GERRY WEBER

GERRY WEBER International AG
Press Release

Halle/Westphalia, 25 June 2009

- **GERRY WEBER pursues successful upper mid-price segment strategy**
- **Sales and earnings reach new records in first half of 2008/2009**
- **Sales and earnings forecast for full year 2008/2009 confirmed**
- **Expansion planned also for SAMOON and TAIFUN**

Reaching new sales and earnings records, GERRY WEBER International AG again stood out from a weak market environment in the first six months of 2008/2009. “In spite of the global economic crisis, we achieved solid growth in all areas,” said CEO Gerhard Weber. “Incoming orders for our third collection for the autumn/winter 2009 season are up by as much as 33 percent on the previous year. Orders of our GERRY WEBER core brand have risen by 44 percent. Like-for-like sales of our own Retail segment increased as well.” Although the company has discontinued relations with many customers on account of their poor creditworthiness and reported declining revenues in countries that have been hit harder by the global recession than Germany and whose currencies have depreciated noticeably such as Russia, the UK and the Scandinavian countries, consolidated sales of the GERRY WEBER Group increased by 8.9 percent in the first half of 2008/2009. “These results show that we have adopted the right strategy. We have constantly moved towards the upper mid-price segment in recent years and firmly established ourselves in this segment. Building on attractive designs and high quality at relatively moderate prices, we are increasingly winning those consumers who are being lost by the luxury segment. The premium market today begins in the upper mid-price segment with GERRY WEBER,” the CEO added.

Total sales revenues increased from EUR 268.5 million in the previous year to EUR 292.3 million in the first half of 2008/2009. The GERRY WEBER Group thus reported strong growth in spite of the poorer economic environment and against the negative industry trend. Growth was again primarily driven by the company’s own Retail activities. Sales in the Retail segment, which comprises the sales revenues of the 125 HOUSES OF GERRY WEBER managed by the company, improved by 28.3 percent from EUR

52.8 million to EUR 67.8 million in the first six months of 2008/2009. At EUR 248.3 million, brand sales were up by 5.7 percent on the previous year's EUR 235.0 million.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) climbed 11.7 percent from EUR 31.7 million in the previous year to EUR 35.4 million in the reporting period. At EUR 29.5 million, earnings before interest and taxes (EBIT) were up by 13.7 percent on the previous year's EUR 26.0 million. Earnings before taxes (EBT) rose by 16.9 percent from EUR 23.1 million to EUR 27.0 million. The respective margins increased accordingly. Net income for the period improved by 16.9 percent from EUR 15.9 million to EUR 18.6 million. DVFA earnings per share climbed from EUR 0.69 to EUR 0.86.

The company's headcount reflected the fast pace of growth in the company's business. On 30 April 2009, the company employed 2,415 people, 249 more than in the previous year (2,166). Most of the new positions were created in the Retail segment.

The excellent performance of the GERRY WEBER Group in the first six months of 2008/2009 supports the sales and earnings projections for the full year. The company projects sales of at least EUR 600 million and an EBIT margin of twelve percent.

The GERRY WEBER Group has launched comprehensive measures to substantially increase its profitability and emerge from the current economic crisis as a stronger company. When the global recession began in late September 2008, the company adopted an even stricter cost management policy. It has also streamlined its collections and adapted them to actual market requirements. “We have aggressively optimised our IT in recent years and these investments are now paying off. Thanks to the EDI data fed from the HOUSES OF GERRY WEBER we are always abreast of the latest trends at the point of sale and learn even more about our customers. This gives us a huge advantage over our competitors in Germany and abroad,” the CEO explained.

An equity ratio of 58.1 percent means that the GERRY WEBER Group is excellently positioned to cope with the challenging funding conditions in today's capital market. The good liquidity situation will allow the planned investments of roughly EUR 30 million for the full financial year 2008/2009 to go ahead.

The company will primarily concentrate on pushing ahead its own Retail activities. Some 100 new HOUSES OF GERRY WEBER will be opened in the fiscal year 2008/2009, about half of them in Germany. About 100 multi-brand stores are expected to be opened in each of the following three years. Roughly 40 percent of the new stores will be managed by the company itself. As far as its fast-selling sublabels, GERRY WEBER EDITION and G.W., are concerned, the company relies on high-frequency locations such as railway stations – with a store soon to open at Cologne central station – and airports. “We are one of the few companies that can open large, medium and small stores, as we have the right store concept for each location that meets our criteria,” said Gerhard Weber. “We are one of only very few competitors that are so flexible and have so many possibilities to operate successfully in the market.”

As far as SAMOON is concerned, one of the best known German retail brands for plus sizes already today, the company plans to open eight dedicated stores from September 2009, which should make the brand even more visible and give it an additional boost. Going forward, the GERRY WEBER Group will open about 20 new SAMOON stores per year. New stores will also be opened for the TAIFUN brand. The creative team of the Group’s second largest brand has been strengthened to allow it to compensate for this year’s moderate slowdown in sales and return to the high levels of the past in the next fiscal year.

Since April, the GERRY WEBER Group has also operated seven concession shops in department stores of El Corte Inglés, the leading Spanish department store chain. This number will be increased going forward. In two to three years' time at the latest, the cooperation with retail customers will be modified so that retailers no longer specify detailed order lists but merely set a maximum order limit and leave the breakdown of the order to the company. The optimum composition of the merchandise and the limit plans have previously been tested thoroughly in the own HOUSES OF GERRY WEBER.

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The GERRY WEBER Group in the first half:

	H1 2008/2009	H1 2007/2008
Sales revenues	292.3	268.5
EBITDA	35.4	31.7
EBITDA margin	12.1%	11.8%
EBIT	29.5	26.0
EBIT margin	10.1%	9.7%
EBT	27.0	23.1
EBT margin	9.2%	8.6%
Net income for the period	18.6	15.9
DVFA result per share in EUR	0.86	0.69
Gross cash flow	32.9	28.9
Fixed asset investments	8.0	8.3
Headcount on 30 April	2,415	2,166

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