



Media release

CALIDA improves earnings and stabilizes sales in a difficult market

CALIDA Group has performed well in a very subdued consumer environment. The company, which returned to profit last year, managed another slight improvement in its earnings situation as well as stabilizing turnover. With half-year sales of CHF 61 million, CALIDA achieved operating profit (EBIT) of CHF 0.9 million and a corporate result of CHF 0.6 million. The structure of both the balance sheet and the profit and loss account were strengthened. Net liquidity came to CHF 10 million, compared with a net debt of CHF 1 million at the same time last year. The goal for 2004 is to stabilize sales in a still difficult market environment.

Despite sluggish consumption in core markets and another decline in the size of the market as a whole, CALIDA made further progress on stabilizing sales. Half-year sales remained more or less constant at CHF 61 million (previous year CHF 62.1 million). This small reduction of CHF 1.1 million (1.8%) was caused by lower turnover of discounted items. This factor also helped to increase margins, and operating profit (EBIT) improved to CHF 0.9 million, compared with the year-back CHF 0.3 million. The corporate result increased from CHF 0.2 million a year ago to CHF 0.6 million.

Cash flow came to CHF -3.9 million. This is because of the strong seasonal variations in turnover: the third quarter is always the best for sales and inventories are always at their highest in the middle of the year.

Net liquidity came to CHF 10 million on the balance sheet date, compared with net debt of CHF 1 million at the same time last year. The equity ratio rose from 64.4 % for the equivalent period last year to 68.5 %.

Thanks to measures introduced last year, CALIDA performed well and gained market share in a declining market.

With its close-to-the-market product range, CALIDA Group enjoys a good position. Its interesting innovations – such as the “Aktive & Air” functional range and new underwear ranges – have successfully attracted the interest of retailers and consumers.

Further progress has been made on the targeted expansion of CALIDA stores and CALIDA shop-in-shops in department and clothing stores. During the first six months, a total of 3 stores and 16 shop-in-shops were opened in Switzerland and Germany. These exclusive points-of-sale are increasingly important for sales and now contribute 16% to total turnover.

As announced at the beginning of the year, the two major shareholders have significantly reduced their stakes in the company. After the resulting placement of 18.3% of share capital, the free float increased to 41%. The company's share has become more attractive and over the past few months has performed very satisfactorily.

In the second half of the year CALIDA will continue to concentrate on consolidating sales. Despite the continued difficult market environment, the company expects to be able to achieve its operational and financial goals.

For more detailed information:

http://www.calida.com/document/midyear_report_2004.de.pdf

About the CALIDA Group: CALIDA is the clear market leader in its home market of Switzerland, with a market share of more than 20 percent and brand awareness of well over 90%. In its second core market, Germany, the company's market share is 3 percent, with awareness of the CALIDA brand at 50 percent. CALIDA is active in various European markets and aims to establish itself as a major European brand. Shares in CALIDA Holding AG are listed on the SWX Swiss Exchange.

Sursee, 3 September 2004

CALIDA Holding AG

For further information:

Felix Sulzberger

Chief Executive Officer

Phone: 0041 (0)41 925 42 48