GERRY WEBER
INTERNATIONAL AG

INTERIM REPORT TO THE FIRST HALF YEAR 2015/16

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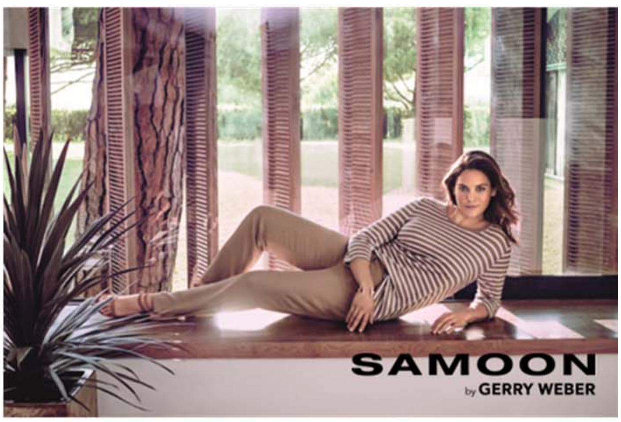


Dear shareholders,
ladies and gentlemen,

At the presentation of our annual accounts on 26 February 2016 we also unveiled our "FIT4GROWTH" realignment programme. The persistently challenging market environment seen in recent weeks has once more highlighted the absolute necessity to realign our business with changing market conditions, thereby vindicating our decision to undertake this programme.

Our realignment programme comprises a number of clearly defined measures to optimise our Retail business, adjust our structures and processes, strengthen our wholesale business and modernise our brands. Our objective is to steer the GERRY WEBER Group back onto the road to success. We are convinced that we will return to sustained and profitable growth following the implementation of the programme.

As previously announced, you will receive regular updates on the progress of the implementation of "FIT4GROWTH“. Starting with this quarterly report, we will brief you on the progress and the results of the ongoing measures every three months.

Of the 103 store closures planned, 21 were already completed by the end of April 2016. In addition, we have started to redesign our flagship stores in Munich and Hamburg, which will enable a more attractive and more appealing presentation of our collections.

In late June 2016 we will launch our new brand "talkabout" at the popular "Panorama" fashion show in Berlin. Offering contemporary and easygoing fashion, this brand will appeal to a younger market and will be distributed exclusively through selected wholesale partners.

Following on from four decades of uninterrupted growth, this phase of realignment places a heavy burden particularly on our employees. The optimisation of our store portfolio as well as the adjustment of our internal processes will have an impact on some 700 positions in our organisation. In recent weeks we have worked with the staff council to develop a solution which is socially acceptable and as fair as possible. The first severance scheme for employees of the Retail business and the administrative support units at the Halle/Westphalia head office was signed in late May 2016.

As you can see, we are pushing forward the implementation of our "FIT4GROWTH" programme with great resolve and have already achieved the first milestones. As the programme continues during this and the next financial year, we will reposition the GERRY WEBER Group to resume its success story with attractive brands, flexible structures and an optimised cost base.

Ralf Weber Dr. David Frink Norbert Steinke

H1 AT A GLANCE

GERRY WEBER INTERNATIONAL AG

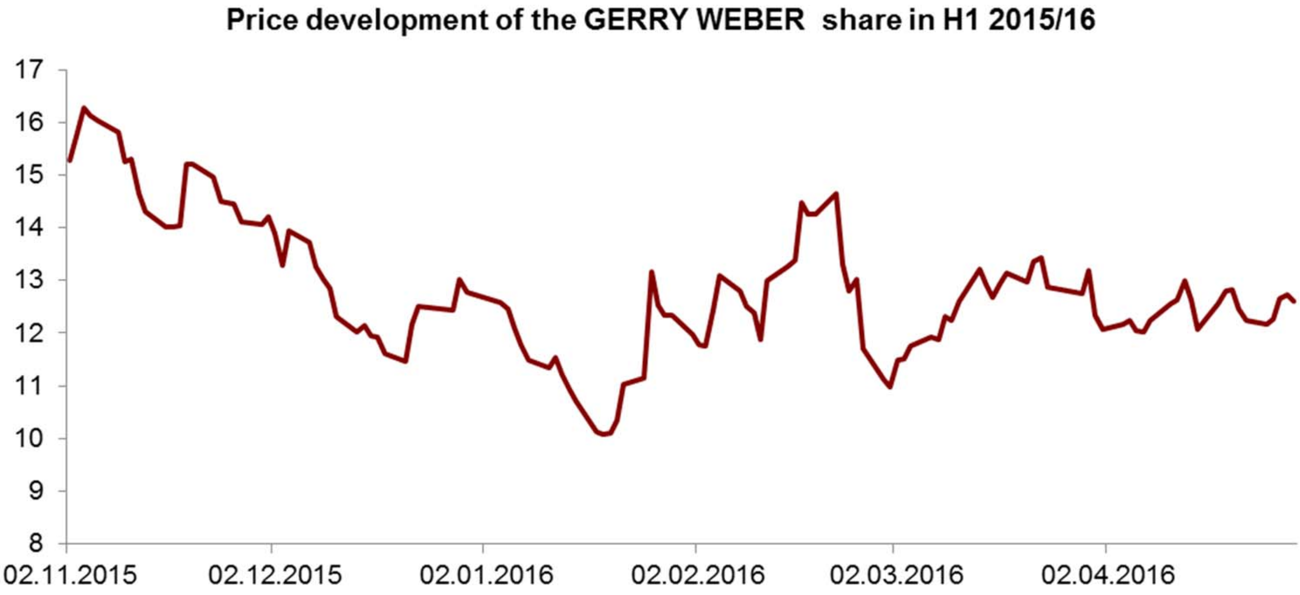
	H1 2015/16 **GERRY WEBER Core** (GERRY WEBER, TAIFUN, SAMOON)	H1 2015/16 **HALLHUBER**
	Sales decrease to EUR 352.0 Mio. (-11.8%)	Increase in sales to EUR 91.7 Mio. (+22.9%)
	Increase in gross margin to 60.9% (H1 2014/15: 57.9%)	Gross margin of 60.6%
	EBITDA = EUR 23.3 million EBIT = EUR 8.0 million	EBITDA = EUR 6.6 million EBIT = EUR 0.4 million
	971 company-managed sales spaces	**302** company-managed sales spaces
	Life-for-like sales development): -6.7%	Life-for-like sales development): 6.3%

(Sales development German fashion market approx. -3.0% in Nov. 2015 to April 2016)

in EUR million	Q2 2015/16 01.02.16 - 30.04.16	Q2 2013/14 01.02.14 - 30.04.14	H1 2015/16 01.11.15 - 30.04.16	H1 2014/15 01.11.14 - 30.04.15
Sales	**230.0**	**240.3**	**443.6**	**432.7**
GERRY WEBER Core Wholesale	92.0	111.3	145.6	197.7
GERRY WEBER Core Retail	96.7	95.2	206.3	201.3
HALLHUBER	41.2	33.8	91.7	33.8
Earnings indiators				
EBITDA	15.4	28.3	29.9	52.5
EBITDA margin	6.7%	11.8%	6.7%	12.1%
EBIT	4.5	18.8	8.4	36.2
EBIT margin	2.0%	7.8%	1.9%	8.4%
Net income of the period	1.7%	11.4	3.0	21.9

in EUR million	H1 2015/16 01.11.15 - 30.04.16	2014/15 01.11.13 - 31.10.14
Balance sheet total	**879.4**	**938.6**
Equity	452.0	483.4
Net financial debt	427.4	455.2
Equity ratio	51.4%	51.5%
Number of employees (as of 30 April)	7,150	6,987

* Initial consolidation of HALLHUBER in Q2 2014/15

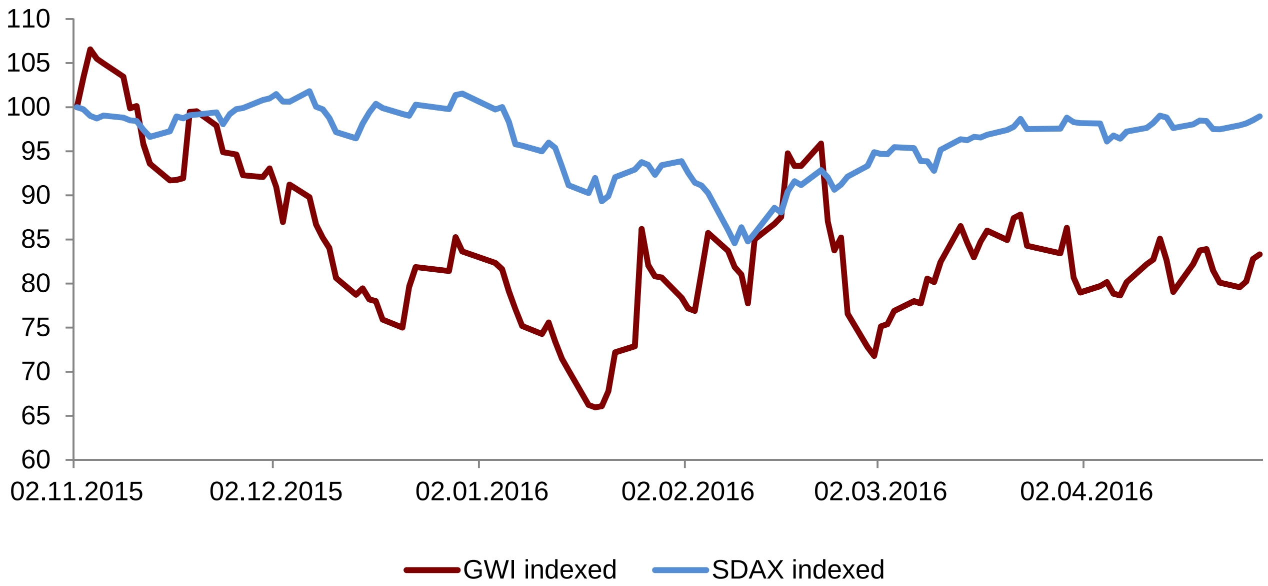


The GERRY WEBER share

In the first half of the current financial year 2015/16, the performance of the GERRY WEBER share was influenced not only by the generally difficult situation in the German fashion sector but above all by the announcement of the "FIT4GROWTH" realignment programme. This programme comprises a set of measures which are designed to get the GERRY WEBER Group back on the road to success in the medium term and to secure profitable growth. The measures defined will be implemented this financial year and next and will temporarily weigh on the Group's sales revenues and earnings. In response to the short-term effects of the realignment programme but also due to the generally difficult market situation in the German fashion retail trade, the GERRY WEBER share lost about 17.5% in the first half of the financial year 2015/16 and stood at EUR 12.60 on 29 April 2016, compared to EUR 14.80 at the beginning of the financial year on 2 November 2015 (Xetra prices). The SDAX, in which the GERRY WEBER share is listed, lost only 1.9% during the same period. On average, some 205,000 shares were traded per day in the first half of the financial year 2015/16 (FY 2014/15: 246,000).

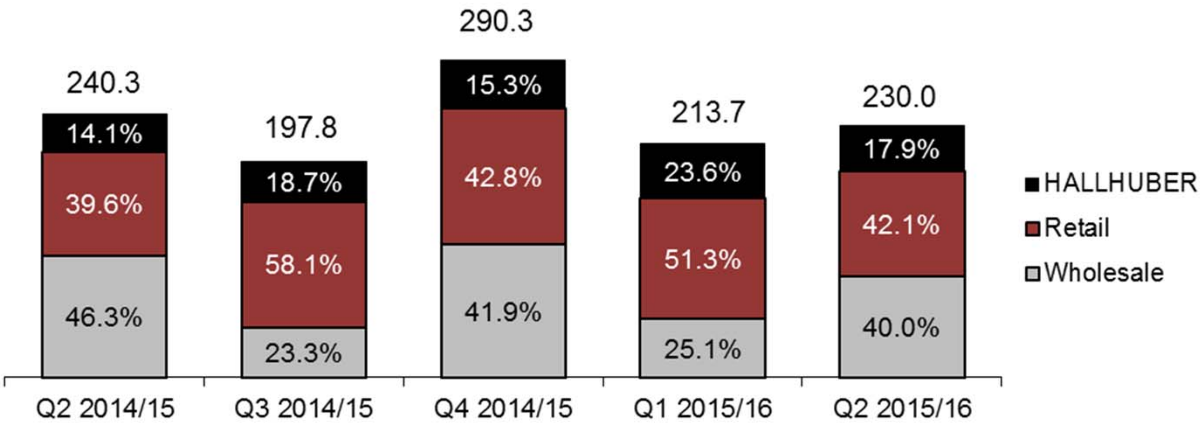
The large number of negative reports on the situation in the German fashion industry and the uncertainty caused among capital market participants as a result weighed on the price of the GERRY WEBER share especially in the first three months of our financial year (1 November 2015 to 31 January 2016). Accordingly, the GERRY WEBER share recorded to its low of EUR 10.08 on 19 January 2016.

Price development of the GERRY WEBER share compared to the SDAX in H1 2015/16



As the preliminary figures for the financial year 2014/15, which slightly exceeded the capital market's expectations, and the realignment of the GERRY WEBER Group were announced, the price of the GERRY WEBER share picked up a little and moved within an average range of EUR 12 to 13. The presentation of the realignment programme and its effects on the sales revenues and earnings in the coming months at the annual accounts press conference on 26 February and the announcement of the forecast for the current financial year 2015/16 caused the share price to dip below EUR 12 in the following days. In the last two months of the reporting period, however, the price of the GERRY WEBER share returned to an average range of EUR 12 to 13.

The ordinary Annual General Meeting held in Halle/Westphalia on 14 April 2016 was attended by some 1,000 shareholders, who represented 70.29% of the company's share capital of EUR 45,905,960. All voting items on the agenda, including the proposal to pay a dividend of EUR 0.40 per share were approved by a large majority of the shareholders. The payout ratio of approx. 35.2% was slightly below the level of the previous years, reflecting the phase of realignment which the company is currently undergoing.



Sales revenues by segment	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15	Q1 2015/16	Q2 2015/16
GERRY WEBER Core Retail	106.0	95.2	114.9	124.2	109.7	96.7
GERRY WEBER Core Wholesale	86.4	111.3	46.0	121.7	53.6	92.0
HALLHUBER	0.0	33.8	36.9	44.5	50.5	41.2
Total	**192.4**	**240.3**	**197.8**	**290.4**	**213.7**	**230.0**

INTERIM GROUP MANAGEMENT REPORT

on the six-month period 2015/16 from
1 November 2015 - 30 April 2016

Sales revenues

The persistently challenging trading conditions for the German fashion industry also weighed on our performance in the first six months of our financial year 2015/16 (1 November 2015 to 30 April 2016). Textilwirtschaft, the German fashion industry journal, recorded a negative sales trend in the first six months of our financial year compared to same period of the previous year. Specifically, sales revenues in November and December 2015 contracted by -5% and -1%, respectively. This trend was confirmed by a -4% decline in January 2016. A slight +3% recovery in February 2016 was followed by a -6% slump in March, although it has to be taken into account that March 2015 had two more trading days than March 2016. Despite these two additional trading days, sales in April 2016 rose by a mere 2%. At the bottom line, the German fashion retail trade saw sales revenues shrink by approximately 3% during the first six months of the financial year.

2nd quarter 2015/16: sales decline by 4.3% year-on-year

Despite the gratifying 22.9% rise in sales to EUR 41.2 million achieved by our HALLHUBER subsidiary in the second quarter of 2015/16, GERRY WEBER International AG's consolidated sales revenues reduced by 4.3% to EUR 230.0 million (Q2 previous year: EUR 240.3 million). This means that the GERRY WEBER Core brands (GERRY WEBER, TAIFUN and SAMOON) contributed EUR188.8 million to consolidated revenues (Q2 previous year: EUR 206.5 million).

The 8.6% decline in sales in the GERRY WEBER Core business is mainly due to lower sales in the Wholesale segment. The second quarter saw a significant contraction in these sales by 17.3% to EUR 92.0 million (Q2 previous year: EUR 111.3 million). The decline reflects our Wholesale customers' cautious ordering behaviour as they saw their sales shrink and their inventories grow in the challenging market environment.

In contrast, sales revenues in the GERRY WEBER Core Retail segment rose slightly from EUR 95.2 million to EUR 96.7 million. The 1.6% year-on-year increase resulted exclusively from the store network expansion in the two past years; like-for-like sales were down 5.9% year-on-year. It has to be taken into account that we supplied approximately 15% less merchandise to the sales spaces under our adjusted merchandise and inventory management regime. The latter has been optimised as part of our FIT4GROWTH realignment programme in order to avoid excess inventory levels and to ensure that the supply of merchandise to the sales spaces is attuned to actual demand.

HALLHUBER confirms positive growth trend

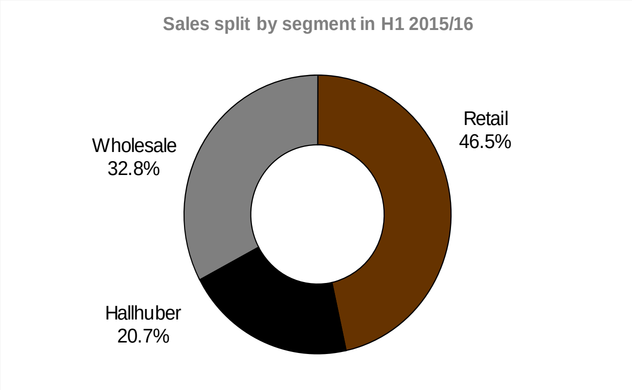
Our completely vertically integrated HALLHUBER subsidiary contributed 17.9% or EUR 41.2 million to the GERRY WEBER Group's consolidated sales revenues in the second quarter of 2015/16. The gratifying sales growth was supported not only by the newly opened sales spaces but also by like-for-like sales which rose by 4.0% compared to the second quarter of the previous financial year.

GERRY WEBER consolidated sales revenues on target at the half-year stage

A slight rise in sales by 2.5% to EUR 443.6 million in the first six months of 2015/16 means that the GERRY WEBER Group performed within the scope of its full year 2015/16 sales projection. The GERRY WEBER Core brands (GERRY WEBER, TAIFUN and SAMOON) contributed EUR 352.0 million to consolidated sales revenues (H1 previous year: EUR 398.9 million). Our HALLHUBER subsidiary generated sales revenues of EUR 91.7 million in the first half of 2015/16.

Weak wholesale business continues to weigh on GERRY WEBER Core

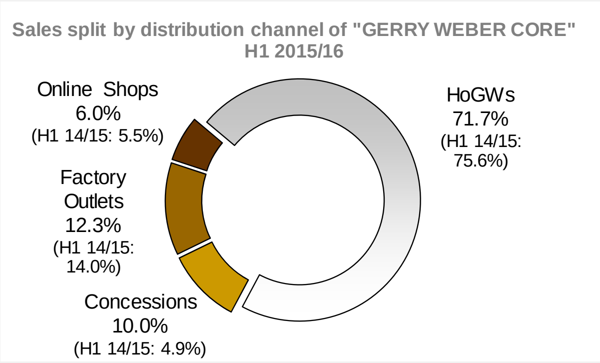
Compared to the first half of the previous financial year, the GERRY WEBER Core's Wholesale revenues reduced by 26.3% to EUR 145.6 million (H1 previous year: EUR 197.7 million). This decline reflects our Wholesale customers' continuing cautious pre-order behaviour as well as the effects of reclassifying Wholesale spaces as company-managed Retail spaces.



However, a comparison of the quarters of the current financial year shows a slight increase in our Wholesale customers' ordering volumes; while the decline in sales still amounted to 38.0% in the first quarter, the isolated figure for the second quarter was only 17.3%. The Wholesale segment's contribution to the entire GERRY WEBER Core sales was down by 49.5% year-on-year to 41.4%.

The GERRY WEBER Core Retail segment contributed EUR 206.4 million (H1 previous year: EUR 201.3 million) to consolidated sales revenues in the first six months of 2015/16. The slight 2.5% year-on-year increase exclusively reflects the opening of new sales spaces during the period. In contrast, like-for-like sales of the GERRY WEBER Retail operations in H1 2015/16 were down by 6.7% year-on-year. As already discussed above, the like-for-like decline results not only from the generally negative market trend but also from the adjusted merchandise and inventory management regime. While stocking the sales spaces with lower inventory levels led to lower sales per square metre, it also resulted in improved pricing and consequently in a higher gross margin.

The already completed store closures as well as the reclassification of 162 shop-in-shop spaces in department stores operated by our partner, Kaufhof, led to a slight shift in the composition of GERRY WEBER Core Retail sales in favour of the Concession sales compared to the previous year. The following chart breaks down the GERRY WEBER Core Retail sales:



In the first half of 2015/16, HALLHUBER contributed EUR 91.7 million or 20.7% to consolidated sales revenues. Compared to the prior-year period, HALLHUBER sales increased by 22.9%. This positive development in HALLHUBER's sales was supported not only by an expansion of the sales spaces from 275 to 302 but also by a 6.3% advance in like-for-like sales.

Distribution Channels

GERRY WEBER INTERNATIONAL AG

	H1 2014/15	2014/15	2013/14
Houses of GERRY WEBER	510	520	485
Monolabel Stores	132	142	144
Concession Stores	294	291	119
Factory Outlets	35	34	30
Total GWI Core	**971**	**987**	**778**
HALLHUBER	**302**	**275**	**-**
Total	**1,273**	**1,262**	**778**

Country/ Region	Total	thereof GWI Core	thereof HALLHUBER
Germany	832	626	206
Austria	60	47	13
Netherlands	97	92	5
Belgium	45	29	16
Scandinavia	51	45	6
Eastern Europe	27	27	0
Spain	53	53	0
UK & Irleand	56	35	21
Canada	9	9	0
Italy	6	6	0
Switzerland	35	0	35
France	2	2	0

Performance of the distribution channels

GERRY WEBER Core

The optimisation of our Retail activities is an essential element of our “FIT4GROWTH” realignment programme. A total of 103 Core branded stores (GERRY WEBER, TAIFUN, SAMOON) have been designated for closure during the current and the next financial year. 21 out of the 103 planned closures were already completed during the first six months.

At the end of the second quarter of 2015/16 (30 April 2016), the number of company-managed Houses of GERRY WEBER in Germany and abroad stood at 510 while the number of company-managed mono-label stores amounted to 132. The 294 concession spaces as well as the 35 factory outlet stores are also counted towards the Retail segment. All told, the company had 971 Core-branded sales spaces (GERRY WEBER, TAIFUN, SAMOON) under management on 30 April 2016, including 345 outside Germany.

Our online business also forms part of the Retail segment. Today, customers in nine countries can order the GERRY WEBER, TAIFUN and SAMOON brands as well as accessories and shoes online. In the first half of 2015/16, the online segment generated revenues of EUR 12.4 million, up 13.9% on the prior year. This means that online business contributed 6.0% to the total Core Retail sales revenues.

The number of franchised Houses of GERRY WEBER stood at 275 at the end of April 2016, largely unchanged from the prior year (271). The shop-in-shops are another important distribution channel of the Wholesale segment. Their number decreased slighty from 2,510 at the end of the financial year to 2,455. 522 of these shop-in-shops are situated outside Germany.

Number of HALLHUBER sales spaces	2014	2015	April 2016
Germany	161	203	206
Switzerland	28	31	35
Austria	8	1	13
Belgium	10	15	16
Netherlands	1	1	5
Great Britain	11	19	21
Norway		5	6
	219	**275**	**302**
Thereof Monolabels	94	117	129
Thereof Concessions	113	145	157
Thereof Outlets	12	13	16

HALLHUBER

Our HALLHUBER subsidiary is not affected by the “FIT4GROWTH” realignment programme and continues to execute its expansion strategy. Between 50 and 60 new HALLHUBER sales spaces are to be opened in Germany and abroad. This will include both stand-alone stores in city centres and shopping malls, concession spaces and factory outlet centres.

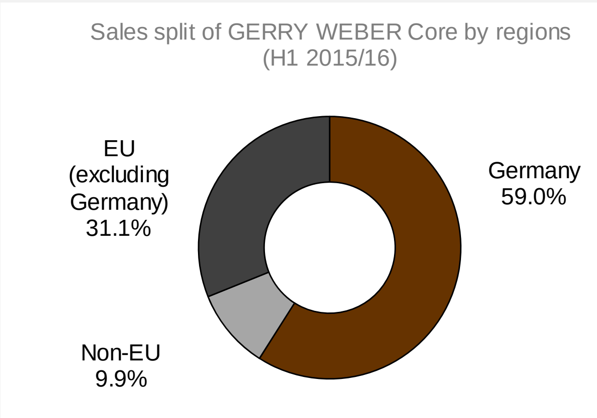
The first six months of the current year saw the opening of 27 new HALLHUBER sales spaces, including locations in Belgium, the Netherlands, Norway and the UK, bringing the total number of company-managed HALLHUBER spaces to 302 by the end of April 2016. The table above shows a breakdown by countries and distribution channels.

Besides the stationary stores, HALLHUBER also distributes its products via its own online shops, which currently exist in Germany, Switzerland, Austria, France and the UK. HALLHUBER products are additionally available via external platforms such as Amazon, Otto, Zalando or House of Fraser. The online channel generated sales revenues of EUR 8.5 million, equivalent to some 10% of HALLHUBER’s total sales, during the first half of 2015/16.

Brand sales performance and regional distribution

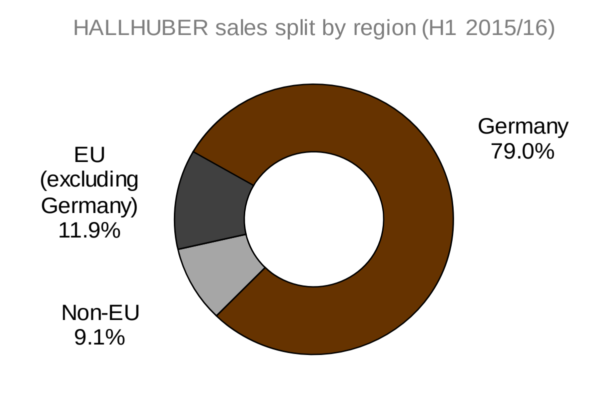
Taking into account the consolidation of HALLHUBER, sales revenues generated in Germany accounted for 63.1%, which means that Germany remains the most important core market of the GERRY WEBER Group. The GERRY WEBER Core brand families (GERRY WEBER, TAIFUN, SAMOON) generated 59.0% of their revenues in Germany, HALLHUBER even 79.0%.

The EU (excluding Germany) accounts for 27.0% of the Group's sales revenues in H1 2015/16, with another 9.9% generated in regions outside the EU.

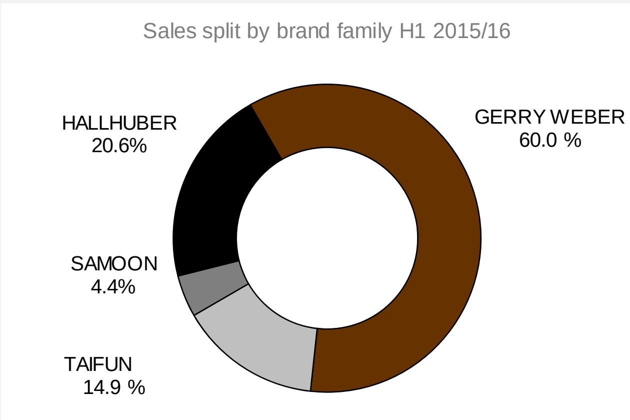


Accounting for 9.1% or EUR 8.3 million of HALLHUBER's sales revenues, Switzerland is the largest foreign market of HALLHUBER. For the GERRY WEBER Core brands the Netherlands are the single largest international market generating 7.4% of sales.

The charts on this page show a breakdown of sales revenues by GERRY WEBER Core and HALLHUBER:



Taking the HALLHUBER revenues into account, the GERRY WEBER brand family continues to make the biggest contribution (60.0%) to the Group's sales revenues. The following chart shows the relative shares of all four brand families – GERRY WEBER, TAIFUN, SAMOON and HALLHUBER – in the first six months of 2015/16 based on sales to our final consumers and to the customers of our Wholesale segment.



(Initial consolidation of HALLHUBER as of Q2 2014/15)

EARNINGS SITUATION IN H1 2015/16

in KEUR	Q2 2015/16 1 Feb. - 30 April 2016	Q2 2014/15 1 Feb. - 30 April 2015	H1 2015/16 1 Nov. 2015 - 30 April 2016	H1 2014/15 1 Nov. 2014 - 30 April 2015
Sales	229.959,2	240.267,9	443.643,2	432.686,0
Other operating income	2.263,8	3.129,8	7.048,8	8.286,2
Changes in inventories and other work capitalized	-8.776,5	-6.152,5	612,9	12.228,6
Cost of materials	-84.108,2	-91.233,7	-174.466,9	-193.236,5
Personnel expenses	-48.925,6	-48.242,6	-97.299,3	-87.519,5
Depreciation/amortisation	-10.889,1	-9.511,9	-21.483,3	-16.313,3
Other operating expenses	-74.746,4	-69.099,4	-148.947,3	-119.224,1
Other taxes	-266,3	-353,1	-681,4	-675,7
OPERATING RESULT	**4.510,9**	**18.804,5**	**8.426,7**	**36.231,7**
Financial result				
Income from long-term loans	0,7	0,7	1,4	1,1
Interest income	3,0	615,9	3,9	628,1
Writedowns of financial assets	0,0	0,0	-3,0	0,0
Incidental bank charges	-368,0	-269,0	-656,7	-489,9
Interest expenses	-1.716,4	-1.941,4	-3.608,6	-2.857,5
	-2.080,7	**-1.593,8**	**-4.263,0**	**-2.718,2**
RESULTS FROM ORDINARY ACTIVITIES	**2.430,2**	**17.210,7**	**4.163,7**	**33.513,5**
Taxes on income				
Taxes of the reporting period	-1.156,5	-5.164,8	-2.403,4	-10.513,6
Deferred taxes	456,8	-669,9	1.195,7	-1.087,0
	-699,7	**-5.834,7**	**-1.207,7**	**-11.600,6**
NET INCOME OF THE REPORTING PERIOD	**1.730,5**	**11.376,0**	**2.956,0**	**21.912,9**
Earnings per share (basic)	0,04	0,25	0,06	0,48

Q2 2015/16

Just as the previous quarters, the German fashion sector was faced with a challenging market environment in the second quarter of 2015/16. The resulting impact on our sales revenues have already been discussed in detail. In addition to these factors, the profitability of the GERRY WEBER Core business was for the first time impacted by extraordinary expenses related to the implementation of the „FIT4GROWTH“ realignment programme. HALLHUBER is not included in the realignment and continued to pursue its expansion strategy during the second quarter of 2015/16.

In Q2 2015/16 constant gross margin of 59.6%, remains at a high level

Despite the 17.3% decline in sales in the high-margin Wholesale segment as well as a contraction in like-for-like Core-Retail sales (-5.9%), the GERRY WEBER Group achieved a constant gross margin of 59.6% (Q2 previous year: 59.5%). This mainly reflects an improvement in the margin of the GERRY WEBER Core business which was up slightly from 58.5% to 59.0%. The improved performance demonstrates the initial success of the adjusted merchandise and inventory management regime for the GERRY WEBER Core Retail segment and the optimised pricing policy which goes with it. In contrast, our HALLHUBER subsidiary saw its gross margin decline from 65.4% in the second quarter of the previous financial year to 62.6%.

The gross margin is calculated as the cost of materials, adjusted for changes in inventories, in relation to sales.

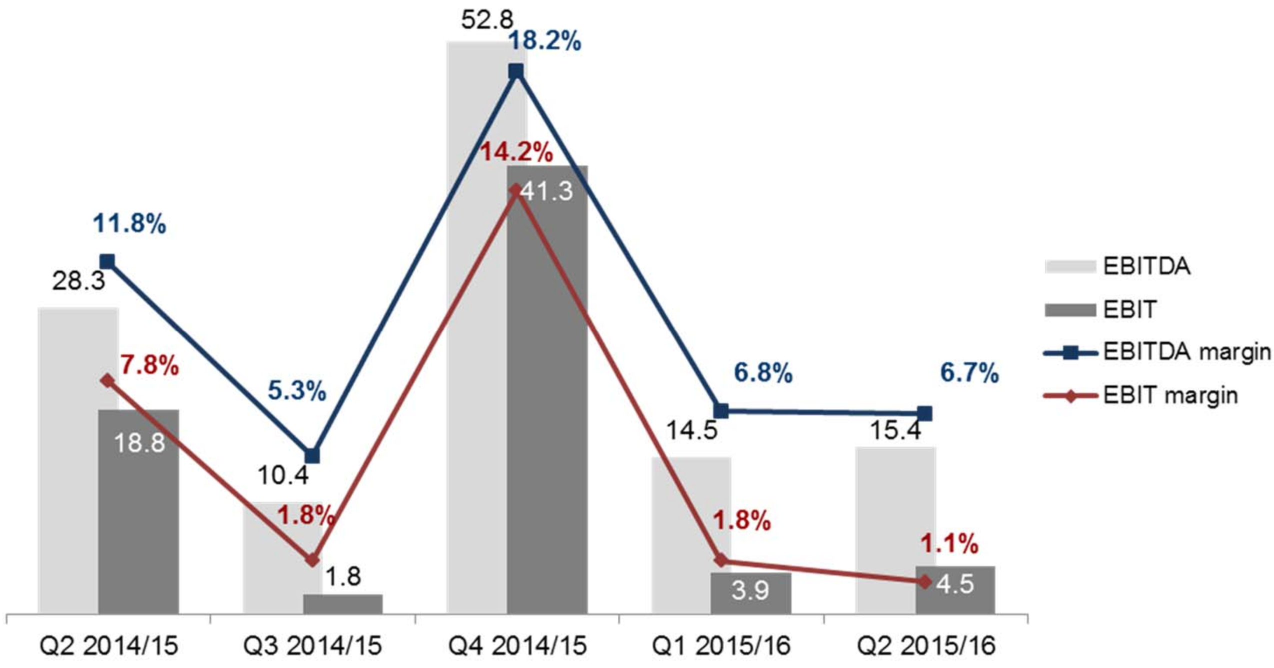
Extraordinary expenses weighing on GERRY WEBER Group's profitability

At EUR 48.9 million, personnel expenses in the second quarter of 2015/16 were almost unchanged from the prior quarter, with HALLHUBER contributing EUR 7.9 million to the GERRY WEBER Group's personnel expenses. The redundancies in the central functions in Halle/Westphalia and in the Retail store network planned under the realignment programme did not yet show up in the personnel expenses of GERRY WEBER Core. The first phase of the reconciliation of interests and the redundancy plan was signed at the end of May 2016, meaning that the ensuing quarters will initially see personnel expenses being pushed up by redundancy payments. Personnel expenses will reduce only after this phase.

Despite HALLHUBER's expansion strategy proceeding as planned, the GERRY WEBER Group's rental costs remained almost constant at EUR 37.7 million compared to the previous quarter (Q1 2015/16: EUR 38.8 million). Hallhuber contributed 12.1 million to the Group's rental costs. In contrast, GERRY WEBER Core reduced its rental costs of EUR 25.6 million slightly by 1.1% as a result of the store closures already implemented.

Other operating expenses nevertheless rose from EUR 69.1 million in the second quarter of the previous financial year to EUR 74.7 million in the second quarter of the current financial year. This rise was caused by a variety of factors including the expansion of the HALLHUBER business through the addition of new sales spaces as well as one-off expansion costs. Compared to the previous quarter in 2015/16, other operating expenses remained almost constant in the second quarter.

In the second quarter of 2015/16, the GERRY WEBER Group generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 15.4 million, compared to EUR 14.5 million in the first quarter of 2015/16. However, the GERRY WEBER Group's EBITDA were down by a substantial 41.2% on the year (Q2 previous year: EUR 28.3 million).



The factors contributing to the weaker earnings performance included, in particular, lower sales in the high-margin Wholesale segment as well as lower like-for-like GERRY WEBER Core-Retail sales and higher overheads. Against the background of the deteriorating earnings situation of GERRY WEBER Core, the Managing Board has launched the "FIT4GROWTH realignment programme. This will involve numerous measures to improve the company's sales revenues and profitability over the medium term. A detailed progress report is provided starting on page 26 of this financial report.

After allowance for EUR 10.9 million in depreciation/amortisation, earnings before interest and taxes (EBIT) for the second quarter of 2015/16 stand at EUR 4.5 million. Due to its strong expansion in recent months as well as exchange rate effects, HALLHUBER did not make a positive contribution to Group EBIT in the isolated second quarter of 2015/16. HALLHUBER's EBIT in the second quarter of 2015/16 came in at EUR -1.7 million, meaning that GERRY WEBER Core contributed EUR 6.2 million to Group EBIT. The consolidated EBIT margin for the isolated second quarter of 2015/16 was 2.0% compared to 1.9% in the preceding quarter of the current financial year.

H1 2015/16

In comparing the first half of 2015/16 with the first six month of the previous financial year, it needs to be taken into account that our HALLHUBER subsidiary was consolidated only from February 2015, which impairs the comparability of the two sets of figures.

The GERRY WEBER Group's gross margin for the first six months rose from 58.5% for 60.8% year-on-year. This reflects, among other things, the complete consolidation of the two HALLHUBER quarters in the current financial year; the consolidated accounts for the first half of the previous financial year only included the HALLHUBER figures for the second quarter. Being a fully vertically integrated business, HALLHUBER typically generates a slightly higher margin than GERRY WEBER Core. Even so, the latter also managed to improve its gross margin for the six-month period from 57.9% to 60.9% year-on-year. As already discussed above, the improved merchandise and inventory management regime adopted by the GERRY WEBER Core-Retail segment allowed for improved pricing at the point of sale and, consequently, for a higher gross margin. In contrast, the previous year's six-month period was still characterised by higher markdowns.

The 11.2% year-on-year rise in personnel expenses results almost exclusively from the inclusion of HALLHUBER as of the second quarter of the previous financial year. In the six-month period of the current financial year, HALLHUBER accounted for EUR 15.8 million of the GERRY WEBER Group's total personnel expenses of EUR 97.3 million. At EUR 81.5 million, GERRY WEBER Core's share in total H1 2015/16 personnel expenses remained almost constant in year-on-year terms (H1 previous year: EUR 80.7 million).

Other operating expenses for the six-month period rose from the previous year's EUR 118.9 million to EUR 148.9 million, with HALLHUBER accounting for EUR 34.8 million. Again, the year-on-year increase reflects, in particular, the first-time inclusion of HALLHUBER.

Against the background of the factors already discussed above - including the decline in high-margin GERRY WEBER Core sales, the continuing high fixed costs and the expansion-related expenses incurred by our HALLHUBER subsidiary - Group EBITDA for the first six months of 2015/16 declined clearly from EUR 52.5 million to EUR 29.9 million (-43.1%). The Group EBITDA margin for the first half of 2015/16 amounted to 6.7% (H1 previous year: 12.1%).

Depreciation/amortisation for the six-month period rose clearly from last year's EUR 16.3 million to EUR 21.5 million this year. This was due both to the inclusion of HALLHUBER (EUR 6.2 million) and to higher depreciation/amortisation at GERRY WEBER Core (EUR 15.3 million). Depreciation/ amortisation at HALLHUBER increased, in particular, as a result of the expansion of the brand's own store network. The higher depreciation/amortisation at GERRY WEBER Core also reflects extraordinary write-downs related to the store closures already completed (EUR 2.3 million).

It has to be taken into consideration that extraordinary one-time expenses related to the “FIT4GROWTH” realignment programme weighed on Group EBIT. The extraordinary one-time expenses weighing on the reported Group EBIT for the first six months totalled EUR 2.6 million. This means that the adjusted Group EBIT amounts to EUR 11.0 million and the adjusted EBIT margin is approximately 2.5%. An overview of these one-time expenses is provided below.

in EUR million	
EBITDA reported	**29.9**
Extraordinary one-time costs	**0.3**
EBITDA adjusted	**30.2**
Depreciation / amortisation	21.5
EBIT reported	**8.4**
Extraordinary depreciation / amortisation	**2.3**
EBIT adjusted	**11.0**

At the six-month stage of the current financial year, the reported Group EBIT amounting to EUR 8.4 million is in line with management’s original guidance which envisaged Group EBIT between EUR 10 and 20 million for the full financial year 2015/16.

Taking into account the financial result of EUR -4.2 million and income taxes of EUR -1.2 million, the GERRY WEBER Group’s net income for the first half of 2015/16 amounted to EUR 3.0 million. Earnings per share came out at EUR 0.06 per share.

NET WORTH POSITION

Compared to the end of the previous financial year 2014/15, the balance sheet of the GERRY WEBER Group contracted by 6.3% or EUR 59.2 million to EUR 879.4 million on 30 April 2016. Changes on the assets side were mainly driven by current other assets as well as cash and cash equivalents which, compared to the end of the financial year, declined by EUR 34.5 million to EUR 41.7 million for seasonal reasons. Notable changes on the liabilities side include the reduction in non-current liabilities from EUR 301.4 million to EUR 274.9 million as of 30 April 2016. Add to this the development of the equity capital which reduced by EUR -31.4 million (-6.5%), amounting to EUR 452.0 million on 30 April 2016. As a result, the equity ratio stood at 51.4% compared to 51.5% at the end of the financial year 2014/15.

On the assets side of the balance sheet, non-current assets remained almost constant (+0.7%), amounting to EUR 557.0 million compared to EUR 553.2 million on 31 October 2015. The same goes for fixed assets which also remained almost unchanged (+0.7%) at EUR 550.8 million compared to EUR 546.8 million on 31 October 2015.

The intangible assets included in fixed assets amounted to EUR 225.5 million on 30 April 2016, compared to EUR 229.9 million at the end of the previous financial year. Apart from exclusive rights of supply to Houses of GERRY WEBER operated by third parties as well as advantageous lease agreements, these intangibles also include customer relationships in the context of the business combinations of the past fiscal years. Add to this brand rights taken over in the context of the acquisitions. The decline in intangible assets compared to the end of the financial year 2014/15 is mainly attributable to scheduled amortisation.

Property, plant and equipment slightly increased to EUR 296.8 million, up from EUR 287.8 million as of 31 October 2015. The approximately 3% increase mainly reflects spending on shop fittings in newly opened HALLHUBER stores.

Total current assets contracted from EUR 385.4 million at the end of the previous financial year to EUR 322.3 million on 30 April 2016 (-16.4%). Major changes occurred in other assets which declined by 28.4% from EUR 70.5 million to EUR 50.5 million, mainly reflecting changes in the fair values of the currency forwards and currency options. As has already been mentioned, the change in current assets was also driven by the reduction in cash and cash equivalents; reflecting our production and delivery cycles, cash and cash equivalents declined by EUR 34.5 million or 45.3% to EUR 41.7 million. Compared to Q1 2015/16, however, cash and cash equivalents picked up slightly (31 January 2016: EUR 33.9 million). Current trade receivables were down from EUR 63.7 million to EUR 54.1 million on the reporting date.

On the liabilities side, equity capital declined by EUR -31.4 million (-6.5%), standing at EUR 452.0 million on 30 April 2016. Against the background of the Euro/USD exchange rate trend, accumulated other comprehensive income/loss pursuant to IAS 39 declined by 52.1%, amounting to EUR 15.1 million on 30 April 2016. Accumulated other comprehensive income/loss pursuant to IAS 39 comprise the positive fair values of financial instruments qualifying for hedge accounting (currency forwards).

Non-current liabilities declined by 8.8% from EUR 301.4 million as of 31 October 2015 to EUR 274.9 million on 30 April 2016. The single biggest change occurred in non-current financial liabilities which stood at EUR 195.0 million at the end of the reporting period; they include two note loans issued to finance the construction of our logistic centre (volume: EUR 75 million) and the HALLHUBER acquisition (volume: EUR 140 million). The reduction in non-current financial liabilities compared to the end of the financial year reflects the reclassification of non-current financial liabilities to current financial liabilities with a remaining term of less than one year within the context of the payment of the first tranches of the two note loans.

Reported at EUR 152.5 million on 30 April 2016, current liabilities remained almost constant (+0.9%) compared to the end of the previous financial year (EUR 153.8 million). Current financial liabilities include the EUR 30 million HALLHUBER bond acquired as part of the HALLHUBER takeover. The bond was issued with effect from 19 June 2013 and has a term of five years. It carries a coupon of 7.25% p.a. In accordance with the terms and conditions of the bond, Hallhuber Beteiligungs GmbH exercised its extraordinary cancellation right on 6 May 2015 and called the bond with effect from 18 June 2016. Repayment will be made in June of the current financial year. Current liabilities amounted to EUR 64.4 million on 30 April 2016 compared to EUR 35.7 million at the end of the financial year 2014/15. The EUR 28.6 million increase resulted from the reclassification of non-current financial liabilities to current financial liabilities.

An equity ratio of 51.4% testifies to the solid structure of the GERRY WEBER Group's balance sheet. Current and non-current financial liabilities do not include any covenants or collaterals. They totalled EUR 259.4 million as of 30 April 2016, putting net debt at EUR 217.8 million as per the end of the reporting period.

FINANCIAL ASSETS AND INVESTMENTS

In particular against the background of the operating result having declined to EUR 8.4 million (H1 previous year: EUR 36.2 million), cash inflows from operating activities reduced by some EUR 10.3 million year-on-year, amounting to EUR 6.1 million in H1 2015/16. Despite higher non-cash depreciation/ amortisation of EUR 21.5 million (H1 previous year: EUR 16.3 million), cash inflows from operating activities declined as of the reporting date for a number of reasons including a EUR 23.5 million decrease in trade payables.

This corresponded with a year-on-year reduction in cash inflows from current operating activities for the six-month period by EUR 12.1 million to EUR 2.8 million. It is noted that cash interest expenses were up by EUR 1.0 million on the first half of the previous year, reflecting the complete inclusion of both HALLHUBER 2015/16 quarters.

In the prior-year period, cash outflows from investing activities were dominated by the investment in 100% control of HALLHUBER Beteiligungs GmbH, which pushed this item to EUR 151.9 million. Cash outflows from investing activities during the reporting period were down to EUR 27.6 million, predominantly reflecting cash outflows for investments in property, plant, equipment and intangible assets.

In the prior-year period GERRY WEBER International AG issued a EUR 140 million note loan to finance the HALLHUBER acquisition, which dominated cash inflows from financing activities during that period. In the first six months of the reporting period, cash outflows from financing activities including the EUR 18.4 million dividend payment came to EUR 9.7 million. Against the background of the reported cash inflows and outflows, cash and cash equivalents reduced by EUR 34.5 million compared to the end of the previous financial year. Cash and cash equivalents consequently stood at EUR 41.7 million at the end of the first half of 2015/16, compared to EUR 76.1 million on 31 October 2015.

SEGMENT REPORT

GERRY WEBER International AG modified its segment reporting practice as of the beginning of the financial year 2014/15 (1 November 2014). Since that date, GERRY WEBER International AG has distinguished between two distribution segments, GERRY WEBER Core "Wholesale" and "Retail"; all development and production processes of the goods including transport and logistics are allocated to the two segments, "Wholesale" and "Retail". Accordingly, all income and expenses as well as assets and liabilities which can be assigned to product development and procurement are allocated to the "Retail" segment and the "Wholesale" segment based on their respective share in Group sales revenues.

H1 2015/16

in EUR million	GERRY WEBER Core Wholesale	GERRY WEBER Core Retail	HALLHUBER	Other segments and consolidation	GERRY WEBER Group
Sales	145.6	206.4	91.7	0.0	**443.6**
EBITDA	19.9	2.3	6.6	1.1	**29.9**
Depreciation/ Amortisation	4.1	10.9	6.2	0.3	**21.5**
EBIT	15.8	-8.6	0.4	0.8	**8.4**
Average headcount	717	4,625	1,807	1	**7,150**

Against the background of the initial inclusion of Hallhuber Beteiligungs GmbH and Hallhuber GmbH (hereinafter referred to as "HALLHUBER") in the consolidated financial statements of GERRY WEBER International AG, the new "Hallhuber" segment was added to the segment report as of 1 February 2015. Year-on-year comparability with prior-period segment reports is impaired by the fact that the report for Q1 2014/15 does not contain figures on HALLHUBER. The "Other Segments" primarily comprise the income and expenses as well as the assets and liabilities of the Hall 30 investment property. Income and expenses as well as assets and liabilities of the holding company are also allocated proportionately to the individual segments.

GERRY WEBER Core Wholesale segment

Against the background of the continuing difficult market environment, our Wholesale customers stuck to their cautious ordering behaviour also in the second quarter of 2015/16. While the decline in Wholesale revenues slowed down from -38% to -17.3% between the first and second quarter of 2015/16, the situation confirmed the necessity to strengthen the Wholesale business through the measures defined in the "FIT4GROWTH" programme. The Wholesale segment saw its sales revenues contract from EUR 197.7 million to EUR 145.6 million, which corresponds to a 26.3% reduction.

The segment's earnings before interest and taxes (EBIT) were impacted by required investments in the Wholesale business as well as by increased depreciation/amortisation. In year-on-year terms, the Wholesale segment's six-month EBIT was halved from EUR 32.2 million to EUR 15.8 million. While the EBIT margin amounted to 8.7% after the first quarter of 2015/16, it improved to 12.1% in the second quarter of 2015/16.

Defying the crisis in the fashion sector, the number of franchisee-managed Houses of GERRY WEBER remained almost constant at 275. The number of shop-in-shop spaces decreased slightly to 2,455 spaces in operation. 522 are located outside Germany.

	H1 2014/15	2014/15	2013/14
Houses of GERRY WEBER	510	520	485
Monolabel Stores	132	142	144
Concession Stores	294	291	119
Factory Outlets	35	34	30
Total GWI Core	**971**	**987**	**778**
HALLHUBER	**302**	**275**	**-**
Total	**1,273**	**1,262**	**778**

Country/ Region	Total	thereof GWI Core	thereof HALLHUBER
Germany	832	626	206
Austria	60	47	13
Netherlands	97	92	5
Belgium	45	29	16
Scandinavia	51	45	6
Eastern Europe	27	27	0
Spain	53	53	0
UK & Irleand	56	35	21
Canada	9	9	0
Italy	6	6	0
Switzerland	35	0	35
France	2	2	0

Liabilities of the Wholesale segment amounted to EUR 63.2 million at the end of Q2 2015/16. On the other hand Wholesale-assets amounted to EUR 278.3 million.

The Wholesale segment's headcount rose slightly from 704 at the end of the fiscal year 2014/15 to 717

GERRY WEBER Core Retail segment

The Retail segment comprises all company-managed distribution channels of the GERRY WEBER Core brands, i.e. GERRY WEBER, TAIFUN und SAMOON. During the first six months of 2015/16, 21 of the planned 103 store closures were completed. At the same time, five new sales spaces were opened under long-term plans. The following tables provide a detailed overview of the company-managed sales spaces. The GERRY WEBER Core Retail segment increased its six-month sales revenues by 2,5% year-on-year to EUR 206.4 million. The rise is exclusively based on the expansion of sales spaces over the past two years, seeing that like-for-like sales declined by 6.7% in the first half of 2015/16. In assessing the contraction in like-for-like sales, one needs to take into account that we deliberately lowered the quantities of merchandise supplied to the stores by some 15%, resulting in improved pricing and a higher gross margin.

Against the background of contracting like-for-like sales, the still almost unchanged fixed cost structure as well as the initial impact of extraordinary expenses and depreciation/ amortisation under the "FIT4GROWTH" realignment programme, the Retail segment did not make a positive contribution to Group EBIT. The Retail segment recorded an operating loss in the amount of EUR 8.6 million for the first half of 2015/16.

The completion of the first store closures led to a slight decrease in Retail assets from EUR 397.3 million auf EUR 386.1 million between the first six months of the previous year and the first six months of the current year. Liabilities of the Retail segment decreased to EUR 177.4 million as of 30 April 2016 (H1 2014/15: EUR 184.0 million).

As a result of the first store closures, the number of employees attributable to the Retail segment reduced from 4,725 on 30 April 2015 to 4,625 on 30 April 2016. Despite the lower headcount, the Retail segment's personnel expenses, at EUR 62.2 million, remained almost unchanged year-on-year (1 Hj 2014/15: EUR 61.7 million). The first effects of the store closures and the "FIT4GROWTH" programme will have an impact on the level of expenses only in the medium term.

HALLHUBER segment

HALLHUBER is a fully-owned subsidiary of GERRY WEBER International AG and is equally positioned in the upper mid-priced segment of the womenswear market. Developed by an in-house design team in Munich, HALLHUBER's collections are manufactured by selected suppliers and sold exclusively in company-managed sales spaces. As of the end of the reporting period, (30 April 2016), there were 302 company-managed HALLHUBER sales spaces in Germany and abroad. A total of 27 new sales spaces were opened in the first six months of the current financial year alone, including stores in the Netherlands and Belgium as well as in Norway and the UK.

For a detailed breakdown by type of sales space and region, please refer to the chart below:

Number of HALLHUBER sales spaces

	2014	2015	April 2016
Germany	161	203	206
Switzerland	28	31	35
Austria	8	1	13
Belgium	10	15	16
The Netherlands	1	1	5
Great Britain	11	19	21
Norway		5	6
	219	**275**	**302**
Thereof Monolabels	94	117	129
Thereof Concessions	113	145	157
Thereof Outlets	12	13	16

HALLHUBER generated sales revenues of EUR 91.7 million in the first half of 2015/16, up 22.9% on the prior year period. The sales growth was not only supported by the newly opened stores but also by an increase in like-for-like sales. Defying the negative market trend (round about -3%), HALLHUBER managed to grow its like-for-like sales by 6.3% during the first half of the financial year 2015/16.

The half-year figures are not fully comparable, as HALLHUBER was first included in the consolidated financial statements of GERRY WEBER International AG in the second quarter of the previous financial year. The implementation of the planned expansion strategy in recent months increased the company's headcount from 1,551 to 1,807 as at 30 April 2016. Consequently, personnel expenses advanced to EUR 15.8 million during the period. Personnel expenses as a percentage of sales remained almost unchanged at roughly 17.2%.

Having generated EBITDA of EUR 5.1 million in the first quarter of the current financial year, HALLHUBER reported EBITDA of EUR 1.4 million for the second quarter of 2015/16. The EBITDA margin worked out at 10.1% and 3.5% in the first and second quarter, respectively. It should be taken into account that the HALLHUBER segment's EBITDA was impacted by the sales space expansion.

After allowing for depreciation/amortisation (EUR 6.2 million) including the consolidated amortisation of goodwill, earnings before interest and taxes (EBIT) of the HALLHUBER segment amounted EUR 0.4 million.

Liabilities assigned to the HALLHUBER segment amounted to EUR 192.6 million in H1 2014/15. This amount includes the placement of a EUR 30 million bond issued in 2013 as well as the interest for the first half of 2015/16. Due to the better financing terms available to the parent company Hallhuber Beteiligungs GmbH prematurely called the bond with effect from 18 June 2016. The financing of the acquisition of a 100% interest in Hallhuber Beteiligungs GmbH was also assigned to the HALLHUBER segment. Assets assigned to the HALLHUBER segment amounted to EUR 191.9 million as of 30 April 2016.

OPPORTUNITY AND RISK REPORT

Being part of a complex international business world, GERRY WEBER International AG is exposed to numerous opportunities and risks which may have a positive or negative impact on the net worth, financial and earnings position of the Group in both the short term and the long term. Changes in the conditions in the national or international procurement and output markets, climate and demographic change as well as internal factors may prove to be opportunities or risks to the GERRY WEBER business model and the strategic positioning. With a view to identifying opportunities at an early stage and minimising risks as far as possible, GERRY WEBER has established an opportunity and risk management system that is closely linked with the company's strategy and thus forms the basis for active opportunity and risk management. The internal control system of the accounting process is an integral element of the risk management system. Key objectives of the opportunity and risk management system are:

• Integration of the system in the current and newly installed processes,

• Identification and monitoring of risks by the specialist and functional departments,

• Subsequent assessment and control together with the Risk Management Team,

• Reduction of existing risks to an acceptable minimum by launching appropriate counter-measures as well as

• Active involvement and integration of all specialist departments and employees.

The GERRY WEBER Group operates in a changing business environment that is affected by long-term demographic and consumer trends as well as by fast short-term trends in the fashion industry. We therefore monitor and take into consideration not only developments in the procurement markets and the consumer behaviour in terms of their preferred ways of purchasing, but also the trends presented on the world's catwalks. In doing so, we never lose sight of our customers' requirements. In this environment, it is important to identify positive developments at an early stage and to seize the resulting opportunities to the benefit of the company and its customers.

On the other hand, risks such as economic and geopolitical conditions or missed trends may have an adverse impact on the business performance of the GERRY WEBER Group. Stagnation or an economic downturn in a region or political events may lead to rising prices and/or to a decline in consumers' real incomes and hence to a deterioration in the consumption propensity in the region concerned. For example, the rouble exchange rate trend and the resulting price increases in Russia remain critical factors for the GERRY WEBER Group's business and may continue to impact its sales and earnings performance going forward.

Individual consumer trends such as German consumers' increased spending on more expensive assets such as real estate, furniture and cars as well as recreational activities also influence the company's revenues and earnings. Moreover, customers' purchasing behaviour has changed in connection with the increasingly difficult to predict weather patterns. Unseasonally warm winter months and cool summer months mean that customers no longer buy their clothes at the beginning of the season, as they used to in in the past, but rather tend to shop for clothes more spontaneously and in accordance with actual needs. We counteract these risks with the help of increasingly regionally diversified distribution structures as well as optimised and more flexible inventory and procurement management. We use our open-to-buy limits to have only some 80 percent of the merchandise produced for the start of the respective season. The remaining capacity reserves are then available for fast follow-up shipments in line with actual demand.

The challenging environment for the German fashion sector, characterised by steadily shrinking customer footfall in city centres and shopping malls against the backdrop of sustained changes in consumer behaviour, as well as certain negative internal developments have had, and continue to have, a significant impact on the GERRY WEBER Group's revenues and earnings. Structural adjustments and resolute measures are imperative in order to counteract these negative developments and secure the company's long-term profitability and growth prospects.

The Managing Board has jointly developed a programme aimed at realigning the GERRY WEBER Group. The main objective of the "FIT4GROWTH" programme presented in late February 2016 is to lay the basis for the GERRY WEBER Group's long-term profitable growth during this and the next financial year. The programme comprises four elements: (1) Optimise the Retail operations; (2) Adjust structures and processes (3) Strengthen the Wholesale operations; (4) Modernise the brands. The "FIT4GROWTH" programme and the project progress are discussed in greater detail starting from page 26 in this six-month report.

Against the background of the implementation of the planned realignment programme, the Managing Board expects both sales revenues and earnings of the GERRY WEBER Core segment and, hence, of the Group as a whole to decline notably in the current financial year 2015/16. The consolidation of the store network and the efficiency measures will entail extraordinary one-time expenses and write-downs totalling approximately EUR 36 million. The company's sustained success is predicated on its ability to implement the project as scheduled. Any delays or major problems in realising the announced measures may lead to additional one-time expenses and lost earnings.

The new logistics centre will make a substantial contribution to more efficient and lower-cost merchandise and inventory management. Any delays in the scheduled ramp-up phase and in the achievement of full capacity utilisation may potentially delay the attainment of potential cost savings.

For a detailed description of our risk management system, the control systems for the accounting processes and the opportunities and risks in the GERRY WEBER Group, please refer to page 96 et seq. of the risk report in the 2014/15 Annual Report. The statements made in this risk report remain valid.

Since November 2015, the beginning of the financial year 2015/16, there have been no material changes regarding the opportunities and risks for the future development of the GERRY WEBER Group. It should be noted, however, that the probabilities of occurrence may change quickly. Based on current knowledge, there are no risks that could jeopardise the existence of the GERRY WEBER Group.

POST-BALANCE SHEET EVENTS

After the end of the reporting period (30 April 2016), no events occurred which are expected to have a material impact on the net worth, financial and earnings position of GERRY WEBER International AG.

Realignment programme "FIT4GROWTH"

1. OPTIMISE THE RETAIL OPERATIONS
2. ADJUST STRUCTURES & PROCESSES
3. STRENGTHEN THE WHOLESALE OPERATIONS
4. MODERNISE THE BRANDS

"FIT4GROWTH" –

Realignment programme

Customers' changing purchasing habits, the continuing growth of online retailing as well as ever shorter fashion trend cycles are having a sustained effect on our business environment. In response to these challenges, we presented our "FIT4GROWTH" realignment programme in late February 2016.

The main objective behind this programme is to reposition the GERRY WEBER Group for long-term profitable growth. The programme comprises four elements: (1) Optimise the Retail operations; (2) Adjust structures and processes; (3) Strengthen the Wholesale operations; (4) Modernise the brands.

The measures we have presented are designed to impact on the following levers: sales, efficiency, costs and gross profit.

Going forward, our quarterly reports will continue to provide comprehensive information on the progress and status of the measures undertaken as part of this programme.

(1) Optimise Retail operations

Consolidating the store network is central to optimising our Retail operations. According to current plan, a total of 103 stores in the domestic and international branch networks are to be closed this year and next year. The stores designated for closure have either failed to meet the stipulated margin targets or have a negative future growth outlook. Another 5% of the stores in our portfolio remain on a watchlist.

21 out of the planned 103 store closures were completed as of 30 April 2016. The closure dates for another 17 stores have already been set. At this point in time we anticipate being able to close all 103 designated stores within the current and the coming financial year.

Extraordinary cash-related one-time expenses of EUR 14 million as well as extraordinary write-downs of EUR 11 million have been budgeted for the planned closures. The GERRY WEBER Group's financial accounts for the period ended 30 April 2016 show extraordinary expenses amounting to EUR 0.3 million with an impact on profit/loss as well as extraordinary write-downs amounting to EUR 2.3 million with an impact on profit/loss.

Another component in the optimisation of our Retail operation will be an improvement of our customer approach, which will involve the partial redesign of our showroom and store concepts. This redesign will initially focus on our TOP 17 stores. Work has already started at our highest selling stores in Hamburg and Munich. These stores are expected to re-open already in September of this year.

RETAIL
- Optimisation of the store network
- Improved customer approach
- Digitalisation
- Optimisation of merchandise/inventory management

2 STRUCTURES AND PROCESSES

3 WHOLESALE

4 BRANDS

→ **Optimisation of the store network**
- 21 stores closed by 30 April 2016
- We are thus well on track to closing at least 103 stores in Germany and abroad this financial year and next
- The budget provides for extraordinary cash-related closure costs in the amount of EUR 14 million; in H1 2015/16 extraordinary costs of EUR 0.3 million have been incurred to date in connection with the closures. Extraordinary write-downs amounted to EUR 2.3 million in H1.
- Redesign of the TOP 17 stores starts with the stores at Jungfernstieg in Hamburg and Viktualienmarkt in Munich – to reopen in September 2016

→ **Digitalisation**
- Merge the responsibility for the e-commerce operations of GERRY WEBER and HALLHUBER in Munich. Create an E-Commerce Manager function for the Group as a whole

→ **Optimisation of merchandise/inventory management**
- Reduction in the number of items per square meter in the stores. This has resulted in much better pricing and a higher gross margin. Sales revenues per square metre on the decline in spite of better pricing and fewer discounts due to reduced number of items.

The importance of online retailing is set to grow further, requiring continued digitisation of our distribution channels. We are therefore challenged to enhance our e-commerce activities. To ensure consistent and effective implementation of all planned measures, we have merged the e-commerce units of all brands and pooled them in the Munich head office of our HALLHUBER subsidiary. The medium-term objective is to implement a specific web presence for each of our brands and to raise the level of services for online customers.

In response to more frequent sales fluctuations, partly caused by unseasonal and adverse weather conditions, we have defined a set of measures to improve merchandise and inventory management. An essential element of this effort was the introduction of “open-to-buy” limits which make an important contribution to more flexible sourcing from our suppliers. Distribution of merchandise to our stores has been reorganised accordingly, enabling us to respond even more flexibly to changes in trading conditions and actual sales by channelling new merchandise to the stores and replacing individual items in a collection with better saleable products. The objective is to substantially raise the share of “ready-to-wear” products.

In this context we have lowered the number of items per square metre of store space, resulting not only in more flexible merchandise management but also in more profitable pricing. While this will lead to lower like-for-like sales in the current financial year, it will also contribute to a clear improvement in our gross margin.

1 RETAIL

2 STRUCTURES & PROCESSES
– Reduce non-staff and personnel expenses
– Efficiency potential of logistic centre

3 WHOLESALE

4 BRANDS

→ Reduce personnel expenses

- Negotiations on redundancy plans for Retail and administrative support functions at the head office in Hale/Westphalia signed at end of May 2016

→ Reduce non-staff expenses

- Start of implementation phase to streamline the product development processes

→ Efficiency potential of the logistic centre

- Current capacity of 100,000 items per day.
- Target of 160,000 items per day to be reached at the beginning of the second half 2016

(2) Adjust structures and processes

The strong growth in recent years has led to our organisation's central divisions becoming too complex and too inefficient. All internal head office processes have therefore been thoroughly analysed and partly redefined. The objective is to cut personnel and non-staff costs by an amount between EUR 20 and 25 million p.a. starting from the financial year 2017/2018.

The implementation of the initial optimisation measures as well as the planned store closures will result in certain activities no longer being performed at the Halle/Westphalia head office, which will involve staff redundancies. The redundancy plan for the first affected administrative units as well as the Retail staff was signed by the Managing Board and the staff council in late May 2016. Following the complete implementation of all newly defined internal processes also for the organisation's other units and departments, another redundancy plan will be worked out to absorb the impact of this second phase of process optimisation.

The newly constructed logistics centre will make a substantial contribution to improving efficiency and, consequently, reducing non-staff costs. Centre operations are being ramped up and approximately 100,000 items can currently be received and shipped per day. The target is to achieve full capacity utilisation at 160,000 items per day early in the second half of 2016, at which time HALLHUBER's logistics operations are to be integrated in the new GERRY WEBER logistics centre as well.

1 RETAIL

2 PROCESSES AND STRUCTURES

3 **WHOLESALE**
- Improved service
- More up-to-date brand presentation
- Win new Wholesale customers

4 BRANDS

→ **Improved service for Wholesale partners**

- Introduction of partnership programmes with various stages of vertical integration (bronze, silver, gold, platinum)
- Replacement of collections as well as redemption of unsold merchandise depending on the partnership status

→ **More up-to-date brand presentation**

- Initial implementation of the new TAIFUN store concept at selected Wholesale partner stores

(3) Strengthen the Wholesale operations

The objective is to make the Wholesale operations one of the company's growth engines again within the next 18 months. A number of measures have already been developed and, in part, launched to achieve this goal. They are designed to improve our management of, and services for, our Wholesale customers to update the presentation of the brand at the points of sale and to recruit new Wholesale customers.

To better manage and serve our Wholesale accounts, we have introduced partnership models which result, among other things, in improved merchandise management in our partners' stores. Depending on the (bronze, silver, gold or platinum) status of the partnership programmes, GERRY WEBER experts assume responsibility for placing merchandise in our partners' shop-in-shops; this involves the replenishment of sold out products as well as the replacement of collection items during the season. We have also introduced a partial take-back of unsold merchandise which is then sold at our GERRY WEBER Outlet Stores after the end of the season.

The newly introduced partnership models not only optimise the presentation of the GERRY WEBER collections at the points of sale but also lead to improved pricing and, as a consequence, better margins for both partners.

The POS presentation of our TAIFUN brand, too, is to be geared more closely to its younger target customers. A dedicated shop concept has been developed and installed at the first Wholesale customers.

1 RETAIL	
2 PROCESSES AND STRUCTURES	
3 WHOLESALE	
4 **BRANDS** – Modernise GERRY WEBER – Strengthen TAIFUN brand identity – Launch new brand	→ **Modernise the GERRY WEBER core brand** ▪ Hire new product managers for GERRY WEBER Outdoor and Collection ▪ Redesign of the in-store presentations and window dressing ▪ New imagery of our upcoming advertising campaigns → **Strengthen the TAIFUN brand identity** ▪ Launch of the new TAIFUN store concept ▪ Participation and presentation of the TAIFUN brand at Panorama in Berlin → **Launch of the new brand "talkabout"** ▪ Presentation of the new brand at Panorama in Berlin ▪ Sale in approx. 30 test shops at the TOP Wholesale partners

(4) Modernise the brands

Parts of the current brand presentation no longer live up to GERRY WEBER's aspirations as a leading fashion and lifestyle company. As far as the main GERRY WEBER brand is concerned, this means that the brand design needs to be modernised and presented in a more contemporary way. This also includes investments in the perceived quality and value of the products as well as aligning the collections more strongly with current customer expectations.

To refresh the main GERRY WEBER brand with new ideas, the creative responsibilities have been reorganised and complemented with new team members.

The creation of strategic business units allows the TAIFUN and SAMOON brands to operate significantly more independently in the marketplace and focus squarely on the requirements of their specific customers. Against this background, TAIFUN will showcase its collections at Panorama in Berlin for the first time.

The new brand "talkabout" will join the GERRY WEBER brand family in mid-2016. Geared to the trendy "contemporary" style, the new brand will be launched at Panorama in Berlin end of June 2016. It will initially be presented at 30 selected wholesale partners in order to gauge its acceptance by customers. This is why the new brand's contribution to the GERRY WEBER Group's total sales and earnings will tend to be negligible during the current and next financial year.

FORECAST

Forward-looking statements

The present forecast of GERRY WEBER International AG reflects management's expectations regarding the future geopolitical, macroeconomic, sector-specific, financial and company-specific developments which may influence the business activities of the GERRY WEBER Group. It is based on Managing Board's knowledge at the time of the preparation of the report.

Economic situation and industry environment

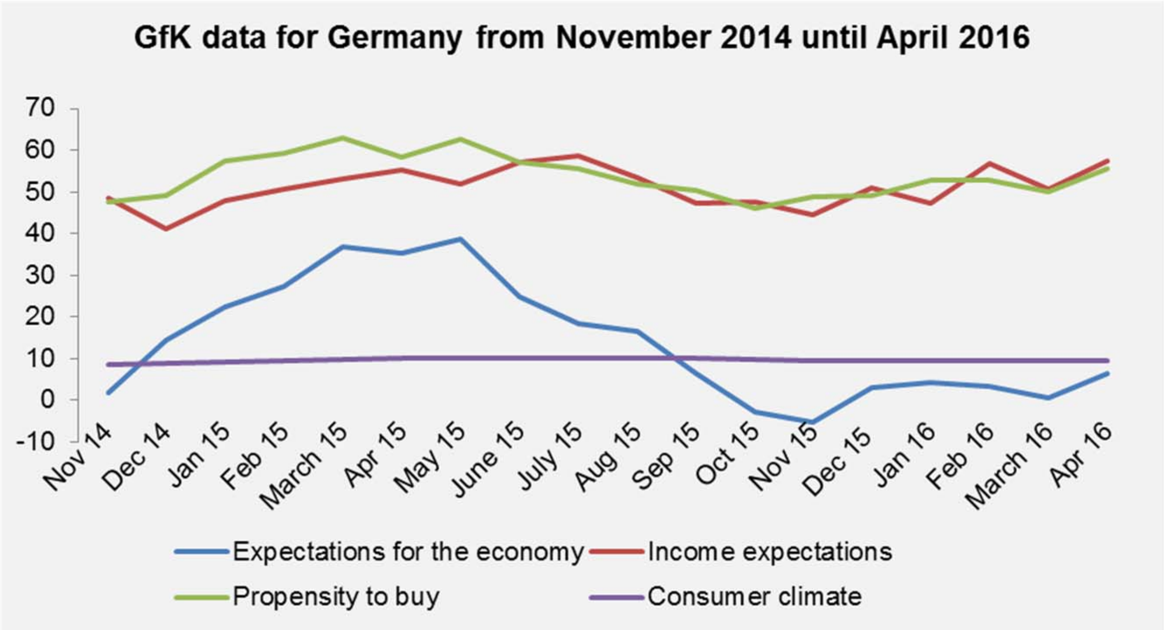
GERRY WEBER International AG is a fashion and lifestyle company whose sales revenues and earnings are primarily dependent on consumer spending. Our customers' purchasing behaviour is influenced by numerous factors including the general state of the economy and the geopolitical situation, the development of incomes and households' saving propensity as well as consumer trends. The consumer trends determine the products and services which consumers shift parts of their spending to during a given period.

The International Monetary Fund (IMF) is concerned about the state of the **global economy**. Following on from 3.1% growth in global GDP in 2015, the IMF economists downgraded their expectation of global economic growth in the current year 2016 to 3.2%, down from their 3.4% forecast issued only in January 2016. This correction reflects slower than expected growth in the emerging economies, weak figures from the USA, as well as fears of a potential Brexit (i.e. Britain leaving the EU).

The performance of the international stock markets during the first quarter of the calendar year 2016 continued to reflect geopolitical factors such as events in the Middle East as well as the slumped oil price. In addition, capital market sentiment was increasingly impacted by the most recent terrorist attacks in Paris, Brussels and Istanbul. In April 2016 the IMF expected the **eurozone** economy to grow at a rate as low as 1.5%. In particular, a potential Brexit would have far-reaching implication and would entail a phase of major insecurity.

The market researchers at Gesellschaft für Konsumforschung (GfK) continue to assume that private consumption will remain an important pillar of economic activity both in Germany and in Europe. They expect private consumption to grow ahead of gross domestic product (GDP), noting that private consumption in the EU (except Greece) has risen by 2.1%. According to GfK studies, the **consumer climate for the EU28** remained at a high level, standing at 9 points in the first calendar quarter 2016 compared to 12.2 points in the fourth calendar quarter of 2015. Given that the survey on the first calendar quarter 2016 did not take into account the Brussels attacks, the impact of the continuing high terror threat level is not captured in this figure.

Notwithstanding the increasing geographic diversification of the Gerry Weber Group's distribution channels, 63.1% of sales (including HALLHUBER) were realised in Germany, meaning that Germany, along with the other German-speaking regions, remains the most important market for the GERRY WEBER Group's products. The **German economy** continued its moderate growth through to the



end of the year 2015; gross domestic product (GDP) for the fourth calendar quarter of 2015 was up by 0.3% on the previous quarter (in price, season and calendar adjusted terms). This means that 2015 saw the German economy on a solid and steady course (growing by + 0.3% in the third and fourth quarter each and by 0.4% in the first two quarters of the year 2015. This averages out at an annual rate of 1.7% (1.4% in calendar adjusted terms).

Early 2016 saw the German economy pick up some momentum, with German GDP expanding by 0.7% during the first calendar quarter in price, season and calendar adjusted terms. According to the Federal Office of Statistics, growth was driven primarily by rising consumption spending on the part of both households and the public sector. The joint forecast of the country's leading economic research institutes anticipates 1.5% annual growth for the full year 2016.

This is also reflected in the continuing high propensity to buy measured by Gesellschaft für Konsumforschung (GfK) as well as the persistently high index reading for the **German Consumer Climate**. Having slumped during the last financial year 2014/15, consumer expectations of economic growth slowly recovered during the first half of our financial year 2015/16. Despite the weaker expectation of economic growth, both consumers' income expectations and their propensity to buy remained at a consistently high level. The Consumer Climate as an umbrella indicator integrating the three parameters "expectations for the economy", "propensity to buy" and "income expectations" settled between 9.3 and 9.9 points in the first half of our financial year 2015/16, thereby confirming the view that private consumption serves as a pillar of the German economy.

In view of the weak prior-year figures, the German textiles retail trade hoped to post positive figures for the 2015/2016 winter months. According to the “TW Testclub” panel managed by the “Textilwirtschaft” fashion trade journal, the sector once again failed to benefit from the solid economy. Following a weak start into GERRY WEBER’s financial year 2015/16 with month-on-month sales down by -5%, -1% and -4% in November 2015, December 2015 and January 2016, respectively, the German fashion retail market briefly recovered in February 2016, posting +3% growth, only to disappoint again in March with -6%. The first half-year of 2015/16 eventually ended on +2% growth in April. Apart from lower customer footfall in central shopping locations, the decline in German fashion retailing was primarily attributed to the warm temperatures which prevailed in the winter months; January 2016 is reported to have been the warmest January since recording of comparable weather data began. According to a poll by Gesellschaft für Konsumforschung, customer demand shifted notably to lighter garments, leading to lower average prices per item and, consequently, a lower volume of sales revenues.

While the German retail trade continues to benefit from good trading conditions with consumers’ propensity and the Consumer Climate both at a high level, the situation remains challenging for the German fashion industry. High-street retailers, in particular, are suffering from the strong growth in online retailing and declining footfall in city centres. In addition, current consumer trends point to consumers earmarking a higher proportion of their available incomes for long-term needs such as home improvements, interior design as well as for such experiences as travels, spa visits and other out-of-home expenses. This means that textiles retailers continue to face unsatisfactory trading requirements. The Managing Board of GERRY WEBER AG does not anticipate a substantial improvement in the external trading conditions during the coming months of the financial year.

Strategic outlook

The challenging environment for the German fashion sector - characterised by steadily shrinking customer footfall in city centres and shopping malls against the backdrop of sustained changes in consumer behaviour - as well as certain negative internal developments had a significant impact on the GERRY WEBER Group’s revenues and earnings. Structural adjustments and resolute measures are imperative in order to counteract these negative developments and secure the company’s long-term profitability and growth prospects.

The Managing Board has developed a programme for the realignment of the GERRY WEBER Group. Titled “FIT4GROWTH”, the programme primarily aims to reposition the company for long-term profitable growth during this and the next financial year. It is comprised of four elements: (1) Optimise the Retail operations; (2) Adjust structures and processes; (3) Strengthen the Wholesale operations; (4) Modernise the brands.

The announced measures are designed to impact on the following levers: sales, efficiency, costs and gross profit.

For a detailed overview of the defined measures as well as the objectives of the “FIT4GROWTH” realignment programme, please refer to our quarterly report on the first quarter of the financial year 2015/16. This report can also be accessed via our website: http://ir.gerryweber.com/cgi-bin/show.ssp?companyName=gerryweber_ir&language=English&id=4200&selectedYear=2015

in EUR million	GERRY WEBER GROUP 2014/15	GERRY WEBER Core 2015/16	HALLHUBER 2015/16	GERRY WEBER GROUP TOTAL 2015/16
Sales	920.8	710 - 730	180 - 190	890 - 920
EBITDA (reported)	115.8	45 - 50	15 - 20	60 - 70
EBIT (reported)	79.3			10-20

An in-depth report on the progress of the measures already launched is provided on pages 26 to 30. of this financial report. Going forward, we will report regularly on the results and the ongoing implementation of the "FIT4GROWTH" in the context of our quarterly reports.

OUTLOOK: General statement of expected development

As discussed above, the objective is to push ahead the implementation of the "FIT4GROWTH" programme measures during this and the next financial year. At this time the GERRY WEBER Group is in the midst of a realignment process. The optimisation of our Retail structures, the streamlining of our internal processes and structures, the strengthening of our Wholesale segment and the modernisation of our brands will all entail extraordinary charges. At the same time, the planned store closures and the improvement of our merchandise and inventory management systems will initially reduce sales in the GERRY WEBER Core business. Accordingly, the Managing Board expects the current financial year 2015/16 to show a significant impact on the sales and earnings side in the GERRY WEBER Core segment and consequently also at Group level.

Based on the current business performance and the implementation status of the realignment programme, and assuming no changes in the market environment, the Managing Board confirms the guidance provided in late February 2016 for the current financial year 2015/16. Specifically, the Managing Board expects consolidated sales in the financial year 2015/2016 to amount to between EUR 890 and 920 million (2014/15: EUR 920.8 million), including a contribution between EUR 180 and 190 million from HALLHUBER. The consolidation of the store network and the defined efficiency measures will entail extraordinary one-time expenses und non-scheduled write-downs in the region of EUR 36 million. After accounting for these extraordinary expenses, consolidated EBIT for the financial year 2015/2016 will come in at between EUR 10 and 20 million.

CONSOLIDATED INCOME STATEMENT (IFRS) in EUR'000

for the Second Quarter 2015/16 (1 February 2016 - 30 April 2016)
and the First Half 2015/16 (1 November 2015 - 30 April 2016)

in KEUR	Q2 2015/16 01.02. - 30.04.2016	Q2 2014/15 01.02. - 30.04.2015	H1 2015/16 01.11.2015 - 30.04.2016	H1 2014/15 01.11.2014 - 30.04.2015
Sales	229.959,2	240.267,9	443.643,2	432.686,0
Other operating income	2.263,8	3.129,8	7.048,8	8.286,2
Changes in inventories and other own work capitalized	-8.776,5	-6.152,5	612,9	12.228,6
Cost of materials	-84.108,2	-91.233,7	-174.466,9	-193.236,5
Personnel expenses	-48.925,6	-48.242,6	-97.299,3	-87.519,5
Depreciation/Amortisation	-10.889,1	-9.511,9	-21.483,3	-16.313,3
Other operating expenses	-74.746,4	-69.099,4	-148.947,3	-119.224,1
Other taxes	-266,3	-353,1	-681,4	-675,7
OPERATING RESULT	**4.510,9**	**18.804,5**	**8.426,7**	**36.231,7**
Financial result				
Income from long-term loans	0,7	0,7	1,4	1,1
Interest income	3,0	615,9	3,9	628,1
Write downs of financial assets	0,0	0,0	-3,0	0,0
Incidential bank charges	-368,0	-269,0	-656,7	-489,9
Interest expenses	-1.716,4	-1.941,4	-3.608,6	-2.857,5
	-2.080,7	**-1.593,8**	**-4.263,0**	**-2.718,2**
RESULTS FROM ORDINARY ACTIVITIES	**2.430,2**	**17.210,7**	**4.163,7**	**33.513,5**
Taxes on income				
Taxes of the reporting period	-1.156,5	-5.164,8	-2.403,4	-10.513,6
Deferred taxes	456,8	-669,9	1.195,7	-1.087,0
	-699,7	**-5.834,7**	**-1.207,7**	**-11.600,6**
NET INCOME OF THE REPORTING PERIOD	**1.730,5**	**11.376,0**	**2.956,0**	**21.912,9**
Earnings per share (basic)	0,04	0,25	0,06	0,48

CONSOLIDATED BALANCE SHEET (IFRS) in EUR'000

as of 30 April 2016

ASSETS in KEUR	H1 2015/16 30 April 2016	2014/15 31 Oct. 2015
NON-CURRENT ASSETS		
Fixed Assets		
Intangible assets	225.456,5	229.862,1
Property, plant and equipment	296.753,8	287.828,0
Investment properties	26.308,3	26.537,4
Financial assets	2.329,0	2.596,8
Other non-current assets		
Trade receivables	163,5	245,2
Other non-current assets	340,1	387,1
Income tax claims	577,4	577,4
Deferred tax assets	**5.106,4**	**5.212,1**
	557.035,0	**553.246,1**
CURRENT ASSETS		
Inventories	**163.506,0**	**163.583,7**
Receivables and other assets		
Trade receivables	54.116,2	63.715,7
Other assets	50.471,3	70.479,8
Income tax claims	12.593,2	11.454,4
Cash and cash equivalents	**41.649,5**	**76.130,3**
	322.336,2	**385.363,9**
TOTAL ASSETS	**879.371,2**	**938.610,0**

CONSOLIDATED BALANCE SHEET (IFRS) in EUR'000

as of 30 April 2016

EQUITY AND LIABILITIES

in KEUR	H1 2015/16 30 April 2016	2014/15 31 Oct. 2015
EQUITY		
Share capital	45.906,0	45.906,0
Capital reserve	102.386,9	102.386,9
Retained earnings	230.380,6	230.380,6
Accumulated other comprehensive income/loss acc. to IAS 39	15.094,9	31.491,4
Exchange differences	-2.710,8	-3.140,4
Accumulated profits	60.921,6	76.328,0
	451.979,2	**483.352,5**
NON-CURRENT LIABILITIES		
Provisions for personnel	57,4	49,6
Other provisions	8.909,6	8.645,0
Financial liabilities	195.000,0	215.000,0
Other liabilities	27.210,9	26.637,5
Deferred tax liabilities	43.704,3	51.086,5
	274.882,2	**301.418,6**
CURRENT LIABILITIES		
Provisions		
Tax liabilities	3.720,8	5.601,5
Provisions for personnel	7.924,2	11.792,2
Other provisions	12.956,0	15.739,2
LIABILITIES		
Financial liabilities	64.400,0	35.740,4
Trade payables	37.080,1	60.662,0
Other liabilities	26.428,7	24.303,6
	152.509,8	**153.838,9**
TOTAL EQUITY AND LIABILITIES	**879.371,2**	**938.610,0**

GERRY WEBER INTERNATIONAL AG

STATEMENT OF CHANGES IN GROUP EQUITY (IFRS) in EUR'000

for the First Half 2015/16 (1 November 2015 - 30 April 2016)

H1 2015/16 in KEUR	Capital stock	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss	Exchange differences	Accumulated profits	Equity
As of 1 November 2015	**45.906,0**	**102.386,9**	**230.380,6**	**31.491,4**	**-3.140,4**	**76.328,0**	**483.352,5**
Allocation of retained earnings of the AG from the net income of the year							0,0
Adjustments of exchange differences					429,6		429,6
Changes in equity acc. to IAS 39				-16.396,5			-16.396,5
Dividends paid						-18.362,4	-18.362,4
Net income of the reporting period						2.956,0	2.956,0
As of 30 April 2016	**45.906,0**	**102.386,9**	**230.380,6**	**15.094,9**	**-2.710,8**	**60.921,6**	**451.979,2**

H1 2014/15 in KEUR	Capital stock	Capital reserves	Retained earnings	Accumulated other comprehensive income/loss	Exchange differences	Accumulated profits	Equity
As of 1 November 2014	**45.906,0**	**102.386,9**	**230.380,6**	**18.321,8**	**-312,4**	**58.580,2**	**455.263,1**
Allocation of retained earnings of the AG from the net income of the year							0,0
Adjustments of exchange differences					-134,6		-134,6
Changes in equity acc. to IAS 39				20.698,0			20.698,0
Dividends paid						-34.429,5	-34.429,5
Net income of the reporting period						21.912,9	21.912,9
As of 30 April 2015	**45.906,0**	**102.386,9**	**230.380,6**	**39.019,8**	**-447,0**	**46.063,6**	**463.309,9**

GERRY WEBER INTERNATIONAL AG

CONSOLIDATED CASH FLOW STATEMENT (IFRS) in EUR'000

for the First Half 2015/16 (1 November 2015 - 30 April 2016)

in KEUR	H1 2015/16 01.11.2015 - 30.04.2016	H1 2014/15 01.11.2014 - 30.04.2015
Operating result	8.426,7	36.231,7
Depreciation / amortisation	21.483,3	16.313,4
Profit / loss from the disposal of fixed assets	2.039,0	266,7
Increase / decrease in inventories	77,7	-13.385,1
Increase / decrease in trade receivables	9.681,2	12.834,1
Increase / decrease in other assets that do not fall under investing or financing activities	-2.786,0	4.089,0
Increase / decrease in provisions	-6.378,8	-5.687,3
Increase / decrease in trade payables	-23.581,9	-20.887,4
Increase / decrease in other liabilities that do not fall under investing or financing activities	2.587,7	2.404,6
Income tax payments	-5.423,0	-15.729,5
Other non-cash effective income/expenses	0,0	0,0
CASH INFLOWS FROM OPERATING ACTIVITIES	**6.125,9**	**16.450,2**
Income from loans	1,4	1,1
Interest income	3,9	628,1
Incidential bank charges	-656,7	-489,9
Interest expenses	-2.704,0	-1.714,5
CASH INFLOWS FROM CURRENT OPERATING ACTIVITIES	**2.770,5**	**14.875,0**
Proceeds from the disposal of properties, plant, equipment and intangible assets	184,4	57,7
Cash outflows for investments in property, plant, equipment and intangible assets	-27.983,2	-57.154,7
Cash outflows for the aquisition of fully consolidated businesses less cash and cash equivalents	0,0	-94.831,8
Cash outflows for investments in investment properties	-14,6	0,0
Proceeds from the disposal of financial assets	264,8	42,0
Cash outflows for investments in financial assets	0,0	-2,8
CASH OUTFLOWS FROM INVESTING ACTIVITIES	**-27.548,6**	**-151.889,6**
Proceeds of the sale of own shares	-18.362,4	-34.429,5
Raising / repayment of financial liabilities	8.659,6	135.168,1
CASH OUTFLOWS FROM FINANCING ACTIVITIES	**-9.702,8**	**100.738,6**
Changes in cash and cash equivalents	-34.480,8	-36.276,0
Cash and cash equivalents at the beginning of the fiscal year	76.130,3	104.295,5
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**41.649,5**	**68.019,5**

EXPLANATORY NOTES

on the interim consolidated financial statements of GERRY WEBER International AG for the period ended 30 April 2016

General information and accounting basis

GERRY WEBER International AG is a listed joint stock company headquartered in Neulehenstraße 8, D – 33790 Halle (Westphalia/Germany). The present abridged consolidated financial statements of GERRY WEBER International AG and its subsidiaries cover the period from 1 November 2014 to 30 April 2015. Hallhuber Beteiligungs GmbH, Munich and Hallhuber Munich, were initially consolidated as of 1 February 2015, which means that the six-month periods (November to April) cannot be fully compared.

The present abridged consolidated financial statements were prepared pursuant to section 37x para. 3 WpHG in conjunction with section 37w para. 2 and in accordance with the International Financial Reporting Standards (IFRS) and the related interpretations by the International Accounting Standards Board (IASB) for interim financial reporting such as they have been adopted by the European Union. Accordingly, these financial statements do not contain all information and notes that are required for year-end consolidated financial statements pursuant to IFRS.

The interim consolidated financial statements for the second quarter (1 February 2016 – 30 April 2016) and the first half of 2015/16 (1 November 2015 – 30 April 2015) were prepared in accordance with IAS 34 “Interim Financial Reporting“ and were not reviewed by the auditors. The accounting and valuation methods and the principles of consolidation have basically remained unchanged compared to the latest consolidated financial statements for the year ended 31 October 2015. The interim consolidated financial statements for the second quarter and the first half of the financial year 2015/16 should be read in conjunction with the consolidated financial statements for the period ended 31 October 2015.

The Managing Board is of the opinion that the present unaudited interim consolidated financial statements contain all necessary information to give a true and fair view of the business performance and the earnings position in the reporting period. The results achieved in the first six months of the financial year 2015/16 do not necessarily provide an indication as to the future results.

Pursuant to IAS 34 “Interim Financial Reporting“, the Managing Board must make discretionary decisions, estimates and assumptions in the preparation of the interim consolidated financial statements. These may influence the application of accounting standards and the recognition of assets and liabilities as well as income and expenses. The actual results may differ from these estimates in individual cases.

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The present interim consolidated financial statements comprise the interim financial statements of GERRY WEBER International AG and all its subsidiaries for the period ended 30 April 2015. The basis of consolidation comprises 40 subsidiaries in Germany and abroad. All subsidiaries have been integrated into the consolidated financial statements according to the rules for full consolidation

Currency translation

The Group currency of GERRY WEBER International AG is the euro. 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.

The separate financial statements of the consolidated foreign companies are prepared in the local currency according to the concept of the functional currency and translated into euros as at 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. 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.

Intangible assets

Goodwill is recognised in accordance with IFRS 3 and tested for impairment on an annual basis and whenever there are indications of impairment.

Purchased intangible assets are recognised at cost, taking ancillary costs and cost reductions into account and amortised using the straight-line method.

Furthermore, the item includes exclusive rights of supply to Houses of GERRY WEBER operated by third parties (Franchise-HoGWs) as well as advantageous lease agreements resulting from acquired stores. The rents stipulated in the lease agreements taken over in the context of the business combinations of the past four fiscal years are currently clearly below the market level. These advantages were capitalised at the present value. The advantageous lease agreements recognised as depreciable intangible assets are written off over the remaining term of the leases using the straight-line method. The resulting expenses are recognised in the income statement under “Depreciation/Amortisation”.

Intangible assets also include customer relationships that were identified in the context of the business combinations of the past four fiscal years. They were capitalised at the present value. The customer relationships recognised as depreciable intangible assets are written off using the straight-line method. The resulting expenses are recognised in the income statement under “Depreciation/Amortisation”.

In the context of the takeover of T. Angen Kapesenteret AS, the “CHANTAL” brand name was acquired and also shown under intangible assets valued at KEUR 711. The same applies to the “HALLHUBER” (EUR 54.0 million) brand name, which was acquired together with the 100% interest in Hallhuber Beteiligungs GmbH. The “Maehle” brand name (KEUR 213) acquired in the context of the takeover of five stores in Norway is also shown under intangible assets. The brands are written-down according to their years of using.

Especially against the background of the majority shareholdings acquired in the past four years, intangible assets totalled EUR 225.5 million as of the reporting date on 30 April 2016 (31.10.2015: EUR 229.9 million).

Tangible assets

Tangible assets comprise corporate real estate in Halle/Westphalia, Düsseldorf (Hall 29) and Romania including their furnishings and fittings. Leasehold improvements in the rented retail stores are also recognised in this balance sheet item.

Investment property

The Hall 30 order centre in Düsseldorf, which is used by external companies is shown under investment property as it is fully let to third parties.

Other assets (current)

Other assets (current) include the carrying amounts of the financial derivatives, which correspond to the fair values. These are currency forwards and currency options to mitigate and hedge foreign exchange risks.

Equity - accumulated other comprehensive income / loss

The GERRY WEBER Group holds derivative financial instruments only to hedge currency risks arising from operations. According to IAS 39, all derivative financial instruments must be recognised at their fair value. 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 effects of the remeasurement of financial instruments accounted after taxes. As at 30 April 2016 positive fair values of financial instruments were recognised after deferred taxes in the respectively equity item in an amount of EUR 15.1 million (31 October 2015: EUR 31.5 million).

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Financial liabilities (non-current)

Non-current financial liabilities in the amount of EUR 195.0 million comprise, among other things, the tranches of the two note loans with a remaining term of more than one year. The first note loan in the amount of EUR 75 million was signed in November 2013 to finance the new logistic centre. The second note loan in the amount of EUR 140 million was placed in February 2015 to finance the acquisition of all shares in Hallhuber Beteiligungs GmbH, Munich. Across all tranches the interest rate in the first six months of the fiscal year was below 2%.

Other liabilities (non-current)

Other liabilities (non-current) primarily comprise the remaining purchase price payments related to the acquisition of a 51% interest in our Belgian and Dutch franchisees and the 25 stores in Norway. At EUR 27.2 million, other non-current liabilities were almost unchanged as of the balance sheet date (31 October 2015: EUR 26.6 million).

Financial liabilities (current)

Current financial liabilities in the amount of EUR 64.4 million comprise, among other things, the tranches of the two note loans with a remaining term of less than one year. They also include a bond issued by the wholly-owned HALLHUBER subsidiary in 2013. The company issued a bond in the amount of EUR 30 million with effect from 19 June 2013. The bond has a term of five years and is listed in the Mittelstandsmarkt segment of the Düsseldorf Stock Exchange. The bond carries a coupon of 7.25% p.a. In accordance with the terms and conditions of the bond, Hallhuber Beteiligungs GmbH exercised its extraordinary cancellation right on 6 May 2015 and called the bond with effect from 18 June 2016.

Earnings per share

Earnings per share are determined on the basis of the net income for the period after taxes that is attributable to the shareholders of GERRY WEBER International AG and the average number of shares outstanding in the reporting period.

The average number of shares outstanding is determined on a pro-rata temporis basis as shown below.

	H1 2015/16 1 Nov.2015 – 30 April 2016	**H1 2014/15** 1 Nov. 2014 – 30 April 2015
November 2015	45,905,960 x 1/12	45,905,960 x 1/12
December 2015	45,905,960 x 1/12	45,905,960 x 1/12
January 2016	45,905,960 x 1/12	45,905,960 x 1/12
February 2016	45,905,960 x 1/12	45,905,960 x 1/12
March 2016	45,905,960 x 1/12	45,905,960 x 1/12
April 2016	45,905,960 x 1/12	45,905,960 x 1/12
	= 45,905,960 units	**= 45,905,960 units**

Earnings per share for the second quarter of 2015/16 (1 February 2016 – 30 April 2016) amounted to EUR 0.04 (Q2 2014/15: EUR 0.25). Earnings per share for the first half of 2015/16 (1 November 2015 - 30 April 2016) totalled EUR 0.06 (H1 2014/15: EUR 0.48).

Segment report

GERRY WEBER International AG modified its segment reporting practice as of the beginning of the financial year 2014/15 (1 November 2014). Since that date, GERRY WEBER International AG has distinguished between two distribution segments, “Wholesale” and “Retail”, with all development and production processes of the goods including transport and logistics allocated to the two segments, “Wholesale” and “Retail”. Accordingly, all income and expenses as well as assets and liabilities which can be assigned to product development and procurement are allocated to the “Retail” segment and the “Wholesale” segment based on their respective share in Group sales revenues.

Against the background of the initial inclusion of Hallhuber Beteiligungs GmbH and Hallhuber GmbH (hereafter referred to as HALLHUBER) in the consolidated financial statements of GERRY WEBER International AG, the “HALLHUBER” segment was added to the segment report as of 1 February 2015. The segment report is not fully comparable with the report for the prior year period, as the figures for the first quarter of 2014/15 do not cover HALLHUBER. The Other Segments primarily comprise the income and expenses as well as the assets and liabilities of the Hall 30 investment property. Income and expenses as well as assets and liabilities of the holding company are also allocated proportionately to the individual segments. For a detailed presentation of the segment report, please refer to the management report contained in this interim report.

SEGMENT REPORTING

for Q2 2015/16 (1 February - 30 April 2016)

Q2 2015/16

in KEUR	GERRY WEBER Core Wholesale	GERRY WEBER Core Retail	HALLHUBER	Other segmetns	Consolidation	Total
Sales by segment	92.043	96.726	41.190	0	0	229.959
EBITDA	13.182	-68	1.447	723	117	15.400
Depreciation of property, plant and equipment	2.013	5.609	3.117	151	0	10.889
EBIT (Earnings Before Interest and Tax)	11.169	-5.677	-1.670	573	117	4.511
Personnel expenses	10.094	30.969	7.863	0	0	48.925
Assets	278.307	386.080	191.932	29.068	-6.015	879.371
Liabilities	63.175	177.418	192.601	0	-5.802	427.392
Investments in non-current assets	4.907	5.206	3.349	9	0	13.471
Number of employees (on average)	717	4.625	1.807	1	0	7.150

Q2 2014/15

in KEUR	GERRY WEBER Core Wholesale	GERRY WEBER Core Retail	HALLHUBER	Other segmetns	Consolidation	Total
Sales by segment	111.277	95.235	33.756	0	0	240.268
EBITDA	27.364	-1.571	2.109	746	-331	28.317
Depreciation of property, plant and equipment	1.855	5.030	2.477	150	0	9.512
EBIT (Earnings Before Interest and Tax)	25.509	-6.601	-368	597	-331	18.805
Personnel expenses	9.817	31.559	6.867	0		48.243
Assets	288.852	397.279	185.136	29.514	-7.965	892.816
Liabilities	54.808	183.979	198.661	0	-7.942	429.506
Investments in non-current assets	15.753	18.762	126.692	0	0	161.207
Number of employees (on average)	710	4.725	1.551	1	0	6.987

SEGMENT REPORTING

for the First Half 2015/16 (1 November 2015 - 30 April 2016)

H1 2015/16 KEUR	GERRY WEBER Core Wholesale	GERRY WEBER Core Retail	HALLHUBER	Other Segments	Consolidated entries	Total
Sales by segment	145.604	206.372	91.667	0	0	443.643
EBITDA	19.909	2.301	6.568	1.383	-252	29.910
Depreciation of property, plant and equipment	4.093	10.937	6.152	301	0	21.483
EBIT (Earnings Before Interest and Tax)	15.816	-8.636	416	1.082	-252	8.427
Personnel expenses	19.266	62.236	15.798	0	0	97.300
Assets	299.968	364.418	191.932	29.068	-6.015	879.371
Liabilities	85.430	156.350	191.413	0	-5.802	427.390
Investments in non-current assets	9.974	11.848	5.034	15	0	26.871
Number of employees (on average)	717	4.625	1.807	1	0	7.150

H1 2014/15 KEUR	Wholesale	Retail	HALLHUBER	Other Segments	Consolidated entries	Total
Sales by segment	197.656	201.274	33.756	0	0	432.686
EBITDA	35.876	12.937	2.109	1.321	303	52.545
Depreciation of property, plant and equipment	3.628	9.909	2.477	299	0	16.313
EBIT (Earnings Before Interest and Tax)	32.247	3.027	-368	1.022	303	36.232
Personnel expenses	18.999	61.654	6.867	0	0	87.519
Assets	288.852	397.279	185.136	29.514	-7.965	892.816
Liabilities	54.808	183.979	198.661	0	-7.942	429.506
Investments in non-current assets	23.882	30.239	126.692	0	0	180.812
Number of employees (on average)	710	4.725	1.551	1	0	6.987

GERRY WEBER INTERNATIONAL AG

RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the performance 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

GERRY WEBER International AG

The Managing Board

Ralf Weber   Dr. David Frink   Norbert Steinke

GERRY WEBER INTERNATIONAL AG

FINANCIAL CALENDER

Publication of the Half-Year Report	14 June 2016
Commerzbank Consumer Conference, Frankfurt	1 September 2016
Publication of the Nine-Month Report	14 September 2016
Berenberg Goldman Sachs German Corporate Conference	20 September 2016
Baader Investment Conference, Munich	21 September 2016
End of the Financial Year 2015/16	31 October 2016

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Disclaimer

This interim report contains forward-looking statements that are based on assumptions and/or estimates by the management of GERRY WEBER International AG. While it is assumed that these forward-looking statements are realistic, no guarantee can be given that these expectations will actually materialise. Rounding differences may occur in the percentages and figures stated in this interim report.