

H U G O B O S S

HUGO BOSS First Half Year Results 2012

Claus-Dietrich Lahrs (CEO) | Mark Langer (CFO)

July 31, 2012

AGENDA

OPERATIONAL HIGHLIGHTS

FIRST HALF YEAR RESULTS

OUTLOOK

AGENDA

OPERATIONAL HIGHLIGHTS

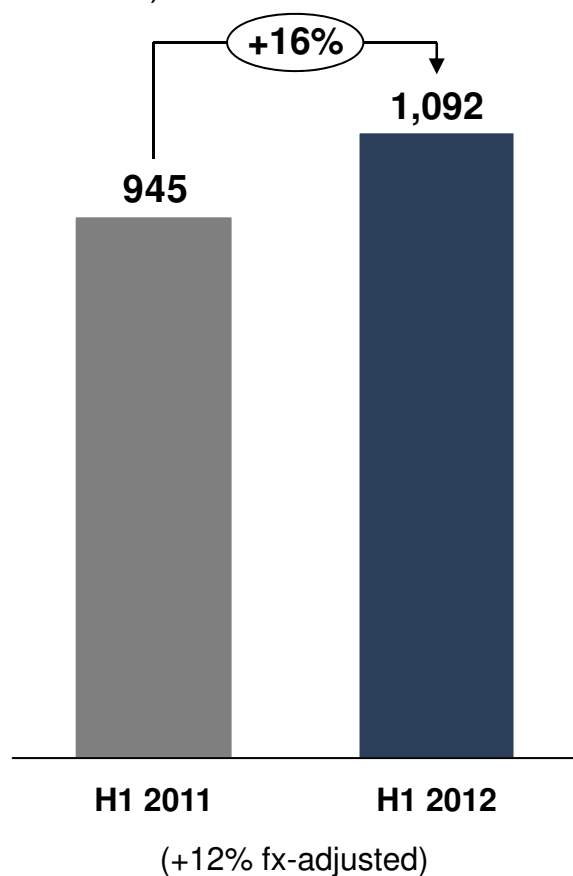
FIRST HALF YEAR RESULTS

OUTLOOK

Double-digit top and bottom line improvements in the first half year

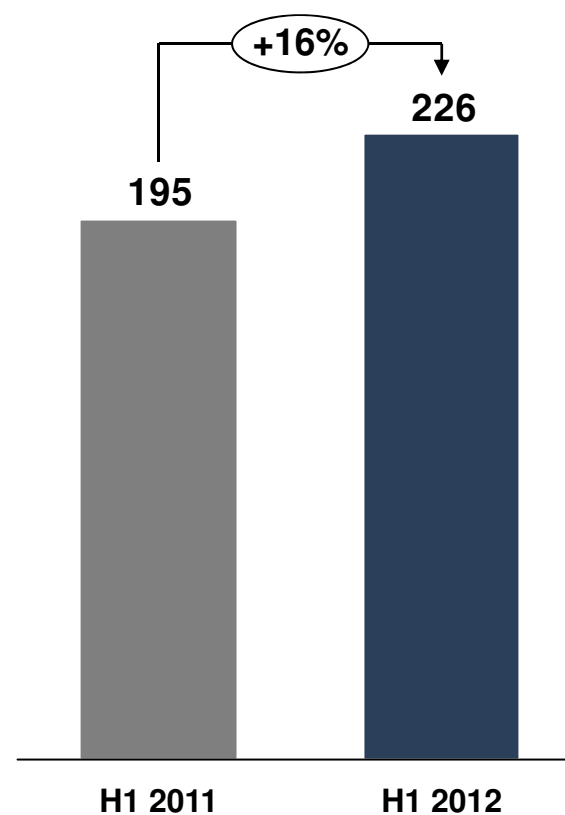
Sales

(in EUR million)

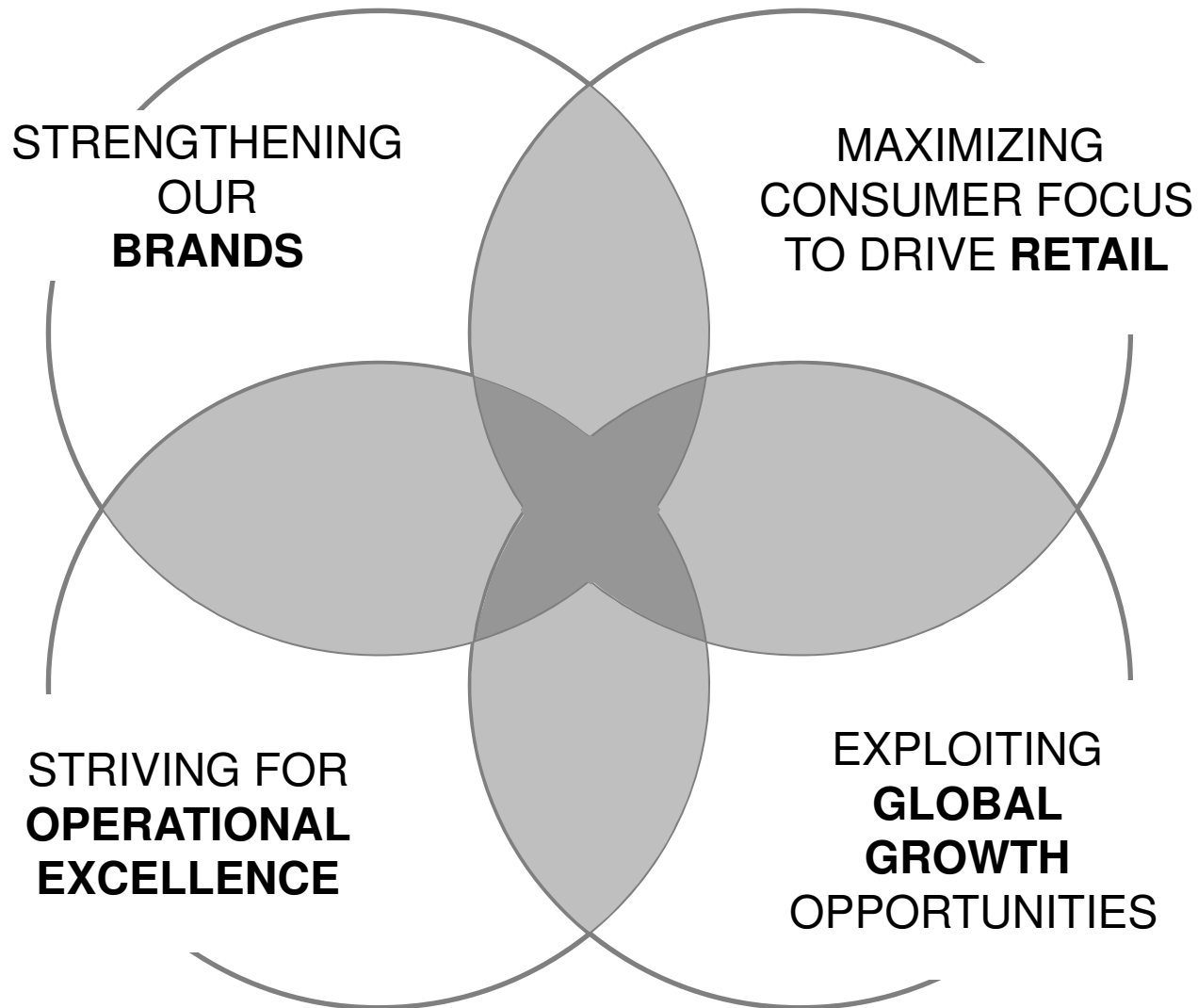


EBITDA before special items

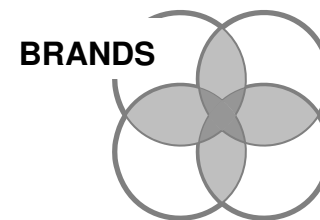
(in EUR million)



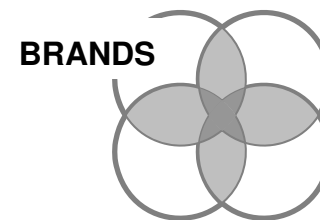
Continued execution of medium-term growth strategy



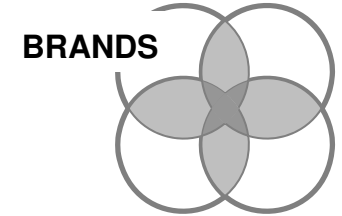
Beijing fashion show the largest ever in Asia



Actor Chow Yun-Fat becomes new brand ambassador



Extensive press coverage lifts brand profile in Asia



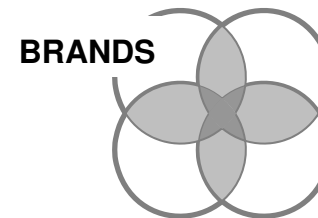
VOGUE
Japan

Shanghai Style Weekly
China

South China Morning Post
Hong Kong

THE SUN
Hong Kong

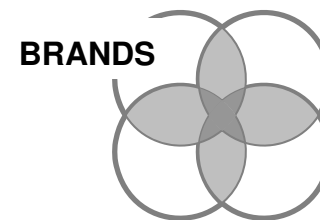
3D live stream turns fashion show into a global event



BRYANBOY'S SEQUINED LOOK



HUGO presents new collection in Berlin

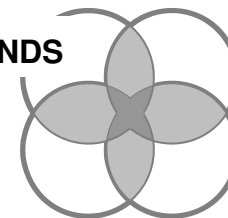


HUGO
HUGO BOSS



Full pipeline of new product launches in fragrance business

BRANDS

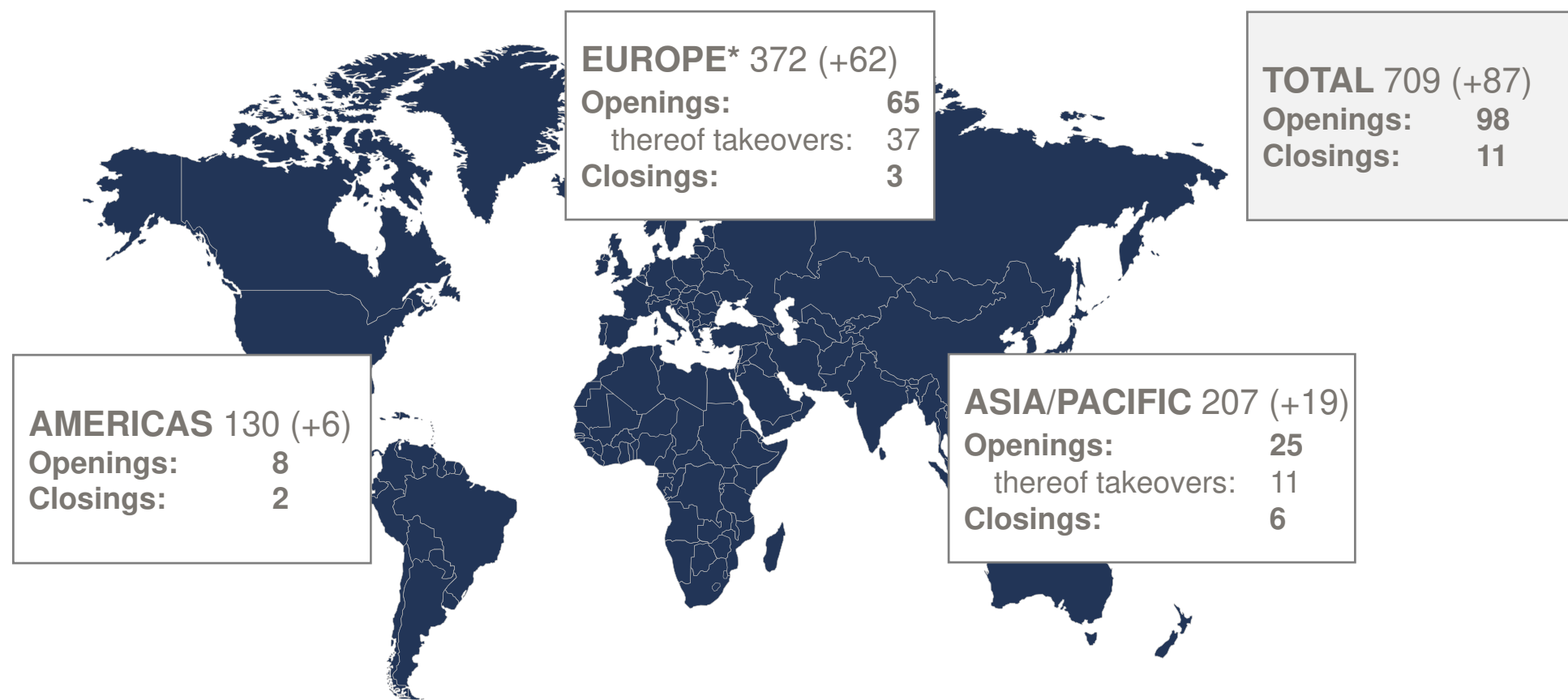
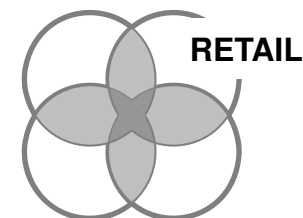


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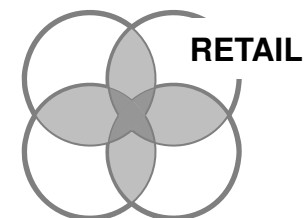
Own retail network grows by 87 to 709 stores

Number of own retail stores as of June 30, 2012
(December 31, 2011: 622):



* incl. Middle East / Africa

Taipei 101 new flagship location in Taiwan



BOSS Store // Taipei 101

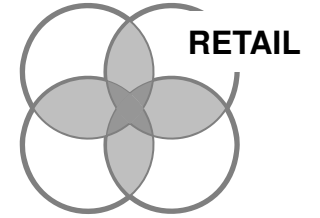
Taipei, Taiwan

Opening: May 2012

Net size: 233 sqm



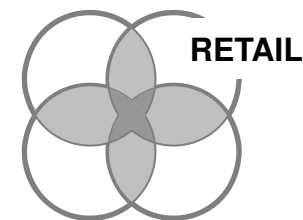
New store opening in prestigious China World Mall in Beijing



BOSS Store // China World Mall
Beijing, China
Opening: April 2012
Net size: 344 sqm



Renovated Paris store elevates customer experience



Flagship Store // Champs Elysées

Paris, France

Re-Opening: June 2012

Net size: 1,229 sqm



Europe – Wholesale business drives growth acceleration

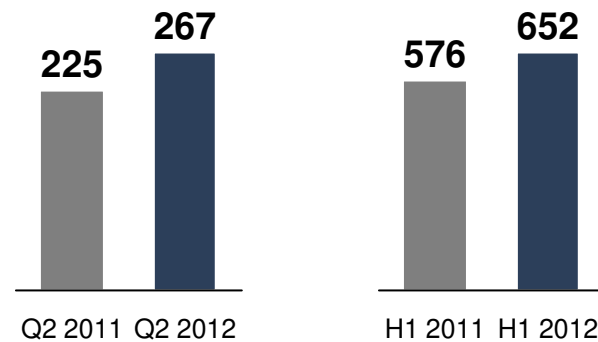


- UK, Germany and Benelux all increasing at double-digit rates

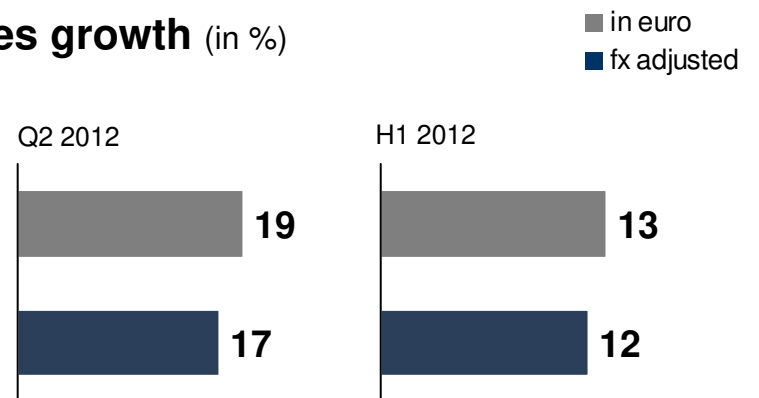
- Resilient performance in Southern Europe

- Tougher economic environment and delivery shifts in wholesale to impact second half year growth

Sales (in EUR million)



Sales growth (in %)



Americas – Continued double-digit sales increases

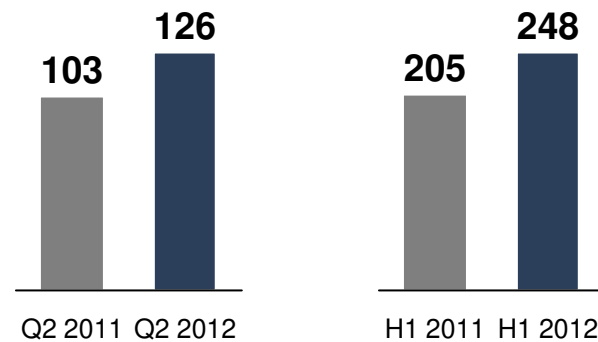


- Further market share gains in US wholesale business

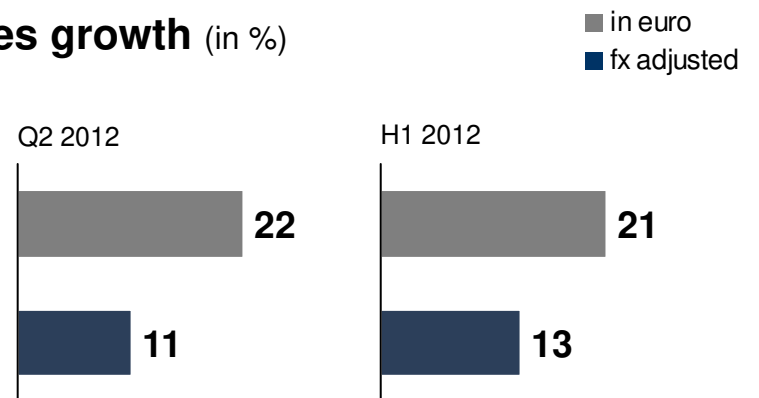
- Ongoing positive consumer sentiment promises continued growth in second half year

- Strong performance in Latin America

Sales (in EUR million)



Sales growth (in %)



Asia/Pacific – Shaky consumer environment in China affects growth

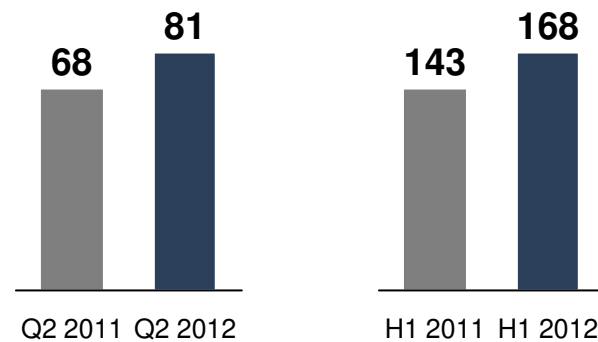


- Currency-adjusted sales in China increase 7% in first half year

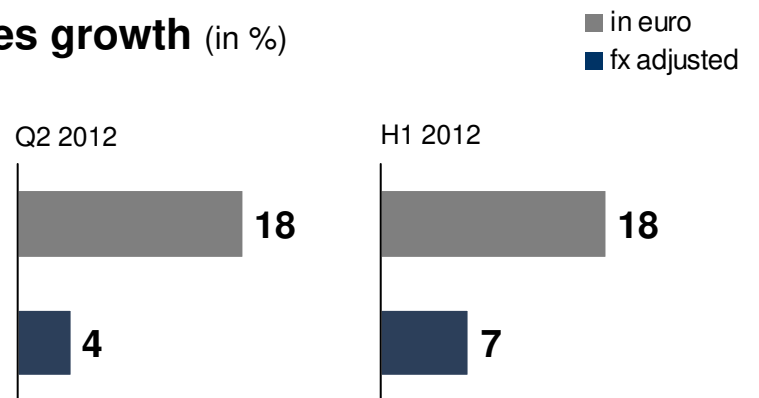
- Cautious consumer sentiment impacts store traffic

- Continuous brand and retail investments to exploit attractive medium-term growth opportunities

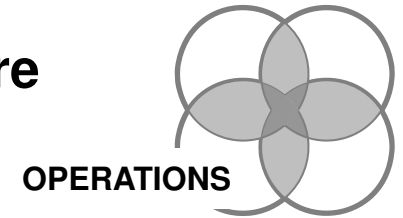
Sales (in EUR million)



Sales growth (in %)



SAP rollout in China JV improves operational infrastructure



- Closer integration of JV operations under way
- SAP rollout finished at the end of June
- Increases transparency and efficiency of key operational processes



AGENDA

OPERATIONAL HIGHLIGHTS

FIRST HALF YEAR RESULTS

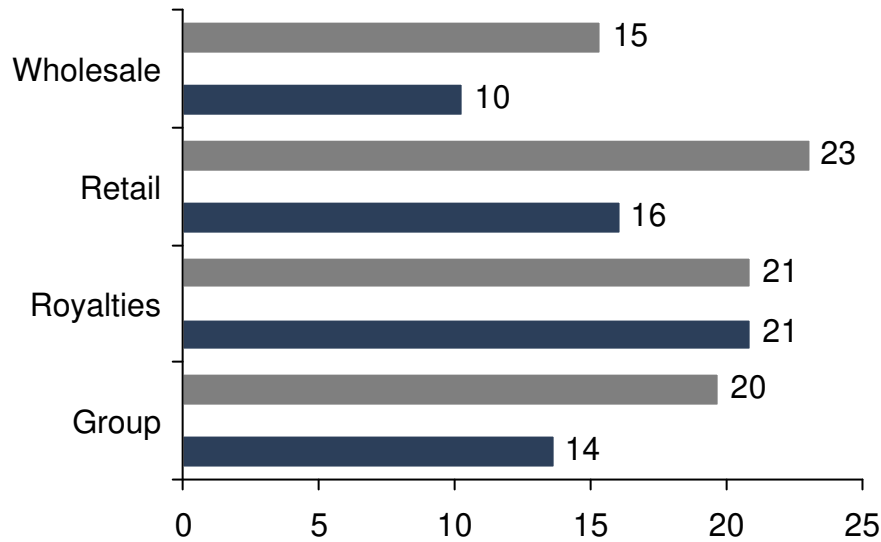
OUTLOOK

New collection cycle and early shipments support Q2 wholesale sales

Sales growth by channel, y-o-y

Q2 2012
(in %)

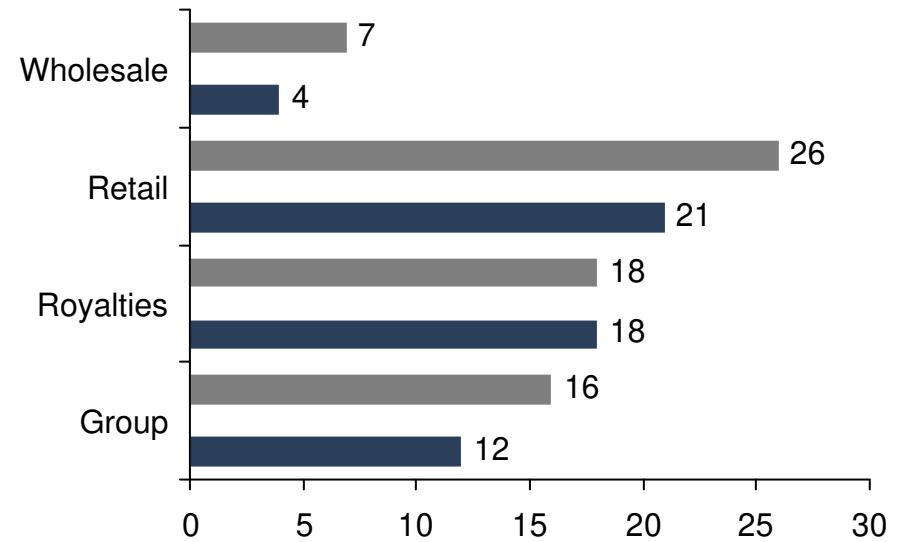
■ in euro
■ fx adjusted



Sales growth by channel, y-o-y

H1 2012
(in %)

■ in euro
■ fx adjusted



- Introduction of four season cycle and earlier deliveries of Fall 2012 merchandise benefit wholesale sales growth in second quarter
- Currency-adjusted retail comp store sales increase 4% in Q2, up 7% in H1

Gross margin progress more than offsets higher operating expenses

in EUR million	H1 2012	H1 2011	Change in %
Net sales	1,092.1	944.6	16
Gross profit	672.9	572.3	18
in % of sales	61.6	60.6	1.0 pp
Selling and distribution expenses	(380.1)	(314.1)	(21)
Administration costs and other operating income and expenses	(104.1)	(96.5)	(8)
Operating result (EBIT)	188.7	161.7	17
in % of sales	17.3	17.1	0.2 pp
Financial result	(8.2)	(8.5)	4
Earnings before taxes	180.5	153.2	18
Income taxes	(43.3)	(36.7)	(18)
Net income	137.2	116.5	18
Attributable to:			
Equity holders of the parent company	134.1	113.1	19
Earnings per share (EUR)*			
Ordinary share	1.94	1.63	19
EBITDA before special items	226.3	195.0	16
in % of sales	20.7	20.6	0.1 pp

* Basic and diluted shares

- **Gross margin up**
100 bp to 61.6%, mainly due to channel mix effects and efficiency improvements in production and sourcing
- Higher **selling & distribution expenses** driven by own retail expansion and increased marketing expenditures
- **EBITDA before special items** up 16% to EUR 226 million

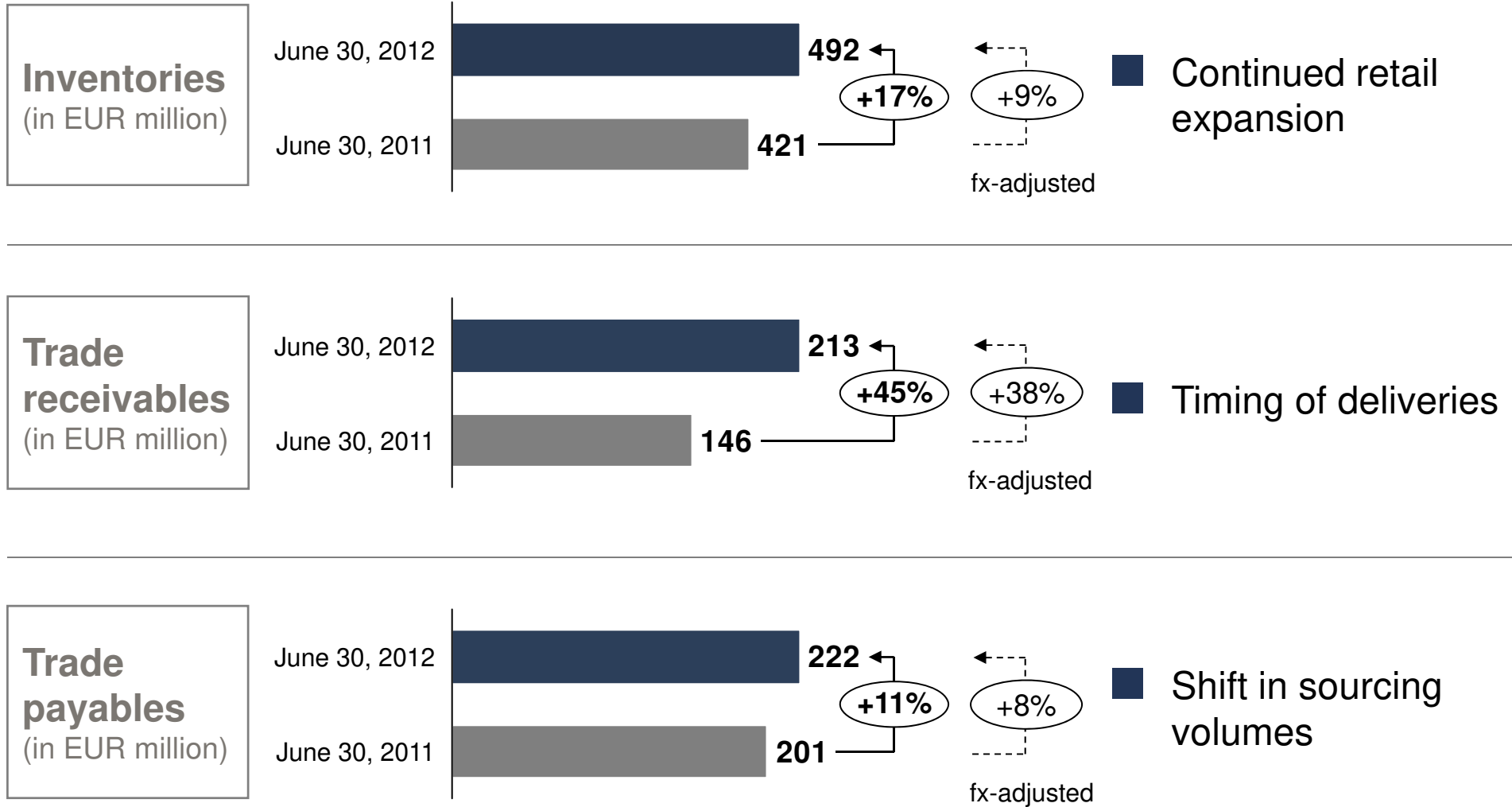
Margin improvement makes Asia the Group's most profitable region

in EUR million	H1 2012	in % of sales	H1 2011	in % of sales	Change in %
Europe*	236.1	36.2	225.3	39.1	5
Americas	64.2	25.9	52.7	25.7	22
Asia/Pacific	61.7	36.6	50.2	35.1	23
Royalties	21.4	89.7	16.8	83.1	27
Segment profit operating segments	383.4	35.1	345.0	36.5	11
Corporate units / consolidation	(157.1)		(150.0)		
EBITDA before special items	226.3		195.0		

- Increased own retail expenditures limit profit increases in Europe
- Growth across both channels supports margin expansion in the Americas
- Retail growth primary driver of higher profitability in Asia

*incl. Middle East and Africa

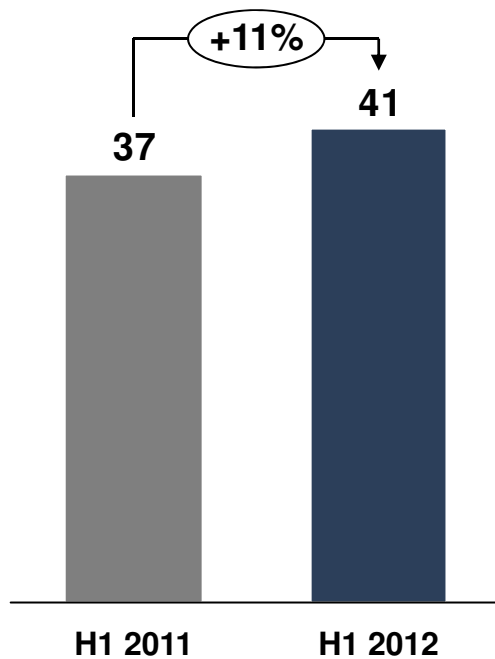
Earlier product shipments inflate growth of trade receivables



Higher investments contribute to net debt increase

Investments

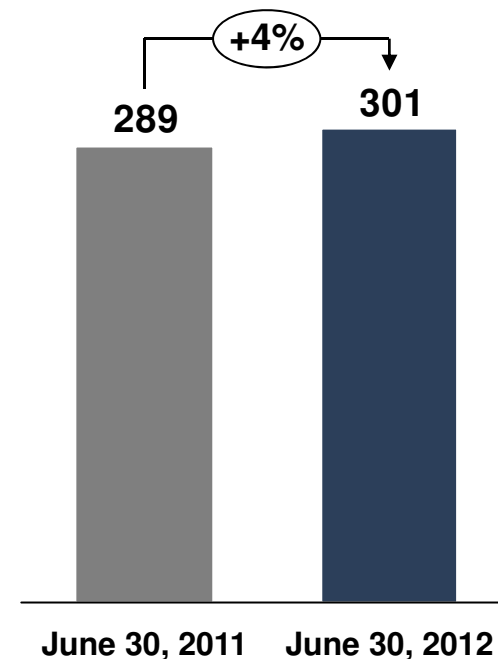
(in EUR million)



■ Focus on own retail expansion and renovation

Net debt

(in EUR million)



■ Net debt slightly up due to increase in trade net working capital, higher investments and dividend payment

AGENDA

OPERATIONAL HIGHLIGHTS

FIRST HALF YEAR RESULTS

OUTLOOK

Solid top and bottom line growth expected for 2012

2012 Outlook

Sales growth (currency-adjusted)

Up to 10%

Growth of EBITDA before special items

10% to 12%

Capex

Above prior year level

Own retail network

Around 70 organic openings

Streamlined brand architecture strengthens core BOSS brand

Optimization of brand architecture...

- BOSS Selection and BOSS Black to be brought together in core BOSS brand
- Fully implemented as of Fall 2013 collection
- Stronger core brand focus reflected in communication and retail presentation

BOSS
HUGO BOSS

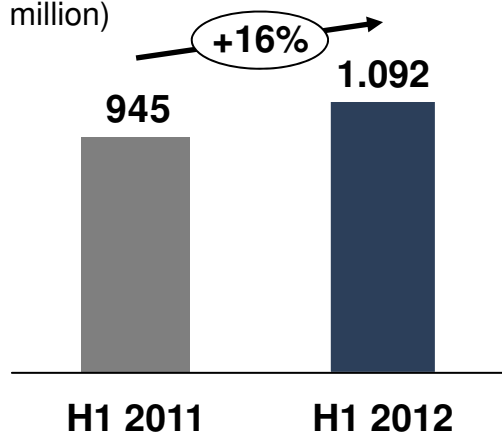
...to offer numerous benefits

- Overall BOSS offering to benefit from BOSS Selection's established credibility in luxury clothing and sportswear
- Underscores BOSS growth potential across different fashion segments and from premium to luxury
- Maximises the power and global recognition of the black BOSS logo
- Leverages high-end tailoring competence of the BOSS Selection team across a broader business

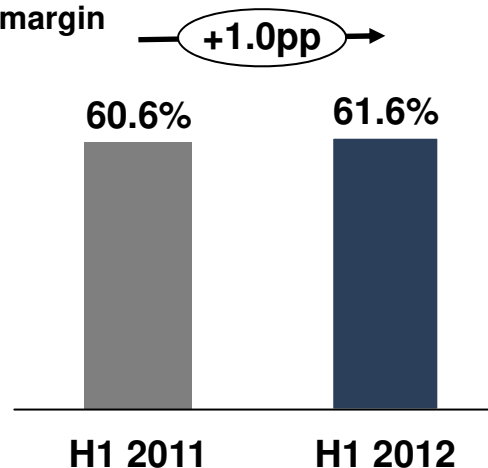
BACKUP

FIRST HALF YEAR RESULTS AT A GLANCE

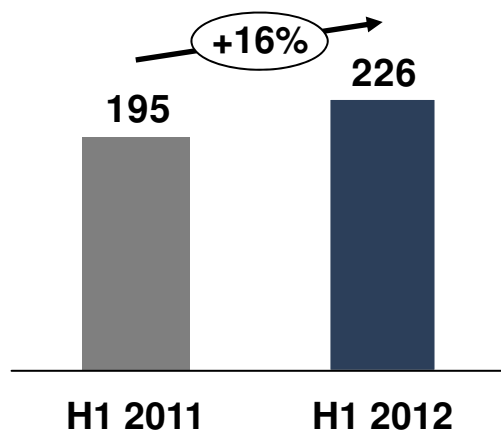
Sales
(in EUR million)



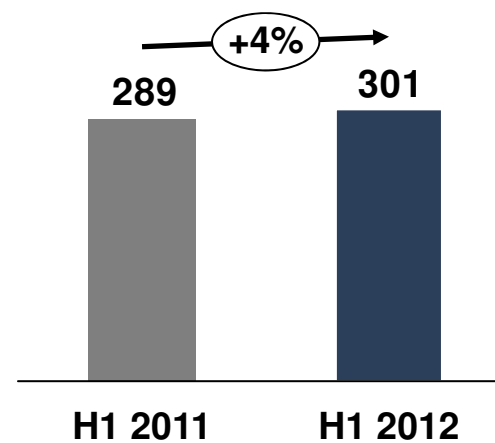
Gross margin
(in %)



EBITDA before special items
(in EUR million)



Net debt
(in EUR million)



PROFIT & LOSS STATEMENT

in EUR million	Q2 2012	Q2 2011	Change in %	H1 2012	H1 2011	Change in %
Net sales	485.4	405.4	20	1,092.1	944.6	16
Cost of sales	(173.7)	(141.5)	(23)	(397.8)	(355.3)	(12)
Direct selling expenses	(8.9)	(6.3)	(41)	(21.4)	(17.0)	(26)
Gross profit	302.8	257.6	18	672.9	572.3	18
in % of sales	62.4	63.5	(1.1 pp)	61.6	60.6	1.0 pp
Selling and distribution expenses	(190.9)	(161.6)	(18)	(380.1)	(314.1)	(21)
Administration costs and other operating income and expenses	(52.6)	(50.2)	(5)	(104.1)	(96.5)	(8)
Operating result (EBIT)	59.3	45.8	29	188.7	161.7	17
in % of sales	12.2	11.3	0.9 pp	17.3	17.1	0.2 pp
Net interest income/expense	(4.1)	(3.9)	(5)	(7.4)	(7.7)	4
Other financial items	0.1	1.5	(93)	(0.8)	(0.8)	0
Financial result	(4.0)	(2.4)	(67)	(8.2)	(8.5)	4
Earnings before taxes	55.3	43.4	27	180.5	153.2	18
Income taxes	(13.3)	(10.4)	(28)	(43.3)	(36.7)	(18)
Net income	42.0	33.0	27	137.2	116.5	18
Attributable to:						
Equity holders of the parent company	40.2	31.1	29	134.1	113.1	19
Minority interests	1.8	1.9	(5)	3.1	3.4	(9)
Net income	42.0	33.0	27	137.2	116.5	18
Earnings per share (EUR)*						
Ordinary share	0.58	0.45	20	1.94	1.63	19
Preferred share**		0.45			1.64	

* Basic and diluted shares

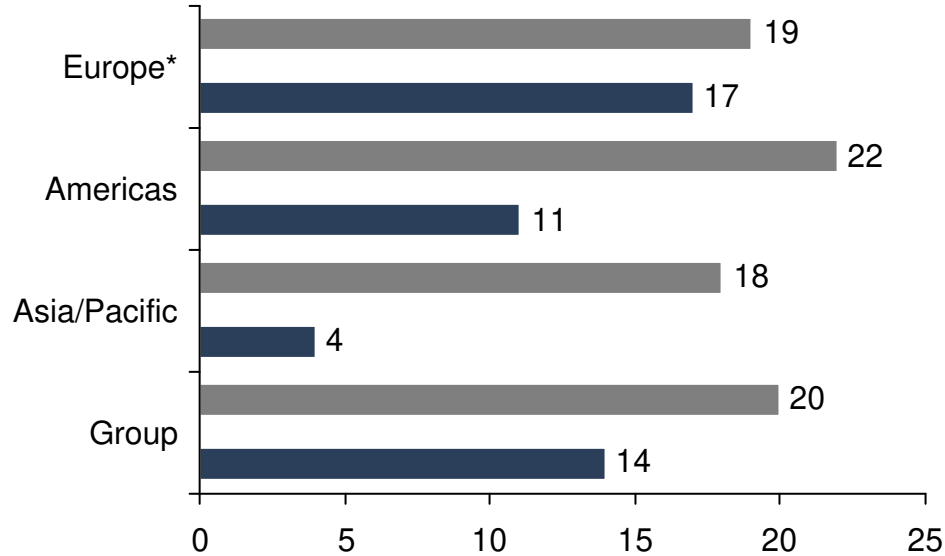
** Preferred shares were converted into ordinary shares on June 15, 2012

SALES BY REGION

Sales growth by region, y-o-y

Q2 2012
(in %)

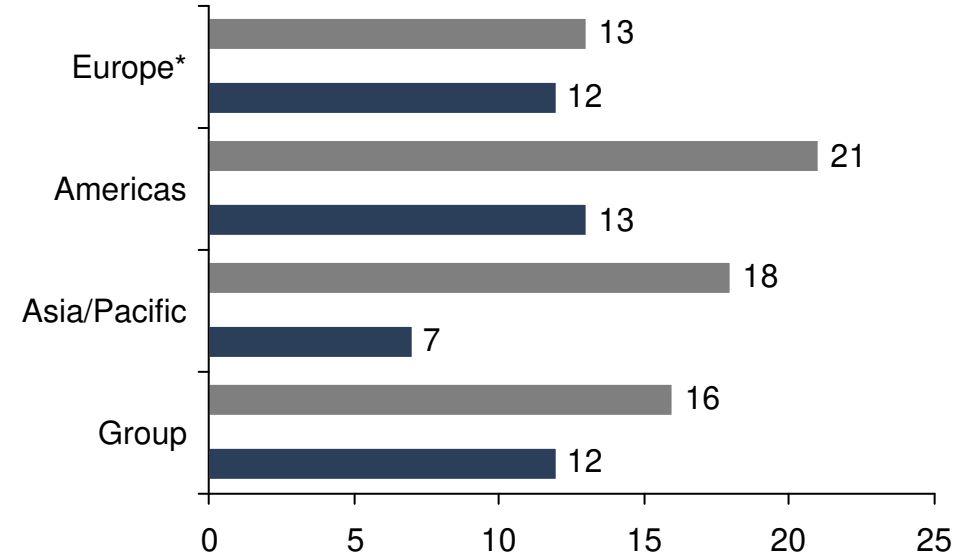
■ in euro
■ fx adjusted



Sales growth by region, y-o-y

H1 2012
(in %)

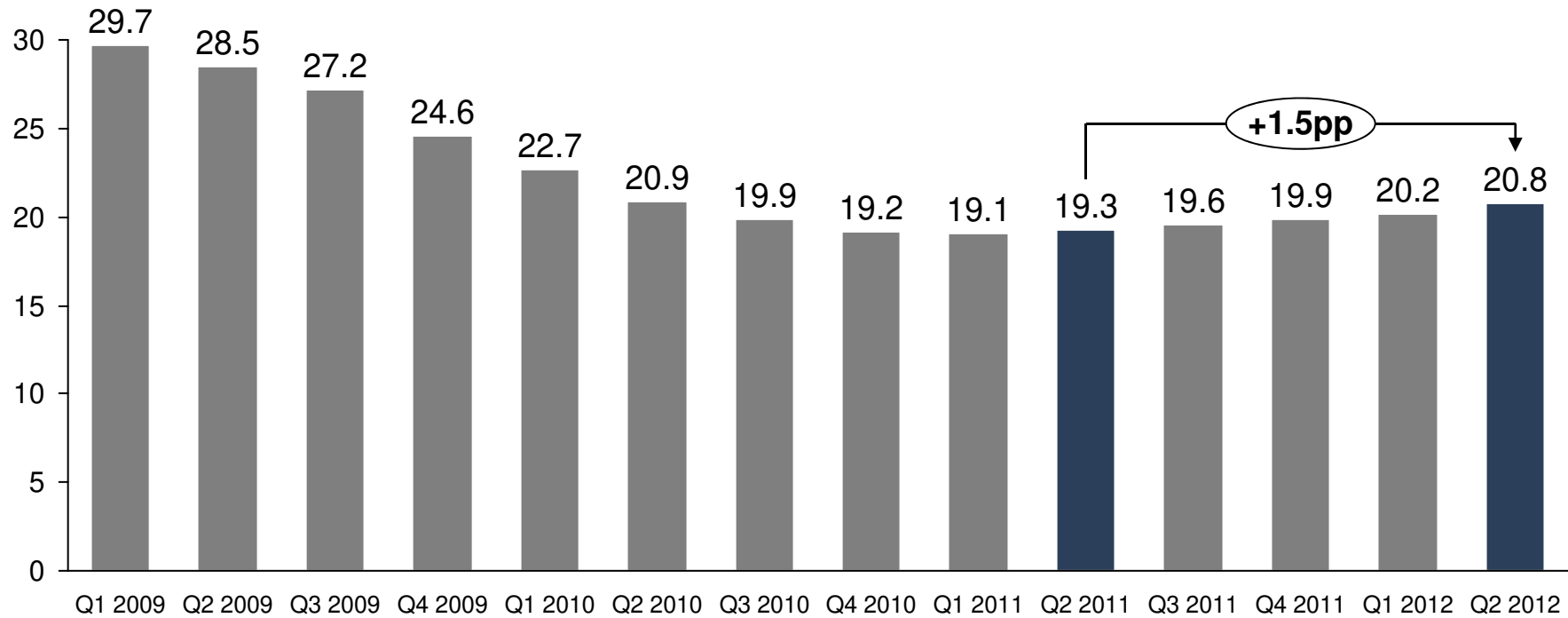
■ in euro
■ fx adjusted



*incl. Middle East and Africa

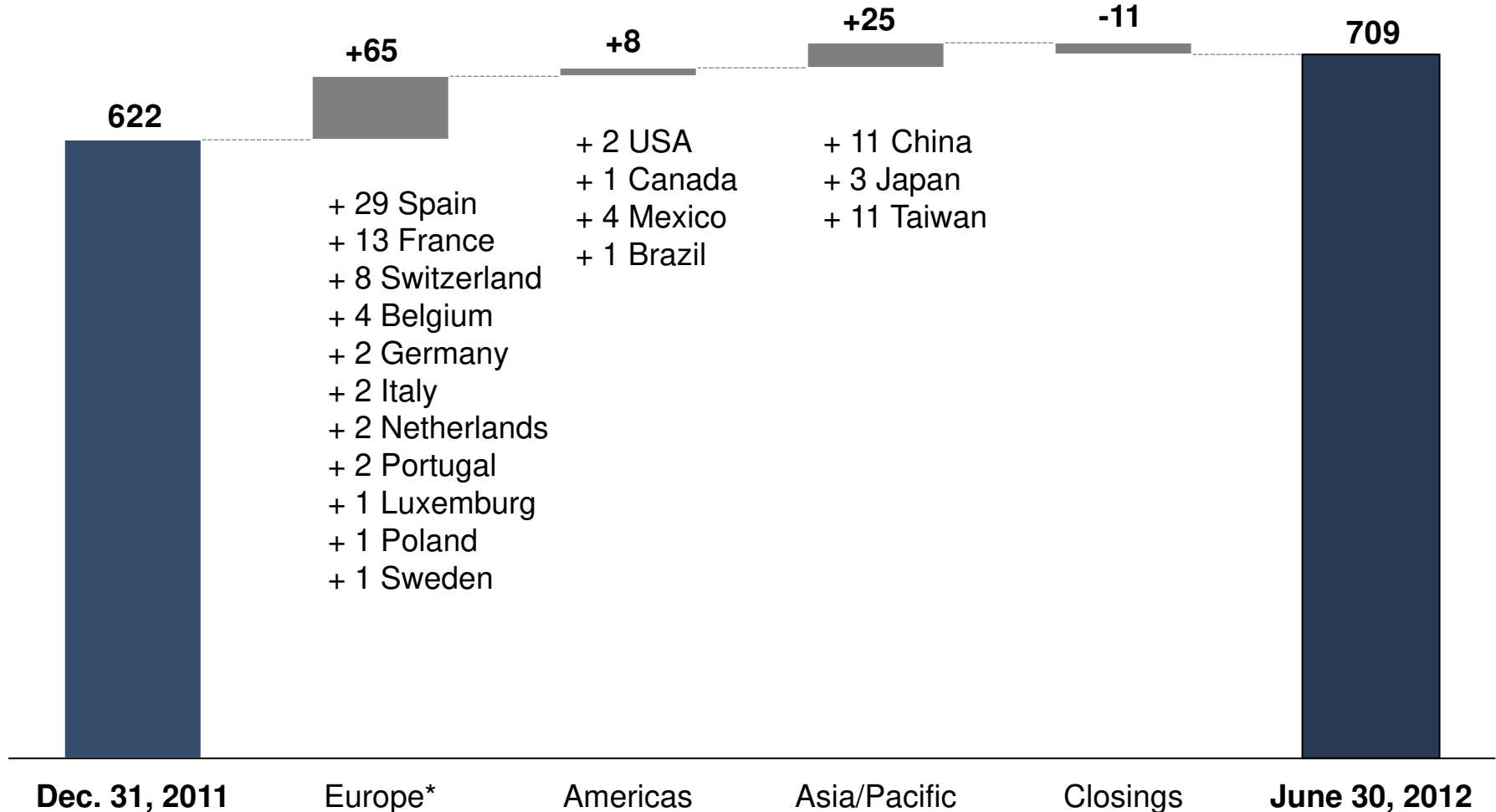
TRADE NET WORKING CAPITAL

Trade net working capital as a percentage of sales by quarter
(in %)



RETAIL NETWORK

Number of own retail stores:



*Europe incl. Middle East / Africa

FINANCIAL CALENDAR 2012/2013

Date	Event
October 30, 2012	Nine Months Results 2012
December 6, 2012	Investor Field Trip, New York City
March 14, 2013	Press and Analysts' Conference
May 2, 2013	First Quarter Results 2013
May 16, 2013	Annual Shareholders' Meeting

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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