Analyst Presentation

First Quarter 2013

Highlights Q1 2013 …

… Revenue and Profitability

- Revenue of € 104.4 mio.
- Gross profit margin increase of 2.9 percent points up to 49.5%
- EBITDA of € - 9.1 mio.
- EPS of € -0.60

… Store Management

- New store opening in Hilden
- One store closed due to profitability reasons
- 6 more store openings already fixed for 2013

… Online Shop Performance Improved

- Revenue doubled in Q1
- Conversion rate increased
- Return rate of only 38%

… TV and Print Campaign Launched

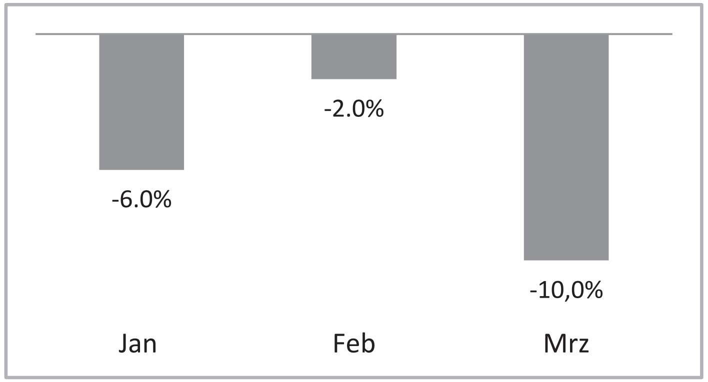
- TV advertisement on RTL and VOX
- Print promotions in yellow press
- Objective to increase frequency and image perception
- Frequency increase since campaign start

… Steilmann Group as New Anchor Shareholder

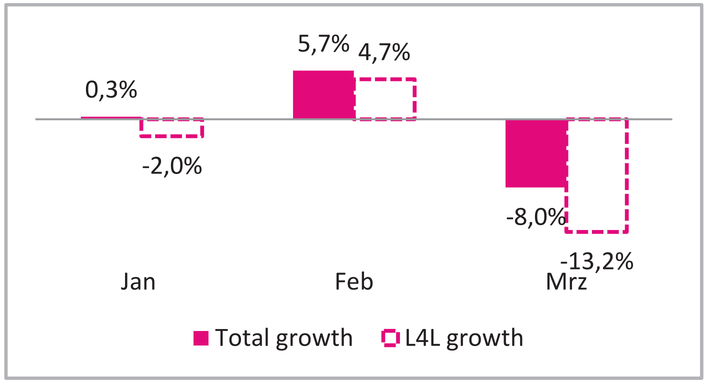
- Steilmann Group and Equinox (S&E Kapital GmbH) jointly acquired 49.96% from bluO for 5.75 € per Adler share
- Take over offer for 6.29 € per Adler share
- Executive Board and Supervisory Board consider offer price inappropriate as it fails to reflect ADLER`s long-term value potential
- Optimization potentials in joint procurement and merging the retail business
- Executive Board of both groups started to investigate cooperation potentials

Market Development In Q1 2013

German Textile Market*



Adler Revenue Growth



Accumulated Q1 Development

- German Textile Market revenue -6%
- Bad weather conditions and long winter
- Footfall-Index declined by 3.8%

APRIL 2013

Revenue decrease of -4%

- Like-for-Like decline of -5.3%
- L4L revenue decline in line with market development
- Total revenue development of -2.0% outperformed market

APRIL 2013

Like-for-Like revenue increase of 30%

* TW-Testclub

TV and Print Campaign

Steilmann Holding Segments

Multilabel Retail

- 600 Mio EUR* revenues
- Value and premium fashion segment
- Focus on German retail market
- Mature and solvent target group

Apanage Fashion Group

- 270 Mio EUR* revenues
- Premium fashion segment
- Sourcing platforms in Asian key areas
- Own production facilities China and Latvia

Global Player Business Unit

- 275 Mio EUR* revenues
- Home textile and fashion segment
- Fashion business with focus on underwear, nightclothes and active wear

Steilmann Fashion Group

- 180 Mio EUR* revenues
- Value and premium fashion segment
- International production facilities
- 18 international sales offices

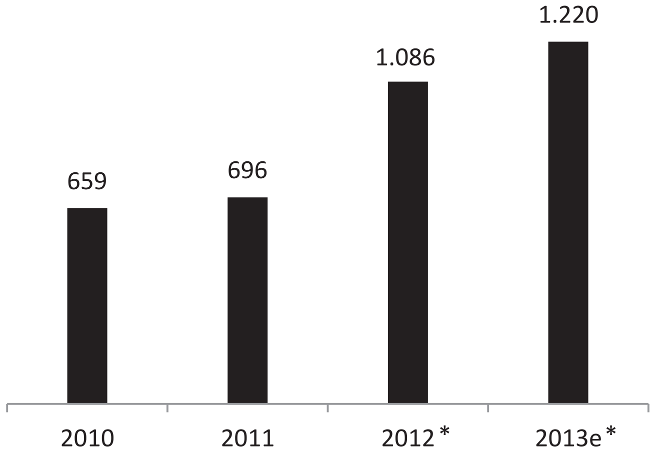
* aggregated, approximately

Steilmann Holding Profile

Steilmann at a Glance

- Internationally expanding textile company
- Diversified product range from home textile to fashion products
- Covering the whole value chain
- Own brand portfolio well positioned within the middle market segment
- More than 900 shops and sales areas in Europe
- Global workforce of around 11,200 employees
- Growth to over EUR 1 billion sales through acquisition of Adler

Steilmann: Consoliated Revenue in mio. EUR



* including Adler; Adler revenue 2012 pro-forma consolidated

Steilmann: Full Vertical Integrated Value Chain

Design → Sourcing → Production & Logistics → Distribution

Design
- Design teams for own and external brands
- Seasonal collections

Sourcing
- Offices in Asia
- Efficient supply chains with strong synergies between divisions

Production & Logistics
- Multiple factories in Asia and Eastern Europe
- Efficient „Push-Pull-Strategy"

Distribution
- More than 900 stores and sales areas in Europe
- Broad distribution network in key market Germany
- Strongly growing POS network

ADLER and Steilmann-Boecker as Multilable Retail Chain

Brand Positioning of Adler and Boecker

Source: *Company information*

Adler

- Positioning in the value-for-money segment
- Focus on best ager (45+) customers

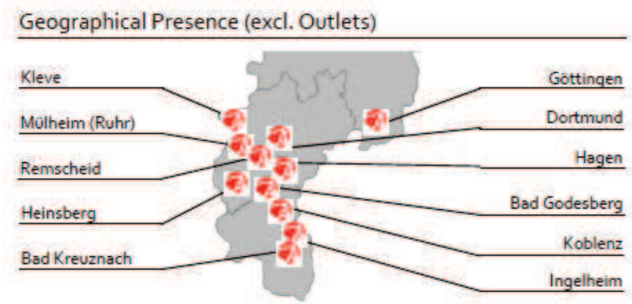
Boecker

- Positioning in the value and premium fashion segment
- Focus on solvent target group of men and women 35+

Profile Boecker

- Value and premium fashion segment
- Multi-label fashion retail chain
- 16 stores (11 Boecker; 5 Outlets), total sales area 36,500 m²
- Service-oriented customer care
- Shop-in-shop for selected international premium brands

Regional Presence of Boecker



Focus on Middle-West of Germany

Strategic Considerations: Focus On Sales and Procurement Optimization

Sales Opportunities

Adjusting Adler`s brand portfolio …

- … by integrating Steilmann brands such as Apanage, Stones, Roadsign Australia
  - ➢ Extending existing product range
  - ➢ Reaching a broader target group in the segment 45+

Collaborating with Steilmann`s retail chain Boecker

- Complementary store formats
- Fitting Adler stores can be shifted to the Boecker concept and vis-à-vis
  - ➢ Analysing store formats and customer bases
  - ➢ Mom & Pop Shop acquisitions can be spitted, depending on store concept

Procurement Synergies

Using Steilmann`s procurement expertise …

- … by cooperating with product development teams of Steilmann
  - ➢ Increasing flexibility
  - ➢ Improving lead times
- … by coordinating common procurement processes
  - ➢ Scaling buying volumes
  - ➢ Improving buying terms
  - ➢ Consolidation of suppliers

Using Steilmann`s production facilities …

- … by cooperating with Steilmann owned factories in Eastern Europe and Asia

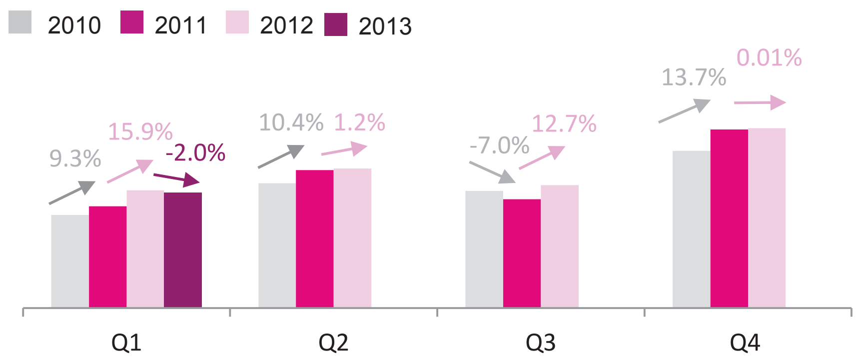
Seasonality of ADLER's Business

Apparel Retailers Act in a Cyclical Business Environment

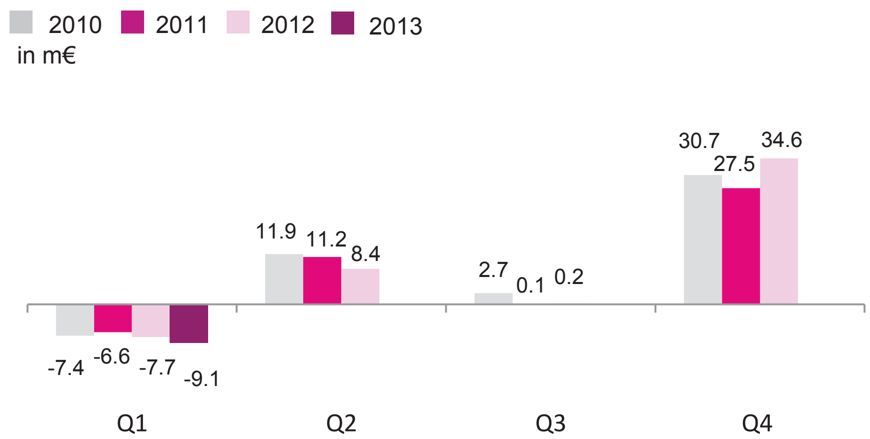
- Sales, profits and financing requirements of retailers in the apparel sector like ADLER are affected by seasonal fluctuations
- Goods receipt and financing requirements peak in Q1 and Q3
- Seasonal effects regularly cause negative earnings, increased inventories and an increase in trade payables in particular in the first quarter of the year

  - Sales and EBITDA in Q1 2013 influenced by bad weather conditions in March
  - Branch revenue decline by -6% in Q1; In March -10%
  - Footfall-Index down by -3.8% in Q1

Revenue

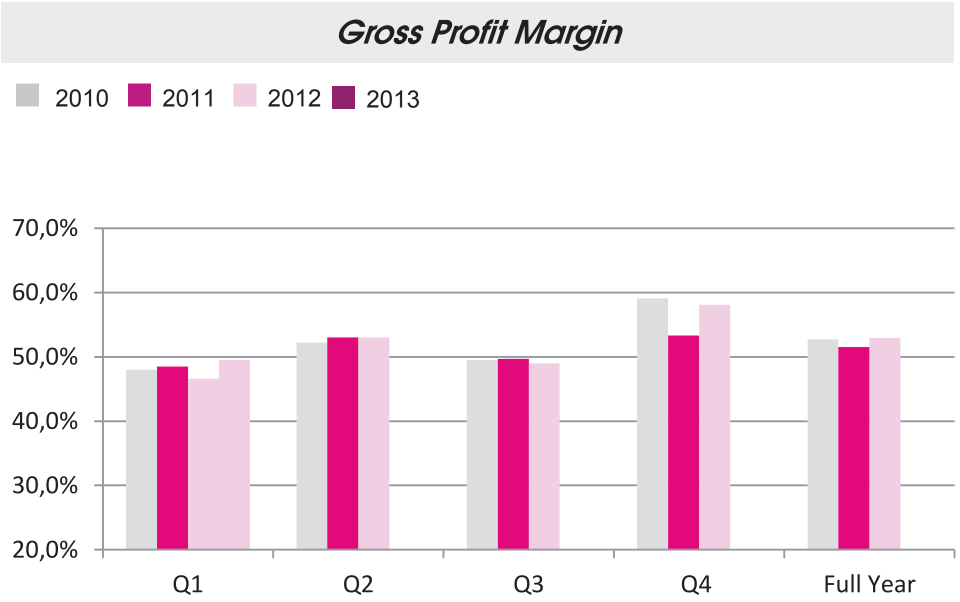


EBITDA



Gross Profit Margin Development

Gross Profit Margin Externally Affected by Mid Season Sales and Weather Conditions



- **Gross profit margin of 49.5% in Q1 2013**
- **Gross margin improvement as key driver to increase profitability**
- **Strategic projects to increase gross margin:**
  - Increase the direct sourcing volume
  - Constant analysis of price structures in certain product groups, followed by moderate price adjustments
  - Conservative price discounts and no mid season sales

Profit and Loss Statement

k€	01.01.- 31.03.2013	01.01.- 31.03.2012
Revenue	**104,372**	**106,549**
Other operating income	1,453	1,496
Material expenses	-52,675	-56,869
Gross profit margin	***49.5%***	***46.6%***
Personnel expenses	-23,312	-22,050
Personnel expenses in %	*-22.3%*	*-20.7%*
Other operating expenses	-38,960	-36,720
Other operating expenses in %	*-37.3%*	*-34.5%*
EBITDA	**-9.122**	**-7,595**
EBITDA margin	*-8.7%*	*-7.1%*
Depreciation and amortisation	-3,467	-3,611
EBIT	**-12,589**	**-11,206**
Financial result	-1,085	-899
EBT	**-13,675**	**-12,105**
Income taxes	3,108	2,554
EAT	**-10,566**	**-9,550**
EPS in €	**-0.60**	**-0.52**

- **Revenue decline of -2.0%**
  - Revenue decline due to bad weather conditions in March and frequency decline
  - Like-for-Like revenue fell by 5.3%
- **Gross profit margin of 49.5%, up by 2.9% points**
  - Conservative price discounts in the sales season
  - Targeted price modifications within certain product groups
  - Increased direct sourcing
- **EBITDA of € -9.1 million**
  - Revenue decline and increased operating expenses for marketing and personnel impacted the EBITDA
- **EPS of -0.60 EUR**
  - Weighted average amount of 17,900,377 shares

Cash Flow Statement

k€	01.01.-31.03.2013	01.01.-31.03.2012
Net Profit	**-13,674**	**-12,104**
Increase of inventories	-10,290	-14,706
Increase of trade payables, other payables and other provisions	9,295	5,545
Other non-cash items	2,795	9,843
Net cash flows from operating activities	**-11,874**	**-11,422**
Net cash flows from investing activities	**-2,284**	**-2,214**
Free cash flow	**-14,159**	**-13,636**
Net cash flows from financing activities	**-2,959**	**-1,669**
Thereof share buy back	-	-2,422
Thereof finance lease payments	-2,894	-3,204
Net change in cash and cash equivalents	**-17,118**	**-15,305**

- **Operating cash flow** of € -11.9 million
  - Seasonal increase of inventories for the spring and summer collection
- **Cash outflows from investing activities** amounts € 2.3 million
  - Investments in PPE of € 1.7 million and in intangible assets of € 0.6 million
- **Free cash flow of € -14.2 million**
- **Cash flow from financing activities** of € -3.0 million in Q1 2013
  - Finance lease payments of € 2.9 million

Balance Sheet

k€	Mar. 31, 2013	Dec. 31, 2012	Mar. 31, 2012
Property, plant and equipment	61.878	64.724	59,649
Inventories	86.705	78.168	87,548
Cash and cash equivalents	24.994	42.111	24,719
Total equity	68.909	79.905	62,865
Total liabilities	133.722	130.545	136,271
Total assets	**202.630**	**210.450**	**199,130**
Ratios			
Equity ratio	34,0%	38,0%	31,6%
Debt equity ratio	1,94	1,63	2,17
Working Capital in k€	46,748	44,472	47,088

- **PPE** decreased by € 2.8 million
  - Adjustments in some finance leasing contracts
- **Inventories** increased by € 8.5 million due to seasonal collection purchases
- **Cash and cash equivalents** decreased by € 17.1 million due to Q1 losses and inventory purchases
- **Equity ratio solid at 34.0%**
- **Liabilities increase is mainly affected** by trade payables for new merchandise
- Debt equity ratio raise due to seasonal equity decrease
- **Working capital** raised due to seasonal effects

Balance Sheet - Liabilities Breakdown

k€	Mar. 31, 2013	Dec. 31, 2012	Mar. 31, 2012
Amounts owed to credit institutions	0	0	4,020
Provisions	8,515	7,907	7,970
Financial liabilities	19,349	19,687	22,475
Finance lease obligations	45,738	48,701	44,310
Trade payables	40,015	33,771	40,510
Other liabilities	18,981	18,814	16,601
Deferred taxes and income tax liabilities	1,124	1,664	385
Total liabilities	**133,722**	**130,544**	**136,271**

- **ADLER has no bank debts** - unleveraged
- Strong **equity ratio of 34.0%** ensures financial strength
- **Financial liabilities**: thereof € 15.3 million customer card provisions as of Mar. 31st, 2013 (€ 15.6 mio. on Dec. 31st 2012)
- **Finance lease obligations** decreased due to contract adjustments

Outlook 2013

Store Expansion

- Focus on profitability strategy
- Store expansion with up to ten openings
- Consolidation of store network
- Closing of unprofitable stores

Revenue Guidance

- Revenue growth in the lower single-digit percentage range

EBITDA Guidance

- EBITDA improvement in accordance to the revenue growth

Financial Calender & Contact Details

Adler Modemärkte AG	Industriestrasse Ost 1 – 7 D - 63808 Haibach Phone: +49 6021 633-1828 Fax: +49 6021 633-1417 eMail: InvestorRelations@adler.de

Annual General Meeting	June 13th, 2013
Report for the first half of 2013	August 8th, 2013
Report for the thrid quarter 2013	November 7th, 2013

Appendix

Retail Format of ADLER Stores

Retail Formats

		Selling Area	Characteristic
Retail park stores		1,600 to 2,800 sqm	▪ Located next to super and hypermarkets as well as specialist markets ▪ Optimal reach of “one-stop-shopping” customers ▪ Strong focus in future expansion strategy
Shopping centre stores		1,600 to 3,500 sqm	▪ Located within shopping centres ▪ Excellent opportunity to acquire new customers
City stores		1,200 to 3,000 sqm	▪ Selling area of city stores with focus on medium-sized cities ▪ In the short run possibilities to take advantage of current high vacancy rates
Stand alone stores		> 2,800 sqm	▪ Often located in suburban areas ▪ Highly accessible ▪ High advertising efforts necessary

Lean and Vertically Fully Integrated Business Model

Full information control across the entire value chain

1 Product development

- Integration of in-house design team within the purchasing department improving efficiency of product development process
- Focus on own brands
- Fashion late follower of market proven styles minimising fashion risk
- Very responsive to customer demand due to up to 10 collections per year

2 Sourcing

- Completely outsourced manufacturing and procurement process to a well diversified supplier base
- ~42%[1)] direct sourcing-long-standing and trustful sourcing partnership with Metro Group Buying (MGB)
- ~58%[1)] indirect sourcing via importers/intermediaries in Europe

3 Logistics

- Centralised logistics operations with efficient push-and-pull warehousing system
- Organised by Motex and MGB, fully outsourced

4 Distribution

- Full control of all sales areas through directly operated stores
- Multi-channel distribution concept – successful launch of e-shop in March 2010
- ADLER loyalty card offers high visibility and predictability of customer demand

"Real time" information flow based on ADLER Customer Card

- **Efficient supply chain management – full information control over the entire value chain and high process standardisation**
- **Focus on core value added processes – product development and distribution**
- **Asset-light model with high scalability due to limited capex requirements**

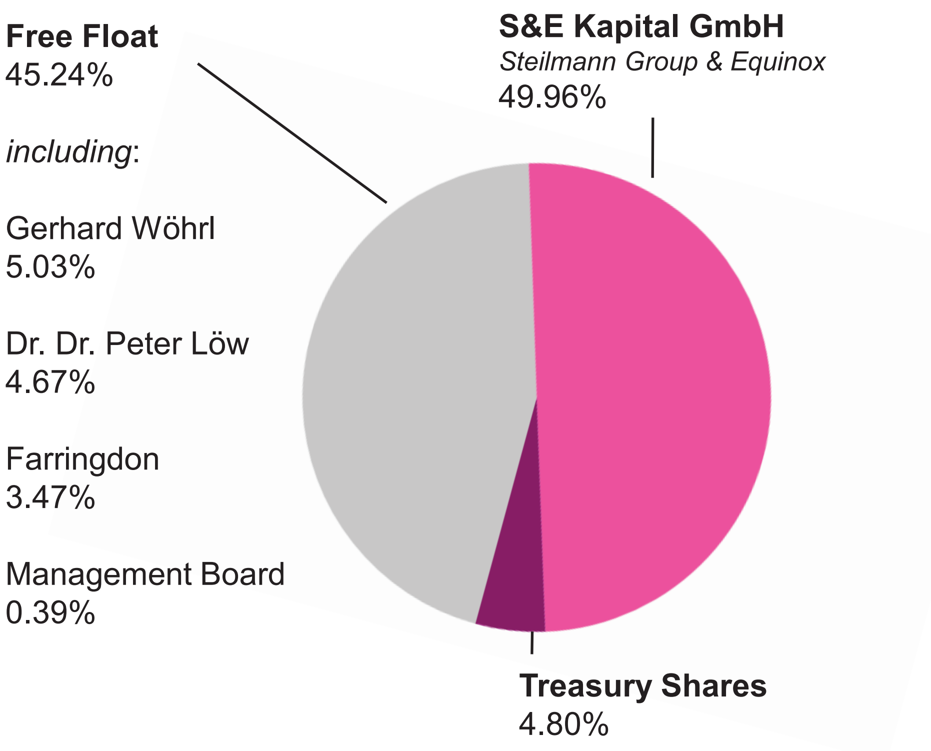
1) Share of purchase volume 2012

The ADLER Share

Share Data

ISIN	DE000A1H8MU2
Stock symbol	A1H8MU
First time listing	June 22, 2011
Issue price	€ 10.00
Class of shares	No-par value bearer shares
Transferred shares	10,812,533
Number of Shares	18,510,000
Subscribed capital	€ 18,510,000
Designated sponsors	Crédit Agricole Cheuvreux, DZ Bank AG, Viscardi AG

Shareholder Structure



As of May 14, 2013