,024</b>	<b>54,096</b>	<b>697</b>	<b>107,977</b>	<b>2,108</b>	<b>110,085</b>
<b>Balance as of Dec. 1, 2010</b>	<b>24,000</b>	<b>19,200</b>	<b>-5,040</b>	<b>15,024</b>	<b>60,144</b>	<b>-353</b>	<b>112,975</b>	<b>2,147</b>	<b>115,122</b>
Total net income for the period					3,932	-1,142	2,790	199	2,989
Dividends paid					-7,832		-7,832		-7,832
Redemption of own shares			5,040		-5,040		0		0
<b>Balance as of May 31, 2011</b>	<b>24,000</b>	<b>19,200</b>	<b>0</b>	<b>15,024</b>	<b>51,204</b>	<b>-1,495</b>	<b>107,933</b>	<b>2,346</b>	<b>110,279</b>

# Group Segment Informations

for Q2 of 2010/11

## by business segment

	Premium Brands		Jeans & Workwear		Men's & Sportswear	
KEUR	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
<b>Sales</b>	67,290	61,066	33,687	30,637	20,883	27,027
<b>Intersegment sales</b>	-	-	-	-	-	-
<b>Segment result</b>	3,960	2,995	3,783	2,561	-2,072	-1,648
thereof						
Depreciation and amortisation	1,429	1,286	651	566	679	781
Other non-cash items	321	194	163	119	18	56
Interest income	61	62	32	17	35	27
Interest expense	371	400	133	113	76	206
<b>Net assets</b>	102,560	89,091	34,864	29,277	23,610	36,648
<b>Capital expenditure</b>	1,749	1,084	482	393	522	306
<b>Liabilities</b>	41,303	31,551	15,836	12,911	10,034	18,198

## by geographic region

	Premium Brands		Jeans & Workwear		Men's & Sportswear	
KEUR	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
<b>Germany</b>						
Sales	31,110	28,379	23,624	20,908	10,714	13,634
Net Assets	73,401	57,860	14,975	13,020	16,086	25,056
<b>Western Europe</b>						
Sales	18,061	18,319	6,986	6,757	6,883	9,553
Net Assets	6,001	7,938	14,036	10,524	4,489	7,026
<b>Central/Eastern Europe/Other</b>						
Sales	18,119	14,368	3,077	2,972	3,286	3,840
Net Assets	23,158	23,293	5,853	5,733	3,035	4,566

Miscellaneous		Total	
2010/11	2009/10	2010/11	2009/10
103	108	121,963	118,838
-	-	-	-
-4	-8	5,667	3,900
10	10	2,769	2,643
-	-	502	369
-	-	128	106
-	-	580	719
18,937	18,914	179,971	173,930
205	98	2,958	1,881
768	868	67,941	63,528

Miscellaneous		Total	
2010/11	2009/10	2010/11	2009/10
103	108	65,551	63,029
18,925	18,899	123,387	114,835
-	-	31,930	34,629
-	-	24,526	25,488
-	-	24,482	21,180
12	15	32,058	33,607

## 8. NOTES TO THE FINANCIAL STATEMENTS

### Accounting and valuation principles

The interim financial statements for the first six months of fiscal 2010/11 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). They 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, 2010. A detailed explanation of these principles has been published in the notes to the consolidated financial statements of the 2009/10 Annual Report.

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

On December 9, 2010 the Management Board and the Supervisory Board decided to redeem the own shares acquired by Ahlers AG between November 2008 and April 2009. This transaction was completed with effect from January 24, 2011 in a simplified procedure without capital reduction by adjusting the imputed pro-rata amount of the other shares in the Company's share capital.

The redemption involved 399,686 fully paid-up no-par common bearer shares and 318,794 fully paid-up non-voting no-par preferred shares. After the redemption, the share capital of Ahlers AG in an amount of EUR 43.2 million comprises 13,681,520 no-par shares, which are composed of 7,600,314 common shares (including, as before, 500 registered shares with transfer restrictions) and 6,081,206 preferred shares.

### 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 May 31, 2011, or May 31, 2010, 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, 2010.

### Segment reporting

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.

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. This means that the total assets stated in the balance sheet (EUR 183,013 thousand) result from the assets as derived from the segment information (EUR 179.971 thousand) plus deferred tax assets and current income tax assets (EUR 3,042 thousand). Accordingly, the liabilities stated in the balance sheet (EUR 72,734 thousand) result from the liabilities as derived from the segment information (EUR 67,941 thousand) plus deferred tax liabilities and current income tax liabilities (EUR 4,182 thousand) as well as leasing liabilities (EUR 611 thousand).

The Group segment information by geographic regions reflects the main output markets of the Ahlers Group.

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

## 9. OTHER INFORMATION

### Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Herford, July 2011

The Management Board

### Review pursuant to section 37w para. 5 of the German Securities Trading Act (WpHG)

The abridged financial statements and the interim report have neither been reviewed by an auditor nor been audited in accordance with section 317 of the German Commercial Code (HGB).

### 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

Half year report 2010/11	July 13, 2011
Interim report Q3 2010/11	October 12, 2011
Analysts' conference in Frankfurt am Main	October 18, 2011
German Equity Forum in Frankfurt am Main	November 21, 2011
Annual Shareholders' Meeting in Düsseldorf	May 3, 2012

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

**AHLERS AG**  
**INVESTOR RELATIONS**  
**ELVERDISSE STR. 313**  
**D-32052 HERFORD**

**PHONE: +49 (0) 52 21/ 979-211**  
**FAX: +49 (0) 52 21/ 725 38**  
**INVESTOR.RELATIONS@AHLERS-AG.COM**  
**WWW.AHLERS-AG.COM**

ISIN DE0005009708 and DE0005009732

# AHLERS AG

- produces menswear under several brands, tailored to its respective target groups
- is one of the leading European menswear manufacturers
- is 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 2,300 people
- generates over 55 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®**

  
**PIONIER®**  
JEANS & CASUALS

**JUPITER®** 

**Pionier®**  
workwear

**Ahlers AG, Herford**

ISIN DE0005009708 and DE0005009732