

HUGO BOSS

Press Release

HUGO BOSS 2011 Full Year Results

HUGO BOSS anticipates another significant increase on last year's record results in 2012

- **2011 a record year for HUGO BOSS**
- **Dividend per preferred share to increase by 42% to EUR 2.89 as a result of the strong earnings improvement**
- **Sales after adjustment for currency effects expected to rise by up to 10% in 2012, operating profit to grow stronger than sales**

Metzingen, March 14, 2012. HUGO BOSS AG achieved significant increases in sales and earnings in 2011, exceeding the original expectations. The management expects to improve these record results further in 2012.

"Last year's success is evidence of the attractiveness and the efficiency of our business model," comments Claus-Dietrich Lahrs, CEO of HUGO BOSS AG.

"Based in particular on our global brand strength and our increased retail expertise, I am confident that we can grow strongly in 2012, too."

Significant increases in sales and earnings in fourth quarter of 2011

In the fourth quarter of 2011, sales climbed by 17% after adjustment for currency effects. In euros, the Group generated an 18% increase in sales to EUR 499 million (2010: EUR 422 million). This improvement was supported by double-digit currency-adjusted growth in all regions (Europe +14%, Americas +24%, Asia/Pacific +20%). In wholesale, sales were up 4% on the previous year after adjustment for currency effects, while in the Group's own retail business (including outlets and online business) they rose by 28%. On a comp store basis, the increase in the Group's own retail business amounted to 6% after adjustment for currency effects. Gross margin improved by 240 basis points to

66.2% (2010: 63.8%), primarily due to the higher share of sales in this distribution channel. As a result of efficiency improvements, EBITDA before special items increased more strongly than sales, rising by 26% to EUR 97 million (2010: EUR 77 million). The adjusted EBITDA margin thus increased by 120 basis points to 19.4% in the fourth quarter (2010: 18.2%).

Adjusted EBITDA margin improves to 22.8% in 2011

The HUGO BOSS Group generated substantial growth in all divisions in 2011. Sales were up 19% both on a currency-neutral basis and in the reporting currency, amounting to EUR 2,059 million (2010: EUR 1,729 million). Europe posted a 15% increase on a currency-neutral basis due to considerable growth in Germany and the UK in particular. The Americas and Asia/Pacific generated growth of 24% and 34% respectively thanks to significant increases in the US and Chinese markets. Wholesale sales were up 9% after adjustment for currency effects. In the Group's own retail business, currency-adjusted sales were 35% higher than in the previous year. On a like-for-like basis and after adjustment for currency effects, the increase in the Group's own retail business amounted to 8%. The above-average sales growth in the Group's own retail business and a higher share of sales at full price contributed to a gross margin increase of 200 basis points to 61.4% (2010: 59.4%). Supported by efficiency improvements, EBITDA before special items thus increased by 34% to EUR 469 million (2010: EUR 350 million). The adjusted EBITDA margin thus amounted to 22.8% (2010: 20.2%).

Earnings increase supports reduction in debt

Net debt decreased by 26% to EUR 149 million at the end of the year (2010: EUR 201 million). The substantial earnings increase supported this development significantly, more than offsetting increases in trade net working capital and in capital expenditure, which amounted to EUR 108 million in 2011 and was thus considerably higher than the previous year's level of EUR 56 million.

Higher dividend proposed

Given the strong earnings performance in the past year, the Managing Board and Supervisory Board of HUGO BOSS AG have resolved to propose a significant dividend increase at the Annual Shareholders' Meeting. The dividend per ordinary share for fiscal 2011 is to be increased to EUR 2.88 (dividend for fiscal 2010: EUR 2.02) and the dividend per preferred share to EUR 2.89 (dividend for fiscal 2010: EUR 2.03). This proposal corresponds to a payout ratio of 70% of consolidated net income attributable to shareholders for 2011.

Management forecasts considerable sales and earnings increases

HUGO BOSS expects to generate sales growth of up to 10% after adjustment for currency effects in 2012, with all regions and distribution channels contributing to this growth. The Group plans to open around 50 new stores on an organic basis over the course of the year. Primarily due to the planned expansion of the Group's own retail network as well as renovations of existing stores, capital expenditure in 2012 will exceed the previous year's level. EBITDA before special items is expected to increase at a slightly higher rate than sales.

Further information

The 2011 annual report will be published at around 10:00 am on the Company's website, www.group.hugoboss.com.

H U G O B O S S

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Consolidated Income Statement

	Q4	Q4	Change in %
in EUR million	2011	2010	
Net sales	499.3	422.4	18
Cost of sales	(160.2)	(140.8)	(14)
Direct selling expenses	(8.4)	(12.1)	30
Gross profit	330.6	269.5	23
in % of sales	66.2	63.8	2.4 pp
Selling and distribution expenses	(209.0)	(171.4)	(22)
Administration costs and other operating income and expenses	(49.0)	(49.8)	2
Operating result (EBIT)	72.7	48.3	51
in % of sales	14.6	11.4	3.2 pp
Net interest income/expense	(4.4)	(4.4)	0
Other financial items	3.3	2.2	50
Financial result	(1.1)	(2.2)	49
Earnings before taxes	71.6	46.1	55
Income taxes	(16.8)	(11.7)	(43)
Net income	54.8	34.4	59
Attributable to:			
Equity holders of the parent company	53.4	32.0	67
Minority interests	1.4	2.4	(42)
Net income	54.8	34.4	59
Earnings per share (EUR)¹			
Ordinary share	0.78	0.45	73
Preferred share	0.78	0.45	73

¹ Basic and diluted earnings per share.

EBITDA and Special Items

	Q4	Q4	Change in %
in EUR million	2011	2010	
EBITDA before special items	96.9	76.8	26
Special items	(1.5)	(4.6)	

Sales by Region and Channel

	Q4	Q4	Change in %	Change in %
in EUR million	2011	2010		Currency-adjusted
Europe	260.0	226.5	15	14
Americas	128.3	104.3	23	24
Asia/Pacific	94.1	76.2	24	20
Royalties	16.8	15.4	9	9
Total	499.3	422.4	18	17
Wholesale	189.2	179.3	5	4
Group's own retail business	293.3	227.8	29	28

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Consolidated Income Statement

	2011	2010	Change in %
in EUR million			
Net sales	2,058.8	1,729.4	19
Cost of sales	(756.5)	(661.8)	(14)
Direct selling expenses	(37.5)	(40.5)	7
Gross profit	1,264.8	1,027.2	23
in % of sales	61.4	59.4	2.0 pp
Selling and distribution expenses	(682.1)	(574.4)	(19)
Administration costs and other operating income and expenses	(188.6)	(188.8)	0
Operating result (EBIT)	394.1	263.9	49
in % of sales	19.1	15.3	3.8 pp
Net interest income/expense	(16.2)	(17.3)	6
Other financial items	4.5	2.5	80
Financial result	(11.7)	(14.8)	21
Earnings before taxes	382.4	249.2	53
Income taxes	(91.4)	(59.9)	(53)
Net income	291.0	189.2	54
Attributable to:			
Equity holders of the parent company	284.5	185.9	53
Minority interests	6.5	3.3	94
Net income	291.0	189.2	54
Earnings per share (EUR)¹			
Ordinary share	4.12	2.69	53
Preferred share	4.13	2.70	53

¹ Basic and diluted earnings per share.

EBITDA and Special Items

	2011	2010	Change in %
in EUR million			
EBITDA before special items	469.0	349.8	34
Special items	(1.5)	(13.7)	

Sales by Region and Channel

	2011	2010	Change in %	Change in %
in EUR million				Currency-adjusted
Europe	1,245.4	1,073.2	16	15
Americas	454.8	380.7	19	24
Asia/Pacific	309.3	230.4	34	34
Royalties	49.3	45.1	9	9
Total	2,058.8	1,729.4	19	19
Wholesale	1,085.3	993.2	9	9
Group's own retail business	924.2	691.1	34	35

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Consolidated Balance Sheet

Assets	December 31,	December 31,
in EUR million	2011	2010
Intangible assets	141.1	126.9
Property, plant and equipment	285.5	264.4
Deferred tax assets	79.2	49.0
Non-current financial assets	13.7	20.8
Non-current tax receivables	2.7	3.1
Other non-current assets	2.7	2.9
Non-current assets	524.9	467.2
Inventories	457.9	377.3
Trade receivables	174.6	133.4
Current tax receivables	8.2	8.8
Current financial assets	11.7	10.6
Other current assets	71.3	61.9
Cash and cash equivalents	200.4	294.9
Assets classified as held for sale	0.0	1.3
Current assets	924.1	888.3
Total assets	1,449.0	1,355.4

Equity and Liabilities	December 31,	December 31,
in EUR million	2011	2010
Subscribed capital	70.4	70.4
Own shares	(42.3)	(42.3)
Capital reserve	0.4	0.4
Retained earnings	207.3	161.2
Accumulated other comprehensive income	(20.9)	(31.7)
Profit attributable to equity holders of the parent company	284.5	185.9
Equity attributable to equity holders of the parent company	499.4	343.8
Minority interests	23.8	17.4
Group equity	523.2	361.2
Non-current provisions	40.9	39.0
Non-current financial liabilities	355.0	514.1
Deferred tax liabilities	49.6	24.9
Other non-current liabilities	15.6	27.1
Non-current liabilities	461.1	605.1
Current provisions	89.8	86.8
Current financial liabilities	33.5	18.8
Income tax payables	36.3	37.6
Trade payables	225.1	188.0
Other current liabilities	80.0	57.8
Current liabilities	464.7	389.1
Total equity and liabilities	1,449.0	1,355.4