

H U G O B O S S

PRESS AND ANALYST CONFERENCE

Metzingen – April 12, 2010

AGENDA



KEY FACTS 2009



FINANCIAL PERFORMANCE 2009



OUTLOOK 2010



GROWTH STRATEGY 2015

AGENDA



KEY FACTS 2009



FINANCIAL PERFORMANCE 2009



OUTLOOK 2010



GROWTH STRATEGY 2015

HUGO BOSS DEMONSTRATED STRENGTH

Secured market position in a difficult environment



Realigned brand portfolio



High cost discipline



Consistent liquidity management



SECURED MARKET POSITION IN A DIFFICULT ENVIRONMENT

- Sales and earnings held at high level
- Refrained from sales associated with high discounts
- Closely monitored retailers with poor credit ratings
- Added attractive locations to retail business

REALIGNED BRAND PORTFOLIO

- Greater differentiation among our brands
- Developed persuasive sportswear line under BOSS Black
- Strengthened BOSS Black womenswear in creative division
- Successful relaunch of BOSS Orange
- Clear positioning of BOSS Selection in the luxury market

HIGH COST DISCIPLINE

- Closed more than 40 unprofitable locations
- Consolidated production and sourcing structures
- Reduced collection complexity almost by half
- Realigned organizational structure toward future growth

CONSISTENT LIQUIDITY MANAGEMENT

- Effective trade receivables management
- Reduced inventories by one-fifth
- Negotiated longer payment terms
- Significantly increased operating cash flow
- Reduced net debt by one-third

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GROWTH STRATEGY 2015

HUGO BOSS IN 2009

in EUR million

	2009	2008	Change
Sales	1,562	1,686	- 7%
EBITDA*	270	288	- 6%
Net income	104	112	- 7%
Operating cash flow	350	165	> 100%
Net financial position	379	583	- 35%

* before special items

SALES BY DISTRIBUTION CHANNELS

- Sales decline of 15% in wholesale channel
- Retail sales increased by 13%
- Regions with high percentage of retail business posted more stable sales development
- Royalty business decreased by 6%

SALES BY REGION

		Change	WHS	DOS
Europe*	EUR 1,041 million	- 11%	84%	16%
Americas	EUR 312 million	+ 2%	76%	24%
Asia / Pacific	EUR 165 million	+ 2%	62%	38%

- Cautious wholesale order behaviour affected Europe in particular
- US saw a 4-percent increase in sales
- Continued positive trend in countries in Central / South America
- China gaining in significance as growth market

* incl. Middle East / Africa

INCOME STATEMENT

- Gross profit margin increased by 0.6 percentage points to 54.4%
- Reduced fixed costs by EUR 24 million through improving cost structure despite expansion of retail business

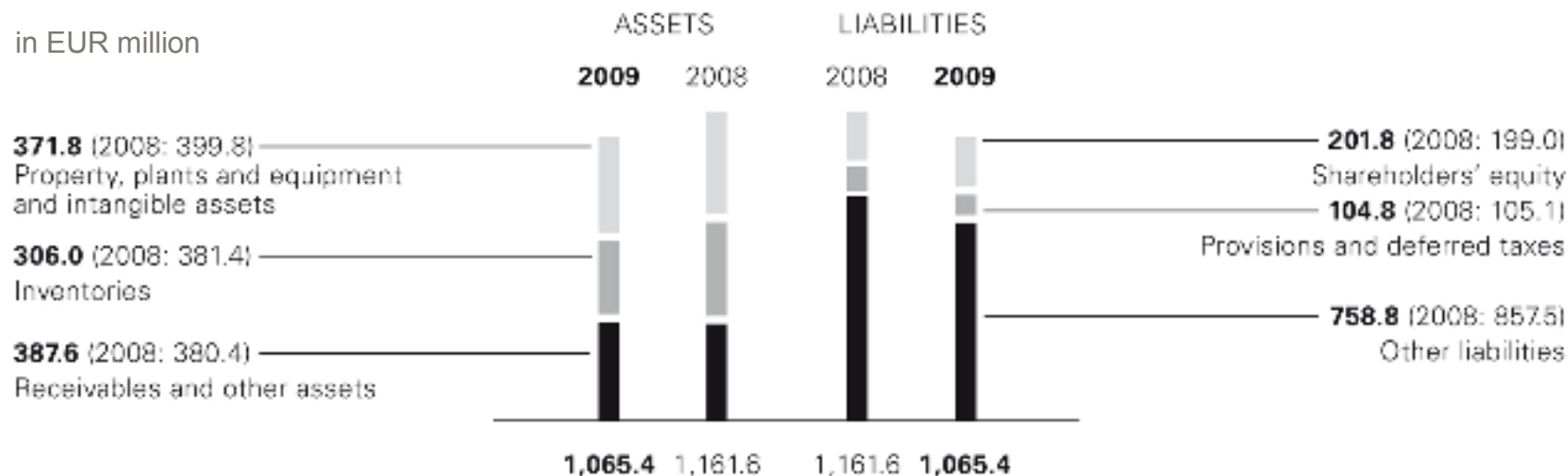
in EUR million	2009	2008	Change in %
Sales	1,561.9	1,586.1	(7)
Cost of Sales	(677.8)	(747.4)	9
Direct selling expenses	(33.8)	(36.8)	8
Gross profit	850.1	801.9	(6)
in % of sales	54.4	53.8	
Selling and distribution expenses	(167.0)	(176.4)	6
Administrative costs and other operating expenses / income	(206.8)	(197.0)	(3)
EBIT	158.4	190.8	(17)
Net financial result ¹	(71.0)	(42.4)	43
Earnings before taxes	136.6	148.4	(8)
Income taxes	(32.6)	(36.4)	10
Net income			
Total	104.0	112.0	(7)
Per share (EUR)²			
Common stock	1.30	1.62	(17)
Preferred stock	1.31	1.63	(17)

¹ The previous year's figure has been adjusted. Please also refer to the accompanying information on the consolidated financial statements.

² No dilution. Only stock appreciation rights issued.

BALANCE SHEET

- Equity ratio increased from 17% to 19%
- Balance sheet total decreases by 8% to EUR 1,065 million



NET WORKING CAPITAL

- Significantly improved net working capital
- Optimized inventory management
- Consistent trade receivables management proves effective

in EUR million	2009	2008	Change in %
Trade receivables, other assets ¹	210.3	292.7	(28)
Inventories	306.0	381.4	(20)
Trade payables and other liabilities ¹	(237.5)	(222.9)	(7)
Current provisions	(55.8)	(59.3)	6
Net working capital	223.0	391.9	(43)

¹ Payable within one year.

CASH FLOW

- Significant increase in operating cash flow through consistent liquidity management
- Improved inventory management yields positive cash flow effect of EUR 81 million

in EUR million

	2009	2008
Cash flow from operating activities	349.5	164.8
Cash flow from investing activities	(44.2)	(116.8)
Cash flow from financing activities	(216.5)	(47.3)
Change in cash and cash equivalents in the course of the fiscal year	89.5	0.1

CAPITAL EXPENDITURE

- Investment volume drops to EUR 48 million
- Previous years characterized by high investments in logistics infrastructure
- Invested about EUR 22 million in new stores / shops
- Current focus on expansion of retail business

DIVIDENDS

- Retention of profit-oriented distribution policy
- Recommendation to Annual Shareholders' Meeting:
 - EUR 0.96 per common share
 - EUR 0.97 per preferred share
- Dividend distribution of EUR 66.6 million (2008: EUR 94.9 million) corresponds to about two-thirds of annual net profit

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GROWTH STRATEGY 2015

MARKET ENVIRONMENT 2010

- Slight recovery of world economy
- Consumer spending remains subdued
- Moderate sales recovery in luxury goods industry
- Strong brands will continue to increase market shares

HUGO BOSS 2010

- Positive trend in retail sales since beginning of the year
- Fall / winter pre-orders indicate upturn, including wholesale segment
- Annual sales will see an increase in single-digit percentage range
- Clear increase in retail investments
- Cost discipline to be maintained
- EBITDA with stronger growth than sales

AGENDA



KEY FACTS 2009



FISCAL YEAR 2009



OUTLOOK 2010



GROWTH STRATEGY 2015

SUSTAINABLE PROFITABLE GROWTH THROUGH

1

CONSUMER PROXIMITY

2

BRAND DIFFERENTIATION

3

RETAIL EXPANSION

4

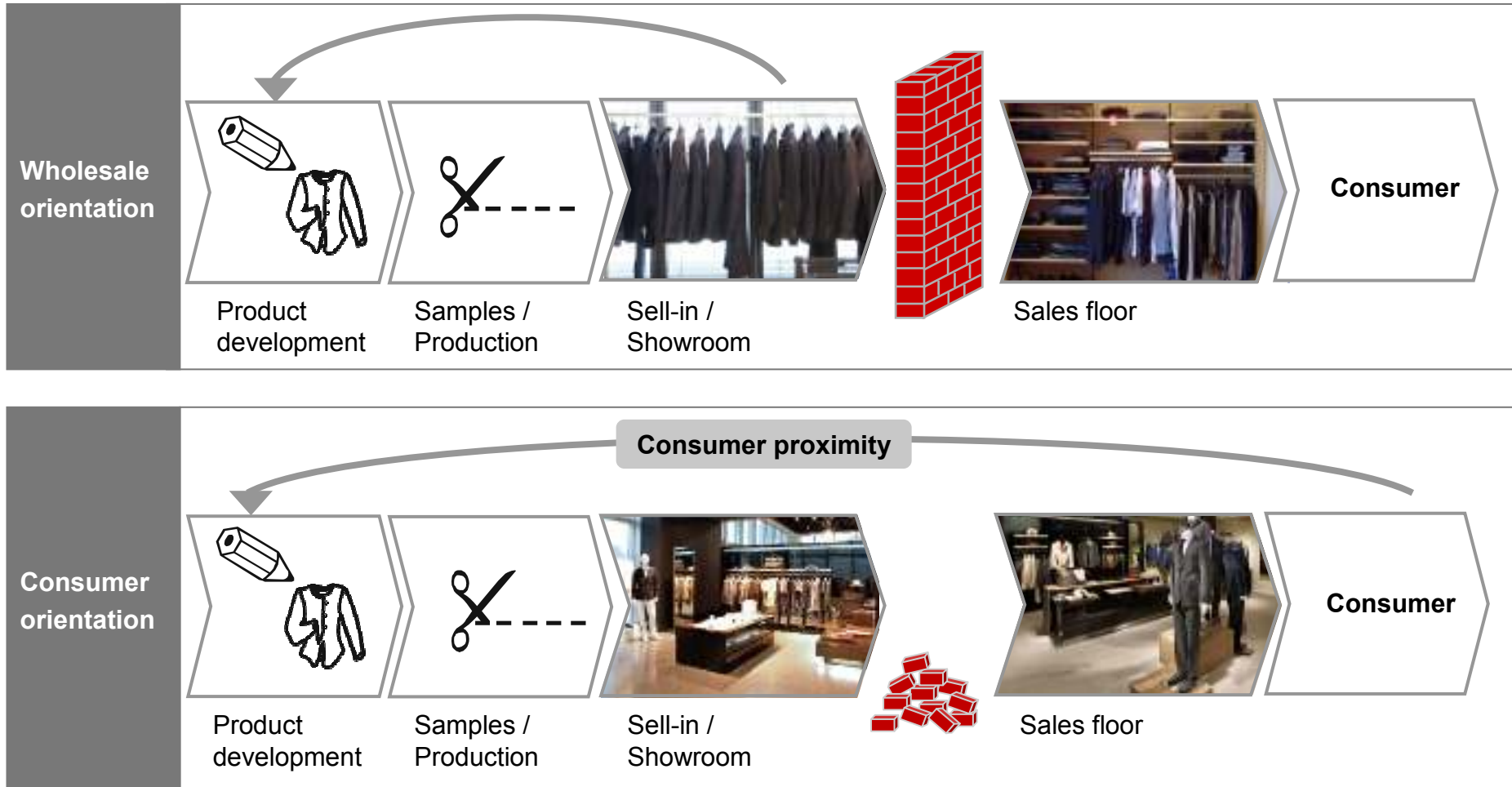
INTERNATIONALIZATION

CONSUMER PROXIMITY

- Strong end-consumer orientation
- Faster response to market changes
- More frequent customer contact through continuously offering new buying incentives
- Increase in sales floor productivity

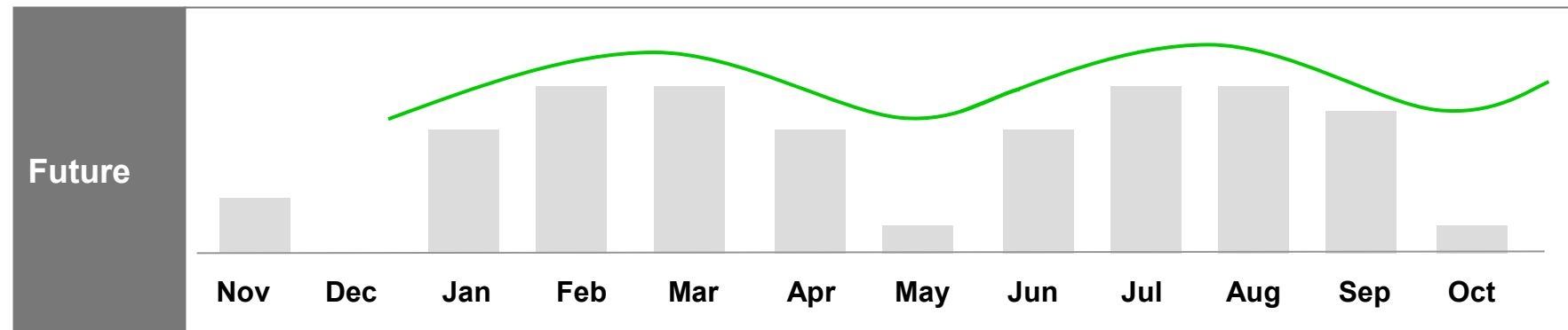
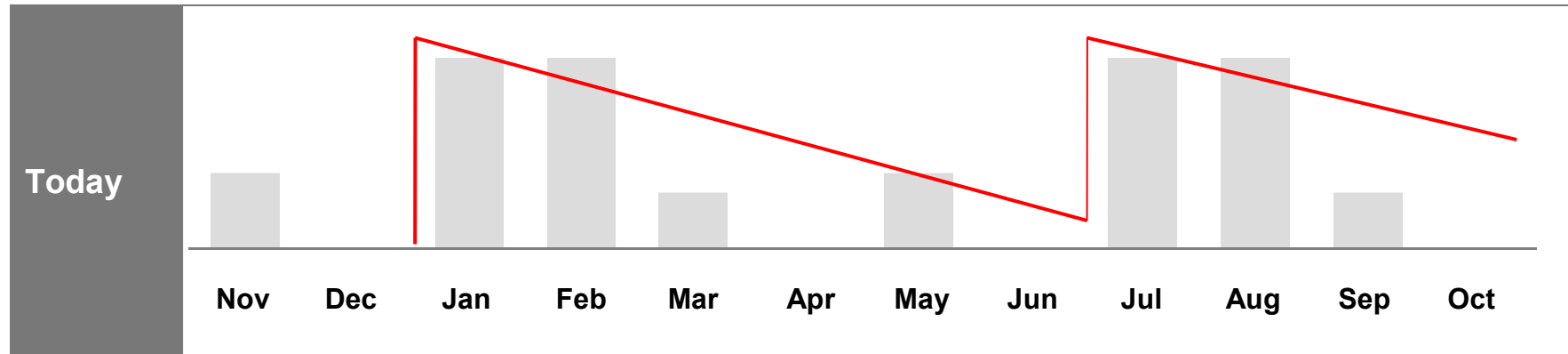
CONSUMER PROXIMITY

Stronger consumer orientation

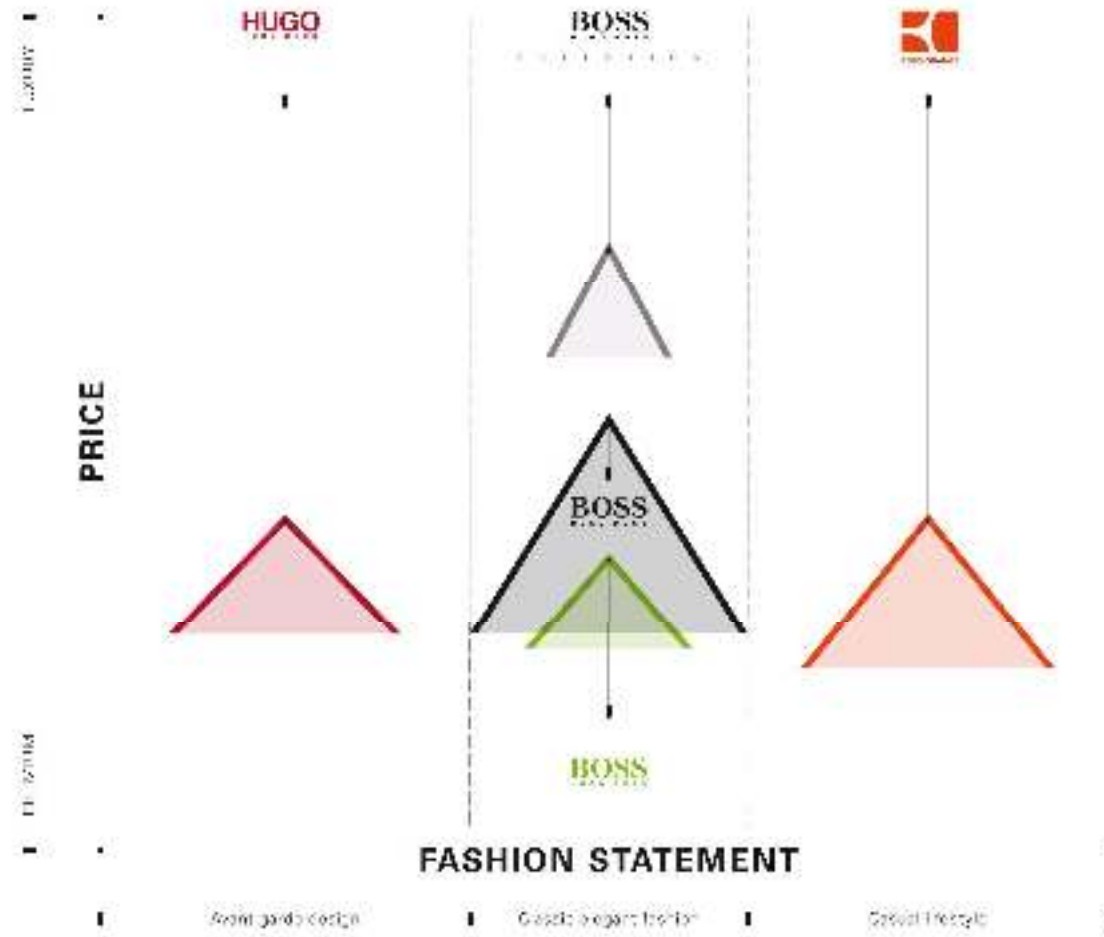


CONSUMER PROXIMITY

Consumer-oriented merchandising of sales floors



BRAND DIFFERENTIATION



BRAND DIFFERENTIATION



BRAND DIFFERENTIATION

Example: BOSS Orange



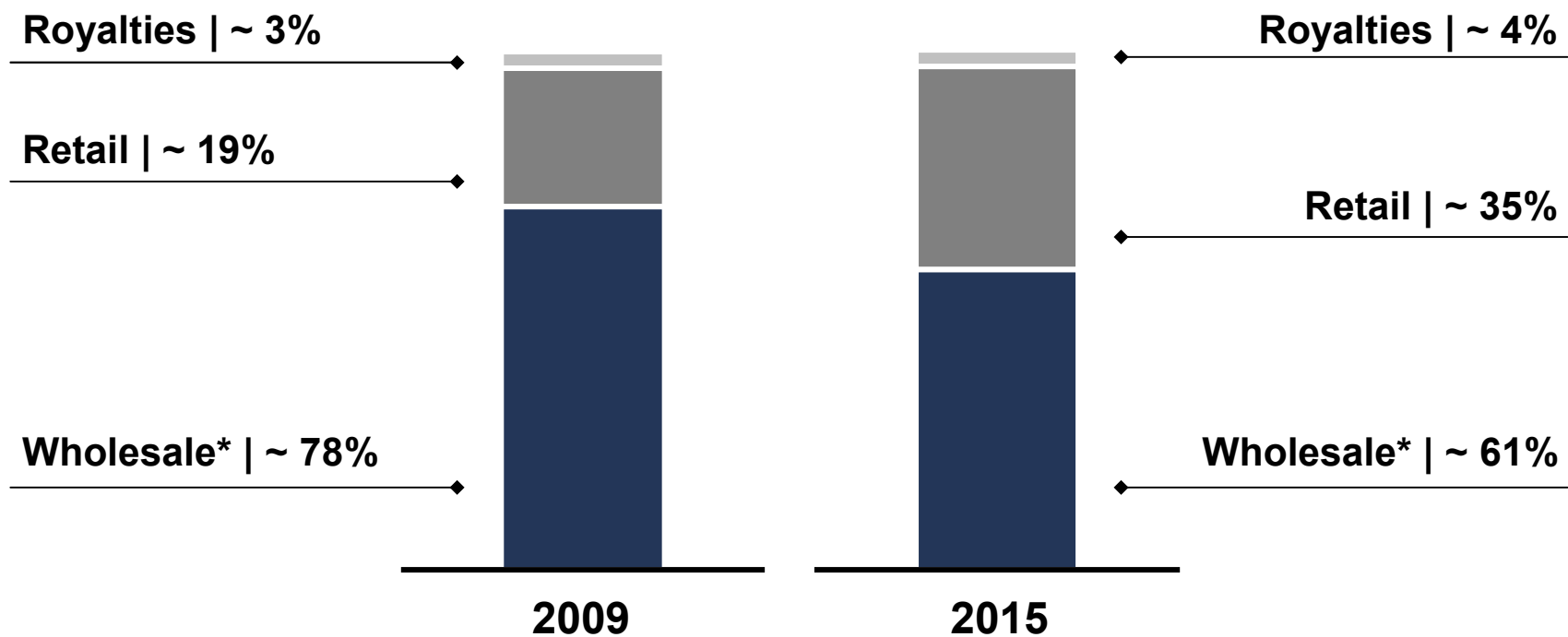
- New direction of BOSS Orange
- Positioning within premium segment of casual-wear market
- Clearly focused collection statement through less complexity
- Coordinated marketing strategy through new brand logo, individual shop concept and convincing advertising campaign

BRAND DIFFERENTIATION

Example: BOSS Orange



RETAIL EXPANSION



* incl. outlets

RETAIL EXPANSION

- Exploiting growth options in future regions
- Better understanding of our wholesale partners
- More consistent merchandise presentation for our end-consumers
- 50 to 60 new openings planned per year

RETAIL EXPANSION Successful Store Openings 2009 / 2010



Singapore



Copenhagen



Toronto



Frankfurt

INTERNATIONALIZATION



EUROPE



2009: 70%

2015: 54%



AMERICAS



2009: 20%

2015: 25%



ASIA / PACIFIC



2009: 10%

2015: 21%

Europe incl. Middle East / Africa

INTERNATIONALIZATION

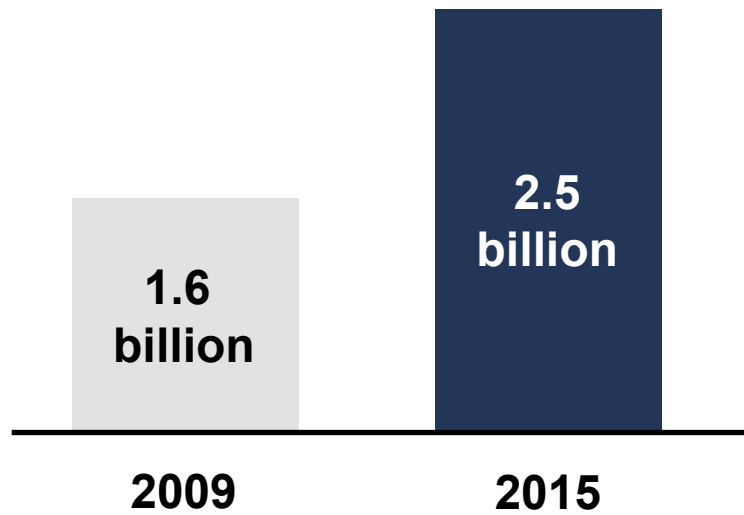
Example: China

- More than one-third of all openings 2009 in Asia / Pacific region
- On average 20 new openings annually planned in China
- Expansion of BOSS Selection luxury line
- By 2015, China will be among our top 3 single markets

GROWTH STRATEGY 2015

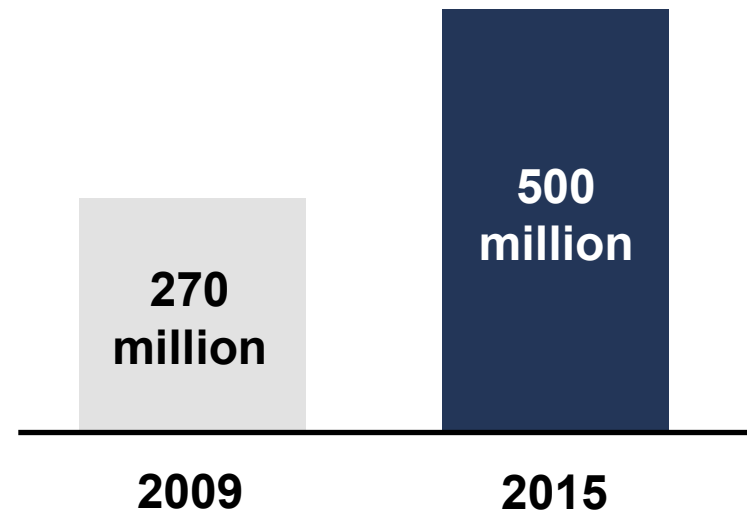
SALES

CAGR: 8%



EBITDA

CAGR: 11%



KEY TAKEAWAYS

- HUGO BOSS demonstrated strength in an extremely difficult market environment
- In 2010 we will return to a growth-oriented path
- Our Growth Strategy 2015 emphasizes customer proximity, brand differentiation, a professional retail business, and internationalization
- Through our Growth Strategy 2015, we ensure the sustainability of our growth and exploit our business potential in a better way

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