

Press Release

Woolworth Deutschland saved: H.H. Holding GmbH convinces with a forward-looking concept

- Threatening divestiture averted -
- All 162 stores with 4300 employees taken over -
- Woolworth stores with new perspectives and significant growth potential -

Frankfurt a.M., on 11 May 2010. After intensive and constructive negotiations, insolvency administrator Ottmar Hermann sold the discount store chain Woolworth to a bidder consortium led by the Tengelmann Group and H. H. Holding (holding company of the Heinig family). Following this, Woolworth, approx. 13 months after the filing of an insolvency application and successful restructuring, faces a promising new start. The purchaser intends to take over all 162 stores and their approx. 4300 employees as per 1 July 2010. This is also based on the constructive cooperation with Cerberus.

“I am glad to see that Woolworth’s future is secured through this new investor. The purchaser is the best solution for the company and its employees, who have now been given new perspectives after a long period of uncertainty”, Hermann said. “Due to the choice of a strategic investor, divestiture and the loss of a large number of jobs was able to be prevented”, the insolvency administrator continued. 4300 employees will initially be given fixed-term employment contracts for a period of one-year. The sum of the wages and salaries for the sales personnel and for the temporary staff will not be changed.

Growth and performance potential

“We are proud to save the traditional brand Woolworth, and we see strong potential for the employees, as well as for the German market”, Maike Joost, representative for the purchaser, said. “In the coming months, operative business will be lined up and the agreed concept will be filled with life”, Joost added.

The new purchaser is planning to further extend the network of stores of the family discounter step-by-step. In a few years’ time, the network of Woolworth stores could therefore grow to up to 500 stores, and to 1000 at a later date. This means that not only will existing jobs be secured, but a large number of new jobs will be created.

The parties agreed to not disclose the contents of the agreement and the purchase price.

HERMANN Rechtsanwälte, Wirtschaftsprüfer, Steuerberater is a law firm specialising in insolvency law, re-organisation and company law, and, with its eleven domestic offices, has been cooperating with international law firms in Zurich, Milan, Amsterdam and London for years. The law firm also is a member of the independent network Lawyers Associated Worldwide (LAW).

In this transaction, the sellers (insolvency administrator Ottmar Hermann) and the purchasers (H.H. Holding GmbH) were supported by the following legal advisers and auditing companies:

Sellers:

HERMANN RWS (Frankfurt am Main)

Daniel F. Fritz (overall coordination), Frank Bassermann and Dr. Michael Ott (lead-management M+A, Insolvency Law), Thomas Fiedler (Employment Law), Julia Kappel-Gnirs (Insolvency Law, Tenancy Law)

NortonRose LLP (Frankfurt am Main)

Dr. Uwe Hartmann (Tax), Lars Jessen (Corporate / Restructuring), Thomas Hopf (Property)

HengelerMüller (Frankfurt am Main, Düsseldorf)

Dr. Thorsten Mäger (Anti-Trust Law), Dr. Daniel Weiss und Dr. Karsten Schmidt-Hern (Civil Law)

Schott Loeschner Willke (Frankfurt am Main, Berlin)

Markus Willke (coordination data room and Due Diligence), Marc-Thilo Schott (Corporate), Golnaz Frud (Vendor Assistance)

Ernst & Young (Eschborn)

WP/StB Matthias Beck (Restructuring Lead Partner), WP/StB Martin Brandscheid (Tax Partner - Steuerliche Beratung), RA Christoph Elzer (Restructuring Manager - Vendor Assistance)

Purchasers:

Aderhold (Dortmund/Düsseldorf): Prof. Dr. Lutz Aderhold, Dirk Lange, LL.M. (both lead-management, Jan Olaf Hartmann (all Corporate/M&A) and Lars Thiesen (Employment Law), Dr. Wolfgang Nockelmann (IP), Hubertus von Erffa, Till Vosberg (both Insolvency Law; Leipzig); Associates: Timo Pohle (Corporate/M&A), Dr. Christian Teuber (Corporate/M&A).

Hermanns Wagner Brück: Johann Brück (Anti-Trust Law); Associate: Corinna Neunzig.