



Press release

Annual results 2004

Calida double's profits

Despite the decline of the market as a whole, Calida performed well in 2004. Gross sales stabilized just below the previous year's level at CHF 138 million. Operating profit (EBIT) was more than twice as high as in 2003 at CHF 6 million. Thanks to positive net liquidity and a low tax bill created by the loss carry-forward, the strong operating result impacted fully on the corporate result. Net profit for 2004 came in at CHF 5.3 million – more than twice as high as in the previous year. Owing to these good results, the Board of Directors proposes to the General Assembly of 4 May 2005 that a gross dividend of CHF 5 per share be paid. For the current year Calida expects a flat development of sales and further improvement in earnings.

"We are proud that we have managed to continue the positive momentum from last year's turnaround and secure a further improvement in the business result. Over the course of this year we will continue aggressive marketing and I am confident that we will be able to generate sustainable profits," said Felix Sulzberger, CEO of Calida, as he commented on the company's performance.

Calida's balance sheet structure has been further strengthened. Although a dividend was distributed again for the first time during the year under review, and although there were none of the exceptional items seen in previous years, Calida generated a strong free cash flow of CHF 10.8 million (previous year: CHF 17.4 million). Both operating profit (EBIT) and net profit were more than doubled to CHF 6 million and CHF 5.3 million respectively. Net liquidity was increased from CHF 15.8 million to CHF 25.2 million. The company's equity ratio rose to a solid 76.9 percent (previous year: 69.6 percent).

At CHF 138.0 million, sales almost reached the previous year's level (CHF 141.8 million) despite the difficult markets. Sales were kept down in particular by weak consumer spendings in Germany, a key market for Calida. In Switzerland the company recorded a slight growth in sales for the first time in four years. On balance there was an improvement in market share in target markets. Calida continues to benefit from its extremely high brand awareness of almost 100 percent in Switzerland and over 47 percent in Germany.

Four years of consistency in the brand management, especially with the "Just feel" advertising campaign, has gradually ensured that Calida is now perceived as a fashionable and modern brand. The marketing push is being continued this year and beyond, especially in export markets. The sports underwear line "Active & Air" launched at the end of 2003 and the "Pure & Striped" and "Activity" lines in the men's premium segment were well received by the market, as was the "Etude" line for women.

In order to remain competitive on the cost side, the sewing plant in Portugal was sold during the year under review. In coming years sewing capacities from Portugal will gradually be shifted towards Eastern Europe and the Far East. This will also affect the remaining production jobs in Switzerland, which will be relocated to the Calida factory in Hungary and to external suppliers within the next two years.

Calida should succeed this year in posting a positive sales trend and further consolidating the profits.

Sursee, 25 February 2005

CALIDA Holding AG

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. In its second core market, Germany, the company's market share is 3 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.

Important information:

The results conference for analysts and the press takes place today, 25 February 2005, at 11.00 a.m. in the Credit Suisse-Forum St. Peter, St. Peterstrasse 19, Zurich.

For further information:

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