

Media Release

2006: Calida posts good operating results

Integration and restructuring of Aubade completed

The 2006 financial year for the SWX Swiss Exchange-listed Calida Group was significant on the one hand for its operating results, on the other hand for the integration and restructuring of Aubade, the French luxury lingerie manufacturer. The company posted a 25.2 percent increase in sales year on year to CHF 221.3 million (2.9 percent adjusted for acquisition). Operating profit (EBIT) increased by 60.4 per cent before non-recurring costs to CHF 17.8 million. Despite non-recurring integration-related costs of CHF 11.8 million, annual profit was down by only CHF 1.7 million year on year to CHF 6.1 million. The dividend is to remain unchanged at CHF 5 per share.

"We are proud that the Calida Group has succeeded in improving its operating results in the year under review for the fifth time in succession despite the continuing difficult market environment," says Felix Sulzberger, CEO of the Calida Group. "The integration and necessary restructuring of our acquisition was, as anticipated, a demanding exercise, but was nevertheless completed on schedule in March of this year.

Above-average growth

The improvement in operating results in the year under review was reflected in the group sales of CHF 221.3 million, 25.2 per cent up on the previous year. Adjusted for the acquisition, growth was 2.9 percent. The Calida brand alone increased revenues by an above-average 4.8 percent.

This positive trend led to a 60.4 percent increase in operating profit (EBIT) of CHF 17.8 million. The integration and restructuring of Aubade resulted in exceptional costs for the year under review of CHF 11.8 million. This means that all the known and foreseeable costs associated with the Aubade acquisition have already been provided for in the 2006 financial year.

These non-recurring costs impacted the 2006 annual results. Nevertheless, the company posted an annual profit of CHF 6.1 million, only CHF 1.7 million down on the previous year.

Due to the satisfactory operating situation the Board of Directors will propose to the General Meeting of Shareholders on May 2, 2007 that the dividend remain unchanged at CHF 5 per share.

Net debt in the year under review was reduced from CHF 9.6 million to CHF 2.1 million. The equity ratio is a solid 58.9 percent (previous year: 59.3 percent). The strong cash flow and sound earnings will enable us to finance planned investments in expansion of the retail business and internationalisation over the next few years from our own funds.

Brand positioning upgraded

The systematic upgrading of Calida's brand positioning is proving successful. The year under review saw the development of the upmarket *Emotion* range, which will come into the shops in the course of 2007. The average value per Calida article is now 15 percent higher than three years ago with no price increases.

With the acquisition of Aubade the Calida Group has also entered the higher margin upmarket and luxury segment of the market. Outsourcing of production has continued; at Calida internal manufacturing still accounted for some 25 percent in the year under review, for Aubade the figure was 65 percent.

Reinforcing of Aubade

After completion of the Aubade acquisition comprehensive structural, staffing and administrative measures were unavoidable in order to ensure sustained earnings power.

The intensive negotiations with social partners were concluded in mid-February 2007. Relocation of the sewing activities, which had resulted in the redundancy of 140 jobs in France, was completed in mid-March 2007.

Growth as a strategic target

After completion of the Aubade integration in the year under review, new measures will be taken as part of the long-term corporate strategy to boost profitable growth for Calida. Priority in this task will be given to expanding the network of Calida and Aubade stores, speeding up the development of international markets.

The restructuring project in France has been completed. The earnings situation for Aubade will stabilise. Slight growth is forecasted for Calida. The Group's earnings position will continue to improve in 2007.

Sursee, March 27, 2007

CALIDA Holding AG

For further information:
Felix Sulzberger, CEO
Tel: 0041 (0)41 925 42 48

The annual report will be available from 12 noon on 27 March 2007 at www.calida.com / Investor Relations / Financial Reports.