

## PRESS RELEASE

### **WORTMANN Group with slight growth Large investment in Detmold and Pirmasens**

Detmold, 25<sup>th</sup> September 2014 – The Detmold-based Wortmann Group, known for its Tamaris brand among others, was able to increase its sales by 0.2% to EUR 1.013 billion in the last fiscal year 2013/14 ( 31<sup>st</sup> May). The total sales for the previous year amounted to EUR 1,010.6 million. The export quota remained stable at 53.2%. In other European countries, the markets in France, BeNeLux and Great Britain showed a particularly positive development, as did Greece, for example. Eastern Europe lagged behind expectations in the second half of the fiscal year. The international private label business of Novi Footwear, based in Hong Kong and Singapore, outside Asia continued to decline – also as a result of currency exchange rates – and therefore prevented the Group as a whole from achieving a better result. The newly-founded American subsidiary Tamaris Inc. will begin sales of the Autumn Winter 2015 collection in autumn 2014 as planned. The Wortmann Group's collections are available in over 70 countries and more than 15,000 shoe shops worldwide.

As already reported, the last fiscal year was once again shaped by a wide range of weather-related surprises that put real pressure on both the shoe and clothing sectors throughout Europe. The impact of this on the purchasing behaviour of end consumers was clearly noticeable. Seemingly unaffected by this, however, the proportion of retail conducted online continued to rise. Tamaris' online shops are also benefitting from this, although the focus remains on a multi-channel approach with the aim of interlinking shop-based and digital shoe retail more closely.

The Tamaris system partnership, which has been a successful partner-operated store concept for over ten years, currently accounts for a total of 946 areas (previous year 845, a rise of 12%) in 32 countries. This includes 299 Tamaris mono-label stores (previous year 253, a rise of 18%) and 647 shop-in-shops (previous year 592, a rise of 9%). Around 45% of the areas are abroad.

The corporation is making significant investments in its headquarters this fiscal year. Towards the end of the year, Wortmann will open a new factory store in Detmold. The construction work is currently going according to plan, so there should be nothing to stop the opening in late November. The investment volume here is around EUR 5 million. Also in Detmold, the Group will be investing another approx. EUR 4 million in the expansion of its main administration building. The corporation's expansion in the recent past has led to a need for significantly more modern office space. The generous expansion of existing space will create room for around 140 additional workplaces.

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Wortmann subsidiary Caprice plans to optimise its purchasing processes by investing around EUR 3 million in a new warehouse for components and raw materials as well as training capacity at its site in Pirmasens.

With a pair volume of 52.6 million pairs in the current fiscal year, of which 31.6 million were in the fashion segment and 21.0 million in the standard segment, the Wortmann Group is among Europe's largest shoe production and sales companies. The company is the European market leader in fashionable ladies' shoes. As well as the top brand **Tamaris**, the corporation also includes the brands **Marco Tozzi**, **Caprice**, **Jana** and **s.Oliver shoes**. These are joined in Asia by **Novi Footwear Fareast Ltd.** Wortmann is represented by Group companies at eight locations in Europe, eleven in Asia and one in the USA. The Group currently employs a total of 1,114 staff internationally (previous year 1,092), 699 of whom are in Europe. Around 30,000 people work in production for the Detmold-based corporation around the world.

Total investments amounted to EUR 16.5 million, the same level as in the previous year. The profit situation is considered entirely satisfactory for the last fiscal year. With a consistently high equity ratio of over 75%, all investments are made from the company's own funds as a matter of principle. No bank loans are taken out.

Estimates in Detmold for the current fiscal year, 2014/15, remain conservative, not least given the ongoing developments in Eastern Europe, including the important sales markets of Russia and the Ukraine, in which the Wortmann Group has always been well represented. Despite this, the orders that have already been placed show that an increase in sales compared to the previous year can be expected.

Detmold, 25<sup>th</sup> September 2014