

Press release

GERRY WEBER acquires Hallhuber

- GERRY WEBER extends brand portfolio and gains access to a new and younger target group
- Acceleration of growth by expansion of international retail spaces
- Acquisition is anticipated to perform a positive contribution per share within the first year of consolidation

(Halle/Westphalia, 22 December 2014) Fashion and lifestyle company GERRY WEBER International AG has agreed to acquire all shares in Munich-based fashion company Hallhuber from private equity firm Change Capital Partners LLP. The acquisition of this fashion manufacturer and retailer continues GERRY WEBER's growth strategy and pushes ahead the verticalisation of its business model. Hallhuber enables GERRY WEBER to move into an attractive segment of the womens fashion market targeting a younger clientele, namely trend-oriented women in their mid-twenties and older.

Hallhuber with its two "Hallhuber" and "Hallhuber Donna" brands will be managed as stand-alone brands within the GERRY WEBER Group. Given that Hallhuber will benefit from GERRY WEBER's operational expertise in the areas of sourcing, international retail expansion and logistics, GERRY WEBER expects this acquisition not only to deliver an attractive contribution to Group profitability but also to accelerate the company's growth.

GERRY WEBER and TAIFUN, the two existing brands managed by the fashion and lifestyle company based in Halle/Westphalia, address female customers in the mid-thirties and older who have a sure sense of style and are looking for feminine and high-quality garments. This portfolio is rounded off by the well-established SAMOON brand for plus-sized womenswear without a defined age group focus. By expanding the brand portfolio through the addition of the two complementary Hallhuber brands, the GERRY WEBER Group will gain access to a new and younger target market of women with a predominantly urban and trendy orientation. The acquisition lifts the enlarged GERRY WEBER Group into the top 5 group of Germany's largest fashion and lifestyle companies.

Hallhuber generated sales of EUR 109.2 million in the fiscal year 2013 and reported earnings before interest, taxes, depreciation and amortisation (EBITDA) adjusted for one-time effects of EUR 9.5 million for the period. The company's expectation for the current fiscal year 2014 (ending 31 December 2014) envisages a clear rise in sales to approximately EUR 140 million and an adjusted EBITDA of approximately EUR 14.0 million. Operating a completely vertically integrated business model, Hallhuber currently employs 1,500 people and runs 94 own retail stores, twelve outlets as well as 113 concession spaces in six countries; approx. 82% of Hallhuber sales are generated in Germany. GERRY WEBER will support Hallhuber in particular in the areas of sourcing and logistics as well as in the expansion of its network of company-managed retail stores in Germany and abroad.

"The GERRY WEBER Group already has its own retail spaces in almost all European countries. We will team up with Hallhuber as partners in a professional way in order to

support them in building their own network of company-managed retail spaces especially outside Germany. These efforts will benefit from our accumulated expertise and our existing structures,” says Chief Sales Officer Ralf Weber, the Managing Board member in charge of sales and company development throughout the GERRY WEBER Group.

Both companies anticipate an improvement in their profitability as a result of synergies. GERRY WEBER assumes that Hallhuber will start making a not inconsiderable positive contribution to the Group’s operating profit and earnings per share already in the financial year 2014/15 (1 November 2014 to 31 October 2015). An important role will be played in this context by the Hallhuber management team who will continue to manage the business and push ahead its positive development in conjunction with the GERRY WEBER team following the takeover. “The past five years have been very successful. Working with Change Capital Partners, we have made Hallhuber a preferred brand for today’s fashion conscious women and we have launched Hallhuber on the road to internationalisation. The success of our work is reflected in an average annual growth rate of 21%. Now our membership of the GERRY WEBER Group means that we are backed by a strong strategic partner from our industry who brings their operational strengths and their international retail network to our new partnership. This will open up new growth prospect for our future,” says Hallhuber CEO Norbert Steinke, making the case for the takeover by GERRY WEBER.

The acquisition of the urban fashion brand and Hallhuber’s 219 sales spaces flows directly from GERRY WEBER’s announced strategy of generating profitable growth also through acquisitions. “The Hallhuber brands are complementary to our existing GERRY WEBER brands, they operate a completely vertical business model and they are ready to move into new European markets. Hallhuber is looking at enormous sales and profit growth potential and its options for further development have barely been tapped. Now we have to work together to make the most of these options,” explains Dr. David Frink, Chief Financial Officer and Speaker of the Managing Board of GERRY WEBER.

The parties have not disclosed the purchase price paid for 100% of the shares in Hallhuber. The acquisition will presumably be funded by raising long-term debt. GERRY WEBER International AG’s very strong balance sheet means that the equity ratio will remain above 50% even following this transaction. The GERRY WEBER Group will fully consolidate the Hallhuber companies already in its FY 2014/15 accounts. The transaction is subject to approval by the cartel authorities in Germany and Austria.

About GERRY WEBER

GERRY WEBER International AG headquartered in Halle/Westphalia is a worldwide operating company that unites six strong fashion brands under one roof: GERRY WEBER, GERRY WEBER EDITION, GERRY WEBER ACCESSORIES, G.W., TAIFUN and SAMOON by GERRY WEBER. Since its beginning in 1973 GERRY WEBER International AG has become one of the most famous and successful German fashion and lifestyle companies with more than 778 company-managed HOUSES of GERRY WEBER and mono-label stores worldwide, more than 2,770 shop-in-shops as well as brand online-shops in nine countries.

The company constantly continues its path as a global player with more than 5,000 employees worldwide and distribution channels in more than 62 countries and it is one of the largest listed fashion companies in Germany. Within the financial year 2012/13 the MDAX listed company achieved a

turnover of EUR 852,0 million. The board of management consists of CSO Ralf Weber, CPO Arnd Buchardt as well as of Dr. David Frink, CFO and spokesman of the board.

About Change Capital Partners

Founded in 2003, Change Capital is a private equity partnership, dedicated to making investments in consumer-oriented businesses across the European lower mid-market. The firm brings both capital and operational experience to enable brands and retail concepts that have established a distinctive customer proposition to secure the next stage in their development.

Change Capital's team of investment professionals brings together the management expertise of Roger Holmes and founder Luc Vandeveldel who led businesses such as Marks & Spencer and Carrefour with the private equity expertise of Stephan Lobmeyr and Steven Petrow from Hicks Muse and Bain Capital respectively.

The firm has so far deployed c. €440 million through 13 acquisitions across Europe. Its portfolio is diversified by geography, sector and investment holding period.

Change Capital Partners is registered in the UK and is authorized and regulated by the FCA.

About Hallhuber

Hallhuber GmbH is a fashion company specialized on high quality womenswear which has been based in Munich since 1977. Hallhuber exclusively sells fashion and products which have been designed by the own design team inhouse and produced by long term production partners and suppliers. Hallhuber is being distributed exclusively in 219 stores (effectively November 2014) in Germany, Austria, Belgium, Great Britain, Switzerland and The Netherlands and it is as well available via own online platforms in Germany, Switzerland, Austria, UK and France. In 2013, the turnover was at EUR 109 million. Mr Norbert Steinke has been appointed CEO in 2009, and in 2010, Richard Lohner has been appointed CFO. Hallhuber GmbH belongs with 100% to Hallhuber Beteiligungs GmbH and is the only stake of the group.

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