

H U G O B O S S

HUGO BOSS Investor Day 2012
Brand Strategy

Christoph Auhagen, Chief Brand Officer
December 6, 2012

Agenda

Brand strategy

Communication strategy

Distribution strategy

Summary

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Communication strategy

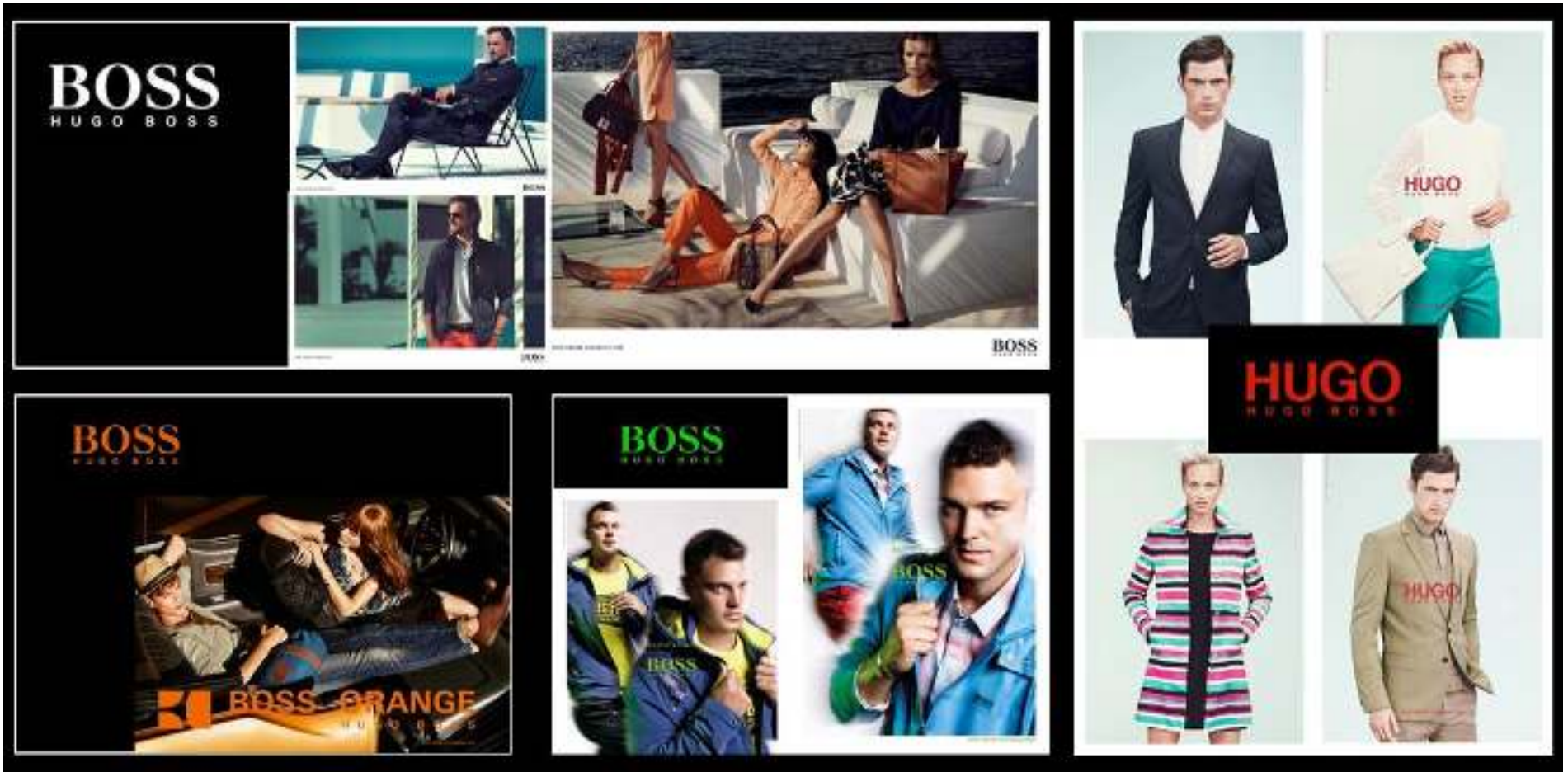
Distribution strategy

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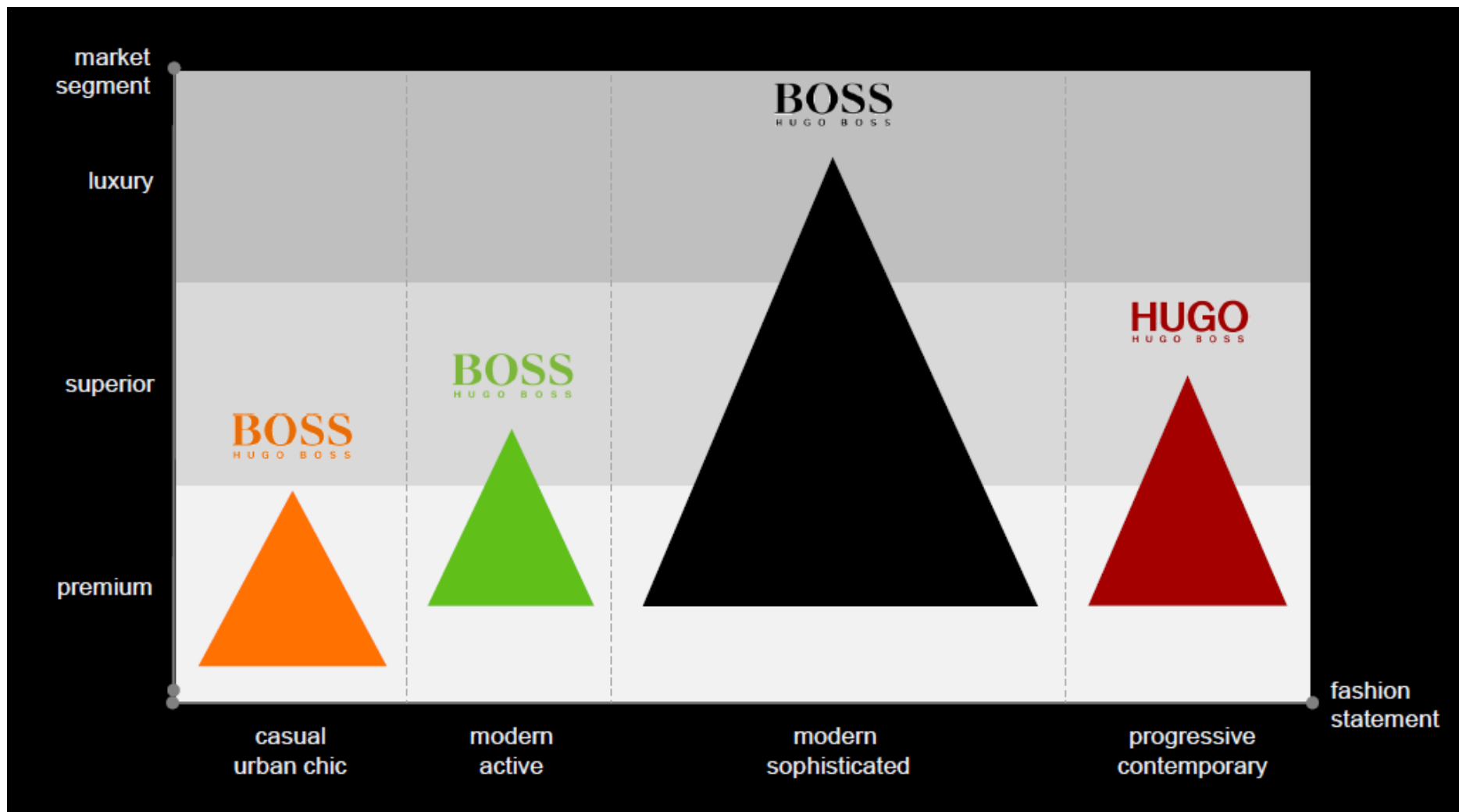
About HUGO BOSS

- The HUGO BOSS group is one of the leaders in the premium & luxury fashion segment of the global apparel market. Our focus is on developing and marketing high-end women's and men's fashion, shoes, and accessories products. Each brand in the HUGO BOSS brand architecture clearly targets different consumer groups.
- Covering an extensive range of fascinating products, the brands offer modern business and sportswear, luxurious eveningwear, as well as high-quality shoes and leather accessories for women and men.
- In addition to this, we operate a complementary world of fragrances, watches, eyewear, childrenswear, and home textile accessories managed by license partners.
- The world of HUGO BOSS products underlines the individuality of consumers based on superior and luxury quality & designs and a perfect standard with regard to fit and workmanship.

Strong portfolio of complementary brands



Fashion statement differentiates brand positioning



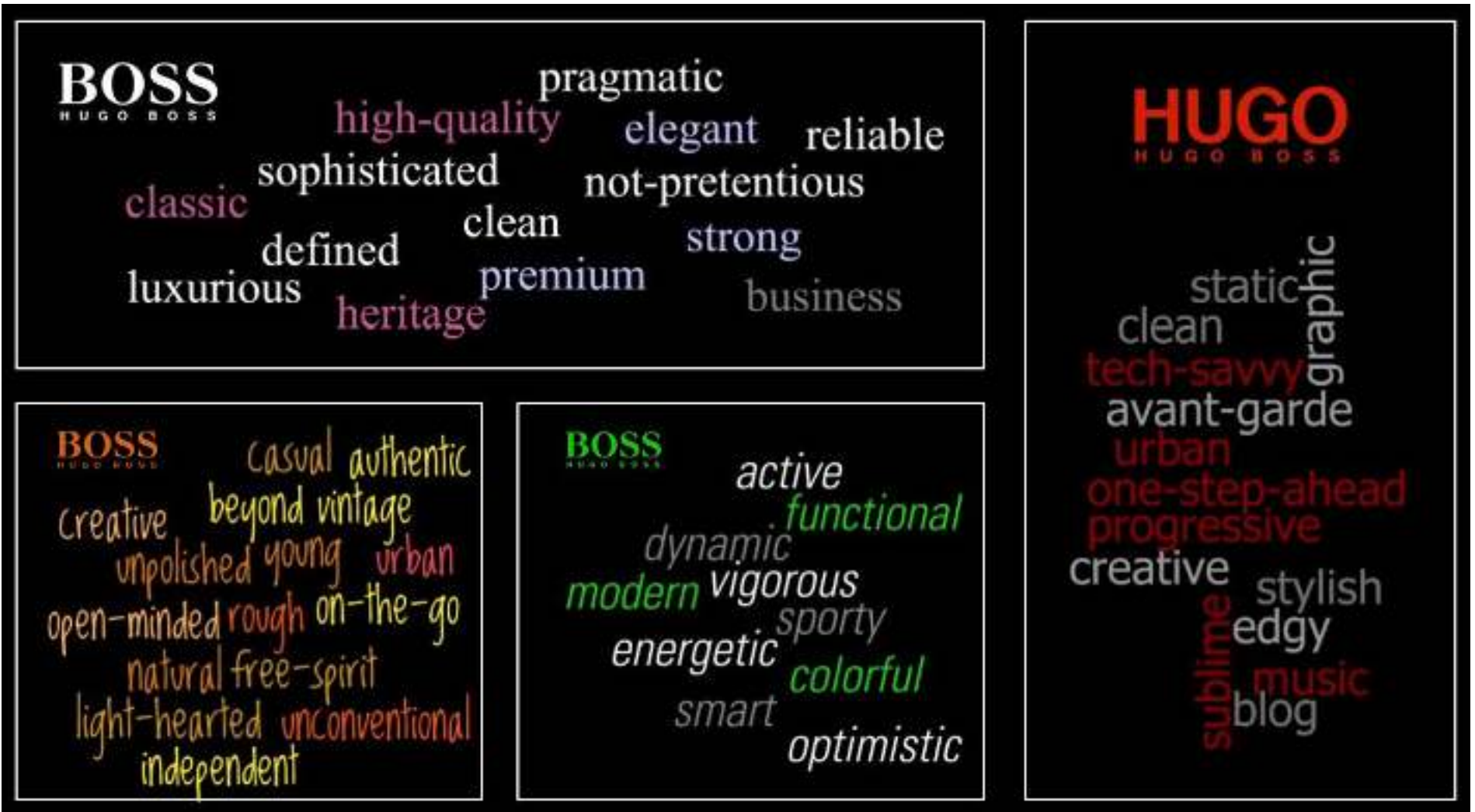
Clearly defined male target groups



Group brands speak to a diverse female audience



The HUGO BOSS brand essence (I/II)



The HUGO BOSS brand essence (II/II)

BOSS
HUGO BOSS

Modern, feminine luxurious
elegance for the
fashion minded woman.

Luxurious menswear with
the **highest standard**
for the
perfectly dressed man.

HUGO
HUGO BOSS

Avant-garde
progressive

on the edge

BOSS
HUGO BOSS

Casual urban style

for the lighthearted,
free spirited

generation.

BOSS
HUGO BOSS

The active sportswear and
golf line

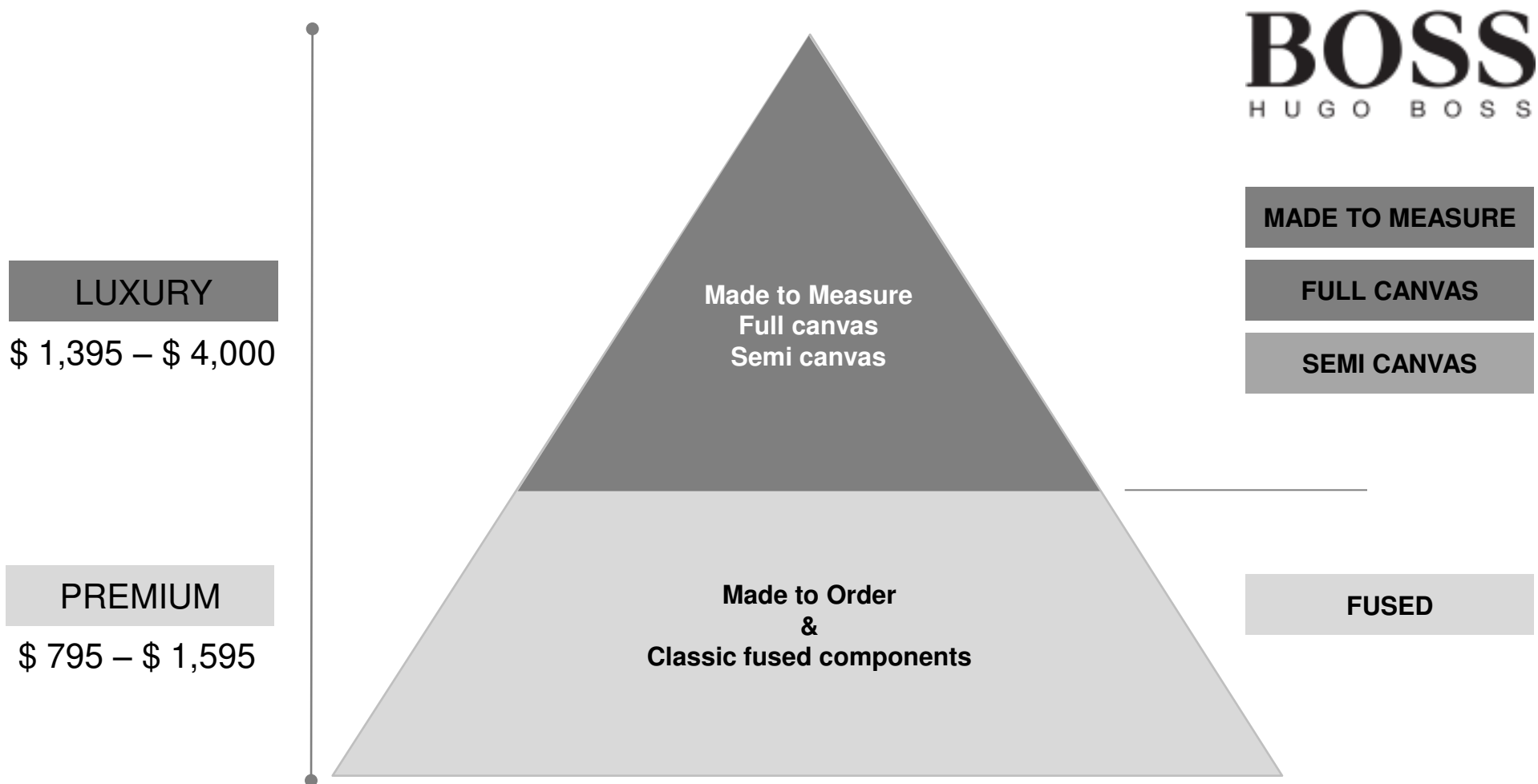
**for the modern dynamic
customer**

Integration of BOSS Black and BOSS Selection



- Strengthens the core brand's market position in luxury clothing and sportswear
- Leverages BOSS growth potential across different fashion segments from premium to luxury
- Maximizes the power and global recognition of the BOSS logo
- Simplifies communication and retail presentation

New BOSS Clothing line concept targets distinct consumer segments



Clothing heritage continues to drive Group growth

Grow and extend the BOSS offering in the luxury segment

Cater to the needs of differentiated consumer groups by segmenting the offering along different workmanship levels

Offer customers optimized packages tailored to the different distribution channels and markets

Made to Measure demonstrates unrivalled tailoring competence















- Modern technology and uncompromising quality “handmade in Germany”
- Combines excellent craftsmanship, premium materials and tailor made service with efficient industrial manufacturing
- Permanently offered in several European flagship stores
- Rollout in Asia and U.S. under way

HUGO brand the Group's fashion spearhead

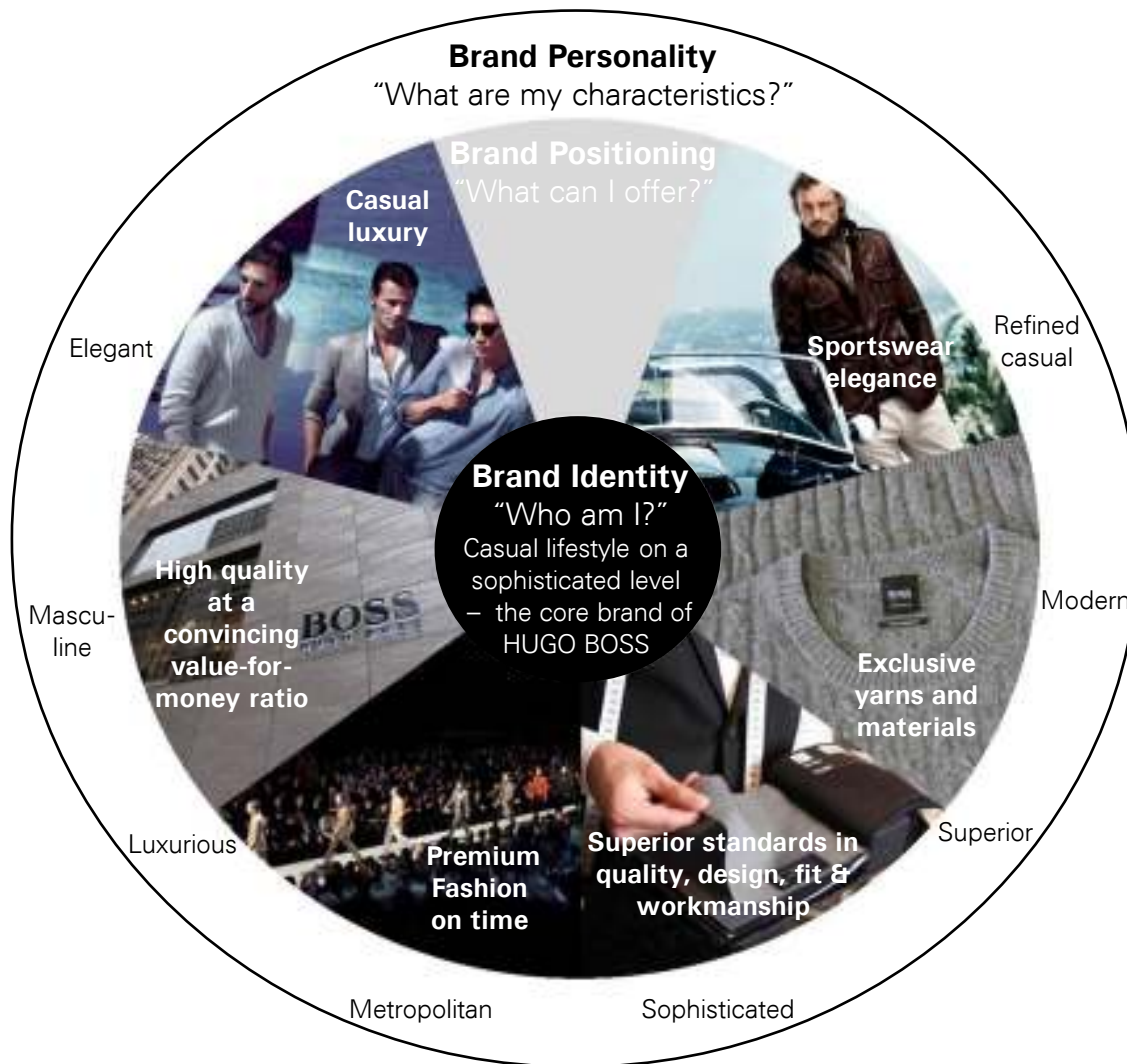


- Strong positioning as home of avant-garde design
- Focus on clean, minimalistic looks addressing the fashion-forward consumer
- Targeted expansion of stand-alone retail presence
- Significant growth potential in underpenetrated markets

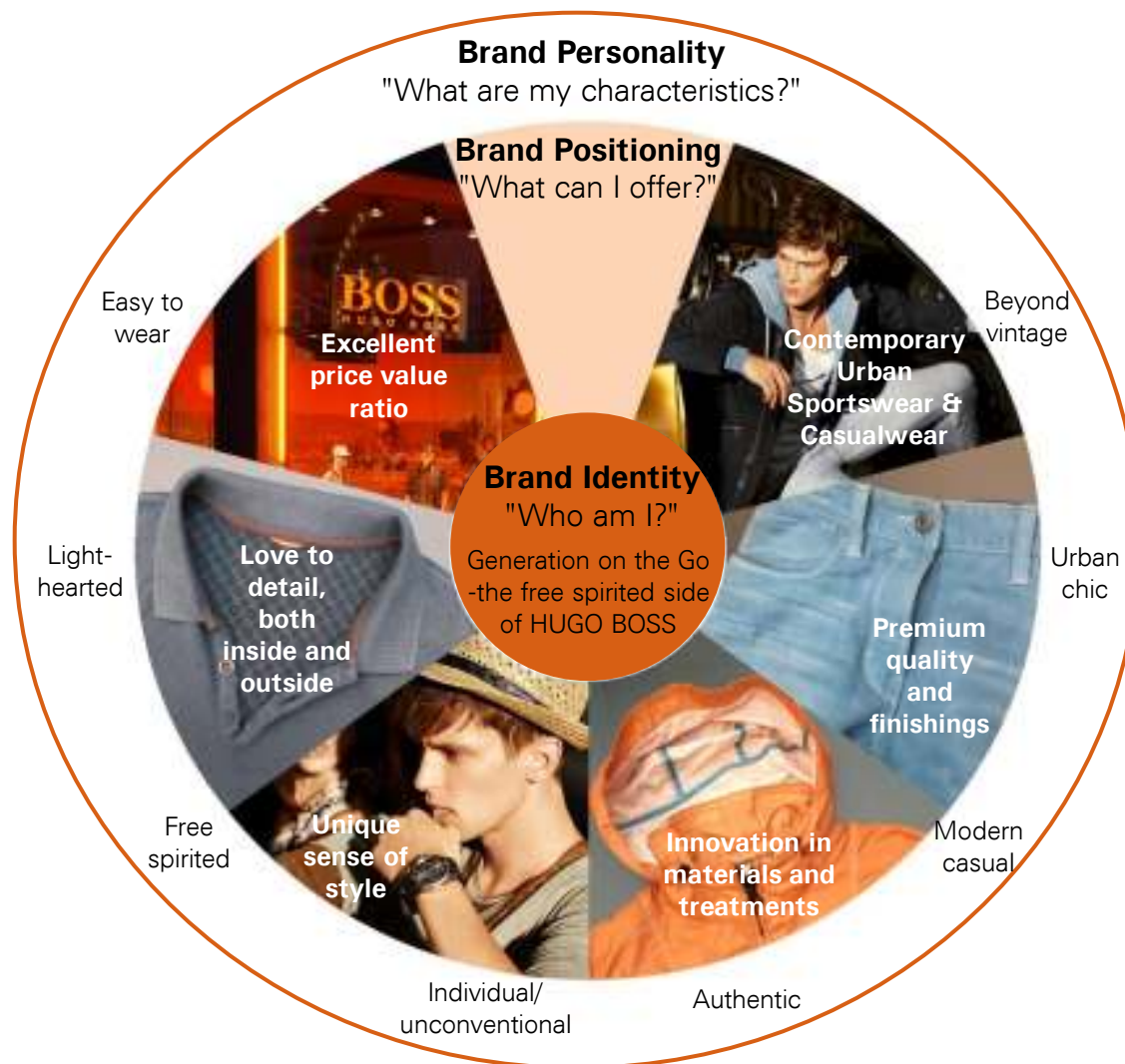
Strength in sportswear key competitive advantage

Brand	Collection	User moment	Price Differentiation: Jersey - Polo	Price Differentiation: Trousers
	 <p>Sportswear elegance</p>	<p>Casual friday – Luxury weekend</p>	 <p>\$ 85 – \$ 275</p>	 <p>\$ 145 – \$ 255</p>
	 <p>Contemporary urban sportswear</p>	<p>Daywear – Downtime – Party</p>	 <p>\$ 70 – \$ 155</p>	 <p>\$ 115 – \$ 195</p>
	 <p>Active sportswear</p>	<p>Sporty lifestyle – Performance</p>	 <p>\$ 85 – \$ 185</p>	 <p>\$ 145 – \$ 225</p>

BOSS – Casual lifestyle on a sophisticated level



BOSS Orange – The free spirited side of HUGO BOSS



BOSS Green – The active sportswear & golf line



All brands ready to exploit potential of global sportswear market



- Strengthen product offering in luxury segment
- Sharpen DNA of 'Sportswear Elegance'
- Increase focus on the Asian consumer



- Offer the best price-value relationship in the premium segment
- Enhance clarity of product branding
- Firmly establish BOSS Orange as key premium lifestyle brand at wholesale



- Convince in leading edge technical innovation
- Strengthen distribution in golf performance accounts
- Maximize commercial potential of golf pro cooperations

Clear womenswear strategy in place

Product

- Offer excellent and reliable fit with favorable price-value ratio
- Grow modern clothing business based on tailoring expertise
- Maximize brand potential in leisurewear
- Grow shoes & accessories supplementing core apparel offering
- Introduce party capsules and evening collection



Clear womenswear strategy in place

Communication

- Regular participation at New York Fashion Week with a focused and luxurious show
- Dedicated womenswear advertising campaign
- Build visible red carpet presence



BOSS
HUGO BOSS

HUGO
HUGO BOSS



Red carpet looks
BOSS and HUGO

BOSS
HUGO BOSS

HUGO
HUGO BOSS



Cocktail party looks
BOSS and HUGO

Clear womenswear strategy in place

Organization & Operations

- Dedicated, vertically integrated womenswear organization
- One common leadership across all brands
- Establishment of replenishment business
- Fashion calendar optimized to account for different timelines in womenswear business

Distribution

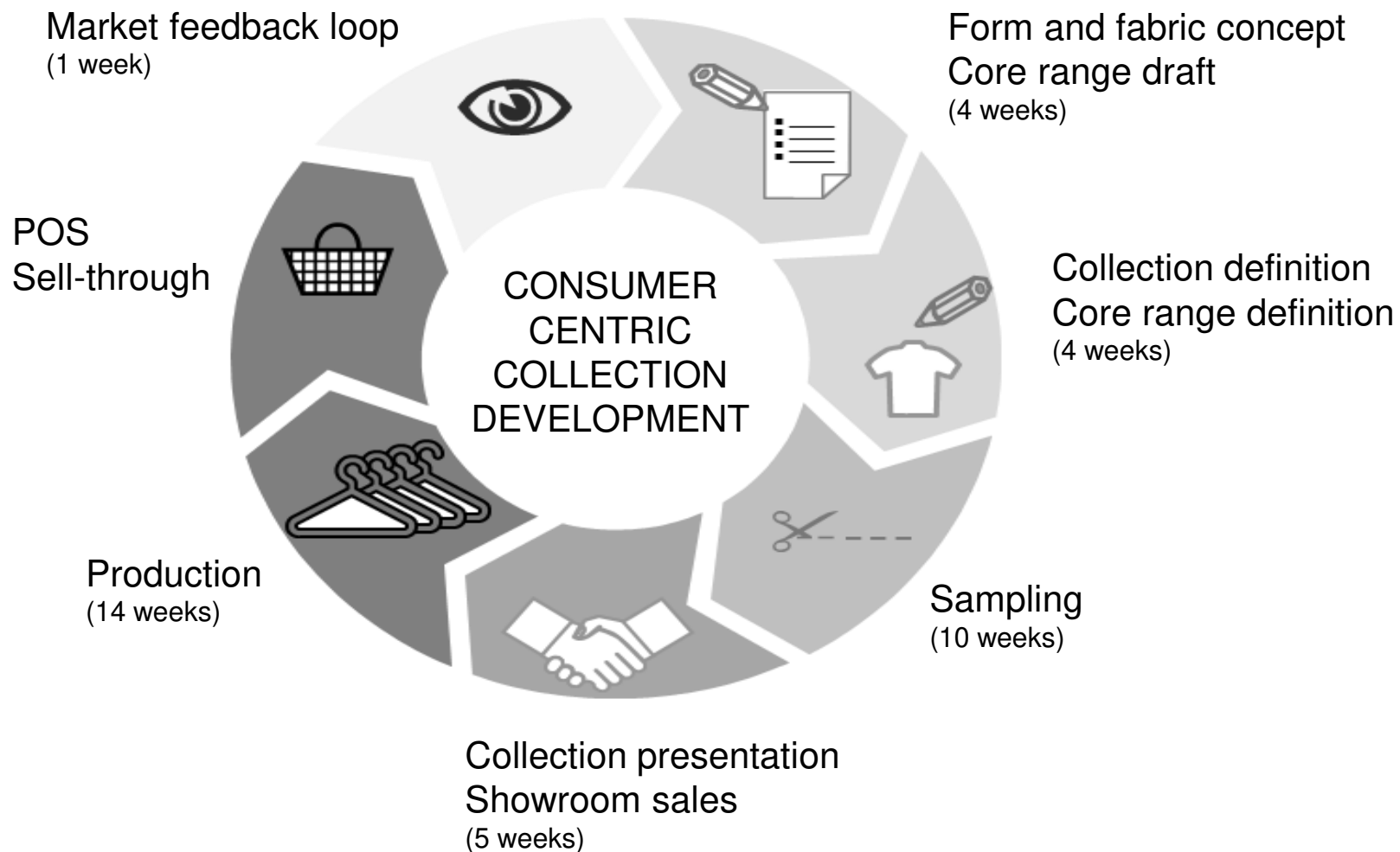
- Increased exposure of BOSS womenswear in all larger BOSS stores



New organizational setup supports design and product excellence



Integrated collection development



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High profile BOSS advertising campaigns

BOSS
HUGO BOSS

- Dedicated print and online campaigns for all four seasons
- Exclusive campaign to promote BOSS womenswear
- Celebrity menswear image campaign in Asia



BOSS Orange to focus on out-of-home communication

BOSS
HUGO BOSS



HUGO advertising supports fashion-forward brand positioning

HUGO
HUGO BOSS



Sport sponsoring activities drive modern brand image

Sailing



Golf

Formula 1



Retail marketing activities engage the consumer



Art sponsorship activities span all continents



HUGO BOSS Prize

Solo exhibition of the HUGO BOSS Prize Winner at Guggenheim Museum



Asia Art Award

Newly created award to contribute to premium and luxury brand image in Asia



Berlinale

One of the most exciting events in the global film industry

Unprecedented fashion show presence in 2013

BOSS
HUGO BOSS



Shanghai, May



New York, September

HUGO showcases collections in Berlin



HUGO
HUGO BOSS

Berlin, January & July

Strong brand presence in the digital fashion world

BOSS
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Online, mobile, iPhone & iPad Applications

BOSS
HUGO BOSS





Strong focus on social media

Blog PR/ cooperations

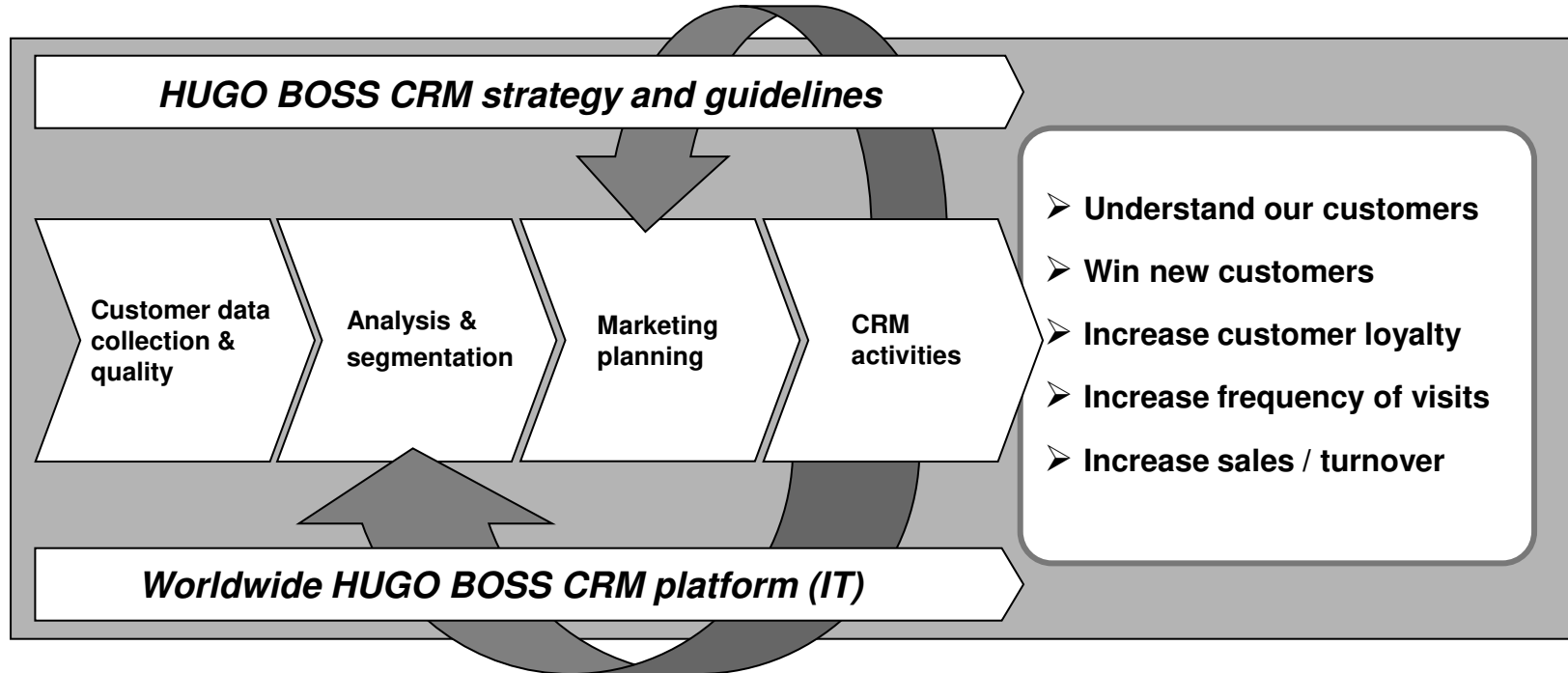
Online Social media

The collage features various digital assets: a BOSS logo, a HUGO logo, screenshots of mobile and tablet applications, a website interface, social media icons for Pinterest, Google+, YouTube, Facebook, and Twitter, a collection of social media posts, and a screenshot of a blog post with a golf theme.

Brand communication instruments geared to different brand identities

				
Print Advertising	+++	++		++
Out-of-Home	+		+++	
Fashion Shows	+++			++
Retail Events	+++	+	+	++
PR / VIP Wardrobing	+++			++
Online & Mobile	++	++	+++	+++
Sport Sponsorship	++	+++		

CRM @ HUGO BOSS - Sharpen the end consumer focus



➔ Cross-channel knowledge and targeted activities as key competitive advantages

Close consumer relationships drive brand sales

Contacts

- More than 1.4 million members worldwide

Activities

- Continuous customer activation through store mailings, email newsletters and social media activities

Capture rate

- More than 30% of European retail sales generated with registered customers

Units per transaction

- Registered customers buy 17% more units per transaction

Value per transaction

- Registered customers spend 40% more per transaction

Same experiences and emotions via all touchpoints

Creative Service



Visual



CRM



Multichannel Brand Stories



Retail Marketing



Online Media



E-Commerce



Keep your promises – HUGO BOSS CRM activities

Registration in Store



- Mandatory fields
- Additional information
- Signature

HUGO BOSS
EXPERIENCE

Welcome Package



The customer explores the World of



Meet customer's expectations – Communicate personalized

- 19 participating countries
- 10 languages
- More than 350 participating stores and shops
- Communication via print, email, SMS, telephone
- Consumer segmentation and personalization



Meet customer's expectations – Communicate personalized

- Local market activities
 - Store opening invitations
 - Invitation to store events & activities
 - Specials (cooperations, sport & art sponsoring, charity)



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Expansion of mono-brand distribution elevates brand experience

Flagships in mega-cities	Directly operated stores	Controlled space	E-Commerce M-Commerce
<ul style="list-style-type: none"> ■ Push the customer experience to the next level of retail innovation ■ Ideal platform to showcase all HUGO BOSS brands under one roof 	<ul style="list-style-type: none"> ■ Capturing full brand potential through expansion into 'white spaces' globally ■ Renovations and extensions 	<ul style="list-style-type: none"> ■ Expansion of mono-branded shop-in-shops at key accounts globally ■ Either managed by retail partners or HUGO BOSS (concession model) 	<ul style="list-style-type: none"> ■ Continued rollout in high potential markets ■ Constant evolution of brand experience

 One face to the customer across all points-of-sale

High-visibility flagship store openings planned in 2013



BOSS Store Shanghai,
Kerry Center



BOSS Store Amsterdam,
Leidsestraat



BOSS Store Berlin,
Kurfürstendamm



BOSS Store Shanghai,
APM International



BOSS Store Tokyo,
Omotesando

Renovations bring brand presentation to the next level



- Improved consistency of global brand perception
- Driver of sales productivity improvements
- Attractive return profile
- Limited risk

BOSS Store, Sydney, King Street

Flagship store in Sydney renovated and extended

BOSS Store, Sydney, King Street



Renovation of flagship store on Champs-Élysées, Paris



BOSS Store, Paris,
Champs-Élysées



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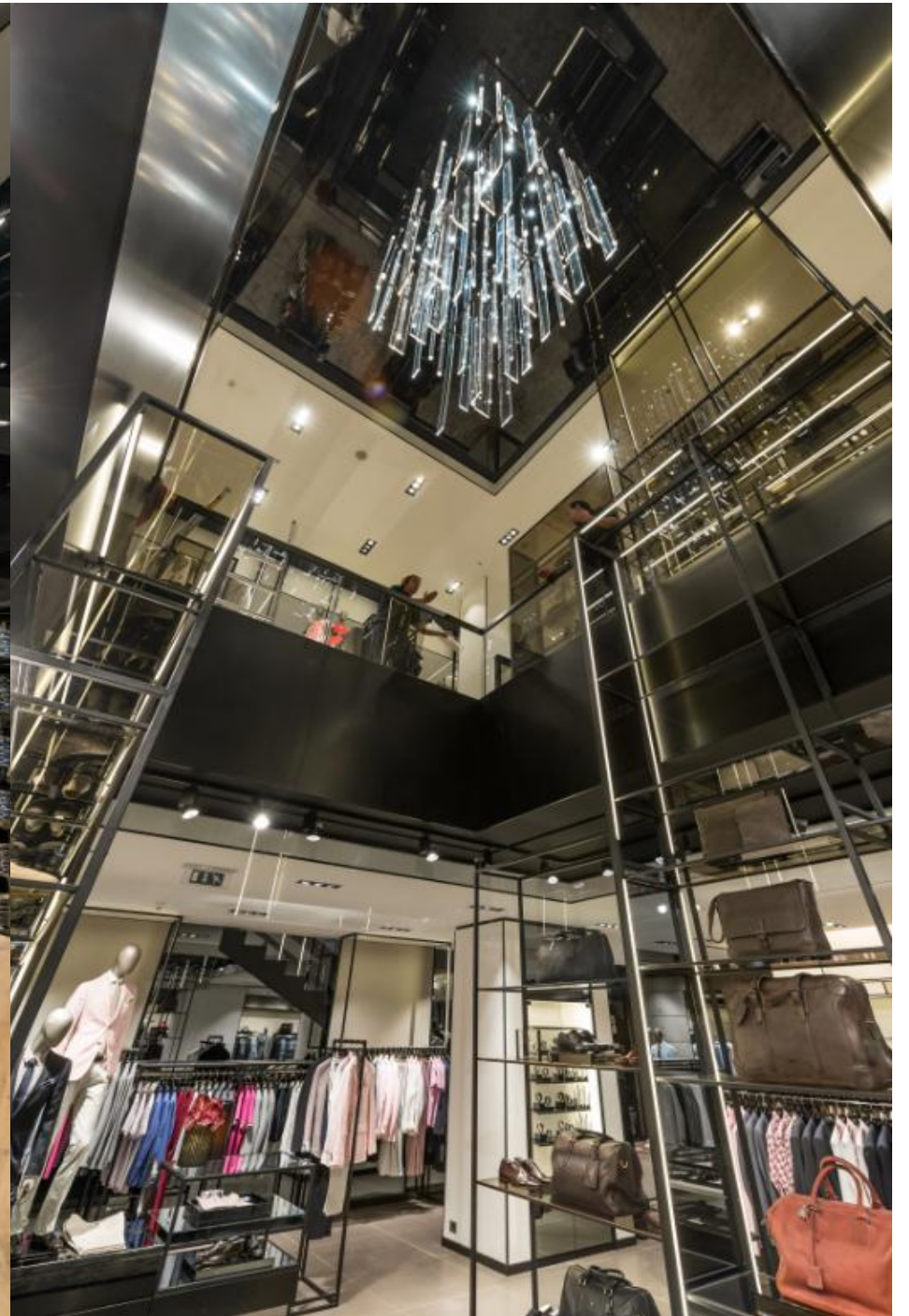
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Shop-in-shop expansion provides strong brand visibility at wholesale

Saks, USA



Breuninger, Germany



Online and mobile mirrors “offline” brand experience



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Strong brands key foundation for Group medium-term success

- Well-balanced portfolio of clearly differentiated brands
- Brand communication power drives premium and luxury brand image
- Retail and controlled space elevate quality of brand presentation
- Homogenous brand experience across all consumer touchpoints



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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