HUGO BOSS

NINE MONTHS REPORT
JANUARY – SEPTEMBER 2013

CONTENTS

TO OUR SHAREHOLDERS

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LETTER TO SHAREHOLDERS

Dear Shareholders,
Ladies and Gentlemen,

HUGO BOSS has achieved solid and profitable growth in the year to date. Sales rose by 3%. Adjusted for the negative effects of exchange rate changes, sales climbed by 4%. Operating profit (EBITDA before special items) also increased by 4%.

The Group has systematically countered the challenging overall economic situation and a difficult retail environment on key markets. The clear focus on expanding the Group's own retail business and increasing its productivity has unmistakably paid off in the form of double-digit sales increases in this distribution channel. In the wholesale business, however, our sales performance was influenced by the restrained customer demand many of our trading partners have been faced with.

The success in the management of our inventories position is all the more remarkable. The expansion of our IT infrastructure, which has further increased the transparency of merchandise flows in the Group, and the intensive advancement in the flexibility of our sourcing activities in recent years are having a clearly positive impact in this area. The Group's trade net working capital relative to sales has never been as low as it is today.

In addition, the good inventories management allows us to systematically map the value of our offering in price terms as well. This is clearly demonstrated by the strong development in our gross profit margin in the first nine months. This way, we are supporting the uptrade of our brands regardless of the difficult general conditions. Thanks to the integration of BOSS Selection in the core brand BOSS, which is now also visible for customers, we have refined the leading fashion edge of our range and raised the profile of BOSS in the high-end segment. The feedback from our customers and trading partners has been so positive that we are confident the share of total sales generated in this segment will increase significantly moving forward.

Hand-in-hand with product enhancement, we are also optimizing the presentation of HUGO BOSS in the multi-brand environment. In the last few months, we have taken over almost 70 HUGO BOSS shop-in-shops that were previously operated independently by our trading partners. These activities focused on the United States, where we have implemented the concession model for the first time, and on Germany. The brand experience in renowned department stores such as KaDeWe in Berlin is now largely the same as in our own stores.

In the medium to long term, we anticipate attractive growth opportunities in expanding control of our distribution in cooperation with trading partners. Taking over further stores will also support our sales development in the nearer future. We are assuming a significant increase in sales and earnings momentum for the remainder of the year. On the one hand, this expectation is based on the changing seasonality of our business model. With the rising share of the Group's own retail business, the significance of the fourth quarter to the development of our annual results is also increasing. On the other hand, the positive trend recently observed especially in Europe – the most important region in the Group – is expected to continue and further support comp store growth in the Group's retail activities. We are correspondingly confident that currency-adjusted sales as well as operating profit will both rise by between 6% and 8%.

Sincerely yours,

Claus-Dietrich Lahrs
CEO and Chairman of the Managing Board

KEY FIGURES

	Jan.–Sep. 2013	Jan.–Sep. 2012[1]	Change in %	**3rd Quarter 2013**	3rd Quarter 2012	Change in %
Net sales (in EUR million)	**1,783.1**	**1,738.5**	**3**	**657.9**	**646.3**	**2**
Net sales by segments						
Europe incl. Middle East and Africa	1,091.4	1,050.5	4	423.1	398.3	6
Americas	405.9	399.7	2	143.0	151.9	(6)
Asia/Pacific	246.9	250.2	(1)	77.8	81.8	(5)
Royalties	38.9	38.1	2	14.0	14.3	(2)
Net sales by distribution channel						
Wholesale	836.1	911.2	(8)	323.4	359.8	(10)
Group's own retail business	908.1	789.2	15	320.5	272.2	18
Royalties	38.9	38.1	2	14.0	14.3	(2)
Results of operations (in EUR million)						
Gross profit	1,134.7	1,061.7	7	417.9	388.7	8
Gross profit margin in %	63.6	61.1	250 bp	63.5	60.1	340 bp
EBITDA	404.0	389.0	4	173.8	162.9	7
EBITDA before special items	407.4	391.7	4	173.1	165.4	5
Adjusted EBITDA margin in %[2]	22.8	22.5	30 bp	26.3	25.6	70 bp
EBIT	337.4	331.6	2	150.5	142.8	5
Net income attributable to equity holders of the parent company	244.7	237.7	3	110.9	103.6	7
Net assets and liabiltiy structure as of September 30 (in EUR million)						
Trade net working capital	455.0	510.0	(11)			
Non-current assets	605.2	533.3	13			
Equity	667.2	571.9	17			
Equity ratio in %	46.8	39.3				
Total assets	1,425.5	1,454.8	(2)			
Financial position (in EUR million)						
Free cash flow	105.2	102.1	3	62.1	52.6	18
Net financial liabilities (as of September 30)	181.9	249.9	(27)			
Capital expenditure	142.2	87.5	63	59.9	46.5	29
Depreciation/amortization	66.6	57.4	16	23.3	20.1	16
Total leverage (as of September 30)[3]	0.3	0.5	(35)			
Dividend payment	215.3	199.1	8			
Additional key figures						
Employees (as of September 30)	12,200	11,484	6			
Personnel expenses (in EUR million)	354.7	330.6	7	112.2	110.2	2
Number of Group's own retail stores	992	791		91	82	
Shares (in EUR)						
Earnings per share	3.55	3.44	3	1.61	1.50	7
Closing price (as of September 30)	95.62	68.50	40	95.62	68.50	40
Number of shares (as of September 30)	70,400,000	70,400,000		70,400,000	70,400,000	

[1] Certain amounts shown here do not correspond to prior year figures and reflect adjustments made (as detailed in the Condensed Notes to the Consolidated Interim Financial Statements, Note 2 // Accounting Policies).

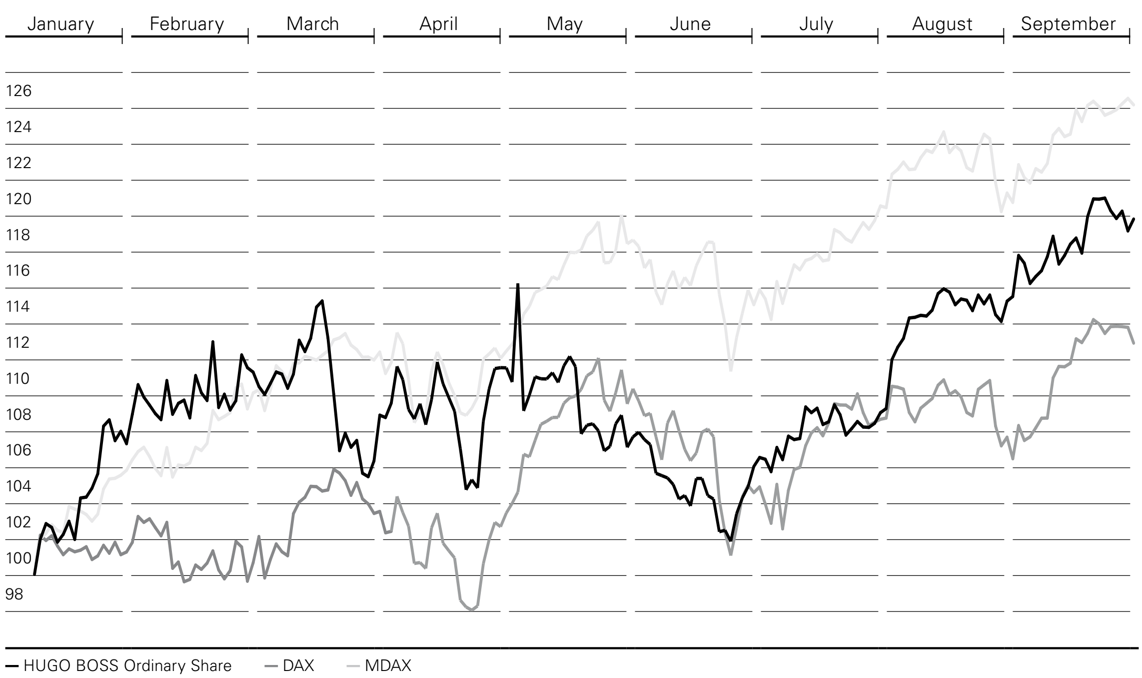
[2] EBITDA before special items/sales.

[3] Net financial liabilities/EBITDA before special items and expenses for the stock appreciation program of the last 12 months.

HUGO BOSS ON THE CAPITAL MARKET

The German stock indices posted considerable price gains in the first nine months of 2013. Thus, following intervening correction phases, the DAX and MDAX climbed over the course of the year to new record highs by the end of September. The HUGO BOSS share also performed positively over the year and made significant gains in the third quarter in particular.

01|01 SHARE PRICE PERFORMANCE (Index: December 30, 2012 = 100)



German stock markets reach new highs in third quarter
After a positive overall performance in the first half of the year, the German stock markets gained substantial ground in the third quarter and rose to new all-time highs by the end of September. This development was aided by the international improvement in leading economic indicators, a rally in M&A activity and the commitment from European and American central banks to retain their expansive monetary policy. In the third quarter, the stock markets experienced headwind from the U.S. in particular, where there was still no sign of a solution to the resurgent budget dispute by the end of September, and from Italy, where the government crisis threw the progress of political and economic reform into question.

HUGO BOSS shares post significant price gains in third quarter
After an intervening correction phase in May and June, the HUGO BOSS ordinary share posted significant price gains in the third quarter of 2013. Following the publication of the half-year results at the end of July in particular, in which the Group's targets for 2013 were reconfirmed, the share climbed considerably. There was also tailwind from the generally positive sentiment on the stock markets and the signs of economic recovery in Europe, the Group's largest sales market. Thus, the share climbed to a new record high by the end of September. At the end of the reporting period, HUGO BOSS ordinary share was quoted at EUR 95.62, corresponding to a rise of 20% as against the 2012 closing price of EUR 79.80.

The **DAX** and, above all, the **MDAX** also rose in value in the first nine months of 2013. Overall, DAX and MDAX climbed by 13% and 26% respectively between January and September. The shares of companies in the fashion and luxury goods industry have also posted gains on average over 2013 to date. The **MSCI World Textile, Apparel & Luxury Goods Index**, which tracks the performance of companies operating in the area of apparel and luxury goods, rose by 21% in the first nine months.

Thus, the HUGO BOSS ordinary share, which is listed in the MDAX, slightly underperformed its direct benchmark index in the first nine months but approximately matched the shares of companies in the apparel and luxury goods industry. The HUGO BOSS share significantly outperformed the German DAX benchmark index.

Weighting of HUGO BOSS share in MDAX increases

At the end of September 2013, the **HUGO BOSS ordinary share** was ranked 11th in the MDAX by Deutsche Boerse based on free float-adjusted market capitalization (December 31, 2012: 15th). In terms of trading volume, the HUGO BOSS ordinary share was ranked fifth (December 31, 2012: eighth). The weighting of the HUGO BOSS share in the MDAX was therefore 2.9% at the end of September (December 31, 2012: 2.1%). An average of 151,088 ordinary shares was traded on XETRA per day in the first nine months of 2013. The average number of ordinary and preferred shares traded per day in the first nine months of 2012 was 154,199. Only ordinary shares have been traded since the consolidation of the share classes on June 18, 2012.

Voting right notifications in accordance with section 21 WpHG and section 25a WpHG

In accordance with section 21 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act), shareholders are required to report the level of their shareholdings if they exceed or fall below certain thresholds. The reporting thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. The Company did not receive any such notifications in the January 1 to September 30, 2013 reporting period.

On January 24, 2013, HUGO BOSS AG was informed by Mediobanca – Banca di Credito Finanziario S.p.A., Milan, Italy, in accordance with section 25 a WpHG that it no longer holds any financial or other instruments that could enable it to acquire voting rights.

The Company published this notification verbatim on its website www.group.hugoboss.com in the Investor Relations section under "News and Releases".

Shareholder structure unchanged in third quarter

Following the placement of 7 million HUGO BOSS ordinary shares by the majority shareholder Permira on May 3, 2013, the shareholder structure of HUGO BOSS AG as of September 30, 2013 breaks down as follows: 55.62% of the shares are held by Permira Holdings Limited through Red & Black Holding GmbH (December 31, 2012: 65.56%) and 1.97% of the capital is held by HUGO BOSS AG as treasury shares (December 31, 2012: 1.97%). The remaining 42.41% of shares are in free float (December 31, 2012: 32.47%).

Reportable securities transaction in accordance with section 15 a WpHG

One reportable transaction in shares of the Company was reported to the Company by the Managing Board and the Supervisory Board in the reporting period from January 1 to September 30, 2013. In total, members of the Managing Board and the Supervisory Board hold less than 1% of the shares issued by HUGO BOSS AG.

Reportable securities transactions are published on the Group's website www.group.hugoboss.com in the Investor Relations section under "News and Releases".

CONSOLIDATED INTERIM MANAGEMENT REPORT

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GROUP SALES AND RESULTS OF OPERATIONS

GENERAL ECONOMIC SITUATION

Macroeconomic environment improves slightly over the course of the year
Following the generally disappointing development of the global economy in the first half of the year, the macroeconomic environment improved slightly in the third quarter. Particularly in Europe, initial indications could be seen which pointed at a gradual stabilization of the economy. In the first nine months, however, the global economy was still burdened by uncertainty in connection with the euro debt crisis, the impending insolvency of the United States and the still weak economies of emerging markets. As a result, the HUGO BOSS Group still faced challenging economic conditions.

Signs of slight stabilization of European economy
The economic environment in **Europe** remained difficult in the first nine months of 2013. Nevertheless, initial indicators pointed toward a gradual stabilization, including a decrease in unemployment rates, a gradual improvement in consumer sentiment and a revitalization of export activity. The European economy was still burdened by the implementation of government austerity measures and the continued weakness of private consumption, particularly in southern European countries. Consequently, the ECB continued its expansive monetary policy geared to shoring up the economy.

American economy continues to grow at moderate pace
Driven by the positive development of the labor market, the real estate sector and the retail sector, the **U.S. economy** exhibited moderate growth in the first nine months. Despite the slight economic recovery in the past few months, the U.S. economy was still burdened by the budget cuts that were needed in response to the high level of government debt. As a result, the Fed decided to continue to support the economy with its expansive monetary policy. In the past few months, the **Latin American** economy faced a deteriorating macroeconomic environment. The core markets of Brazil, Mexico and Argentina were particularly hard hit.

Regional disparity of economic development across Asia
In the initial months of 2013, the **Asian economy** struggled with weak foreign trade globally, high levels of private sector debt and signs of overheating in real estate markets coupled with low growth rates in comparison to past years. In China, the government's fiscal policy measures had still not translated into a faster pace of growth compared to the prior year. However, the economic indicators stabilized toward the end of the reporting period. By contrast, the Japanese economy showed robust development in the first nine months of 2013. Growth was shored up by the clearly expansive monetary policy adopted by the Japanese central bank. In Australia, no signs of economic growth were evident in the course of the year and private consumption remained weak.

SECTOR PERFORMANCE

Premium and luxury goods sector outperformed the overall economy

The positive growth trajectory of the global premium and luxury goods sector continued in the current fiscal year, despite the challenging macroeconomic conditions in many key markets. Overall, the industry outpaced the economy as a whole.

In **Europe**, the consumer environment remained difficult, owing to the weak macroeconomic development. Healthy growth in eastern European markets partially made up for persistently weaker trends in western and particularly southern Europe. Especially the metropolitan areas of western and southern Europe benefited from demand from tourists. Despite the somewhat weaker development of U.S. department stores in the past few months, the premium and luxury industry in **America** was able to grow further as the year progressed. The growth was supported by the continued positive consumer mood in the relevant market segment coupled with growing demand from tourists in the large American cities. Demand for premium and luxury products in **Asia** remained at a moderate level during 2013. Particularly in China, the low level of economic growth and uncertainty in the wake of the change of government resulted in merely modest growth in the industry compared to prior years. Hong Kong and Macao developed on average somewhat better than mainland China. By contrast, surprisingly positive figures were reported in Japan, where the industry benefited from improved consumer confidence and a shift toward domestic consumption triggered by exchange rates.

SALES PERFORMANCE

SALES DEVELOPMENT

HUGO BOSS increased Group sales by 4% adjusted for currency effects

In the first nine months of fiscal year 2013, HUGO BOSS generated **Group sales** of EUR 1,783 million. This means that sales in the Group's reporting currency were 3% up on the comparable prior-year period (prior year: EUR 1,739 million). In local currency, HUGO BOSS reported an increase in sales of 4% compared to the prior-year period. Double-digit sales growth in the Group's own retail business more than compensated for the decline of business in the wholesale channel. The takeover of stores previously operated by wholesale partners also led to a shift in sales from the wholesale business to the Group's own retail business.

SALES BY REGION

(in EUR million)

	Jan.–Sep. 2013	**in % of sales**	Jan.–Sep. 2012	in % of sales	Change in %	Currency-adjusted change in %
Europe [1]	1,091.4	61.2	1,050.5	60.4	4	5
Americas	405.9	22.8	399.7	23.0	2	4
Asia/Pacific	246.9	13.8	250.2	14.4	(1)	4
Royalties	38.9	2.2	38.1	2.2	2	2
TOTAL	**1,783.1**	**100.0**	**1,738.5**	**100.0**	**3**	**4**

[1] Including the Middle East and Africa.

Sales growth in all regions adjusted for currency effects

In the first nine months of fiscal year 2013, it was possible to increase sales in **Europe** including the Middle East and Africa, in the reporting currency by 4% to EUR 1,091 million (prior year: EUR 1,051 million). This corresponds to an increase of 5% in local currency. The main underlying driver was sales growth in the markets of France and Great Britain. In the **Americas** sales in reporting currency were up 2% to EUR 406 million (prior year: EUR 400 million). In local currency, sales grew by 4% in the reporting period. One of the main drivers of this development, apart from the United States, was the Central and South American market. Reporting currency sales in **Asia/Pacific** were down 1% on the prior-year level to EUR 247 million (prior year: EUR 250 million). Local currency sales, by contrast, rose 4% compared to the prior-year period. All markets in the region reported sales growth after currency adjustments.

SALES BY DISTRIBUTION CHANNEL

(in EUR million)

	Jan.–Sep. 2013	**in % of sales**	Jan.–Sep. 2012	in % of sales	Change in %	Currency-adjusted change in %
Wholesale	836.1	46.9	911.2	52.4	(8)	(7)
Group's own retail business	908.1	50.9	789.2	45.4	15	18
Directly operated stores	597.9	33.5	523.0	30.1	14	18
Outlet	268.1	15.0	233.7	13.4	15	17
Online	42.0	2.4	32.5	1.9	29	30
Royalties	38.9	2.2	38.1	2.2	2	2
TOTAL	**1,783.1**	**100.0**	**1,738.5**	**100.0**	**3**	**4**

New delivery cycles, a difficult market environment and takeovers burdened the development of sales in the wholesale channel

The **wholesale channel** closed the first nine months of fiscal year 2013 with total sales of EUR 836 million, down 8% on the prior-year level (prior year: EUR 911 million). New delivery cycles and a difficult market environment led to a decrease in sales adjusted for currency effects of 7% in the wholesale channel. In addition, the takeover of sales areas previously operated by wholesale partners, particularly in Spain, the United States and China led to a shift in sales from the wholesale business to the Group's own retail business. The replenishment business, which allows HUGO BOSS to react to short-term surges in demand from partners, exhibited a stable development in the first nine months.

The wholesale channel's share of group sales decreased from 52% in the comparable prior-year period to 47% in the reporting period.

Group's own retail business posted double-digit growth

In the **Group's own retail business** HUGO BOSS was able to follow up on the trend already seen in prior years and generated double-digit growth in the first nine months of fiscal year 2013. The expansion of the store network, which was mainly driven by the opening of new stores and takeovers, led to a sales increase of 15% to EUR 908 million (prior year: EUR 789 million). Adjusted for currency effects, this corresponds to sales growth of 18%. Retail comp store sales in the Group's reporting currency remained at the level of the comparable prior-year period, while sales increased after currency adjustments by 2%.

The share of the Group's own retail business in the Group's sales stood at 51% in the reporting period (prior year: 45%)

SALES BY RETAIL FORMAT

Sales by **directly operated stores (DOS)** increased over the nine-month period by 14%, to EUR 598 million or by 18% after currency adjustments (prior year: EUR 523 million). This includes sales of directly operated freestanding stores as well as sales generated with concession partners. With the concession model, the Group directly operates HUGO BOSS shop-in-shops on the sales floor of retail partners. Optimizing the collection structure, increasing the quality of service and the assumption of responsibility for replenishment of sales units constitute key levers in order to increase the productivity of retail stores.

With sales growth in the Group's reporting currency of 15% to EUR 268 million, the **outlet business** contributed to the positive development of sales from the Group's own retail business in the first three quarters of 2013 (prior year: EUR 234 million). This is equivalent to an increase of 17% after currency adjustments.

Sales generated from the Group's own **online stores** in the Group's reporting currency increased in the first nine months of fiscal year 2013 by 29% to EUR 42 million (prior year: EUR 32 million). This is equivalent to sales growth of 30% after currency adjustments.

NUMBER OF GROUP´S OWN RETAIL STORES

In the first nine months of fiscal year 2013, the total number of the **Group's own retail stores** increased by a net figure of 152 to 992 (December 31, 2012: 840).

In this context, the Group's own retail network was strengthened in particular by the **takeover** of 110 stores previously operated by wholesale partners. This allowed an expansion of the concession model in Spain, the United States and Germany. At the same time, the Group pushed on with its expansion strategy based on organic growth with 73 **new openings** during the nine-month period. This compares to 31 closures in the same period.

02|01 DEVELOPMENT OF GROUP´S OWN RETAIL STORES

[1] Including Middle East and Africa.

Particularly in **Europe** the retail network was further strengthened by the takeover of 63 stores that had previously been operated by wholesale partners together with 45 new openings. This allowed the Group to grow its presence in the Spanish and German markets in particular. Taking into account the seven closures, operations in Europe report a net increase in the number of the Group's own retail stores of 101 to a current 570 (December 31, 2012: 469).

The number of the Group's own retail stores in the **Americas** increased in the reporting period, mainly due to the takeover of 37 shop-in-shop units of a U.S. wholesale partner. Taking into account four closures, five takeovers of freestanding stores together with eleven new openings over the same period led to a total of 196 retail stores in the region (December 31, 2012: 147).

In the course of the expansion in **Asia/Pacific,** 17 new stores and five takeovers were added to the portfolio of stores in the first nine months of fiscal year 2013. Factoring in the closure of 20, mostly smaller, locations in the region, the total number of the Group's own retail stores came to 226 as of the end of the reporting period (December 31, 2012: 224).

ROYALTY SALES

The royalty business developed positively in the first nine months of fiscal year 2013. Products manufactured by partners include **fragrances, eyewear, watches, children's fashion, cell phone accessories and home textiles**. Sales with external licensees increased year on year by 2% to EUR 39 million (prior year: EUR 38 million). For instance, sales with licensees for eyewear and children's fashion saw double-digit growth. Similarly, sales with the licensee for fragrances grew year on year.

SALES BY BRAND

In the first nine months of fiscal year 2013, the core brand **BOSS** posted sales growth of 3% compared to the prior-year period. The **BOSS Green** brand saw sales growth of 10% in the same period. At 7%, **BOSS Orange** sales were down on the comparable prior-year period, while **HUGO** reported a year-on-year increase in sales of 9%.

Menswear sales in the reporting period were up 2% on the comparable prior-year period and totaled EUR 1,590 million (prior year: EUR 1,553 million). This corresponds to 89% of total sales (prior year: 89%).

Sales of **womenswear** increased by 4% to EUR 193 million (prior year: EUR 186 million). As in the prior year, womenswear made up 11% of total sales.

RESULTS OF OPERATIONS

INCOME STATEMENT

(in EUR million)

	Jan. – Sep. 2013	**in % of sales**	Jan. – Sep. 2012[1]	in % of sales	Change in %
Sales	**1,783.1**	**100.0**	**1,738.5**	**100.0**	**3**
Cost of sales	(613.1)	(34.4)	(642.8)	(37.0)	5
Direct selling expenses	(35.3)	(2.0)	(34.0)	(2.0)	(4)
Gross profit	**1,134.7**	**63.6**	**1,061.7**	**61.1**	**7**
Selling and distribution expenses	(636.8)	(35.7)	(573.3)	(33.0)	(11)
Administration costs and other operating income/expenses	(160.5)	(9.0)	(156.8)	(9.0)	(2)
Operating result (EBIT)	**337.4**	**18.9**	**331.6**	**19.1**	**2**
Net interest income/expenses	(7.1)	(0.4)	(11.6)	(0.7)	39
Other financial items	(8.6)	(0.5)	(3.4)	(0.2)	
Financial result	**(15.7)**	**(0.9)**	**(15.0)**	**(0.9)**	**(5)**
Earnings before taxes	**321.7**	**18.0**	**316.6**	**18.2**	**2**
Income taxes	(74.0)	(4.2)	(76.0)	(4.4)	3
Net income	**247.7**	**13.9**	**240.6**	**13.8**	**3**
Attributable to:					
Equity holders of the parent company	244.7	13.7	237.7	13.7	3
Non-controlling interests	3.0	0.2	2.9	0.2	5
Earnings per share (EUR)[2]	**3.55**		**3.44**		**3**
EBITDA	**404.0**	**22.7**	**389.0**	**22.4**	**4**
Special items	3.4	0.2	2.7	0.2	
EBITDA before special items	**407.4**	**22.8**	**391.7**	**22.5**	**4**
Income tax rate in %	**23**		**24**		

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made (as detailed in the Condensed Notes to the Consolidated Financial Statements, Note 2 // Accounting policies).

[2] Basic and diluted earnings per share.

EXPLANATIONS REGARDING INCOME STATEMENT ITEMS

Gross profit margin rose to 63.6%

The **gross profit margin** rose in the first nine months of fiscal year 2013 by 250 basis points to 63.6% (prior year: 61.1%). This positive development is mainly due to the expansion of the Group's own retail business, positive effects relating from inventory valuation as well as lower discounts in the Group's own retail business. At the end of the first nine months of 2013, the **gross margin** stood at EUR 1,135 million, up 7% on the prior-year figure (prior year: EUR 1,062 million).

Expansion of the Group's own retail business led to higher selling expenses

Selling and distribution expenses came to EUR 637 million in the first nine months of fiscal year 2013, up 11% on the prior-year figure (prior year: EUR 573 million). Relative to sales, selling and distribution expenses increased from 33% to 36%. Particularly due to the global expansion of retail activities, selling expenses increased in the reporting period by EUR 71 million, up 19% year on year. This includes additional expenses for the net increase of 152 locations, which were opened or taken over in the course of the global expansion of this sales channel in the first nine months of fiscal year 2013. Marketing expenses decreased by 4% year on year, partly due to a change in the distribution of the marketing budget throughout the year. Relative to sales, logistic expenses were kept constant year on year at 5%. Bad debt allowances and bad debts were again immaterial in the reporting period 2013 on account of the strict receivables management.

Administration expenses in relation to sales unchanged on the prior-year period

The **administration expenses and other operating expenses net of other operating income** came to EUR 161 million in the first nine months of fiscal year 2013, up 2% on the prior-year level (prior year: EUR 157 million). In relation to sales, administration expenses and other operating expenses net of other operating income came to 9%, as in the prior-year period. General administration expenses increased by 2%, or EUR 2 million in absolute terms, to EUR 109 million (prior year: EUR 107 million). Research and development costs incurred creating fashion collections remained stable in relation to sales at 3% and increased in absolute terms by EUR 1 million to EUR 48 million (prior year: EUR 47 million). The special items of EUR 3 million (prior year: EUR 3 million) were primarily in connection with reorganizational measures taken in Europe.

The key internal performance indicator **EBITDA before special items** increased on the comparable prior-year period by 4% to EUR 407 million (prior year: EUR 392 million). At 22.8%, the adjusted EBITDA margin was 30 basis points above the prior-year value (prior year: 22.5%).

Amortization and depreciation came to EUR 67 million, up 16% on the prior-year level (prior year: EUR 57 million). This was primarily due to the relative increase in fixed assets compared to total assets as a result of investment in the Group's own retail business.

EBIT came to EUR 337 million at the end of the first nine months of fiscal year 2013, up 2% on the prior-year level (prior year: EUR 332 million). The increase in gross profit was partially counterbalanced by higher operating expenses in the area of selling and distribution expenses.

The **financial result**, measured as the net expense after aggregating the interest result and other financial items, rose in the first nine months of fiscal year 2013 by EUR 1 million to EUR 16 million (prior year: EUR 15 million). As a result of the lower level of debt and lower interest rates, the net interest expense decreased significantly by 39% to EUR 7 million (prior year: EUR 12 million). Other financial items came to a net expense of EUR 9 million and, due to negative exchange rate effects, were up EUR 6 million on the comparable prior-year period (prior year: net expense of EUR 3 million).

Earnings before taxes came to EUR 322 million, up 2% on the comparable prior-year period (prior year: EUR 317 million). At 23%, the **Group's tax rate** was one percentage point below the prior-year level (prior year: 24%). Regional differences in the share of earnings of domestic and foreign entities of the HUGO BOSS Group, coupled with marginally lower corporate tax rates at an international level, led to a decrease in the Group's effective tax rate.

Group's net income increased by 3%

In the first nine months of fiscal year 2013, the **Group's net income** came to EUR 248 million, up 3% on the prior-year figure (prior year: EUR 241 million). The net income attributable to equity holders of the parent company also increased by 3% to EUR 245 million (prior year: EUR 238 million). At EUR 3 million, the share attributable to non-controlling interests remained at the level of the comparable prior-year period (prior year: EUR 3 million), and mainly corresponds to the 40% investment held by the Rainbow group in the "joint venture" entities in China.

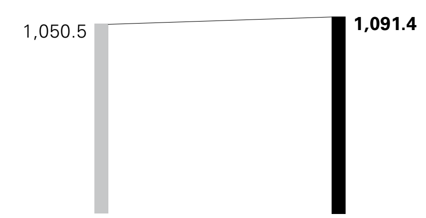
Earnings per share improved year on year by 3% to EUR 3.55 (prior year: EUR 3.44).

PROFIT DEVELOPMENT OF THE BUSINESS SEGMENTS

EUROPE

02/02 SALES DEVELOPMENT EUROPE
(in EUR million)

Jan.– Sep. 2012 | **Jan.– Sep. 2013**



+ 4 %

02/03 PROFIT DEVELOPMENT EUROPE
(in EUR million)

Jan.– Sep. 2012 | **Jan.– Sep. 2013**

+ 2 %

In the first nine months of fiscal year 2013, **sales** in reporting currency in **Europe**, including the Middle East and Africa, increased by 4% to EUR 1,091 million (prior year: EUR 1,051 million). This corresponds to an increase of 5% in local currency.

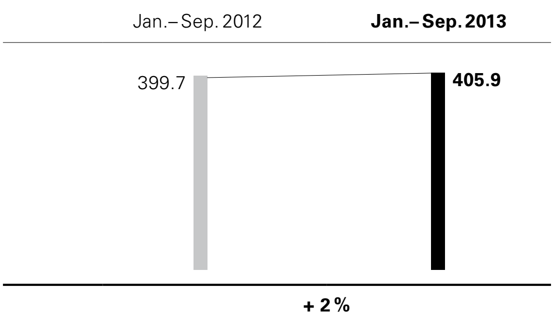
Significant sales growth in the Group's own retail business compensates for declining wholesale business
At EUR 301 million, sales in **Germany** were up 3% on the comparable prior-year period (prior year: EUR 293 million). The positive development of the Group's own retail business was the main driver underlying this development. The wholesale business reported a slight decrease. Similarly, in **France** and **Great Britain** double-digit sales growth in the Group's own retail business compensated for the decrease in sales generated with wholesale partners in the first nine months of the year. Indeed, sales in France reached EUR 129 million, an increase of 11% on the comparable prior-year period (prior year: EUR 116 million). In Great Britain, sales in the Group's reporting currency climbed to 149 Mio. EUR, an increase of 7% on the comparable prior-year period (prior year: EUR 139 million). In local currency, this corresponds to sales growth of 12%. Owing to the difficult market environment in the Netherlands, sales in the **Benelux countries** came to EUR 117 million, down 6% on the comparable prior-year period (prior year: EUR 124 million). In the reporting period, however, the Group's own retail business developed positively in this market as well.

Over the nine-month period, sales **in the Group's own retail business** increased in Europe by 23% to EUR 521 million (prior year: EUR 424 million). This is equivalent to an increase of 24% in local currency. Sales in the Group's reporting currency with **wholesale** customers declined in the same period by 9% to EUR 571 million (prior year: EUR 627 million). Measured in local currency, sales likewise decreased by 9%. This development largely reflects the challenges faced on account of the market environment and the new delivery cycles in the pre-order business. The takeover of stores previously operated by wholesale partners, especially in Spain, Germany and Switzerland, also led to a shift in sales from the wholesale business to the Group's own retail business.

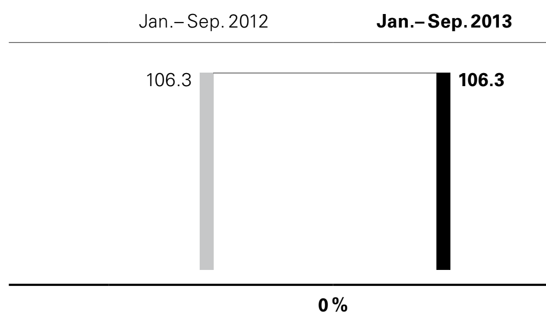
Segment profit up on prior-year level due to rise in gross profit margin
At EUR 401 million, **segment profit** in Europe was up 2% on the comparable prior-year period (prior year: EUR 392 million). The increase in the gross profit margin did not fully compensate for the higher selling and distribution expenses. The adjusted EBITDA margin decreased slightly to 36.7% (prior year: 37.3%).

AMERICAS

02/04 SALES DEVELOPMENT AMERICAS
(in EUR million)



02/05 PROFIT DEVELOPMENT AMERICAS
(in EUR million)



In the **Americas sales** in reporting currency increased by 2% compared to the prior-year period to EUR 406 million (prior year: EUR 400 million). In local currency, sales grew by 4% in the reporting period.

Significant sales growth in Central and South America

In the **United States,** sales in reporting currency again climbed 1% compared to the prior-year period to EUR 315 million (prior year: EUR 312 million). In local currency, sales growth of 4% was posted. Sales increases on existing retail space and selected new store openings led to double-digit growth in sales from the Group's retail business in the reporting period.

Sales in **Canada** in reporting currency came to EUR 51 million, down 7% on the prior-year period (prior year: EUR 54 million). Owing to the challenging market environment, especially in the wholesale channel, sales here decreased by 2% after currency adjustments. In **Central and South America**, it was possible to raise sales in reporting currency by 18% to EUR 40 million (prior year: EUR 34 million). Measured in local currency, the sales increase came to 20%.

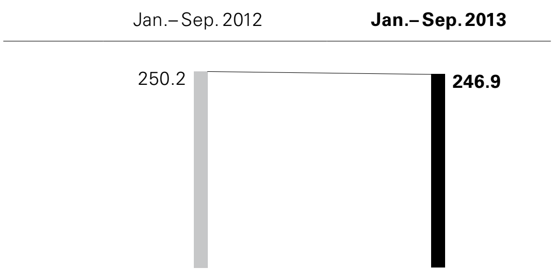
Sales in the **Group's own retail business** increased by 15% and came to EUR 198 million at the end of the third quarter (prior year: EUR 172 million). This is equivalent to an increase of 18% after currency adjustments. Sales of EUR 208 million were generated in the **wholesale channel** in the same period (prior year: EUR 227 million). Sales in this channel thus decreased by 8% in the Group's own currency, or 6% in local currency. The takeover of stores previously operated by wholesale partners, particularly in the United States, also led to a shift in sales from the wholesale business to the Group's own retail business.

Segment profit on par with prior-year level

Segment profit in the Americas came to EUR 106 million and was thus on a par with the prior-year level (prior year: EUR 106 million). The improvement in the gross margin almost completely compensated for an above-trend increase in fixed costs, mainly due to the expansion of the Group's own retail business. At the end of the first nine months of fiscal year 2013, the adjusted EBITDA margin in the region came to 26.2%, down slightly on the prior-year figure of 26.6%.

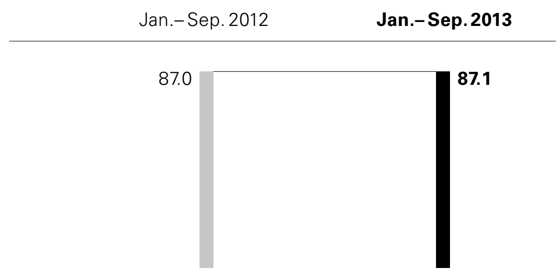
ASIA/PACIFIC

02/06 SALES DEVELOPMENT ASIA/PACIFIC
(in EUR million)



(1)%

02/07 PROFIT DEVELOPMENT ASIA/PACIFIC
(in EUR million)



0%

At the end of the first nine months of fiscal year 2013, **sales** in reporting currency in **Asia/Pacific** came to EUR 247 million, down 1% on the prior year period (prior year: EUR 250 million). In local currency, by contrast, sales rose 4% compared to the prior-year period.

After currency adjustments, sales increase across all markets in the region
Sales in reporting currency in **China** increased by 2% to EUR 152 million (prior year: EUR 149 million). After currency effects, sales grew by 3%. The still difficult environment in the retail business again burdened the development of sales in the third quarter. In **Oceania** sales came to EUR 38 million, down 3% on the prior-year period (prior year: EUR 40 million). Despite the still challenging market environment in the reporting period, it was possible to post a sales increase after currency adjustments of 6%. Sales in **Japan** came to EUR 28 million, down 16% on the prior-year level (prior year: EUR 33 million). This development is mainly influenced by the depreciation of the Japanese yen against the euro. After currency adjustments, sales increased by 5% year-on-year.

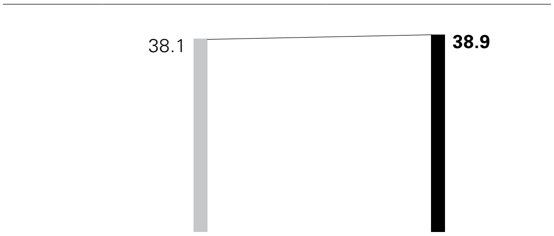
In reporting currency, Asia/Pacific exhibited a slight decrease in sales from **the Group's own retail business** of 2% to EUR 190 million (prior year: EUR 193 million). In local currency, by contrast, sales in this distribution channel increased by 4% compared to the prior-year period. Sales with **wholesale** customers in reporting currency came to EUR 57 million and were thus at the prior-year level (prior year: EUR 57 million). After currency adjustments, sales in this sales channel were up 4% on the comparable prior-year period.

Segment profit at the prior-year level
Segment profit in Asia/Pacific came to EUR 87 million, which was on a par with the comparable prior-year period (prior year: EUR 87 million). The positive development of the gross profit margin fully compensated for the increase in fixed costs. The adjusted EBITDA margin in the region increased compared to the prior-year level to 35.3% (prior year: 34.8%).

ROYALTIES

02/08 SALES DEVELOPMENT ROYALTIES
(in EUR million)

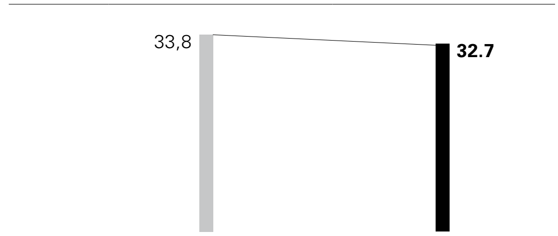
Jan.–Sep. 2012 **Jan.–Sep. 2013**



+ 2 %

02/09 PROFIT DEVELOPMENT ROYALTIES
(in EUR million)

Jan.–Sep. 2012 **Jan.–Sep. 2013**



(3) %

Royalties continued to develop positively
The **royalty business** developed positively in the first nine months of fiscal year 2013. Products manufactured by partners include fragrances, eyewear, watches, children's fashion, cell phone accessories and home textiles. Sales with external licensees increased year-on-year by 2% to EUR 39 million (prior year: EUR 38 million). For instance, sales with external licensees for eyewear and children's fashion saw double-digit growth. Sales with the external licensee for fragrances likewise grew year-on-year.

At EUR 33 million, the **segment profit in the royalties segment** was down 3% on the comparable prior-year period (prior year: EUR 34 million). This is attributable to the other income contained in the comparable prior-year period 2012, which was generated through the sale of trademarks for the "Baldessarini" fragrance.

NET ASSETS AND FINANCIAL POSITION

STRUCTURE OF STATEMENT OF FINANCIAL POSITION AND KEY PERFORMANCE INDICATORS

Deconsolidation of HUGO BOSS Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG

At the end of the first half of 2013, the entity HUGO BOSS Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG was deconsolidated due to the loss of control and has since then been carried as an investment under other non-current assets. This mainly affects the development of property, plant and equipment and intangible assets and financial liabilities. → **Condensed Notes to the Consolidated Interim Financial Statements, Note 5 // Basis of Consolidation**

Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made. → **Condensed Notes to the Consolidated Interim Financial Statements, Note 2 // Accounting Policies**

Total assets decreased as of the end of the third quarter by 2% to EUR 1,426 million (September 30, 2012: EUR 1,455 million). This decrease was mainly driven by a decrease in inventories and trade receivables. This was counterbalanced by an 11% increase in property, plant and equipment and intangible assets to EUR 508 million (September 30, 2012: EUR 457 million).

02/10 STRUCTURE OF STATEMENT OF FINANCIAL POSITION – ASSETS (in %)

ASSETS	Sep. 30, 2012	**Sep. 30, 2013**
Property, plant and equipment and intangible assets	31	**36**
Inventories	31	**29**
Trade receivables	18	**17**
Other assets	12	**15**
Cash and cash equivalents	8	**3**
TOTAL	100	**100**
Assets (in EUR million)	1,454.8	**1,425.5**

The **share of current assets** decreased compared to the prior year to 58% (September 30, 2012: 63%). The **share of non-current assets** increased accordingly from 37% in the prior year to 42% as of September 30, 2013.

02/11 STRUCTURE OF STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES (in %)

	Sep. 30, 2012	**Sep. 30, 2013**
Shareholders' equity	39	**47**
Provisions and deferred taxes	10	**11**
Trade payables	14	**14**
Other liabilities	11	**11**
Financial liabilities	26	**16**
TOTAL	100	**100**
Equity and liabilities (in EUR million)	1,454.8	**1,425.5**

The **structure of the equity and liabilities side of the statement of financial position** has also changed year on year. The share of financial liabilities decreased from 26% in the prior year to 16% as of the reporting date. For the most part, this development is attributable to a decrease in the amount drawn from the credit line. By contrast, the share of equity rose.

The **equity ratio** increased year on year to 47% (September 30, 2012: 39%).

NET ASSETS

On the assets side, **property, plant and equipment and intangible assets** increased as of the end of the reporting period by 11% to EUR 508 million (September 30, 2012: EUR 457 million). Capital expenditure on the further expansion and modernization of the Group's own retail business as well as the expansion of the logistics capacities contributed to this increase. This was counterbalanced by the disposal of property, plant and equipment amounting to EUR 57 million in connection with the deconsolidation of Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG.

Decrease in inventories largely driven by the optimization of inventory management
Inventories decreased by 6% to EUR 418 million as of September 30, 2013 (September 30, 2012: EUR 447 million). After currency adjustments, inventories decreased by 4% year on year. Effective measures geared to optimize inventory management were the main driver underlying the development.

Trade receivables decreased year on year by 8% to EUR 242 million (September 30, 2012: EUR 262 million). Adjusted for exchange rate effects, this corresponds to a decrease of 5%. This development is primarily attributable to a decrease in the wholesale business.

Other assets increased year on year by 21% to EUR 210 million (September 30, 2012: EUR 174 million). This increase mainly stems from an increase in deferred tax assets as well as an increase in rent deposits for the Group's own retail stores.

Cash and cash equivalents came to EUR 49 million as of the reporting date (September 30, 2013: EUR 115 million). The decrease is largely attributable to a decrease in liabilities due to banks.

On the equity and liabilities side, **provisions and deferred taxes** came to EUR 161 million, up 11% on the prior-year figure (September 30, 2012: EUR 145 million). This includes provisions for pensions and other personnel expenses amounting to EUR 92 million (September 30, 2012: EUR 78 million). Also included are other provisions of EUR 48 million (September 30, 2012: EUR 44 million) and deferred tax liabilities of EUR 21 million (September 30, 2012: EUR 23 million).

Trade payables increased year on year by 3% to EUR 205 million (September 30, 2012: EUR 199 million). After currency adjustments, this corresponds to a rise of 3%.

The aggregate of **current and non-current financial liabilities** decreased as of the reporting date by 39% to EUR 234 million (September 30, 2012: EUR 381 million). This development mainly reflects a lower amount drawn of EUR 140 million from the syndicated loan facility compared to the prior year (September 30, 2012: EUR 300 million). Apart from the tranche of the syndicated loan agreement drawn, the financial liabilities contained negative market values of interest and exchange rate hedges amounting to EUR 3 million (September 30, 2012: EUR 16 million).

Other liabilities increased year on year by 1% to EUR 159 million (September 30, 2012: EUR 158 million). The main driver behind this development was the increase in income tax liabilities. The line item also increased due to the increase in accrued liabilities in connection with rent obligations relating to the Group's own retail operations.

Trade net working capital as a percentage of sales below prior-year level

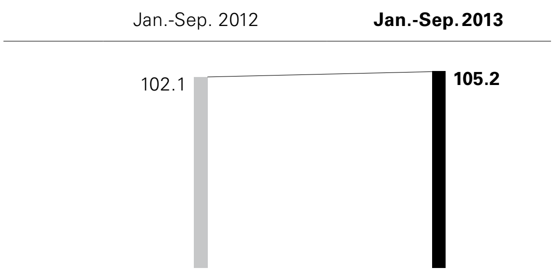
Trade net working capital is the HUGO BOSS Group's key performance indicator for measuring the efficient use of capital. The only components factored into the calculation of this indicator are inventories, trade receivables and trade payables.

Compared to the prior year, trade net working capital decreased by 11% to EUR 455 million (September 30, 2012: EUR 510 million). The decrease in inventories and trade receivables as well as the increase in trade payables were the factors underlying this development. The lower increase compared to the increase in sales, is primarily attributable to effective measures taken to reduce inventories.

The 12-month moving average of **trade net working capital as a percentage sales** came to 18.3%, significantly down on the prior-year period (prior year: 21.0%).

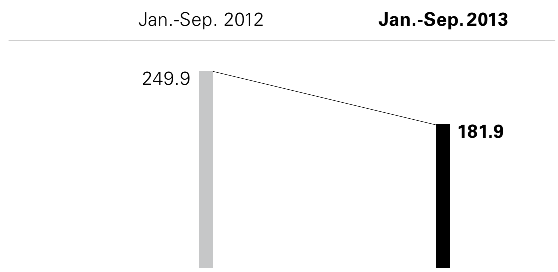
FINANCIAL POSITION

02/12 FREE CASH FLOW (in EUR million)



+ 3 %

02/13 NET FINANCIAL LIABILITIES (in EUR million)



(37) %

STATEMENT OF CASH FLOWS

The statement of cash flows is presented in accordance with IAS 7. The cash and cash equivalents reported here correspond to the line item in the statement of financial position, "Cash and cash equivalents".

Cash inflow from operating activities up significantly on comparable prior-year period

Cash inflow from operating activities came to EUR 249 million, up significantly on the prior year (prior year: EUR 196 million). The change in the collection cycle and the measures taken to optimize inventories led to a decrease in the cash outflow from net working capital to EUR 57 million (prior year: EUR 105 million).

The **cash outflow from investing activities** came to EUR 144 million, up on the prior year (prior year: EUR 93 million). This development mainly reflects capital expenditure on the expansion and modernization of the Group's own retail business, the expansion of the logistics capacities and investment channeled into the construction of an administration building in Metzingen. A cash outflow of EUR 12 million is attributable to property, plant and equipment and intangible assets acquired in business combinations during the first nine months of fiscal year 2013. → **Condensed Notes to the Consolidated Interim Financial Statements, Note 7 // Business Combinations**

Free cash flow, measured as the cash inflow from operating activities and the cash outflow from investing activities, increased by 3 Mio. EUR in the reporting period to EUR 105 million (prior year: EUR 102 million).

The **cash outflow from financing activities** totaled EUR 310 million in the first nine months of fiscal year 2013 (prior year: EUR 188 million) and was essentially marked by the cash outflow in connection with the dividend of EUR 215 million paid out (prior year: EUR 199 million). The cash outflow due to the repayment of the set tranche of the redeemed syndicated loan less the related transaction costs was only partially compensated by the amount drawn from the tranche of EUR 140 million under the new syndicated line of credit.

As of the reporting date, **cash and cash equivalents** reached EUR 49 million (September 30, 2012: EUR 115 million).

NET FINANCIAL LIABILITIES

Net financial liabilities are the total of all financial liabilities due to banks less cash and cash equivalents.

Net financial liabilities improve

Financial liabilities due to banks came to EUR 230 million, down on the prior-year level (September 30, 2012: EUR 365 million). This development mainly reflected a reduction in the amount of debt capital needed from the deconsolidation of HUGO BOSS Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG.

Cash and cash equivalents, as a liquidity reserve, decreased from EUR 115 million in the prior year to EUR 49 million as of September 30.

As a result, **net financial liabilities** improved from EUR 250 million by a further EUR 68 million to EUR 182 million as of September 30, 2013.

CAPITAL EXPENDITURE

Significant increase in capital expenditure in the reporting period

The HUGO BOSS Group's total capital expenditure on property, plant and equipment and intangible assets came to EUR 142 million and was significantly up on the prior-year level (prior year: EUR 88 million). Of this amount, EUR 12 million is attributable to fixed assets acquired in business combinations during the first nine months of fiscal year 2013. → **Condensed notes to the Consolidated Interim Financial Statements, Note 7 // Business combinations**

Making up 60% of the total investment volume, **the global expansion and modernization of the Group's own retail business** continued to be the focal point of investment activities in the reporting period (prior year: 61%). This represents total investment of EUR 85 million (prior year: EUR 54 million).

Capital expenditure on **openings of Group's own retail stores** totaled EUR 58 million in the first nine months of fiscal year 2013 (prior year: EUR 35 million). In Europa, retail stores were opened in a number of locations including Kärntnerstrasse in Vienna, in Midsummer Place Shopping Center in Milton Keynes as well as a flagship store in the Leidsestraat in Amsterdam. In the Americas, attractive locations were added to the portfolio in cities such as Boston, San Diego and Toronto. In Asia/Pacific, a flagship store was opened at International APM Mall in Shanghai, among others.

In addition, EUR 27 million was spent on the **renovation and modernization** of existing retail stores across all three regions (prior year: EUR 19 million). The capital expenditure in the Americas should be noted in this context. This focused on the modernization of the flagship store in New York's Columbus Circle and the renovation of the retail stores in the Dadeland Mall in Miami, in Cherry Creek Shopping Center in Denver and in the Antara Mall in Mexico City.

Capital expenditure in the **production, logistics and distribution organization** as well as on **research and development** came to EUR 37 million (prior year: EUR 7 million). Of this amount, EUR 28 million was attributable to HUGO BOSS Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG, which was deconsolidated on June 30, 2013.

Investment in **administration** amounted to EUR 20 million in the first three quarters of 2013 (prior year: EUR 27 million). This contains investment of EUR 6 million for an additional administration building in Metzingen along with investment in the IT infrastructure amounting to EUR 10 million.

REPORT ON RISKS AND OPPORTUNITIES

HUGO BOSS has a comprehensive risk management system enabling Management to identify and analyze opportunities and risks as well as to take appropriate measures at an early stage. The risk situation has not changed materially compared to the reporting year 2012. A detailed overview of risks and opportunities can be found in the annual report 2012. All statements included therein regarding risks and opportunities continue to be valid.

SUBSEQUENT EVENTS AND OUTLOOK

HUGO BOSS is forecasting continuing profitable growth in 2013. The implementation of the medium-term growth strategy will help the Group increase sales and earnings to new record levels. Sales and operating profit (EBITDA before special items) are each expected to grow between 6% and 8%.

SUBSEQUENT EVENTS

No reportable events
Between the end of the third quarter of 2013 and the publication of this report, there were no material macroeconomic, socio-political, sector-related or company-specific changes that the management expects to have a significant influence on the results of operations, net assets, and financial position of the Group.

OUTLOOK

The following report sets out the HUGO BOSS Management's forecasts for future business performance and describes the anticipated development of the main economic and sector conditions. It reflects the current knowledge of the management at the time the report was prepared, while also aware that the actual development may differ considerably from these forecasts, either positively or negatively, due to the occurrence of risks and opportunities as described in the report on risks and opportunities in the 2012 annual report. Other than the statutory publication requirements, the HUGO BOSS Group does not assume any obligation to update the statements contained in this report.

As an international fashion company, the performance of HUGO BOSS is influenced by global economic conditions and industry-specific developments. It is therefore very important for the Group to identify macroeconomic and industry-specific trends at an early stage so that it can react to them in good time with suitable measures.

Modest growth outlook for global economy in 2013
The outlook for the development of the global economy in 2013 is still modest despite several indications of an imminent improvement. On average, economists are assuming a weaker performance than that predicted at the start of the year. The future development of the global economy remains highly dependent on the policy of central banks. While the expansive monetary policy should continue to aid economic growth in the short term, there are risks in the long term. The high levels of debt in many European nations and the U.S. also still pose a hazard to global economic growth.

European economy should leave recession behind towards end of year
A decline in economic performance is also anticipated in **Europe** for 2013 as a whole. Over the course of the year, however, the region should return to positive growth rates. This development should be aided by a recovery in international demand and the scaling back of government austerity measures. However, a sustainable improvement of the euro zone economy is dependent on a revival in global exports, which should also result in investment activity and domestic demand increasing again. Germany is expected to grow slightly in 2013 and therefore perform better than the region as a whole. Although Germany's economic growth is also being slowed by consistently weak international trade, it is being bolstered by consumer spending, which is continuing to develop robustly thanks to a stable labor market, rising wages and a lower savings rate.

Moderate growth forecasted for American economy

Moderate growth is anticipated for the **U.S.** economy in 2013. A further reduced unemployment rate, steady growth in private consumption and increased corporate investments should contribute to this. However, the currently unforeseeable effects of the U.S. budget dispute and the associated spending cuts could severely impact developments. Overall, growth forecasts for the U.S. economy have been corrected downwards over the year to date. Experts are now anticipating economic growth of slightly less than 2%. Prospects have also dimmed for the **Latin American economy** in recent months. The growth outlook for core markets such as Brazil and Mexico were lowered in particular. Overall, the region's growth is now expected to be slightly lower than in the previous year.

Mixed economic outlook for Asia

The prospects for the **Asian economy** have developed unevenly in recent months. Growth of just over 6% is forecasted for the region as a whole. However, in 2013 the Chinese economy is expected to develop more slowly than in the previous year on account of modest investment activity and weaker exports. Thus, experts are now predicting GDP expansion of around 7.5% for 2013. In Japan, however, the government's aggressive fiscal and monetary policies should continue to support economic performance. Growth rates will slow in Australia mainly due to consistently restrained private consumer spending compared to the previous year.

Continued sector growth expected

The growth trend in the premium and luxury goods sector is expected to continue in 2013. According to industry experts, the currency-neutral growth rate should be in the mid-single-digit range and is thus widely expected to outperform the economy as a whole.

All regions are expected to contribute to sector growth in 2013, and this will be aided in particular by rising demand in the emerging economies. Sales performance in **Europe** and the **Americas** is set to benefit from this in the form of tourism. Growth in Western Europe and Southern Europe in particular will most probably still be affected by muted consumer confidence. However, this is likely to be offset by robust expansion on the growth markets of Eastern Europe and the Middle East especially. Overall, the sector is expected to post low-single-digit growth in Europe. In the Americas, the outlook for the sector is still considered positive in light of good consumer sentiment. The forecasted growth in the mid-single-digit range is also likely to benefit from strong growth rates on the Latin American markets. Despite the anticipated slowdown in growth as against the previous year, the highest expansion rates for the sector are forecasted in **Asia**. Here, experts are predicting a high-single-digit rise in sales. However, the slower rate of growth for the economy as a whole and the effects of the change in government, which are unclear to many consumers, will impede both sector growth and the rate of new store openings in the sector. By contrast, the prospects for the Japanese market have improved as a result of increased domestic demand and greater consumer confidence. The depreciation of the local currency is also likely to focus demand more strongly on the domestic market again.

Currency-adjusted sales to rise between 6% and 8%

HUGO BOSS expects to increase its currency-neutral sales by 6% to 8% in 2013. The Group anticipates that this growth will exceed the expansion rates for the global economy and the luxury goods sector. The rise in sales is expected to be lower in reporting currency owing to the negative currency translation effects as a result of the appreciation of the euro as against the previous year.

OUTLOOK 2013

SALES GROWTH (CURRENCY-NEUTRAL)	Between 6% and 8%
GROWTH IN EBITDA BEFORE SPECIAL ITEMS	Between 6% and 8%
CAPITAL EXPENDITURE	Around EUR 150 million on a comparable basis[1]
OWN RETAIL NETWORK	Around 50 net organic openings + around 110 shop-in-shop takeovers

[1] Not including the expenses in connection with the construction of a new distribution center for flat-packed goods in Filderstadt.

Growth anticipated in all regions

HUGO BOSS is assuming that sales will increase in all regions on a currency-neutral basis in 2013. In Europe, these increases will be driven by improvements on almost all markets of the region. Continued strong growth is predicted in Great Britain in particular. In the Americas, an ongoing positive development is anticipated, still driven primarily by the solid growth of the U.S. market. In Asia, the Group is planning to generate stronger currency-neutral increases as against the previous year. This should be supported by a gradual improvement in growth rates on the key Chinese market. Sales in the royalties segment are also expected to develop positively.

Group's own retail business to drive sales growth

The own retail business will be the main sales driver for the Group as a whole in 2013. Its retail sales are expected to increase at a double-digit rate, mainly as a result of strong growth in directly operated stores and online. In addition to the positive effects of the expansion of the Group's own store network, comp store sales are also forecasted to rise. The Group is benefiting here from the further professionalization of its retail activities and the strong appeal of its brands. The takeover of HUGO BOSS shop-in-shops previously managed by wholesale partners mainly in the U.S., Germany and Spain will contribute to the sales increase in own retail. A mid-single-digit sales decline on a currency-neutral basis is anticipated for the wholesale business. This forecast reflects the difficult retail environment, particularly in Europe, and the shift in sales associated with the takeover of shop-in-shops previously operated by wholesale partners.

Continued selling space expansion in own retail

The HUGO BOSS Group will continue to expand its own retail activities and increase the number of new stores by around 50 in net terms in 2013. Based on an analysis of its global market penetration, the Group believes that there are opportunities to profitably increase its selling space in all regions. Europe will be the core area of new store projects. In addition to expanding its own selling space to leverage its brand potential in existing, previously mainly wholesale-oriented markets, HUGO BOSS also plans to tap the Russian market for its own retail business. Alongside organic new store openings, the Group will also take over around 110 HUGO BOSS shop-in-shops previously managed by retail partners, primarily in the U.S., Germany and Spain. Effective August 1, 2013, the Group also independently manages four retail stores previously operated by a local franchise partner in Singapore.

Increase in operating profit of 6% to 8% planned

HUGO BOSS is planning to increase its operating profit (EBITDA before special items) by 6% to 8% in 2013. The main factors driving profit growth will be the expansion and improved management of the Group's own retail business. Given the rising share of this distribution channel in particular, the gross profit margin is expected to increase significantly as against the previous year. Operating expenses will rise mainly as a result of the further expansion of own retail activities and higher marketing expenses. The increase in administrative and other operating expenses should be less than sales growth. Net income is also expected to rise as a result of improved EBITDA before special items.

Improved management of trade net working capital

Strict management of trade net working capital is a high priority in order to generate improvements in operating cash flow. Particular attention is being given to reducing the cash conversion cycle. Potential for improvement is seen in reducing days inventories outstanding in particular. The Group is therefore aiming to reduce days inventories outstanding, particularly in its own retail business, by the more frequent renewal of the product range as a result of the changed collection cycle and improved planning of merchandise flows. Overall, the Group expects trade net working capital to grow more slowly than sales in 2013.

Investing activities to focus on own retail business

Capital expenditure in 2013 will focus on expanding the Group's own retail activities and renovating existing stores and shops. Not including the expenses of EUR 28 million recognized in connection with the construction of a new distribution center for flat-packed goods prior to the deconsolidation of the company in question, capital expenditure will amount to around EUR 150 million in 2013 as a whole. → **Net Assets and Financial Position, p. 23**

Continued strong cash flow development allows debt reduction

The Group anticipates that cash flow will develop strongly in 2013, primarily due to the planned increase in earnings, strict management of trade net working capital and disciplined investment activity. In addition to the regular distribution of 60% to 80% of net income to shareholders, excess funds are to be used to further reduce debt. Accordingly, the Group expects net financial liabilities to be lower than in the previous year at the end of the year.

Ambitious medium-term growth plans

The Group is planning to generate significant sales and earnings increases in the medium term. The Group strategy is based on organic growth of the existing brand portfolio. Sales are to reach EUR 3 billion in 2015. Operating profit is set to rise to EUR 750 million in the same year. The Group expects to make further progress towards achieving these goals in 2014. Sales and operating profit are forecasted to rise further. A continued recessionary economic environment, particularly on major European core markets, cost inflation in sourcing processes and a loss of appeal of the Group's brands could jeopardize the achievement of these goals. The Group has taken precautions to limit the probability of these or other risks occurring and their impact if they do. Details can be found in the risk report in the 2012 annual report.

SUMMARY ON EARNINGS, NET ASSETS AND FINANCIAL POSITION

In summary, earnings, net assets and the financial position indicate that HUGO BOSS Group continued to be in a sound financial position at the time that this report for the first nine months of fiscal year 2013 was prepared.

Metzingen, October 18, 2013

HUGO BOSS AG
The Management Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3

CONSOLIDATED INCOME STATEMENT

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2013

(in EUR million)

	2013	2012[1]
Sales	**1,783.1**	**1,738.5**
Cost of sales	(613.1)	(642.8)
Direct selling expenses	(35.3)	(34.0)
Gross profit	**1,134.7**	**1,061.7**
in % of sales	63.6	61.1
Selling and distribution expenses	(636.8)	(573.3)
Administration costs and other operating income/expenses	(160.5)	(156.8)
Operating result (EBIT)	**337.4**	**331.6**
in % of sales	18.9	19.1
Net interest income/expenses	(7.1)	(11.6)
Other financial items	(8.6)	(3.4)
Financial result	**(15.7)**	**(15.0)**
Earnings before taxes	**321.7**	**316.6**
Income taxes	(74.0)	(76.0)
Net income	**247.7**	**240.6**
Attributable to:		
Equity holders of the parent company	244.7	237.7
Non-controlling interests	3.0	2.9
Earnings per share (EUR)[2]	**3.55**	**3.44**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made (as detailed in the Condensed Notes to the Consolidated Interim Financial Statements, Note 2 // Accounting policies).

[2] Basic and diluted earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2013

(in EUR million)

	2013	2012[1]
Net income	**247.7**	**240.6**
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(0.3)	0.0
Income taxes	0.0	0.0
Items that may be reclassified subsequently to profit or loss		
Currency differences	(6.8)	3.6
Gains/losses from cash flow hedges	6.1	7.2
Income taxes	(1.5)	(1.8)
Other comprehensive income, net of tax	**(2.5)**	**9.0**
Total comprehensive income	**245.2**	**249.6**
Attributable to:		
Equity holders of the parent company	242.4	246.6
Non-controlling interests	2.8	3.0
Total comprehensive income	**245.2**	**249.6**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made (as detailed in the Condensed Notes to the Consolidated Interim Financial Statements, Note 2 // Accounting policies).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF THE HUGO BOSS GROUP AS OF SEPTEMBER 30, 2013

(in EUR million)

Assets	**Sep. 30, 2013**	Sep. 30, 2012[1]	Dec. 31, 2012[1]	Jan. 1, 2012[1]
Intangible assets	143.5	139.8	142.2	141.1
Property, plant and equipment	364.1	317.6	357.5	285.5
Deferred tax assets	74.7	61.6	66.7	55.9
Non-current financial assets	18.6	9.4	14.6	14.5
Non-current tax receivables	2.1	2.7	2.1	2.7
Other non-current assets	2.2	2.2	2.5	2.0
Non-current assets	**605.2**	**533.3**	**585.6**	**501.7**
Inventories	417.6	446.6	430.3	457.9
Trade receivables	241.8	262.1	214.9	174.6
Current tax receivables	13.4	13.5	10.9	8.2
Current financial assets	23.3	14.0	26.6	17.5
Other current assets	75.7	70.5	61.3	65.5
Cash and cash equivalents	48.5	114.8	254.6	200.4
Current assets	**820.3**	**921.5**	**998.6**	**924.1**
TOTAL	**1,425.5**	**1,454.8**	**1,584.2**	**1,425.8**

Equity and liabilities	**Sep. 30, 2013**	Sep. 30, 2012[1]	Dec. 31, 2012[1]	Jan. 1, 2012[1]
Subscribed capital	70.4	70.4	70.4	70.4
Own shares	(42.3)	(42.3)	(42.3)	(42.3)
Capital reserve	0.4	0.4	0.4	0.4
Retained earnings	379.8	294.0	288.0	208.2
Accumulated other comprehensive income	(10.7)	(12.0)	(8.7)	(20.9)
Net income attributable to equity holders of the parent company	244.7	237.7	307.4	284.9
Equity attributable to equity holders of the parent company	**642.3**	**548.2**	**615.2**	**500.7**
Non-controlling interests	24.9	23.7	24.6	23.8
Group equity	**667.2**	**571.9**	**639.8**	**524.5**
Non-current provisions	60.6	41.1	53.0	39.5
Non-current financial liabilities	183.3	48.3	63.3	355.0
Deferred tax liabilities	20.5	23.0	19.6	20.9
Other non-current liabilities	12.8	13.9	14.0	15.6
Non-current liabilities	**277.2**	**126.3**	**149.9**	**431.0**
Current provisions	79.6	80.9	90.3	89.8
Current financial liabilities	50.4	332.9	332.2	33.5
Income tax payables	57.5	58.8	51.2	41.9
Trade payables	204.5	198.7	227.5	225.1
Other current liabilities	89.1	85.3	93.3	80.0
Current liabilities	**481.1**	**756.6**	**794.5**	**470.3**
TOTAL	**1,425.5**	**1,454.8**	**1,584.2**	**1,425.8**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made (as detailed in the Condensed Notes to the Consolidated Interim Financial Statements, Note 2 // Accounting policies).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2013

(in EUR million)

				Retained earnings		Accumulated other comprehensive income		Group equity		
	Subscribed capital	Own shares	Capital reserve	Legal reserve	Other reserves	Currency translation	Gains/losses from cash flow hedges	Total before non-controlling interests	Non-controlling interests	Total
January 1, 2013 (as reported)	**70.4**	**(42.3)**	**0.4**	**6.6**	**485.2**	**(9.5)**	**(11.4)**	**499.4**	**23.8**	**523.2**
Change in accounting policies					1.3			1.3		1.3
January 1, 2013 (adjusted)[1]	**70.4**	**(42.3)**	**0.4**	**6.6**	**486.5**	**(9.5)**	**(11.4)**	**500.7**	**23.8**	**524.5**
Net income					237.7			237.7	2.9	240.6
Other income						3.5	5.4	8.9	0.1	9.0
Comprehensive income					237.7	3.5	5.4	246.6	3.0	249.6
Changes in basis of consolidation										
Dividend payment					(199.1)			(199.1)	(3.1)	(202.2)
September 30, 2012[1]	**70.4**	**(42.3)**	**0.4**	**6.6**	**525.1**	**(6.0)**	**(6.0)**	**548.2**	**23.7**	**571.9**
January 1, 2013 (as reported)	**70.4**	**(42.3)**	**0.4**	**6.6**	**587.0**	**(5.2)**	**(3.5)**	**613.4**	**24.6**	**638.0**
Change in accounting policies					1.8			1.8		1.8
January 1, 2013 (adjusted)[1]	**70.4**	**(42.3)**	**0.4**	**6.6**	**588.8**	**(5.2)**	**(3.5)**	**615.2**	**24.6**	**639.8**
Net income					244.7			244.7	3.0	247.7
Other income					(0.3)	(6.6)	4.6	(2.3)	(0.2)	(2.5)
Comprehensive income					244.4	(6.6)	4.6	242.4	2.8	245.2
Changes in basis of consolidation										
Dividend payment					(215.3)			(215.3)	(2.5)	(217.8)
September 30, 2013	**70.4**	**(42.3)**	**0.4**	**6.6**	**617.9**	**(11.8)**	**1.1**	**642.3**	**24.9**	**667.2**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made (as detailed in the Condensed Notes to the Consolidated Interim Financial Statements, Note 2 // Accounting policies).

CONSOLIDATED STATEMENT OF CASH FLOWS

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO SEPTEMBER 30, 2013

(in EUR million)

	2013	2012[1]
Net income	247.7	240.6
Depreciation/amortization	66.6	57.4
Unrealized net foreign exchange gain/loss	0.0	(0.5)
Other non-cash transactions	(0.2)	3.4
Income tax expense/refund	74.0	76.0
Interest income and expenses	7.1	11.6
Change in inventories	10.5	10.0
Change in receivables and other assets	(48.4)	(82.6)
Change in trade payables and other liabilities	(18.7)	(32.6)
Result from disposal of non-current assets	1.4	0.9
Change in provisions for pensions	(0.4)	5.0
Change in other provisions	(4.0)	(12.5)
Income taxes paid	(79.7)	(69.6)
Cash flow from operations	**255.9**	**207.1**
Interest paid	(8.6)	(13.8)
Interest received	1.5	2.2
Cash flow from operating activities	**248.8**	**195.5**
Investments in property, plant and equipment	(121.9)	(77.0)
Investments in intangible assets	(8.3)	(10.5)
Payment for changes in basis of consolidation	0.2	(6.2)
Effects from disposal of subsidiaries	(1.7)	0.0
Acquisition of other business units, net of cash acquired	(11.9)	0.0
Cash receipts from sales of property, plant and equipment and intangible assets	0.0	0.3
Cash flow from investing activities	**(143.6)**	**(93.4)**
Dividends paid to equity holders of the parent company	(215.3)	(199.1)
Dividends paid to non-controlling interests	(2.5)	(3.1)
Change in current financial liabilities	(229.9)	15.3
Cash receipts from non-current financial liabilities	139.1	0.0
Repayment of non-current financial liabilities	(1.5)	(1.4)
Cash flow from financing activities	**(310.1)**	**(188.3)**
Exchange-rate related changes in cash and cash equivalents	(1.2)	0.6
Changes in cash and cash equivalents	**(206.1)**	**(85.6)**
Cash and cash equivalents at the beginning of the period	254.6	200.4
Cash and cash equivalents at the end of the period	**48.5**	**114.8**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made (as detailed in Condensed Notes to the Consolidated Interim Financial Statements, Note 2 // Accounting policies).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 // GENERAL INFORMATION

The interim financial statements of HUGO BOSS AG as of September 30, 2013, were prepared pursuant to Sec. 37x WpHG ["Wertpapierhandelsgesetz": Securities Trading Act] in accordance with International Financial Reporting Standards (IFRSs) and their interpretations applicable as of the reporting date. The provisions of IAS 34 on interim financial reporting were applied in particular.

This interim report and the condensed notes to the financial statements were neither audited in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] nor reviewed by a person qualified to audit financial statements. By resolution dated October 18, 2013, the interim condensed financial statements and the interim management report were authorized for issue to the Supervisory Board by the Managing Board. Before they were published, the interim management report and the interim condensed financial statements were also discussed with the audit committee of the Supervisory Board.

2 // ACCOUNTING POLICIES

All the interim financial statements of the companies included in the interim consolidated financial statements were prepared in accordance with uniform accounting policies. A detailed description of the accounting policies and consolidation measures applied can be found in the notes to the 2012 consolidated financial statements. As of January 1, 2013, the adoption of new or amended IFRSs resulted in the following accounting policy changes.

ACCOUNTING STANDARDS ADOPTED FOR THE FIRST TIME

IAS 19 – EMPLOYEE BENEFITS (REVISED 2011, IAS 19R)

As of January 1, 2013, the HUGO BOSS Group adopted IAS 19, Employee Benefits (revised 2011, IAS 19R), which the IASB published in June 2011. The standard is effective for fiscal years beginning on or after January 1, 2013. The standard was applied retroactively. The amendment was endorsed by the EU into European law in June 2012. The following amendments of IAS 19R have an effect on the net assets, financial position and results of operations of the HUGO Boss Group:

IAS 19R replaces the interest cost and expected return on plan assets with a net interest amount. This is calculated by multiplying the net pension obligation with the discount rate underlying the measurement of the defined benefit obligation (DBO). The net interest on the net defined benefit liability (asset) comprises the return on plan assets and the interest cost on the DBO. The difference between the return on plan assets and the actual return on plan assets is recognized in the consolidated statement of comprehensive income under other comprehensive income.

IAS 19R also clarifies the term of risk sharing between employee and employer. This clarification has an effect on the calculation of pension obligations of benefit plans with future employee contributions effectively increasing over the remaining service period. This mainly relates to pension plans that allow a higher level of benefit increase in later years. The former IAS 19 provided for a calculation of the total obligations including future employee-funded benefit increases. In accordance with IAS 19R, the allocation of vested benefits is calculated on the basis of the net obligation excluding the future employee-funded benefit increases. This led to a reduction in the DBO and the service cost was distributed differently over the service period.

A lesser effect results from the recognition of administration costs upon rendering the service not in connection with the administration of plan assets.

The recognition of non-vested past service cost as incurred instead of recognizing it over the vesting period does not affect the HUGO BOSS Group.

Similarly, the abolition of the corridor method does not result in any need to make adjustments at HUGO BOSS.

The new regulation to recognize top-up amounts for phased retirement agreements also results in a change in the recognition and classification of expenses. Previously, top-up amounts were immediately accrued in full upon concluding a contract for a phased retirement agreement and classified as termination benefits. The regulations of IAS 19R clarify that top-up amounts no longer represent severance payments but instead employees gain the right to the top-up through their work. As a result, the provision accrues over the vesting period. This resulted in a reduction in the provision for top-up amounts previously recognized in full as well as an accrual over the active phase of the phased retirement arrangement.

The retroactive adoption of IAS 19R has the following effect on the opening statement of financial position as of January 1, 2012, as well as the prior-year period:

(in EUR million)

			Dec. 31, 2012			Jan. 1, 2012
	Before adjustment	Adjustment	After adjustment	Before adjustment	Adjustment	After adjustment
Assets	**1,584.5**	**(0.3)**	**1,584.2**	**1,426.0**	**(0.2)**	**1,425.8**
Thereof deferred tax assets	67.0	(0.3)	66.7	56.1	(0.2)	55.9
Non-current liabilities	**152.0**	**(2.1)**	**149.9**	**432.5**	**(1.5)**	**431.0**
Thereof non-current provisions	55.1	(2.1)	53.0	41.0	(1.5)	39.5
Group equity	**638.0**	**1.8**	**639.8**	**523.2**	**1.3**	**524.5**
Thereof retained earnings	286.7	1.3	288.0	206.9	1.3	208.2
Thereof net income	311.5	0.0	311.5	291.4	0.0	291.4
Thereof total comprehensive income	5.3	0.6	5.9	12.1	0.0	12.1

The retroactive application of IAS 19R had only an immaterial effect on the consolidated income statement and the statement of comprehensive income in the first nine months of fiscal year 2013 as well as in the comparative period 2012. As of 30 September 2013, the effects on the consolidated statement of financial position were therefore also immaterial in comparison to December 31, 2012.

NEW AND AMENDED ACCOUNTING STANDARDS

The amendments to IAS 1 “Presentation of Financial Statements” provide for other comprehensive income to be divided into items that are not reclassified to profit or loss and items that may subsequently be reclassified to profit or loss.

The adoption of other revisions of IAS 1, IAS 12, IAS 16, IAS 32, IAS 34, IFRS 7 and the first-time adoption of IFRS 13 did not result in any change in the Group’s net assets, financial position and results of operations. Additional disclosures were necessary.

CHANGE IN ACCOUNTING METHOD/CHANGE IN PRESENTATION

The changes to the accounting policy and presentation described in the 2012 consolidated financial statements were also taken into account as of September 30, 2013. The prior-year figures were adjusted retroactively in accordance with the regulations of IAS 8.

3 // CURRENCY TRANSLATION

The most important exchange rates applied in the interim financial statements developed as follows in relation to the euro in the reporting period:

	Currency	Average rate			Closing rate		
Country	**1 EUR =**	**Jan.–Sep. 2013**	Jan.–Sep. 2012	Jan.–Dec. 2012	**Sep. 30, 2013**	Sep. 30, 2012	Dec. 31, 2012
China	CNY	8.1223	8.1098	8.1085	8.2827	8.1261	8.2207
Great Britain	GBP	0.8520	0.8123	0.8111	0.8400	0.7981	0.8161
Hong Kong	HKD	10.2163	9.9440	9.9714	10.4975	10.0258	10.2260
Switzerland	CHF	1.2315	1.2044	1.2053	1.2248	1.2099	1.2072
U.S.A.	USD	1.3169	1.2816	1.2854	1.3537	1.2930	1.3194

4 // ECONOMIC AND SEASONAL INFLUENCES

As a globally operating company, the HUGO BOSS Group is exposed to a variety of economic developments. Industry-specific seasonal fluctuations are typical for HUGO BOSS. However, the business of HUGO BOSS has changed fundamentally over the past few years. The business, which used to be dominated by the two pre-order seasons (spring/summer and fall/winter) with orders being placed early accordingly, has become increasingly more complex. Pre-order business now consists of four seasonal sales every year. Furthermore, the importance of seasonal influence is declining as a result of the global expansion of the Group's own retail operations. Moreover, HUGO BOSS aims to increase efficiency through greater use of replenishment business to service less fashion-oriented items. The number of monthly theme-oriented deliveries is also increasing continuously. These factors are steadily reducing the seasonality of HUGO BOSS's business.

5 // BASIS OF CONSOLIDATION

In the reporting period from January 1 to September 30, 2013, the number of consolidated companies increased from 54 to 56 in comparison to the consolidated financial statements as of December 31, 2012.

The new company HUGO BOSS RUS LLC, Moscow, Russia, founded in fiscal year 2012 was not included in the consolidated financial statements as of December 31, 2012, for materiality reasons. In the first quarter of 2013, the wholly owned subsidiary was consolidated for the first time.

In the second quarter, HUGO BOSS SOUTH EAST ASIA PTE. LTD., Singapore, was consolidated for the first time as a wholly owned subsidiary.

Effective September 26, 2013, the HUGO BOSS Group founded a new subsidiary in Finland, HUGO BOSS Finland OY, Finland. The HUGO BOSS Group has a 100% shareholding in this company. HUGO BOSS Finland OY is not included in the consolidated financial statements as of September 30, 2013, as the Group deems it immaterial. The company's sales, earnings and total assets do not have any material impact on the presentation of the Group's net assets, financial position and results of operations. All these indicators fall short of 1% of the corresponding group key figures.

In the third quarter, Lebourg TCS, as a former franchise partner of HUGO BOSS France SAS, was completely taken over in a share deal as of August 1. We refer to note 7 of the condensed notes to the consolidated financial statements for further information.

On account of contractual agreements, control ended over HUGO BOSS Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG. As significant influence is no longer exercised over this company, it was deconsolidated as of June 30, 2013, and has since been recognized as an equity investment under other non-current financial assets. The effects of deconsolidation on the Group's net assets, financial position and results of operations as of the time of disposal are shown in the table below:

DECONSOLIDATION EFFECTS

(in EUR million)

Assets	**Sep. 30, 2013**
Non-current assets	(57.2)
Thereof intangible assets	(0.5)
Thereof property, plant and equipment	(56.6)
Current assets	(2.8)
Thereof cash and cash equivalents	(1.7)
TOTAL	**(60.0)**
Equity and liabilities	
Equity	(0.2)
Non-current liabilities	60.0
Thereof non-current financial liabilities	60.0
Current liabilities	0.2
TOTAL	**60.0**
Result of deconsolidation	**0.3**

The obligations stated to purchase property, plant and equipment of EUR 74 million disclosed as of December 31, 2012, decreased significantly as a result of the disposal of the company.

6 // PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

The consolidated financial statements include companies in which HUGO BOSS AG has a shareholding that is less than 100%. In line with IAS 27, these non-controlling interests are recorded in the consolidated statement of financial position under equity separately from the equity share attributable to the shareholders of HUGO BOSS AG.

7 // BUSINESS COMBINATIONS

In the first nine months of fiscal year 2013, the HUGO BOSS Group took over a total of ten stores and the associated assets and inventories in asset deals from former franchise partners in Australia, the U.S. and Singapore. Furthermore, a store in France was taken over in a share deal. The takeovers are intended to support the expansion of the Group's own retail operations.

The following overview shows the allocation of the purchase price to the acquired net assets as well as the resulting goodwill:

(in EUR million)

	Sep. 30, 2013
Purchase consideration transferred	
Purchase price payment	12.6
Liabilities incurred	(0.5)
Net Cash Flow on Acquisition	**12.1**
Fair Value of the acquired assets and liabilities assumed	
Intangible assets	8.5
Property, plant and equipment	2.9
Inventories	1.9
Cash and cash equivalents	0.1
Other assets	0.2
Total Assets	**13.6**
Financial liabilities	0.9
Trade payables	0.5
Other liabilities	0.7
Total Liabilities	**2.1**
Goodwill	**0.6**

Control over the assets in each case was achieved through payment of the agreed purchase price. Goodwill relates to the Asia segment. A utilization of the goodwill for tax purposes is not expected. In accordance with IAS 36 it is subject to an annual impairment test and shall not be amortized. Total transaction costs amounted to EUR 0.3 million which were recognized immediately through profit or loss in the consolidated income statement.

If the business combinations had taken place as of January 1, 2013, Group sales would have been EUR 18.0 million higher. Net income would not have changed materially.

8 // SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

COST OF SALES AND DIRECT SELLING EXPENSES

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Cost of purchase	567.1	595.9
Cost of conversion	46.0	46.9
Direct selling expenses	35.3	34.0
TOTAL	**648.4**	**676.8**

Direct selling expenses primarily contains sales-based commissions, freight out and customs as well as credit card fees.

SELLING AND DISTRIBUTION EXPENSES

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Expenses for Group's own retail business, indirect sales and marketing organization	448.5	377.7
Marketing spendings	98.6	103.0
Logistic expenses	89.1	90.2
Bad debt allowances/losses	0.6	2.4
TOTAL	**636.8**	**573.3**

Alongside personnel expenses, the largest item under expenses for the Group's own retail business, indirect sales and marketing organization is rental expenses. In addition to personnel and rental expenses for wholesale distribution, the expenses for the Group's own retail business and indirect sales and marketing organization include additional expenses for retail services and regional sales management.

ADMINISTRATION EXPENSES AND OTHER OPERATING EXPENSES/INCOME

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
General administration expenses	109.2	107.3
Research and development costs	47.9	46.8
Special items	3.4	2.7
TOTAL	**160.5**	**156.8**

Administration expenses primarily comprise rent for premises, maintenance expenses, IT operating expenses and legal and consulting fees as well as personnel expenses in these functions. Research and development costs in the HUGO BOSS Group primarily relate to the creation of collections.

The special items of EUR 3 million (prior year: EUR 3 million) were primarily incurred in connection with reorganization measures in Europe.

PERSONNEL EXPENSES

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Wages and salaries	302.0	280.1
Social security	48.7	43.8
Pension and other benefit costs	4.0	6.7
TOTAL	**354.7**	**330.6**

EMPLOYEES

	Sep. 30, 2013	Dec. 31, 2012
Industrial employees	4,232	4,303
Commercial and administrative employees	7,968	7,549
TOTAL	**12,200**	**11,852**

AMORTIZATION, DEPRECIATION AND IMPAIRMENT

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Non-current Assets		
Property, plant and equipment	54.1	45.4
Intangible Assets	12.5	12.0
TOTAL	**66.6**	**57.4**

COST OF MATERIALS

In the first nine months of fiscal year 2013, the cost of materials amounted to EUR 519 million (2012: EUR 525 million).

9 // EARNINGS PER SHARE

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Net income attributable to equity holders of the parent company	244.7	237.7
Average number of shares outstanding[1]	69,016,167	69,016,167
Earnings per share (EPS) in EUR[2]	3.55	3.44

[1] Not including own shares.
[2] Basic and diluted earnings per share.

Pursuant to IAS 33, earnings per share is calculated by dividing consolidated net income for the year by the weighted average number of shares outstanding during the reporting period. There were no shares outstanding that could have diluted earnings per shares as of September 30, 2013, or September 30, 2012.

10 // OWN SHARES

In the first nine months of fiscal year 2013, HUGO BOSS AG did not repurchase any own shares. As a result, HUGO BOSS AG holds a total of 1,383,833 ordinary shares. This corresponds to a share of 1.97% or EUR 1,383,833 of share capital. The total number of own shares contains 855,278 former preferred shares which were converted into ordinary shares as part of the conversion performed on June 15, 2012. The Annual Shareholders' Meeting of HUGO BOSS AG had approved the conversion of preferred shares into ordinary shares on May 3, 2012.

11 // PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

PROVISIONS FOR PENSIONS

(in EUR million)

	Sep. 30, 2013	Dec. 31, 2012
Provisions for pensions	28.7	27.4
Provisions for similar obligations	4.6	4.5
TOTAL	**33.3**	**31.9**

The actuarial calculation of the defined benefit obligation included the planned service cost and the expected return on plan assets as well as relevant parameters. In the first nine months of fiscal year 2013, the parameters interest rate, pension trend, salary increases and expected return on plan assets remained unchanged in comparison to December 31, 2012.

PENSION EXPENSES

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012 [1]
Current service cost for the period	1.7	1.4
Net interest cost	0.4	0.3
Thereof interest cost from DBO	1.8	2.0
Thereof net interest from asset ceiling	0.0	0.0
Thereof return on plan assets	(1.4)	(1.7)
Pensions expenses for the period	**2.1**	**1.7**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made (as detailed in the condensed notes to the consolidated financial statements, Note 2 // Accounting policies).

In addition to the service cost, current pension expenses also contain net interest cost. These comprise the components interest cost, net interest from asset ceiling and return on plan assets.

12 // ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

CARRYING AMOUNTS AND FAIR VALUES BY CATEGORY OF FINANCIAL INSTRUMENTS

(in EUR million)

		Sep. 30, 2013		Dec. 31, 2012	
	IAS 39 category	Carrying amount	Fair value	Carrying amount	Fair value
Assets					
Cash and cash equivalents	LaR	48.5	48.5	254.6	254.6
Trade receivables	LaR	241.8	241.8	214.9	214.9
Other financial assets		41.9	41.9	41.2	41.2
Thereof:					
Available-for-Sale investments	AfS	0.0	0.0	1.0	1.0
Freestanding derivates	FAHfT	3.1	3.1	7.8	7.8
Derivatives subject to hedge accounting	n.a.	1.5	1.5	0.0	0.0
Other financial assets	LaR	37.3	37.3	32.4	32.4
Liabilities					
Financial liabilities due to banks	FLAC	230.4	233.3	385.1	389.2
Trade payables	FLAC	204.5	204.5	227.5	227.5
Other financial liabilities		3.3	3.3	10.4	10.4
Thereof:					
Liabilities from financial leases	n.a.	0.0	0.0	0.0	0.0
Freestanding derivates	FLHfT	3.1	3.1	5.5	5.5
Derivatives subject to hedge accounting	n.a.	0.0	0.0	4.7	4.7
Other financial liabilities	FLAC	0.2	0.2	0.2	0.2
TOTAL for categories of financial instruments according to IAS 39:					
Loans and Receivables	LaR	327.6	327.6	501.9	501.9
Financial Assets Held for Trading	FAHfT	3.1	3.1	7.8	7.8
Available-for-Sale investments	AfS	0.0	0.0	1.0	1.0
Financial Liabilities Measured at Amortised Cost	FLAC	435.1	438.0	612.8	616.9
Financial Liabilities Held for Trading	FLHfT	3.1	3.1	5.5	5.5

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values: Cash and cash equivalents, trade receivables, other financial assets, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair values of available-for-sale financial assets are derived from quoted market prices in active markets, if available. As of the reporting date, only equity instruments that had been measured at cost were included.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Financial transactions with parties with a lower credit rating require the approval of the Managing Board and are concluded only to a limited degree. Derivatives valued using valuation techniques with observable market data are mainly interest rate swaps and forward exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit worthiness of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying base rates.

As of September 30, 2013, the marked to market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The credit risk of the counterparty did not lead to any significant effects.

FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

As of September 30, 2013, all financial instruments measured at fair value are allocated to level 2. During fiscal year 2013, there were no transfers between level 1 and level 2 as well as beyond level 3. The financial instruments measured at fair value comprised forward exchange contracts, currency swaps and interest derivatives. These were allocated to the categories FAHfT, FLHfT as well as derivatives used for hedging. The assets amounted to EUR 4.6 million liabilities to EUR 3.1 million.

INTEREST RISK HEDGES

To hedge against interest risks, HUGO BOSS AG enters into interest hedging transactions in some areas to mitigate risk. As of the reporting date, EUR 100 million in variable interest finance liabilities were hedged and designated as an effective hedging instrument. The change in unrealized gains from marking hedges to market in other comprehensive income amounted to EUR 4.6 million.

13 // CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no significant changes in contingent liabilities in comparison to December 31, 2012. There were no significant contingent assets as of September 30, 2013.

14 // STATEMENT OF CASH FLOWS

The statement of cash flows of the HUGO BOSS Group shows the change in cash and cash equivalents over the reporting period using cash transactions. In accordance with IAS 7, the cash flows from operating, investing and financing activities are divided according to their source and utilization. The cash inflows and outflows are calculated indirectly on the basis of the Group's net income for the period. The changes in the items of the statements of financial position presented in the statement of cash flows cannot be derived directly from the statement of financial position on account of exchange rate translations.

15 // SEGMENT REPORTING

(in EUR million)

	Europe[1]	**Americas**	**Asia/Pacific**	**Royalties**	**Total Operating Segments**
Jan. – Sep. 2013					
Sales	**1,091.4**	**405.9**	**246.9**	**38.9**	**1,783.1**
Segment profit	**401.1**	**106.3**	**87.1**	**32.7**	**627.2**
in % of sales	36.7	26.2	35.3	84.2	35.2
Segment assets	248.0	155.1	71.2	12.9	487.2
Capital expenditure	37.7	33.4	22.5	0.0	93.6
Impairments	0.0	0.0	0.0	0.0	0.0
Thereof tangible assets	0.0	0.0	0.0	0.0	0.0
Thereof intangible assets	0.0	0.0	0.0	0.0	0.0
Depreciation/amortization	(19.6)	(12.9)	(11.9)	0.0	(44.4)
SAR expenses and hedging	0.0	0.0	0.0	0.0	0.0

[1] Including the Middle East and Africa.

(in EUR million)

	Europe[1]	Americas	Asia/Pacific	Royalties[2]	Total Operating Segments
Jan. – Sep. 2012					
Sales	**1,050.5**	**399.7**	**250.2**	**38.1**	**1,738.5**
Segment profit	**392.0**	**106.3**	**87.0**	**33.8**	**619.1**
in % of sales	37.3	26.6	34.8	88.7	35.6
Segment assets	242.7	200.6	77.2	13.9	534.4
Capital expenditure	26.1	16.6	16.4	0.0	59.1
Impairments	(0.1)	0.0	0.0	0.0	(0.1)
Thereof tangible assets	(0.1)	0.0	0.0	0.0	(0.1)
Thereof intangible assets	0.0	0.0	0.0	0.0	0.0
Depreciation/amortization	(17.2)	(9.6)	(10.5)	0.0	(37.3)
SAR expenses and hedging	0.0	0.0	0.0	0.0	0.0

[1] Including the Middle East and Africa.
[2] The prior year figures have been restated.

RECONCILIATION STATEMENTS

SALES

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Sales – operating segments	**1,783.1**	**1,738.5**
Corporate units	0.0	0.0
Consolidation	0.0	0.0
TOTAL	**1,783.1**	**1,738.5**

OPERATING INCOME

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Segment profit – operating segments	**627.2**	**619.1**
Depreciation/Amortization – operating segments	(44.4)	(37.3)
Impairments – operating segments	0.0	(0.1)
Special items – operating segments	(1.9)	(0.1)
Operating income (EBIT) – operating segments	**580.9**	**581.6**
Corporate units	(243.3)	(250.0)
Consolidation	(0.2)	0.0
Operating income (EBIT) HUGO BOSS Group	**337.4**	**331.6**
Net interest income/expenses	**(7.1)**	**(11.6)**
Other financial items	**(8.6)**	**(3.4)**
Earnings before taxes HUGO BOSS Group	**321.7**	**316.6**

CAPITAL EXPENDITURE

(in EUR million)

	Sep. 30, 2013	30. Sep. 2012	Dec. 31, 2012
Capital expenditure – operating segments	**93.6**	**59.1**	**98.0**
Corporate units	48.6	28.4	67.8
Consolidation	0.0	0.0	0.0
TOTAL	**142.2**	**87.5**	**165.8**

DEPRECIATION/AMORTIZATION

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Depreciation/Amortization – operating segments	**(44.4)**	**(37.3)**
Corporate units	(22.2)	(20.0)
Consolidation	0.0	0.0
TOTAL	**(66.6)**	**(57.3)**

IMPAIRMENT LOSSES

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
Impairment – operating segments	**0.0**	**(0.1)**
Corporate units	0.0	0.0
Consolidation	0.0	0.0
TOTAL	**0.0**	**(0.1)**

SAR-EXPENSES AND HEDGING

(in EUR million)

	Jan. – Sep. 2013	Jan. – Sep. 2012
SAR – expenses and hedging – operating segments	**0.0**	**0.0**
Corporate units	0.0	0.1
Consolidation	0.0	0.0
TOTAL	**0.0**	**0.1**

SEGMENT ASSETS

(in EUR million)

	Sep. 30, 2013	Sep. 30, 2012	Dec. 31, 2012
Segment assets – operating segments	**487.2**	**534.4**	**442.8**
Corporate units	172.2	174.3	202.4
Consolidation	0.0	0.0	0.0
Current tax receivables	13.4	13.5	10.9
Current financial assets	23.3	14.0	26.6
Other current assets	75.7	70.5	61.3
Cash and cash equivalents	48.5	114.8	254.6
Current assets HUGO BOSS Group	**820.3**	**921.5**	**998.6**
Non-current assets	605.2	533.3	585.6
Total assets HUGO BOSS Group	**1,425.5**	**1,454.8**	**1,584.2**

GEOGRAPHIC INFORMATION

(in EUR million)

	Third party sales		Non-current assets	
	Jan. – Sep. 2013	Jan. – Sep. 2012	Sep. 30, 2013	Dec. 31, 2012
Germany	301.2	292.5	171.6	201.5
Other European markets	790.2	758.0	177.3	164.4
U.S.A.	315.2	311.6	58.0	40.2
Other North, Central and South American markets	90.7	88.1	15.5	16.8
China	151.5	148.8	40.3	38.1
Other Asian markets	95.4	101.4	34.2	29.2
Royalties	38.9	38.1	15.1	15.1
TOTAL	**1,783.1**	**1,738.5**	**512.0**	**505.3**

16 // SUBSEQUENT EVENTS

Between the end of the first nine months of fiscal year 2013 and the publication of this report, there were no significant economic, socio-political, industry-related or company-specific changes which could have a material impact on the Company's results of operations, net assets and financial position according to the expectations of management.

17 // NOTES ON THE MAJORITY SHAREHOLDER

In accordance with Sec. 21 WpHG, shareholders are obligated to report their share of voting rights if they exceed or fall below certain reporting thresholds. The reporting thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

On January 24, 2013, HUGO BOSS AG was notified of the following voting rights announcement pursuant to Sec. 25a WpHG of Mediobanca – Banca di Credito Finanziario S.p.A., Milan, Italy:

"We hereby notify you pursuant to section 25a para. 1 WpHG that since 21 January 2013 we no longer hold any financial or other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables us to acquire voting rights in HUGO BOSS AG. Therefore, on 21 January 2013 we have fallen below the thresholds of 30%, 25%, 20%, 15%, 10% and 5% pursuant to section 25a para. 1 WpHG.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above."

The Company published this announcement as worded on its investor relations website.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Metzingen, October 18, 2013

HUGO BOSS AG
The Managing Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

FURTHER INFORMATION

4

FORWARD-LOOKING STATEMENTS

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 or 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.

FINANCIAL CALENDAR

NOVEMBER 26, 2013
Investor Field Trip, Hong Kong

MARCH 13, 2014
Press and Analysts' Conference

MAY 7, 2014
Publication of the First Quarter Report 2014

MAY 13, 2014
Annual Shareholders' Meeting

JULY 31, 2014
Publication of the First Half Year Report 2014

NOVEMBER 4, 2014
Publication of the Nine Months Report 2014

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