

ADLER
ALLES PASST

INVESTOR PRESENTATION
As of November 7, 2011 incl. Q3 2011 Report

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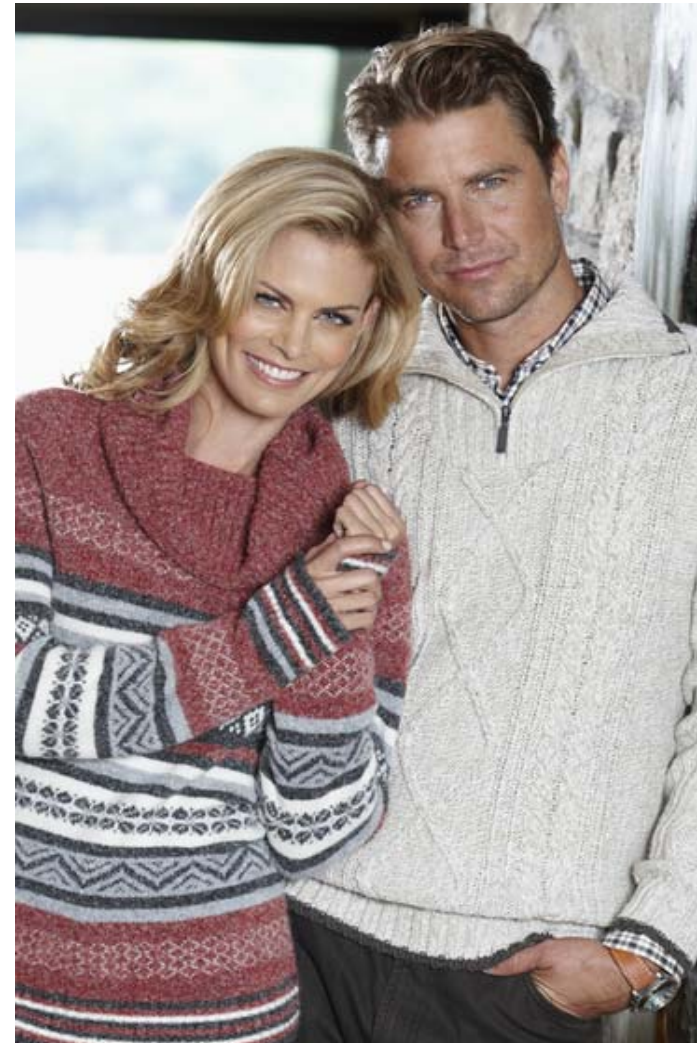
1 Highlights and key financials Q3 2011

2 Outlook Q4 2011

3 Financials Q3 2011

4 Strategy

5 Appendix



Financials

- **Net Sales up +4% to EUR 315 Mio. in first nine month 2011**
- **Gross Profit raised to 51%**
- **Adjusted EBITDA EUR 5.6 Mio.**

Turnaround

- **Fine tuning of Turnaround ongoing**
- **Price increase +11.2% YTD**
- **Direct Sourcing with MGB increased > 40%**

Growth

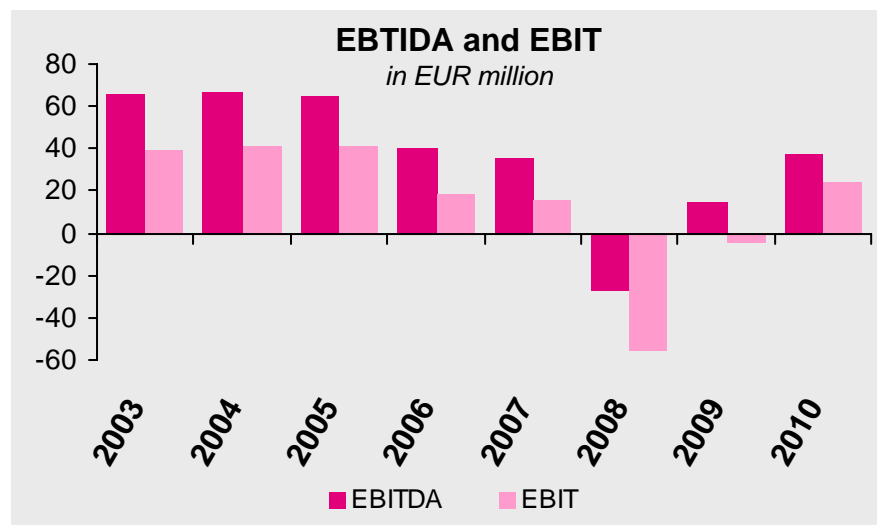
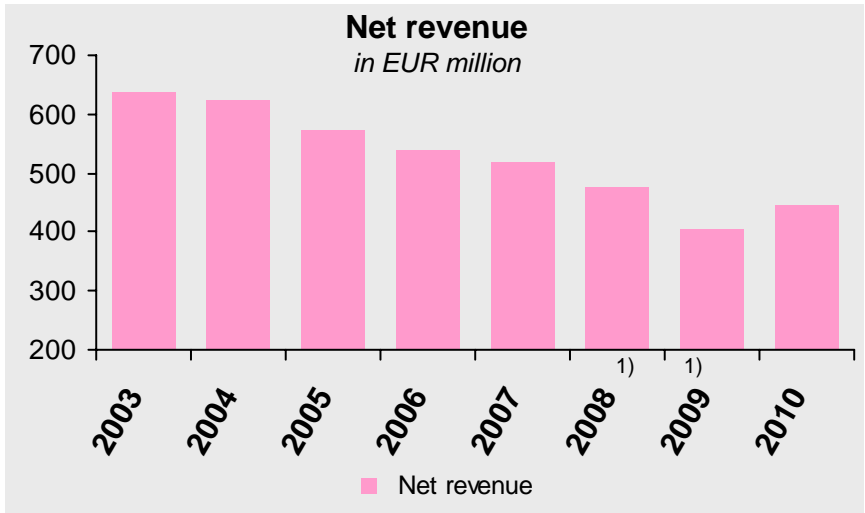
- **Store expansion above expectations – excellent buy: Wehmeyer**
- **8 new stores plus acquisition of 18 Wehmeyer stores**
- **Sales new stores EUR 17.4 Mio.**

Ongoing operational Improvement

- **Like-for-Like growth +1% to EUR 293 Mio.**
- **Ongoing Refurbishment of old-style stores**
- **Traditional marketing successful – new actions planned**



Historical financials



Historical performance

ADLER belonged to METRO Group until 2008

2003 – 2004:

- A shape collection with comfortable fits for customers 45+ years still successful despite sales decrease.
- EBITDA margin-level of ~ 10%

2005 – 2008:

- Strategy was changed to lower prices to raise volume
- Change of product offering to V shape for young and fashionable customers age 30+ years
- As a result, sales dropped from over EUR 600 Mio. to EUR 410 Mio. in 2009

2009 – 2010

- New management changed the strategy back to
 - comfortable A shape fittings
 - regaining pricing power by raising price level +10%
- Expansion of stores
- Ongoing operational improvement

1) 2009 and 2010 without MOTEX;

Turnaround ongoing: quick and sustainable materialisation of strategic measures



Key financials



Historical performance

- Decline in 2009 revenues mainly due to lost customers in the wake of the rejuvenation strategy as well as store closings
- Strong growth momentum 2010 on the back of successful repositioning, store roll-out and like-for-like revenue growth
- Considerable improvement in gross margins due to reduction of mark-downs
- Strong increase of EBITDA margin 2010 driven by successful repositioning of ADLER, implementation of operational initiatives and optimisation of cost structure
- No adjustments of financials in 2010
- Strong bottom-line earnings reflect low financial leverage
- Decreasing level of depreciation through streamlining of business model with the disposal of logistics operations
- No adjustments of financials in 2010

Upside potential

- Fast store roll-out
- Further improvement of sales densities through strategic initiatives such as store refurbishment and expansion of external brands
- Expansion of e-business
- New market entries
- Improvement of buying terms
- Expansion of direct sourcing
- Realisation of economies of scale through store expansion
- Further reduction of mark-downs through new IT and product redistribution system
- Continued materialisation of operational improvements
- Scalability of business model and rapid growth allowing degression of overhead costs
- Continuing improvements of financing terms

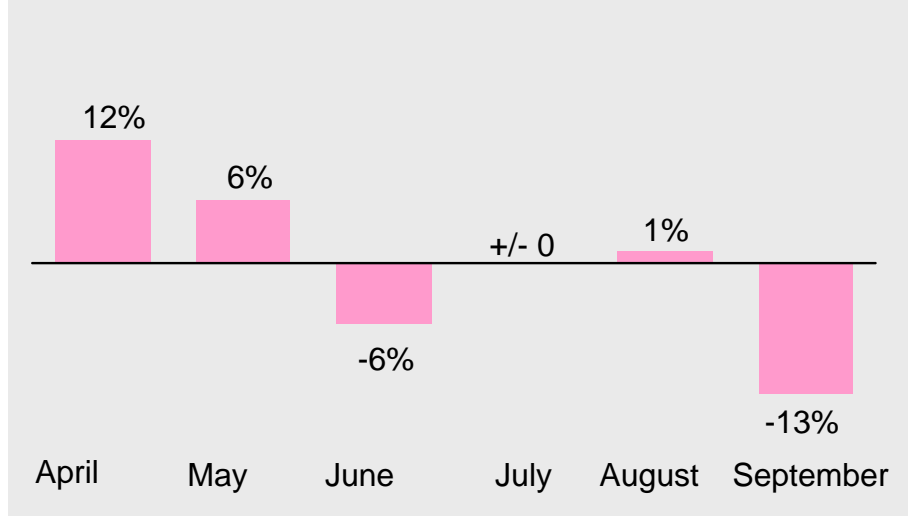
Note for the whole document: Due to the disposal of logistics operations (Motex) in 2010, figures only presented as continuing operations for FYs 2009 and 2010

Retail climate suffered from warm weather – development ADLER above sector average

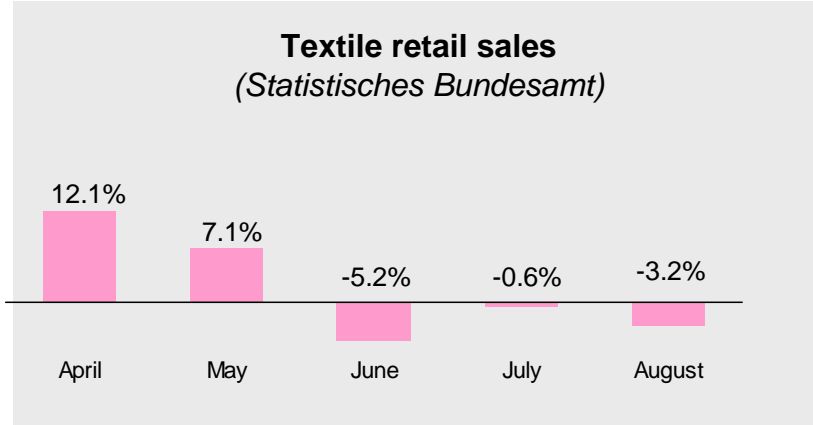
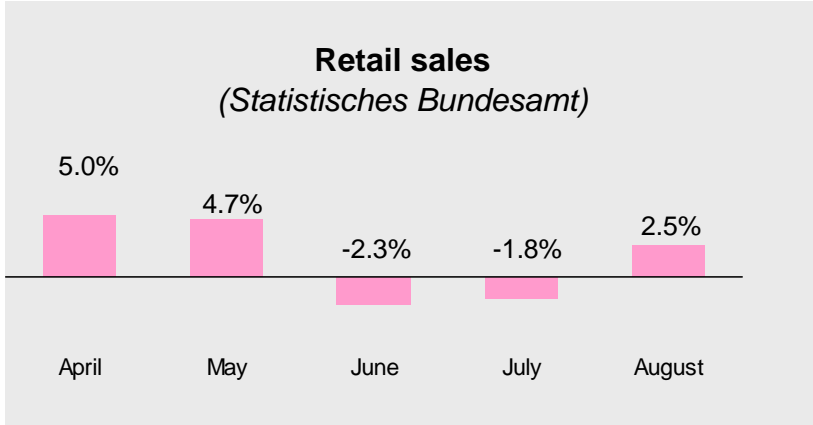


Textile sector according to “Textilwirtschaft”

Sector revenue development ¹⁾
compared to previous year figures in %



Comments for retail markets in 2011 ¹⁾



1) Data for September currently not published

Fine-tuning of turnaround ongoing: quick and sustainable materialisation of strategic measures

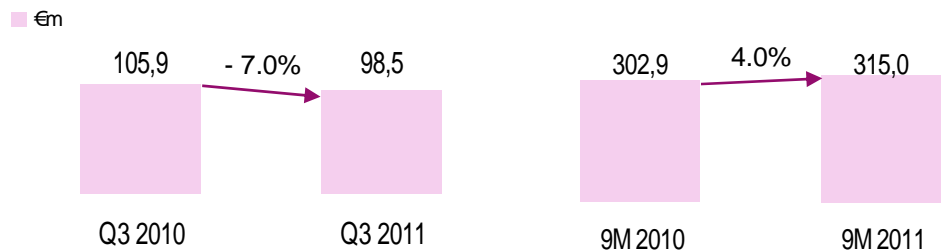


Q3 2010 – Q3 2011

9M 2010 – 9M 2011

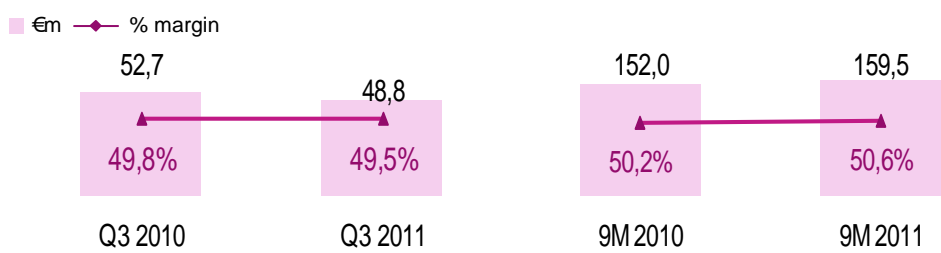
Comments for 9M 2011

Net revenues



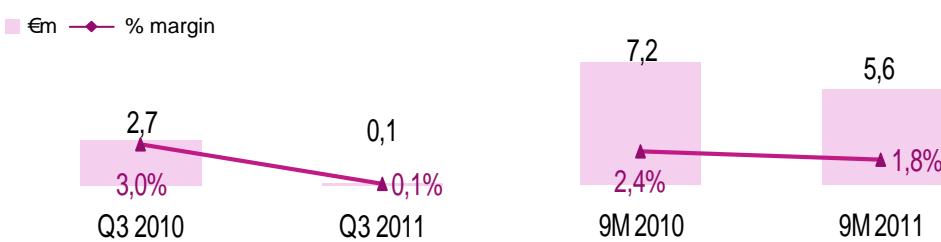
- Sales increased +4.0%
- Gross Price level increased by 11.2% YTD
- Volume down from 21.9 Mio. to 20.5 Mio. pieces due to sector development & weather
- Jacket business shifted into Q4 2011

Gross profit



- Gross profit up by 4.9% to EUR 159.5 Mio.
- Gross profit margin increased to 50.6%
- Despite high cotton prices and increased external brand sales


Adjusted EBITDA (1)



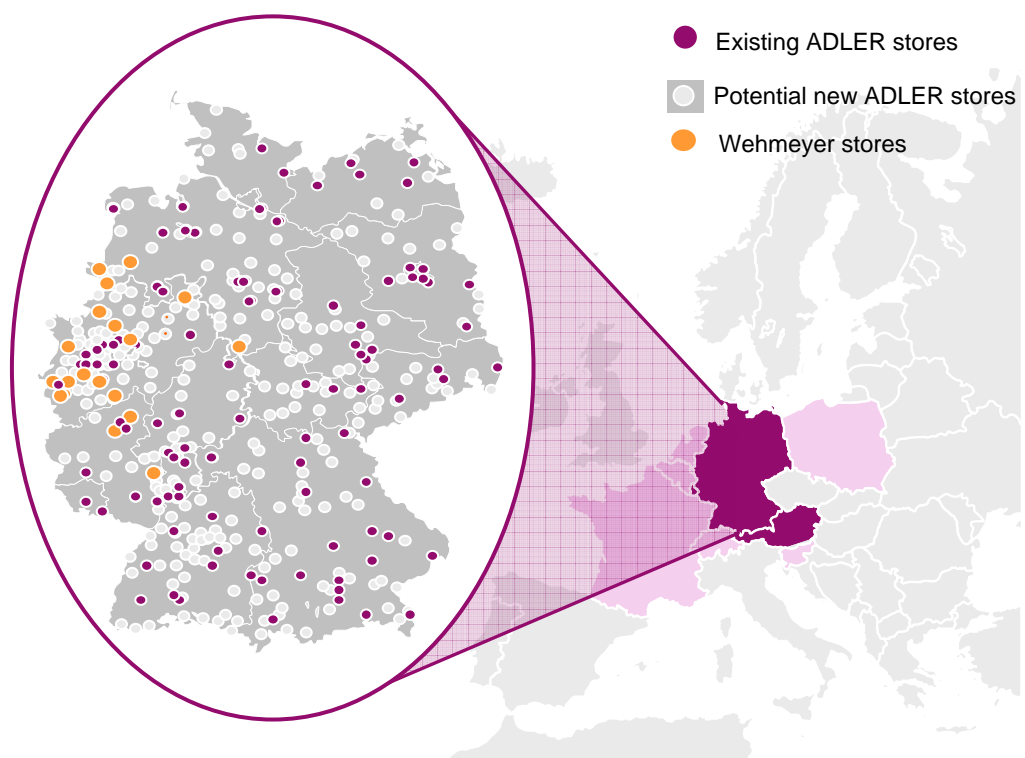
- Adjusted EBITDA down EUR -1.6 Mio. to EUR 5.6 Mio.
- Expansion costs for new store openings
- Refurbishment costs for old-style stores
- Marketing costs to reactivate inactive customers

(1) No adjustments in 2010
 Note: Due to the disposal of logistics operations (Motex) in 2010, figures in 2010 only presented as continuing operations for 2010

Number of ADLER stores per country

Country	Market entry	Number of stores			
		2008	2009	2010	2011 ¹⁾
 Germany	1948	103	104	107	133
 Austria	1987	16	17	26	26
 Luxembourg	1981	2	2	2	2
Total Group			123	135	161
Organic openings		6	3	8	8
Acquired stores				7	18
Closings		9		3	0
Net change		(3)	2	12	26

ADLER's regional presence and expansion potential



- ADLER is well positioned to expand its store network in both existing and new markets
 - Potential to more than double the current store network in Germany based on comprehensive location analyses
 - International expansion strategy comprises markets such as Switzerland, France, Netherlands, Belgium, Poland and Slovenia
- Expansion strategy in Germany is particularly focussed on catchment areas of approx. 50,000 inhabitants or more
- Preferred destinations include commercial areas in the periphery of cities with good infrastructure as well as shopping and city centres

1) As of September 30th 2011

Acquisition of 18 Wehmeyer stores as of Sept. 30th 2011

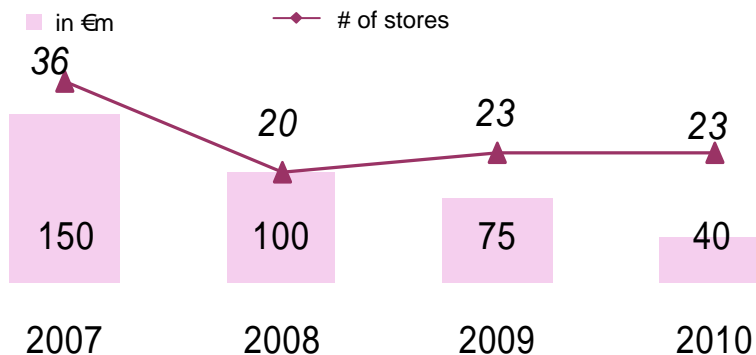
Wehmeyer Lifestyle GmbH

- Foundation: 1950
- Business model: retail chain for clothing in the mid price segment with focus on quality and price efficiency
- Target group: customers aged 45+
- Stores: 18 (as of September 30th 2011)
- Store employees: 283

Acquisition by ADLER

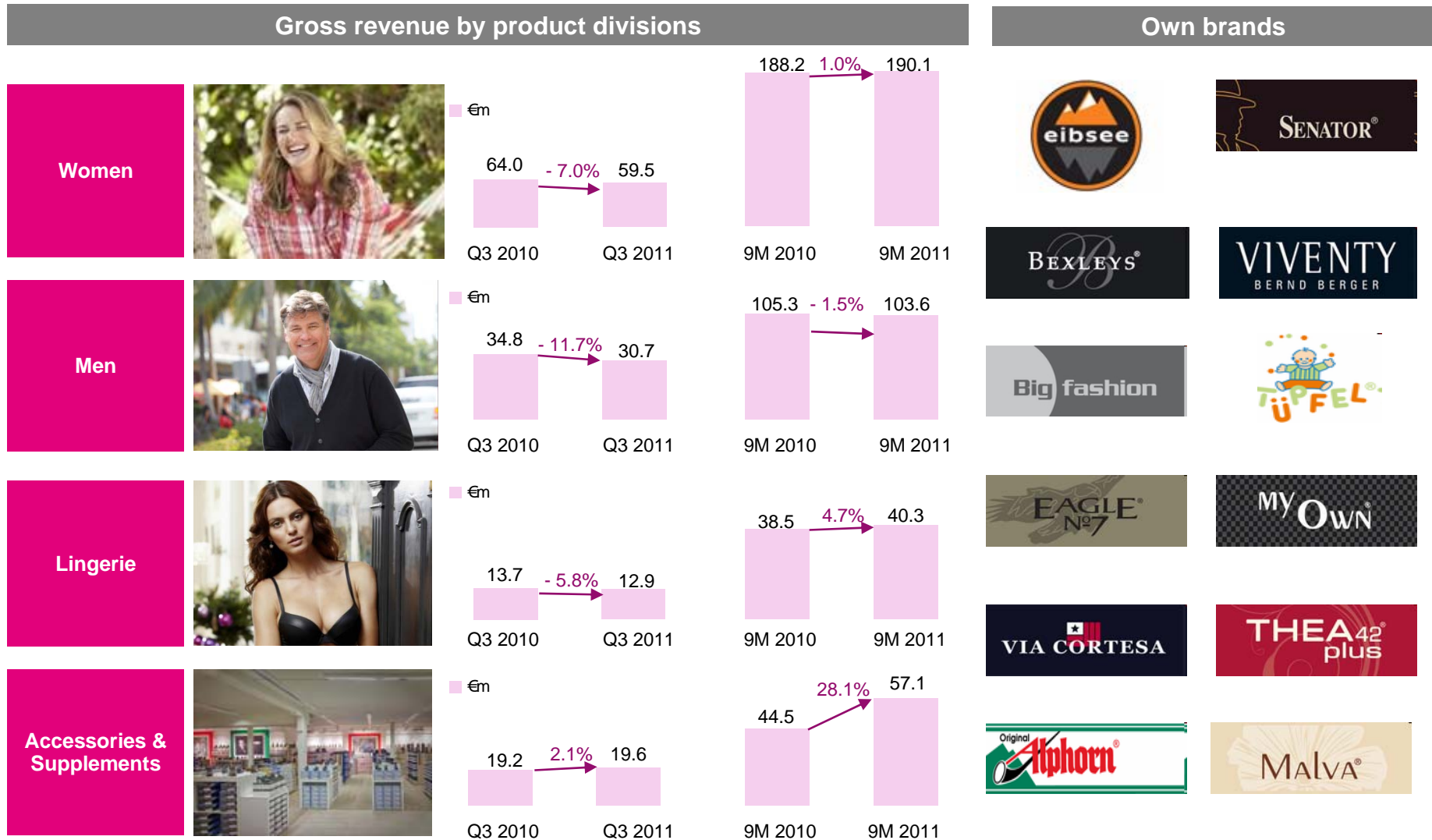
- 18 stores with 1a positions in city centres
- Synergies based on similar market positioning
- Reducing investment costs by saving exploitation costs, acquiring skilled personnel and high quality inventories
- Complementary external brand portfolio
- Transaction date: September 30th 2011
- Purchase price: EUR ~2.2 Mio (asset deal)

Revenue development



Integration

- Integration of Wehmeyer stores into ADLER's IT, logistic, administration and flexible store concept
- Refurbishment and rebranding of all stores
- Exclusively ADLER's and external brands are offered within the acquired stores



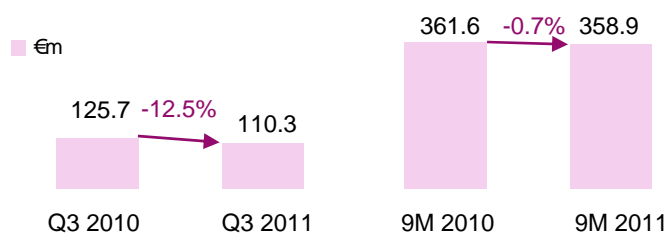
⁽¹⁾ Data are gross numbers based on HGB (inventory management system), not according to IFRS

Ongoing improvement⁽¹⁾ - sales exposure to external brands increased to 10% - target up to 20% - improved store front design

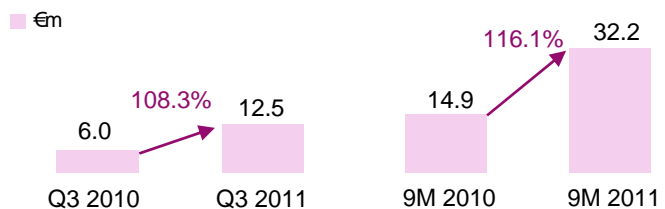


Internal and external brand development

Own brands



External brands



External brands

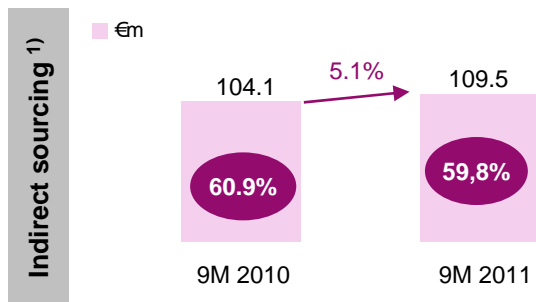


Growth with all brands

- Share of external brand sales first 9M 2011 up to 8.2%, Q3 2011 up 10.1%
- Continuous development and promotion of own brands and launch of new brands for lucrative niche segments
- Introduction of complementary third party brand portfolio:
 - 2009: Steilmann, Gin Tonic
 - 2010: s.Oliver, Street One, Cecil, OneTouch, T. Tailor
 - 2011: Mexx and Wehmeyer brands
- Third party brands generate new customer traffic by attracting new customers who “grow” into target customer group

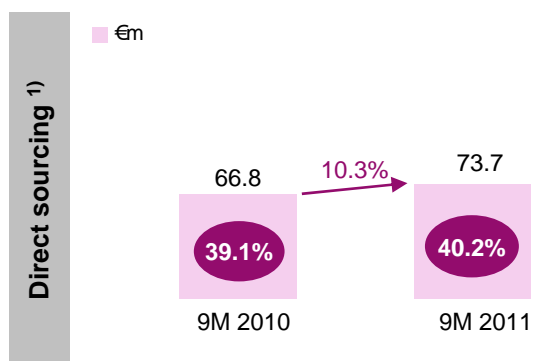
⁽¹⁾ Data are gross numbers based on HGB (inventory management system), not according to IFRS

Driving profitability: Expansion of direct sourcing expanded from ~37% (in 2008) to >40% realising economies of scale



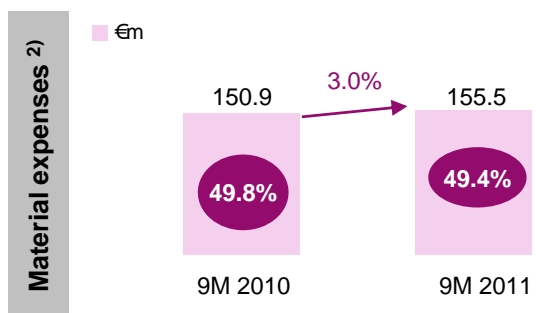
Indirect sourcing within Europe

- Flexible and short notice logistic concept, small charges
- Expansion of consignment stock assortments
- Higher share of external brands



Direct sourcing via Metro Group Buying (MGB)

- App. 150 different manufacturers in Asia via MGB
- Large scale orders with long lead times (transportation by ship)
- No airfreight to save logistic expenses
- Realization of economies of scale through better buying terms
- Expansion of direct sourcing activities drives gross profit margin
- Economies of scale drive the EBITDA margin



Material expenses

- Material expenses increased under proportional compared to sales
- Despite higher percentage of external brands
- Lower purchasing costs by ordering directly from Asia (MGB)
- Upside potential for 2012 when cotton price decrease can be realized at point of sales

1) Data are gross numbers based on HGB (inventory management system), not according to IFRS

2) According to IFRS

Traditional direct mailing presents important marketing tool for regular customers



Direct mailing activities

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Lothar Schöler
Geschäftsführung

Ein Mode-Herbst voller Überraschungen erwartet Sie bei Adler, sehr geehrte Frau Mustermann-Rehnickel.

Die brandneue Herbstmode sollten Sie sich unbedingt ansehen - denn die macht wirklich Freude: Farben, die Sie strahlen lassen und Qualitäten, die alles mitmachen.

Die perfekte Ergänzung dazu erhalten Sie gratis: das schicke 8mm-Perlenarmband. Einfach über Handgelenk schieben - passt immer! Es liegt schon für Sie bereit, holen Sie es am besten noch heute ab!

Kommen Sie schnell zu Adler und genießen Sie die herbstliche Modestimmung, wir freuen uns schon auf Ihren Besuch!

Ihr
Lothar Schöler, Geschäftsführung

Gratis für Sie
1 Perlenarmband
- solange der
Vorrat reicht!

Von zu Hause aus bestellen:
Viele Artikel aus diesem Brief können Sie auch jederzeit im Adler Online Shop bestellen.

Einfach die jeweilige Bestellnummer unter „Suche“ auf der Seite www.adlermode.com eingeben und Bestellung abschicken. Schon bald werden Ihre Wunschartikel dann direkt nach Hause geliefert.

Gar so bequem und schnell.

Na, Birgit, was glänzt denn da an Deinem Arm?

Ja, da staunst Du, Reiner. DAS TOLLE PERLENARM BAND bekommst auch Du jetzt VON ADLER GESCHENKT ... oder besser, Deine Frau.

Sonntige Auswahlen für den Herbst!

- Printed and electronic mails with personalised customer communication
- ADLER's target group with high affinity for direct mailing
- Customer group specific mailing activities
- 22 Mailings YTD with total circulation of 34.4 million copies – currently > 280.000 active email addresses targeted on a regular basis

Traditional customer oriented marketing campaign tailored to 45+ “Mailfolder & Supplements” in Q3 2011



Mailfolder

Verkleinern (Strg+I)
Dieser Artikel ist auch in
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www.adlermode.com

Steph Williams

Veloursblazer
lange Shopping, mit Reißverschluss, maschinenwaschbar, auch in Grau, Gr. 38-52
Best.-Nr. 94814300

49⁹⁹ ~~79⁹⁹~~

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Outdoorjacke
spezielles 3-Lagen-
winddicht, atmungsaktiv,
Baumwollmischung,
Gr. 42-66, 30-38
Best.-Nr. 54866029

129⁹⁹

Blau, Fronttasche

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Steppmantel
mit Stehkragen, Reißverschluss
an Brust und Seitentaschen,
auch in Flanell,
Tasche, Gr. 40-52
Flanell Gr. 38-50
Best.-Nr. 00344500

59⁹⁹

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Supplements

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Steph Williams

Jersey-Tonika
langarmiges, modisches,
weiches, Pullovermodell,
mit Knöpfen, Gr. S, L, XL
Best.-Nr. 00091015

29⁹⁹ ~~49⁹⁹~~

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Strickjacke mit Gürtel
mit Gürtel, Gr. S, M,
Best.-Nr. 01154001

29⁹⁹

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Jeansblazer
Strickblazer mit Zwickeln, modisch,
maschinenw., Gr. 38-50
Best.-Nr. 90817001

39⁹⁹ ~~69⁹⁹~~

Jeans
Casualblazer mit
Stein, Steinen,
Baumwollmischung
mit Revers, Gr. S, L, XL
Best.-Nr. 90917002

29⁹⁹ ~~49⁹⁹~~

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Samstag, 10.09.2011,
Datum: 49,99

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Wir sind Adler!

**Auf nach
NEW YORK!**
Schicken Sie uns Ihr schönstes
Unicastron und gewinnen Sie
mit etwas Glück eine Reise auf
Bright Island.

Zu gewinnen gibt es:
Einen Traumurlaub
in New York mit
Florida-Rundreise!
Infos zum Gewinnspiel
auf Seite 2.

Blazer
mit Reißverschluss, im Natur-
und Steinen dekoriert, Gr. 38-52
Best.-Nr. 90277003

39⁹⁹ ~~69⁹⁹~~

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Adler Kundenzeitschrift Samstag,
17.09.2011, Datum: 69,99

20%
auf Ihre
Lieblingshose

Mit Beileger: Hosen

ADLER
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Steph Williams

Blazer
mit Lederkragen, maschinen-
waschbar, auch in Leo und
leichte Mischung, 100%
gewollte Woll, Gr. 38-48
Best.-Nr. 90902004

59⁹⁹ ~~99⁹⁹~~

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Adler Kundenzeitschrift Samstag,
24.9.2011, Datum: 99,99

Rock
Formfoll mit Falten,
Satin Stoffe mit Stein, taillen
mit Gürtel, Gr. 38-48
Best.-Nr. 01184000

39⁹⁹

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**NEW YORK
Gewinnspiel**
Infos auf S.3

Traumreise zu gewinnen

Mit Beileger: MyOwn

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Outlook: preparing for growth strategy, refurbishment of old-style stores and improvement of new stores

Financials

- Outlook from IPO confirmed
- Q4 stronger than Q3 due to seasonality

Turnaround

- Fine-tuning of turnaround ongoing
- Further increased direct sourcing contracts (in Asia)

Growth

- Expansion of market leadership in the segment 45+
- 7 new stores organic growth in Q4, 5 postponed to Q1
- Continue to expand store network (+20 stores in 2012)
- Additional sales through own brand “eibsee”
- International expansion and acquisition of competitors

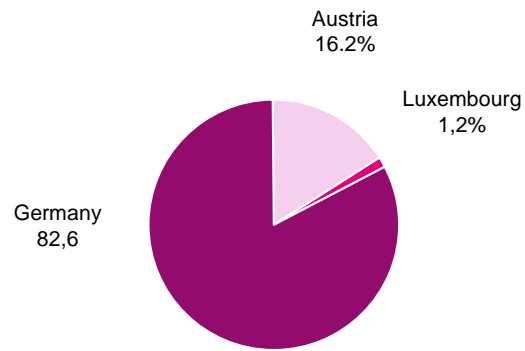
Ongoing operational Improvement

- Ongoing improvements in existing stores
- Increase sales exposure to external brands
- New collections and add-on assortment
- Increasing attractiveness of stores to win new customers
- Upgrade/refurbish of additional stores

Preparing for international growth: targeting peripheral areas with similar demographics and purchasing power



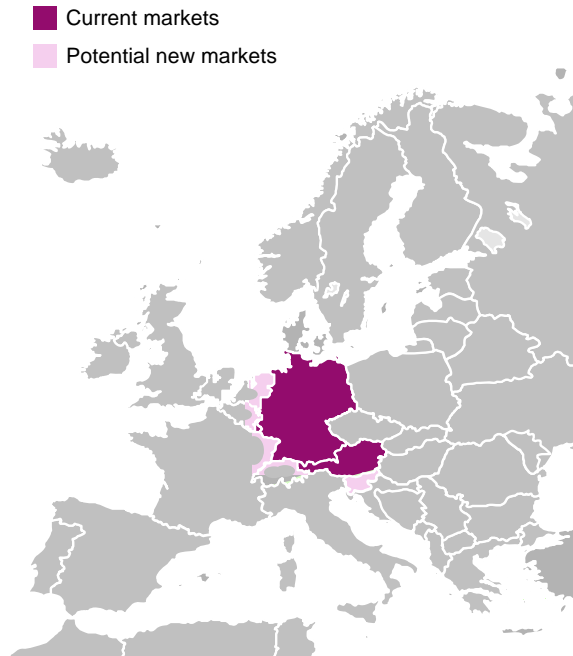
Current international presence⁽¹⁾



- International brand reach through 162 ¹⁾ points-of-sale:
 - 133 in Germany ²⁾
 - 26 in Austria
 - 2 Luxembourg
 - 1 E-business (accounted as 1 point-of-sale)

1) Including E-business
2) As of 30 th September 2011

Great future growth potential



- Controlled expansion in lucrative growth regions with similar age structures and physiognomy as in Germany
- Targeting borderlines of German speaking countries in market entries in
 - Switzerland, France, the Netherlands, Belgium and Slovenia
- Switzerland
 - 2011 legal entity in Switzerland established
 - 2012 launch of market test in Switzerland
 - Market entry scheduled for 2012/2013

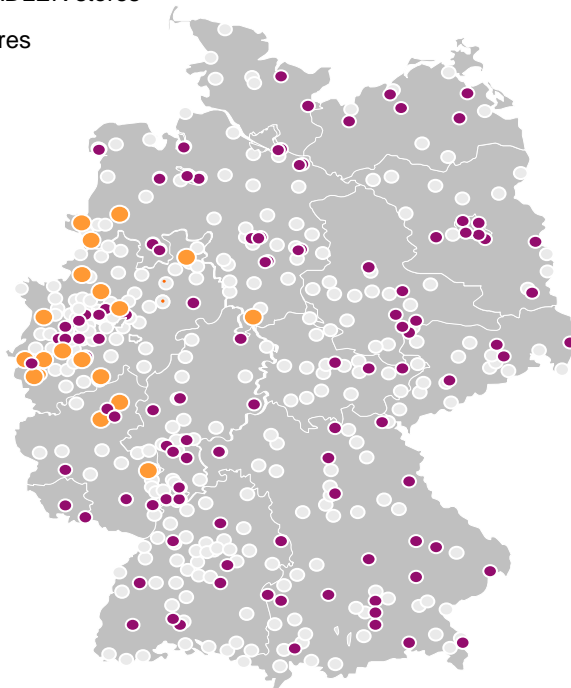
Domestic growth: potential to double store network through store openings and acquisition of small family-owned or ailing chains



Germany – current and potential presence

133 stores in Germany

- Existing ADLER stores
- Potential new ADLER stores
- Wehmeyer stores



- More than 30 new stores can be realized in 2011
- Potential to more than double the current store network

Highlights

Long-term plan: store roll-out of approx. 20-35 store openings per year

Store openings until Q3 2011

- Four stores opened in H1 2011
- Four stores opened in Q3 2011
- 18 stores acquired by Wehmeyer in Q3 2011

Wehmeyer acquisition in Q3 2011

- 18 additional stores
- 2 stores already resold in Q4 2011

Store openings for Q4 2011 and 2012

- 7 store openings are planned for Q4 2011
- Five store openings postponed to Q1 2012 due to Wehmeyer acquisition and integration
- More than 20 store openings organic and through acquisition planned

Drive like-for-like growth: increase profitability of old-style stores by full store refurbishment and modernization



Programme scope

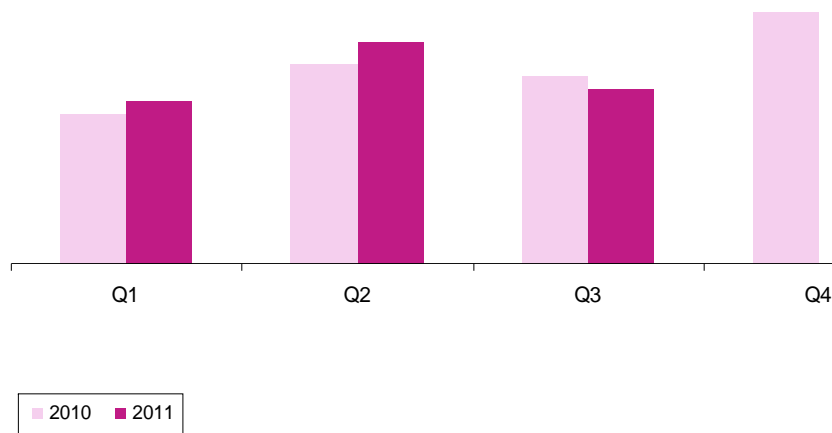
- Introduction of new logo as key part of the brand repositioning and the transition of ADLER's corporate identity
- Key objectives of store refurbishment program:
 - Alignment of store portfolio with standardised layouts
 - Better product presentation
 - Fresh and modern look of the stores
 - Convenience atmosphere in the stores
 - Alignment of brand philosophy and marketing image
- New style shows ADLER store with a new corporate logo and modernised optical entrance, more inviting store layout with wider corridors, new floors and lightings as well as clearer product presentation and modernised furniture
- Effects of the store refurbishment program will lead to attractive like-for-like revenue growth



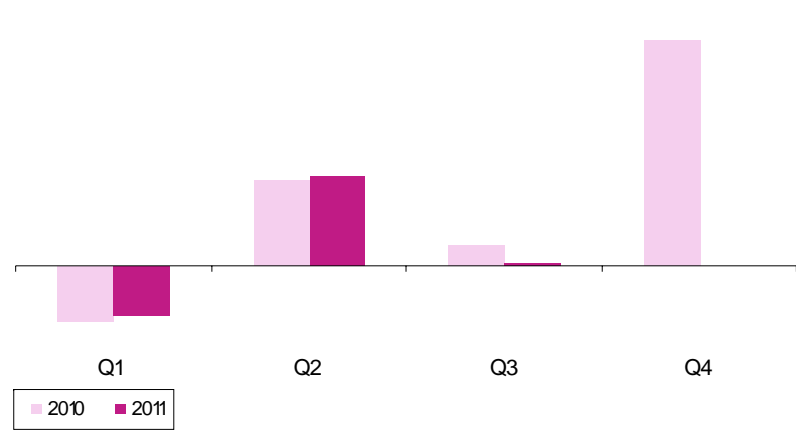
Apparel retailers act in a cyclical business environment

- ADLER is a pure play retailer without any wholesale business with traditional collection rhythm
- In contrast to some competitors ADLER's FY is equal to the calendar year
- Sales, profits and financing requirements of retailers in the apparel sector like ADLER are affected by seasonal fluctuations
 - Goods receipt and financing requirements peak in February and March, and August and September
 - Seasonal effects regularly cause negative earnings, increased inventories and an increase in short term debt in particular in the first quarter of the year
- Sector specific fluctuations are offset during the course of the year as shown in FY2009 and FY2010

Sales 2010-2011 by quarter



Net Profit 2010-2011 by quarter



Use of proceeds (~ €23m net)

- Store roll-out: +20 stores planned p.a.
- Roll-out of shop-in-shop concept
- Refurbishment of existing store portfolio
- Bolt-on acquisitions (e.g. smaller store chains with ~20 stores)
- No IPO proceeds required for debt refinancing

Dividend policy

- Committed to progressive dividend policy with dividends increasing broadly in line with EPS growth
- Focus on reinvestment of operating cash flows in expansion of store network
- Planned mid-term payout ratio in line with listed peer group
- Dividend starting 2012 (payment in 2013)

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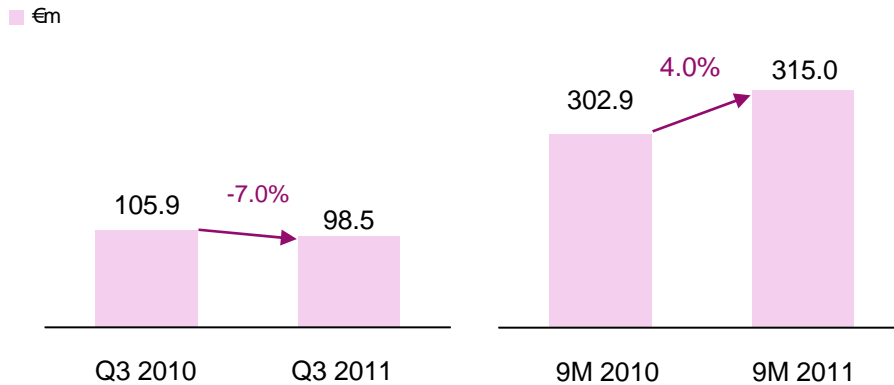
5 Appendix



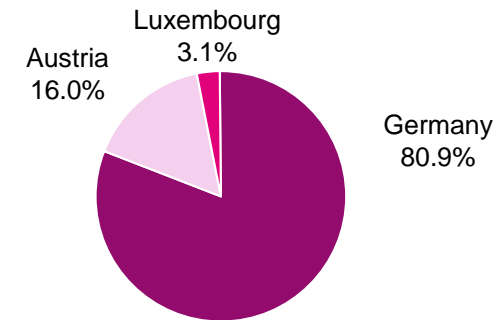
Revenue development – ADLER was market outperformer



Net revenues 2011

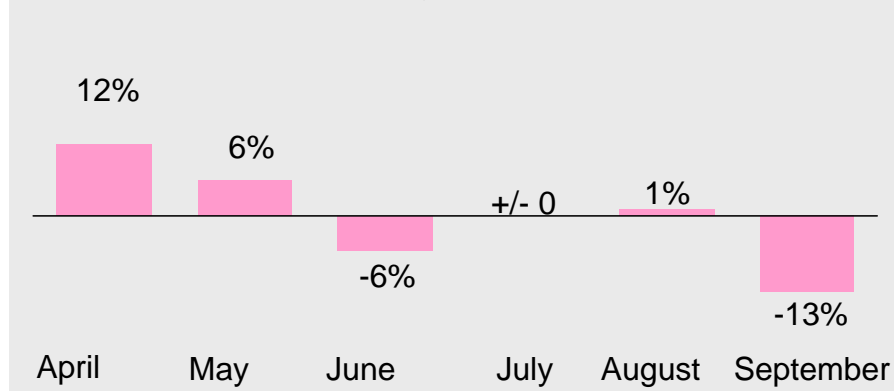


Geographic breakdown of net revenues Q3 2011



Textile Market 2011

Sector revenue development 2011
compared to previous year figures in %



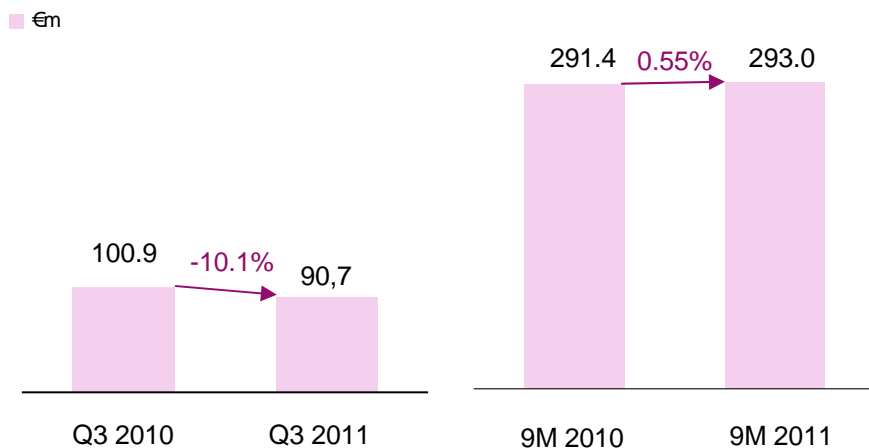
1) According to Textilwirtschaft

Comments 2011 net revenues

- 9M net revenue up 4%
- Q3 2011 revenues down due to unfavourable weather
- Q3 2010 strong due to early winter season
- September jacket sales shifted into 4th quarter
- October (4th quarter) started above previous year's level



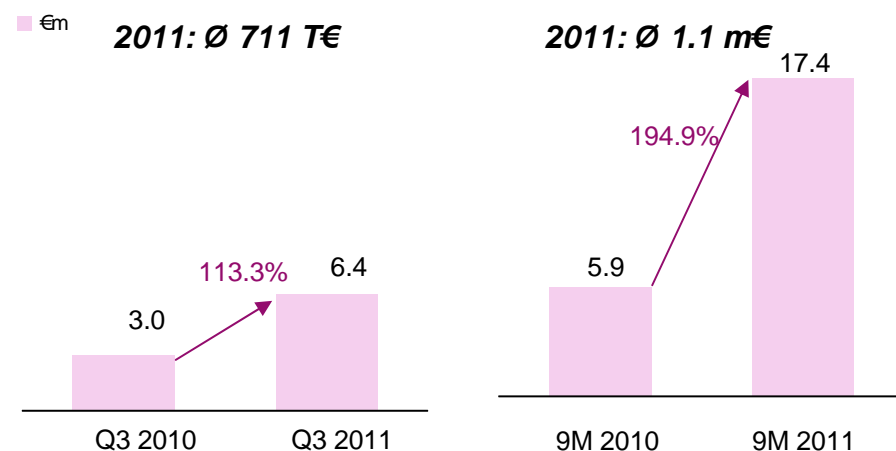
Net revenues Like-for-like old stores



Comments

- H1 like-for-like growth ~6%
- Due to unfavourable weather conditions Q3 2011 like-for-like sales dropped by -10,1%
- Q3 2010 was very strong like-for-like quarter
- Stronger Q4 2011 expected
- Q3 comparison based on like-for-like 126 stores
- 9 month comparison based on 120 like-for-like stores

Net revenues new stores



Comments

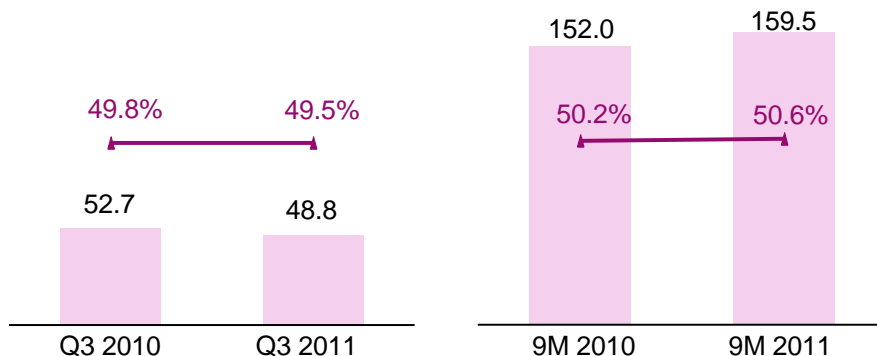
- New store openings Q3 2010: 5, Q3 2011: 22
- New store openings 9M 2010: 13, 9M 2011: 26
- Excluding Wehmeyer since change of ownership as of September 30th 2011

Development of selected income statement items



Gross Profit

€m ▲ % of net revenues

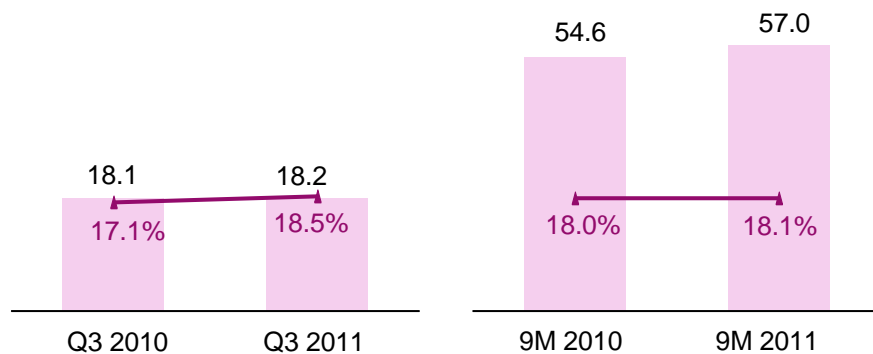


Comments

- Gross profit increased to EUR 159.5 Mio.
- Gross profit margin increased to 50.6%
- Prices increased 11.2%
- Material expenses grew disproportionately by only 3%
 - Despite high cotton prices
 - Higher share of external brands
- Lower sales volume Q3 2011 higher share of external brands (lower margin)

Personnel expenses

€m ▲ % of net revenues



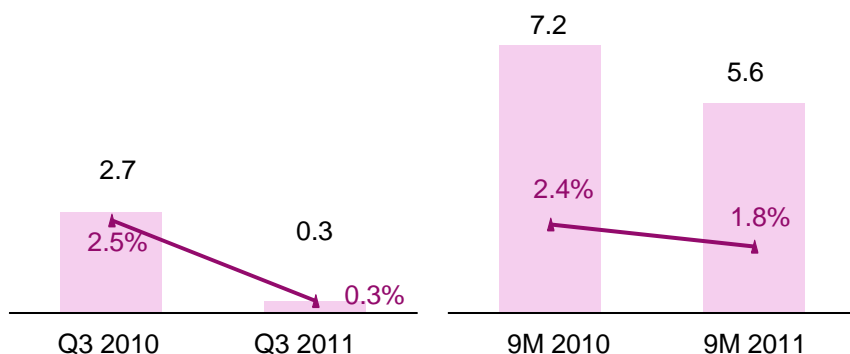
Comments

- Q3 2011 including release of accruals of EUR 0.4 Mio.
- First 9M 2011 including restructuring Austria
- Q4 2011 ~ 200 Wehmeyer staff (sale of 2 stores) plus staff for 7 additional new stores

Adjusted EBITDA and adjusted EBIT

Adjusted EBITDA

€m ▲ % margin

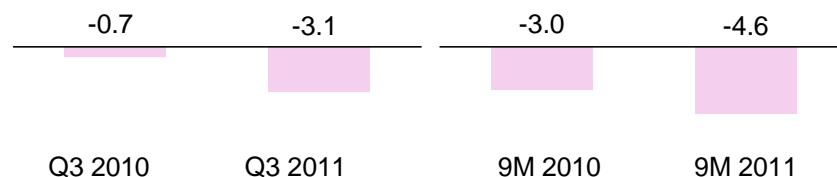


Comments

- Strong Q3 2010 compared to slow Q3 2011 due to unfavourable weather conditions
- Shift of sales from Q3 2011 into Q4 (jacket & winter sales)
- Investment expenses for new stores
- Refurbishment costs of old stores
- Higher Marketing expenses to reactivate inactive customers

Adjusted EBIT

€m ▲ % margin



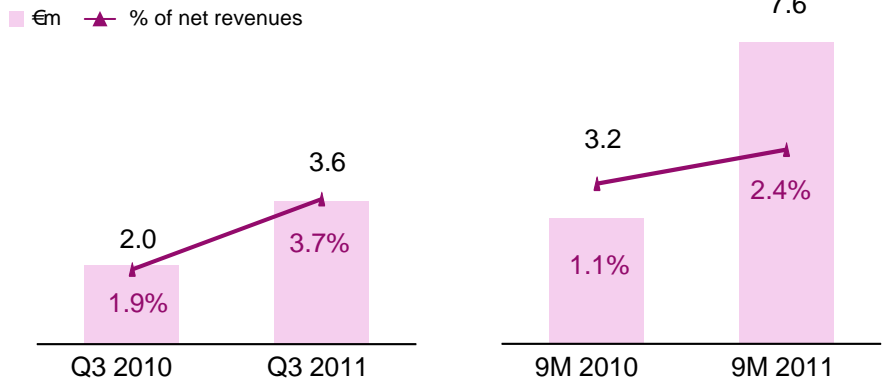
Adjustments (EUR million)

	Q3 2011	Q3 2010	9M 2011	9M 2010
Reported EBIT	(3,3)	(0,7)	(5,5)	(3,0)
IPO expenses	(0,2)	0,0	(0,9)	0,0
Adjusted EBIT	(3,1)	(0,7)	(4,6)	(3,0)
Depreciation & amortisation	3,4	3,4	10,2	10,2
Adjusted EBITDA	0,3	2,7	5,6	7,2
Total adjustments	(0,2)	0,0	(0,9)	0,0
Reported EBITDA	0,1	2,7	4,7	7,2

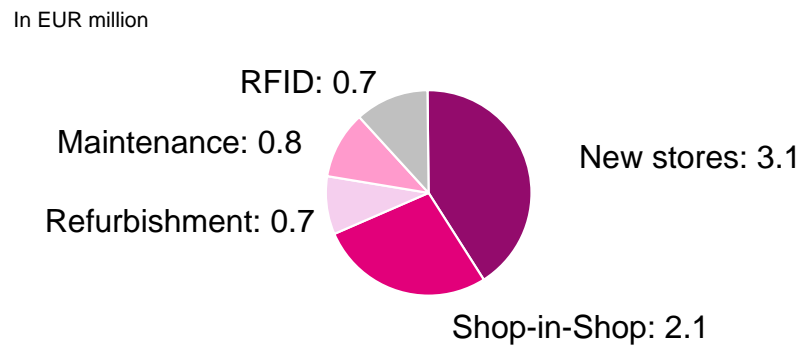
Capital expenditures and working capital



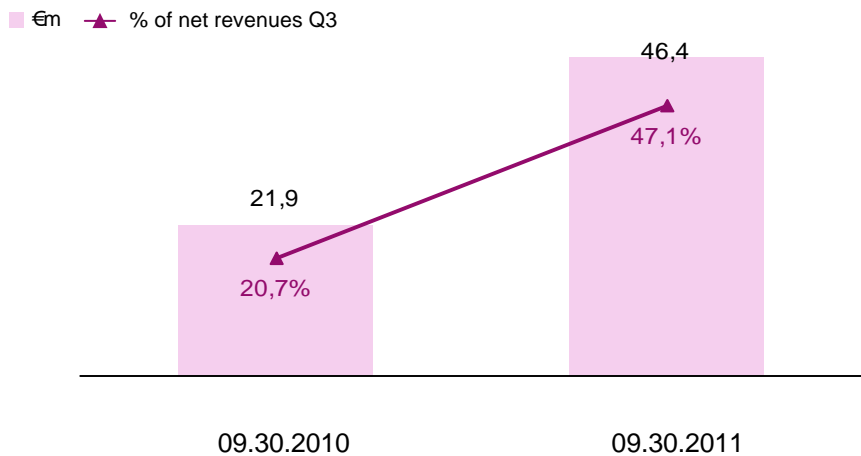
Capex development



Highlights



Working capital



Comments

- Higher inventories due to
 - 28 new stores since 30.09.2010 (incl. Wehmeyer)
 - 7 new stores planned for Q4 2011 (total +35)
 - Higher shop-in-shop's with external brands
 - Shift of sales from Q3 to Q4 2011

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5 Appendix



▶ **Leading German fashion retailer for customers aged 45+ (represents ~50% of the German population by 2020)**

▶ **70% brand awareness and high customer loyalty with 92% of gross revenues generated by ADLER Card members**

▶ **Late fashion follower: practical, matching outfits with focus on comfort**

▶ **Sales focus on private label products, representing 90% of sales, external brands targeting new customers 10%**

▶ **Lean and fully vertically integrated business model**

▶ **Clear brand positioning and outstanding value-for-money perception**

▶ **Multi-channel distribution concept: >160 own operated retail stores and e-business (tele-shopping/online-business)**

Propelling the original concept into the future



Our strategy since 2009



Failed concept 2005-2008



Original concept until 2004



1 Strategic alignment

- Reorientation on customers aged 45+ with comfortable fits



- Rejuvenation of customer group



- Focus on customers aged 45+ with traditional cuts

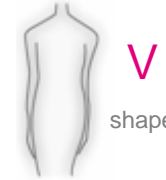


2 Product offering

- Development of customer oriented product offering: comfortable fits, conservative fashion styles (late fashion follower)
- Up to 10 collections p.a.
- Extension of product portfolio with external brands



- More fashion oriented product offering to target younger customers
- Large proportion of modern fashion items with form-fitting cuts



- No visual merchandising
- Own brands only with 2 collections p.a.



3 Marketing-strategy

- Implementation of visual merchandising team
- Intensive utilisation of data mining
- Optimised and customer oriented advertising concept



- Marketing activities to target younger, more lifestyle oriented customers



- Traditional marketing concept



4 Expansion

- Strategic focus on store roll-out and like-for-like revenue growth
- Launch of e-shop to develop multi-channel distribution concept

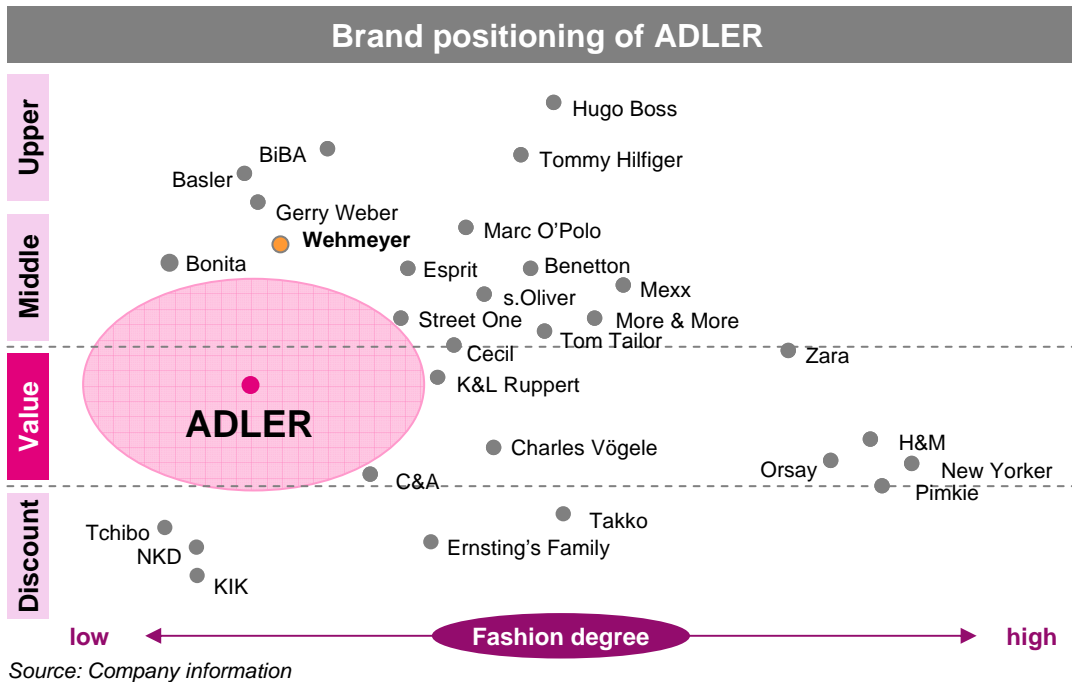


- Restructuring concept with particular emphasis on store closures



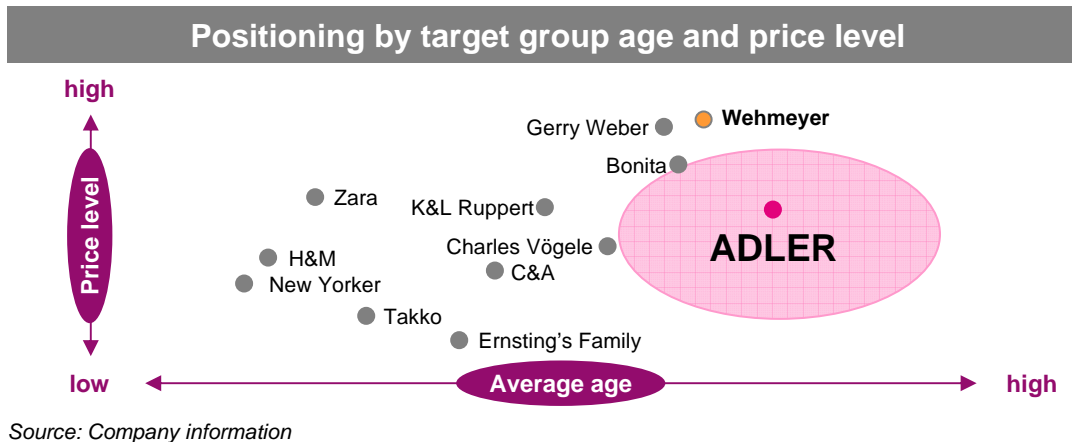
- No expansion



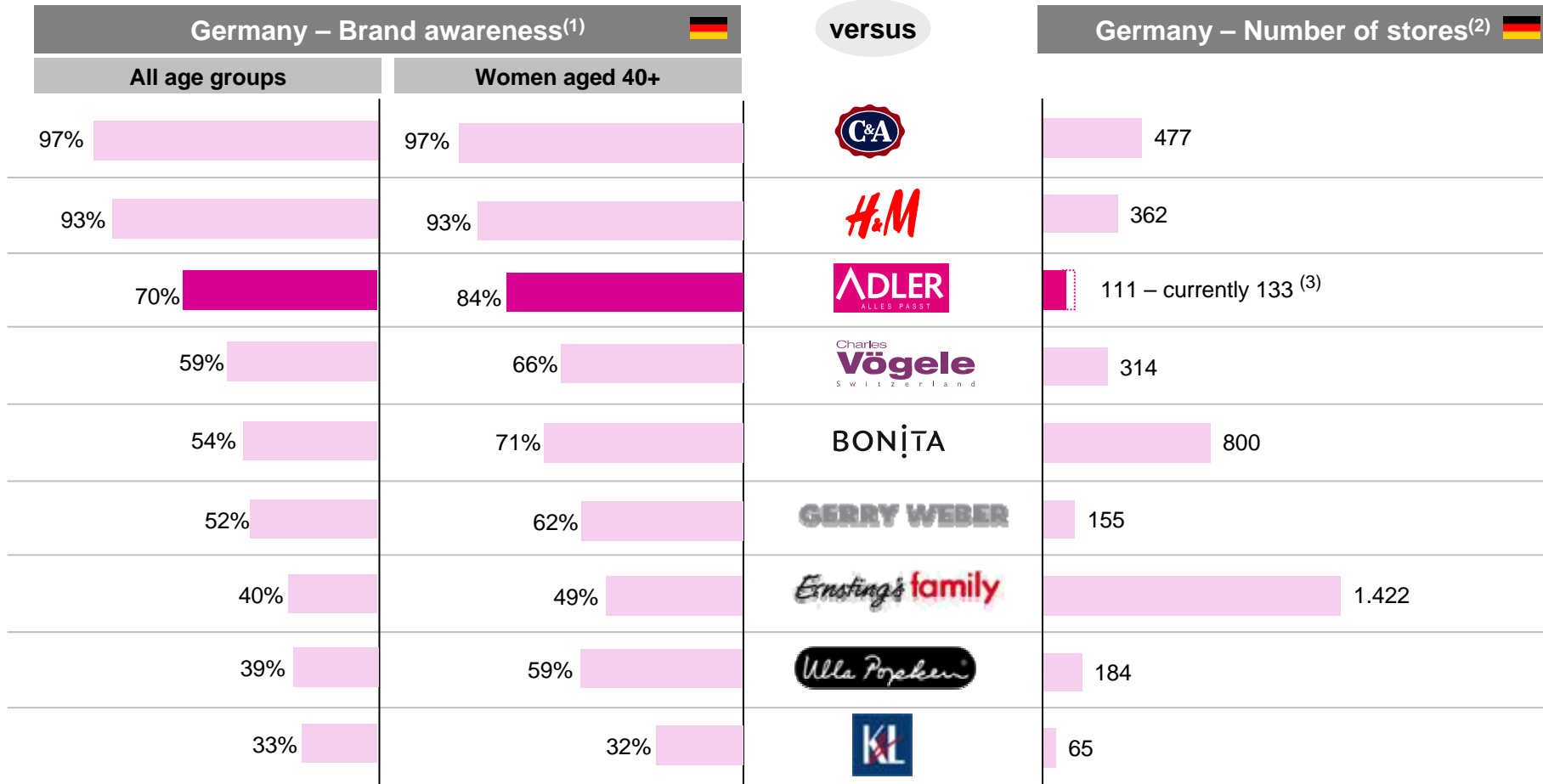


Unique brand position

- Clear focus – only fashion retailer dedicated to target customers aged 45+
- Outstanding value-for-money perception
- Late fashion follower with comfortable fits adapted to the needs of the target group
- Excellently positioned in the attractive fast growing value fashion segment and above the vulnerable discount segment



Strong brand awareness: basis for store network expansion



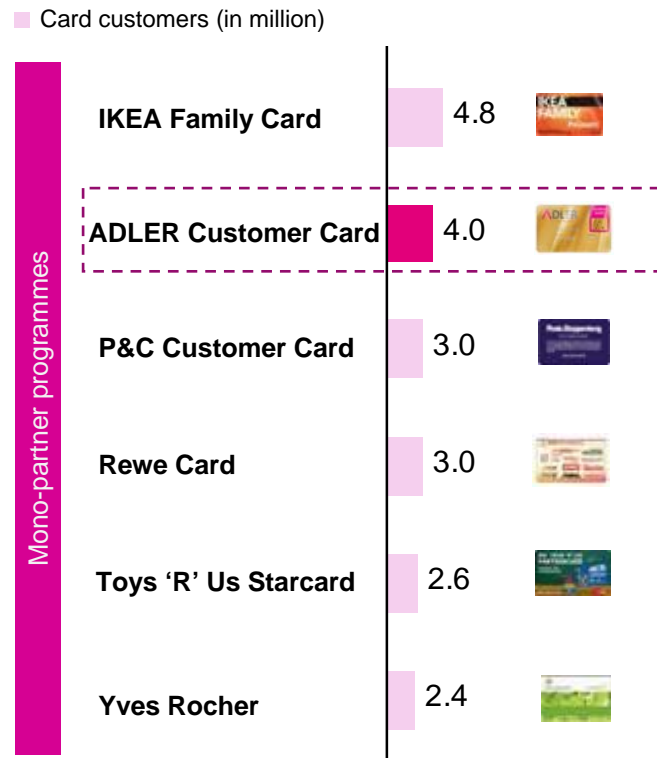
- Strong brand awareness of 70% among all age groups and 84% among women aged 40+ respectively in Germany
- High brand recognition in relation to existing store network offers strong future sales potential

Sources: (1) Textilwirtschaft (Top Shops 2009); (2) Mintel (2010); (3) as of 2009 (conducting of study): 111 – as of September 30th 2011: 133; company information

We know our customers: more than 90% of revenues generated by ADLER customer card members



Ranking – Mono-loyalty card schemes in Germany



Source: Finanztest (2008)

Active ADLER Customer Card members ¹⁾

Type of customer	Customers in Mio.	Description
Without ADLER Customer Card	1.0	Customers shopped without ADLER Customer Card
With ADLER Customer Card	3.3	Customers shopped with ADLER Customer Card generated 91% of revenues in 2010
Active Customers	4.3	Total amount of customers shopped in ADLER stores
Passive Customers	2.7	ADLER Card customers shopped between 2007 and 2009 for the last time
Active and passive customers	7.0	Total number of active and inactive ADLER customers

- **2nd largest and best in class:** ADLER Customer Card classified best out of 24 loyalty card schemes ²⁾
- **Focused and efficient marketing opportunities:** loyalty card scheme allows exact market segmentation and a targeted marketing approach
- **High profitability of ADLER Card customers:** high acceptance of ADLER customer card enables steering of customer frequency and cash flows

1) Defined as customers shopped with ADLER Customer Card in respective period; 2) According to Finanztest (issue 8/2010)

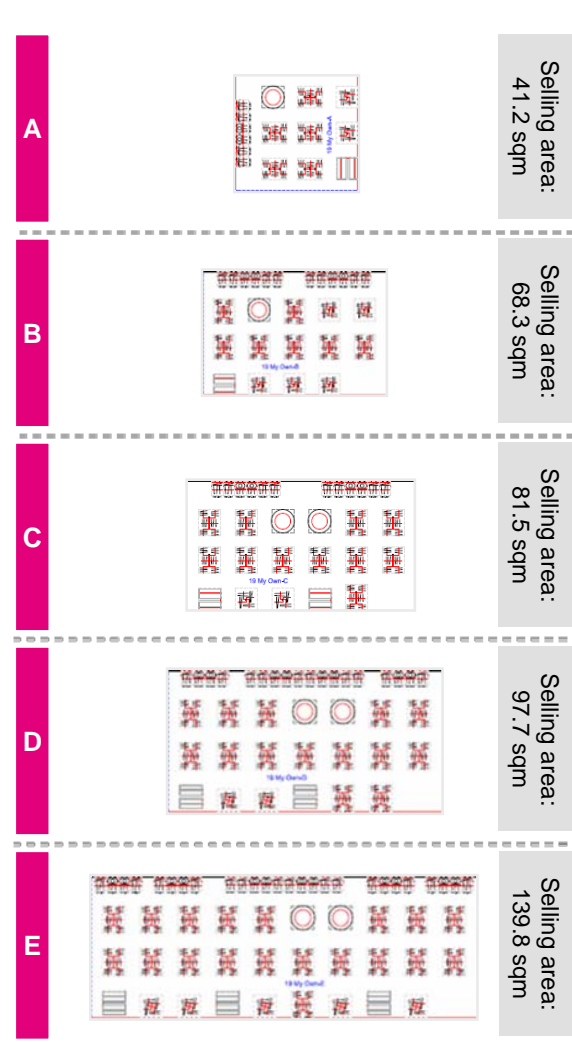
Retail formats (30/09/11)

		Selling Area	# of stores (1)	Characteristic
Retail park stores		1,600 to 2,800 sqm	46 + 2	<ul style="list-style-type: none"> located next to super and hypermarkets as well as specialist markets Optimal reach of “one-stop-shopping” customers Strong focus in future expansion strategy
Shopping centre stores		1,600 to 3,500 sqm	42 + 4 + 6	<ul style="list-style-type: none"> Located within shopping centres Excellent opportunity to acquire new customers
City stores		1,200 to 3,000 sqm	12 + 4 + 10	<ul style="list-style-type: none"> Selling area of city stores with focus on medium-sized cities In the short run possibilities to take advantage of current high vacancy rates
Convenience stores		700 to 1,400 sqm	5	<ul style="list-style-type: none"> Format recently launched by new management team Fosters opportunistic growth in free retail areas
Stand alone stores		> 2.800 sqm	30	<ul style="list-style-type: none"> often located in suburban areas Highly accessible High advertising efforts necessary

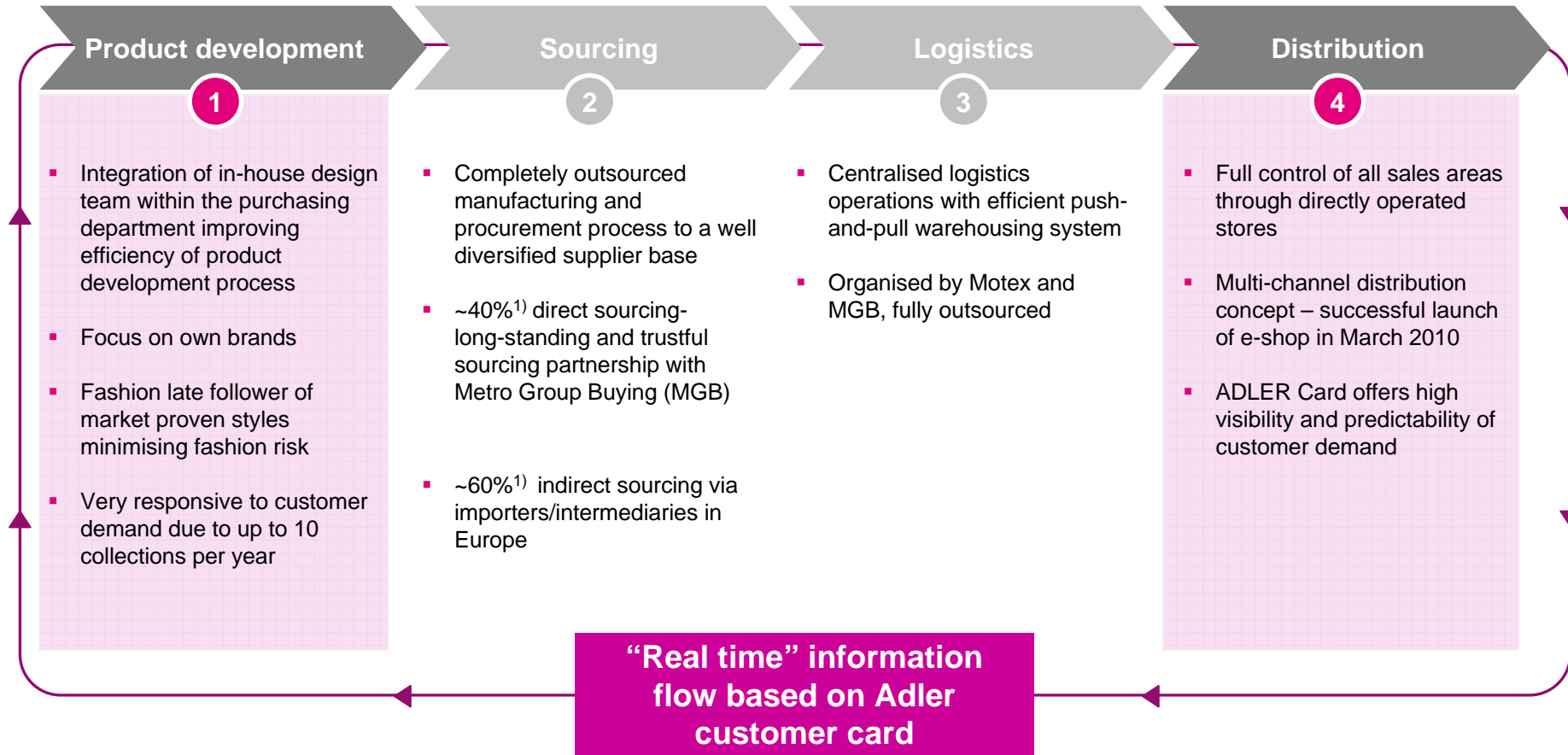
(1) As of 30th Sep. 2011; incl. Wehmeyer stores

Highly flexible store concept

Case study: women's wear



Full information control across the entire value chain



- Efficient supply chain management – full information control over the entire value chain and high process standardisation
- Focus on core value added processes – product development and distribution
- Asset-light model with high scalability due to limited capex requirements

(1) Share of purchase volume

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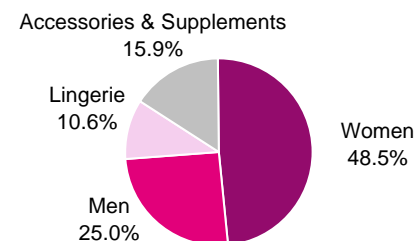
	Key products	Own brands	External brands ⁽¹⁾	
Women	<ul style="list-style-type: none"> T-shirts / Jumpers Knitwear Blouses Skirts / Dresses Trousers / Jeanswear Jackets / Coats 	<ul style="list-style-type: none"> Bexleys Malva Thea 42+ My Own Via Cortesa Viventy 	<ul style="list-style-type: none"> Steilman Street One Cecil s.Oliver Tom Tailor Mexx 	
Men	<ul style="list-style-type: none"> T-shirts / Jumpers Knitwear Shirts Trousers / Jeanswear Suits / Blazers Jackets / Coats 	<ul style="list-style-type: none"> Bexleys Senator Eagle No. 7 Big Fashion Via Cortesa 	<ul style="list-style-type: none"> Wrangler Tom Tailor Cecil Men Mexx Gin Tonic Pioneer 	
Lingerie	<ul style="list-style-type: none"> Underwear Nightwear Corsetry Socks Swimwear 	<ul style="list-style-type: none"> Bexleys Malva Thea 42+ Senator Big Fashion 	<ul style="list-style-type: none"> Triumph Schiesser Skiny Sloggi Huber Sassa 	
Accessories & Supplements	<ul style="list-style-type: none"> Accessories⁽²⁾ Shoes Kidswear Traditional costumes Sportswear Jewellery 	<ul style="list-style-type: none"> Bexleys Alphorn fit & more Eibsee Rotation ADLER Club 	<ul style="list-style-type: none"> Dockers Tamaris Rieker Mercedes Tom Tailor Irina 	

⁽¹⁾ Selected external brands; ⁽²⁾ Includes bags, belts, scarves, hats, caps, umbrellas amongst others

Note for the whole document: All financials based on IFRS; gross revenues presented before discounts and value added tax; sums may not add up due to rounding effects

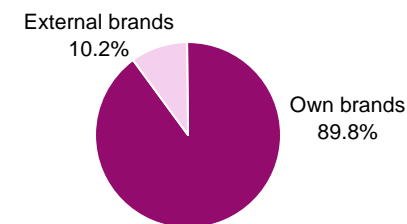
Balanced product portfolio

Total gross revenues Q3 2011: €122.7m



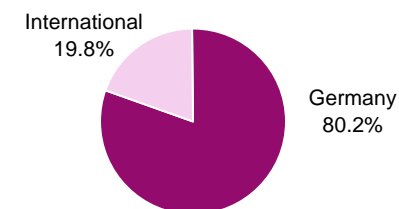
Focus on own brands

Total gross revenues Q3 2011: €122.7m

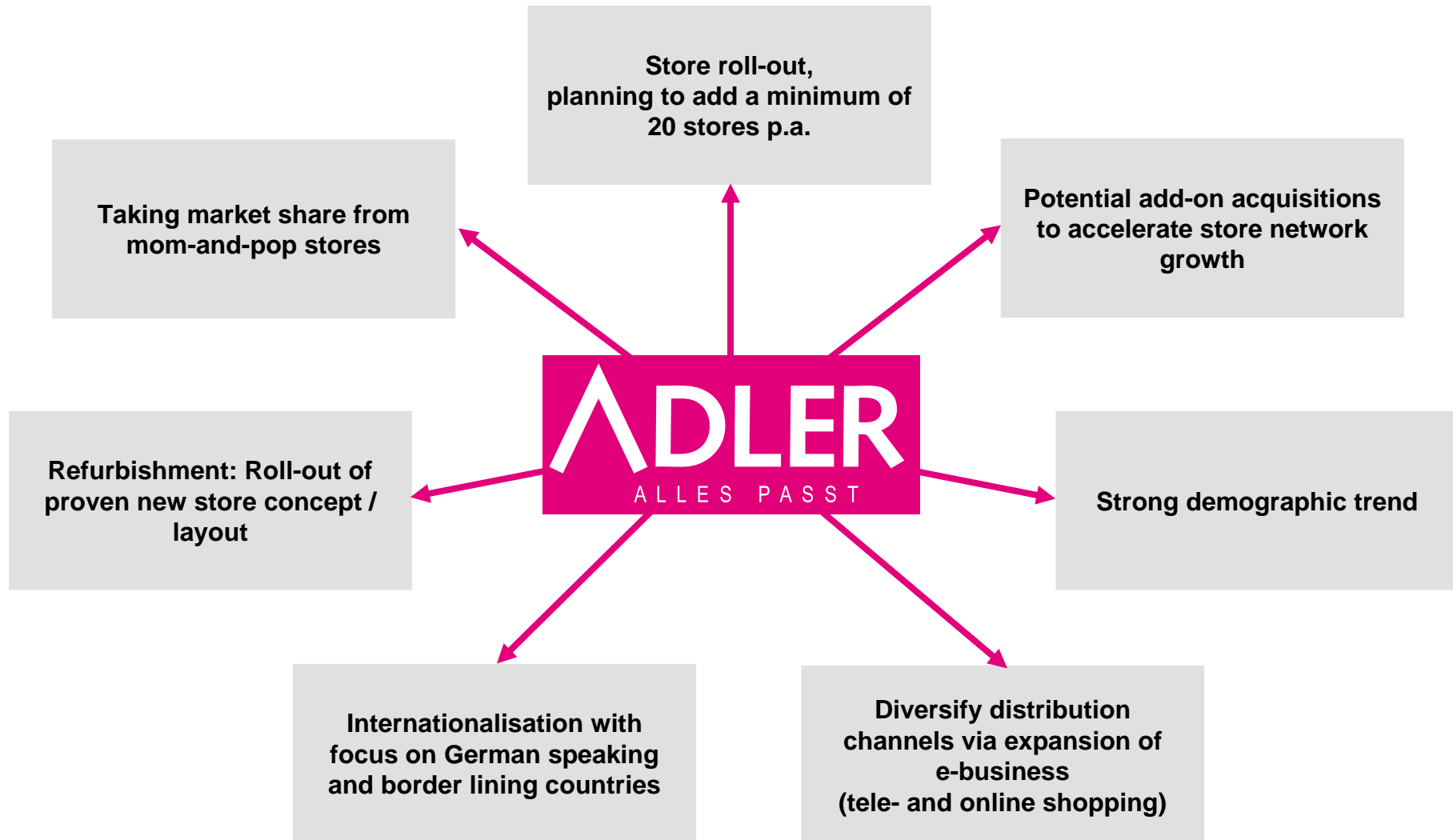


Established international footprint

Total net revenues Q3 2011: €98.5m



Multiple growth drivers



	01.07. - 30.09.2011	01.07. - 30.09.2010	01.01. - 30.09.2011	01.01. - 30.09.2010
Sales	98.503	105.912	314.962	302.893
<i>growth in %</i>	-7,0%		4,0%	
Other operating income	3.788	1.390	8.834	5.680
Material expenses	-49.698	-53.213	-155.518	-150.846
Personnel expenses	-18.203	-18.085	-57.028	-54.622
Other operating expenses	-34.284	-33.342	-106.552	-95.909
EBITDA	106	2.662	4.698	7.196
<i>margin in %</i>	0,1%	2,5%	1,5%	2,4%
Depreciation and amortisation	-3.434	-3.397	-10.200	-10.195
EBIT	-3.328	-735	-5.502	-2.999
<i>margin in %</i>	-3,4%	-0,7%	-1,7%	-1,0%
Other interest and similar income	79	944	123	2.597
Interest and similar expenses	-822	-1.016	-2.607	-3.173
Net financial income	-743	-72	-2.484	-576
Net income from operations	-4.071	-807	-7.986	-3.575
Income taxes	338	77	1.353	81
Net income from continuing operations	-3733	-730	-6.633	-3.494
Net income from discontinued operations	0	0	0	-1.057
Consolidated net loss for the period (-)	-3733	-730	-6.633	-4.551
of which attributable to shareholders of Adler Moden	-3.733	-730	-6.633	-4.551

Assets	30.09.2011	30.09.2010	Equity & liabilities	30.09.2011	30.09.2010
	<i>TEUR</i>	<i>TEUR</i>		<i>TEUR</i>	<i>TEUR</i>
Intangible assets	3.615	2.275	Total equity	59.693	66.794
Tangibles assets	50.913	53.242	Liabilities		
Other non-current assets	14.061	6.617	Provisions for pensions and other employee benefits	4.319	3.122
Total non-current asset	68.588	62.134	Long-term financial liabilities	4.167	4.421
Inventories	94.336	70.802	Long-term finance lease	29.161	37.889
Trade receivables	52	7.530	Other liabilities and provisions	1.959	1.532
Other current assets	11.974	47.675	Total non-current liabilities	39.607	46.965
Cash and cash equivalent	22.782	30.630	Other provisions	2.479	2.820
Total current assets	129.145	156.638	Short-term financial liabilities	24.276	23.500
			Short-term finance lease	9.556	9.535
			Trade payables	48.001	56.404
			Other current liabilities	14.121	12.754
			Total current liabilities	98.433	105.013
Total assets	197.733	218.772	Total equity & liabilities	197.733	218.772

Cash flow statement (I)

	01.01.- 30.09.2011	01.01.- 30.09.2010
	TEUR	TEUR
Consolidated net loss for the period (-) before tax	-7.986	-4.340
(+) Depreciation of property, plant and equipment and amortisation of intangible assets	10.200	10.753
(+) Impairment	0	2.665
Decrease (-) in pension provisions	-287	-186
Losses (+) from the sale of non-current assets	109	169
Other non-cash expenses (+)	14.363	15.848
Net interest income	2.484	574
Interest received	123	87
Interest paid	-151	-123
Income taxes paid	-3.396	-279
Increase (-)/decrease (+) in inventories	-35.047	-15.941
Increase (-) in trade receivables and other receivables	-2.488	-192
Increase (+) in trade payables, other liabilities and other provisions	6.489	2.773
Increase (+)/decrease (-) in other balance sheet items	446	-292
Net cash from (+)/used in (-) operating activities	-15.141	11.516

Cash flow statement (II)

	01.01.- 30.09.2011	01.01.- 30.09.2010
	<i>TEUR</i>	<i>TEUR</i>
Net cash from (+)/used in (-) operating activities	-15.141	11.516
Proceeds from disposals of non-current assets	27	516
Payments for investments in non-current assets	-7.604	-3.174
Payments for company acquisitions (net of cash and cash equivalents acquired)	-2.195	0
Proceeds from company disposals (net of cash and cash equivalents disposed of)	0	-376
Payments for short-term deposits	0	-5.000
Net cash used in (-) investing activities	-9.772	-8.034
Free cash flow	-24.913	3.482
Cash flows from the repayment (-) of current financial liabilities	-57	0
Capital increase	26.500	0
Costs of capital increase	-1.692	0
Repayments of borrowings	-235	-179
Payments in connection with finance lease liabilities	-9.777	-9.664
Net cash from (+)/ used in (-) financing activities	14.739	-9.843
Net outflow (-)/ inflow (+) of cash and cash equivalents	-10.174	-6.361
Cash and cash equivalents at beginning of period	32.956	36.991
Cash and cash equivalents at end of period	22.782	30.630
Net decrease (-) in cash and cash equivalents	-10.174	-6.361

Successful track record of repositioning the ADLER brand, return to profitability and implementing strategic platform



Key management initiatives			
	Initiative	Achievements and benefits	Status
Strategy	Re-focussing on target group 45+	<ul style="list-style-type: none"> Successful repositioning supported by initiatives such as design approach/fashion degree, product portfolio, fits and store format according to the needs of ADLER's target customers Collection development with higher marketability for target group 	<p>✓</p> <p>2009</p>
Growth drivers	Launch of e-business	<ul style="list-style-type: none"> Successful development of e-shop (launch in March 2010) Establishment of important distribution platform with significant scalability 	<p>✓</p> <p>2010</p>
	Expansion of external brands	<ul style="list-style-type: none"> Strategic component to penetrate the next generation of ADLER customers Useful findings about sales figures and fashion styles of external brands to enhance collection development of own brands and to increase sales densities 	<p>✓</p> <p>2011</p>
	Store refurbishment	<ul style="list-style-type: none"> More aligned store portfolio with standardised store layouts, convenience atmosphere in the stores, better presentation of products Increase of brand visibility, strengthening of ADLER corporate identity and improve sales densities 	<p>Launched in 2010</p> <p>Ongoing until 2012</p>
Cost structure	Optimisation of store portfolio	<ul style="list-style-type: none"> Finalisation of action plan for the transformation of all stores to profitability Improvement of sales per store and cost structure (personnel expenses, rental costs) 	<p>✓</p> <p>2010</p>
	Realignment of store management organisation	<ul style="list-style-type: none"> Creation of new store management structure Substantial improvement of operational efficiency and customer proximity 	<p>✓</p> <p>2009</p>
	Realignment of overhead cost structure	<ul style="list-style-type: none"> Successful optimisation of overhead costs including personnel expenses, administration expenses, renegotiation of rents and leasing costs 	<p>✓</p> <p>2011</p>

Successful track record of repositioning the ADLER brand, return to profitability and implementing strategic platform



Key management initiatives (cont'd)			
	Initiative	Achievements and benefits	Status
Operational efficiency	Outsourcing of logistics operations	<ul style="list-style-type: none"> Outsourcing of Motex increases flexibility in cooperation with other logistics partners Considerable cost savings potential and reduction of capex requirements 	<p>✓</p> <p>2010</p>
	Implementation of RFID	<ul style="list-style-type: none"> Detailed tracking of product flow and location along the entire value chain Improved product management and availability 	<p>Launched in 2011</p> <p>Ongoing until 2012</p>
	Automatic product redistribution system	<ul style="list-style-type: none"> Automatic reallocation of products from stores with low inventory turnover rates to stores with higher inventory turnover Significant reduction of mark-downs 	<p>Launched in 2011</p> <p>Ongoing until 2012</p>
	Implementation of innovative IT solutions	<ul style="list-style-type: none"> Successful implementation of IT systems (Remira, TexStore) and a new cash system enhance operational efficiency and further increase degree of verticalisation 	<p>Launched in 2011</p> <p>Ongoing until 2012</p>
Marketing	Implementation of visual merchandising	<ul style="list-style-type: none"> Development of systematic standards for all stores in order to secure standardised product presentation at the point-of-sale 	<p>✓</p> <p>2010</p>
	Improvement of communication strategy	<ul style="list-style-type: none"> Communication strategy and advertising tools more focussed on target group specifics 	<p>✓</p> <p>2010</p>
	Implementation of new ADLER logo	<ul style="list-style-type: none"> Modification of ADLER logo, allowing customers to better recognise the brand and its core message Improvement of external impact in advertising and presentation of stores 	<p>✓</p> <p>2011</p>

Strong and committed management team



Lothar Schäfer
Chief Executive Officer

- Joined ADLER in March 2009
- More than 10 years experience as CEO

- Responsibilities
 - Strategy, Purchasing, Logistics, Supply Chain Management, Quality Control, Public and Investor Relations



Jochen Strack
Chief Financial Officer

- Joined ADLER in September 2009
- More than 25 years experience in tax, audit and controlling

- Responsibilities
 - Accounting, Auditing and Controlling, Human Resources, Internal Audit, IT, and Legal



Thomas Wanke
Chief Sales Officer

- Joined ADLER in July 2009
- More than 25 years relevant industry experience with various positions in retail at Takko, OBI, Charles Vögele, Ernsting's family

- Responsibilities
 - Sales, Marketing, Visual, Merchandising, Expansion

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Dr. Markus A. Launer
Head of Investor Relations &
Corporate Communications
Transatlantic Investor Relations

Financial calendar:

Nov. 7, 2011:	Q3 2011 report
March 16, 2012	Year end report
May 14, 2012	Q1 report
May 23, 2012	AGM
August 10, 2012	Q2 report
Nov. 12, 2012	Q3 report

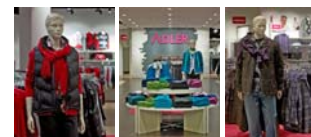
Please find on our website:



**Quarterly reports
H1 and Q3 2011**



IPO prospectus



**Analyst presentation
(long version)**

