

#### DEICHMANN

Company History of Deichmann 1913-2010

#### Everything starts with a shop...

The story begins in 1913 in the workers' district of Essen-Borbeck at the heart of the Ruhr region, when Heinrich Deichmann (\*1888) and his wife Julie open a shoemaker's workshop. Two generations and almost one hundred years later, the company has developed into Europe's market leader.

In the meantime DEICHMANN has opened over 2,800 branches in 20 countries and employs about 28,000 people. In spite of this success, DEICHMANN is still a family business that attaches great importance to growth by virtue of one's own effort. Floating on the stock market and bank loans are not something, the owners want to be involved with.

#### 1913

Heinrich Deichmann (\*1888) opens a shoemaker's workshop in Borbeck (still an independent municipality outside Essen until 1916). He buys – unusually for the time – shoe repair machinery. In doing so, he speeds up his work, which enables him to offer his repairs at a lower price than other shoemakers. The machinery is financed by loans – something that DEICHMANN nowadays avoids.



Heinrich Deichmann and his daughter Ellen outside his shoemaker's workshop

#### 1919

The majority of DEICHMANN customers are miners. They need shoes that are inexpensive and robust. Heinrich Deichmann adds factory produced shoes to his range, which he sells to the miners. This sector soon becomes the most important source of income of the young enterprise, in which not only Heinrich Deichmann works, but his wife Julie also lends a helping hand.



#### **1926**



Heinrich and Julie Deichmann, the founders of the company

Heinz-Horst Deichmann is born as the Deichmann's fifth child. He is the couple's only son.

#### 1930

The first DEICHMANN branch is opened a few hundred meters away from the parent company near Borbeck Market.





Shoemaker's workshop and branch move to Borbeck Market, to Borbecker Straße 129.

#### 1940

When Heinrich Deichmann passes away at the age of 52, young Heinz-Horst has to spend increasingly more time at the shop. Business almost comes to a halt in the last years of the War. During the last months, the only son in the family was drafted as "Flakhelfer" (air-force assistant). He survives the war, but returns injured.

#### The initial years

The period until 1945 was initially influenced and restricted by the politically and economically uncertain times of the Weimar Republic and the subsequent National Socialist reign of terror. Company founder Heinrich Deichmann rejected the regime in power and criticised the persecution of his Jewish fellow citizens, which he experienced at close hand. He was only 52 when he died prematurely in 1940. At that time, Heinz-Horst Deichmann, who was born in 1926, was already occasionally helping in the shop. His mother Julie managed to keep the shop open during the War years. After the war, Heinz-Horst Deichmann studied medicine and theology. Apart from that, whenever the time allowed, he helped his mother to keep the small family enterprise going.

#### 1945

As early as June – hence only a few weeks after the War has ended – the sale continues with remainders, which Julie Deichmann had stored in save locations. During the following months, the whole family is concerned about the future existence of the shop. Twelve employees are hired, who repair shoes. Inventiveness and improvisation keep everything going. 50,000 pairs of shoes are made from poplar wood and parachute harnesses. The Deichmanns organise an exchange for second-hand shoes.



Shoes produced shortly after the war made from poplar wood and parachute harnesses.

#### 1946

Heinz-Horst Deichmann studies medicine and theology in Bonn.



Meanwhile, Heinz-Horst studies in Düsseldorf and also opens the first DEICHMANN branch outside Essen. He transports the shoes on his way back from home. His mother is in charge of the shops. The doctor-to-be marries in 1950. From then on his wife Ruth is also a regular presence in the shop.

Heinz-Horst Deichmann und Ruth Fischer marry in 1950

#### 1955

The third DEICHMANN branch opens in Oberhausen and Heinz-Horst Deichmann is looking for new ways to attract customers. He introduces so-called "pre-selection display stands" and also presents shoes in the shopping arcade. And he develops the sales principle, which still applies today. DEICHMANN offers fashionable shoes in good quality at a very favourable price. His aim is to reach a broad range of customers.

#### Growth after the War

When in 1956 Heinz-Horst Deichmann, in the meantime a graduate Doctor of Medicine, ended his career as a doctor to fully concentrate on managing the company, he had parallel to his medical achievements also opened DEICHMANN branches in neighbouring cities, such as Düsseldorf and Oberhausen. DEICHMANN felt responsible for providing the population with good and affordable shoes. A business objective, which is valid to this day. The hundredth shop opened in Würzburg in 1974. Almost at the same time, the business went global: DEICHMANN acquired DOSENBACH in Switzerland, a shoe chain with a long tradition. Shortly afterwards, Dr. Heinz-Horst Deichmann's activities ventured into a completely different area. He established the Christian aid project wortundtat in India, which initially focussed mainly on leprosy sufferers.

### 1956

Meanwhile, Dr. Heinz-Horst Deichmann is working as a graduated orthopaedist but decides to fully concentrate on the shoe business. Germany is experiencing an economic miracle. Fashion is now also entering the world of shoes. Season wear starts appearing on the shoe racks of the fifties.



Company outings have been part of DEICHMANN's business culture right from the beginning.



Former Deichmann branch on Ackerstraße in Düsseldorf



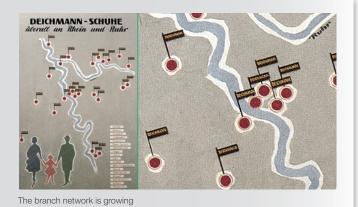


The company's first administrative building and a warehouse are built on the grounds of the former colliery Wolfbank in Essen.

#### 1962

In the meantime, Heinz-Horst and Ruth Deichmann have become parents to three girls. Their son Heinrich is born in November. He grows up in the direct vicinity of the farm, where his mother had also been raised.

1963



When DEICHMANN celebrates its 50th anniversary, the company has 16 branches.

1968

The new administrative and warehouse building on Boehnertweg 9 in Essen (today: Deichmannweg) is occupied. Extended by several annexes, it houses the company's headquarters to this day.



Administrative and warehouse building 1968



When, due to a lack of an available successor from its own ranks, the family-run traditional shoe retail company DOSENBACH is looking for a buyer, Heinz-Horst Deichmann does not hesitate. He takes over the shoe chain and starts the international expansion in time for the 60th birthday of the company.



Dosenbach branch in Schaffhausen

#### 1974

The hundredth shoe shop carrying the DEICHMANN logo opens on German soil in Würzburg.

#### 1977

During a visit in India, Dr. Heinz-Horst Deichmann is suddenly confronted with hundreds of leprosy sufferers. He finds this encounter so moving that he decides to offer his help: shortly afterwards he establishes the aid organisation wortundtat, that provides the needy with access to medical and social help and set up both educational and training facilities. In India alone, the organisation is now helping over 100,000 people each year.



wortundtat has been helping the poor and needy since 1977

#### 1978



The speedy distribution of the merchandise becomes increasingly more important: the first central warehouse is constructed in Bottrop.

#### 1980

The sales branch carrying the consecutive number 200 opens in Hanover.



By taking over the shoe chain Lerner Shoes in the USA DEICHMANN
begins to establish itself in the second market outside Germany.
Shortly after the acquisition of the company, Lerner Shoes is renamed
RACK ROOM SHOES.

#### Time for the third generation

Heinrich Deichmann, born 1962, the grandson of the company founder joined the company in 1989. In 1999 he assumed the position of Chairman of the Board. Today he is the Chairman of the Management Board of DEICHMANN SE. The globalisation of the company has been driven forward under his leadership. The company buys shoes in 40 countries, selling them in over 2,800 branches in 20 countries. What has remained - apart from the business development - is the social commitment for the poor and needy in Germany, Europe, India and Tanzania.

#### 1985



vanHAREN in the Netherlands is 66 years old when its owner Johann vanHaren decides to retire on health grounds. Here too DEICHMANN sees a good opportunity to enter the market.

### 1986

The sales branch carrying the consecutive number 300 opens in Forchheim.

#### 1988

DEICHMANN celebrates its 75th anniversary and has now 400 branches across Germany. A second distribution centre is opened in Franconian Feuchtwangen. By taking over the also owner managed shoe retail chain ROLAND, the DEICHMANN group adds a new name to its portfolio. The enterprise, which had originally made a name for itself as a supplier of men's shoes, is gradually developed into a company providing the full range of products, located in modern premises in major German cities.



Roland branch in Hamburg



After having taken his degree in business management and gaining practical experiences at home and abroad, Dr. Deichmann's son Heinrich joins the company management. Like everybody else, he starts at the bottom by selling shoes and managing a shop. Hence, the third generation is now part of the managerial responsibility. The Berlin Wall falls in the same year and the borders between East and West open. During the Wende (change), DEICHMANN is selling its shoes in many East German places from large tents.



Deichmann sales tent in Schleusingen during the Wende

#### 1990

After the fall of the wall and the introduction of the Deutschmark, the new DEICHMANN branch Coswig near Dresden is the first to sell the company's range in the new newly formed German states.

1992

In Austria too, citizens are now able to buy their shoes from DEICHMANN. At the same time, the company is taking over the shoe chain OCHSNER in Switzerland.



Swiss Ochsner branch

#### 1993

Five years after the start of the second, the third distribution centre is now opened in Soltau (Lüneburg Heath).

1994



The sales branch with the consecutive number 700 opens in Hamburg.

Deichmann branch in Hamburg



DEICHMANN is the first German shoe retailer to use a TV commercial to advertise its products: "Kaum zu glauben – Markenschuhe so günstig" (Hard to believe - Brand shoes at such a good price): soon the children are whistling the tune in the street.

1996



In the south of Tanzania, right at the centre of the African Bush, Dr. Heinz-Horst Deichmann embarks on establishing a medical aid project.

Medical care in Kiuma

#### 1997

Poland is the former Eastern bloc country, in which DEICHMANN opens a branch.

## 1998

From now on, branches in Poland and a large part of the branches in Eastern Germany are getting their deliveries from the distribution centre in Wolfen (near Leipzig).

#### 1999

The 900th German branch opens its doors in Berlin. Heinrich Deichmann takes over from his father Dr. Heinz-Horst Deichmann as Chair of the Executive Management of the Group. Dr. Heinz-Horst Deichmann continues to take actively part in company matters and keeps in regular contact with all members of staff. A new building complex is added to the administration in Essen-Borbeck in the same year.

#### 2000

www.deichmann.com is the domain name, under which Deichmann starts selling shoes on the internet. Heinz-Horst Deichmann is appointed Honorary Consulate of India for North Rhine Westphalia. In autumn, he is awarded the Order of Merit of the Federal Republic of Germany. In 2006, Jürgen Rüttgers, the Minister President of North Rhine Westphalia, awards him the Great Cross of Merit with Star.



DEICHMANN enters the British and the Hungarian market simultaneously. Meanwhile, DEICHMANN has become the market leader in Hungary.

# 2002



Off Broadway branch in Hazelwood

The company also takes over the American shoe chain OFF BROADWAY, which operates large shoe stores in the USA.

#### 2003



Czechia is scheduled for expansion. DEICHMANN-Denmark opens its first branch.

2004

DEICHMANN also launches itself on the Slovakian market. The brand campaign "Great Deals. DEICHMANN", which is still relevant today, replaces the successful slogan "Brand shoes at such a good price" after nine years.





DEICHMANN takes over the trademark rights of Elefanten. These also include lasts, tools and some of the employees from the technical development and the supplier relationships. In 2006, Elefanten is able to celebrate its successful comeback in the children's shoe market. DEICHMANN follows the tradition and continues to invest in the development work of the brand.

The 125-year old traditional brand Gallus, which ran into financial difficulties, also comes to DEICHMANN and succeeds in making a fresh start with a number of innovations.

# elefonten

# 2005

To give young people the opportunity of getting a sound vocational education after leaving school, DEICHMANN has for many years been provided far more apprenticeships than were actually required. In order to draw attention to less well educated young people or those from poorer backgrounds and to motivate employers to give them a chance, the company launches the DEICHMANN Award with a total value of 100,000 Euro. Since then, it has been awarded annually.

#### 2006

DEICHMANN introduces its range in Turkey. In doing so, its sphere of action enters the Asian market for the first time. The first branches in Slovenia are opened in the same year. A new wortundtat project is launched in the Republic of Moldova.

Here, support is given to the diaconal centre Gloria in Ceadîr Lunga, a town with a population of 20,000.





In 2006, wortundtat launches its aid projects in the Republic of Moldova

#### 2007

DEICHMANN opens its first branches in Sweden, Rumania and Croatia.





DEICHMANN also expands to Italy and Lithuania.

#### 2009



Bulgaria is scheduled for expansion.

# 2010

DEICHMANN-Spain is launched on the market.

For the first time, DEICHMANN brings shoes for the brands Elefanten, Gallus and Medicus to the market, which have been produced in accordance with special Eco Standards.



Green models of the Elefanten range

