

GERRY WEBER

AT GERRY WEBER INTERNATIONAL AG, FASHION AND LIFESTYLE ARE FUSED INTO A UNIQUE EXPERIENCE. TODAY, OUR COMPANY IS NOT ONLY ONE OF THE BEST KNOWN AND MOST SUCCESSFUL GERMAN FASHION AND LIFESTYLE COMPANIES BUT IS ALSO SET TO BECOME A TRULY GLOBAL PLAYER, WITH DISTRIBUTION STRUCTURES IN OVER 60 COUNTRIES. OUR SHARES ARE AN ATTRACTIVE INVESTMENT, WHOSE VALUE WE INTEND TO INCREASE AS WE MOVE FORWARD.

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Management report for the fiscal year 2009/2010

GERRY WEBER International AG, headquartered in Halle/Westphalia, Germany, is the parent company of several national and international subsidiaries.

Apart from the holding company function, GERRY WEBER International AG provides various central services (accounting, human resources, IT and retail services). GERRY WEBER International AG is led by three (previous year: three) Managing Board members.

Internal controlling system

To ensure comprehensive controlling of the national and international subsidiaries of the GERRY WEBER Group, these are integrated into the controlling system of GERRY WEBER International AG. Key figures and ratios such as target turnover, cost of materials and personnel expenses as a percentage of sales, etc. are reported to the Group headquarters in Halle/Westphalia, where they are analysed. To meet the requirements of the capital market, these planning variables are constantly monitored and adjusted to the performance of the company.

Economic situation

The recovery in the world economy slowed down in the course of 2010. While world trade experienced a strong upswing in the winter half-year, it clearly lost momentum thereafter. Output growth was still quite high in the second quarter but diminished markedly in the second half of the year, not least due to the restrictive financial policy. Production growth in the emerging markets has also been slower since the spring. The US economy was characterised by consumer households' persistently high indebtedness, a much weaker property sector and a financial sector which has not recovered in full. Countries such as Spain, the UK and Ireland were in a similar situation as the USA.

The recovery in the German economy started in mid-2009 and was very dynamic in 2010. With the real gross domestic product (GDP) on the increase, Germany recovered from the global economic crisis more quickly than most other countries.

In contrast to the previous year, the upswing was not driven exclusively by a rise in exports and a turnaround in inventory investments but also by a pick-up in domestic demand. Growth in the German economy peaked in the second quarter of 2010 and slowed down somewhat thereafter, primarily due to weaker export demand reflecting the effects of the global crisis in many industrialised countries.

(Sources: Annual Report of the German Council of Economic Experts, Joint Economic Forecast Autumn 2010, Federal Statistical Office)

Outlook

The economic recovery is likely to continue in 2011, albeit at a much slower pace. Macroeconomic capacity utilisation will probably increase only moderately. Economic researchers assume, however, that the global economy will gain some momentum as the year progresses. Risks to the world economy in 2011 include the continued tight situation in the financial and real estate markets, which is putting a damper on growth in the industrialised countries. Moreover, many industrialised countries are challenged to reduce their indebtedness, which has increased sharply in recent years. The US economy is expected to show at best moderate growth until the end of 2011. The economic outlook in the emerging countries should deteriorate slightly.

The environment for the German economy is uncertain. There are signs that growth will be stimulated primarily by domestic economic activity. The robust labour market, low interest rates and favourable financing terms should support consumer and capital spending. The institutes expect real GDP to grow by approx. 2.3% in 2011.

(Sources: Annual Report of the German Council of Economic Experts, Joint Economic Forecast Autumn 2010)

Industry situation

According to a representative survey carried out by German-Fashion Modeverband e.V. in June 2010, sales revenues of the clothing sector in the first half of 2010 were

up by 2.9% on the same period of the previous year. Ladieswear manufacturers reported a 2.8% increase, while menswear producers and sportswear manufacturers gained 3.2% and 2.6%, respectively. 84% of the companies surveyed described their revenue situation in the first six months of 2010 as very good to satisfactory.

More than half of the respondents (52%) said their export share had remained unchanged from the previous year, while 31% reported an increase and 17% recorded a decline. Manufacturers of ladieswear, menswear and sportswear expect full-year sales revenues for the year 2010 to be up by 4.8% on the previous year.

Company situation

Sales

In its capacity as holding company, GERRY WEBER International AG provided key services to the member companies of the GERRY WEBER Group. The resulting fee and interest income is shown as expenses at the subsidiaries. The company generated external sales of EUR 6.8 million (previous year: EUR 7.2 million), with the full sum being accounted for by shop-in-shop fittings.

Net worth, financial and earnings position

The sound balance sheet structure of GERRY WEBER International AG was improved further in the past fiscal year. Property, plant and equipment increased from EUR 56.3 million to EUR 63.4 million as a result of various shop expansions.

Inventories rose from EUR 1.2 million in the previous year to EUR 1.4 million in the fiscal year.

The equity ratio is 78.7% (previous year: 68.8%). Taking own shares held by the company into account, the equity ratio is 76.4% (previous year: 63.5%).

The fixed-assets-to-net-worth ratio amounted to 276.6% compared to 251.3% in the previous year.

Net liabilities, i.e. the balance of liquid funds and bank liabilities, amounted to EUR 0.2 million, compared to EUR 29.7 million in the previous year. The relative share in the total capital is 0.1% (previous year: 10.4%).

GERRY WEBER International AG's net income for the year rose from EUR 43.6 million to EUR 55.0 million, which was in line with expectations.

The factors influencing the positive profit trend in the fiscal year primarily relate to the brand companies and GERRY WEBER Retail GmbH.

One of the key factors is the positive brand performance – especially the increase in sales achieved by the “GERRY WEBER” brand – which allowed the company to cut its unit and fixed costs as planned.

The earnings position of GERRY WEBER International AG is mainly determined by the performance of the domestic subsidiaries. Under the existing profit and loss transfer agreements, the subsidiaries transferred a total amount of EUR 83.5 million (previous year: EUR 71.7 million) to GERRY WEBER International AG.

This influence from the profits transferred by the domestic subsidiaries also applies to major parts of the balance sheet structure.

Summarising statement on the earnings, net worth and financial position

The summary of the earnings, net worth and financial position shows that the economic situation of GERRY WEBER International AG at the time of the preparation of the management report is extremely sound.

Capital expenditure

GERRY WEBER International AG's capital expenditure amounted to EUR 14.2 million in 2009/2010, up from EUR 12.2 million in the previous year.

Capital expenditure focused on investments in land and

Management report for the fiscal year 2009/2010

buildings, which amounted to EUR 10.1 million (incl. EUR 9.3 million additions to payments on account). The company invested EUR 0.8 million in software and made payments on account in an amount of EUR 2.3 million.

Employees

As of the reporting date, GERRY WEBER International AG employed 536 people (previous year: 551). These numbers can be broken down into 384 white-collar workers (previous year: 365), 113 blue-collar workers (previous year: 140) and 39 apprentices (previous year: 46).

Risk report

GERRY WEBER International AG has installed a risk management system embracing all of its planning, controlling and reporting systems. These systems help identify and exploit opportunities.

By anticipating risks and opportunities that could have a material impact on the company's net worth, financial and earnings position, the company seeks to create scope for action that can be used to ensure its long-term viability and to open up new potential for success.

A risk manual is the key element of the risk management system. It helps management to anticipate risks and facilitates the identification, documentation and analysis of risks. The manual defines guidelines for assessing the amounts of potential damages/losses and their probability and describes suitable counter-measures. It also serves as the basis for the risk report, which is updated at every Supervisory Board meeting and describes the risk status of all major divisions.

The risk management system is regularly reviewed for its proper functioning. It fully complies with the requirements of the German Law on Control and Transparency in Business (KonTraG) and fulfils the criteria of IDW audit standard 340 for the identification of risks.

This enables GERRY WEBER International AG to identify risks at an early stage and to respond swiftly and appropriately. The risk management system was examined in the

context of the annual audit and its appropriateness and functionality were confirmed by the auditors.

No risks are discernible for the present or the future that would – in their entirety or individually – jeopardise the company's continued existence or have a sustained adverse impact on its net worth, financial and earnings position. Risks that could potentially jeopardise the company's existence are defined as risks causing a loss that would exceed the operating result for a fiscal year. As of 31 October 2010, GERRY WEBER International AG's risk provisions amounted to EUR 10.4 million (previous year: EUR 9.3 million). These provisions mainly refer to old-age part-time working schemes, vacation claims and bonuses.

Planning risks relate to sales and profit projections, inventory writedowns, losses of receivables and, to a limited extent, to exchange rates. These planning uncertainties exclusively refer to the amount of sales and earnings and the balance sheet structure.

Investment risk

In its capacity as holding company, GERRY WEBER International AG is the parent company of various domestic and international subsidiaries. Four domestic subsidiaries are affiliated with GERRY WEBER International AG via a controlling and profit and loss transfer agreement.

Given that GERRY WEBER International AG mainly provides central services to its subsidiaries, it is important for the achievement of objectives that the subsidiaries transfer profits to GERRY WEBER International AG under the existing profit and loss transfer agreement, which was the case in the previous years. The foreign operating companies, which mostly operate in the Retail segment, made quite considerable deficit contributions due to the financial market crisis. Accordingly, their values were adjusted once more as of 31 October 2010. Management expects the economic situation of the foreign Retail companies to improve significantly in 2010/2011.

Financial risks

GERRY WEBER International AG mainly funds itself with equity capital and is therefore little exposed to the development of interest rates.

Despite its solid liquidity situation the company has credit lines which clearly exceed the maximum debt financing requirements of a fiscal year.

The liquidity situation was good throughout the past fiscal year; no liquidity bottlenecks occurred, including in the current fiscal year 2010/2011.

In its capacity as parent company, GERRY WEBER International AG hedges the currency risks resulting from the purchasing and sales activities of its subsidiaries. Various currency hedges were therefore taken out in the fiscal year; in this context, it should be mentioned that the currency hedges are mostly based on anticipated underlying transactions.

To safeguard its liquidity, the company uses interest rate swaps for the long-term hedging of floating rate bank loans. These primarily serve to hedge potential risks from existing or planned underlying transactions and are not used for trading or speculative purposes. Swap contracts are signed only with banks that have an excellent credit standing.

Information technology risks

IT security and system failure risks are largely excluded with the help of back-up systems and regular maintenance.

Data integrity and protection against unauthorised access are ensured by precautionary measures such as strict access authorisations, documentation of all accesses to the server room, clear assignment of administrator rights and other comprehensive protection measures.

Insurance

Insurance cover forms an important element of risk management. These risks are covered by sufficiently high insured amounts for legal liability, business interruption due to fire, buildings, etc. Talks with the insurer about existing risks and insured amounts are held once a year.

Employees

The success of GERRY WEBER International AG hinges on the performance and abilities of its employees and managers. Comprehensive further training helps to build up know-how, which enables employees to gradually assume more responsibility, thus also supporting their identification with the company and its objectives. Management talent programmes offer trainees and apprentices opportunities to develop their leadership skills, thereby ensuring the long-term availability of executive talent within the company.

Environmental protection

GERRY WEBER International AG is aware of the importance of an environmentally compatible use of natural resources. The company therefore ensures that its own stores use energy sparingly and manage residual materials and waste effectively.

Compensation report

The compensation system for the members of the Managing Board provides for a fixed component as well as a variable component, which is a function of the pre-tax profit of the individual Group companies.

The Supervisory Board members receive a fixed compensation component as well as a variable component, which is based on the dividend paid out to the shareholders.

Management report for the fiscal year 2009/2010

Description of the internal control and risk management system pursuant to section 315 para. 2 No. 5 of the German Commercial Code (HGB)

The internal control system of GERRY WEBER International AG comprises all principles, processes and measures that ensure the effectiveness, efficiency and correctness of the accounting process as well as compliance with relevant legal provisions. Responsibility for the internal control system, which comprises both process-integrated and process-independent measures, rests with the Managing Board. The Supervisory Board and, in particular, the Audit Committee are involved in the internal monitoring system.

The risk management system forms part of the internal control system of GERRY WEBER International AG. With regard to Group accounting, it must be ensured that the consolidated financial statements comply with applicable regulations. Risks exist in respect of errors in the Group accounts and the external reports.

The internal control system ensures that transactions are documented fully and in a timely manner, that stock-taking is carried out properly and that assets and liabilities are recognised, measured and stated correctly in the consolidated financial statements.

At Group level, the separate financial statements submitted by the Group companies are analysed and, where necessary, corrected taking the auditors' reports into account. The correctness and completeness of the reports submitted by the individual Group companies are confirmed by the auditors' audit certificate.

No material changes occurred after the balance sheet date.

Disclosure of takeover obstacles

In accordance with section 289 para. 4 of the German Commercial Code (HGB), which requires the disclosure in the Group management report of all rules and obstacles that may make it difficult to acquire and exercise control, GERRY WEBER International AG states the following:

The subscribed capital (share capital) of GERRY WEBER International AG, including own shares, amounts to EUR 21,317,242.00 and is divided into 21,317,242 bearer shares with an accounting par value of EUR 1.00. Under the company's statutes, each share carries the same rights and one voting right.

At present there are no limitations on share transfers and voting rights. Shareholders can exercise their rights, and their voting rights in particular, at the Annual General Meeting which is subject to German laws and regulations as well as the company's statutes.

The two company founders, Gerhard Weber (26.75 percent) and Udo Hardieck (17.85 percent), directly and indirectly hold more than 10 percent of the share capital of GERRY WEBER International AG.

No special privileges such as rights to appoint members to the Supervisory Board have been granted. No voting rights controls are exercised in respect of employees.

The Managing Board of GERRY WEBER International AG consists of two or more members. The members of the Managing Board are appointed and dismissed by the Supervisory Board. Amendments to the statutes require an endorsement by the Annual General Meeting with a majority of at least three quarters of the share capital represented at the meeting taking the decision.

According to section 5 para. 3 of the statutes, the Managing Board of GERRY WEBER International AG is authorised to increase the company's share capital by up to EUR 11,475,000 until 31 May 2014 with the consent of the Supervisory Board. The Annual General Meeting of 1 June 2010 authorised the Managing Board to repurchase own shares in an amount of up to 10 percent of the share capital until 31 May 2015.

Change of control clauses as defined in section 315 para. 4, No. 8 HGB do not exist.

No change of control clauses as defined in section 315 para. 4, No. 9 HGB exist for old contracts. Managing

Board contracts signed since the fiscal year 2007/2008 include a payment promise in the event of premature termination of the contract due to a change of control. Under these regulations, the company has to pay up to three fixed annual salaries plus bonus. The payments must not exceed the compensation the Managing Board member would have received during his remaining term of office.

Corporate governance statement pursuant to section 289a of the German Commercial Code (HGB)

Responsible corporate governance aimed at sustainable value creation and geared to investors' rights is being ensured by continuously improved structures and processes in the GERRY WEBER Group.

We regard open communication with the capital market and with our employees as an important precondition for gaining credibility and confidence. As a German company, we are primarily committed to compliance with the German Stock Corporation Law, the statutes, the Co-determination Act and the Capital Market Law.

As is common practice in Germany, GERRY WEBER International AG has a dual board structure comprising a Managing Board (management function) and a Supervisory Board (supervisory function). The Supervisory Board appoints, advises and supervises the Managing Board. Both bodies cooperate in a spirit of trust. The Supervisory Board has defined rules for the Supervisory Board and for the Managing Board that govern the cooperation between the two bodies.

Each of the three Managing Board members has responsibility for their respective business unit, which is led independently. The Chairman of the Managing Board coordinates the work of the Managing Board members, leads the Board meetings and liaises with the Chairman of the Supervisory Board. In the event of differences of opinion, the Managing Board Chairman decides.

Certain transactions concluded by the Managing Board require the consent of the Supervisory Board. These include

unplanned investments, the recruitment of employees earning a certain salary, conclusion of long-term leases, company sales and acquisitions as well as the signing, amendment and termination of inter-company agreements.

Four times a year, the Managing Board apprises the Supervisory Board of the current business situation and various other issues.

The rules of procedure of the Supervisory Board provide for the formation of committees. At present, there are a Finance Committee and a Nomination Committee.

The Finance Committee consists of three members and is primarily responsible for matters relating to accounting, the risk management system, the internal control system and compliance. The Committee also discusses the quarterly and half-year figures by way of a telephone conference.

The Nomination Committee also consists of three members. It proposes suitable candidates to the Supervisory Board, which, in turn, can then propose candidates to the Annual General Meeting. The Nomination Committee met once in the past fiscal year.

Events occurring after the reporting date

After the balance sheet date, no material operational or structural changes or business events occurred in GERRY WEBER International AG that had a major impact on the net worth, financial and earnings position, need to be reported here or would alter the information provided in the financial statements for 2009/2010.

Forecast report

We project a positive economic trend for the fiscal year 2010/2011 both in Germany and abroad.

This will also apply to the fashion industry. The pre-order figures reported by the subsidiaries of GERRY WEBER International AG indicate that the GERRY WEBER Group will outperform its peers.

Management report for the fiscal year 2009/2010

Earnings performance

Based on the plans and projections of our domestic subsidiaries, with which we are affiliated via a profit and loss transfer agreement and on whose performance we depend as a non-operating parent company, we expect to see a further increase in the positive results.

Accordingly, management projects Group sales of approx. EUR 690 million for 2010/2011.

The EBIT margin is expected to rise to more than 14 percent in 2010/2011.

Capital expenditure will be higher than in the fiscal year 2009/2010.

As far as the dividend is concerned, GERRY WEBER International AG pursues a consistent profit distribution policy which will continue to reflect the company's performance.

According to current expectations the balance sheet structures should remain sound in 2010/2011 and contribute to a further strengthening of the equity base.

A positive cash flow trend should also make a contribution.

Summarising statement on the forecast report

Subject to the above projections, the management of GERRY WEBER International AG projects a positive earnings and balance sheet trend for 2010/2011 and 2011/2012.

Statement on dependency report

„In accordance with section 312 para. 3 AktG we herewith declare that our company received due compensation and was never disadvantaged in any dealings with associated companies based on the circumstances known at the time when such dealings were transacted.“

Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.”

Halle/Westphalia, 24 January 2011

The Managing Board



Gerhard Weber



Doris Strätker



Dr. David Frink

GERRY WEBER

Financial statements

GERRY WEBER International AG, Halle/Westphalia
Balance sheet for the year ended 31 October 2010
(previous year for comparison)

Assets

	31 Oct. 2010	previous year
	EUR	EUR
Fixed assets		
Intangible assets		
Concessions, industrial property rights and related rights and values as well as licences for such rights and values	6,211,038.40	5,438,272.40
Payments on account	1,864,725.97	1,868,295.39
	8,075,764.37	7,306,567.79
Tangible assets		
Land and leasehold rights and buildings, including buildings on third-party land	50,713,219.68	52,627,335.68
Plant and machinery	305,099.00	389,930.00
Other fixtures and fittings, tools and equipment	2,139,862.00	2,198,739.00
Payments on account and plant under construction	10,278,467.21	1,062,547.38
	63,436,647.89	56,278,552.06
Financial assets		
Shares in affiliated companies	12,048,847.58	14,488,841.50
Investments	6,848.49	95,907.47
Other loans	959,443.60	12,719.60
	13,015,139.67	14,597,468.57
	84,527,551.93	78,182,588.42
Current assets		
Inventories		
Raw materials and supplies	942,496.80	798,294.41
Work in progress	206,534.83	93,772.72
Payments on account	243,139.37	283,214.81
	1,392,171.00	1,175,281.94
Receivables and other assets		
Trade receivables	3,197,947.41	5,008,973.75
- thereof with a remaining maturity of more than one year: EUR 487,708.05 (previous year: EUR 1,017,389.14)		
Due from affiliated companies	130,106,714.84	115,472,575.56
- thereof with a remaining maturity of more than one year: EUR 0.00 (previous year: EUR 4,251,748.25)		
Other assets	12,580,933.51	16,906,968.49
- thereof with a remaining maturity of more than one year: EUR 7,181,727.34 (previous year: EUR 11,778,514.63)		
	145,885,595.76	137,388,517.80
Own shares	29,450,622.05	41,250,654.20
Cash on hand, cash in banking accounts, cheques	35,201,267.20	26,899,853.49
	211,929,656.01	206,714,307.43
Prepayments and accrued income	595,909.57	853,578.84
	297,053,117.51	285,750,474.69

Liabilities

	31 Oct. 2010 EUR	previous year EUR
Capital stock		
Subscribed capital	22,952,980.00	22,952,980.00
Capital reserve	33,668,025.21	33,668,025.21
Revenue reserves		
Reserve for own shares	29,450,622.05	41,250,654.20
Other revenue reserves	107,928,751.13	46,128,718.98
	137,379,373.18	87,379,373.18
Net profit for the year	39,792,992.48	52,472,854.94
	233,793,370.87	196,473,233.33
Provisions		
Provisions for taxation	4,370,100.00	3,380,441.00
Other provisions	10,388,825.11	9,318,681.39
	14,758,925.11	12,699,122.39
Accounts payable		
Due to banks	35,429,943.07	56,588,426.69
Trade accounts payable	4,700,550.93	8,198,330.73
Liabilities to affiliated companies	299,892.73	24,587.18
Other accounts payable	8,055,023.19	11,741,684.82
- thereof taxes: EUR 2,091,497.35 (previous year: EUR 7,894,744.25)		
- thereof social security contributions: EUR 154,301.21 (previous year: EUR 4,593.61)		
	48,485,409.92	76,553,029.42
Deferred income	15,411.61	25,089.55

297,053,117.51

285,750,474.69

GERRY WEBER International AG, Halle/Westphalia
Income Statement for the fiscal year 2009/10

	2009/2010	previous year
	EUR	EUR
Sales revenues	6,846,841.53	7,187,314.45
Decrease/increase/in finished goods and work in progress	112,762.11	-190,942.51
Other operating income	82,346,185.51	76,650,663.61
Cost of materials		
Cost of raw materials and supplies	-7,125,995.81	-7,150,339.19
Cost of purchased services	-329,012.09	-282,932.47
	-7,455,007.90	-7,433,271.66
Personnel expenses		
Wages and salaries	-29,458,299.31	-29,659,457.36
Social security contributions	-4,318,639.59	-4,284,376.06
	-33,776,938.90	-33,943,833.42
Depreciation of intangible fixed assets and tangible assets	-4,856,651.09	-4,633,852.11
Other operating expenses	-40,212,859.22	-41,424,121.69
Income from profit transfer agreements	83,470,939.83	71,729,764.45
Income from other investments and long-term loans	18,306.62	1,474.00
Other interest and similar income	1,755,775.90	3,080,473.52
- thereof relating to affiliated companies: EUR 1,511,540.02 (previous year: EUR 2,850,061.02)		
Amortisation of financial assets and investments classified as current assets	-2,529,051.90	-2,080.84
Interest and similar expenses	-3,065,344.71	-4,337,243.35
- thereof relating to affiliated companies: EUR 11,532.00 (previous year: EUR 757.00)		
Results from ordinary activities	82,654,957.78	66,684,344.45
Taxes on income	-27,394,587.98	-22,952,354.60
Other taxes	-245,576.56	-128,247.24
Income for the year	55,014,793.24	43,603,742.61
Profit carried forward	34,778,199.24	28,869,112.33
Allocation to revenue reserves	-50,000,000.00	-20,000,000.00
Net profit for the year	39,792,992.48	52,472,854.94

GERRY WEBER

Notes

I. Accounting principles

The financial statements of GERRY WEBER International Aktiengesellschaft, Halle/Westphalia, for the fiscal year 2009/2010 were established in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act. The present financial statements cover the period from 1 November 2009 to 31 October 2010.

With a view to making the balance sheet and income statement as clear as possible, explanations and comments on individual items are provided in the notes and no empty headings are shown, unless explicitly prohibited by legal provisions.

The provisions of the German Balance Sheet Modernisation Act (BilMoG) are not yet fully applicable to these financial statements.

II. Accounting and valuation standards

The financial statements of GERRY WEBER International Aktiengesellschaft are established to uniform accounting and valuation standards. Tax valuation and write-off possibilities are largely used.

Intangible assets are written off over their expected useful lives using the straight-line method.

Tangible fixed assets are carried at the cost of acquisition or production less scheduled depreciation through use.

Some buildings are written off using the straight-line method over a maximum period of 50 years, while others are written off according to the tax rules of section 7 para. 5 EStG. Moveable fixed assets are written off at the highest permissible rates, partly using the declining balance method, partly using the straight-line method. Assets added after 1 November 2007 are generally written off using the straight-line method.

The shift from the declining balance method to the straight-line method is timed to maximise the resulting tax benefit.

Low-value assets worth up to EUR 150.00 are directly recognised as expenses. Assets worth EUR 150.00 to EUR 1,000.00 are booked as a collective item and written off over a period of five years.

Shares in affiliated companies are shown at cost. The investments in two (previous year: one) minor foreign companies were written down to the extent required.

Raw materials and supplies are valued at acquisition costs, work in progress and finished goods are valued at production costs.

Appropriate adjustments are made for old inventories and materials of little use.

Value adjustments were made for discernible risks relating to receivables and other assets, which are shown at cost. A bad-debt provision was established for the general risk of default inherent in trade receivables. Non-interest-bearing long-term receivables are stated at their present value.

Cash and bank balances are stated at their nominal amounts.

Prepayments and accrued income include expenses that occurred before the reporting date and refer to a certain period after that date.

Provisions for taxation are in line with the expected tax payments for prior years resulting from the tax results achieved.

Other provisions cover all discernible risks and contingent liabilities to the extent they need to be carried as liabilities.

GERRY WEBER International AG concludes old-age part-time agreements according to the so-called „block model“. In accordance with IAS 19, provisions are established according to the projected unit credit method at an interest rate for accounting purposes of 5.5% (previous year 5.5%) based on a salary trend of 1% p.a. The

computations are based on the Heubeck mortality tables 2005 G.

Provisions for the top-up amounts are established for the full duration of the agreement and used up on a pro rata temporis basis. Accruals to cover the outstanding obligations are made on a monthly basis; the provisions are used up during the retirement period.

Accounts payable are shown at the repayment or settlement amounts.

Deferred income includes income which was received before the balance sheet date and represents earnings relating to a certain time after this date.

Currency forwards and options dealings for the procurement of goods

As far as goods and services payable in foreign currencies are concerned, currency forwards and options dealings are used to hedge our calculations before the start of each season. On the reporting date, the total volume stood at EUR 82.9 million (previous year: EUR 98.4 million).

Currency forwards and options dealings were treated as valuation units tied to the underlying transactions.

The currency forwards and options dealings had a negative fair value of EUR 4.7 million (previous year: positive fair value of EUR 3.7 million) on the balance sheet date.

Currency forwards for the sale of goods

Receivables in foreign currencies resulting from the Group's sales activities as of the reporting date are hedged by currency forwards.

Currency forwards had a volume of EUR 10.2 million (previous year: EUR 11.2 million) on the reporting date. Currency forwards were treated as valuation units tied to the underlying transactions.

The negative fair value of these currency forwards for merchandise receivables was EUR 0.1 million (previous year: positive fair value EUR 0.3 million) as of the balance sheet date.

Receivables and liabilities in foreign currencies are recognised at cost or at repayment amounts or at the lower or higher mean rate on the balance sheet date.

Interest rate swaps on bank liabilities

The following interest rate swaps were signed for the long-term hedging of floating rate bank liabilities:

Bank	Notional amount	Maturity	Fixed rate	Floating rate	Gain	Loss
	EUR million		in %		KEUR	KEUR
Bankhaus Lampe KG	5.0	19.02.2013	4.05	3-month Euribor	0	328

A provision for anticipated losses was established for the loss as of the balance sheet date.

Accumulated currency forwards and option dealings for the procurement of goods

Where goods and services purchased have to be paid in foreign currency, suitable currency forwards and currency options as well as accumulating currency forwards are taken out before each season in order to hedge the pricing of our products.

As of the balance sheet date, the accumulating currency forwards totalled EUR 17.8 million (previous year: EUR 0.0 million). The accumulating currency forwards had a negative fair value of EUR 0.6 million on the balance sheet date (previous year: EUR 0.0 million).

As the accumulating currency forwards formed no valuation units with the goods and services sourced, a provision for anticipated losses of EUR 0.6 million was established for these hedges in the financial statements.

III. Notes to the balance sheet

1. Changes in fixed assets 2009/2010

More detailed information on the structure of and changes in fixed assets is provided in the fixed assets schedule attached to this report.

2. Other assets

The largest components of other assets are:

	31 Oct. 2010	31 Oct. 2009
	KEUR	KEUR
Sponsorship "GERRY WEBER Open"	7,508	10,747
Tax assets	2,774	3,112
Claim for damages GW Schuhe GmbH	516	984
Reinsurance for old-age part-time work programme	739	859
Reimbursement of insurance premiums	377	338
Compensation payment for the GW Men license	191	232
Rental receivables	78	218

3. Liquid funds

Liquid funds almost exclusively comprise cash in banking accounts with domestic and foreign banks. Cash in hand is held at a low level by the Group.

4. Own shares

Based on a resolution passed by the Annual General Meeting (on 3 June 2009 and 1 June 2010), the Managing Board was entitled to sell own shares under certain conditions.

In the fiscal year 2009/2010, 655,394 shares were sold generating proceeds of EUR 16,020,801.11 (average price: EUR 24.44):

Date	Number	Purchase cost	Average price (incl. expenses)	Sales proceeds	Average price (incl. expenses)
		EUR	EUR	EUR	EUR
Held as of					
31.10.2009	2,291,132	41,250,654.20	18.00		
19.01.2010	26,100	-469,917.09		601,291.80	23.04
05.02.2010	38,400	-691,372.27		881,280.00	22.95
12.02.2010	20,094	-361,782.14		455,133.72	22.65
19.02.2010	10,600	-190,847.55		243,514.86	22.97
26.02.2010	7,200	-129,632.30		165,288.38	22.96
05.03.2010	53,000	-954,237.76		1,299,292.35	24.51
30.08.2010	500,000	-9,002,243.04		12,375,000.00	24.75
Held as of					
31.10.2010	1,635,738	29,450,622.05	18.00	16,020,801.11	24.44

Own shares repurchased represented 7.13% of the share capital (previous year: 9.98%).

The following shares were sold between the balance sheet date and the date of the preparation of the balance sheet:

Date	Number	Purchase cost	Average price (incl. expenses)	Sales proceeds	Average price (incl. expenses)
		EUR	EUR	EUR	EUR
Held as of					
31.10.2010	1,635,738	29,450,622.05	18.00		
November 2010	293,404	-5,282,588.23		9,949,897.51	33.91
December 2010	597,363	-10,755,213.82		21,608,034.59	36.17
January 2011	93,300	-1,679,818.55		3,315,938.70	35.54
Held as of					
21.01.2011	651,671	11,733,001.45	18.00	34,873,870.80	35.44

5. Prepayments

Prepaid expenses include discounts in an amount of KEUR 0 (previous year: KEUR 337).

6. Equity capital

The subscribed capital of GERRY WEBER International Aktiengesellschaft is divided into 22,952,980 bearer shares with an accounting par value of EUR 1.00.

Equity schedule of GERRY WEBER International AG

	Subscribed capital	Capital reserves	Reserve for own shares	Other revenue reserves	Net income for the year	Equity capital
	EUR	EUR	EUR	EUR	EUR	EUR
As of 1 Nov. 2009	22,952,980.00	33,668,025.21	41,250,654.20	46,128,718.98	52,472,854.94	196,473,233.33
Retransfer of reserve for own shares 2009/2010	0.00	0.00	-11,800,032.15	11,800,032.15	0.00	0.00
Allocation to revenue reserves based on AGM resolution of 1 June 2010	0.00	0.00	0.00	25,000,000.00	-25,000,000.00	0.00
Allocation to revenue reserves from income for the year	0.00	0.00	0.00	25,000,000.00	-25,000,000.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	-17,694,655.70	-17,694,655.70
Income for the year	0.00	0.00	0.00	0.00	55,014,793.24	55,014,793.24
As of 31 Oct. 2010	22,952,980.00	33,668,025.21	29,450,622.05	107,928,751.13	39,792,992.48	233,793,370.87

GERRY WEBER International AG, Halle/Westphalia
Notes to the financial statements for the fiscal year 2009/2010

Equity schedule of GERRY WEBER International AG of the previous year:

	Subscribed capital	Capital reserves	Reserve for own shares	Other revenue reserves	Net profit for the year	Equity capital
	EUR	EUR	EUR	EUR	EUR	EUR
As of 1 Nov. 2008	22,952,980.00	33,668,025.21	6,284,864.00	61,094,509.18	44,365,498.33	168,365,876.72
Formation of reserve for own shares 2008/2009	0.00	0.00	34,965,790.20	-34,965,790.20	0.00	0.00
Allocation to revenue reserves from income for the year	0.00	0.00	0.00	20,000,000.00	-20,000,000.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	-15,496,386.00	-15,496,386.00
Income for the year	0.00	0.00	0.00	0.00	43,603,742.61	43,603,742.61
As of 31 Oct. 2009	22,952,980.00	33,668,025.21	41,250,654.20	46,128,718.98	52,472,854.94	196,473,233.33

7. Authorised capital

Subject to approval by the Supervisory Board, the Managing Board is entitled to increase the company's share capital by up to EUR 11,475,000 through one or several issues of new bearer shares against cash or non-cash capital contributions by 31 May 2014. Shareholders must be granted a subscription right. Subject to approval by the Supervisory Board the Managing Board is, however, entitled to exclude fractional amounts from shareholders' subscription right. Subject to approval by the Supervisory Board, the Managing Board is also entitled to exclude shareholders' subscription rights in case of capital increases against non-cash contributions for the purpose of company takeovers or investments in companies. In addition, the Managing Board is authorised to exclude shareholders' subscription rights if the issue price of the new shares is not materially lower than the stock market price and the shares issued do not exceed 10% of the share capital, neither at the time this authorisation comes into effect nor at the time this authorisation is exercised. Shares issued ex rights pursuant to section 71 para 1 No. 8 sentence 5 and section 186 para. 3 sentence 4 of the German Stock Corporation Act (AktG) must be counted towards the above number.

The Managing Board is authorised to stipulate the further details of the capital increase and its execution with the approval of the Supervisory Board.

The Supervisory Board is authorised to amend the statutes in accordance with the utilisation of the authorised capital and after expiry of the authorisation.

8. Other provisions

The largest components of other provisions are:

	31 Oct. 2010 KEUR	31 Oct. 2009 KEUR
Bonuses	4,372	4,525
Old-age part-time	1,493	1,391
Special annual payment for employees	897	861
Outstanding invoices	729	96
Outstanding holidays	674	604
Contingent losses from currency forwards	658	0
Supervisory Board compensation	489	383
Contingent losses from interest rate swaps	328	320
AGM and publication costs	290	290

9. Accounts payable

Accounts payable sorted by remaining maturities (previous year in parentheses):

	With a remaining maturity of			
	up to 1 year EUR	1 to 5 years EUR	more than 5 years EUR	Total EUR
Liabilities				
- to banks	13,644,228.80	18,928,571.40	2,857,142.87	35,429,943.07
	(13,513,635.99)	(34,259,033.69)	(8,815,757.01)	(56,588,426.69)
- Trade accounts payable	4,551,051.26	149,499.67	0.00	4,700,550.93
	(8,117,747.97)	(80,582.76)	(0.00)	(8,198,330.73)
- Liabilities to affiliated companies	299,892.73	0.00	0.00	299,892.73
	(24,587.18)	(0.00)	(0.00)	(24,587.18)
- Other	8,055,023.19	0.00	0.00	8,055,023.19
	(11,741,684.82)	(0.00)	(0.00)	(11,741,684.82)
	26,550,195.98	19,078,071.07	2,857,142.87	48,485,409.92
	(33,397,655.96)	(34,339,616.45)	(8,815,757.01)	(76,553,029.42)

Liabilities to banks include a note loan from an insurance company in an amount of KEUR 17,143 (previous year: KEUR 20,000).

Sorted by type and amount of collateral:

	31 Oct. 2010	31 Oct. 2009
	EUR	EUR
Secured by real property liens:	390,766.16	3,635,528.60
Liabilities to banks:	390,766.16	3,635,528.60

Inventories are subject to the usual reservations of ownership.

10. Contingencies/other financial commitments

The largest components of other provisions are:

	31 Oct. 2010	31 Oct. 2009
	KEUR	KEUR
Leases		
- due in 2010/2011 (2009/2010)	2,142	1,635
- due in 2011/2012 - 2014/2015 (2010/2011 - 2013/2014)	2,252	1,625
	4,394	3,260
Rental agreements		
- due in 2010/2011 (2009/2010)	459	460
- due in 2011/2012 - 2014/2015 (2010/2011 - 2013/2014)	1,393	1,393
- due after 2014/2015 (2013/2014)	150	350
	2,002	2,203
Sponsorship agreement and use of the name "GERRY WEBER Open"		
- due in 2010/2011 (2009/2010)	3,380	3,239
- due in 2011/2012 (2010/2011 - 2011/12)	4,128	7,508
	7,508	10,747
Planned investments 2010/2011 (2009/2010)	23,877	21,500

Sponsorship agreement and use of the name „GERRY WEBER Open“

On 6 December 2007, a new sponsoring agreement was signed with GERRY WEBER Management & Event OHG, Halle/Westphalia, (OHG), which took effect on 1 January 2008, 00:00 h and replaces the agreement signed in fiscal 2002/2003. In this agreement, OHG undertakes, among other things, to carry out and market its activities under the GERRY WEBER World umbrella brand for the duration of the agreement. These activities include, in particular, all sports and entertainment events relating to the GERRY WEBER stadium, the GERRY WEBER Event & Convention Center, GERRY WEBER Sportpark and GERRY WEBER Sportpark Hotel. The agreement was concluded for the period from 1 January 2008 to 31 December 2012 and includes two 5-year renewal options.

Based on expert opinions, present values of EUR 16.3 million were determined for the right to the name “GERRY WEBER World” and the sponsorship payments for the GERRY WEBER Open. Upon the coming into effect of the new agreement, the net book value for the name right based on the old agreement was transferred from intangible assets to other assets. A difference of EUR 8 million was determined between the book values under the old agreement and the present value under the new agreement, and this amount was paid to OHG. The present value will be released over the term of the agreement.

Other contingent liabilities

In an unlimited letter of comfort dated 4 December 2009, the company obliged itself to provide its subsidiary GERRY WEBER GmbH, Vienna, Austria, if necessary, with sufficient financial resources to meet its payment obligations at any time.

In another letter of comfort dated 6 December 2010 and limited to a period of 12 months, the company has undertaken to provide its Danish subsidiary, GERRY WEBER ApS, Albertslund, if necessary, with sufficient financial resources to meet its payment obligations at any time.

At this stage, no claims are expected to be raised under the letters of comfort.

IV. Notes to the income statement

1. Sales revenues

The full amount of the sales revenues (KEUR 6,847; previous year: KEUR 7,187) relates to shop-in-shop fittings.

66.4% (previous year: 70.0%) of the sales revenues were generated in Germany.

2. Other operating income

Other operating income includes the following:

	2009/2010	2008/2009
	KEUR	KEUR
Intra-Group cost allocation	67,859	65,072
Income from the sale of own shares	4,221	0
Rental income	4,063	3,972
Intra-Group charging for sponsorship of "GERRY WEBER Open"	3,239	3,096
Income from the charging of other services to external customers	1,786	1,554
Canteen revenues	426	390
Furnishing of cars(s)	274	269
Income from exchange rate fluctuations	185	0
Income from the charging of other services	114	105
Income from the retransfer of other provisions	64	68
Research subsidies	61	178
Damages	20	700
Release of allowance for own shares	0	839
Compensation payment from GERRY WEBER Men licensee	0	282
Reduction of discounts	0	71
Other	34	55
	82,346	76,651

3. Other operating expenses

Other operating expenses include the following:

	2009/2010	2008/2009
	KEUR	KEUR
Packaging and logistics expenses	12,733	13,054
Advertising costs	5,775	5,532
Additions to discounts	5,188	7,838
EDP costs	3,789	3,545
Premises costs	2,317	2,419
Legal and advisory costs	2,123	1,188
Other personnel expenses	1,147	1,137
Telephone, other electronic office equipment	1,129	1,070
Exchange rate fluctuations	983	1,249
Vehicle expenses	849	684
Travel and related expenses	836	857
Maintenance and repair	627	559
Insurance, premiums and charges	513	575
Annual General Meeting, annual report, publication	508	571
Supervisory Board compensation	489	383
Losses from asset disposals	400	18
Canteen expenses	267	274
General office expenses	241	213
Other	299	258
	40,213	41,424

An amount of KEUR 382 of the losses from asset disposals relates to the partial demolition of a warehouse converted into an administrative building.

V. Miscellaneous information

1. Staff

The table below shows the average number of employees in the fiscal year:

	2009/2010	2008/2009
White-collar workers	372	362
Blue-collar workers	120	140
Trainees	39	47
	531	549

2. Managing Board

- **Gerhard Weber**, Chairman, businessman, Halle/Westphalia,
- **Dr. David Frink**, businessman, Bielefeld,
- **Doris Strätker**, businesswoman, Wuppertal

The Managing Board members also sit on the following supervisory boards and control organs as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Mr Gerhard Weber

Member of the Supervisory Board:
 - DSC Arminia Bielefeld GmbH & Co. KGaA
 (since 21 September 2010)

Mr Dr. David Frink

Member of the Supervisory Board (co-opted):
 - DSC Arminia Bielefeld GmbH & Co. KGaA
 (since 21 September 2010)

Ms Doris Strätker

- No mandates

In the previous year, none of the Managing Board members was a member of other supervisory boards or control organs as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

3. Supervisory Board

- **Dr. Ernst F. Schröder**, Bielefeld, - Chairman -,
- **Udo Hardieck**, Halle/Westphalia, - Vice Chairman -,
- **Charlotte Weber-Dresselhaus**, Halle/Westphalia,
- **Dr. Wolf-Albrecht Prautzsch**, Münster,
- **Olaf Dieckmann**, Halle/Westphalia,
 - staff representative -,
- **Christiane Wolf**, Steinhagen, - staff representative -
(until 1 June 2010),
- **Klaus Lippert**, Halle/Westphalia, - staff representative -
(since 2 June 2010)

The Supervisory Board members also sit on the following supervisory boards and control organs as defined in section 125 para. 1 sentence 3 of the German Stock Corporation Act.

Mr Dr. Ernst F. Schröder, personally liable partner of
Dr. August Oetker KG, Bielefeld

Chairman of the Supervisory Board:

- Société Anonyme Hotel Le Bristol, Paris, France,
- Société Anonyme Hotel du Cap-Eden-Roc,
Antibes, France,
- Société Anonyme Château du Domaine
St. Martin, Vence, France.

Member of the Supervisory Board:

- Douglas Holding AG, Hagen,
- S.A. Damm, Barcelona (since 23 June 2010).

Chairman of the Board of Partners:

- Bankhaus Lampe KG, Düsseldorf

Mr Udo Hardieck, Dipl.-Ing., Halle/Westphalia
Member of the Advisory Council:
- Nordfolien GmbH, Steinfeld/Oldenburg

Mrs Charlotte Weber-Dresselhaus, banker,
Halle/Westphalia
- No mandates

Mr Dr. Wolf-Albrecht Prautzsch, banker, Münster
Chairman of the Supervisory Board:
- Westfalen AG, Münster,

Member of the Supervisory Board:
- Gauselmann AG, Espelkamp

Mr Olaf Diekmann, technical employee,
Halle/Westphalia
- No mandates

Mrs Christiane Wolf, commercial employee, Steinhagen
- No mandates

Mr Klaus Lippert, commercial employee,
Halle/Westphalia
- No mandates

4. Total compensation of the Managing Board

The table below shows the compensation paid to the individual members of the Managing Board:

	2009/10 Basic salary KEUR	2009/10 Share in profits KEUR	2009/10 Total KEUR	2008/09 Basic salary KEUR	2008/09 Share in profits KEUR	2008/09 Total KEUR
Managing Board						
Gerhard Weber	469	3,273	3,742	469	2,410	2,879
Udo Hardieck (until 31 July 2009)	0	0	0	286	1,172	1,458
Dr. David Frink	467	249	716	232	108	340
Doris Strätker	660	288	948	660	360	1,020
	1,596	3,810	5,406	1,647	4,050	5,697

Mr Udo Hardieck was a member of the Managing Board until 31 July 2009.

The variable components of the Managing Board compensation are performance-linked. There are no stock option plans or other compensation models based on the share price.

5. Total compensation of the Supervisory Board

For its work for the parent company and the Group, the Supervisory Board received a compensation of KEUR 488.8 (previous year: KEUR 382.5), which was provisioned for in the fiscal year.

The table below shows the compensation paid to the individual members of the Supervisory Board:

Supervisory Board	2009/10 Fixed KEUR	2009/10 Variable KEUR	2009/10 Total KEUR	2008/09 Fixed KEUR	2008/09 Variable KEUR	2008/09 Total KEUR
Dr. Ernst F. Schröder - Chairman	22.5	150.0	172.5	22.5	112.5	135.0
Peter Mager - Vice Chairman (until 31 July 2009)	0	0	0	8.5	42.2	50.7
Udo Hardieck - Vice Chairman (since 1 August 2009)	11.3	75.0	86.3	2.8	14.0	16.8
Charlotte Weber -Dresselhaus	7.5	50.0	57.5	7.5	37.5	45.0
Dr. Wolf-Albrecht Prautzsch	7.5	50.0	57.5	7.5	37.5	45.0
Olaf Dieckmann - staff representative	7.5	50.0	57.5	7.5	37.5	45.0
Christiane Wolf - staff representative (until 1 June 2010)	4.4	29.2	33.6	7.5	37.5	45.0
Klaus Lippert - staff representative (since 2 June 2010)	3.1	20.8	23.9	0	0	0
	63.8	425.0	488.8	63.8	318.7	382.5

Mr Udo Hardieck provided advisory services in the fiscal year 2009/2010 in an amount of KEUR 106.0 (previous year: KEUR 39.2).

6. Shares held by the Managing Board

On the reporting date, the Managing Board directly and indirectly held 6,140,885 shares (previous year: 6,139,385 shares).

7. Shares held by the Supervisory Board

On the reporting date, the members of the Supervisory Board directly and indirectly held 4,131,465 shares (previous year: 4,131,465 shares).

8. Shareholdings

On 21 March 2005, GERRY WEBER International AG received the following notification pursuant to section 21 para. 1 WpHG from R + U Weber GmbH & Co. KG, 33790 Halle:

"Pursuant to section 21 para. 1 WpHG, we herewith inform you that our voting share in GERRY WEBER International AG exceeded the 5% threshold on 21 March 2005 and now amounts to 26.35%."

On 21 March 2005, GERRY WEBER International AG received the following notification pursuant to section 21 para. 1 WpHG from N + A Hardieck GmbH & Co. KG, 33790 Halle:

"Pursuant to section 21 para. 1 WpHG, we herewith inform you that our voting share in GERRY WEBER International AG exceeded the 5% threshold on 21 March 2005 and now amounts to 17.57%."

On 23 February 2009, GERRY WEBER International AG received the following notification pursuant to section 21 para. 1 WpHG:

"Pursuant to section 21 para. 1 WpHG, I, Ralf Weber, herewith inform you that the voting share in GERRY WEBER International AG, Neulehenstraße 8, 33790 Halle/Westphalia, dropped below the 10% threshold on 20 February 2009 and now amounts to 9.88% (number of shares held: 2,267,909; total number of shares: 22,952,980). 0.94% of these voting rights are imputable to me pursuant to section 22 para. 1 sentence 1 No. 1 WpHG (number of shares: 216,000; total number of shares: 22,952,980)."

As of 31 October, 2010, Mr Weber held 6.43% (number of shares held: 1,475,568; total number of shares: 22,952,980). Of this, 5.96% of the voting rights are imputable pursuant to section 22 para. 1 sentence 1 No. 1 WpHG (number of shares held: 1,367,568; total number of shares: 22,952,980).

9. Shareholdings of GERRY WEBER International AG

	Share- holding %	Equity incl. net result KEUR	Income (+) Loss (-) for the year KEUR
TAIFUN-Collection GERRY WEBER Fashion GmbH, Halle/Westphalia *	100.0	+ 5,427	0
GERRY WEBER Life-Style Fashion GmbH, Halle/Westphalia *	100.0	+ 1,801	0
SAMOON-Collection Fashion-Concept GERRY WEBER GmbH, Halle/Westphalia *	100.0	+ 3,047	0
GERRY WEBER FAR EAST LTD., Hong Kong, People's Republic of China	100.0	+ 98	0
GERRY WEBER Fashion Iberica S.L., Palma de Mallorca, Spain	100.0	- 9,745	- 2,924
GERRY WEBER Retail GmbH, Halle/Westphalia *	100.0	+ 500	0
GERRY WEBER France S.A.R.L., Paris, France	100.0	+ 37	+ 399
GERRY WEBER Denmark ApS, Albertslund, Denmark	100.0	- 160	- 91
GERRY WEBER Dis Ticaret Ltd., Sirkuti, Istanbul, Turkey	100.0	+ 86	+ 33
GERRY WEBER Ireland Ltd., Dublin, Ireland	100.0	- 1,060	- 312
GERRY WEBER Shanghai Co. Ltd., Shanghai, People's Republic of China	100.0	+ 195	+ 48
GERRY WEBER Support S.R.L., Bucharest, Romania	100.0	+ 4,120	+ 64
GERRY WEBER GmbH, Vienna, Austria	100.0	+ 1,333	+ 290
GERRY WEBER Asia Ltd., Hong Kong, People's Republic of China	100.0	+ 558	- 49
GERRY WEBER United Kingdom Ltd., London, UK	100.0	- 168	+ 2,802 **
GERRY WEBER GmbH Belgien, Privatgesellschaft mit beschränkter Haftung, Raeren, Belgium	100.0	- 769	- 242
Energieversorgungsbetrieb GERRY WEBER GmbH, Halle/Westphalia	100.0	+ 26	+ 1

* controlling and profit transfer agreement

** incl. income contribution of GBP 3.8 million = EUR 4.22 million

10. Dependence Report

In the financial year 2009/2010, the GERRY WEBER Group had business dealings with related parties.

All legal transactions underlying these business relationships were conducted on an arm's length basis.

11. Transactions pursuant to section 15a of the German Securities Trading Act (WpHG)

Ms Doris Strätker, member of the Managing Board, directly acquired 1,500 shares at a price of EUR 34.00 per share in the fiscal year.

12. Statement of Compliance pursuant to section 161 of the German Stock Corporation Act (AktG)

The Statement required pursuant to section 161 of the German Stock Corporation Act (AktG) was issued by the Managing Board and the Supervisory Board on 29 November 2010 and published in the Investor Relations/Corporate Governance section of the website of GERRY WEBER International AG (www.gerryweber-ag.de).

13. Auditor's fee

The following auditor's fees were recorded as expenses of GERRY WEBER International AG:

	2009/2010	2008/2009
	KEUR	KEUR
Audit	155	135
Tax consulting services	11	7
Other services	17	12
	183	154

Halle/Westphalia, 24 January 2011

The Managing Board

GERRY WEBER International AG, Halle/Westphalia
Fixed-asset movement schedule for the fiscal year 2009/2010

	Acquisition costs			
	1 Nov. 2009 EUR	Additions EUR	Reclassifications EUR	Disposals EUR
Intangible assets				
Concessions, industrial property rights and related rights and values as well as licences for such rights and values	15,104,204.84	808,750.46	2,311,548.61	0.00
Payments on account	1,868,295.39	2,307,979.19	-2,311,548.61	0.00
	16,972,500.23	3,116,729.65	0.00	0.00
Tangible assets				
Land and leasehold rights and buildings, including buildings on third-party land	77,073,500.47	69,054.14	77,356.05	2,402,574.38
Plant and machinery	2,923,807.20	30,617.21	0.00	0.00
Other fixtures and fittings, tools and equipment	18,907,675.92	742,078.62	0.00	8,020,569.12
Payments on account and plant under construction	1,062,547.38	9,293,275.88	-77,356.05	0.00
	99,967,530.97	10,135,025.85	0.00	10,423,143.50
Financial assets				
Shares in affiliated companies	14,882,993.06	0.00	0.00	0.00
Investments	261,829.95	0.00	0.00	3,557.72
Other loans	12,719.60	975,724.00	0.00	29,000.00
	15,157,542.61	975,724.00	0.00	32,557.72
	132,097,573.81	14,227,479.50	0.00	10,455,701.22

31 Oct. 2010 EUR	1 Nov. 2009 EUR	Depreciation		Net book value		
		Additions EUR	Disposals EUR	31 Oct. 2010 EUR	31 Oct. 2010 EUR	31 Oct. 2009 EUR
18,224,503.91	9,665,932.44	2,347,533.07	0.00	12,013,465.51	6,211,038.40	5,438,272.40
1,864,725.97	0.00	0.00	0.00	0.00	1,864,725.97	1,868,295.39
20,089,229.88	9,665,932.44	2,347,533.07	0.00	12,013,465.51	8,075,764.37	7,306,567.79
74,817,336.28	24,446,164.79	1,663,699.19	2,005,747.38	24,104,116.60	50,713,219.68	52,627,335.68
2,954,424.41	2,533,877.20	115,448.21	0.00	2,649,325.41	305,099.00	389,930.00
11,629,185.42	16,708,936.92	729,970.62	7,949,584.12	9,489,323.42	2,139,862.00	2,198,739.00
10,278,467.21	0.00	0.00	0.00	0.00	10,278,467.21	1,062,547.38
99,679,413.32	43,688,978.91	2,509,118.02	9,955,331.50	36,242,765.43	63,436,647.89	56,278,552.06
14,882,993.06	394,151.56	2,439,993.92	0.00	2,834,145.48	12,048,847.58	14,488,841.50
258,272.23	165,922.48	89,057.98	3,556.72	251,423.74	6,848.49	95,907.47
959,443.60	0.00	0.00	0.00	0.00	959,443.60	12,719.60
16,100,708.89	560,074.04	2,529,051.90	3,556.72	3,085,569.22	13,015,139.67	14,597,468.57
135,869,352.09	53,914,985.39	7,385,702.99	9,958,888.22	51,341,800.16	84,527,551.93	78,182,588.42

GERRY WEBER International AG, Halle/Westphalia
Profit appropriation proposal

Appropriation of profits

The Managing Board and the Supervisory Board propose to appropriate the net income for the year of as follows:	39,792,992.48
Payment of a dividend of EUR 1.10 per common share with full entitlement to profits for the fiscal year 2009/2010	24,531,439.90
Carried forward to new account:	15,261,552.58
Net income for the year:	39,792,992.48

Halle/Westphalia, 24 January 2011
GERRY WEBER International AG

The Managing Board

Gerhard Weber, Doris Strätker, Dr. David Frink

GERRY WEBER International AG, Halle/Westphalia
Responsibility statement

Responsibility statement

"To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company."

Halle/Westphalia, 24 January 2011
GERRY WEBER International AG

Der Vorstand



Gerhard Weber



Doris Strätker



Dr. David Frink

Audit certificate

We have audited the financial statements and accounts - comprising balance sheet, income statement and notes - as well as the management report of GERRY WEBER International AG, Halle/Westphalia, for the fiscal year from 1 November 2009 to 31 October 2010.

The accounts and the preparation of the financial statements and the management report according to German accounting standards and the complementary provisions in the articles of incorporation are the responsibility of the company's legal representatives. It is our task, based on our audit, to provide an opinion on the financial statements and the underlying accounts as well as the management report.

We conducted our audit pursuant to section 317 HGB in compliance with German GAAP defined by the Institute of German Certified Public Accountants (IDW). According to these principles, the audit must be planned and conducted in a manner sufficiently likely to identify misrepresentations and violations having a major impact on the net worth, financial and earnings position as presented by the financial statements established in accordance with generally accepted accounting principles as well as the management report. When defining the auditing processes, the knowledge of the business activity and the economic and legal environment as well as the expectations regarding potential errors are taken into account. In the context of the audit, the effectiveness of the accounting-related internal controlling system and the records

provided to prove the correctness of the information and figures in the accounts, the financial statements and the management report are largely checked on the basis of random samples. The audit covers the assessment of the accounting principles applied and of the most important estimations of the legal representatives as well as the evaluation of the overall presentation of the financial statements and the management report for the company and the Group. We are confident that our audit is a sufficiently safe basis for our audit opinion.

Our audit has resulted in no objections.

In our opinion, based on the results of our audit, the financial statements established according to generally accepted accounting principles comply with legal requirements as well as with the complementary provisions in the articles of incorporation and present a true and fair view of the net worth, financial and earnings position of the company. The management report provides a true and fair view of the situation of the company and correctly presents the risks of the future development.

Bielefeld, 26 January 2011

MAZARS GmbH
Wirtschaftsprüfungsgesellschaft

Hagen
Wirtschaftsprüfer

Peters
Wirtschaftsprüfer

Calendar of financial events

Annual accounts press conference	24 February 2011
Publication of the report on the first three months	24 March 2011
Analysts' conference	May 2011
Annual General Meeting	24 May 2011
Publication of the report on the first six months	14 June 2011
Publication of the report on the first nine months	14 September 2011
End of fiscal year 2010/2011	31 October 2011

Contact

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