

# HUGO BOSS

Press Release

HUGO BOSS – First Quarter Results 2011

## **HUGO BOSS makes a positive start to 2011**

- **Group sales rise by 21% in the first quarter**
- **Double-digit sales growth in all regions and distribution channels**
- **Operating income (EBITDA before special items) up by 43% to EUR 132 million**
- **Full year guidance confirmed**

**Metzingen, April 28, 2011.** HUGO BOSS AG has made a positive start to 2011. Sales and earnings posted significant double-digit growth in the first quarter of 2011.

"The first quarter results confirm that we have carried our momentum from 2010 into 2011," commented Claus-Dietrich Lahrs, CEO of HUGO BOSS AG, on the publication of the quarterly report. "The improvements in all regions and distribution channels show how strong our business model is. It allows us to exploit the growth potential in the individual markets even better. An important component of our success is the closer communication with the end consumer."

HUGO BOSS Group sales rose in the first quarter of 2011 by 19% on a currency-adjusted basis. In euro, the Group recorded sales growth of 21% to EUR 539 million (2010: EUR 444 million). All regions contributed to this result with double-digit, currency-adjusted growth rates (Europe +14%, America +21%, Asia/Pacific +46%). Also, the wholesale channel recovered well year-on-year. Sales adjusted for currency effects were 10% higher than last year. Own retail sales (including outlets and online) compared with 2010 rose by 38% adjusted for currency

# H U G O B O S S

effects. Comp store sales in directly operated stores grew by 8% in local currency.

Improvements to the gross profit margin of 2.2 percentage points to 58.4% (2010: 56.2%) were primarily supported by above-average own retail growth and a consistently enforced pricing policy. The increase in gross profit margin also supported improvements of the adjusted EBITDA margin. This increased by 3.7 percentage points to 24.4% (2010: 20.7%). In absolute terms, EBITDA before special items was EUR 132 million, or 43% higher than last year (2010: EUR 92 million).

In the first quarter, the Group further reduced its net financial liabilities. Year-on-year, net debt declined by 41% to EUR 187 million (2010: EUR 316 million).

Following the results of the first quarter, management has confirmed its targets for 2011. Group sales are expected to rise by at least 12% adjusted for currency effects. Further own retail expansion and considerable growth in China and the US will contribute to this development. The increase in operating income (EBITDA before special items) is expected to be at least 15%.

## **For more information**

The complete First Quarter 2011 report will be available for download at <http://group.hugoboss.com> at around 10 am CEST.

If you have any questions, please contact:

Dr. Hjördis Kettenbach  
Head of Corporate Communication  
Phone: +49 (0) 7123 94-2375  
Fax: +49 (0) 7123 94-2051

# H U G O B O S S

Dennis Weber

Head of Investor Relations

Phone: +49 (0) 7123 94-86267

E-mail: [Investor-Relations@hugoboss.com](mailto:Investor-Relations@hugoboss.com)

# HUGO BOSS

## Consolidated Balance Sheet

<b>Assets</b>	<b>March 31</b>	<b>March 31</b>
<b>in EUR million</b>	<b>2011</b>	<b>2010</b>
Intangible assets	124.1	101.0
Property, plant and equipment	256.3	267.8
Deferred tax assets	49.7	48.2
Non-current financial assets	19.1	6.5
Non-current tax receivables	3.1	3.3
Other non-current assets	2.7	4.3
<b>Non-current assets</b>	<b>455.0</b>	<b>431.1</b>
Inventories	343.4	268.4
Trade receivables	207.7	184.4
Current tax receivables	10.3	14.4
Current financial assets	15.4	9.3
Other current assets	51.9	41.8
Cash and cash equivalents	313.9	179.0
Assets classified as held for sale	1.3	0.0
<b>Current assets</b>	<b>943.9</b>	<b>697.3</b>
<b>Total assets</b>	<b>1,398.9</b>	<b>1,128.4</b>

<b>Equity and Liabilities</b>	<b>March 31</b>	<b>March 31</b>
<b>in EUR million</b>	<b>2011</b>	<b>2010</b>
Subscribed capital	70.4	70.4
Own shares	(42.3)	(42.3)
Capital reserve	0.4	0.4
Retained earnings	347.1	227.7
Accumulated other comprehensive income	(35.3)	(44.8)
Profit attributable to equity holders of the parent company	81.9	56.3
<b>Equity attributable to equity holders of the parent company</b>	<b>422.2</b>	<b>267.7</b>
Minority interests	18.3	(0.5)
<b>Group equity</b>	<b>440.5</b>	<b>267.2</b>
Non-current provisions	39.8	33.5
Non-current financial liabilities	506.6	497.4
Deferred tax liabilities	23.3	16.0
Other non-current liabilities	28.1	23.1
<b>Non-current liabilities</b>	<b>597.8</b>	<b>570.0</b>
Current provisions	75.7	57.1
Current financial liabilities	23.6	31.5
Income tax payables	44.6	20.8
Trade payables	159.7	132.8
Other current liabilities	57.0	49.0
<b>Current liabilities</b>	<b>360.6</b>	<b>291.2</b>
<b>Total equity and liabilities</b>	<b>1,398.9</b>	<b>1,128.4</b>

# HUGO BOSS

## Consolidated Income Statement

	Q1	Q1	Change in %
in EUR million	2011	2010	
<b>Net sales</b>	<b>539.2</b>	<b>444.2</b>	<b>21</b>
Cost of sales	(213.8)	(186.5)	(15)
Direct selling expenses	(10.7)	(8.1)	(32)
<b>Gross profit</b>	<b>314.7</b>	<b>249.6</b>	<b>26</b>
in % of sales	58.4	56.2	2.2 pp
Selling and distribution expenses	(152.5)	(132.8)	(15)
Administration costs and other operating income and expenses	(46.3)	(40.6)	(14)
<b>Operating result (EBIT)</b>	<b>115.9</b>	<b>76.2</b>	<b>52</b>
in % of sales	21.5	17.2	4.3 pp
Net interest income/expense	(3.8)	(4.3)	12
Other financial items	(2.2)	2.1	<(100)
<b>Financial result</b>	<b>(6.0)</b>	<b>(2.2)</b>	<b>&lt;(100)</b>
<b>Earnings before taxes</b>	<b>109.9</b>	<b>74.0</b>	<b>49</b>
Income taxes	(26.4)	(17.7)	49
<b>Net income</b>	<b>83.5</b>	<b>56.3</b>	<b>48</b>
<b>Attributable to:</b>			
Equity holders of the parent company	81.9	56.2	46
Minority interests	1.6	0.1	
<b>Net income</b>	<b>83.5</b>	<b>56.3</b>	<b>48</b>
<b>Earnings per share (EUR)<sup>1</sup></b>			
Common share	1.18	0.81	45
Preferred share	1.19	0.82	45

<sup>1</sup> Basic and diluted earnings per share.

## EBITDA and Special Items

	Q1	Q1	Change in %
in EUR million	2011	2010	
<b>EBITDA before special items</b>	<b>131.6</b>	<b>91.8</b>	<b>43</b>
Special items	0.3	(0.4)	>100

## Sales by Region and Channel

	Q1	Q1	Change in %	Change in %
in EUR million	2011	2010		Currency-adjusted
Europe	351.7	304.8	15	14
Americas	102.2	82.0	25	21
Asia/Pacific	74.8	48.3	55	46
Royalties	10.5	9.1	15	15
<b>Total</b>	<b>539.2</b>	<b>444.2</b>	<b>21</b>	<b>19</b>
Wholesale	341.4	302.7	13	10
Group's own retail business	187.3	132.4	42	38