



**AHLERS AG, HERFORD**  
Interim Report Q3 2011/12



# AHLERS AG

## INTERIM REPORT Q3 2011/12

(December 1, 2011 to August 31, 2012)

### BUSINESS PERFORMANCE IN THE FIRST NINE MONTHS OF FISCAL 2011/12

#### Q3 2011/12 - Highlights

- Premium segment reports strong growth of 5 percent
- Premium segment's share rises to 61 percent (previous year: 56 percent)
- Equity ratio climbs to 59 percent (previous year: 57 percent)
- Stable earnings except for Gin Tonic
- Extensive reorganisation project launched for Gin Tonic

### 1. BUSINESS AND GENERAL CONDITIONS

The German economy showed a surprisingly positive and robust trend in the past months, although the situation deteriorated slightly in the third quarter of 2012. While the gross domestic product (GDP) grew moderately in the first half of 2012, many economists are projecting a contraction for the second half of 2012. This outlook is supported by a decline in new manufacturing orders.

German consumers are realistic but relaxed about the near future. While their expectations for the economy and their own incomes are on the decline, consumer sentiment remains positive (GfK, September 2012). Private consumption increased by 1.2 percent in the first half of 2012, but this benefited only some sectors. The German clothing retail sector reported declining figures, with sales in the period from January to August 2012 down by 2 percent (source: Textilwirtschaft).

Sales are on the decline also in most Western European markets and in many Eastern European countries. In the much-discussed euro-zone crisis countries, sales have even contracted sharply. Exceptions are the large Eastern European markets of Poland and Russia, which continue to report growing sales.

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

#### Strong sales growth in Premium segment

The Premium brands, i.e. Baldessarini, Otto Kern and Pierre Cardin, continued to grow sharply as they did in the first half of 2011/12, with sales in the nine-month period up by 5.1 percent. Baldessarini even reported an impressive double-digit growth rate.

Due to this increase in sales, the Premium segment's contribution to total Group sales climbed to 61 percent (previous year: 56 percent). The Premium segment's sales revenues totalled EUR 117.3 million (previous year: EUR 111.6 million).

## Sales by segments

in EUR million	Q1-Q3 2011/12	Q1-Q3 2010/11	Change in %
Premium Brands*	117.3	111.6	5.1
Jeans & Workwear	50.3	53.2	-5.5
Men's & Sportswear	25.0	33.1	-24.5
<b>Total</b>	<b>192.6</b>	<b>197.9</b>	<b>-2.7</b>

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

## EBIT before special effects

in EUR million	Q1-Q3 2011/12	Q1-Q3 2010/11	Change in %
Premium Brands*	12.0	10.7	12.1
Jeans & Workwear	5.7	7.4	-23.0
Men's & Sportswear	-3.1	-1.0	-210.0
<b>Gesamt</b>	<b>14.6</b>	<b>17.1</b>	<b>-14.6</b>

\* incl. "miscellaneous" EUR 0.8 million (previous year: EUR 0.0 million)

## Later deliveries lead to declining sales in Jeans & Workwear segment

Last year the scarce supply of cotton prompted us to purchase our raw materials at a very early stage in order to avoid supply bottlenecks. Accordingly, our production and deliveries were also early. This year sees the situation in the procurement markets return to normal, which means that deliveries were made at the normal, later dates. This is why sales revenues in the Jeans & Workwear segment as well as in the Men's & Sportswear segment declined somewhat. In the Jeans & Workwear segment, this effect accounted for about 3.6 percent of the total 5.5 percent decline. Total sales in the Jeans & Workwear segment amounted to EUR 50.3 million (previous year: EUR 53.2 million). The segment's contribution to total Group sales remained unchanged at 27 percent.

Sales revenues in the Men's & Sportswear segment declined sharply, from EUR 33.1 million in the previous year to EUR 25.0 million (-24.5 percent). Accordingly, the segment's contribution to total Group sales dropped from 17 percent to 12 percent.

## Group sales down by 2.7 percent due to later deliveries

Nine-month sales of the Ahlers Group were down by 2.7 percent on the previous year. About half of the decline is attributable to the later delivery dates. In absolute figures, sales revenues amounted to EUR 192.6 million (previous year: EUR 197.9 million).

Retail revenues increased by 7.6 percent from EUR 17.2 million to EUR 18.5 million in the first nine months of the year. The Retail segment's contribution to total Group sales thus rose from 8.7 percent to 9.6 percent.

## EARNINGS POSITION

### Lower gross profit leads to decline in earnings

Total operating expenses, which comprise personnel expenses, other expenses and depreciation/amortisation (excluding special effects), declined by 2.6 percent in the reporting period, which had a positive effect of EUR 2.2 million on the bottom line. These reductions primarily related to non-personnel operating expenses, which were cut by EUR 2.4 million. Personnel expenses rose by EUR 0.2 million, primarily due to collective pay rises. Gross profit for the first nine months of 2011/12 was down by EUR 4.7 million or 4.6 percent on the previous year. At Gin Tonic, the gross profit margin suffered from price pressure and the declining sales revenues weighed on absolute gross profit. Due to the lower gross profit, which was partly offset by reduced expenses, EBIT before special effects declined by 15 percent to EUR 14.6 million (previous year: EUR 17.1 million).

### Earnings position

in EUR million	Q1-Q3 2011/12	Q1-Q3 2010/11	Change in %
<b>Sales</b>	<b>192.6</b>	<b>197.9</b>	<b>-2.7</b>
Gross profit	98.0	102.7	-4.6
in % of sales	50.9	51.9	
Personnel expenses*	-39.3	-39.1	-0.5
Balance of other expenses/income*	-39.9	-42.3	5.7
<b>EBITDA*</b>	<b>18.8</b>	<b>21.3</b>	<b>-11.7</b>
Depreciation and amortisation	-4.2	-4.2	0.0
<b>EBIT*</b>	<b>14.6</b>	<b>17.1</b>	<b>-14.6</b>
Special effects	-0.4	0.3	
Financial result	-0.6	-0.7	14.3
<b>Pre-tax profit</b>	<b>13.6</b>	<b>16.7</b>	<b>-18.6</b>
Income taxes	-4.0	-5.1	21.6
<b>Net income</b>	<b>9.6</b>	<b>11.6</b>	<b>-17.2</b>

\* before special effects

Low compensation payments and currency losses (EUR 0.4 million) were made in the reporting period, whereas a positive special effect from the sale of a property was recognised in the same period of the previous year. After special effects, a largely unchanged financial result and a comparable tax ratio, Ahlers generated consolidated net income after taxes of EUR 9.6 million, (previous year: EUR 11.6 million). At EUR 9.6 million, the consolidated statement of comprehensive income, which also includes (currency) effects on equity, was almost on a par with the previous year (EUR 10.2 million).

## FINANCIAL AND NET WORTH POSITION

### Further improved equity ratio

As of August 31, 2012, the Ahlers Group again had a very solid and slightly improved financial position, as reflected in an equity ratio of 59.3 percent (previous year: 57.3 percent). Total assets declined by EUR 7.8 million, primarily because of the consistent reduction in inventories and reduced receivables. As the equity remained stable, the equity ratio increased by 2.0 percentage points.

### Key management and financial indicators

		Q1-Q3 2011/12	Q1-Q3 2010/11
Sales	in EUR million	192.6	197.9
Gross margin	in %	50.9	51.9
EBITDA*	in EUR million	18.8	21.3
EBIT*	in EUR million	14.6	17.1
EBIT margin*	in %	7.6	8.6
Net income	in EUR million	9.6	11.6
Profit margin before taxes	in %	7.0	8.4
Profit margin after taxes	in %	5.0	5.8
Earnings per share			
common shares	in EUR	0.66	0.81
preferred shares	in EUR	0.71	0.86
Net Working Capital**	in EUR million	106.7	113.5
Equity ratio	in %	59.3	57.3

\* before special effects

\*\*inventories, trade receivables and trade payables

Other material factors which influenced the Group's financial position in the first nine months of 2011/12 included

- the payment of the last instalment of the purchase price for Baldessarini, which was made in January 2012 as contractually agreed,
- the distribution of a dividend that was EUR 1.4 million higher than in the previous year,
- much higher tax payments resulting from the improved earnings position in previous periods and the additional charges resulting from prior years' tax audits,
- positive exchange rate effects result from the improved exchange rate of the Polish zloty against the euro, which led to an increase in equity (not recognised in profit/loss),
- takeover of Danish clothing manufacturer HBI Workwear A/S with effect from July 1, 2012,
- seasonally higher receivables in both periods, which decline notably as of the end of the year.

### 3. POST BALANCE SHEET EVENTS

Due to the disappointing figures of Gin Tonic, a comprehensive reorganisation concept was initiated in late June 2012, which will be implemented in the second half of 2012. Under new management, Gin Tonic will focus on the larger, intact menswear operations. Compensation expenses and extraordinary writedowns will be incurred in the fourth quarter of 2012. Extraordinary expenses in the third quarter of 2012 have been low to date.

No other events of special significance for the Ahlers Group occurred between the end of the first nine 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 2010/11 consolidated financial statements remain valid.

### 5. EMPLOYEES

As of August 31, 2012, Ahlers employed 2,173 people, 90 less than one year ago. The decline is mainly attributable to the scheduled capacity reduction at our Polish plant, where Ahlers now employs 489 people, 71 less than in the previous year.

In Germany, Ahlers employed 640 people as of the reporting date (previous year: 649).

### 6. PERFORMANCE OF THE AHLERS SHARES

On August 31, 2012, Ahlers shares traded at EUR 9.41 (common share) and EUR 9.55 (preferred share), which was up by 3.4 percent and 4.9 percent, respectively, on the share price quoted on August 31, 2011. Including the dividend paid out in May 2012, the share prices were up by 11 percent and 13 percent, respectively, on the previous year.

Since the end of last year, common shares and preferred shares have gained 5.9 percent and 3.5 percent, respectively, taking the dividend payment into account.

### 7. FORECAST REPORT

We do not expect the economy to have a material impact on our business activities in the last months of the fiscal year 2011/12. The likelihood of a break-up of the euro-zone and, hence, the risk of a major economic downturn has declined in recent weeks. The moderate recession in the euro-zone should continue. Germany's low GDP growth is likely to slow down even further and may even turn slightly negative.

The latest surveys among German clothing retailers show a certain restraint. The 2012 winter season may nevertheless see sales in the European retail clothing sector pick up, as the prior year season showed a negative trend and was disappointing. This expectation is additionally supported by the fact that the spending sentiment among German consumers is positive, although they view the future realistically.

#### **Stable sales projected for Q4 2012**

The Management Board expects sales to remain more or less stable in Q4 2012. The fact that the lower quantities of pre-sold merchandise in the third quarter will be compensated should have a positive effect. Retail revenues should also continue to grow. Opportunities arise from intra-seasonal orders in the fourth quarter, not least because retailers were cautiously in placing orders for the current season.

Restructuring expenses of between EUR 1.0 million and EUR 2.0 million are expected to weigh on the bottom line in the fourth quarter 2012, with earnings likely to be below the prior year level. This is why consolidated net income for 2011/12 is also expected to be below the previous year's EUR 10.1 million. At the same time, however, the extensive restructuring of Gin Tonic will lead to a much better result in 2012/13. The continued reduction in net working capital will have a positive effect on free cash flow and will help to further improve the balance sheet structure as of the end of the fiscal year. Capital expenditures should be more or less on a par with the previous year and the financial situation of Ahlers should remain solid. The positive cashflow trend and the good balance sheet structure should make a satisfactory dividend possible from today's point of view.





# Consolidated balance sheet

as of August 31, 2012

## ASSETS

KEUR	Aug. 31, 2012	Aug. 31, 2011	Nov. 30, 2011
<b>A. Non-current assets</b>			
I. Property, plant and equipment			
1. Land, land rights and buildings	16,729	17,316	16,988
2. Technical equipment and machines	1,256	1,679	1,664
3. Other equipment, plant and office equipment	10,846	11,891	11,734
4. Payments on account and plant under construction	59	64	33
	<b>28,890</b>	<b>30,950</b>	<b>30,419</b>
II. Intangible assets			
Industrial property rights and similar rights and assets	12,355	12,226	12,288
III. At-equity investments	211	211	211
IV. Other non-current assets			
1. Other financial assets	1,590	1,834	1,842
2. Other assets	19,093	18,733	18,423
	<b>20,683</b>	<b>20,567</b>	<b>20,265</b>
V. Deferred tax assets	1,390	1,669	1,534
<b>Total non-current assets</b>	<b>63,529</b>	<b>65,623</b>	<b>64,717</b>
<b>B. Current assets</b>			
I. Inventories			
1. Raw materials and consumables	17,935	18,173	22,835
2. Work in progress	229	299	301
3. Finished goods and merchandise	49,102	51,518	46,291
	<b>67,266</b>	<b>69,990</b>	<b>69,427</b>
II. Trade receivables	47,549	52,861	34,888
III. Other current assets			
1. Other financial assets	1,026	571	1,894
2. Receivables from affiliates	1,214	17	0
3. Current income tax claims	2,094	1,170	1,867
4. Other assets	3,413	3,684	3,670
	<b>7,747</b>	<b>5,442</b>	<b>7,431</b>
IV. Cash and cash equivalents	9,043	9,047	13,728
<b>Total current assets</b>	<b>131,605</b>	<b>137,340</b>	<b>125,474</b>
<b>Total assets</b>	<b>195,134</b>	<b>202,963</b>	<b>190,191</b>

## EQUITY AND LIABILITIES

KEUR	Aug. 31, 2012	Aug. 31, .2011	Nov. 30, 2011
<b>A. Equity</b>			
I. Subscribed capital	43,200	43,200	43,200
II. Own shares	15,024	15,024	15,024
III. Capital reserve	56,554	57,923	56,363
IV. Currency translation adjustments	-1,004	-1,699	-1,081
<b>Equity attributable to shareholders of Ahlers AG</b>	<b>113,774</b>	<b>114,448</b>	<b>113,506</b>
V. Non-controlling interest	1,932	1,752	1,815
<b>Total equity</b>	<b>115,706</b>	<b>116,200</b>	<b>115,321</b>
<b>B. Non-current liabilities</b>			
I. Pension provisions	4,890	5,097	4,919
II. Other provisions	262	1,126	345
III. Financial liabilities			
1. Other financial liabilities	20,462	22,312	22,072
2. Non-controlling interests in partnerships	1,312	1,286	1,217
	<b>21,774</b>	<b>23,598</b>	<b>23,289</b>
IV. Trade payables	-	2,012	-
V. Other liabilities	27	28	27
VI. Deferred tax liabilities	2,365	2,014	2,533
<b>Total non-current liabilities</b>	<b>29,318</b>	<b>33,875</b>	<b>31,113</b>
<b>C. Current liabilities</b>			
I. Current income tax liabilities	2,109	4,985	4,463
II. Other provisions	2,646	2,711	3,586
III. Financial liabilities	22,004	18,083	3,340
IV. Trade payables	8,146	9,349	16,433
V. Other liabilities			
1. Liabilities to affiliates	967	872	4,441
2. Other liabilities	14,238	16,888	11,494
	<b>15,205</b>	<b>17,760</b>	<b>15,935</b>
<b>Total current liabilities</b>	<b>50,110</b>	<b>52,888</b>	<b>43,757</b>
<b>Total liabilities</b>	<b>79,428</b>	<b>86,763</b>	<b>74,870</b>
<b>Total equity and liabilities</b>	<b>195,134</b>	<b>202,963</b>	<b>190,191</b>

# Consolidated income statement

for Q1-Q3 of 2011/12

KEUR	Q1-Q3 2011/12	Q1-Q3 2010/11
1. Sales	192,614	197,942
2. Change in inventories of finished goods and work in progress	1,836	13,729
3. Other operating income	3,594	2,548
4. Cost of materials	-96,473	-109,013
5. Personnel expenses	-39,428	-39,127
6. Other operating expenses	-43,733	-44,436
7. Depreciation, amortisation, and impairment losses on property, plant, and equipment, intangible assets and other non-current assets	-4,208	-4,187
8. Interest and similar income	183	214
9. Interest and similar expenses	-835	-927
<b>10. Pre-tax profit</b>	<b>13,550</b>	<b>16,743</b>
11. Income taxes	-3,967	-5,172
<b>12. Net income for the period</b>	<b>9,583</b>	<b>11,571</b>
13. of which attributable to:		
- Shareholders of Ahlers AG	9,390	11,367
- Non-controlling interest	193	204
<b>Earnings per share (EUR)</b>		
- common shares	0.66	0.81
- preferred shares	0.71	0.86

# Consolidated statement of comprehensive income

for Q1-Q3 of 2011/12

KEUR	Q1-Q3 2011/12	Q1-Q3 2010/11
<b>12. Consolidated net income</b>	<b>9,583</b>	<b>11,571</b>
14. Net result from cash flow hedges	-612	-777
15. Currency translation differences	688	-569
16. Other changes	-75	-65
<b>17. Other comprehensive income after taxes</b>	<b>1</b>	<b>-1,411</b>
<b>18. Comprehensive income</b>	<b>9,584</b>	<b>10,160</b>
19. of which attributable to:		
- Shareholders of Ahlers AG	9,467	10,021
- Non-controlling interest	117	139

# Consolidated income statement

for Q3 of 2011/12

KEUR	Q3 2011/12	Q3 2010/11
1. Sales	71,029	75,978
2. Change in inventories of finished goods and work in progress	10,024	13,409
3. Other operating income	1,265	785
4. Cost of materials	-42,337	-48,260
5. Personnel expenses	-13,107	-13,386
6. Other operating expenses	-15,632	-15,771
7. Depreciation, amortisation, and impairment losses on property, plant, and equipment, intangible assets and other non-current assets	-1,394	-1,418
8. Interest and similar income	44	86
9. Interest and similar expenses	-269	-347
<b>10. Pre-tax profit</b>	<b>9,623</b>	<b>11,076</b>
11. Income taxes	-2,772	-3,552
<b>12. Net income for the period</b>	<b>6,851</b>	<b>7,524</b>
13. of which attributable to:		
- Shareholders of Ahlers AG	6,775	7,435
- Non-controlling interest	76	89
<b>Earnings per share (EUR)</b>		
- common shares	0.49	0.54
- preferred shares	0.49	0.54

# Consolidated statement of comprehensive income

for Q3 of 2011/12

KEUR	Q3 2011/12	Q3 2010/11
<b>12. Consolidated net income</b>	<b>6,851</b>	<b>7,524</b>
14. Net result from cash flow hedges	-810	256
15. Currency translation differences	661	-460
16. Other changes	-26	-149
<b>17. Other comprehensive income after taxes</b>	<b>-175</b>	<b>-353</b>
<b>18. Comprehensive income</b>	<b>6,676</b>	<b>7,171</b>
19. of which attributable to:		
- Shareholders of Ahlers AG	6,626	7,231
- Non-controlling interest	50	-60

# Consolidated cash flow statement

for Q1-Q3 of 2011/12

KEUR	Q1-Q3 2011/12	Q1-Q3 2010/11
Net income	9,583	11,571
Income taxes	3,966	5,172
Interest income / Interest expense	653	713
Depreciation and amortisation	4,208	4,187
Gains / losses from the disposals of non-current assets (net)	-13	-351
Increase / decrease in inventories and other current and non-current assets	-11,273	-28,154
Change in non-current provisions	-112	143
Change in non-controlling interests in partnerships and other non-current liabilities	95	198
Change in current provisions	-940	-24
Change in other current liabilities	-6,895	-2,795
Interest paid	-707	-590
Interest received	183	214
Income taxes paid	-6,551	-2,450
Income taxes received	42	1,669
<b>Cash flow from operating activities</b>	<b>-7,761</b>	<b>-10,497</b>
Cash receipts from disposals of items of property, plant, and equipment	282	698
Cash receipts from disposals of intangible assets	22	-
Payments for investment in property, plant, and equipment	-2,338	-3,548
Payments for investment in intangible assets	-2,357	-261
Payments for the acquisition of consolidated companies	-1,011	-
Payments for acquisition of minority interests	-	-1,250
<b>Cash flow from investing activities</b>	<b>-5,402</b>	<b>-4,361</b>
Dividend payments	-9,197	-7,832
Repayment of non-current financial liabilities	-3,235	-3,368
<b>Cash flow from financing activities</b>	<b>-12,432</b>	<b>-11,200</b>
Net change in liquid funds	-25,595	-26,058
Effects of changes in the scope of consolidation and exchange rates	643	-1,353
Liquid funds as of December 1	13,619	20,998
<b>Liquid funds as of August 31</b>	<b>-11,333</b>	<b>-6,413</b>

# Consolidated statement of changes in equity

as of August 31, 2012 (previous year as of August 31, 2011)

## 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-controlling interest	Total Equity
	Common shares	Preferred shares							
<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					11,367	-1,346	10,021	139	10,160
Dividends paid					-7,832		-7,832		-7,832
Acquisition of minority interests					-716		-716	-534	-1,250
Redemption of own shares			5,040		-5,040		0		0
<b>Balance as of Aug. 31, 2011</b>	<b>24,000</b>	<b>19,200</b>	<b>0</b>	<b>15,024</b>	<b>57,923</b>	<b>-1,699</b>	<b>114,448</b>	<b>1,752</b>	<b>116,200</b>
<b>Balance as of Dec. 1, 2011</b>	<b>24,000</b>	<b>19,200</b>	<b>0</b>	<b>15,024</b>	<b>56,363</b>	<b>-1,081</b>	<b>113,506</b>	<b>1,815</b>	<b>115,321</b>
Total net income for the period					9,390	77	9,467	117	9,584
Dividends paid					-9,197		-9,197		-9,197
Miscellaneous					-2		-2		-2
<b>Balance as of Aug. 31, 2012</b>	<b>24,000</b>	<b>19,200</b>	<b>0</b>	<b>15,024</b>	<b>56,554</b>	<b>-1,004</b>	<b>113,774</b>	<b>1,932</b>	<b>115,706</b>

# Group Segment Informations

as of August 31, 2012 (previous year as of August 31, 2011)

## by business segment

	Premium Brands		Jeans & Workwear		Men's & Sportswear		Miscellaneous		Total	
KEUR	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
<b>Sales</b>	117,157	111,467	50,252	53,192	25,036	33,118	169	165	192,614	197,942
<b>Intersegment sales</b>	-	-	-	-	-	-	-	-	-	-
<b>Segment result</b>	10,675	10,388	5,431	7,326	-3,343	-965	787	-6	13,550	16,743
thereof										
Depreciation and amortisation	2,301	2,146	1,000	998	891	1,028	16	15	4,208	4,187
Other non-cash items	1,542	397	1,059	196	396	25	-	-	2,997	618
Interest income	120	111	41	54	22	49	-	-	183	214
Interest expense	512	597	225	209	98	119	0	2	835	927
<b>Net assets</b>	115,507	115,094	34,092	36,524	22,396	29,191	19,655	19,315	191,650	200,124
<b>Capital expenditure</b>	1,625	2,356	345	696	490	757	688	588	3,148	4,397
<b>Liabilities</b>	45,037	47,184	18,869	18,839	9,822	12,423	918	768	74,646	79,214

## by geographic region

	Premium Brands		Jeans & Workwear		Men's & Sportswear		Miscellaneous		Total	
KEUR	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12	2010/11
<b>Germany</b>										
Sales	54,248	50,705	37,161	37,547	12,941	16,670	169	165	104,519	105,087
Net Assets	84,523	82,514	16,264	16,660	15,450	19,899	19,641	19,302	135,878	138,375
<b>Western Europe</b>										
Sales	32,493	31,302	9,117	10,980	8,685	11,332	-	-	50,295	53,614
Net Assets	9,135	8,985	13,375	13,925	5,133	5,885	-	-	27,643	28,795
<b>Central/Eastern Europe/Other</b>										
Sales	30,416	29,460	3,974	4,665	3,410	5,116	-	-	37,800	39,241
Net Assets	21,849	23,595	4,453	5,939	1,813	3,407	14	13	28,129	32,954



## 8. NOTES TO THE FINANCIAL STATEMENTS

### Accounting and valuation principles

The interim financial statements for the first nine months of fiscal 2011/12 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, 2011. A detailed explanation of these principles has been published in the notes to the consolidated financial statements of the 2010/11 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.

### 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, 2012, or August 31, 2011, 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, 2011.

### 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 195,134 thousand) result from the assets as derived from the segment information (EUR 191,650 thousand) plus deferred tax assets and current income tax assets (EUR 3,484 thousand). Accordingly, the liabilities stated in the balance sheet (EUR 79,428 thousand) result from the liabilities as derived from the segment information (EUR 74,646 thousand) plus deferred tax liabilities and current income tax liabilities (EUR 4,474 thousand) as well as leasing liabilities (EUR 308 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.

Herford, October 2012

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**

Interim report Q3 2011/12	October 11, 2012
Analysts' conference in Frankfurt am Main	October 23, 2012
German Equity Forum in Frankfurt am Main	November 13, 2012
Annual Shareholders' Meeting in Düsseldorf	May 7, 2013

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 manufacturer
- 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 approximately 60 percent of its sales revenues from premium brands

## The Brands

BALDESSARINI



GIN TONIC®



JUPITER® ■■

**Pionier**  
workwear

**ahlers** group

**Ahlers AG, Herford**

ISIN DE0005009708 and DE0005009732