

HUGO BOSS

Press Release

HUGO BOSS achieves record sales and operating profit levels in 2015 despite a slightly lower operating profit increase in the fourth quarter

- Preliminary full-year 2015 Group sales increase 9%, currency-adjusted growth of 3% in line with expectations
- Sales growth accelerates to 10% in Q4 due to strong performance in Europe, Q4 Group sales up 5% currency-adjusted
- Own retail remains growth engine, up 15% in the full year (currency-adjusted +7%)
- Operating profit increase of 2% in Q4 slightly below expectations, up 1% in the full year of 2015

Metzingen, January 15, 2016. HUGO BOSS has increased sales and operating profit to new record levels in the past twelve months. Hence, 2015 marked the sixth consecutive year of growth. In the fourth quarter of 2015, strong performance in Europe drove solid top line growth. Continued challenges in China and the U.S., however, dampened sales and profit development. The Group's operating profit (EBITDA before special items) grew 2% in the fourth quarter on a preliminary, non-audited basis. As a result, full-year profit growth amounted to 1%.

"We continue to experience strong momentum in Europe despite rising political uncertainties in the region", commented Claus-Dietrich Lahrs, CEO of HUGO BOSS AG. "In the year ahead, we will focus all our resources to drive the initiatives we have defined as key for medium- and long-term profitable growth, above all the implementation of an omnichannel business model. In addition, we will take decisive action to improve our business in China and the U.S. despite the difficult industry conditions we are facing in these markets."

Group sales increased by 10% to EUR 750 million on a preliminary basis in the fourth quarter (Q4 2014: EUR 684 million). In currency-adjusted terms, growth amounted to

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5%. In Europe, revenues rose by 10%, driven by solid productivity improvements in own retail as well as growth in wholesale. Sales were up in almost all markets with particular strength in the UK and Southern Europe. By contrast, revenues in the Americas declined by 1% in local currencies. Trends in the U.S. market remained virtually unchanged compared to the third quarter as sales declined at a low-double-digit rate. In Asia, most markets recorded further sales growth. As a result of a double-digit decline in China, however, sales in the region as a whole were down 7% on the prior year in local currencies. Fourth quarter currency-adjusted sales in the Group's own retail business (including outlets and online stores) rose by 6%. However, currency-adjusted retail comp sales in this channel declined by 1%. Sales in the wholesale business were 2% above the prior-year level on a currency-adjusted basis.

Group operating profit (EBITDA before special items) was up 2% on a preliminary basis in the fourth quarter of 2015 and amounted to EUR 171 million (Q4 2014: EUR 167 million). This was a result of solid top line growth and strict operating overhead cost control. The slight retail comp sales decline, however, had a negative impact. In addition, the Group increased rebates compared to the previous year in order to support sales momentum in a difficult market environment marked by high levels of promotional activity at retail, cautious customer spending and adverse weather conditions in many key markets.

In the full year of 2015, Group sales increased 9% to EUR 2,809 million (2014: EUR 2,572 million). They were up 3% in local currencies. Revenues in Europe grew 6%. Sales in the Americas and Asia declined slightly by 1% and 3%, respectively, in currency-adjusted terms. The own retail distribution channel saw growth of 7%, with online generating a strong double-digit increase. Wholesale sales decreased by 3% excluding currency effects. Growth rates of womenswear exceeded the Group average, driven by double-digit gains in the BOSS core brand.

On a preliminary basis, EBITDA before special items rose 1% to EUR 594 million in the year 2015 (2014: EUR 591 million). This represents growth slightly below the

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Group's forecast of an improvement between 3% and 5% which had been based on the assumption of at least stable retail comp sales development in the fourth quarter. Profit before taxes amounted to EUR 419 million, 4% below the prior year level (2014: EUR 437 million).

Final, audited fourth quarter and full year results as well as the Group's dividend proposal to shareholders will be published on March 10, 2016. On the same day, Management will discuss results in press and analyst conferences at the Group's headquarters in Metzingen, Germany.

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