GERRY WEBER

GERRY WEBER International AG
Annual Report 2007/2008

Key figures at a glance

All figures in EUR million (if not otherwise indicated)

GERRY WEBER Group		2004/2005 HGB	2004/2005 IFRS	2005/2006 IFRS	2006/2007 IFRS	2007/2008 IFRS
Sales revenues		393.1	389.6	442.8	507.1	570.0
Domestic		241.3	240.6	257.6	280.1	315.9
International		151.8	149.0	185.2	227.0	254.1
Sales of the individual brands						
GERRY WEBER		64.7%	64.7%	66.6%	69.9%	72.5%
TAIFUN		25.7%	25.7%	25.2%	21.9%	19.3%
SAMOON		8.0%	8.0%	7.3%	6.4%	5.8%
Other		1.6%	1.6%	0.9%	1.8%	2.4%
Personnel expenses		51.2	51.7	58.7	67.3	77.4
Depreciation		5.8	5.8	8.4	10.4	11.3
EBITDA		41.6	36.2	49.3	62.1	74.0
EBITDA-margin		10.6%	9.3%	11.1%	12.2%	13.0%
EBIT		35.8	30.4	41.0	51.7	62.7
EBIT-margin		9.3%	7.8%	9.3%	10.2%	11.0%
EBT		32.2	26.9	36.5	46.6	57.4
EBT-margin		8.2%	6.9%	8.3%	9.2%	10.1%
Profit for the year		16.7	16.0	21.1	27.0	39.4
Gross cash flow		38.0	32.7	44.9	57.0	68.7
DVFA earnings per share in Euro		0.83	0.69	0.92[1,2]	1.18	1.75 [3]
Staff numbers at the end of the fiscal year		1,647	1,647	1,881	2,018	2,321
Total assets		206.7	213.1	239.5	272.4	297.4
Fixed asset investments		11.3	11.3	20.5	19.1	21.6
Equity	(in % of total assets)	57.4	57.4	53.9	53.3	60.9
Return on Investment (ROI)[4]		17.3%	14.3%	17.1%	19.0%	21.1%
Return on Equity (ROE)[4]		30.1%	24.9%	31.8%	35.7%	34.6%

[1] fully diluted; [2] on the basis of 22,952,980 shares in 2005/2006;
[3] on the basis of 22,508,820 shares in 2007/2008; [4] on EBIT basis
Note: Figures not fully comparable due to the adoption of IFRS in FY 2005/2006.

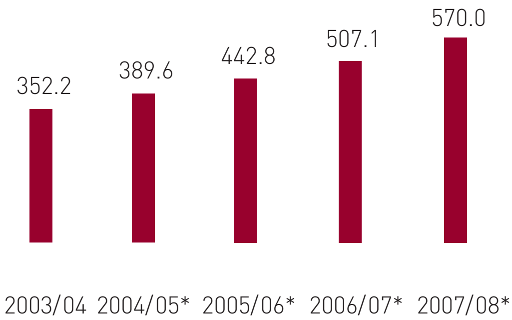
GERRY WEBER

JEWELRY

BAGS

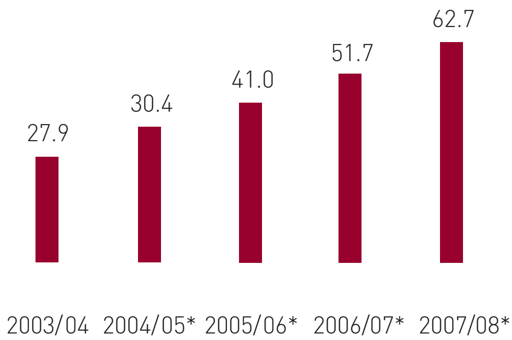
EYEWEAR

SHOES



Sales in EUR million

* according to IFRS



EBIT in EUR million

* according to IFRS

GERRY WEBER International AG
Annual Report 2007/2008

GERRY WEBER INTERNATIONAL AG IS AN INTERNATIONAL FASHION AND LIFESTYLE GROUP, WHICH OCCUPIES A UNIQUE POSITION IN THE MARKETPLACE THANKS TO A COMBINATION OF STRONG BRANDS, OPTIMISED PROCUREMENT AND PRODUCTION STRUCTURES, EFFICIENT LOGISTICS SYSTEMS AND A FLEXIBLE DISTRIBUTION SYSTEM. THE COMPANY IS A GUARANTOR OF SUCCESS FOR ITS RETAIL PARTNERS AND AN ATTRACTIVE INVESTMENT FOR ITS SHAREHOLDERS. GOING FORWARD, WE WILL CONTINUE TO STAND OUT FROM THE COMPETITION AND GROW AT A FAST PACE TO REACH OUR AMBITIOUS TARGETS.

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Gerhard Weber, Doris Strätker, Udo Hardieck

**Dear shareholders,
dear friends of our company,**

The GERRY WEBER Group continued its dynamic growth against the ongoing negative industry trend in fiscal year 2007/2008. In spite of what remained a weak market environment, we generated the highest sales in the history of our company, at EUR 570.0 million, which represents an increase of 12.4 percent over the previous year. Earnings before interest and taxes (EBIT) again increased at a disproportionate rate of 21.3 percent to EUR 62.7 million. Our EBIT margin came to 11.0 percent, up by almost one percentage point on the previous year.

In a year that saw the economy stagnate and the crisis in the retail sector intensify, we reached the targets we had set ourselves. This shows that the internal restructuring measures taken in the past are paying off. Our optimised procurement and production structures and our efficient logistics system allow us to respond quickly to changes and to seize opportunities as they arise in the market. Thanks to strict cost management, we are able to reduce our procurement prices while at the same time maintaining the high quality of our products and offer retailers higher margins than most of our competitors. For many years, we have been a guarantor of success for our retail partners and will continue our successful cooperation with them in future. We know that we will be able to expand further in difficult times only if we offer our customers products that allow them to generate profits.

But our company sees itself not only as a close partner to the retail sector. In fact, we increasingly assume responsibility at the point of sale. The information gained from our own retail activities is immediately fed into our collection planning and design processes, recognising that responsive collection development is just as important for success in the marketplace as is high cost efficiency. What is more, our international retail activities increasingly reduce our dependence on the traditional wholesale business and allow us to isolate ourselves from the continued negative market trend in the long term.

Our retail activities currently contribute about 20 percent to total sales. With a view to pushing ahead our vertical integration, we have appointed a new member to our Managing Board. Doris Strätker is responsible for our own retail activities as well as all collections, being one of only a few female Board members in Germany's corporate sector.

We are convinced that we will be able to maintain our fast pace of expansion in the current fiscal year in spite of the difficult economic environment. We view the trend towards a market concentration and the resulting exit of competitors as a great opportunity to grow even faster. We again project a clear increase in sales and aim for an EBIT margin of 12 percent in 2008/2009.

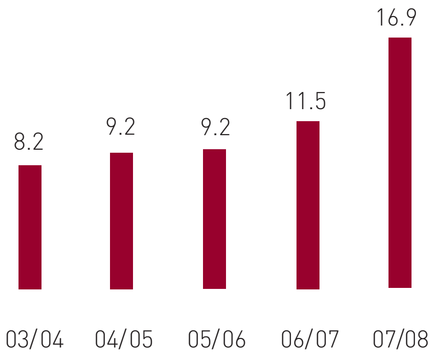
Our success has vindicated the new approaches taken both on the sales side and on the procurement side in the past. Going forward, we will continue to set trends and build on our lead in the market through ongoing innovation.

In the past fiscal year, our highly committed employees made a significant contribution to the growth of the GERRY WEBER Group. Our special thanks therefore go to our workforce. Together we will continue to move the company forward. We would like to thank our customers and business partners for the good cooperation and hope that they will remain loyal to the GERRY WEBER Group. Our thanks also go to you, our shareholders, for the confidence you have placed in us. Unfortunately, our share was no longer able to isolate itself from the consequences of the global financial crisis and suffered a substantial loss in spite of the excellent performance of our company. As we nevertheless want to give you an appropriate share in our excellent profit situation, we will propose a dividend of EUR 0.75 per voting share to the Annual General Meeting. Going forward, we will continue to create lasting and sustainable value for you, our shareholders.

Gerhard Weber

Udo Hardieck

Doris Strätker



Dividend development in EUR million

Management

Wolfgang Wandel, Raimund Axmann, Axel Boergers, Arnd Buchardt

Managing Board

Gerhard Weber (Chairman), Halle/Westphalia
Udo Hardieck, Halle/Westphalia
Doris Strätker, Wuppertal

Supervisory Board

Dr. Ernst F. Schröder (Chairman), Bielefeld
Personally liable partner of
Dr. August Oetker KG, Bielefeld

Peter Mager (Vice Chairman), Steinfeld in Oldenburg

Dr. Wolf-Albrecht Prautzsch, Münster
Banker
Vice Chairman of the Managing Board of
Westdeutsche Landesbank Girozentrale ret.,
Düsseldorf

Charlotte Weber-Dresselhaus, Halle/Westphalia
Banker

Olaf Dieckmann, Halle/Westphalia
Technical employee

Christiane Wolf, Steinhagen
Commercial employee

Report of the Supervisory Board for the fiscal year 2007/2008

Dear shareholders,

In the past fiscal year, which was marked by sluggish consumer spending, GERRY WEBER International AG was once again able to stand out positively from the market and its competitors. New sales and earnings records once more testify to our excellent business trend. The long-standing and trusting cooperation between the Managing Board and the Supervisory Board is paying off. In the past, we jointly set the strategic course that today enables our company to grow against the general industry trend. We restructured the company in a forward-looking manner and intensified our focus on the retail business. Optimised procurement and production structures, efficient logistics system and a flexible distribution system enable the GERRY WEBER Group to respond swiftly to changes in all areas and to seize opportunities as they arise. We are therefore convinced that the company will continue to operate successfully in the market.

Dr. Ernst F. Schröder

Methods of discussion, examination and control

In the fiscal year 2007/2008, the Supervisory Board again performed with due diligence all the tasks imposed on it by law, the statutes, the Corporate Governance Code and the Code of Procedure. We advised the Managing Board on leading the company and supervised its management activities. We were directly involved in all decisions that were of fundamental importance for GERRY WEBER International AG in a timely manner. Information and opinions were exchanged with the Managing Board at four meetings and eight telephone conferences.

During the past fiscal year the Managing Board properly fulfilled its comprehensive reporting duties vis-à-vis the Supervisory Board. As a result, the Supervisory Board was at all times fully apprised of the current business policy, corporate planning including financial, investment and human resources planning, the profitability of the company, the further development of the compliance system and the course of business as well as the situation of the company and the GERRY WEBER Group as a whole. All written and oral reports were closely and openly discussed with the Managing Board. The Managing Board did not become aware of any events giving rise to an extraordinary duty to report to the Supervisory Board. The latter also received detailed quarterly reports from the Risk Management Department and the Head of Finance briefed the Supervisory Board at its meetings on the financial, net worth and earnings position of the company. In addition, the Chairman of the Supervisory Board held close and regular contacts with the Chairman of the Managing Board and the Head of Finance and was kept informed of all important business events.

The scope of the transactions requiring the approval of the Supervisory Board is defined in the Managing Board's Code of Procedure. In the fiscal year 2007/2008, 37 transactions were submitted to the Supervisory Board by the Managing Board for approval within the applicable deadlines. The Supervisory Board reviewed the proposed resolutions, all of which received a positive vote. Most of these resolutions referred to the openings of new

HOUSES OF GERRY WEBER, given that all long-term leases require the Supervisory Board's approval because of their high cash value. The 35 transactions referring to the opening of new HOUSES OF GERRY WEBER and requiring the Supervisory Board's approval were decided by written vote. Other resolutions requiring approval referred to the appointment of another Managing Board member and the foundation of a Danish subsidiary.

The auditors from MAZARS GmbH, Wirtschaftsprüfungsgesellschaft, Bielefeld, reported to the Supervisory Board on selected points of their audit and on their audit conclusions for the period.

In the fiscal year there were no conflicts of interest on the Managing Board or the Supervisory Board requiring immediate reporting to the Supervisory Board and communication to the Annual General Meeting.

The compensation scheme for the members of the Managing Board is regularly reviewed by the Supervisory Board. For further information, please refer to the compensation report on page 19 et seq.

Focus of the meetings

The Supervisory Board held five meetings, four of which were regular meetings. All meetings were attended by all Supervisory Board members save for the 15 August 2008 extraordinary meeting, where one member was excused. At the meetings, the Managing Board informed us comprehensively and in detail about the results of the individual quarters, the current order situation and the financial situation as well as the outlook on the full year 2007/2008. In the year under review, we primarily focused on the ongoing expansion of our Retail activities. The individual meetings revolved around the following issues, in particular:

Meeting on 27 May 2008:
- Market and competitive development
- Preliminary key figures
- Production structure
- Opening of new HOUSES OF GERRY WEBER
- Currency risks
- Expert opinion on the sponsorship right
- Risk management report
- Situation in the UK and measures

Meeting on 15 August 2008 (extraordinary):
- Extension of the term of office of Managing Board Chairman Gerhard Weber until 31 October 2011
- Appointment of a Chief Logistics Officer for a period of three years from 1 January 2010 or earlier as a successor to Udo Hardieck, who will resign from the Managing Board for reasons of age
- Future changes on the Supervisory Board

Meeting on 08 September 2008:
- Market and competitive development
- Key figures
- Current ordering round
- Opening of new HOUSES OF GERRY WEBER
- Status of production in Romania
- Implementation of the so-called audit directive (Directive 2006/43/ EC)
- Risk management report
- Topics for the Annual General Meeting 2009
- Internal auditing
- Group budgets for fiscal year 2008/2009
- Approval of the stock repurchase programme

Meeting on 01 December 2008:
- Current business trend
- Risk report
- Topics for the Annual General Meeting 2009
- Opening of new HOUSES OF GERRY WEBER
- Development of incoming orders for the third spring/summer 2009 programme
- Development of the HOUSES OF GERRY WEBER
- Preliminary key figures from the 2007/2008 accounts
- Interim report on the implementation of the audit directive
- Code of Procedure and auditors' manual
- Internal audit

Meeting on 24 February 2009:
- Annual accounts meeting attended by the auditor

In addition, the Supervisory Board examined the effectiveness of the accounting-related internal controls and endorsed and monitored the corporate planning and budgeting process (follow-ups) as well as the risk identification and control processes and the risk management system. Moreover, we monitored the internal auditing activities as well as the work and the impartiality of the external auditor. The corporate compliance system was also critically reviewed by the Supervisory Board.

Suitable tax and legal specialists were called in, where necessary, to assist in the appraisal and discussion of specific issues. There was no need to rely on external experts. The Supervisory Board has not raised any objections against the Managing Board's conduct of business.

The Supervisory Board has so far refrained from forming committees with the exception of the nomination committee; its small size of only six members allows all matters to be discussed in plenary meetings. The formation of an audit committee will be postponed until this issue is definitively settled by the German Act to Modernise the Law for German Accounting Standards, the "Bilanzrechtsmodernisierungsgesetz" (BilMoG).

Work of the nomination committee

In accordance with the recommendations of the German Corporate Governance Code and with a view to ensuring the efficiency of its work, the Supervisory Board set up a nomination committee already in the previous year. This committee consists of Dr. Ernst F. Schröder, Peter Mager and Dr. Wolf-Albrecht Prautzsch and is led by Dr. Ernst F. Schröder. In the year under review, the nomination committee, whose task is to propose suitable candidates for the election of new shareholder representatives on the Supervisory Board, met once, primarily to discuss the appointment of Udo Hardieck as a candidate for the Supervisory Board. Udo Hardieck will resign from the Managing Board of GERRY WEBER International AG with effect from 31 July 2009 for reasons of age.

Auditing of 2007/2008 individual and Group accounts

MAZARS GmbH, Wirtschaftsprüfungsgesellschaft, Bielefeld, audited the financial statements and the management report prepared by the Managing Board in accordance with the German Commercial Code (HGB) as well as the consolidated financial statements and the Group management report of GERRY WEBER International AG prepared in accordance with International Financial Reporting Standards (IFRS) for the year ended 31 October 2008. The auditors were appointed by the Supervisory Board in accordance with the resolution of the Annual General Meeting of 4 June 2008; the Supervisory Board had satisfied itself of the impartiality of the auditors already before the proposal for appointment was submitted to the shareholders. The documents were audited by the auditors and received their unqualified audit certificate as shown on page 107. The auditors confirm that no inaccurate information or violations of legal provisions were found in the financial statements, the consolidated financial statements and in the management reports for GERRY WEBER International AG and the Group.

The early risk identification system was also examined by the auditors who deemed it to be effective. The demands made on a risk management system under the German Stock Corporation Act were discussed in detail with the Managing Board. In the context of the supervision of the effectiveness and efficiency of the risk management system, we addressed in detail the measures defined by the Managing Board with a view to mastering the risks identified and assessed. The risk management system of GERRY WEBER International AG is constantly being updated and refined and is believed to comply with legal requirements.

Having reviewed the financial statements, the consolidated financial statements, the management report for GERRY WEBER International AG and the Group as well as the Managing Board's profit appropriation proposal, the Supervisory Board discussed these documents with the Managing Board. These discussions were also attended by the auditors, who reported on essential findings of their audit and answered questions. All members of the Supervisory Board were provided with all required documents, including, in particular, the auditors' audit reports, in a timely manner. Based on its own review, the Supervisory Board did not raise any objections and concurred with the auditors' findings. At its meeting on 24 February 2009, the Supervisory Board formally approved the financial statements of GERRY WEBER International AG, which are therefore deemed to have been duly approved in accordance with section 172 AktG, as well as the consolidated financial statements. We agree with the management reports and, in particular, with the assessment of the company's future performance. The Supervisory Board endorses the Managing Board's profit appropriation proposal according to which a dividend of EUR 0.75 per share is to be paid out with the residual amount being carried forward to new account. We consider the profit appropriation proposal to be appropriate.

The auditors also audited the report on relationships with affiliated companies ("dependency report") prepared by the Managing Board in accordance with section 312 AktG and awarded an unqualified audit certificate. "Having conducted a proper audit and appraisal, we hereby confirm:

1. that the facts set out in the report are correct,

2. and the company's payments in connection with the legal transactions referred to in the report were not unduly high."

The Supervisory Board has taken note of and approved the result of the audit. Having performed its own examination, the Supervisory Board has not raised any objections in respect of the Managing Board's declaration appended to the report.

Changes on the Managing Board

A new member was appointed to the Managing Board of GERRY WEBER International AG with effect from 15 July 2008. Mrs Doris Strätker is in charge of the Retail operations and will push ahead the company's vertical integration. In addition, she is responsible for all collections of the Group's three brands. She has been appointed for a term of office of five years.

At our extraordinary meeting on 15 August 2008, we extended the term of office of Gerhard Weber, Chairman of the Managing Board of GERRY WEBER International AG, until 31 October 2011. In addition, we appointed a successor to Mr Udo Hardieck, who will resign from the Managing Board of GERRY WEBER International AG with effect from 31 July 2009 for reasons of age. The new Board member was appointed for a period of three years with effect from 1 January 2010 or earlier.

Corporate Governance

GERRY WEBER International AG attaches great importance to responsible and transparent corporate governance geared to the creation of sustainable value. For detailed information on corporate governance, please refer to the joint corporate governance report of the Managing Board and the Supervisory Board on page 16 et seq. A list of all mandates held by the members of the Supervisory Board outside this body is included in the notes to the consolidated financial statements on page 92. The individual compensations paid to the members of the Supervisory Board is shown on page 19 et seq. in the compensation report. For information on the change of control clause, please refer to page 19 of the compensation report. None of our members faced conflicts of interest. The declaration of conformity for 2008 was adopted together with the Managing Board in December 2008, when it was published on the company's website for permanent access by the shareholders.

The Supervisory Board would like to thank the Managing Board and all employees for the great commitment shown in fiscal year 2007/2008, which was the most successful year in the history of the company. Our thanks also go to our customers, business partners and shareholders for the confidence placed in GERRY WEBER International AG, which is excellently positioned and will continue its growth strategy going forward.

Halle/Westphalia, February 2009

Dr. Ernst F. Schröder
Chairman

Corporate governance report
of the Supervisory Board and the Managing Board of GERRY WEBER International AG

The Managing Board and the Supervisory Board of GERRY WEBER International AG have committed themselves to managing and controlling the company in a transparent and responsible manner and follow the national and international initiatives for modern corporate governance. The company complies with the recommendations of the German Corporate Governance Code wherever this is possible and makes sense for the company. Deviations from individual recommendations are attributable, for instance, to the company's specific size or the need to make efficient use of available resources. With a view to strengthening investors' confidence in the company, GERRY WEBER International AG pursues a policy of optimising its corporate governance on an ongoing basis.

The German Corporate Governance Code was last amended on 6 June 2008, when several new recommendations were added. For instance, the full Supervisory Board should resolve and regularly review the Managing Board compensation system including the main elements of the contracts. In concluding Managing Board contracts, care is be taken to ensure that payments made to a Managing Board member on premature termination of his contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract. The severance payment cap is to be calculated on the basis of the total compensation for the past full financial year and, where appropriate, also the expected total compensation for the current financial year. Payments promised in the event of premature termination of a Managing Board member's contract due to a change of control are not to exceed 150 percent of the severance payment cap. GERRY WEBER International AG fully complies with these new recommendations. For organisational reasons, the company does not yet comply with the new recommendation that half-year and quarterly financial reports be discussed with the Managing Board by the Supervisory Board prior to publication.

No inconsistencies were revealed by a comparison between the declaration of conformity of December 2007 and the actual implementation of corporate governance at GERRY WEBER International AG in 2008. The declaration of conformity of 2008 was issued jointly by the Supervisory Board and the Managing Board of GERRY WEBER International AG in December 2008.

The company's statutes as well as the Code of Procedure of the Managing Board and the Supervisory Board remained unchanged in 2008.

Shareholders and Annual General Meeting

The Annual General Meeting on 4 June 2008 was attended by roughly 1,100 shareholders and shareholder proxies, who represented an imputed 69.64 percent of the share capital. Apart from the discharge of the acts of the Managing Board and of the Supervisory Board, the items put to the vote included the authorisation to acquire own shares and the EUR 0.50 per share dividend payment. Each of the six items on the agenda was approved by a majority of over 99 percent. The company did not receive any countermotions prior to the Annual General Meeting. The Chairman of the Supervisory Board also informed the shareholders of the basic elements of the Managing Board's compensation scheme.

As in the previous years, all relevant information relating to the Annual General Meeting was available for inspection and downloading from the company's website. To facilitate the navigation, a menu item entitled "Annual General Meeting" has been added to the Investor Relations section of the website, which comprises all documents relating to the Annual General Meeting. On request, the company can transmit the notification of the convening of the Annual General Meeting together with the convention documents also by electronic means.

While webcasts of the AGM proceedings will continue to be dispensed for cost reasons and due to legal certainty considerations, the speech held by the Chairman of the Managing Board and the voting results are published immediately subsequent to the Annual General Meeting. The Annual General Meeting was again concluded within the recommended duration of between four to six hours.

Cooperation between Managing Board and Supervisory Board

The Chairmen of the Managing Board and the Supervisory Board regularly exchanged information also in between the four ordinary meetings of the Supervisory Board. For details of the cooperation between the Managing Board and the Supervisory Board and the main topics addressed during the meetings of the Supervisory Board, please refer to the report of the Supervisory Board on page 10 et seq.

The representatives of the shareholders and of the employees are free to prepare the Supervisory Board meetings separately. The Supervisory Board is entitled to meet without the Managing Board, which was the case once in the financial year 2007/2008, at the extraordinary meeting on 15 August 2008.

No retention was agreed upon the conclusion of a D&O insurance policy for the Managing Board and the Supervisory Board in view of the fact that such a retention is not believed to further increase the commitment of the Managing Board and the Supervisory Board.

Managing Board

The Managing Board of GERRY WEBER International AG has been comprised of three members since July 2008, when Doris Strätker joined the Board, which previously consisted of the two company founders, Gerhard Weber and Udo Hardieck. She is responsible for the Retail operations as well as for all collections of the three brands. The Code of Procedure for the Managing Board continued to apply unchanged in the financial year 2007/2008.

The full Supervisory Board resolves and regularly reviews the Managing Board compensation system including the main contract elements. In concluding the contract for the Managing Board member appointed in July 2008, it was agreed that payments made to the Managing Board member on premature termination of her contract without serious cause do not exceed the value of two years' compensation (severance payment cap) and compensate no more than the remaining term of the contract. The severance payment cap was calculated on the basis of the anticipated total compensation for the current financial year. Payments promised in the event of premature termination of a Managing Board member's contract due to a change of control do not exceed 150 percent of the severance payment cap.

The compensation scheme for the Managing Board has remained unchanged. The basic elements of the compensation scheme as well as individualised figures for each Managing Board member are shown on page 19.

There were no conflicts of interest on the Managing Board. No member of the Managing Board held Supervisory Board mandates or similar mandates.

Supervisory Board

For information on the work of the Supervisory Board and details of the individual Supervisory Board meetings, please refer to the report of the Supervisory Board on page 10 et seq.

The composition of the Supervisory Board remained unchanged in fiscal year 2007/2008. The six-strong Supervisory Board is composed of two staff representatives and four shareholder representatives, who are at arm's length to the company and the Managing Board. The Supervisory Board is of the opinion that it had a sufficient number of independent members at all times. The Code of Procedure remained unchanged.

With the exception of the nomination committee, the Supervisory Board of GERRY WEBER International AG has not formed any committees, given that the formation of other committees would not be expedient in view of the number of members of the Supervisory Board.

The compensation scheme for the Supervisory Board remained unchanged. For the basic elements of the compensation scheme as well as individualised figures for each Supervisory Board member, please refer to page 20.

No conflicts of interest occurred. The Supervisory Board reviews the efficiency of its work in the context of regular self-assessments. The results are incorporated in the ongoing efforts to optimise the work of the Supervisory Board.

One Supervisory Board member will be up for reelection in 2009. The mandates of the other shareholder and employee representatives will expire at the end of the 2010 Annual General Meeting.

Transparency

GERRY WEBER International AG complies with all recommendations and suggestions of the German Corporate Governance Code on transparency with a view to ensuring comprehensive and timely communication with its shareholders. All relevant information resulting from the company's stock market listing is publicly accessible in the "Investor Relations" section of the company's website. In 2007/2008, one ad-hoc release as defined in sec. 15 WpHG was promulgated throughout Europe using the appropriate news channels. Two notifications on changes in voting rights as defined in sec. 26 WpHG were also promulgated throughout Europe. In addition, the company published 30 reports on directors' dealings as defined in sec. 15a WpHG.

Information on the stock repurchase programme launched on 9 September 2008 is published on the company's website at www.gerryweber-ag.de. It includes all information required under Article 4 para. 4 of EU Directive (EC) 2273/2003 on the transactions effected in the context of the stock repurchase programme. For information on the company's portfolio of own shares, please refer to the notes to the consolidated financial statements on page 83.

Shareholdings:

Managing Board:

Gerhard Weber	389,117 shares	held directly
and	6,177,600 shares	held indirectly
Udo Hardieck	86,548 shares	held directly
and	4,118,400 shares	held indirectly

Supervisory Board:

Charlotte Weber-Dresselhaus		
	34,503 shares	held directly

For more information, please refer to the notes to the consolidated financial statements on page 94. The mandates of the Supervisory Board members are also shown in the notes to the consolidated financial statements on page 92.

Accounting and auditing

For organisational reasons, GERRY WEBER International AG does not yet comply with the new recommendation in the Code that half-year and quarterly financial reports be discussed with the Managing Board by the Supervisory Board prior to publication. The consolidated financial statements were publicly accessible within 120 days of the end of the reporting period. The company will attempt to meet the 90 days deadline in future. The interim reports were publicly accessible within 60 days of the end of the respective reporting period.

The company has no stock option plans that require reporting.

The Annual General Meeting endorsed the proposal of the Managing Board and appointed MAZARS GmbH, Wirtschaftsprüfungsgesellschaft, Bielefeld, as auditors of the financial statements and the consolidated financial statements for the year 2007/2008. Prior to putting the proposal to the vote, the Supervisory Board satisfied itself of the impartiality of the auditors and obtained a declaration from the auditors on their personal and business relations with the company. No objections were raised. The audit assignment was formally awarded by the Supervisory Board.

Compensation report for the Managing Board and the Supervisory Board

The following compensation report forms part of the management report (see page 45):

The compensation paid to members of the Managing Board is determined by the Supervisory Board and documented in each Managing Board member's contract. The Supervisory Board regularly reviews the compensation scheme for the Managing Board. The compensation system for the members of the Managing Board provides for a fixed component as well as a variable, performance-based component, which is a function of the pre-tax profit of the Group. Managing Board members are entitled to use their company cars also for personal purposes. In fiscal year 2007/2008, the total compensation of the Managing Board amounted to KEUR 4,676, of which an amount of KEUR 2,617 was paid to Chairman Gerhard Weber, KEUR 1,776 to Udo Hardieck and KEUR 283 to Doris Strätker. The fixed salary amounted to KEUR 1,049, while the share in profits amounted to KEUR 3,627. Managing Board contracts signed since the beginning of 2007/2008 provide for a severance payment that does not exceed the value of two years' compensation (severance payment cap) and compensates no more than the remaining term of the contract if the contract is terminated prematurely without serious cause. These Managing Board contracts additionally contain a change of control clause, according to which payments promised in the event of premature termination of the contract due to a change of control do not exceed 150 percent of the severance payment cap. The company has no stock option programme.

Compensation of the Managing Board members for 2007/2008 (in KEUR)

Name	Fixed compensation	Variable compensation
Gerhard Weber (Chairman)	469	2,148
Udo Hardieck	382	1,394
Doris Strätker	198	85

The amount of compensation received by Supervisory Board members is also comprised of a fixed component and a variable component based on the dividend distributed to shareholders. The Chairman receives three times the regular amount, while the Vice Chairman is paid half the Chairman's compensation. Individualised figures for the members of the Supervisory Board are shown below.

Compensation of the members of the Supervisory Board for 2007/2008 (in EUR)

Name	Fixed compensation	Variable compensation
Dr. Ernst F. Schröder (Chairman)	22,500	97,500
Peter Mager (Vice Chairman)	11,250	48,750
Charlotte Weber-Dresselhaus	7,500	32,500
Dr. Wolf-Albrecht Prautzsch	7,500	32,500
Olaf Dieckmann	7,500	32,500
Christiane Wolf	7,500	32,500

Statement of Compliance pursuant to sec. 161 of the German Stock Corporation Law (AktG)

GERRY WEBER International AG
Statement of Compliance with the Recommendations of the German Corporate Governance Code as amended on 6 June 2008

The Supervisory Board and the Managing Board of GERRY WEBER International AG endorse the objectives of the German Corporate Governance Code. The Corporate Governance Code of GERRY WEBER International AG is aimed at promoting the trust placed by investors, customers, employees and the general public in the company's management and thus at fostering its acceptance in the capital markets.

Pursuant to sec. 161 of the German Stock Corporation Law (AktG), the Managing Board and Supervisory Board hereby issue the following statement of compliance with the recommendations made by the government commission on the German Corporate Governance Code as amended on 6 June 2008:

1. Since issuing the last statement of compliance in December 2007 and the 6 June 2008 amendments to the Code (as compared to the version of 14 June 2007), the company has complied with additional recommendations of the Code. These are listed below:

Section 4.2.2 (1) of the Code – Compensation system for the Managing Board: The Supervisory Board of GERRY WEBER International AG complies with the modified recommendation of the Code and resolves and regularly reviews the Managing Board compensation system including the main contract elements.

Section 4.2.3 (4) (5) of the Code – Severance payment cap: GERRY WEBER International AG complies with the new recommendations of the Code that payments made to a Managing Board member under a Managing Board contract on premature termination of his contract without serious cause do not exceed the value of two years' compensation, compensate no more than the remaining term of the contract and that the severance payment cap is calculated on the basis of the total compensation for the past full financial year and also the expected total compensation for the current financial year and that payments promised in the event of premature termination of a Managing Board member's contract due to a change of control do not exceed 150 percent of the severance payment cap.

2. GERRY WEBER International AG has complied with the recommendations of the government commission on the German Corporate Governance Code with the following exceptions:

Section 2.3.2 of the Code – Electronic notification: GERRY WEBER International AG has sent and will send the notification of the convening of the Annual General Meeting together with the convention documents by electronic means to individual domestic and foreign financial services providers, shareholders and shareholders' associations only upon request. Although the company's statutes, which were amended by the Annual General Meeting on 6 June 2007, permit an electronic notification of all domestic and foreign financial services providers, shareholders and shareholders' associations, GERRY WEBER International AG has refrained and will refrain from such general electronic notification for organisational reasons.

Section 3.8 (2) of the Code – D&O insurance: No retention was agreed and will be agreed upon the conclusion of a D&O insurance policy for the Managing Board and the Supervisory Board in view of the fact that such a retention is not believed to further increase the commitment of the Managing Board and Supervisory Board.

Section 4.2.5 of the Code – Stock option plan, pension plans and fringe benefits: The specific details of a stock option plan or comparable remuneration system have not been and will not be depicted in view of the fact that GERRY WEBER International AG has not issued any stock options as variable remuneration components to date and does not intend to do so in future. The specific details of any stock option plan or comparable remuneration system will be disclosed in a suitable form. No pension plan has been established for the benefit of the Managing Board and no fringe benefits are provided. The compensation report therefore dispenses with a detailed presentation of such plans and programmes.

Section 5.2 Clause 2 and Section 5.3.1 and 5.3.2 of the Code – Formation of committees: With the exception of the nomination committee, the Supervisory Board of GERRY WEBER International AG has not formed and will not form any committees, given that the formation of other committees would not be expedient in view of the number of members of the Supervisory Board.

Section 5.4.4 of the Code – Change from the Managing Board to the Supervisory Board: GERRY WEBER International AG has so far complied with the recommendations that it shall not be the rule for the former Managing Board Chairman or a Managing Board member to become Supervisory Board Chairman or the Chairman of a Supervisory Board committee, and special reasons shall be presented to the Annual General Meeting if this is intended. With a view to the future, the company would like to keep all options open to propose the best candidates for Supervisory Board membership to the Annual General Meeting.

Section 7.1.2 of the Code – Publication of consolidated financial statements and interim reports: For organisational reasons, GERRY WEBER International AG currently refrains from discussing interim and quarterly reports with the Supervisory Board prior to their publication. The consolidated financial statements were publicly accessible within 120 days of the end of the reporting period. The company will attempt to meet the 90 days deadline in future. The interim reports were publicly accessible within 60 days of the end of the respective reporting period.

The Corporate Governance Code of GERRY WEBER International AG will be reviewed and refined on a regular basis in the light of subsequent experience and legal requirements, as well as of the further development of national and international standards. Today already, GERRY WEBER complies with most of the additional suggestions of the Code on good Corporate Governance and issues a corresponding statement in the annual Corporate Governance Report. At present, GERRY WEBER International AG already complies with four of the five new recommendations made in the amended version of 6 June 2008.

Halle/Westphalia, December 2008

The Managing Board and Supervisory Board of
GERRY WEBER International AG

Further information on corporate governance
at the GERRY WEBER Group is available at
www.gerryweber-ag.de.

Share

The biggest financial crisis in post-war history sent share prices tumbling across the world in 2008. The turmoil triggered by the US property crisis in 2007 was intensified dramatically by investors' doubts about the solidity of the banking sector in September and October 2008, accelerating the downturn in the capital markets even further. With a view to preventing a collapse of the global financial system and restoring investor confidence, many national governments announced comprehensive measures, which temporarily had a positive effect on share prices in most cases. Nevertheless, volatility remained very high until the end of the year. There is still great uncertainty among investors, as an end of the consolidation in the global banking and insurance sector is not in sight.

At the beginning of fiscal year 2007/2008, the GERRY WEBER share was caught in the general downward trend in the international capital markets, which stopped the years-long upward movement of the share and led to a loss of 42 percent by 31 October 2008. The disappointing share price performance does not reflect the continued excellent operating performance of the GERRY WEBER Group, which again achieved double-digit growth in sales and profitability in spite of the continued negative climate in the German retail sector. Compared to the general stock market performance, the decline in the share price was relatively moderate.

Although the overall sentiment in the financial markets deteriorated noticeably, the individual indices reacted differently to the uncertainty among investors. While the German benchmark index, the DAX, lost 38 percent, the MDAX fell by 48 percent. At 55 percent, the SDAX showed the highest loss, as institutional investors primarily sold small caps in response to the US subprime crisis, which had an extremely adverse impact on the small caps index.

In the first three months of 2007/2008, the GERRY WEBER share clearly underperformed the DAX and the MDAX and followed the movement of the SDAX. In the ensuring three months, the share picked up significantly and clearly outperformed the small caps index. The share even caught up with the MDAX and outperformed it in the end. Germany's benchmark index, the DAX, was the only index to outperform the GERRY WEBER share, albeit only slightly, at the end of a year that was clearly marked by the financial market crisis.

The GERRY WEBER share started the past financial year at EUR 24.71 on 31 October 2007 (all prices are Xetra closing prices) and closed it at EUR 14.31 on 31 October 2008. The closing price of EUR 24.45 on 2 November 2007 was the highest price in the reporting period. The lowest price (EUR 13.00) was reported on 28 October 2008.

Following the steady upward movement in the past years, the GERRY WEBER share was adversely affected by the rapid downturn in the capital markets in fiscal year 2007/2008. Investors did not reward the company's excellent business trend and its excellent fundamentals, as the uncertainty resulting from the global financial crisis clearly dominated market sentiment. According to analysts, the share is undervalued significantly and has an upside target of EUR 24-26. GERRY WEBER International AG is covered by analysts from Bankhaus Lampe, Bankhaus Metzler, Bankhaus Sal. Oppenheim, Berenberg Bank, DZ Bank, HSBC Trinkaus & Burkhardt and Main First Bank.

Dividend proposal of EUR 0.75 per share

In view of the company's excellent profitability situation, the Managing Board and the Supervisory Board of GERRY WEBER International AG will propose a dividend of EUR 0.75 per voting share to the Annual General Meeting on 3 June 2009. This would exceed the previous year's payout by EUR 0.25 or 50 percent. By raising its dividend markedly, the GERRY WEBER Group wants to give its shareholders an appropriate share in the Group's performance. Based on the closing price of EUR 14.31 on 31 October 2008, this represents a dividend yield of 5.2 percent. The proposed dividend increase and the stock repurchase programme launched in September 2008 show that GERRY WEBER International AG is determined to create lasting, sustainable value for its shareholders.

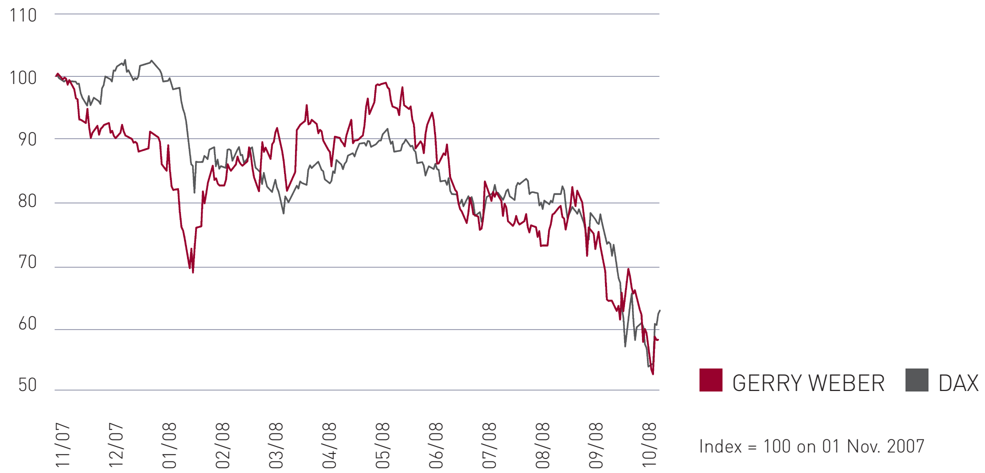
Market capitalisation

The downturn in the capital markets and the related sharp drop in the price of the GERRY WEBER share have resulted in a much lower market capitalisation of the company. Based on a closing price of EUR 14.31 on 31 October 2008, the market capitalisation amounted to EUR 328 million as of the balance sheet date, down from EUR 567 million in the previous year. While the market value of the GERRY WEBER Group had risen steadily in the past years, the company was forced to accept a much lower market capitalisation at the height of the financial crisis.

The trading volume of the GERRY WEBER share remained high in fiscal year 2007/2008. An average of 51,686 shares per day were traded on XETRA and on the Frankfurt floor, which represents an average daily volume of EUR 1.0 million. The largest daily volume was recorded on 4 January 2008, when 342,075 shares worth EUR 7.3 million were traded on XETRA.

Shareholder structure

The shareholder structure of GERRY WEBER International AG is characterised by high stability and sustainability. Besides the company founders, Gerhard Weber and Udo Hardieck, who directly and indirectly hold 46.93 percent of the voting rights, Ralf Weber increased his shareholding to 10.02 percent in fiscal year 2007/2008. The free float declined to 41.11 percent.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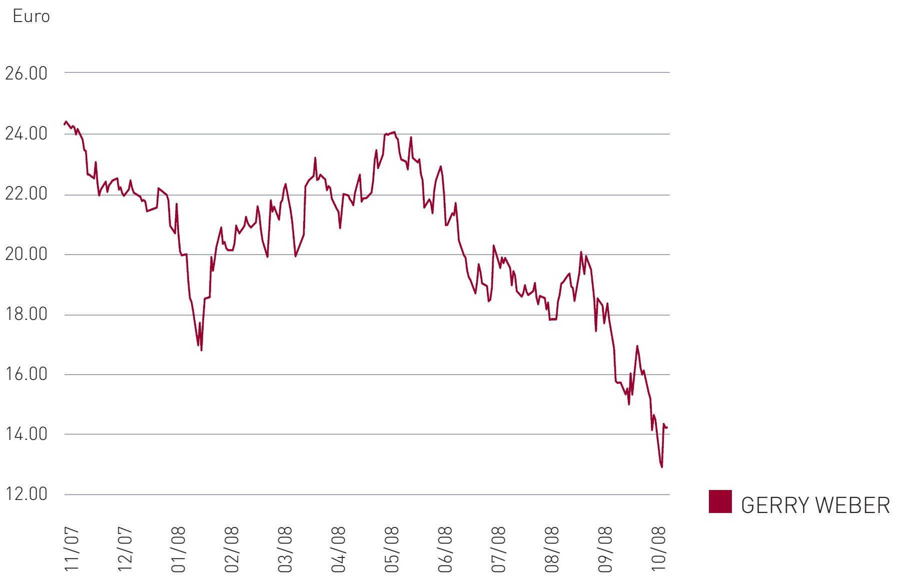
GERRY WEBER
DAX
Index = 100 on 01 Nov. 2007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GERRY WEBER

On 9 September 2008, GERRY WEBER International AG announced the repurchase of up to 10 percent of the share capital by 31 October 2009. The Managing Board thus took advantage of the respective authorisation granted by the Annual General Meeting on 4 June 2008. By the end of fiscal year 2007/2008, the company had repurchased 444,160 own shares and thus held 1.94 percent of the share capital as at the balance sheet date. No rights arise to the company from these shares. A list of stock repurchases effected since the Managing Board resolution of 9 September 2008, including date, number of shares and average price, is published on the company's website at www.gerryweber-ag.de.

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Investor relations

All investor relations activities of GERRY WEBER International AG focus on open and sustained communication with investors, shareholders, analysts and journalists. As in the previous years, the Managing Board and the management team provided the financial community with comprehensive information on the course of business and the future corporate strategy to facilitate an appropriate and fair valuation of the GERRY WEBER share. At the annual analysts' conference in Frankfurt, many analysts seized the opportunity to exchange information with the management team. National and international roadshows with numerous individual meetings ensured maximum transparency towards institutional investors. Private investors were provided with a host of information on the company's website, which is to be expanded in the current fiscal year. Thanks to the excellent sales and earnings performance of the GERRY WEBER Group, especially against the background of the difficult economic environment, the company again received very high media coverage.

WKN	330410
ISIN	DE0003304101
Stock exchange symbol	GWI1.FSE
Bloomberg symbol	GWI1 GR
Reuters symbol	GWIG.F
Designated sponsor	WestLB
Type	No-par bearer shares
Transparency level	Prime Standard
Index member	SDAX, GEX, Prime Consumer
Subscribed capital	EUR 22,952,980
Capital decrease October 2007	EUR 490,220
Authorised capital	EUR 11,721,600
Common shares	22,952,980
Free float	9,436,694
Dividend/common share[1]	EUR 0.50
Earnings per share to DVFA/SG[2]	EUR 1.75
Cash flow per share	EUR 3.05
Average daily turnover in shares (FY)	51,686
Average daily turnover in EUR (FY)	1,034,000
Price at end of FY 2006/2007	EUR 24.71
Price at end of FY 2007/2008	EUR 14.31
High/low of the FY	EUR 24.45/13.00
Market capitalisation at end of FY 2006/2007	EUR 567 million
Market capitalisation at end of FY 2007/2008	EUR 328 million
Share price performance in the FY	-42%
Total return[3] in the FY	-40%
Shareholder structure	Gerhard Weber (directly and indirectly) 28.61%
	Udo Hardieck (directly and indirectly) 18.32%
	Ralf Weber 10.02%
	Own shares 1.94%
	Free float 41.11%

1 for fiscal year 2006/2007

2 on the basis of 22,508,820 shares outstanding

3 price gain plus dividend

Note: All prices are XETRA closing prices; figures on average daily turnover refer to the Frankfurt trading floor and XETRA.

Management report

In spite of the ongoing crisis in the German retail sector, GERRY WEBER International AG continued to outdistance its competitors in fiscal year 2007/2008 and marked new sales and earnings records. Group sales totalled EUR 570.0 million, up 12.4. percent on the previous year. Earnings before interest and taxes (EBIT) improved at a disproportionate rate of 21.3 percent to EUR 62.7 million. The EBIT margin climbed to 11.0 percent. These new records testify to the excellent business trend of the GERRY WEBER Group in what remains a difficult environment and allowed the company to further expand its unique position in the market.

The Managing Board will propose to the Annual General Meeting a dividend of EUR 16.9 million or EUR 0.75 per share in order to give the shareholders an appropriate share in the excellent result of the GERRY WEBER Group. The remaining amount is to be carried forward to new account. Should the number of shares entitled to dividend change before the Annual General Meeting, the profit appropriation proposal will be adjusted accordingly.

The proprietary retail operations are one of the company's key success factors. The GERRY WEBER Group is increasingly evolving into a vertically integrated systems supplier covering the full value chain from product development to sales in its own stores. It will be the task of Doris Strätker, who has joined the Managing Board as a new member, to push ahead the process of vertical integration. The proprietary retail operations will progressively reduce the Group's dependence on the wholesale business and allow it to incorporate the market intelligence gained at the point of sale into the new collections. The optimised procurement and logistics structures additionally have a positive effect on the company's profitability.

Group structure

GERRY WEBER International AG, based in Halle/Westphalia, functions as the Group's operative holding company, providing the Group's member companies with such corporate services as accounting, controlling, human resources management, technology management and IT. GERRY WEBER International AG is currently managed by three Managing Board members. The company was restructured comprehensively in the past years and has streamlined its internal processes, implemented cost-efficient production and procurement solutions and sourced out tasks to selected external service providers. As a result, the GERRY WEBER Group is today ideally positioned in the market and benefits from continued strong growth.

The consolidated entity is comprised of 15 German and foreign subsidiaries which are fully owned by GERRY WEBER International AG. Compared to the previous year, two new subsidiaries in Denmark and Ireland joined the Group. The domestic subsidiaries are in charge of the individual Group brands and the company-managed retail activities while also handling the Group's operating business and external sales. The foreign subsidiaries stand for specific markets or for specific sourcing and production locations. The companies that are responsible for the GERRY WEBER, TAIFUN and SAMOON brands as well as GERRY WEBER Retail GmbH, in which the company's retail activities are pooled, are of the greatest strategic importance within the Group.

With a view to ensuring comprehensive controlling of the domestic and international subsidiaries of the GERRY WEBER Group, these companies are integrated into the controlling system of GERRY WEBER International AG. The controlling system allows to monitor the development of the Group, to identify target deviations at an early stage and to take corrective measures where required.

At holding company level, the controlling instruments are based on such traditional key figures and ratios as sales targets, EBIT margins und return on investment supplied by the company's accounting, controlling and investment controlling functions. Order rates and sell-through figures are two of the customary industry variables used for purposes of strategic brand management, while the Group's retail activities are geared to figures and ratios such as stock turnover, sales per square metre and personnel / rental expenses as a percentage of sales. The company's own stores give the GERRY WEBER Group access to comprehensive data streams which are evaluated on an ongoing basis and fed into brand and collection decisions. No changes to the internal controlling system occurred since the last Annual Report.

Strategy

The GERRY WEBER Group is a fashion and lifestyle company, which is increasingly positioning itself as a vertically integrated systems supplier. Thanks to the TV broadcasts of Germany's only ATP lawn tennis tournament in 120 countries, the name GERRY WEBER is well known throughout the world. Events such as the GERRY WEBER OPEN, which attract numerous celebrities from the world of sports and entertainment, not only add to the visibility of the GERRY WEBER Group but also transfer the cosmopolitan appeal to the three brands. The company's lifestyle spirit is also reflected in the GERRY WEBER WORLD, which comprises the three brands of the company and successfully sets it apart from the competition.

The Group has three brands – GERRY WEBER, TAIFUN and SAMOON – which are clearly positioned in their respective segments. A strong fashion appeal, perfect fits and excellent quality make the GERRY WEBER brands unique and unmistakable. Unlike other vertically integrated suppliers that focus on a very young target group, the GERRY WEBER Group has consistently catered to grown-up, fashion-conscious women. The strong brands protect the company against competitors' aggressive pricing and allow it to withstand retailers' pressure on prices and margins.

Thanks to its flexible distribution system, the GERRY WEBER Group has achieved a unique position in the marketplace. The company is not only a powerful partner to the retail sector but has also established a second distribution channel in the form of its own retail activities, which increasingly reduces the GERRY WEBER Group's dependence on the wholesale business. The ongoing vertical integration of the GERRY WEBER Group not only enables a higher gross profit margin due to the extended value chain. Thanks to its own retail activities, the company is at all times well informed of the latest trends at the point of sale and immediately incorporates this market intelligence into its collections. Its long-standing knowledge of the customer target group additionally enables the GERRY WEBER Group to create its own trends and, hence, to isolate itself from negative market trends.

The company benefits from high flexibility also on the procurement side. As a pioneer in the tapping of new procurement markets, the GERRY WEBER Group has developed a global sourcing system, which forms the basis for its competitive pricing policy. The use of intelligent IT systems in production and logistics additionally allows the company to optimise its costs constantly, which further improves its competitiveness.

The combination of strong brands, a flexible distribution concept and optimised procurement, production and logistics structures has laid the foundation for the fast growth of the GERRY WEBER Group and resulted in a business trend that has allowed the company to outperform its competitors for many years.

The brands

The GERRY WEBER Group and its three brands, GERRY WEBER, TAIFUN and SAMOON, have occupied a leading position in the German ladieswear market for many years. The core brand, GERRY WEBER, is one of the highest profile brands in the German fashion retail sector, scoring name awareness ratings of roughly 80 percent among women aged 30 to 64. Building on high-quality coordinates collections for the "modern woman" over 30, the core brand is positioned in the upper mid-price segment. GERRY WEBER caters to women's fashion needs and evolves with them. Fashionable cuts and materials, high-quality workmanship, attention to detail and well-matched colours are the hallmarks of the GERRY WEBER signature collection. The "Moderne Coordinates" study conducted by trade magazine "TextilWirtschaft" in September 2008 confirms the excellent image of the core brand among retailers. GERRY WEBER made first place in 13 of 18 categories, namely "collection awareness", "retail productivity", "inventory turnover", "pricing", "replenishment", "coordinated programmes", "coordinates", "tailoring", "quality", "fit", "implementation of trends", "clear profile" and "Moderne Coordinates beacon".

The GERRY WEBER core brand is complemented by two successful sublabels, GERRY WEBER EDITION and G.W. These sublabels allow the company to tap sales potential in lower price segments resulting from consumers' shopping behaviour, without diluting the image of the core brand. GERRY WEBER EDITION is a single-item collection, which consists of knitwear, shirts, blouses, trousers, skirts and outdoor jackets and responds to a shift in the purchasing behaviour of female consumers, who want to be able to complement their wardrobe selectively by buying basics and single items. The successful sublabel is today even available in the first mono-brand stores, e.g. at Berlin's central station. The aggressively priced G.W. label supplies retailers with the latest fashions at short intervals. Coordinated colours mean that both sublabels offer virtually unlimited styling possibilities.

GERRY WEBER also grants licenses for bags, eyewear, jewelry and shoes, which ideally complement the product portfolio of the GERRY WEBER Group and underline its transformation into a lifestyle brand.

TAIFUN, the second brand, has a pronounced flair for current trends and fashion themes and is targeted at the younger "modern woman". Clearly separated from "young fashion", TAIFUN achieves a name awareness of 30 percent. With the latest business look and casual wear, the younger label is positioned in the medium price segment. The main collection is complemented by the TAIFUN SEPARATES sublabel, which offers outdoor fashion, knitwear and shirts. To strengthen consumers' identification with the brand, TAIFUN is meanwhile available in several well-established mono-brand stores.

Positioned in a fast-growing niche market, SAMOON offers young, casual coordinates for plus sizes from 40 to 54. Based on trendy cuts and excellent fits, SAMOON stands for the creative realisation of the latest trends for modern, quality-conscious women aged 30 and above. The independence of the strong brand is supported by SAMOON mono-brand stores, which have also positioned themselves very successfully in the market.

Sales and marketing

In the past years, the GERRY WEBER Group has increasingly been transformed into a vertically integrated systems supplier that covers the full value chain from product development to sales in its own stores. The flexible distribution strategy enables the company to seize market opportunities as they arise while at the same time reducing its dependence on the traditional wholesale business. Thanks to the vertical integration strategy, the GERRY WEBER Group has built up a unique position and has achieved much higher growth rates than its peers for many years.

The fast pace of growth in recent years is primarily attributable to the expansion of the HOUSES OF GERRY WEBER, which are the central element of the company's distribution activities. The multi-brand stores present the GERRY WEBER brand universe under the same roof. As of 31 October 2008, their number amounted to 287 worldwide, thereof 129 in Germany. Premium locations like the ones in Berlin, London, Moscow and Dubai reflect aspirational and international lifestyles. 108 HOUSES OF GERRY WEBER are run by the company itself, thereof 80 in Germany. 179 multi-brand stores are managed by franchisees, thereof 49 in Germany and 130 outside Germany. The GERRY WEBER Group primarily focuses on the domestic market and relies on franchisees and their excellent knowledge of local conditions mainly in the international markets.

The company-managed mono-brand stores for TAIFUN, SAMOON and GERRY WEBER EDITION are also very well established. The number of these stores will be increased noticeably in the coming years.

The intelligent distribution system allows the company to use its brands and licensed products in a way that ensures that maximum advantage is taken of attractive locations. Depending on the shop or store size, the company implements the concept that is best suited to exploit the existing market potential and maximise the turnover per square metre. The retail activities range from 100 sqm mono-brand stores to 900 sqm flagship stores selling all GERRY WEBER brands as well as licensed products on several floors.

The company's retail activities are complemented by the GERRY WEBER eShop, where customers can order items of the GERRY WEBER, TAIFUN and SAMOON brands. The GERRY WEBER Group has launched the online shop in order to participate in the high e-commerce growth in Germany and get access to new customer groups. In fiscal year 2007/2008, sales generated by the GERRY WEBER eShop across all three brands were up by 87.5 percent on the previous year, with SAMOON showing a particularly positive performance.

The GERRY WEBER Group is a close partner to the retail sector and continued to expand its wholesale activities in fiscal year 2007/2008. The number of shop-in-shops increased by 276 to 1,474, of which 1,164 are situated in Germany and 310 outside Germany. 216 new shop-in-shops were opened in Germany and 60 abroad. The GERRY WEBER core brand has 1,246 shop-in-shops, while TAIFUN has 181 and SAMOON 47. Retailers are increasingly looking for strong partners that enable them to generate good sales and profits. Thanks to its excellent positioning in the retail sector, retailers therefore offer the company a growing number of shop-in-shops, which means that the retail activities increasingly stimulate the wholesale business. The strong presence at the point of sale allows the GERRY WEBER Group to further strengthen its market position vis-à-vis the retailers.

The GERRY WEBER Group is a key success factor for the retail sector, as it offers retailers highly attractive margins. The company will continue to enable excellent mark-ups and support retailers even more strongly than before. Due to the close partnership between the GERRY WEBER Group and the retail sector, retailers no longer specify detailed order lists but merely set a maximum order limit and leave the breakdown of the order to the manufacturer. The optimum composition of the merchandise and the limit plans have previously been tested thoroughly in the company's HOUSES OF GERRY WEBER. Thanks to the EDI data fed from all these HOUSES OF GERRY WEBER and from 1,500 participating retail establishments, the GERRY WEBER Group is always abreast of the latest trends at the point of sale. The insights gained from the data not only inform the company's own wholesale business but are also made available to retail customers under maximum order limit arrangements. The GERRY WEBER Group intends to supply some 80 percent of its customers on this basis within the next three years.

The successful partnership with the retail sector is also reflected in a study ("Vertikale Partnerschaften 2008" – "vertical partnerships 2008") conducted by trade magazine TextilWirtschaft, which asked leading retailers about their cooperation with shop-on-shop suppliers. The brands of the GERRY WEBER Group were ranked first in the "satisfaction" category. Excellent scores were awarded, in particular, with regard to such aspects as brand attractiveness, cooperation and value for money.

Procurement

The dynamic growth of the GERRY WEBER Group calls for the ongoing development favourable procurement markets. On the procurement side, the clothing sector distinguishes between full package service (FPS) and cut-make trim (CMT). FPS suppliers largely rely on their own resources to produce garments to specifications provided by the GERRY WEBER Group, whereas CMT suppliers use materials provided by the GERRY WEBER Group. In fiscal year 2007/2008, 83 percent and 17 percent, respectively, of the total merchandise sourced by the GERRY WEBER Group were contributed by FPS and CMT suppliers. Under the FPS scheme, 67 percent of the goods were sourced from the Far East, especially from China, Sri Lanka, India and Indonesia, while 26 percent came from Turkey and 7 percent from Europe and other regions. The cut-make-trim scheme is exclusively operated in Eastern Europe, especially in Romania, Bulgaria, Ukraine and Macedonia.

With a view to responding swiftly and flexibly to changes in the procurement markets, the GERRY WEBER Group has developed a proprietary system integrate more cost-efficient production locations into the Group's structures. In the context of the global sourcing system, the former production locations in Eastern Europe will gradually be replaced with lower-cost locations such as Armenia, Moldavia, Ukraine and Belarus. In the Far East, production will be relocated from southern China to central China, where wage costs are much lower. In Turkey, the focus will shift to Anatolia.

The GERRY WEBER Group will continue to increase its profitability in future. In this context, efficient procurement structures will play a key role.

Logistics

The optimisation of the logistics system is a central aspect in the strategy of the GERRY WEBER Group. In recent years, the company has steadily improved the cost efficiency of its supply chain. With a view to reducing the time between design/production and availability at the point of sale, all processes – from incoming goods to stock-keeping, from quality management and making-up to shipping were sourced out to a specialist service provider at the beginning of fiscal year 2007/2008. This logistics specialist is supposed to ensure the best possible delivery times and punctuality while at the same time cutting costs significantly.

The GERRY WEBER Group is one of the pioneers in RFID technology, which identifies and secures merchandise all along the supply chain from the production facility to the point of sale. This system enables comprehensive control of data and product flows and helps to cut costs if used in combination with EAS (electronic article surveillance). In fiscal year 2007/2008, all RFID-relevant processes in the GERRY WEBER Group were optimised and documented comprehensively. The company is currently working to programme the software and testing the necessary hardware. From February/March 2009, the new technology will be used in the first two HOUSES OF GERRY WEBER. Depending on the outcome of this trial, the GERRY WEBER Group will decide whether the RFID solution will be introduced worldwide.

Economic situation

Late 2008 saw the world economy on the brink of recession. At the beginning of the year, many national economies still defied the weakness of the US economy. But expectations that the overall economic climate would be able to isolate itself from the problems of the US economy were not fulfilled. Global economic activity was primarily affected by the dramatic rise in commodity prices, which drove inflation rates in many countries to new highs in summer 2008. Moreover, the outlook deteriorated significantly due to corrections in the international property markets and the global financial market crisis, which has intensified since September 2008.

Especially in the USA, indicators pointed to a weak economic trend. While the real gross domestic product (GDP) in the USA increased in the first six months of the year in spite of the financial market turmoil and the ongoing property crisis, researchers projected a stagnation in the US economy for the second half of the year. Economic momentum slowed down noticeably also in the euro-zone.

Due to the large number of negative external shocks, the economic climate deteriorated also in Germany. Private consumption stagnated as a result of the sharp rise in energy and food prices. High inflation led not only to an unusually strong drain on purchasing power but also to lasting uncertainty among consumers.

According to the Federal Statistical Office, the negative trend in the German economy, which began in the second quarter, continued through 2008. Full-year GDP was up by only 1.3 percent on the previous year, compared to 2.5 percent in 2007 and as much as 3.0 percent in 2006. Adjusted for the number of working days, GDP growth in 2008 came to 1.0 percent, compared to 2.6 percent in 2007 and 3.2 percent in 2006.

In 2008, growth was stimulated exclusively by domestic activity, whereas exports, which had previously been the main driver of the German economy, put a damper on economic growth.

The world economy is expected to slow down further as a result of the ongoing financial and property crisis. Recession is on the cards especially for those countries in which the financial and/or property sectors play an important role although such export-reliant countries as Germany will also be hit hard by the downturn.

Economic researchers do not expect the world economy to recover slowly before mid-2009. The price corrections in the international commodity markets have led to declining global inflation, which should have a positive effect on consumer and corporate demand. The continued strong demand from the emerging markets should also help to stimulate the world economy.

Forecasts for the world economy are currently subject to a high degree of uncertainty, as the full extent of the financial crisis is not known yet. Since

September 2008, there have been signs in Europe which suggest that the international financial crisis is much deeper than originally assumed. The consequences for the real economy are also difficult to predict. A stabilisation of the property market is believed to be a precondition for a sustainable recovery of the financial markets but also of the US economy.

(Sources: Federal Statistical Office and Joint Economic Forecast Autumn 2008)

Industry situation

According to a representative survey conducted by GermanFashion Modeverband e.V. in December 2008, total sales in the clothing industry were up by 3.8 percent on the previous year in 2008. While sales of ladieswear rose by only 1.2 percent, menswear manufacturers reported a 3.9 percent increase in sales. At 6.3 percent, manufacturers of workwear and sportswear achieved the highest growth. Sales were primarily driven by exports, with 45 percent of the companies surveyed reporting a higher export share than in 2007. Ladieswear manufacturers achieved the highest export share (53 percent), followed by workwear and sportswear suppliers (42 percent) and menswear manufacturers (40 percent). 52 percent of the companies surveyed reported an unchanged export share, with only 3 percent recording a decline.

74 percent of the companies surveyed described their sales performance in 2008 as good or satisfactory. In the workwear and sportswear segment, this applied to an impressive 100 percent. By contrast, 26 percent viewed their sales performance as average to very poor. At 42 percent, ladieswear manufacturers showed the greatest dissatisfaction.

Germany's fashion manufacturers project a 1.2 percent increase in sales for 2009. At 1.7 percent, the increase expected by ladieswear manufacturers is higher than that expected by menswear suppliers (+1.0 percent). Sales in the workwear and sportswear segment are projected to grow by 0.9 percent (source: GermanFashion Modeverband e.V.).

With several large chain store operators filing for bankruptcy in 2008, the sentiment in the German textiles sector deteriorated during the year. The market remains in a phase of consolidation, which is likely to continue in 2009. The number of market players is therefore anticipated to decline even further.

Sales performance

Despite of the difficult market environment, sales of the GERRY WEBER Group marked a new record in fiscal year 2007/2008. At EUR 570.0 million, Group sales were up 12.4 percent on the previous year's EUR 507.1 million. The company thus continued to grow against the negative industry trend. The strongest growth was achieved by the GERRY WEBER core brand and the retail operations.

Brand sales improved by 8.6 percent from EUR 461.8 million to EUR 501.4 million. Sales of GERRY WEBER increased by 12.1 percent to EUR 372.3 million, which represented 72.5 percent of total sales (+3.7 percentage points). 54.5 percent of the core brand's sales were generated in Germany, with 45.5 percent generated abroad. The export share declined only marginally. The Netherlands, UK/Ireland, Scandinavia, Austria and Switzerland are the most important foreign markets for the core brand.

The sublabels made a significant contribution to the success of the core brand. Sales of GERRY WEBER EDITION, the single item collection, increased by 32.2 percent to EUR 119.5 million, which represented 32.1 percent of the core brand's total sales. The aggressively priced G.W. label achieved a 12.1 percent increase in sales to EUR 18.5 million, equivalent to 5.0 percent of the sales of GERRY WEBER.

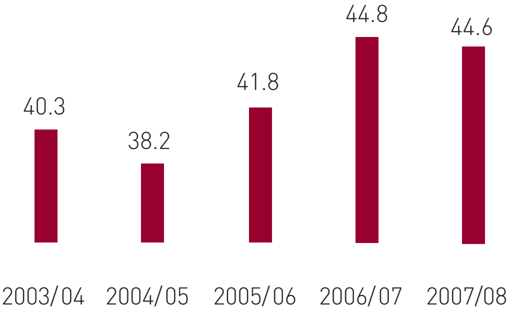
Customer acceptance of TAIFUN, the younger label, has increased steadily over the past years. At EUR 99.3 million, sales of the Group's second brand were on a par with the previous year and accounted for a reduced share of 19.3 percent of total sales. The brand's strong international position is reflected in the high export share of 46.9 percent, which increased moderately over the previous year. TAIFUN is especially popular in the Netherlands, Belgium, Scandinavia, Switzerland and Austria.

Sales of SAMOON, which is positioned in the niche market for plus sizes, amounted to EUR 29.8 million, which was more or less on a par with the previous year. SAMOON contributed 5.8 percent to Group sales. 58.1 percent of the brand's sales were generated in Germany, with 41.9 percent generated abroad. The Netherlands and Belgium are the most important export markets for the brand.

The Group's own retail activities again achieved the strongest growth. The retail segment, which aggregates the revenues of the company-managed HOUSES OF GERRY WEBER in Germany and abroad, boosted its revenues to EUR 112.5 million in 2007/2008. This increase of 26.8 percent on the previous year (EUR 88.7 million) was primarily attributable to the opening of 42 new HOUSES OF GERRY WEBER. Like-for-like sales were up by an average 2.0 percent on the previous year, which means that the GERRY WEBER Group's organic retail growth was also clearly above the industry average. The revenues generated by the 179 franchised HOUSES OF GERRY WEBER in Germany and abroad are not counted towards the retail business.

At EUR 1.1 million, the licensing income of the GERRY WEBER core brand was slightly lower than in the previous year (EUR 1.2 million).

The GERRY WEBER Group successfully continued its international expansion and increased its market share abroad in fiscal year 2007/2008. The expansion focused on Eastern Europe as well as the Middle and Far East. The export share nevertheless declined moderately from 44.8 to 44.6 percent, which is attributable to the strong growth of the domestic retail activities. The wholesale revenues generated abroad increased as well. The GERRY WEBER Group's main export markets were the Netherlands, Scandinavia, England/Ireland, Austria, Belgium and Switzerland.



Share of export sales in %

Orders

In spite of the continued poor situation in the German retail sector, incoming orders for all three Group brands exceeded the previous year's level in fiscal year 2007/2008. Pre-order figures for the spring/summer 2009 collection are up on the previous year and suggest that sales will continue to grow in the current fiscal year.

The GERRY WEBER Group has adjusted its collection intervals to ensure that the company will be able to grow against the general market trend also in future. The spring/summer 2009 season is the first to see the presentation of four collections with twelve themes instead of three collections with 14 themes. Thanks to the shorter delivery intervals, new trends can now be implemented faster and it is possible to design even more fashionable collections for enhanced appeal to consumers. At the same time, the streamlined collections will clearly help cut the company's costs.

Earnings position

The excellent sales performance was again accompanied by a clear improvement in profitability. All earnings figures increased at a disproportionate rate. Earnings before interest, tax, depreciation and amortisation (EBITDA) rose by 19.2 percent from EUR 62.1 million in the previous year to EUR 74.0 million. Earnings before interest and tax climbed 21.3 percent from EUR 51.7 million to EUR 62.7 million. At EUR 57.4 million, earnings before tax (EBT) were up 23.2 percent on the previous year's EUR 46.6 million. The respective margins increased accordingly. An EBIT margin of 11.0 percent means that the GERRY WEBER Group reached the target it had set itself for fiscal year 2007/2008.

At EUR 39.4 million, the profit for the year was up 46.2 percent on the previous year's EUR 27.0 million. DVFA earnings per share based on 22,508,820 shares outstanding rose to EUR 1.75. The return on equity based on the operating result stood at 34.6 percent. The return on investment climbed from 19.0 percent to 21.1 percent.

The strong improvement in profitability is attributable to the company's unique market position. Thanks to strict cost management, the company is able to reduce its procurement prices without compromising on the high quality of its products and offer retailers higher margins than most of its competitors. As a result, retailers make more and more retail space available to the GERRY WEBER Group. Moreover, the increase in the cost of materials was less pronounced than the rise in sales, which is attributable to the efficient procurement structures. As a result, the cost of materials as a percentage of sales declined from 55.1 percent in the previous year to 53.6 percent. The optimisation of the internal structures in the past years also made a significant contribution to the rise in profits. The increased personnel expenses resulting from the higher number of employees in the retail segment were largely offset by internal efficiency improvements; accordingly, personnel expenses as a percentage of sales increased only marginally from 13.3 percent to 13.6 percent. The profit for the year additionally benefited from Germany's corporate income and trade tax reform, as a result of which the Group's tax rate dropped from 42 percent to 31.4 percent.

	2007/2008	2006/2007
Group performance		
Sales revenues	570.0	507.1
Inventory changes	4.0	0.5
Other interest and similar income	10.9	16.4
	584.9	**524.0**
Less purchased materials and service		
Cost of materials	305.5	279.9
Depreciation	11.3	10.4
Other operating expenses	125.9	114.0
Value added	**142.2**	**119.7**
absorbed by:		
Employees	77.4	67.3
Public sector	18.0	19.8
Lenders	6.4	5.7
Shareholders	16.9	9.2
Company (profit retention)	23.5	17.7

Value-added statement in EUR million

Net worth position

As of 31 October 2008, total assets of the GERRY WEBER Group amounted to EUR 297.4 million, which represented an increase of 9.2 percent over the previous year (EUR 272.4 million). The increase was primarily attributable to a 149.5 percent rise in other assets, which was due to currency forwards that were measured at the fair value and recognised in equity as well as to the extension of the sponsorship right for the GERRY WEBER stadium. Inventories rose by 10.9 percent due to the fast growth, especially in the Group's own retail activities. Due to the retail expansion, property, plant and equipment climbed by 9.2 percent, whereas liquid funds declined by 49.4 percent. Trade receivables and financial assets declined by 4.4 percent and 24.1 percent, respectively.

On the liabilities side, non-current financial liabilities declined by 24.5 percent. Trade payables were down by 15.2 percent, while miscellaneous liabilities were reduced by 21.8 percent.

Financial situation

As at the balance sheet date, the GERRY WEBER Group's equity capital amounted to EUR 181.1 million. The equity ratio rose from 53.3 percent to 60.9 percent in the reporting period. Accordingly, the debt capital ratio dropped from 46.7 percent to 39.1 percent. This means that the company is very solidly financed and very well positioned, not least during the ongoing global financial crisis.

Liquid funds amounted to EUR 9.0 million as at the balance sheet date, thus testifying to the very healthy cash position of the GERRY WEBER Group. The company's financial stability is also reflected in the improved gross cash flow, which increased from EUR 57.0 million in the previous year to EUR 68.7 million.

The financing strategy of the GERRY WEBER Group provides for a balanced mix of current and non-current bank liabilities, which varies in line with the interest rate structure. As of 31 October 2008, bank liabilities totalled EUR 54.3 million, of which EUR 25.8 million represented long-term loans and EUR 28.5 million short-term loans. The long-term loans carry interest rates between 3.5 percent and 4.9 percent. With a view to avoiding any liquidity risk, the company's credit lines clearly exceed the maximum financing requirements of the respective fiscal year.

Investments

The company's dynamic growth was also reflected in the sharp increase in capital expenditures, which were up 13.1 percent on the previous year's EUR 19.1 million to EUR 21.6 million in fiscal year 2007/2008. An amount of EUR 2.7 million or approximately 12.5 percent was spent on construction measures of GERRY WEBER International AG, while EUR 9.8 million was invested in the retail segment, primarily in new HOUSES OF GERRY WEBER. Rights of supply, i.e. measures aimed at expanding the wholesale business, accounted for EUR 3.2 million. Investments were mainly funded from the company's own liquid funds and were covered by operating cash flow at all times.

Employees

Thanks to its continued fast growth, the GERRY WEBER Group was again able to create many new jobs and apprenticeships against the general industry trend. As of 31 October 2008, the company employed 2,321 people, 303 more than in the previous year. The new jobs were primarily created in the retail segment, i.e. in the newly opened HOUSES OF GERRY WEBER under company management. 1,720 people were white-collar workers, while 601 were blue-collar workers. As of 31 October 2008, the company had 1,461 people on its payroll in Germany and 860 abroad. 205 new jobs were created in Germany, while 98 new employees were hired outside Germany.

True to its commitment to promoting young talent, the GERRY WEBER Group increased the number of apprenticeships. A total of 61 apprentices (+5) were trained in a wide variety of commercial, technical and industrial professions within the GERRY WEBER Group. As a major provider of vocational training in the region, the company is well aware of its social responsibility and will continue to offer numerous school-leavers excellent career prospects.

Highly qualified and motivated employees are key to the strong growth of the GERRY WEBER Group. The company will therefore continue to invest heavily in human resources development to enable its employees to meet the challenges of the ongoing expansion.

Segment report

The GERRY WEBER Group's activities are reported by lines of business reflecting the company's internal organisational and reporting structures. The two reported segments are Ladieswear production and wholesale as well as Ladieswear retail.

In fiscal year 2007/2008, the production and wholesale segment generated external sales in an amount of EUR 455.2 million, up 11.3 percent on the previous year. Due to the strong growth in the retail segment, the share in total Group sales declined moderately to 79.9 percent. Earnings before tax improved by 28.7 percent to EUR 48.0 million, mainly due to increased cost efficiency, which led to a higher gross profit margin. The Group employed 999 people on average, compared to 1,007 in the past fiscal year. An amount of EUR 3.8 million was invested in production and wholesale, down 21.6 percent on the previous year. Capital expenditures primarily focused on Shop Sponsoring measures.

Sales in the retail segment increased by 26.8 percent to EUR 112.5 million and now represent 19.7 percent of total sales (+2.2 percentage points). The growth of the retail segment, which aggregates the sales of the 108 HOUSES OF GERRY WEBER operated by the company in Germany and the revenues of the foreign distribution companies, reflected both the opening of 42 new HOUSES OF GERRY WEBER and same store growth. EBT was adversely affected by the start-up losses incurred by the 42 new HOUSES OF GERRY WEBER and declined by 11.8 percent to EUR 2.5 million. The number of employees climbed from 592 to 786. Capital expenditures amounted to EUR 9.8 million, up 89.1 percent on the previous year. The retail segment primarily invested in new HOUSES OF GERRY WEBER.

Risk report

The risk management system of the GERRY WEBER Group comprises all internal planning, controlling and reporting systems. These systems allow the company to identify and exploit opportunities at an early stage as well as to anticipate and respond to any risks that may have a sustained adverse impact on its net worth, financial and earnings position. The purpose of the risk management system is to protect the company in the long term while at the same time enabling it to seize opportunities as they arise. This system essentially addresses market, financial, performance and investment risks.

A risk manual that describes the principles and the organisation of the risk management process is the key element of the risk management system. It defines the risk strategy of the GERRY WEBER Group as well as the individual risk segments. The risk manual allows the company to anticipate and identify risks at an early stage. It also defines guidelines for assessing the amounts of potential damages/losses and their probability and describes suitable counter-measures. The manual serves as the basis for the quarterly risk report, which describes the risk status of all major divisions and is submitted to the members of the Supervisory Board at their meetings.

The risk management system is regularly reviewed internally. It fully complies with the requirements of the German Law on Control and Transparency in Business (KonTraG) and fulfils the criteria of IDW audit standard 340 for the identification of risks. The risk management system was also examined in the context of the annual audit and its appropriateness and functionality were confirmed by the auditors.

In the context of the ongoing development and refinement of the risk management system, greater attention will be paid to the special risks of the retail business.

There are currently no signs of any present or future risks that could, individually or in combination, jeopardise the company's existence or have a materially adverse impact on the net worth, financial and earnings position of the company. Risks that could jeopardise the company's existence are defined by the GERRY WEBER Group as risks causing a loss that would exceed the profit for the year.

Market risks

The GERRY WEBER Group is exposed to the typical trends and fluctuations of the fashion market. Every new season exposes the company to the risk of its collections not being fully accepted by the market. Moreover, the global economic crisis suggests that private consumption as a whole will decline, which will also have an adverse impact on demand in the fashion market.

The company constantly monitors the markets and regularly attends international fashion fairs to identify new trends, which serve as the basis for the creation of the collections. With a view to responding even more flexibly to market trends, the GERRY WEBER Group has increased the number of collections per season from three to four and modified the ordering and delivery intervals. As a result, the time between the production and the delivery to the customer has been reduced significantly. Moreover, the collections have been streamlined. The increased up-to-dateness and the greater fashion appeal of the apparel will further improve the Group's position in the market.

The company's own retail activities and the resulting market intelligence gained at the point of sale make it easier to adjust the collections even more effectively to consumers' demand. Moreover, the GERRY WEBER Group sees itself as a trend-setter who is increasingly reducing its exposure to the fluctuations of the market. The company's retail activities also minimise its dependence on the wholesale business.

The company not only takes appropriate measures to manage potential risks but also seizes opportunities as they arise in the market. The Group's opportunity management approach comprises structured collection development processes, in which all relevant departments, from Design to Sales and Marketing, are involved as well as constant market monitoring and a precise analysis of the data collected as part of the retail operations. Incoming pre-order figures are compared with historical order figures per customer to obtain an early indication of the success of a collection. Changes in order figures per brand and country are an important element of the quarterly risk report to the Supervisory Board.

A customer base of roughly 5,500 national and international retailers means that the GERRY WEBER Group is not dependent on individual key accounts. In fiscal year 2007/2008, the Group's largest customer accounted for less than 5 percent of total sales. The four largest customers represent less than 15 percent of the Group's total revenues. The departure of individual customers, even key accounts, should therefore have no sustained negative effect on the future performance of the company. Due to the strong expansion of the company's own retail activities, the wholesale business accounts for a declining share in total sales, which further reduces the company's dependence on individual large customers. Customer satisfaction is monitored by the GERRY WEBER Group on an ongoing basis through specific key account management, enabling the company to take corrective measures whenever necessary.

The GERRY WEBER brand enjoys high name awareness in its market and price segment and is highly respected among retailers. The GERRY WEBER Group has also earned itself an excellent reputation as a franchiser. This enables the GERRY WEBER Group to sign up new retailers every year and to reduce the risk of declining sales and losses of receivables outstanding by discontinuing relations with unsatisfactory key accounts.

In the context of its opportunity management approach, the GERRY WEBER Group takes advantage of the high tenant turnover in the retail sector to lease properties in attractive locations at favourable terms. This has enabled the company to expand its own retail activities swiftly and at comparatively low cost in recent years and to expand its revenue base further.

Thanks to its vertical expansion, the GERRY WEBER Group has built up a market position that can hardly be attacked by new market players. The strong brand effectively protects the company from aggressively priced competitors and allows it to defy retailers' pressure on prices and margins.

The GERRY WEBER Group has frequently led the industry in pioneering new procurement, logistics and distribution structures. Going forward, the company will continue to optimise its internal processes with a view to improving its competitiveness in the long term. The Group's ability to innovate will allow it to minimise its market risks and seize market opportunities also in future.

In response to rising wage costs in the procurement markets, the company will relocate its production to lower-cost regions. The existing production facilities in Eastern Europe will gradually be replaced with facilities in countries such as Armenia, Moldavia, Ukraine and Belarus. In China, production will be relocated from the south to northern and central China, while the focus in Turkey will shift to Anatolia, leading to additional cost benefits.

Financial risks

As the crisis in the German retail sector intensified, several large textiles chains became insolvent in the past fiscal year. The much bleaker economic outlook suggests that the concentration process in the retail sector will accelerate even further. Bad debts resulting from store closures thus continue to represent the greatest financial risk for the GERRY WEBER Group. To counter-act this risk at an early stage, the company conducts creditworthiness reviews, maintains credit insurance and documents customers' payment history in a comprehensive manner. The reminder system has been streamlined and payment terms for new customers have been modified. In addition, the GERRY WEBER Group defines customer credit limits, monitors the age structure of the receivables and sets aside provisions for doubtful receivables. The effectiveness of these measures is reflected in a bad debt ratio of only 0.1 percent.

Being mainly equity-funded, the GERRY WEBER Group has only limited exposure to interest rate changes. To avoid any liquidity risk whatsoever, the GERRY WEBER Group maintains credit lines which clearly exceed the maximum debt financing requirements of a fiscal year. Due to the very high credit lines and the high cash flow, seasonal fluctuations in the collection of receivables – which are typical of the fashion business – represent only a minor risk.

The liquidity situation was good throughout the fiscal year 2007/2008; no liquidity bottlenecks occurred, including in the current fiscal year.

As an international player, the GERRY WEBER Group operates in different currency areas and is thus exposed to exchange rate risks. Exchange rate hedges were again taken out in the fiscal year 2007/2008 to offset exchange rate fluctuations in imports from the Far East and exports to the UK which are not invoiced in euros. These currency risks are mitigated by forward transactions, which are effected in the foreign currency at the time of entering a contractual commitment.

Bank loans and current bank liabilities as well as cash and short-term deposits are the main financial instruments used by the GERRY WEBER Group. To safeguard its liquidity, the company uses interest rate swaps for the long-term hedging of floating rate bank loans in order to minimise the financial risk. This risk declined in the past fiscal year, as the company's equity ratio increased over the previous years. Derivatives such as currency forwards and currency options are used to minimise exchange rate risks that result from the Group's business activities.

For interest rate and exchange rate risks as well as other financial risks that must be listed in the notes to the consolidated financial statements under International Financial Reporting Standards (IFRS), please refer to pages 84 to 85 of the notes.

The GERRY WEBER Group does not trade in financial instruments. The cash flow, liquidity, foreign exchange and default risks resulting from the financial instruments are monitored by the management in the context of the Group-wide early risk identification system.

Performance risks

The performance risks of the GERRY WEBER Group refer to the punctual supply of its customers with high-quality merchandise, uninsured damages, the security of the IT infrastructure as well as staff turnover in key positions.

A high product quality as well as punctual and reliable deliveries are key to the GERRY WEBER Group's continued economic success. The entire procurement process is therefore based on agreed deadlines, whose compliance requires constant monitoring of the production processes, the making out of production orders, quality checks and transports. The use of our own on-site staff and the cooperation with a specialist logistics partner minimise the potential risks in this area. Optimised delivery processes may also lead to additional opportunities for the company. Weekly meetings at which deadlines are discussed by all parties involved ensure that the entire process is effectively monitored and controlled. Specific records of the individual deadline situations are produced for each customer. The extension of the quality assurance database, the continued development of processing instructions, the documentation of the finished goods acceptance, defined throughput times and regular updating of the quality assurance agreements with the suppliers additionally minimise the risks.

The GERRY WEBER Group has taken out sufficient insurance to cover all liability cases and other damages. The company regularly reviews and reevaluates all risks insured to ensure that the amounts insured are in line with actual requirements. In particular, this applies to D&O, building, FBU and transport insurance. Wherever necessary, GERRY WEBER insures against the worst-case scenario. Partially uncovered risks include water damage caused, for instance, by floods. In case of damage, IT systems, data and telephone lines and departments located in the basement or on the ground floor may be affected in particular. To minimise the risks, constructional and technical precautionary measures have been taken and especially sensitive areas been relocated.

IT security and system failure risks are managed with the help of back-up systems and regular maintenance. Strict access authorisations, documentation of all accesses to the server room, clear assignment of administrator rights and other comprehensive protection measures are designed to guarantee data integrity and to protect the systems against unauthorised access. Redundant system layouts and a competent help desk provide additional protection.

The GERRY WEBER Group owes its success to its executives and employees. Material and non-material staff retention measures motivate the staff to fully commit themselves to the company. Annual performance review interviews enable individualised and systematic career planning, while comprehensive training measures provide employees with the qualifications needed to master future challenges. Special junior management programmes prepare apprentices and trainees for potential management tasks already at the start of their professional careers and ensure that the GERRY WEBER Group has a long-term pool of qualified staff.

Investment risks

The HOUSES OF GERRY WEBER give the company a key position at the point of sale as well as direct exposure to its customers, resulting in important insights for collection design. The proprietary retail activities also extend the value chain and allow for a potentially higher gross margin. However, these opportunities are associated with risks in the form of substantial investments, high fixed costs and long-term leases. Standardised store fittings, which are purchased in large quantities at favourable terms and can partly be reused if and when a store is closed, minimise the investment risk. The GERRY WEBER Group uses a customised reporting and monitoring system to monitor and analyse its retail activities on an ongoing basis. Each store opening is preceded by comprehensive location checks followed by a multi-step approval process. Involving franchisees at suitable store locations additionally reduces the risk of unsuccessful investments.

Environmental protection

The GERRY WEBER Group attaches great importance to environmental protection and nature preservation and therefore uses natural resources in a responsible manner. As part of its environmental policy, the company ensures that energy is used sparingly and residual materials and waste are re-used at its sites. Appropriate agreements with suppliers to the Group's international production facilities ensure that environmental standards are met.

Statement on dependency report

"In accordance with sec. 312 para. 3 AktG we herewith declare that our company received due compensation and was never disadvantaged in any dealings with associated companies based on the circumstances known at the time when such dealings were transacted."

Compensation report

The compensation system for the members of the Managing Board consists of a fixed component as well as a variable component, which is a function of the pre-tax profit of the individual Group companies. The Supervisory Board members receive a fixed compensation component as well as a variable component, which is based on the dividend paid out to the shareholders.

Individualised compensation figures for the Managing Board and the Supervisory Board are shown in the compensation report in the corporate governance report on page 19 et seq. The compensation report in the corporate governance report forms part of the Group management report.

Disclosure of takeover obstacles

In accordance with sec. 315 para. 4 of the German Commercial Code (HGB), which requires the disclosure of all takeover and control obstacles, GERRY WEBER International AG states the following:

Section 315 para. 4, no. 1 HGB

The subscribed capital (share capital) of GERRY WEBER International AG amounts to EUR 22,952,980 and is divided into 22,952,980 bearer shares with an accounting par value of EUR 1.00. Under the company's statutes, each share carries the same rights and one voting right.

Section 315 para. 4, no. 2 HGB
At present there are no limitations on share transfers and voting rights. Shareholders can exercise their rights, and their voting rights in particular, at the Annual General Meeting which is subject to German laws and regulations as well as the company's statutes.

Section 315 para. 4, no. 3 HGB
The two company founders and Managing Board members, Gerhard Weber (28.61 percent) and Udo Hardieck (18.32 percent), as well as Ralf Weber (10.02 percent) directly and indirectly hold more than 10 percent of the share capital of GERRY WEBER International AG.

Section 315 para. 4, no. 4 HGB
No special privileges such as rights to appoint members to the Supervisory Board have been granted.

Section 315 para. 4, no. 5 HGB
No voting rights controls are exercised in respect of employees.

Section 315 para. 4, no. 6 HGB
The Managing Board of GERRY WEBER International AG consists of two or more members. The members of the Managing Board are appointed and dismissed by the Supervisory Board. Amendments to the statutes require an endorsement by the Annual General Meeting with a majority of at least three quarters of the share capital represented at the meeting taking the decision.

Section 315 para. 4, no. 7 HGB
According to section 5 para. 3 of the statutes, the Managing Board of GERRY WEBER International AG is authorised to increase the company's share capital by up to EUR 11,721,600 until 31 May 2009 with the consent of the Supervisory Board. The Annual General Meeting of 4 June 2008 authorised the Managing Board to repurchase own shares in an amount of up to 10 percent of the share capital until 31 October 2009.

Section 315 para. 4, no. 8 HGB
Change of control clauses as defined in section 315 para. 4, No. 8 HGB do not exist.

Section 315 para. 4, no. 9 HGB
The Managing Board contracts signed in fiscal year 2007/2008 include a payment promise in the event of premature termination of the contract due to a change of control. In accordance with the German Corporate Governance Code, these payments do not exceed the value of three years' compensation.

Summarising statement on the earnings, net worth and financial position

The summary of the earnings, net worth and financial position shows that the economic situation of the GERRY WEBER Group at the time of the preparation of the management report is sound.

Events occurring after the reporting date

In accordance with the authorisation granted by the Annual General Meeting on 4 June 2008, the Managing Board decided, on 9 September 2008, to repurchase own shares in an amount of up to 10 percent of the share capital. As of 31 October 2008, the company had repurchased 444,160 own shares, which represent 1.94 percent of the share capital.

The table below shows the stock repurchases after the reporting date:

Date	Number of shares	Purchase cost EUR	Average price (incl. expenses) EUR
07/11/2008	29,295	463,346.27	15.82
14/11/2008	37,254	600,415.72	16.12
21/11/2008	60,891	993,387.98	16.31
28/11/2008	30,147	507,570.64	16.84
05/12/2008	36,853	619,688.64	16.82
12/12/2008	34,324	578,113.79	16.84
19/12/2008	31,516	527,865.18	16.75
23/12/2008	14,084	238,028.69	16.90
29/12/2008	4,356	76,912.07	17.66
09/01/2009	7,120	129,579.99	18.20
16/01/2009	36,387	645,416.78	17.74
21/01/2009	5,901	101,561.47	17.21
	328,128	**5,481,887.22**	**16.71**

Own shares acquired by the company after the reporting date represent 1.43 percent of the share capital.

No other operational or structural changes that had a material impact on the net worth, financial and earnings position, required reporting or would change the information provided in the consolidated financial statements occurred in the GERRY WEBER Group after the balance sheet date.

Forecast report

Opportunity management

The GERRY WEBER Group has in place a comprehensive opportunity management system to ensure that all opportunities arising from the company's social, market and competitive environment are defined and exploited. The company analyses the opportunities, minimises the related risks and develops suitable strategies to take maximum advantage of the sales and earnings potential. This helps to further strengthen the excellent competitive position of the Group and improve its growth prospects.

The fields of opportunity addressed by the GERRY WEBER Group include:

The identification and development of additional locations for the HOUSES OF GERRY WEBER: The GERRY WEBER Group operates a Germany-wide location scouting system to pinpoint and analyse first-class stores which become available for rental. The depressed consumer spending continues to heighten competition among retailers, forcing many of them out of business. This means that rents are likely to decline even for stores in prime locations. This opens up good opportunities for the GERRY WEBER Group to lease such stores at favourable terms and to expand its retail activities even faster.

Occupying shop-in-shop spaces vacated by competitors: The concentration process in the market entails good opportunities for the wholesale activities of the GERRY WEBER Group. As competitors exit the market, the company will accelerate its expansion even further.

Expansion of e-commerce activities: With a view to participating more effectively in Germany's fast-growing e-commerce sector and gaining access to new customer groups, the GERRY WEBER Group will expand its online shop. Going forward, the GERRY WEBER eShop is to contribute about 10 percent to the Group's retail sales.

Accelerated internationalisation: The company will increase the number of its worldwide shops and stores.

Increased cost-efficiency through the relocation of production: Strict cost management will help cut the GERRY WEBER Group's procurement prices even further while maintaining the high quality of its products. For this purpose, production will gradually be relocated to lower-cost countries and regions.

Outlook 2008/2009

The GERRY WEBER Group is convinced that it will be able to continue to grow in the current fiscal year in spite of the difficult environment caused by the financial crisis. Until the economy regains momentum, the GERRY WEBER Group will attach greater importance to reliable profitability than to fast sales growth. The company will use the current economic crisis to discontinue its relations with customers showing poor payment behaviour. A bad debt ratio of only 0.1 percent makes the GERRY WEBER Group stand out clearly from the competition. The company will continue to examine every incoming order very closely and analyse the individual risk of a customer or a country. The GERRY WEBER Group will closely monitor compliance with its profitability targets especially in those countries that are hit much harder by the economic crisis than Germany.

Provided that the general consumption climate remains stable in the second half of the year and that the ordering round for the autumn/winter 2009 collection, which has only just begun, will show positive results, the company projects consolidated sales of approximately EUR 640 million and an EBIT margin of 12 percent. Double-digit sales growth is planned for the next fiscal year, when the EBIT margin is expected to rise to 13 percent.

A 60.9 percent equity ratio means that the GERRY WEBER Group is excellently positioned to cope with the challenging funding conditions in the current capital market environment. Thanks to its good liquidity position, the company will be able to put all its investment plans into practice in spite of the bleaker outlook for the economy as a whole.

The company plans to push ahead its retail activities, in particular, and to open approximately 100 new HOUSES OF GERRY WEBER in 2008/2009, of which about 40 will be managed by the company itself. About half of the new multi-brand stores will be opened in Germany. About 100 new HOUSES OF GERRY WEBER – operated by the company or by franchisees are to be opened in each of the following three years.

New mono-brand stores for TAIFUN, SAMOON and GERRY WEBER EDITION will also be opened in the coming years to sharpen the image of the two brands and the sublabel. The company expects sales in this segment to increase significantly. In the medium term, about 40 percent of the company's products are to be sold through company-managed and franchised multi-brand and mono-brand stores.

The GERRY WEBER Group is open-minded also towards new distribution channels. In fiscal year 2007/2008, pilot projects were launched in the field of concessions and teleshopping, which will be expanded in future. In a one-year trial phase, concessions allowed a retail partner to achieve significant same-space sales growth. This was primarily attributable to the fact that the GERRY WEBER Group deployed its own specially trained staff and is constantly kept informed about the latest trends at the point of sale thanks to the EDI data received from the HOUSES OF GERRY WEBER.

As a strong partner to the retail sector, the GERRY WEBER Group will also continue to expand its wholesale activities. Some 200 new shop-in-shops are to be opened in the current fiscal year.

As the GERRY WEBER Group expands on an international scale, the company's export share is likely to increase. In particular, Eastern Europe as well as the Middle and Far East are expected to make growing contributions to sales.

The Group's transformation into a vertically integrated systems supplier will enable it to continue its steady growth in the coming years. Apart from growing its headlines sales, the GERRY WEBER Group also remains committed to strong profit growth and will therefore continue to optimise its procurement and logistics structures. The company plans to tap into new low-cost procurement markets and to increase the share of full-package service in relation to cut-make trim.

Economic forecast for the key output markets of the GERRY WEBER Group in 2009 (GDP growth in %; source: Joint Economic Forecast Autumn 2008)

Germany	0.2
France	0.4
Spain	-0.4
Netherlands	0.5
Belgium	0.3
Austria	0.6
Greece	1.8
Ireland	0.5
Slovenia	3.5
Great Britain	0.4
Sweden	1.2
Denmark	0.4
Poland	4.2
Czech Republic	3.9
Hungary	2.5
Lithuania	3.7
Latvia	1.1
Estonia	1.0

Summarising statement on the forecast report

Assuming that the forecast trading environment materialises, the Managing Board of GERRY WEBER International AG expects the Group's earnings, net worth and financial position to develop positively in the financial years 2008/2009 and 2009/2010. However, political and economic uncertainties that are beyond the control of the GERRY WEBER Group may lead to the actual performance of the company turning out to be different from the forecast. In particular, the impact of the financial crisis on the real economy is impossible to predict at present and may have an adverse effect on the Group's sales and earnings position.

Halle/ Westphalia, 29 January 2009
Managing Board

Gerhard Weber Udo Hardieck Doris Strätker

GERRY WEBER

Financial Statements

GERRY WEBER International AG, Halle / Westphalia
Consolidated income statement
for the fiscal year 2007/2008

	Notes No.	2007/2008 EUR	2006/2007 EUR
Sales	(22)	570,002,286.92	507,063,323.15
Miscellaneous operating income	(23)	9,648,208.25	15,973,846.08
Changes in inventories	(24)	4,003,995.35	495,629.10
Cost of materials	(25)	-305,539,225.50	-279,885,527.96
Personnel expenses	(26)	-77,407,670.40	-67,301,275.15
Depreciation/Amortisation	(27)	-11,267,476.57	-10,378,706.11
Miscellaneous operating expenses	(28)	-125,878,398.67	-114,011,495.72
Other taxes	(29)	-819,806.61	-211,797.67
Operating result		**62,741,912.77**	**51,743,995.72**
Financial result	(30)		
Income from long-term loans		30,943.33	30,046.02
Interest income		1,204,225.22	436,609.94
Write-downs on financial assets		-160,011.17	0.00
Incidental bank charges		-1,281,081.84	-982,493.54
Interest expenses		-5,096,757.12	-4,604,571.10
		-5,302,681.58	**-5,120,408.68**
Results from ordinary activities		**57,439,231.19**	**46,623,587.04**
Taxes on income	(31)		
Taxes of the fiscal year		-18,126,512.75	-15,254,548.69
Deferred taxes		101,428.00	-4,404,543.00
		-18,025,084.75	**-19,659,091.69**
Net income for the year		**39,414,146.44**	**26,964,495.35**
Profit carried forward	(32)	30,993,088.13	25,505,082.78
Transfer to retained earnings	(33)	-15,000,000.00	-10,000,000.00
Accumulated profits		**55,407,234.57**	**42,469,578.13**
Earnings per share (basic)	**(34)**	**1.72**	**1.18**
Earnings per share (diluted)	**(34)**	**1.72**	**1.18**

Consolidated balance sheet for the year ended 31 October 2008

Assets

	Notes No.	31 Oct. 2008 EUR	31 Oct. 2007 EUR
Non-current assets			
Fixed assets	(1)		
Intangible assets	(a)	13,227,490.25	13,281,793.55
Property, plant and equipment	(b)	92,957,716.59	85,153,715.99
Financial assets	(c)	931,777.00	1,228,054.01
Other non-current assets			
Trade receivables	(2)	91,924.95	143,175.19
Other assets	(3)	12,375,879.72	6,961,887.30
Income tax claims	(4)	3,808,892.17	4,207,536.53
Deferred tax assets	(5)	822,769.00	1,974,532.00
		124,216,449.68	**112,950,694.57**
Current assets			
Inventories	(6)	58,179,279.19	52,462,496.85
Receivables and other assets			
Trade receivables	(7)	75,315,693.64	78,723,660.03
Other assets	(8)	29,671,239.20	9,889,326.91
Income tax claims	(9)	1,014,823.59	581,035.09
Cash and cash equivalents	(10)	9,008,780.19	17,786,533.53
		173,189,815.81	**159,443,052.41**
		297,406,265.49	**272,393,746.98**

Equity and liabilities

	Notes No.	31 Oct. 2008 EUR	31 Oct. 2007 EUR
Equity	(11)		
Capital stock	(a)	22,508,820.00	22,952,980.00
Capital reserve	(b)	33,668,025.21	28,047,398.39
Retained earnings	(c)	56,580,017.61	53,880,426.05
Accumulated other comprehensive income/loss acc. to IAS 39	(d)	12,363,091.07	-2,786,859.00
Exchange differences	(e)	551,085.25	515,590.38
Accumulated profits	(f)	55,407,234.57	42,469,578.13
		181,078,273.71	**145,079,113.95**
Non-current liabilities			
Provisions for personnel	(12)	2,185,252.00	1,440,000.00
Miscellaneous provisions	(13)	779,540.00	456,360.00
Financial liabilities	(14)	25,806,488.07	34,199,553.69
Deferred tax liabilities	(5)	8,609,080.00	3,369,411.00
		37,380,360.07	**39,465,324.69**
Current liabilities			
Provisions			
Tax provisions	(15)	1,513,475.49	3,286,780.67
Provisions for personnel	(16)	8,955,397.05	8,564,055.00
Miscellaneous provisions	(17)	4,346,942.77	3,466,497.06
Liabilities			
Financial liabilities	(18)	28,498,889.85	29,733,171.73
Trade payables	(19)	28,594,602.84	33,738,166.40
Miscellaneous liabilities	(20)	7,038,323.71	9,003,937.01
Income tax liabilities	(21)	0.00	56,700.47
		78,947,631.71	**87,849,308.34**
		297,406,265.49	**272,393,746.98**

GERRY WEBER International AG, Halle / Westphalia
Statement of changes in group equity
for the fiscal year 2007/2008

	Capital stock	Capital reserve
	EUR	EUR
As of 1 November 2007	22,952,980.00	28,047,398.39
Allocations to retained earnings of the AG		
Dividends paid		
Reclassification of redemption of own shares		5,620,626.82
Purchase of own shares	-444,160.00	
Adjustment of exchange differences		
Changes in equity acc. to IAS 39		
Net income for the year		
As of 31 October 2008	**22,508,820.00**	**33,668,025.21**

Retained earnings	Accumulated other comprehensive income/loss acc. to IAS 39	Exchange differences	Accumulated profits	Equity
EUR	EUR	EUR	EUR	EUR
53,880,426.05	-2,786,859.00	515,590.38	42,469,578.13	145,079,113.95
15,000,000.00			-15,000,000.00	0.00
			-11,476,490.00	-11,476,490.00
-5,620,626.82				0.00
-6,679,781.62				-7,123,941.62
		35,494.87		35,494.87
	15,149,950.07			15,149,950.07
			39,414,146.44	39,414,146.44
56,580,017.61	**12,363,091.07**	**551,085.25**	**55,407,234.57**	**181,078,273.71**

Segment information by divisions

	Ladieswear Production and Wholesale 2007/2008 KEUR	Ladieswear Retail 2007/2008 KEUR	Consolidating entries and other segments 2007/2008 KEUR	Total 2007/2008 KEUR
Sales by segments	514,100	113,207	-57,305	570,002
Thereof:				
with external third parties	455,195	112,524	2,283	570,002
Inter-segment revenues	58,905	683	-59,588	0
EBT	48,031	2,476	6,932	57,439
Depreciation	4,002	2,883	4,382	11,267
Interest income	386	141	677	1,204
Interest expenses	5,026	277	-206	5,097
Assets	143,853	58,345	95,208	297,406
Liabilities	129,421	64,359	-77,452	116,328
Investments in non-current assets	3,776	9,832	7,853	21,461
Number of employees	999	786	473	2,258
Impairments recognised in profit/loss				
- of inventories	-179	-514	0	-693
- of trade receivables	-1,355	168	0	-1,187

	Ladieswear Production and Wholesale 2006/2007 KEUR	Ladieswear Retail 2006/2007 KEUR	Consolidating entries and other segments 2006/2007 KEUR	Total 2006/2007 KEUR
Sales by segments	465,951	89,336	-48,224	507,063
Thereof:				
with external third parties	408,878	88,712	9,473	507,063
Inter-segment revenues	57,073	624	-57,697	0
EBT	37,314	2,808	6,502	46,624
Depreciation	-3,223	-2,695	-4,461	-10,379
Interest income	383	46	8	437
Interest expenses	4,026	276	303	4,605
Assets	143,128	48,286	80,980	272,394
Liabilities	132,693	49,174	-54,552	127,315
Investments in non-current assets	4,819	5,200	8,522	18,541
Number of employees	1,007	592	426	2,025
Impairments recognised in profit/loss				
- of inventories	16	-420	0	-404
- of trade receivables	-1,068	11	0	-1,057

Segment information by regions

	Germany 2007/2008 KEUR	Outside Germany 2007/2008 KEUR	Total 2007/2008 KEUR
Sales by segments	315,908	254,094	570,002
Assets	265,984	31,422	297,406
Liabilities	82,550	33,778	116,328
Investments in non-current assets	15,591	5,870	21,461
Number of employees	1,441	817	2,258

	Germany 2006/2007 KEUR	Outside Germany 2006/2007 KEUR	Total 2006/2007 KEUR
Sales by segments	280,051	227,012	507,063
Assets	247,560	24,834	272,394
Liabilities	101,745	25,570	127,315
Investments in non-current assets	16,632	1,909	18,541
Number of employees	1,249	776	2,025

GERRY WEBER International AG, Halle / Westphalia
Consolidated cash flow statement for the fiscal year 2007/2008

	2007/2008 KEUR	2006/2007 KEUR
Operating result	62,742	51,744
Depreciation/amortisation	11,267	10,379
Cashflow	**74,009**	**62,123**
Loss from the disposal of fixed assets	0	412
Increase in inventories	-5,717	-365
Increase/Decrease in trade receivables	3,459	-16,215
Increase/Decrease in other assets that do not fall under investing or financing activities	-7,558	3,448
Increase in current provisions	2,340	3,863
Increase/Decrease in trade payables	-5,145	5,640
Increase in other liabilities that do not fall under investing and financing activities	2,076	436
Income tax payments	-19,991	-17,985
Cash inflows from operating activities	**43,473**	**41,357**
Income from investments	31	30
Interest income	1,204	437
Incidental bank charges	-1,281	-982
Interest expenses	-5,096	-4,605
Cash inflows from current operating activities	**38,331**	**36,237**
Proceeds from the disposal of property, plant and equipment and intangible assets	2,443	433
Purchases of investments in property, plant and equipment and intangible assets	-21,460	-18,541
Proceeds from the disposal of financial assets	313	277
Purchases of investments in financial assets	-177	-549
Cash outflows from investing activities	**-18,881**	**-18,380**
Dividend payments of the AG	-11,476	-9,181
Purchases for the acquisition of own shares	-7,124	0
Raising/repayment of financial liabilities	-9,627	4,115
Cash outflows from financing activities	**-28,227**	**-5,066**
Movement in cash and cash equivalents	-8,777	12,791
Cash and cash equivalents at the beginning of the fiscal year	17,786	4,995
Cash and cash equivalents at the end of the fiscal year	**9,009**	**17,786**

Cash and cash equivalents exclusively comprise current cash and cash equivalents.

GERRY WEBER

Notes

A. General information

Company data
GERRY WEBER International AG, headquartered at Neulehenstraße 8, D-33790 Halle/Westphalia, is a joint stock corporation under German law, which is registered with the Commercial Register of Amtsgericht Gütersloh under HRB 4779, whose shares are admitted to trading in the regulated market in the Prime Standard segment of the stock exchange in Frankfurt as well as the stock exchange in Düsseldorf.

The main activities of the Group are described in the segment report.

Accounting principles
In accordance with sec. 315a of the German Commercial Code (HGB), the consolidated financial statements of GERRY WEBER International AG, the parent company, were prepared to International Financial Reporting Standards (IFRS), such as they are applicable in the EU.

All International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) and the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), such as they are applicable in the EU, that became mandatory as of 31 October 2008 were complied with. The figures for the previous year were determined using the same principles.

Application of new IFRS and/or amended IFRS/IAS
The following accounting standards and supplements to existing regulations became mandatory for the fiscal year from 1 November 2007 to 31 October 2008:

• IFRS 7 (Financial Instruments: Disclosures)

• IFRIC 11 (Group and Treasury Share Transactions as defined in IFRS 2)

• Amendments to IAS 1

IFRS 7 requires the disclosure of information about the significance of financial instruments for an entity's net worth, financial and earnings position. IFRS 7 also includes new requirements regarding quantitative and qualitative disclosures of risks resulting from financial instruments. The new IFRS 7 extends the scope of disclosure of financial instruments.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2007. The amendments result in new disclosure requirements that allow the users of financial statements to evaluate an entity's objectives, policies and processes for managing capital. Initial application of the amendments had no impact on the net worth, financial and earnings position or the cash flows of GERRY WEBER International AG.

These new and/or amended standards had no material impact on the net worth, financial and earnings position of the Group.

The following new and amended standards and interpretations were adopted before the date of the preparation of the consolidated financial statements but came into force after the reporting date and are not expected to have a material impact on the consolidated financial statements.

• Amendment to IAS 1 (Presentation of Financial Statements)
The amended standard is effective for annual periods beginning on or after 1 January 2009.

• IFRS 8 (Operating Segments)
Change in segment reporting from the "risk and reward approach" of IAS 14 to the "management approach" with regard to the segment identification. IFRS 8 is mandatory for annual periods beginning on or after 1 January 2009.

• IFRIC 12 (Service Concession Agreements)
The interpretation is mandatory for annual periods beginning on or after 1 January 2008.

• IFRIC 13 (Customer Loyalty Programmes)
This interpretation is effective for annual periods beginning on or after 1 July 2008.

• IFRIC 14, IAS 19 (The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)
IFRIC Interpretation 14 was published in July 2007 and is effective for annual periods beginning on or after 1 January 2008.

• IFRIC 16 (Hedges of a Net Investment in a Foreign Operation)
This interpretation clarifies the issue when and how the currency risks of foreign subsidiaries, joint ventures and associated companies are treated as hedges. The interpretation is effective for annual periods beginning on or after 1 October 2008.

• Amendment to IAS 23 (Borrowing Costs)
In March 2007, the IASB issued a revised IAS 23 Borrowing Costs. The main change from the previous version is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The revised IAS 23 is effective for annual periods beginning on or after 1 January 2009.

The company plans to adopt these standards for the first time in the year in which they came into force.

In addition, other standards and interpretations were adopted, whose application will have no material consequences for GERRY WEBER International AG.

The consolidated financial statements were established in euros. Unless stated otherwise, all amounts are in thousand euros (KEUR).

The type of expenditure format was used for the income statement.

Scope of consolidation

The consolidated financial statements cover GERRY WEBER International AG as the parent company as well as the following subsidiaries:

- TAIFUN-Collection GERRY WEBER Fashion GmbH, Halle/Westphalia,
- GERRY WEBER Life-Style Fashion GmbH, Halle/Westphalia,
- SAMOON-Collection Fashion-Concept GERRY WEBER GmbH, Halle/Westphalia,
- GERRY WEBER Retail GmbH, Halle/Westphalia,
- GERRY WEBER Fashion Iberica S.L., Palma de Mallorca, Spain,
- GERRY WEBER Far East Limited, Hongkong, People's Republic of China,
- GERRY WEBER France S.A.R.L., Paris, France,
- GERRY WEBER Denmark ApS, Albertslund, Denmark,
- GERRY WEBER Dis Tic. Ltd. Sirkuti, Istanbul, Turkey,
- GERRY WEBER Ireland Ltd., Dublin, Ireland,
- GERRY WEBER Support S.R.L., Bukarest, Romania,
- GERRY WEBER GmbH, Wien, Austria,
- GERRY WEBER United Kingdom Ltd., London, UK,
- GERRY WEBER Belgien GmbH, Raeren, Belgium,
- GERRY WEBER Asia Ltd., Hongkong, People's Republic of China.

HaWe Textil S.R.L., Bucharest, Romania is not covered by the consolidated financial statements.

Consolidation principles

The assets and liabilities of the companies covered by the consolidated financial statements are recognised in accordance with the standard accounting and valuation principles of the GERRY WEBER International AG Group.

Business combinations are accounted for by offsetting the carrying amounts of the investments against the pro-rated revalued equity capital of the subsidiaries at the time of acquisition. Credit differences are capitalised as goodwill under intangible assets in accordance with IFRS 3. Debit differences do not exist.

IFRS 3 was not applied retrospectively to business combinations prior to 1 November 2004. The former consolidation method under the provisions of the German Commercial Code has been maintained. As a result, the fully amortised goodwill determined in accordance with the German Commercial Code in an amount of KEUR 264 has been retained for all business combinations prior to 1 November 2004. The same approach was applied to goodwill in an amount of KEUR 4,120, which was charged against equity with no effect on P/L under the old accounting regime. The presentation of the reserves and the profit carried forward was adjusted to the equity situation of the parent company as of 1 January 2004.

Sales, expenses and income as well as accounts receivable and payable and liabilities between the consolidated Group companies were offset and unrealised profits eliminated. Deferred tax positions were established to reflect the taxation effect of the consolidation processes.

Currency translation

The Group currency is the euro (EUR).

Foreign currency transactions in the separate financial statements of GERRY WEBER International AG and its subsidiaries are translated at the exchange rates prevailing at the time of the transaction. As of the balance sheet date, monetary items in foreign currency are shown at the closing rate. Exchange differences are recognised in profit or loss.

Given that the consolidated foreign companies mainly operate in their currency area, their financial statements are prepared in the local currency according to the concept of the functional currency and translated into euros as of the balance sheet date. Assets and liabilities with the exception of equity capital are translated at the closing rate. Effects from the currency translation of the equity capital are shown in equity under Group reserves. The items of the income statement are translated at average annual exchange rates. Exchange differences resulting from different translation rates in the balance sheet and the income statement are recognised in equity capital under Group reserves.

B. Accounting and valuation principles

General principles

The consolidated financial statements are generally prepared using the cost principle. This does not apply to derivative financial instruments.

Goodwill

In accordance with IAS 36, goodwill on consolidation was capitalised. Given that goodwill has already been fully amortised or offset against reserves, it is not regularly subjected to an impairment test at each balance sheet date.

Other intangible assets

Purchased intangible assets are recognised at cost for each category, taking ancillary costs and cost reductions into account. They are generally amortised over their useful lives of three to ten years using the straight-line method.

Development and research expenditure was recognised as expense in accordance with IAS 38, as the capitalisation requirements of IAS 38 did not apply. This expenditure mainly comprises the cost of the development of the collections.

The item includes exclusive rights of supply to HOUSES OF GERRY WEBER operated by third-parties. These intangible assets are amortised over the contract period of three to five years.

Property, plant and equipment

Property, plant and equipment are recognised at cost - for each category - less scheduled straight-line depreciation. On a small scale, movable assets with a useful life of more than ten years that were added before 31 October 2007 were written off using the declining-balance method to the extent that this approach reflected the actual decrease in value. Since 1 November 2008, these assets have also been written off using the straight-line method.

The acquisition cost comprises the purchase price, ancillary costs and cost reductions. The cost of internally generated assets includes direct costs as well as directly attributable portions of the overheads. Borrowing costs are not included in the cost of production. Where furnishings and fittings for rented properties were concerned, dismantling costs were capitalised at their present value. An interest rate of 4.5% (previous year 4.5%) p.a. was applied.

No investment-related government grants were received.

Determined pro-rata-temporis in the year of acquisition, the depreciation amounts are mainly based on the following useful lives:

	Useful life
Building components and furnishings and fittings for rented properties	10 - 30 years
Plant and machinery	3 - 15 years
Other plant, furnitures and fixtures	1 - 15 years

No writedowns for impairment of property, plant and equipment as defined in IAS 36 were required.

Borrowing costs are recognised in profit or loss under both intangible assets and property, plant and equipment.

Financial instruments

According to IAS 39, financial instruments fall in the following categories:

- disposable financial assets,
- loans and receivables and
- held-to-maturity financial assets.

The classification depends on the respective purpose for which the financial assets were acquired and is reviewed as of every balance sheet date.

Financial assets comprise not only original but also derivative claims or liabilities. Derivative financial instruments are used to hedge balance sheet items and future payment flows.

All purchases and sales of financial assets are recognised as of the trading day, i.e. the day on which the company makes a firm commitment to buy or sell the asset.

Financial instruments are recognised at amortised cost (using the effective interest method) or at their fair value. They are derecognised when the right to payment from the investment expires or is transferred and when the GERRY WEBER International AG Group has largely transferred all risks and opportunities resulting from ownership of the asset.

The amortised cost of a financial asset or a financial liability is determined using the effective interest method as the amount at which the financial asset or liability was measured at initial recognition minus any principal repayments and any writedowns for impairment. Foreign currency receivables and liabilities are measured at the mean rate prevailing on the balance sheet date. The amortised cost of a liability is always equivalent to the nominal amount or the repayment amount.

The fair value is generally equivalent to the current or market value. If no active market exists, the fair value is determined using methods of quantitative finance.

Wherever the fair value is not specifically stated in the notes to the balance sheet under **C**., the fair value is equivalent to the carrying amount. On each balance sheet date, the company examines whether there are objective indications that an impairment of a financial asset or of a group of financial assets has occurred.

Financial assets are derecognised when their sale has been contractually agreed.

Original financial instruments

Investments in non-consolidated subsidiaries are recognised at their amortised cost.

Liabilities and receivables are measured at amortised cost. The fair values additionally stated in the notes to the consolidated financial statements are equivalent to the amortised cost where current items are concerned. The fair values of non-interest-bearing assets or liabilities with a remaining maturity of more than one year are determined by discounting the future payment flows at the market rate.

No liabilities under finance lease agreements existed as of the balance sheet date.

No securities were held as of the balance sheet date.

Derivative financial instruments

The GERRY WEBER International AG Group holds derivative financial instruments only to hedge currency risks arising from operations.

When using hedges, suitable derivatives are assigned to certain underlying transactions (micro hedging). The requirements of IAS 39 regarding the qualification of the transactions as hedges were fulfilled.

According to IAS 39, all derivative financial instruments must be recognised at their fair value, irrespective of the purpose or intention for which they are used.

If the financial instruments used are effective hedges in the context of a hedging relationship as defined in IAS 39 (cash flow hedges), fluctuations in the fair value have no effect on profit or loss during the term of the derivative. Fluctuations in the fair value are recognised in the respective equity item. The accumulated value in equity is recognised in profit or loss upon maturity of the hedged payment flow.

The fair value is generally equivalent to the current or market value. Given that no active market exists, the fair value is determined using generally accepted determination models and confirmed by banks.

The Group has a hedging policy of only using effective derivatives to hedge currency risks. The material and formal requirements of IAS 39 for treatment as hedges were fulfilled both on the day the hedges were signed and on the balance sheet date.

Deferred taxes

In accordance with IAS 12, deferred taxes are recognised using the so-called balance sheet-oriented liability method. Under this method, deferred tax liabilities must be recognised for all temporary differences between the carrying amounts of the assets and liabilities in the consolidated balance sheet and their tax base. Deferred tax liabilities must also be recognised for tax loss carryforwards. Deferred tax assets for accounting and valuation differences as well as for tax loss carryforwards are recognised only if it is sufficiently probable that the differences will result in a benefit for the company. Tax assets and liabilities are not discounted. Deferred tax assets are not offset against deferred tax liabilities. In accordance with IAS 1.70, deferred taxes are recognised as non-current.

Confirmed German corporate income tax assets will be paid out in ten equal amounts in the assessment periods from 2008 to 2017. The present value of the receivables is stated with a discount factor of 4%. The portion that has a term of more than one year is recognised as non-current income tax receivables.

Inventories
In accordance with IAS 2, inventories are measured at average purchase and conversion costs. Conversion costs include direct costs as well as adequate indirect materials and labour costs. No borrowing costs are capitalised.

Where required, inventories were written down to lower net realisable values. These writedowns take account of the loss-free measurement as well as of all other inventory risks. When the circumstances which previously caused inventories to be written down no longer exist, the amount of the writedown is reversed.

The costs of purchase and conversion of finished goods are assessed based on the realisable selling price.

Intercompany profits resulting from sales within the Group are eliminated.

Cash and cash equivalents
Cash and cash equivalents are booked at their nominal values.

Miscellaneous provisions
In accordance with IAS 37, provisions were established for all discernible risks and uncertain obligations.

Realisation of revenue and expenses
Sales revenues are recognised when the merchandise or product is delivered or the service provided.

Expenses are reflected in profit or loss at the time the service is used or the time when they are caused.

Assumptions, estimates and discretionary decisions
The consolidated financial statements are prepared on the basis of certain assumptions and estimates which have an effect on the amount and presentation of the reported assets, liabilities, income, expenses and contingent liabilities. Actual values may differ from the assumptions and estimates made.

The management made no discretionary decisions that had a major impact on the amounts stated in the financial statements.

C. Notes to the balance sheet

(1) Fixed assets

The changes in and composition of the fixed assets are shown in the fixed asset schedule attached to the notes for the fiscal years 2007/2008 and 2006/2007.

(a) Intangible assets / Goodwill

The residual carrying amount of the right to the name "GERRY WEBER OPEN" was transferred to intangible assets in the context of a new sponsorship agreement signed in the fiscal year.

Other assets recognised include software.

As of 31 October 2008 and 31 October 2007, goodwill is recognised at a carrying amount of EUR 0.00. The historical cost amounted to KEUR 264.

(b) Tangible assets

This item comprises company properties in Halle, Düsseldorf and Romania including their furnitures and fixtures. It also comprises furnishings and fittings in rented retail properties.

As in the previous year, no writedowns for impairment were required in the fiscal year.

(c) Financial assets

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Loans to commercial agents	828	967
TBV Lemgo GmbH & Co. KG - limited partner's shares -	90	250
HaWe Textil S.R.L., Bucharest, Romania	11	11
Miscellaneous	3	0
	932	**1,228**

The financial assets are balanced at continued historic costs.

(2) Trade receivables (non-current)

Trade receivables with a maturity of more than one year amounted to KEUR 92 (previous year: KEUR 143). These are interest bearing trade receivables.

(3) Other assets (non-current)

Other assets with a maturity of more than one year amounted to KEUR 12,376 (previous year: KEUR 6,962). Of this amount, KEUR 10,747 (previous year: KEUR 5,282) refers to prepayments in conjunction with the "GERRY WEBER OPEN" sponsorship and the right to the name and KEUR 696 (previous year: KEUR 407) refers to miscellaneous non-current receivables from commercial agents. In addition, there is a non-current claim for damages in an amount of KEUR 933 (previous year: KEUR 1,273).

(4) Income tax receivables (non-current)

This item is an officially confirmed corporate income tax credit, which will be paid out in ten equal amounts in the assessment periods from 2008 to 2017. The present value of the receivables is stated with a discount factor of 4%. The portion that has a term of more than one year is recognised as non-current income tax receivables.

(5) Deferred taxes

The following deferred tax assets and liabilities were stated to reflect recognition and valuation differences of the individual balance sheet items:

	Deferred tax assets		Deferred tax liabilities	
	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Fixed assets	59	0	1,618	1,673
Current assets	755	753	6,870	1,596
Provisions	0	0	121	100
Liabilities	9	1,222	0	0
	823	**1,975**	**8,609**	**3,369**

The expenses or income from temporary differences stated in the income statement are equivalent to the change in the respective balance sheet items unless they were offset against equity in accordance with IAS 39.

Tax loss carryforwards amount to EUR 11.3 million (previous year: EUR 8.6 million). They mainly refer to GERRY WEBER Fashion Iberica S.L., Palma de Mallorca, Spain, GERRY WEBER United Kingdom Ltd., London and GERRY WEBER Support S.R.L., Bucharest, Romania. The resulting deferred tax assets in the amount of KEUR 3,407 (previous year: KEUR 2,580) were written down in an amount of KEUR 3,110 (previous year: KEUR 2,195) as the realisation of the respective tax advantages is unlikely in the medium term.

Due to existing tax assessment notices, the corporate income tax credits of the domestic companies were recognised under non-current income tax receivables in an amount of KEUR 3,809 (previous year: KEUR 4,208) and under current income tax receivables in an amount of KEUR 1,015 (previous year: KEUR 579).

(6) Inventories

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Raw materials and supplies	5,747	5,404
Work in progress	10,479	10,210
Finished goods and merchandise	38,817	35,082
Prepayments on intangibles	3,136	1,766
	58,179	**52,462**

The impairment resulting from the sales-oriented measurement of inventories amounted to KEUR 3,301 (previous year: KEUR 2,598).

The expenses for the fiscal year 2007/2008 are included in the cost of materials. The usual reservations of ownership apply.

(7) Trade receivables (current)

Trade receivables in an amount of KEUR 75,316 (previous year: KEUR 78,724) have a maturity of less than one year.

Allowances for doubtful accounts amounted to KEUR 4,162 (previous year: KEUR 2,975). Allowances for doubtful accounts are established if and when the third reminder remains without response and the debt collection procedure is initiated. Any existing trade credit insurance is taken into account in the calculation of the allowances.

The expenses for the fiscal year 2007/2008 are included in other operating expenses.

(8) Other assets (current)

Other assets in an amount of KEUR 29,671 (previous year: KEUR 9,889) have a maturity of less than one year.

Other assets comprise:

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Positive fair value of derivatives	17,692	90
Receivables relating to GERRY WEBER OPEN	3,097	1,197
Prepaid expenses	2,593	2,026
Claim for damages	1,775	884
Capitalised item reflecting the partial retirement programme	1,388	1,364
Tax claims	622	1,897
Receivables from commercial agents	518	1,367
Supplier balances	135	98
Loans	17	135
Other	1,834	831
	29,671	**9,889**

(9) Corporate income tax claim (current)
Tax refund claims of KEUR 1,015 (previous year: KEUR 581) refer to domestic and foreign income tax.

(10) Cash and cash equivalents
Apart from current accounts with banks, this item comprises cheques and cash.

Current accounts are held with various banks in different currencies.

(11) Equity
Changes in equity are shown in the statement of changes in equity.

The Group manages its capital with the aim of maximising the income for the stakeholders by optimising the debt-to-equity ratio. In this context, the company ensures that all Group companies can operate as a going concern.

Equity capital and total assets amounted to:

	31 Oct. 2008	31 Oct. 2007	Change
Equity capital in KEUR	181,078	145,079	+35,999
Equity in % of total capital	60.9	53.3	+7.6
Debt capital in KEUR	116,328	127,315	-10,987
Debt capital in % of total capital	39.1	46.7	-7.6
Total capital (equity and debt capital) in KEUR	**297,406**	**272,394**	**+25,012**

Equity capital comprises the total capital and the reserves of the Group. Debt capital is defined as current and non-current financial liabilities, provisions and miscellaneous liabilities.

(a) Subscribed capital
The subscribed capital of GERRY WEBER International AG is divided into 22,952,980 (previous year: 22,952,980) bearer shares with an accounting par value of EUR 1.00

Subject to approval by the Supervisory Board, the Managing Board is entitled to increase the company's share capital by up to EUR 11,721,600.00 through one or several issues of new bearer shares against cash or non-cash capital contributions by 31 May 2009. Shareholders must be granted a subscription right. Subject to approval by the Supervisory Board, however, the Managing Board is entitled to exclude fractional amounts from shareholders' subscription rights. Subject to approval by the Supervisory Board, the Managing Board is also entitled to exclude shareholders' subscription rights in case of capital increases against contributions in kind for the purpose of company takeovers or investments in companies. The Managing Board is authorised to stipulate the further details of the capital increase and its execution with the approval of the Supervisory Board.

The Supervisory Board is entitled to amend the articles of incorporation from time to time to properly reflect the respective utilisation of the authorised capital as well as after expiry of the authorisation.

In accordance with the authorisation granted by the Annual General Meeting on 4 June 2008, the Managing Board decided, on 9 September 2008, to repurchase own shares representing up to 10 percent of the share capital by 31 October 2009. The table below shows the stock repurchases as of 31 October 2008:

Date	Number of shares	Purchase cost	Average price (incl. expenses)
		EURO	EURO
12 Sept. 2008	6,000	117,168.66	19.53
15 – 19 Sept. 2008	35,300	665,438.47	18.85
22 – 26 Sept. 2008	53,800	981,307.54	18.24
29 Sept. – 03 Oct. 2008	41,520	679,373.88	16.36
6 Oct. – 10 Oct. 2008	82,240	1,276,573.64	15.52
15 Oct. – 17 Oct. 2008	47,900	781,051.24	16.31
20 Oct. – 24 Oct. 2008	100,500	1,526,693.79	15.19
27 Oct. – 31 Oct. 2008	76,900	1,096,334.40	14.26
	444,160	**7,123,941.62**	**16.04**
Valuation as at the reporting date		-839,077.62	
Total	**444,160**	**6,284,864.00**	**14.15**

(b) Capital reserve
The capital reserve includes the premiums on the shares issued.

(c) Retained earnings
Retained earnings comprise the undistributed profits generated by the consolidated companies in the past as well as earnings effects resulting from consolidation measures in the previous years.

(d) Cumulative changes in equity not stated through profit or loss according to IAS 39
This item includes the effects of the remeasurement of financial instruments after taxes being accounted for in equity. Positive fair values of currency hedges amounted to KEUR 17,692 (previous year: KEUR 90), while negative fair values of currency hedges amounted to KEUR 31 (previous year: KEUR 4,072). Deferred taxes offset against equity amounted to KEUR 9 (previous year: KEUR 1,221), deferred tax liabilities offset against equity amounted to KEUR 5,308 (previous year: KEUR 27).

(e) Exchange differences
This item comprises the differences arising from the currency translation of the financial statements of foreign subsidiaries which are not prepared in EUR.

(f) Accumulated profits

Accumulated profits developed as follows:

	EUR
Carried forward from 1 November 2007	42,469,578.13
Dividend distribution in June 2008	-11,476,490.00
Transfer to retained earnings of the AG	-15,000,000.00
Net income for the year 2007/2008	39,414,146.44
Accumulated profits as of 31 October 2008	**55,407,234.57**

(12) Provisions for personnel (non-current)

An amount of KEUR 2,185 (previous year: KEUR 1,440) represents the non-current portion of the provisions for partial retirement .

(13) Other provisions (non-current)

This item includes an amount of KEUR 780 (previous: KEUR 456) resulting from the company's obligation to remove furnishings and fittings from rented properties.

(14) Financial liabilities (non-current)

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Liabilities to banks	**25,806**	**34,200**

These include non-current financial liabilities with a remaining maturity of more than five years in an amount of KEUR 5,073 (previous year: KEUR 6,827).

Provisions (current)
The development and the composition of the provisions are shown below:

Type of provision

	Carried forward 01 Nov. 2007 KEUR	Use KEUR	Reversal KEUR	Allocation KEUR	As at 31 Oct. 2008 KEUR
(15) Tax provisions	**3,287**	**2,689**	**557**	**1,472**	**1,513**
(16) Provisions for personnel					
- Bonuses	4,514	4,480	34	5,195	5,195
- Vacation	1,523	1,523	0	1,612	1,612
- Partial retirement	826	826	0	228	228
- Special annual payment	1,655	1,655	0	1,827	1,827
- Other	46	46	0	93	93
	8,564	**8,530**	**34**	**8,955**	**8,955**
(17) Other provisions					
- Guarantees	572	572	0	601	601
- Outstanding invoices	2,005	1,994	11	3,058	3,058
- Accounting expenses	313	306	7	318	318
- Supervisory Board compensation	234	234	0	340	340
- Other	343	343	0	30	30
	3,467	**3,449**	**18**	**4,347**	**4,347**
	15,318	**14,668**	**609**	**14,774**	**14,815**

(18) Current financial liabilities (remaining maturity of less than one year)

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Liabilities to banks	**28,499**	**29,733**

Information on collateral and agreements
The following collateral has been provided for non-current bank liabilities:

– Land charges in an amount of KEUR 9,111 (previous year: KEUR 14,642).

The table below shows the main contractual terms of the liabilities to banks as of the closing date of the fiscal year 2008:

Fixed-income agreements

Financial instrument	Carrying amount 2007/2008 KEUR	Carrying amount 2006/2007 KEUR	Maturity until month/year	Nominal interest rate % p. a.
Bank 1				
Loan 1	413	825	6/2009	3.75
Loan 2	213	425	6/2009	4.50
Loan 3	1,563	2,188	12/2010	4.41
Loan 4	3,333	5,556	6/2010	4.66
Loan 5	3,500	5,500	6/2010	4.96
Loan 6	5,000	5,000	9/2017	4.45
Loan 7	5,000	5,000	9/2017	4.25
	19,022	**24,494**		
Bank 2	6,000	8,000	2/2011	4.29
Bank 3	4,500	5,500	3/2013	4.42
Bank 4	5,000	5,000	3/2011	3.82
Bank 5	90	93	12/2010	3.76
	15,590	**18,593**		
	34,612	**43,087**		

The market values are equivalent to the carrying amounts. Nominal interest rates do not differ materially from the effective interest rates. In addition, there are current liabilities to banks in an amount of KEUR 19,677 (previous year: KEUR 20,846). There are currently no signs of a liquidity or financing risk.

(19) Trade payables
Liabilities from the delivery of goods are subject to the usual reservations of ownership.

(20) Miscellaneous liabilities

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Other taxes	4,009	2,818
Social security	192	116
Deferred income	68	33
Negative fair value of derivatives	31	4,072
Other liabilities	2,738	1,965
	7,038	**9,004**

(21) Income tax liabilities
The previous year's tax liabilities included KEUR 57 in domestic and foreign income tax liabilities.

D. Notes to the income statement

(22) Sales
This item comprises revenues from the sale of products and services to customers less sales deductions.

The breakdown of sales by business segments is explained in the segment report.

Sales revenues include licensing fees in an amount of KEUR 1,127 (previous year: KEUR 1,222) for the utilisation of the name rights.

Revenues are deemed to be realised once the service has been provided in full.

(23) Miscellaneous operating income
Miscellaneous operating income comprises the following:

	2007/2008 KEUR	2006/2007 KEUR
Rental income	4,859	4,261
Exchange gains	784	2,032
Income from IT services for third parties	739	1,715
Payment of damages	549	713
Research subsidies	485	0
Income from the reversal of provisions and allowances	108	55
Other	2,124	7,198
	9,648	**15,974**

The previous year's other income includes shop-in-shop income in an amount of KEUR 3,587.

In the context of an RFID research project, we received subsidies from Deutsches Zentrum für Luft- und Raumfahrt e.V., Cologne, which sponsors the project on behalf of the Federal Economics and Technology Ministry. All conditions and requirements were fulfilled.

(24) Inventory changes
Purchased services include expenses for cut-make-trim (intermediate contractors) as well as expenses for the procurement of goods manufactured by third parties according to our specifications (so-called "full package services").

After arrival of the goods in our shipping centre, it is no longer possible to distinguish between CMT goods and FPS goods. As a result, all finished goods added to our inventories must be shown under inventory changes in the income statement, even though the fully contracted goods should actually be shown net of expenses.

(25) Cost of materials

	2007/2008 KEUR	2006/2007 KEUR
Expenses for raw materials and supplies and purchased goods	59,198	53,774
Expenses for services purchased	246,341	226,112
	305,539	**279,886**

(26) Personnel expenses

	2007/2008 KEUR	2006/2007 KEUR
Wages and salaries	66,816	57,582
Social security contributions	10,591	9,719
	77,407	**67,301**

The GERRY WEBER Group concludes partial retirement agreements according to the so-called "block model". In accordance with IAS 19, provisions are established according to the projected unit credit method at an interest rate for accounting purposes of 5.5% (previous year: 5.5%) based on a salary trend of 1% p.a. The computations are based on the Heubeck mortality tables 2005 G. No discount on staff turnover is taken into account.

Provisions for the top-up amounts are established for the full duration of the agreement and used up on a pro rata temporis basis. Accruals to cover the outstanding obligations are made on a monthly basis; the provisions are used up during the retirement period.

No provisions were established in the fiscal year for potential future obligations of the GERRY WEBER Group arising from the use of partial retirement options, as this probability was estimated at zero.

Average number of employees:

	2007/2008		2006/2007	
	Total	Germany	Total	Germany
Blue-collar workers	606	148	620	137
White-collar workers	1,606	1,236	1,356	1,063
	2,212	**1,384**	**1,976**	**1,200**
Trainees/apprentices	56	56	49	49
	2,268	**1,440**	**2,025**	**1,249**

(27) Depreciation/Amortisation
The composition of depreciation and amortisation is shown in the consolidated fixed-asset movement schedule.

As in the previous year, no writedowns for impairment were required in 2007/2008.

(28) Miscellaneous operating expenses
Miscellaneous operating expenses comprise the following:

	2007/2008 KEUR	2006/2007 KEUR
Rent, space costs	26,843	20,930
Freight, packaging, logistics	26,178	23,645
Advertising, trade fairs	18,353	17,071
Sales agent commissions	14,693	13,675
Collection development	8,977	9,526
IT costs	3,658	3,632
Legal and consulting costs	3,628	3,677
Travelling expenses	3,583	3,494
Insurance, contributions, fees	3,490	3,392
Other personnel expenses	3,177	2,773
Losses on receivables/allowances	2,750	1,188
Office and communications	1,530	1,601
Exchange rate fluctuations	1,476	1,583
Maintenance	1,437	1,121
Vehicles	1,402	1,241
Del credere commissions	1,077	1,004
Other	3,626	4,458
	125,878	**114,011**

(29) Other taxes
This item mainly comprises real property and motor vehicle taxes.

(30) Financial result

	2007/2008 KEUR	2006/2007 KEUR
Income from financial assets loaned	31	30
Interest income	1,204	437
Writedowns on financial assets	-160	0
Incidental bank charges	-1,281	-982
Interest expenses	-5,097	-4,605
	-5,303	**-5,120**

(31) Taxes on income

Taxes on income comprise the following main components:

	2007/2008 KEUR	2006/2007 KEUR
Actual taxes of the fiscal year	18,126	15,255
Deferred taxes	-101	4,404
	18,025	**19,659**

Deferred taxes were generally calculated on the basis of the applicable tax rates of each company. A standard tax rate of 30% (previous year: 30%) was applied to calculate deferred taxes on consolidation measures shown in profit and loss.

The actual taxes of the fiscal year include tax refunds for prior years in an amount of KEUR 405.

The reconciliation of expected tax expenses with reported tax expenses is as follows:

	2007/2008 KEUR	2006/2007 KEUR
Profit before taxes on income	**57,439**	**46,624**
Expected tax expenses 30.0% (previous year: 40.0%)	17,232	18,650
Actual tax expenses 30.0% (previous year: 42.2%)	18,025	19,659
Difference	**793**	**1,009**
Reconciliation:		
Non-deductible expenses / commercial tax additions etc.	1,273	356
Reduced tax rate for deferred taxes 30% instead of 39%	0	- 892
Capitalised loss carryforward - France and Austria	188	-385
Compound interest on income tax credit	177	1,000
Changes in writedowns of deferred tax assets / losses foreign companies	-440	930
Tax refunds for prior years	-405	0
	793	**1,009**
Profit after taxes on income	**39,414**	**26,965**

The income tax rate applied to calculate the expected tax expenses has been reduced as a result of the 2008 corporate tax reform.

(32) Profit carried forward

The development of profit carried forward is shown in the statement of changes in equity.

(33) Allocation to retained earnings

In accordance with a resolution by the Managing Board and the Supervisory Board an amount of KEUR 15,000 (previous year: KEUR 10,000) was allocated to retained earnings in fiscal year 2007/2008.

(34) Earnings per share

In accordance with IAS 33, earnings per share were calculated on the basis of the consolidated net profit/loss for the year after taxes attributable to ordinary shareholders of GERRY WEBER International AG and the average number of shares outstanding during the period.

The amounts on which the calculation is based were determined as follows:

Consolidated net profit/loss for the year

	2007/2008 KEUR	2006/2007 KEUR
Consolidated net profit/loss attributable to ordinary shareholders of the parent company	**39,414**	**26,964**

Number of ordinary shares

	Number of shares
Voting shares on 31 October 2007	22,952,980
Own shares purchased in 2007/2008	
09/2008	-6,000
09/2008	-35,300
09/2008	-53,800
10/2008	-41,520
10/2008	-82,240
10/2008	-47,900
10/2008	-100,500
10/2008	-76,900
	-444,160
Voting shares on 31 October 2008	**22,508,820**

Each ordinary share carries a voting right and is fully entitled to dividends. All shares have the same rights.

The table below shows the average number of shares outstanding determined on the basis of a time weighting factor:

Fiscal year 2006/2007:

	22,952,980 x 12/12
=	**22,952,980 shares**

Fiscal year 2007/2008:

	22,952,980 x 10/12
+	22,857,880 x 1/12
+	22,508,820 x 1/12
=	**22,908,042 shares**

Earnings per share amount to EUR 1.72 (previous year: EUR 1.18).

Basic earnings per share are identical with diluted earnings per share.

The accumulated profits were used to pay out a dividend of EUR 0.50 (previous year: EUR 0.40) per share. The remaining amount was carried forward to new account.

It will be proposed to the Annual General Meeting to pay out a dividend of EUR 0.75 per share from the accumulated profits. This is equivalent to an amount of EUR 16,881,615.00, taking into account the own shares held by the company as of 31 October 2008.

E. Hedging policy and financial derivatives

As a company operating on an international level, GERRY WEBER International AG is exposed to risks resulting from changes in exchange rates and interest rates. Such risks are mitigated using derivative financial instruments. The company exclusively uses marketable instruments with sufficient market liquidity. The use of derivative financial instruments is subject to the internal guidelines and controlling mechanisms of GERRY WEBER International AG.

The use of derivative financial instruments exposes GERRY WEBER International AG to counterparty default risk. To mitigate this risk, derivative transactions are entered into only with banks of excellent credit standing.

With a view to hedging subsidiaries' expected payments fully or partially against exchange rate risks, GERRY WEBER International AG uses derivative financial instruments, mainly currency forwards and currency options.

In particular, GERRY WEBER International AG hedges expected payments from those countries in which the company has a strong operational presence.

These include the US dollar region, the UK and Canada. The currency forwards and options have a maximum term of 18 months, but usually 12 to 15 months. The expected payments mainly result from sales expected to materialise within 18 months.

The company uses long-term credit agreements at favourable fixed interest rates to mitigate interest rate risks. In addition, interest rate derivatives are used.

As of 31 October 2008, negative effects from the market valuation of financial instruments in an amount of KEUR 12,363 (previous year: negative effects KEUR 2,787) were reflected in equity.

GERRY WEBER International AG believes that the use of derivative financial instruments reduces the risks described above and uses such instruments exclusively for risk hedging purposes.

Currency forwards and options dealings for the procurement of goods

Where goods and services purchased have to be paid in foreign currency, suitable currency forwards and currency options are taken out before each season in order to hedge the pricing of our products. As of the balance sheet date, the respective volume amounted to EUR 112.5 million (previous year: EUR 95.7 million) at Group level.

All currency forwards formed valuation units with the underlying transactions.

As of the balance sheet date, the currency forwards had a positive fair value of EUR 17.3 million (previous year: negative fair value of EUR -4.0 million).

Currency forwards for the sale of goods

Foreign currency claims from sales existing as of the balance sheet date have been hedged with currency forwards and options.

The forward transactions had a volume of EUR 12.6 million as of the balance sheet date (previous year: EUR 14.0 million).

All currency forwards formed valuation units with the underlying transactions.

The positive fair value of these currency forwards for merchandise receivables was EUR 0.4 million as of the balance sheet date (previous year: negative fair value of EUR -0.02 million).

The market values of the currency forwards are carried as other assets or other liabilities. They do not reflect contrary value developments in the underlying transactions. The market values are not necessarily identical with the amounts that will be generated in future under current market conditions.

Interest rate derivatives

As of the balance sheet date, the company used interest rate derivatives with a notional amount totalling EUR 15.0 million, all of which refer to cash flow hedges. Financial assets and financial liabilities include KEUR 7 and KEUR 31, respectively, in interest rate risk hedges.

F. Notes to the cash flow statement

Cash and cash equivalents shown in the cash flow statement exclusively comprise the cash and cash equivalents shown in the balance sheet.

The cash flow statement describes the cash flows in the fiscal year 2007/2008 and the previous year, divided into cash inflows and outflows from operating activities, from investing activities and from financing activities. Effects of changes in the scope of consolidation and in exchange rates on cash and cash equivalents did not incur.

Cash flow from investing activities comprises additions to property, plant and equipment and financial assets as well as income from fixed asset disposals. Financing activities comprise changes in other financial liabilities.

In fiscal year 2007/2008, cash flow from operating activities includes payments for interest received in an amount of KEUR 1,204 (previous year: KEUR 437) and for interest paid in an amount of KEUR 5,096 (previous year: KEUR 4,605). Income tax payments amounted to KEUR 19,991 (previous year: KEUR 17,985).

G. Segment reporting

In accordance with IAS 14, the business activities of the GERRY WEBER Group are divided into business segments as the primary reporting format and into geographical segments as the secondary reporting format.

The segmentation of GERRY WEBER results from the internal organisational and reporting structure and is based on the production units Ladieswear, Retail and Other Segments. Secondary segment reporting is based on geographical segments.

For purposes of segment reporting by business segments, the Ladieswear segment comprises the GERRY WEBER brand and its two sublabels, GERRY WEBER EDITION and G.W., and the TAIFUN brand and its sublabel TAIFUN SEPARATES as well as the SAMOON brand.

The Retail segment comprises the domestic and international HOUSES OF GERRY WEBER as well as the factory outlets.

For purposes of segment reporting by geographical segments, external sales are defined by customers' head offices. In accordance with internal controlling and reporting, a distinction is made between the regions "Germany" and "Outside Germany".

The segment information is based on the same recognition and valuation measures as the consolidated financial statements.

The transfer prices charged to the domestic Retail company are calculated using the cost-plus method.

H. Miscellaneous information and explanations

Risk management, risks from financial instruments and information on derivative financial instruments. In the context of its operating activities, the Group is exposed to interest rate, currency and default risks.

Risk management is organised centrally and is the responsibility of the holding company.

Credit risks are mitigated by reviewing the creditworthiness of counterparties. The maximum default risk is always the carrying amount. Receivables from customers are subject to appropriate allowances.

Under the current strategy, hedges are used to mitigate currency and interest rate risks.

Currency risks result from unfavourable exchange rate developments between the creation and the fulfilment of claims and liabilities in foreign currencies. The company used currency forwards and options to mitigate these risks.

In accordance with IFRS 7, currency risks were subjected to sensitivity analyses. In this context, account was taken of those effects from foreign currency items that are reported using the closing rate and recognised in profit or loss in accordance with IAS 21.

	Cash inflows KEUR	Cash outflows KEUR	Net amount KEUR	Effect from a 5% appreciation in the euro [1] KEUR
USD	885	-113,057	-112,172	-18
GBP	14,814	-7	14,807	-162
CAD	1,418	0	1,418	-12
HKD	0	-157	-157	8
DKK	0	-4	-4	0
Total	**17,117**	**-113,225**	**-96,108**	**-184**

[1] Pre-tax effect taking account of the currency hedge

The Group is partly funded using credit agreements with variable interest rates with a view to exploiting opportunities to reduce the funding cost in the case of declining interest rates on debt capital. As a result, the Group is exposed to an interest-related cash flow risk. Interest rate derivatives were used to mitigate this risk.

In accordance with IFRS 7, a sensitivity analysis was prepared to assess the interest rate risk. If the average interest rate rises by 5 percent, the interest expenses on floating rate liabilities increase by EUR 1.0 million (previous year: EUR 1.1 million).

All interest rate derivatives are used for actual hedging purposes and are therefore recognised in accordance with IAS 39 Hedge Accounting. Accordingly, a change in interest rates is not expected to have an impact on the result.

Research and development

Research and development expenses shown under expenses amount to KEUR 8,977 (previous year: KEUR 9,526) and refer to the development of the collections.

Contingencies

The Group has contingencies resulting from the issue and transfer of bills of exchange in an amount of KEUR 124 (previous year: KEUR 105).

Other financial liabilities

The Group has other financial liabilities under operating leases as shown below:

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Within 1 year	2,472	2,585
Between 1 and 5 years	1,726	1,767
	4,198	**4,352**

Expenses under these operating leases amounted to KEUR 2,472 in the fiscal year (previous year: KEUR 2,585). Liabilities resulting from capex orders placed amount to EUR 1.0 million (previous year: EUR 1.5 million). The assets financed by operating leases had a gross carrying amount of KEUR 9,888 in the fiscal year 2007/2008 (previous year: KEUR 10,340).

These are mainly motor vehicle and IT leasing agreements, which are signed for a period of three to five years and have no renewal option. No price adjustment clauses exist.

In addition, the company has signed numerous property leases with the respective property owners.

In particular, the property leases comprise properties leased for the Group's own retail activities and offices used by Group companies.

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Within 1 year	22,824	15,880
Between 1 and 5 years	82,621	57,799
After 5 years	54,078	34,868
	159,523	**108,547**

In fiscal year 2007/2008, rental expenses in an amount of KEUR 27,692 (previous year: KEUR 20,930) were recognised. Shop leases are usually signed for a period of 10 to 15 years. Some leases include renewal options. The leases contain price adjustment clauses that are typical of the industry and are linked to general inflation.

In conjunction with the shop leases, the company frequently agrees to make contributions to the communal advertising expenses:

	31 Oct. 2008 KEUR	31 Oct. 2007 KEUR
Within 1 year	538	384
Between 1 and 5 years	1,951	1,447
After 5 years	682	698
	3,171	**2,529**

In fiscal year 2007/2008, the Group generated KEUR 1,311 (previous year: KEUR 1,319) from subleases.

Litigations

GERRY WEBER International AG or its subsidiaries are not involved in court or arbitration proceedings that have a major impact on the situation of the Group.

Adequate risk provisions were established to cover risks from other court or arbitration proceedings.

Related party disclosures

Apart from the Managing Board and the Supervisory Board of GERRY WEBER International AG, related parties as defined in IAS 24 mainly include the non-consolidated subsidiaries.

In addition, relationships of dependence as defined in sec. 17 of the German Stock Corporation Law exist with the following companies:

- GERRY WEBER Management & Event OHG, Halle/Westphalia
- GERRY WEBER Sportpark Hotel GmbH & Co. KG, Halle/Westphalia
- Golfplatz Eggeberg GmbH & Co. Anlagen KG, Halle/Westphalia
- Clubhaus Eggeberg GmbH & Co. KG, Halle/Westphalia
- N & A Hardieck GmbH & Co. KG, Halle/Westphalia
- R & U Weber GmbH & Co. KG, Halle/Westphalia

These companies were included in the dependency report, which received an unqualified audit certificate from MAZARS GmbH Wirtschaftsprüfungsgesellschaft on 23 January 2009. GERRY WEBER International AG's relationships with its subsidiaries are not described in the report, as all of them are wholly-owned subsidiaries.

The table below shows the expenses and income that are listed in the dependency report:

	2007/2008 Expenses KEUR	2007/2008 Income KEUR	2006/2007 Expenses KEUR	2006/2007 Income KEUR
Advertising, GW Open	2,636	0	1,358	0
Depreciation of right to name (intangible asset)	0	0	611	0
Rental expenses	207	0	163	0
Accommodation, entertainment	58	0	74	0
Advertising	555	0	177	0
Annual General Meeting	73	0	66	0
Interest expenses	2	0	174	0
Corporate function	0	0	67	0
Various services	17	12	49	18
IT charge	0	51	0	305
Rental income	0	138	0	127
Interest income	0	465	0	0
Delivery of goods	1	71	0	74
Book-keeping	0	105	0	95
	3,549	**842**	**2,739**	**619**

In addition, the Group had the following receivables and liabilities towards affiliated companies as at the balance sheet date.

	Receivables KEUR	Liabilities KEUR
GERRY WEBER Management & Event OHG	53	271
GERRY WEBER Sportpark Hotel GmbH & Co. KG	1	16
Golfplatz Eggeberg GmbH & Co. Anlagen KG	0	2
Clubhaus Eggeberg GmbH & Co. KG	3	0
	57	**289**

As of 1 October 2008, Mr Ralf Weber assumed a senior position in the Group. Apart from this, he continues to perform managing functions at some of the companies listed in the dependency report. He is also Managing Partner of Trendline Promotion GmbH, Halle/Westphalia, of which he holds 65%.

Mr Ralf Weber receives appropriate compensation for his work for the company.

Trendline Promotion GmbH supplied the Group with promotional materials in an amount of KEUR 1,595 (previous year: KEUR 347) net of VAT. As at the balance sheet date, liabilities totalled KEUR 198 (previous year: KEUR 97).

No allowances or derecognitions relating to receivables from related parties were required. No guarantees were obtained or granted.

Other agreements:
In December 2002, GERRY WEBER International AG signed an agreement with the following content with GERRY WEBER Management & Event OHG:

- Capitalisation and buyout of the sponsoring obligation of 20 January 1993 and May 2000 in an amount of EUR 9,574,000.00
- Buyout of trademark rights agreement in an amount of EUR 4,890,000.00
- Option premium in an amount of EUR 2,880,000.00

This agreement was replaced with a new sponsorship agreement with GERRY WEBER Management & Event OHG, which took effect on 1 January 2008.

- Agreement of a present value for the right to the name "GERRY WEBER WORLD" and for the sponsorship payments for the GERRY WEBER OPEN of EUR 16.3 million.

The capitalised present value was calculated on the basis of opinions presented by independent experts. The auditors did not issue an expert opinion.

No transactions that require reporting were effected with the members of the Supervisory Board and the Managing Board. Transactions with non-consolidated subsidiaries are negligible.

The appropriateness of the performance and the counter-performance was described in detail by the Managing Board of GERRY WEBER International AG in the dependency report as defined in sec. 312 of the German Stock Corporation Law and confirmed by the auditors of GERRY WEBER International AG.

Managing Board

- **Gerhard Weber** (Chairman), Halle/Westphalia, businessman,
- **Udo Hardieck**, Halle/Westphalia Dipl. Ing.
- **Doris Strätker**, Wuppertal, businesswoman, since 14 July 2008.

Neither of the three Managing Board members is a member of other supervisory boards or control organs as defined in sec. 125 para. 1 sentence 3 of the German Stock Corporation Law.

Supervisory Board

- **Dr. Ernst F. Schröder** (Chairman), Bielefeld,
- **Peter Mager** (Vice Chairman), Steinfeld in Oldenburg,
- **Charlotte Weber-Dresselhaus**, Halle/Westphalia,
- **Dr. Wolf-Albrecht Prautzsch**, Münster,
- **Olaf Dieckmann** (staff representative), Halle/Westphalia,
- **Christiane Wolf** (staff representative), Steinhagen.

The Supervisory Board members also sit on the following supervisory boards and control organs as defined in sec. 125 para. 1 sentence 3 of the German Stock Corporation Law.

Mr. Dr. Ernst F. Schröder, personally liable partner of Dr. August Oetker KG, Bielefeld

Chairman of the Supervisory Board:
- Société Anonyme Hotel Le Bristol, Paris, France,
- Société Anonyme Hotel du Cap-Eden-Roc, Antibes, France,
- Société Anonyme Chàteau du Domaine St. Martin, Vence, France,
- CONDOR Allgemeine Versicherungs-AG, Hamburg,*
- CONDOR Lebensversicherungs-AG, Hamburg,*
- OPTIMA Versicherungs-AG, Hamburg,*
- OPTIMA Pensionskasse AG, Hamburg.*

* until 30 Sept. 2008

Member of the Supervisory Board:
- Douglas Holding AG, Hagen.

Chairman of the Board of Partners:
- Bankhaus Lampe KG, Düsseldorf.

Chairman of the advisory council:
- Radeberger Gruppe KG, Frankfurt/Main,
- RB Brauholding GmbH, Frankfurt.

Mr. Peter Mager,
businessman, Steinfeld

Member of the advisory council:
- Olfry Ziegelwerke GmbH, Vechta,
- Oldenburgische Landesbank AG, Oldenburg.

Mrs. Charlotte Weber-Dresselhaus,
banker, Halle/Westphalia
- No mandates

Mr. Dr. Wolf-Albrecht Prautzsch,
banker, Münster

Vice Chairman of the Supervisory Board:
- Westfalen AG, Münster,
- Rethmann Beteiligungs Aktiengesellschaft, Selm.

Member of the Supervisory Board:
- Gauselmann AG, Espelkamp.

Mr. Olaf Dieckmann,
technical employee, Halle/Westphalia
- No mandates

Mrs. Christiane Wolf,
commercial employee, Steinhagen
- No mandates

Total compensation of the Managing Board
The table below shows the compensation paid to the individual members of the Managing Board:

Managing Board	2007/08 Basic salary KEUR	2007/08 Share in profits KEUR	2007/08 Total KEUR	2006/07 Basic salary KEUR	2006/07 Share in profits KEUR	2006/07 Total KEUR
Gerhard Weber	469	2,148	2,617	469	1,926	2,395
Udo Hardieck	382	1,394	1,776	382	1,249	1,631
Doris Strätker	198	85	283	0	0	0
	1,049	**3,627**	**4,676**	**851**	**3,175**	**4,026**

The variable components of the Managing Board compensation are performance-linked. There are no stock option plans or other remuneration models based on the share price.

Total compensation of the Supervisory Board
For its work for the parent company and the Group the Supervisory Board received a compensation of KEUR 340 (previous year: KEUR 234), which was provisioned for in the fiscal year:

Supervisory Board	2007/08 Basic salary KEUR	2007/08 Share in profits KEUR	2007/08 Total KEUR	2006/07 Basic salary KEUR	2006/07 Share in profits KEUR	2006/07 Total KEUR
Dr. Ernst F. Schröder – Chairman	22.5	97.5	120.0	22.5	60.0	82.5
Peter Mager – Vice Chairman	11.3	48.7	60.0	11.3	30.0	41.3
Charlotte Weber-Dresselhaus	7.5	32.5	40.0	7.5	20.0	27.5
Dr. Wolf-Albrecht Prautzsch	7.5	32.5	40.0	7.5	20.0	27.5
Olaf Dieckmann – staff representative	7.5	32.5	40.0	7.5	20.0	27.5
Christiane Wolf – staff representative	7.5	32.5	40.0	7.5	20.0	27.5
	63.8	**276.2**	**340.0**	**63.8**	**170.0**	**233.8**

Shares held by the Managing Board
On the reporting date, the Managing Board directly and indirectly held 10,771,665 shares (previous year: 10,406,568 shares).

Shares held by the Supervisory Board
On the reporting date, the members of the Supervisory Board held 34,503 shares (previous year: 34,503 shares).

Shareholdings
On 21 March 2005, Gerhard Weber, Halle/Westphalia, transferred 6,177,600 shares in his possession to R + U Weber GmbH & Co. KG, which is wholly owned by Gerhard Weber. R + U Weber GmbH & Co. KG informed us on 21 March 2005 that its voting share in GERRY WEBER International AG exceeds the 25 % threshold and amounts to 26.35 %.

On 21 March 2005, Udo Hardieck, Halle/Westphalia, transferred 4,118,400 shares in his possession to N + A Hardieck GmbH & Co. KG, which is wholly owned by Udo Hardieck. N + A Hardieck GmbH & Co. KG informed us on 21 March 2005 that its voting share in GERRY WEBER International AG exceeds the 15 % threshold and amounts to 17.57 %.

As of the reporting date, 6,566,717 shares were directly and indirectly held by Gerhard Weber (previous year: 6,201,620 shares). This represents a voting share of 28.61% (previous year: 27.02%). Taking into account the 444,160 own shares held by GERRY WEBER International AG, the voting share increased to 29.17%.

As of the reporting date, 4,204,948 shares were directly and indirectly held by Udo Hardieck (previous year: 4,204,948 shares). This represents a voting share of 18.32% (previous year: 18.32%). Taking into account the 444,160 own shares held by GERRY WEBER International AG, the voting share increased to 18.68%.

Ralf Weber, Steinhagen, notified the company on 18 April 2008 that his voting share in GERRY WEBER International AG exceeds 10% and amounts to 10.02% (2,300,464 shares), of which 0.84% (216,000 shares) is counted towards him in accordance with sec. 22 para. 1 sentence 1 No. 1 of the German Securities Trading Act (WpHG). Taking into account the 444,160 own shares held by GERRY WEBER International AG, the voting share increased to 10.22%.

Transactions pursuant to section 15a of the German Securities Trading Act (WpHG)
Mr Gerhard Weber reported share purchases in 30 publications.

Auditor's fees
The following auditor's fees were recognised as Group expenses:

	2007/2008 KEUR	2006/2007 KEUR
Audit	287	327
Tax consulting services	14	16
Other services	17	15
	318	**358**

German Corporate Governance Code/Statement required under sec. 161 AktG

The statement required under sec. 161 of the German Stock Corporation Law was issued by the Managing Board and the Supervisory Board in December 2008 and published on the website of GERRY WEBER International AG at www.gerryweber-ag.de under Investor Relations/Corporate Governance.

Events occurring after the reporting date

No events of material importance occurred after the balance sheet date.

On 24 February 2009, the Managing Board resolved that the consolidated financial statements and the Group management report of GERRY WEBER International AG be submitted to the Supervisory Board.

The consolidated financial statements will be published on 26 February 2009.

Exemption from disclosure pursuant to sec. 264 para. 3 of the German Commercial Code (HGB)

The following fully consolidated domestic subsidiaries took advantage of the disclosure exemption option provided under sec. 264 para 3. of the German Commercial Code (HGB):

- TAIFUN-Collection GERRY WEBER Fashion GmbH, Halle/Westphalia,
- GERRY WEBER Life-Style Fashion GmbH, Halle/Westphalia,
- SAMOON-Collection Fashion-Concept GERRY WEBER GmbH, Halle/Westphalia,
- GERRY WEBER Retail GmbH, Halle/Westphalia

Publication of the consolidated financial statements

The consolidated financial statements in the legally required form received an unqualified audit certificate from MAZARS GmbH Wirtschaftsprüfungsgesellschaft and were disclosed in the electronic Federal Gazette.

Halle/Westphalia, 29 January 2009

GERRY WEBER International AG

The Managing Board

Gerhard Weber, Udo Hardieck, Doris Strätker

GERRY WEBER International AG, Halle / Westphalia
Development of the group's fixed assets
in the fiscal year 2007/2008

	Cost			
	01 Nov 2007	Additions	Disposals	Reclassifi-cations
	EUR	EUR	EUR	EUR
Fixed assets				
Intangible assets				
Concessions, industrial rights, and similar right and assets as well as licenses to such rights and assets	29,016,263.69	5,539,938.50	4,894,216.09	120,147.10
Goodwill on consolidation	264,478.48	0.00	0.00	0.00
Prepayments on intangibles	292,764.11	1,538,884.06	21,822.25	-120,147.10
	29,573,506.28	**7,078,822.56**	**4,916,038.34**	**0.00**
Property, plant and equipment				
Land, leasehold rights and buildings including buildings on third-party land	92,283,793.66	7,208,714.36	588,505.90	1,434,116.11
Plant and machinery	7,549,024.77	201,781.73	370,539.72	41,608.75
Other fixtures and fittings, tools and equipment	34,377,436.93	6,638,415.69	2,772,626.16	65,017.84
Payments on account and plant under construction	1,519,623.89	333,133.97	0.72	-1,540,742.70
	135,729,879.25	**14,382,045.75**	**3,731,672.50**	**0.00**
Financial assets				
Investments in affiliated companies	10,971.50	0.00	0.00	0.00
Investments	254,180.30	3,763.44	0.00	0.00
Other loans	967,480.51	173,289.17	313,318.45	0.00
	1,232,632.31	**177,052.61**	**313,318.45**	**0.00**
	166,536,017.84	**21,637,920.92**	**8,961,029.29**	**0.00**

	Accumulated depreciation/amortisation					Net carrying amount	
31 Oct. 2008	01 Nov. 2007	Additions	Disposals	Reclassi-fications	31 Oct. 2008	31 Oct. 2008	31 Oct. 2007
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
29,782,133.20	16,027,234.25	5,277,365.29	3,060,277.77	0.00	18,244,321.77	11,537,811.43	12,989,029.44
264,478.48	264,478.48	0.00	0.00	0.00	264,478.48	0.00	0.00
1,689,678.82	0.00	0.00	0.00	0.00	0.00	1,689,678.82	292,764.11
31,736,290.50	**16,291,712.73**	**5,277,365.29**	**3,060,277.77**	**0.00**	**18,508,800.25**	**13,227,490.25**	**13,281,793.55**
100,338,118.23	20,502,866.91	2,894,519.24	238,533.22	0.00	23,158,852.93	77,179,265.30	71,780,926.75
7,421,875.53	5,149,034.13	537,623.54	189,548.19	0.00	5,497,109.48	1,924,766.05	2,399,990.64
38,308,244.30	24,924,262.22	2,557,968.50	2,715,657.22	0.00	24,766,573.50	13,541,670.80	9,453,174.71
312,014.44	0.00	0.00	0.00	0.00	0.00	312,014.44	1,519,623.89
146,380,252.50	**50,576,163.26**	**5,990,111.28**	**3,143,738.63**	**0.00**	**53,422,535.91**	**92,957,716.59**	**85,153,715.99**
10,971.50	0.00	0.00	0.00	0.00	0.00	10,971.50	10,971.50
257,943.74	4,578.30	160,011.17	0.00	0.00	164,589.47	93,354.27	249,602.00
827,451.23	0.00	0.00	0.00	0.00	0.00	827,451.23	967,480.51
1,096,366.47	**4,578.30**	**160,011.17**	**0.00**	**0.00**	**164,589.47**	**931,777.00**	**1,228,054.01**
179,212,909.47	**66,872,454.29**	**11,427,487.74**	**6,204,016.40**	**0.00**	**72,095,925.63**	**107,116,983.84**	**99,663,563.55**

GERRY WEBER International AG, Halle / Westphalia
Development of the group's fixed assets
in the fiscal year 2006/2007

	Cost			
	01 Nov 2006	Additions	Disposals	Reclassifi-cations
	EUR	EUR	EUR	EUR
Fixed assets				
Intangible assets				
Concessions, industrial rights, and similar right and assets as well as licenses to such rights and assets	22,945,514.21	6,490,232.48	419,483.00	0.00
Goodwill on consolidation	264,478.48	0.00	0.00	0.00
Prepayments on intangibles	370,278.88	46,139.83	123,654.60	0.00
	23,580,271.57	**6,536,372.31**	**543,137.60**	**0.00**
Property, plant and equipment				
Land, leasehold rights and buildings including buildings on third-party land	85,667,449.33	6,430,882.53	203,488.38	388,950.18
Plant and machinery	7,095,055.44	452,885.90	117,906.79	118,990.22
Other fixtures and fittings, tools and equipment	32,293,200.17	3,481,017.70	1,084,958.66	-311,822.28
Payments on account and plant under construction	79,700.00	1,640,242.01	4,200.00	-196,118.12
	125,135,404.94	**12,005,028.14**	**1,410,553.83**	**0.00**
Financial assets				
Investments in affiliated companies	10,971.50	0.00	0.00	0.00
Investments	155,380.30	98,800.00	0.00	0.00
Other loans	794,447.58	450,000.00	276,967.07	0.00
	960,799.38	**548,800.00**	**276,967.07**	**0.00**
	149,676,475.89	**19,090,200.45**	**2,230,658.50**	**0.00**

Accumulated depreciation/amortisation						Net carrying amount	
31 Oct. 2007	01 Nov. 2006	Additions	Disposals	Reclassi-fications	31 Oct. 2007	31 Oct. 2007	31 Oct. 2006
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
29,016,263.69	11,635,258.35	4,778,697.85	386,721.95	0.00	16,027,234.25	12,989,029.44	11,310,255.86
264,478.48	264,478.48	0.00	0.00	0.00	264,478.48	0.00	0.00
292,764.11	0.00	0.00	0.00	0.00	0.00	292,764.11	370,278.88
29,573,506.28	**11,899,736.83**	**4,778,697.85**	**386,721.95**	**0.00**	**16,291,712.73**	**13,281,793.55**	**11,680,534.74**
92,283,793.66	17,791,982.02	2,565,025.75	23,187.70	169,046.84	20,502,866.91	71,780,926.75	67,875,467.31
7,549,024.77	4,625,161.66	513,228.91	34,699.65	45,343.21	5,149,034.13	2,399,990.64	2,469,886.68
34,377,436.93	23,281,579.25	2,521,753.60	664,680.58	-214,390.05	24,924,262.22	9,453,174.71	9,011,628.02
1,519,623.89	0.00	0.00	0.00	0.00	0.00	1,519,623.89	79,700.00
135,729,879.25	**45,698,722.93**	**5,600,008.26**	**722,567.93**	**0.00**	**50,576,163.26**	**85,153,715.99**	**79,436,682.01**
10,971.50	0.00	0.00	0.00	0.00	0.00	10,971.50	10,971.50
254,180.30	4,578.30	0.00	0.00	0.00	4,578.30	249,602.00	150,802.00
967,480.51	0.00	0.00	0.00	0.00	0.00	967,480.51	794,447.58
1,232,632.31	**4,578.30**	**0.00**	**0.00**	**0.00**	**4,578.30**	**1,228,054.01**	**956,221.08**
166,536,017.84	**57,603,038.06**	**10,378,706.11**	**1,109,289.88**	**0.00**	**66,872,454.29**	**99,663,563.55**	**92.073.437,83**

Financial statements of GERRY WEBER International AG, Halle / Westphalia (abridged version)

The development of the company is best reflected in the consolidated financial statements. This is why GERRY WEBER International AG has decided to publish only an abridged version of the separate financial statements in the Annual Report. The full separate financial statements to HGB are available for downloading at www.gerryweber-ag.de. The consolidated and the separate financial statements are announced in the electronic Federal Gazette and filed with the electronic Commercial Register.

	2007/2008 EUR	2006/2007 EUR
Sales revenues	11,193,609.98	13,046,788.08
Increase/Decrease in finished goods and work in progress	199,701.90	-3,371,706.64
Other operating income	70,112,329.76	66,297,973.19
Cost of materials		
Cost of raw materials and supplies	-10,807,864.31	-10,255,527.51
Cost of purchased services	- 437,447.34	-6,808.09
	-11,245,311.65	**-10,262,335.60**
Personnel expenses		
Wages and salaries	- 24,517,149.09	-20,950,583.95
Social security contributions	- 3,267,918.97	-3,372,876.97
	- 27,785,068.06	**-24,323,460.92**
Depreciation of intangible fixed assets and tangible assets	-4,265,515.62	-4,403,015.37
Other operating expenses	- 34,640,321.07	-28,600,215.17
Income from profit transfer agreements	51,624,798.50	42,898,519.14
Income from other investments and long-term loans	2,659.00	141,246.54
Other interest and similar income	5,870,561.92	4,106,783.83
- thereof relating to affiliated companies: EUR 4,925,921.10 (previous year: EUR 3,834,500.34)		
Amortisation of financial assets and investments classified as current assets	-999,088.79	0.00
Expenses relating to the transfer of losses	0.00	-149,349.07
Interest and similar expenses	-4,947,657.63	-4,528,681.09
Results from ordinary activities	**55,120,698.24**	**50,852,546.92**
Taxes on income	- 18,097,893.71	-16,208,779.70
Other taxes	-86,527.30	-139,508.55
Profit for the year	**36,936,277.23**	**34,504,258.67**
Profit carried forward	22,429,221.10	9,401,452.43
Allocation to revenue reserves	-15,000,000.00	-10,000,000.00
Net profit for the year	**44,365,498.33**	**33,905,711.10**

GERRY WEBER International AG, Halle / Westphalia
Balance sheet for the year ended 31 October 2008 (abridged version)

Assets

	31 Oct. 2008 EUR	31 Oct. 2007 EUR
Fixed assets		
Intangible assets		
Concessions, industrial property rights and related rights and values as well as licences for such rights and values	4,965,021.32	6,173,236.32
Payments on account	1,689,678.82	292,764.11
	6,654,700.14	**6,466,000.43**
Tangible assets		
Land and leasehold rights and buildings, including buildings on third-party land	49,180,129.58	47,605,461.58
Plant and machinery	430,719.00	355,103.00
Other fixtures and fittings, tools and equipment	2,247,819.00	1,994,800.00
Payments on account and plant under construction	482,759.56	1,176,015.55
	52,341,427.14	**51,131,380.13**
Financial assets		
Shares in affiliated companies	11,571,566.47	11,016,370.47
Loans to affiliated companies	0.00	560,497.52
Investments	93,354.27	249,602.00
Other loans	34,994.60	56,091.60
	11,699,915.34	**11,882,561.59**
	70,696,042.62	**69,479,942.15**
Current assets		
Inventories		
Raw materials and supplies	476,064.00	170,256.00
Work in progress	284,715.23	85,013.33
Payments on account	816,727.92	474,889.67
	1,577,507.15	**730,159.00**
Receivables and other assets		
Trade receivables	6,281,319.37	5,651,396.25
Due from affiliated companies	131,681,594.24	124,711,383.73
Other assets	20,998,461.06	13,586,440.40
thereof with a remaining maturity of more than one year: EUR 14,550,932.50 (previous year: EUR 9,726,276.50)		
	158,961,374.67	**143,949,220.38**
Own shares	6,284,864.00	0.00
Cash on hand, cash in banking accounts, cheques	2,037,077.57	8,915,680.56
	168,860,823.39	**153,595,059.94**
Prepayments and accrued income	917,344.46	874,136.69
	240,474,210.47	**223,949,138.78**

Liabilities

	31 Oct. 2008 EUR	31 Oct. 2007 EUR
Capital stock		
Subscribed capital	22,952,980.00	22,952,980.00
Capital reserve	33,668,025.21	28,047,398.39
Revenue reserves		
Reserve for own shares	6,284,864.00	0.00
Other revenue reserves	61,094,509.18	58,000,000.00
	67,379,373.18	**58,000,000.00**
Net profit for the year	44,365,498.33	33,905,711.10
	168,365,876.72	**142,906,089.49**
Provisions		
Provisions for taxation	1,464,902.76	3,286,780.67
Other provisions	7,850,472.63	7,045,173.11
	9,315,375.39	**10,331,953.78**
Accounts payable		
Due to banks	54,288,655.16	64,415,899.89
Trade accounts payable	3,672,625.36	3,819,527.17
Liabilities to affiliated companies	828,726.36	0.00
Other accounts payable	3,966,900.18	2,451,905.61
- thereof taxes: EUR 2,878,098.42 (previous year: EUR 1,723,247.77)		
- thereof social security contributions: EUR 4,086.39 (previous year: EUR 9,901.18)		
	62,756,907.06	**70,687,332.67**
Deferred income	36,051.30	23,762.84
	240,474,210.47	**223,949,138.78**

Appropriation of profits

The Managing Board and the Supervisory Board propose to appropriate the net profit for the year of	**44,365,498.33 Euro**
as follows:	
Payment of a dividend of EUR 0.75 per common share with full entitlement to profits for the fiscal year 2007/2008	**16,881,615.00 Euro**
Carried forward to new account:	**27,483,883.33 Euro**
Net profit for the year:	**44,365,498.33 Euro**

Halle / Westphalia, January 2009
GERRY WEBER International AG

The Managing Board
Gerhard Weber, Udo Hardieck, Doris Strätker

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the consolidated management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Halle/Westphalia, 29 January 2009

GERRY WEBER International AG

The Management Board

Gerhard Weber   Udo Hardieck   Doris Strätker

Audit certificate

We have audited the consolidated financial statements of GERRY WEBER International AG, Halle/Westphalia which consist of the balance sheet, the income statement, the statement of changes in equity, the cash flow statement, the segment report and the notes as well as the Group management report for the fiscal year from 1 November 2007 to 31 October 2008. The preparation of the consolidated financial statements and the Group management report according to IFRS, such as they are applicable in the EU, as well as to the complementary accounting standards as defined in sec. 315 a para. 1 of the German Commercial Code (HGB) and the complementary provisions in the articles of incorporation is the responsibility of the company's legal representatives. It is our task, based on our audit, to provide an opinion on the consolidated financial statements and the Group management report. In addition, we were commissioned to assess whether the consolidated financial statements comply with IFRS.

We conducted our audit pursuant to sec. 317 HGB in compliance with German generally accepted auditing principles as defined by the Institute of German Certified Public Accountants (IDW). According to these principles, the audit must be planned and conducted in a manner sufficiently likely to identify misrepresentations and violations having a major impact on the net worth, financial and earnings position as presented by the consolidated financial statements established in accordance with applicable accounting standards as well as the Group management report. When defining the auditing processes, the knowledge of the business activity and the economic and legal environment of the Group as well as the expectations regarding potential errors are taken into account. In the context of the audit, the effectiveness of the accounting-related internal controlling system and the records provided to prove the correction of the information and figures in the consolidated financial statements and the Group management report are largely checked on the basis of random samples. The audit covers the assessment of the financial statements of the consolidated companies, the definition of the scope of consolidation, the accounting and consolidation principles applied and the most important estimations made by the legal representatives as well as the evaluation of the overall presentation of the consolidated financial statements and the Group management report. We are confident that our audit is a sufficiently safe basis for our audit opinion.

Our audit has resulted in no objections.

In our opinion, based on the results of our audit, the consolidated financial statements comply with IFRS, such as they are applicable in the EU, as well as with the complementary accounting standards as defined in sec. 315 a para. 1 of the German Commercial Code (HGB) and the complementary provisions in the articles of incorporation as well as with the IFRS overall and present a true and fair view of the net worth, financial and earnings position of the Group. The Group management report is in accordance with the consolidated financial statements, provides a true and fair view of the situation of the Group and correctly presents the risks and opportunities of the future development.

Bielefeld, 30 January 2009

MAZARS GmbH
Wirtschaftsprüfungsgesellschaft
Bielefeld

Hagen	Angele
Certified Public Accountant	Certified Public Accountant

Calendar of financial events

Annual accounts press conference	26 February 2009
Publication of the report on the first three months	26 March 2009
Analysts' conference	6 May 2009
Annual General Meeting	3 June 2009
Publication of the report on the first six months	25 June 2009
Publication of the report on the first nine months	24 September 2009
End of fiscal year 2008/2009	31 October 2009

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