

H U G O B O S S

HUGO BOSS Nine Months Results 2014

Mark Langer (CFO)
Metzingen, November 4, 2014

BOSS Womenswear fashion show in New York receives strong feedback



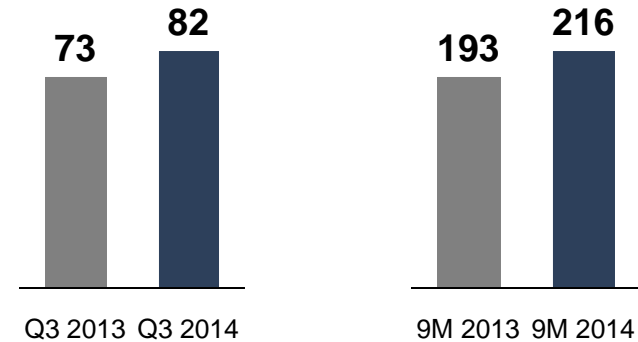
THISISBOSS communicates the visual leitmotif of the new BOSS Womenswear collection



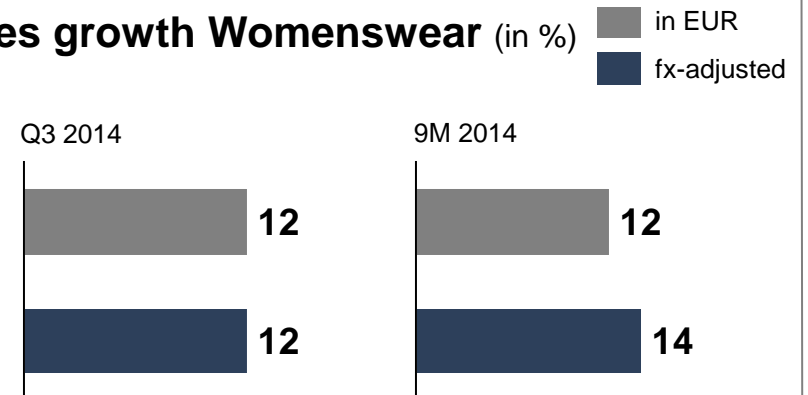
Womenswear sales grow at double-digit rates

- Positive impact from increased brand awareness and recognition
- Strong reception of Fall/Winter collection designed by Jason Wu
- Double-digit growth across all regions and distribution channels

Sales Womenswear (in EUR million)



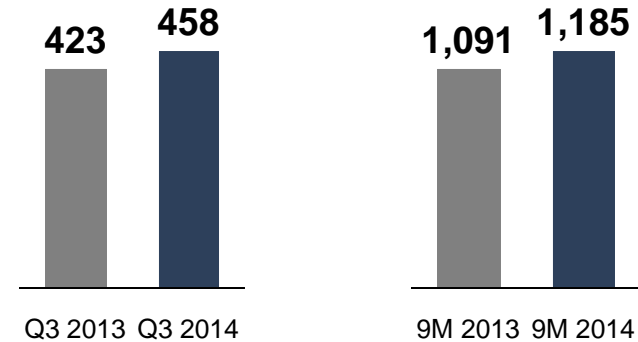
Sales growth Womenswear (in %)



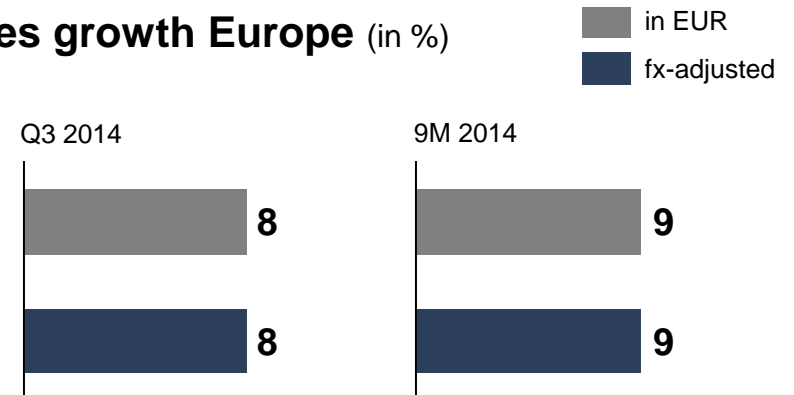
Germany and the UK lead growth in Europe

- Sales in Germany and the UK increase by 12% and 17% respectively
- Pick-up in wholesale supports third quarter sales development
- Retail growth moderates towards end of quarter

Sales Europe (in EUR million)



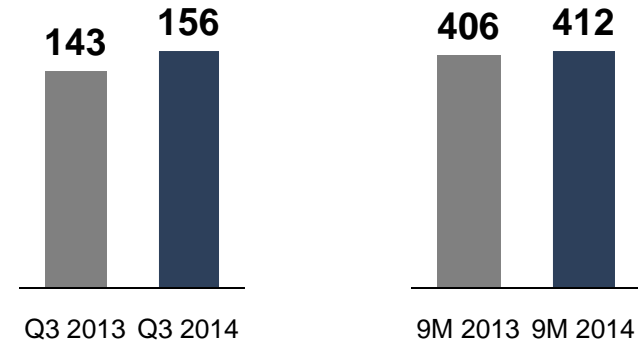
Sales growth Europe (in %)



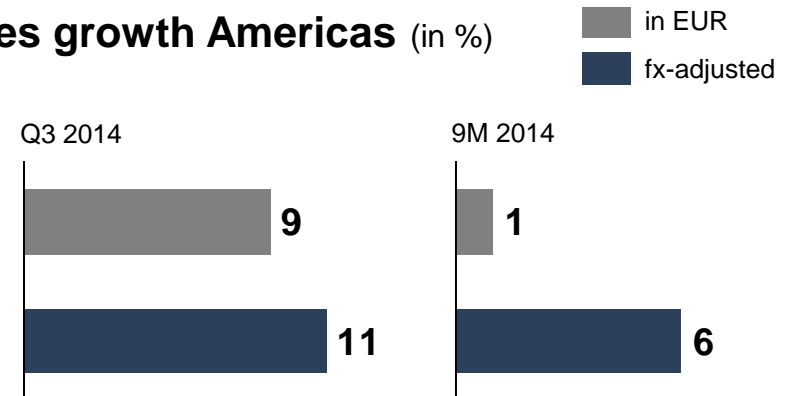
Momentum in the Americas improves steadily

- Wholesale sales growth acceleration supports third quarter performance
- Improving trends in Saks concession business
- Gerrit Rützel to lead regional management team from January onwards

Sales Americas (in EUR million)



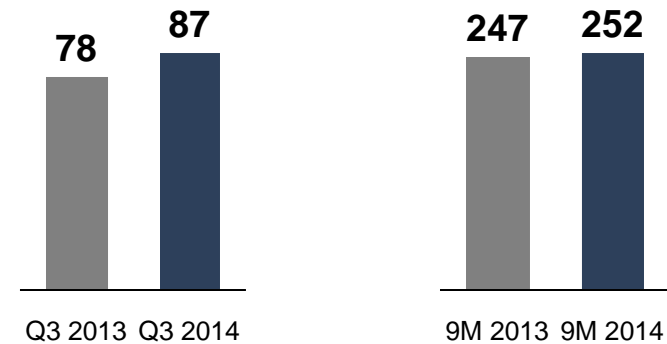
Sales growth Americas (in %)



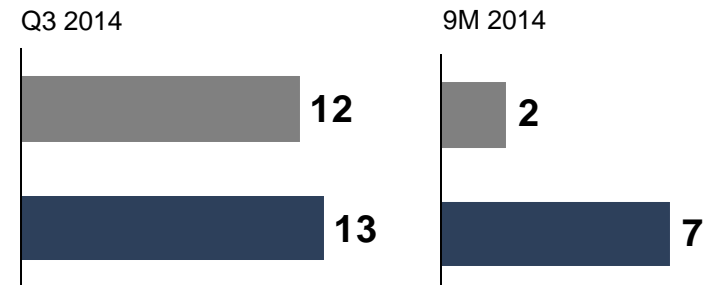
Mixed trends in Asia/Pacific despite double-digit increases in the third quarter

- Strong growth in Australia and Japan
- Wholesale delivery shift supports third quarter performance in China while retail trends remain mixed
- Operational challenges in former JV activities in China thoroughly addressed

Sales Asia/Pacific (in EUR million)



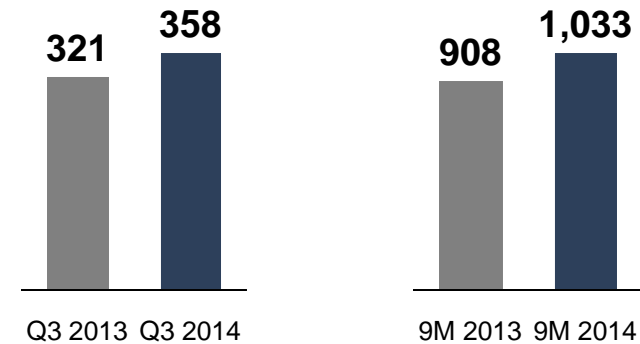
Sales growth Asia/Pacific (in %) ■ in EUR
■ fx-adjusted



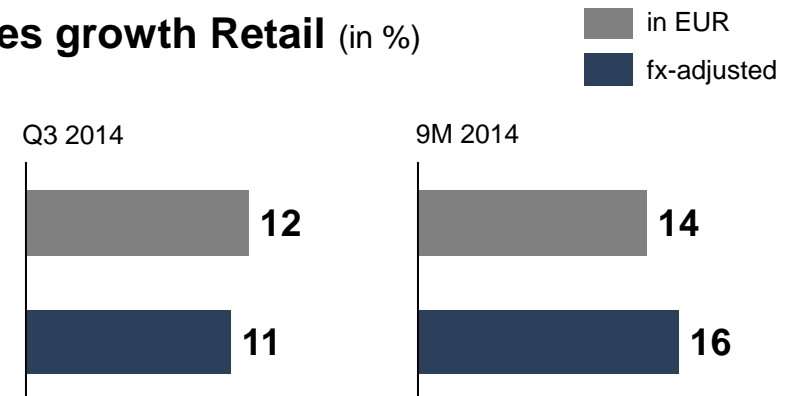
Solid like-for-like improvements support own retail sales growth

- Comp store revenues increase 4% in Q3 and year-to-date
- Momentum slows towards the end of the third quarter
- Conversion rates and basket sizes improve while traffic remains weak

Sales Retail (in EUR million)



Sales growth Retail (in %)



Retail expansion focuses on Europe

Number of own retail stores as of September 30, 2014

(December 31, 2013: 1,010)

TOTAL	1,028 (+18)
Openings	66
thereof takeovers	17
Closings	48



Europe	593 (+17)
Openings	37
thereof takeovers	3
Closings	20

Americas	200 (+/-0)
Openings	5
thereof takeovers	-
Closings	5

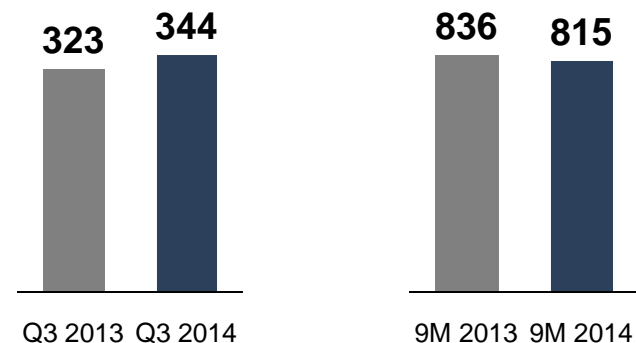
Asia/Pacific	235 (+1)
Openings	24
thereof takeovers	14
Closings	23

* incl. Middle East and Africa.

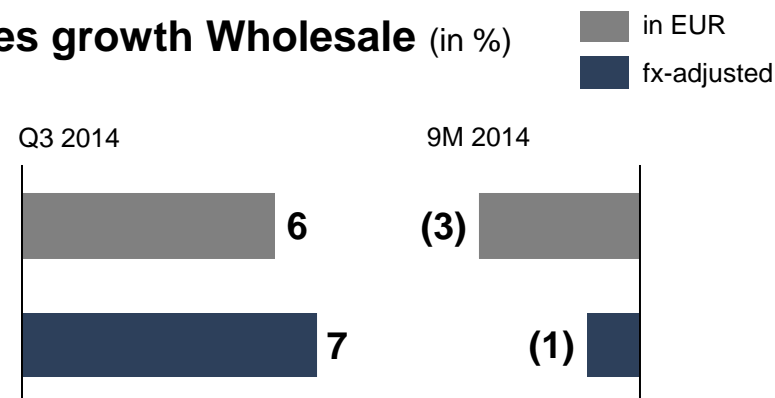
Wholesale sales pick up in the third quarter

- Stronger orderbook and solid replenishment demand support Fall/Winter collection sales
- Impact from takeovers moderates
- Delivery shift benefits third quarter performance

Sales Wholesale (in EUR million)



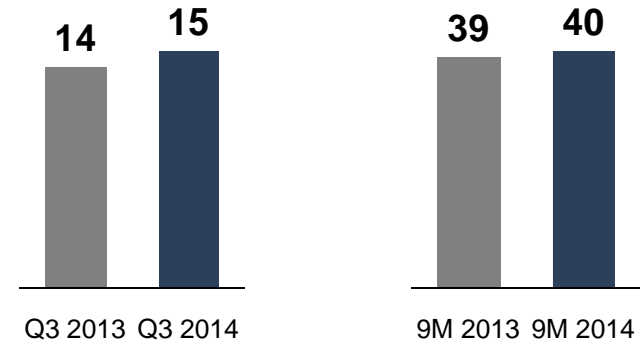
Sales growth Wholesale (in %)



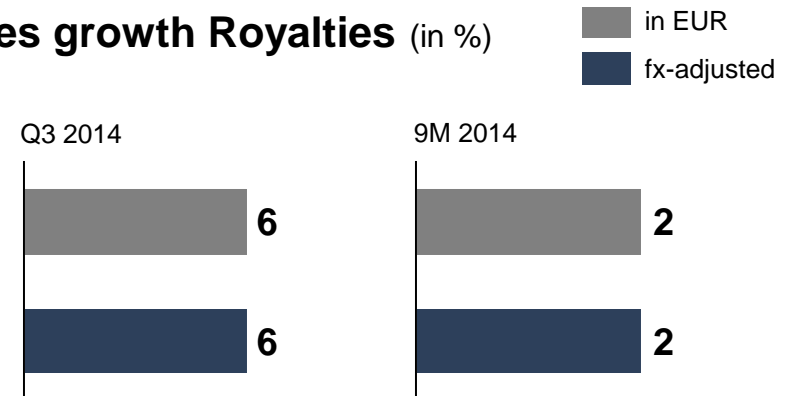
Successful launch of BOSS MA VIE drives royalties sales increase



Sales Royalties (in EUR million)



Sales growth Royalties (in %)



Cost increases affect margin development

in EUR million	9M 2014	9M 2013*	Change in %
Sales	1,888.0	1,783.1	6
Gross profit	1,232.8	1,131.5	9
In % of sales	65.3	63.5	180 bp
Selling and distribution expenses	(705.9)	(627.1)	(13)
Administration expenses	(179.9)	(163.6)	(10)
Other operating income and expenses	(3.4)	(3.4)	(1)
Operating result (EBIT)	343.6	337.4	2
In % of sales	18.2	18.9	(70) bp
Financial result	(7.0)	(15.7)	55
Earnings before taxes	336.6	321.7	5
Income taxes	(77.4)	(74.0)	(5)
Net income	259.2	247.7	5
Attributable to:			
Equity holders of the parent company	258.0	244.7	5
Earnings per share (EUR)**	3.74	3.55	5
EBITDA before special items	423.4	407.4	4
In % of sales	22.4	22.8	(40) bp

- Channel mix and lower markdowns support **gross profit margin** development
- Step-up in marketing expenditures and higher own retail costs weigh on **EBITDA**
- Improved financial result and lower minorities benefit **net income** growth

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

**Basic and diluted earnings per share.

Region Europe records solid margin improvement

Segment profit

in EUR million

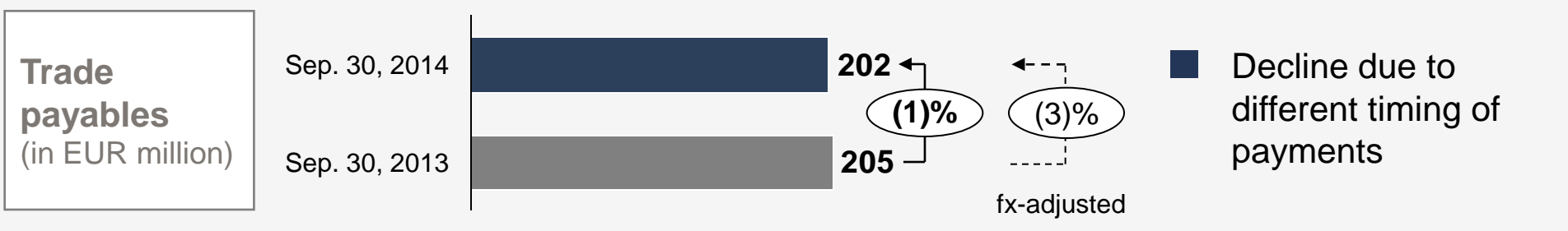
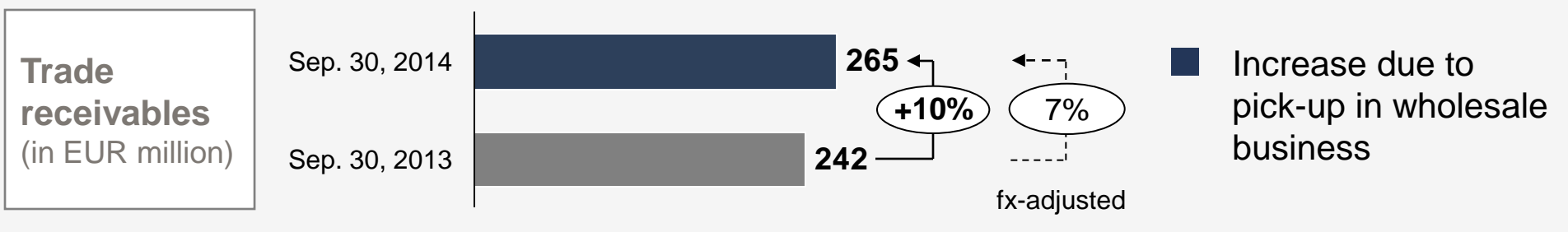
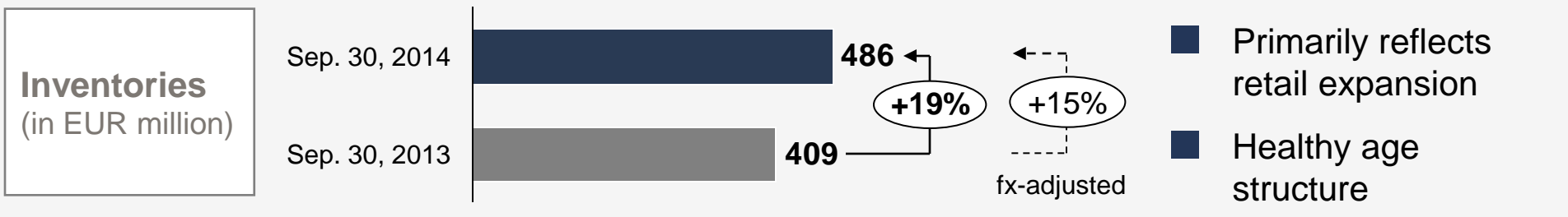
	9M 2014	In % of sales	9M 2013*	In % of sales	Change in %
Europe**	415.8	35.1	369.0	33.8	13
Americas	98.4	23.9	98.2	24.2	0
Asia/Pacific	72.9	28.9	84.0	34.0	(13)
Royalties	33.1	83.5	32.7	84.1	1
Segment profit operating segments	620.2	32.8	583.9	32.7	6
Corporate units/consolidation	(196.8)		(176.5)		(12)
EBITDA before special items	423.4	22.4	407.4	22.8	4

- Good top line momentum supports margin increase in **Europe**
- Marketing cost increases weigh on profitability in the **Americas**
- Muted sales development and brand investments cause operating deleverage in **Asia/Pacific**

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**Incl. Middle East and Africa.

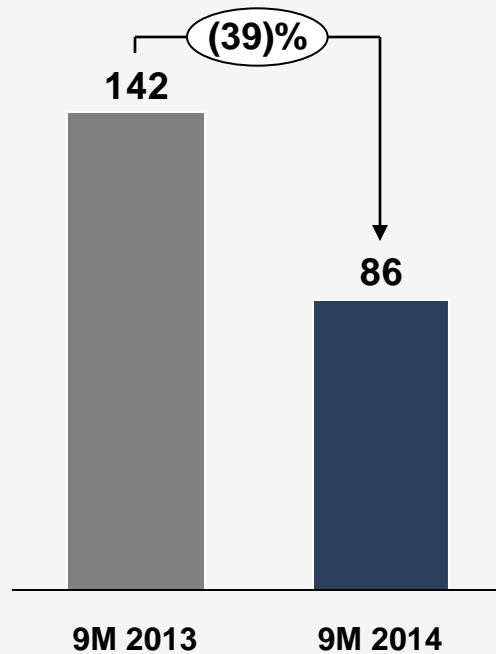
Inventory increase drives higher working capital position



➔ Trade net working capital up 23% to EUR 548 million

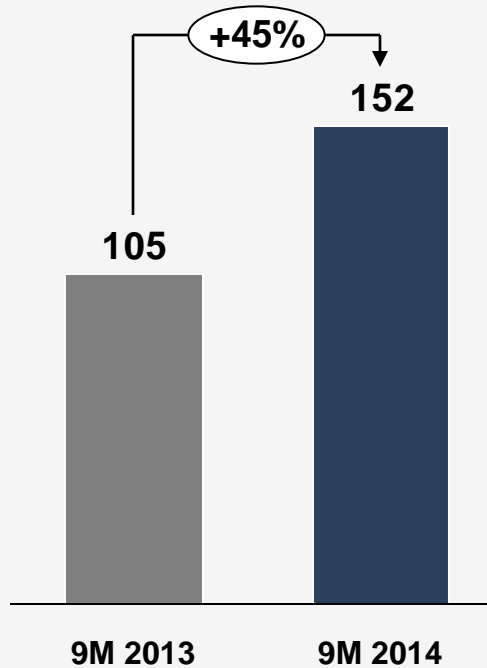
Lower investments support free cash flow generation

Investments
(in EUR million)



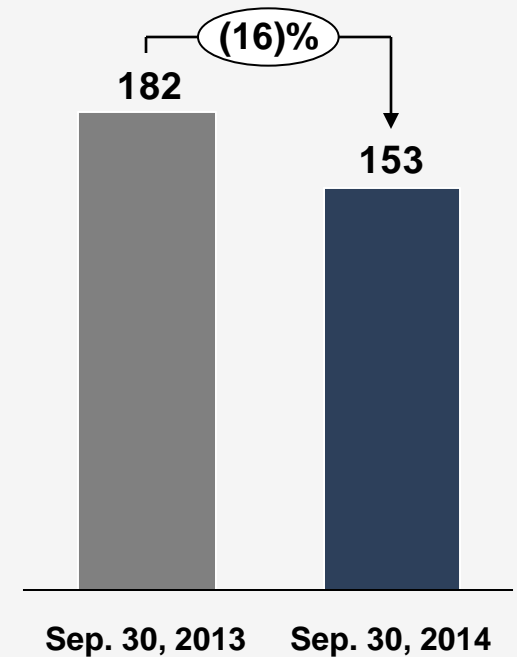
■ Moderation primarily due to non-recurrence of infrastructure projects

Free cash flow
(in EUR million)



■ Cash generation supported by profit growth and lower investments

Net debt
(in EUR million)



■ Reduction due to free cash flow increase

Full year financial guidance adjusted

Outlook 2014

Sales growth (currency-adjusted)	6% - 8%
Growth of EBITDA before special items	5% - 7%
Capex	Around EUR 130 million
Own retail network	Around 50 openings (excl. takeovers)

QUESTIONS & ANSWERS

BACKUP

Income statement

in EUR million

	Q3 2014	Q3 2013*	Change in %	9M 2014	9M 2013*	Change in %
Sales	716.5	657.9	9	1,888.0	1,783.1	6
Cost of sales	(257.3)	(240.0)	(7)	(655.2)	(651.6)	(1)
Gross profit	459.2	417.9	10	1,232.8	1,131.5	9
In % of sales	64.1	63.5	60 bp	65.3	63.5	180 bp
Selling and distribution expenses	(245.5)	(219.0)	(12)	(705.9)	(627.1)	(13)
Administration expenses	(59.1)	(49.1)	(20)	(179.9)	(163.6)	(10)
Other operating income and expenses	(2.6)	0.7	< (100)	(3.4)	(3.4)	(1)
Operating result (EBIT)	152.0	150.5	1	343.6	337.4	2
In % of sales	21.2	22.9	(170) bp	18.2	18.9	(70) bp
Net interest income/expense	(1.4)	(1.3)	(8)	(3.3)	(7.5)	56
Other financial items	(1.6)	(3.1)	48	(3.7)	(8.2)	55
Financial result	(3.0)	(4.4)	33	(7.0)	(15.7)	55
Earnings before taxes	149.0	146.1	2	336.6	321.7	5
Income taxes	(34.3)	(33.6)	(2)	(77.4)	(74.0)	(5)
Net income	114.7	112.5	2	259.2	247.7	5
Attributable to:						
Equity holders of the parent company	114.7	110.9	3	258.0	244.7	5
Non-controlling interests	0	1.6	(100)	1.2	3.0	(60)
Earnings per share (EUR)**	1.67	1.61	4	3.74	3.55	5
EBITDA before special items	181.9	173.1	5	423.4	407.4	4
In % of sales	25.4	26.3	(90) bp	22.4	22.8	(40) bp

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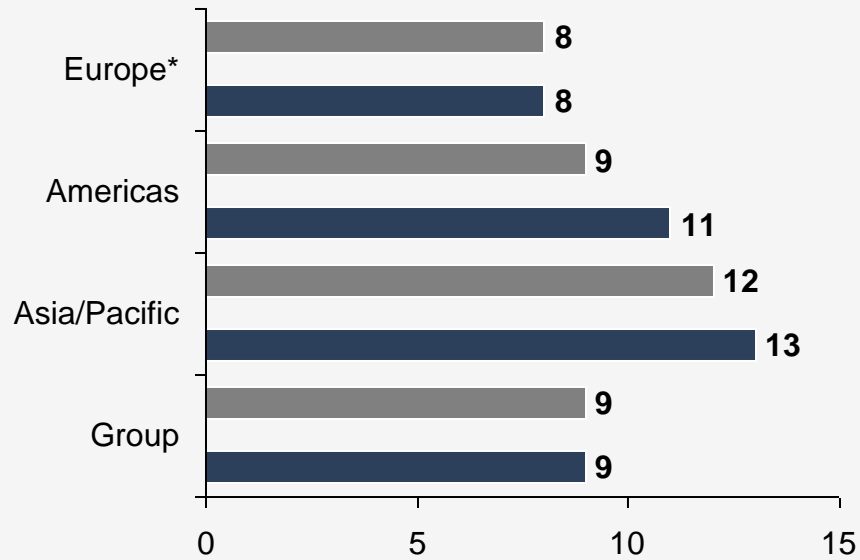
**Basic and diluted earnings per share.

Sales by region

Sales growth by region, y-o-y

Q3 2014
(in %)

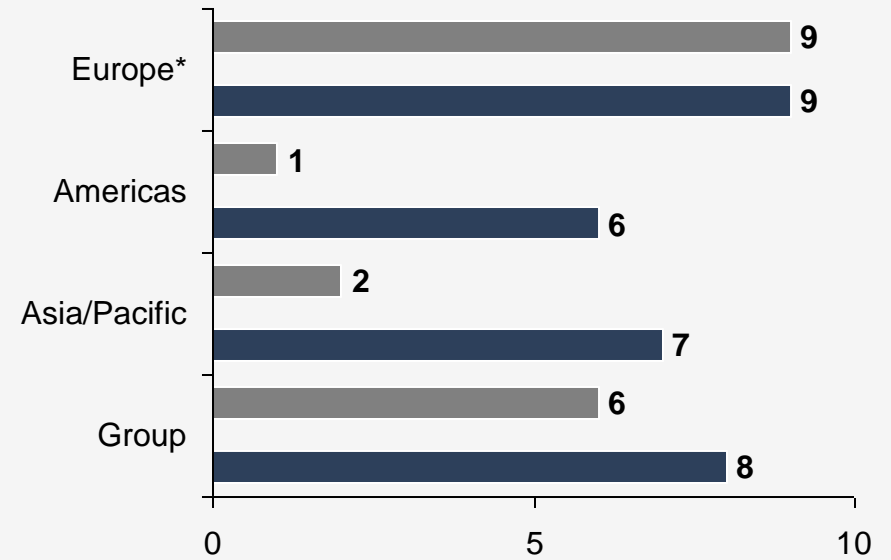
■ in EUR
■ fx-adjusted



Sales growth by region, y-o-y

9M 2014
(in %)

■ in EUR
■ fx-adjusted



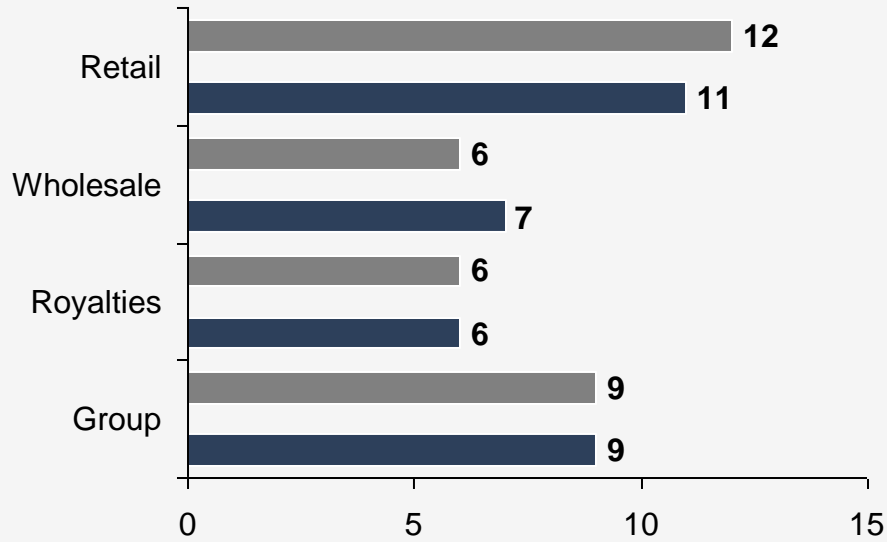
*incl. Middle East and Africa.

Sales by channel

Sales growth by channel, y-o-y

Q3 2014
(in %)

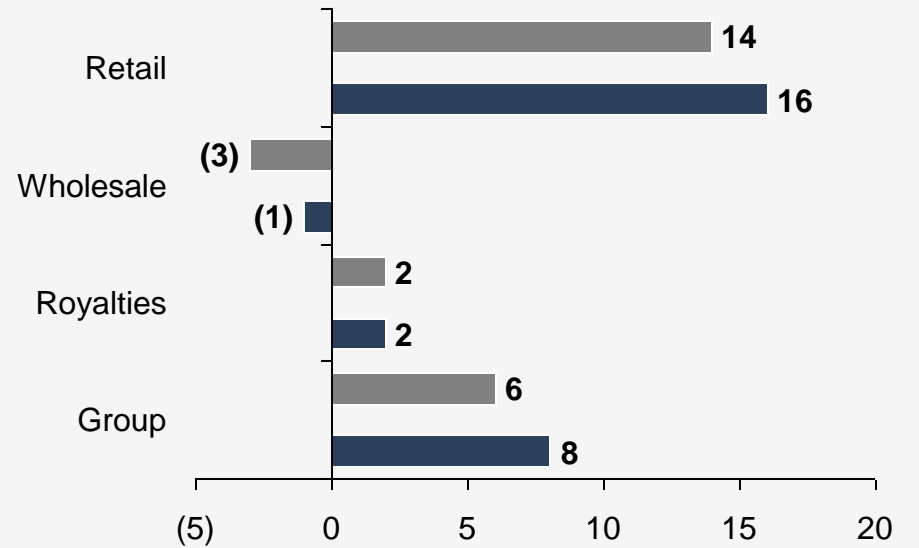
■ in EUR
■ fx-adjusted



Sales growth by channel, y-o-y

9M 2014
(in %)

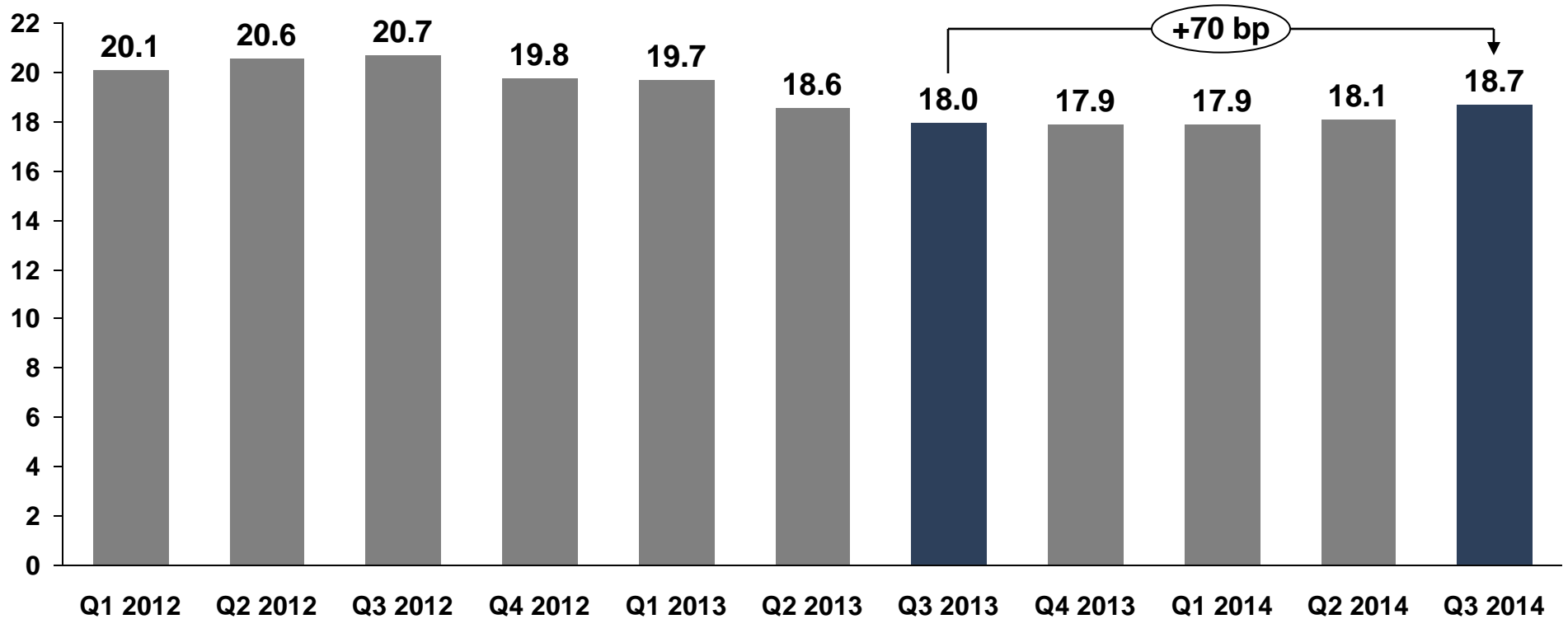
■ in EUR
■ fx-adjusted



Trade net working capital

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

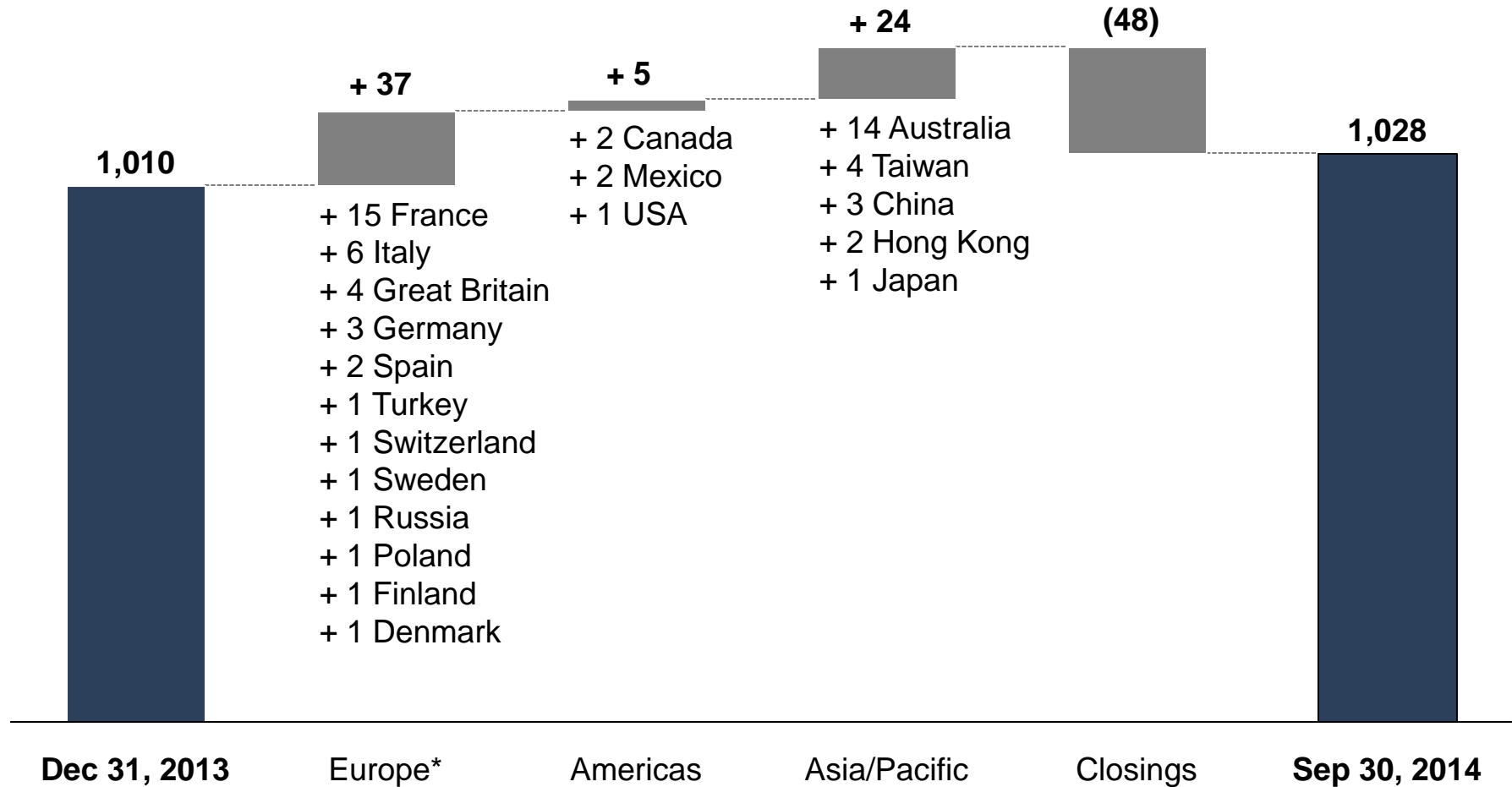
(in %)



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Retail network

Number of own retail stores:



*Europe incl. Middle East and Africa.

Financial calendar 2014/2015

Date	Event
November 19, 2014	Investor Day
March 12, 2015	Press and Analysts' Conference
May 6, 2015	First Quarter Results
May 12, 2015	Annual Shareholders' Meeting
August 4, 2015	First Half Year Results
November 3, 2015	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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