

Blocking period: 17.3.06, 7.00 am



Media release

**Calida sets the strategic points in 2005.
A further significant increase in earnings power.**

Calida achieved some important strategic objectives in 2005. With the acquisition of Aubade, the French manufacturer of luxury lingerie, the Group successfully implemented its expansion strategy. It has established itself with this step as a leading lingerie provider at an international level. In addition, Calida now has a free float of 60% as a consequence of the capital increase and has therefore become a broadly based company in public ownership. From an operational point of view, there is a further significant increase in earnings power. The operating profit (EBIT) improved by 41.4% to CHF 8.5 million. The net profit amounted to CHF 7.8, representing an increase of 48% compared with the previous year. The proposal to the Annual General Meeting will be the distribution of a dividend of CHF 5.00 per share. The current year will be a period of consolidation for Calida.

"We are proud of what we achieved strategically and operationally in 2005", said Felix Sulzberger, the CEO of Calida. "Through the acquisition of Aubade, we were able to strengthen our market position for the long term. With the third profit improvement in succession and the turn in the trend of sales, we can see the dynamism that we have won back in what is still a fiercely competitive market."

In 2005, Calida succeeded in setting two important sets of strategic points. With the acquisition of Aubade, which was concluded on 21st July 2005, the Group was able to implement its expansion strategy. The merger of the two partners, each of which is a leader in its home markets, meant that Calida strengthened its strategic position in the fiercely competitive international lingerie market and laid the foundations for further growth.

Within the framework of the approved capital increase in May 2005, the 60,000 shares were placed with institutional investors in Switzerland and abroad. The free float thus rose to more than 60% and Calida achieved the target it had set to become a broadly based corporation in public ownership.

Despite the acquisition costs for Aubade, Calida has a strong balance sheet. A significant contribution was made by the cash flow of CHF 23.2 million, which was almost double that of the previous year. Furthermore, equity increased by CHF 22.0 million due to the capital increase. Net debt at the end of 2005 amounted to CHF 9.6 million. The equity ratio was 59.3% (previous year: 76.9%). The Group is therefore well prepared for further growth. The operating income (EBIT) rose by 41.4% to CHF 8.5 million, whilst net profit improved by 48% to CHF 7.8 million compared with the previous year. Without the non-recurring costs, it even increased by 62.3% to CHF 11.1 million.

The development of sales reflected a change in the trend. After a decline in previous years (2004: CHF 138 million), they improved for the first time in a long time to CHF 176.7 million. Without taking Aubade into consideration, the increase amounted to 1.6%. Under inclusion of Aubade, the Group's sale rose by 28%.

In the consistently promoted retail business, Calida currently operates 95 stores and 143 shops-in-shops. Their contribution to sales in 2005 was 26%. Aubade is still new to the independent retail business. The first 5 shops-in-shops were fitted in autumn 2005. In spring 2006, two Aubade stores will be opened in Paris.

Calida has made further progress in design and the structuring of its collections. Growing sales and the gain of market shares in an overall market that is shrinking show that Calida is finding ever better solutions to this income-determining task. The Aubade collection has convinced too, with sales growth of 3.2%.

The process of outsourcing a large proportion of production and more strongly expanding the internal know-how in the fields of design, technical product development and quality assurance was largely concluded in 2005. For the first time, and under extremely strict quality demands, major production orders were placed in the Far East.

In the current year, Calida will continue the integration of Aubade and introduce the necessary measures in order to make full use of the potential. On the whole, Calida foresees a positive development, better than that of the main markets.

Sursee, 17th March 2006

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