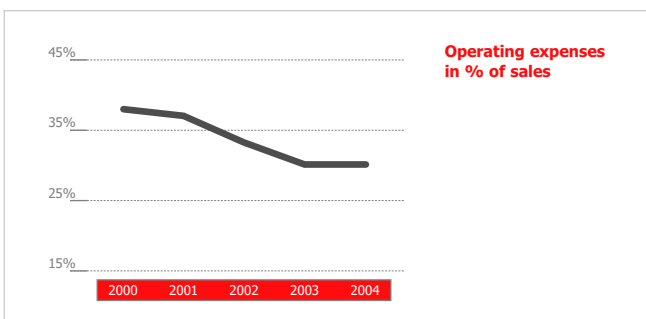


Cost Ratio at 29% of Sales

In all, operating expenses, consisting of selling, general and administrative expenses, rose by 20.2% to € 453.4 million. Despite further investments in company-owned retail operations, it was possible to maintain the cost ratio as a percentage of sales at the previous year's level of 29.6%.

Due to the further expansion of the company's retail operations and investments required for branding, retail and marketing costs rose by 30.9% to € 214.6 million. As a percentage of sales, this corresponds to a cost ratio of 14% compared to 12.9% in the previous year. Product development and design expenses remained nearly constant at 2.4% of sales, moving from € 29.9 million to 36.9 million in absolute figures, which corresponds to an increase of 23.2% compared to the previous year.

Other selling, general and administrative expenses were up 10.2% to € 202 million, but could be further reduced from 14.4% to 13.2% as a percentage of sales.



Depreciation and Amortization

Depreciation and amortization decreased slightly from € 20.1 million to € 19.3 million. Depreciation recorded in the previous year included extraordinary write-downs totaling € 5.2 million. After adjusting for these special effects, depreciation increased from

€ 14.9 million to € 19.3 million. The increase mainly comprised of investments in company-owned retail operations. Goodwill amortization totaled € 1.7 million (previous year: € 4.8 million).