

Corporate News

GERRY WEBER implements important steps forward in the restructuring process

- Gerry Weber Retail GmbH & Co. KG insolvency proceedings under self-administration
- Business operations continue normally and to full extent
- Bridge loan for HALLHUBER of around EUR 10 million arranged, purchase option for HALLHUBER granted
- First successes in the ongoing restructuring, positive responses from the fashion fair CPD in Düsseldorf
- Ability to deliver fully guaranteed

(Halle/Westphalia, 8. February 2019) GERRY WEBER Group takes further important steps forward in the restructuring of the company. Against this background, GERRY WEBER Retail GmbH & Co. KG, a 100% subsidiary of GERRY WEBER International AG, applied for the court order of preliminary insolvency proceedings under self-administration according to § 270a InsO at the responsible local court Bielefeld. The local court Bielefeld has approved the application.

Within the scope of the preliminary insolvency proceedings under self-administration, business operations of GERRY WEBER Retail GmbH & Co. KG continue to full extent. According to the current status, the continued financing of operations is safeguarded until the year 2020.

The management consisting of Johannes Ehling and Florian Frank remains in office with all powers and responsibilities. The preliminary insolvency proceedings under self-administration of GERRY WEBER Retail GmbH & Co. KG will run until end of April 2019, the insolvency proceedings are expected to start at beginning of May.

As in the case of GERRY WEBER International AG, the well-versed fashion industry expert Christian Gerloff, from the law-firm Gerloff Liebler supports the Management as General Representative. Restructuring expert and lawyer Stefan Meyer, PLUTA lawyers, was appointed provisional trustee (*Sachwalter*) by the court. All pay claims of affected employees are guaranteed by the instrument of insolvency payment. The proceedings under self-administration allow for a continuation of operations, maintaining the interests of the

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creditors, which are accounted for by the trustee. This also means, that existing customer and supplier relations, as well as all mutual commitments, remain unchanged in compliance with the insolvency law.

Hallhuber receives bridge financing

Within the scope of the ongoing restructuring, GERRY WEBER International AG arranged a bridge loan of EUR 10 million for subsidiary HALLHUBER GmbH with an investor. Furthermore, the investor acquires receivables of GERRY WEBER Group companies against HALLHUBER, largely already subordinated, at a purchase price of about EUR 1 million. At the same time, a purchase option for HALLHUBER GmbH was granted. In case of execution, GERRY WEBER either retains a 14 % stake in HALLHUBER or, alternatively retains a 12% stake plus purchase price of EUR 500,000 at its own discretion. The purchasing option for HALLHUBER is subject to several pre-conditions and can only be exercised upon fulfillment, which is expected for May 2019.

With the proceeds from the bridging loan, the ongoing business operations of HALLHUBER are safeguarded for the time being. The agreed transaction is an essential step towards the operational and financial restructuring of GERRY WEBER Group.

“We experience great backing and expect no further constraints to our operations”

“Following the preliminary insolvency proceedings of the mother company and due to the financing situation, we had to make the decision, to apply for insolvency under self-administration”, says Johannes Ehling, Spokesman of the Managing Board of GERRY WEBER International AG, and adds: “For our operational business however, we have received very positive responses at the fashion fair CPD in Düsseldorf. For us this is equally prove and motivation, that we are on the right track with our repositioning course. Our new collections and our new product and distribution concepts are well received by our customers and business partners. We are experiencing great backing and support in the market. We can ensure all our partners, particularly in the wholesale segment, that we are fully guaranteeing our ability to deliver and do not expect any further constraints of our operations”, Ehling further points out.

„With the solution for HALLHUBER we are able to continue operations there”, comments Florian Frank, Member of the Managing Board of GERRY WEBER International AG and Chief Restructuring Officer, and adds: “We are making good progress with the ongoing restructuring of GERRY WEBER, launched in summer 2018, and have accomplished first operational successes. After the successful application for preliminary insolvency proceedings under self-administration at GERRY WEBER Retail GmbH & Co. KG, we can stringently, and potentially more quickly, commence with the already announced closure of sales spaces, and the unfortunately related reduction of workforce”, Frank continues.

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“We are swiftly implementing the necessary measures“

“The successful application for preliminary insolvency proceedings under self-administration for GERRY WEBER Retail GmbH & Co. KG enables us to further expedite the implementation of our future concept for the group”, said Dr Christian Gerloff, Chief Representative of GERRY WEBER International AG. “Swiftly and step by step, we are implementing all necessary measures for the future of the group”, Gerloff comments further.

Stefan Meyer, PLUTA Rechtsanwalts GmbH and preliminary trustee, is also confident: “The management has made remarkable progress within a short time in implementing the restructuring concept and is now taking further important and appropriate restructuring steps. Consequently, I am optimistic, that we will quickly come to a good and sustainable solution for the company.”

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

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