GERRY WEBER
INTERNATIONAL AG

REVIEW OF THE FIRST NINE MONTHS OF 2014/15

	9M 2014/15	only Q2+Q3 2014/15
	GERRY WEBER Core (GERRY WEBER, TAIFUN, SAMOON)	**HALLHUBER**
	Sales decrease to **EUR 559.9 mn (-6.7 %)**	Sales increase to **EUR 70,6 mn (+12.7%)**
	Increase in gross margin to 58.9% (previous year period: 56.4%).	Q2+Q3 2014/15: stable gross margin of 64.7 %
	EBIT of **EUR 35.8 mn** (-45.3%)	EBIT of **€ 0.1 mn** impacted by higher depreciation of resulting from consolidation
	972 own Retail sales floor spaces (+ 194 sales floors in 9M including 162 new Concession Stores in Germany)	**242** own Retail sales floor spaces (+23 stores since Dec. 2014)
	like-for-like Retail sales: -4.2 % (market development Germany: round about -5%)	like-for-like Retail sales: +0,1 % (market development Germany: round about -5%)

Inclusion of HALLHUBER in the consolidated financial statements

Since the second quarter of GERRY WEBER's financial year 2014/15, Hallhuber Beteiligungs GmbH, Munich, and Hallhuber GmbH, Munich (hereinafter referred to as HALLHUBER) were included in the consolidated financial statements of GERRY WEBER International AG for the first time. This means that a comparison with the consolidated figures for the nine-month period of the previous year is only of limited relevance. To improve the transparency, Hallhuber Beteiligungs GmbH is presented as a separate segment alongside the "Wholesale" and "Retail" segments in the segment report (HALLHUBER segment).

Irrespective of the segment report, HALLHUBER is assigned to the GERRY WEBER Group's Retail segment because of the fully vertically integrated business model.

German fashion trade remains inconsistent and fails to recover

After the first seven months of 2015, sales revenues of Germany's fashion retail sector were still down by 1% on the previous year. At 5%, the decline in the ladieswear segment was even stronger.

Taking into account November 2014 (-9%) and December 2014 (-4%), sales in the German fashion retail sector in the November 2014 to July 2015 period (9M of

GERRY WEBER's financial year) were down by around 5% on the prior year period.

Like-for-like sales revenues of the GERRY WEBER Core brands – GERRY WEBER, TAIFUN and SAMOON (hereinafter referred to as GERRY WEBER Core) – moved more or less in sync with the general market trend. While the drop in like-for-like sales revenues of the GERRY WEBER Core brands slowed down from -4.6% in H1 2014/15 to -4.2% at the nine-month stage, sales development was not in line with the company's growth targets.

HALLHUBER records stable like-for-like sales

HALLHUBER's like-for-like sales for the first nine months remained stable (+0.1%), which means that the company clearly out-performed the German fashion market as a whole.

Sales revenues of the GERRY WEBER Group climbed 5.6% in Q3 2014/15

Consolidated sales revenues of the complete GERRY WEBER Group rose by 5.6% to EUR 197.8 million in Q3 2014/15 (Q3 2013/14: EUR 187.2 million). HALLHUBER contributed EUR 36.9 million to the Group's result in the period from May to July 2015. The GERRY WEBER Core brands (GERRY WEBER, TAIFUN, SAMOON) generated sales revenues of EUR 160.9 million in the third quarter of the current financial year.

HALLHUBER sales remain on target at the nine-month stage

In the first nine months of 2014/15, consolidated sales revenues of the GERRY WEBER Group (incl. HALLHUBER) amounted to EUR 630.5 million, compared to EUR 600.0 million in the prior year period. The increase is attributable to the HALLHUBER fashion company, which was first included in the consolidated financial statements of the GERRY WEBER Group as of February 2015. Accordingly, only six months are considered in the consolidated nine-month figures of the GERRY WEBER Group.

Between February and July 2015, HALLHUBER generated sales revenues of EUR 70.6 million, which are included in the consolidated sales revenues for the first nine months of 2014/15. This means that the company has met its original plan to contribute between EUR 110 million and EUR 120 million to Group sales revenues.

Due to the challenging market conditions, the continued high discounts to reduce overstock as well as sharply declining sales to our Wholesale partners, sales revenues of the GERRY WEBER Core brands (excl. HALLHUBER) declined by 6.7% to EUR 559.9 million in the first nine months of 2014/15, compared to EUR 600.0 million in the prior year period.

The decline in Wholesale revenues to EUR 243.7 million (-20.5 %), in particular, but also the 4.2% drop in like-for-like GERRY WEBER Core Retail revenues clearly reflect the negative impact of the current market environment on our business model. With the

Retail expansion continuing, total Retail revenues of the GERRY WEBER Core brands increased by 7.7% to EUR 316.2 million.

Earnings

Due to the lower-than-planned sales revenues, the above-average markdowns on seasonal items in the past months and the expansion-related higher fixed costs, earnings before interest, taxes, depreciation and amortisation (EBITDA) were down by 25.4% on the prior year period to EUR 63.0 million in the first nine months of 2014/15 (9M 2013/14: EUR 84.5 million). In particular, the slump in the Wholesale segment's high-margin revenues weighed on the company's bottom line.

Taking into account increased depreciation/amortisation resulting from the international Retail expansion and the acquisition of HALLHUBER, earnings before interest and taxes (EBIT) of the GERRY WEBER Group were down by 42.0% on the prior year period to EUR 38.0 million.

For a detailed presentation and explanation of the business performance in the first nine months of 2014/15, please refer to the Group management report in this financial report.

EUR million	Q3 2014/15 01.05.15 - 31.07.15	Q3 2013/14 01.05.14 - 31.07.14	9M 2014/15 01.11.14 - 31.07.15	9M 2013/14 01.11.13 - 31.07.14
Sales	197.8	187.2	630.5	600.0
Wholesale	46.0	82.3	243.7	306.4
Retail	114.9	104.9	316.2	293.6
HALLHUBER	36.9	0	70.6	0
Earnings key figures				
EBITDA	10.4	22.7	63.0	84.5
EBITDA-margin	5.3%	12.1%	10.0%	14.1%
EBIT	1.8	16.0	38.0	65.6
EBIT margin	0.9%	8.5%	6.0%	10.9%
EBT	-0.4	14.9	33.1	61.7
EBT margin	-0.2%	7.9%	5.3%	10.3%
Net income of the period	0.3	10.4	22.2	43.1

The GERRY WEBER SHARE

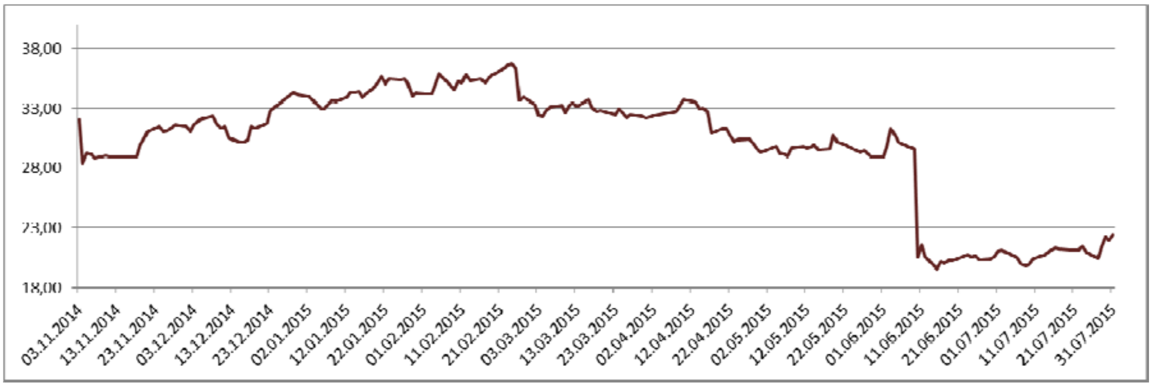
After reaching an all-time high of 12,390.75 points on 10 April 2015, the DAX showed a rather mixed performance between May and July 2015, the third quarter of our financial year 2014/15. In particular, the DAX suffered from the escalation of the Greek crisis in June 2015, which even sent it falling below the 11,000 points mark in mid-June 2015. After the European Union and Greece reached an agreement, the DAX recovered but was unable to return to its April 2015 highs. On balance, the DAX thus remained more or less unchanged in our Q3 2014/15 and closed at 11,308.99 points on 31 July 2015 (30 April 2015: 11,454.38 points). A similar performance was exhibited by the MDAX, in which the GERRY WEBER share is listed until September 21st, 2015.

In the first weeks of Q3 2014/15, the price of the GERRY WEBER share moved within a narrow range of EUR 28.89 to EUR 31.29, which was almost consistent with the general market trend. After the short-term forecast for the current financial year was updated on 10 June 2015 and the 2014/15 interim financial statements were published on 12 June 2015, the share price temporarily dropped below EUR 20.00 and closed at a low of EUR 19.57 on 15 June. The price of the GERRY WEBER share recovered somewhat in July 2015 and finished the third quarter 2014/15 at EUR 22.43.

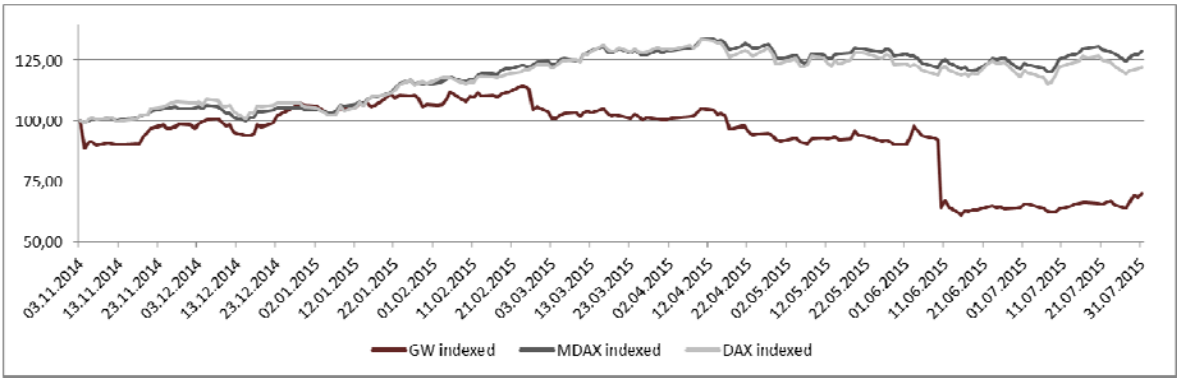
Sales revenues and earnings of the GERRY WEBER Group clearly lost momentum in the first half of the current financial year 2014/15. While the Group’s total sales revenues rose by 4.8% to EUR 432.7 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) declined by 14.9% to EUR 52.5 million. Lower-than-planned revenues, higher discounts on seasonal merchandise and the expansion-related increase in fixed costs weighed on the bottom line. The management of GERRY WEBER International AG now expects sales revenues of the whole Group (including HALLHUBER) for the full financial year 2014/15 to increase by a high single-digit percentage on the previous year, whereas earnings before interest and taxes (EBIT) of the GERRY WEBER Group will be between 20% and 25% lower than in the previous year due to the current difficult market environment.

At various roadshows and conferences as well as in one-on-one talks, management informed investors about the measures initiated to return to the previous level of profitability. We will continue to provide information about the progress and the success of the measures implemented in the coming months.

Price of the GERRY WEBER share in 9M 2014/15



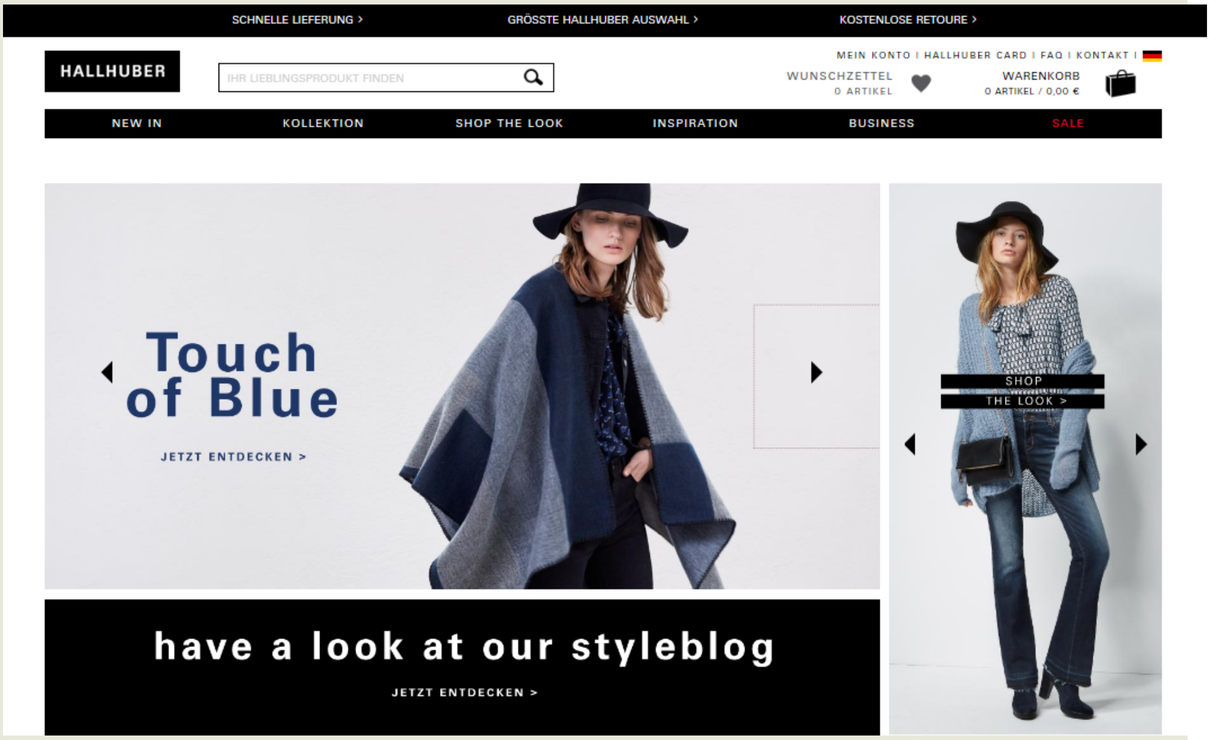
Share price performance compared to the DAX and the MDAX in 9M 2014/15



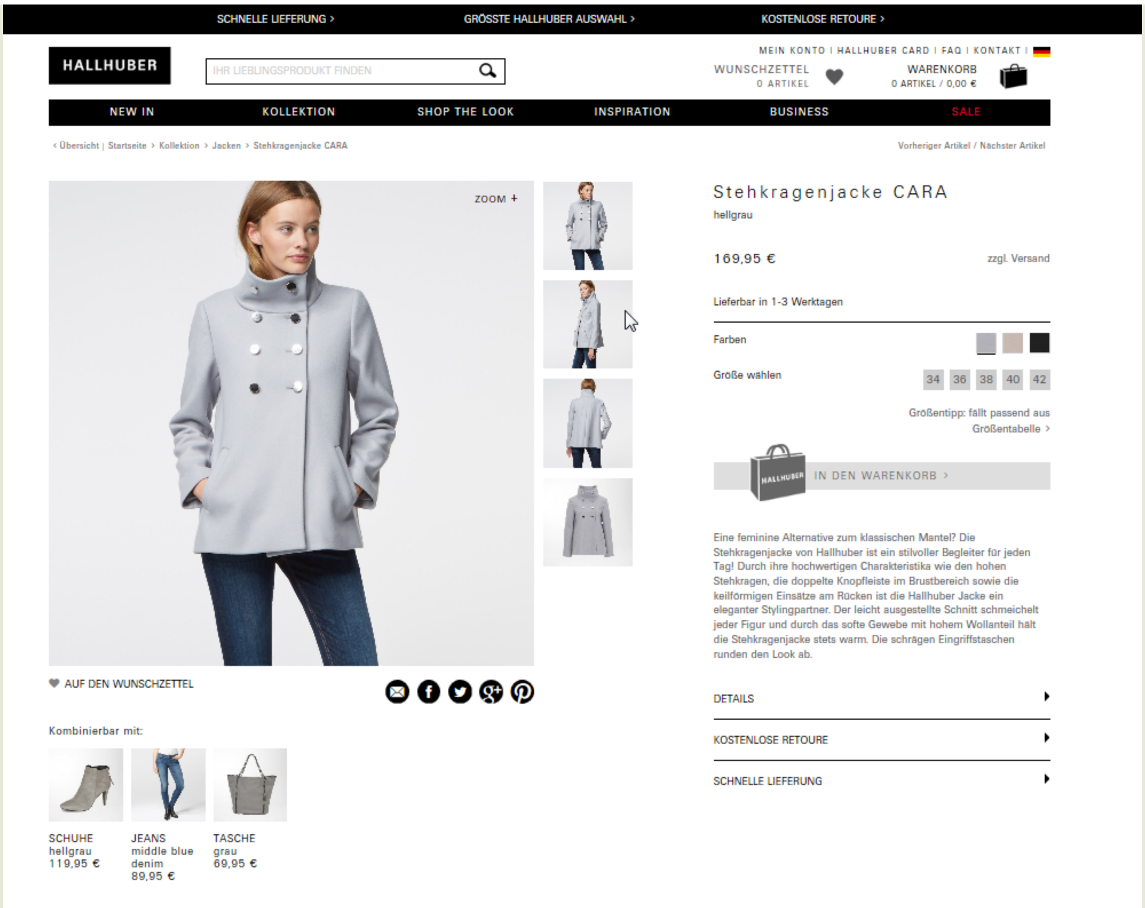
GERRY WEBER INSIGHTS – The HALLHUBER Online Store

Feminine, modern, style-setting – that's the HALLHUBER online shop.

The clear, almost purist structure of the layout, which gives the shop its distinctive look and feel, is the most striking feature. Every individual look is given a lot of space to take effect on the customer. Tiles in different sizes with rich images attract visitors to the HALLHUBER universe and offer multiple options for their next clicks.



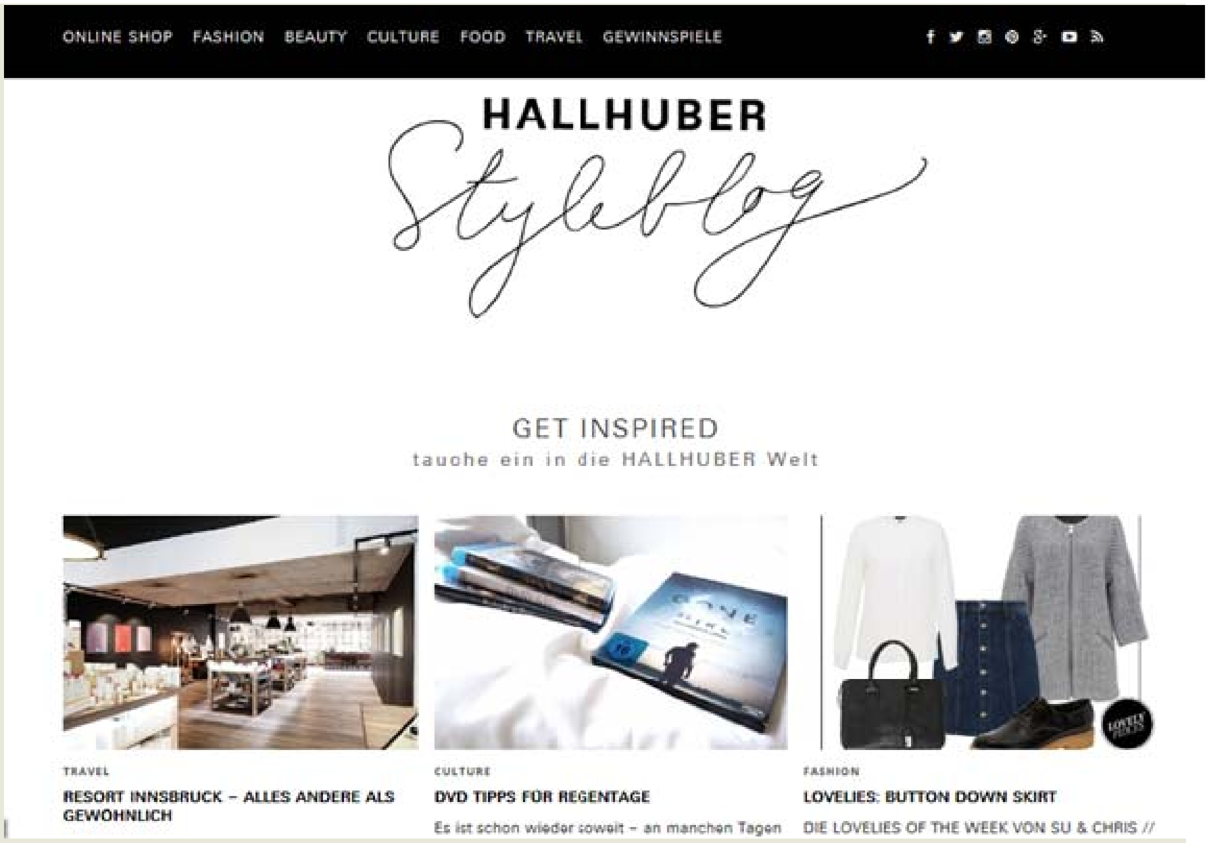
In contrast to the emotionally designed entry page, the detail pages for each article put the product centre-stage in order to provide the visitor with all necessary information as quickly and easily as possible. A large front image and further product photos showing the item from different perspectives provide a visual impression of the product. The detailed product text describes the details and the material and gives the customer an almost "hands-on" impression of the product. Complete outfits being the hallmark of HALLHUBER – from the development of the collections to the point of sale and the online shop – the product descriptions are complemented by styling tips and suggestions for combination with other products. The "Shop the Look" category additionally presents complete outfits which give the customer the assurance of a perfect style from head to toe.



Responsive web design is used to ensure optimum presentation of the online shop on all devices so that customers can make their purchases from the comfort of their desktop computer or mobile terminal.

No matter where they happen to be at any given time, customers can also use the common social media channels such as Facebook, Instagram, Pinterest, Twitter and YouTube to stay informed about HALLHUBER or simply subscribe to the HALLHUBER newsletter. Depending on their clicking and purchasing behaviour, the newsletter is e-mailed to subscribers at least once a week to inform them about the latest trends and collections as well as the start of special activities.

The company’s own Styleblog additionally presents a HALLHUBER-centred lifestyle universe, highlighting not only the latest fashion trends but also featuring topics such as travel, beauty, culture and food. Regular competitions and design contests allow readers to become part of the HALLHUBER world and to actively help shape it.

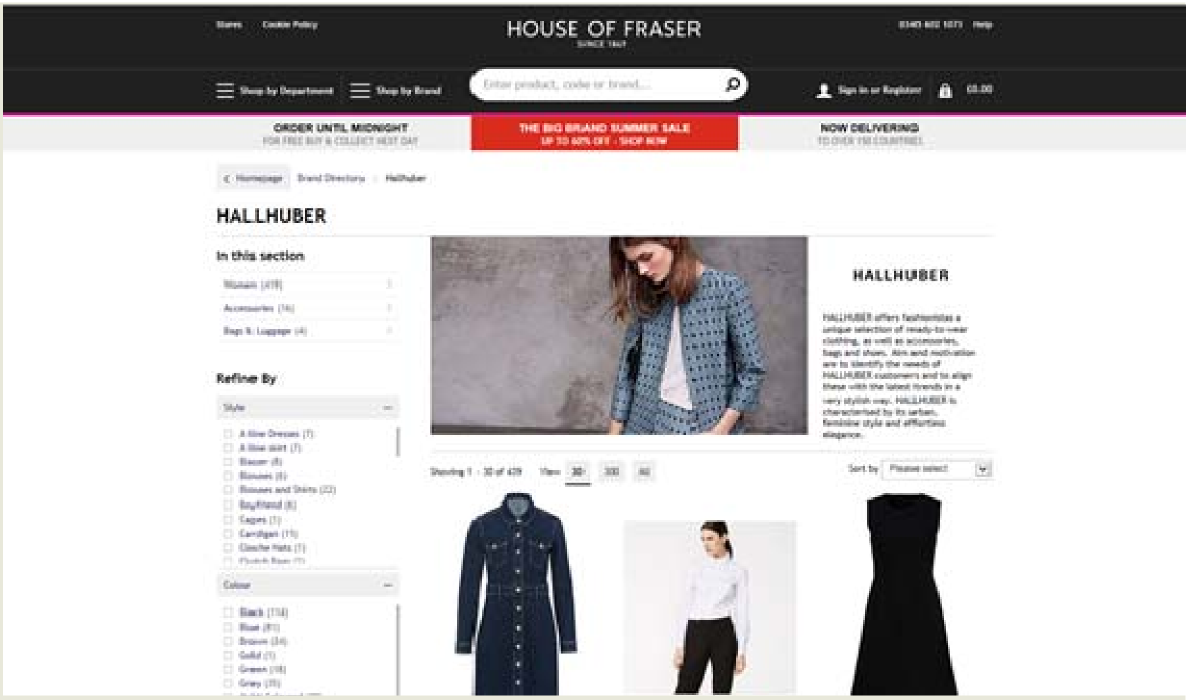


HALLHUBER online presence

HALLHUBER fashion can be purchased not only in the company's five own online shops in Germany, Austria, Switzerland, France and the UK but also via twelve external platforms such as Zalando, Amazon, Otto or House of Fraser. The vertical business model also extends to HALLHUBER's online activities, which means that the company controls product ranges and prices also on the external platforms.

Since the initial consolidation of HALLHUBER, online revenues have increased by an impress-sive 22% on the prior year period to EUR 5.6 million. To ensure that the profit contribution increases as well, items with high return rates are taken offline and the "Sale" category, in which products are sold at a discount, is closed at the end of each season. As a result, the product margin rose by almost 4% on the previous year in the reporting period, resulting in a return on sales of over 20% for the online business.

HALLHUBER's own online shops account for 59% of the total online revenues, which represent 8% of the company's total sales revenues. In spite of the strong growth of the physical stores, the online share is to increase to 10% in the medium term.



Integration of online and offline

Not only the look and the use of the HALLHUBER online shop are state of the art but also the integration of the online and offline business. Products purchased online may be mailed back free of charge or be dropped off in a HALLHUBER store. Customers can meanwhile order products online in roughly 40% of the HALLHUBER stores in Germany and Austria (in-store ordering). Due to the positive customer feedback, the integration of the two channels will be further refined, with both the roll-out of in-store ordering and the introduction of “click & collect” on the roadmap.

HALLHUBER customers’ satisfaction with “their” online shop is not least reflected in the large number of orders placed by loyal customers, with the 450,000 or so customer card holders accounting for nearly half of the online revenues.

The high and constantly growing share of loyal customers gives impressive proof of the successful combination of attractive brand communications, good usability and sales-enhancing functionality.

INTERIM GROUP MANAGEMENT REPORT

on the nine-month period 2014/15 ending 31 July 2015

Sales revenues in Q3 2014/15

Against the background of the persistently challenging market environment, the GERRY WEBER Group was unable to fully reach its objectives. Only the HALLHUBER subsidiary, which was acquired in February 2015, was able to reach the originally planned sales and earnings.

Including HALLHUBER, the GERRY WEBER Group's consolidated sales revenues increased from EUR 187.2 million to EUR 197.8 million in Q3 2014/15. HALLHUBER contributed EUR 36.9 million to the Group's sales revenues in the period from May to July 2015.

GERRY WEBER Core revenues affected by Wholesale segment

Sales revenues of GERRY WEBER Core, which comprises the GERRY WEBER, TAIFUN and SAMOON brands, dropped from EUR 187.2 million to EUR 160.9 million. One of the reasons was the 2.9% decline in like-for-like sales revenues for the third quarter alone. Most importantly, however, the drop in sales revenues in the third quarter of 2014/15 was due to the 44.1% slump in revenues in the Wholesale segment to EUR 46.0 million in Q3 2014/15.

Third-quarter sales revenues in the GERRY WEBER Core Retail segment increased by 9.5% from EUR 104.9 million to EUR 114.9 million as a result of the segment's expansion.

Against the background of the 2.9% decline in like-for-like Retail revenues in the third quarter of 2014/15 alone, the increase in GERRY WEBER Core Retail revenues is the result of the expansion during the past 12 to 24 months. Sales revenues in the Wholesale segment amounted to EUR 46.0 million in the third quarter, which was clearly below our expectations. The decline reflects both the uncertainty of our Wholesale partners resulting from the difficult market situation and the slow ordering behaviour resulting from increased retailer inventories. The fact that sales revenues in Russia and its neighbouring countries declined by 30% to 35% additionally weighed on Wholesale revenues.

HALLHUBER revenues up 13.9% on a quarter-on-quarter basis

HALLHUBER's sales revenues showed a positive trend in the third quarter of 2014/15. They were up by 13.9% on the prior year period to EUR 36.9 million, which represented 18.6% of the GERRY WEBER Group's total third-quarter sales revenues.

While HALLHUBER is presented as a separate segment in the segment report for reasons of transparency, it is assigned to the Retail segment because of its fully vertically integrated business model. Accordingly, the Retail segment's (including HALLHUBER) relative share in total sales revenues increased to 61.4%. For a breakdown of Group sales revenues by segments, please refer to the segment report in this Group management report.

Sales revenues at the nine-month stage of 2014/15

Consolidated sales revenues of the GERRY WEBER Group rose from EUR 600.0 million in the prior year period to EUR 630.5 million in the first nine months of 2014/15. The 5.1% increase is due to the consolidation of the HALLHUBER fashion company, which is consolidated since February 2015. Between February and July 2015, HALLHUBER contributed EUR 70.6 million to the Group's sales revenues.

HALLHUBER sales development defies the general market trend in Germany

HALLHUBER generated sales revenues of EUR 110.7 million in the period from November 2014 to July 2015. This represents an increase by 14.5% on the prior year period. Since its inclusion in the consolidated financial statements of the GERRY WEBER Group (February to July 2015), the company has contributed EUR 70.6 million or 11.2% to the Group's sales revenues.

HALLHUBER's like-for-like sales revenues clearly outperformed the German market as a whole. While sales revenues in the German fashion retail sector declined by around 5% between November 2014 and July 2015, HALLHUBER's like-for-like sales revenues remained stable (+0.1%). This clearly reflects the high acceptance enjoyed by HALLHUBER among its customers and the company's outstanding market position.

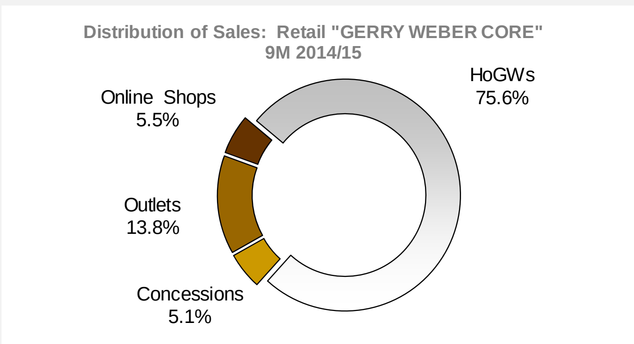
International expansion supports GERRY WEBER Retail growth

In spite of sales revenues for the first nine months increased by 5.1%, we are not satisfied with the sales performance of the GERRY WEBER Group as a whole. While Retail revenues of the GERRY WEBER Core brands (GERRY WEBER, TAIFUN, SAMOON) climbed 7.7% to EUR 316.2 million, we were unable to fully reach our Retail targets due to the negative trend in like-for-like Retail sales (GERRY WEBER Core).

The 4.2% decline in like-for-like Retail revenues of the GERRY WEBER Core brands in the period from November 2014 to July 2015 was in line with the trend in the German fashion market as a whole.

We were unable, however, to reach our like-for-like growth targets we set ourselves. The 7.7% improvement in Retail revenues is the result of the expansion of the company-managed Retail spaces in the last two financial years.

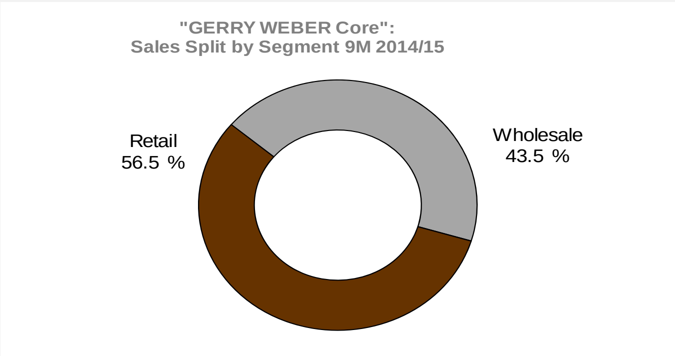
The number of company-managed sales spaces has grown by 194 since the end of the financial year 2013/14. The Houses of GERRY WEBER and mono-label stores contributed 75.6% to the sales revenues of the GERRY WEBER Core Retail segment in the first nine months of the current financial year. The chart below shows a detailed breakdown of the Retail revenues (GERRY WEBER Core).



Significantly lower Wholesale revenues

The decline in Wholesale revenues from EUR 306.4 million to EUR 243.7 million clearly reflects the current uncertainty among our retail partners. Against the background of the challenging market environment during the past months, the low footfall in the cities and the resulting increase in inventories at our Wholesale customers, order volumes dropped sharply. The sharp depreciation of the rouble and the ensuing uptrend in consumer prices in Russia also had an adverse impact on sales to our retail partners in Russia and its neighbouring countries. For the full financial year, we expect sales revenues in Russia and its neighbouring countries to decline by 30% to 35%.

The Wholesale segment's relative share in GERRY WEBER Core sales revenues declined from 51.1% in the first nine months of the previous financial year to 43.5%.



Performance of the distribution channels

Gaining better control over the merchandise available in stores is an important element of the GERRY WEBER strategy. Steady expansion of the company-managed Retail spaces is therefore an important aspect not only of the growth strategy but also of the vertical integration strategy. This allows us to get the collections even more quickly to the points of sale in accordance with consumers' actual requirements.

GERRY WEBER Core (GERRY WEBER, TAIFUN, SAMOON)

At the end of the third quarter 2014/15 (31 July 2015), there were 517 company-managed Houses of GERRY WEBER in Germany and abroad as well as 141 mono-label stores of the GERRY WEBER EDITION, TAIFUN and SAMOON brands. The Retail segment also comprises the 280 concession stores as well meanwhile 34 factory outlets. As of 31 July 2015, the company managed a total of 972 sales spaces of the GERRY WEBER Core brands, i.e. GERRY WEBER, TAIFUN and SAMOON, including 339 outside Germany.

Between the beginning of the financial year 2014/15 and 31 July 2015, the number of company-managed sales spaces of the Core brands increased by 194 to 972. The main driver was the conversion of 162 shop-in-shops in Kaufhof department stores into concession stores with effect from 7 July 2015. This means that we have taken a major step towards the vertical integration of the sales spaces and pushed ahead our strategy to strengthen the concession stores. Moreover, as we continued to expand our presence in Scandinavia, five stores were opened in Finland in the third quarter. In the context of the expansion strategy, new Houses of GERRY WEBER were primarily opened in Canada and Scandinavia during the first nine months of the financial year 2014/15.

Besides the physical stores, the online activities of the GERRY WEBER, TAIFUN and SAMOON brands also form part of the Retail segment. Today, customers in nine countries can buy these brands as well as accessories and shoes in our online shops. An online shopping app was additionally launched in August. In the first nine months, the Retail segment's online activities generated sales revenues of EUR 17.2 million. The online business of the Core brands thus contributed 5.5% to the GERRY WEBER Core total Retail sales revenues.

Due to closures and takeovers of previously franchised stores, primarily in countries where our Retail segment has a growing presence (e.g. Finland and Czech Republic), into our own Retail portfolio, the number of franchised Houses of GERRY WEBER has declined moderately compared to the end of the financial year 2013/14, namely from 282 to 272 on 31 July 2015. The number of shop-in-shops declined from 2,808 at the beginning of the financial year to 2,625, mainly due to the reclassification of the above mentioned 162 Kaufhof shop-in-shops from the Wholesale to the Retail segment. 550 of these 2,625 shops are located outside Germany.

HALLHUBER distribution channels

As a result of the acquisition of HALLHUBER in February 2015, the sales spaces of the GERRY WEBER Group now also include the HALLHUBER stores. With another five HALLHUBER stores opened in the third quarter, their number now totals 242, which break down into 100 monolabel stores, 130 concession stores and 12 outlet stores.

HALLHUBER continues to push ahead its expansion strategy and entered the Norwegian market in September 2015. The five stores in Oslo, Trondheim and Alesund are independent stores fitted out in the well-known HALLHUBER style. Besides entering new markets, HALLHUBER continues to focus on expanding its presence in its existing markets, i.e. Germany, Austria, Switzerland, the Netherlands, Belgium and Great Britain. Norway is the seventh country where HALLHUBER has set up shops.

Besides its physical stores, HALLHUBER also sells its products through its five own online shops in Germany, Switzerland, Austria, France and Great Britain. In addition, HALLHUBER products are available through 12 external platforms such as Amazon, Otto, Zalando and House of Fraser. The online shops currently contribute some 8% to HALLHUBER's total sales revenues.

The table below shows all physical Retail sales spaces of the GERRY WEBER Group:

	9M 2014/15	2013/14	2012/13	2011/12
Houses of GERRY WEBER	517	485	424	347
Monolabel Stores	141	144	144	146
Concessions	280	119	111	64
Factory Outlets	34	30	22	17
TOTAL GWI	**972**	**778**	**701**	**574**
HALLHUBER*	**242**	**-**	**-**	**-**

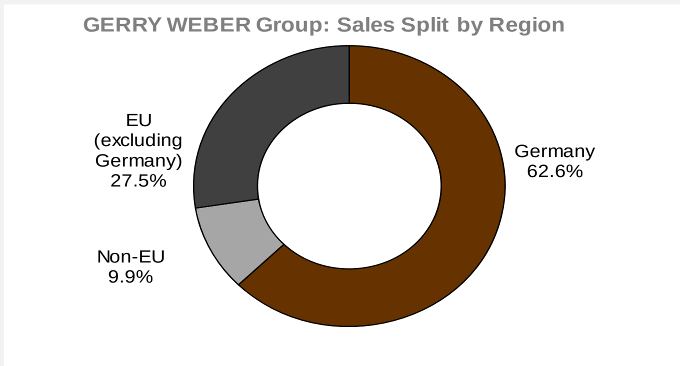
*Acquisition in February 2015

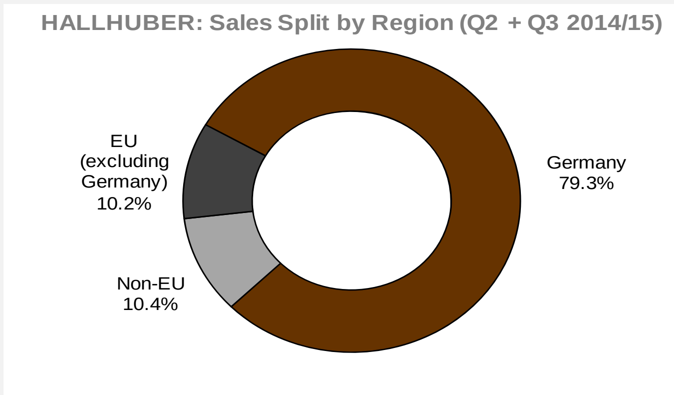
Brand sales performance and regional distribution of sales

Our German home market remains the most important output market of the GERRY WEBER Group. The GERRY WEBER Group generates 62.6% of its sales revenues in Germany (including HALLHUBER's sales revenues since the February 2015 takeover). Adjusted for HALLHUBER, this share drops to 60.5%, which reflects the higher degree of internationalisation of the GERRY WEBER Core brands. In the six months that passed since its integration into the GERRY WEBER Group, HALLHUBER generated 79.3% of its sales revenues in Germany.

Accounting for over 6% of total revenues each, the Netherlands and Austria are the most important output markets of the GERRY WEBER Group. The Group generates 27.5% of its total sales revenues in Europe (excl. Germany). 9.9% of the Group's revenues are generated outside the EU, with Switzerland being the most important export market.

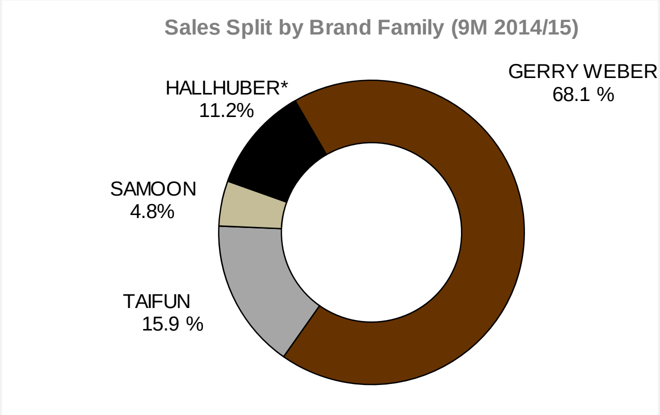
The charts below show a breakdown of sales revenues by regions for GERRY WEBER Core (GERRY WEBER, TAIFUN and SAMOON) as well as HALLHUBER.





A look at the GERRY WEBER Core brands alone shows that the GERRY WEBER brand and its sublabels, EDITION and G.W., made the biggest contribution to total sales, at 76.6%. At 18.0% and 5.4%, respectively, the relative shares of TAIFUN and SAMOON remained almost constant compared to the prior year period.

Including HALLHUBER's revenues in the February to July period (consolidation period), the GERRY WEBER brand remains the biggest contributor to the Group's total sales revenues, at 68.1%. Accounting for 15.9%, TAIFUN remains the second biggest brand, followed by HALLHUBER (11.2%) and SAMOON (4.8%).



* initial consolidation of HALLHUBER in Q2

EARNINGS POSITION IN 9M 2014/15

in KEUR	Q3 2014/15 01.05. - 31.07.2015	Q3 2013/14 01.05. - 31.07.2014	9M 2014/15 01.11.2014 - 31.07.2015	9M 2013/14 01.11.2013 - 31.07.2014
Sales	197,792.1	187,230.1	630,478.1	600,007.1
Other operating income	4,689.8	4,107.0	12,976.0	11,271.5
Changes in inventories	9,648.8	26,337.5	21,877.4	30,994.5
Cost of materials	-83,574.8	-102,423.8	-276,811.3	-292,763.5
Personnel expenses	-48,658.0	-40,764.5	-136,177.4	-113,767.5
Depreciation/Amortisation	-8,646.6	-6,707.2	-24,960.0	-18,969.4
Other operating expenses	-69,085.1	-51,501.0	-188,309.2	-150,417.7
Other taxes	-381.6	-301.7	-1,057.3	-862.0
EBITDA	**10,431.2**	**22,683.6**	**62,976.2**	**84,462.4**
OPERATING RESULT (EBIT)	**1,784.5**	**15,976.4**	**38,016.2**	**65,493.0**
Financial result				
Income from long-term loans	0.7	1.0	1.8	3.0
Interest income	44.0	59.6	672.1	179.8
Incidential bank charges	-235.7	-107.2	-725.6	-725.4
Interest expenses	-1,990.1	-1,057.6	-4,847.6	-3,263.1
	-2,181.1	**-1,104.3**	**-4,899.3**	**-3,805.7**
RESULT FROM ORDINARY ACTIVITIES	**-396.6**	**14,872.1**	**33,116.9**	**61,687.3**
Taxes on income	662.0	-4,487.5	-10,938.7	-18,593.9
NET INCOME REPORTING PERIOD	**265.4**	**10,384.6**	**22,178.3**	**43,093.4**
Earnings per share (basic)	0.01	0.23	0.48	0.94

The initial consolidation of HALLHUBER in the second quarter of 2014/15 should be taken into account also when looking at the Group's earnings, especially in comparison with the previous year.

Q3 2014/15 (stand-alone)

Consolidation of HALLHUBER sends gross margin rising

The gross margin of the GERRY WEBER Group amounted to 62.6% in the third quarter of 2014/15, a further improvement from 56.5% in the first quarter and 59.5% in the second quarter. The increase in the gross margin in the past two quarters is particularly attributable to the consolidation of HALLHUBER. This fully vertically integrated company sells its fashion collections exclusively in its own stores, with the gross margin reaching 64.1% in the third quarter.

The GERRY WEBER Core gross margin improved from 59.4% to 62.3%. Positive effects primarily result from the Retail segment's increased share in total sales revenues and the improved cost-of-sales ratio. These were partly offset by negative effects resulting from higher discounts granted.

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

The gross result of the GERRY WEBER Core segment in absolute figures (sales revenues less cost of materials + changes in inventories) declined from EUR 111.1 million in the prior year quarter to EUR 100.2 million. This is primarily due to the markdowns on seasonal items.

High fixed cost ratios weighing on the bottom line

In spite of the improved gross margin, the profitability of the GERRY WEBER Group deteriorated considerably compared to the third quarter of the previous year. Increased personnel expenses of the Retail expansion in conjunction with higher other operating expenses and declining sales revenues of the GERRY WEBER Core brands (excl. HALLHUBER) are weighing on the company's bottom line.

Personnel expenses rose sharply as a result of the integration of HALLHUBER but also because of the expansion of the GERRY WEBER Core Retail segment. The Group's total personnel expenses climbed from EUR 40.8 million to EUR 48.7 million. It should be noted, however, that HALLHUBER accounted for EUR 7.1 million of these personnel expenses. Excluding HALLHUBER, personnel expenses of the GERRY WEBER brands rose by 2.0% to EUR 41.6 million (Q3 2013/14: EUR 40.8 million). As personnel expenses increased and sales revenues declined at the same time, personnel expenses as a percentage of sales of GERRY WEBER Core climbed from 21.8% to 25.8%. The respective figure for HALLHUBER for the same period was 19.2%.

A similar trend is evident in other operating expenses, which rose from EUR 51.5 million to EUR 69.1 million at Group level. HALLHUBER accounted for EUR 15.3 million of these expenses in the third quarter of 2014/15. Other operating expenses of GERRY WEBER Core climbed 4.5% to EUR 53.8 million.

A comparison of the past two quarters of the current financial year shows the effects of constant fixed costs and lower sales revenues on the profitability of the GERRY WEBER Core brands.

Comparison of Q2 and Q3 GERRY WEBER Core (excl. HALLHUBER)

GERRY WEBER Core (excluding HALLHUBER) in EUR million	**Q3 2014/15** 01.05. - 31.07.2015	**Q2 2014/15** 01.02. - 30.04.2015
Sales	160.9	206.5
Other operating income	3,5	1.8
Changes in inventories	9.3	-7.1
Cost of materials	-70.0	-78.6
Gross profit	**100.2**	**120.8**
Personnel expenses	-41.6	-41.4
Depreciation/Amortization	-7.7	-7.0
Other operating expenses	-53.8	-54.7
Other taxes	-0.3	0.4
EBITDA	**7.9**	**26.2**

Against the background of the above effects arising from lower-than-planned sales revenues and unchanged cost structures, earnings before interest, taxes, depreciation and amortisation (EBITDA) of the GERRY WEBER Group (incl. HALLHUBER) declined from EUR 22.7 million to EUR 10.4 million in comparison to the previous year.

Retail expansion and acquisitions result in higher depreciation/amortisation

The opening of new company-managed Retail spaces has led to an increase not only in the companies' property, plant and equipment but also in the depreciation of property, plant and equipment. Moreover, the takeovers – especially the acquisition of HALLHUBER – have led to increased amortisation of intangible assets. Consequently, the GERRY WEBER Group's depreciation/amortisation increased to EUR 8.6 million in the third quarter of 2014/15 (Q3 2013/14: EUR 6.7 million).

As a result of the effects described above the Group's EBIT declined from EUR 16.0 million to EUR 1.8 million in the third quarter of the current financial year.

9M 2014/15

As outlined in the above paragraph on Q3 2014/15 in this management report, the earnings position of the GERRY WEBER Group deteriorated compared to the previous year. The following factors had a negative effect on the profitability of the Group:

- Lower-than-planned sales revenues of the GERRY WEBER Core brands (excl. HALLHUBER).

  Challenging market conditions such as unfavourable weather, low footfall in the stores and cities as well as changing consumer behaviour led not only to lower-than-planned sales revenues within a season but also to higher inventories at the end of the season.
- The increased inventories were partly sold at substantially marked down prices in the following months, which had an adverse impact on GERRY WEBER Core's gross margin.
- The market conditions outlined above led to elevated inventory levels also at our retail partners at the end of the season.

This resulted in reduced order volumes in the Wholesale segment.

- Constant fixed cost structure but lower-than-planned sales revenues.
- In addition, start-up costs incurred in the context of the international Retail expansion and one-time expenses related to the transformation of the company towards a fully vertically integrated business model are weighing on the company's bottom line.

Management has already initiated measures for improvement aimed at returning to the previous level of profitability. The company does not expect to see the first positive effects of these measures before the fourth quarter of the current financial year. For a detailed presentation of the measures initiated and planned, refer to the forecast in this management report.

HALLHUBER makes positive contribution to earnings

Against the background of the effects outlined above, earnings before interest, taxes, depreciation and amortisation (EBITDA) of the GERRY WEBER Group for the nine-month period declined from EUR 84.5 million to EUR 63.0 million.

HALLHUBER contributed EUR 4.6 million to the Group's EBITDA. Initially consolidated in February, the subsidiary was able to clearly defy the difficult market environment during the past months. The company reported sales revenues of EUR 70.6 million for the period from February to July 2015, a gross margin of 64.7%, personnel expenses as a percentage of sales of 19.7% as well as earnings before interest, taxes, depreciation and amortisation of EUR 4.6 million. Although higher depreciation/amortisation resulting from the HALLHUBER acquisition had an adverse impact on earnings before interest and taxes (EBIT). HALLHUBER's EBIT for the period since its initial consolidation amounted to EUR 0.1 million inclusive EUR 1.2 million higher depreciation resulting from the consolidation.

Impact on the GERRY WEBER Group's profitability

The Group's profitability was primarily affected by high fixed costs in conjunction with lower-than-planned sales revenues of GERRY WEBER Core. Personnel expenses rose from EUR 113.7 million to EUR 136.2 million, including EUR 13.9 million from HALLHUBER, which was initially consolidated this year. Other operating expenses climbed from EUR 150.4 million in the first nine months of the previous year to EUR 188.3 million, of which EUR 29.7 million related to HALLHUBER.

Against this background the EBITDA margin of the GERRY WEBER Group as a whole declined from 14.1% in the first nine months of the previous year to 10.0%.

Increased depreciation/amortisation resulting from the expansion and the acquisition of HALLHUBER additionally weighed on the Group's bottom line. Depreciation/ amortisation was up by EUR 6.0 million to EUR 25.0 million in the first nine months of 2014/15.

Taking into account the higher depreciation/amortisation, earnings before interest and taxes (EBIT) of the GERRY WEBER Group amounted to EUR 38.0

million at the nine month-stage of the current financial year. Accordingly, the EBIT margin deteriorated from 10.9% to 6.0%.

Interest on HALLHUBER bond adds to the Group's interest expenses

The financial result of the GERRY WEBER Group rose from EUR -3.8 million to EUR -4.9 million in the reporting period. This is primarily attributable to the interest payments made by HALLHUBER in conjunction with the bond issue. The bond carries an interest rate of 7.25%. Interest expenses (including HALLHUBER) totalled EUR 1.6 million. Due to the better financing terms enjoyed by GERRY WEBER International AG, Hallhuber Beteiligungs GmbH has called the bond with effect from the earliest possible date, i.e. 18 June 2016.

Taking into account the financial result of EUR -4.9 million and increased income taxes of EUR 10.9 million, net income for the nine-month period 2014/15 amounted to EUR 22.2 million. Earnings per share dropped from EUR 0.94 to EUR 0.48.

NET WORTH POSITION

Total assets of GERRY WEBER International AG increased sharply from EUR 685.2 million at the end of the financial year 2013/14) to EUR 877.2 million on 31 July 2015. This is mainly attributable to the acquisition of HALLHUBER Beteiligungs GmbH and Hallhuber GmbH with effect from February 2015. Besides the takeover of the assets and liabilities, a provisional purchase price allocation was effected, which disclosed hidden reserves on the part of HALLHUBER.

The purchase price allocation valued the HALLHUBER brand at EUR 41.4 million. In addition, hidden reserves from lease agreements were disclosed and the value of the customer relationships was measured. The respective figures are shown under intangible assets in the balance sheet.

The assets side of the balance sheet was primarily influenced by the HALLHUBER acquisition and the resulting increase in fixed assets, which rose by 64.3% compared to 31 October 2014 to EUR 524.7 million (31 October 2014: EUR 319.4 million. This is primarily attributable to the growth in intangible assets from EUR 94.9 million to EUR 230.7 million on 31 July 2015.

Additions to intangible assets primarily relate to acquired customer relationships, beneficial lease agreements and software as well as goodwill in connection with the acquisition of 100% of the shares in HALLHUBER. For a detailed presentation of the provisional purchase price allocation, please refer to the notes in this interim report.

For the same reason, property, plant and equipment increased from EUR 195.1 million to EUR 264.8 million. Much of this increase is attributable to HALLHUBER's property, plant and equipment in the amount of EUR 23.6 million, especially shop fittings in the company's retail stores. In addition, higher advance payments for construction work in the amount of EUR 79.6 million (31 October 2014: EUR 25.1 million) which were made in conjunction with the construction of our new logistic centre, also led to an increase in property, plant and equipment.

As a result of the expansion and the initial consolidation of HALLHUBER's inventories (EUR 14.5 million), the GERRY WEBER Group's inventories rose by 24.2% to EUR 174.8 million compared to the end of the financial year (31 October 2014: EUR 140.7 million).

Current trade receivables declined by EUR 24.7 million or 34.8% to EUR 46.2 million as of the reporting date. By contrast, other current assets increased from EUR 39.2 million to EUR 69.8 million at the end of the reporting period. This item includes, among other things, the carrying amounts of the financial derivatives, which are equivalent to the fair values.

Cash and cash equivalents in the third quarter were primarily influenced by the advance financing of part of the autumn/winter collections. Reflecting our production and delivery cycles, cash and cash equivalents declined from EUR 104.3 million at the end of the financial year 2013/14 to EUR 37.2 million as of 31 July 2015.

On the liabilities side, equity capital rose from EUR 455.3 million to EUR 460.7 million. In spite of the fact that the HALLHUBER acquisition was debt-financed, the equity ratio stood at 52.5% on 31 April 2015 (31 October 2014: 66.4%).

Equity includes, among other items, accumulated other comprehensive income/loss pursuant to IAS 39. This item comprises the positive fair values of financial instruments qualifying for hedge accounting (currency forwards). Against the background of the euro/USD exchange rate trend, accumulated other comprehensive income/loss pursuant to IAS 39 rose from EUR 18.3 million at the end of the financial year 2013/14 to EUR 36.3 million.

Non-current liabilities rose sharply from EUR 142.5 million to EUR 308.4 million. The increase is primarily attributable to the placement of a EUR 140 million note loan, which was issued to finance the HALLHUBER acquisition as well as the repayment of the HALLHUBER bond. Consequently, non-current financial liabilities rose from EUR 77.1 million to EUR 215.0 million. For more information about the note loan, please refer to the notes in this interim report.

In conjunction with the HALLHUBER acquisition, current liabilities of the GERRY WEBER Group rose from EUR 87.5 million to EUR 108.1 million as of 31 July 2015. Current liabilities include, among other things, the current financial liabilities, which, in turn, comprise the HALLHUBER bond in the amount of EUR 30 million. Consequently, current financial liabilities increased from EUR 7.0 million on 31 October 2014 to EUR 36.1 million at the end of the reporting period. The EUR 30 million bond carries a coupon of 7.25%. In view of the more favourable financing possibilities of GERRY WEBER International AG, Hallhuber Beteiligungs GmbH called the bond prematurely with effect from 18 June 2016.

FINANCIAL ASSETS AND INVESTMENTS

Cash flow from operating activities amounted to EUR 11.0 million in the first nine months of 2014/15 (9M 2013/14: EUR 16.4 million). This reduction is due, among other things, to the lower operating result generated in the first nine months of the current financial year compared to the prior year period. As a result, cash flow from current operations declined from EUR 13.9 million in the first nine months of the previous year to EUR 7.8 million. Increased interest expenses of EUR 3.1 million (9M 2013/14: EUR 2.0 million) resulting from the HALLHUBER bond and the financing of the HALLHUBER acquisition additionally weighed on the company's cash flows.

Net cash used in investing activities was mainly influenced by the acquisition of a 100% interest in Hallhuber Beteiligungs GmbH in the first nine months of 2014/15. Investments in property, plant and equipment as well as intangible assets totalled EUR 83.2 million. This comprises not only the payments allocated in the context of the HALLHUBER acquisition but also cash outflows in conjunction with the construction of the new logistic centre.

In the context of the Hallhuber acquisition, an amount of EUR 94.8 million was spent on the acquisition of fully consolidated entities. Accordingly, net cash used in investing activities increased from EUR 47.0 million in the first nine months of the previous year to EUR 173.0 million.

Net cash provided by financing activities was influenced by the payment of the dividend in the total amount of EUR 34.4 million and the placement of a EUR 140 million note loan to finance the HALLHUBER acquisition and to repay the HALLHUBER bond. Net cash provided by financing activities totalled EUR 98.1 million in the first nine months of the current financial year (9M 2013/14: EUR 45.3 million).

As a result of the inflow and outflow of cash described above, cash and cash equivalents declined by EUR 67.1 million from EUR 104.3 million at the end of the previous financial year (31 October 2014) to EUR 37.2 million at the end of the third quarter of 2014/15.

SEGMENT REPORT

GERRY WEBER International AG modified its segment reporting practice as of the beginning of the financial year 2014/15 (1 November 2014). With initial effect from Q1 2014/15, GERRY WEBER International AG distinguished between two distribution segments, “Wholesale” and “Retail”. Contrary to the past practice, all development and production processes of the goods including transport and logistics are not exclusively counted towards the “Production and Wholesale” segment but are allocated to the two new 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 (hereinafter referred to as HALLHUBER) in the consolidated financial statements of GERRY WEBER International AG, the new “HALLHUBER” segment was added to the new segment report. For the purpose of greater transparency, the income and expenses as well as the assets and liabilities of HALLHUBER are presented as a separate segment. The presentation of the “Wholesale” and “Retail” segments remains unchanged.

The “Other segments” also remained unchanged and 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.

To ensure better comparability, the figures for the “Wholesale” and “Retail” segment for the first nine months of 2013/14 have been adjusted accordingly. In spite of this adjustment, the figures are not fully comparable, as Hallhuber Beteiligungs GmbH was first included in the consolidated financial statements of GERRY WEBER International AG in the second quarter of 2014/15 and the prior year figures therefore do not include Hallhuber figures.

Wholesale segment

Sales revenues of the Wholesale segment dropped sharply in the first nine months of 2014/15 from EUR 306.4 million to EUR 243.7 million. This decline by 20.5% or EUR 62.7 million is attributable, among other things, to stagnating and declining order volumes from our Wholesale partners whose retail business has likewise been affected by the difficult market conditions described above. Excess inventories at the end of a season and high discounts led to reduced and more cautious ordering.

In addition, the crisis in Russia has increasingly affected Russia's neighbouring countries, which have also reduced their orders. Sales revenues in Russia and its neighbouring countries consequently declined by roughly 30%.

As a result of cost-cutting measures already implemented in the Wholesale segment, earnings before interest and taxes in this segment declined by 6.8%, i.e. at a lower rate than sales revenues, and amounted to EUR 37.9 million at the nine-month stage.

Due to closures and takeovers of previously franchised stores in countries where our Retail segment has a growing presence (e.g. Finland), the number of franchised Houses of GERRY WEBER declined moderately from 282 at the end of the financial year 2013/14 to 272. The number of shop-in-shops declined from 2,808 at the beginning of the financial year to 2,625, mainly due to the reclassification of 162 Kaufhof shop-in-shops from the Wholesale to the Retail segment.

The segment's assets rose by a moderate 3.3% compared to the first nine months of the previous year and amounted to EUR 295.7 million as of 31 July 2015 (9M 2013/2014: EUR 286.3 million). The Wholesale segment's liabilities increased from EUR 45.3 million to EUR 60.7 million also as a result of investments.

At 706, the headcount remained almost unchanged compared to the first nine months of the previous year.

Retail Segment (GERRY WEBER Core)

The Retail segment comprises all company-managed distribution channels of the GERRY WEBER Core brands, i.e. GERRY WEBER, TAIFUN and SAMOON.

Retail revenues increased also in the third quarter of 2014/15, namely by 9.5% to EUR 114.9 million. Total Retail revenues of GERRY WEBER Core for the nine-month period amounted to EUR 316.2 million.

Shrinking by 4.2% in the reporting period, like-for-like revenues of the GERRY WEBER Core Retail segment were in line with the general market trend, which saw sales revenues in the German fashion retail sector decline by approx. 5% in the period from November 2014 to July 2015. This means that the sales growth in the GERRY WEBER Core Retail segment is the result of the expansion pushed ahead in the past two financial years.

The number of company-managed sales spaces has increased by 194 since the end of the financial year 2013/14 and by 271 since the end of 2012/13. The chart below shows the company-managed sales spaces in detail.

	9M 2014/15	2013/14	2012/13	2011/12
Houses of GERRY WEBER	517	485	424	347
Monolabel Stores	141	144	144	146
Concessions	280	119	111	64
Factory Outlets	34	30	22	17
TOTAL GWI	**972**	**778**	**701**	**574**
HALLHUBER*	**242**	**-**	**-**	**-**

*Acquisition in February 2015

Although sales revenues were up on the first nine months of the previous year, earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Retail segment dropped sharply. Due to the costs incurred in conjunction with the expansion, primarily personnel expenses and rents, the GERRY WEBER Core Retail segment's EBITDA declined from EUR 34.5 million to EUR 12.6 million. Due to lower-than-planned sales and excess inventories, seasonal items were marked down significantly. Moreover, the sale of the spring/summer collections in the spring and summer months also fell short of expectations. With the cost structure – especially personnel expenses and rents – remaining almost unchanged, this put substantial pressure on EBITDA.

Depreciation/amortisation of the GERRY WEBER Core Retail segment increased by 11.3% on the prior year period to EUR 14.7 million in the first nine months of 2014/15.

This is mainly attributable to the expansion of the Retail segment and the related increase in property, plant and equipment.

Consequently, the EBIT of the GERRY WEBER Core Retail segment amounted to EUR -2.1 million at the nine-month stage (9M 2013/14: EUR 21.3 million).

As a result of the new stores opened in the past nine months and the reclassification of shop-in-shops into company-managed concession stores, assets of the GERRY WEBER Core Retail segment increased from EUR 314.2 million to EUR 374.6 million as of 31 July 2015. By contrast, the segment's liabilities declined moderately from EUR 171.9 million to EUR 165.7 million.

The Retail segment's headcount increased from 4,248 to 4,714 as a result of the expansion.

HALLHUBER segment

Hallhuber Beteiligungs GmbH holds 100% in Hallhuber GmbH (HALLHUBER), which is responsible for the operating activities. HALLHUBER operates in the upper ladieswear segment. The products are produced by selected suppliers according to the company's own designs and exclusively distributed via its own sales spaces and online shops. As of the end of the reporting period (31 July 2015), there were 242 company-managed HALLHUBER sales spaces in Germany and a few other European companies. For a detailed breakdown by type of sales space and region as well as their performance over the past years, please refer to the following chart.

Sales Floor Spaces					
	2012	2013	2014	April 2015	July 2015
Germany	108	141	161	173	178
Switzerland	17	24	28	31	31
Austria	5	7	8	8	8
Belgium	--	3	10	13	13
Netherlands	1	1	1	1	1
Great Britain	--	6	11	11	11
TOTAL	131	182	219	237	242
Thereof Monolabels	61	79	94	100	100
Thereof Concessions	60	91	113	125	130
Thereof Factory Outlets	10	12	12	12	12

In the first six months since its initial consolidation, HALLHUBER contributed EUR 70.6 million to the GERRY WEBER Group's sales revenues. Compared to the same period of the previous year, the company boosted its revenues by approx. 13%, with the newly opened retail spaces making the biggest contribution to the increase in sales revenues.

Compared to the German fashion market as a whole, HALLHUBER clearly defied the general market trend (around minus 5% decline in revenues) and reported a stable sales trend (+0.1%). This clearly reflects the high acceptance enjoyed by HALLHUBER among its customers and the company's outstanding market position.

Thanks to its sourcing structures, HALLHUBER was able to keep its gross margin stable at 64.7% in the period from February to July 2015 compared to the prior year period.

As the company continued its expansion strategy and opened new stores, its personnel expenses rose by 11.9% to EUR 13.9 million in the reporting period. At approx. 20%, however, personnel expenses as a percentage of sales remained almost constant. Other operating expenses rose to EUR 29.7 million (previous year: EUR 25.7 million) in the reporting period, primarily due to the rents for newly opened stores.

In the period from February to July 2015, HALLHUBER generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 4.6 million, which represents an increase by 17.7% on the prior year period.

The increase in the company's depreciation/amortisation is attributable, on the one hand, to the expansion and, on the other hand, to the initial consolidation of HALLHUBER. From GERRY WEBER Group perspective attributable depreciation/ amortisation amounted to EUR 4.5 million.

After depreciation/amortisation, earnings before interest and taxes for the reporting period totalled EUR 0.1 million. Without depreciations resulting of the HALLHUBER purchase price allocation HALLHUBER EBIT would have been EUR 1.2 million higher.

Liabilities assigned to the HALLHUBER segment amounted to EUR 197.1 million as of 31 July 2015. This amount includes EUR 32.0 million from the placement of a EUR 30 million bond in 2013. This item also comprises the interest on the bond. 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 184.5 million on 31 July 2015.

HALLHUBER's headcount averaged 1,560 during the period ended 31 July 2015.

OPPORTUNITY AND RISK REPORT

The GERRY WEBER Group and its subsidiaries in Germany and abroad are part of a diverse international business world and hence exposed to various opportunities and risks which may influence the Group's net worth, financial and earnings position both positively and negatively in the short and long term. Changes in the framework 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 forms the basis for active opportunity and risk management. The internal control system of the accounting process is a key element of the risk management system. The main objectives of opportunity and risk management 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 constantly 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 consider not only developments in the procurement and output markets and the consumer behaviour but also the international fashion trends. In doing so, we never lose sight of our customers' requirements. In the challenging environment of the past months, it is particularly 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, economic and geopolitical conditions but also industry-specific structural changes may have an adverse impact on the business performance of the GERRY WEBER Group. Stagnation or an economic decline 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. In particular, the rouble exchange rate trend and the resulting price increases in Russia and the difficult sales situation in its neighbouring countries stay in the company's focus, as they may continue to have an adverse impact on the GERRY WEBER Group's revenues and earnings in the short term. 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 such as more expensive holidays also influence the company's revenues and earnings. We counteract the economic and political risks with the help of increasingly regionally diversified distribution structures with sales regions in over 62 countries around the world.

For a detailed description of our risk management system, the control systems for the accounting processes and the opportunities and risks that influence the business trend of the GERRY WEBER Group, please refer to page 57 et seq. of the risk report in the 2013/14 Annual Report. The statements made in this risk report remain valid.

Since November 2014, the beginning of the financial year 2014/15, 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 (31 July 2015), no events occurred which are expected to have a material impact on the net worth, financial and earnings position of GERRY WEBER International AG.

FORECAST REPORT

Forward-looking statements

The present forecast report of GERRY WEBER International AG reflects management's expectations regarding the future geopolitical, macroeconomic, sector-specific and company-specific developments which many influence the company's business activities. It is based on management'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 consumers' purchasing behaviour. The latter is influenced by a large number of factors such as the general economic situation and consumers' disposable incomes but also the weather in the individual output regions. These factors influence consumers' choice of products and services as well as their saving behaviour.

Both the experts of the International Monetary Fund (IMF) and the World Bank have downgraded their previous **global economic** growth forecasts for the current calendar year by 0.2% each. The International Monetary Fund expects the gross domestic product (GDP) to grow at a marginally lower rate of 3.3% compared to the previous year, while the World Bank now projects a growth rate of 2.8%. Especially the developing countries, which were the main growth drivers after the financial crisis, are falling short of expectations. But the adjustment of the global economic growth projections for 2015 is also attributable to lower-than-expected first-quarter growth in North America.

Revenues of slightly more than EUR 30 million make **Russia** an important output market for the GERRY WEBER Group. Accordingly, Russia's increasingly challenging economic situation influences the Group's sales performance. The recession is due, among other things, to the continued low oil price and the ongoing depreciation of the rouble. Roughly half of Russia's government revenues come from the oil and gas sector. The depreciation of the rouble results in growing inflation and a lack of purchasing power in Russia, which is increasingly also affecting Russia's neighbouring countries. According to Rosstat, Russia's statistical office, economic growth in the second quarter was lower than expected at minus 4.6% (Q1 2015: -2.2%). In view of the poor figures for the second quarter, the central bank downgraded Russia's economic growth forecast for 2015 to -3.2%.

The **eurozone** surprisingly also lost strength in the second quarter. While Greece, export champion Germany and Spain posted above-average growth rates, France and Italy, in particular, spoilt the overall result. In spite of the weak euro and the resulting rise in export demand, the continued low oil price and increased consumer spending, eurozone GDP increased by only 0.3% instead of the expected 0.4%, which was also the growth rate for the first quarter of 2015. The main risk factors which may influence the future economic trend in Europe include China's stock market turbulence and the resulting international stock market volatility, the growing number of refugees in Europe, the Ukraine crisis and the sanctions against Russia but also the future of Greece in the eurozone.

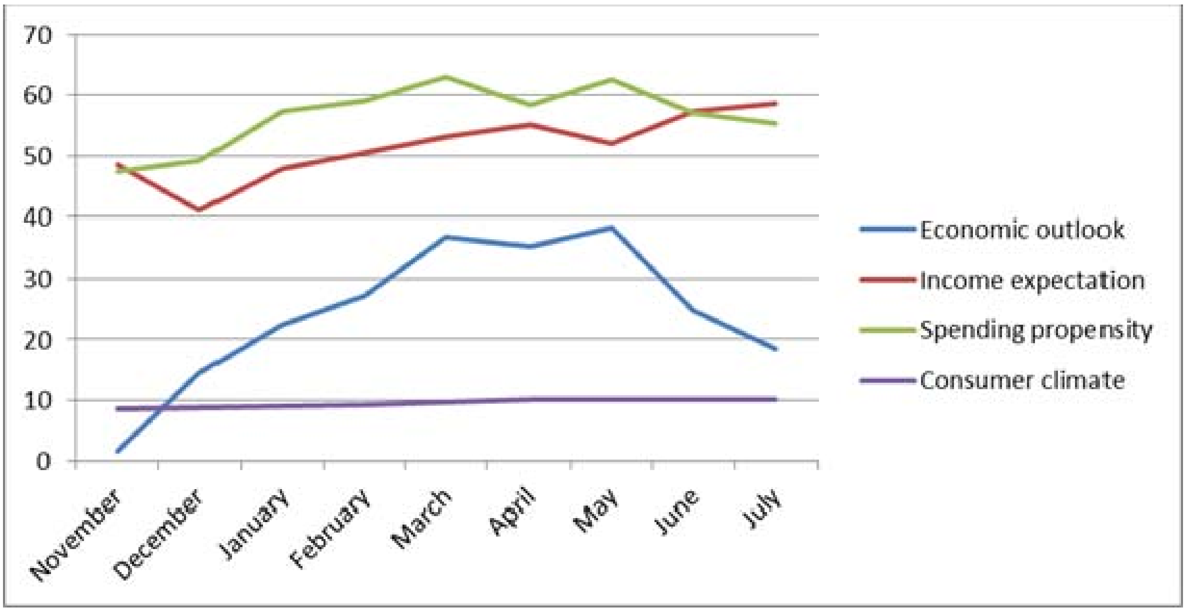
In spite of the notable uncertainty among consumers caused by the crisis in Russia and Ukraine as well as Greece’s potential exit from the eurozone, the **GfK Consumer Climate Europe** index has climbed 1 point to 10.8 points since March. Except for the soft patch at the end of 2014, the recovery in the European consumer climate index thus continues. In the second quarter of 2015, income expectations and the willingness to buy differed quite substantially in the individual countries and were increasingly influenced by national issues. Economic expectations declined or stagnated in many countries. Positive signals came primarily from Spain, the Netherlands and Belgium as well as the Czech Republic.

The June 2015 survey captured neither the developments in the negotiations with Greece and the closure of Greek banks nor the developments in China and their consequences for the international export and capital markets. The GfK forecasters therefore expect the consumer climate index for the next survey round to deteriorate for the above reasons.

As GERRY WEBER International AG has internationalised its distribution structures over the past years, the company’s business model has become increasingly regionally diversified. Nevertheless, the Group generated 62.6% of its sales revenues (incl. HALLHUBER) in Germany in the first nine months of 2014/15. Germany and the German-speaking area thus remain the most important output market of the GERRY WEBER Group.

Having grown by 0.7% in Q4 2014 and by 0.3% in Q1 2015, **Germany’s gross domestic product** increased by 0.4% in Q2 2105 (adjusted for prices, seasonal factors and the number of working days) according to the Federal Statistical Office. Analysts had projected a growth rate of 0.5% for the second quarter, in which positive contributions were made primarily by foreign trade but also by private consumption and government spending.

The **GfK Consumer Climate index for Germany**, which summarises “economic expectations”, “income expectations” and “willingness to buy”, stabilised at a very high level of 10.1 points in July 2015. While economic expectations declined due to the Greek crisis (18.4 points – a loss of 20 points within 20 months), income expectations reached a record level of 58.6 points, which was the main reason for the positive consumer climate. On balance, private consumption was an important pillar of the German economy.



GfK economic data from November 2013 to April 2015

During the past 12 months, however, the German fashion industry failed to benefit from this trend. According to TW Testclub, a panel by German trade magazine "Textilwirtschaft", **sales revenues in the German textiles market** dropped sharply during this period.

With sales in November and December 2014 and January 2015 (the first quarter of the GERRY WEBER Group) down by 9%, 4% and 3% on the respective month of the previous year, this trend continued in February, March and April (the second quarter of the GERRY WEBER Group) at -7%, -4% and +0%, respectively. After a very weak May (-5%), sales turned positive for the first time again in June and July (third quarter of the GERRY WEBER Group). It should be noted, however, that the positive figure for July is mainly attributable to sales growth in the menswear segment, whereas ladieswear sales were still down by approx. 5% on the previous year.

The drop in sales revenues for the calendar year adds up to -1% (-5% in the ladieswear segment). It is interesting to see in this context that the number of items sold increased by roughly 3% during the same period, which suggests that substantial discounts were granted – more items were sold for less money during the reporting period. "Fashion Talk" (formerly TEXTILNEWS), a quarterly GfK publication, analyses textile purchases by German consumers. According to "Fashion Talk", about one third of the goods sold is sold at bargain prices.

The environment for the fashion industry remained challenging in the third quarter of GERRY WEBER's financial year. Besides low footfall in city centres, above-average discounts in the direct store environments made business difficult and also forced GERRY WEBER to sell more products at a discount. In the first nine months of the year, a very warm winter and a long and cool spring additionally had an adverse impact on sales of the winter and spring/summer collections, respectively. This resulted in increased inventories and sales of seasonal items below the regular price. The management of the GERRY WEBER Group does not expect external conditions to improve materially in the further course of the financial year.

Strategic outlook

A continued difficult environment in most of our output markets, in conjunction with low footfall in the city centres and stores as well as declining Wholesale revenues, sent earnings falling significantly in the past months. The resulting inventories of seasonal items and their sale at marked down prices also had an adverse impact on the profitability of the GERRY WEBER Group.

At the time of the publication of the first-half figures for 2014/15, the Managing Board of GERRY WEBER International AG already reported on the first measures initiated. The Managing Board has since defined further potential for improvement and started to develop additional measures. A list attached to this management report details the measures that have been defined and partly already been initiated as well as their timing, objectives and effects.

Defined and partially already introduced measures and targets to improve sales and earnings development

Measures	Time scale	Target
SOURCING		
Implementation of "Open to Buy Limits"	Introduction with the first autumn/winter collection 2016 - first positive effects are expected as from October 2015	Elevation of the fashion and innovation degree thanks to increased flexibilization of the collections (as for example the introduction of trend items), as well as avoidance of overstocks
RETAIL		
Reduction of the personnel cost ratio in the GERRY WEBER Core Retail segment by making the working hours model more flexibile and by optimizing the allocation of working hours	Since July 2015	Medium-term improvement of 2 - 4 percentage points
Optimization of the store portfolio, in some cases by changing the brand concept (for example turning a sales floor into a HALLHUBER store)	Since November 2014	Optimized brand / sales floor mix
LOGISTICS		
Reduction of the logistic costs	As from the second half of fiscal 2015/16	H1 2015/16: double burden due to ramp-up of the new logistics center Target FY 2016/17: savings of approx. 20% of total logistic costs
BRANDS		
Modernization of the image of the GERRY WEBER brand as well as additional sales-increasing measures	As from November 2015	Increased attractiveness of the brand leading to sales-increasing measures
Partial restructuring of the collections for the vertical sales floor control	Since November 2014	Introduction of trend-capsules (In-season Management). Increasing the share of never out of stock items in order to increase brand attractiveness
Continuing development of the brand statement of TAIFUN. Opening of additional Monolabel Stores in urban areas as well as the introduction of TAIFUN Accessories	As from the second half of 2015/16	Increased brand awareness and attractiveness of TAIFUN leading to sales-increasing measures
Relaunch and Renaming of the G.W. brand	As from the second half of 2015/16	Increased brand awareness and attractiveness of G.W. leading to sales-increasing measures
SYNERGIES FROM HALLHUBER		
Use of the GERRY WEBER sourcing structures	Since February 2015	Medium-term improvement of 2 - 4 percentage points
Use of the GERRY WEBER distribution structures	Since February 2015	Opening of 50 - 60 new company-managed sales floors per year (as compared to originally planned 30 stores)
Integration of HALLHUBER into the new GERRY WEBER logistics center	As from year end 2016	Reduction of the HALLHUBER logistic costs starting from FY 2016/17
Redemption of the HALLHUBER bond	In July 2016	FY 2015/16: Reduction of interest payments of EUR 0.5 million FY 2016/17: Reduction of interest payments of EUR 2.2 million

Stabilisation of GERRY WEBER Core

The GERRY WEBER Group, especially GERRY WEBER Core, is currently in a transformation process. On the one hand, the processes and structures are geared to the vertical integration of the business model in order to meet the new demands made by the market and by our customers. On the other hand, the internationalisation of the brand continues. Securing the profitable long-term growth of the GERRY WEBER remains the primary objective.

In order to take the next growth step, structures and processes need to be adjusted and changed. Moreover, the entry in new markets and, hence, the exploitation of new growth potential initially entail extraordinary costs. Both lead to a temporary consolidation of growth.

This means that the GERRY WEBER Core segment will undergo a phase of transformation and stabilisation during the next 18 to 24 months in order to return to its old and improved profitability. This will temporarily result not only in a consolidation of sales revenues but also in profitability.

We nevertheless stick to our medium to long-term growth targets. The strategic positioning of the GERRY WEBER Group will therefore remain focused on the following:

- Effective implementation of our vertical integration strategy and, in this context, increased control over the full value chain from procurement to transport and logistics to the point of sale.
- Modernisation and increased awareness of the GERRY WEBER brand, e.g. through effective marketing measures and also the ongoing expansion of the international distribution structures.
- Increased expansion of the HALLHUBER growth potential in Germany and Europe.

The HALLHUBER growth story

We currently see considerable growth potential for our HALLHUBER subsidiary. The business model of HALLHUBER is already fully vertically integrated and focuses on the company's own Retail spaces. HALLHUBER also has substantial potential for expansion in Germany and Europe.

The brand is excellently positioned in the German home market and has already taken the first steps into neighbouring markets. Access to GERRY WEBER's resources and distribution structures will greatly accelerate HALLHUBER's growth. HALLHUBER is only at the beginning of its development phase.

The Managing Board assumes that HALLHUBER will be the main growth driver of the GERRY WEBER Group in the next 18 to 24 months. The company will not only boost its sales revenues but also improve its profitability significantly.

Overall statement on the projected performance

GERRY WEBER is currently in a transformation phase. Structures and processes formerly geared towards distribution through wholesale partners are being realigned towards a vertically integrated business model. This process is taking longer than originally planned by management. The unfavourable external conditions described in detail above are also having an adverse impact on the transformation process.

These delays as well as the sharply declining revenues in the Wholesale segment led to lower-than-planned sales revenues and earnings. In particular, the expansion-related high fixed costs are weighing on the GERRY WEBER Group's bottom line.

High-margin autumn/winter merchandise is sold at full retail price, without discounts, in the months of September and October each year. Therefore, these months are of particular importance for the sales and earnings development of the GERRY WEBER Group. Against this background and in the context of the first positive effects of the measures initiated to improve profitability, the Managing Board of GERRY WEBER International AG expects the targets set in June 2015 to be reached in spite of the disappointing sales and earnings figures of the third quarter of 2014/15. The guidance provided for a high single-digit sales growth and a reduction in earnings before interest and taxes of 20% to 25%.

For the next 18 to 24 months, the operational tasks will continue to be focused on the transformation and consolidation of the GERRY WEBER Core segments (excl. HALLHUBER). During this period the Managing Board does not expect a significant improvement of sales revenues generated by the GERRY WEBER Core brands (GERRY WEBER, TAIFUN and SAMOON). In this period, the Group's growth will be based on the expansion of the HALLHUBER subsidiary.

The Managing Board of GERRY WEBER International AG has already begun to define and initiate appropriate measures to increase the sales revenues and profitability of the GERRY WEBER Group in the medium to long term. The Managing Board expects the first positive effects based on these measures in Q4 of the current financial year 2014/15. Further measures will be defined in the coming months in order to ensure the future profitable growth of the GERRY WEBER Group and to return the company to its previous growth figures. The GERRY WEBER Group has the potential, the brand strength and the financial resources to implement these measures that will turn it into an international and vertically integrated fashion and lifestyle company.

CONSOLIDATED INSOME STATEMENT (IFRS) in EUR'000

for the third quarter of 2014/15 (1 May 2015 - 31 July 2015)
and the first nine months of 2014/15 (1 November 2014 - 31 July 2015)

in KEUR	Q3 2014/15 1.5.2015 - 31.7.2015	Q3 2013/14 1.5.2014 - 31.7.2014	9M 2014/15 1.11.2014 - 31.7.2015	9M 2013/14 1.11.2013 - 31.7.2014
Sales	197,792.1	187,230.1	630,478.1	600,007.1
Other operating income	4,689.8	4,107.0	12,976.0	11,271.5
Changes in inventories	9,648.8	26,337.5	21,877.4	30,994.5
Cost of materials	-83,574.8	-102,423.8	-276,811.3	-292,763.5
Personnel expenses	-48,658.0	-40,764.5	-136,177.5	-113,767.5
Depreciation/Amortisation	-8,646.6	-6,707.2	-24,960.0	-18,969.4
Other operating expenses	-69,085.2	-51,501.0	-188,309.2	-150,417.7
Other taxes	-381.6	-301.7	-1,057.3	-862.0
OPERATING RESULT	**1,784.5**	**15,976.4**	**38,016.2**	**65,493.0**
Financial result				
Income from long-term loans	0.7	1.0	1.9	3.0
Interest income	44.0	59.6	672.1	179.8
Writedowns on financial assets	0.0	0.0	0.0	0.0
Incidential bank charges	-235.7	-107.2	-725.6	-725.4
Interest expenses	-1,990.1	-1,057.6	-4,847.7	-3,263.1
	-2,181.1	**-1,104.2**	**-4,899.3**	**-3,805.7**
RESULTS FROM ORDINARY ACTIVITIES	**-396.6**	**14,872.1**	**33,116.9**	**61,687.3**
Taxes on income				
Taxes of the reporting period	111.0	-4,475.1	-10,402.6	-18,769.6
Deferred taxes	551.0	-12.4	-536.0	175.7
	662.0	**-4,487.5**	**-10,938.6**	**-18,593.9**
NET INCOME OF THE REPORTING PERIOD	**265.4**	**10,384.6**	**22,178.3**	**43,093.4**
Earnings per share (basic)	0.01	0.23	0.48	0.94

CONSOLIDATED BALANCE SHEET (IFRS) in EUR'000

as of 31 July 2015

ASSETS in KEUR	9M 2014/15 31 July 2015	2013/14 31. Okt. 2014
NON-CURRENT ASSETS		
Fixed Assets		
Intangible assets	230,706.7	94,895.8
Property, plant and equipment	264,791.6	195,125.5
Investment properties	26,659.2	26,828.0
Financial assets	2,494.6	2,559.3
Other non-current assets		
Trade receivables	240.0	480.1
Other non-current assets	376.7	148.4
Income tax claims	1,132.5	1,132.5
Deferred tax assets	**5,444.9**	**6,089.5**
	531,846.2	**327,259.1**
CURRENT ASSETS		
Inventories	**174,767.0**	**140,671.5**
Receivables and other assets		
Trade receivables	46,177.3	70,844.4
Other assets	69,762.4	39,210.6
Income tax claims	17,477.4	2,930.7
Cash and cash equivalents	**37,192.0**	**104,295.5**
	345,376.1	**357,952.7**
TOTAL ASSETS	**877,222.3**	**685,211.8**

CONSOLIDATED BALANCE SHEET (IFRS) in EUR'000

as of 31 July 2015

EQUITY AND LIABILITIES in KEUR	9M 2014/15 31 July 2015	2013/14 31. Okt. 2014
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	36,345.4	18,321.8
Exchange differences	-629.6	-312.4
Accumulated profits	46,329.0	58,580.2
	460,718.3	**455,263.1**
NON-CURRENT LIABILITIES		
Provisions for personnel	0.0	0.0
Other provisions	6,612.3	6,124.7
Financial liabilities	215,000.0	77,142.8
Other liabilities	37,549.5	36,857.1
Deferred tax liabilities	49,259.4	22,373.8
	308,421.2	**142,498.4**
CURRENT LIABILITIES		
Provisions		
Tax liabilities	3,165.1	2,680.2
Provisions for personnel	6,975.8	13,943.5
Other provisions	12,951.9	8,429.4
LIABILITIES		
Financial liabilities	36,113.4	7,016.4
Trade payables	27,655.9	37,309.2
Other liabilities	21,220.7	18,071.6
	108,082.8	**87,450.3**
TOTAL EQUITY AND LIABILITIES	**877,222.3**	**685,211.8**

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

for the first nine months of 2014/15 (1 November 2014 - 31 July 2015)

9M 2014/15 in KEUR	Capital stock	Capital reserves	Retained earnings	Accumulated other comp 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**	**58,580.1**	**455,263.1**
Dividends paid						-34,429.4	-34,429.5
Allocation of retained earnings of the AG from the net income of the year							0.0
Adjustments of exchange differences					-317.2		-317.2
Changes in equity acc. to IAS 39				18,023.6			18,023.7
Net income of the reporting period						22,178.3	22,178.3
As of 31 July 2015	**45,906.0**	**102,386.9**	**230,380.6**	**36,345.4**	**-629.6**	**46,329.0**	**460,718.3**

9M 2013/14 in KEUR	Capital stock	Capital reserves	Retained earnings	Accumulated other comp income / loss	Exchange differences	Accumulated profits	Equity
As of 1 November 2013	**45,906.0**	**102,386.9**	**195,341.7**	**-4,223.9**	**-225.6**	**56,581.5**	**395,766.6**
Dividends paid						-34,429.4	-34,429.4
Allocation of retained earnings of the AG from the net income of the year							0.0
Adjustments of exchange differences					-175.2		-175.2
Changes in equity acc. to IAS 39				5,896.4			5,896.4
Net income of the reporting period						43,093.3	43,093.3
As of 31 July 2014	**45,906.0**	**102,386.9**	**195,341.7**	**1,672.5**	**-400.8**	**65,245.4**	**410,151.7**

CONSOLIDATED CASH FLOW STATEMENT (IFRS) in EUR'000

for the first nine months of 2014/15 (1 November 2014 - 31 July 2015)

in KEUR	9M 2014/15 1.11.2014 - 31.7.2015	9M 2013/14 1.11.2013 - 31.7.2014
Operating result	38,016.2	65,493.0
Depreciation / amortisation	24,960.0	18,969.4
Profit / loss from the disposal of fixed assets	977.2	141.0
Increase / decrease in inventories	-20,890.7	-29,765.3
Increase / decrease in trade receivables	24,907.1	11,070.5
Increase / decrease in other assets that do not fall under investing or financing activities	706.8	-9,192.7
Increase / decrease in provisions	-6,412.4	-1,090.5
Increase / decrease in trade payables	-28,422.9	-1,701.0
Increase / decrease in other liabilities that do not fall under investing or financing activities	1,604.5	-12,033.6
Income tax payments	-24,464.3	-25,468.7
Other non-cash effective income / expenses	0.0	0.0
CASH INFLOWS FROM OPERATING ACTIVITIES	**10,981.5**	**16,422.2**
Income from loans	1.8	3.0
Interest income	672.1	179.8
Incidential bank charges	-725.6	-725.4
Interest expenses	-3,107.6	-2,018.1
CASH INFLOWS FROM CURRENT OPERATING ACTIVITIES	**7,822.2**	**13,861.5**
Proceeds from the disposal of properties, plant, equipment and intangible assets	5,106.0	244.0
Cash outflows for investments in property, plant, equipment and intangible assets	-83,173.3	-41,969.4
Cash outflows for the acquisition of fully consolidated companies and other business units less cash and cash equivalents acquired	-94,831.8	-5,249.9
Cash outflows for investments in investment properties	-196.5	-46.8
Proceeds from the disposal of financial assets	68.2	273.2
Cash outflows for investments in financial assets	-3.5	-239.0
CASH OUTFLOWS FROM INVESTING ACTIVITIES	**-173,030.9**	**-46,987.9**
Proceeds of the sale of own shares	-34,429.5	-34,429.5
Raising / repayment of financial liabilities	132,534.6	79,736.1
CASH OUTFLOWS FROM FINANCING ACTIVITIES	**98,105.1**	**45,306.6**
Changes in cash and cash equivalents	-67,103.6	12,180.3
Cash and cash equivalents at the beginning of the fiscal year	104,295.6	65,592.0
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**37,192.0**	**77,772.2**

EXPLANATORY NOTES

on the interim consolidated financial statements of GERRY WEBER International AG for the period ended 31 July 2015

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 31 July 2015. Hallhuber Beteiligungs GmbH, Munich and Hallhuber Munich, were initially consolidated as of 1 February 2015.

The present abridged consolidated financial statements were prepared pursuant to section 37x para. 3 WpHG 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 third quarter (1 February 2015 – 31 July 2015) and the first nine months of 2014/15 (1 November 2014 – 31 July 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 2014. The interim consolidated financial statements for the third quarter and the first nine months of 2014/15 were prepared in euros.

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 nine months of the financial year 2014/15 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.

The present interim consolidated financial statements comprise the interim financial statements of GERRY WEBER International AG and all its subsidiaries for the period ended 31 July 2015. The basis of consolidation comprises 36 subsidiaries in Germany and abroad. The company holds 51.0% stakes in eight of its foreign subsidiaries and in one German subsidiary; the other subsidiaries are wholly owned. All subsidiaries have been integrated into the consolidated financial statements according to the rules for full consolidation.

Business combinations pursuant to IFRS 3

With effect from 9 February 2015, GERRY WEBER International AG acquired 100% of the shares in Hallhuber Beteiligungs GmbH, Munich, from Change Capital Partners LLP, London. Hallhuber Beteiligungs GmbH holds 100% of the shares in Hallhuber GmbH, which means that GERRY WEBER International AG has also indirectly acquired this latter company.

Hallhuber GmbH operates in the upper medium price segment of the ladieswear market. The Hallhuber fashion collections are produced by selected suppliers according to the company’s own designs and distributed exclusively via its own stores. At the time of acquisition, 219 sales spaces were operated under the HALLHUBER brand name. Their number increased to 242 as of 31 July 2015.

HALLHUBER perfectly complements the existing GERRY WEBER brands, i.e. GERRY WEBER, TAIFUN and SAMOON. Based on a similar price-value proposition ratio, HALLHUBER targets a younger customer, which means that the GERRY WEBER Group’s brand portfolio now offers apparel and accessories for the modern, style-conscious customer from their mid-twenties. A purchase price allocation was carried out which disclosed hidden reserves on the part of HALLHUBER.

The purchase price for the 100% interest in Hallhuber Beteiligungs GmbH amounted to EUR 86.2 million. The purchase price was exclusively settled in cash and cash equivalents.

The non-tax-deductible goodwill resulting from the purchase price payment including deferred tax assets and liabilities amounts to EUR 58.7 million.

The table below shows the carrying amounts and fair values:

	Carrying amount	Adjustment	Fair value
	EUR million	EUR million	EUR million
Purchase price			86.2
Acquired assets			
Fixed assets	29.3	0	29.3
Invetories	13.2	0	13.2
Receivables	5.6	0	5.6
Cash and Cash equivalents	9.0	0	9.0
Customer relationships	0	10.4	10.4
Trademark right HALLHUBER	0	41.4	41.4
Advantageous lease agreements	0	14.4	14.4
Liabilities	71.2	0	71.2
Provisions	4.6	0	4.6
Deferred tax liabilities	0	-19,8	-19.8
Acquired net assets	18.7	46.4	27.7
Goodwill			58.5

HALLHUBER has regular customers through its own customer retention programme. The definition and recognition criteria of an intangible asset are met. The customer relationships were therefore recognised and measured separately from goodwill. A fair value of EUR 10.4 million was determined for the customer relationships as of the time of acquisition.

A fair value of EUR 14.4 million was determined for the advantageous lease agreements as of the time of acquisition.

A fair value of EUR 41.4 million was determined for the “HALLHUBER” brand as of the time of the transaction. Due to the possibility to assign cash flows to the “HALLHUBER” brand, the fair value is determined using the net present value in the form of the relief-from-royalty method.

Between 1 February and 31 July 2015, the acquired HALLHUBER companies generated sales revenues of EUR 70.6 million.

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 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 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 three fiscal years are 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 three fiscal years. They were capitalised at the present value. The present value was determined based on an assumed useful life of five to eight years using a duration-specific discount rate. 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 shown under intangible assets valued at KEUR 711. The same applies to the “HALLHUBER” brand name, which was acquired together with the 100% interest in Hallhuber Beteiligungs GmbH. The brands are written-down according to their years of using.

Against the background of the majority shareholdings acquired in the past three years, intangible assets totalled EUR 230.7 million as of the reporting date on 31 July 2015. The increase compared to the end of the financial year 2013/14 is attributable to the initial consolidation of HALLHUBER and the intangible assets disclosed on the part of HALLHUBER.

Other assets

Other assets (current) include the carrying amounts of the financial derivatives, which correspond to the fair values. A difference is made between derivatives qualifying for hedge accounting pursuant to IAS and derivatives not qualifying for hedge accounting. Against the background of the euro exchange rate trend and the resulting positive fair values of the financial derivatives, other current assets increased from EUR 39.2 million on 31 October 2014 to EUR 69.8 million on 31 July 2015.

Accumulated other comprehensive income / loss

The GERRY WEBER International AG 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 31 July 2015 positive fair values of financial instruments were recognised after deferred taxes in the respectively equity item in an amount of EUR 36.3 million (31 October 2014: EUR 18.3 million).

Financial liabilities (non-current)

Non-current financial liabilities in the amount of EUR 215.0 million (31 October 2014: EUR 77.1 million) include a EUR 75 million note loan, which was issued in November 2013.

The note loan services to finance the planned logistic centre as well as general working capital requirements. Investors could choose between terms of three, five and seven years as well as fixed and variable interest rates. The average fixed interest rate is 2.3%. Across all tranches the interest rate in the first six months of the fiscal year was below 2 %.

The increase in non-current financial liabilities is attributable, among other things, to the placement of another note loan in the total amount of EUR 140.0 million. Issued in February 2015, the note loan serves to finance 100% of the shares in Hallhuber Beteiligungs GmbH, Munich, as well as the future repayment of the EUR 30 million bond issued in 2013. The note loan was issued by GERRY WEBER International AG with terms of five, seven and ten years. The average interest rate across all tranches was 1.5% in the third quarter of 2015.

Non-current financial liabilities also increased because of the initial consolidation of Hallhuber Beteiligungs GmbH. The company issued a EUR 30 million bond on 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.

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 37.5 million, other non-current liabilities were almost unchanged as of the balance sheet date (31 October 2014: EUR 36.9 million).

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.

	9M 2014/15 1.11.2014-31.7.2015	9M 2013/14 1.11.2013-31.7.2014
November 2014	45.905.960 x 1/12	45.905.960 x 1/12
December 2014	45.905.960 x 1/12	45.905.960 x 1/12
January 2015	45.905.960 x 1/12	45.905.960 x 1/12
February 2015	45.905.960 x 1/12	45.905.960 x 1/12
March2015	45.905.960 x 1/12	45.905.960 x 1/12
April2015	45.905.960 x 1/12	45.905.960 x 1/12
May 2015	45.905.960 x 1/12	45.905.960 x 1/12
June 2015	45.905.960 x 1/12	45.905.960 x 1/12
July 2015	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 third quarter of 2014/15 (1 February 2015 – 31 July 2015) amounted to EUR 0.01 (Q2 2013/14: EUR 0.46). Earnings per share for the first nine months 2014/15 (1 November 2014 - 31 July 2015) totalled EUR 0.48 (H1 2013/14: EUR 0.94).

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”. Contrary to the past practice, all development and production processes of the goods including transport and logistics are not exclusively counted towards the “Production and Wholesale” segment but are allocated to the two new 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 new “HALLHUBER” segment was added to the segment report as of 1 November 2014.

The other segments remained unchanged and 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 REPORTNG BY DIVISION (IFRS) in EUR'000

for the third quarter of 2014/15 (1 May 2014 - 31 July 2015)

3rd Quarter 2014/15 in KEUR	Wholesale	Retail	HALLHUBER	Other segments	Consolidated entries	Total
Sales by segment	**46,024**	**114,899**	**36,870**	**0**	**0**	**197,792**
EBITDA	7,414	-350	2,484	704	178	10,431
Depreciation/amortization	1,718	4,793	1,983	152	0	8,647
EBIT (Earnings before interest and tax)	5,696	-5,142	500	552	178	1,785
Assets	295,653	374,560	184,454	29,464	-6,908	877,222
Liabilities	60,734	165,746	197,094	0	-7,071	416,504
Investments in non-current assets	9,827	13,621	1,624	197	0	25,268
Number of employees (average)	706	4,714	1,560	1	0	6,981

3rd Quarter 2013/14 in KEUR	Wholesale	Retail	HALLHUBER	Other segments	Consolidated entries	Total
Sales by segment	**82,298**	**104,932**	**0**	**0**	**0**	**187,230**
EBITDA	9,648	10,824	0	594	1,618	22,684
Depreciation/amortization	1,706	4,854	0	148	0	6,707
EBIT (Earnings before interest and tax)	7,943	5,970	0	446	1,618	15,976
Assets	286,299	314,229	0	29,796	-24,991	605,333
Liabilities	45,291	171,914	0	0	-22,024	195,181
Investments in non-current assets	12,140	19,633	0	15	0	31,788
Number of employees (average)	708	4,248	0	1	0	4,957

SEGMENT REPORTNG BY DIVISION (IFRS) in EUR'000

for the first nine months of 2014/15 (1 November 2014 - 31 July 2015)

9M 2014/15 in KEUR	Wholesale	Retail	HALLHUBER	Other segments	Consolidated entries	Total
Sales by segment	**243,680**	**316,173**	**70,625**	**0**	**0**	**630,478**
EBITDA	43,290	12,587	4,593	2,025	481	62,976
Depreciation/amortization	5,347	14,702	4,460	451	0	24,960
EBIT (Earnings before interest and tax)	37,944	-2,115	133	1,574	481	38,016
Assets	295,653	374,560	184,454	29,464	-6,908	877,222
Liabilities	60,734	165,746	197,094	0	-7,071	416,504
Investments in non-current assets	33,708	43,860	128,316	197	0	206,080
Number of employees (average)	706	4,714	1,560	1	0	6,981

9M 2013/14 in KEUR	Wholesale	Retail	HALLHUBER	Other segments	Consolidated entries	Total
Sales by segment	**306,433**	**293,575**	**0**	**0**	**0**	**600,007**
EBITDA	46,026	34,491	0	1,808	2,138	84,462
Depreciation/amortization	5,313	13,213	0	444	0	18,969
EBIT (Earnings before interest and tax)	40,713	21,278	0	1,364	2,138	65,493
Assets	286,299	314,229	0	29,796	-24,991	605,333
Liabilities	45,291	171,914	0	0	-22,024	195,181
Investments in non-current assets	18,670	28,794	0	47	0	47,511
Number of employees (average)	708	4,248	0	1	0	4,957

FINANCIAL CALENDAR

Publication of the 9-Month Report	11 September 2015
Merrill Lynch Consumer Conference, London	16 September 2015
Baader Investment Conference, Munich	23/24 Sept. 2015
Roadshow DZ-Bank Brussels	8 October 2015
End of the Financial Year 2014/15	31 October 2015

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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.