

Press release

## **HUGO BOSS meets 2014 sales and profit targets**

- **Group sales increase 6% to EUR 2.57 billion**
- **Double-digit growth in own retail**
- **Womenswear grows stronger than Group average**

**Metzingen, February 4, 2015.** The HUGO BOSS Group has kept growing dynamically for the fifth consecutive year in 2014. Sales and operating profit reached new record levels. In the fourth quarter as well, the Group recorded solid improvements of sales and profit, although the business environment deteriorated significantly compared to the previous quarters. Thus, the Group has met its financial targets announced in November 2014.

"In 2014, we demonstrated that we stay on course even in difficult market conditions. While the fashion industry stagnated or even shrunk in many markets, we have clearly grown," commented Claus-Dietrich Lahrs, CEO of HUGO BOSS AG. "As a result, we added a billion euro to sales and tripled profits within only five years. 2015 will not become any easier in light of the many economic and political uncertainties, but we are confident it will be another growth year for HUGO BOSS."

In the fourth quarter, HUGO BOSS realised 3% sales growth after adjusting for exchange rate effects on a preliminary, non-audited basis. This amounts to a 5% increase in the reporting currency to EUR 684 million (Q4 2013: EUR 649 million). All regions and distribution channels contributed to the growth. In Asia/Pacific and Europe sales increased above the Group average. However, growth in Europe slowed compared to earlier in the year despite ongoing double-digit increases in markets such as Great Britain and Spain. The sales

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increase in the Group's own retail business was driven by the expansion of the store network. On a comparable store basis, sales remained stable in the fourth quarter after adjusting for foreign exchange effects. The BOSS Womenswear business continued to outperform as a result of the unique handwriting by designer Jason Wu. In sum, the rise in sales compensated for a decrease of gross margin and higher operating expenditures. As a result, operating profit (EBITDA before special items) rose 6% to EUR 167 million (Q4 2013: EUR 157 million).

In the full year 2014, consolidated sales rose 6%, adjusted for currency movements and on a preliminary basis. Likewise, in the reporting currency, this amounts to a rise of 6% to EUR 2,572 million (2013: EUR 2,432 million). Growing at a double-digit rate, the Group's own retail business was once again the growth driver. EBITDA before special items improved 5% to EUR 591 million (2013: EUR 565 million). Earnings before taxes rose 1% to EUR 437 million (2013: EUR 433 million) on a preliminary basis. This performance was negatively affected by non-cash-effective special items amounting to EUR 19 million, which mainly were booked in the fourth quarter and primarily related to the early cancellation of a contract with a sales agent in the Middle East as well as the planned consolidation of the Group's production facilities.

In its meeting on March 11, 2015, the Group's Supervisory Board will decide on the dividend proposal for the Annual Shareholders' Meeting. The Group is set to announce its audited financial results for the 2014 financial year and its outlook for 2015 on March 12, 2015. The Press and Analysts' Conferences will be held that same day at the firm's headquarters in Metzingen, Germany.

For further information about HUGO BOSS, see our website at [group.hugoboss.com](http://group.hugoboss.com).

# H U G O B O S S

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