H U G O B O S S

Group Strategy

Claus-Dietrich Lahrs, Chief Executive Officer

November 8, 2011

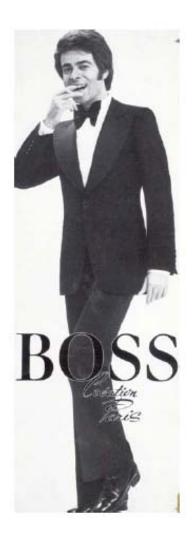
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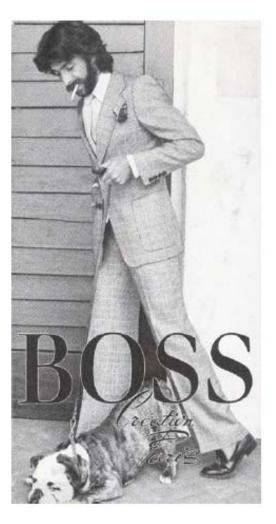
INTRODUCTION
HUGO BOSS – A PREMIUM BUSINESS MODEL WITH LUXURY APPEAL
DISTRIBUTION STRATEGY
MEDIUM-TERM OUTLOOK

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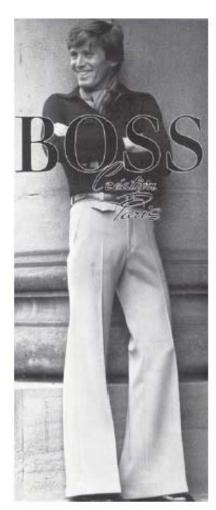
INTRODUCTION HUGO BOSS – A PREMIUM BUSINESS MODEL WITH LUXURY APPEAL DISTRIBUTION STRATEGY MEDIUM-TERM OUTLOOK

HUGO BOSS – Defining premium in clothing and fashion

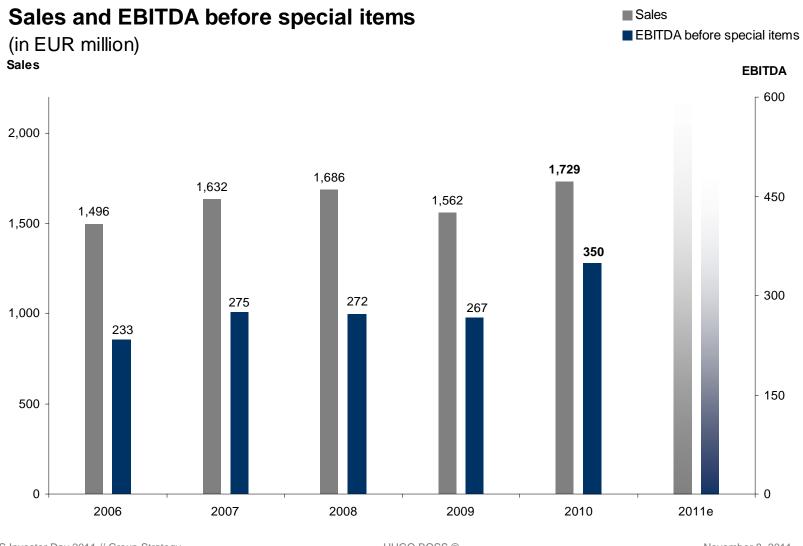








HUGO BOSS – Record sales and profitability development



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HUGO BOSS – A premium business model with luxury appeal



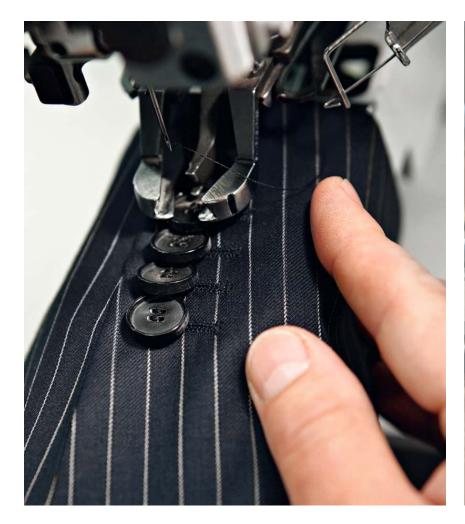


BRANDS – Targeting clearly defined consumer segments



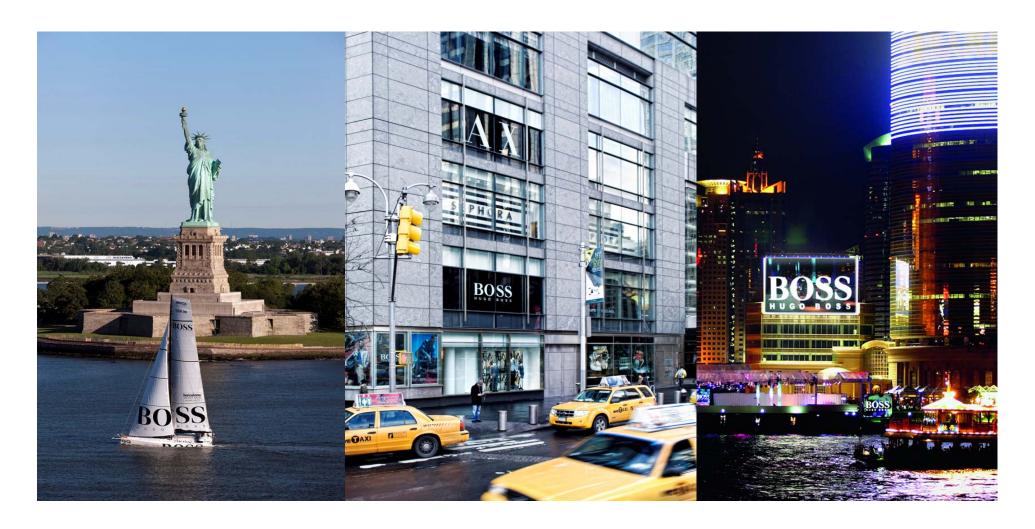
02

PRODUCT EXPERTISE – Unmatched expertise in high-end tailoring reflected in dominant market positions





03 GLOBAL PRESENCE – Renowned brands around the world



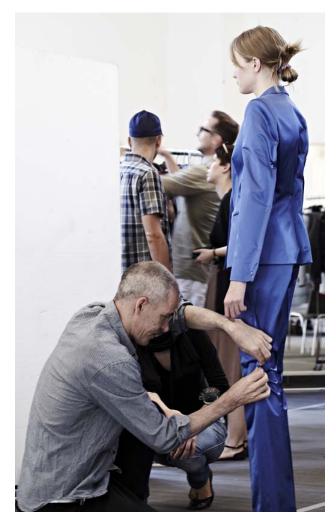
04

OPERATIONAL EXCELLENCE – A strong organizational backbone





05 PEOPLE – Industry-leading know-how









DISTRIBUTION – Increasing Retail sophistication and Online expertise add to historical strength in Wholesale

ONLINE





RETAIL



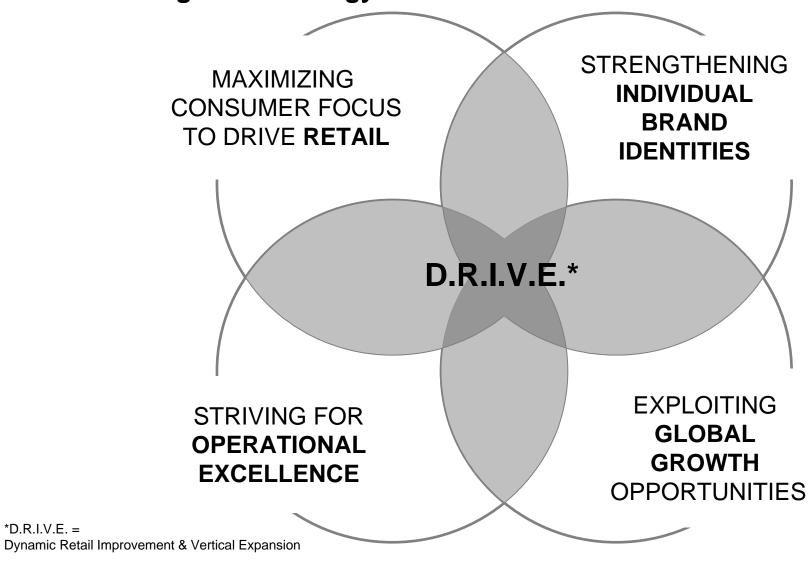


WHOLESALE



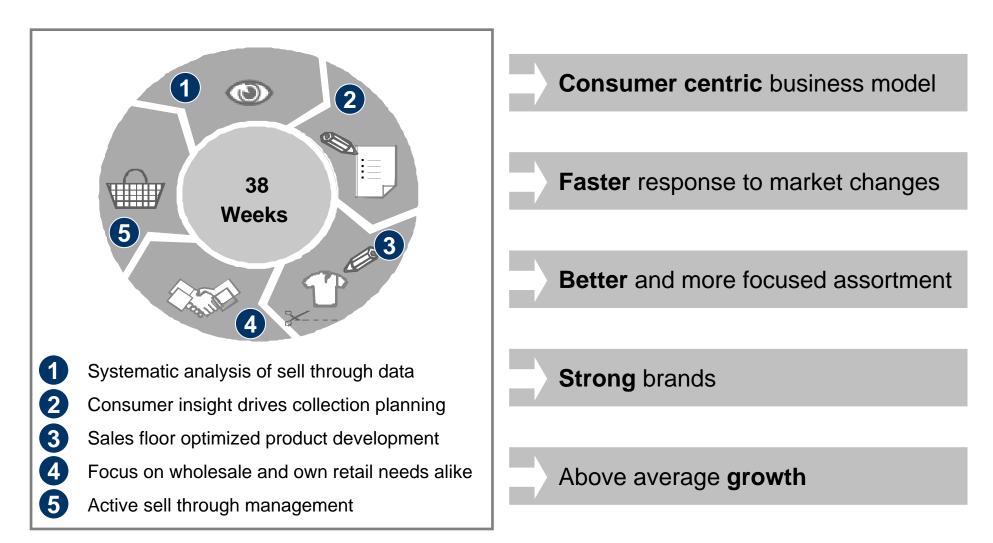


HUGO BOSS growth strategy



*D.R.I.V.E. =

Project D.R.I.V.E. to support implementation of growth strategy



Turning industry changes into opportunities

Sourcing cost inflation

Fast development of new markets with mono-brand retail environments

Retail sophistication key for successful wholesale partnerships "The need for speed": Accelerating fashion trends

HUGO BOSS

Emergence of the global consumer ("Great brands are global")

Consumer understanding makes or breaks brand success

Ongoing consolidation in wholesale distribution

Convergence of casualwear and clothing

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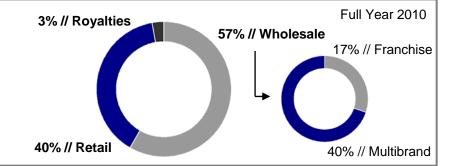
DISTRIBUTION STRATEGY

MEDIUM-TERM OUTLOOK

WHOLESALE – Key facts

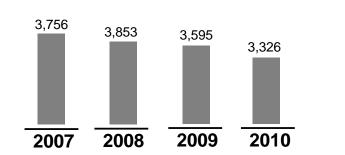
Multi Brand vs. Franchise

Franchise accounts for around a third of total wholesale business



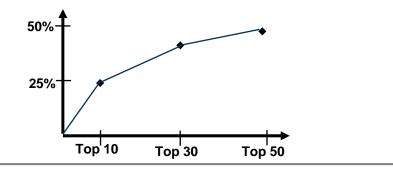
Numbers of Accounts

Number of wholesale accounts has decreased by more than 10% over the last four years



Customer Concentration

Top 50 customers account for around 50% of wholesale sales



WHOLESALE – Capturing growth opportunities

- Competition in most major wholesale markets is tough ...
 - ... but HUGO BOSS is best positioned for further growth
- Offering desirable brands
- Leveraging strength in core offerings across the brand portfolio
- Delivering the right product at the right place at the right time
- Providing intelligent replenishment solutions
- Taking over merchandising responsibility
- Sharing own retail best practices

WHOLESALE – Turning mono-brand wholesale space into own retail

Takeover of franchise stores

- Rainbow (China, 34 stores, 2010)
- Moss Bros (UK, 15 stores, 2011)
- Imaginex (China, 8+10, 2011/2012)
- Chieh Ger (Taiwan, 10, 2012)

Takeover of shop-in-shops operated by wholesale partners

Pohland (Germany, 8 shop-inshops, 2009)

• ..

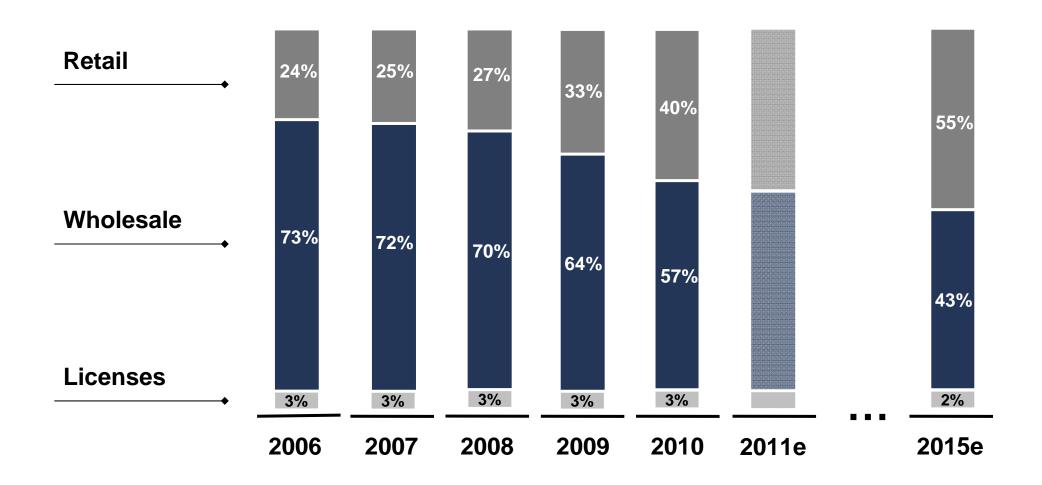
Maximization of brand control

Immediate earnings accretion

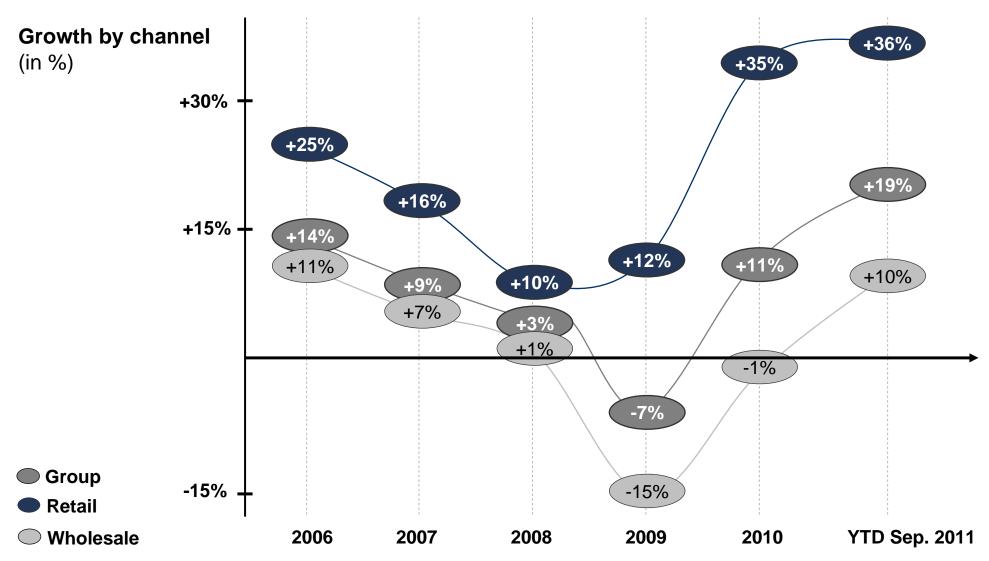


Retail progress allows us to increasingly manage brand space ourselves

RETAIL – Significant increase in share of Group sales



RETAIL – Continuing double-digit retail sales growth over last 5 years



RETAIL – The lead distribution channel

01 Growth To contribute >70% of medium-term sales growth

02 **Profitability** Most important profitability driver

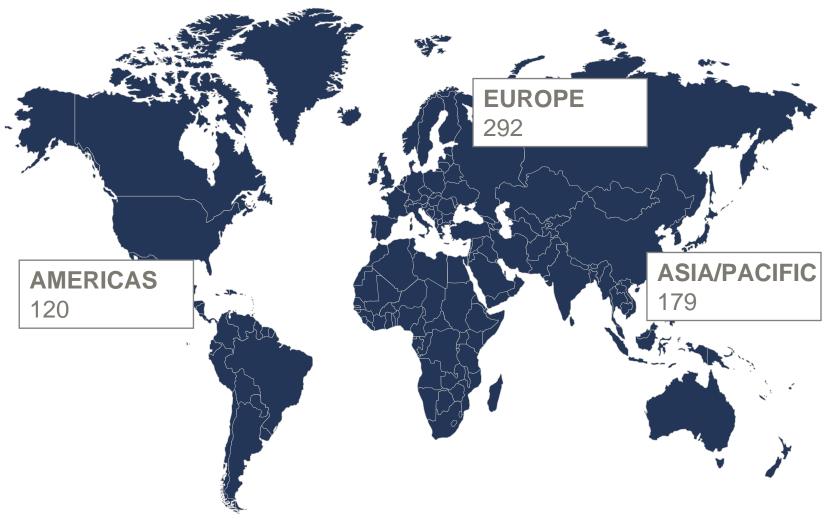
03 Investments To account for majority of investments until 2015

O4 Brand Strengthens brand perception across all channels

Driver of far-reaching operational changes

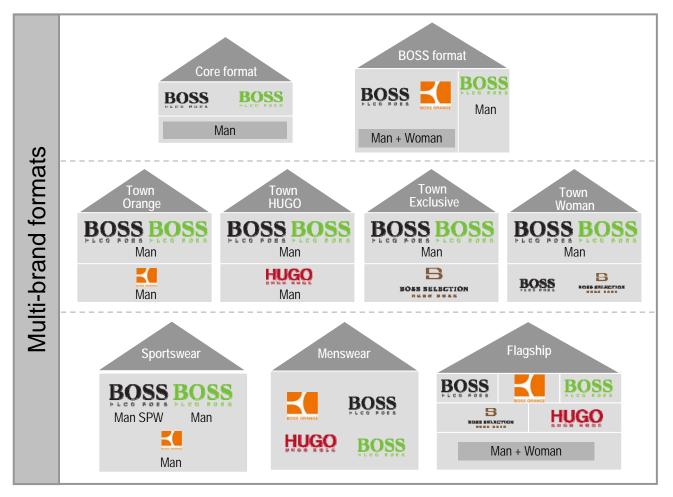
06 People More than 3,000 Group employees working in own retail

RETAIL – The HUGO BOSS retail universe



Number of own retail stores as of September 30, 2011

RETAIL – Thirteen core retail formats defined

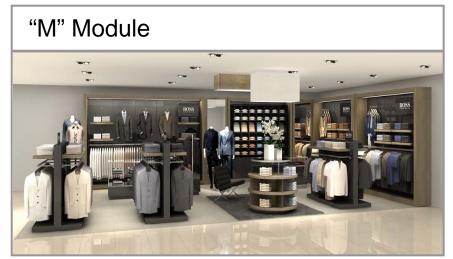






Selection based on store size, consumer demographics and retail environment

RETAIL – Modularization allows tailored and flexible brand offering













RETAIL – The HUGO BOSS directly operated store universe

	Freestandir	ng Shop in Sho	p Total
Number of stores (Sep 30, 2011) Europe Americas Asia	219 110 26 83	290 147 60 83	509 257 86 166
Total Size (in sqm)	66,000	20,500	86,500
Average Size (in sqm)	~300	~70	~170
2010 revenues (in EUR million)	538	153	691
2011e Sales Density (in EUR / sqm)	~6,500	~9,300	~7,400

RETAIL – Ambitious store expansion plans

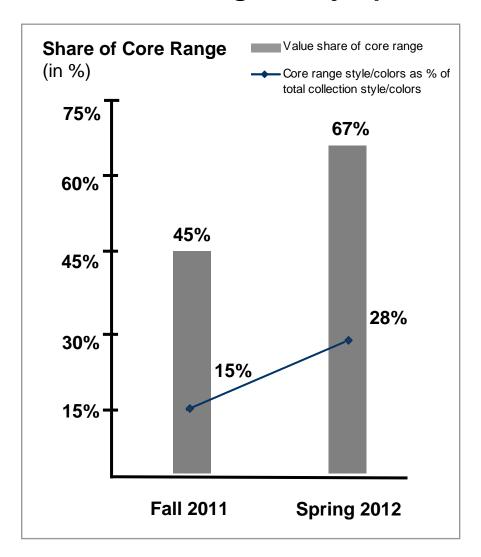
- Significant potential for network expansion identified in all three regions
- Full pipeline of new projects
- Location and rent are key
- Comprehensive headquarter approval process

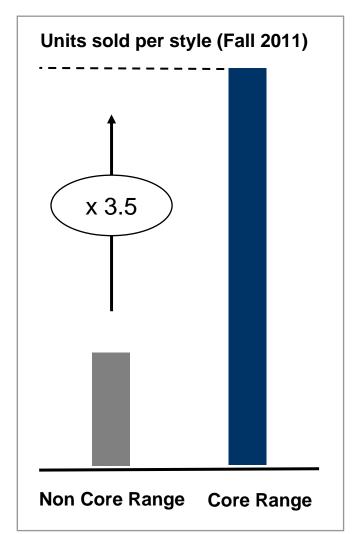


RETAIL – Ongoing development initiatives in all fields

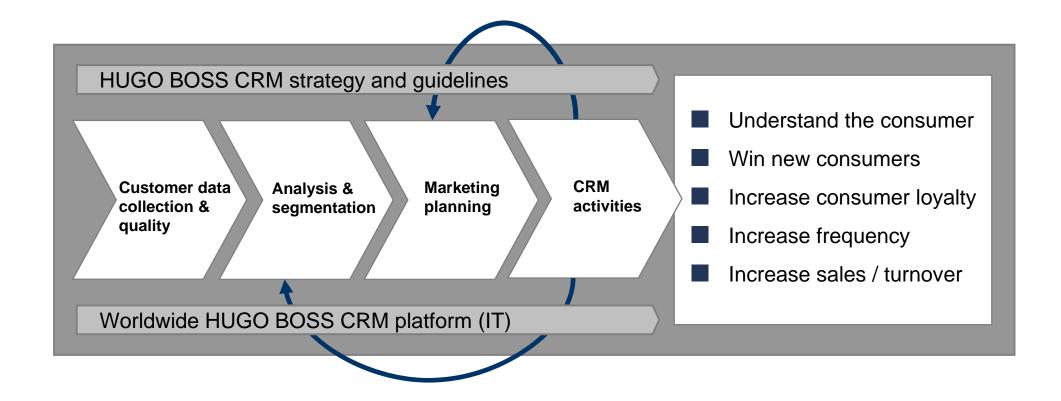
	Product	Systems	 Supply Chain & Distribution	Personnel
Operations Consumer facing	 Consumer-centric development process Improved preorder planning Single product-based productivity analysis "Core Range" offering 	 Reporting enhancements through Groupwide SAP Retail platform Ongoing optimization of instore systems 	 More flexible inseason product allocation based on actual demand Transparent merchandise flow across the supply chain 	 Implementation of store operations manual Standardized retail staff training Introduction of new incentive elements Systematic CRM approach

RETAIL – Core range a major productivity driver in Europe



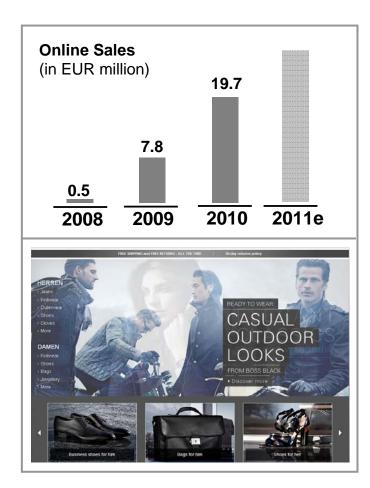


RETAIL – Building close relationships with our consumers



ONLINE – e-Commerce a powerful third distribution channel

- Constant improvement of usability, product assortment, presentation and service features
- Dedicated mono-brand sub-stores to elevate consumer experience
- Several new store launches planned for 2012, including
 - Mobile store in first half
 - China online store in second half





Online to become a 150 million euro business by 2015

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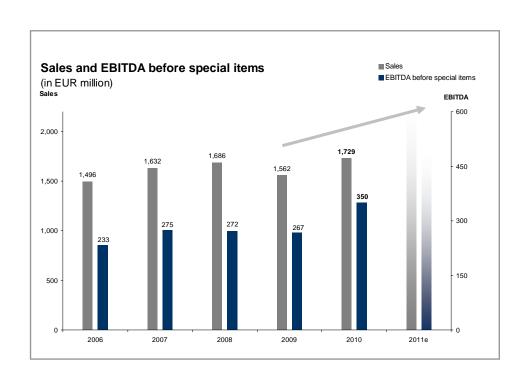
HUGO BOSS – Recent Group performance has exceeded internal and external expectations

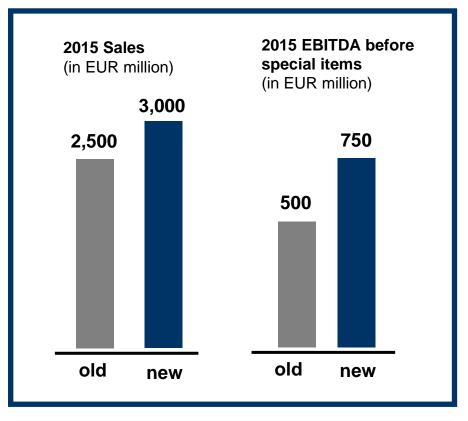
- Transition to a retail-driven business model quicker and more profitable than initially anticipated
- Strong growth in China and the US
- Broad-based recovery of wholesale business
- Operational process improvements yielding better results earlier than expected

OUTLOOK 2015 – Targeting profitable growth

Results development since 2009 has far exceeded Management's original expectations giving us confidence for 2015!









We strive to grow stronger than our premium apparel competitors

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