

H U G O B O S S

Financial Performance & Strategic Direction

1st Quarter 2009

April, 2009

© HUGO BOSS AG – Metzingen, Germany

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Strategic direction

Highlights

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Outlook

Forward-looking statements contain risks

This document contains forward-looking statements that reflect management's current views with respect to future events. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "plan," "project," "should," and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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Market environment

Toughest global economic development since decades

Key markets are under pressure

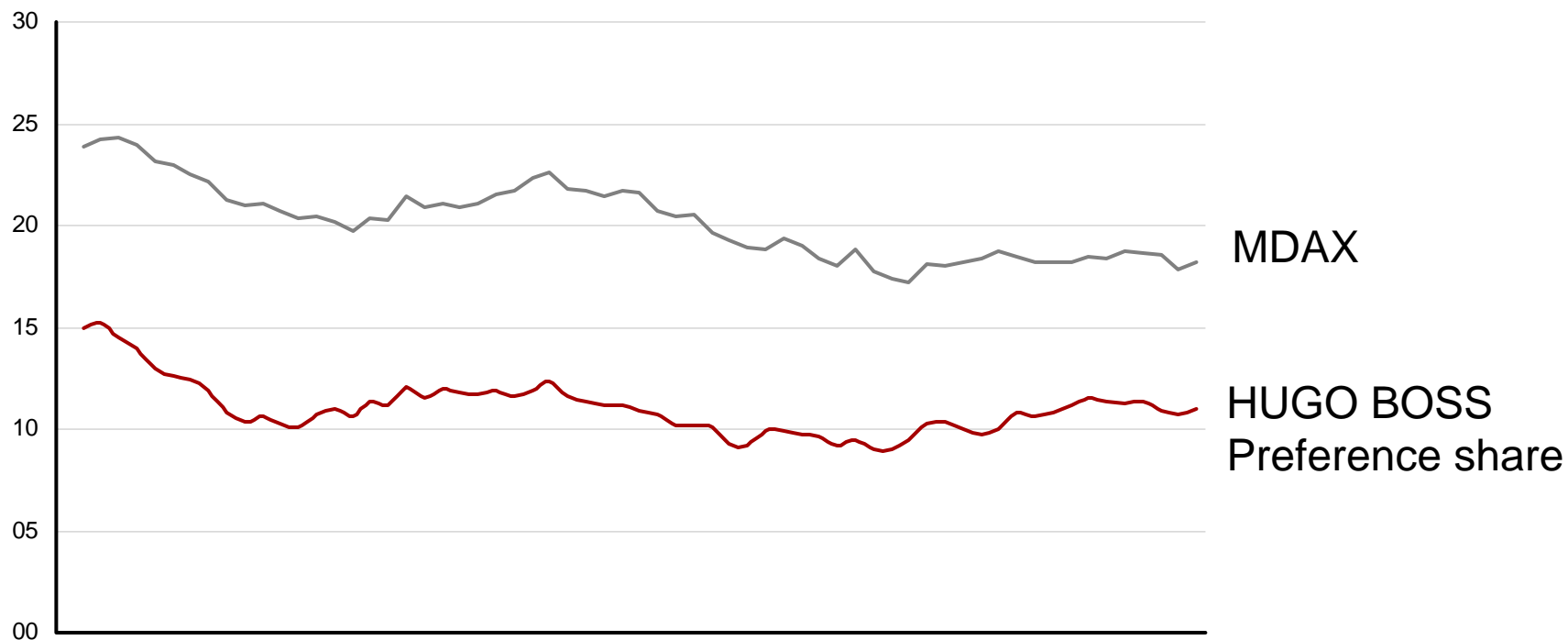
Increasingly challenging business environment

Retailers adjusting strategies

Consumer behavior is changing

Development of shares from January to March 2009

in EUR



MDAX (indicated: Preferred shares January 2009)

Despite impact of world economic crisis on sales, HUGO BOSS could maintain the Contribution Margin due to first signs of restructuring efforts

in EUR mill.

Net Sales	483.7	-7% (fx-adj.) -5%
Contribution Margin	259	-3%
Contribution Margin in % of Sales	53.6%	+1.3 pp.
EBITDA before extraordinary items	112.1	-6%
EBIT before extraordinary items	97.5	-8%
Net Income	63.6	- 2%
Cash Flow from operating activities	53.3	+ 18%

Key developments first quarter 2009

Net sales declined due to overall economical development

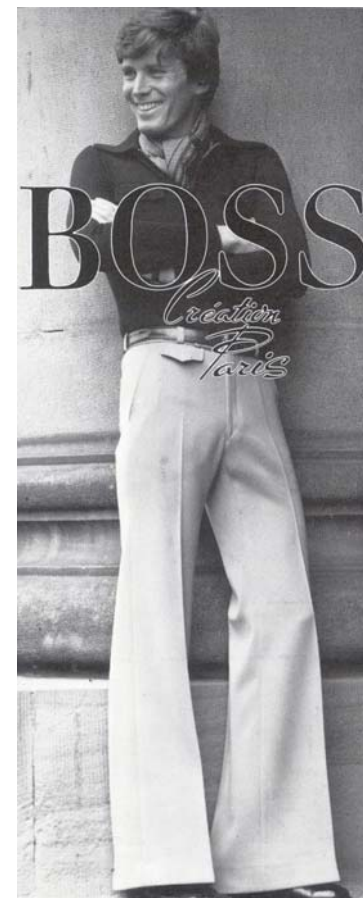
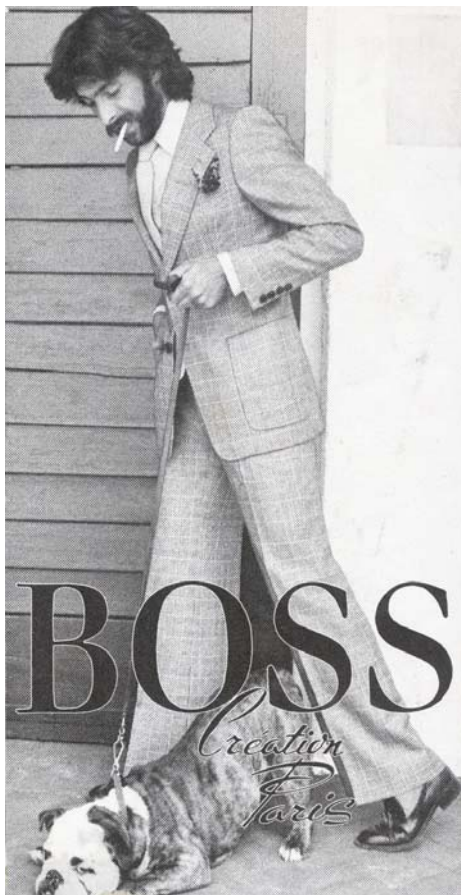
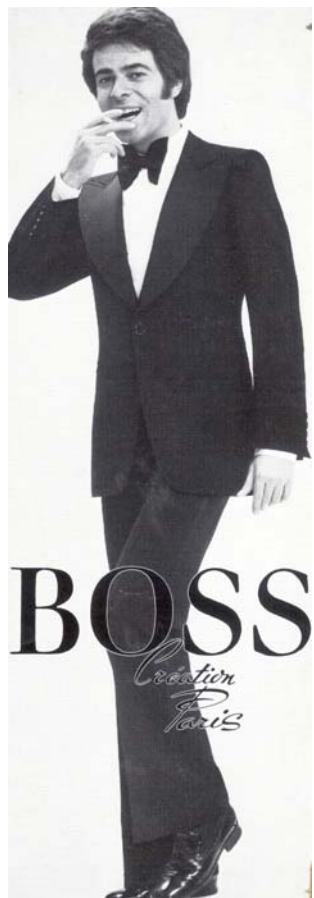
Contribution Margin improved due to continued optimization of global production and sourcing, and a higher share of sales of own retail operations

EBITDA before extraordinary items development in comparison to sales shows successful implementation of the strategic realignment initiatives

Net income declined only slightly despite difficult market environment and extraordinary expenses resulting from strategic realignment initiatives

Cash flow from operating activities shows strong development resulting from net working capital tasks

Heritage of HUGO BOSS



HUGO BOSS has created a portfolio of strong brands oscillating between elegant, casual, and avant-garde



High brand awareness

~ 90 - 100% among target consumers

High share of buyers within target group

~ 40 - 60% at BOSS Black/Selection/HUGO

~ 15 - 30% at BOSS Orange/Green



Strategic growth areas

Further leverage our existing strengths to continue growth with **BOSS Black** in premium men's wear

Expand the share of business done with ...

... **BOSS Selection** to underline our core competence in men's wear (full-canvas)

... **Women's wear** by receiving creative support for BOSS Black

... **Shoes & Leather Accessories** focusing on BOSS Black

HUGO BOSS brands and products are highly regarded by consumers and trade partners

"HUGO BOSS is *elegant, chic, and modern*"

Consumer

"HUGO BOSS has still the *best value for money* in suits in the premium market"

Consumer

"HUGO BOSS is one of the *best brands in customer communication* and organizing *great events*"

US Wholesaler

"HUGO BOSS has embraced the signs in making tailored clothing comfortable and flattering"

Senior executive, Saks Fifth Avenue

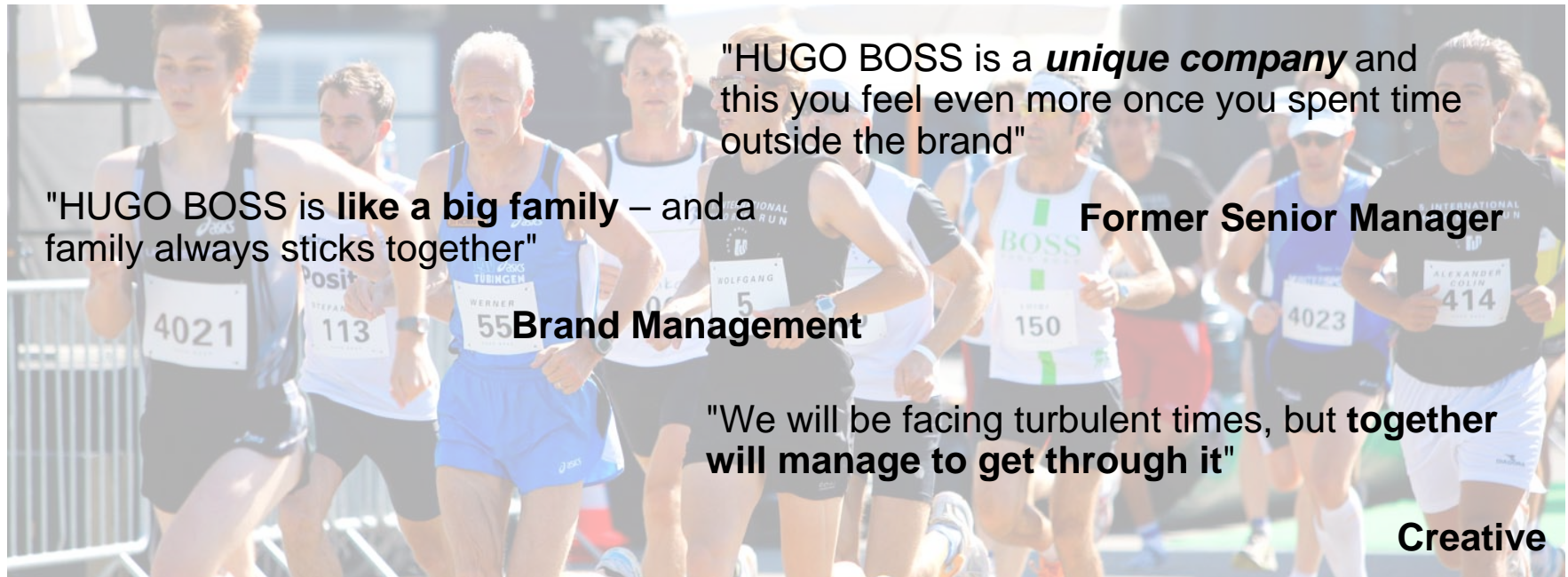
"HUGO BOSS already is *our largest brand in premium men's wear* – we look forward *to do even more business with you*"

Leading European Wholesaler

"HUGO BOSS offers *reliable quality*"

Consumer

The HUGO BOSS culture is one of our strongest assets



Performance initiatives launched in second half of 2008 anticipating weakening market conditions

Delivering sustainable and profitable growth by ...

... optimizing own-retail activities

... decreasing complexity in product development, operations, sourcing, manufacturing and supply chain

... improving the cost structure

... fostering strong relationships to longterm business partners

Performance initiatives and achievements

Most profitable retail formats identified to achieve long-term increase in floor space productivity

Thorough reduction of supplier portfolio to achieve cost optimization

Strengthened cost cautiousness and reduced overhead costs

Ongoing review of existing customer database

Organizational changes implemented in 2008

Redefining organizational structure of headquarters to speed up internal decisions and establish clear responsibilities

Introducing regional responsibilities for Europe incl. Africa/Middle East, Americas, and Asia/Pacific to simplify and optimize reporting structures

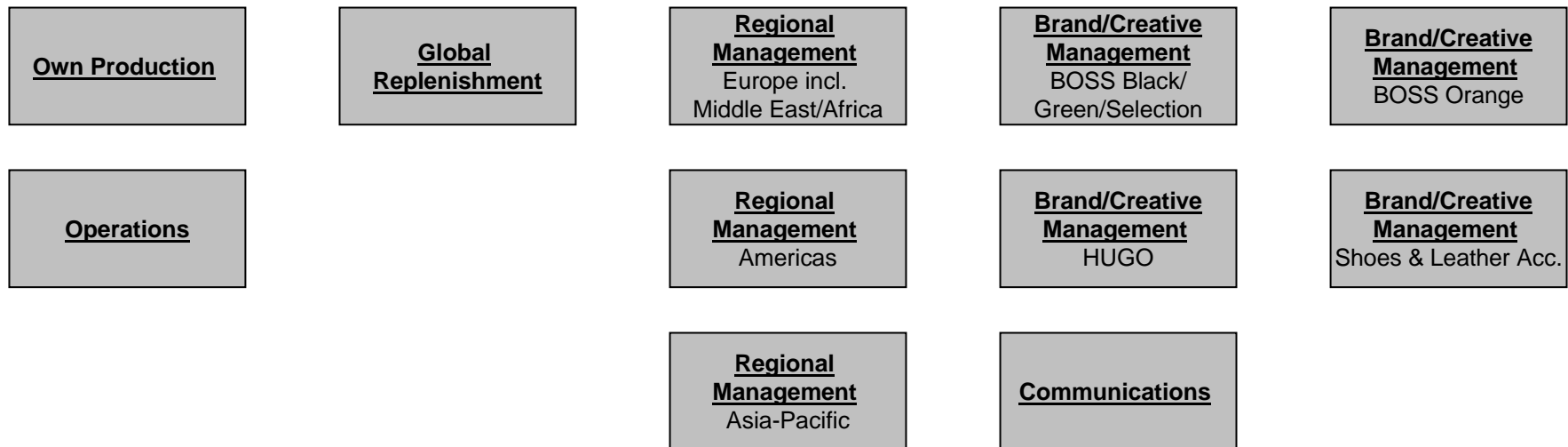
Implementing an extended management board with outstanding expertise in respected areas to monitor operations and strategic decisions more closely

Top management structure

Management Board



Extended Board



Press coverage – Highlights first months 2009



Celebrity Dressing – Highlights first months 2009



**Kim Basinger – April 2009
(Premiere “Informers”, L.A.)**



**Keanu Reeves – February 2009
(Berlinale 2009)**



**Demi Moore – June, 2009
(Sundance Film Festival)**

Art Sponsoring – Highlights first months 2009



**Emily Jacir – Winner of the
HUGO BOSS Prize 2008**

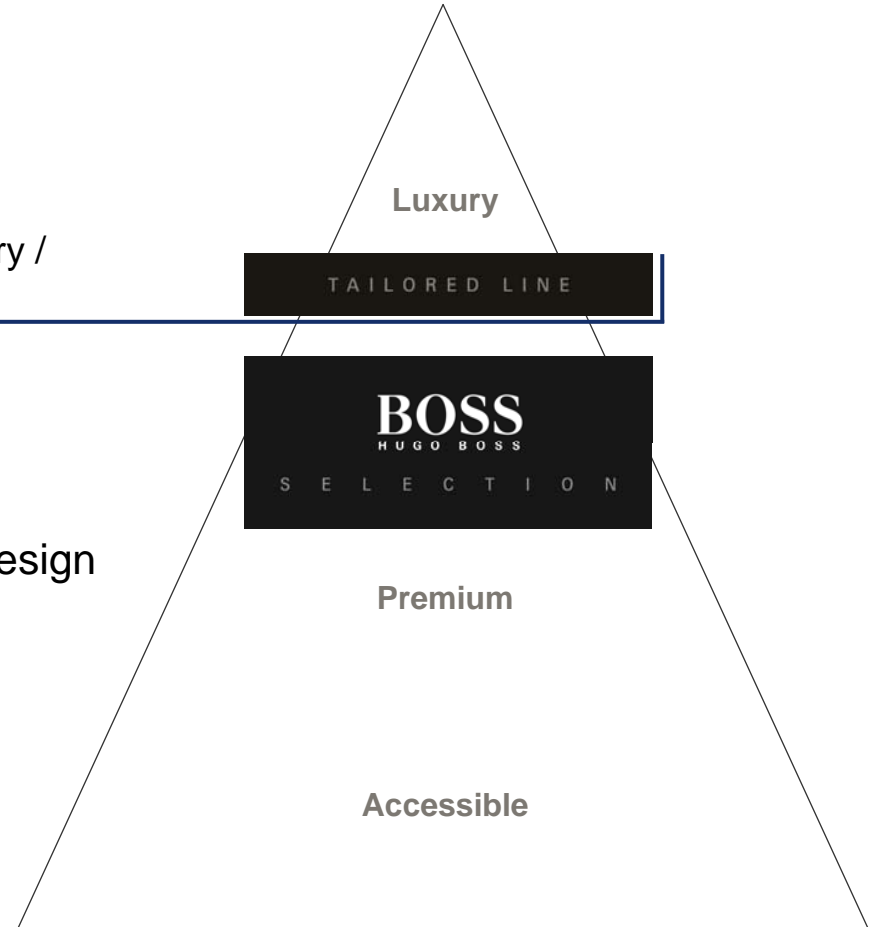


**Emily Jacir's exhibition – February to April 2009
at the Guggenheim Museum, New York**

BOSS Selection collection portfolio supplemented by the TAILORED LINE



Positioning in Luxury /
Premium Segment

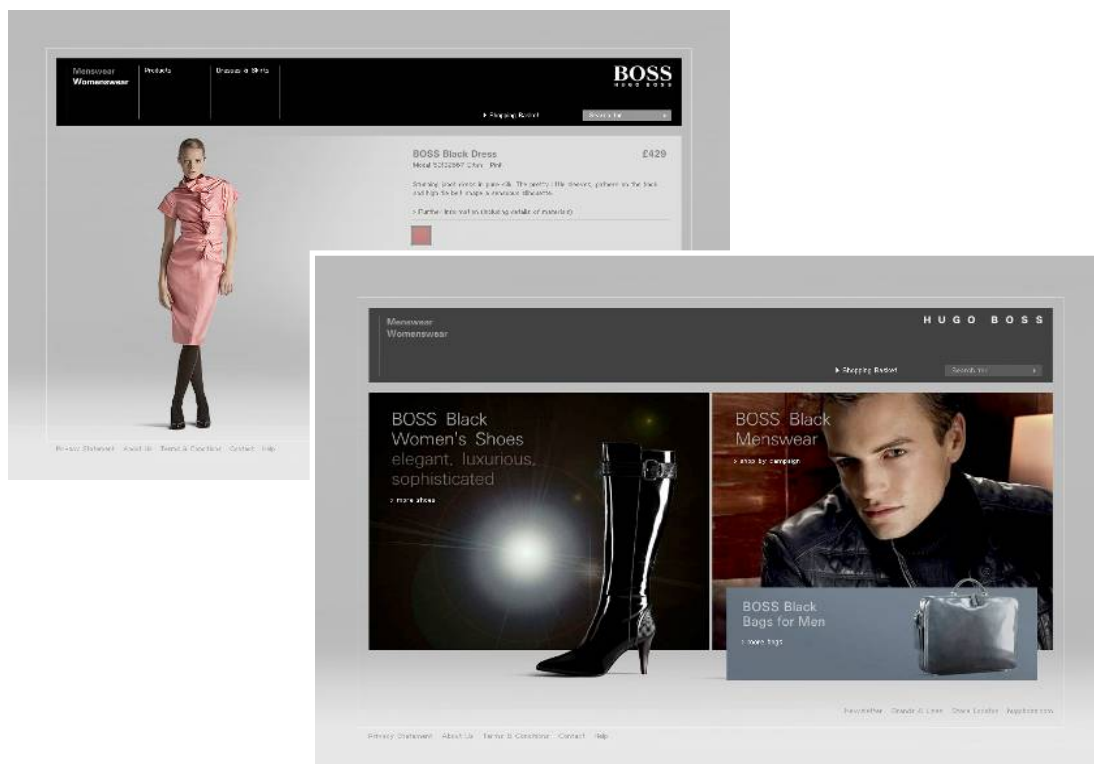


Full-canvas interpretations using contemporary design

Superlative quality and craftsmanship

Produced in Germany and Italy

Successful Go-live of HUGO BOSS online store in September 2008 in the UK January to March 2009



On average over 90.000 visitors per month

More than 700 new customers each month

Potential of new customer groups

Go live in NL, FR, DE in second quarter of 2009

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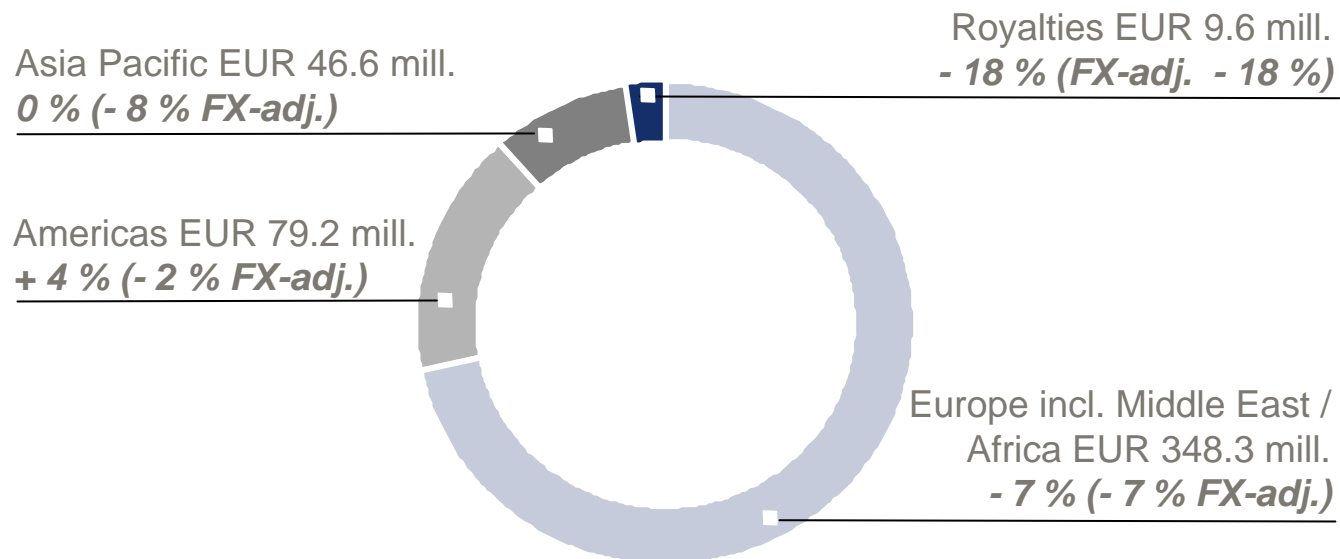
Financial Performance

Outlook

HUGO BOSS sales in first quarter effected by disastrous overall market conditions

Strongest economic crisis in decades affected sales in all regions

Higher share of sales of own retail operations in growth regions Americas and Asia Pacific compensating downturn in wholesale channel operations



Brand sales in first quarter developed as expected

BOSS sales suffered weak demand with a decline of 6% in the first quarter 2009 (-7% fx-adjusted)

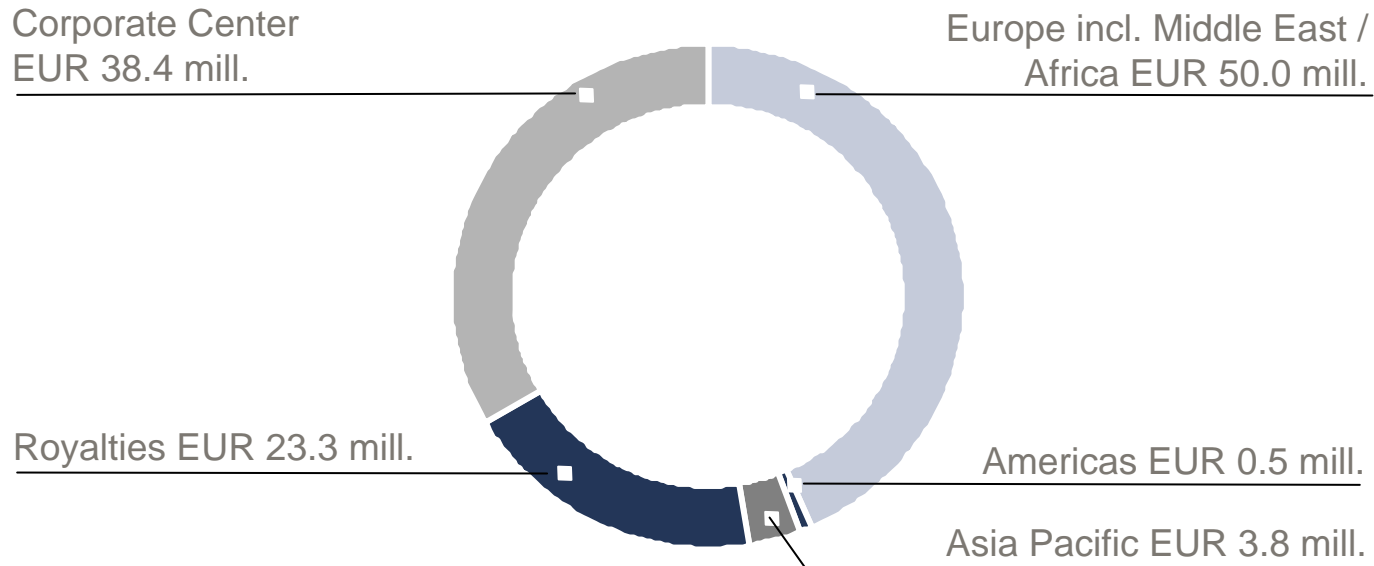
HUGO sales increased by 1%, which corresponds to a fx-adjusted sales decline of 1 %

in EUR mill.	Jan. – Mar. 2009	Jan. – Mar. 2008	Change in % fx-adjusted
BOSS	440,0	465,8	-7
Menswear	384,9	400,4	-6
Womenswear	55,1	65,4	-17
HUGO	43,7	43,4	-1
Other	0,0	0,3	-99
Total	483,7	509,5	-7

Profit development by segment first quarter 2009

Optimization of the total global purchasing and production processes increase segment profit of corporate center by 5% on a year-on-year comparison

Total segment profit in first quarter of 2009: EUR 112.1 million (including consolidation of EUR -2.9 million)



Development of operating performance first quarter 2009

	in EUR million	Jan. - March 2009	Jan. - March 2008	Change in %
Cost of sales method applied for consolidated income statement	Sales	483,7	509,5	(5)
	Cost of Sales	(213,3)	(231,9)	8
	Variable selling expenses	(11,3)	(11,0)	(3)
Increase of contribution margin by + 1.3 pp.	Contribution Margin	259,1	266,6	(3)
	in % of Sales	53,6	52,3	
EBIT performance as a result of strategic realignment initiatives	Selling and Marketing expenses	(120,4)	(122,2)	2
	General, administration and other operating expenses/ income	(46,7)	(49,5)	6
	Operating Income (EBIT)	92,0	94,9	(3)
	in % of Sales	19,0	18,6	
EBIT margin increased by 19%	Net financial result ¹	(7,8)	(5,5)	(42)
	Earnings before taxes	84,2	89,4	(6)
Return on sales of 13% indicated solid performance	Income taxes	(20,6)	(24,2)	15
	Net income	63,6	65,2	(2)
	Earnings per share (EUR)²			
	common stock	0,92	0,95	(3)
Decrease of net financial result, because of higher interest expenses	preferred stock	0,93	0,96	(3)

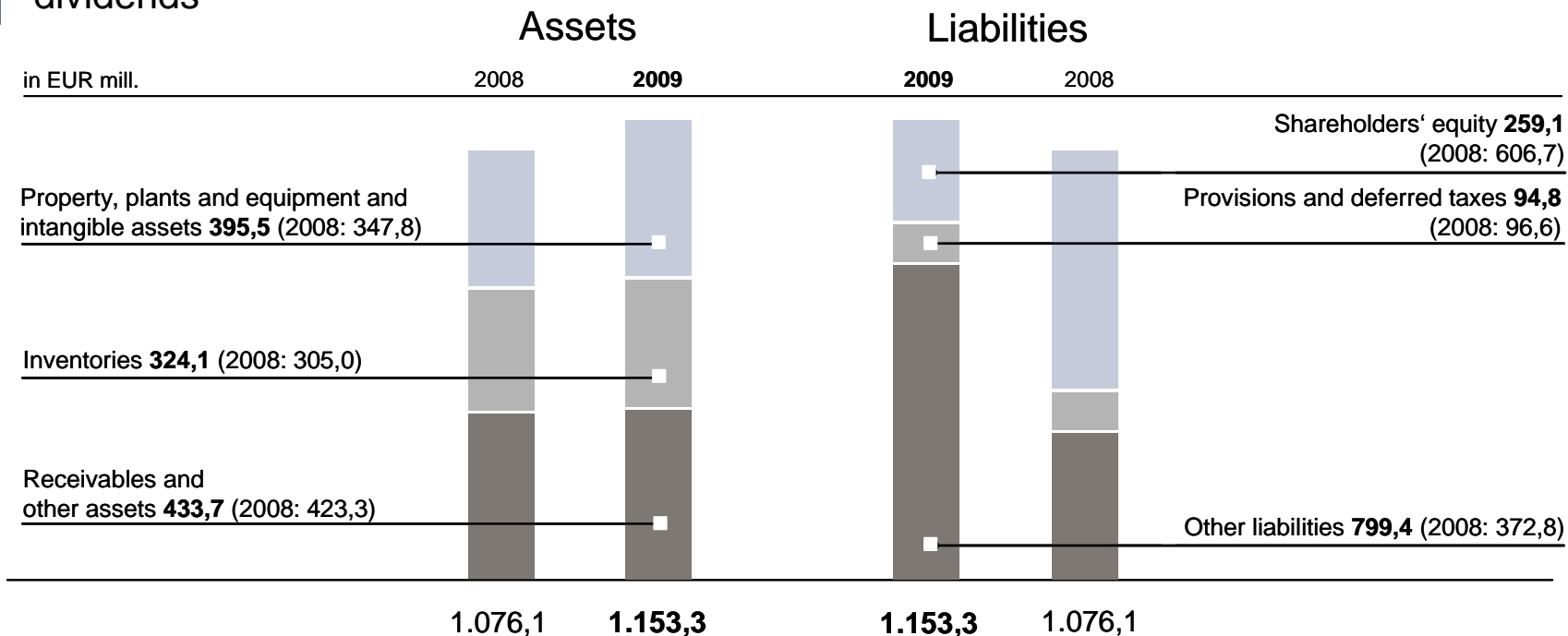
¹ Previous year value was adjusted. See also collateral explanations concerning Interim Financial Group Statement.

² Stock option program: This is limited to stock appreciation rights (SAR) which do not cause any dilution of EPS.

Balance sheet structure first quarter 2009

Total assets were up 7% to EUR 1.153,3 million, mainly driven by increase in non-current assets based on investment in logistics capacity and own retail store expansion

The equity ratio of total assets decreased to 22% due to payment of the special dividends



Cash Flow development first quarter 2009

Operating cash flow was – with 18% - significantly above previous year's figure due to higher interest payments

Cash flow from investing activities decreased due to declining investments and increased proceeds from sales of asset

Cash flow from financing activities was mainly characterized by a partial repayment of the revolving credit line in the syndicated loan

Change in cash and cash equivalents resulting mainly from higher interest payments

<u>in EUR million</u>	<u>March 31, 2009</u>	<u>March 31, 2008</u>
<u>Cash flow from operating activities</u>	<u>53,3</u>	<u>45,0</u>
<u>Cash flow from investing activities</u>	<u>(9,1)</u>	<u>(16,1)</u>
<u>Cash flow from financing activities</u>	<u>(48,5)</u>	<u>(28,8)</u>
Change in cash and cash equivalents	(3,9)	(0,5)



Outlook for 2009

Outperforming competitors by strengthening market position

Several ***cost initiatives*** already launched in 2008 delivering a positive impact on cost structure, cash flow and profit margin in 2009

Ensuring ***Net Working Capital optimization*** by focused initiatives in trade receivables and payables as well as inventory management

Even in case of declining sales, increasing ***EBITDA*** in percentage of sales

Investments for fiscal 2009 will be on the level of depreciation and amortization

We are preparing for 2010 to unlock the full potential of our brands

1

Intensifying retail channel activities

- **Increasing share** of sales within dynamic regions of **Asia/Pacific**, **Eastern Europe** and **North America**
- **Expanding** of **DOS network** with strong focus on **Asia/Pacific region**

2

Strengthening brand portfolio

- **BOSS Orange relaunch** on track for main collection S/S 2010

3

Driving process and operational efficiency

- Establishing and maintaining **cost efficiency**
- Reducing **net working capital** and overheads
- **Leveraging** value chain **complexity**
- Fine-tuning **product complexity**



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