

Press Release

HUGO BOSS presents its strategic growth plan

Paris, November 19, 2014. HUGO BOSS will be presenting its strategic growth plan for the period through 2020 at today's Investor Day in Paris.

“Considerable sales and profit increases underline the success of our strategy in the last years,” says Claus-Dietrich Lahrs, CEO of HUGO BOSS AG. “The initiatives introduced today develop this strategy further and secure profitable growth. We will elevate our core brand in both menswear and womenswear. In doing so, we offer customers an attractive brand experience across all touch points.”

Looking forward over the next few years, HUGO BOSS will strive to achieve average sales growth in the high-single digits, despite the increasingly challenging macro-economic and industry-specific environment. The growth plan envisages an increase in the operating margin to 25%.

HUGO BOSS has launched a series of growth initiatives to achieve these goals. The BOSS core brand is to be significantly upgraded, with the aim of gaining a 20% share of sales in the luxury segment. BOSS will reinforce its range of high-quality clothing and sportswear and hone the focus of its brand communications. This refined positioning will mean that the core brand will in future be offered solely in a monobrand environment, primarily through the Group's own stores.

In addition, the Company sees considerable potential in womenswear, a segment in which growth has gained considerable momentum. Awareness of the BOSS brand has also risen substantially in the womenswear segment, aided by the unmistakable design idiom of Artistic Director Jason Wu and impressive shows during the New York Fashion Week. Driven by further product initiatives for

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apparel, shoes and accessories, womenswear is expected to grow at double-digit annual rates over the next few years. Accordingly, the Group expects this segment to account for at least 15% of its sales by 2020.

The importance of the HUGO BOSS own retail business will continue to grow, with the contribution made to sales by this channel to increase to at least 75% by 2020. Alongside additions to the store network, including the take-over of further franchise activities and shop-in-shops from wholesale partners, the Group will be taking comprehensive control of its own online activities and integrating them with its in-store activities in the future. This will enhance customers' shopping experience and spur growth in the Group's own online and offline retail activities.

Regionally, HUGO BOSS will particularly be focusing on markets which have previously been under-penetrated, but offer strong growth potential. This particularly includes Asia, Eastern Europe and the Middle East. However, the ongoing transformation of the business model and the upgrading of the BOSS core brand will also generate solid sales growth in the core European markets. The Group's operating strength will facilitate the execution of the growth strategy across all areas. Further process optimization, particularly to boost the Group's own retail activities, will allow HUGO BOSS to leverage its competitive edge in this area and tap additional potential for profit.

Further details will be provided during the management presentations, which are being webcast live today from 9:00 CET in the Investor Relations section of the Group's website at group.hugoboss.com, from which the accompanying documents can also be downloaded. After the event has concluded, it will be possible to view recordings of the presentations.

For further information about HUGO BOSS, visit our website at group.hugoboss.com.

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