

**H U G O B O S S**

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**HUGO BOSS Investor Day 2012**  
**Brand Strategy**

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December 6, 2012

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## Agenda

**Brand strategy**

**Communication strategy**

**Distribution strategy**

**Summary**

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**Brand strategy**

**Communication strategy**

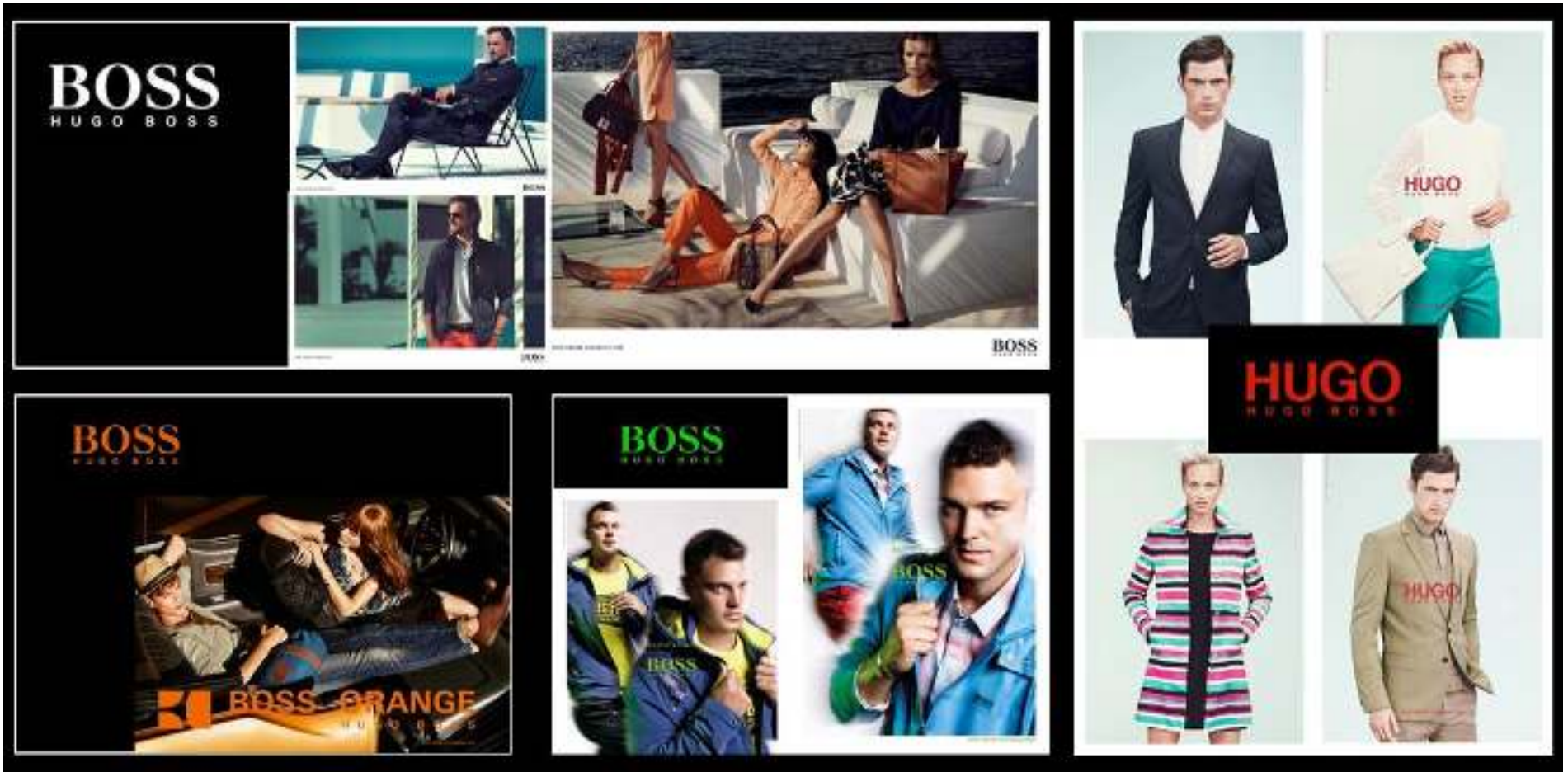
**Distribution strategy**

**Summary**

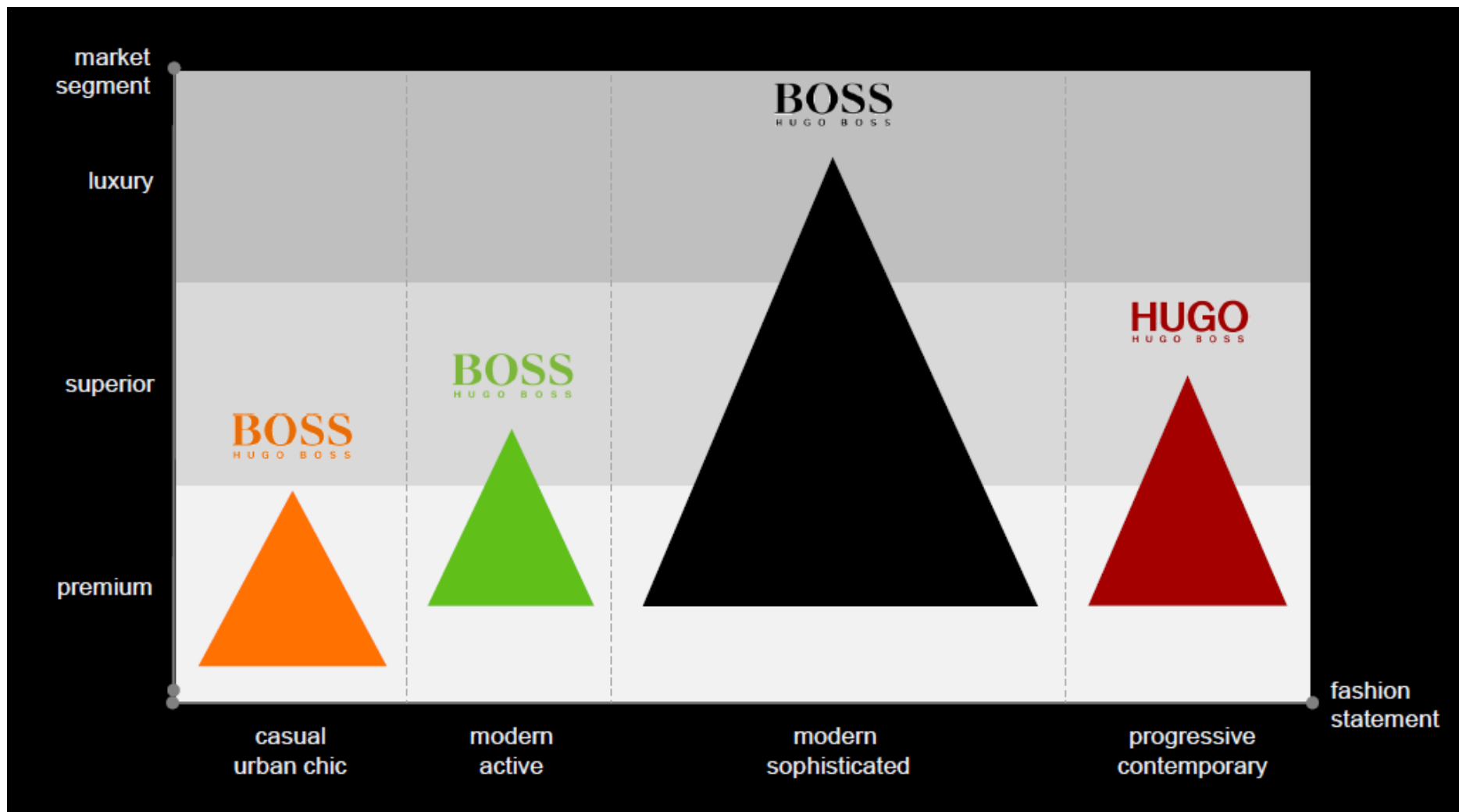
## About HUGO BOSS

- 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

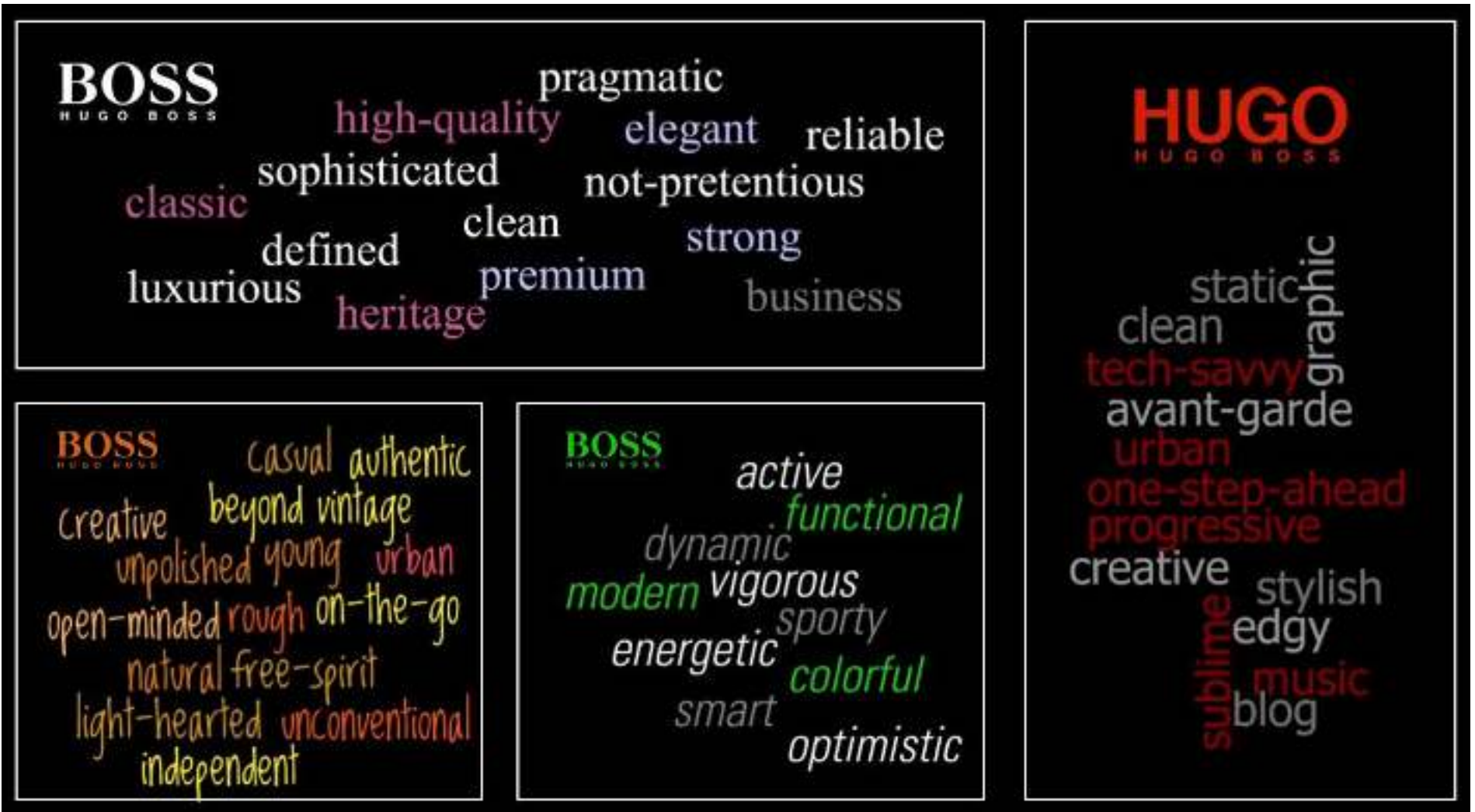




## Group brands speak to a diverse female audience



## 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

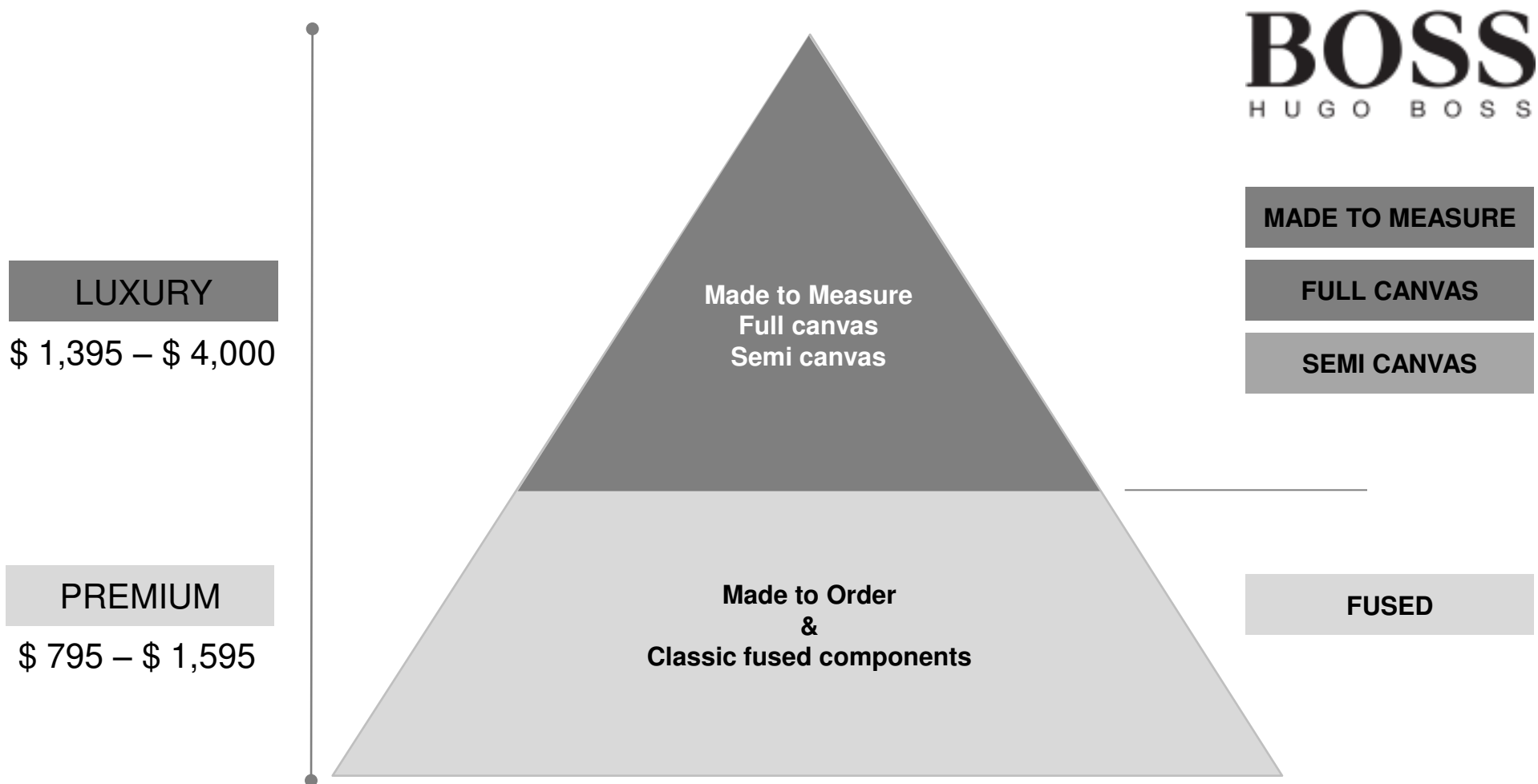
**for the modern dynamic  
customer**

## 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



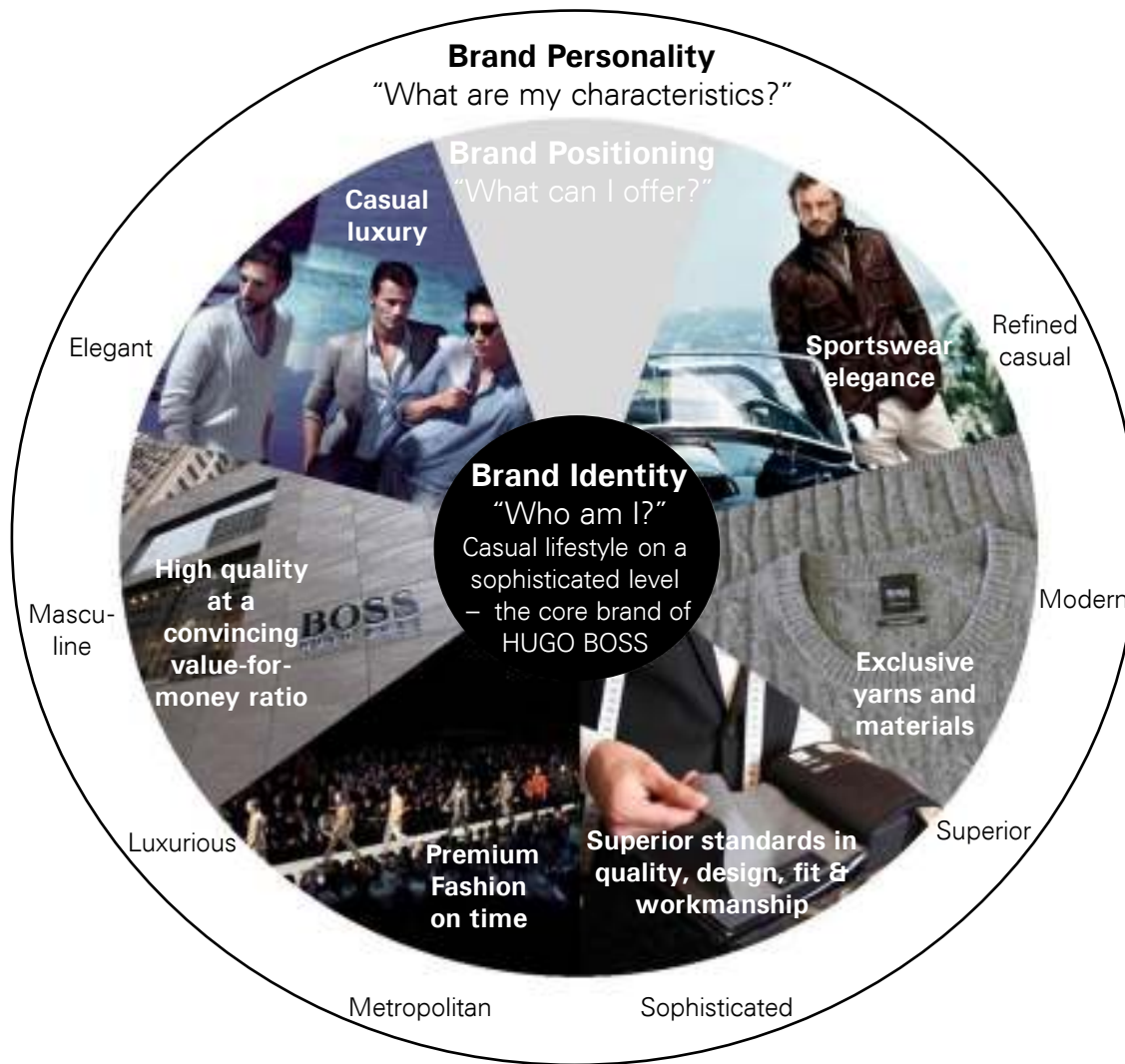
- Strong positioning as home of avant-garde design
- Focus on clean, minimalistic looks addressing the fashion-forward consumer
- Targeted expansion of stand-alone retail presence
- Significant growth potential in underpenetrated markets



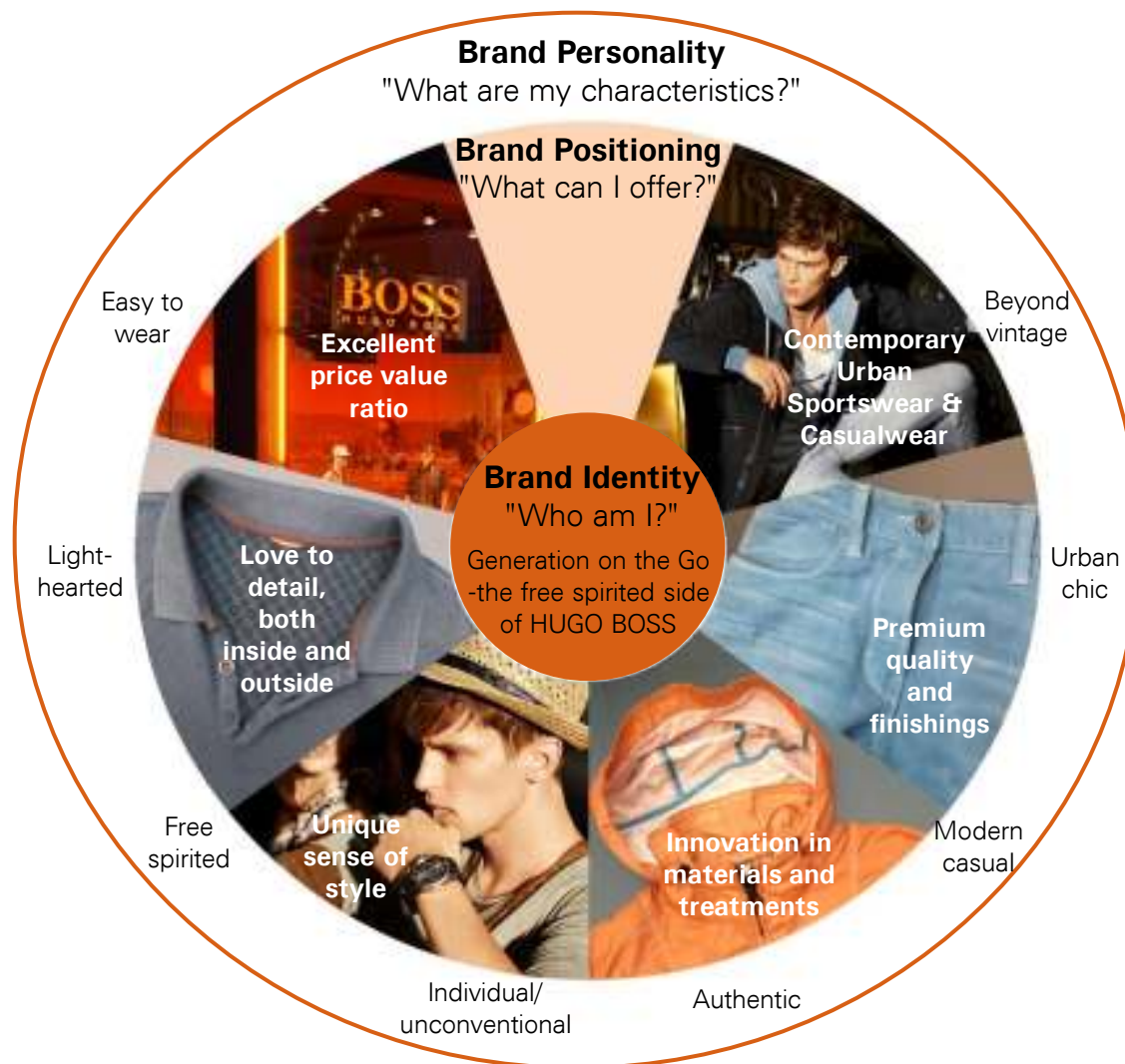
## Strength in sportswear key competitive advantage

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

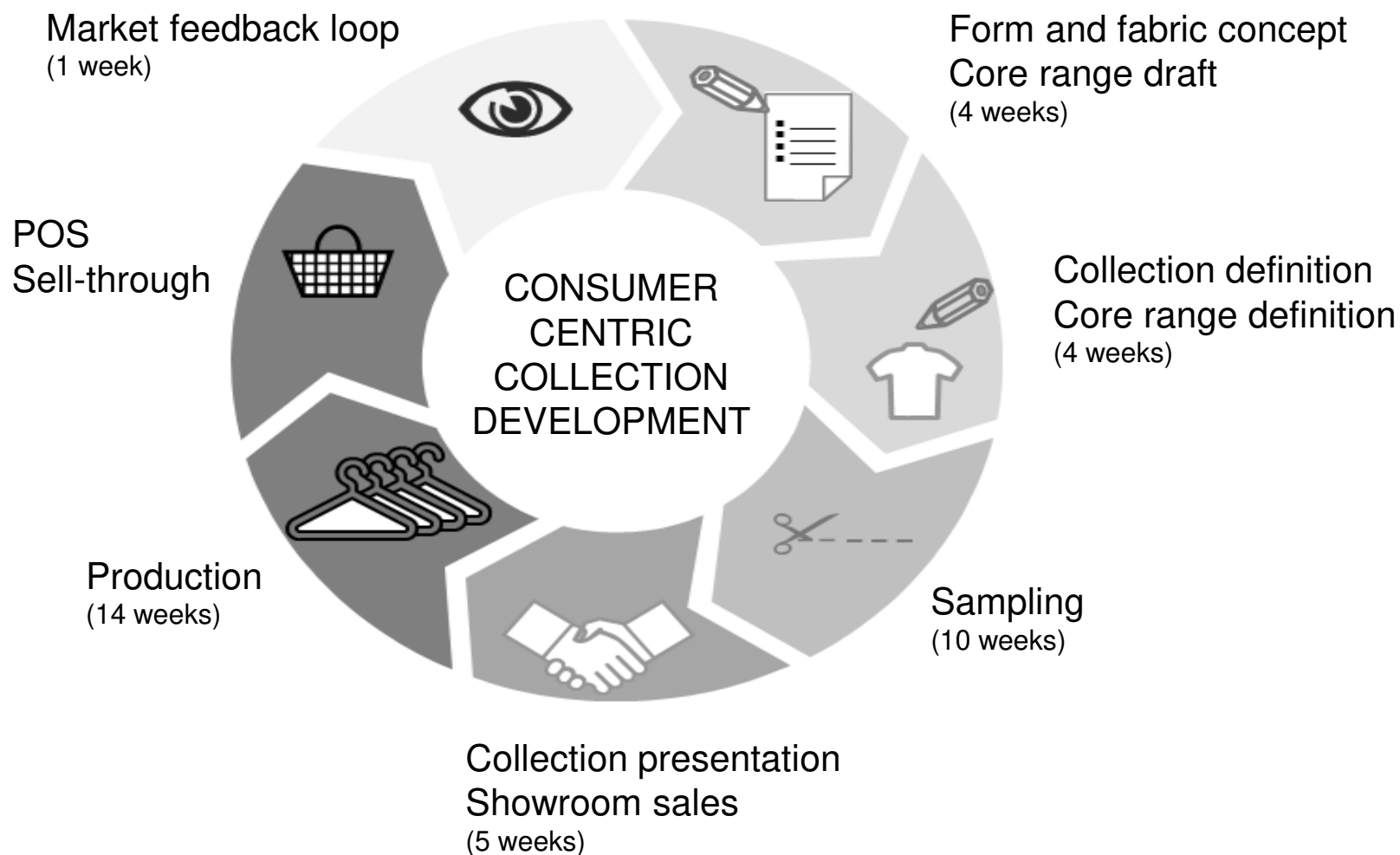
- Increased exposure of BOSS womenswear in all larger BOSS stores



## 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**  
HUGO BOSS

Online, mobile, iPhone & iPad Applications

**HUGO**  
HUGO BOSS

Blog PR/ cooperations

Online Social media

**BOSS**  
HUGO BOSS

Strong focus on social media

**BOSS**  
HUGO BOSS





LUCKY TIMES

Strong focus on social media

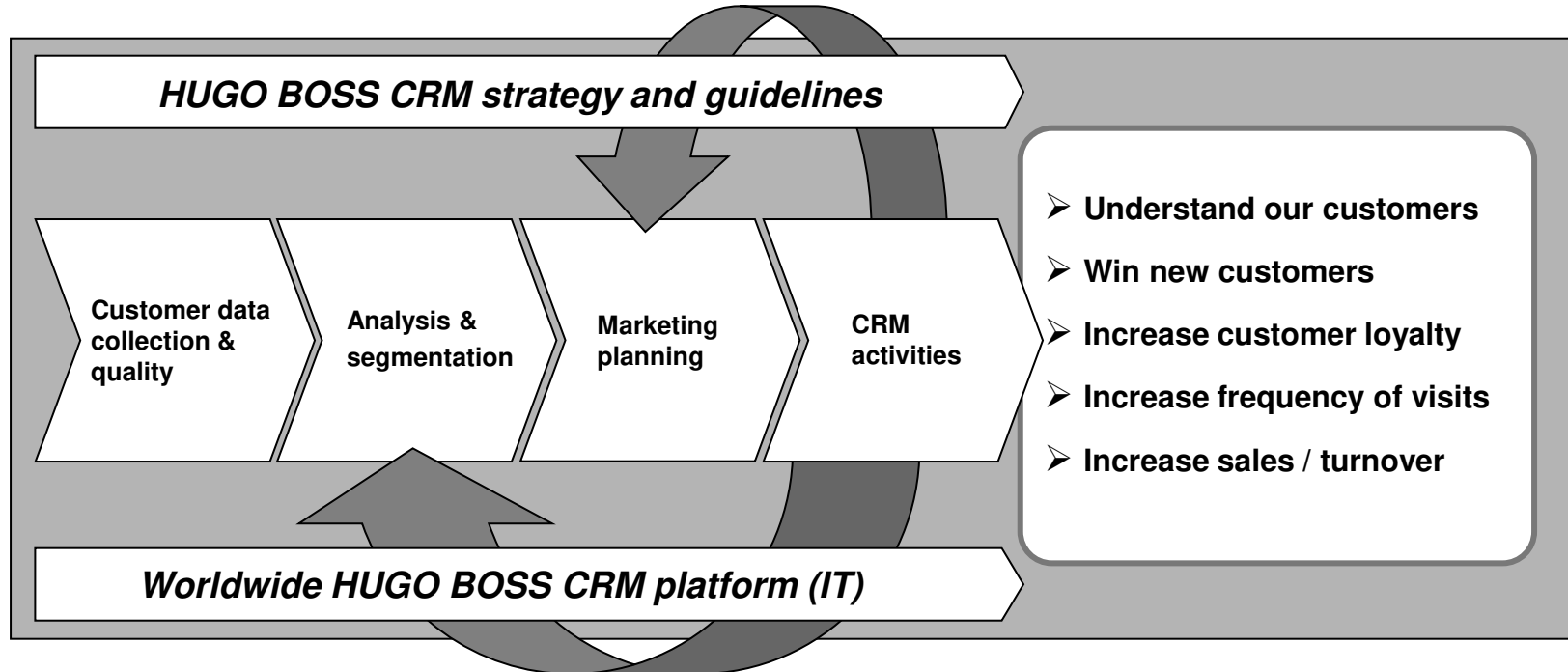
Blog PR/ cooperations

Online Social media

## 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*

HUGO BOSS  
EXPERIENCE



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

 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



**BOSS**  
HUGO BOSS





**BOSS**  
HUGO BOSS



**BOSS**  
HUGO BOSS





**HUGO**  
HUGO BOSS





**BOSS**  
HUGO BOSS





**BOSS**  
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**BOSS**  
HUGO BOSS

## 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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