

MUSTANG: FOUNDING FAMILY TRANSFERS THE REINS

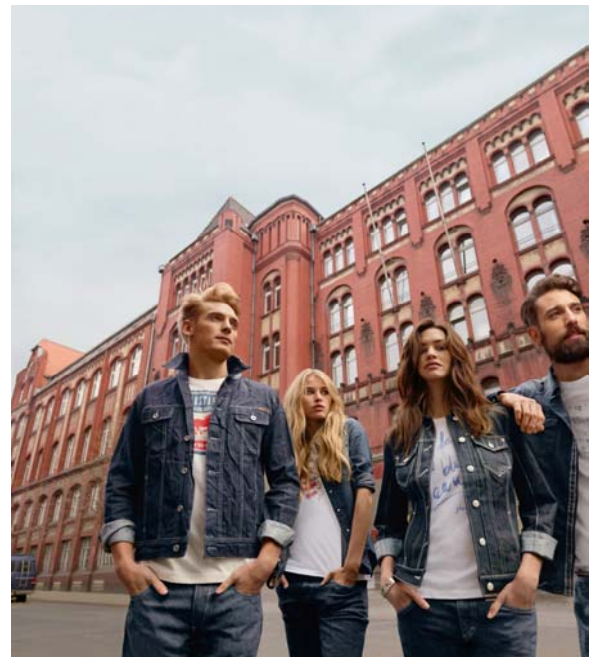
Almost 90 years Mustang was run as a family company. After the denim pioneer was sold last fall to an investment group, now the last family member joined the advisory board as chairman. Thus - an era comes to an end. With the retrieval of product development and sourcing back to Germany a new course now will be set.



"With the retirement of Heiner Sefranek, who changes from operations to the advisory board chair, now the last step in the previously announced organizational changes after the sale of the Mustang Group to a private consortium of investors was completed," Dietmar Axt, CEO of the Mustang group announces. Since January 1st the 45-year-old is employed in that position in the Mustang group, he was introduced into his duties four months ago by Heiner Sefranek, before the latter joined the advisory board end of last month. Dietmar Axt spent a year at the Falke Group in Schmallenberg as a member of the management responsible for sales and marketing, before that

he was director of sales & licensing at Tom Tailor and managing director Germany for Diesel.

Already with the sale of the Mustang Group to an investors group of 14 shareholders, led by the investment company ACapital Beteiligungsberatung GmbH last fall, the course of the company, which almost 90 years had been in family hands, was newly set. 1932 Louise Hermann founded the L. Hermann clothing factory in Künzelsau and started with six seamstresses the production of work wear. 1945 Louise's son Rolf Hermann and her son in law Albert Sefranek joined the company. With the latter the jeans production started: after Albert Sefranek had changed six "yankee-pants" and thus got the first pattern, the production began of "tube-pants" in 1946, as they were named because of their tight cut. Today under the Mustang label a women and men collection as well as denim, accessories, body wear, leather and shoes are being sold. The products are present in approxi-



mately 50 countries and are sold in about 200 own and franchise stores as well as through numerous area collaborations with trade partners and retail stores. Since autumn 2009 the Mustang shop is online as well.

Behind ACapital among others stands Thomas Schlytter-Henrichsen and Harald Rönn, who both in 2005 via the Group Alpha were involved in the purchase and the IPO of Tom Tailor. Heiner Sefranek, son of Albert Sefranek, since 1974 em-



ployed at Mustang, will remain in the company as shareholder and is confident of being able to tackle with the help of the new investors the increasing difficult challenges of the market. Already at one time, in 2006, Mustang had to suffer a loss of 6.2 million EUR, when the sales were EUR 96 million. Ten years earlier sales were about twice as high. The staff was reduced to one third in Germany; the production of textiles was changed to be made abroad in contract manufacturing, especially in China and other countries of the Far East. Last year, the Baden-Wuerttemberg company

employed a workforce of some 620 persons including about 400 in Germany. Revenue reached EUR 130 million, after EUR 118.3 million in 2010.

The sale of the Mustang group to an investment company is accompanied by the return of the product development to Germany. "An immensely important and decisive step to meet the highest quality demand of Mustang products," Dietmar Axt is convinced. At the Mustang headquarters in Künzelsau already an in-house laundry and denim sample sewing for the development of prototypes and washings was established. The aim is to develop the collection more target group oriented and market relevant on site. Despite the re-integration to Germany Mustang wants to avoid any price increase. "Mustang remains in positioning the brand of the middle and will not leave this in the future. So the denim price range moves between EUR 69.90 and EUR 99.90," Dietmar Axt said. In the area of retail the trend shows upward. "Where the sector has to suffer sales stagnation Mustang can come up with a double-digit increase," Dietmar Axt added. In addition to the rapidly growing retail business, the special focus lies on the expansion of the wholesale business. The sales team has been greatly strengthened. There were intensive discussions and major key accounts in the national and international distribution were reactivated or newly acquired. "Our goal is to get the Mustang brand back to its former strength and to position as an irreplaceable and reliable partner for trade and consumers," Dietmar Axt wishes for himself.



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