

H U G O B O S S

HUGO BOSS Investor Day 2012
Group Financial Performance and Strategy

Mark Langer, Chief Financial Officer
December 6, 2012

Agenda

HUGO BOSS grows stronger than industry and overall economy

Improved retail expertise drives execution of medium-term strategy

Free cash flow maximization is core of Group financial management

Focus on further improvement of trading liquidity

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HUGO BOSS grows stronger than industry and overall economy

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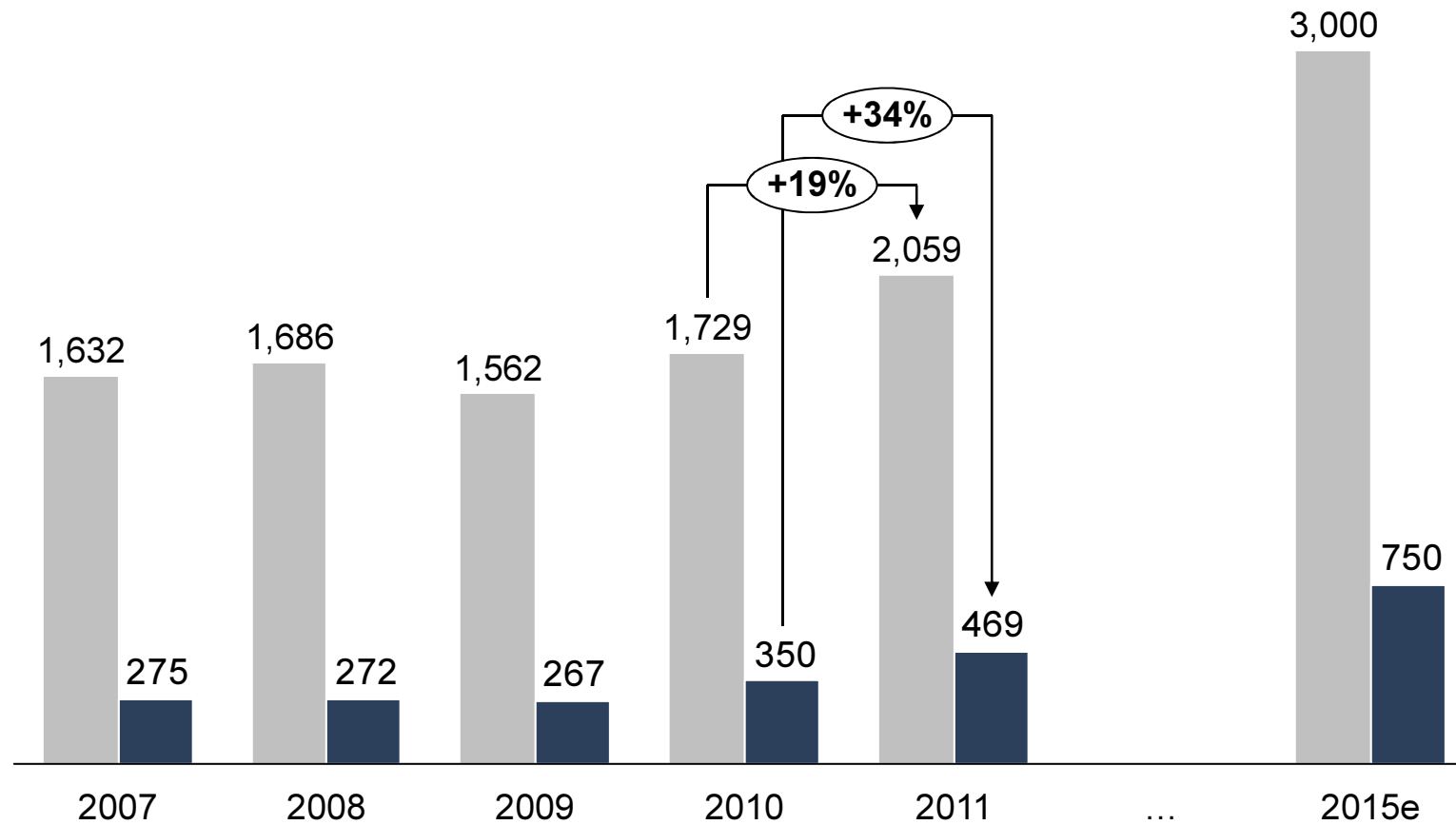
Free cash flow maximization is core of Group financial management

Focus on further improvement of trading liquidity

Continued strong top and bottom line momentum

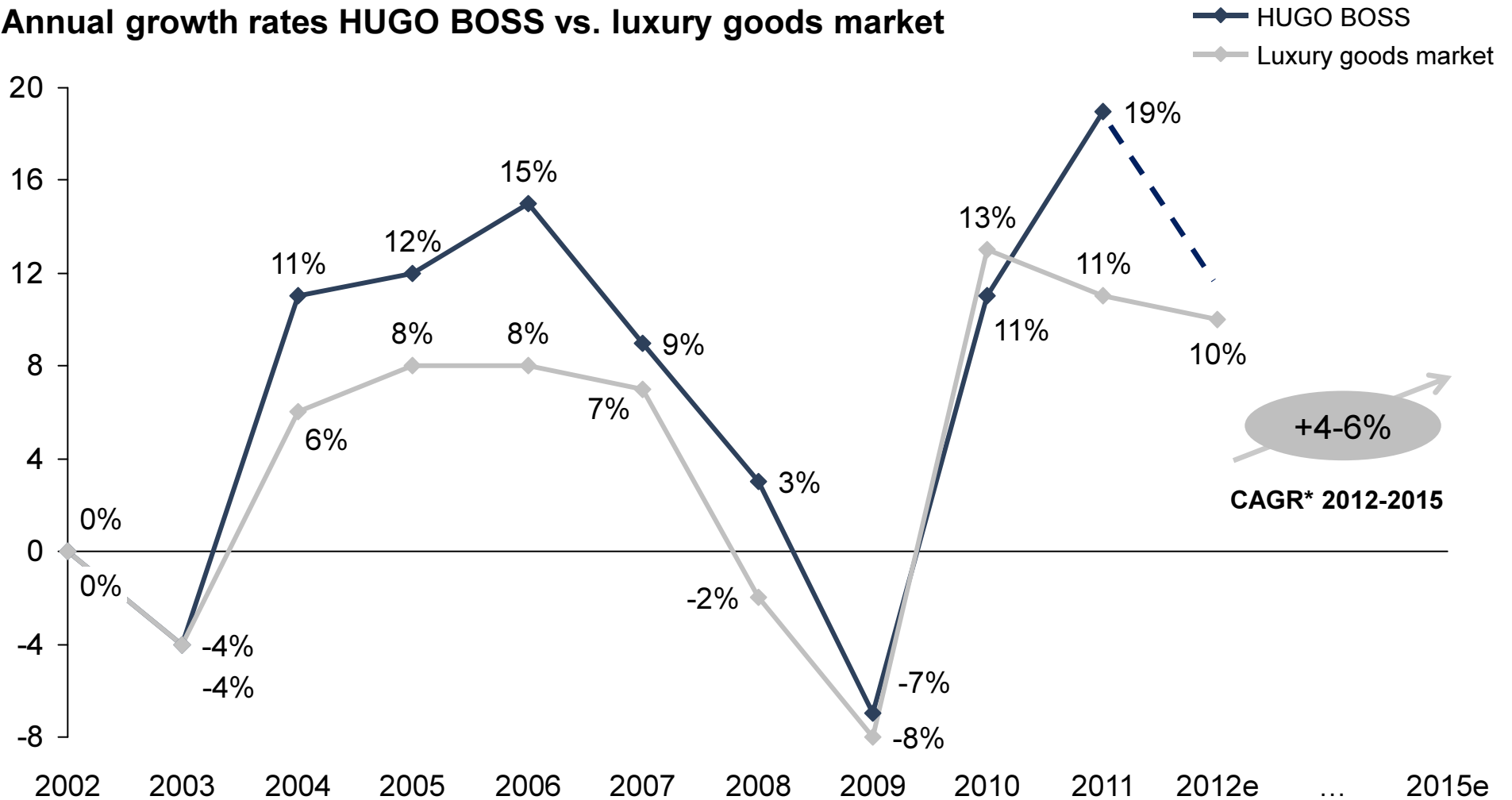
Sales and EBITDA before special items
(in EUR million)

■ Sales
■ EBITDA before special items



HUGO BOSS grows stronger than overall industry (I/II)

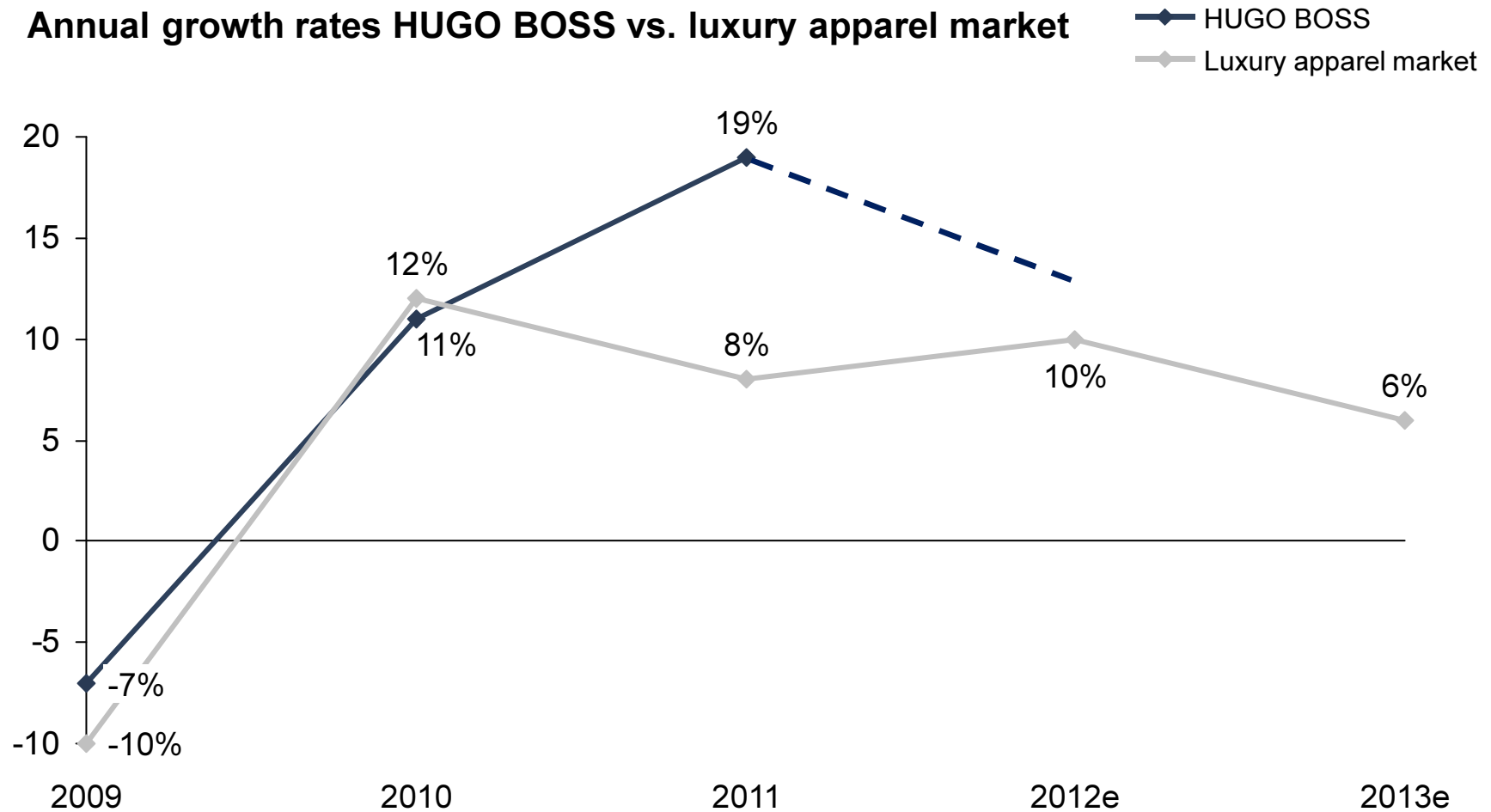
Annual growth rates HUGO BOSS vs. luxury goods market



Source: Fondazione Altagamma / Bain & Company *CAGR Luxury Goods Market

HUGO BOSS grows stronger than overall industry (II/II)

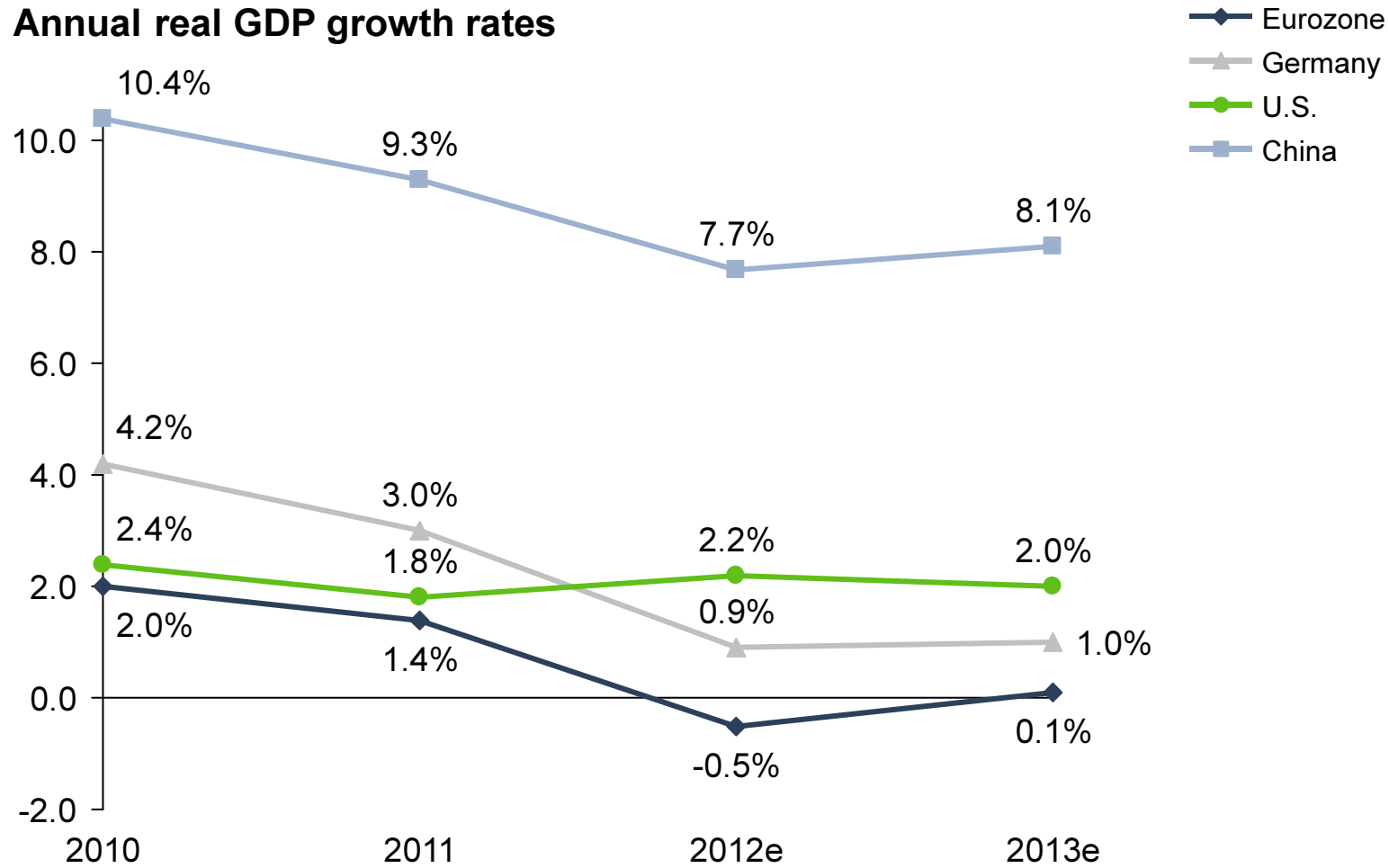
Annual growth rates HUGO BOSS vs. luxury apparel market



Source: Fondazione Altagamma / Bain & Company

Economic environment has deteriorated significantly with only moderate recovery expected for 2013

Annual real GDP growth rates



Source: Bloomberg

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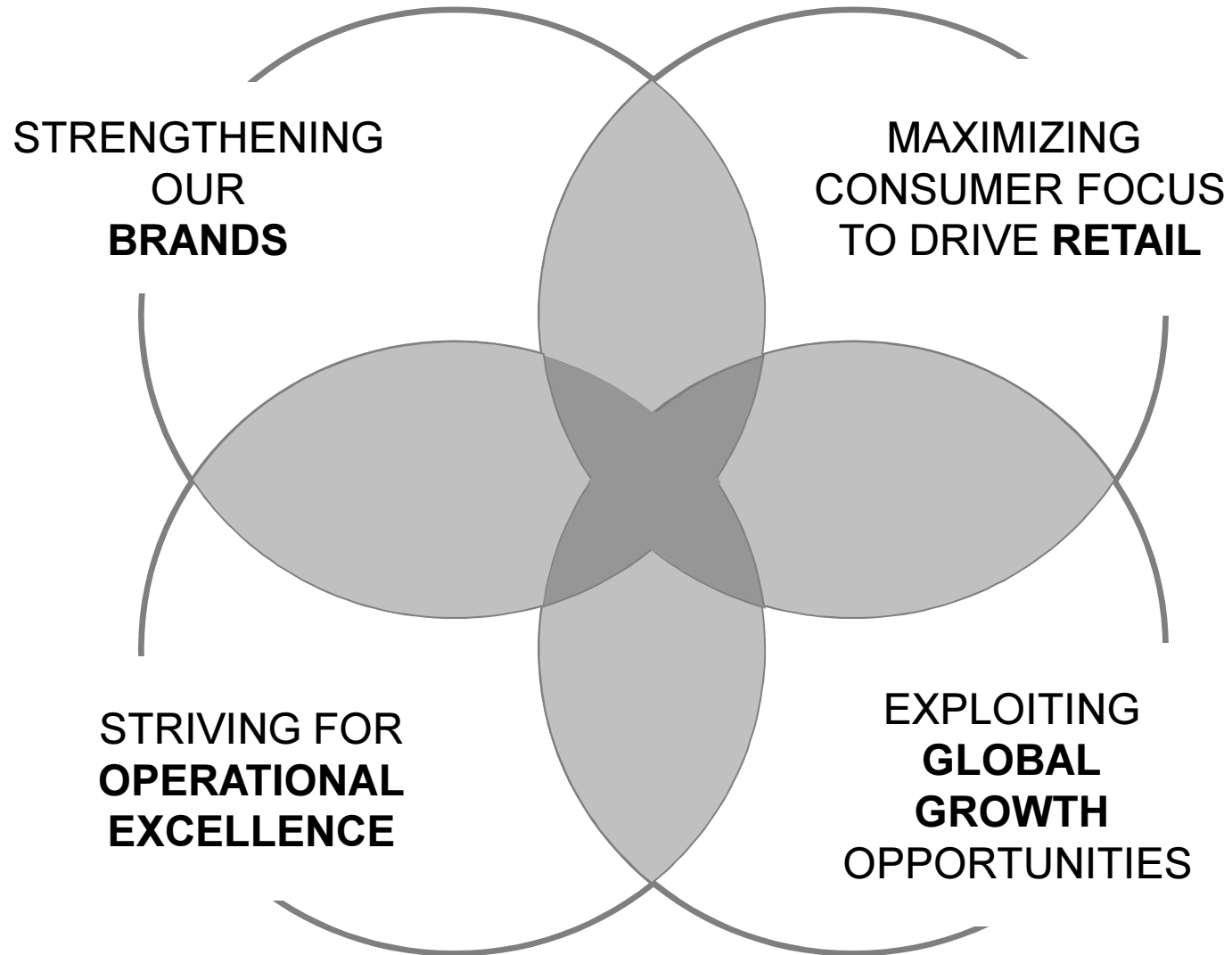
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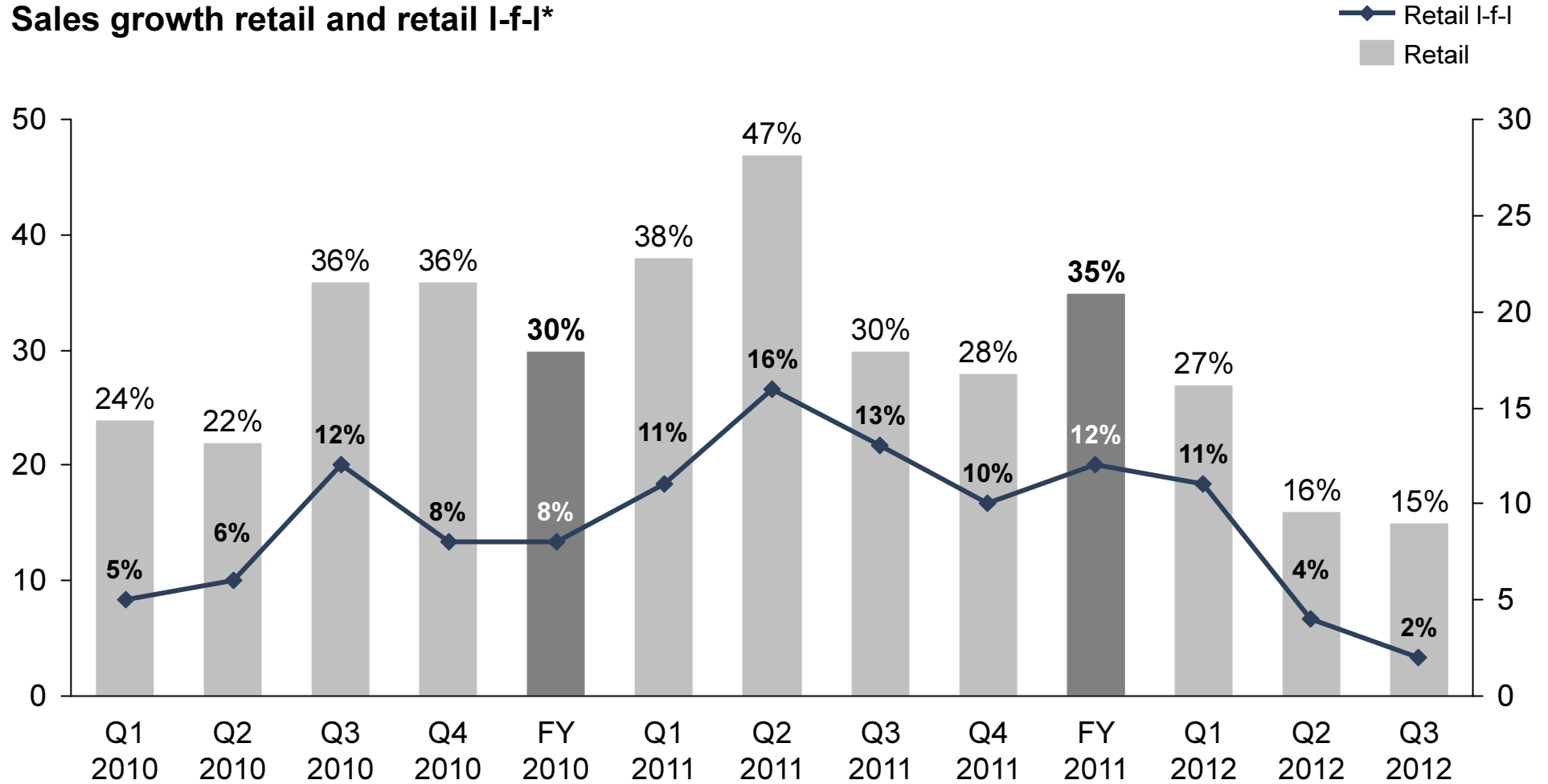
Focus on further improvement of trading liquidity

Successful execution of medium-term strategy



Own retail key contributor to Group performance

Sales growth retail and retail I-f-I*



*Both fx-adjusted

Introduction of four season cycle has made HUGO BOSS a true retailer (I/II)

December



January



February



Spring 2012

March



April



Summer 2012

June



July



August



Fall 2012

September



October

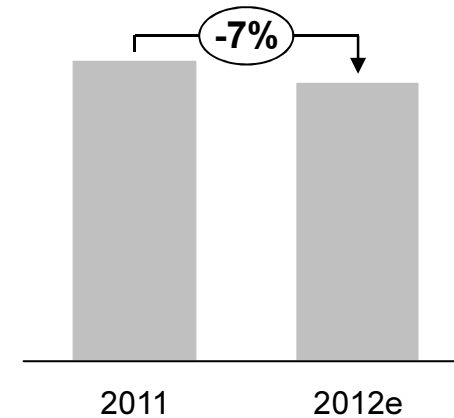


Winter 2012

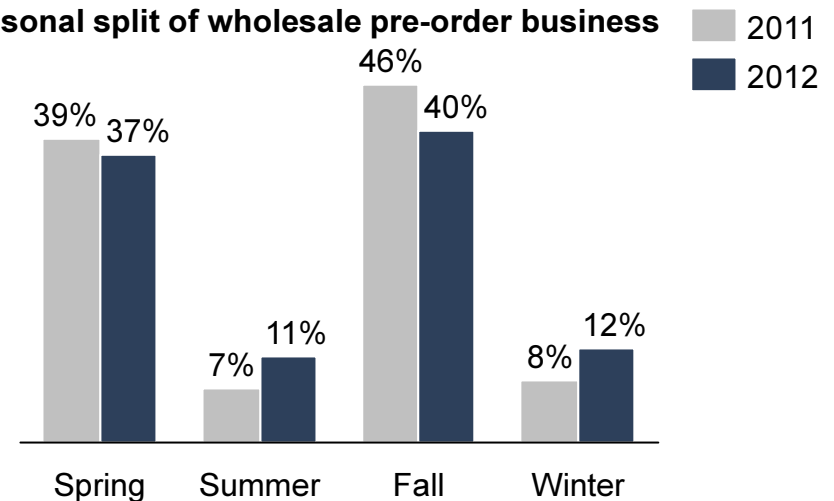
Introduction of four season cycle has made HUGO BOSS a true retailer (II/II)

- Fresher merchandise offering
- Better adjustment to seasonal differences in consumer demand
- Immediate relevance at the point-of-sale
- Working capital advantages

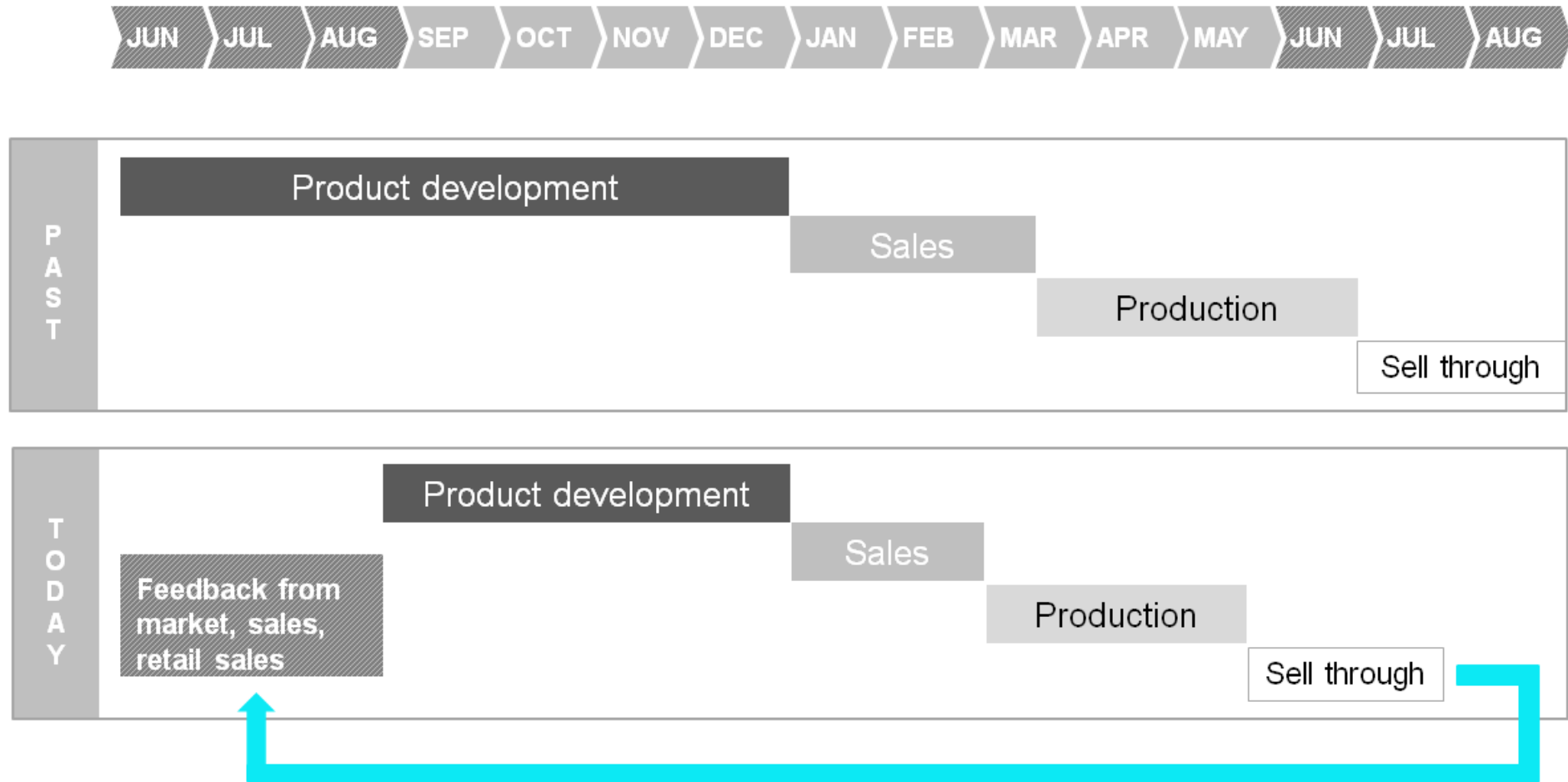
Development of collection complexity



Seasonal split of wholesale pre-order business



Faster and leaner development process enables market feedback loop



Brand module architecture supports more flexible merchandise offering



“S” Module



“M” Module

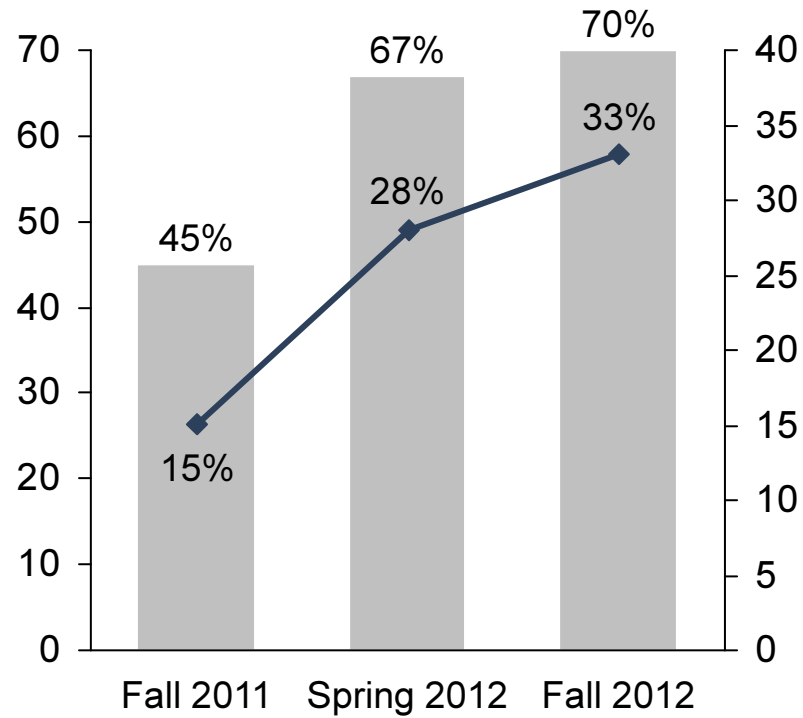


“XL” Module

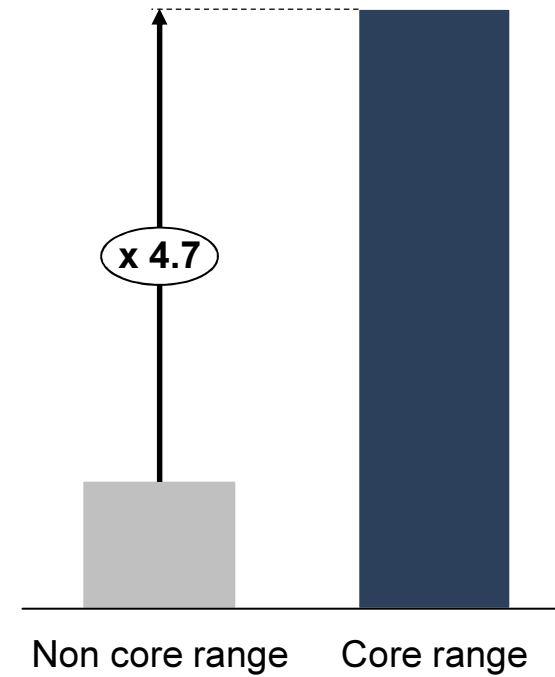
Core range has demonstrated superior performance

Share of core range

- Value share of core range
- Core range style/color(s) as % of total collection s/c



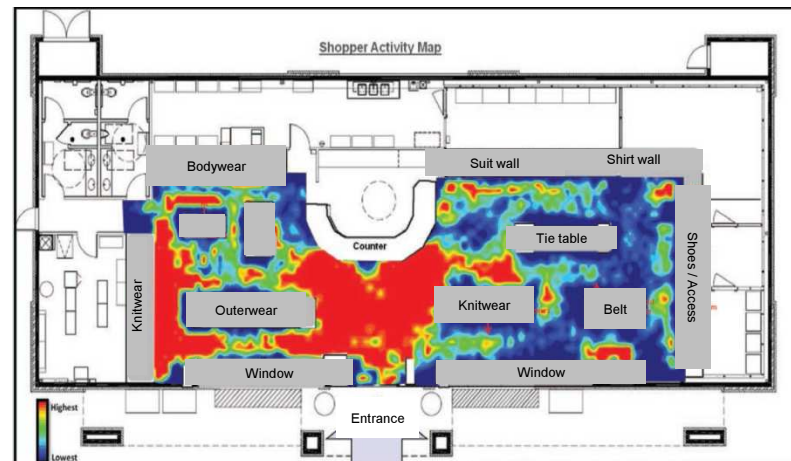
Units sold per style (Fall 2012)



Heat mapping technology newest in-store design innovation

Purpose

- Generates traffic map showing the actual footpath of consumers in the store over the course of the day
- Overlay with transactional data offers insights into correlation between traffic and sales per product category



Benefits

- Optimizes product and campaign positioning
- Supports optimization of space utilization and staff allocation
- Assesses visual merchandising effectiveness

Enhances understanding of consumer behavior to drive operational performance

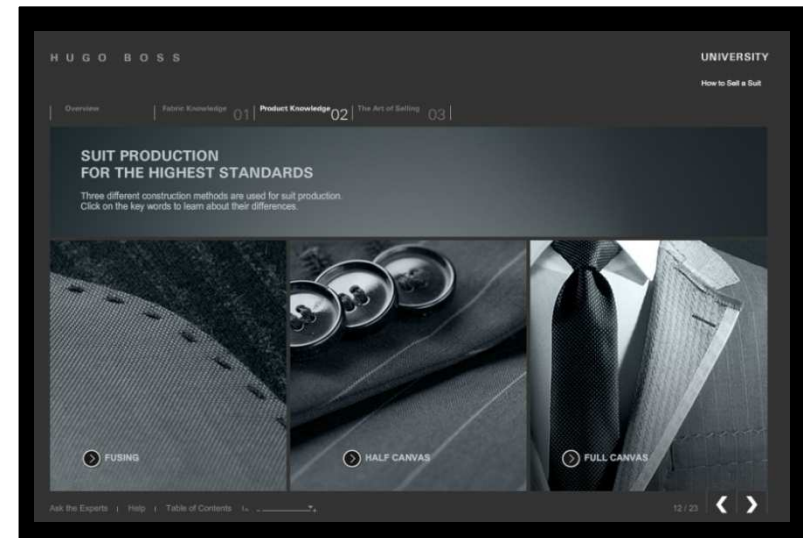
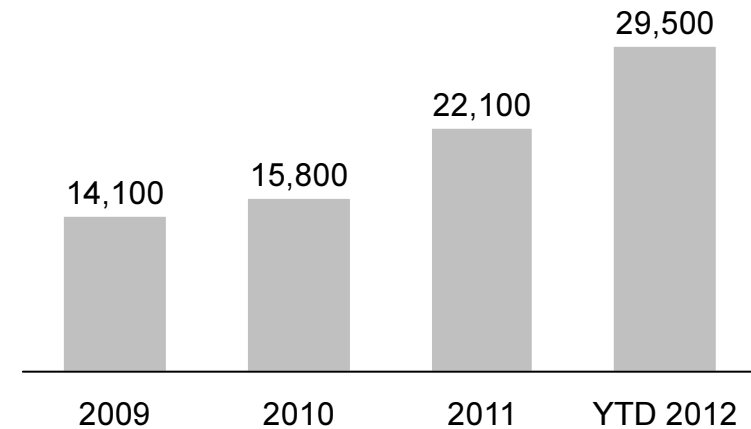
Systematic retail management ensures highest customer service standards



Retail training activities stepped up significantly

- Roll-out of standardized multi-language online training solution
- Focus on systematic strengthening of product competence, selling skills, and store management capabilities
- Supplemented by targeted face-to-face training sessions

Number of online training sessions completed



IT and system upgrades improve retail performance management

- Retail operations almost entirely on SAP
- Implementation of global retail merchandise planning solution under way
- In-store systems provide basis for systematic performance measurement



Enhanced logistics infrastructure caters to growing retail business

- Flat-packed goods distribution center Europe
Filderstadt, Germany
→ New construction
→ Start of operation: 2014

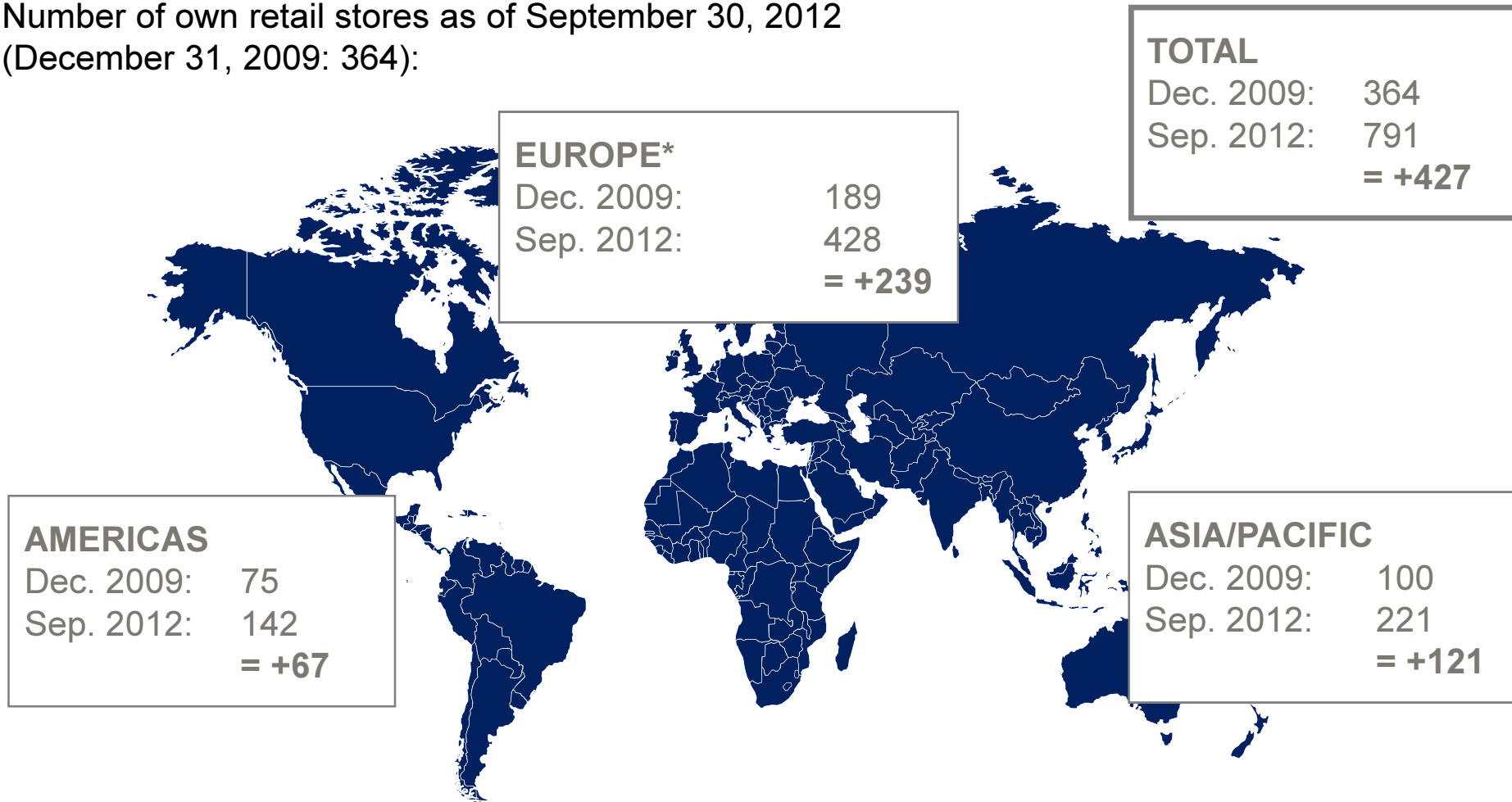
- Regional distribution centers Asia
Shanghai and Hong Kong
→ Relocation and consolidation
→ Operational since 2011

- Distribution center Mexico
Mexico City, Mexico
→ New setup



Store base more than doubled since 2009

Number of own retail stores as of September 30, 2012
(December 31, 2009: 364):

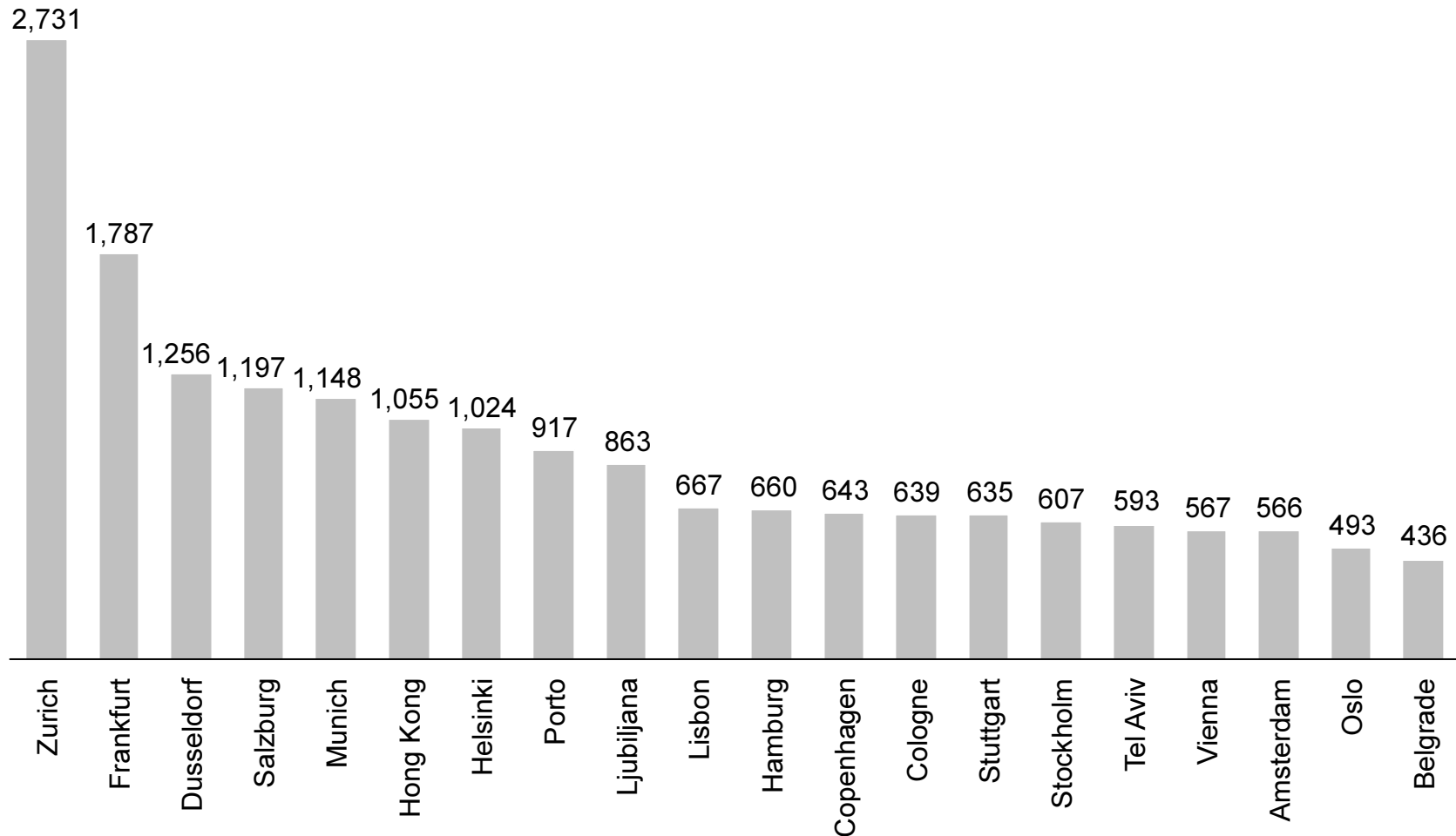


* incl. Middle East / Africa

Brand penetration analysis points to significant retail expansion potential

Spent for HUGO BOSS products per EUR million GDP

(in EUR)



Retail sophistication opens new doors in wholesale partnerships

Concession business model

Rationale

- Grown retail sophistication enables HUGO BOSS to manage brand space independent from retail partners

Levers for productivity increases

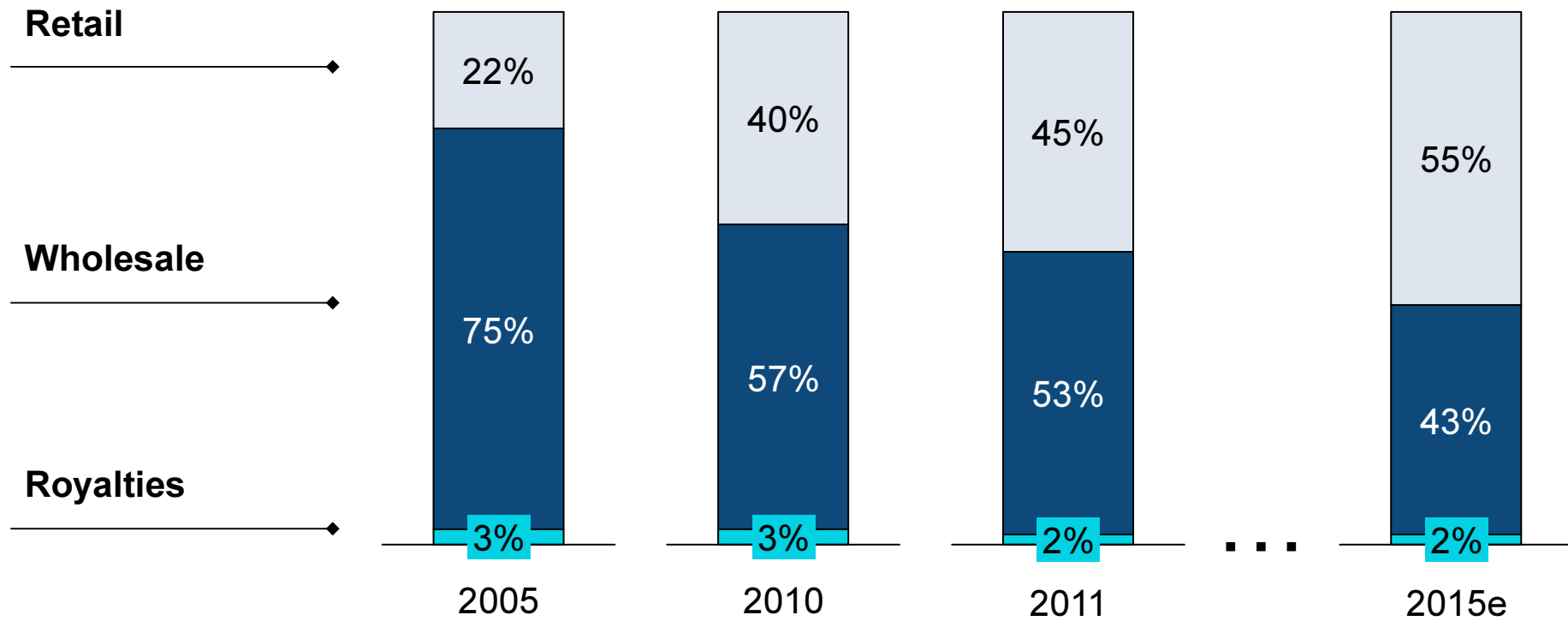
- Optimized merchandise assortment
- Upgraded brand presentation
- Improved replenishment capabilities
- Dedicated staff

Benefits

- Better brand presentation
- Sales productivity improvements
- Positive top and bottom line contribution

Share of retail sales set to grow further

Sales by distribution channel



Wholesale remains an important distribution channel

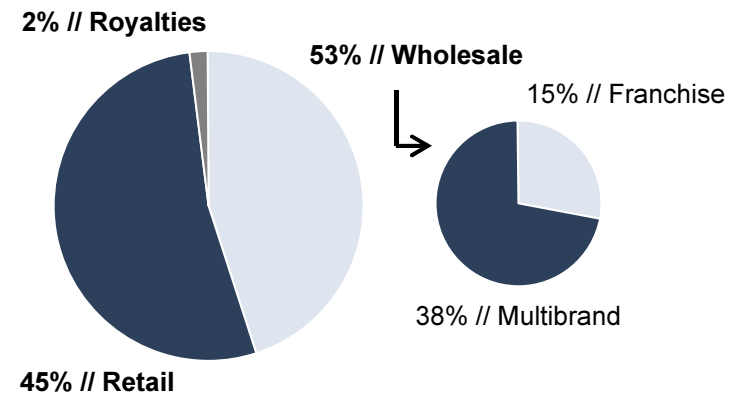
HUGO BOSS is best positioned for further growth...

- 40+ year business relationships
- Reliable sell-through performance
- Grown retail competence
- Industry-leading delivery and service levels

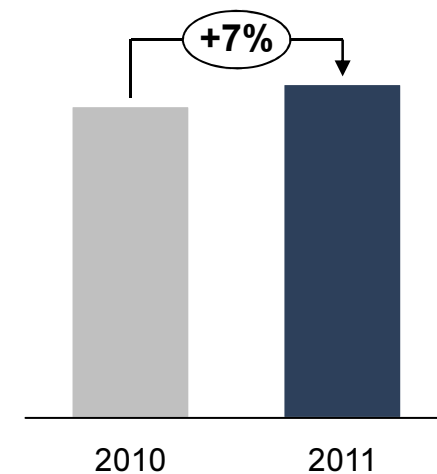
...despite structural headwinds

- Limited space expansion
- Mono-brand nature of fast growing emerging markets
- Ongoing consolidation
- Franchise takeovers

Sales by distribution channel 2011



Average net sales per wholesale POS



Significant growth opportunities in all three regions

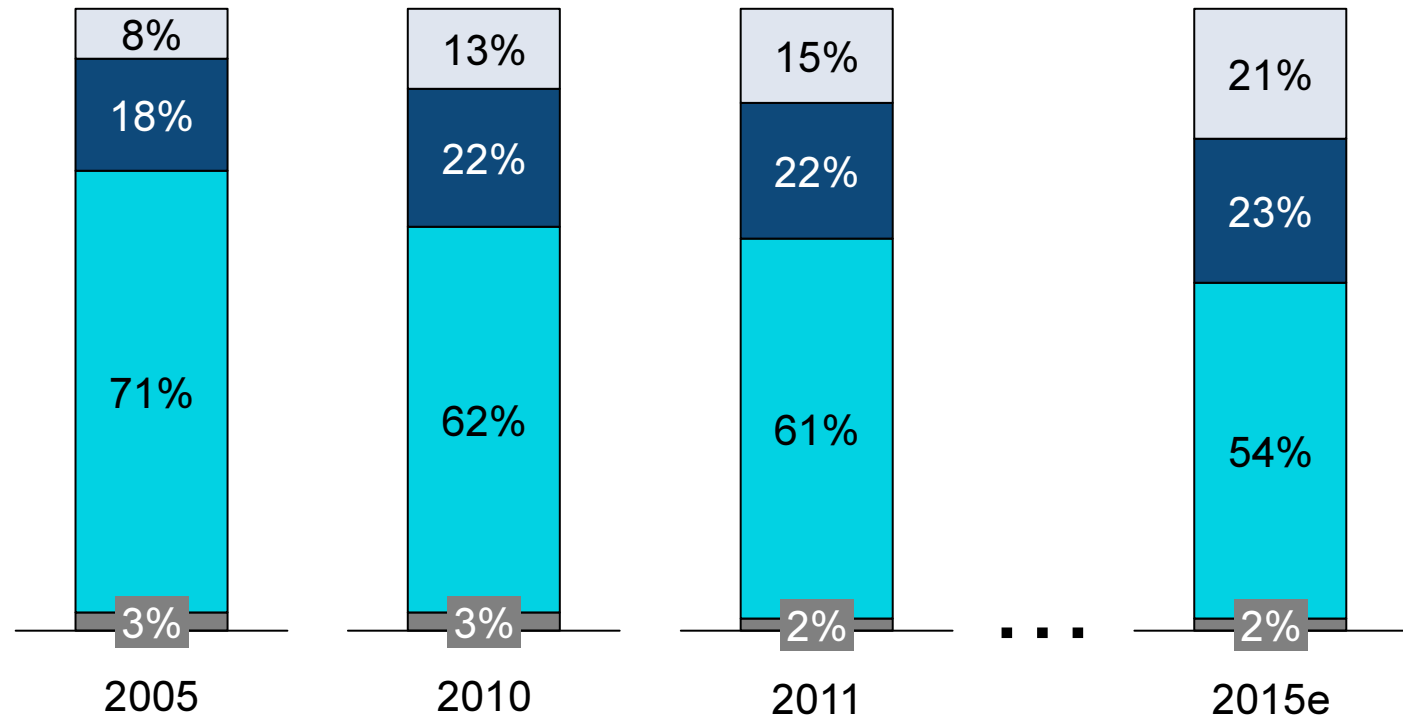
Sales by region

Asia/Pacific

Americas

Europe*

Royalties



* incl. Middle East / Africa

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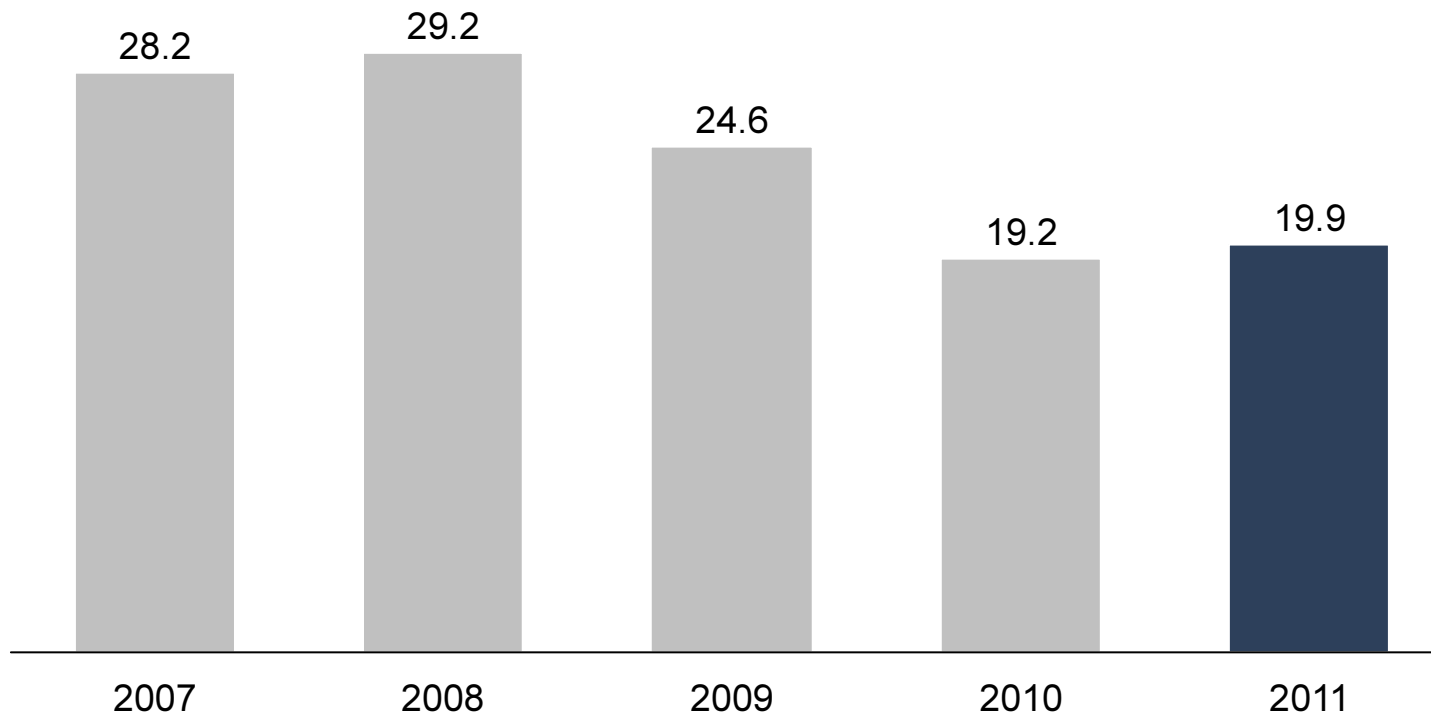
Continued focus on profitable growth

	2011	2015e	CAGR
Sales	2,059	3,000	10%
Gross profit	1,265		
<i>in % of sales</i>	61.4		
Selling and distribution expenses	(682.1)		
Administration costs and other operating income/expenses	(188.6)		
EBIT	394		
<i>in % of sales</i>	19.1		
EBITDA before special items	469	750	12.5%
<i>in % of sales</i>	22.8	25.0	

- Space expansion and comp store sales growth
- Growth across all regions
- Above-average increases in underpenetrated categories
- Distribution channel mix to benefit gross margin
- Comp store sales growth to leverage retail cost base
- Marketing expenditures between 6% and 7% of Group sales
- Below-average growth of all other operating expenses

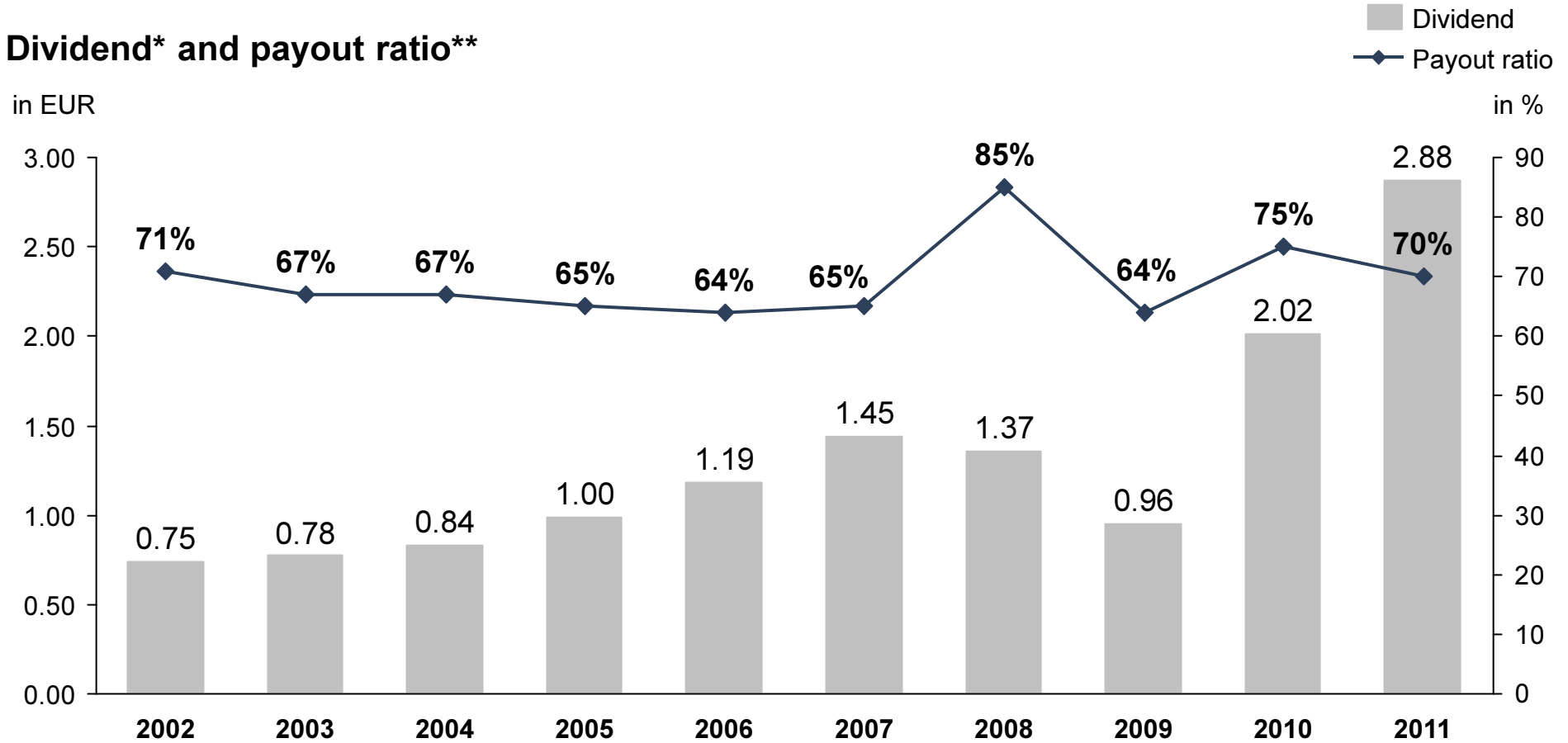
Working capital management key focus to maximize free cash flow

Average trade net working capital as a percentage of sales at year-end
(in %)



Dividend strategy confirmed

Dividend* and payout ratio**

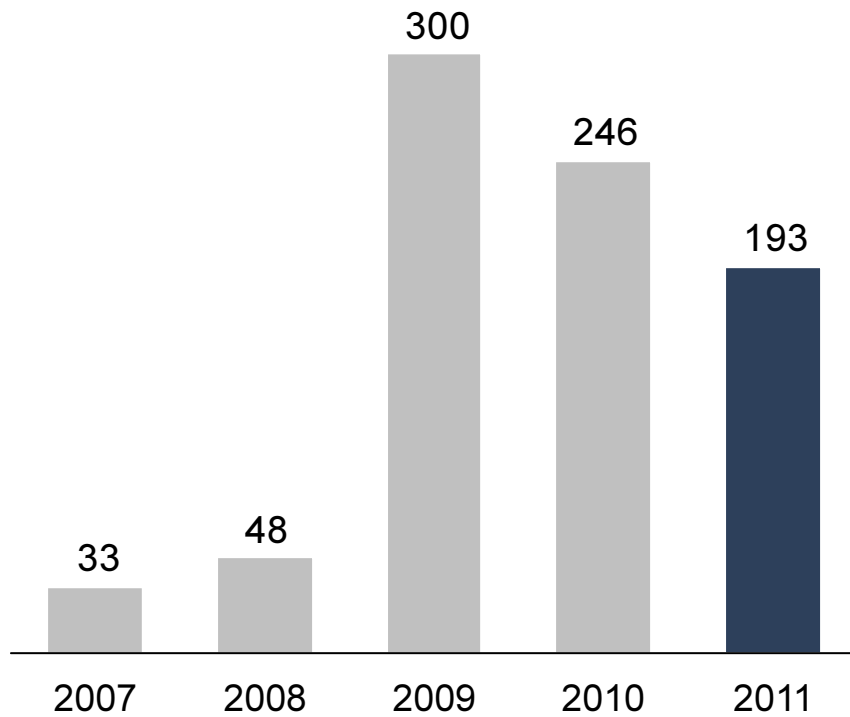


➔ Dividend policy stipulates distribution of 60% to 80% of consolidated net profit

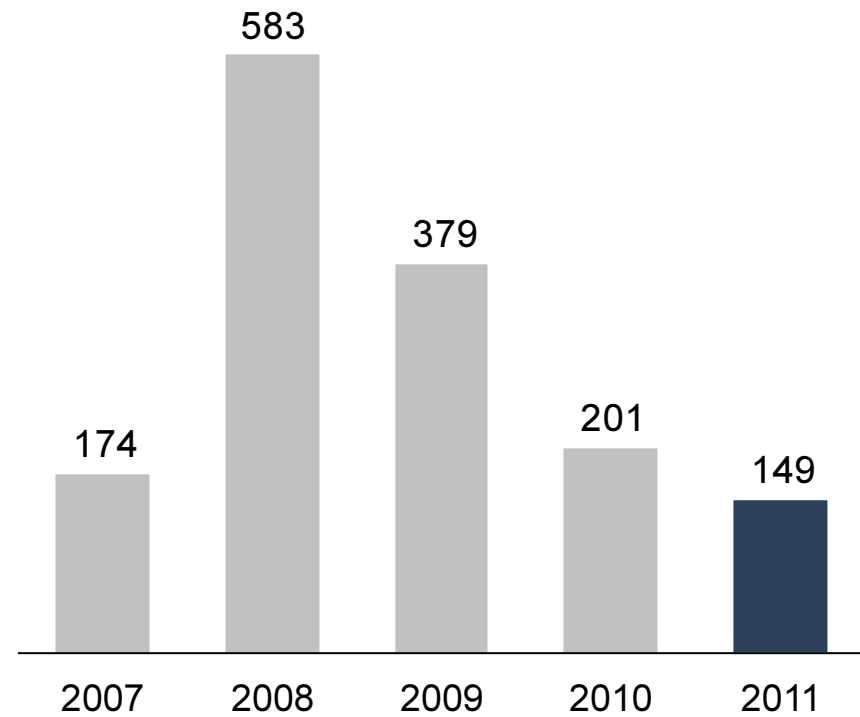
* Excluding special dividend // ** As a percentage of net profit attributable to the shareholders of the parent company

Strong cash flow generation to support further debt reduction

Free cash flow
(in EUR million)



Net debt
(in EUR million)



HUGO BOSS on track for achievement of 2015 targets

- 2012 another step towards achievement of medium-term targets
- Transformation from wholesale-minded to consumer-focused company well under way
- Good progress in all four pillars of medium-term growth strategy



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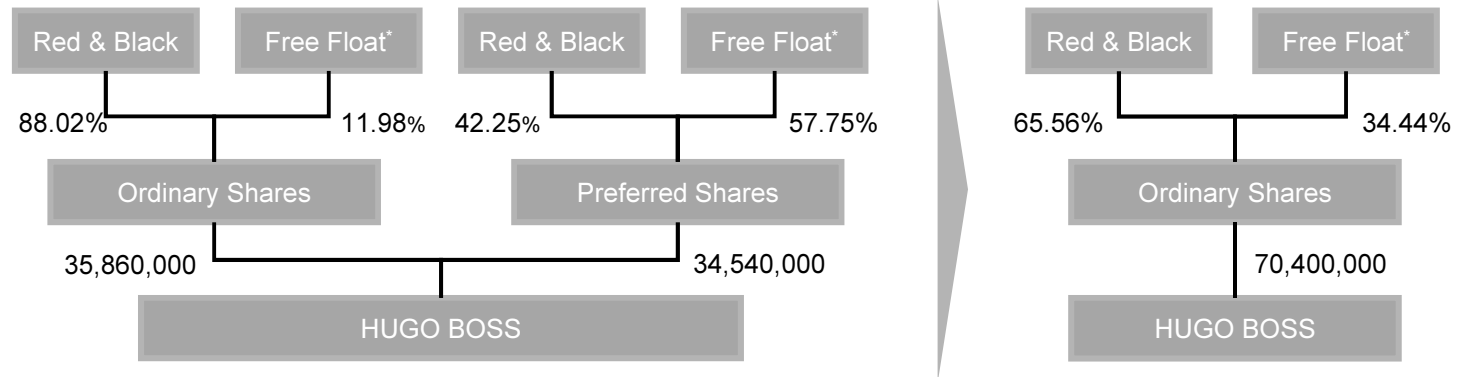
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Share class conversion offers advantages to all shareholders

Conversion of preferred and ordinary shares...



* Includes 1,383,833 treasury shares (528,555 ordinary shares and 855,278 preferred shares)

... offers short- und long-term benefits

- Simplified share structure
- Positive liquidity effect
- Higher index weighting
- Improved Corporate Governance standards (“one share - one vote”)

Launch of Level I ADR program planned for early 2013

Definition

- Level I ADRs are negotiable securities issued by a depositary bank that represent an issuer's publicly traded equity. These securities are denominated in US dollars and trade on the OTC market.

Benefits for US investors

- Potential reduction of transaction and custody costs
- Enables foreign investment in home market currency
- Provides full shareholder benefits including voting rights

Timeline

- Launch planned for early 2013

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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