

H U G O B O S S

Europe Strategy

Knut Brokelmann, Regional Director Europe, Middle East, Africa & India

November 8, 2011

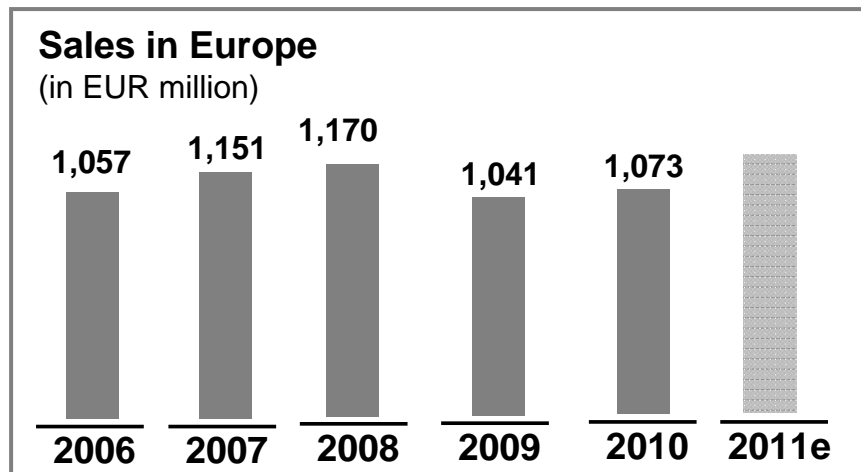
About me

- Born 21 January 1968 in Stade, Germany
- Education
 - 1989-1991 Business Academy Bielefeld, Germany
- Professional background
 - 1991-1992 Sales Manager at Doerge Agency, London
Sales Representative for HUGO BOSS UK
 - 1992-1994 Sales Agent for Joop! Menswear, Germany
 - 1994-1998 Sales Director HUGO BOSS UK
 - 1998-2002 Managing Director HUGO BOSS UK
 - 2002-2008 Managing Director HUGO BOSS Australia
 - 2008-2011 Managing Director HUGO BOSS
Germany & Austria
 - since 2011 Regional Director Europe,
Middle East & Africa

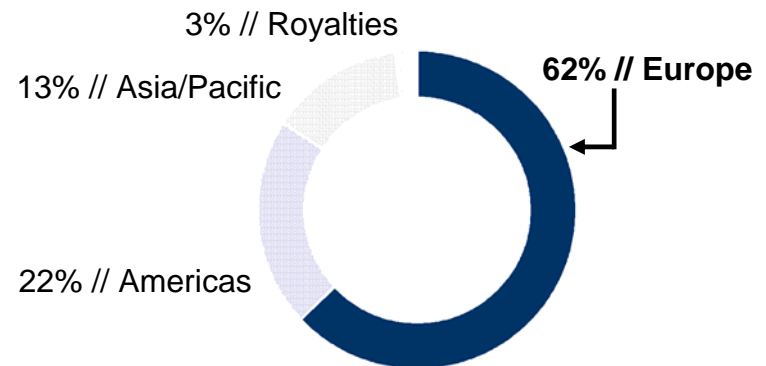


EUROPE – The core region of HUGO BOSS

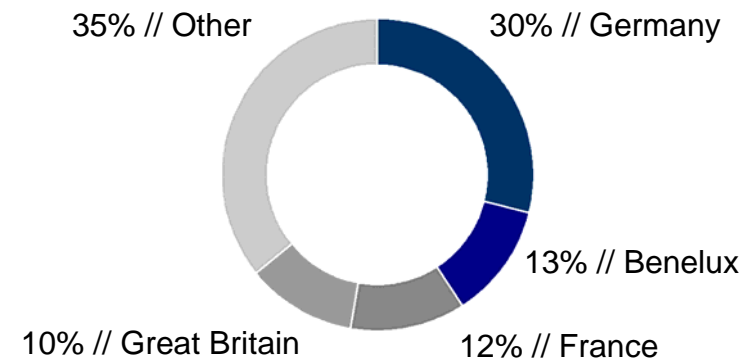
- Biggest and most profitable region within the Group
- Unrivalled wholesale partnerships
- Leading market positions in Western Europe
- Strong recovery from crisis lows



Sales by Region FY 2010



Sales by Market / Europe FY 2010



HUGO BOSS in Europe today



~7.900

EMPLOYEES



~84

COUNTRIES



~4.700

POINTS OF SALE



292

RETAIL
POINTS OF SALE



~4.400

WHOLESALE
POINTS OF SALE



~2.800

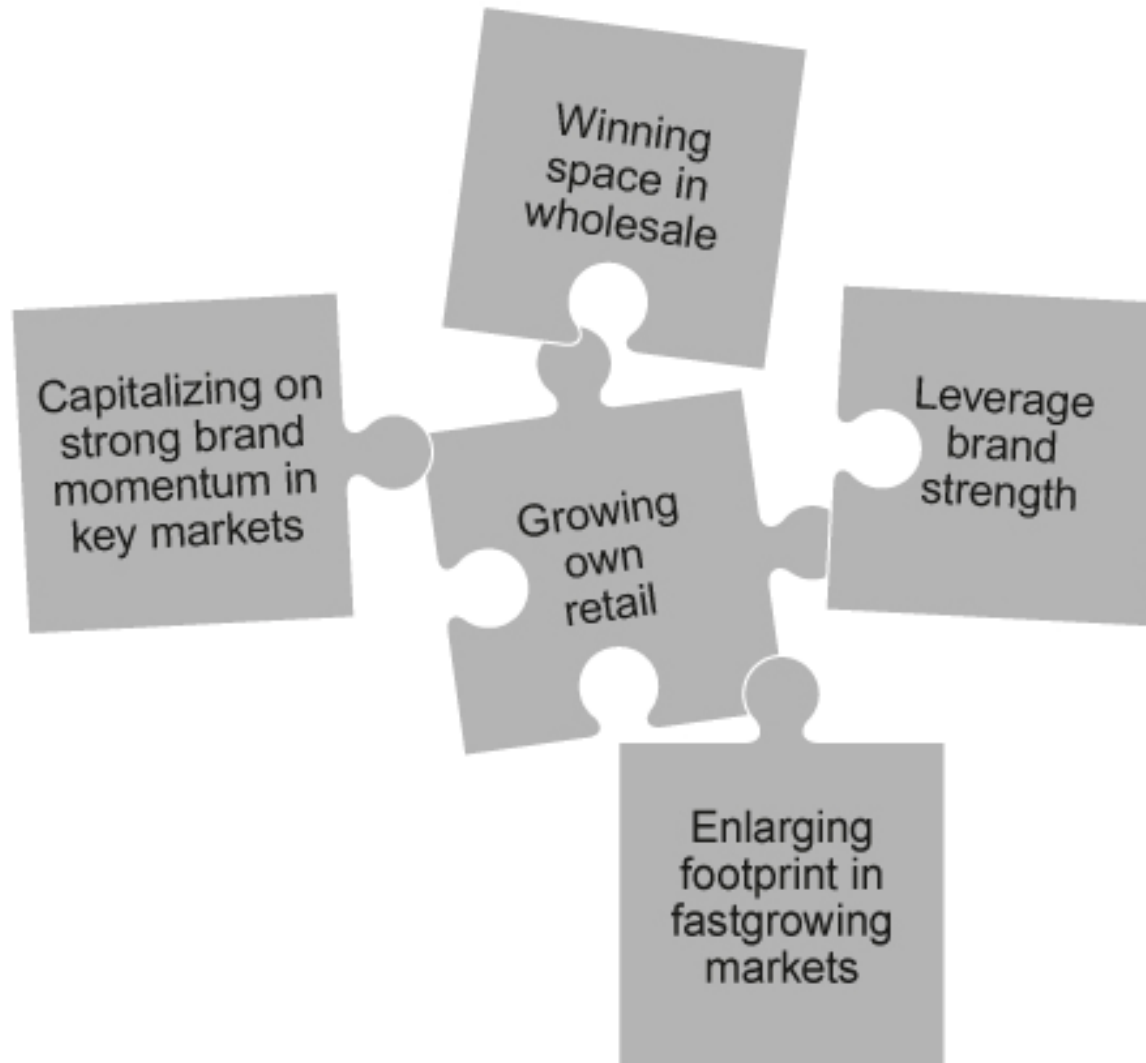
WHOLESALE PARTNERS

EUROPE - Key industry dynamics

- Competitive market environment
- Wholesale consolidation
- New cooperation models between brands and wholesale partners
- Growing importance of own retail
- Emergence of new growth markets



Clear growth strategy in place



Dominant market position in menswear clothing with ample growth opportunities in other categories

WOMENSWEAR



SHOES & ACCESSORIES



BOSS SELECTION



WHOLESALE – Further develop successful partnerships

- Strong portfolio of leading wholesale partners
- Attractive brand proposition
- Superior sell-throughs
- Reliable delivery and replenishment performance



P&C KAERNTERSTRASSE, VIENNA

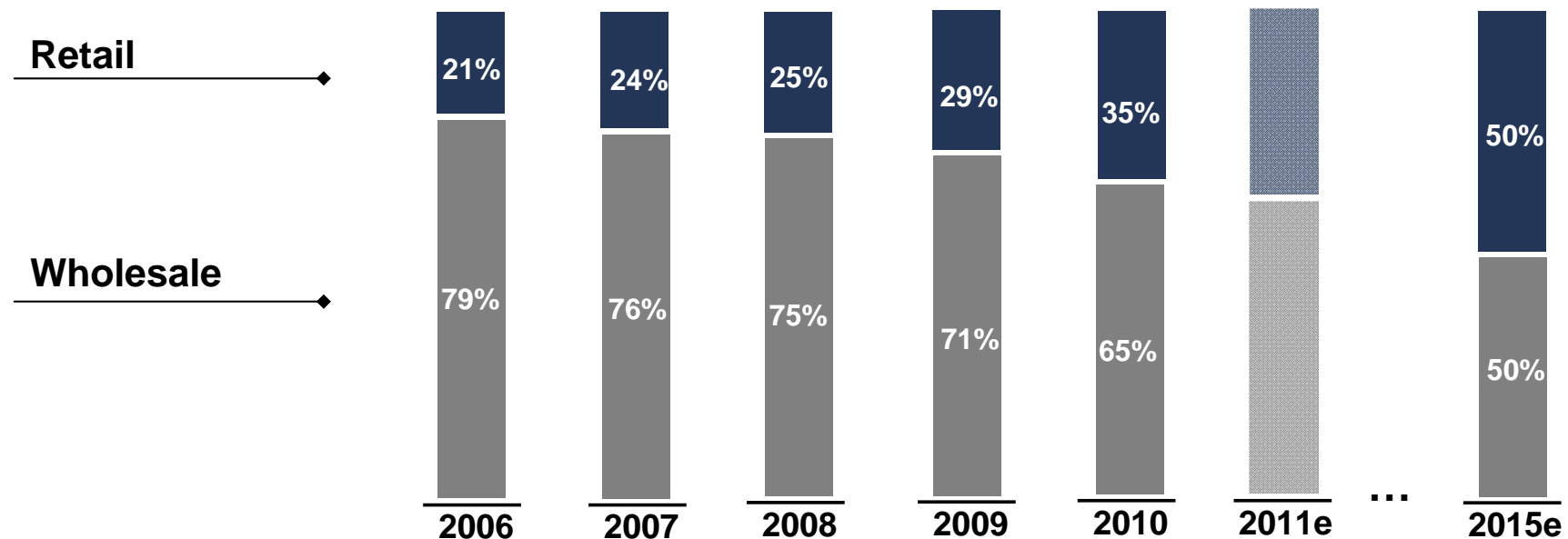


Leveraging brand strength key to gaining space in wholesale

RETAIL – Strong medium-term growth potential in retail

- Targeted additions in Western Europe
- Accelerated retail rollout in Eastern Europe

Sales split by channel // Europe



➔ Retail to account for around 50% of European sales by 2015

RETAIL – Active management of wholesale space an increasingly important distribution concept

- Potential levers for productivity improvements:
 - Comprehensive control of merchandise flow and assortment
 - Targeted bestseller management
 - Superior customer service through dedicated staff
- Attractive profitability profile
- Several cooperations under way

RETAIL – Renovations offer potential for productivity gains

- Flexible space allocation due to modular brand concept
- Upgrade of store furniture concepts
- Optimized consumer flow

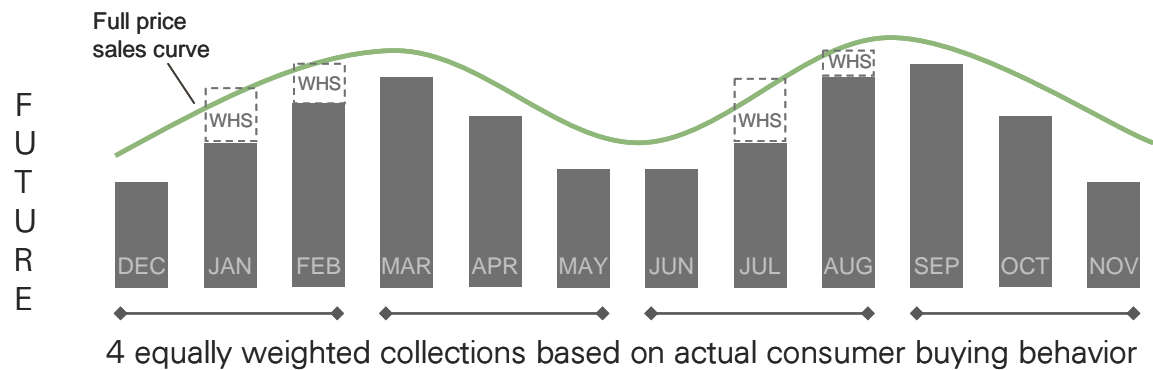
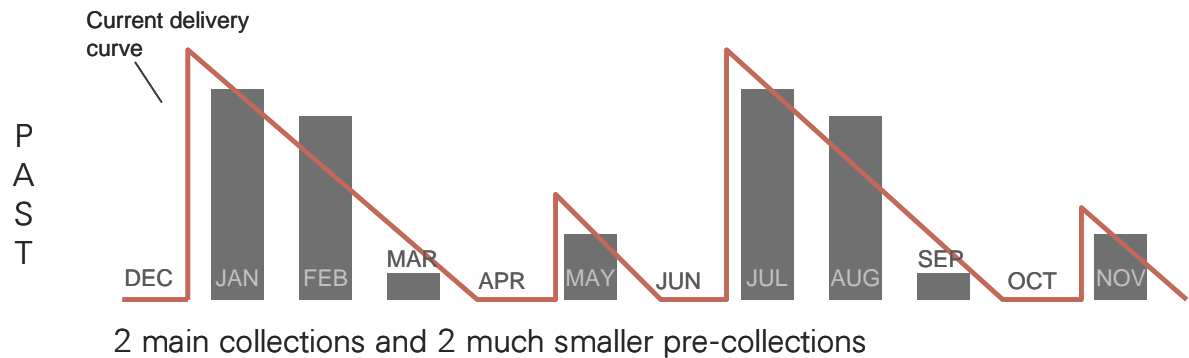


HUGO BOSS STORE, MILAN

PROJECT D.R.I.V.E. – Implementation in full swing (I)

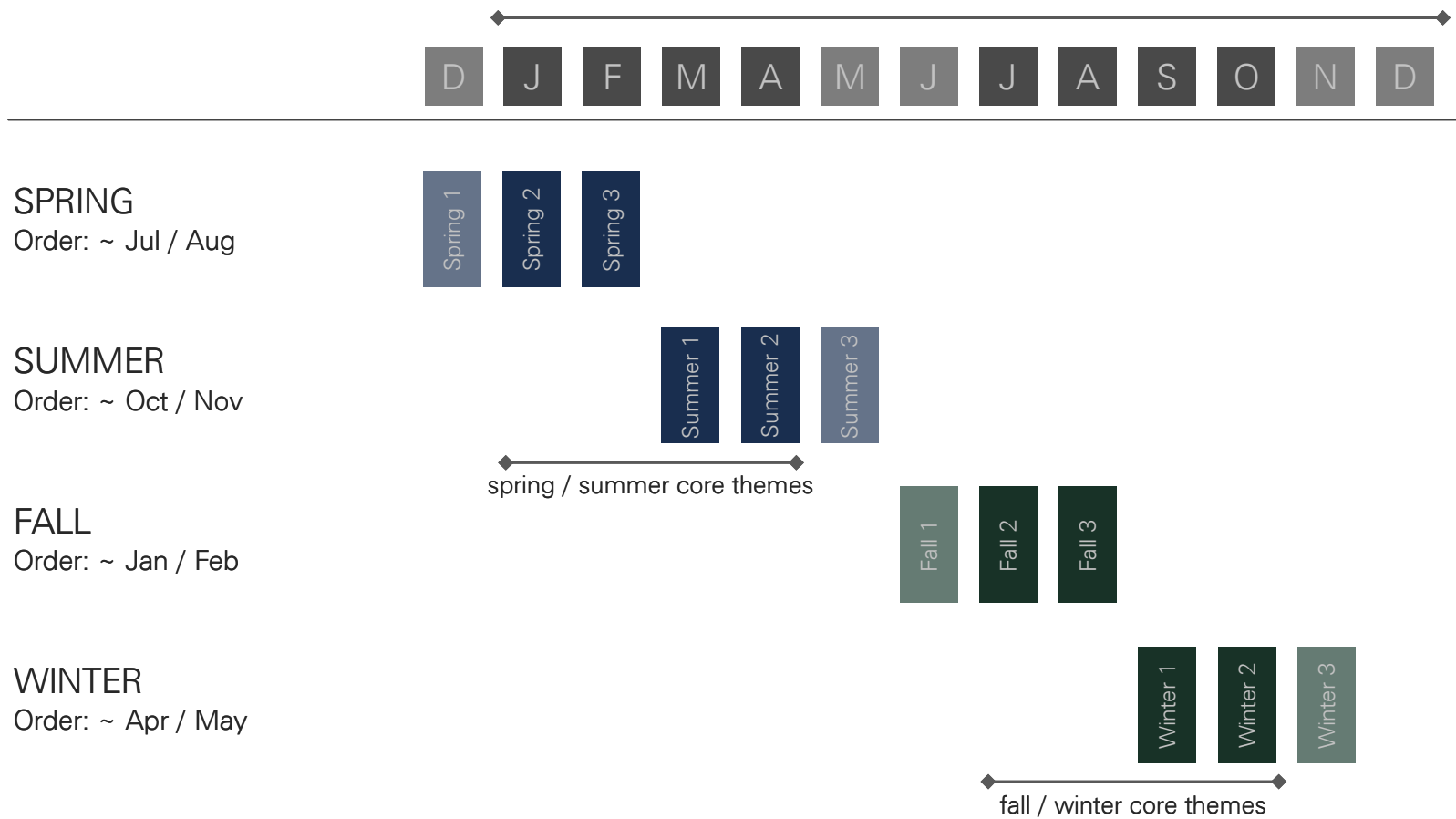
➔ Example: 4-season cycle

- Cycle shift fully reflected in retail
- Fresher merchandise offering
- Better adjustment to seasonal differences in consumer buying behavior
- Increasing wholesale support



PROJECT D.R.I.V.E. – Implementation in full swing (II)

➔ Example: 4-season cycle (cont.)



PROJECT D.R.I.V.E. – Implementation in full swing (III)

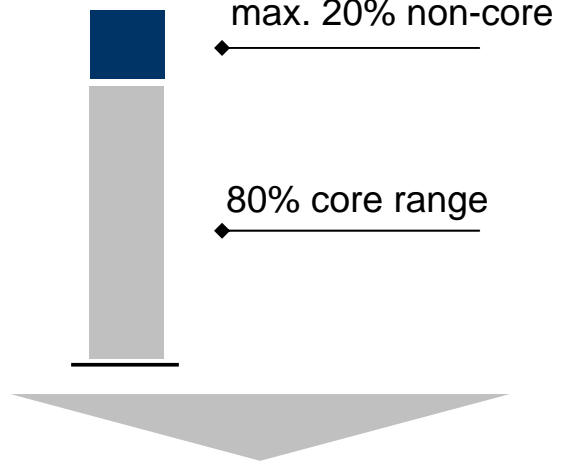
➔ Example: Core range

Introduced in all markets...



60% less retail complexity

...with only limited exchange quotas



max. 20% non-core

80% core range

Consistent brand presentation across all markets

Capitalizing on strong brand momentum in key markets

Germany



- “Must have” brand in Menswear Clothing
- Own retail opportunities in metropolitan areas
- New cooperation models with wholesale partners

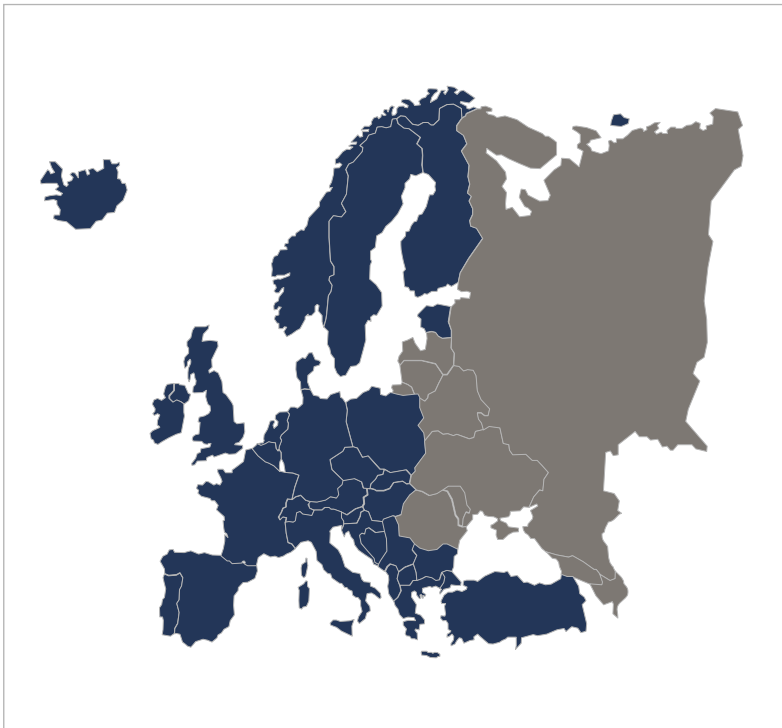
UK



- Strong brand perception based on perfect fit, high quality and superior value proposition
- Group-leading retail competence
- High-quality store base further strengthened through Moss Bros takeover

Expanding brand presence in fast-growing markets

Eastern Europe



- Take full control of distribution step-by-step
- Extend own retail presence
- Continuously invest into brand strength

SUMMARY

- Region Europe set for continued growth
- Good opportunities to leverage brand strength across portfolio of wholesale partners
- Improving retail sophistication opens up new growth opportunities



H U G O B O S S