

H U G O B O S S

HUGO BOSS First Quarter Results 2014

Mark Langer (CFO)
Metzingen, May 7, 2014

HUGO BOSS off to a good start in 2014

Sales

(in EUR million)



EBITDA before special items

(in EUR million)



Increased awareness drives double-digit sales growth in womenswear



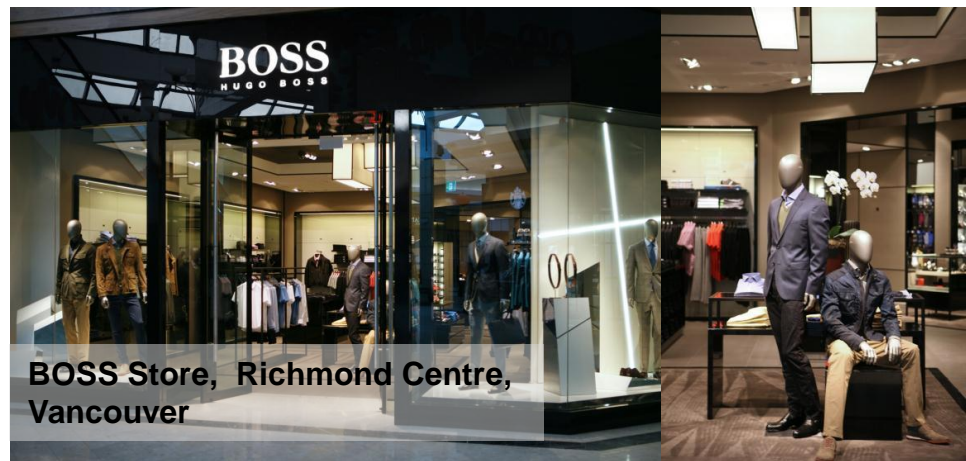
Attractive new store openings across all three regions



BOSS Store, Canton Road, Hong Kong



BOSS Store, Via Frattina, Rome

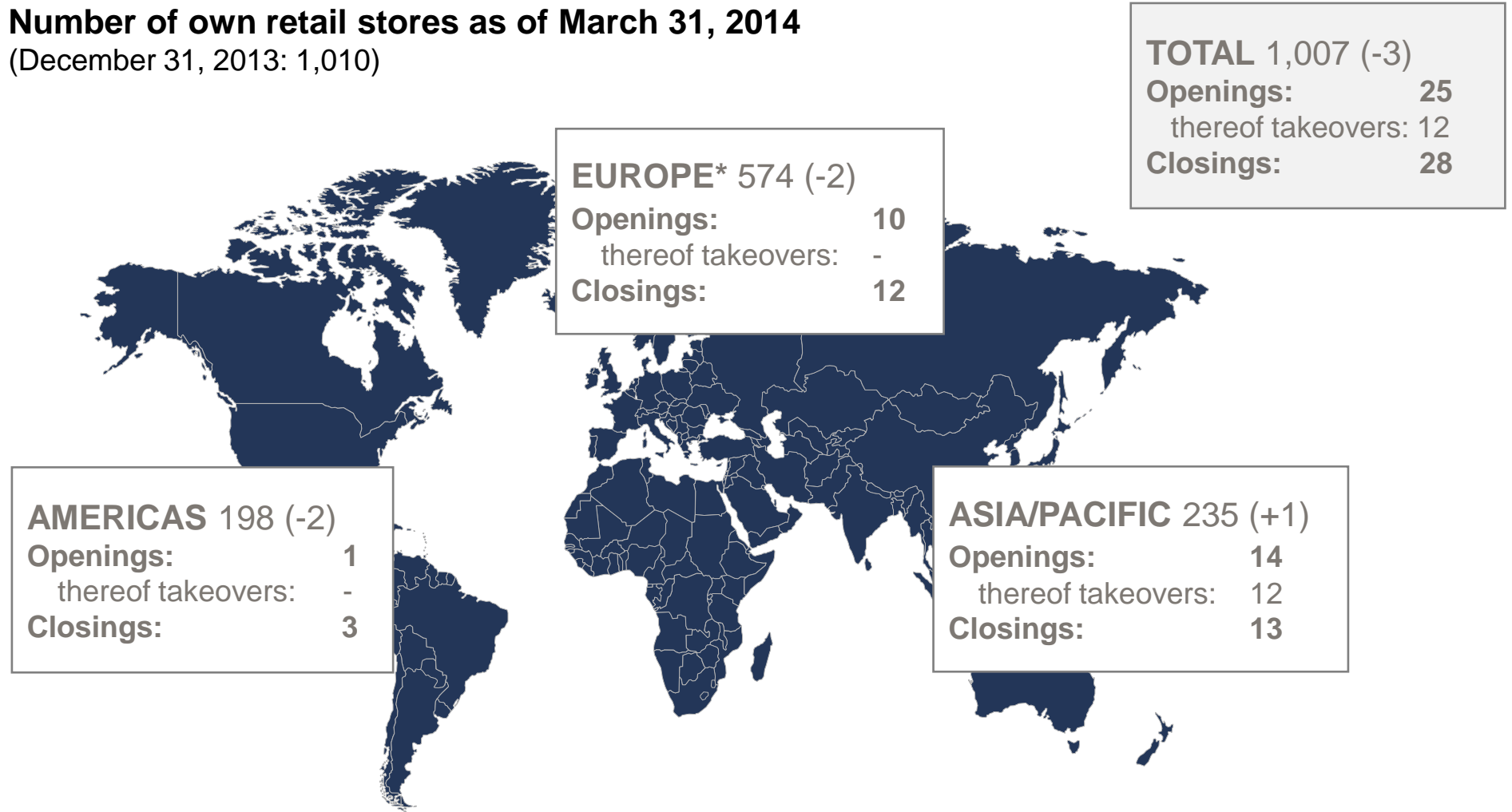


BOSS Store, Richmond Centre, Vancouver

Several shop-in-shop closures mask underlying retail space expansion

Number of own retail stores as of March 31, 2014

(December 31, 2013: 1,010)



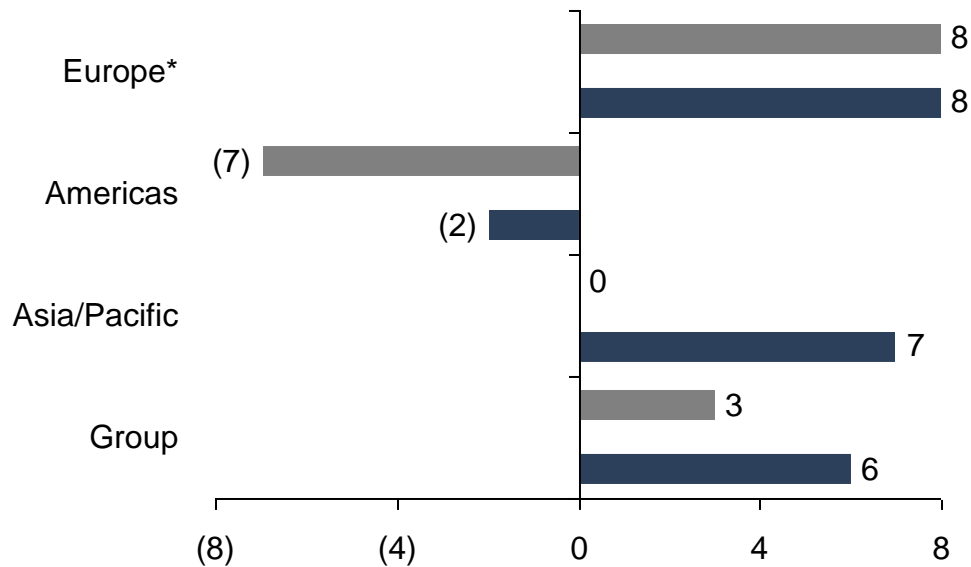
* incl. Middle East and Africa.

Good momentum in Europe drives Group sales increase

Sales growth by region, y-o-y

Q1 2014
(in %)

■ in EUR
■ fx-adjusted



- UK and Germany strongest growing major markets in **Europe**
- Tough market environment weighs on sales development in the **Americas**
- Growth in **Asia/Pacific** backed by good performance in Australia and Japan

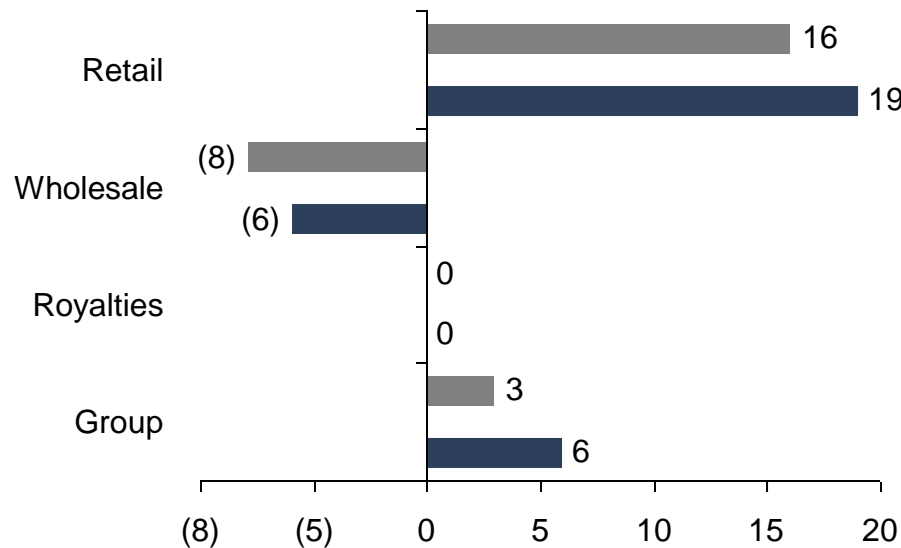
*incl. Middle East and Africa.

Like-for-like growth acceleration contributes to robust retail sales development

Sales growth by channel, y-o-y

Q1 2014
(in %)

■ in EUR
■ fx-adjusted



- Europe primary driver of 6% comp store sales increase supporting double-digit **retail** growth
- Cautious order behavior and takeover effects impact **wholesale** performance
- Solid performance of eyewear and watches supports development of **royalties** business

Group gross profit margin expands significantly

Gross profit margin
(in %)



- Broad-based reductions of markdowns
- Positive distribution channel mix
- Non-recurrence of prior year inventory devaluation effects

Growth investments weigh on short-term margin development

in EUR million	Q1 2014	Q1 2013*	Change in %
Net sales	612.6	593.5	3
Gross profit	400.6	366.8	9
in % of sales	65.4	61.8	360 bp
Selling and distribution expenses	(232.5)	(196.5)	(18)
Administration costs	(60.9)	(59.0)	(3)
Other operating income/expenses	1.5	0.1	> 100
Operating result (EBIT)	108.7	111.4	(2)
in % of sales	17.7	18.8	(110) bp
Financial result	(2.7)	(5.0)	46
Earnings before taxes	106.0	106.4	0
Income taxes	(24.4)	(24.4)	0
Net income	81.6	82.0	0
Attributable to:			
Equity holders of the parent company	80.7	81.6	(1)
Earnings per share (EUR)**	1.17	1.18	(1)
EBITDA before special items	131.3	132.6	(1)
in % of sales	21.4	22.3	(90) bp

Investments in own retail, marketing and logistics main driver of higher **selling and distribution expenses**

Adjusted EBITDA margin down 90 basis points due to increased operating expenses as a percentage of sales

Improvement of **financial result** helped by lower interest expenses

*Certain amounts shown here do not correspond to the figures published in prior years and reflect adjustments made.

**Basic and diluted earnings per share.

Solid sales growth bolsters margin gains in Europe

Segment profit

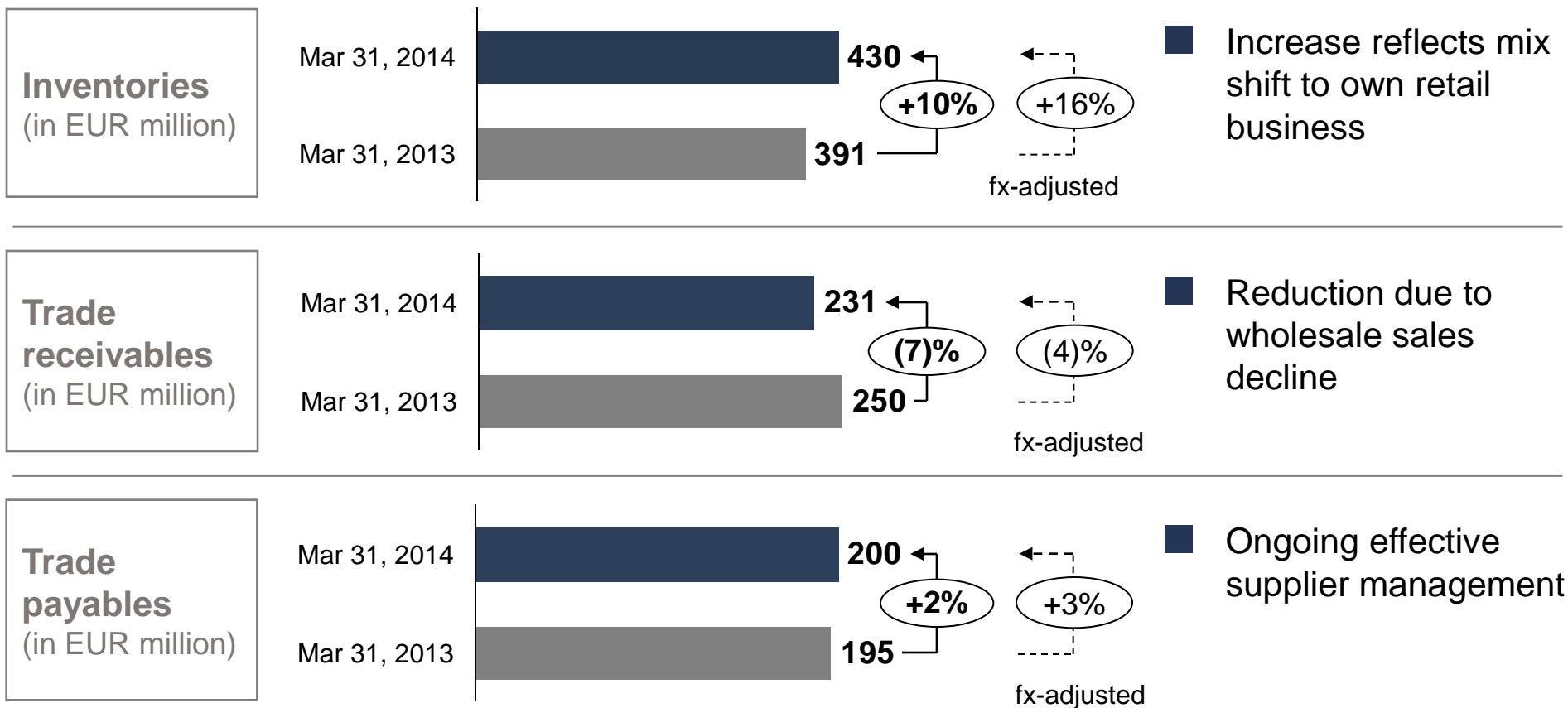
in EUR million	Q1 2014	in % of sales	Q1 2013*	in % of sales	Change in %
Europe**	136.6	34.6	123.1	33.6	11
Americas	25.0	21.0	29.6	23.2	(16)
Asia/Pacific	26.5	30.7	29.2	33.8	(9)
Royalties	10.7	82.8	11.0	85.1	(3)
Segment profit operating segments	198.8	32.5	192.9	32.5	3
Corporate units/consolidation	(67.5)		(60.3)		(12)
EBITDA before special items	131.3	21.4	132.6	22.3	(1)

- Solid operating margin increase in **Europe** due to sales productivity improvements as well as lower rebates
- Robust gross profit margin developments in the **Americas** and **Asia** offset by operational deleverage

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**Incl. Middle East and Africa.

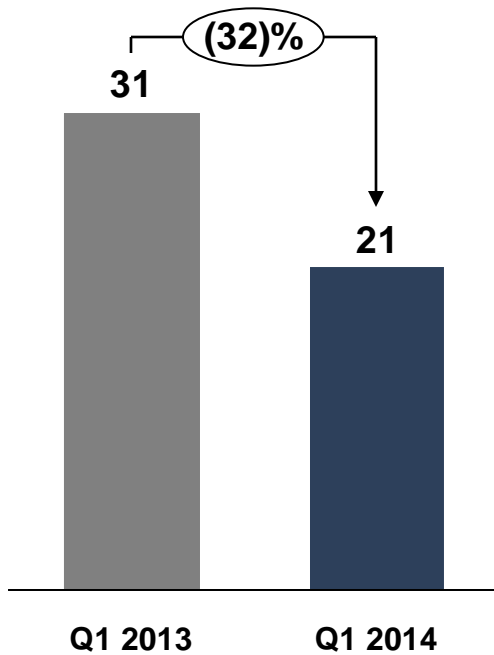
Higher working capital position due to inventory increase



➔ Trade net working capital up 4% to EUR 461 million

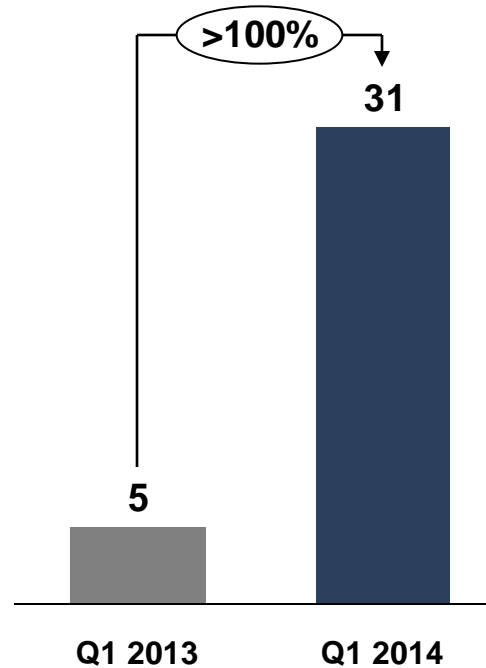
Strong free cash flow generation supports further net debt reduction

Investments
(in EUR million)



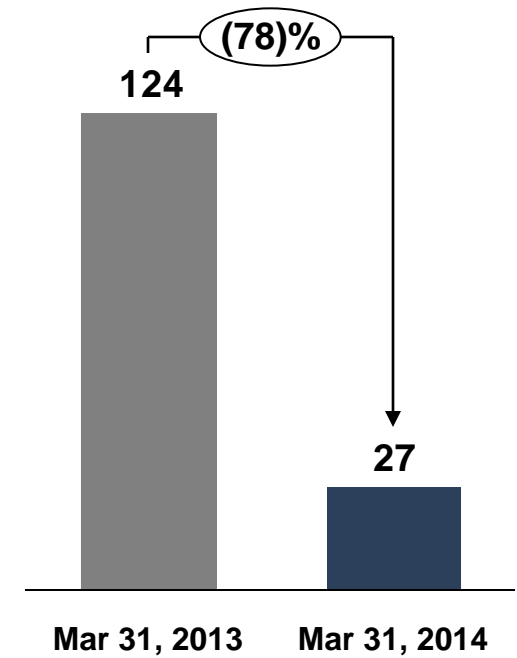
■ Moderation due to non-recurrence of prior year infrastructure investments

Free cash flow
(in EUR million)



■ Cash generation supported by lower investments and working capital discipline

Net debt
(in EUR million)



■ Strong cash flow development leads to further reduction

Full year financial guidance reconfirmed

2014 Outlook

Sales growth (currency-adjusted)

High single-digit

Growth of EBITDA before special items

High single-digit

Capex

EUR 110 million - EUR 130 million

Own retail network

Around 50 organic openings

Positive outlook despite ongoing challenges in some key markets

- Strength in Europe to continue
- Uncertainties persist in the US and China
- Business model transformation and better wholesale business to support accelerated growth over the remainder of 2014



QUESTIONS & ANSWERS

BACKUP

Profit & loss statement

in EUR million	Q1 2014	Q1 2013*	Change in %
Net sales	612.6	593.5	3
Cost of sales	(212.0)	(226.7)	6
Gross profit	400.6	366.8	9
in % of sales	65.4	61.8	360 bp
Selling and distribution expenses	(232.5)	(196.5)	(18)
Administration costs	(60.9)	(59.0)	(3)
Other operating income/expenses	1.5	0.1	> 100
Operating result (EBIT)	108.7	111.4	(2)
in % of sales	17.7	18.8	(110) bp
Net interest income/expense	(0.6)	(3.9)	85
Other financial items	(2.1)	(1.1)	(91)
Financial result	(2.7)	(5.0)	46
Earnings before taxes	106.0	106.4	0
Income taxes	(24.4)	(24.4)	0
Net income	81.6	82.0	(0)
Attributable to:			
Equity holders of the parent company	80.7	81.6	(1)
Non-controlling interests	0.9	0.4	> 100
Earnings per share (EUR)**	1.17	1.18	(1)
EBITDA before special items	131.3	132.6	(1)
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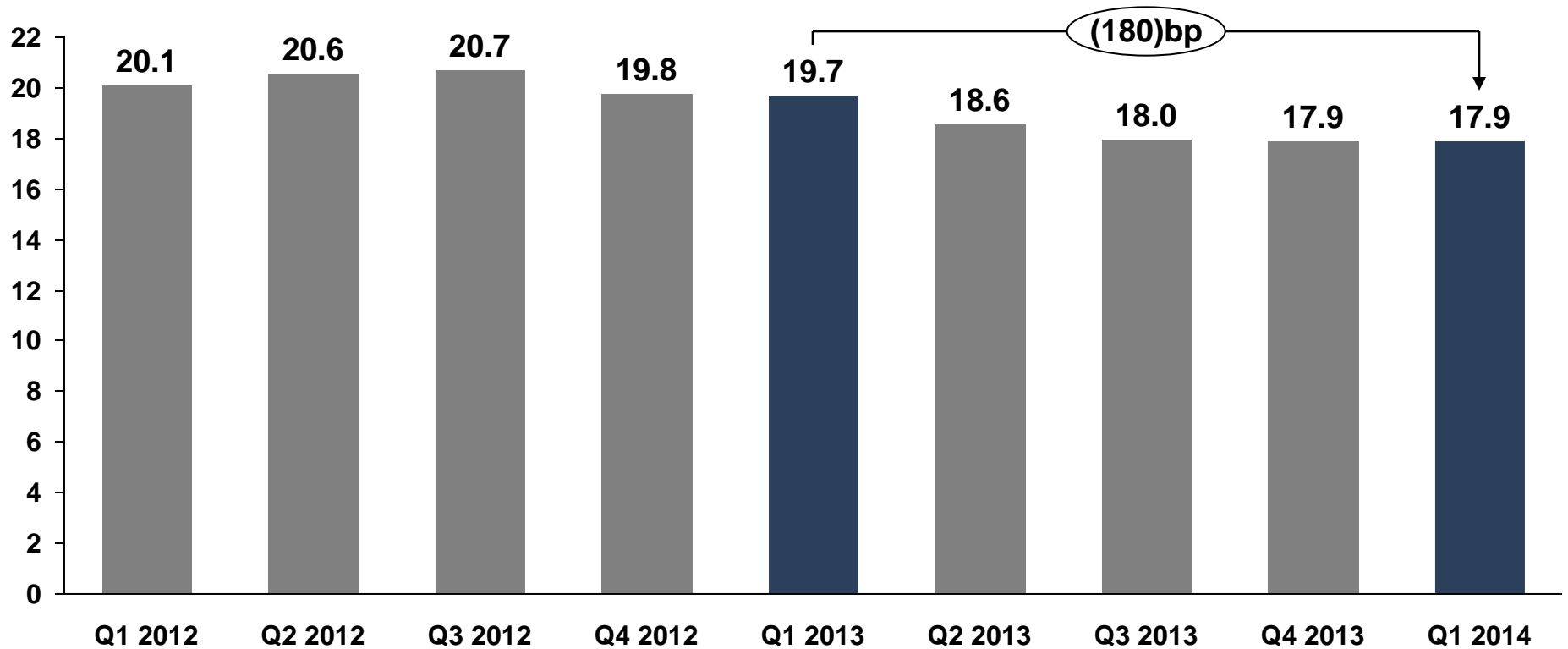
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**Basic and diluted earnings per share.

Trade net working capital

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

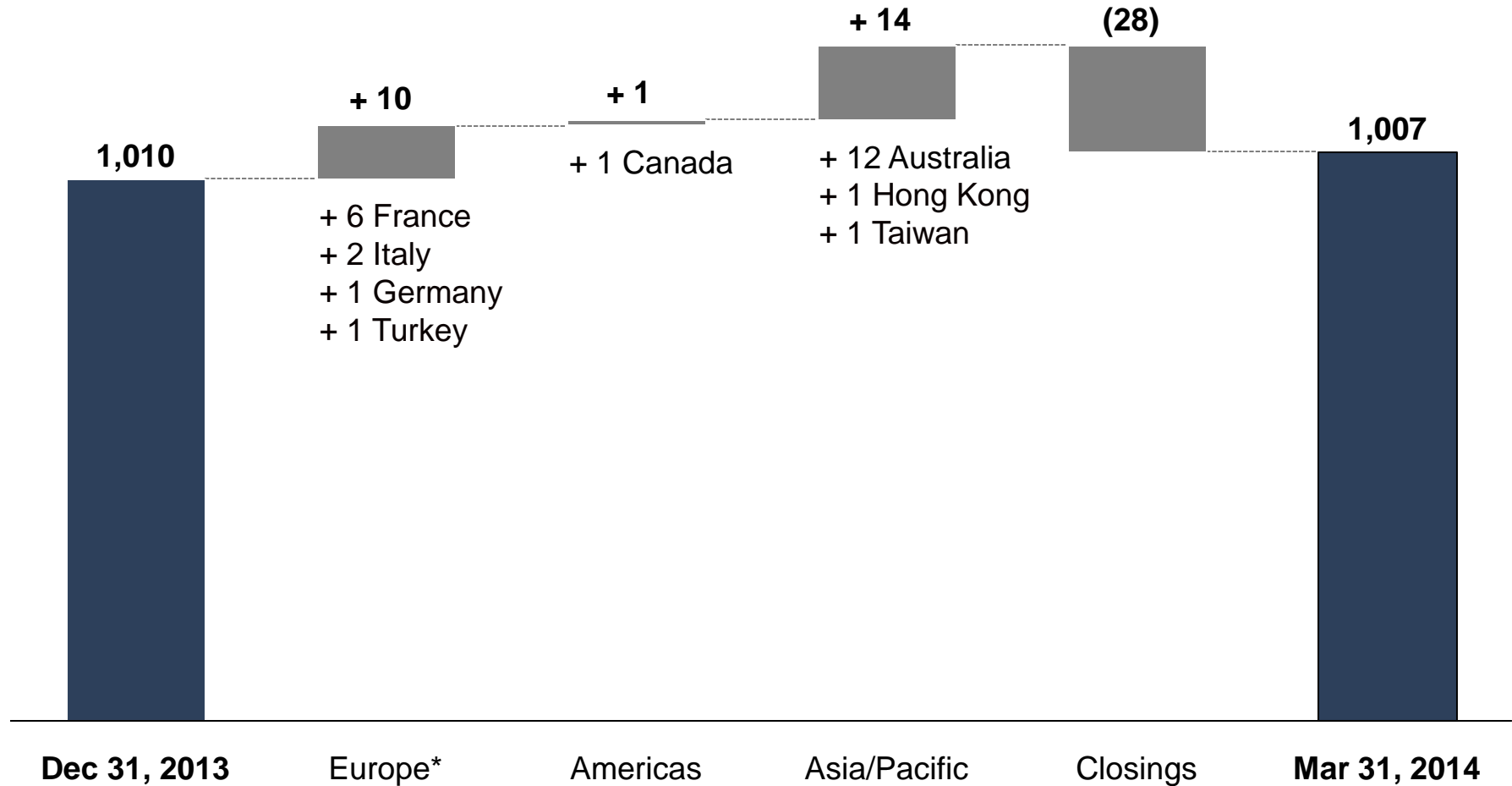
(in %)



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Retail network

Number of own retail stores:



*Europe incl. Middle East and Africa.

Financial calendar 2014

Date	Event
May 13, 2014	Annual Shareholders' Meeting
July 31, 2014	First Half Year Results
November 4, 2014	Nine Months Results

Forward looking statements contain risks

This document contains forward-looking statements that reflect management's current views with respect to future events. The words "anticipate ", "assume ", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should", and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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