

Media release

CALIDA-Group with stable turnover despite weaker consumer mood

Despite a difficult development of the market in 2008, the CALIDA-Group achieved a good result. With a minor decline of sales by one percent to CHF 229.6 million, due entirely to currency effects, the Group achieved an operating profit (EBIT) of CHF 15.9 million and a net profit of CHF 10.6 million. In contrast to the retail trade, the CALIDA and Aubade Stores recorded a positive development. The Swiss market held up with solid growth better than the export markets. The cash flow and the liquidity of the Group developed very positively indeed. The equity ratio rose to an impressive 68.4 percent. The Board of Directors recommends a dividend at the previous year's level of CHF 8.-.

Felix Sulzberger, CEO of the CALIDA-Group comments: "The economically difficult year has shown that the strategic focus of our two brands CALIDA and AUBADE on expanding the retail networks and making the business model more flexible with production overheads as low as possible is proving to be the right one. Despite difficult market conditions, we are going to continue working on implementation of our long-term objectives".

The CALIDA-Group asserted itself well in 2008 despite the surprisingly rapid deterioration in consumer sentiment from the second quarter onwards. Sales declined slightly by CHF 2.4 million or one percent to CHF 229.6 million. This decline is attributable entirely to the weakening of the Euro against the Swiss Franc. Adjusted for the currency effect, sales growth of 1.4 percent or CHF 3.2 million was achieved in comparison with the record year 2007.

The operating profit (EBIT) in 2008 was CHF 15.9 million, equating to 7.4 percent of net sales. Net profit amounted to CHF 10.6 million. It therefore declined in comparison with the previous year (2007: CHF 15.3 million) by 30.7 percent. The cash flow and liquidity of the Group developed positively. Cash flow rose by 65.7 percent from CHF 13.4 million in the previous year to CHF 22.2 million. Whilst the CALIDA-Group was still recording a modest net debt of CHF 2.6 million in the previous year, 2008 brought positive net liquidity of CHF 4.7 million. The equity ratio thus rose from an already high level of 65.3 percent in 2007 to 68.4 percent in 2008.

These results, which exceeded the expectations announced in July 2008, were achieved because CALIDA had already reacted with determination to the early signs of the impending economic crisis in early 2008. The sales plans were adapted and the procurement plans reduced for the autumn/winter collection which was already in production at that time. 2008 therefore ended with significantly lower inventories than those at the end of 2007.

Swiss market and own retail business holding up well, third-party retail business in decline

The Swiss market proved to be considerably more crisis-resistant than the European export markets. Whilst the demand in the most important export market of Germany held up very well indeed, there was a clear decline in other European markets.

Despite a difficult market situation, our own CALIDA and AUBADE monobrand stores asserted themselves well above average in 2008. Adjusted for floor-space and currencies, growth for CALIDA in Switzerland was 14.2 percent and 6 percent in Germany. AUBADE achieved growth in France of 14.9 percent.

Within the three product groups, that of dessous / lingerie proved to be more susceptible to the crisis than daywear and particularly nightwear.

CALIDA more crisis-resistant than AUBADE

CALIDA achieved sales in the reporting year of CHF 158.5 million, representing growth of 0.7 percent or CHF 1.1 million. Adjusted for the currency effect, growth was, in fact, 2.6 percent or CHF 4.2 million. On the other hand, AUBADE recorded a slight decline of 1.2 percent or EUR 0.6 million in sales. Converted into Swiss Francs - the currency of the Group - the decline in sales amounted to CHF 3.5 million. Responsible for the weaker result at AUBADE compared to CALIDA were the strong dependence on the home market of France, the positioning in the luxury sector of the dessous / lingerie product group and the proportionally higher overhead costs. The Group will continue work on making the business model of AUBADE more flexible and, as with CALIDA, keeping the overhead costs of production low by, as far as possible, outsourcing assembly and a central sales structure. That will lead to a stabilisation of income even if sales develop more weakly.

Change in the Board of Directors

For personal reasons, Mr. Marco Vögele will be stepping down as a member of the Board at the forthcoming Annual General Meeting. The Board recommends Mr. Nicolas Mathys as a new member. Mr. Mathys graduated from the Swiss Federal Institute of Technology as a Chemical Engineer. He also achieved an MBA degree from the Bocconi University in Milan. He is a partner at Zulauf Asset Management, Zug and is currently holding 15 percent of the shares of CALIDA.

Outlook for 2009

The CALIDA-Group is well structured to progress successfully, even in more difficult market circumstances. The capital structure is very solid and the Group has two strong brands with high authenticity and strong customer loyalty. The Group's business model enables a high degree of flexibility.

Despite these strong preconditions, the future is nevertheless associated with major uncertainties. There are signs that consumer demand will weaken further in 2009, with a direct impact on the sales and profit of the Group. Against that background, the management is working with various scenarios and carefully observing the development of sales of CALIDA and AUBADE so that measures can be initiated in good time if they become necessary.

The corporate strategy of the Group is orientated to the long term and has proven itself so far. That is why, even in an economically difficult year, further work will be invested in the implementation of the long-term objectives.

Sursee, 27 February 2009
CALIDA Holding AG

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The Business Report can be called up from 27 February 2009 at 07:00 a.m. under www.calidagroup.com / Investor Relations / Financial Reports