



After solid third quarter ADLER on course to achieve forecast

Significant revenue increase and positive turnaround in key performance indicators

Haibach (near Aschaffenburg), 12 November 2012. Adler Modemärkte AG continued to accelerate revenue growth in the third quarter while also generating a positive turnaround in gross profit. Net cash flows in particular improved considerably. This helped the Company further pick up its pace and placed it in a solid starting position heading into the fourth quarter and the decisive final push into the Christmas holiday season.

ADLER increased revenue to €111.0 million in the third quarter compared to €98.5 million in the prior-year period. This corresponds to a growth rate of 12.7%. This growth is not just attributable to the newly opened stores, but also to the like-for-like revenue that means the comparable revenues on existing stores which increased by 0.7% during the same period. The third quarter marked a relative improvement from 50.5% to 50.3% in materials expenses following a percentage increase during the first six months of the year.

In terms of earnings, EBITDA improved to €0.2 million in the third quarter, up from €0.08 million in the previous year., EBIT declined from €-3.3 million in the previous year to €-3.5 million and the consolidated profit after taxes (€-4.0 million) was slightly below the previous year's level (€-3.8 million).

In the first nine months of the year, ADLER improved its revenue to €343.7 million compared to €315.0 million from January to September 2011, which corresponds to an improvement of 9.1%. Although EBITDA rose significantly during the third quarter it nonetheless decreased over the whole period under review by €3.8 million to €0.9 million compared to the previous year (€4.7 million). Bottom-line, the consolidated loss for the period after taxes increased to €-11.0 million (previous year: €-6.7 million) due to the industry's weak performance in the first half of the year.

The liquidity development in Q3 was very pleasant, so ADLER significantly improved its cash flow from operating activities. Cash flows increased by €18.1 million to €3.0 million. Cash used in operating activities in the previous year amounted to €-15.1 million.

The Executive Board views the positive turnaround in key performance indicators as a noticeable improvement of operating activities. At the same time, the consolidation strategy implemented in the second quarter to boost earnings thus also bore its first fruits.

The Executive Board also views the fact that customer frequency at ADLER once again increased by 0.6% in the third quarter compared to the general industry trend (-3.4%) as a sign of strength and continues to stand by its forecast for the full year. Accordingly, ADLER's objective is to generate revenue growth in the high single-digit to low double-digit percentage range and to boost earnings in relation to the improvement in revenue.

Die Adler Modemärkte AG, headquartered in Haibach near Aschaffenburg, Germany, is one of Germany's largest and most important textile retailers. In 2011, the Group generated revenue of €476.6 million with a workforce of around 4,400, generating €30.7 million in EBITDA. ADLER currently operates 167 stores, 137 of which are located in Germany, 28 in Austria, two in Luxembourg, plus an online shop. The Company focuses on large-space concepts offering in excess of 1,000 m² of retail space. With its many own brands and select external brands, ADLER offers a highly diverse product range. Thanks to more than 60 years of tradition and strong customer loyalty, ADLER, according to its own information, is the market leader within the target group of customers aged 45+ who are strong in terms of purchasing power.

For more information: www.adlermode-unternehmen.com; www.adlermode.com

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