RE LOAD

TOM TAILOR GROUP

INTERIM STATEMENT
AS AT 30 SEPTEMBER 2016

KEY FIGURES TOM TAILOR GROUP

EUR million	Q3 2016	Q3 2015	Change relative	9M 2016	9M 2015	Change relative
Revenue	243.7	248.1	−1.8%	695.1	689.6	0.8%
TOM TAILOR Retail	73.5	68.9	6.7%	211.3	195.0	8.4%
TOM TAILOR Wholesale	102.8	95.2	8.0%	262.9	251.5	4.5%
BONITA	67.4	84.0	−19.7%	220.8	243.0	−9.1%
Share of revenue (in %)						
TOM TAILOR Retail	30.1	27.8		30.4	28.3	
TOM TAILOR Wholesale	42.2	38.4		37.8	36.5	
BONITA	27.7	33.9		31.8	35.2	
Gross profit	116.5	133.4	−12.6%	372.8	385.9	−3.4%
Gross profit margin (in %)	47.8	53.8		53.6	56.0	
Recurring EBITDA	16.0	21.0	−24.0%	39.5	47.3	−16.6%
Recurring EBITDA margin (in %)	6.6	8.5		5.7	6.9	
Non-recurring items	52.2	8.6	509.2%	56.8	10.8	424.7%
EBITDA	−36.2	12.5	−390.1%	−17.3	36.5	−147.5%
EBITDA margin (in %)	−14.8	5.0		−2.5	5.3	
Recurring EBIT	7.0	10.7	−34.9%	10.7	17.6	−39.1%
Recurring EBIT margin (in %)	2.9	4.3		1.5	2.5	
Non-recurring items (net of imputed tax effects)	78.5	10.9	622.5%	87.7	17.7	395.1%
EBIT	−71.5	−0.1		−77.0	−0.1	
EBIT margin (in %)	−29.3	−0.1		−11.1	0.0	
Recurring net income for the period	0.5	5.7	−91.3%	−3.4	3.3	−202.7%
Recurring earnings per share (in EUR)	−0.04	0.15	−126.4%	−0.25	−0.01	
Non-recurring items (including imputed tax effects)	56.5	7.8	627.4%	63.3	13.6	365.9%
Net income for the period	−56.0	−2.0		−66.7	−10.3	−549.1%
Earnings per share (in EUR)	−2.21	−0.15		−2.68	−0.54	−401.3%
Cash generated from in operations	6.1	12.7	−52.4%	0.1	18.4	−99.7%
Cash flows from investing activities	−4.2	−3.7	−13.1%	−11.5	−18.4	37.6%
Free cash flow	−1.8	6.9	−125.6%	−21.7	−8.6	−153.2%
				30.09.2016	**30.09.2015**	
Total assets				750.9	839.0	−10.5%
Equity				144.2	214.3	−32.7%
Equity ratio (in %)				19.2	25.5	
Cash funds				37.5	57.0	−34.2%
Financial liabilities				284.2	292.7	−2.9%
Net debt				246.7	235.8	4.7%
Gearing (in %)				171.0	110.0	
Employees (reporting date)				6,925	6,859	1.0%
TOM TAILOR Wholesale				814	853	−4.6%
TOM TAILOR Retail				2,233	2,076	7.6%
BONITA				3,878	3,930	−1.3%

General note: Due to the presentation of rounded figures, some totals might deviate from the sum total of the respective individual items.

MANAGEMENT BOARD STATEMENT

Dear Shareholders and Friends of TOM TAILOR,

The third quarter has been an eventful and active one for the TOM TAILOR GROUP. In a market environment that remains challenging, our Group has performed well overall and made important strategic decisions regarding the future. In the first nine months, the Group's revenue rose 0.8% to around EUR 695 million. Our TOM TAILOR umbrella brand again drove this development with significant growth in both the Retail and Wholesale businesses. In contrast, BONITA was unable to fulfil our revenue expectations in the third quarter. Against the backdrop of a weak first half-year and subdued market momentum in September, the segment reported a revenue decline of 9.1%.

The textile industry has been undergoing a profound transformation for some time now. In order to position our business successfully in this climate, last quarter we approved a comprehensive programme aimed at boosting our profitability. This programme allows us to focus on the core of our strong TOM TAILOR and BONITA brands while shedding loss-making units, foreign subsidiaries, sub lines, stores and legacy liabilities. The goal is to strengthen our profitability for the long term while freeing up resources for investments, especially in the digitalisation of our business. Apart from introducing new operating activities to optimise the costs and processes involved in our geographical presence, store portfolios and product lines, the programme will also expand our digital sales structure and e-commerce activities.

The related one-off financial items in the amount of approx. EUR 75 million had a one-time negative impact on our earnings in the third quarter. These one-off items are essentially non-cash one-off items. Our Group's reported EBITDA therefore amounted to EUR –17.3 million in the first nine months (previous year: EUR 36.5 million). The net loss for the period is EUR 66.7 million. We expect initial positive effects from the cost and process optimisation programme in the final quarter of this year, however. No additional bank financing is required for the programme. Our lenders have agreed fully to the associated initiatives subject to the continued commitment of our principal shareholder Fosun to the planned capital increase.

We are confident that these steps will help us address the rapid structural change in our industry in the best possible way and put the TOM TAILOR GROUP back on a path to profitable growth. As Management Board members, we hold ourselves responsible for delivering results. We look forward to the remaining months of 2016 with optimism and, for the year as a whole, continue to anticipate moderate growth in the low single-digit percentage range. Due to the special factor depressing our earnings in the third quarter, we adjusted our guidance for 2016 and now expect a reported EBITDA between EUR 10 and 20 million.

The entire Management Board of the TOM TAILOR GROUP would like to sincerely thank you for your confidence in our company.

The Management Board team

Thomas Dressendörfer
CFO

Dr Heiko Schäfer
COO & Interims-CEO

Uwe Schröder
Member of the Management Board

Hamburg, November 2016

SIGNIFICANT EVENTS

MANAGEMENT BOARD AND SUPERVISORY BOARD REORGANISED

TOM TAILOR Holding AG has reorganised its Management Board. Dr Heiko Schäfer was appointed as the new Chairman of the Management Board on a transitional basis after Dieter Holzer resigned from the Company‘s Management Board with immediate effect for personal reasons in agreement with the Supervisory Board on 22 September. Dr Schäfer has served as the Company‘s Chief Operating Officer (COO) since December 2015. He combines many years of experience in the fashion industry with sound expertise in managing cross-functional transformation projects and will lead the Company with Chief Financial Officer (CFO) Thomas Dressendörfer. Together, they will drive forward initiatives already introduced to sustainably improve profitability.

The Supervisory Board has also delegated its Chairman, Uwe Schröder, to the Company‘s Management Board for a maximum period of one year in accordance with section 105, sentence 2 of the Aktiengesetz (AktG – German Stock Corporation Act). He has assumed responsibility for product, sales and collections-related issues on an interim basis. Supervisory Board member and former President and CEO of TUMI INC, Jerome Griffith, has been appointed as the new Chairman of the Supervisory Board.

NEW MEASURES ADOPTED TO SIGNIFICANTLY IMPROVE PROFITABILITY

Under its new management, the TOM TAILOR GROUP has adopted new, short-term measures to improve profitability. These measures go considerably further than the CORE programme introduced at the end of 2015 and aim to focus the Group‘s efforts on its strong core business in a market environment that has undergone structural change. The objective of these measures is to sustainably improve profitability while releasing funds for capital expenditure, particularly in digital sales channels and brands. At the same time, the TOM TAILOR GROUP will systematically divest its loss-making activities. This includes withdrawing from non-profitable international markets, closing additional retail stores and discontinuing product lines. The Group‘s future activities will focus on the TOM TAILOR umbrella brand and its Casual, Denim and Kids lines, as well as BONITA Women.

The implementation of these cost and process optimisation measures resulted in a one-off extraordinary charge of approximately EUR 75 million in the third quarter of 2016 consisting primarily of non-cash expenses. In return, the first positive effects on reported EBITDA (earnings before interest, taxes, depreciation and amortisation) should become apparent in the fourth quarter of 2016. This new programme will not create any additional financing needs and is fully supported by the Group‘s lending banks.

STATEMENT ON ECONOMIC POSITION

TOM TAILOR LAYS THE FOUNDATION FOR IMPROVING PROFITABILITY

- Nine-month consolidated revenue up 0.8 percent to EUR 695.1 million
- Gross profit (before one-off expenses) up 0.6 percent to EUR 388.4 million
- Reported Group EBITDA (before one-off expenses) at EUR 31.7 million (previous year: EUR 36.5 million)
- Mainly non-cash, one-off expenses of EUR 75 million for cost and process optimisation programme in the third quarter
- Guidance for full 2016 year adjusted – Group targets reported EBITDA of EUR 10–20 million
- Capital increase of at least EUR 10 million planned – supported by anchor shareholder Fosun International Limited

RESULTS OF OPERATIONS

CONSOLIDATED REVENUE UP SLIGHTLY BY 0.8%

The TOM TAILOR GROUP grew revenue by a total of 0.8% year-on-year to EUR 695.1 million in the first nine months of financial year 2016 (2015: EUR 689.6 million). This increase is due primarily to the performance of the TOM TAILOR Retail and Wholesale segments. Driven by expansion, the TOM TAILOR Retail segment's revenue grew by 8.4% to EUR 211.3 million (2015: EUR 195.0 million). The revenue of the TOM TAILOR Wholesale segment increased by 4.5% to EUR 262.9 million during the same period (2015: EUR 251.5 million). Revenue of the BONITA segment, in contrast, fell by 9.1% to EUR 220.8 million in the first nine months (2015: EUR 243.0 million).

In the third quarter of the reporting year the TOM TAILOR GROUP's revenue fell by 1.8% to EUR 243.7 million year-on-year (2015: EUR 248.1 million). This decline is due to the revenue trend seen in the BONITA segment. Particularly on account of the difficult market conditions in August and September, revenue in this segment decreased by 19.7% to EUR 67.4 million in the third quarter of 2016 (2015: EUR 84.0 million). The TOM TAILOR segments, on the other hand, performed well. Following robust growth in the TOM TAILOR Wholesale segment in the first half of 2016, revenue growth accelerated to 8.0% year-on-year to EUR 102.8 million in the third quarter of 2016 (2015: EUR 95.2 million). Driven by expansions, the TOM TAILOR Retail segment's revenue grew by 6.7% to EUR 73.5 million (2015: EUR 68.9 million). However, on a like-for-like basis the effects of the weak market conditions in September had a significant impact on revenue in this segment as well.

Revenue by Segment

EUR million	Q3 2016	Q3 2015	Change in %
TOM TAILOR Wholesale	102.8	95.2	8.0
TOM TAILOR Retail	73.5	68.9	6.7
BONITA	67.4	84.0	−19.7
TOM TAILOR GROUP	**243.7**	**248.1**	**−1.8**

EUR million	9M 2016	9M 2015	Change in %
TOM TAILOR Wholesale	262.9	251.5	4.5
TOM TAILOR Retail	211.3	195.0	8.4
BONITA	220.8	243.0	−9.1
TOM TAILOR GROUP	**695.1**	**689.6**	**0.8**

Revenue by Region

EUR million	9M 2016	9M 2015	Change in %
Germany	431.2	442.6	−2.6
International markets	263.9	247.0	6.8
TOM TAILOR GROUP	**695.1**	**689.6**	**0.8**

GROSS MARGIN DOWN BY 2.4 PERCENTAGE POINTS DUE TO ONE-OFF EXPENSES

The cost of materials rose by 6.1% during the period under review to EUR 322.3 million (2015: EUR 303.7 million). Despite the growth in revenue, gross profit decreased by 3.4% in absolute terms to EUR 372.8 million in the reporting period (2015: EUR 385.9 million). Compared with the prior-year period, the gross margin thus declined from 56.0% to 53.6%. As at 30 September 2016, a total of EUR 15.6 million in the cost of materials was recognised in write-downs of inventory items as part of the cost and process optimisation programme.

OTHER OPERATING INCOME DOWN DUE TO CURRENCY EFFECTS

Other operating income fell by 8.1% to EUR 21.6 million in the first nine months of 2016 (2015: EUR 23.5 million). This decrease was mainly due to lower foreign exchange gains from currency translation, which declined by EUR 3.0 million year-on-year. Another material item in other operating income is royalties, which were up around 11.2% year-on-year to EUR 5.4 million (2015: EUR 4.8 million). This item also includes income of EUR 3.1 million from subletting space leased by the Group (2015: EUR 3.3 million).

PERSONNEL EXPENSE TO REVENUE RATIO INCREASED TO 24.0% AS A RESULT OF ONE-OFF MEASURES

Personnel expenses increased by 7.6% to EUR 166.8 million (2015: EUR 155.0 million) in the first nine months of 2016, primarily as a result of store expansion and one-off expenses. The personnel expense to revenue ratio was 24.0% (2015: 22.5%). To date, one-off expenses totalling EUR 13.7 million have been incurred in connection with personnel measures during the current financial year.

OTHER OPERATING EXPENSES INCREASED BY 12.4% DUE TO ONE-OFF ITEMS

Other operating expenses rose by 12.4% over the prior-year period to EUR 245.0 million (2015: EUR 217.9 million). This increase was due in particular to one-off expenses and provisions for onerous contracts.

The key items in other operating expenses were rent of EUR 96.6 million (2015: EUR 88.7 million), logistics costs for order picking of EUR 18.3 million (2015: EUR 18.4 million), marketing expenses of EUR 19.2 million (2015: EUR 22.6 million) and freight costs of EUR 9.6 million (2015: EUR 9.2 million).

Provisions for contingent losses for branch closures totalling EUR 18.2 million have also been taken into account in other operating income in the third quarter of 2016 as part of the cost and process optimisation programme. Additional one-off expenses amounting to EUR 9.3 million arose in the first nine months for rent compensation payments, consulting fees and restoration obligations.

REPORTED EBITDA AT EUR –17.3 MILLION DUE TO ONE-OFF EXPENSES

Reported Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)

EUR million	Q3 2016	Q3 2015	Change in %
Reported EBITDA	–36.2	12.5	–390.1
Reported EBITDA margin (in %)	–14.8	5.0	–

EUR million	9M 2016	9M 2015	Change in %
Reported EBITDA	–17.3	36.5	–147.5
Reported EBITDA margin (in %)	–2.5	5.3	–

As a result of high one-off expenses incurred in the third quarter of 2016, reported EBITDA was down significantly year-on-year at EUR -17.3 million for the first nine months of the financial year (2015: EUR 36.5 million). One-off expenses in the third quarter of 2016 totalled EUR 52.2 million (2015: EUR 8.6 million). One-off expenses of EUR 56.8 million were incurred in the first nine months of 2016 (2015: EUR 10.8 million).

Recurring earnings before interest, taxes, depreciation and amortisation (recurring EBITDA) fell by EUR 5.0 million to EUR 16.0 million in the third quarter of 2016 (2015: EUR 21.0 million). The decrease compared with the prior-year quarter was due mainly to the declining gross profit as a result of weak business in August and September.

DEPRECIATION, AMORTISATION AND IMPAIRMENTS UP SIGNIFICANTLY DUE TO ONE-OFF MEASURES

Depreciation, amortisation and impairments increased by EUR 23.0 million in the first nine months of 2016 to EUR 59.7 million (2015: EUR 36.6 million). Depreciation, amortisation and impairments in the reporting period contrasted with capital expenditure of EUR 13.1 million (2015: EUR 22.0 million).

The increase in depreciation, amortisation and impairments is primarily due to the impairment of fixed assets associated with the planned branch closures (EUR 20.4 million) and impairments of the BONITA men brand (EUR 3.3 million).

INCREASE IN FINANCIAL EXPENSES

The financial result in the first nine months of 2016 amounted to EUR -12.6 million, a deterioration of 26.3% year-on-year (2015: EUR -9.9 million). This decrease is primarily due to higher average net debt and one-off financing costs.

SEGMENT REPORTING

TOM TAILOR RETAIL: LIKE-FOR-LIKE REVENUE DOWN 1.7%

TOM TAILOR Retail Segment — Key Data

	Q3 2016	Q3 2015
Revenue (in EUR million)	73.5	68.9
Growth (in %)	6.7	6.4
on a like-for-like basis (in %)	–1.3	0.7
Number of stores	458	437
Reported EBITDA (in EUR million)	–8.7	2.7
Reported EBITDA margin (in %)	–11.8	4.0

	9M 2016	9M 2015
Revenue (in EUR million)	211.3	195.0
Growth (in %)	8.4	3.4
on a like-for-like basis (in %)	–1.7	-0.3
Number of stores	472	437
Reported EBITDA (in EUR million)	–4.9	6.5
Reported EBITDA margin (in %)	–2.3	3.4

The TOM TAILOR Retail segment lifted revenue by 8.4% in the first nine months of 2016 to EUR 211.3 million (2015: EUR 195.0 million). The growth is due mainly to the expansion of retail stores. Compared with 30 September 2015 and 31 December 2015, the number of stores rose by 21 to 458. On a like-for-like basis (i.e. excluding expansion), revenue in the TOM TAILOR Retail segment in the first nine months of 2016 was down by 1.7% as against the prior-year period (2015: -0.3%) and was unable to buck the generally negative industry trend, particularly in August and September.

E-commerce revenue fell by 1.3% in the first nine months of 2016 to EUR 29.8 million (2015: EUR 30.2 million).

Reported EBITDA in the TOM TAILOR Retail segment fell to EUR -4.9 million in the first nine months of 2016 (2015: EUR 6.5 million). Recurring EBITDA dropped by EUR 3.2 million to EUR 6.3 million over the same period (2015: EUR 9.5 million). This was due mainly to the increase in personnel and rent expenses in the course of adding further space as well as the decline in the gross margin to 55.6% (2015: 58.2%).

BONITA: LIKE-FOR-LIKE REVENUE DOWN 8.2%

BONITA Segment — Key Data

	Q3 2016	Q3 2015
Revenue (in EUR million)	67.4	84.0
Growth (in %)	−19.7	−3.9
on a like-for-like basis (in %)	−17.7	−3.7
Number of stores	982	1,023
Reported EBITDA (in EUR million)	−38.8	−1.8
Reported EBITDA margin (in %)	−57.5	−2.2

	9M 2016	9M 2015
Revenue (in EUR million)	220.8	243.0
Growth (in %)	−9.1	0.8
on a like-for-like basis (in %)	−8.2	1.6
Number of stores	982	1,023
Reported EBITDA (in EUR million)	−34.7	6.7
Reported EBITDA margin (in %)	−15.7	2.7

In the first nine months of 2016, BONITA contributed EUR 220.8 million to consolidated revenue (2015: EUR 243.0 million). Overall, revenue declined by 9.1% year-on-year, particularly due to the weak start to the year and disappointing performance in September. On a like-for-like basis (i.e. excluding expansion), revenue decreased by 8.2% year-on-year in the period under review (2015: +1.6%).

Reported EBITDA in the BONITA segment fell to EUR -34.7 million in the first nine months of 2016 (2015: EUR 6.7 million). Recurring EBITDA dropped by EUR 5.0 million to EUR 1.9 million over the same period (2015: EUR 6.9 million). This was caused by the decline in revenue, particularly in the third quarter of 2016. In contrast, the gross margin adjusted for inventory write-downs rose to 66.7% in the first nine months of the current financial year (2015: 65.2 %).

TOM TAILOR WHOLESALE: REVENUE UP 4.5%

TOM TAILOR Wholesale Segment — Key Data

	Q3 2016	Q3 2015
Revenue (in EUR million)	102.8	95.2
Growth (in %)	8.0	−6.4
Number of shop-in-shops	3,091	2,903
Number of franchise stores	207	197
Reported EBITDA (in EUR million)	11.3	11.6
Reported EBITDA margin (in %)	11.0	12.2

	9M 2016	9M 2015
Revenue (in EUR million)	262.9	251.5
Growth (in %)	4.5	0.9
Number of shop-in-shops	3,091	2,903
Number of franchise stores	207	197
Reported EBITDA (in EUR million)	22.3	23.3
Reported EBITDA margin (in %)	8.5	9.3

The revenue of the TOM TAILOR Wholesale segment increased by 4.5% in the first nine months of 2016 to EUR 262.9 million (2015: EUR 251.5 million). Revenue increased by 8.0% in the third quarter of the current financial year compared to a prior-year quarter beset by delivery problems. Since 31 December 2015, TOM TAILOR has further increased the number of its shop-in-shops by 135, from 2,956 to a total of 3,091. The number of franchise stores rose by four to 207 compared with 31 December 2015.

Reported EBITDA for the first nine months of 2016 was EUR 22.3 million, slightly below the prior year's result (2015: EUR 23.3 million). However, recurring EBITDA was slightly up year-on-year at EUR 31.4 million (2015: EUR 31.0 million).

NET ASSETS

NET WORKING CAPITAL UP EUR 20.5 MILLION

As at 30 September 2016, net working capital rose by EUR 20.5 million to EUR 95.5 million (31 December 2015: EUR 75.0 million). The increase is primarily the result of lower trade payables and higher trade receivables. Trade payables fell by EUR 12.7 million to EUR 156.1 million compared with 31 December 2015 (31 December 2015: EUR 168.8 million). Trade receivables rose by EUR 9.5 million to EUR 58.7 million compared with 31 December 2015 (31 December 2015: EUR 49.2 million). Compared with 31 December 2015, net working capital fell by EUR 1.7 million to EUR 192.9 million as at 30 September 2016 (31 December 2015: EUR 194.5 million).

Net working capital rose by EUR 9.1 million year-on-year (30 September 2015: EUR 86.3 million) as a result of lower trade payables.

EQUITY RATIO DECREASED TO 19.2%

Equity fell to EUR 144.2 million in the third quarter of 2016 due to the net loss for the period and the decrease in other comprehensive income (31 December 2015: EUR 225.5 million). The change in other comprehensive income is the result of a reporting-date decrease in the fair value of the foreign currency derivatives recognised in equity. The equity ratio thus dropped to 19.2% (31 December 2015: 27.4%).

INCREASE IN NET DEBT

Compared with 31 December 2015, financial liabilities rose by EUR 16.3 million to EUR 284.2 million (31 December 2015: EUR 267.9 million). The increase is attributable to higher draw-downs of long-term bank lines of credit as a result of seasonal factors and to the increase in net working capital. Compared with the third quarter of 2015, financial liabilities were reduced by EUR 8.5 million (30 September 2015: EUR 292.7 million).

Net debt as at 30 September 2016 was EUR 246.7 million and thus EUR 29.3 million higher than the year-end figure in 2015 (31 December 2015: EUR 217.4 million). Compared with the third quarter of 2015, net debt rose by EUR 11.0 million (30 September 2015: EUR 235.8 million).

In light of the cost and process optimisation measures adopted, the Group was unable to meet financial covenants for existing credit lines as at 30 September 2016. The financing institutions were notified of the planned measures in a timely manner – before 30 September 2016. In this context, the financial covenants as at 30 September 2016 and for the duration of the syndicated loan were re-adjusted in favour of the TOM TAILOR Group. However, to account for this situation in the interim financial statements as at 30 September 2016, non-current financial liabilities of EUR 195.5 million had to be shown under current financial liabilities. As at 31 December 2016, these liabilities will again have to be shown under non-current financial liabilities.

Selected Figures for Net Assets, Financial Position and Results of Operations

in EUR million	30.09.2016	30.09.2015
Equity	144.2	214.3
Non-current liabilities	117.9	151.3
Current liabilities	488.8	473.4
Financial liabilities	284.2	292.7
Cash funds	37.5	57.0
Net debt	246.7	235.8
Total assets	750.9	839.0

FINANCIAL POSITION

TOM TAILOR GROUP — Development of key cash flow firgures

	Q3 2016	Q3 2015
Operating cash flow	6.1	12.7
Change (in %)	−52.4	−68.2
Net cash used in investing activities	−4.2	−3.7
Free cash flow	−1.8	6.9
Change (in %)	−125.6	−78.8

	9M 2016	9M 2015
Operating cash flow	0.1	18.4
Change (in %)	−99.7	−60.6
Net cash used in investing activities	−11.5	−18.4
Free cash flow	−21.7	−8.6
Change (in %)	−153.2	−132.9

CAPITAL EXPENDITURES DOWN BY EUR 8.9 MILLION

A total of EUR 13.1 million was invested Group-wide in the current 2016 financial year in all three segments, which represents a year-on-year decrease of EUR 8.9 million (2015: EUR 22.0 million). This is largely due to the decrease in investments in new stores in the TOM TAILOR Retail and BONITA segments. Of the total capital expenditure, EUR 5.0 million was invested in the TOM TAILOR Retail segment (2015: EUR 12.1 million) and EUR 5.1 million in the TOM TAILOR Wholesale segment (2015: EUR 6.0 million). Capital expenditure in the TOM TAILOR Retail segment largely related to shop fittings and fixtures for new stores. Approximately EUR 3.2 million was spent on new selling spaces in the TOM TAILOR Wholesale segment. Another EUR 1.9 million mainly related to investments in showrooms and IT in the TOM TAILOR Wholesale segment. In the current 2016 financial year, BONITA invested a total of EUR 3.1 million in new stores (2015: EUR 3.9 million).

REPORT ON EXPECTED DEVELOPMENTS

TOM TAILOR HOLDING AG ADJUSTS GUIDANCE FOR 2016

On 20 October 2016 TOM TAILOR Holding announced a comprehensive cost and process optimisation programme. The activities associated with this programme resulted in largely non-cash extraordinary charges amounting to approximately EUR 75 million in the third quarter of 2016, which impacted the company's earnings accordingly. Against this backdrop, the Management Board of TOM TAILOR Holding AG has adjusted its guidance for the 2016 financial year. The company continues to anticipate a moderate year-on-year increase in consolidated revenue in the low single-digit percentage range. However, the company anticipates that the Group will record reported EBITDA of just EUR 10 to 20 million, down from the original forecast of recurring EBITDA at the prior-year level of around EUR 76 million. Accordingly, the Management Board expects to post a considerable net loss for 2016 again.

TOM TAILOR GROUP: Key Data for the Company Forecast for 2016

in EUR million	Actual 2015	Forecast Annual Report 2015	Forecast Interim Statement Q1 2016	Forecast Interim Statement Q2 2016	Forecast Interim Statement Q3 2016
Consolidated revenue	955.9	moderately above prior-year level	moderately above prior-year level	moderately above prior-year level	moderately above prior-year level
Recurring EBITDA	76.3	at prior-year level	at prior-year level	at prior-year level	–
Reported EBITDA	67.6	–	–	–	10 – 20
Operating cash flow	49.3	at prior-year level	at prior-year level	at prior-year level	below prior-year level
Capital expenditure	33.1	around 25	around 25	around 25	around 20
Free cash flow	13.1	positive	positive	positive	negative

The Management Board will now use reported rather than recurring EBITDA as a key performance indicator for its earnings growth forecasts both in this report and in future. Significant adjustments will also be presented going forward.

CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement for the Period from 1 January to 30 September 2016

in EUR thousand	Q3 2016	Q3 2015	9M 2016	9M 2015
Revenue	**243,730**	**248,116**	**695,064**	**689,581**
Other operating income	6,254	7,591	21,646	23,542
Cost of materials	−127,183	−114,719	−322,259	−303,662
Personnel expenses	−60,549	−52,846	−166,788	−155,030
Depreciation, amortisation and impairments	−35,286	−12,611	−59,667	−36,640
Other operating expenses	−98,439	−75,670	−244,994	−217,925
Profit from operating activities	**−71,473**	**−139**	**−76,998**	**−134**
Financial result	**−5,622**	**−2,480**	**−12,559**	**−9,945**
Result before income taxes	**−77,095**	**−2,619**	**−89,557**	**−10,079**
Income taxes	21,123	579	22,899	−190
Net income for the period	**−55,972**	**−2,040**	**−66,658**	**−10,269**
thereof: Shareholders of TOM TAILOR Holding AG	−57,494	−3,888	−69,814	−13,927
Non-controlling interests	1,522	1,848	3,156	3,658
Earnings per share				
Basic earnings per share (EUR)	−2.21	−0.15	−2.68	−0.54
Diluted earnings per share (EUR)	−2.21	−0.15	−2.68	−0.54

CONSOLIDATED BALANCE SHEET

Consolidated Balance Sheet as at 30 September 2016

in EUR thousand	30.09.2016	31.12.2015
Assets		
Non-current assets		
Intangible assets	300,392	312,187
Property, plant and equipment	118,063	152,328
Other assets	16,965	24,476
	435,420	**488,991**
Current assets		
Inventories	192,851	194,512
Trade receivables	58,695	49,204
Income tax receivables	2,666	2,632
Other assets	23,823	37,215
Cash and cash equivalents	37,493	50,525
	315,528	**334,088**
Total assets	**750,948**	**823,079**

Consolidated Balance Sheet as at 30 September 2016

in EUR thousand	30.09.2016	31.12.2015
Equity and liabilities		
Equity		
Subscribed capital	26,027	26,027
Capital reserves	284,022	283,473
Consolidated net accumulated losses	–168,767	–98,953
Accumulated other comprehensive income	–684	9,904
Attributable to shareholders of TOM TAILOR Holding AG	**140,598**	**220,451**
Non-controlling interests	3,651	5,029
	144,249	**225,480**
Non-current provisions and liabilities		
Provisions for pensions	1,394	1,064
Other provisions	21,487	10,073
Deferred tax liabilities	54,012	82,854
Non-current financial liabilities	38,631	222,682
Other non-current liabilities	2,365	1,941
	117,889	**318,614**
Current provisions and liabilities		
Other provisions	62,469	30,994
Income tax payables	7,138	8,959
Current financial liabilities	245,598	45,235
Trade payables	156,075	168,755
Other current liabilities	17,530	25,042
	488,810	**278,985**
Total equity and liabilities	**750,948**	**823,079**

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows for the Period from 1 January to 30 September 2016

in EUR thousand	9M 2016	9M 2015
Net income for the period	**–66,658**	**–10,269**
Depreciation, amortisation and impairment losses	59,667	36,640
Income taxes	–22,899	190
Interest income/expense	12,559	9,945
Change in non-current provisions	12,422	–111
Change in current provisions	29,475	6,907
Proceeds from disposal of intangible assets and items of property, plant and equipment	890	–236
Change in inventories	1,661	–24,314
Change in receivables and other assets	–4,368	–24,195
Change in liabilities	–19,416	25,005
Income taxes paid/refunded	–2,999	–2,141
Other non-cash changes	–272	1,023
Cash generated from operations	**62**	**18,444**
Interest paid	–10,287	–8,590
Interest received	7	1
Net cash provided by operating activities	**–10,218**	**9,855**
Payments to acquire intangible assets and items of property, plant and equipment	–13,109	–22,004
Additions due to change in basis of consolidation	0	2
Proceeds from disposal of intangible assets and items of property, plant and equipment	1,605	3,567
Net cash used in investing activities	**–11,504**	**–18,435**
Dividend payment to non-controlling interest shareholders	–4,489	–4,036
Payments for the acquisition of consolidated entities [1]	0	–8,029
Proceeds from financial liabilities	30,281	228,038
Repayments of financial liabilities	–17,163	–187,605
Net cash provided by/used in financing activities	**8,629**	**28,368**
Effect of exchange rate changes on cash and cash equivalents	61	261
Net change in cash and cash equivalents	–13,032	20,049
Cash and cash equivalents at beginning of period	50,525	36,933
Cash and cash equivalents at end of period	**37,493**	**56,982**
Composition of cash and cash equivalents		
Cash funds	**37,493**	**56,982**

1 Previous year: restatement pursuant to IAS 8.5

PRELIMINARY FINANCIAL CALENDAR

Preliminary Financial Calendar

Date	Current Events
28 March 2017	Annual Report 2016
28 March 2017	Analyst Conference, Frankfurt/Germany
9 May 2017	Quarterly management statement as at 31 March 2017
31 May 2017	Annual General Meeting, Hamburg/Germany
10 August 2017	Half-yearly financial report
7 November 2017	Quarterly management statement as at 30 September 2017

PUBLICATION DETAILS

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