GERRY WEBER

GERRY WEBER International AG
Report on the first nine months of 2007/2008

Report on the nine-month period
ended 31 July 2008

WKN: 330 410
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The share

In the first nine months of 2007/2008, the GERRY WEBER share no longer remained unaffected by the downward trend in the international capital markets and declined by 20.6 percent. The disappointing share price performance did not reflect the continued excellent operating performance of the GERRY WEBER Group, which again generated double-digit sales and profit growth in spite of the adverse retail climate.

The high oil price, rising inflation and the ailing financial sector again put the stock markets under pressure in the third quarter of fiscal year 2007/2008. Since the beginning of the financial year, the DAX has lost 17.8 percent, while the MDAX fell by 21.0 percent. Due to the fact that institutional investors primarily withdrew from small caps after the US subprime crisis, the SDAX suffered the highest loss at 28.4 percent. While the GERRY WEBER share underperformed the three indices sometimes quite markedly in the first three months of 2007/2008, the share left them behind in the second and third quarter and clearly outperformed the SDAX, in particular.

The GERRY WEBER share started the reporting period at a price of EUR 24.36 on 1 November 2007 and closed at EUR 19.33 on 31 July 2008 (all figures are Xetra closing prices). The lowest price in the first nine months of 2007/2008 was reached on 23 January 2008, when the share traded at EUR 16.75. At EUR 24.45, the highest price was quoted on 2 November 2007.

In the third quarter of 2007/2008, GERRY WEBER International AG paid out the dividend for the financial year 2006/2007. At EUR 0.50 per share, this was the highest ordinary dividend in the history of the company. This is equivalent to an increase of EUR 0.10 per share or 25 percent against the previous year and represents a payout volume of EUR 11.5 million.

Sales figures of the first nine months of 2007/2008 (to IFRS; in EUR million, unless stated otherwise)

	2007/2008	2006/2007
Sales revenues	388.1	344.0
EBITDA	43.0	34.3
EBITDA margin	11.1%	9.9%
EBIT	34.2	27.1
EBIT margin	8.8%	7.9%
EBT	30.1	23.8
EBT margin	7.8%	6.9%
Net profit	20.7	13.3
Gross cash flow	38.9	31.0
DVFA result per share in EUR	0.90	0.57
Headcount on 31 July	2,265	1,951
Fixed asset investments	12.8	10.3

Interim management report for the 9-month period ended 31 July 2008 and the third quarter of 2007/2008

Business performance

The world economy is in a downturn. The surge in energy and commodity prices and the sharp rise in food prices clearly weighed on economic activity in the spring. The property crisis in the USA and some European countries also had an adverse effect on the economy. US housing construction continued to decline. An economic stimulus programme launched by the government supported the economy and has helped to prevent the much-feared recession so far. Growth in the South and East Asian emerging countries also slowed down in the spring, albeit at a relatively high level.

Following a good start to the year, the German economy also weakened noticeably in the spring. According to the Federal Statistical Office, the German economy shrank in the second quarter of 2008 for the first time in almost four years. The gross domestic product (GDP) was down 0.5 percent on the first quarter in price, seasonally and working-day adjusted terms. In the first three months of the year, Germany's aggregate economic output had increased by 1.3 percent. The slowdown in the second quarter was attributable to a decline in private consumption and reduced capital spending. Exports provided positive stimulation, primarily because of much lower imports. Compared to the same quarter of the previous year, real GDP was up by 3.1 percent (1.7 percent in working day adjusted terms).

According to a representative survey conducted by GermanFashion Modeverband e.V. in June 2008, sales in the German clothing sector were up by 5.1 percent on the previous year in the first six months of 2008. While the sales revenues of ladieswear manufacturers rose by 2.9 percent, menswear manufacturers reported a 4.2 percent increase in revenues. At 8.3 percent, workwear and sportswear manufacturers achieved the highest growth. The international business was particularly successful. 56 percent of the companies surveyed reported a higher export share than in the first half of 2007. At 59 percent, the export share of ladieswear manufacturers was higher than that of menswear manufacturers (50 percent), with sportswear manufacturers reporting the highest share at 60 percent. After several large chain store operators filed for bankruptcy in the second quarter of 2008, sentiment in the German textiles retail sector deteriorated even further. Last year already, the textiles sector reported the second highest number of bankruptcies, and the rate continued to climb in the first half of 2008.

In spite of the ongoing recession in the retail sector, the GERRY WEBER Group continued to grow in the first nine months of 2007/2008 and marked new sales and earnings records. At EUR 388.1 million, Group sales were up 12.8 percent on the previous year. All earnings figures increased at a clearly disproportionate rate. The continued good business trend of the GERRY WEBER Group was once again also reflected on a quarterly basis, with sales rising 11.5 percent to EUR 119.6 million in the third quarter of 2007/2008. All earnings figures increased disproportionately also in the third quarter.

Growth was again driven primarily by the company's retail activities. The GERRY WEBER Group is increasingly becoming a vertically integrated systems supplier covering the entire value chain from product development to sale in its own stores. With a view to pushing ahead this verticalisation, Doris Strätker was appointed to the Managing Board of GERRY WEBER International AG with effect from 15 July 2008. She joins Board members Gerhard Weber and Udo Hardieck and is responsible for the retail activities as well for all collections of the GERRY WEBER, TAIFUN and SAMOON brands.

The retail activities comprise the HOUSES OF GERRY WEBER operated by the company. In the first nine months of 2007/2008, 79 additional HOUSES OF GERRY WEBER were opened. 25 of the new multi-brand stores are run by the company itself, while the remaining 54 new HOUSES OF GERRY WEBER are managed by franchise partners. As of 31 July 2008, there were a total of 256 HOUSES OF GERRY WEBER, including the premium stores in Berlin, London, Moscow and Dubai. 91 of them are operated by the company, thereof 70 in Germany, eleven in Spain, six in Austria, three in the UK and one in Ireland. 165 HOUSES OF GERRY WEBER are run by franchisees, thereof 42 in Germany and 123 abroad. The global presence ensures high international visibility of the GERRY WEBER lifestyle brand, which is additionally supported by the GERRY WEBER OPEN, Germany's only ATP lawn tennis tournament.

Besides the company-run HOUSES OF GERRY WEBER, the retail activities also comprise the GERRY WEBER eShop, where GERRY WEBER, TAIFUN and SAMOON articles can be ordered from a single source. In the first nine months of 2007/2008, sales revenues generated by the profitable online shop for all three brands were up by 87.5 percent on the same period of the previous year.

The company's wholesale activities were expanded as well. The number of shop-in-shops increased to 1,374 in the first nine months of 2007/2008. A total of 1,073 shops are operated in Germany and 301 abroad. There are 1,193 GERRY WEBER shop-in-shops, 115 TAIFUN shops and 66 SAMOON shops. 281 shop-in-shops represent the WORLD OF GERRY WEBER, which comprises all three of the Group's brands. Retailers continue to make numerous new shop-in-shops available to the GERRY WEBER Group on account of the company's excellent positioning in the retail sector and the strong appeal of the HOUSES OF GERRY WEBER in the big cities.

The successful partnership between the GERRY WEBER Group and the retail sector is also reflected in a study entitled "Vertikale Partnerschaften 2008"("Vertical Partnerships 2008"), which was conducted by trade magazine TextilWirtschaft among leading retailers. The brands of the GERRY WEBER Group were ranked first in the "satisfaction" category. Aspects such as brand appeal, cooperation and the price-performance ratio were rated particularly highly by respondents in the survey.

Sales performance

Brand sales in the first nine months (in EUR million)

	2007/2008	2006/2007
GERRY WEBER	250.5	217.6
TAIFUN	66.0	59.9
SAMOON	19.4	19.3

In the first nine months, Group sales increased by 12.8 percent from EUR 344.0 million in the previous year to EUR 388.1 million. The retail activities and the GERRY WEBER core brand were once again the main growth drivers.

At EUR 335.9 million, brand sales were up 13.2 percent on the previous year (EUR 296.8 million). Sales of the GERRY WEBER core brand rose by 15.1 percent to EUR 250.5 million (previous year: EUR 217.6 million). Accounting for 74.6 percent of total Group sales, the brand is of major importance for the company. The GERRY WEBER brand profile is supported by two successful sublabels, GERRY WEBER EDITION and G.W. Sales of GERRY WEBER EDITION, a single-item collection comprised of knitwear, shirts, blouses, trousers, skirts and outdoor jackets, increased by 33.6 percent from EUR 53.5 million in the previous year to EUR 71.5 million in the reporting period. The aggressively priced G.W. label achieved a 33.3 percent increase in sales from EUR 9.6 million in the previous year to EUR 12.8 million.

The younger TAIFUN label generated sales of EUR 66.0 million, up 10.2 percent on the previous year's EUR 59.9 million. Customer acceptance of TAIFUN has increased steadily over the years, and the brand has successfully defied the general lethargy in the retail sector. The Group's second largest brand contributed 19.6 percent to total brand revenues.

At EUR 19.4 million, sales revenues of SAMOON, the niche brand for plus sizes, also exceeded the previous year's level (EUR 19.3 million). SAMOON contributed 5.8 percent to total brand revenues.

The company's own retail activities again showed the strongest growth. The retail segment, which aggregates the revenues of the company-managed HOUSES OF GERRY WEBER in Germany and abroad, boosted its revenues in the first nine months of 2007/2008 to EUR 81,0 million, up 26,2 percent on the previous year's EUR 64.2 million. This increase is primarily attributable to the fact that many new HOUSES OF GERRY WEBER were opened. Like-for-like sales were up by an average of 3.5 percent on the previous year, which means that the GERRY WEBER Group's organic retail growth was also far above the industry average.

The GERRY WEBER Group's licensing income rose by 16.7 percent from EUR 0.6 million in the previous year to EUR 0.7 million in the reporting period, with the licensing income from bags showing a particularly successful trend. The licenses for bags, eyewear, jewelry and footwear as well as the GERRY WEBER Men menswear line not only complement the product portfolio of the GERRY WEBER Group but also underline the Group's transformation into a lifestyle brand.

Orders

Incoming orders 1st and 2nd spring/summer collection (in EUR million)

	2009	2008
GERRY WEBER	123.9	104.5
TAIFUN	35.5	34.1
SAMOON	11.2	11.1

In spite of the poor situation in the retail sector, incoming orders for the first and second collection of the 2009 spring/summer season were up 14.0 percent on the previous year's level. At 18.6 percent, incoming orders for the GERRY WEBER core brand showed the strongest growth and totalled EUR 123.9 million. Incoming orders for TAIFUN amounted to EUR 35.5 million, up 4.1 percent on the previous year. Totalling EUR 11.2 million, incoming orders for SAMOON were up on the prior year's level as well.

The GERRY WEBER Group has modified its collection intervals in order to continue to grow against the general market trend. For the 2009 summer season, the company will, for the first time, present four collections with twelve themes. In the past, three collections comprising 14 themes were presented for each season. While the first two collections for the spring/summer season used to comprise eleven themes, this has been reduced to seven. The prior-year figures have been adjusted to match the new intervals.

The streamlined collections will clearly help cut the company's costs. At the same time, the delivery periods will be shortened. This will enable the company to respond to current trends more quickly and make the collections even more fashionable and, hence, more attractive to consumers. The third collection for spring/summer 2009 will be presented in October 2008. The fourth collection will follow in November.

Earnings position

The double-digit sales growth in the first nine months of 2007/2008 again coincided with a clearly disproportionate increase in profitability. Earnings before interest, tax, depreciation and amortisation (EBITDA) were up 25.4 percent on the previous year (EUR 34.3 million) to EUR 43.0 million. The operating result (EBIT) climbed 26.4 percent from EUR 27.1 million to EUR 34.2 million. The result from ordinary activities (EBT) rose by 26.4 percent from EUR 23.8 million to EUR 30.1 million. The respective margins increased accordingly. At EUR 20.7 million, net profit was up 55.1 percent on the previous year (EUR 13.3 million). DVFA earnings per share climbed from EUR 0.57 to EUR 0.90.

The excellent performance of the GERRY WEBER Group is also evident on a quarterly basis, as all key earnings figures clearly improved as compared to the same period of the previous year. EBITDA were up 25.6 percent on the previous year's EUR 9.0 million to EUR 11.3 million. EBIT climbed 31.5 percent from EUR 6.3 million in the previous year to EUR 8.2 million. EBT amounted to EUR 7.0 million, which represented an 34.8 percent increase on the previous year's EUR 5.2 million. Net profit rose by 79.2 percent from EUR 2.7 million to EUR 4.8 million. The DVFA result per share climbed from EUR 0.11 to EUR 0.21.

The significant earnings growth reflects the GERRY WEBER Group's unique position in the market. Optimised processes, cost-efficient procurement structures and a flexible distribution system allow the company to increase its earnings steadily. Net profit rose at a disproportionate rate not least thanks to Germany's corporate tax reform, which has lowered the overall tax rate from 42 percent to 32 percent.

Financial situation

The debt-to-equity ratio of the GERRY WEBER Group remains well balanced. As of 31 July 2008, the equity ratio stood at 52.8 percent, down 0.5 percentage points on the value reported as of 31 October 2007. Accordingly, the debt capital ratio amounted to 47.2 percent. This was primarily due to the 138.3 percent increase in current financial liabilities. Non-current financial liabilities and trade liabilities declined by 21.9 percent and 65.8 percent, respectively.

On the assets side, other current assets and inventories increased due to seasonal factors. Other assets climbed by 110.4 percent. Inventories rose by 41.9 percent. Current trade receivables declined by 11.1 percent. Liquid funds decreased by 36.2 percent due to the repayment of liabilities.

The financial stability of the company is also reflected in gross cash flow, which improved by 25.4 percent to EUR 38.9 million in the first nine months of 2007/2008.

Investments

At EUR 12.8 million, investments were up by 24.8 percent on the previous year (EUR 10.3 million). An amount of EUR 5.4 million was invested in building and construction measures of GERRY WEBER International AG. The retail segment accounted for EUR 4.9 million, which was primarily invested in new HOUSES OF GERRY WEBER. EUR 1.9 million was spent on shop sponsoring measures in the context of the expansion of the wholesale business. Investments were fully financed from operating cash flow at all times.

Investments in the third quarter of the current fiscal year were up 11.8 percent on the same period of the previous year to EUR 4.5 million.

Employees

As of 31 July, the number of employees rose from 1,951 in the fiscal year 2006/2007 to 2,265 in the current fiscal year. Most of the new jobs were created in the retail segment, i.e. the HOUSES OF GERRY WEBER operated by the company itself.

Segment report

The segment report of the GERRY WEBER Group breaks down the Group's activities into a Ladieswear Production and Wholesale segment and a Retail segment.

Sales in the Ladieswear Production and Wholesale segment increased by 10.7 percent from EUR 272.7 million in the previous year to EUR 301.7 million in the first nine months of 2007/2008. Its contribution to Group revenues declined to 77.7 percent due to the strong growth of the retail business. The result from ordinary activities improved by 13.3 percent from EUR 24.0 million to EUR 27.2 million. The number of employees increased from 952 to 1,006. At EUR 2.2 million, the investment volume was down 36.2 percent on the previous year's EUR 3.4 million. The segment primarily invested in shop sponsoring.

The Retail segment again achieved strong growth as compared to the previous year. Sales for the first nine months of 2007/2008 rose by 26.2 percent from EUR 64.2 million to EUR 81.0 million. The contribution to total revenues rose to 20.9 percent. EBT climbed from EUR -0.3 million to EUR -0.1 million. The number of employees rose from 577 to 831.

An amount of EUR 5.3 million was invested in non-current assets, up 226.7 percent on the previous year (EUR 1.6 million). The funds were invested in new HOUSES OF GERRY WEBER.

Third-quarter sales revenues in the Production and Wholesale segment were up 7.0 percent on the previous year's EUR 83.9 million to EUR 89.8 million. EBT increased by 5.5 percent from EUR 7.0 million to EUR 7.4 million. Retail sales climbed 32.5 percent from EUR 21.3 million to EUR 28.2 million. EBT rose from EUR -0.5 million to EUR -0.4 million but still reflected the start-up costs of the 25 newly opened HOUSES OF GERRY WEBER.

Risk report

The risks to the company's future performance have not changed materially since the beginning of the fiscal year. The statements made in the consolidated financial statements for the year 2006/2007 therefore continue to apply. These statements and a description of the risk management system can be found on pages 34 to 38 of the Annual Report 2006/2007.

Special events occurring after the reporting date

On 9 September 2008, GERRY WEBER International AG announced its intention to repurchase own shares representing up to 10 percent of the share capital by 31 October 2009. The Managing Board will thus take advantage of the authorisation granted by the Annual General Meeting on 4 June 2008.

Opportunity and forecast report

The economic risks have increased materially in the past months. In particular, the high oil price continues to have an adverse impact. Economic growth is therefore expected to slow down in the further course of the year. Most economic researchers project GDP growth of approximately 2 percent for the full year. In spite of the coincidence of several adverse factors, the risk of a global recession continues to be regarded as low.

According to the survey conducted by the GermanFashion association in June 2008, the German fashion industry expects sales for the full year 2008 to increase by 5.7 percent. The outlook for ladieswear manufacturers (plus 3.5 percent) is far less positive than that of menswear manufacturers (plus 4.3 percent). Sales of workwear and sportswear manufacturers are projected to grow by 9.3 percent. While domestic demand will remain moderate, international demand is expected to provide strong stimulation.

In view of the excellent performance in the first nine months of 2007/2008, the GERRY WEBER Group confirms its sales and earnings projections for the full year. Group sales are expected to amount to between EUR 570 million and EUR 580 million. The company also aims to increase its profitability again, with the EBIT margin projected to increase to 11.0 percent. As a result of the corporate tax reform, net profit will rise at a disproportionate rate. This means that the strong growth of the past years is likely to continue unabated.

The GERRY WEBER Group projects double-digit sales and earnings growth also for the financial year 2008/2009. Sales are expected to double to EUR 1 billion over the next four years, with the EBIT margin rising to 15 percent at the same time.

The company will clearly expand its retail activities. Another 20 own HOUSES OF GERRY WEBER are scheduled to be opened before the end of the financial year. Twelve of these company-managed stores will be opened in Germany, eight abroad. About 100 new HOUSES OF GERRY WEBER will be opened in 2009, of which 40 will be operated by the company itself (30 in Germany, ten abroad). The GERRY WEBER Group also plans to open about 100 company-run and franchised HOUSES OF GERRY WEBER in each of the following three years.

The expansion of the monobrand stores will be pushed ahead concurrently to increase the visibility of the brands through a stand-alone retail presence. The company currently operates eight stores for TAIFUN and SAMOON and plans to open more stores for both brands in the coming years. The GERRY WEBER Group expects sales of both brands to increase. The company's medium-term goal is to sell approximately 40 percent of its products through company-operated or franchised stores.

The GERRY WEBER Group also expects the sales revenues generated by the GERRY WEBER eShop to grow significantly in the current financial year. The online shop, which sells all three Group brands, should not only benefit from the high growth rates in Germany's e-commerce sector but has also been redesigned comprehensively. The online shop has given the company access to new customer groups. Going forward, the GERRY WEBER Group wants to generate 10 percent of its retail sales through the eShop.

To continue to grow at a high level, the GERRY WEBER Group is open to new distribution channels. Pilot projects have been launched in the field of concessions and teleshopping in the current financial year and will be expanded going forward.

The GERRY WEBER Group is a key success factor also for its retail customers, as it offers retailers highly attractive margins. The company sees itself as a close partner to the retail sector and will expand its wholesale activities further. The GERRY WEBER Group will continue to enable excellent mark-ups and support retailers even more strongly than before. This long-standing and successful partnership with retailers is also reflected in the fact that many retailers no longer specify detailed order lists but merely set a maximum order limit and leave the breakdown of the order to the manufacturer. In the current order season, the company is in charge of vertical management of designated sales areas at some 200 retailers. The optimum composition of the merchandise and the limit plans have previously been tested thoroughly in the company's HOUSES OF GERRY WEBER. Thanks to the EDI data fed from all HOUSES OF GERRY WEBER, the company is always abreast of the latest trends at the point of sale. The insights gained from the data not only inform the company's own retail business but are also made available to retail customers under maximum order limit arrangements. The GERRY WEBER Group intends to supply some 80 percent of its customers on this basis within the next three years.

The GERRY WEBER Group aims to grow not only on the sales side but also on the earnings side in the coming years. The company will therefore continue to optimise its procurement and logistics structures. A global sourcing system allows the Group to respond swiftly and flexibly to changes in the procurement markets. With a view to benefiting from wage differences within a country or region, production in the Far East will be relocated from the south of China to northern and central China. In Turkey, the focus will shift to Anatolia. In Eastern Europe, Armenia, Moldavia, Ukraine and Belarus will complement the existing production locations. Moreover, the company plans to increase the share of full-package service in relation to cut-make trim.

Calendar of financial events

End of fiscal year	31 October 2008
Publication of preliminary figures	Early January 2009
Annual report 2007/2008	26 February 2009
Accounts press conference	26 February 2009
Annual General Meeting	3 June 2009

Contact

Hans-Dieter Kley
Phone +49 (0) 52 01 – 18 5-0
Fax +49 (0) 52 01 – 58 57
E-Mail: b.uhlenbusch@gerryweber.de

GERRY WEBER International AG
Neulehenstraße 8 • 33790 Halle/Westfalen
Phone + 49 (0) 52 01 185-0 • Fax + 49 (0) 52 01 58 57
www.gerryweber-ag.de

Consolidated income statement to IFRS in KEUR

	Q3 2007/2008	Q3 2006/2007	First nine months 2007/2008	First nine months 2006/2007
Sales	119,646	107,303	388,142	344,019
Miscellaneous operating income	+1,752	+2,609	+6,150	+6,798
Changes in inventories	+25,034	+19,592	+24,680	+13,574
Cost of materials	-77,713	-77,312	-223,338	-200,468
Personnel expenses	-19,673	-16,903	-57,160	-51,641
Depreciation/Amortisation	-3,041	-2,717	-8,789	-7,206
Miscellaneous operating expenses	-37,699	-26,272	-95,145	-77,824
Other taxes	-62	-29	-325	-180
Operating result	**8,244**	**6,271**	**34,215**	**27,072**
Financial result				
Income from long-term loans	0	0	+1	+1
Interest income	+49	+66	+178	+161
Incidental bank charges	-280	-246	-743	-651
Interest expenses	-983	-877	-3,512	-2,734
Result from ordinary activities	**7,030**	**5,214**	**30,139**	**23,849**
Taxes on income				
Taxes of the fiscal year	-2,264	-2,558	-9,374	-4,750
Deferred taxes	-6	-	-61	-5,754
Net profit	**4,760**	**2,656**	**20,704**	**13,345**
Earnings per share (basic)	**0.21**	**0.11**	**0.90**	**0.57**

Consolidated balance sheet to IFRS in KEUR

Assets	31 July 2008	31 Oct. 2007
Non-current assets		
Fixed assets		
Intangible assets	13,595	13,282
Property, plant and equipment	88,888	85,154
Financial assets	1,129	1,228
Other non-current assets		
Trade receivables	0	143
Other assets	5,989	6,962
Income tax claims	4,208	4,208
Deferred tax assets	1,825	1,974
	115,634	**112,951**
Current assets		
Inventories	74,420	52,462
Receivables and other assets		
Trade receivables	70,019	78,724
Other assets	20,806	9,889
Income tax claims	581	581
Cash and cash equivalents	11,344	17,787
	177,170	**159,443**
	292,804	**272,394**

Equity and liabilities	31 July 2008	31 Oct. 2007
Equity		
Capital stock	22,953	22,953
Capital reserve	28,047	28,047
Retained earnings	53,880	53,880
Accumulated other comprehensive income/loss according to IAS 39	-2,140	-2,787
Exchange differences	125	516
Accumulated profits	51,697	42,470
	154,562	**145,079**
Non-current liabilities		
Provisions for personnel	1,457	1,440
Miscellaneous provisions	706	456
Financial liabilities	26,725	34,200
Deferred tax liabilities	3,558	3,369
	32,446	**39,465**
Current liabilities		
Provisions		
Tax provisions	570	3,287
Provisions for personnel	8,300	8,564
Miscellaneous provisions	5,873	3,467
Liabilities		
Financial liabilities	70,862	29,733
Trade payables	11,550	33,738
Miscellaneous liabilities	8,584	9,004
Income tax liabilities	57	57
	105,796	**87,850**
	292,804	**272,394**

Statement of changes in Group equity
(in EUR '000)

	Capital stock	Capital reserve	Retained earnings	Accumulated other comprehensive income/loss	Exchange differences	Profit carried forward	Net profit	Equity
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
As of 1 November 2007	22,953	28,047	53,880	-2,787	516	15,506	26,964	145,079
Reclassification of previous year's net income								
Purchase of own shares								
Allocations to retained earnings of the AG								
Net income							20,704	20,704
Adjustment of exchange differences					-391			-391
Dividends paid						-11,477		-11,477
Neutral currency forwards				+924				+924
Deferred taxes on neutral currency forwards				-277				-277
As of 31 July 2008	22,953	28,047	53,880	-2,140	125	4,029	47,668	154,562

Statement of changes in Group equity
(in EUR '000)

	Capital stock	Capital reserve	Retained earnings	Accumulated other comprehensive income/loss	Exchange differences	Profit carried forward	Net profit	Equity
	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR	KEUR
As of 1 November 2006	22,953	28,047	43,880	-43	-466	13,624	21,063	129,058
Reclassification of previous year's net income								
Purchase of own shares								
Allocations to retained earnings of the AG								
Net income							13,345	13,345
Adjustment of exchange differences					-1			-1
Dividends paid						-9,189		-9,189
Neutral currency forwards								
Deferred taxes on neutral currency forwards								
As of 31 July 2007	22,953	28,047	43,880	-43	-467	4,435	34,408	133,213

Segment information by divisions (IFRS)
Q3 2007/2008 / 31 July 2008

	Ladieswear Production and Wholesale	Ladieswear Retail	Consolidation entries and other segments	Total
	KEUR	KEUR	KEUR	KEUR
Sales by segments (with external third parties)	89,792	28,222	1,632	119,646
	(83,898)	(21,298)	(2,107)	(107,303)
EBT	7,423	-424	-30	6,969
	(7,036)	(-512)	(-1,310)	(5,214)
Depreciation	974	755	1,312	3,041
	(697)	(721)	(1,299)	(2,717)
Interest income	62	54	-67	49
	(30)	(0)	(36)	(66)
Interest expenses	1,036	33	-86	983
	(694)	(27)	(156)	(877)
Assets	167,760	53,573	71,471	292,804
	(149,935)	(39,796)	(82,504)	(272,235)
Liabilities	128,388	57,975	-48,121	138,242
	(109,856)	(47,355)	(-23,096)	(134,115)
Investments in non-current assets	568	2,247	1,674	4,489
	(1,293)	(819)	(1,904)	(4,016)
Number of employees	1,006	831	428	2,265
	(952)	(577)	(422)	(1,951)

(Previous year's figures in parentheses.)

Segment information by divisions (IFRS)
First nine months 2007/2008 / 31 July 2008

	Ladieswear Production and Wholesale	Ladieswear Retail	Consolidation entries and other segments	Total
	KEUR	KEUR	KEUR	KEUR
Sales by segments (with external third parties)	301,735	81,022	5,385	388,142
	(272,672)	(64,190)	(7,157)	(344,019)
EBT	27,153	-78	3,003	30,078
	(23,968)	(-310)	(191)	(23,849)
Depreciation	2,925	2,115	3,749	8,789
	(1,721)	(1,826)	(3,659)	(7,206)
Interest income	154	77	-53	178
	(51)	(16)	(94)	(161)
Interest expenses	3,661	114	-263	3,512
	(2,475)	(96)	(163)	(2,734)
Assets	167,760	53,573	71,471	292,804
	(149,935)	(39,796)	(82,504)	(272,235)
Liabilities	128,388	57,975	-48,121	138,242
	(109,856)	(47,355)	(-23,096)	(134,115)
Investments in non-current assets	2,188	5,270	5,378	12,836
	(3,430)	(1,613)	(5,245)	(10,288)
Number of employees	1,006	831	428	2,265
	(952)	(577)	(422)	(1,951)

(Previous year's figures in parentheses.)

Consolidated cash flow statement to IFRS in KEUR

		Nine months 2007/2008		Nine months 2006/2007
Operating result	+	34,215	+	27,072
Depreciation/Amortisation	+	8,789	+	7,206
Cash flow	**+**	**43,004**	**+**	**34,278**
Increase/Decrease in inventories	-	21,958	-	11,827
Increase/Decrease in trade receivables	+	8,848	-	1,747
Increase/Decrease in other assets that do not fall under investing or financing activities	-	9,408	-	16,477
Increase/Decrease in provisions	+	2,409	+	22
Increase/Decrease in trade payables	-	22,188	-	18,024
Increase/Decrease in other liabilities that do not fall under investing or financing activities	-	422	+	3,120
Income tax payments	-	12,091	-	6,672
Cash inflows/outflows from operating activities	**-**	**11,806**	**-**	**17,327**
Interest income	+	178	+	162
Incidental bank charges	-	743	-	651
Interest expenses	-	3,512	-	2,734
Cash inflows/outflows from current operating activities	**-**	**15,883**	**-**	**20,550**
Receipts for/purchases of investments in property, plant and equipment and intangible assets	-	12,836	-	10,288
Proceeds from the disposal of financial assets	+	99		0
Cash outflows from investing activities	**-**	**12,737**	**-**	**10,288**
Dividend	-	11,477	-	9,189
Raising/Repayment of financial liabilities	+	33,654	+	43,471
Cash inflows/outflows from financing activities	**+**	**22,177**	**+**	**34,282**
Movement in cash and cash equivalents	-	6,443	+	3,444
Cash and cash equivalents at the beginning of the fiscal year	+	17,787	+	4,995
Cash and cash equivalents on 31 July	**+**	**11,344**	**+**	**8,439**

Explanatory notes

GERRY WEBER International AG is a parent company as defined in Section 290 of the German Commercial Code (HGB). Pursuant to Article 4 of Directive No. 1606/2002 issued by the European Parliament and Council dated 19 July 2002, the Company, as an issuer of publicly traded securities, is required to prepare consolidated financial statements in accordance with IFRS accounting rules adopted by the EU. Accordingly, the present consolidated interim financial statements for the period ended 31 July 2008, were produced in conformance with IFRS. All standards effective and mandatory as of 31 July 2008 have been applied.

The financial statements for the first nine months and the third quarter of fiscal year 2007/2008 were prepared in accordance with IAS 34 (Interim Financial Reporting). The interim financial statements were not reviewed by the auditors. The accounting and valuation methods and the consolidation principles are basically the same as those applied to the consolidated financial statements for the year ended 31 October 2007.

Currency translation

The functional currency of GERRY WEBER International AG is the euro. The financial statements of the consolidated Group companies prepared in foreign currencies are translated according to the concept of the functional currency in compliance with IAS 21 "The Effects of Changes in Foreign Exchange Rates". Given that the consolidated Group companies primarily do business in the economic environment of their respective country, the functional currency is always identical with each company's local currency. Accordingly, assets and liabilities are translated at the closing rate, while income and expenses are translated at the average annual exchange rate.

Exchange differences resulting from these different translation rates in the balance sheet and the income statement are treated on a neutral basis. Exchange differences resulting from the translation of equity capital at historical exchange rates are also treated on a neutral basis.

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.