

Corporate News

Promissory note loan providers of GERRY WEBER grant deferment of outstanding loan receivables until January 2019

(Halle/Westphalia, 13 November 2018) The outside creditors of GERRY WEBER International AG, with outstanding loan receivables due on 5 November 2018, have come to an agreement with the group over a deferment of outstanding loan receivables. The deferment agreements remain valid until the end of January 2019 and are yet another substantial partial step in the comprehensive restructuring measures of the company. In parallel, the financing banks keep their credit lines open for GERRY WEBER.

In face of the initiated transformation process as well as the first analysis of the developments in the fourth quarter of the just finished financial year 2017/18 (31 October), the Managing Board of GERRY WEBER International AG reviewed and adjusted the current earnings and profit forecast: The Managing Board now expects sales of up to 790 EUR million (previously: between 830 and 840 EUR million) and significant operational losses on earnings before interest and taxes (EBIT) (previously: between -10 and 0 EUR million). The EBIT deficit will be largely shaped by accruals for personnel related measures and store closures, as well as extraordinary depreciation and impairments.

With the full agreement of all promissory note loan providers to defer the outstanding loan receivables due in November, and with the parallel agreement with all bilaterally financing banks, to keep all credit lines for GERRY WEBER open, GERRY WEBER stabilizes the tense financial situation. This is further supported by the proceeds from the sale of the non-core investment property "Halle 29" of EUR 36 million.

"We are very relieved, that the approval of our outside creditors of a deferment until end of January provides sufficient financial leeway until the end of January, to further drive the urgently necessary steps of our restructuring concept", explains Johannes Ehling, Spokesman of the Managing Board, the achieved status of negotiations.

Florian Frank, Member of the Managing Board and Chief Restructuring Officer (CRO) adds: "Thanks to the cooperation of all financing partners and despite high time pressure we made a substantial step forward towards the stabilization of the company. Now, we must launch the next measures for a sustainable restructuring of GERRY WEBER and consequently drive forward the already initiated steps for a new positioning of the group."

In summer 2018, GERRY WEBER launched a Performance Program for the repositioning of the group. It focusses on the substantially changing customer requirements, while aiming at

GERRY WEBER

INTERNATIONAL AG

an optimization of the procurement and sales structures of the group. In an in widest parts finalized expert opinion according to the S6-Standard (IDW S6), developed by auditing company Ebner Stolz, the general outline of the Performance Program was confirmed, with the already initiated measures of the program being assessed as viable. Further, Ebner Stolz confirmed the core business model of GERRY WEBER as sustainable and possible to restructure. However, in light of the continuously significantly tightening market environment, further essential considerably more comprehensive restructuring measures and cuts are prepared as part of a future concept. By the end of January 2019, these measures will be defined in detail and coordinated with all negotiation partners.

Key measures of the future concept are i.a.:

- Significant reduction of personnel both in Germany and abroad, as well as across all segments of GERRY WEBER Group
- Closure of stores and streamlining retail spaces
- Optimization of distribution via the logistics center in Halle/Westphalia and its usage

Negotiations with the social partners about staff reductions as well as with the owners of retail stores will be started immediately or continued respectively.

Both, Johannes Ehling and Florian Frank agree: “GERRY WEBER has a good chance to regain a successful market position. Nevertheless, a long path of further, major efforts lies ahead of us. Still, in a trustful dialogue with our financing partners we have laid a first foundation for the upcoming steps towards the sustainable restructuring of the group. Also our employees, customers, business partners and suppliers gave very positive feedback on the first stages of our newly chosen path. It is particularly also for the close and constant cooperation with our Supervisory Board and its chairman, that provides us with the resilient frame, that we require.”

GERRY WEBER International AG will continue to inform about the ongoing transformation and restructuring in a timely manner.

About the GERRY WEBER Group

GERRY WEBER International AG, headquartered in Halle/Westphalia, operates on a global scale and unites five strong fashion brands under one roof: GERRY WEBER, TAIFUN, SAMOON, talkabout and HALLHUBER. Since its beginning in 1973 GERRY WEBER International AG, which is listed in the Prime Standard of the German Stock Exchange, has become one of the best known German fashion and lifestyle companies with approximately 1,230 company-managed stores and sales spaces (incl. 410 from HALLHUBER), approximately 2,480 shop-in-shops and 280 franchised stores worldwide as well as brand online-shops in nine countries. With some 6,500 employees worldwide (including about 2,000 from HALLHUBER) and distribution channels in roughly 60 countries, the GERRY WEBER Group is one of the largest listed fashion companies in Germany.

GERRY WEBER

INTERNATIONAL AG

In the financial year 2016/17 (1 November 2016 to 31 October 2017) the GERRY WEBER Group generated sales revenues of EUR 880,9 million and operating income (EBIT) in the amount of EUR 10.3 million. The HALLHUBER subsidiary, which was acquired in February 2015, contributed EUR 194.3 million to GERRY WEBER Group sales.

GERRY WEBER International AG

Contact Investor Relations:

Gundolf Moritz

Mirnock Consulting

Tel: +49 6227 732772

Email: gmoritz@mirnock-consulting.de

Contact Press:

Cornelia Brüning-Harbrecht

Head of Corporate Communications

Tel: +49 (0)5201 185 320

Email: cornelia.bruening-harbrecht@gerryweber.com