Press release
HUGO BOSS full year results 2013

HUGO BOSS wants to grow faster in 2014 than in the past year

- **Sales and earnings reach new highs in 2013**
- **Further improvement in key balance sheet metrics despite record investment activity**
- **7% dividend increase to EUR 3.34 per share proposed**
- **Group expects high single-digit growth in currency-adjusted sales and earnings in 2014**

Metzingen, March 13, 2014. Operating in a challenging industry environment, HUGO BOSS AG increased sales and earnings to new record levels in fiscal year 2013. For 2014, management projects high single-digit growth in currency-adjusted sales and earnings.

"We have continued writing the success story that is HUGO BOSS over the past fiscal year," comments Claus-Dietrich Lahrs, CEO of HUGO BOSS AG. "We have been able to further enhance the quality of our brand presence. This year and beyond, we will profit from the greater strength and global reach of the BOSS brand. I am confident that we will accelerate our rate of growth compared to the prior year."

Double-digit sales and earnings growth in the fourth quarter

In the fourth quarter of 2013, sales adjusted for currency effects increased by 10%. In euro, this constitutes an increase of 7% to EUR 649 million (Q4 2012: EUR 607 million). Europe in particular contributed to this development with double-digit growth adjusted for currency effects (Europe up 13%, Americas up 9%, Asia/Pacific up 5%). In the wholesale business, sales adjusted for currency effects were up 1% year on year, while sales in the Group's own retail business rose 17% (including factory outlets and the online business). Comp store sales in the Group's own retail business increased 3% adjusted for currency effects. Disciplined markdown management, the increased share of sales generated in the Group's own retail business and non-recurring effects from inventory devaluations in the prior year led to an increase in the gross profit margin by 580 basis points to 69.0% (Q4 2012: 63.2%[1)]). Thanks to the significant sales growth and the higher gross profit margin, EBITDA before special items rose by 17% to EUR 157 million (Q4 2012: EUR 134 million). The adjusted EBITDA margin thus increased in the fourth quarter by 210 basis points to 24.2% (Q4 2012: 22.1%). The consolidated net income attributable to equity holders of the parent company came to EUR 84 million, up 26% year on year (Q4 2012: EUR 70 million).

Adjusted EBITDA margin for the full year increases to 23.2%

The positive development of the Group in 2013 was supported by all regions. Overall, Group sales increased by 6% adjusted for currency effects. In the Group's reporting currency, sales increased by 4% to EUR 2,432 million (2012: EUR 2,346 million). Supported by double-digit growth in Great Britain and France, Europe was the fastest growing region with a sales increase of 7% after currency adjustments. In the Americas, revenues adjusted for currency effects increased by 6%, driven in particular by growth in the United States. Thanks to the expansion of the Group's own retail business, Asia reported sales growth of 4% after currency adjustments. Group-wide wholesale revenues decreased by 6% after currency adjustments. Apart from the challenging market environment, the takeover of sales floor space previously operated by wholesale partners weighed on the development of sales in this distribution channel. Adjusted for currency effects, the Group's own retail business was up 18% on the prior-year figure. Comp store sales adjusted for currency effects increased by 2%. The

Group expanded its retail store network in 2013 by a net figure of 170 to 1,010 locations (2012: 840). Above-average sales growth in the Group's own retail business, lower markdowns and the non-recurring effects of prior year inventory devaluations led to an increase in the gross profit margin by 330 basis points to 64.9% (2012: 61.6%). Despite higher selling expenses as a result of the expansion of the Group's own retail business, EBITDA before special items increased by 7% to EUR 565 million (2012: EUR 528 million). The adjusted EBITDA margin increased by 70 basis points to 23.2% (2012: 22.5%). The consolidated net income attributable to equity holders came to EUR 329 million, up 7% year on year (2012: EUR 307 million).

Significant reduction in net financial liabilities, despite increased investment

Despite significantly higher capital expenditures, HUGO BOSS has been able to further improve its key balance sheet metrics. In proportion to sales, average trade net working capital reached a historical low. In absolute terms, it increased by 6% year on year to EUR 432 million (December 31, 2012: EUR 408 million). The increase of capital expenditures to EUR 185 million (2012: EUR 166 million) was mainly driven by investment in the Group's own retail business and the new flat-packed goods distribution center. Thanks to the considerable improvement in the management of trade net working capital net financial liabilities were more than halved to EUR 57 million year on year (December 31, 2012: EUR 130 million).

Dividend per share rises

The Managing Board and Supervisory Board of HUGO BOSS AG have resolved to propose to the Annual Shareholders' Meeting for fiscal year 2013 that the dividend be increased in line with the growth of the Group's net income. EUR 3.34 (2012: EUR 3.12) is to be paid out per share, an increase of 7% on the prior year. As in the prior year, the proposal corresponds to a payout ratio of 70%

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of the consolidated net income attributable to the equity holders of the parent company.

Management issues a confident outlook

HUGO BOSS plans high single-digit growth in sales in 2014 adjusted for currency effects, and to thereby exceed the prior year's increase. All regions are expected to contribute to this target. The Group again anticipates double-digit growth in its own retail business, while the wholesale channel is expected to remain broadly stable. In line with the sales increase, the operating result (EBITDA before special items) is forecasted to grow at a high single-digit rate as well. The Group's own retail store network is to be expanded by about 50 locations excluding takeovers. Investment will mainly focus on the planned expansion and renovation of the Group's own network of retail stores. Capital expenditure will range between EUR 110 million and EUR 130 million. This is a decrease on the prior year, in which costs had still been incurred in connection with the new flat-packed goods distribution center. Given the forecast increase in earnings and the consistently robust development of cash flow, HUGO BOSS anticipates a positive net financial position at the end of 2014.

In light of the positive development expected in 2014, the Group anticipates that it will generate sales of EUR 3 billion in 2015. The Company has also set itself the target to increase the adjusted EBITDA margin to 25% in the medium term.

Further information

The annual report 2013 will be published at approximately 9:30 a.m. on the Internet:

Online version: http://annualreport-2013.hugoboss.com

PDF download: http://group.hugoboss.com/files/HB_GB13_EN.pdf

[1] Due to changes in accounting policies and corrections made, figures reported for 2012 may not correspond to the figures reported in prior years. Please refer to the annual report for more details.

If you have any questions, please contact:

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Consolidated Income Statement

(in EUR million)	Q4 2013	Q4 2012[1]	change in %
Sales	**649.0**	**607.4**	**7**
Cost of sales	(200.9)	(223.6)	10
Gross profit	**448.1**	**383.8**	**17**
in % of sales	69.0	63.2	580 bp
Selling and distribution expenses	(264.5)	(229.1)	(15)
Administration costs	(64.9)	(55.1)	(18)
Other operating income/expenses	0.1	(1.4)	> 100
Operating result (EBIT)	**118.8**	**98.2**	**21**
in % of sales	18.3	16.2	210 bp
Net interest income/expenses	**(4.5)**	**(4.5)**	**0**
Other interest and similar income	0.5	0.5	0
Interest and similar expenses	(5.0)	(5.0)	0
Other financial items	**(2.5)**	**(4.4)**	**43**
Financial result	**(7.0)**	**(8.9)**	**21**
Earnings before taxes	**111.8**	**89.3**	**25**
Income taxes	(26.1)	(21.2)	(23)
Net income	**85.7**	**68.1**	**26**
Attributable to:			
Equity holders of the parent company	84.4	66.9	26
Non-controlling interests	1.3	1.2	8
Earnings per share (EUR)[2]	**1.22**	**0.97**	**26**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made.

[2] Basic and diluted earnings per share.

EBITDA and Special Items

(in EUR million)	Q4 2013	Q4 2012	change in %
EBITDA before special items	**157.3**	**134.1**	**17**
in % of net sales	24.2	22.1	210 bp
Special items	0.1	(1.4)	> 100

Sales by Region and Channel

(in EUR million)	Q4 2013	Q4 2012	change in %	change in % currency-adjusted
Europe	365.9	327.5	12	13
Americas	164.2	159.0	3	9
Asia/Pacific	99.9	102.5	(3)	5
Royalties	19.0	18.4	3	3
TOTAL	**649.0**	**607.4**	**7**	**10**
Group's own retail business	406.0	360.4	13	17
Wholesale	224.0	228.6	(2)	1

Consolidated Income Statement

(in EUR million)	2013	2012[1]	change in %
Sales	**2,432.1**	**2,345.9**	**4**
Cost of sales	(852.5)	(901.8)	5
Gross profit	**1,579.6**	**1,444.1**	**9**
in % of sales	64.9	61.6	330 bp
Selling and distribution expenses	(891.6)	(791.9)	(13)
Administration costs	(228.5)	(216.0)	(6)
Other operating income/expenses	(3.3)	(4.2)	21
Operating result (EBIT)	**456.2**	**432.0**	**6**
in % of sales	18.7	18.4	30 bp
Net interest income/expenses	**(14.4)**	**(18.0)**	**20**
Other interest and similar income	2.0	2.7	(26)
Interest and similar expenses	(16.4)	(20.7)	21
Other financial items	**(8.3)**	**(5.8)**	**(43)**
Financial result	**(22.7)**	**(23.8)**	**5**
Earnings before taxes	**433.5**	**408.2**	**6**
Income taxes	(100.1)	(97.6)	(3)
Net income	**333.4**	**310.6**	**7**
Attributable to:			
Equity holders of the parent company	329.0	306.5	7
Non-controlling interests	4.4	4.1	7
Earnings per share (EUR)[2]	**4.77**	**4.44**	**7**
Dividend per share (EUR)	**3.34[3]**	**3.12**	**7**

[1] Certain amounts shown here do not correspond to prior-year figures and reflect adjustments made.

[2] Basic and diluted earnings per share.

[3] Proposed dividend.

EBITDA and Special Items

(in EUR million)	2013	2012	change in %
EBITDA before special items	**564.7**	**528.1**	**7**
in % of sales	23.2	22.5	70 bp
Special items	(3.3)	(4.2)	21

Sales by Region and Channel

(in EUR million)	2013	2012	change in %	change in % currency-adjusted
Europe	1,457.3	1,378.0	6	7
Americas	570.1	558.7	2	6
Asia/Pacific	346.8	352.7	(2)	4
Royalties	57.9	56.5	2	2
TOTAL	**2,432.1**	**2,345.9**	**4**	**6**
Group's own retail business	1,314.1	1,149.7	14	18
Wholesale	1,060.1	1,139.7	(7)	(6)

Consolidated Balance Sheet

(in EUR million)

Assets	December 31, 2013	December 31, 2012[1]
Intangible assets	139.2	142.2
Property, plant and equipment	368.6	357.5
Deferred tax assets	80.7	68.8
Non-current financial assets	17.4	14.7
Non-current tax receivables	1.7	2.1
Other non-current assets	4.0	2.5
Non-current assets	**611.5**	**587.7**
Inventories	440.8	421.2
Trade receivables	226.2	214.9
Current tax receivables	10.8	10.9
Current financial assets	23.3	26.5
Other current assets	69.4	61.3
Cash and cash equivalents	119.2	254.6
Assets held for sale	0.0	0.0
Current assets	**889.8**	**989.4**
TOTAL	**1,501.3**	**1,577.2**

Equity and Liabilities	December 31, 2013	December 31, 2012[1]
Subscribed capital	70.4	70.4
Own shares	(42.4)	(42.4)
Capital reserve	0.4	0.4
Retained earnings	701.5	587.3
Accumulated other comprehensive income	(15.8)	(8.7)
Equity attributable to equity holders of the parent company	**714.2**	**607.0**
Non-controlling interests	26.1	24.6
Group equity	**740.3**	**631.6**
Non-current provisions	52.7	54.5
Non-current financial liabilities	164.8	63.3
Deferred tax liabilities	17.5	19.6
Other non-current liabilities	31.0	14.0
Non-current liabilities	**265.9**	**151.4**
Current provisions	99.9	90.0
Current financial liabilities	14.7	332.2
Income tax payables	63.4	51.2
Trade payables	235.3	227.6
Other current liabilities	81.9	93.3
Current liabilities	**495.1**	**794.2**
TOTAL	**1,501.3**	**1,577.2**

[1] Due to the changes in accounting policies and the corrections made, certain amounts shown here do not correspond to the figures reported in prior years.