

Press Release

GERRY WEBER International AG enters into preliminary insolvency proceedings under self-administration - Restructuring Expert Stefan Meyer from PLUTA appointed as provisional trustee

25 January 2019 · Halle/Westphalia · Business Area: Insolvency Administration

Today, GERRY WEBER International AG applied for the court order of preliminary insolvency proceedings under self-administration according to § 270 a InsO at the responsible local court Bielefeld, aiming at successfully restructuring the company through the ongoing restructuring program. The application was approved by the local court Bielefeld. The preliminary insolvency exclusively applies to the mother company GERRY WEBER International AG with about 580 employees; all subsidiaries including HALLHUBER are excluded from the proceedings. Within the scope of the preliminary self-administration, business operations of GERRY WEBER International AG are continued entirely at normal course. According to the current status, the continued financing of operations is safeguarded until the year 2020. The Managing Board remains in office with all powers and responsibilities, ensuring operations. For support, the Managing Board consults the insolvency law experienced and in the fashion industry very well-versed self-administrator and

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About PLUTA

PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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reorganization expert Christian Gerloff, Gerloff & Liebler Rechtsanwälte. In the function of a General Representative, he will coordinate in particular with regard to procedural and insolvency law issues. The local court has appointed lawyer Stefan Meyer, PLUTA Rechtsanwalts GmbH, a restructuring expert with experience in both the industry and insolvency law as provisional trustee (Sachwalter). The staff is immediately informed about the preliminary proceedings. All pay claims of employees are guaranteed by the instrument of insolvency payment.

Sustainable financing of the Group failed

The application for the court order of preliminary proceedings under self-administration was triggered by failed talks of GERRY WEBER Group with its financing partners. Negotiations were held, aimed at permanently guaranteeing group financing and setting it on a consistent and sustainable foundation. With failure of the negotiations, the application has become inevitable.

"Unfortunately, the application for the court order of preliminary proceedings under self-administration has become inevitable", said Johannes Ehling, Spokesman of the Managing Board of GERRY WEBER International AG. "Up to the last moment there were major efforts, to avert the proceedings. I am absolutely convinced, that after the successful restructuring we will return from the proceedings back to the path to success. With our core business, our strong brands and especially our outstanding team we are ideally positioned for this. Despite the initial disappointment, related to the opened proceedings under self-administration, we can feel, that our restructuring



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measures and the Performance Program are well received by customers, business partners and employees. This encourages us and this is what we continue to work hard for every day", continues Ehling.

"By entering the preliminary proceedings under self-administration, we are now gaining the flexibility to press ahead with the initiated measures of restructuring", commented Florian Frank, Member of the Executive Board of GERRY WEBER International AG and Chief Restructuring Officer. "We are benefiting from the fact that over the past few months we have been able to prepare the necessary structures in the financial sector in order to ensure successful management of the company with the greatest possible transparency. We will continue to work hard on this", continues Frank.

Continuation of operations

The proceedings under self-administration allow for a continuation of operations, maintaining the interests of the 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. In parallel, the restructuring is driven forward with increased pace. Key measures of the future concept are i.a.:

- Closure of around 230 retail spaces, as well as
- significant reduction of workforce equaling of up to 900 jobs, both nationally and internationally, including positions in our stores and retail spaces, as well as in centralized functions including logistics.

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The extensive restructuring measures proposed by GERRY WEBER and confirmed by auditing firm Ebner Stolz, continue the currently expedited Performance Program. Immediately after receiving the expert restructuring opinion, the required operational and structural measures for the restructuring were already initiated.

"Opening of preliminary proceedings under self-administration provides us with the opportunity to expedite the restructuring process and the future concept of the company", said Dr Christian Gerloff, Chief Representative of GERRY WEBER International AG. "The Managing Board has developed a clear concept and possesses a vision for the future of the group. Furthermore, according to the current status we possess sufficient liquidity until the year 2020, to drive forward ongoing operations", comments Gerloff further.

Also, Stefan Meyer, preliminary trustee, expresses confidence: "In contrast to many other cases, extensive valuable groundwork has been already accomplished here. There is no need to develop a restructuring program under considerable time pressure. Rather, we can immediately continue executing the measures of the expert restructuring opinion, which makes me very optimistic, that we will quickly come to a sustainable solution for the traditional company GERRY WEBER."

GERRY WEBER International AG will continue to inform all stakeholders about the progress of the ongoing restructuring and the initiated proceedings under self-administration in a timely manner.

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