

HUGO BOSS

Press Release

Preliminary Results 2016

HUGO BOSS achieves its annual financial targets

Metzingen, January 16, 2017. The development of Group sales and profits improved in the fourth quarter compared to earlier in the year. HUGO BOSS made progress in its own retail business in particular. As a result, operating profit in the full year of 2016 is expected to reach the upper end of the forecast range.

“Fourth quarter results underline that we are on the right track”, says Mark Langer, CEO of HUGO BOSS AG. “In China, we completed the turnaround in the second half of the year. In Europe, we held up well in a difficult market environment. We will continue to work intensively on implementing our strategic plans presented in November. We are confident that this will enable us to return to sustainable profitable growth.”

In the fourth quarter, Group sales declined by 1% on a preliminary basis and adjusted for currency effects. In euro terms, revenues amounted to EUR 725 million, a decline of 3% compared to the prior year.

In Europe, sales increased 2% on a currency-adjusted basis mainly due to robust growth in the UK. Revenues in Germany were up, too. In the Americas, sales were down 14% in local currencies. However, the Asian business was 5% above the prior level. In Mainland China, HUGO BOSS achieved comp store sales increases of close to 20% adjusted for currency effects.

Sales in the own retail business (including online and outlets) improved by 4% on a currency-adjusted basis in the fourth quarter. On a comparable store basis, revenues decreased by 3%. However, this represents a significantly lower rate of decline compared to earlier in the year. Sales in the wholesale business were 13% below the

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prior year level in local currencies. Continued efforts to clean up distribution in the US had a material impact on performance.

On a preliminary, non-audited basis, Group sales in the full year amounted to EUR 2,693 million, a decline of 4% compared to the prior year. On a currency-adjusted basis, the decrease was 2%. Subject to the completion of year-end closing procedures, the Group expects that operating profit (adjusted EBITDA before special items) will reach the upper end of the forecast range. HUGO BOSS had confirmed its outlook of a profit decline between 17% and 23% in November (adjusted EBITDA before special items 2015: EUR 594 million).

The Group will publish its final results for 2016 as well as its financial outlook for the year 2017 on March 9. On the same day, press and analyst conferences will be held. On the day before, the Supervisory Board will resolve upon the dividend proposal for the year 2016.

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Sales by region and distribution channel – Fourth Quarter 2016

(in EUR million)	Q4 2016	Q4 2015	Change in %	Change in % currency-adjusted
Europe	422	430	(2)	2
Americas	163	191	(14)	(14)
Asia/Pacific	116	110	6	5
Licenses	24	20	20	20
TOTAL	725	750	(3)	(1)
Group's own retail business	494	488	1	4
Wholesale	208	242	(14)	(13)

Sales by region and distribution channel – Full Year 2016

(in EUR million)	2016	2015	Change in %	Change in % currency-adjusted
Europe	1,660	1,683	(1)	1
Americas	582	671	(13)	(12)
Asia/Pacific	382	393	(3)	(2)
Licenses	69	62	12	12
TOTAL	2,693	2,809	(4)	(2)
Group's own retail business	1,677	1,689	(1)	2
Wholesale	946	1,058	(11)	(9)