GERRY WEBER
INTERNATIONAL AG

Corporate News

GERRY WEBER closes financial year 2015/16 as planned

- 2015/16 Group sales revenues of approx. EUR 900 million
- Earnings before interest and taxes (EBIT) is between EUR 13 and 14 million and consolidated operating earnings before interest, taxes, depreciation and amortisation (EBITDA) amounts to approx. EUR 77 million
- "FIT4GROWTH" realignment programme proceeding according to plan; but business performance continues to be affected by difficult market environment
- Earnings expectations for current financial year 2016/17 at the previous year's level

(Halle/Westphalia, 25 January 2017) According to preliminary figures for the past financial year 2015/16 (1 November 2015 - 31 October 2016), Group sales revenues of GERRY WEBER International AG amounted to approx. EUR 900 million (previous year: EUR 920.8 million) and consolidated earnings before interest and taxes (EBIT reported) ranges between EUR 13 and 14 million (previous year: EUR 79.3 million). This is in accordance with management's guidance of consolidated EBIT (reported) of between EUR 10 and 20 million.

The HALLHUBER subsidiary contributed EUR 183 million to Group sales revenues. This represents an increase by 17.7% on the previous year. Like-for-like sales revenues rose by a gratifying 2.1% and thus clearly above the negative market trend.

Preliminary revenues of the GERRY WEBER Core brands (GERRY WEBER, TAIFUN and SAMOON) amounted to approx. EUR 717 million, down 10.9% on the previous year. The GERRY WEBER Core Retail segment generated sales revenues of EUR 419 million, which represents 46,5% of total Group revenues. Like-for-like revenues declined by 7.6% because of the continued difficult market environment and the related low footfall figures. Like-for-like revenues of the German fashion retail sector dropped by approx. 3% to 4% in the financial year of GERRY WEBER. Core Retail revenues were down not only because of lower like-for-like revenues but also due to store closures related to the "FIT4GROWTH" programme. Online revenues showed a positive trend and reached EUR 43.9 million (GERRY WEBER and HALLHUBER), up 22% on the previous year.

Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA reported) dropped from EUR 115.8 million in the previous year to approx. EUR 77 million. As already announced, consolidated earnings before interest and taxes (EBIT reported) were adversely affected by extraordinary effects of EUR 31 million resulting from the measures implemented in the context of the "FIT4GROWTH" programme and reached between EUR 13 and 14 million. These extraordinary effects include, among other things, EUR 15 million in

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one-time write-downs related to the store closures of the “FIT4GROWTH” programme. At approx. EUR 20 million, the sale of the “Hall 30” investment property made the biggest contribution to Group earnings in 2015/16.

Outlook on 2016/17

As the market conditions remain difficult, customer footfall continues to decline and consumers shopping behaviour is changing, the current financial year 2016/17 will again be influenced by the realignment programme, as announced at the disclosure of the programme. GERRY WEBER will continue to actively implement the “FIT4GROWTH” realignment programme as planned and make adjustments if and when potential for improvement arises or the volatility of the market makes them necessary. The Managing Board expects the respective burdens to amount to EUR 6 million in the current financial year. Against this background, the Managing Board does not expect earnings to increase significantly in the current financial year 2016/17 and projects consolidated EBIT (reported) of EUR 10 to EUR 20 million to be recognised in the income statement as well as a moderate decline in Group sales revenues (-2% to -4%). Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA reported) are expected to amount to between EUR 60 and 70 million.

As already announced in February 2016, the GERRY WEBER Group expects to return to a phase of sustainable profitable growth in the third year following the start of the realignment exercise, i.e. in the financial year 2017/18.

Ralf Weber, Chief Executive Officer of GERRY WEBER International AG, says: “The financial year 2015/2016 was a very tough period which saw our company reach some important milestones of our ongoing realignment exercise, although the market environment has tightened further. Against this background, we should be satisfied to have reached the objectives we set ourselves. The financial year has shown that the realignment programme was necessary and is the right strategy. But in view of the continued challenging market environment, we must not let up now. We will continue to implement the FIT4GROWTH realignment programme with great determination and take the measures that are necessary to help GERRY WEBER return to profitable growth.”

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