

GERRY WEBER  
INTERNATIONAL AG

# ST Y

# B MORE THAN STYLE

“we  
**LOVE**  
fashion”

QUARTERLY STATEMENT TO THE THIRD QUARTER 2015/16








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|  | <b>9M 2015/16</b>   | <b>9M 2015/16</b>  |
|--|---|--|
|  | <b>GERRY WEBER Core</b><br>(GERRY WEBER, TAIFUN, SAMOON)  | <b>HALLHUBER</b>   |
|   | Sales decrease to <b>EUR 504.8 mn</b><br>(-9.8 %)   | Sales increase to <b>EUR 133.6 mn</b><br>(+20.7% compared to 9M 2014/15) |
|   | Increase in gross margin to 62.0%<br>(previous year period: 58.9%)  | Gross margin of 61.3%<br>(9M 2014/15: 62.8%)                             |
|   | EBITDA of EUR 33.0 mn<br>(prev. year: EUR 58.4 mn)  | EBITDA of EUR 7.7 mn<br>EBITDA-margin: 5.7%                              |
|   | <b>955</b> own Retail sales floor spaces  | <b>312</b> own Retail sales floor spaces                                 |
|  | like-for-like Retail sales: -7.5 %<br>(market development in Germany from Nov. 2015 until July 2016: -5% / -1% / -4% / +3% / -6% / +2% / -1% / -2% / -3%) | like-for-like Retail sales: +4.7 %                                       |

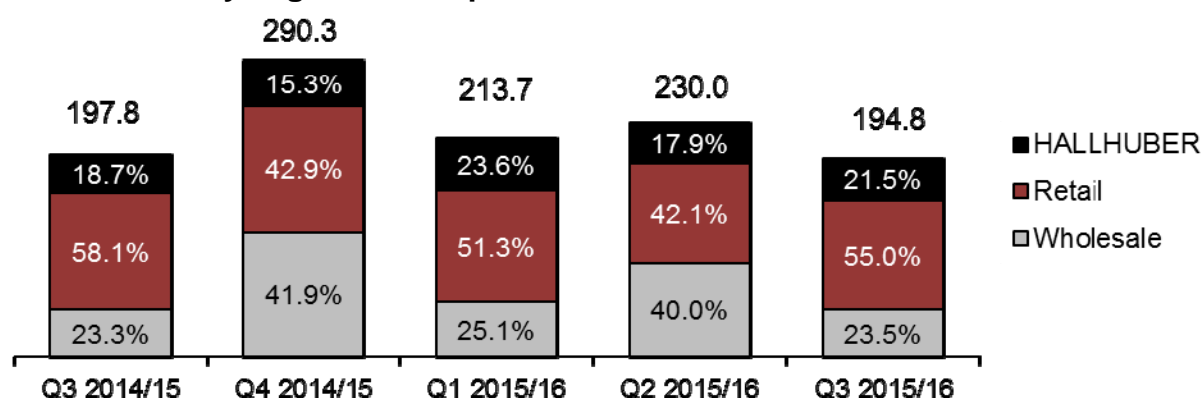


**GERRY WEBER International AG**  
**Key Figures of Q3 and 9M 2015/16**

|                            | <b>Q3 2015/16</b>     | <b>Q3 2014/15</b>     | <b>9M 2015/16</b>     | <b>9M 2014/15</b>     |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| in EUR million             | 1 May 16 - 31 July 16 | 1 May 15 - 31 July 15 | 1 Nov.15 - 31 July 16 | 1 Nov.14 - 31 July 15 |
| <b>Sales revenues</b>      | <b>194,8</b>          | <b>197,8</b>          | <b>638,5</b>          | <b>630,5</b>          |
| GERRY WEBER Core Wholesale | 45,7                  | 46,0                  | 191,4                 | 243,7                 |
| GERRY WEBER Core Retail    | 107,1                 | 114,9                 | 313,5                 | 316,2                 |
| HALLHUBER                  | 42,0                  | 36,9                  | 133,6                 | 70,6                  |
| <b>Earnings indicators</b> |                       |                       |                       |                       |
| EBITDA                     | 10,8                  | 10,4                  | 40,7                  | 63,0                  |
| EBITDA margin              | 5,5%                  | 5,4%                  | 6,4%                  | 10,0%                 |
| EBIT                       | -7,8                  | 1,8                   | 0,6                   | 38,0                  |
| EBIT margin                | -4,0%                 | 0,9%                  | 0,1%                  | 6,0%                  |
| Net result of the period   | -6,9                  | 0,3                   | -4,0                  | 22,2                  |

|                                     | <b>9M 2015/16</b> | <b>2014/15</b> |
|-------------------------------------|-------------------|----------------|
| in EUR million                      | 31 July 16        | 31 Oct. 15     |
| <b>Total Equity and Liabilities</b> | <b>874,0</b>      | <b>938,6</b>   |
| Equity                              | 442,7             | 483,4          |
| Liabilities                         | 431,3             | 455,2          |
| Equity ratio                        | 50,7%             | 51,5%          |
| Headcount                           | 7.053             | 6.987          |

\*initial consolidation of HALLHUBER in Q2 2014/15

**Sales revenues by segment and quarter**


| Sales revenues by segment  | Q1<br>2014/15 | Q2<br>2014/15 | Q3<br>2014/15 | Q4<br>2014/15 | Q1<br>2015/16 | Q2<br>2015/16 | Q3<br>2015/16 |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| GERRY WEBER Core Retail    | 106.0         | 95.2          | 114.9         | 124.2         | 109.7         | 96.7          | 107.1         |
| GERRY WEBER Core Wholesale | 86.4          | 111.3         | 46.0          | 121.7         | 53.6          | 92.0          | 45.7          |
| HALLHUBER                  | 0.0           | 33.8          | 36.9          | 44.5          | 50.5          | 41.2          | 42.0          |
| <b>Total</b>               | <b>192.4</b>  | <b>240.3</b>  | <b>197.8</b>  | <b>290.4</b>  | <b>213.7</b>  | <b>230.0</b>  | <b>194.8</b>  |

**Sales revenues at the nine-month stage of 2015/16**

At the nine-month stage of the financial year 2015/16, consolidated sales revenues of the GERRY WEBER Group amounted to EUR 638.5 million, up 1.3% on the previous year. This increase is exclusively attributable to the inclusion of the HALLHUBER subsidiary, which contributed EUR 133.6 million or 20.9% to the Group's sales revenues in the reporting period.

**HALLHUBER revenues up 20.7% on the prior year period**

When analysing HALLHUBER's revenues, it should be noted that HALLHUBER was initially consolidated as of Q2 2014/15, which means that the revenues reported as of 31 July 2015 comprise only six months, from February to July 2015, and can therefore not be compared with the current financial year.

The increase in HALLHUBER's revenues on

the same period of the previous year (November 2014 to July 2015) amounts to 20.7% and is attributable not only to the newly opened shops and stores but also to the sales growth of existing POS. HALLHUBER's like-for-like revenues increased by 4.7%. This means that HALLHUBER clearly outperformed the German fashion market as a whole in the past nine months. According to TW-Testclub, the German fashion retail sector suffered a decline in sales revenues by 2% to 3% during the same period.

Part of HALLHUBER's revenue growth is, however, attributable to higher inventories, which led to much higher discounts than in the previous year. HALLHUBER's online business showed a positive trend, with sales revenues up by an impressive 50.6% on the previous year. The growing importance of this distribution channel is reflected in online revenues of EUR 12.0 million (9M previous year: EUR 7.9 million), which represents 8.9% of HALLHUBER's total sales revenues.

### GERRY WEBER Core Wholesale revenues decline as expected

Sales revenues of the GERRY WEBER Core brands (GERRY WEBER, TAIFUN and SAMOON) amounted to EUR 504.8 million at the nine-month stage of the current financial year, compared to EUR 559.8 million in the prior year period. The 9.8% drop in revenues is primarily attributable to the sharp decline in the GERRY WEBER Core Wholesale segment.

Sales revenues of the GERRY WEBER Core Wholesale segment declined from EUR 243.7 million in the prior year period to EUR 191.4 million in the first nine months of the current financial year. The reduction in sales revenues was again due to the continuing cautious pre-order behaviour of our Wholesale customers. Following a decline of 38% in Q1 2015/16 and 17.3% in Q2, sales revenues in Q3 remained almost stable at EUR 45.7 million compared to Q3 2014/15, which means that the pre-order volumes stabilised at least.

### GERRY WEBER Core Retail revenues down by a moderate 0.9%

Due to a 7.5% drop in like-for-like revenues and the first store closures, sales revenues of the GERRY WEBER Core Retail segment declined by a moderate 0.9% to EUR 313.5 million (9M prev. year: EUR 316.2 million).

### Germany remains the most important output market

The GERRY WEBER Group generates 63.2% of its sales revenues in Germany. HALLHUBER generates as much as 78.6% of its revenues in the domestic market. The European Union (excl. Germany) accounts for 26.9% of the

Group's revenues, with Austria (approx. 6.3%) and the Netherlands (approx. 6.2%) being the most important markets. Non-EU countries accounted for approx. 9.9% of the Group's total revenues in the first nine months of 2015/16, with Switzerland remaining the largest output market.

### Development of the store portfolio

On the occasion of the annual accounts press conference on 26 February 2016, the Managing Board announced a programme for the realignment of the GERRY WEBER Group. One of the elements of this programme is the optimisation of the Retail segment and, in this context, the closure of GERRY WEBER stores. The stores affected by closures have not reached our target margin or are located in regions for which we see only limited growth potential. 103 Houses of GERRY WEBER and TAIFUN and SAMOON mono-label stores are to be closed this financial year and next. Another 5% are on our watchlist. Our HALLHUBER subsidiary is not part of the "FIT4GROWTH" programme. HALLHUBER will continue its strategy of controlled growth and of expanding its market presence this financial year and next.



|                             | 9M<br>2014/15 | 2014/15      | 2013/14    | Country/<br>Region | Total | thereof<br>GWI Core | thereof<br>HALLHUBER |
|-----------------------------|---------------|--------------|------------|--------------------|-------|---------------------|----------------------|
| Houses of<br>GERRY<br>WEBER | 503           | 520          | 485        | Germany            | 826   | 613                 | 213                  |
|                             |               |              |            | Austria            | 59    | 46                  | 13                   |
|                             |               |              |            | Netherlands        | 100   | 95                  | 5                    |
| Monolabel<br>Stores         | 121           | 142          | 144        | Belgium            | 46    | 29                  | 17                   |
|                             |               |              |            | Scandinavia        | 48    | 42                  | 6                    |
| Concession<br>Stores        | 296           | 291          | 119        | Eastern<br>Europe  | 27    | 27                  | 0                    |
|                             |               |              |            | Spain              | 53    | 53                  | 0                    |
| Factory Outlets             | 35            | 34           | 30         | UK & Ireland       | 56    | 33                  | 23                   |
| <b>Total<br/>GWI Core</b>   | <b>955</b>    | <b>987</b>   | <b>778</b> | Canada             | 9     | 9                   | 0                    |
| <b>HALLHUBER</b>            | <b>312</b>    | <b>275</b>   | <b>-</b>   | Italy              | 6     | 6                   | 0                    |
| <b>Total</b>                | <b>1,267</b>  | <b>1,262</b> | <b>778</b> | Switzerland        | 34    | 0                   | 34                   |
|                             |               |              |            | France             | 2     | 2                   | 0                    |
|                             |               |              |            | Luxemburg          | 1     | 0                   | 1                    |

➔ Forty of the 103 closures related to the “FIT4 GROWTH” realignment programme were implemented in the first quarter of 2015/16

40 of the 103 GERRY WEBER Core stores to be closed in the context of the “FIT4 GROWTH” realignment programme were closed in the first nine months of the current financial year 2015/16. Another 35 - 40 store closures are to be implemented in the current financial year 2015/16. We thus expect to realise more than three quarters of the planned 103 closures by the end of the financial year, which would be in line with the defined time-frame.

The number of company-managed Houses of GERRY WEBER as well as TAIFUN and SAMOON mono-label stores totalled 624 at the end of the third quarter (31 Oct. 2015: 662).

The number of concession stores increased from 291 to 296 as of the balance sheet date. A new outlet store was opened, bringing the total number of outlet stores to 35. The number of company-managed-stores of the GERRY WEBER Core Retail segment totalled 955 as of 31 July 2016 (31 October 2015: 987).

HALLHUBER operated a total of 275 company-managed points of sale as of the end of the past financial year 2014/15. Since then, 37 new HALLHUBER sales spaces have been opened, bringing the total number of POS to 312 as of 31 July 2016. HALLHUBER projects a total of 75 to 80 store openings for the full financial year 2015/16, which would bring the total number of POS to roughly 350. Consequently, HALLHUBER will clearly exceed the planned expansion of 50 to 60 points of sale in this financial year.

The regional breakdown of HALLHUBER’s points of sale shows that 213 were located in Germany as of 31 July 2016. Switzerland (34 POS) is HALLHUBER’s second most important market, followed by the UK (23 POS). In the markets outside Germany, the focus is on concession stores; more than 40% of the 165 concession stores are located outside Germany.

| in KEUR                                     | <b>Q3 2015/16</b><br>1 May 16 - 31 July 16 | <b>Q3 2014/15</b><br>1 May 15 - 31 July 15 | <b>9M 2015/16</b><br>1 Nov 15 - 31 July 16 | <b>9M 2014/15</b><br>1 Nov 14 - 31 July 15 |
|---|--|--|--|--|
| Sales                                       | 194.828,7                                  | 197.792,1                                  | 638.472,0                                  | 630.478,1                                  |
| Other operating income                      | 7.234,2                                    | 4.689,8                                    | 14.282,9                                   | 12.976,0                                   |
| Changes in inventories                      | 18.511,9                                   | 9.648,8                                    | 19.124,8                                   | 21.877,4                                   |
| Cost of materials                           | -88.354,5                                  | -83.574,8                                  | -262.821,5                                 | -276.811,3                                 |
| Personnel expenses                          | -50.429,9                                  | -48.658,0                                  | -147.729,3                                 | -136.177,5                                 |
| Depreciation/Amortisation                   | -18.571,6                                  | -8.646,6                                   | -40.054,9                                  | -24.960,0                                  |
| Other operating expenses                    | -70.675,6                                  | -69.085,2                                  | -219.622,9                                 | -188.309,2                                 |
| Other taxes                                 | -339,7                                     | -381,6                                     | -1.021,0                                   | -1.057,3                                   |
| <b>EBITDA</b>                               | <b>10.775,1</b>                            | <b>10.431,1</b>                            | <b>40.685,0</b>                            | <b>62.976,2</b>                            |
| <b>OPERATING RESULT (EBIT)</b>              | <b>-7.796,5</b>                            | <b>1.784,5</b>                             | <b>630,1</b>                               | <b>38.016,2</b>                            |
| Financial result                            | -2.357,6                                   | -2.181,1                                   | -6.620,5                                   | -4.899,3                                   |
| <b>RESULT FROM OPERATING<br/>ACTIVITIES</b> | <b>-10.154,1</b>                           | <b>-396,6</b>                              | <b>-5.990,4</b>                            | <b>33.116,9</b>                            |
| <b>NET RESULT OF THE PERIOD</b>             | <b>-6.934,8</b>                            | <b>265,4</b>                               | <b>-3.978,7</b>                            | <b>22.178,3</b>                            |

## Earnings

### Q3 2015/16

#### Gross margin of GERRY WEBER Core improves notably in Q3

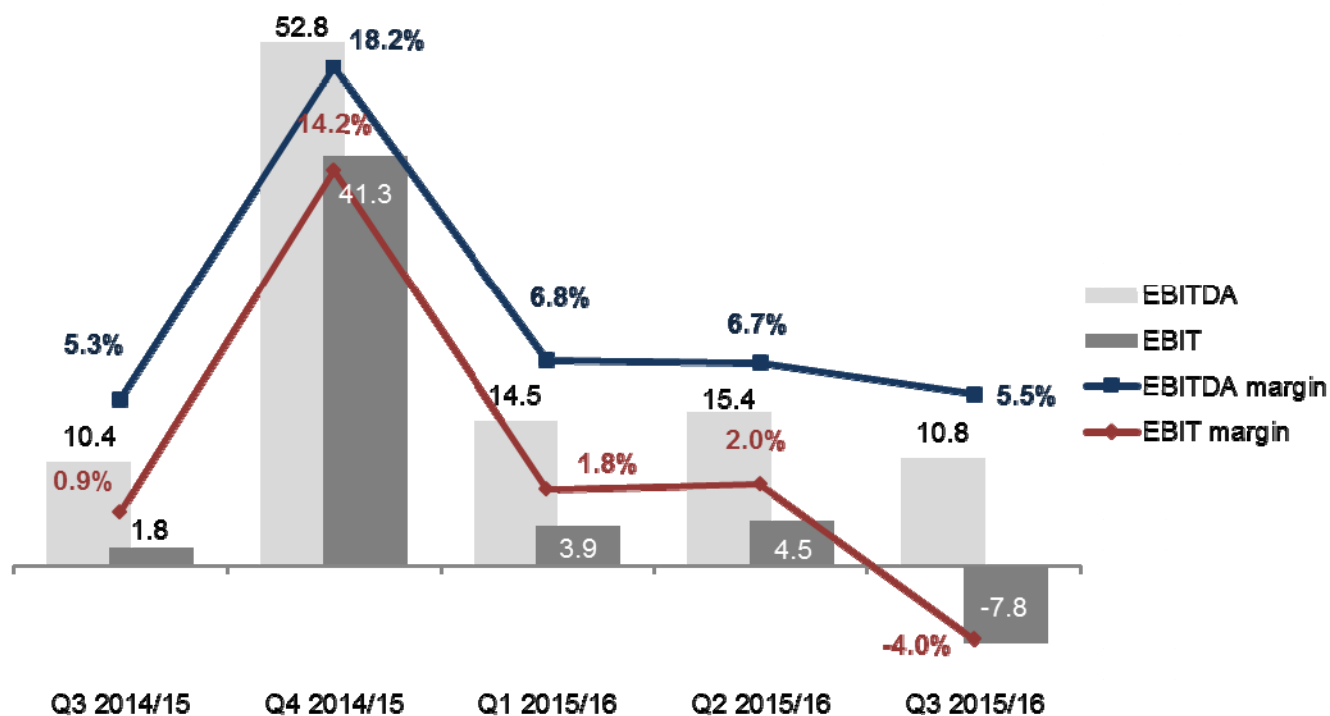
The GERRY WEBER Group's gross margin 2015/16 amounted to 64.2% in the third quarter of the current financial year. The increase by 1.6 percentage points on the previous year is attributable to the improved gross margin of the GERRY WEBER Core brands (GERRY WEBER, TAIFUN, SAMOON), which increased notably from 62.3% in the third quarter of the previous year to 64.5%. While the previous year was affected by above-average discounts granted because of excess inventories, the introduction of the "open-to-buy-limit processes" had a positive effect on the Core segment's gross margin in the current financial year. Compared to the previous year, higher volumes were sold at full prices.

Personnel expenses of the GERRY WEBER

Core segment rose by a moderate 1.3% to EUR 42.1 million in Q3 2015/16. The increase is attributable, among other things, to payments made in conjunction with the reconciliation of interests of the Phase 1 social compensation plan. The effects of the personnel measures implemented in the context of the realignment programme will lead to a reduction in personnel expenses only in the coming quarters. Other operating expenses of the Core segment were slightly down by 1.4% and amounted to EUR 53.0 million.

Against the background of HALLHUBER's expansion, which has entailed 37 new store openings since the beginning of the financial year, HALLHUBER's personnel expenses increased by 17.4% to EUR 8.3 million. For the same reason, other operating expenses rose by 15.4% to EUR 17.6 million in the third quarter. The number of employees climbed from 1,560 as at 31 July 2015 to 1,822.





The Group's EBITDA rose slightly from EUR 10.4 million in the prior year quarter to EUR 10.8 million in the third quarter of the current financial year. Due to the fact that depreciation/amortisation increased sharply from EUR 8.6 million in Q3 of the previous year to EUR 18.6 million this year, which was mostly attributable to non-scheduled depreciation in conjunction with the store closures (EUR 6.0 million), the Group's EBIT in the third quarter of 2015/16 was negative at EUR -7.8 million.

#### First nine months of the current financial year 2015/16

When analysing earnings in the first nine months of the current financial year and especially when comparing the figures with the prior year period, the fact that HALLHUBER was initially consolidated only in the second quarter of the previous year should be noted.

Consolidated gross margin climbs from 59.6% to 61.8%

The GERRY WEBER Group's gross margin improved by 2.2 percentage points in spite of the difficult market environment. This is primarily attributable to the sharp increase in GERRY WEBER Core's gross margin, which was better than in the respective prior year period in all three quarters of 2015/16.

In the first nine months of the financial year 2015/16, GERRY WEBER Core gross margin amounted to 62.0% (9M prev. year: 58.9%).

HALLHUBER's gross margin affected by postponement of store openings

Although like-for-like revenues increased by 4.7% in the first nine months of the financial year, HALLHUBER was unable to improve its gross margin. This is primarily attributable to the postponement of new store openings. Many of the mono-label and concession stores that were scheduled to be opened in the first half of the

| in EUR million                        | GERRY WEBER<br>Core Wholesale | GERRY WEBER<br>Core Retail | HALLHUBER | Other<br>segments and<br>consolidation | GERRY WEBER<br>Group |
|---------------------------------------|-------------------------------|----------------------------|-----------|--|----------------------|
| <b>Sales</b>                          | 191.4                         | 313.5                      | 133.6     | 0.0                                    | <b>638.5</b>         |
| <b>EBITDA</b>                         | 24.7                          | 6.6                        | 7.7       | 1.7                                    | <b>40.7</b>          |
| <b>Depreciation/<br/>Amortisation</b> | 6.7                           | 23.5                       | 9.4       | 0.5                                    | <b>40.1</b>          |
| <b>EBIT</b>                           | 18.0                          | -16.9                      | -1.7      | 1.2                                    | <b>0.6</b>           |
| <b>Average<br/>headcount</b>          | 733                           | 4.497                      | 1.822     | 1                                      | <b>7,053</b>         |

year will be opened only in the final quarter of 2015/16. As the new stores will not be opened before the start of the autumn/winter season, the spring/summer collections already ordered for the new stores had an adverse impact on inventories, especially in the third quarter of 2015/16. To swiftly offset this one-time increase in inventories (which was the result of too much spring/summer stock that had been ordered for store openings that had then been postponed to early fall), much higher discounts were granted. While this led to an increase in like-for-like revenues, it also resulted in lower gross margin than in the prior year period. HALLHUBER's gross margin therefore declined from 62.8% in the previous year to 61.3%. HALLHUBER expects the gross margin to return to normal in the coming quarters as the increased inventories are reduced.

37 new HALLHUBER points of sales were opened in the first nine months of the current financial year. About 40 more mono-label and concession stores are to be opened in the fourth quarter of 2015/16 in Germany and abroad. The operational preproduction costs, e.g. for staff recruitment, estate agents and shop openings,

have an adverse effect of approx. EUR 1.5 million, especially in the third quarter of our subsidiary's financial year. In return, we expect the new stores to contribute about EUR 15 million to sales revenues in the next financial year.

| in EUR million  |             |
|---|-------------|
| <b>EBITDA reported</b>  | <b>40.7</b> |
| <b>Costs relating to the realignment programme FIT4GROWTH</b> | <b>2.7</b>  |
| <b>EBITDA adjusted</b>  | <b>43.4</b> |

|                                    |             |
|------------------------------------|-------------|
| <b>EBIT reported</b>               | <b>0.6</b>  |
| <b>Depreciation / amortisation</b> | <b>40.1</b> |
| - Thereof from store closures      | <b>7.5</b>  |

The 40 stores already closed plus additional 26 scheduled closings resulted in non-scheduled depreciation in the amount of EUR 7.5 million.

|                      |             |
|----------------------|-------------|
| <b>EBIT adjusted</b> | <b>10.8</b> |
|----------------------|-------------|

**Effects of the "FIT4GROWTH" programme weighing on earnings**

The Group's EBITDA dropped sharply from EUR 63.0 million in the prior year period to EUR 40.7 million in the first nine months of 2015/16. The expansion-related increase in personnel and other operating expenses of our HALLHUBER subsidiary as well as the effects related to the realignment programme FIT4GROWTH in the amount of approx. EUR 2.7 million weighed on the Group's EBITDA in the first nine months.

Compared to the prior year reporting period, depreciation/amortisation in the first nine months of 2015/16 rose sharply from EUR 25.0 million to EUR 40.1 million. An amount of EUR 7.5 million relates to non-scheduled depreciation in the context of the store closures. In this context it should be noted that non-scheduled depreciation was not only the result of the 40 stores already closed, but also of 26 additional stores that are set to be closed.

Depreciation/amortisation of the HALLHUBER segment amounted to EUR 9.4 million and also comprised the Group's depreciation of the purchase price allocation in the amount of EUR 4.9 million.

Reflecting the notably increased depreciation/amortisation but also because of the adverse operational effects outlined above, the Group's EBIT dropped sharply from EUR 38.0 million to a EUR 0.6 million in the first nine months of 2015/16. The first significant cost effects of the realignment programme are not expected to make themselves felt before the beginning of the next financial year 2016/17.



## OPPORTUNITIES AND RISKS

The business model of GERRY WEBER International AG is influenced by external and internal factors that may entail both risks and opportunities. With a view to identifying opportunities at an early stage, minimising risks as far as possible and managing risks that have already materialised, the Managing Board has installed an adequate risk management system as well as comprehensive control processes for the whole GERRY WEBER Group.

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

report remain valid.

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

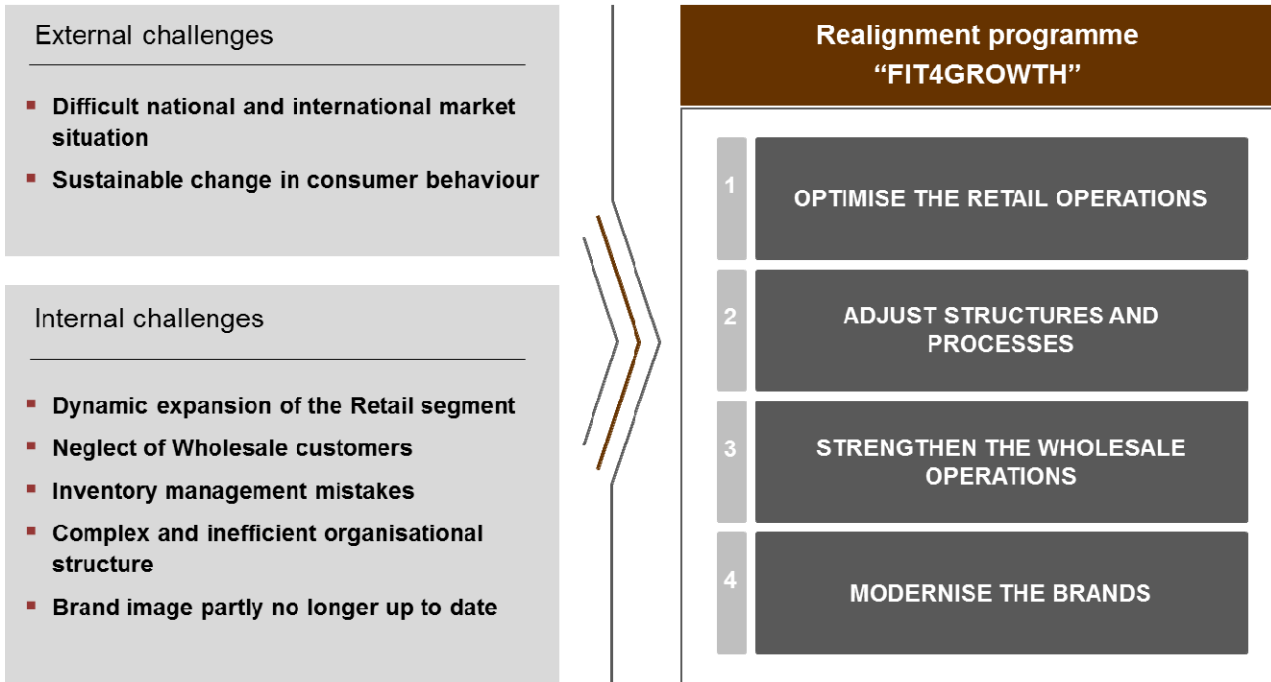
The “FIT4GROWTH” realignment programme was presented after the preparation of the 2014/15 Annual Report. This programme comprises four elements, which were described in detail and whose progress was outlined in previous quarterly reports and announcements. The main objective of the “FIT4GROWTH” realignment programme is to





lay the basis for long-term profitable growth in the current financial year and the next. As of the end of the third quarter of 2015/16, all measures planned had been implemented within the defined time-frame; we therefore continue to believe that the deadlines set for the realignment programme will be met. Delays in the implementation of the measures planned may lead to a delay in the anticipated future growth and profitability of the GERRY WEBER Group.

Based on current knowledge, there are no risks that could jeopardise the continued existence of the GERRY WEBER Group.



**OUTLOOK / FORECAST**

**Forward-looking statements**

The outlook provided for GERRY WEBER International AG represents management’s assessment of the future course of business of the GERRY WEBER Group. It is based on management’s knowledge at the time of the preparation of the report.

**State of the “FIT4GROWTH” realignment programme**

With a view to addressing the continued difficult market environment and the internal shortcomings of the past, the Managing Board has developed a realignment programme for the GERRY WEBER Group, which was presented already at the end of February 2016. The main objective of the “FIT4GROWTH” programme is to lay the basis for long-term profitable growth this financial year and next. The programme

comprises four elements: (1) Optimise the Retail operations; (2) Adjust structures and processes; (3) Strengthen the Wholesale operations; (4) Modernise the brands.

The measures presented will address sales revenues, efficiency and costs as well as gross profit in the long term but will initially have an adverse effect on sales revenues and earnings of the GERRY WEBER Group because of the costs and write-downs arising in the current financial year and next. The following charts show the progress made in implementing the measures for the individual elements of the realignment programme.

**(1) Optimise the Retail operations**

The consolidation of the store network is an integral element of the Retail optimisation. We will close those stores that do not meet the margin targets or have a negative growth outlook.

| <b>RETAIL</b><br>- Optimisation of the store network<br>- Improved customer approach<br>- Digitalisation<br>- Optimisation of merchandise/inventory management | <b>1</b>  | → <b>Optimisation of the store network</b> <ul style="list-style-type: none"> <li>▪ 40 stores closed by 31 July 2016. Another approx. 35 to 40 closures planned up to the end of FY 2015/16.</li> <li>▪ We are thus well on track to closing at least 103 stores in Germany and abroad this financial year and next</li> </ul>   |                   |                |                   |                    |      |     |  |      |     |
|--|---|--|-------------------|----------------|-------------------|--------------------|------|-----|--|------|-----|
|  | <b>2</b>  | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #444; color: white;"> <th style="text-align: left; padding: 5px;">in EUR millions</th> <th style="text-align: center; padding: 5px;">PLANNED BUDGET</th> <th style="text-align: center; padding: 5px;">ACTUAL 9M 2015/16</th> </tr> </thead> <tbody> <tr style="background-color: #eee;"> <td style="padding: 5px;">Cash closure costs</td> <td style="text-align: center; padding: 5px;">14.0</td> <td style="text-align: center; padding: 5px;">0.9</td> </tr> <tr> <td style="padding: 5px;">Non-scheduled depreciation related to the closures</td> <td style="text-align: center; padding: 5px;">11.0</td> <td style="text-align: center; padding: 5px;">7.5</td> </tr> </tbody> </table> <p style="font-size: small; padding: 5px;">The 40 stores already closed plus additional 26 scheduled closings resulted in non-scheduled depreciation in the amount of EUR 7.5 million</p> | in EUR millions   | PLANNED BUDGET | ACTUAL 9M 2015/16 | Cash closure costs | 14.0 | 0.9 | Non-scheduled depreciation related to the closures | 11.0 | 7.5 |
|  | in EUR millions   | PLANNED BUDGET   | ACTUAL 9M 2015/16 |                |                   |                    |      |     |  |      |     |
|  | Cash closure costs  | 14.0   | 0.9               |                |                   |                    |      |     |  |      |     |
| Non-scheduled depreciation related to the closures   | 11.0  | 7.5  |                   |                |                   |                    |      |     |  |      |     |
| <b>3</b>   | → <b>Digitalisation</b> <ul style="list-style-type: none"> <li>▪ Start of the refurbishment of the TOP 17 stores.<br/>Hamburg Jungfernstieg opened after refurbishment already in early September; Munich Viktualienmarkt will follow on 15 September 2016</li> </ul> |  |                   |                |                   |                    |      |     |  |      |     |
| <b>4</b>   | <ul style="list-style-type: none"> <li>▪ Start of the revision of the digitalisation strategy – definition of a roadmap</li> <li>▪ Introduction of Click &amp; Collect in all HALLHUBER mono-label stores</li> </ul>  |  |                   |                |                   |                    |      |     |  |      |     |

As of 31 July 2016, 40 stores of the 103 stores on the list had been closed. Another 35 to 40 stores will follow by the end of the financial year. This means that we are fully running to plan with regard to the store closures. In the reporting period, cash closure costs in the amount of EUR 0.9 million were incurred, e.g. for key money or the removal of furnishings and fittings. Extraordinary expenses of EUR 7.5 million have been recognised for the closures so far.

Improving customer engagement and the brand experience is another lever that is being used to optimise the store portfolio. This includes, among other things, increasing the value of the products and collections, an up-to-date brand presentation, an active customer approach but also improved service in the stores. In this context, we have begun to rebuild the top 17 stores and to install a new store concept. The first store in Hamburg has been reopened already in September; the opening in Munich will follow shortly.

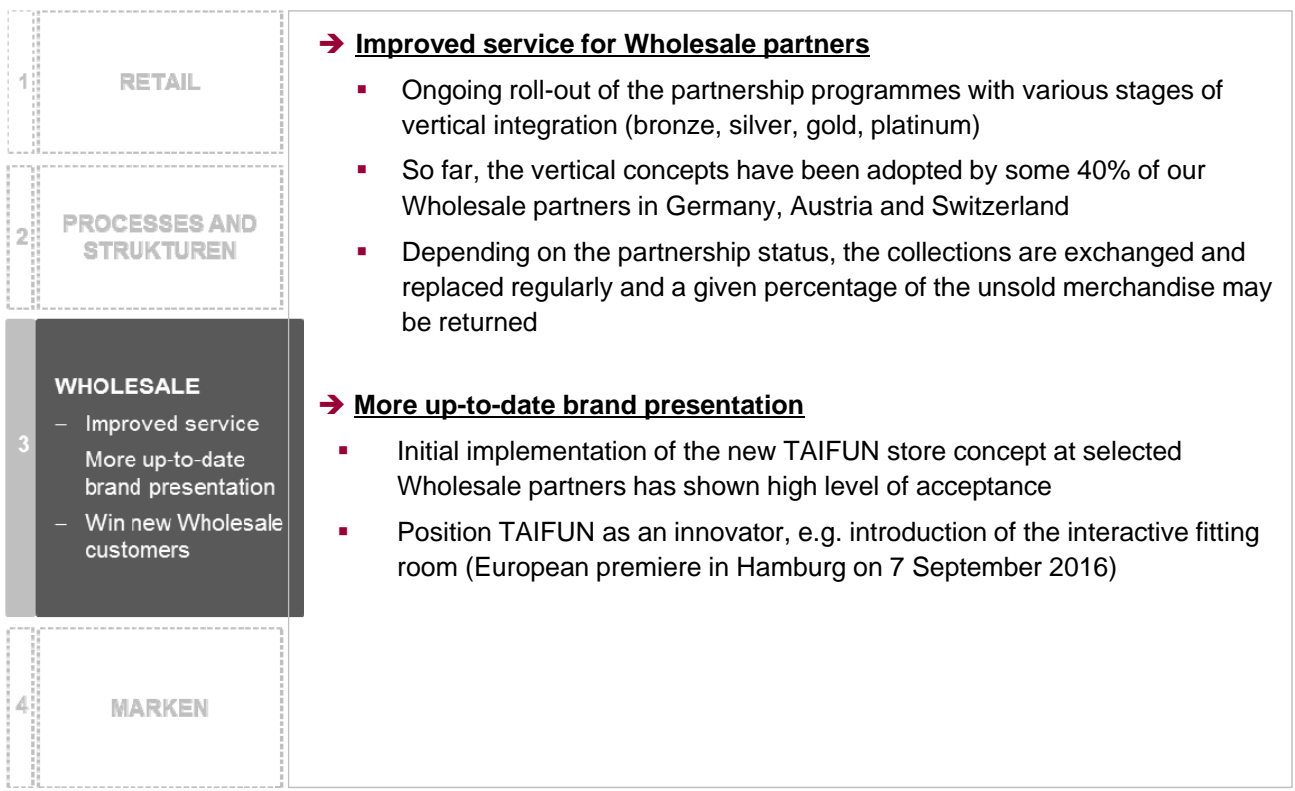
In addition, the GERRY WEBER Group will rely much more strongly than before on digitalisation and exploit the omnichannel potential. As part of the refurbishment of the top 17 stores, interactive mirrors from Oak Labs will be installed in the fitting rooms of the TAIFUN brand. By installing such mirrors, TAIFUN combines innovation and a personalised shopping experience that is unique in Europe. As part of the digitalisation strategy, the e-commerce segments of GERRY WEBER and HALLHUBER will be centralised in Munich, where they will jointly revise the digitalisation strategy. The first results of the measures are reflected in the introduction of a Click&Collect service in all HALLHUBER mono-label stores.

| 1  | <b>RETAIL</b>   | <p>→ <b>Reduce personnel expenses</b></p> <ul style="list-style-type: none"> <li>▪ Negotiations on social compensation plans for Retail and the administrative functions at the headquarters in Halle/Westphalia have been concluded. Approx. 112 jobs (full time equivalents) cut so far.</li> <li>▪ Negotiations about the job cuts in product development and technical product management to be concluded by the end of FY 2015/16.</li> </ul> <p>→ <b>Extraordinary effects resulting from staff adjustments</b></p> <table border="1"> <thead> <tr> <th style="text-align: left;">in EUR millions</th> <th style="text-align: center;">PLANNED BUDGET</th> <th style="text-align: center;">ACTUAL 9M 2015/16</th> </tr> </thead> <tbody> <tr> <td>Costs resulting from staff adjustments related to the FIT4GROWTH programme</td> <td style="text-align: center;">6.0</td> <td style="text-align: center;">1.8</td> </tr> </tbody> </table> | in EUR millions   | PLANNED BUDGET | ACTUAL 9M 2015/16 | Costs resulting from staff adjustments related to the FIT4GROWTH programme | 6.0 | 1.8 |
|--|---|---|-------------------|----------------|-------------------|--|-----|-----|
| in EUR millions  | PLANNED BUDGET  |   | ACTUAL 9M 2015/16 |                |                   |  |     |     |
| Costs resulting from staff adjustments related to the FIT4GROWTH programme | 6.0   |   | 1.8               |                |                   |  |     |     |
| 2  | <p><b>STRUCTURES &amp; PROCESSES</b></p> <ul style="list-style-type: none"> <li>– Reduce non-staff and personnel expenses</li> <li>– Efficiency potential of logistic centre</li> </ul> |   |                   |                |                   |  |     |     |
| 3  | <b>WHOLESALE</b>  |   |                   |                |                   |  |     |     |
| 4  | <b>BRANDS</b>   |   |                   |                |                   |  |     |     |

**(2) Adjust structures and processes**

Because of the strong growth in the past years, the central divisions of the organisation have become too complex and inefficient. All internal processes were therefore thoroughly analysed at the headquarters and partly redefined. At the headquarters in Halle/Westphalia, where a total of roughly 200 jobs are planned to be cut, 112 full-time jobs were cut as of the end of August 2016. These job cuts related to the support functions and Retail overhead roles. Negotiations about the job cuts in product development and technology are expected to be concluded by the end of the financial year. The cost effects from the job cuts totalled EUR 1.8 million in the first nine months.





**(3) Strengthen the Wholesale operations**

Our aim is to make the Wholesale business stronger again and to regain the confidence of our Wholesale partners. For this purpose, we have developed various partnership models (Bronze, Silver, Gold and Platinum). Some 40% of our Wholesale partners in Germany, Austria and Switzerland already have the possibility, depending on their status, to regularly receive new merchandise in their stores or to have merchandise exchanged or to return part of the merchandise they have been unable to sell. These measures are designed to offer our Wholesale customers a better service, to present the brand in a more up-to-date manner at the point of sale and to win new Wholesale customers.



|   |  |  |
|---|--|--|
| 1 | RETAIL   | <p>→ <b>Modernise the GERRY WEBER core brand</b></p> <ul style="list-style-type: none"> <li>▪ Hire new product managers for GERRY WEBER Outdoor and Collection</li> <li>▪ Revise the shop window design</li> <li>▪ Use new and more modern images in future corporate catalogues</li> </ul>  |
| 2 | PROZESSE UND STRUKTUREN  | <p>→ <b>Strengthen the TAIFUN brand identity</b></p> <ul style="list-style-type: none"> <li>▪ Successful launch of the new TAIFUN store concept 2.0</li> <li>▪ Medium term: separate the online shops of the GERRY WEBER brand families</li> <li>▪ Use social media campaigns to increase brand awareness</li> <li>▪ 3rd place in Textilwirtschaft's "DOB OUTFIT-ELITE 2016" study</li> </ul>                                    |
| 3 | WHOLESALE  | <p>→ <b>Launch of the new "talkabout" brand</b></p> <ul style="list-style-type: none"> <li>▪ Presentation of the new brand at Panorama in Berlin</li> <li>▪ "talkabout" is a purely vertical brand exclusively for our Wholesale partners</li> <li>▪ Sold at approx. 30 test shops of the TOP Wholesale partners. To be expanded to approx. 150 shop-in-shops in 2016/17</li> <li>▪ Deliveries started in August 2016</li> </ul> |
| 4 | <p><b>BRANDS</b></p> <ul style="list-style-type: none"> <li>– Modernise GERRY WEBER</li> <li>– Strengthen TAIFUN brand identity</li> <li>– Launch new brand</li> </ul> |  |

**(4) Modernise the brands**

For the main brand, GERRY WEBER, this primarily means making the brand more modern and presenting it in a more up-to-date manner without losing sight of existing customers. This also includes investing in the perceived value of the products and to align them more effectively with customers' actual requirements.

Besides the main brand, the company will sharpen the brand identity of TAIFUN in order to position the brand more independently of the main brand. In this context, we introduced the new store concept 2.0. With the TAIFUN customer getting increasingly mobile, digital and connected, the technology-based interaction with shoppers in the store, as for example with the interactive dressing room, is the logical extension of our 360° campaign, which we have implemented for two seasons together with two internationally renowned fashion bloggers. The purpose of the campaign is to gradually increase awareness of the brand. In the medium

term, we plan to launch a separate online store for TAIFUN to present the brand more autonomously.

talkabout, the new vertical Wholesale brand, was presented at the Panorama fair in Berlin. Since mid-August, the collection has been available in the stores of 30 selected Wholesale partners. We plan to expand the partnerships to some 150 shop-in-shops in 2016/17.

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

**OUTLOOK**

The general conditions for the German fashion industry failed to improve in the first nine months of the current financial year 2015/16. Declining customer footfalls in the city centres and shopping malls and changing consumer behaviour remain major challenges for the fashion industry. Cool spring and summer months made it even more difficult to sell the seasonal merchandise at the full price.

The Managing Board of GERRY WEBER International AG therefore implemented a realignment programme already at the beginning of the current financial year to respond to the changing market conditions at an early stage. The "FIT4GROWTH" programme comprises various measures to be implemented in the current financial year and the financial year 2016/17, when they will weigh on the GERRY WEBER Group's sales revenues and earnings. Implementation of these measures is necessary to enable the Group to return to

sustainable growth and profitability.

Although the general conditions remain challenging and the operating performance in the current financial year 2015/16 was not entirely satisfactory, but with a view to the fourth quarter, which is expected to be notably stronger, the Managing Board continues to believe that the financial targets set for the financial year 2015/16 can be reached. The GERRY WEBER Group projects consolidated sales revenues of between EUR 890 million and EUR 920 million (2014/15: EUR 920.8 million), to which HALLHUBER will contribute EUR 180 million to EUR 190 million. Taking all effects resulting from the implementation of the "FIT4GROWTH" realignment programme into account, consolidated EBIT (reported) are expected to amount to between EUR 10 million and EUR 20 million.

## CONSOLIDATED INCOME STATEMENT (IFRS) in EUR'000

for the Third Quarter 2015/16 (1 May 2016 - 31 July 2016)

and the First Nine Months of 2015/16 (1 November 2015 - 31 July 2016)

| in KEUR   | Q3 2015/16            | Q3 2014/15            | 9M 2015/16             | 9M 2014/15             |
|---|-----------------------|-----------------------|------------------------|------------------------|
|   | 1 May 16 - 31 July 16 | 1 May 15 - 31 July 15 | 1 Nov. 15 - 31 July 16 | 1 Nov. 14 - 31 July 15 |
| Sales   | 194,828.7             | 197,792.1             | 638,472.0              | 630,478.1              |
| Other operating income                                | 7,234.2               | 4,689.8               | 14,282.9               | 12,976.0               |
| Changes in inventories and other own work capitalized | 18,511.9              | 9,648.8               | 19,124.8               | 21,877.4               |
| Cost of materials                                     | -88,354.5             | -83,574.8             | -262,821.5             | -276,811.3             |
| Personnel expenses                                    | -50,429.9             | -48,658.0             | -147,729.3             | -136,177.5             |
| Depreciation/Amortisation                             | -18,571.6             | -8,646.6              | -40,054.9              | -24,960.0              |
| Other operating expenses                              | -70,675.6             | -69,085.2             | -219,622.9             | -188,309.2             |
| Other taxes   | -339.7                | -381.6                | -1,021.0               | -1,057.3               |
| <b>OPERATING RESULT</b>                               | <b>-7,796.5</b>       | <b>1,784.5</b>        | <b>630.1</b>           | <b>38,016.2</b>        |
| <b>Financial result</b>                               |                       |                       |                        |                        |
| Income from long-term loans                           | 0.7                   | 0.7                   | 2.1                    | 1.9                    |
| Interest income                                       | 156.6                 | 44.0                  | 160.6                  | 672.1                  |
| Write downs of financial assets                       | 0.0                   | 0.0                   | -3.0                   | 0.0                    |
| Incidental bank charges                               | -387.3                | -235.7                | -1,044.0               | -725.6                 |
| Interest expenses                                     | -2,127.6              | -1,990.1              | -5,736.2               | -4,847.7               |
|   | <b>-2,357.6</b>       | <b>-2,181.1</b>       | <b>-6,620.5</b>        | <b>-4,899.3</b>        |
| <b>RESULTS FROM ORDINARY ACTIVITIES</b>               | <b>-10,154.1</b>      | <b>-396.6</b>         | <b>-5,990.4</b>        | <b>33,116.9</b>        |
| <b>Taxes on income</b>                                |                       |                       |                        |                        |
| Taxes of the reporting period                         | 2,141.4               | 111.0                 | -261.9                 | -10,402.6              |
| Deferred taxes  | 1,077.9               | 551.0                 | 2,273.6                | -536.0                 |
|   | <b>3,219.3</b>        | <b>662.0</b>          | <b>2,011.7</b>         | <b>-10,938.6</b>       |
| <b>NET RESULT OF THE REPORTING PERIOD</b>             | <b>-6,934.8</b>       | <b>265.4</b>          | <b>-3,978.7</b>        | <b>22,178.3</b>        |
| Earnings per share ( basic)                           | -0.15                 | 0.01                  | -0.08                  | 0.48                   |



## CONSOLIDATED BALANCE SHEET (IFRS) in EUR'000

as of 31 July 2016

| <b>ASSETS</b>                       | <b>9M 2015/16</b> | <b>2014/15</b>   |
|-------------------------------------|-------------------|------------------|
| in KEUR                             | 31 July 2016      | 31 Oct. 2015     |
| <b>NON-CURRENT ASSETS</b>           |                   |                  |
| <b>Fixed Assets</b>                 |                   |                  |
| Intangible assets                   | 223,947.1         | 229,862.1        |
| Property, plant and equipment       | 296,132.1         | 287,828.0        |
| Investment properties               | 26,186.3          | 26,537.4         |
| Financial assets                    | 2,304.9           | 2,596.8          |
| <b>Other non-current assets</b>     |                   |                  |
| Trade receivables                   | 122.6             | 245.2            |
| Other non-current assets            | 315.5             | 387.1            |
| Income tax claims                   | 577.4             | 577.4            |
| <b>Deferred tax assets</b>          | <b>6,105.6</b>    | <b>5,212.1</b>   |
|                                     | <b>555,691.5</b>  | <b>553,246.1</b> |
| <b>CURRENT ASSETS</b>               |                   |                  |
| <b>Inventories</b>                  | <b>179,645.0</b>  | <b>163,583.7</b> |
| <b>Receivables and other assets</b> |                   |                  |
| Trade receivables                   | 40,228.7          | 63,715.7         |
| Other assets                        | 49,912.4          | 70,479.8         |
| Income tax claims                   | 2,524.4           | 11,454.4         |
| <b>Cash and cash equivalents</b>    | <b>46,028.7</b>   | <b>76,130.3</b>  |
|                                     | <b>318,339.2</b>  | <b>385,363.9</b> |
| <b>TOTAL ASSETS</b>                 | <b>874,030.7</b>  | <b>938,610.0</b> |

## CONSOLIDATED BALANCE SHEET (IFRS) in EUR'000

as of 31 July 2016

| EQUITY AND LIABILITIES                                     | 9M 2015/16<br>31 July 2016 | 2014/15<br>31 Oct. 2015 |
|--|----------------------------|-------------------------|
| in KEUR  |                            |                         |
| <b>EQUITY</b>  |                            |                         |
| 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 | 12,632.2                   | 31,491.4                |
| Exchange differences                                       | -2,577.2                   | -3,140.4                |
| Accumulated profits  | 53,986.9                   | 76,328.0                |
|  | <b>442,715.4</b>           | <b>483,352.5</b>        |
| <b>NON-CURRENT LIABILITIES</b>                             |                            |                         |
| Provisions for personnel                                   | 103.4                      | 49.6                    |
| Other provisions   | 8,838.9                    | 8,645.0                 |
| Financial liabilities                                      | 195,000.0                  | 215,000.0               |
| Other liabilities  | 26,344.2                   | 26,637.5                |
| Deferred tax liabilities                                   | 38,143.1                   | 51,086.5                |
|  | <b>268,429.6</b>           | <b>301,418.6</b>        |
| <b>CURRENT LIABILITIES</b>                                 |                            |                         |
| <b>Provisions</b>  |                            |                         |
| Tax liabilities  | 6,936.4                    | 5,601.5                 |
| Provisions for personnel                                   | 10,390.3                   | 11,792.2                |
| Other provisions   | 9,772.6                    | 15,739.2                |
| <b>LIABILITIES</b>   |                            |                         |
| Financial liabilities                                      | 75,453.8                   | 35,740.4                |
| Trade payables   | 36,486.1                   | 60,662.0                |
| Other liabilities  | 23,846.5                   | 24,303.6                |
|  | <b>162,885.7</b>           | <b>153,838.9</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        | <b>874,030.7</b>           | <b>938,610.0</b>        |

**SEGMENT REPORTING (IFRS) in EUR'000**

for the Third Quarter 2015/16 (1 May 2016 - 31 July 2016)

**Q3 2015/16**

| KEUR                                    | GERRY WEBER<br>Core Wholesale | GERRY WEBER<br>Core Retail | HALLHUBER     | Other<br>Segments | Consolidated<br>entries | Total          |
|---|-------------------------------|----------------------------|---------------|-------------------|-------------------------|----------------|
| <b>Sales by segment</b>                 | <b>45,750</b>                 | <b>107,105</b>             | <b>41,974</b> | <b>0</b>          | <b>0</b>                | <b>194,829</b> |
| EBITDA                                  | 4,744                         | 4,338                      | 1,115         | 612               | -34                     | 10,775         |
| Depreciation/amortisation               | 2,581                         | 12,589                     | 3,251         | 151               | 0                       | 18,572         |
| EBIT (Earnings Before Interest and Tax) | 2,163                         | -8,250                     | -2,138        | 462               | -34                     | -7,797         |
| Personnel expenses                      | 9,760                         | 32,379                     | 8,291         | 0                 | 0                       | 50,430         |
| Assets                                  | 273,641                       | 387,906                    | 187,872       | 28,917            | -4,305                  | 874,031        |
| Liabilities                             | 58,232                        | 185,406                    | 191,578       | 0                 | -3,901                  | 431,315        |
| Investments in non-current assets       | 6,618                         | 6,428                      | 1,700         | 0                 | 0                       | 14,746         |
| Number of employees (on average)        | 733                           | 4,497                      | 1,822         | 1                 | 0                       | 7,053          |

**Q3 2014/15**

| KEUR                                    | GERRY WEBER<br>Core Wholesale | GERRY WEBER<br>Core Retail | HALLHUBER     | Other<br>Segments | Consolidated<br>entries | Total          |
|---|-------------------------------|----------------------------|---------------|-------------------|-------------------------|----------------|
| <b>Sales by segment</b>                 | <b>46,024</b>                 | <b>114,899</b>             | <b>36,870</b> | <b>0</b>          | <b>0</b>                | <b>197,792</b> |
| EBITDA                                  | 7,414                         | -350                       | 2,484         | 704               | 178                     | 10,431         |
| Depreciation/amortisation               | 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          |
| Personnel expenses                      | 9,693                         | 31,903                     | 7,062         | 0                 | 0                       | 48,658         |
| Assets                                  | 295,653                       | 374,559                    | 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       | 9,826                         | 13,621                     | 1,624         | 197               | 0                       | 25,268         |
| Number of employees (on average)        | 706                           | 4,714                      | 1,560         | 1                 | 0                       | 6,981          |

**SEGMENT REPORTING (IFRS) in EUR'000**

for the First Nine Months of 2015/16 (1 November 2015 - 31 July 2016)

| <b>9 Months 2015/16</b>                 | <b>GERRY WEBER<br/>Core Wholesale</b> | <b>GERRY WEBER<br/>Core Retail</b> | <b>HALLHUBER</b> | <b>Other<br/>Segments</b> | <b>Consolidated<br/>entries</b> | <b>Total</b>   |
|---|---------------------------------------|------------------------------------|------------------|---------------------------|---------------------------------|----------------|
| in KEUR                                 |                                       |                                    |                  |                           |                                 |                |
| <b>Sales by segment</b>                 | 191,354                               | 313,477                            | 133,641          | 0                         | 0                               | <b>638,472</b> |
| EBITDA                                  | 24,653                                | 6,639                              | 7,682            | 1,996                     | -285                            | 40,685         |
| Depreciation/amortisation               | 6,674                                 | 23,525                             | 9,404            | 452                       | 0                               | 40,055         |
| EBIT (Earnings Before Interest and Tax) | 17,979                                | -16,886                            | -1,722           | 1,544                     | -285                            | 630            |
| Personnel Expenses                      | 29,025                                | 94,615                             | 24,089           | 0                         | 0                               | 147,729        |
| Assets                                  | 273,641                               | 387,906                            | 187,872          | 28,917                    | -4,305                          | 874,031        |
| Liabilities                             | 58,232                                | 185,406                            | 191,578          | 0                         | -3,901                          | 431,315        |
| Investments in non-current assets       | 17,156                                | 18,840                             | 6,733            | 15                        | 0                               | 42,744         |
| Number of employees (on average)        | 733                                   | 4,497                              | 1,822            | 1                         | 0                               | 7,053          |

| <b>9 Months 2014/15</b>                 | <b>GERRY WEBER<br/>Core Wholesale</b> | <b>GERRY WEBER<br/>Core Retail</b> | <b>HALLHUBER</b> | <b>Other<br/>Segments</b> | <b>Consolidated<br/>entries</b> | <b>Total</b>   |
|---|---------------------------------------|------------------------------------|------------------|---------------------------|---------------------------------|----------------|
| in KEUR                                 |                                       |                                    |                  |                           |                                 |                |
| <b>Sales by segment</b>                 | 243,680                               | 316,173                            | 70,625           | 0                         | 0                               | <b>630,478</b> |
| EBITDA                                  | 43,290                                | 12,587                             | 4,593            | 2,025                     | 481                             | 62,976         |
| Depreciation/amortisation               | 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         |
| Personnel expenses                      | 28,692                                | 93,557                             | 13,928           | 0                         | 0                               | 136,177        |
| 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 (on average)        | 706                                   | 4,714                              | 1,560            | 1                         | 0                               | 6,981          |

## CONSOLIDATED CASH FLOW STATEMENT (IFRS) in EUR'000

for the First Nine Months of 2015/16 (1 November 2015 - 31 July 2016)

| in KEUR   | <b>9M 2015/16</b><br>1 Nov.15 - 31 July 16 | <b>9M 2014/15</b><br>1 Nov. 14 - 31 July 15 |
|---|--|---|
| Operating result  | 630.1                                      | 38,016.2                                    |
| Depreciation / amortisation   | 40,054.9                                   | 24,960.0                                    |
| Profit / loss from the disposal of fixed assets   | 353.8                                      | 977.2                                       |
| Increase / decrease in inventories  | -16,061.3                                  | -20,890.7                                   |
| Increase / decrease in trade receivables  | 23,609.6                                   | 24,907.1                                    |
| Increase / decrease in other assets that do not fall under investing or financing activities      | -5,133.5                                   | 706.8                                       |
| Increase / decrease in provisions   | -7,120.7                                   | -6,412.4                                    |
| Increase / decrease in trade payables   | -24,175.9                                  | -28,422.9                                   |
| Increase / decrease in other liabilities that do not fall under investing or financing activities | -6,097.3                                   | 1,604.5                                     |
| Income tax payments   | 10,003.0                                   | -24,464.3                                   |
| Other non-cash effective income/expenses  | 0.0  | 0.0   |
| <b>CASH INFLOWS FROM OPERATING ACTIVITIES</b>   | <b>16,062.7</b>                            | <b>10,981.5</b>                             |
| Income from loans   | 2.1  | 1.8   |
| Interest income   | 160.6                                      | 672.1                                       |
| Incidental bank charges   | -1,044.0                                   | -725.6                                      |
| Interest expenses   | -4,476.2                                   | -3,107.6                                    |
| <b>CASH INFLOWS FROM CURRENT OPERATING ACTIVITIES</b>   | <b>10,705.2</b>                            | <b>7,822.2</b>                              |
| Proceeds from the disposal of properties, plant, equipment and intangible assets                  | 294.1                                      | 5,106.0                                     |
| Cash outflows for investments in property, plant, equipment and intangible assets                 | -42,726.2                                  | -83,173.3                                   |
| Cash outflows for the acquisition of fully consolidated businesses less cash and cash equivalents | 0.0  | -94,831.8                                   |
| Cash outflows for investments in investment properties  | -14.6                                      | -196.5                                      |
| Proceeds from the disposal of financial assets  | 291.9                                      | 68.2  |
| Cash outflows for investments in financial assets   | -3.0                                       | -3.5  |
| <b>CASH OUTFLOWS FROM INVESTING ACTIVITIES</b>  | <b>-42,157.8</b>                           | <b>-173,030.9</b>                           |
| Dividends paid  | -18,362.4                                  | -34,429.5                                   |
| Raising / repayment of financial liabilities  | 19,713.4                                   | 132,534.6                                   |
| <b>CASH INFLOWS FROM FINANCING ACTIVITIES</b>   | <b>1,351.0</b>                             | <b>98,105.1</b>                             |
| Changes in cash and cash equivalents  | -30,101.6                                  | -67,103.6                                   |
| Cash and cash equivalents at the beginning of the fiscal year                                     | 76,130.3                                   | 104,295.6                                   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>   | <b>46,028.7</b>                            | <b>37,192.0</b>                             |



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

for the First Nine Months of 2015/16 (1 November 2015 - 31 July 2016)

| in KEUR   | Capital stock   | Capital reserves | Retained earnings | Accumulated other comprehensive income/loss | Exchange differences | Accumulated profits | Equity           |
|---|-----------------|------------------|-------------------|---|----------------------|---------------------|------------------|
| <b>As of 1 November 2015</b>  | <b>45,906.0</b> | <b>102,386.9</b> | <b>230,380.6</b>  | <b>31,491.5</b>                             | <b>-3,140.5</b>      | <b>76,328.0</b>     | <b>483,352.5</b> |
| Dividends paid  |                 |                  |                   |   |                      | -18,362.4           | -18,362.4        |
| Allocation of retained earnings of the AG from the net income of the year |                 |                  |                   |   |                      |                     | 0.0              |
| Adjustments of exchange differences                                       |                 |                  |                   |   | 563.3                |                     | 563.3            |
| Changes in equity acc. to IAS 39  |                 |                  |                   | -18,859.3                                   |                      |                     | -18,859.3        |
| Net income of the reporting period  |                 |                  |                   |   |                      | -3,978.7            | -3,978.7         |
| <b>As of 31 July 2016</b>   | <b>45,906.0</b> | <b>102,386.9</b> | <b>230,380.6</b>  | <b>12,632.2</b>                             | <b>-2,577.2</b>      | <b>53,986.9</b>     | <b>442,715.4</b> |

| in KEUR   | Capital stock   | Capital reserves | Retained earnings | Accumulated other comprehensive income/loss | Exchange differences | Accumulated profits | Equity           |
|---|-----------------|------------------|-------------------|---|----------------------|---------------------|------------------|
| <b>As of 1 November 2014</b>  | <b>45,906.0</b> | <b>102,386.9</b> | <b>230,380.6</b>  | <b>18,321.8</b>                             | <b>-312.4</b>        | <b>58,580.1</b>     | <b>455,263.1</b> |
| 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         |
| <b>As of 31 July 2015</b>   | <b>45,906.0</b> | <b>102,386.9</b> | <b>230,380.6</b>  | <b>36,345.4</b>                             | <b>-629.6</b>        | <b>46,329.0</b>     | <b>460,718.3</b> |

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**FINANCIAL CALENDER**

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|---|-------------------|
| Publication of the Nine Month Report 2015/16  | 14 September 2016 |
| Berenberg German Corporate Conference, Munich | 20 September 2016 |
| Baader Investment Conference, Munich          | 21 September 2016 |
| End of the fiscal year 2015/16                | 31 October 2016   |

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**Disclaimer**

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