Presentation by Gerhard Weber

Chairman of the Managing Board

GERRY WEBER International AG

at the Annual General Meeting

on June 6, 2007 in Halle/Westphalia

Check against delivery.

Ladies and Gentlemen,
dear Shareholders,

On behalf of the Managing Board I would like to welcome you to this year's Annual General Meeting, and thank you for your interest in our company and your strong attendance.

(Chart: Summary)

The past fiscal year was the most successful in the history of our company. Both sales and earnings increased at double-digit rates again, reaching new record levels that exceed the levels of the previous years by far - this is all the more impressive as the market environment remains difficult. We have achieved our operational and financial targets and successfully completed the transformation into an international fashion and lifestyle company.

The GERRY WEBER Group has increasingly become a vertically integrated systems supplier. The retail segment, which comprises our own domestic and international retail activities, is today a mainstay of our expansion and will gain in importance in the coming years. In the past fiscal year, our retail revenues amounted to almost EUR 60 million, contributing as much as 13.5 percent to total Group sales.

We have also improved our procurement, production and logistics structures, refined our processes and thus optimised our cost structures. These measures allowed us to offer our retail customers higher mark-ups than our competitors, which enable them to fully compensate for the VAT hike - while at the same time raising our own return targets.

I would like to mention one special achievement of the past fiscal year. Against the general trend of job cuts in the clothing sector, we continued to expand our workforce and created new jobs in Germany, mainly in the retail segment. Our headcount thus increased from 1,647 in the previous year to 1,881 on the balance sheet date. We have, however, not only grown on a quantity basis but have also gained useful know how and further potential. We will maintain this pace of expansion and create new jobs in Germany and abroad also in the coming years.

Let’s now look at the key business figures, which show just how successful the fiscal year 2005/2006 was for the GERRY WEBER Group. Please note that our company adopted International Financial Reporting Standards, or IFRS for short, in 2006. This led to no material changes, as we carry neither goodwill nor pension provisions on our balance sheet. The only differences refer to the treatment of currency forwards and extraordinary expenses and income.

This primarily affects the comparative figures for 2004/2005. Under IFRS, these differ from the HGB figures I presented at last year’s Annual General Meeting. To facilitate a comparison, the present Annual Report shows both values for the fiscal year 2004/2005. Today, I will focus exclusively on the IFRS figures, as they are relevant for the year-on-year comparison.

(Chart: Sales Development)

In the past fiscal year, the GERRY WEBER Group boosted its sales to EUR 442.8 million, which was slightly higher than the targeted EUR 440 million. At 13.6 percent, the growth rate exceeded even the high rates of the previous years.

This is attributable to both our fast-growing retail segment and the growth of all our Group brands, especially of the GERRY WEBER core brand and its sublabels.

As in the previous years, we were able to increase our sales organically by exploiting the existing potential. Building on our compelling brand and distribution strategy as well as our optimised production and logistics structures, we were able to expand our market share. And this growth was not achieved at the expense of our profitability.

(Chart: Earnings situation)

The IFRS operating result rose from EUR 30.4 million to EUR 41 million, which represents an increase of almost 35 percent.

We achieved this greatly improved result primarily by tapping new procurement markets and streamlining our internal structures. This shows that the strategic decisions taken in the past years are paying off.

(Chart: Development of the EBIT margin)

This means that our target of a double-digit EBIT margin is now within reach. In the past fiscal year, the EBIT margin increased by 1.5 percentage points from 7.8 percent to 9.3 percent. This has been only an interim target on our way towards a double-digit margin, though. We will therefore continue to optimise our internal processes in order to permanently improve our margin.

(Chart: Key business figures)

Not only our EBIT increased in the fiscal year 2005/2006 but all other profit figures as well, most of them even more strongly than in the previous years. Earnings before interest, tax, depreciation and amortisation rose by 33 percent, while the result from ordinary activities and the net profit for the year climbed 35.7 percent and 32 percent, respectively.

Based on the operating result, this represents a return on equity of 31.8 percent, up from 24.9 percent in the previous year. The return on investment increased from 14.3 percent to 17.1 percent.

(Chart: Income Statement – key figures)

The P&L figures impressively underline our structural improvements, which led to a sharp increase in all profit margins.

Thanks to the favourable procurement structures and the clear calculation of our collections, the increase in the cost of materials was lower than the increase in sales, so that the cost of materials as a percentage of sales declined from 57.2 percent to 55.6 percent.

Internal efficiency gains also allowed us to almost fully offset the higher personnel expenses resulting from the increased number of employees. At 13.2 percent, personnel expenses as a percentage of sales thus remained unchanged from the previous year.

(Chart: Group balance sheet structure)

The fast growth of the past fiscal year is also reflected in the balance sheet ratios of the GERRY WEBER Group. At 46.1 percent, the debt capital ratio was up 3.5 percentage points on the previous year. Accordingly, our equity ratio declined from 57.4 percent to 53.9 percent. This balanced debt-to-equity ratio reflects the creditworthiness and financial stability of our company.

The increased financial liabilities attributable to our expansion compare with increased inventories and receivables on the assets side. Due to the strong expansion of our retail activities, property, plant and equipment also increased noticeably.

As a result of the good profit situation, gross cash flow rose from EUR 32.7 million to EUR 43.7 million. At EUR 20.5 million, capital expenditure exceeded the level of the previous years by far but was fully financed from operating cash flow at all times. This is yet another indication of our extremely solid financial foundation.

In the past fiscal year, we acquired 224,427 own shares, which now represent 2.09 percent. The respective authorisation, which was granted by the Annual General Meeting on June 2, 2005, expired on October 31, 2006.

(Chart: Value added statement)

Our value added - i.e. the difference between our output and the costs of bought in goods and services - amounted to EUR 100 million in the fiscal year 2005/2006. As in the previous years, this represents a good 20 percent. Two thirds of this benefited our employees in the form of wages and salaries. The rest is mainly accounted for by taxes and dividends.

Let’s now look at the figures that are probably most interesting to you, the key figures per share.

(Chart: Key figures per share)

These figures are very positive, too. DVFA earnings per share climbed from EUR 0.69 to EUR 0.92, while the cash flow per share amounted to EUR 1.90 as of the balance sheet date.

These results allow us to continue our shareholder-friendly dividend policy. As in the previous year, we propose to pay out a dividend of 40 cents per share. This represents a total payout volume of EUR 9.2 million.

The GERRY WEBER share gained 17.7 percent in the past fiscal year, which is an excellent performance.

The total return, i.e. the share price performance AND the dividend, thus reached 21 percent.

In the current fiscal year, our share has gained over 30 percent already. If we look back over a longer period, we can see that the price of our share has more than doubled in the course of only two years and even tripled over the past three years. This steady upward trend clearly shows that investors have confidence in our company, and we will not disappoint them in future.

(Chart: Development of brand sales)

Ladies and Gentlemen, our company owes its success to the strong performance of our three Group brands, GERRY WEBER, TAIFUN-Collection and SAMOON-Collection. With these three brands, the GERRY WEBER Group holds excellent positions in three different segments. All three brands have seen a very steady increase in the number of retail customers. Apart from this, the retail space per customer is also growing constantly. We have thus outgrown the market for years.

This has been possible because each of our brands is clearly positioned and stands out from the competition. In contrast to other vertically integrated systems suppliers that focus strongly on the young target group, we have always targeted our products at the grown-up, fashion-conscious woman and took into account that consumers become more and more demanding, less loyal and even more price-conscious.

GERRY WEBER today has an awareness score of almost 70 percent, which is not least attributable to the GERRY WEBER OPEN. The 15th edition of the tennis tournament, which attracts the world’s top players including the world’s No. 1 Roger Federer will be broadcast in 120 countries and help to further increase the awareness score and the image values of our core brand in Germany and abroad.

The GERRY WEBER brand again demonstrated its great importance in the past fiscal year, when it contributed 66.6 percent to total Group sales. The fast-growing GERRY WEBER Edition sublabel meanwhile contributes roughly one quarter to the core brand's sales. The success of this single-item line is not least reflected in the fact that the first dedicated GERRY WEBER Edition stores have been opened.

The second largest Group brand, TAIFUN-Collection, contributed 25.2 percent to total Group sales. In view of this fantastic performance, we are planning to open new TAIFUN stores in selected locations. This retail presence will further increase the visibility of the brand and give it an additional boost.

SAMOON-Collection, the brand for plus sizes, accounted for 7.3 percent of total Group sales. Although the brand's sales increased in absolute figures, the relative share remained unchanged, which reflects the strong performance of the other two brands. The first three SAMOON-Collection stores contributed to the positive development of the brand, which is an important element in our brand philosophy.

Our strong brands effectively protect us against price-aggressive competitors. At the same time, our excellent market position allows us to withstand the pressure exerted by retailers on prices and margins. The position of our brands and the long-standing knowledge of our target group, their wishes and purchasing habits enable us to set trends ourselves, thus reducing our exposure to market fluctuations.

(Chart: Development of the licensing business)

Our licensing products are an indispensable complement to the GERRY WEBER brand universe. The licenses for bags, shoes, eyewear and jewellery not only help to sharpen the brand profile but also make a small but constantly growing contribution to sales and earnings.

In the past fiscal year, our licensing revenues increased from EUR 0.6 million to roughly EUR 1 million. This reflects the positive development of the bags and shoes licences, in particular. The launch of the menswear collection in the fourth quarter of the past year was also very promising.

GERRY WEBER Men is already available from over 200 retailers in Germany and abroad. We expect to see a further performance boost in the coming years. It is not least in view of the success of the menswear collection that we plan to double our licensing revenues in the next three years.

GERRY WEBER Men not only gives us access to a new target group. The license has also allowed us to increase the flexibility of our successful store concept. Which brings us to the fastest-growing business segment, our retail activities.

(Chart: Development of retail activities)

The past years have seen the GERRY WEBER Group develop from a traditional clothing manufacturer into a lifestyle company and systems supplier, whose fashion products stand out from the international ladieswear environment. This unique positioning is the result of the strength and appeal of our brands and of our distribution strategy, which consistently and flexibly exploits existing market opportunities.

As a lifestyle company, we offer our customers not only different brands, labels and matching accessories but also sell our products in our own stores and through franchisees.

Our own retail activities represent a second distribution channel, which makes us more independent from the development of the wholesale segment. The fact that we have outgrown our industry and our segment shows that our vertical strategy has helped us occupy an exceptional position in the market.

Our retail segment shows the sales revenues of our 43 own domestic stores and the 9 stores in England, Spain and Austria - i.e. the company-operated 52 HOUSES OF GERRY WEBER. The revenues generated by the franchised stores are shown in the wholesale segment.

In the past fiscal year, our retail sales rose by almost 50 percent to roughly EUR 60 million. This sharp increase was due both to the opening of many new

HOUSES OF GERRY WEBER and to growth in the existing stores.

In 2005/2006, 27 HOUSES OF GERRY WEBER were opened in first-class locations in Germany and abroad, including flagship stores in London (650 square metres) and Vienna (500 square metres). At present, 147 HOUSES OF GERRY WEBER exist worldwide.

While our company itself focuses mainly on Germany, we tend to rely on franchisees when opening HOUSES OF GERRY WEBER in new international markets. In many cases, these franchisees are already our customers and are highly familiar with the regional markets.

Our new HOUSE OF GERRY WEBER in Vienna is an excellent example to show how speed and vertical structures directly translate into economic success. Sales per square metre have quickly risen to over EUR 11,000 and the inventory turnover rate has reached almost 10, making it one of our most successful stores from the very beginning.

Today, we are in a position to respond flexibly to each location and each store size with our brands and licensing products. Our sales activities range from 100 square metre mono-brand stores to 1,000 square metre flagship stores, where the full range of GERRY WEBER brands and licensing products are offered for sale on several floors. This allows us to fully exploit the potential of each location.

Our fashion products and our shop fittings form an entity, an integrated experience. We have constantly refined our store ambience and the presentation of our products, so that they have become an additional competitive advantage and USP. Today, we present our fashion products in an ambience of black, white, glass and gold whose high quality is unparalleled in our segment.

(Chart: Development of export share)

Exports again made an important contribution to our growth in the past fiscal year. While domestic sales advanced by approximately 7 percent, international sales surged by over 20 percent. As a result, the export share climbed 3.2 percentage points to 41.8 percent.

(Chart: Key export countries)

Revenues developed particularly positively in our main export markets, the UK, Austria, Switzerland and the Benelux countries. But we were also very successful in Scandinavia, where we established several HOUSES OF GERRY WEBER.

Apart from our traditional export markets, Eastern Europe, Russia and the Near and Far East continue to gain in importance. In Russia and the Baltic countries, we are well established in the retail sector and operate a large number of HOUSES OF GERRY WEBER with franchise partners, including seven new stores in Lithuania and Latvia.

In the Near and Middle East, we have been well established for many years, and have opened seven

HOUSES OF GERRY WEBER in Saudi Arabia as well as another five in the United Arab Emirates.

Then there is the new booming market in China, where we are making further inroads and plan to expand our position. Here, more than in other markets, we need suitable local partners. This means that the rate of our expansion in China - but also in other markets - will not least depend on these partners and their willingness to market the GERRY WEBER products in close cooperation with our company.

Ladies and Gentlemen, let’s now look at the figures for the current fiscal year.

(Chart: Development of the 1st quarter)

The results of the first quarter 2006/2007 show that we continued the record performance of the past year.

Sales were up 10.5 percent on the previous year to EUR 106.4 million. Brand sales rose by 8.9 percent, with the GERRY WEBER core brand reporting a 12.1

percent increase. Our retail revenues surged by 135.2 percent. EBIT climbed 13.4 percent to EUR 7.6 million, which means that both sales and earnings again increased at double-digit rates.

These excellent results go hand in hand with very good order figures. Incoming orders for Spring/Summer 2007 alone were up 12.4 percent on the previous year. Incoming orders for the two Autumn/Winter 2007/2008 collections increased by as much as 13.5 percent for all brands.

These figures show that the GERRY WEBER Group started the new fiscal year as successfully as ever.

Let’s now take a look at the sales and profit targets for the coming months and years.

(Chart: Outlook)

We have set ourselves double-digit growth targets in all areas. Sales will reach almost EUR 500 million in the current fiscal year. We also aim to further improve our

EBIT margin, which will be in the double-digit range for the first time in 2006/2007.

This pace of growth is to be maintained also in fiscal 2007/2008, when we expect sales and profits to grow at double-digit rates.

The active expansion of our own retail activities will make an important contribution to growth. We will continue to pursue our strategy of vertical integration and expand our value chain from production to distribution in our own stores. This way, we will exploit existing market potential, increase the proximity to our consumers and enhance our gross yield.

Our own stores also make a positive contribution to our brand image, which, in turn, generates additional stimulation for our traditional wholesale activities. After all, the strong GERRY WEBER brand is and will remain our most important sales argument.

We continue to identify and analyse first-class locations that become vacant throughout Germany. Wherever attractive locations are identified, we implement matching retail concepts, which are constantly refined and optimised with a view to increasing our total retail productivity. We are currently expanding this system to major European cities.

In the current fiscal year, we want to open up to 70 new HOUSES OF GERRY WEBER. We plan to bring this number to between 300 and 400 in the following years, of which about two thirds will be located outside Germany.

We will also intensify our cooperation with retailers by opening some 200 new shop-in-shops. Overall, we will then assume responsibility at the point of sale in over 1,200 shop-in-shops, which will further sharpen the profile of our brand.

In the medium term, we want to sell about 40 percent of our products in stores that are run by ourselves or by franchisees.

Ladies and gentlemen, a few years ago, the GERRY WEBER Group thoroughly optimised its corporate structures, thus laying the foundation for today's dynamic growth.

We will continue to boost our profitability going forward. Fast and cost-efficient processes in all areas of our company are indispensable for double-digit margin growth. We will therefore continue to streamline our internal structures wherever warranted.

Efficient procurement structures are also important for improving our profitability. We have therefore identified new, cost-efficient production plants in northern and central China, which will gradually be adapted to the GERRY WEBER production standards and integrated into the production processes. This will enable us to further reduce our production costs and to achieve an ideal price mix, without compromising on quality and punctuality. The global sourcing system has laid the foundation for the favourable price calculation of our collections and allows us to respond flexibly to changes in the procurement markets.

From November 2007, a logistics partner will assume responsibility for the complete inventory and logistics management for the finished products manufactured throughout the world. This will ensure optimum delivery times and punctuality while at the same time allowing us to cut costs significantly.

The ongoing optimisation of our internal processes, the constant sourcing of new procurement markets and the efficient outsourcing of services will further cut costs and improve the competitiveness of our company.

We aim to double our sales revenues over the next five years and to push our EBIT margin up to roughly 15 percent.

We primarily aim to achieve this by concentrating on design and marketing and mainly by building on our own strong business trend, which has helped the GERRY WEBER Group isolate itself from the difficult market environment already in the past years. We are confident that our excellent market position and our strong ability to innovate will allow us to increase our sales and earnings more or less independently of the general trend of economic activity and the performance of our sector also in the coming years.

We owe our success to the combination of strong brands, a flexible distribution concept and efficient production, procurement and logistics structures – and particularly to our highly qualified employees, too. This is the basis on which the GERRY WEBER Group has expanded its market share in the past and will continue to do so in the future.

Ladies and gentlemen, thank you very much for your attention.