GERRY WEBER

GERRY WEBER International AG
Report on the first three months of 2004/2005

Report on the three-month period
ended January 31, 2005

WKN: 330 410
ISIN: DE0003304101

The GERRY WEBER share

The GERRY WEBER share put in a very gratifying performance in the first quarter, rising from EUR 7.81 at the beginning of the quarter to EUR 9.66 at the end of the quarter. This is equivalent to a 24 percent rise in the value of the share, meaning that GERRY WEBER outperformed all relevant indices including the MDAX, SDAX, GEX and Prime Consumer indices. While the latter also grew during the quarter, their growth rates of between 7 and 13 percent were clearly more subdued compared to GERRY WEBER. This superior performance was certainly due to the fact that GERRY WEBER returned to the growth track both in sales and profit terms and that investors in the capital market were convinced that this development will be sustained. Even with the higher share price, the proposed EUR 0.35 payout per share translates into an attractive dividend yield of more than 3 percent.

The share price development between November 1, 2004 and January 31, 2005 was accompanied by a clear rise in the trading volume. The share marked its quarterly high and its quarterly low at EUR 9.80 and EUR 7.70, respectively.

Figures of the first three months of 2004/2005 (to HGB; in EUR m, unless stated otherwise)

	2004/2005	2003/2004
Brand sales revenues	85.7	79.1
EBITDA	7.0	6.6
EBITDA margin	8.2 %	8.3 %
EBIT	5.78	5.1
EBIT margin	6.7 %	6.4 %
Net profit	2.66	2.6
DVFA result per share in EUR	0.13	0.11
Gross cash flow	5.6	5.6
Capital expenditure	2.0	1.2
Extraordinary expenses	0.5	-
Headcount on January 31	1,554	1,602

The development in the first three months

The months of November, December and January saw the German clothing industry recover somewhat from the slump in demand. For the first time in 18 months, the sector managed to record two consecutive months of rising sales.

The GERRY WEBER group experienced gratifying growth in the first quarter. Adjusted for the discontinued Court One brand (which still contributed EUR 1.2 million in sales in Q1 2003/2004), brand sales rose by a healthy 10.1 percent. All margins and profit ratios pointed upwards as well, underlining the sustainability of the optimisation programme undertaken by the company.

The first quarter also saw GERRY WEBER take a big step forward in pursuit of its strategic goal of becoming a global lifestyle group. The decision to enter the menswear market together with Leithäuser as a license partner will open up new sales potential for GERRY WEBER and create new options for expanding and developing the HOUSES OF GERRY WEBER network.

Brand sales in the first three months (in EUR m)

	2004/2005	2003/2004
GERRY WEBER	49.5	46.2
TAIFUN	22.1	20.3
SAMOON	7.9	7.8
COURT ONE	0.0	1.2
Retail (excl. shop-in-shops)	6.2	3.6

The brand-by-brand analysis of the sales development shows that GERRY WEBER grew across the board, with growth figures ranging from 1.3 percent at SAMOON to 7.1 percent at GERRY WEBER to 8.9 percent at TAIFUN. The strongest growth was recorded in the retail business, primarily due to the impressive 72.2 percent increase recorded at the HOUSES OF GERRY WEBER.

An excellent trend was also in evidence for G.W., GERRY WEBER EDITION and GERRY WEBER SPORT. These sublabels made a significant contribution to the performance of the group's main brand, GERRY WEBER, which grew by EUR 3.3 million to EUR 49.5 million.

Incoming orders in the first three months (in EUR m)

	2004/2005	2003/2004
GERRY WEBER	111.5	98.3
TAIFUN	47.8	42.3
SAMOON	13.6	12.3
	172.9	152.9

The good sell-through of the GERRY WEBER merchandise at retail level translated into excellent incoming orders. The strongest growth rates were achieved by the G.W., GERRY WEBER EDITION and GERRY WEBER SPORT sublabels, which saw orders grow by as much as 40 percent and 70 percent. All told, incoming orders for the 2005/2006 autumn/winter season were up 13.1 percent on the previous year's value.

Outlook

In the current financial year GERRY WEBER International AG remains focused on defying the industry trend. Orders for the Spring/Summer 2005 season and the following Autumn/Winter season point to a clear sales increase. The company has targeted double-digit sales growth for the financial year ending October 31, 2005. This would lift the annual sales figure to EUR 390 million.

GERRY WEBER expects export sales to grow at a slightly above-average rate. At the same time, domestic sales are to grow as well despite the challenging trading conditions in Germany.

The HOUSES OF GERRY WEBER network is to make an important contribution to sales and profit growth. The number of outlets grew from 70 to 77 between the closing day of the last financial year (October 31, 2004) and January 31, 2005. These HOUSES OF GERRY WEBER outlets are partly managed by the company and partly by franchisees. In the current year alone, GERRY WEBER is planning to open another 20 company-managed stores in addition to the 20 company-managed stores already in operation. The medium term goal for this successful concept is to have between 300 and 400 locations and presences in all German cities with more than 80,000 inhabitants. March 22, 2005 saw the opening of a new flagship store in Hamburg; the 1,000 square metre facility is the biggest HOUSE OF GERRY WEBER opened to date.

The addition of GERRY WEBER Menswear to the brand portfolio will position the company even better for continued expansion of its own retail activities. The entire brand architecture is already tuned to optimum retail productivity and to the retail structures at the HOUSES OF GERRY WEBER, in particular. The new menswear lines will add another powerful factor to the equation, strengthening the company's evolution into a lifestyle group and, as a welcome strategic side effect, increasing its flexibility in choosing locations for new HOUSES OF GERRY WEBER. This newly gained flexibility will be reflected favourably in the margins earned by the company's retail operations.

GERRY WEBER pursues a strategy of continuing growth also for its shop-in-shop system. Some 100 new installations are planned to be opened during the full financial year.

Purchasing and logistics will benefit from additional improvements to be implemented by GERRY WEBER International AG in the current year. The most important element will be a new merchandise hub currently being built in Hungary.

These measures and the continuing growth are expected to lift the EBIT margin to above 9 percent in the current year; the medium term target is 10 percent.

Calendar of financial events

Annual General Meeting	June 2, 2005
Report on the first six months	June 28, 2005
Report on the first nine months	Sept. 27, 2005

GERRY WEBER

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Consolidated balance sheet to HGB in EUR '000

Assets	January 31, 2005	October 31, 2004
A. Fixed assets		
Intangible assets	5,618	5,798
Tangible assets	64,819	63,976
Financial assets	1,158	1,195
	71,595	**70,969**
B. Current assets		
Inventories	46,035	39,578
Receivables and other assets	82,070	80,415
Cash on hand, cash in banking accounts and cheques	10,893	8,813
	138,998	**128,806**
C. Prepayments and accrued income	**1,030**	**1,501**
	211,623	**201,276**

Liabilities	January 31, 2005	October 31, 2004
A. Capital stock		
Subscribed capital	23,443	23,443
Capital reserves	33,668	33,668
Revenue reserves	28,880	28,880
Net profit for the year	26,856	24,195
	112,847	**110,186**
B. Provisions		
Provisions for taxation	684	2,475
Other provisions	6,178	8,422
	6,862	**10,897**
C. Accounts payable		
Due to banks	65,580	53,555
Trade accounts payable	16,807	19,438
Other accounts payable	9,527	7,166
	91,914	**80,159**
D. Deferred income	**0**	**34**
	211,623	**201,276**

Consolidated income statement to HGB in EUR '000

	Q1 2004/2005	Q1 2003/2004
Sales revenues	85,782	79,100
Inventory changes	7,442	1,275
Other operating income	1,335	3,807
Cost of materials	-55,568	-47,300
Personnel expenses	-12,193	-11,500
Depreciation of intangible fixed assets and tangible assets	-1,233	-1,500
Other operating expenses	-19,785	-18,782
Operating result	5,780	5,100
Net interest income	-928	-1,000
Results from ordinary activities	4,852	4,100
Extraordinary expenses	-504	0
Taxes on income	-1,542	-1,500
Other taxes	-145	0
Profit	2,661	2,600
Earnings per share in EUR	0.13	0.11
Number of shares	23,433,200	23,443,200

Equity capital movements to HGB in EUR '000

	November 1, 2003	January 31, 2004	November 1, 2004	January 31, 2005
Subscribed capital	23,443	23,443	23,443	23,443
Capital reserves	33,668	33,668	33,668	33,668
Treasury shares	-	-	540	540
Revenue reserves	23,760	23,760	28,340	28,340
Consolidated net profit in first three months / Consolidated net profit for the year	24,693	27,293	24,195	26,856
Shareholders' equity (total)	**105,564**	**108,164**	**110,186**	**112,847**

Consolidated cash flow statement to HGB in EUR '000

	Q1 2004/2005	Q1 2003/2004
Net profit	+ 2,661	+ 2,600
Fixed asset depreciation	+ 1,233	+ 1,500
Increase/decrease in provisions	- 4,035	- 4,200
Increase/decrease in inventories	- 6,457	- 10,020
Increase/decrease in trade receivables	+ 4,848	+ 2,527
Increase/decrease in other assets	- 5,812	- 6,447
Increase/decrease in trade accounts payable	- 2,631	- 4,076
Increase/decrease in other liabilities	+ 2,326	+ 1,883
Inflow/outflow of funds from ordinary business activities	**- 7,867**	**- 16,233**
Disbursement for fixed asset investements	- 2,078	- 1,200
Outflow of funds from capital spending	**- 2,078**	**- 1,200**
Disbursements/receipts from the raising/repayment of loans	+ 12,026	+ 15,080
Inflow/outflow of funds from financing activities	**+ 12,026**	**+ 15,080**
Cash changes in financial resources	+ 2,081	- 2,353
Financial resources at the beginning of the period	+ 8,812	+ 7,893
Financial resources on January 31	**+ 10,893**	**+ 5,540**

Explanatory notes

The present interim report was prepared applying the same accounting and valuation methods as in the last consolidated financial statements and the interim report for the same period of the previous year. Explanatory information is provided in the notes to the financial statements and the consolidated financial statements for FY 2003/2004.

This interim report was prepared in accordance with DRS 6 (German Accounting Standard 6).

Similar to the consolidated financial statements, the present interim report contains no segment report given that no meaningful segments can be defined in the divisions or under production and distribution terms.