

H U G O B O S S

HUGO BOSS First Half Year Results 2013

Mark Langer (CFO)
Metzingen, July 31, 2013

Agenda

Operational Highlights

First Half Year Results

Strategic Initiatives and Outlook

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Operational Highlights

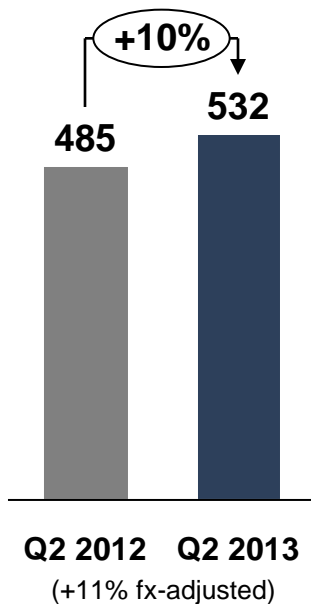
First Half Year Results

Strategic Initiatives and Outlook

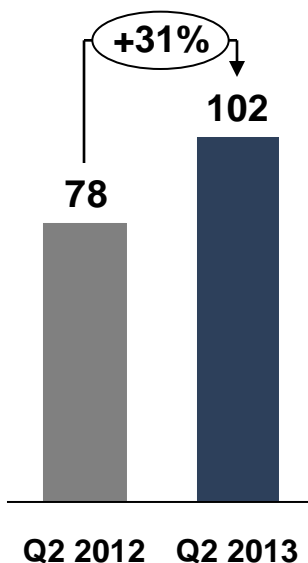
Robust increases in the second quarter drive half year sales and operating profit growth

Second quarter results

Sales
(in EUR million)



EBITDA before special items
(in EUR million)

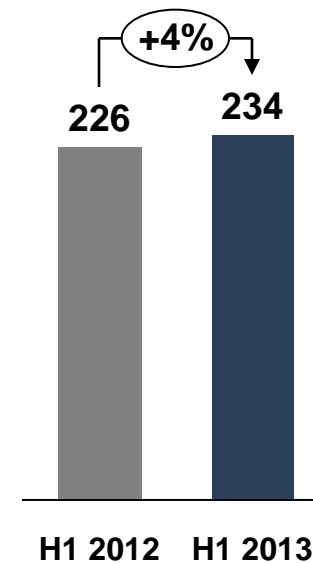


First half year results

Sales
(in EUR million)



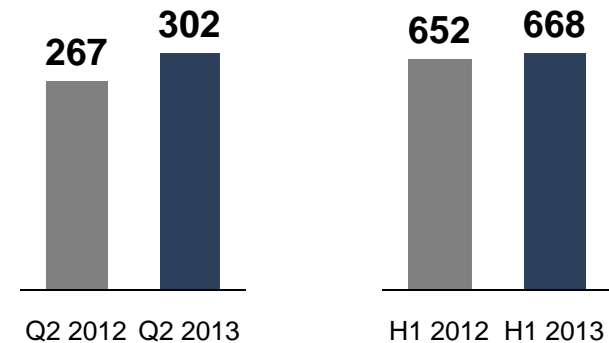
EBITDA before special items
(in EUR million)



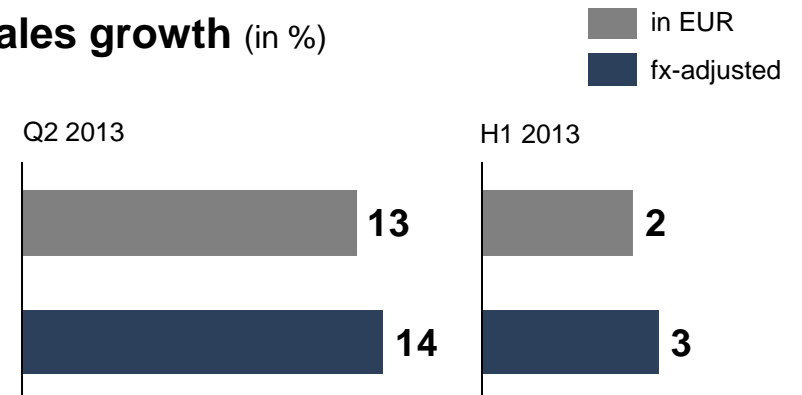
Continued growth in Europe despite economic headwinds

- Challenging market environment
- Ongoing difficult wholesale business despite second quarter sales increase
- Expansion and takeovers drive strong double-digit increases in retail

Sales (in EUR million)



Sales growth (in %)



Attractive new store additions in Europe



BOSS Store, Glasgow
Ingram Street
Opening: June 2013
Net size: 374 sqm

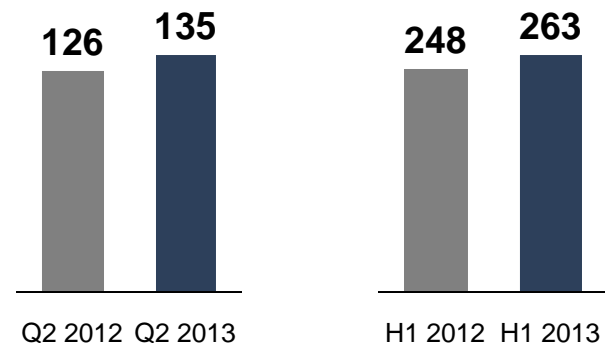


BOSS Store, Vienna
Kaerntnerstrasse
Opening: July 2013
Net size: 484 sqm

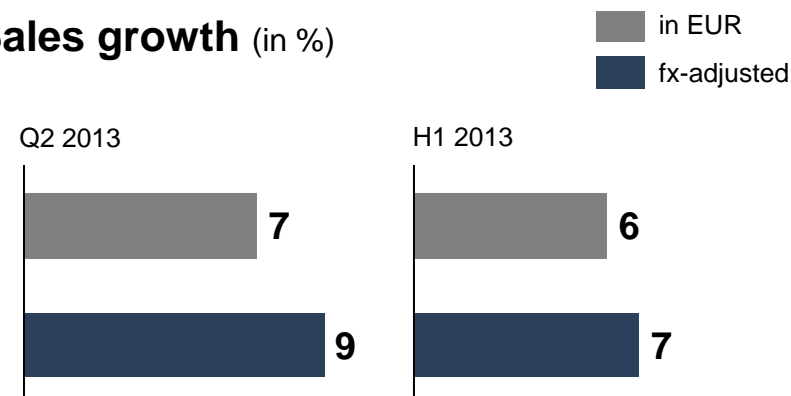
Solid sales increases in the Americas

- Comp store sales growth and targeted store expansion contribute to increases in the U.S.
- Central and South American business up double-digits
- Wholesale business grows moderately against a tough comparison base

Sales (in EUR million)



Sales growth (in %)



Concession business model introduced at Saks



BOSS Store
Saks 5th Avenue
New York City

Refurbishment of Columbus Circle flagship store upgrades retail footprint in New York



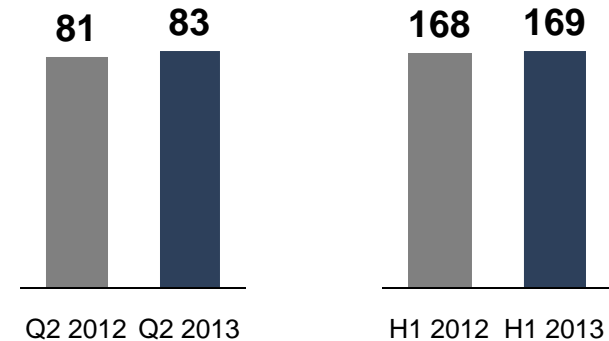
BOSS Store, New York
Columbus Circle
Re-Opening: July 2013
Net size: 1,084 sqm



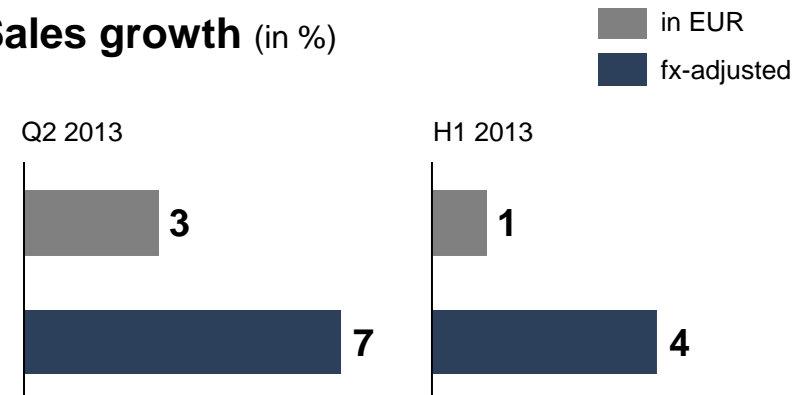
Gradual improvement in China supports better sales growth in Asia

- Sales growth in China accelerates in second quarter despite continued weak market environment on the mainland
- Hong Kong retail business performs strongly
- Exchange rate effects mask underlying good growth in Japan

Sales (in EUR million)



Sales growth (in %)



HUGO BOSS hosts spectacular fashion show in Shanghai



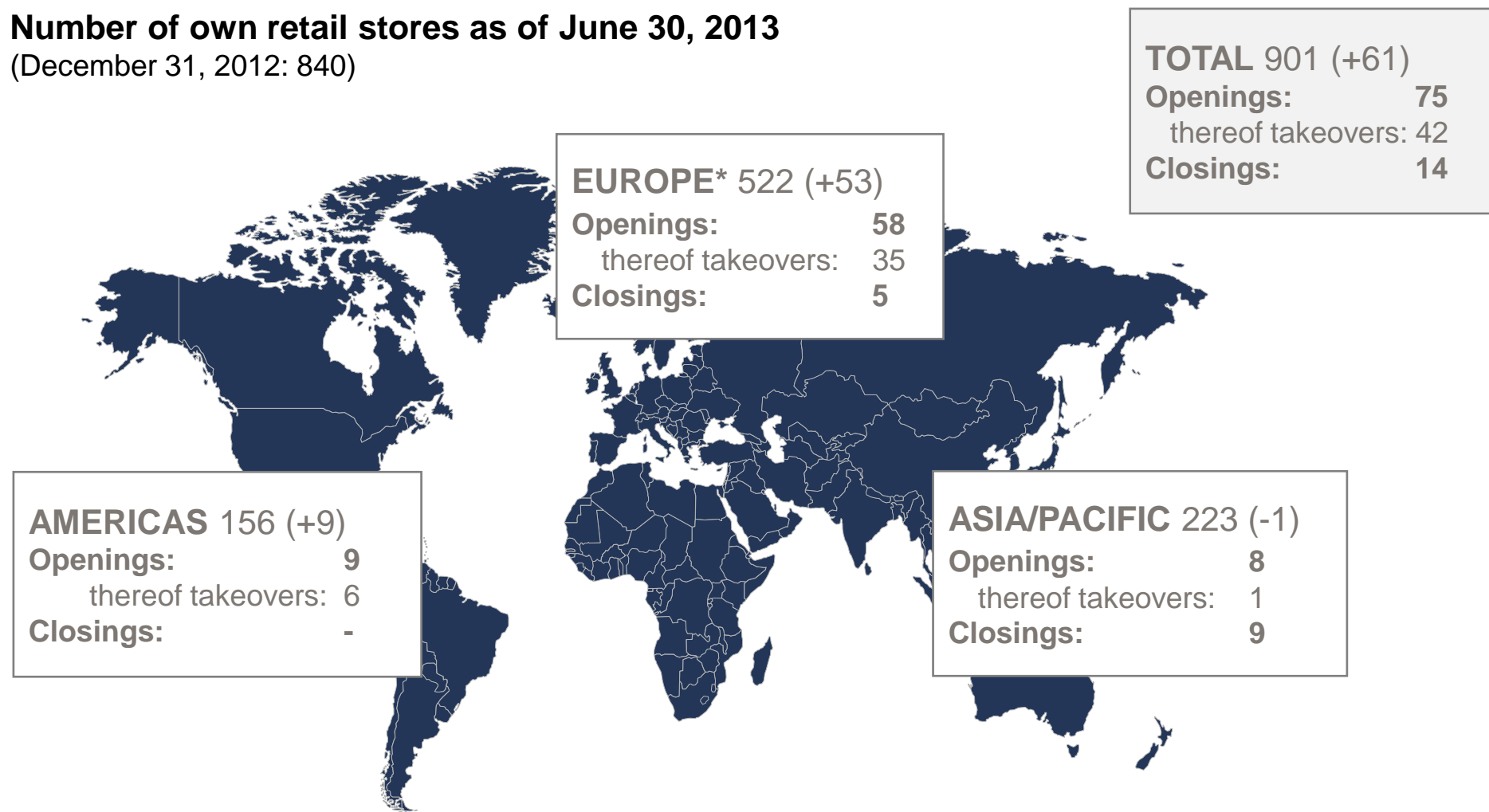
BOSS fashion show, Shanghai
Power Station of Art
Fall/Winter 2013



Strong focus on profitable retail expansion in all key markets

Number of own retail stores as of June 30, 2013

(December 31, 2012: 840)



* incl. Middle East and Africa.

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Wholesale business returns to growth in the second quarter

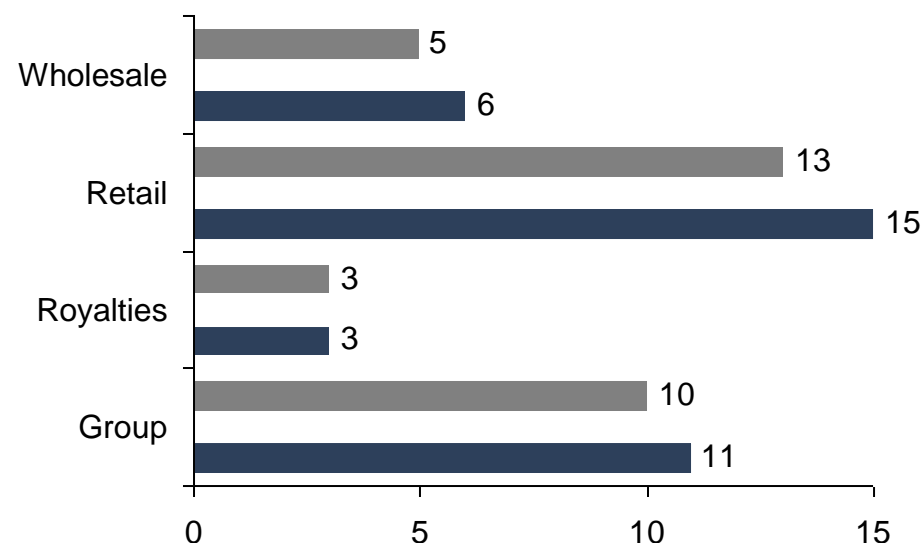
Sales growth by channel, y-o-y

Q2 2013

(in %)

■ in EUR

■ fx-adjusted



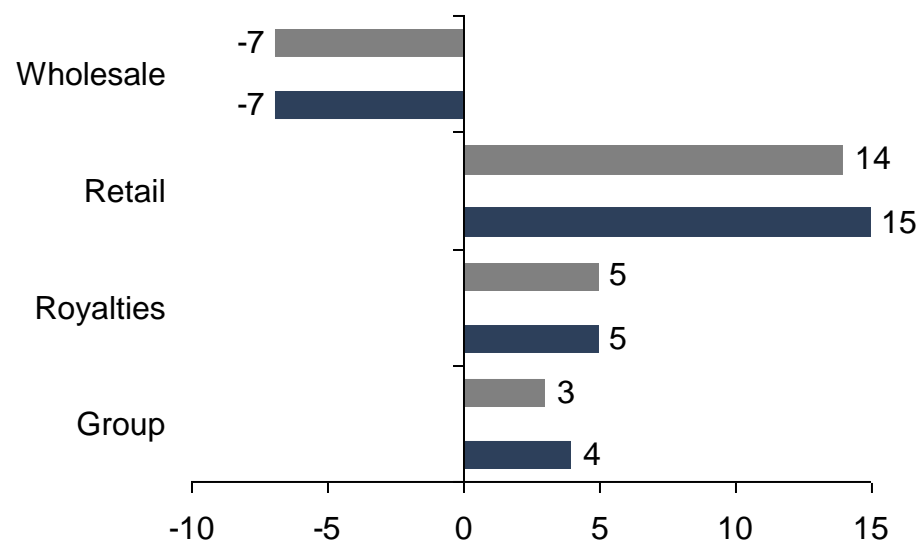
Sales growth by channel, y-o-y

H1 2013

(in %)

■ in EUR

■ fx-adjusted



- Increased importance of Summer collection supports **wholesale** sales growth in Q2
- Continued double-digit growth in **own retail** supported by 2% comp store sales increase
- Solid growth of **royalties** business driven by strong performance in eyewear and fragrances

Strong gross margin improvement drives EBITDA margin increase in the first half year

in EUR million	H1 2013	H1 2012	Change in %
Net sales	1,125.2	1,092.1	3
Gross profit	716.8	672.9	7
in % of sales	63.7	61.6	210 bp
Selling and distribution expenses	(415.6)	(380.1)	(9)
Administration costs and other operating income and expenses	(114.3)	(104.1)	(10)
Operating result (EBIT)	186.9	188.7	(1)
in % of sales	16.6	17.3	(70) bp
Financial result	(11.3)	(8.2)	(38)
Earnings before taxes	175.6	180.5	(3)
Income taxes	(40.4)	(43.3)	7
Net income	135.2	137.2	(1)
Attributable to:			
Equity holders of the parent company	133.8	134.1	0
Earnings per share (EUR)*			
Ordinary share	1.94	1.94	0
EBITDA before special items	234.3	226.3	4
in % of sales	20.8	20.7	10 bp

- Channel mix as well as positive inventory valuation effects support **gross margin** increase
- Own retail expansion main driver of higher **selling and distribution expenses**
- Adverse currency movements impact **financial result**

*basic and diluted earnings per share.

Mixed regional profitability developments

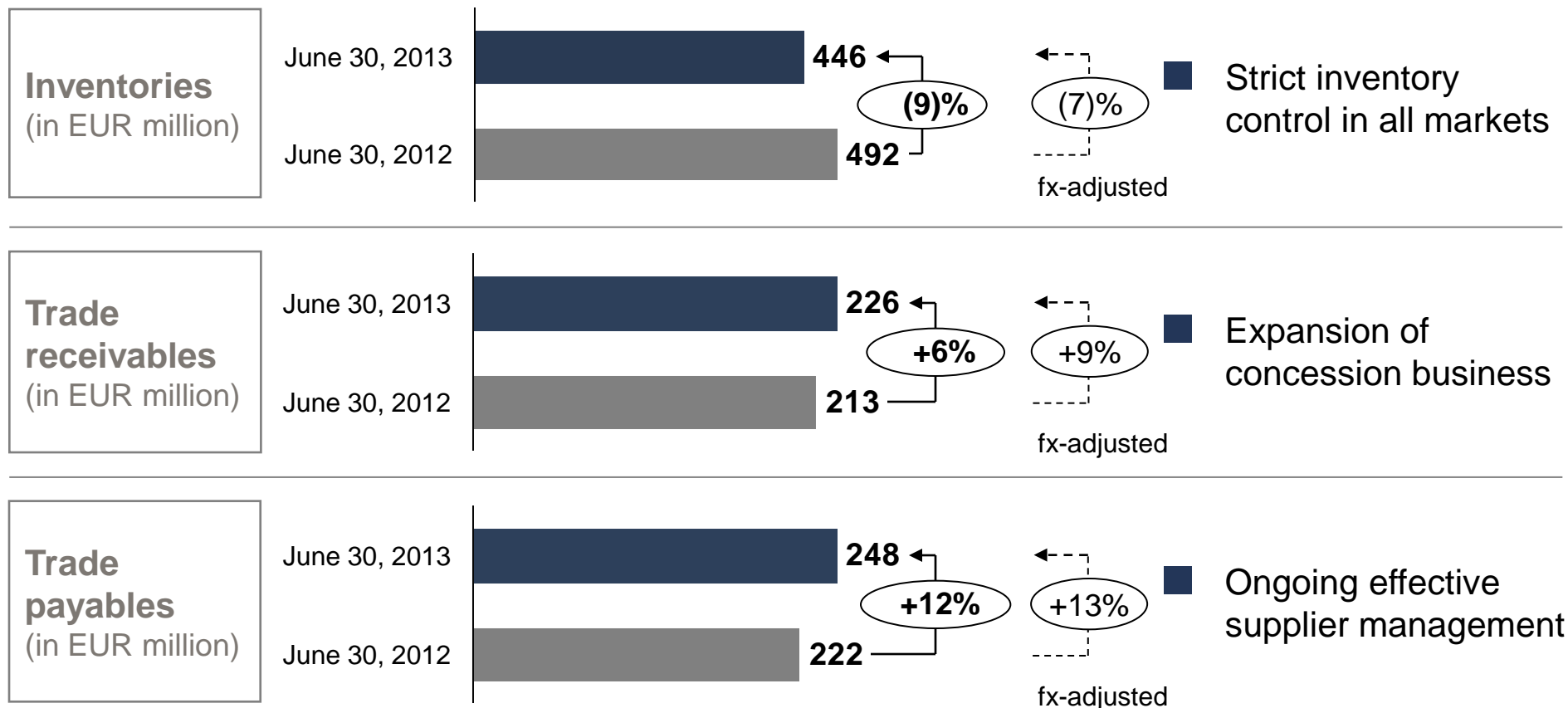
Segment profit

in EUR million	H1 2013	in % of sales	H1 2012	in % of sales	Change in %
Europe*	239.5	35.8	236.1	36.2	1
Americas	63.3	24.1	64.2	25.9	(1)
Asia/Pacific	63.5	37.6	61.7	36.6	3
Royalties	20.8	83.2	21.2	88.8	(2)
Segment profit operating segments	387.1	34.4	383.2	35.1	1
Corporate units / consolidation	152.8		156.9		(3)
EBITDA before special items	234.3	20.8	226.3	20.7	4

- Strong retail expansion affects operating margin in **Europe**
- Higher markdowns and cost inflation weigh on profitability in the **Americas**
- Gross margin improvement and tight cost management drive margin increase in **Asia**

*incl. Middle East and Africa.

Significant reduction of trade net working capital position



➡ Trade net working capital down 12% to EUR 424 million

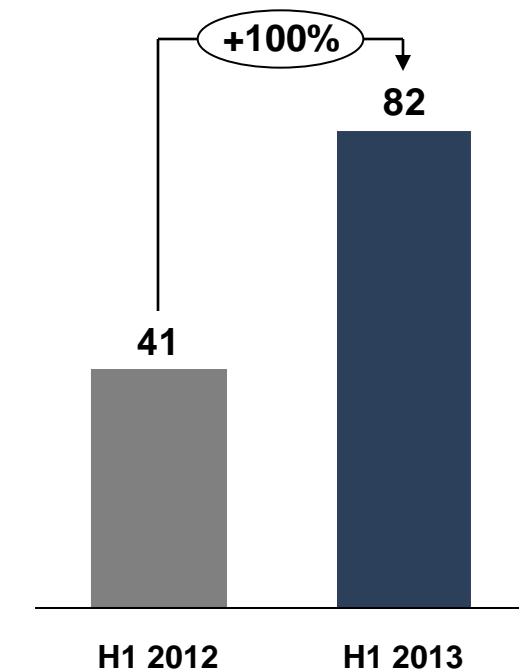
Lease financing agreement reached for new distribution center

- Off-balance sheet financing effective end of June
- Transaction leads to balance sheet reduction of EUR 60 million
- Operating lease obligation starting 2014



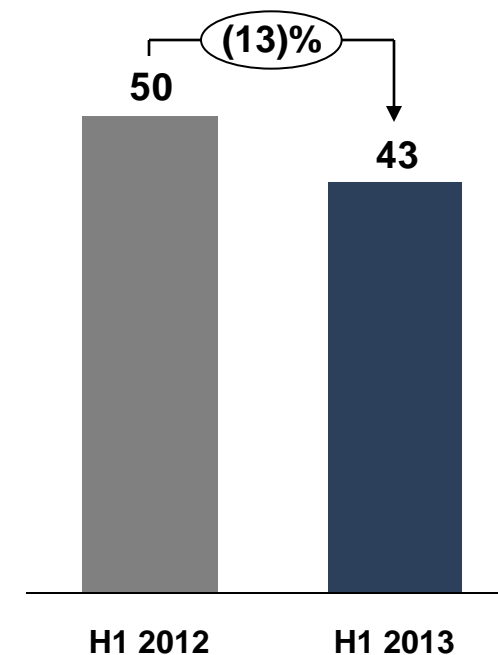
Own retail and infrastructure investments drive capital expenditures

Investments (in EUR million)



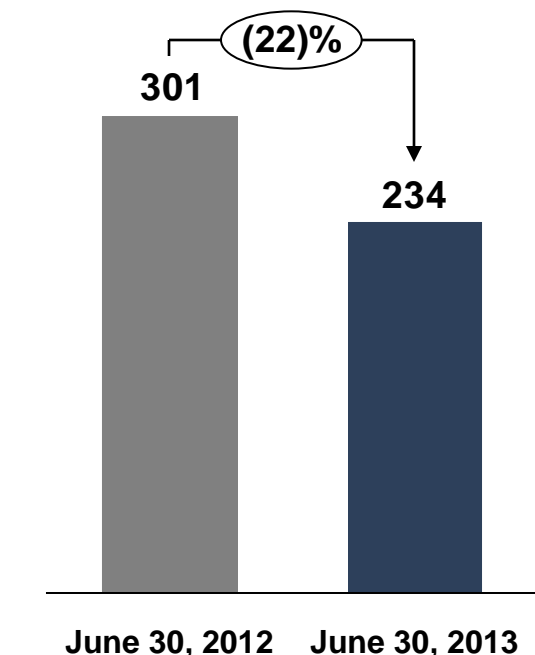
■ Own retail expansion and infrastructure projects drive increase

Free cash flow (in EUR million)



■ Higher investments offset trade net working capital improvements

Net debt (in EUR million)



■ Strong reduction due to deconsolidation effects

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Jason Wu named Artistic Director of BOSS Womenswear



“BOSS Jour pour Femme” set to become the brand’s new female fragrance blockbuster



New advertising campaign captures the BOSS womenswear brand essence



Menswear advertising campaign conveys self-confidence, power and mastery

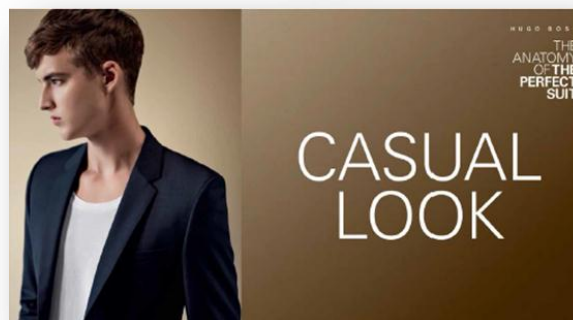
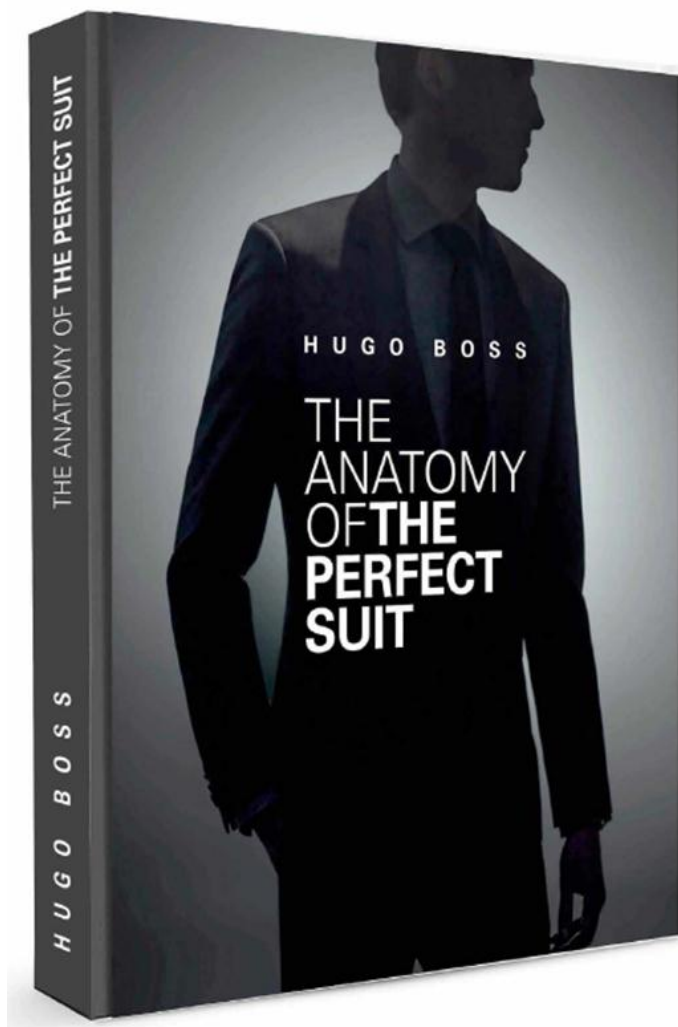


Integrated BOSS offering hits the stores with Fall 2013 collection

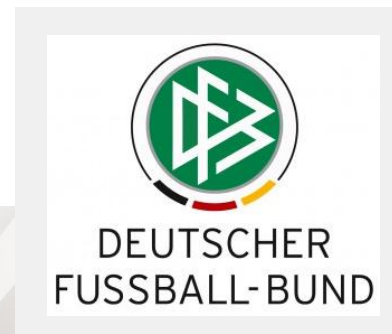
BOSS
HUGO BOSS



HUGO BOSS introduces The Suit Style Guide



HUGO BOSS outfits German national football team



HUGO celebrates 20 years of innovating and challenging convention



Full year 2013 targets reconfirmed

2013 Outlook

Sales growth (currency-adjusted)

High single-digit

Growth of EBITDA before special items

High single-digit

Capex

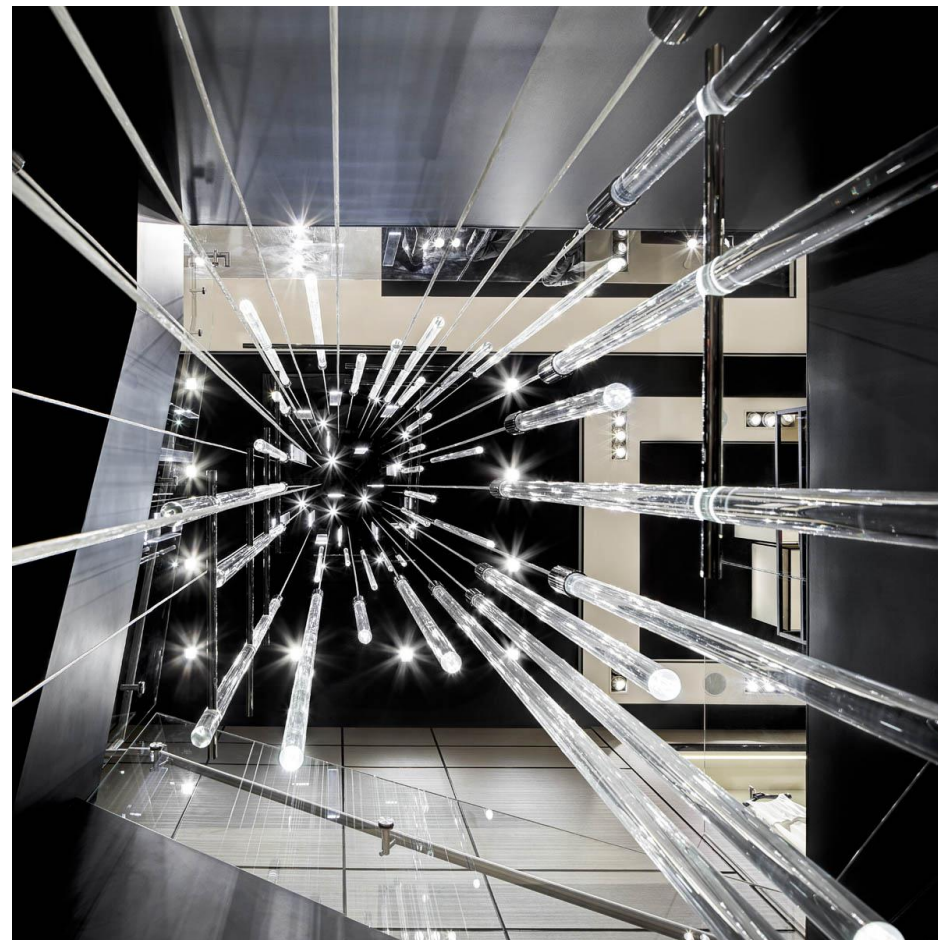
**Around EUR 150 million
on a comparable basis**

Own retail network

**Around 50 net organic openings
+ around 100 shop-in-shop takeovers**

HUGO BOSS concentrates on driving healthy, long-term growth

- Disciplined execution of medium-term strategy key to success
- Continued focus on further building brand equity
- Important investments to support long-term, sustainable growth of the business

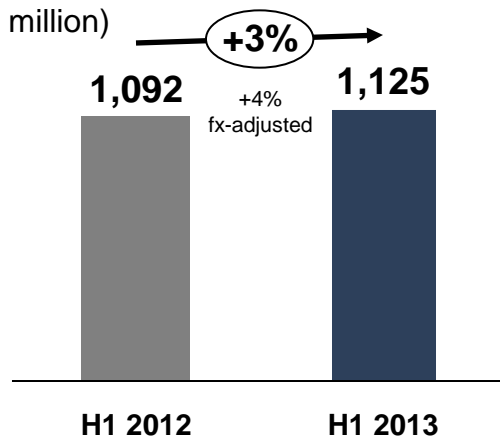


QUESTIONS & ANSWERS

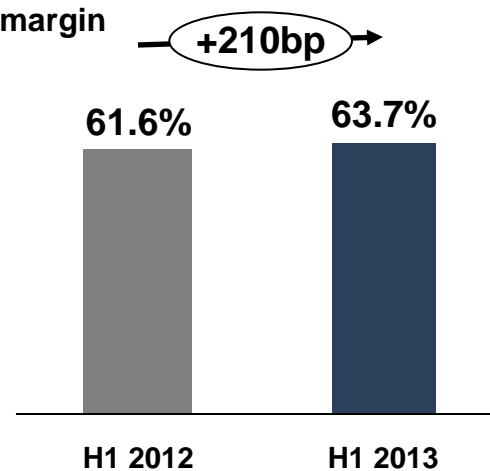
BACKUP

First half year results at a glance

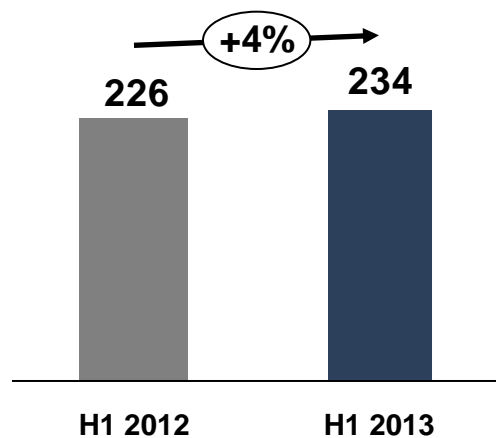
Sales
(in EUR million)



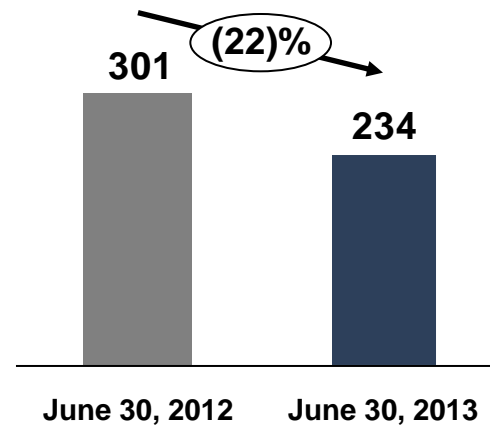
Gross margin
(in %)



EBITDA before special items
(in EUR million)



Net debt
(in EUR million)



Profit & loss statement

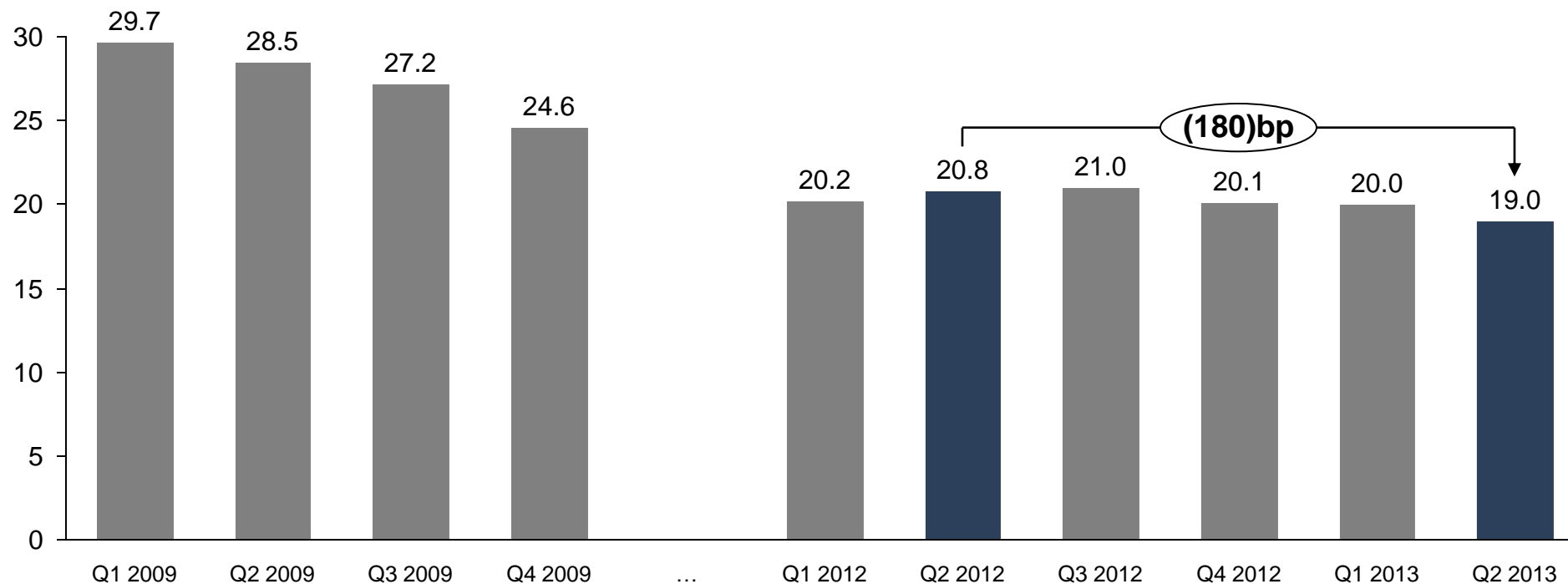
in EUR million	Q2 2013	Q2 2012	Change in %	H1 2013	H1 2012	Change in %
Net sales	531.7	485.3	10	1,125.2	1,092.1	3
Cost of sales	(171.9)	(173.6)	1	(385.8)	(397.8)	3
Direct selling expenses	(10.1)	(8.9)	(13)	(22.6)	(21.4)	(6)
Gross profit	349.7	302.8	15	716.8	672.9	7
in % of sales	65.8	62.4	340 bp	63.7	61.6	210 bp
Selling and distribution expenses	(216.6)	(190.9)	(13)	(415.6)	(380.1)	(9)
Administration costs and other operating income and expenses	(57.6)	(52.6)	(10)	(114.3)	(104.1)	(10)
Operating result (EBIT)	75.5	59.3	27	186.9	188.7	(1)
in % of sales	14.2	12.2	200 bp	16.6	17.3	(70) bp
Net interest income/expense	(2.1)	(4.1)	49	(5.9)	(7.4)	21
Other financial items	(4.2)	0.1	<(100)	(5.4)	(0.8)	<(100)
Financial result	(6.3)	(4.0)	(59)	(11.3)	(8.2)	(38)
Earnings before taxes	69.2	55.3	25	175.6	180.5	(3)
Income taxes	(15.9)	(13.3)	(20)	(40.4)	(43.3)	7
Net income	53.3	42.0	27	135.2	137.2	(1)
Attributable to:						
Equity holders of the parent company	52.2	40.2	30	133.8	134.1	0
Minority interests	1.1	1.8	(41)	1.4	3.1	(54)
Net income	53.3	42.0	27	135.2	137.2	(1)
Earnings per share (EUR)*						
Ordinary share	0.76	0.58	31	1.94	1.94	0
EBITDA before special items	101.8	77.9	31	234.3	226.3	4
in % of sales	19.1	16.1	300 bp	20.8	20.7	10 bp

*basic and diluted earnings per share.

Trade net working capital

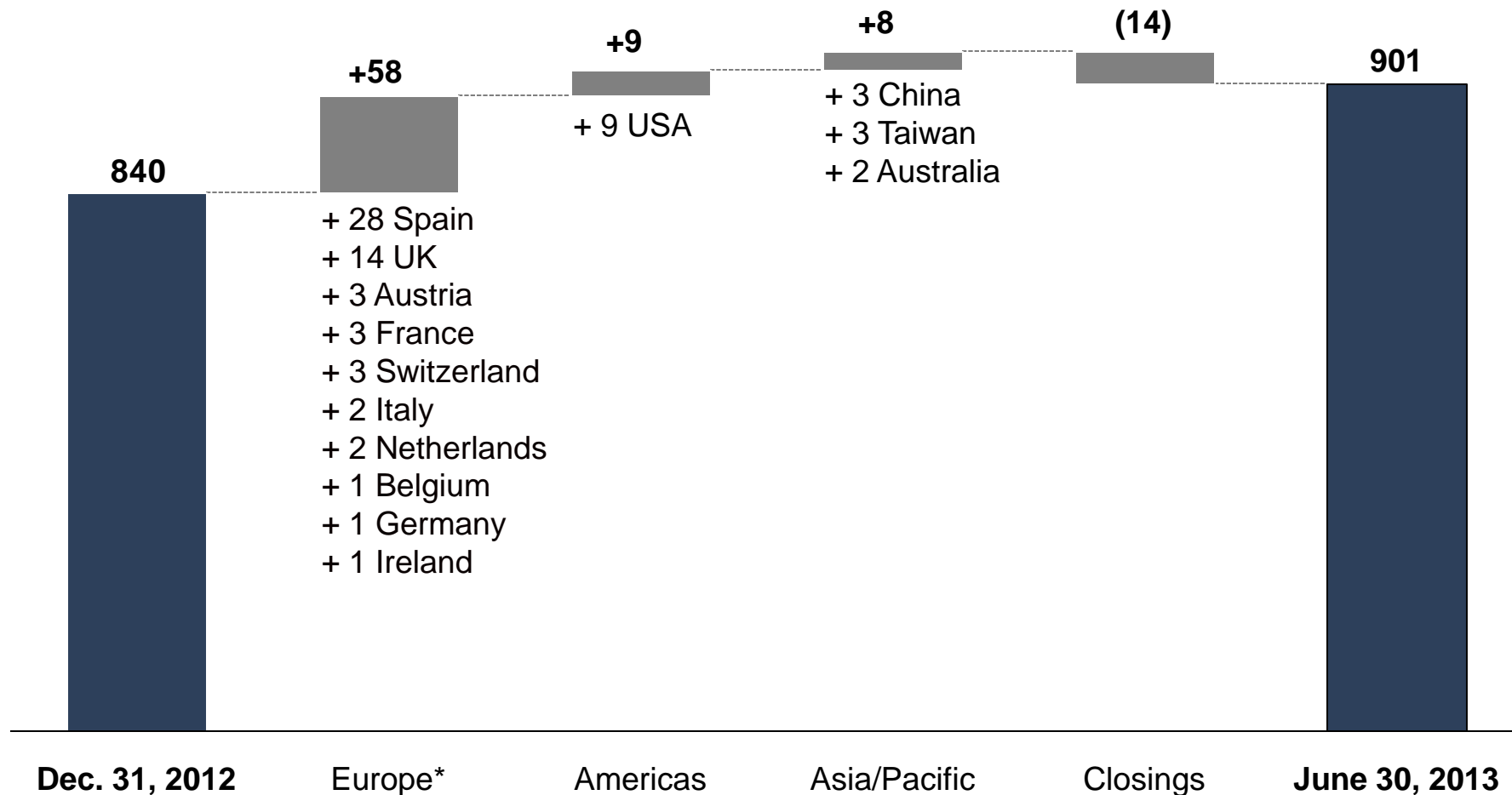
Average trade net working capital as a percentage of sales by quarter

(in %)



Retail network

Number of own retail stores:



*Europe incl. Middle East and Africa.

Financial calendar 2013

Date	Event
October 31, 2013	Nine Months Results
November 26, 2013	Investor Day, Hong Kong

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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